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SENATE—*Monday, October 6, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, may our noon-day prayer lift us above all ceremony, all words, and all symbols into the light of Thy presence. As we quiet our spirits may we learn in silence what we can never know in speaking. May we hear again in the depths of our being Thy "still small voice," more real, more vivid, more powerful than any audible speech. Send Thy light and Thy truth into us that we may be wiser than we were before we prayed. In Thy power and by Thy grace make us better than we are that we may do our part in the shaping of a better world. Send us to our tasks in the spirit of Him who was and now is the Way, the Truth, and the Life. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, October 3, 1975, be approved.

The VICE PRESIDENT. Without objection, it is ordered.

WAIVER OF CALL OF THE CALENDAR UNDER RULE VIII

Mr. MANSFIELD. Mr. President, I ask unanimous consent to waive the call of the calendar for unobjected-to measures under Senate rule VIII.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Orders numbered 400 and 401.

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The VICE PRESIDENT. Without objection, it is so ordered.

STATE FINANCIAL ASSISTANCE FOR WATER RESOURCES PLANNING

The Senate proceeded to consider the bill (S. 506) to amend the Water Resources Planning Act to extend the authority for financial assistance to the States for water resources planning, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert the following:

That the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby further amended as follows:

(a) By deleting in section 101 the words "the Secretary of Health, Education, and Welfare," and inserting in lieu thereof "the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Administrator of the Environmental Protection Agency,".

(b) By deleting in section 105(a)(5) the words "to exceed $100 per diem for individuals" and inserting in lieu thereof "in excess of the daily equivalent of the rate prescribed for grade GS–18 under section 5332 of title 5 of the United States Code in the case of individual experts of consultants;".

(c) By deleting in section 205(a)(4) the words "to exceed $100 per diem" and inserting in lieu thereof "in excess of the daily equivalent of the rate prescribed for grade GS–18 under section 5332 of title 5, United States Code,".

(d) By deleting in section 301(a) the words "for the next fiscal year beginning after the date of the enactment of this Act and for the nine succeeding fiscal years thereafter" and inserting in lieu thereof "for fiscal years 1977 and 1978".

(e) By deleting immediately after the phrase "(c) not to exceed" in section 401(c) the words "$3,500,000 annually for fiscal years 1974 and 1975" and inserting in lieu thereof "a total of $10,000,000 for fiscal years 1976 and 1977".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

"A bill to amend the Water Resources Planning Act (79 Stat. 244), as amended.

DEBORAH J. KING

The resolution (S. Res. 274) to pay a gratuity to Deborah J. King, was considered and agreed to, as follows:

S. Res. 274

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Deborah J. King, widow of Ervin King, Jr., an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

VISIT OF HIS MAJESTY, THE EMPEROR OF JAPAN

Mr. MANSFIELD. Mr. President, the United States was fortunate last week to have the Emperor of Japan visit this country and to be the guest of the President of the United States.

I ask unanimous consent that statements made on the south lawn on October 2 on the arrival of His Majesty, the Emperor of Japan, the Emperor's speech at the White House on October 2, and also the President's speech at the banquet at the Smithsonian Institution on October 3, 1975, all be printed at this point in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

EXCHANGE OF REMARKS BETWEEN THE PRESIDENT AND HIROHITO, EMPEROR OF JAPAN; THE SOUTH LAWN

The PRESIDENT. Your Majesties, it is an honor for me to extend to you, on behalf of the American people, a warm and heartfelt welcome to the United States.

Mrs. Ford joins me with the greatest personal pleasure for both of us in greeting Your Majesties here today.

This first State visit for an Emperor and Empress of Japan to the United States is an historic occasion with profound importance. Japan and the United States have had a special and unique relationship since the days when Commodore Perry sailed to Japan more than 120 years ago.

Our early relations were marked by many memorable events. The United States was the first country to establish a treaty relationship with Japan, the first to station a consul in Japan, and the first to receive a diplomatic commission from Japan. That commission was received by President Buchanan in 1860 here in the White House.

During the illustrious reign of your illustrious grandfather, Emperor Meiji, Japan chose the United States as the first stop for the Iwakura mission and Japan's special envoys were received by President Grant.

After President Grant left the Presidency, he visited Japan and met the Emperor. This was in 1878, almost a century ago. Emperor Meiji said, "America and Japan, being near neighbors, separated only by an ocean, will become more and more closely connected with each other as time goes on."

These prophetic words symbolized our mutual desire to establish a sound and lasting friendship. What was a century ago a visionary goal has now become a reality for millions of Americans and Japanese. Our peoples are bound together by a multitude of institutional and personal ties.

The constant flow of knowledge, ideas and cultural influences between our two countries enriches the depth and meaning of our ties each year. It is this broad public involvement which fulfills the hopes of our early leaders.

The greetings of friendship which we exchange today represent the deep sentiments of both nations, at a time when the benefits of cooperative relations between our two countries are mutually acclaimed.

Your Majesty's visit symbolizes and strengthens the ties of friendship between our two peoples. The warm memories of my trip to Japan last fall remains vivid.

Mrs. Ford and I have happily anticipated Your Majesty's visit. We earnestly hope that your stay in Washington and your journey to other parts of the United States will be as pleasant to your Majesties personally as they are important to the history of our two great nations.

Emperor Hirohito. Mr. President, Mrs. Ford, ladies and gentlemen:

Thank you most sincerely, Mr. President, for your gracious words of welcome. It has long been my wish to come to the United States, and the Empress and I deeply appreciate your kind invitation to pay this official visit.

We are indeed delighted to be here at this historic moment on the very eve of the Bicentennial of American independence when the American people reflect on the past and look to the future.

For me, also, this visit is a valuable opportunity to reflect on the past relationships between Japan and the United States and to its future. Our peoples withstood the challenges of one tragic interlude when the Pacific Ocean, symbol of tranquility, was instead a rough and stormy sea, and have built today unchanging ties of friendship and good will.

I feel immeasurably gratified by this happy development, and look forward with great anticipation to the future of our relationship.

Mr. President, you visited Japan last year, as the first incumbent President of the United States to do so, and impressed us deeply by your eagerness to meet and mingle with our people.

I know that your visit has contributed greatly to the mutual trust between our two peoples. Although our stay in your country is for but a brief two weeks, we hope to meet with Americans from every walk of life and to glimpse variety of American sights.

We will be happy if we, too, can contribute to everlasting friendship between our two peoples through our visit.

May I thank you again, Mr. President, for your warm hospitality. Permit me, also, to extend to all the citizens of your great country my best wishes for continued prosperity.

Address of His Majesty the Emperor of Japan at the White House on October 2, 1975

Mr. President, Mrs. Ford, ladies and gentlemen:

I wish to offer my sincere appreciation for your most thoughtful words. I am deeply moved by your warm expression of goodwill toward Japan, and the people of Japan.

Your visit to Japan last fall, Mr. President, wrote a bright and happy page in the 120-year-long history of Japanese-American relations. Ever since your visit, the Empress and I have been looking forward to this moment, when we might be with you again, Mr. President, and with Mrs. Ford for the first time.

We also thank you cordially for your gracious hospitality this evening at the White House. We are mindful that, in this House, great leaders of your country have presided since the early years of the nation, making their indelible marks on national and world history.

Our first night in the United States we spent at Williamsburg, resting from our long journey and savoring, in the calm atmosphere of that picturesque town, historic reminders of the birth of this nation. Those associations are deepened for us tonight, in your company, and in this historic House.

I recall the wise counsel which your first President, George Washington, gave the American people upon leaving the office of the Presidency in 1796: "Observe good faith and justice toward all nations. Cultivate peace and harmony with all."

This precept is still valid in today's world. It is an ideal shared by the Japanese people in their continuing efforts to cultivate peace and harmony within the international community.

It has been my wish for many years to visit the United States. There is one thing in particular which I have hoped to convey to the American people, should my visit be materialized. That is, to extend in my own words my gratitude to the people of the United States for the friendly hand of goodwill and assistance their great country accorded us for our postwar reconstruction, immediately following that most unfortunate war which I deeply deplore. Today a new generation, with no personal memory of those years, is about to be in a majority in both our societies. Yet I am confident that the story of the generosity and goodwill of the American people will be retold from generation to generation of Japanese for the rest of time.

The United States has made extraordinary contributions to the well-being and progress of mankind during the past two centuries. Today, on the eve of your Bicentennial, and amidst the shifting tides of history, the United States continues to stand for the high ideals which gave this nation birth. The American people are still contributing to further development of this most vigorous and creative society, and to the building of peace and prosperity in the world.

Mankind is now engaged in a common endeavor, the creation of a just and peaceful international community. For this lofty objective, it is my hope that Japan and the United States, as two powerful and stable nations, cooperate actively on the basis of even better understanding of each other through further dialogue, drawing strengths from the richness of our past histories and traditions.

Ladies and gentlemen, I propose a toast to the health of the President of the United States of America and Mrs. Ford, and to the American people on the threshold of your third glorious century as a nation.

Address of His Majesty the Emperor of Japan on the Occasion of the Return Banquet at the Smithsonian Institution on Oct. 3, 1975

Mr. President, Mrs. Ford, ladies and gentlemen:

The Empress and I are greatly honored to be with you this evening, Mr. President, Mrs. Ford, and distinguished guests, representing the broad spectrum of the American people.

May I take this opportunity to express anew our sincere appreciation for the cordial hospitality extended to us by the President and the people of the United States.

The Japanese-American relationship began some 120 years ago, when Commodore Matthew Perry reached our shore, to begin the process of opening Japan to the outside world. Five years later, Japan dispatched its first delegation to the United States on the mission of exchanging the instruments of ratification of our Treaty of Amity and Commerce. It is recorded that the delegation visited this Smithsonian Institution.

One of Japan's leading intellectuals at the time of my grandfather, the Emperor Meiji, was Yukichi Fukuzawa. He accompanied the delegation to the United States, aboard the escort ship "Kanrin Maru". Upon his return, Fukuzawa wrote a book entitled "Seiyo-jijo" or "Things Western". In this volume Fukuzawa described how the United States, under the "purest form of republican government", had been living up to the ideals of its Founding Fathers, and included a full Japanese translation of the Declaration of Independence of the United States. His enlightening suggestions were a source of inspiration to the Japanese people of the time who were just beginning to emerge out of centuries of isolation into the age of modernization.

Succeeding generations of Japanese and Americans have built on those early interchanges, establishing, in our time, a relationship of extensive cooperation in political, economic, industrial, academic, cultural and many other fields.

Today, as the United States is about to celebrate its bicentennial, Japan and the United States have become the nearest of neighbors, despite the vast reach of the Pacific Ocean, which separates our two countries, and despite the great distances between our respective histories, traditions, languages and cultures. Never before in history have two such distant and different peoples forged such close bonds of friendship.

I am confident that friendship, so well tested through a number of trials in the past, is an enduring one which will withstand whatever vicissitude there may be in future history.

Ladies and gentlemen, I ask you to join me in a toast to the continued health of the President of the United States of America and Mrs. Ford and to the prosperity of this great Republic.

Address of the President on the Occasion of the Smithsonian Institution Banquet on October 3, 1975

Your Majesties, Mrs. Ford and I are deeply honored to be your guests this evening. Japanese hospitality is always warm and most gracious, as I can testify from my visit last year to Tokyo and Kyoto.

Your kind and very thoughtful words have made a deep impression upon Mrs. Ford, myself and the American people, and it is an honor for me this evening to have an opportunity to respond.

Your Majesties' visit to Washington has been pleasant, as I have gathered from our discussions, but all too brief. Tomorrow, you leave for a journey across America. Many Americans you will meet and the places you will visit have long-standing and important connections with Japan.

I am very pleased that your Majesty will see some of our small towns as well as our great cities. The farm you will visit in Illinois is symbolic of the importance of agriculture as well as trade in American and Japanese relations.

I am particularly happy that your Majesties will visit the oceanographic research centers in Woods Hole, Massachusetts, and La Jolla, California, where some of America's leading marine biologists will have an opportunity to discuss matters of mutual interest.

Your Majesty's personal role in scientific research symbolizes the contribution that international scientific exchanges have made to the advancements of knowledge in our two nations and to their mutual benefit.

Mrs. Ford and I are very pleased that time has been found for Your Majesty, the Empress, to meet Americans who share her artistic interest in humanitarian concerns. We are glad that you will also have time to relax and enjoy other aspects of American life, such as football on Sunday, Disneyland later, and the tropical beauty of Hawaii.

Your visit, of course, draws attention as well to the place Americans of Japanese ancestry occupy in our national life. While their numbers are not large, their contributions to American life have been most significant.

Through quiet and very diligent endeavor, Japanese-Americans have attained highly respected places in the most exalted rank of every profession, in the arts and sciences and, of course, in public affairs. The cultural heritage that they have given us has enriched American life. They are actually a living bond between our two great countries.

Your Majesty, when you assumed the throne in 1926, you chose the Japanese words "showa," meaning "enlightened peace," as the name of your reign. Those words expressed an exalted ideal and now in the unprecedented 50th year of your reign, the Japanese peoples' accomplishments and their place in the world have fulfilled your early hopes.

Your Majesties' historic visit has enhanced Japanese-American relations with a new dignity and it has made us even more aware of the benefits of peace as well as friendship between us. It has also reinvigorated our shared determination to encourage even closer ties and greater cooperation between the Japanese and the American people.

Ladies and gentlemen, I ask that you join me in expressing appreciation for their Majesties' hospitality this evening as I propose a toast to their Majesties, the Emperor and the Empress of Japan.

ORDER OF BUSINESS

The VICE PRESIDENT. The Senator from Pennsylvania is recognized.

LEGISLATIVE PROGRAM

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will be good enough to respond, I would like to inquire as to the program for this week and for the period from October 10 to 20.

Mr. MANSFIELD. Mr. President, I am delighted that the distinguished Republican leader has raised that question because the Senate faces a difficult period in the next week ahead, and maybe in the week following.

There is, for example, the matter of the Sinai settlement, which I understand will not be reported by the Committee on Foreign Relations before Tuesday at the earliest, which means that we cannot take it up until Wednesday at the earliest. If anyone raises the 3-day rule on that occasion, I think the joint leaders should have the right to call it up at that time.

Mr. HUGH SCOTT. If the Senator will yield, I would say I would join him if it is necessary in so acting.

Mr. MANSFIELD. I hope it is not necessary. I hope there is no difficulty in calling up the proposed Sinai settlement, and I hope it will be possible to achieve a consent agreement as to time because of the fact that a time factor is involved.

I would hope it would be possible also, though I must admit in all candor I am not sanguine, that the emergency natural gas legislation would be passed this week.

It is the intention to take up tomorrow afternoon the school lunch program which was vetoed by the President of the United States, providing that the veto is overridden by the House, which must consider the matter first.

Then there is a question of the Silbert nomination now on the calendar. It is my intention to speak to the interested Senators as early as possible so that if at all possible we will be able to dispose of that nomination this week.

Then there is a resolution of disapproval reported by the Rules Committee relative to a ruling made by the Federal Election Commission. I would like to get to that this week also. I hope that a time agreement could be arrived at.

I make the statements regarding time agreements covering the resolution disapproval of the FEC ruling and the Sinai settlement only because of time elements involved. It is my understanding that the resolution of disapproval must be acted on by the end of the week. I believe the Sinai agreement is in the same category.

The Senate has been put on notice that it is quite possible if we do not clear the Calendar of the most important items we will be in next Saturday, and it is very possible, if we do not dispose of the Sinai agreement, that we will be in next week.

Mr. HUGH SCOTT. I would like to further comment here that, first of all, technically there are two resolutions of disapproval since the Federal Elections Commission made two rulings, the second modifying the first. It is the second to which any debate would be directed, I am sure. The resolution now differs very slightly, as far as Members of Congress are concerned, from the regulation proposed by the Commission which suggested a 2-year period of limitation on expenditures, reports and receipts for the Senate and one for the House. The resolution of disapproval favors making this effective on January 1 as to both bodies in order to treat each body equally. If we go into recess it is essential that we act upon it in the interest of all Senators. I hope that no Senator will hold us up, considering the impact on the entire Congress, although we fully respect the right of every Senator to say what he wants to in this Chamber.

On the Sinai agreement, I agree with the distinguished majority leader. That was executed in part on September 1. We have been considering it pretty much since then. We are holding hearings today and tomorrow. The committee has been, in my judgment, fairly leisurely in its consideration. They have undertaken to hold an executive session. They have agreed to vote on this matter following the conclusion of the hearing of witnesses.

If it is necessary to stay here during the recess to dispose of this matter, I think it is important enough to do it, although every Senator, I suppose, has made appointments, including this one, during that period. But the Senate business comes first. I am not being at all hypocritical about it. I just feel that we have to do what we were elected to do, what we are paid—inadequately, I may add—to do. Therefore, if necessary, we ought to stay. And, if necessary, I think we ought to go on a double-track system. I wish the distinguished majority leader would give that consideration.

Mr. MANSFIELD. I would indeed. Anything to dispose of the legislation this week, which has to be disposed of within this time period.

That is why I have expressed the hope that if there are any difficulties involved, it might be possible to reach a time limitation agreement so that we can dispose of the matter this week.

I think that, while my position is well known on the question of the Sinai settlement, in view of the declarations made by the President and the Secretary of State, we ought to give them the benefit of any doubt we might have, and be prepared to discuss and dispose of the matter of the Sinai settlement as quickly as possible.

Mr. HUGH SCOTT. Finally, Mr. President, as to the Silbert nomination, that came up here more than 18 months ago. Senators have had full opportunity to acquaint themselves with the qualification of the gentleman, who was named by Judge Sirica to this post.

I would hope we could act on that also, as the distinguished majority leader has indicated. I thank him, and yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I yield back the time of the distinguished assistant majority leader, and also my time, unless someone wants it. Does the Senator from Nebraska want some of my time?

Mr. CURTIS. Just a minute or two.

NOTICE OF HEARING TOMORROW ON PROPOSED CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED BUDGET

Mr. CURTIS. Mr. President, tomorrow, October 7, the Subcommittee on Constitutional Amendments of the Committee on the Judiciary will hold another public hearing on the proposed constitutional change which I have offered, together with several other Senators, which would require the Federal Government to go on a pay-as-you-go basis. This proposal is to write into the Constitution a provision that the budget must be balanced every year.

It has often been said that the people back home are far ahead of Washington. I think that is true. I believe the facts are that not just a few, but the rank and file of the people of the country are alarmed over the large deficits. They believe there must be something put into our fundamental law that would require us to keep expenditures within the limits of our revenue income.

Mr. President, the establishment of the budget procedure has been helpful. The members of the Committee on the Budget in the Senate are men of dedication. That committee has been a force for reducing our expenditures. I believe, however, that we must go a little farther. I think that we must ingrain in our fundamental law a provision that the budget must be balanced in the absence of a grave national emergency or a declaration of war.

Whenever we adopt the stance that a deficit is all right, that we will agree to a reasonable or manageable deficit for a given year, we are on a very dangerous track, because then the debate becomes, "Shall the deficit be $60 billion, or 55, or 70?"

That means that the next year a deficit that large or larger will be upon us, and we go on and on with this rapid increasing of the national debt by these large deficits. If we follow along on that track, there is danger ahead. There is just no way of managing the budget other than by a balanced budget, because there is no such thing as a manageable deficit. It goes on to greater deficits and more problems.

Mr. President, this will be the second day of hearings on this proposal. We have been favored with the testimony of some of the Nation's leading economists, who are now advocating a constitutional provision to require a balanced budget. We are also receiving the testimony of a number of Senators and Representatives, State officials, and some very distinguished people from the business world. Present plans are for this subcommittee to meet in room 2227 of the Dirksen Building.

Mr. President, I hope that Congress can catch up with the people back home, do a right about face in our approach to our budget, and show a determination—yes, more than a determination, a provision in our Constitution—to require a balanced budget.

Mr. President, I yield the floor.

The VICE PRESIDENT. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

THE CONFIDENTIALITY OF DOCUMENTS PERTAINING TO FOREIGN RELATIONS

Mr. GRIFFIN. Mr. President, having made my views known within the Committee on Foreign Relations, as a member, both in executive and in public sessions, I now feel an obligation to bring a matter to the attention of the Senate as a whole.

I refer to the action taken last week by the Committee on Foreign Relations in making public certain documents transmitted to the committee by the President under an injunction of secrecy.

First of all, Mr. President, let me say that I can understand the views of those who think that, from time to time, there is an excessive desire on the part of an administration to classify documents. I share the concern that, in the past, too many documents have been classified.

But I think it can be important for purposes of this discussion to separate out references to documents which relate to international affairs from those that do not. From the beginning of the Republic, there has always been recognition that documents relating to exchanges and negotiations between the heads of government are entitled to a very high degree of respect. The Congress, and particularly the Senate, which is given the power of advise and consent concerning treaties under the Constitution, has always observed the request of Presidents for confidentiality with respect to communications in the area of international relations.

I am not so much concerned about the action taken by the Committee on Foreign Relations from the standpoint of the words that were reflected in the documents. It can be said accurately that the text of the particular documents had already been published in the public press, and that almost everyone knew in advance what the documents contained.

But several consequences flow from the committee's action that deeply concern me. One is that the action has given an official standing to documents which theretofore had not been acknowledged to be official documents. Second, as much as we might disclaim in our Senate resolution that we are approving nothing but 200 U.S. civilian technicians for monitoring duty in the Sinai, it seems now that we have put ourselves in a position where, by voting on the technician question, we will be giving our tacit approval also to other Executive assurances and undertakings which have been made public.

For example, there is discussion in one of the documents about how the United States would vote in the Security Council on certain questions under particular circumstances. I see no reason why the Senate should appear to be approving, directly or indirectly, any such undertaking made by the executive branch, at least at this point.

Mr. President, I cannot help but wonder whether the action taken by the Committee on Foreign Relations last week will be pointed to by other committees of Congress as a precedent or justification for declassifying other documents in the future.

Because that might be the situation, I wish to read into the RECORD from the text of the Case Act, which was continually referred to in the Committee on Foreign Relations. I read as follows from the act—

> The Secretary of State shall transmit to the Congress the text of any international agreement, other than a treaty, to which the United States is a party as soon as practicable after such agreement has entered into force with respect to the United States but in no event later than 60 days thereafter. However, any such agreement the immediate public disclosure of which would, *in the opinion of the President* be prejudicial to the national security of the United States shall not be so transmitted to the Congress but shall be transmitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives under an appropriate injunction of secrecy *to be removed only upon due notice from the President.* (Emphasis supplied)

Mr. President, it should be noted that with respect to the particular documents in question the Executive was not even under an obligation to submit them under the Case Act. They were not executive agreements, technically, because they had not been signed—and signatures are contemplated. But the administration took the view that, even though Case Act submission was not required, the Executive wanted the Committee on Foreign Relations to have the information.

However, after receiving information which the Executive was not required to provide, the Senate Committee on Foreign Relations then proceeded to violate the spirit and letter of its own guidelines: the Case Act. If the committee could not make public, without the consent of the President, the text of an executive agreement submitted in accordance with the Case Act, then surely—if there is any comity left between the branches—it should not make public, without the consent of the President, a document which is to become an executive agreement.

But even if the Case Act were not a restraint in such a situation, the rules of the Senate itself clearly are. I read now from paragraph 3, rule XXXVI of the Standing Rules of the Senate.

> All confidential communications made by the President of the United States to the Senate shall be by the Senators and the officers of the Senate kept secret; and all treaties which may be laid before the Senate, and all remarks, votes, and proceedings thereon shall also be kept secret, until the Senate shall, by their resolution, take off the injunction of secrecy, or unless the same shall be considered in open executive session.

That refers, of course, to an open executive session of the Senate as a whole.

Another paragraph of the rules provides:

> Any Senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a Senator, to suffer expulsion from the body; and if an officer, to dismissal from the service of the Senate, and to punishment for contempt.

Mr. President, it is clear that the Senate itself has acknowledged, with respect to treaties, that only the Senate—not a committee thereof—has authority to remove an injunction of secrecy with respect thereto.

Although the Senate—not a committee—has such a power with respect to treaties—the Senate having a special responsibility under the Constitution, it is not clear that the Senate or even the Congress has such a power with respect to other documents.

As I read and interpret the Senate's own rule—except in the case of treaties—all confidential communications made by the President of the United States to the Senate shall be by the Senators and the officers of the Senate kept secret.

Mr. President, I voice this concern today because I am concerned about the action taken as a precedent, and what it could mean to future relations. How, for example, can this President, or any President, deal with the Committee on Foreign Relations of the Senate—or any other committee—if the President cannot assume and expect that the Senate will observe and abide by its own rules?

Even more serious, I suggest, are the problems the action raises for the Executive in its dealings with other governments in the world.

Although the hour is late, I still hope the Committee on Foreign Relations may yet reconsider what it has done. I hope the Senate as a whole will take a look at what the Committee on Foreign Relations has done, and that somehow we can erase any suggestion that the action taken last week is a precedent; because it would be a most unhappy and unfortunate precedent.

I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the role.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 3 minutes each.

NEWPORT NEWS

Mr. HARRY F. BYRD, JR. Mr. President, as a Virginian, I want to express to the Senate my pride in the city of Newport News and its citizens.

This city of 150,000 completed yesterday a 3-day folklife festival as a part of the city's Bicentennial program.

An estimated 30,000 to 40,000 persons attended the event Sunday, and the 3-day total is estimated at 60,000.

I attended the revival and folk program with Mayor and Mrs. Harry E. Atkinson and had the opportunity to talk with many of those who participated in the festival and made it such a success.

The list of crafts is too long to enumerate in its entirety. But among the many were boat model making, figurehead carving, sail making, seafood preservation, blacksmithing, doll making, duck carving, gunsmithing, quilting, and toy making.

The festival of folk life was held in the Newport News Park.

Few cities in our Nation can boast of such a park system as the one at Newport News. There are 13 parks in the city comprising 8,682 acres.

The largest comprises 8,330 acres, and it was here that the festival of folk life was held. That public park has a golf course, fishing area, interpretive center, camp areas, nature trails, horseback riding trails, and arboretum-floral garden.

The city of Newport News did itself proud with its festival of folk life in the Newport News Park, and I am pleased today to salute my friends of Newport News on the floor of the Senate of the United States.

In addition, I salute the Warwick Moose Lodge of Newport News for its unique Youth Honor Day, the 13th annual one being held yesterday.

The Warwick Moose Lodge, under the leadership of George R. Oder, conceived the idea 13 years ago of paying special tribute to the young people of the community.

I have been the speaker at two of their Youth Day ceremonies and am much impressed both with the excellent work done by the lodge in this program and with the young people who are the honorees.

On 12 of the 13 occasions, the able and dedicated Representative from the First Congressional District of which Newport News is a part, Representative THOMAS N. DOWNING, has made the presentation to the honorees.

This year's honorees are: Miss Crystal C. Solomon, Miss Sharonne Lynn Kreicar, Mr. Charles Gregory Williams, and Mr. Robert Elmo Hornsby, Jr.

ANNOUNCEMENTS BY SENATORS PASTORE, SYMINGTON, AND PHILIP A. HART NOT TO SEEK REELECTION

Mr. MANSFIELD. Mr. President, it is with a sense of regret, disappointment, and sadness that I stand at the desk of the distinguished senior Senator from Rhode Island (Mr. PASTORE) this morning. The news that this colorful and extremely capable man will not seek reelection will be regretted not only by the people of Rhode Island and the people of the Nation, but the Members of the Senate as well. Senator PASTORE was a giant among us. In brains he could not be excelled, in integrity he could not be approached, and in his dedication and devotion to his family, his State, and his country he was outstanding.

When JOHN PASTORE handles a bill, it is handled in a manner that causes no concern, no worry, and no distress on the part of the leadership. He is a man who knows his subject, who is devoted to his work, and who is respected by all of us.

It is with a keen sense of disappointment that I note Senator PASTORE's decision to join in similar declarations by the Senator from Michigan (Mr. PHILIP A. HART) and the Senator from Missouri (Mr. SYMINGTON). These Senators have contributed greatly to the betterment of their States, to a better understanding of our country, and they certainly have been distinguished Members of this body.

I am very much aware of the close attachment of Senator PASTORE to his family and the anguish it has caused him to be separated from them because of his responsibilities in this body. I am glad to note that he has indicated that he does not intend to resign before his term is completed, so that we will have the benefit for roughly 1 year and 3 months of the advice, the counsel, and the wisdom of this outstanding man.

Senator PASTORE has served in the Rhode Island Legislature—I believe they call it the General Assembly—he has served as Governor of his State, and he is now completing his fourth term, plus 2 years, in the Senate of the United States.

Mr. President, I take this occasion to express my deep personal loss at the announcements of the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Missouri (Mr. SYMINGTON), and, most recently, today, the Senator from Rhode Island (Mr. PASTORE). They all have left their marks on this body, their States, and throughout this Nation. They will be missed, but they will be remembered for their many outstanding contributions in regard to the welfare of their States and the Nation. They also will be remembered for the very special, responsible, and dedicated way in which they conducted themselves as Senators of the United States.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I am sorry to hear the news reported to the Senate today by the majority leader that the able senior Senator from Rhode Island will not be a candidate for reelection.

I associate myself with the remarks just made by the senior Senator from Montana with regard to Senator PASTORE, an unusually able Senator, an unusually fine man, who will be missed tremendously in the Senate of the United States.

I also associate myself with the remarks made by the Senator from Montana with regard to two other colleagues, the Senator from Missouri (Mr. SYMINGTON) and the Senator from Michigan (Mr. PHILIP A. HART), who likewise have announced that they will not seek reelection. All three of these outstanding Senators will be missed greatly in this body.

Mr. PERCY. Mr. President, it is with deep regret, speaking from this side of the aisle, in a most bipartisan sense, that I also received the news of Senator PASTORE's decision.

Having spent a part of every summer, for many years, in Rhode Island, I have seen him through the eyes of his constituents. He is a man of courage, a beloved man, who, in the highest tradition of the Senate, has served the needs of his State but never has placed them ahead of the best interests of the Nation and the people of America.

Also having seen him through the eyes of his colleagues for the past 9 years, we look upon him as a man of tremendous stature, a man who can articulate a position with a depth of feeling that perhaps could be exceeded only by Everett McKinley Dirksen on those occasions when both rose to great heights to enunciate their views and put forth their positions.

I deeply regret this decision, but I also join the distinguished majority leader in paying tribute to Senator PASTORE's services in the past and in looking forward to continuing to work with him closely during the remainder of his term.

I also join in regretting the same decision that has been reached by Senator PHILIP A. HART and Senator SYMINGTON.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. WILLIAM L. SCOTT. Mr. President, I wish to associate myself, also, with the statement made by our distinguished majority leader. He has spoken of three Senators, each of whom has had long tenure in this body. I do not believe that we have to share the same philosophy, that we have to belong to the same political party, to recognize the service that has been rendered by these three Senators over long periods of years in representing their respective States. Certainly, they will be here for more than another year as Members of this body, even though they do not seek reelection next year. I wish them well for the remainder of their terms in office and certainly wish them well as they retire from this body.

I thank the Senator for yielding.

SENATOR PASTORE'S DECISION TO RETIRE

Mr. PELL. Mr. President, this morning, in Rhode Island, my distinguished senior colleague, Senator JOHN O. PASTORE, announced to the people of Rhode Island that he will not seek reelection to the Senate at the expiration next year of his current term.

Senator PASTORE's decision leaves me with emotions of great sadness and great admiration.

I am personally sad at the prospect of my senior partner's departure from the Senate. At the conclusion of this Congress, Senator PASTORE will have served our State and our Nation with great distinction for 26 years here in the Senate. For 16 of those years I will have had the pleasure of working with him here in the Senate, and I will sorely miss his presence and his wise counsel.

This is a noble and rare action that Senator PASTORE has taken. His decision to retire comes when he is in his prime: when his extraordinary legislative abilities are at their height, when his standing as one of the most loved and respected public officials in Rhode Island history is undiminished. Had he chosen to seek reelection, there is no question but that the people of Rhode Island would have given Senator PASTORE another landslide vote of confidence.

I understand and respect the decision that Senator PASTORE has made. After more than 42 years of public service, as a State legislator, as Lieutenant Governor and Governor of the State of Rhode Island, and as U.S. Senator, he would like to spend more time with his wonderful family.

I look forward to a continued close association with Senator PASTORE, during the remainder of this Congress and through the years.

THE INTERIM MIDDLE EAST PEACE AGREEMENT

Mr. PERCY. Mr. President, the Interim Middle East Peace Agreement negotiated by Secretary Kissinger is a significant achievement. The Secretary deserves our sincere gratitude for the fortitude and skill he exhibited in this endeavor. I am hopeful that Middle East historians will record this agreement as a major step toward the peace we all desire. Its support for both Israel and Egypt is a matter of gratification to all of us.

The agreement, though, has also come to take a second significance, a significance related to our own governmental system. Mr. President, there has been criticism leveled at the Senate Committee on Foreign Relations and Congress because it has not moved rapidly to approve the stationing of 200 U.S. technicians in the Sinai desert. The President's deadline of October 5 has passed and the committee only today begins to listen to public testimony. Certainly, the eyebrow of doubt might well be raised on the efficacy of our endeavor. We have taken longer to reach agreement between the executive and legislative branches of our own Government than between two adversaries, Israel and Egypt. But there has been some justification for the deliberations that have been taking place, in my opinion.

We, I believe, have been involved in the essence of our Government—the essence of our Government is process. Process is not efficient if weighed against the criteria of the minimal time to complete a task. It is not effective if it is used as a method of obstruction. But it is profoundly important, if weighed against the goal of the preservation of institutions and the division of power in this Government. By subjecting ourselves to process at the expense of time, a number of positive results have been achieved.

The Senate Committee on Foreign Relations, as it has considered the Interim Peace Agreement in the Middle East, has grappled with two major issues—how to conduct foreign policy in a democracy and what are the constitutional bounds of executive and legislative power in the formulation of U.S. foreign policy. On the first issue there has been a definitive decision. This committee believes that this country should conduct its foreign policy in a manner that will maximize the information available to the American public.

The committee, therefore, voted to disclose the agreements between the United States and Israel and the United States and Egypt. This was not done without a realization of the costs involved to the conduct of our foreign policy. It was done with the belief in mind that to withhold such information would cost our concept of democracy even more dearly.

Certainly, it was not done with the knowledge, that this Senator knows of, of any single Senator that, by so doing, we actually had breached the rules of the Senate, as has been pointed out this morning by the distinguished assistant minority leader (Mr. GRIFFIN). However, the matter was considered a crucial matter of importance to the American people. I think it is a signal that American foreign policy cannot and will not, probably be conducted in the future as it has in the past, when commitments were made by the executive branch of the Government that lock in and bind, sometimes by inference, Congress and the American people. The American people and the Congress do not want to be so bound, will not be so bound in the future, I think we will make it eminently clear in the ratifying effort that we will take with respect to the 200 technicians that we are not bound by the executive agreements that have been entered into. Those require authorization and appropriation, and that is a function reserved by the Constitution entirely to the Congress of the United States.

The second issue, the issue of the boundaries of executive and legislative power, is an issue that may never be definitely settled. It is one of the ambiguities in our Constitution that make it a great as well as a frustrating document. I am sure that a number of witnesses who come before the Committee on Foreign Relations during public hearings will directly or indirectly address this question. In recent decades the executive branch has defined its Constitional prerogatives in foreign policy as broadly as possible. This effort has not proved to be the most productive course. The observance of process over the last month, of which these hearings are a part, is an effort by the Senate Foreign Relations Committee to once again bring institutional balance and creative commentary on the formulation of U.S. foreign policy. I feel we have been effective in this endeavor and I wish personally to thank the Secretary of State for the immense personal time that he has committed to this effort.

Despite its benefits, process cannot be the sole objective of this body. The issues before us are tied to events and real problems. Time in the Middle East is of critical importance. President Sadat, who has now committed himself to the conference table rather than the battlefield, must be able to justify his course of action. He is being politically attacked, both externally and internally, for signing an agreement with Israel. He needs tangible evidence of success now. Prime Minister Rabin also has domestic political pressure that may be somewhat alleviated when the agreements are signed. Therefore, the Senate Committee on Foreign Relations, the Senate, and Congress must move this week to decide on the 200 U.S. technicians.

I believe that there should be no October recess of Congress until this question is settled.

Mr. MANSFIELD. Mr. President, first, in response to what the distinguished Senator from Illinois has said, the joint leadership announced this morning that if we did not finish the Sinai agreement this week, we would be in next week. I hope that the Senator from Illinois, who has been most assiduous in attending to his duties on the Committee on Foreign Relations, far more than the Senator from Montana now speaking, will do everything in his power to have that committee report out that agreement, if that is his desire, as expeditiously as possible, so that we can bring it up on the floor this week and, if possible, work on a time agreement thereto.

Mr. PERCY. I can assure the leadership and the majority leader that the Senator from Illinois will do everything humanly possible. The schedule that the Senator presented to the committee has now been broken. I recognize that it was an impossible schedule, but sometimes, if we reach for a star, we do not always get it, but we do not end up with a handful of mud. We are going to be much farther ahead and put it on the floor a lot faster by at least attempting to adhere to a schedule.

Certainly, it is impossible to determine the course of events, and the hearings today will proceed rather deliberately and slowly. We have a long list of witnesses ahead. But the Senator from Illinois is very gratified that the leadership will not think of recessing if we do not have this approved. Looking forward to this, the Senator from Illinois has cancelled all plans for next week, taking into account that we may be here. I cannot imagine any place that is more important to be than right here, in the Senate, if we have not achieved that schedule. The Senator will take into consideration any time agreements. I realize it will be a tremendous inconvenience to many of our colleagues if we do have to stay next week. It is hoped that unnecessary rhetoric will be put aside and necessary deliberation taken into acount and that we keep right at it, this week, just as late as we possibly can. Until such time as we do reach agreement, hopefully by Friday night, I hope every Member will cooperate.

The PRESIDING OFFICER. The time for morning business has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the morning hour be extended for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. MANSFIELD. Yes, indeed.

Mr. WILLIAM L. SCOTT. Mr. President, I am in agreement that a matter of this nature should not be delayed and in general agreement with the statement that was made by our distinguished colleague from Illinois. One statement, however, that was made was that it was in the interest of the President of Egypt and the Prime Minister of Israel, that they might have domestic problems and there might even be some problems arising in those countries from outside the borders if this action is not taken. That is not something that makes a tremendous impression on me.

I believe we ought to take such time as is necessary to do what is best for our country rather than being unduly concerned by what is best for either the President of Egypt or the Prime Minister of Israel. I am sure the distinguished Senator from Illinois did not intend to leave an impression that we would be more concerned about the imprint of our action on those countries than it is upon our own country.

This is a very serious matter we are considering, and I may well vote against the stationing of our observers over there. But to me the question is what is best for the United States, not what is best for these other countries.

Mr. MANSFIELD. The Senator is correct and, as always, he has been to the point in making his views known. I appreciate his comments because I hope it will be possible, in view of the time factor involved, to arrive at a reasonable time limitation so that it would be possible to dispose of it one way or another after a reasonable amount of debate.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its work today it stand in recess until the hour of 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that tomorrow after the special orders, if any, are attended to, and the joint leaders have been recognized, there be a period of 15 minutes for the transaction of routine morning business, with a time limitation of 3 minutes attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR STEVENSON AT THE CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that tomorrow after routine morning business is concluded the distinguished Senator from Illinois (Mr. STEVENSON) be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

APPROVAL OF BILL

A message from the President of the United States announced that on October 2, 1975, he approved and signed the enrolled bill (S. 2270) to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by the Congress, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Vice President laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

RESULTS OF THE HIGHWAY SAFETY AND NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACTS—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was referred to the Committee on Commerce:

To the Congress of the United States:

From the advent of the first gasoline-powered vehicles at the turn of the century through the next six decades, this country developed a vast, flexible form of transportation basic to its economy and way of life. This development was marked by a tremendous network of roads, highways and satellite facilities, by millions of vehicles, and by millions of drivers who drove them. It also was marred by tragedy as the numbers of accidents, injuries and deaths kept pace with the rising tide of traffic. In addition it was expensive, reaching an estimated 45–50 billion dollar annual cost to society by 1970 in wages lost, medical bills, legal fees and property damage, not to mention human suffering.

In 1966 the Congress enacted the Highway Safety and National Traffic and Motor Vehicle Safety Acts which initiated a national traffic safety effort to curb the rising numbers of traffic accidents, injuries, and deaths and, ultimately, to reduce them. These reports describe some of the many and varied programs undertaken to this end, and respond to the reporting requirements in the Acts. The volume on motor vehicle safety includes the annual reports required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972. The highway safety document contains information on projects initiated because of provisions in the Highway Safety Act of 1973.

It is not possible to assess the contribution of any single program to traffic safety, but the combination of safer cars, safer highways and better trained, better informed drivers is having a beneficial effect. The fatality rate (per 100 million miles driven) has been forced steadily downward from 5.7 in 1966 to 4.3 in 1973. Deaths to motor vehicle occupants leveled off in those years, despite substantial increases in numbers of vehicles and drivers on the roads, miles driven, higher speeds, greater per capita alcohol consumption, and other persistent factors adversely affecting the safety of the motoring public. Average days of bed disability also declined, indicating some lessening in the severity of injuries, which may be attributable to motor vehicle safety features. Improved highways are basic to traffic safety, as is demonstrated by differences in the fatality rates on the fully improved, versus relatively unimproved, portions of the Nation's highway system.

The effects of the fuel shortage and fuel conservation measures were the most publicized traffic safety development of 1974. The combination of reduced speeds, fewer miles driven and altered driving habits and attitudes is given primary credit for saving the lives of 9,550 motorists and pedestrians during the year. Of these factors, the Department of Transportation considers the lowered speed limit to be quite significant. Pedestrian fatalities which had been trending upward, dropped 17.8 percent in 1974—another bright side to fuel conservation. However, there has been a recent tendency for the situation to drift gradually back toward "normal." With enactment, and enforcement, of a national 55 mile per hour speed limit, a substantial portion of the beneficial aspects of the fuel shortage should continue.

We believe that the highway and motor vehicle safety programs which make up the national traffic safety effort will continue to have a positive effect, and merit the support of the Congress, of the States and communities, of industry and of a citizenry increasingly aware that their lives may well be at stake.

Gerald R. Ford.

The White House, *October 6, 1975.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:40 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the enrolled bill (H.R. 8070) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation by the Department of Agriculture

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to amend the Food Stamp Act of 1964, as amended (with accompanying papers); to the Committee on Agriculture and Forestry.

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to amend the Rural Electrification Act of 1935, as amended, to correct unintended inequities in the determination of interest rates for borrowers, and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

Reports by the Assistant Secretary of Defense

A letter from the Acting Assistant Secretary of Defense transmitting, pursuant to law, reports relating to the frequency and performance of operational or proficiency flying duty (with accompanying reports); to the Committee on Armed Services.

A letter from the Acting Assistant Secretary of Defense reporting, pursuant to law, that no use was made of funds appropriated in the Defense and Military Appropriation Acts during the period January 1–June 30, 1975, to make payments under contracts for any program, project, or activity in a foreign country except where, after consultation with a designee of the Secretary of the Treasury, it was determined that the use of currencies of such country was not feasible; to the Committee on Appropriations.

Report by the Secretary of Housing and Urban Development

A letter from the Secretary of Housing and Urban Development transmitting, pursuant to law, a report on the financing of programs authorized under section 236 of the National Housing Act and section 802 of the Housing and Community Development Act of 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation By the Secretary of Transportation

A letter from the Secretary of Transportation transmiting a draft of proposed legislation to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973 (with accompanying papers); to the Committee on Commerce.

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend the Regional Rail Reorganization Act of 1973 to facilitate implementation of the final system plan by broadening the purposes for which assistance is available under title IV, and for other purposes (with accompaying papers); to the Committee on Commerce.

Report of the Comptroller General

A secret letter from the Comptroller General of the United States transmitting a report entitled "The Reserves—Can They Effectively August the Active Forces?" (with an accompanying report); to the Committee on Armed Forces.

Proposed Legislation by the Department of Health, Education, and Welfare

Two letters from the Secretary of Health, Education, and Welfare transmitting drafts of proposed legislation to amend title XVIII and title XX of the Social Security Act (with accompanying papers); to the Committee on Finance.

Report of the East-West Foreign Trade Board

A letter from the Secretary of the Treasury, the Chairman of the East-West Foreign Trade Board, transmitting, pursuant to law, a report of the activities of the Board for the second quarter of calendar year 1975 (with an accompanying report); to the Committee on Finance.

Report of the International Trade Commission

A letter from the Chairman of the International Trade Commission transmitting, pursuant to law, a report of the Commission covering the third quarter of 1975 (with an accompanying report); to the Committee on Finance.

Proposed Legislation by the Federal Energy Administration

A letter from the Administrator of the Federal Energy Administration transmitting a draft of proposed legislation to amend the Federal Energy Administration Act of 1974 to extend the expiration date of such law until June 30, 1978, and for other purposes (with accompanying papers); to the Committee on Government Operations.

Report of the Department of Agriculture

A letter from the Assistant Secretary of Agriculture transmitting, pursuant to law, a report regarding the disposal of foreign excess property for the year ending June 30, 1975 (with an accompanying report); to the Committee on Government Operations.

Report of the Agency for International Development

A letter from the Assistant Administrator for Legislative Affairs of the Department of State transmitting, pursuant to law, the fiscal year 1975 report of the Agency for International Development entitled "Disposal of Foreign Excess Property" (with an accompanying report); to the Committee on Government Operations.

Report of the Joint Committee on Congressional Operations

A letter from the chairman and vice chairman of the Joint Committee on Congressional Operations transmitting a report concerning cases the joint committee identified as of vital interest to the Congress (with an accompanying report); to the Committee on Government Operations.

Reports of the Comptroller General

Three letters from the Comptroller General of the United States each transmitting a report of the following titles: "Further Actions Needed To Centralize Procurement of Automatic Data Processing Equipment To Comply with Objectives of Public Law 39–306"; "The Urban Rat Control Program Is in Trouble"; and "Potentially Dangerous Drugs Missing in VA Hospitals—Different Pharmacy System Needed" (with accompanying reports); to the Committee on Government Operations.

Report by the Federal Energy Administration

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report relating to the marketing and distributing of refined petroleum products (with an accompanying report); to the Committee on Interior and Insular Affairs.

Report of the Department of the Interior

A letter from the Acting Secretary of the Interior reporting, pursuant to law, on donations received and allocations made from the fund "14X8563 Funds Contributed for Advancement of Indian Race, Bureau of Indian Affairs"; to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Department of the Interior

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to authorize the Secretary of the Interior to designate a segment of the New River Gorge in West Virginia as a component of the National Wild and Scenic Rivers System (with accompanying papers); to the Committee on Interior and Insular Affairs.

Application for Loan Under Small Reclamation Projects Act

A letter from the Deputy Assistant Secretary of the Interior transmitting an application, pursuant to law, for a loan by Gila River Farms of Sacaton, Pinal County, Ariz. (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report and recommendation concerning the claim of the Boulder Daily Camera against United States (with an accompanying report); to the Committee on the Judiciary.

Report of the Law Enforcement Assistance Administration

A letter from the Administrator of the Law Enforcement Assistance Administration transmitting, pursuant to law, the first annual report of the Administration (with an accompanying report); to the Committee on the Judiciary.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

Two letters from the Commissioner of the Immigration and Naturalization Service transmitting copies of orders in the cases of certain aliens (with accompanying papers); to the Committee on the Judiciary.

PROPOSED LEGISLATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the effectiveness of human services through integrated planning, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED REGULATION BY THE FEDERAL ELECTION COMMISSION

A letter from the Chairman of the Federal Election Commission transmitting, pursuant to law, a copy of a proposed regulation by the Commission (with accompanying papers); to the Committee on Rules and Administration.

PETITIONS

The VICE PRESIDENT laid before the Senate the following petitions which were referred as indicated:

A petition seeking a redress of grievances from several citizens of the State of Oregon; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD (for Mr. CANNON), from the Committee on Rules and Administration:

S. Res. 275. An original resolution disapproving two regulations proposed by the Federal Election Commission (together with minority views) (Rept. No. 94-409).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

S. 2327. A bill to suspend sections 4, 6, and 7 of the Real Estate Settlement Procedures Act of 1974 (Rept. No. 94-410).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce: Richard L. Dunham, of New York, to be a member of the Federal Power Commission.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CHURCH:

S. 2473. A bill to amend title XVIII of the Social Security Act to increase the medicare inpatient hospital lifetime reserve from 60 to 120 days and to reduce the daily coinsurance charge applicable for such lifetime reserve from one-half to one-fourth of the part A inpatient hospital deductible, and for other purposes. Referred to the Committee on Finance.

By Mr. CHURCH:

S. 2474. A bill to amend title XVIII of the Social Security Act to prevent the imposition, under part B thereof, of more than one deductible with respect to expenses incurred for the purchase of any particular piece of durable medical equipment. Referred to the Committee on Finance.

By Mr. CURTIS:

S. 2475. A bill to amend the Internal Revenue Code of 1954 to modify the charitable distribution requirements imposed upon foundations. Referred to the Committee on Finance.

By Mr. JAVITS:

S. 2476. A bill to amend titles IV, XI, and XIX of the Social Security Act to increase the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance. Referred to the Committee on Finance.

By Mr. RIBICOFF (for himself, Mr. BROCK, Mr. JAVITS, Mr. KENNEDY, Mr. MUSKIE, Mr. PERCY, Mr. ROTH, Mr. STAFFORD and Mr. CHILES):

S. 2477. A bill to provide more effective public disclosure of certain lobbying activities to influence issues before the Congress and the executive branch, and for other purposes. Referred to the Committee on Government Operations.

By Mr. PELL:

S. 2478. A bill to secure the civil rights of blind persons. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH:

S. 2473. A bill to amend title XVIII of the Social Security Act to increase the medicare inpatient hospital lifetime reserve from 60 to 120 days and to reduce the daily coinsurance charge applicable for such lifetime reserve from one-half to one-fourth of the part A inpatient hospital deductible, and for other purposes. Referred to the Committee on Finance.

MEDICARE HOSPITALIZATION IMPROVEMENTS ACT OF 1975

Mr. CHURCH. Mr. President, I introduce for appropriate reference a bill to increase the medicare lifetime reserve from 60 to 120 days and to reduce the daily coinsurance charge from one-half to one-fourth of the inpatient hospital deductible.

Medicare now pays for up to 90 days of hospitalization during each benefit period. The part A Hospital Insurance program pays for all covered services during the first 60 days, except the initial $92 which is charged to the patient.

From the 61st through the 90th day, the medicare beneficiary has a daily coinsurance charge equal to one-fourth of the inpatient hospital deductible. This amounts to $23 per day now.

In addition, there is a 60-day lifetime reserve for individuals who require more than 90 days of hospitalization during a benefit period. Their daily coinsurance charge is one-half of the part A deductible, or $46 per day.

These measures undoubtedly provide valuable protection for the 5.6 million aged and disabled medicare patients who are expected to be hospitalized this year. But further improvements are still needed to guard against the ruinous cost of an illness requiring prolonged institutionalization.

The bill that I now introduce is designed to achieve this objective.

First, it would increase from 150 to 210 the number of covered days under medicare for individuals who are hospitalized during a particular benefit period and must also draw upon their lifetime reserve.

Second, the daily coinsurance charge for the lifetime reserve would be reduced from one-half to one-fourth of the hospital deductible.

This provision could provide major savings for persons who must utilize their lifetime reserve—in some cases exceeding $1,000.

Aged and disabled medicare beneficiaries, as well as their families, deserve improved protection against potentially catastrophic hospital expenditures, which can in a matter of weeks or months wipe out a lifetime of savings, hard work, and diligence.

Unfortunately, illness strikes with far greater frequency and intensity at a time in life when those affected can least afford it.

This is especially true in the case of hospitalization. In 1976, nearly 150,000 medicare beneficiaries are expected to be hospitalized from 61 to 90 days. And, approximately 40,000 persons are projected to draw upon their lifetime reserve after exhausting the 90 days of covered care regularly available during a benefit period. Of this total, an estimated 5,000 to 10,000 will exhaust their lifetime reserve.

The harsh reality is that the threat of bankruptcy by hospitalization is all too real for aged and disabled Americans confronted with lengthy institutionalization. And, all too often, these are the patients who can least afford it.

Many Americans today believe that medicare pays for almost all of the hospital and medical bills of the aged. But older Americans know better.

Valuable as it is, medicare still only covers about 38 percent of the elderly's health care expenditures. Major gaps in coverage still exist and must be closed.

The 10th anniversary of medicare provides an excellent opportunity to achieve this goal, as the Congress takes stock of the achievements and weaknesses of medicare.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medicare Hospitalization Improvements Act of 1975".

LIBERALIZATION OF MEDICARE LIFETIME RESERVE

SEC. 2. (A) Section 1812 of the Social Security Act is amended—

(1) by striking out "150" in subsection (a)(1) and inserting in lieu thereof "210";

(2) by striking out "150" in subsection (b)(1) and inserting in lieu thereof "210"; and

(3) by striking out "150-day" in subsection (c) and inserting in lieu thereof "210-day".

(b) The last sentence of section 1813(a)-(1) of the Social Security Act is amended to read as follows: "Such amount shall be further reduced by a coinsurance amount equal to one-fourth of the inpatient hospital deductible for each day (before the day following the last day for which such individual is entitled under section 1812(a)(1) to have payment made on his behalf for inpatient hospital services during such spell of illness) on which such individual is furnished such services during such spell of illness after such services have been furnished to him for 60 days during such spell, except that the reduction under this sentence for any day shall not exceed the charges imposed for that day with respect to such individual for such services (and for this purpose, if the customary charges for such services are greater than the charges so imposed, such customary charges shall be considered to be the charges so imposed).".

(c) The changes made by this section shall become effective January 1, 1976.

By Mr. CHURCH.

S. 2474. A bill to amend title XVIII of the Social Security Act to prevent the imposition, under part B thereof, of more than one deductible with respect to expenses incurred for the purchase of any particular piece of durable medical equipment. Referred to the Committee on Finance.

ELIMINATION OF DOUBLE DEDUCTIBLE CHARGE ON MEDICAL EQUIPMENT

Mr. CHURCH. Mr. President, I introduce for appropriate reference a bill to prevent the charging of two deductibles for one piece of medical equipment under part B of medicare.

Enactment of medicare was a major victory for older Americans in 1965. During its 10 years of existence medicare has provided the elderly with valuable protection against the high cost of hospitalization and other medical expenses.

But important gaps in coverage still exist. And, improvements are needed on a number of fronts.

Under present law, for example, it is possible for durable medical equipment—such as a wheelchair—to be subject to two deductible charges in two different years. The net impact is that the medicare beneficiary may receive little or no reimbursement at all.

This happened to one of my constituents, an elderly arthritic who purchased a wheelchair in 1972 for $159.50.

In 1972 she paid her part B deductible—which at that time was $50—and received reimbursement from medicare at the rate of 80 percent of the reasonable charges over $50.

However, she received only a small amount of reimbursement because of two factors.

First, the medicare law provides for reimbursement on an installment basis when a patient purchases medical equipment costing over $50.

Second, this patient had no other medical expenses chargeable to the part B supplementary medical insurance program.

Then, in 1973 my constituent was subject to another deductible charge when she continued to receive her installment payments.

As things now stand, the installment reimbursement requirement plus the annual deductible charge can cause a medicare patient to be subject to multiple deductibles on the purchase of the same equipment.

To my way of thinking, the Congress did not intend for this result to occur when medicare was enacted. And, I believe that this incongruity should be corrected.

The bill that I have introduced would achieve this goal not only for those who rent medical equipment, but also for patients who purchase equipment and are reimbursed on installment basis.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1833(b) of the Social Security Act is amended by inserting "(subject to subsection (f)(3)" immediately after "are determinable) shall".

(b) Section 1833(f) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) The deductible imposed by subsection (b) shall, insofar as such deductible relates to expenses incurred by an individual for the purchase of any piece of durable medical equipment included under section 1861(s)(6), be deemed to have been met for any calendar year, if, for such calendar year and all preceding calendar years, there have been imposed, under subsection (b), reductions with respect to the purchase of such piece of equipment, the aggregate of which equals $60. In determining, for purposes of the preceding sentence, the amount of the reduction under subsection (b) for any calendar year with respect to the purchase of any such piece of equipment, there shall not be taken into account any expenses incurred with respect to such piece of equipment until account has first been taken of all other expenses to which the deductible imposed by subsection (b) is applicable."

(c) The amendments made by subsections (a) and (b) shall be applicable in the case of durable medical equipment purchased after December 31, 1975.

By Mr. CURTIS:

S. 2475. A bill to amend the Internal Revenue Code of 1954 to modify the charitable distribution requirements imposed upon foundations. Referred to the Committee on Finance.

Mr. CURTIS. Mr. President, I am today introducing legislation to amend section 4942 of the Internal Revenue Code, which imposes certain charitable distribution requirements upon private grantmaking foundations. This bill is a substitute for S. 902, which I introduced previously on March 3, 1975.

In the Tax Reform Act of 1969, Congress added a series of provisions to the Internal Revenue Code designed to regulate the activities and financial practices of private foundations. One of these code provisions—section 4942—generally prohibits private grantmaking foundations from accumulating rather than distributing their income for active charitable purposes. To preclude private foundations from circumventing this antiaccumulation rule by investments in assets producing little or no current income, section 4942 requires private foundations to distribute annually an amount equal to the greater of their actual annual income or their so-called minimum investment return, which is defined as a specified percentage of the net fair market value of their investment assets. This specified percentage was originally set at 6 percent for 1970, and, for later years, the Treasury Department was directed by statute to set the specified percentage by reference to post-1969 changes in money rates and investment yields.

With more than 5 years of experience behind us, it is apparent that there are two significant shortcomings in the minimum investment return provision. First, the initial specified percentage of 6 percent has, as I predicted in 1969, proved to be too high. I think that experience has demonstrated that a figure of not more than 5 percent, which the Committee on Finance in fact recommended in 1969, would have been more appropriate. A second basic deficiency of existing law concerns the delegation of authority to the Treasury Department to prescribe an appropriate percentage rate for individual years after 1970. Testimony before the Finance Committee's Subcommittee on Foundations indicates to me that the existing statutory standards are inadequate and that, despite efforts to do so, development of a workable set of standards may not be feasible.

My bill seeks to remedy these two problems for future years by simply setting the specified percentage at 5 percent and repealing the authority of the Treasury Department to vary that rate from year to year. This new provision would apply only to taxable years beginning after December 31, 1975. The provisions of existing law would remain fully applicable to 1975 and earlier years.

I am hopeful, Mr. President, that we may act on this bill on a reasonably expeditious basis. Prompt action is necessary since, not later than May 1, 1976, the Treasury Department will be required to promulgate a new percentage figure. For these reasons, Mr. President, I solicit both prompt and favorable consideration of this bill.

By Mr. JAVITS:

S. 2476. A bill to amend titles IV, XI, and XIX of the Social Security Act to increase the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance. Referred to the Committee on Finance.

WELFARE—THE FEDERAL SHARE

Mr. JAVITS. Mr. President, I send to the desk for appropriate reference a bill to amend the Social Security Act in order to increase the Federal share of payments of the States for medical assistance and aid to dependent children. A companion measure has been introduced in the House by Congresswoman Bella Abzug and 45 cosponsors.

Mr. President, this is vital to the critical situation of the cities, not only New York City but many others in the country, as pointed out by Secretary Simon.

Under present law the Federal share for the cost of these programs is based on a formula which takes into account the per capita income in each State. This share ranges from 50 percent to approximately 80 percent, and New York is one of 12 States which receive the minimum 50 percent. This formula is based, on the belief—which I view as mistaken—that States with high per capita income are best able to meet their own welfare costs. In reality, among the States which receive the minimum Federal share are some—New York, California, Massachusetts, Illinois, Michigan, New Jersey—which have the greatest poverty burden, far out of proportion to the Nation as a whole. This is due in large part to the migration of unskilled persons from the rural areas of the country to the industrialized States. Our problem in this area can be traced to national factors and, at the very least we should be treated equally with the States which do not bear as much of the burden.

While this proposal would go a long way toward eliminating inequities in the treatment of States by the Federal Government, I believe the long-range solution is federalization of the welfare programs not already encompassed by SSI, the new Federal program for the aged, blind, and disabled, and I intend to introduce such comprehensive legislation in the near future.

I intend somewhat later in the week to introduce an amendment to this bill which will deal with the vexing problem of how to clean up the welfare rolls which I think has to go as a companion piece with what I am proposing.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Federal Welfare and Medicaid Assistance Act of 1975".

Sec. 2. (a) Section 403(a) of the Social Security Act is amended by striking out "October 1, 1958" in the matter preceding paragraph (1) and inserting in lieu thereof "January 1, 1976".

(b) Section 403(a) of such Act is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) in the case of any State, an amount equal to 75 per centum of the total amounts expended during such quarter as aid to families with dependent children under the State plan (including expenditures for premiums under part B of title XVIII for individuals who are recipients of money payments under such plan and other insurance premiums for medical or other type of remedial care or the cost thereof); and"

(c) Section 403(c) of such Act is further amended by striking "or (2)" in the sentence following paragraph (5).

(d) Section 408(c) of such Act is amended by striking out "clause (A) of ".

Sec. 3. (a) Section 1903(a) of the Social Security Act is amended by striking out "January 1, 1966" in the matter preceding paragraph (1) and inserting in lieu thereof "January 1, 1976".

(b) Section 1903(a)(1) of such Act is amended by striking out "the Federal medical assistance percentage (as defined in section 1905(b), subject to subsections (g) and (h) of this section)" and inserting in lieu thereof "75 per centum".

(c) Section 1903(g)(1) of such Act is amended by striking out "Federal medical assistance percentage" wherever it appears and inserting in lieu thereof "percentage specified in subsection (a)(1)".

Sec. 4. Sections 1118 and 1905(b) of the Social Security Act are repealed.

Sec. 5. The amendments made by this Act shall become effective January 1, 1976.

By Mr. RIBICOFF (for himself, Mr. Brock, Mr. Javits, Mr. Kennedy, Mr. Muskie, Mr. Percy, Mr. Roth, Mr. Stafford, and Mr. Chiles):

S. 2477. A bill to provide more effective public disclosure of certain lobbying activities to influence issues before the Congress and the executive branch, and for other purposes. Referred to the Committee on Government Operations.

Mr. RIBICOFF. Mr. President, today I am introducing the Lobbying Act of 1975 on behalf of myself and Senators Brock, Javits, Kennedy, Muskie, Percy, Roth, Stafford, and Chiles. I ask unanimous consent that a summary of the bill be inserted in the Congressional Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. The legislation I am introducing today is an effective, fair, and workable lobbying reform bill. Such legislation is long overdue.

Senators Brock, Javits, Kennedy, Muskie, Percy, and Stafford have all introduced lobbying bills of their own this year. I am grateful that each one of them has chosen to be a cosponsor of this bill. They have all significantly contributed to the legislation.

Earlier this year the committee held a total of 3 days of hearings on legislation to reform the present lobbying laws. The witnesses at the hearings all agreed that reform of the present lobbying law was essential. The 1946 act is too limited in scope, too vague in its wording, and too weak in its enforcement authority. A 1970 House report described the present act as a thoroughly deficient law. A report the General Accounting Office prepared this year for me similarly emphasized the inadequacies of the present law. The report stated that in one recent reporting period 48 percent of the lobbying reports filed were incomplete, and 61 percent were received too late. Yet, the Justice Department has investigated only five complaints of violations of the law since March 1972. In the 29 years since the lobbying law was passed there has been only one successful prosecution for violation of the law. The report of the General Accounting Office concludes that—

> The Department of Justice does not monitor the registration or disclosure requirements of the Act or evaluate the effectiveness or compliance with Act.

Lobbying serves a very useful role in the decisionmaking process. Without it Congress would be deprived the information and the variety of viewpoints it should have. But the ineffectiveness of the current law has cloaked the lobbying process in unnecessary secrecy. Neither the Congress nor the public have any accurate picture of the lobbyist's activities. For Congress to operate effectively and for the public to understand the legislative process, and to participate in it as effectively as possible, basic information about lobbying must be public.

The Supreme Court recognized the need for disclosure of lobbying activities in its opinion reviewing the 1946 act. In that case, entitled United States against Harriss, Chief Justice Warren said of lobbying that—

> Full realization of the American ideal of government by elected representatives depends to no small extent on their ability to properly evaluate such pressures. Otherwise the voice of the people may all too easily be drowned out by the voice of special interest groups seeking favored treatment while masquerading as proponents of the public weal.

The Lobbying Act of 1975 will tell the Congress and the public what interests are making significant efforts to influence the legislative process, what issues they are attempting to influence, and how much money they have spent in the effort to do so. The bill would give a comprehensive picture, for the first time, of the lobbyist's efforts to influence an issue before Congress, including his efforts to generate grass roots support for a particular position. At the same time, the bill is carefully drafted to insure that no one will be deterred from fully participating in the public debate on any matter by unnecessarily broad or detailed lobbying laws.

Under the bill's provisions only an organization, or an individual retained by someone else to lobby for him, could be a lobbyist. The bill defines organization to include both businesses, labor unions, and public interest groups. The bill thus avoids sweeping into its coverage the individual citizen who wishes to communicate his views on any issue to Congress. Such a person would not be a lobbyist under the law no matter how often he exercises his constitutional right to petition his government for a redress of grievances.

With respect to direct efforts to influence Congress, an organization is a lobbyist under the bill's provisions only if it attempts to influence an issue before Congress by talking to a Congressman or his staff on 12 or more occasions in a 3-month period. Organizations are thus excluded if their lobbying efforts are too infrequent to have any significant effect on Congress. An additional provision provides that if the officials of an organization converse only with the Senators or Congressmen who represent them, the organization will not, just because of these contacts, become a lobbyist.

At the same time, the bill does guarantee that any organization that lobbies Congress in a sustained fashion will be a lobbyist. By basing the definition of a lobbyist on the number of contacts the organization makes with Congress, the bill provides a clear standard which will allow any organization to easily tell whether or not it is a lobbyist. The bill relies on the number of contacts to define a lobbyist, rather than the amount of money spent by the lobbyist on lobbying, because such a contacts test most accurately reflects the extent and impact of the organization's lobbying activities. Furthermore, the bill's definition of a lobbyist as one who makes 12 contacts provides a test any organization may apply without the extensive bookkeeping required by a test based on the amount of money it spends on lobbying.

An individual who is employed by an organization to lobby for it would not himself be a lobbyist, although his activities would be likely to make the organization he works for a lobbyist. An individual would be a lobbyist in his own right only if he receives money from someone else for the specific purpose of attempting to influence an issue before Congress, and communicates with the Congress on one or more occasions in an effort to influence an issue before Congress.

The bill recognizes that a lobbyist may also try to indirectly affect an issue before Congress by persuading a large number of other people to express their views to Congress. In order to judge how representative such views are of the general public, Congress must know whether the letters it receives reflect the spontaneous expression of the public's feelings, or whether they have been generated by the lobbying efforts of a special interest. Since the executive branch as well as Congress may receive such letters, the bill also covers efforts by lobbyists to mobilize public support or opposition for any action a Federal agency may take.

Such indirect lobbying efforts are covered if the solicitation reaches 500 or more members of the general public and the solicitation costs more than $200 to prepare and distribute. Additional provisions require an organization to register as a lobbyist if it organizes a nationwide grassroots lobbying campaign by requesting a number of its affiliates at the State and local level, or its own employees, to communicate with Congress or the executive branch.

The bill does not make members of the public who themselves communicate directly with Congress about purely executive agency matters lobbyists. Coverage of such activities raises special problems because of the extent and variety of the contacts. The committee intends to look at this matter carefully during its forthcoming hearings on lobbying legislation. In addition, Senator KENNEDY's Subcommittee on Administrative Practice and Procedure presently has under consideration S. 1289, which requires Federal agencies to keep a public record of the most important contacts between Federal officials and outside parties. This bill, which I cosponsored, may prove to be a very sensible, alternative way to assure full disclosure of which interests seek to influence important executive agency decisions.

Organizations or individuals who do engage in substantial lobbying efforts will have to file reports that will give Congress and the public an accurate picture of their lobbying activities. The reports a lobbyist will file will disclose each issue the lobbyist worked on, and the method it used to try to influence Congress.

At the same time, the bill's reporting requirements will not weigh the lobbyist down with unnecessarily extensive reporting requirements. To avoid cumulative or unnecessary filing, the bill does not require each individual who works as a full-time employee of an organization which is a lobbyist to also file as a lobbyist. A local organization that does nothing but solicit its members at the request of a national organization would not also have to file as a lobbyist, but the report filed by the national organization would have to include information about the solicitations made by its affiliates.

The exact type of information a lobbyist must file is carefully tailored to fit each particular kind of lobbying activity involved. For example, an organization will have to estimate the total amount of money spent on all its efforts to directly lobby Congress during the period. It will not have to itemize the amount of money spent in directly trying to influence any particular issue before Congress. On the other hand, an individual or an organization which lobbies on behalf of someone else is required to file more detailed financial statements about the amount of money his client pays him for his services. Any lobbyist who engages in an indirect lobbying campaign on any issue will have to file a full report on the amount of money spent on that campaign.

The bill requires the lobbyist to list any officer, director, or paid employee who directly spoke to a Federal officer on one or more occasions in an effort to influence a particular issue before Congress and to identify the issue involved. On the other hand, it does not require the lobbyist to file an individual record of each conversation the lobbyist had with any Member of Congress or his staff.

The bill gives the enforcement authority to the General Accounting Office. The agency successfully administered the Federal Elections Campaign Act for several years and has the necessary personnel and experience to enforce this new law. The General Accounting Office will have the full investigative and administrative powers, and the range of sanctions it needs to do an effective job. Informal procedures will be used as much as possible and court sanctions will be largely civil and injunctive in nature.

In short, the Lobbying Act of 1975 is both a strong and balanced bill. On the one hand, it guarantees the right of Congress and the public to know how lobbyists are attempting to influence the decisions of government. On the other hand, it protects the constitutional rights of every citizen to petition his Government for a redress of grievances.

I plan to hold additional hearings shortly on this bill, as well as the other lobbying bills that have already been introduced.

Committee action on this much-needed legislation will follow as quickly as possible after these hearings are completed.

The summary follows:

SUMMARY OF THE LOBBYING ACT OF 1975

An individual may be a lobbyist under the bill's definition only if someone else retains him to lobby in some capacity other than as a full-time employee. An organization may be a lobbyist if it is paid to lobby on behalf of someone else, or if it engages in a substantial amount of lobbying on its own behalf.

The bill does not make any other individual or organization a lobbyist. Thus, it in no way affects the individual citizen who expresses his personal views to Congress on any matter, regardless of the extent of his activities.

Any organization or individual who is a lobbyist must register with the Comptroller General and file quarterly reports with the Comptroller General. The bill authorizes the Comptroller General to enforce the bill's provisions and establishes sanctions for any violations.

DEFINITION OF A LOBBYIST

For an "individual" to be a lobbyist he must be retained for money by someone else. Only independent contractors and similar types of individuals retained to perform a specific lobbying task are included within the definition. An individual who engages in lobbying activities as a paid employee of the organization on whose behalf he lobbies would not have to file a report as a lobbyist, although his activities would be likely to make the organization a lobbyist. In that case, his name would appear on the report as one who did lobbying for the organization. To be a lobbyist the individual must also directly communicate one or more times with Congress during any three month period about an issue before Congress. This bill terms such a contact with Congress "a lobbying communication". An individual would also be a lobbyist if he is paid to urge 500 or more other persons during the same period to communicate with Congress or an executive branch agency on any issue before it. This is termed "a lobbying solicitation".

In addition to an individual, an organization may also be a lobbyist. The bill defines "organization" broadly to include businesses, labor unions, and voluntary membership organizations.

An organization becomes a lobbyist if it engages in lobbying communications or solicitations on its own behalf or on behalf of its members in any of the following three ways:

(1) Engages orally, and on its own behalf, in a total of 12 or more lobbying communications with Congress during any 3-month period. However, communications between a local businessman on behalf of his company and the Senators and Congressmen who represent the State where the businessman lives do not count for purposes of determining whether an organization is a lobbyist. If a local businessman just communicates with his Senators or Congressman about problems affecting his company, neither the company nor the businessman would be a lobbyist regardless of the number of times he talks to his Senators or Congressman.

(2) Expends $200 or more in any 3-month period to make solicitations urging 500 or more other persons to communicate with any member of Congress about a particular issue, or urging 500 or more persons to communicate with any executive branch official about any issue under consideration in the executive branch.

(3) Solicits 50 or more of its own employees or 12 or more other organizations with which it is affiliated to communicate with any member of Congress about a particular issue, or solicits the same number of people to communicate with any Executive branch official about any issue under consideration in any agency.

An organization can also become a lobbyist if it is retained by some other person to engage in the same lobbying activities that would make an individual who is retained for pay a lobbyist.

DEFINITION OF LOBBYING COMMUNICATIONS OR SOLICITATIONS

Since the definition of a lobbyist is largely based on the number of lobbying communications or solicitations certain individuals or organizations make, the definitions of lobbying communications and solicitations are an essential part of the bill.

A lobbying communication includes, except for certain specified exemptions, any direct communication with members of Congress or their staff, in order to influence any issue before Congress. The term "issue before Congress" covers the entire range of matters considered by Congress including bills, resolutions, nominations, hearings, or investigations.

A lobbying communication also includes any direct communication between a lobbyist and a Federal agency official where the lobbyist tries to get the Federal official to express a particular position before Congress. Similarly, it includes any direct effort to get a member of Congress to influence the decision of any matter under consideration by the executive branch.

A lobbying solicitation arises whenever a person requests other persons to write or otherwise communicate with Congress about an issue before Congress. Similarly, the term includes any effort by a person to get others to write or otherwise communicate with the executive branch about any issue before the executive branch.

Certain efforts to influence an issue before Congress or the executive branch are specifically excluded from the definition of lobbying communications or solicitations. The exclusions cover:

A communication or solicitation by an individual acting solely on his own behalf for redress of personal grievances or to express his own personal opinion.

Requests for information about the status, existence, or effect of a bill or other issue before Congress.

Communications or solicitations by a Federal officer or employee of the executive branch, or communications or solicitations by a Member, officer, or employee of Congress.

Testimony or subpoenaed information submitted to a congressional committee.

Communications or solicitations by State or local officials, by candidates for Federal, state, or local offices, or by National, State, or local political parties.

Communications or solicitations (other than advertisements) appearing on television or in newspapers or other publications distributed to the general public.

REGISTRATION AND REPORTING REQUIREMENTS

An individual or organization which meets the definition of a lobbyist must register annually with the Comptroller General.

The registration must contain basic information about the identity of the lobbyist, list any individuals whom the lobbyist expects to pay to do lobbying, and generally describe the subject matter of the types of issues before Congress or the executive branch which the lobbyist expects to seek to influence, and the means the lobbyist expects to influence such types of issues. The lobbyist must also disclose the identity of any other "organization" which financially supported his lobbying activities during the past year, and each "individual" who provided more than 5 percent of the lobbyist's funds for lobbying during the past year.

In the case of a lobbyist who is retained for money, the registration will include the identity of the person who retained him, and a description of the financial terms under which the lobbyist was retained. If the lobbyist is a voluntary membership organization, such as a trade association or a public interest group supported by its members, the registration would disclose the approximate number of persons who are members, as well as a description of procedures the organization follows in establishing its position on particular issues.

In addition to registering with the Comptroller General, a lobbyist will have to file reports every three months describing his lobbying activities. The precise information which the lobbyist must provide in the quarterly report will vary depending on the exact nature of the lobbyist's activities. For example, the bill requires less detailed financial data from an organization which lobbies on its own behalf than from an individual who is retained by a client to lobby on a particular issue.

REPORTS OF LOBBYISTS RETAINED FOR PAY TO LOBBY DIRECTLY

A lobbyist retained by any other person to lobby for him by engaging in one or more lobbying communications must—

(1) disclose the identity of the person on whose behalf he is acting and how much money he was paid by such person for his services in connection with each issue;

(2) identify the issues he worked on for each client and the lobbyist's position on the issue;

(3) list any individuals who in turn were paid by the lobbyist to make one or more lobbying communications during the period; and

(4) provide a general description of any lobbying "solicitations" concerning an issue before Congress which were made by the lobbyist for the person who retained him and which are not otherwise reported.

REPORTS OF ORGANIZATIONS LOBBYING FOR THEMSELVES

Any organization which is a lobbyist because it engages on its own behalf in 12 or more oral lobbying communications must—

(1) identify each issue which it sought to influence by making one or more lobbying communications;

(2) disclose the identity of each officer, director, or employee of the organization who orally engaged in one or more lobbying communications, along with a description of the issues on which he worked;

(3) disclose the identity of any affiliated organizations the lobbyist solicited concerning an issue before Congress, along with a description of the particular issue involved;

(4) provide a general description of any lobbying "solicitations" concerning an issue before Congress made by the lobbyist not otherwise reported; and

(5) estimate the total expenses incurred by the organization in connection with all its lobbying activities during the 3-month period.

The lobbyist would not have to itemize the amount spent on particular issues or estimate the particular amounts spent on salaries, overhead, or the like.

REPORTS OF LOBBYISTS THAT SOLICIT

Any lobbyist that solicits 500 or more other persons, 50 or more of its employees, or 12 or more of its affiliates on a particular issue before Congress or the Executive Branch, and meets, where applicable the $200 expenditure test must—

(1) provide a sample of any form letter, written advertisement, or other similar written material used to solicit 500 or more people; a transcript, if available, of any advertisement used to solicit orally 500 or more people; and a description of the content of other solicitations used by the lobbyist;

(2) identify each issue the lobbyist sought to influence by soliciting the requisite number of persons and the lobbyist's position on the issue;

(3) estimate the total number of persons solicited in connection with each issue, including the number solicited by written means in each state, and identify any affiliate which helped make the lobbyist solicitations, along with an estimate of the number of persons solicited by such affiliate.

(4) estimate the total expenses incurred by the lobbyist in connection with each issue it worked on during the period by soliciting the requisite number of persons; and

(5) if the lobbyist was retained by some other person to engage in the solicitations, the amount of money received by the lobbyist from such person in connection with each issue.

REPORTING REQUIREMENTS APPLICABLE TO ALL LOBBYISTS

Each quarterly report filed by each lobbyist would also have to include an identification of the lobbyist, and a record of any gift or loan to a Congressman or his staff exceeding $50 in value which was paid for by the lobbying organization, or by an individual lobbyist on behalf of the person who retained him.

ENFORCEMENT

The bill authorizes a civil penalty of not more than $10,000 for each violation of the law. Criminal violations are only authorized where any person knowingly and willfully violates the law or files fraudulent information.

The General Accounting Office will have primary responsibility for civil enforcement of the new law. The Comptroller General is authorized to investigate possible violations and to correct any violations it discovers by informal methods, by cease and desist orders issued after an administrative hearing or through civil litigation in court. The Comptroller General may also refer any apparent civil violation of law to the Department of Justice for action. If the apparent violation is criminal in nature, the Comptroller must in every circumstance refer the proceeding to the Department of Justice for prosecution.

Each lobbyist and each person who retains a lobbyist is required by the bill to maintain financial and other records on which the information filed with the Comptroller General must be based. The Comptroller General will have the authority to inspect such records when necessary.

The Comptroller General is also given authority to prepare necessary regulations, develop forms, render advisory opinions when requested, and to issue subpoenas. The Comptroller General is given responsibility for making the registrations and reports public, and preparing special preliminary reports on a lobbyist's activities upon the request of a Senator or Congressman. After each 3-month period the Comptroller General will be required to publish in the Federal Register a report based on the registrations and reports filed with it summarizing all the lobbying activities that occurred pertaining to a specific issue and all the lobbying activities of persons who share an economic, business, or other interest in common.

EXAMPLES OF WHO WOULD BE A LOBBYIST

The following are examples of which individuals and organizations would be a lobbyist under the bill's provisions:

(1) An individual citizen, concerned about the safety of children's toys, journeys to Washington and talks on her own behalf to staff assistants in the offices of 80 different Congressmen or Senators, including 20 from her own state. The citizen "is not"

a lobbyist because she is simply expressing on her own behalf her personal concern about a matter.

(2) An individual who is personally concerned about an environmental issue buys with his own funds an advertisement in the newspaper urging the public to write Congress in support of a particular environmental bill. The individual "is not" a lobbyist since he is using his own money to express his own personal view on an issue before Congress.

(3) An individual lawyer is retained by a company to obtain an amendment to a tax bill pending in committee. In connection with the services provided his client, the lawyer drafts proposed wording, and discusses the wording with the staff of the appropriate Committee. The lawyer "is" a lobbyist.

(4) Employees of a national company call Congressional committees on 20 occasions during a quarterly filing period in order to determine whether the committee has scheduled hearings on certain bills, and whether the Committee has reported certain other bills out of Committee. In addition, the company president testifies before the Committee on a particular bill. The company engages in no other communications with Congress. The company "is not" a lobbyist since the bill excludes from its coverage the specific types of communications in which the company engaged.

(5) The president of an organization who is concerned about the possible effect of a pending bill on his business travels to Washington and speaks about the bill on behalf of the organization to his two Senators and the Congressman representing the district in which his business is located. He talks a total of 15 times to his representatives or their staff assistants. Since the businessman only speaks to his own Senators and Congressmen he "is not" a lobbyist.

(6) Three separate individuals employed by an organization call congressional staff aides a total of 40 times during a quarterly filing period in an attempt to secure passage of amendments to three different bills. On a fourth issue the company instructs 15 plant managers to write their own Congressmen on the issue, but it makes no other effort to influence Congress. While none of the individuals would be a lobbyist, the organization "is" a lobbyist since together its three employees orally engaged in over 12 lobbying communications. The 15 letters sent by the plant managers do not count in determining whether the company is a lobbyist, but since the company is a lobbyist for other reasons, it would also have to report its interest in this fourth issue.

(7) A company with a special problem urges various executive branch officials on 10 different occasions to support legislation to resolve the problem. The company also talks on 10 different occasions during the same three month period with members of the appropriate congressional committees or their staff. Since the communications with the executive branch were on legislation pending in Congress, they are lobbying communications for purposes of determining whether the company is a lobbyist. Since the total of all oral lobbying communications exceed in this case 12, the company "is" a lobbyist even if it did not communicate with Congress on any other matter during the 3-month period.

(8) A national trade association seeking to gain passage of a bill before Congress sends a letter to 5,000 of the leading businessmen in the country urging them to write, or to talk personally, with their Congressmen in support of the proposal. The cost of writing, printing, and mailing the letters was $2,000. Since this solicitation reached more than 500 persons and cost over $200 to prepare and send, the organization "is" a lobbyist.

(9) A local historic preservation society worried about the possible destruction of an old federal courthouse spends $100 to prepare and distribute a flyer on the street to about 700 people urging them to write the Chairman of the appropriate Committee urging action to save the courthouse. Since the flyer cost less than $200 to prepare and distribute, the local historic preservation society "is not" a lobbyist.

(10) A national trade association directly communicates with Congress only when it wants to know the status of certain bills, but on four occasions it writes letters to the 50 companies that are members of the trade association and urges them on each occasion to write their own Congressmen in opposition to a particular bill pending before Congress. This solicitation by a trade association of more than 12 affiliates means it "is" a lobbyist.

(11) The Washington office of a company with 10,000 employees located in five States writes its 500 top management officials and requests them to travel to Washington to talk to their Congressmen and Senators about a bill directly affecting the company. Because the company solicited more than 50 of its own employees, it "is" a lobbyist. The individual employees who travel to Washington to see their Congressmen "are not" lobbyists.

(12) A professional association concerned about the possibility that an executive branch agency may propose a certain regulation of great importance to its members spends $300 to distribute a solicitation urging the 500 individuals who are members of the organization to write the agency in opposition to the idea. Since the organization urged more than 500 persons to communicate with an executive branch agency about a matter before it, and spent more than $200 to do so, the organization "is" a lobbyist.

Mr. MUSKIE. Mr. President, I wish to join in support of the proposal to increase public disclosure of Federal lobbying activities which the distinguished senior Senator from Connecticut and chairman of the Committee on Government Operations has offered today.

For several years, the Senate Committee on Government Operations and other committees in the House have initiated efforts to strengthen the existing Federal Regulation of Lobbying Act.

In July, Senator JAVITS and I joined in introduction of a proposal which would have improved existing law by extending its coverage to a greater number of those people who are actively engaged in lobbying but who are not now required to report their activities. The proposal offered today is similar in many respects.

A major weakness in the present law is the lack of authority to enforce its provisions and to investigate violations. Our proposal would establish that authority in the General Accounting Office and I am pleased to note that the measure offered today adopts that procedure.

Finally, our measure would not impose lobby registration requirements on those individuals who petition their Government in their own behalf or organizations who contact their own representatives in Congress for assistance.

It is essential that any lobby legislation adopted by the Congress not only open up the processes of government to the people but that it also foster, and not inhibit, the first amendment rights of each citizen to petition his Government for a redress of grievances.

While we may not have yet reached the ideal balance between those competing interests, I am encouraged by the direction of this proposal and hope that in the next few weeks we can invite the studied opinion of constitutional scholars on this critical issue.

It is important that the Committee on Government Operations and the Senate act in the near future on proposals to change the present law or we may again pass through another Congress without achieving long-needed lobby reforms.

The existing act is an invitation to avoidance and its limited coverage encourages public suspicion about lobbying activities—even about the vital services offered by many organizations which provide an important flow of information to the Congress.

It is time that we substitute that law with one which can better inform Americans about the way the legislative process works and which will encourage them to take a more active role in presenting their views to their representatives.

Mr. STAFFORD. Mr. President, I am pleased to cosponsor the bill introduced today by Senator RIBICOFF, and I look forward to early action by the Senate on this important measure. The senior Senator from Massachusetts (Mr. KENNEDY) and I have sponsored lobbying reform bills in the past three Congresses, including S. 815, introduced earlier this year, and we are pleased to join with Senator RIBICOFF in giving our support to the measure he is introducing today. Although there are certain areas where we hope the bill will be strengthened as it moves through committee and the Senate, we believe that the new bill is an important step forward, and we feel that Senator RIBICOFF has made a major contribution to the current debate.

Mr. President, I ask unanimous consent that a joint statement by Senator KENNEDY and myself supporting the bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF SENATORS EDWARD M. KENNEDY AND ROBERT T. STAFFORD COSPONSORING NEW LOBBYING REFORM LEGISLATION

We commend Senator Ribicoff for his major initiative in introducing new lobbying reform legislation, and we are pleased to be able to cosponsor it.

In past Congresses, each of us has introduced separate lobbying reform bills. Earlier this year, with improved prospects for Senate action on the issue, we joined forces to introduce S. 815, combining the major provisions and approaches of our prior bills into a single comprehensive measure.

By his action today, we believe that Senator Ribicoff, the distinguished chairman of the Committee on Government Operations, has significantly increased the chances that comprehensive lobbying reform legislation will be approved by Congress this year, and we are pleased to be a part of that effort.

Our current Federal lobbying laws are a scandal and a national disgrace. They are a generation out of date, relics of the past that are totally ineffective in dealing with the ways of modern lobbyists. Vast amounts of influence money are spent for lobbying today in secret ways and for secret purposes. Too often, lobbying, which ought to be a noble calling, is accompanied by the appearance of corruption and special dealing.

The time has come to close the gaping loopholes of our current laws and bring them up to date. Congress and the American public are entitled to know the way our laws are made. And they are also entitled to vigorous enforcement of the laws affecting lobbyists.

Lobbyists have a legitimate and vital role to play in the legislative process, but it is a role that must be played in the sunshine of public view, not the shadows of favoritism and secrecy.

We see this new legislation as a "consensus" bill with broad appeal to all supporters of lobbying reform. The new proposals differ in a number of respects from certain provisions in our own legislation in the Senate. For example, we believe that the legislation should be expanded to include provisions for identification of Senators and Congressmen contacted by lobbyists, and that lobbying of the Executive Branch should also be covered.

Nevertheless, we believe that the present bill is a large step forward, perhaps the most important step so far toward achieving basic lobbying reform.

Now that the campaign financing law is on the books, we believe that lobbying reform should become the number one priority in the continuing effort in Congress to improve the quality of government and make it more responsive to the people. We look forward to working with Senator Ribicoff and the other cosponsors of this bill to achieve the prompt enactment of this reform.

By Mr. PELL:

S. 2478. A bill to secure the civil rights of blind persons. Referred to the Committee on the Judiciary.

BILL OF RIGHTS OF THE BLIND

Mr. PELL. Mr. President, today I am introducing legislation which would secure for all blind persons the civil rights necessary to guarantee full and equal utilization of transportation and business services, housing, and accommodations.

This legislation was first suggested to me by Mr. Albert R. Piccolo, who is a member of the legislative committee of the Rhode Island chapter of the National Federation of the Blind. In suggesting that this approach would be of value, Mr. Piccolo wrote:

> This legislation would undoubtedly prevent the frustration, disappointment, and discouragement which quite frequently is the result of our efforts to obtain employment, to secure adequate housing, to gain admission to colleges and technical schools, and to use the various means of transportation and public accommodations. These cherished privileges, which are taken for granted by most citizens, if denied to us, can cause unnecessary hardship, a lack of opportunity, and an inability to travel freely and independently.

This eloquent statement points to the frustration which blind persons experience in securing adequate housing, in obtaining access to transportation, and in enjoying free access to places of public accommodation. This legislation, which is similar to that introduced by Congressman Bob Wilson, would prohibit such discrimination. In addition, it calls upon the President to proclaim a "National White Cane Safety Day" each year.

The blind and visually handicapped of our Nation are a great resource to us, and we cannot afford to allow them to remain out of the mainstream of normal, day-to-day life, and its opportunity for personal achievement and success.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2478

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Bill of Rights of the Blind Act".

POLICY AND FINDINGS

Sec. 2. The Congress hereby finds and declares that the denial to blind persons of equal access to places or facilities of public accommodation and transportation, to business establishments, and to housing has the effect of impairing the interstate commerce of the United States, both by constructing the free flow of goods and persons and by preventing blind persons from achieving their maximum potential independence and productivity. To remedy this inequitable and unproductive condition, it is the polcy and purpose of this Act to utilize the full authority of the United States Government to secure the civil rights of blind persons from unfair discrimination in accommodations, transportation, business, and housing.

PROHIBITIONS

Sec. 3. (a) No common carrier by air, rail, water, or motor vehicle, or other mode of public transportation, engaged in or affecting interstate or foreign commerce, shall refuse to accept as a passenger any person because of such person's blindness, or because of such persons' use of a dog guide or other guidance instrumentality, nor shall any such blind person be required to pay an additional or special fee for the transport of such dog guide or other guidance instrumentality.

(b) No owner or operator of any place of public accommodation, as defined by section 201(b) of the Civil Rights Act of 1964 (42 U.S.C. 2000a(b)), or of any public facility or building covered by title III of such Act, or of any facility or building belonging to the United States or its territories, or the District of Columbia, shall refuse to admit or serve any person because of such person's blindness, or because of such person's use of a dog guide or other guidance instrumentality, nor shall any such blind person be required to pay an additional or special fee for the admission of such dog guide or other guidance instrumentality to such place of public accommodation or to such public facility or building.

(c) No owner or operator of any housing facility or accommodation subject to the provisions of title VIII of the Act of April 11, 1968 (82 Stat. 81, 42 U.S.C. 3601 et seq.), shall refuse to admit any person, as a tenant or otherwise, because of such persons' blindness, or because of such person's use of a dog guide or other guidance instrumentality, nor shall any such blind person be required to pay an additional or special fee, other than a security deposit for damages, for the admission of such dog guide or other guidance instrumentality.

(d) In addition, no person shall engage in any subterfuge, device, or covert strategy for the purpose of achieving indirectly any of the forms of discrimination prohibited by subsections (a), (b), and (c).

WHITE CANE SAFETY DAY

Sec. 4. The President of the United States shall take suitable notice of October 15 as White Cane Safety Day. He shall issue a proclamation in which:

(1) he comments upon the significance of the white cane;

(2) he calls upon the citizens of the Nation to observe the provisions of the White Cane Law and to take precautions necessary to the safety of the disabled;

(3) he reminds the citizens of the Nation of the policies with respect to the disabled herein declared and urges the citizens to cooperate in giving effect to them;

(4) he emphasizes the need of the citizens to be aware of the presence of disabled persons in the community and to keep safe and functional for the disabled the streets, highways, sidewalks, walkways, public buildings, public facilities, other public places, places of public accommodation, amusement and resort, and other places to which the public is invited, and to offer assistance to disabled persons upon appropriate occasions.

SANCTIONS

Sec. 5. Any person, firm, corporation, or association who shall violate the provisions of this Act shall be liable to the blind person or persons involved for damages caused thereby, for punitive damages not to exceed $10,000, for each violation, and for reasonable attorneys' fees and other costs of litigation. In determining the extent to which punitive damages shall be imposed, the court shall consider the extent to which the offense is part of an ongoing, repeated, or intentional practice, the extent to which such blind person is thereby deprived of the opportunity to lead a full and productive life, the number of persons adversely affected, and such other factors as the court may deem relevant.

(b) Suits for damages or other legal, equitable, or declaratory relief may be maintained in the appropriate United States district court without regard to the amount in controversy or to the diversity of citizenship of the parties. No such action shall be brought later than three years after the date of occurrence of the violation.

(c) Nothing in this Act shall be construed to supersede the laws of any State or territory, or of the District of Columbia. No person shall recover under this Act for harms resulting from actions or conduct which constitute violations of this Act, if recovery has been had under the laws of any State or territory, or of the District of Columbia, relating to discrimination on the basis of blindness, for the same actions or conduct.

(d) It shall be a defense to a claim under this Act that—

(1) the claimant, at the time he sought entry, access, or service, did not have his guide dog or other guidance instrumentality under reasonable control; or

(2) that the claimant was disorderly, abusive, intoxicated, or was excluded from entry, access, or service for other good and substantial reasons not in conflict with the policies and purposes of this Act.

DEFINITIONS

Sec. 6. As used in this Act, the term—

(1) "blind person" means a person whose central visual acuity does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or a central visual acuity greater than 20/200 but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than twenty degrees:

(2) "dog guide" means a dog which is fitted with a special harness or collar suitable as an aid to the mobility of a blind person, which has been specifically and adequately trained to serve blind persons, and which is in use by a blind person as an aid to his travel, movement, or safety; and

(3) "other guidance instrumentality" means an animal or device specifically and adequately trained or designed for use by

blind persons as an aid to personal travel, movement, or safety.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 702

At the request of Mr. INOUYE, the Senator from New Hampshire (Mr. McINTYRE) was added as a cosponsor of S. 702, a bill to amend the Internal Revenue Code of 1954 to increase the estate tax exempton from $60,000 to $100,000.

S. 1111

At the request of Mr. HUGH SCOTT, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 1111, the performance royalty bill.

S. 2290

At the request of Mr. TAFT, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2290, a bill to establish a Consumer Protection Study Commission in order to study the desirability and feasibility of establishing various administrative courts and transferring to such courts the adjudicatory licensing, and rulemaking functions of various regulatory agencies, and for other purposes.

S. 2386

At the request of Mr. TAFT, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2386, a bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

S. 2450

At the request of Mr. TAFT, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of S. 2450, a bill to amend the National Security Act of 1947, as amended, to include the Attorney General as a member of the National Security Council.

SENATE RESOLUTION 144

At the request of Mr. BURDICK, the Senator from Colorado (Mr. GARY W. HART) was added as a cosponsor of Senate Resolution 144, to urge the restoration of the status of amateur athlete for the late Jim Thorpe, and for other purposes.

SENATE RESOLUTION 275—ORIGINAL RESOLUTION REPORTED DISAPPROVING TWO PROPOSED REGULATIONS OF THE FEDERAL ELECTION COMMISSION

(Placed on the calendar.)

Mr. ROBERT C. BYRD (for Mr. CANNON), from the Committee on Rules and Administration, reported the following original resolution:

Resolved, That the regulation proposed by the Federal Election Commission pertaining to accounts used to support the activities of Federal officeholders, transmitted to the Senate under date of July 30, 1975, is disapproved.

SEC. 2. The regulation proposed by the Federal Election Commission pertaining to accounts to support the activities of Federal officeholders, transmitted to the Senate under date of September 30, 1975, is disapproved.

SEC. 3. The Secretary of the Senate is directed to transmit a copy of this resolution to the Chairman of the Federal Election Commission.

NOTICE OF HEARING ON ACT TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce that an open public hearing will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States. The hearing will be held on October 8, 1975, in room 6202, Dirksen Senate Office Building, commencing at 10 a.m.

The Commission on Bankruptcy Laws of the United States has recommended sweeping changes in the bankruptcy law. These recommendations are reflected in the provisions of S. 236. The National Conference of Bankruptcy Judges has also recommended substantial changes in the present bankruptcy law. These changes are reflected in the provisions of S. 235.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building; telephone 224-3618.

ADDITIONAL STATEMENTS

UNISEX AND THE PUBLIC SCHOOLS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled, "Unisex and the Public Schools," by Mr. Russell Kirk, which appeared in the August 15, 1975, issue of National Review magazine.

I also ask unanimous consent that there be printed in the RECORD a letter I have recently received from a friend and constituent, the Honorable Thomas F. Butt, chancellor and probate judge of the 13th Chancery Circuit of Arkansas, with which he transmitted the article and made comments thereon.

The article is indeed thought-provoking, and I recommend its reading by my colleagues and all patrons of the CONGRESSIONAL RECORD:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF ARKANSAS,
13TH CHANCERY CIRCUIT,
Fayetteville, Ark., August 18, 1975.

Hon. JOHN MCCLELLAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Enclosed herewith is a thought-provoking and alarming "piece" by Russell Kirk, from the August 15, 1975, "National Review" magazine, on the proposed HEW regulations to repeal the sexual laws of nature.

I commend this to your attention, because it appears only the Congress can curb the bureaucrat-sociologists in their zeal to make everybody equal—literally.

I do wish Congress would cut off at the pockets about 90% of social welfare funded programs; we'd be out of recession—inflation in 6 months, or well on the way, if this were done.

Sincerely,

THOMAS F. BUTT.

P.S.—In the matter of $403,000,000 overpayment by HEW to welfare recipients, two comments: (1) Someone, from Caspar Weinberger (or successor) on down should be held accountable: Nearly ½ billion dollars isn't chicken feed: (2) Per news reports, HEW does not plan to recover these sums, on ground would be too costly to justify effort. A suggestion: Why not "dock" further payments to those who received too much, by the amount of the respective overpayments? Presumably, if bookkeeping audit has disclosed overpayment, similar process would show to whom and how much the overpayments related to.

THOMAS F. BUTT.

UNISEX AND THE PUBLIC SCHOOLS

(By Russell Kirk)

Unisex marches on. Early in June the federal bureaucracy, in the name of Mr. Gerald Ford and Mr. Caspar Weinberger, Secretary of the Department of Health, Education, and Welfare, conferred upon us a document of 54 small-print columns entitled "Nondiscrimination on Basis of Sex: Education Programs and Activities Receiving or Benefiting from Federal Financial Assistance." These are regulations compelling educational institutions which receive federal funds to treat girls as if they were boys and boys as if they were girls.

Immediately after issuing this ukase, Secretary Weinberger resigned his secretaryship and fled to California. President Ford has expressed no contrition for promulgating these decrees from the throne, but he may yet be sorry. Congress can undo these requirements, quite as Congress undid the seatbelt interlock system. Already, encouraged by howls from constituents, Congress has postponed for a year execution of these new rules.

The federal document, however, is not nearly so extreme as the anti-feminine feminists, or libbers, would like. It grants certain exemptions and stops short of censoring textbooks (at the federal level, anyway) for "sexist bias." Aye, reaction as yet has not been wholly stamped out at HEW: paragraph 86.61 actually admits that in rare circumstances the authorities may recognize "sex as a bona-fide occupational qualification": chiefly, it is not forbidden to consider "an employee's sex in relation to employment in a locker room or toilet facility used only by members of one sex." Tories!

The follies of this HEW manifesto have been widely criticized already. Many people are unaware, however, of the yet sillier antics of certain "Sex Bias Task Forces" which are endeavoring to bully departments of public instruction and public schools in the several states. I have at hand information about such Women's Lib pressure in Minnesota and Michigan; had I time, doubtless I could make a collection of similar propaganda materials from other states. Early this year a "Sex Bias Task Force" delivered a report to the Minnesota State Board of Education, and just before the federal decree was published, the "Task Force to Study Sexism in Michigan Schools" presented a similar report to the Michigan State Board of Education.

In Michigan, three dissenters from the strident Report (all of them women) protested against the arbitrary methods and extreme conclusions of the Task Force to which, somehow, they had been appointed. "The Task Force was a farce, with poor attendance, and little discussion," said one. Another woman called the Michigan Report "insidious and subversive," declaring that the real aims of the militant Libbers are these:

"Girls are to be taught karate and other means of self-defense, but also their muscles are to be developed. Most importantly, girls are to be taught to masturbate, and lesbianism or homosexuality is to be taught in the schools. Further, lesbians are to be used as counselors in schools, and youngsters are to be counseled in alternative lifestyles."

Lest you think that these criticisms emanate from the infamous Little Old Lady in Tennis Shoes, let us turn to the Minnesota Report, of very similar character. A copy of the Minnesota Sex Bias Report was sent for comment to Dr. Rhoda L. Lorand, a clinical psychologist and psychoanalyst in New York City, whose writings are widely published. Dr. Lorand was disgusted.

Were the Minnesota Board of Education to adopt the program drawn up by the Sex Bias Task Force, she declared, the result would be "the promotion of lesbianism, the downgrading of the institution of marriage, of motherhood, childrearing, the nuclear family, the advocacy of single parenthood and communal living, as well as contempt for all occupations and qualities traditionally recognized as feminine." Dr. Lorand proceeded to analyze the Minnesota Report in some detail; here I can offer only brief extracts from her study:

"Putting pressure on boys and girls to behave like the opposite sex is placing them under a great strain because these pressures are at odds with biological endowment. Therapists have begun to note the confusion and unhappiness resulting from the blurring of gender-identity. Conflicting pressures between environmental and instictual drives hinder the development of a firm sense of identity as a male or female (an intended goal of Women's Lib), lacking which the individual cannot acquire stability, self-esteem, or clear-cut goals.

"Moreover, it is taking all the joy and excitement out of life. Girls are made to feel ashamed of their longings to be courted and cherished, to be sexually attractive, to look forward to marriage, motherhood, and homemaking. Boys are made to feel ashamed of their chivalrous impulses. Feelings of protectiveness toward a girl and of manliness cause them to feel guilty and foolish, resulting into a retreat into passivity, while the girls end up unhappily trying to be sexual buddies to the boys. This unisex drive had its beginnings in the hippie movement and has been greatly intensified by all the publicity given by the communication media to the demands and accusations of the feminists (who really should be called masculinists, since they despise everything feminine)."

Amen to that, boys and girls. And amen, too, to certain remarks last December by Dr. Terrel H. Bell, the United States Commissioner of Education. Dr. Lorand quotes him, and I have quoted him in one of my syndicated columns.

"Parents have a right to expect that the schools in their teaching approaches and selection of instructional materials, will support the values and standards that their children are taught at home," said Commissioner Bell. "And if the schools cannot support those values, they must at least avoid deliberate destruction of them."

For my part, I should like to see some deliberate destruction of Sex Bias Task Forces. State boards of education should reject with cold contempt such pronunciamentos as these "Reports" of Minnesota and Michigan. These baneful follies are the productions of a small handful of female freaks, unrepresentative of American women's convictions generally, but noisy and aggressive.

THE SINAI AGREEMENT

Mr. TAFT. Mr. President, when Secretary of State Kissinger visited Cincinnati recently, he spoke at length on the subject of the Sinai agreement and was extremely well received there. I believe it would be interesting to the Senate to hear of the mail resulting from that visit.

Prior to the visit, I had indicated to the press that my mail, while not very heavy, was running about 10 to 1 against the Sinai agreement. Since that visit and since the newspaper comment on my earlier survey, a review of my mail received during the week of September 18 through September 25, revealed 186 letters in favor of the proposed Sinai agreement and 35 letters against. Many people in favor of the agreement mentioned that they were prompted to write because of my earlier report, and a number indicated that they had changed their previous position after listening to, or reading, the remarks of the Secretary.

STEPHEN J. WEXLER

Mr. HOLLINGS. Mr. President, I rise today in tribute to a friend and associate who was tragically taken from us in an accident last weekend. He was Stephen J. Wexler, counsel to the Subcommittee on Education of the Labor and Public Welfare Committee.

Although a young man, Steve had already made his mark. He was active in the development of some of this country's most important education legislation. His work on the Elementary and Secondary Education Act Amendments and the Higher Education Amendments of 1972 was recognized and appreciated by his colleagues here in the Senate and by educators throughout America.

In recent years, I had many opportunities to work with Steve in the field of education. I found him a tremendously well-informed person, and I found him willing to share his expertise freely and enthusiastically. Not only did he have a feel for what should be the substance of legislation, but he understood too the procedures of the legislative process, and this made his advice doubly valuable.

Steve was not only an adviser to Senators. He was a friend. He was a witty, personable, and altogether delightful person to be with, and I speak not just for myself but for my colleagues in saying how deeply he will be missed.

Mr. President, I extend my deepest condolences to Steve's young family. While no words or assurances can offset their grief at a time such as this, they will be able to look back with pride—real pride—on the contributions that Steve made to the improvement of education and, therefore, the improvement of life, in our country. The land in which his young son will mature is a better place for Steve's many important contributions.

YOU PAY FOR WHAT YOU GET

Mr. FANNIN. Mr. President, it is often said that there is no such thing as a free lunch. This is certainly true and that truth is often painful, as the city of New York is finding out. The government, no matter how big or affluent, cannot live beyond its means indefinitely. Eventually those "free" educational and welfare benefits, those inflationary wage increases and those frivolous new programs have to be paid for.

The fact that nothing is free is as true of Government regulation as it is of Government spending programs. Consumers are beginning to realize that, in addition to the direct taxes they pay each year to support Government social welfare programs, they also pay hidden taxes in the form of higher costs for the goods and services they need as in indirect result of Government regulation of business.

Mr. President, the Business Roundtable has presented a series of messages in the Reader's Digest which discusses different aspects of our economic system. The most recent article "You Pay for What You Get," points out that money from Washington or new safety devices for your car or measures to reduce industrial pollution all cost money and the bill for them eventually lands in the lap of consumers. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Reader's Digest, October 1975]

YOU PAY FOR WHAT YOU GET

The city of New York awoke from a disastrous dream last spring. For decades it had lived beyond its means. Many of its citizens had come to believe they could get something without paying for it—"free" college educations; huge welfare benefits; wage increases for city employes double and triple those in the federal government; extravagant, fiscally unrealistic pensions.

Result: The city found itself $750 million short of meeting its current operating expenses, and was forced to pay close to $2 billion yearly on its past debts. "No other city in the United States has provided such a range of free services and diversions," reported one news magazine.

The only problem was, those "services and diversions" were not free at all. In fact, the most elementary economic truth is: *Few things are really free*. We must always pay the piper when the dance is over.

In our personal lives, this pay-the-piper principle seems so logical, so matter-of-fact, that we seldom question it. Whether we're offering a child piano lessons, buying an air conditioner or choosing steak over hamburger, we weigh the benefits to be derived, and we expect to pay the price.

But somehow we seem to abandon this logic when we venture upon "social goals"—from poverty programs to health care to aid to education. The two most common signs of public departure from economic reality are the statements, "Let the government pay for it," and the currently popular "Tax the big corporations—let *them* pay for it." But who really does pay? Let's examine just one case.

The Union Carbide plant at Alloy, W. Va., which produces ferro-alloys for the steel and aluminum industries, used to be known as "the world's smokiest factory." It poured out 91,900 tons of particles a year, more than that emitted by all of New York City. In 1971, Union Carbide began to take steps to meet a clean-up schedule developed with state environmental officials—and today the air is clear over Alloy. Thanks to a vast complex of environmental equipment that requires almost as much room as the plant itself, emissions have been reduced by 97 percent.

What has the Alloy clean-up cost? Union Carbide spent $33 million for the elaborate anti-pollution devices. Operation and maintenance of the system cost more than $3 million a year. As a result, plant operating costs have risen more than 10 percent. Who will pay this cost? The company initially, certainly. But ultimately the clean-up has to be reflected in the prices of alloys for high-strength and specialty purposes, and for aluminum products. Eventually, all of us, in buying goods made from steel and aluminum, will feel the economic impact.

Most would agree that the clean air was worth the cost. Yet in setting each new social goal, we, as the people who ultimately pay, must ask ourselves: Are the benefits worth the costs?

Such decisions are easily resolved at the personal level. (Is the extra room on the new house, the tape-deck for your car, worth the extra dollar outlay to you?) But when it comes to social goals, we may not be fully aware of the facts, mainly because the decision-making is in the hands of our surrogates—Congressmen and regulatory-agency officials.

Whether the decisions they make for us are wise or unwise is ultimately decided by the voters—although it may take a long time. But whether these decisions will cost us money has already been immutably decided by economic reality. Americans, for instance, have spent an estimated $2.4 billion extra on their automobiles since 1972 to accommodate various government-mandated combinations of wires, lights and buzzers to force them to buckle their seat belts. Ordered "on behalf of" the public, these devices proved to be overwhelmingly unpopular and the law requiring them was finally rescinded by Congres as a "social goal" not worth the cost.

As you read this, other bills for social goals—many of which we may find admirable—are being totted up. We will pay for what we get, so we must be sure that as a nation we want, need and can afford them.

In the steel industry, for example, we must be prepared for the possibility that new, stiffer government anti-pollution standards will cause steel-industry costs to increase by $25 to $30 a ton over the next eight years. Other costs—energy, raw materials and labor—will also drive prices up. The companies will bear the brunt initially, but *we consumers* will finally pay. (Steel men don't print their own money; they make it by selling their products.) Part of the increased cost of a new car or refrigerator will go toward clearing the air over Chicago, Baltimore, Pittsburgh or Birmingham—wherever steel is made.

Or consider, for instance, the effect of a proposed federal regulation to require tire manufacturers to mold coded information regarding traction qualities, tread resistance, and resistance to generation of heat into the side of each new tire. Some companies estimate that this regulation will add at least 75 cents to the retail cost of each tire. In other words, according to the manufacturers, if you buy four tires, you will pay $3 for both symbols you can't understand and additional testing that will add nothing to the safety already required by previous regulations. Presumably, astute consumers will bone up on traction, wear and heat-generation information before they buy their tires. We must ask ourselves: Is this regulation really worth the cost?

Another example: flammability standards for upholstered furniture suggested by the Consumer Product Safety Commission. The regulations, aimed principally at cigarette-caused fires, are expected to increase prices of upholstered sofas and armchairs by up to 25 percent. The furniture industry fears that the standards could eliminate about 75 percent of fabrics now made for upholstery. If we, through our surrogates, decide that it is correct for the government to impose such flammability standards, then we must be prepared to pay the cost the next time we buy a couch. And we may not like the feel or look of the newer, nonflammable fabrics.

What all this means is that we, as part of a complex and interrelated economy, cannot merely wish for or advocate some benefit for a "remote" part of our society. We must also be prepared to accept a part of the financial burden. Are we prepared to pay higher electric bills when we ask a utility in our area to provide more generating capacity with less harm to our environment? Are we committed to reducing auto emissions and increasing auto safety to the extent that it may add as much as $1000 to the price of our cars?

Only when we realize our fundamental financial role in the laws passed and regulations promulgated by our public officials, will we be sure to set wise and realistic goals.

DIRECTOR OF NIA SHOULD BE NAMED NOW

Mr. CHURCH. Mr. President, the Research on Aging Act became law on May 31, 1974, after a long struggle.

Public Law 93–296 established a National Institute on Aging at the National Institutes of Health. The new institute is responsible for conducting and supporting biomedical, social, and behavioral research and training relating to the aging process.

Congress took this action because aging research had a low Federal priority.

Consequently, our Nation knows far too little about the aging process, even though a substantial portion of our health care costs goes for care of older persons.

There are now 22 million persons in the 65-plus age category. Within the next 50 years the number of older Americans will almost double, to 40 million.

In terms of sheer numbers, then, we should be more concerned about the reasons for aging.

But there are other important factors as well. For example, research conducted by the National Institute on Aging could probably help more people to live productively for longer periods.

Yet, the administration has failed to name a director for this important position, although the Research on Aging Act was enacted into law 16 months ago.

This inaction is totally inexcusable, in my judgment, and must be corrected at once.

Obviously, the new Secretary of the Department of Health, Education, and Welfare—Forrest David Mathews—is not personally responsible for this inordinately long delay. He has been in office now for less than 2 months and has responsibility for a vast agency.

But, it is my hope that he will soon name a director of the National Institute on Aging. This action is needed now if NIA is to have direction and perform its mission.

Recently, I wrote the new Secretary of HEW and urged that the director be appointed promptly.

Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SPECIAL COMMITTEE ON AGING,
Washington, D.C., October 1, 1975.

HON. FORREST DAVID MATHEWS,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: On May 31, 1974, the Research on Aging Act was signed into law. The Act established a new National Institute on Aging to conduct and support biomedical, social, and behavioral research and training relating to the aging process.

However, the Administration has not yet named a director for the new Institute—although 16 months have elapsed since the enactment of this legislation. I fully realize that you are not personally responsible for this lengthy delay, since you were confirmed only recently. Nonetheless, I hope that one of your early acts in that capacity will be to name an N.I.A. director. This action, it seems to me, is essential if the Institute is to fulfill Congressional intent.

For these reasons, I would appreciate a report on the status of this appointment and information on your other plans for N.I.A.

With best wishes,

Sincerely,

FRANK CHURCH,
Chairman.

NATIONAL CAPITAL AREA COUNCIL, BOY SCOUTS OF AMERICA, HOLD MINIJAMBOREE

Mr. BEALL. Mr. President, each of us in the Senate knows of the tremendous contributions the Boy Scouts of America have made and continue to make toward the development of good citizens in our country. Today, more than 6 million boys and adult leaders belong to the Boy Scouts of America, following the motto of "Be Prepared" and learning good citizenship through cooperation and hard work.

As part of this goal, National Capital Area Council, Boy Scouts of America, held a minijamboree on October 3, 4, and 5. The jamboree was located near Washington on route 301. The Scouts were involved in many activities and I am sure that all those in attendance gained better insight into the many abilities and talents of our Nation's Boy Scouts.

I would also like to take this opportunity to commend the many adults who willingly give of their time to assist the Boy Scout effort. Without these dedicated professionals, the Boy Scouts of America would not hold the enviable reputation it does today. They are certainly helping to lay a solid foundation upon which another generation of Americans can fulfill their citizenship responsibilities.

SPANISH GOVERNMENT THREAT TO THE BASQUE PEOPLE

Mr. CHURCH. Mr. President, from around the world voices of protest have been heard this week over the execution by the Spanish Government of five men accused of terrorist activities. I add my voice to their number.

But I would go much further. It is important for us to realize that these executions are not an isolated incident but only the most obvious act in a pattern of repression against the Basque people particularly. Behind the grim headlines lies the reality of years of persecution of the Basque minority and a recent step-up of terror and torture by the Government.

I call the Senate's attention to a report made public at the United Nations Wednesday by Amnesty International, a worldwide human rights movement independent of any government, political faction, ideology or religious creed. Amnesty International works for the release of men and women imprisoned anywhere for their beliefs, color, ethnic origin, or religion, provided they have neither used nor advocated violence.

In July of this year Amnesty International sent a mission to Spain to investigate allegations of torture reported to have occurred during a 3-month period in two of the four Basque provinces. Despite the refusal by the Spanish Government to allow access to some of the prisoners who allegedly suffered the worst torture, the mission obtained conclusive evidence of the following:

First. Massive illegal detentions took place in the two provinces, probably of several thousand persons;

Second. The mission received convincing evidence that torture was systematically used against a minimum of 250 Basque detainees. One victim told of 30 sessions of torture in 21 days of continuous imprisonment; and

Third. Three major police forces participated in the torture of the Basques and regularly circumvented Spanish law by transferring prisoners from one province to another, holding them without cause and rearresting prisoners.

The report is tough reading—a description of cruel tortures intended not only to extract confessions and information from their victims but to intimidate the Basque people in every possible way. But it is important that we understand the lengths to which the Spanish Government will go to suppress the Basques.

In the light of this evidence, we in the United States should do more than protest. We should seek to avoid complicity in the suppression of the Basques through support of the Franco government. Our Government should do everything possible to separate itself from these acts of the Franco regime. In the months and perhaps years ahead, when the Generalissimo seeks to maintain the present form of government even after his passing, let us hope we are sufficiently wise to avoid either the illusion or the fact of support for the conduct I have just discussed.

The execution which took place last week may be only the beginning. Fifteen more Basques are expected to go on trial and at least three are expected to receive death sentences. While we may wish to respect the internal laws of other countries in criminal matters, when human rights are so flagrantly abused as in Franco Spain it is time to speak out. The Spanish Government should recognize that the international outcry expresses the universal desire for civil liberties and human dignity. When citizens of a country such as Spain are prevented through fear from expressing themselves in an open society, it is time for us to speak on their behalf.

Mr. President, I ask unanimous consent that the report of Amnesty International mission to Spain be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF AMNESTY INTERNATIONAL MISSION TO SPAIN

I. INTRODUCTION

In July 1975 Amnesty International sent a mission to Spain to investigate allegations of torture reported to have occurred during the three-month state of exception (estado de excepción) in the Basque provinces of Vizcaya and Guipúzcoa, which was in effect from 25 April to 25 July 1975. A state of exception in Spain is one step short of martial law, being a temporary abrogation by the government of six civil rights theoretically guaranteed in the Fuero de los Españoles (Charter of the Spanish People): the rights to free expression, to privacy of the mail, of assembly and association, habeas corpus, freedom of movement and residence, and freedom from arbitrary house search. The most serious of these abrogations in creating the pre-conditions for torture is the suspension of the right of habeas corpus. Under the Fuero de los Españoles, a detainee has the right to be brought before judicial authorities within 72 hours of detention. But under a state of exception, a detainee can be held for an indefinite period without access to a lawyer and without appeal to the courts. With the detainee beyond the help of lawyers, the courts or anyone else, the police are at liberty to do with him or her what they wish.

The declaration of the state of exception should be seen within the changing context of governmental policy with regard to the expression of political opposition in Spain. The poles of this policy are suggested by the February 1974 and the June 1975 speeches by Prime Minister Don Carlos Arias Navarro. The first speech pledged support for a limited degree of popular participation in an evolving democratic process. This pledge of liberalization, had it been effected, should have led, for example, to the introduction of a new law of association, thus possibly allowing the formation of independent political parties.

The promises of the February 1974 speech have not taken tangible form, however, and in June 1975 the Prime Minister explicitly reversed his earlier statement of intentions. Among other things the second speech promises (1) a harsh law to combat communism in any manifestation; (2) national unity, to be maintained in the face of separatist movements; (3) national continuity, to be guaranteed by the re-constitution of the monarchy; and (4) peace, to be protected by the government and the security forces.

Government policy toward the Basque provinces is further complicated by the strong nationalism of a people who have a distinct language and culture. The Basques exercised for generations a limited autonomy within Spain in the form of administrative privileges conceded in special charters (fueros) by Spanish monarchs, but largely withdrawn during the nineteenth century. Vestiges of these administrative privileges survived into the twentieth century, but they were abolished in Vizcaya and Guipúzcoa in 1937 after the provinces capitulated to General Francisco Franco, whose "New Spain" brought them under the centralized rule of the administration in Madrid.

The Spanish government's official reason for declaring the state of exception in Vizcaya and Guipúzcoa was the violence initiated by the Basque separatist organization ETA (Euzkadi Ta Azkatasuna, "Basque Homeland and liberty"), specifically the assassinations of four policemen in the four months preceding the state of exception. However, the security forces' retaliatory violence against the general Basque population, including the use of torture, was widespread and indiscriminate. The torture and other acts of official intimidation were aimed not only at dismembering ETA but also at intimidating other Basques from support for ETA and from any aspirations to Basque autonomy.

Documentation of this zealous repression and of the abuses of human rights during the state of exception is provided in this report in the hope that the Spanish government will hold its own security forces accountable for violations of Spanish law and of the Fuero de los Españoles.

The Allegations

During the state of exception, Amnesty International received numerous allegations made by both Basque and independent sources (lawyers, journalists and others familiar with the Basque provinces) that the following violations of human rights had occurred and that these violations were both deliberate and frequent:

1. Massive detentions, altogether numbering in the thousands, usually followed by interrogation, often by maltreatment and in most cases by release within a few days, thus indicating the probable innocence of those released and leaving room in the police stations and Civil Guard barracks for new detainees.

2. Illegal transfers of detainees from the two Basque provinces not under the state of exception (Alava and Navarra) into Vizcaya and Guipúzcoa, thus in effect extending the geographical area under the state of exception.

3. Abuses of the judicial process either by re-arrest on the executive authority of the provincial civil governor following release by a magistrate, or by removal of detainees from police stations or Civil Guard barracks directly to prison.

4. Widespread, systematic and severe torture of detainees in all four Basque provinces, but particularly in the two provinces under the state of exception.

The Mission

In order to investigate these allegations independently, Amnesty International sent a delegate, the American attorney Thomas Jones of Washington, DC, to visit Madrid and the Spanish Basque region from 19 until 29 July 1975 and make appropriate inquiries. While in Madrid, Mr. Jones was joined by Dr. Burkhard Wisser, professor of philosophy in Karlsruhe, Federal Republic of Germany, for discussions at the Spanish Ministry of Justice and with the Papal Nuncio and the Dean of the Junta de Gobierno of the Spanish Lawyers' Association.

In addition, Amnesty International instructed the mission to seek clarification of the Spanish government's intentions regarding the renewed use of the death penalty both in civil and in political cases throughout Spain. (A copy of Amnesty International's appeal to the Spanish government against the use of the death penalty is appended to this report.)

Amnesty International sought the assistance of the Spanish government in investigating these allegations. On 11 July and again on 16 July, Secretary General Martin Ennals formally requested permission from the Spanish Ministry of Justice for an Amnesty International delegate to visit specific prisoners in Basauri Prison, near Bilbao (Vizcaya province), whose names were known to Amnesty International and who had allegedly been tortured prior to their transfer to Basauri Prison. On 21 July, Mr. Jones and Dr. Wisser visited the Ministry of Justice in Madrid to repeat this petition and to present a list of names of 32 prisoners whom they requested to interview. They expressed their willingness to extend their stay in Spain, if necessary, beyond the termination of the state of exception so that the interviews could be arranged. They also offered to select a smaller number from the list for interviews. Nevertheless, on 23 July, the Ministry of Justice officialy refused the request.

Amnesty International regrets that its

delegates were not given the opportunity to test some of the most damaging allegations of torture that had been made against the Spanish security forces. Permission to visit even a few of the prisoners in Basauri Prison would have been a sign that the Spanish authorities were willing to have these allegations fairly tested, and either verified or discredited, by an impartial, independent observer. No such sign has been forthcoming.

II. THE NATURE OF THE EVIDENCE

The Amnesty International mission collected evidence (1) from lawyers whose clients were tortured and who visited their clients in prison and took testimony from them, (2) from witnesses to the torture of others, and (3) from victims of torture who have been released from custody and (in some cases) whose scars were still visible. More than 50 lawyers and victims and witnesses of torture were heard. Cases cited in their report are indicated as indirected testimony if they came from interviews with those in the first category. Otherwise the cases came from the direct testimony of witnesses and victims of torture.

The weight of this report rests on personal interviews with 15 victims of torture—a comparatively high number, in view of the prevailing fear of reprisals in the Basque region—and on the corroborating testimonies of those who had witnessed torture and who gave direct testimony about an additional 30 cases. The ages of these particular 45 victims of torture ranged from 17 to 72, many of them being in their twenties. Among these 45, there were 11 women and 34 men. The majority came from the working class.

It has been necessary to maintain the anonymity of all victims and witnesses of torture throughout the report in order to protect them not only from possible rearrest, but also against reprisals by the extreme right-wing vigilantes who commit acts of violence with apparent impunity against Basques. (See page 11 for an analysis of the relationship between these vigilantes and the police.) All of the witnesses and victims of torture who met with the mission expressed the desire to remain anonymous, and most desired that the details of their stories be treated with the greatest caution in order to prevent their identification. As a consequence, this report sometimes omits parts of testimonies, such as exact dates on which a person was arrested, the town in which the person resides, or other very specific details that would readily identify the speaker. (Amnesty International possesses the full, unabridged testimonies.) Although some details have been omitted, no facts have been altered and no details changed. Amnesty International regrets that circumstances dictate this policy of anonymity.

III. THE FINDINGS

Despite the refusal by the Spanish government to allow access to some of the prisoners who allegedly suffered the worst torture, the Amnesty International mission obtained conclusive evidence of the following:

1. Massive detentions did take place in Vizcaya and Guipúzcoa provinces, although Amnesty International is unable to give verifiable figures for the number of persons detained during the state of exception or the number of prisoners still in custody. Certainly the unofficial estimates of several thousand detentions given by lawyers appear to be more realistic than the official figures given on 27 May 1975, when the government announced that 189 people had been detained in Guipúzcoa and Vizcaya provinces since 25 April, of whom 90 had subsequently been released.

Amnesty International has received reliable information that upwards of a thousand people were detained in each of the two provinces, that no fewer than 300 were held longer than 72 hours in Vizcaya and that no fewer than 200 were held longer than 72 hours in Guipúzcoa. All of the victims interviewed by the mission had been held longer than 72 hours by the security forces. It is also likely that at the close of the state of exception there were about 120 prisoners in Basauri Prison (Vizcaya province), which is twice its normal capacity. Amnesty International is not able at this time to make a reliable estimate of the prisoners still in Martutene Prison (Guipúzcoa province) or in the Civil Guard barracks and police stations of the two provinces, or of the number of prisoners transferred to prisons outside the Basque region.

2. Five of the torture victims interviewed by the mission had been illegally transferred into Guipúzcoa or Vizcaya for the purpose of circumventing the Spanish citizen's right to be brought before a magistrate within 72 hours of detention. In each case, the individual was tortured in the province where arrested and then transferred into one of the two provinces affected by the state of exception before the expiration of the 72-hour limit.

3. During the state of exception provincial civil governors ordered (a) the rearrest of detainees after their release by a magistrate and (b) the removal of detainees from police stations and Civil Guard barracks directly to prison. In effect, this form of administrative detention circumvented the judicial processes, on the one hand arbitrarily nullifying the decisions of magistrates and on the other hand preventing the presentation of complaints of torture before judges.

4. The mission received personal and direct evidence of the torture of 45 Basque detainees. The mission further received credible and convincing evidence that torture was systematically used against a *minimum* of 250 Basque detainees (and possibly against many more who were not known to the contacts interviewed by the mission) in the provinces of Vizcaya and Guipúzcoa during the state of exception and was used frequently in Alava and Navarra provinces. Every victim interviewed by the mission was subjected to at least one session of interrogation and torture a day: some were tortured during as many as five sessions a day. Sessions lasted from half an hour to an estimated six hours. One victim told of 30 sessions of torture in 21 days of continuous imprisonment.

5. The three major police forces participated or collaborated in the torture of Basques: the *Policia Armada* (regular armed police), whose jurisdiction is the urban areas; the paramilitary *Guardia Civil*, with jurisdiction in rural, coastal and frontier regions; and the *Brigada Politico-Social*, the special security police.

6. The methods of torture included severe and systematic beatings with a variety of contusive weapons, falanga (beating on the soles of the feet), burning with cigarettes, near drowning by being submerged in water while suspended upside-down, enforced sleeplessness, and forms of psychological stress, including mock executions, sexual threats, threats to relatives and the technique known as *el corrojo* (the frequent fastening and unfastening of bolts on the cell doors in order to keep prisoners in perpetual fear that the torturers have returned).

7. The reasons for the torture were (a) to extract information and confessions that would enable the security forces to crush or severely weaken ETA, whose members had murdered four policemen in the four months prior to the state of exception, and (b) to intimidate the general Basque population into submission to the central administration and to the non-Basque security forces. Partly because the security forces are not Basques, generally do not speak Basque and therefore have no natural roots among the local population, they cannot readily rely on ordinary techniques of gathering information. Consequently they turned during the state of exception to the use of massive detentions and systematic torture in order to elicit the required information and confessions from those few knowledgeable detainees in their custody. When detainees had no knowledge to bare, the emphasis lay on intimidation of the tortured detainees and in turn of the general Basque population—intimidation that became anarchic vengeance provoked by two further assassinations of policemen in early May.

IV. THE METHODS OF TORTURE

The most common form of torture used by the Spanish security forces against Basques has been severe and systematic beatings all over the body and with a variety of contusive weapons:

1. "I was thrown to the floor, kicked, clubbed. They had a wooden rod about a meter long, and a club wrapped in rubber with metal bands around it."

2. "I was in the police station a total of some 20 days. I was beaten with an electric cable, about a meter long, with two centimeters of copper surrounded by rubber or plastic. I was beaten worst on the shoulders, the back of the neck and the chest."

3. "Blows were falling from all sides, some from fists, others from what looked like a whip, except that it had a ball or knob on the end, about 40–45 centimeters long."

4. "They beat my husband in the Civil Guards barracks in Guipuzcoa with hard rubber tubes used for butane gas. He was bruised from the buttocks to his feet." (This incident occurred several months prior to the state of exception.)

5. "I lost consciousness twice and they woke me by throwing water on my head. On the last day, they . . . beat me with a crowbar."

6. "They took me to the police station in [name of town omitted], where they handcuffed my hands under my knees and beat me for some four hours with wooden poles and flexible wooden clubs with knots in them made from a holly tree. They also whipped me."

7. Indirect testimony from a lawyer about a client: "I could see marks, bruises on both arms. He had bruise lines caused by blows from what he described as iron, steel and wooden bars, as well as clubs both round and square. They also used a cane made out of bone—apparently it was very handsome."

8. "They began to beat me with an iron bar wrapped in rubber, about 60 centimeters long. They hit me in the back, in the chest, over the heart. It's a blow that shakes you to the core."

Falanga (beating of the soles of the feet, causing pain to the skeletal and nervous systems) was common, as were beatings on the sexual organs, the shins, back, stomach, kidneys and head. One prisoner had his head thrust against the wall by his interrogators some 20 times until his forehead was cut and "swollen like an egg". The feet and buttocks of others were black with bruises. One witness referred again and again to a particular victim he saw as looking like a cadaver, "his face yellow like a dead man".

It is striking among many of these cases that there was a combination of beating and painfully protracted calisthenics. "When one group of police tired of beating me, another would come in. They made me do deep knee bends for one and a half hours while they were beating me," said one man. A young woman said that she had been beaten while forced to do hundreds—perhaps 500—deep knee bends: "It leaves no marks, but it hurts horribly." "The second interrogation lasted about two hours," said another man, "and I was beaten in the same way with the same whips by five or six policemen. This time my hands were handcuffed under my legs, and while squatting, I was made to walk as they beat me." This "duck walk" (*el pato*) was interpreted by one victim of it as an effort to "minimize" and humiliate him (*para minimizarle*).

Women received especially humiliating treatment from their male interrogators. One witness told the mission of a girl whom the policemen stripped naked and whose pubic hair they shaved. The same witness (a man) saw cigarette burns on the arms of another girl who told him that she also bore scars from cigarette burns on her breasts. (One of the policemen assassinated was known as *El Pitillo*, "the cigarette butt".) The women torture victims were so sadistically beaten and humiliated that it was not easy for them to come forward to meet the Amnesty International mission. Some did, however, and they told of sexual threats, including sterilization, of being made to walk naked in the police station, of being manhandled in front of male friends to force information from the men and of insults that are (above all within the mores of Spanish society) so degrading as to be a form of psychological torture.

The torturers at the central police station in Bilbao had the services of a doctor (or someone they called a doctor). He examined torture victims, patched them up, bandaged their ribs or recommended hospitalization. His chief role was to advise the police on how long it would take for the torture victims' bruises to disappear: "After the first week they left me alone. On [date omitted] and again on [date omitted] I was examined by a man dressed like a doctor. The police asked him how long it would take for the bruises and marks to go away, so they could tell how long to keep me at the police station. In my case the 'doctor' said 10 days."

Many of the victims of torture who were interviewed referred to the technique of el bueno, that is, the good policeman, who acts as the prisoner's friend. His function in the ordeal is to regret the need for brutality, offer favours to the prisoner, and pretend to oppose the resumption of torture—all in an effort to win from the prisoner the desired information or confession. Comment on the predatory cynicism of such ploys is unnecessary. Psychological stress was intensified by mock executions (several of those interviewed had had pistols to their heads and the trigger pulled on a blank cartridge), by threats of rape or torture of relatives, by sounds of screaming from other torture victims, and most damaging of all, by the technique known to the prisoners as cerrojos—the frequent fastening and unfastening of bolts on the cell doors that kept prisoners awake for days and almost constantly in fear that another session of torture would soon begin. (For further direct testimony from witnesses and victims of torture, see Appendix A).

V. INTIMIDATION

a.) Official Intimidation—

"Their only credentials were machine-guns and pistols," commented one released prisoner who had been seized and assaulted at home by the police during the night. Under a state of exception the security forces do not need a warrant or any authority but their own to enter a house, search the premises and detain the inhabitants. This pattern of violent entry was commonplace during the state of exception.

Virtually no member of the security forces in the Basque provinces is a Basque. Few policemen understand the Basque language, and in order to gather information about opposition activities they rely either on a not particularly effective network of local Basque informers, or else, as was true during the state of exception, on massive arrests, random brutality and excessive repression, including torture.

The ubiquitous nature of the repression is illustrated by the random checks in the streets and other public places of identity cards, which all Spanish citizens must carry. One example of the intimidation engendered by such procedures will suffice. When the police entered a public bar in Bilbao to check identity cards, the commanding officer blew his whistle to announce the raid. An elderly Basque man responded by shouting in Basque a cry common to the bull ring. The commanding officer knocked the man to the floor and viciously kicked him. Those people whose identity cards bore Spanish names were allowed to leave. Those whose cards bore Basque names were forced to the floor.

Intimidation also took the form of action against local parish priests. The police confiscated at least two sermons that were published in June and detained priests accused of writing or distributing them. In addition, fines of up to 50,000 pesetas (about $400) were levied against priests who alluded in their sermons to repression under the state of exception, and often the community or parish paid the fine. (Similar fines are increasingly used against priests throughout Spain.) Repetitive fines imposed economic pressure on the priests and their parishioners, and if they were collectively unable to pay this form of tribute, the parish priest remained in custody.

(b.) Vigilante Intimidation

Extreme rightwing vigilantes, usually identified as members of the *Guerrilleros del Crito Rey* hitherto operating mostly in Madrid, have recently become active in the Basque region as well. Amnesty International has no evidence that the vigilantes have caused any deaths in the Basque region. But they have undertaken an effective campaign of terror against relatives and sympathizers of Basque separatists, as well as against priests and lawyers who have dared to defend civil rights. They have dragged a defense lawyer from his house and beaten him; assaulted whole families who have relatives in ETA; beaten a 72-year-old priest in his parish library outside Bilbao; and bombed, burned or machine-gunned dozens of houses, offices and commercial establishment owned or operated by Basques with either separatists or civil rights aspirations.

The Amnesty International mission was not asked to investigate the activities of the vigilantes or the alleged links between them and the police. Nevertheless, some secondhand information was forthcoming which Amnesty International regards as reliable.

The clearest evidence of police complicity in the vigilante activities is the fact that not one investigation or arrest is known to have taken place following vigilantes' attacks on persons or property. Furthermore, as several Basques stated to the mission, the vigilantes (whether from the area or outside the area) would need the help of the police or their informants to pinpoint their targets.

Virtually every person interviewed by the mission expressed fears of retaliation by the police or the vigilantes—fears that would seem to be fully justified. The Amnesty International delegate saw the machine-gunned windows of lawyers' offices. In the early morning of 28 July, a public bar in Vizcaya was bombed and nearby a priest's car was machine-gunned and bombed, thus indicating that the termination of the state of exception has not put an end to the vigilantes' activities. The *Guardia Civil* had forceably cleared the streets of the town and had detained the owners of the car that was bombed on charges that they had allowed "subversive songs"—i.e. songs in the Basque language—to be sung in the bar.

VI. TORTURE UNDER SPANISH LAW

An official at the Ministry of Justice in Madrid stated unequivocally to Amnesty International's representatives that torture is unacceptable to decent men, that it is immoral and degrading to both victim and torturer, and that torture is both prohibited and punishable as a criminal offence under Spanish law.

In the preliminary section of the Fuero de los Españoles (Law of 17 July 1945), the Spanish state "declares, as the governing principle of its actions, respect for the dignity, integrity and freedom of the individual . . ." In the Enjuiciamiento Criminal (Law of Criminal Prosecution), Article 389 states that the witness shall not be asked deceitful or rhetorical questions, nor shall any coercion, deceit, promise or contrivance be used to force or induce the witness to make a particular declaration. Article 393 reads as follows: "When the interrogation of the accused is of prolonged duration or the amount of questioning is such that the accused loses the composure of mind necessary to answer the remaining questions, the interrogation should be brought to an end to allow the accused time to rest and recuperate. The duration of the interrogation must always be indicated in the statement of the accused." Article 394 states that "the examining magistrate who infringes the rules laid down in the above article or those in Article 389 will be disciplined except in cases where he is to be disciplined for greater offences." It is thus evident that under Spanish law the use of maltreatment or coercion by the authorities is a criminal act.

Spanish law provides that allegations of torture by police during interrogation can be brought before the courts in a number of ways: by the victim when he is brought before the juez de instrucción, under normal circumstances within 72 hours of his arrest; by a member of his family making appeal to the judge for an investigation; by any Spanish citizen, using the procedure known as a llamada por acción popular, a kind of citizen's complaint; and, finally, by the courts and public prosecutors themselves when evidence of torture comes to their attention.

In any of these cases, it is incumbent upon the competent tribunal to investigate the allegations with the help of a forensic doctor's report on the medical condition of the victim. Where there are signs of torture, the courts have the power to hold an investigative hearing and to recommend action to the public prosecutor. It should be noted that a *llamada por accion popular* case has been brought by 49 lawyers on behalf of the well-known priest, Father Anastasio Erquicia.*

In spite of this laudable theoretical spectrum of legal safeguards against torture and coercion, these legal guarantees were nullified in practice by police action and judicial inertia during the state of exception. Moreover, there is strong evidence, as a number of Spanish lawyers told the Amnesty International mission, that torture is used systematically whenever the individual does not

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*The Spanish periodical *Cambio 16*, in the 18 August 1975 issue, published an account of the case of Father Erquicia after his release from hospital. Torture is not explicitly mentioned, but the enigmatic quality of the article that results from the obvious omissions about torture indicates the limits of what can be said on the subject in Spain: "I stayed in the police station for 24 hours: what I can confirm is that I entered it in good health and that I had until then never suffered from any serious illness, my state of health always having been excellent. That day, at three o'clock in the morning, I began feeling dizzy. I was in the cell with four other persons, and I asked for medical attendance. These were hours of great tension; the preceeding night the policeman Llorente had been murdered.'

" 'Tasio' lost his sense of time and remembers only his arrival at the hospital. According to the four doctors who attended him, he was brought [to the hospital] . . . in a very serious condition because of a kidney injury, which required dialysis treatment for a period of 19 days."

immediately confess voluntarily. At the root of this systematic violation of basic human rights is an inquisitorial legal system that accepts confession as fundamental proof and in which torture is frequently used to obtain that confession.

Furthermore, a number of Spanish lawyers stated that, apart from the massive, indiscriminate arrests and torture, a state of exception is not altogether exceptional. This is because cases regarded by the police as serious are usually subject to military jurisdiction, under which the right of *habeas corpus* within 72 hours of detention does not apply, and because of judicial reluctance to interfere with the police. Thus, for example, the law guarantees judicial scrutiny of police requests for search warrants. Nevertheless, according to Spanish lawyers, in the Basque provinces judicial approval of such requests is virtually automatic in every case. In other words, even under normal circumstances, any Spanish citizen in the Basque provinces may, at the discretion of the security forces, find machine-gun carrying policemen searching his house at 3 am.

It is certainly true that during the state of exception the judiciary did not rigorously oversee police activities or adequately defend detainees' rights under Spanish law. Magistrates either failed altogether to investigate allegations of torture lodged with them by detainees or their lawyers, or if they initiated inquiries, they did so only after enough time had elapsed for bruises and scars to disappear.

VII. CONCLUSION AND RECOMMENDATIONS

Amnesty International respectfully appeals to the responsible Spanish authorities to investigate Amnesty International's findings of the abuses of legal procedures and of the massive and systematic use of torture in the Basque provinces during the state of exception, with a view toward compensating and rehabilitating the victims of torture and toward bringing to justice those who may be proven guilty of these abuses and those senior police officers who had the responsibility to prevent them. The urgency of this appeal is increased by the persistent reports of torture elsewhere in Spain. (See Appendix B.)

The massive number of detentions, the illegal transfers of detainees into Vizcaya and Guipúzcoa, the disregard for the proper judicial procedures, the violent entry into private houses, the apparent cooperation between the security forces and vigilante groups, and above all, the deliberate and systematic use of torture—these abuses violate accepted international, including European, legal standards. Indeed, if Spain were a member of the Council of Europe, these manifest violations of the European Convention on Human Rights would be sufficient to bring a case against the Spanish authorities before the Commission of Human Rights and the Court of Human Rights.

Unfortunately, the new decree law approved by the Spanish Cabinet on 22 August 1975 increases the likelihood that such abuses as occurred in the Basque provinces during the state of exception will become more frequent throughout Spain. Under the new law the security forces throughout the country will be allowed to hold a detainee for 10 days (rather than a limit of 72 hours, as stipulated by the *Fuero de los Españoles*) without bringing him or her before a magistrate. Warrants will not be needed for house searches. In addition, newspapers face penalties of up to three-months' closure if they "defend" communism, anarchism or separatism. Most severe of all is the new *mandatory* death penalty for all those who are convicted of killing a member of the security forces. *The new law creates for a period of two years a situation that is in many respects a national state of exception: it abrogates for all Spanish citizens some of the fundamental guarantees of the* Fuero de los *Españoles.*

In accord with the findings of this report (see above, Section III), Amnesty International respectfully makes the following recommendations to the responsible Spanish authorities:

1. In that the torture of detainees almost always occurred prior to charges being made against them, if charges were made at all, Amnesty International recommends that the protection offered by the United Nations Standard Minimum Rules for the Treatment of Prisoners and the Enjuiciamiento Criminal be made effective for all persons deprived of their freedoms, whether charged or not.

2. In that when torture occurred, it occurred almost always during the unlimited period between the moment of detention and the detainee's appearance before a judicial authority, Amnesty International recommends the prompt appearance of a detainee, and in any case not later than 24 hours from the time of detention, before a judicial authority, even during periods of emergency.

3. In that provincial civil governors, using a form of administrative detention, committed detainees to prison who never appeared before a judicial authority, Amnesty International recommends the immediate release of any detainee not brought before a judicial officer within 24 hours of detention.

4. In that provincial civil governors committed detainees to prison despite the previous release of these detainees by judicial officers. Amnesty International recommends that detention beyond 24 hours be solely on the order of a judicial officer.

5. In that torture occurred largely in the police stations and Civil Guard barracks during interrogation, Amnesty International recommends the removal of the detainee to custody independent from the investigating police force after he or she is brought before the competent judicial authority.

6. In that torture, threats and coercion were used during interrogation, Amnesty International recommends the inadmissibility in any proceedings of any statement by an arrested or detained person unless it was made voluntarily in the presence of his or her counsel and before a judicial authority.

7. In that prisoners from provinces not under the state of exception were illegally transferred into Vizcaya and Guipúzcoa. Amnesty International recommends that detainees should remain within the jurisdiction of the judiciary in the province where arrested until the competent judicial authority in that province has ordered (and only with good and sufficient cause) the detainee's transfer to custody in another province.

8. In that the agents of torture were members of the three major national police forces, Amnesty International recommends that the senior police officers of these security forces be held accountable for illegal actions committed by their forces during the state of exception.

9. Amnesty International also recommends that henceforth all members of the police and related agencies receive proper education and training in the principles described in the Universal Declaration of Human Rights.

10. In that several doctors, or individuals who were referred to as doctors, advised the police on the length of time required for detainees' bruises and scars to disappear, Amnesty International recommends that the appropriate Spanish medical associations investigate the role of doctors in police stations, Civil Guard barracks and prisons, with a view toward disciplining those among their colleagues who participated in torture and with a view toward the enforcement of the concept of medical custody of a detainee or prisoner as long as direct supervision of his or her well-being is required.

11. In that numerous detainees incurred physical injuries during detention, many of them severe injuries, Amnesty International recommends that full medical documentation be kept on all detainees, especially on those captured in civil conflict, and in all cases that these documents be made available to lawyers and doctors of the prisoner's choice.

12. In that torture can have long-term physical and psychological effects on those who suffer it, Amnesty International recommends that the Spanish authorities provide for the financial compensation and medical rehabilitation of all victims of torture in Spain.

13. In that the death penalty is a violation of the right to life and of the right not to be subjected to cruel, inhuman or degrading treatment or punishment, Amnesty International recommends the immediate abolition of the death penalty in Spain, even when imposed under the conditions stipulated in the decree law of August 1975.

14. Amnesty International further recommends and respectfully urges unwavering adherence to the letter and spirit of the Fuero de los Españoles, which guarantees "respect for the dignity, integrity and freedom of the individual".

STEPHEN J. WEXLER

Mr. SCHWEIKER. Mr. President, I join my colleagues on the Labor and Public Welfare Committee and the entire Congress in expressing my sadness over the loss of Stephen Wexler. As counsel to the Education Subcommittee during my 7 years as a member, Steve contributed his valuable insight and expertise on important legislative issues to the subcommittee membership on both sides of the aisle.

Steve was well known and respected throughout the education community. In addition to playing a major role in two comprehensive extensions of the Elementary and Secondary Education Act, Steve was instrumental in the drafting and enactment of the Higher Education Amendments of 1972. College students and their families all over the Nation owe Steve a debt of gratitude for his major contribution in initiating the basic educational opportunity grant program which has opened the doors of postsecondary education to many young people.

I will miss Steve's knowledgeable counsel and warm friendship. On behalf of Claire and myself, as well as my staff, I extend my deepest sympathy to Steve's wife, Elizabeth, and the entire family.

THE FUTURE OF PRIVATE PENSION PLANS

Mr. CHURCH. Mr. President, the annual Institute of Gerontology conference—conducted jointly by the University of Michigan and Wayne State University last month in Ann Arbor—took a futuristic approach in examining "The Economics of Aging: Toward 2001."

But the conferees also focused on the existing condition of our Nation's income maintenance programs.

This year the conference had extra timeliness because 1975 is the 40th anniversary of social security and the 100th anniversary of the first industrial pension plan in the United States.

As chairman of the Senate Committee on Aging, I am vitally concerned that our public and private retirement programs continue to be built upon sound and equitable principles.

This is a major reason that the committee is now conducting hearings on "Future Directions in Social Security."

The recent gerontological conference contributed to this dialog by bringing together outstanding leaders from business, labor, government, and the academic community.

Many issues were discussed in detail, including the future role of private pensions.

For example, Mr. Bert Seidman, director of the Department of Social Security for the AFL–CIO, and Mr. Robert Paul, chief executive officer of Martin E. Segal, Co., provided excellent assessments of the private pension system.

Mr. President, I commend these statements to Members of the Senate, and ask unanimous consent that their written presentations on "The Future of Private Pension Plans" be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

THE FUTURE OF PRIVATE PENSION PLANS

(By Robert D. Paul)

One in ten Americans is now at an age commonly considered the time of retirement and should be able to look forward, as did King David in the Old Testament, to a "good old age, full of years, riches and honour." Some of our citizens, however, have found old age not a time of riches and honor but of penury and neglect.

Ours is a society in which work confers status as well as income. And youth—despite a rapidly aging population—is both admired and aped. Grey hairs no longer connote wisdom and experience or automatically command respect.

Nevertheless, despite countervailing forces, there is a trend—relatively recent historically—to guarantee, if not riches, at least a modicum of economic security to men and women who leave the nation's work force at the age of retirement. And, it is to our developing private pension system that I will address my attention here today—leaving the problem of achieving for the aged the honorable estate they deserve to others at this conference.

Security in old age was primarily a family concern prior to the industrial revolution. Farm households could and did support three, and sometimes as many as four, generations under one roof. A rural economy provided a range of productive functions encompassing every family member from the oldest down to the very young child.

With the growth of an industrial, urban society, the family was gradually fragmented. A person's participation in the work force depended on nonfamilial ties and spanned only a segment of his life, especially as life expectancy increased. Security for those who could no longer engage in gainful employment became a matter of profound concern—and increasingly occupied the attention of institutions other than the family. Chief among these are industry and government.

GROWTH OF PRIVATE PENSION SYSTEM

The first industrial pension plan in the United States was established by the American Express Company—later to become the Railway Express Agency—just one hundred years ago in 1875. During the following half century more than 50 railroads established either formal or informal pension plans. The railroad industry was in the forefront of providing pensions for old age and disability until the 1929 depression. Major railroad unions also established pension plans to which members could contribute. By the late 1920's over 80 percent of the railroad industry's work force was covered by private pension plans.

In 1900, there were less than 20 private pension plans in industries other than railroads, but ten years later the total reached nearly 100. This number more than doubled by 1920 with approximately 150 new plans in such industries as public utilities, steel, oil, banking and insurance. Manufacturing companies were generally somewhat slower in establishing such plans. For the most part, they were still relatively new companies without the problems of prospective retirement common to a stable work force.

The enactment, in 1921, of the Revenue Act provided tax exempt status to stock bonus and profit sharing trusts, and this status was extended to pension plans in 1926.

At the onset of the depression in 1929, there were 397 private pension plans in operation. Eighty-seven of the 200 largest companies in the country provided old age and disability benefits. Approximately 3.5 million workers or 10 to 15 percent of the nation's nonagricultural work force were covered by pension plans; this figure grew to almost 4 million by the end of the 1930's.

After 65 years of rather slow development, the pension plan idea finally took hold in the 1940's when a variety of factors combined to foster its rapid growth. Of these, the most dramatic was the imposition of wage controls and excess profits taxes during World War II. These measures provided strong incentives for companies to establish pension plans. Since companies were unable to compete for labor with higher wages, they offered pensions in lieu of pay to attract and keep employees. Profits that would otherwise have been heavily taxed were used to fund pension plans. Contributions to pension funds were already tax deductible, and during this period Congress acted to exempt pension fund earnings from federal taxation as well.

In 1948, the National Labor Relations Board ruled that pensions were eligible for collective bargaining providing still further impetus to the growth of the private pension system. This was reinforced during the Korean War by the reimposition of wage controls and excess profits taxes.

The number of private pension plans grew from 12,925 in 1950 to 313,406 in 1972. Private pension plans cover approximately 30 million workers or almost half the private non-farm work force. Their assets increased from $52 billion in 1960 to an estimated $200 billion in 1975, making pension funds one of the largest sources of capital in the economy.

PENSIONS TODAY—PROBLEMS AND CHALLENGES

Today, the American private pension system has evolved to a point where it includes employees of most large companies. Noteworthy is the fact that the system is for the most part noncontributory for participants. However, it must also be remembered that 30 million non-farm workers—primarily those employed by medium and smaller sized firms—have no pension coverage at all.

The pattern of pension coverage varies both by industry and by occupational group. Among industries, communications and public utilities cover 82 percent of their employees; mining companies, 72 percent; and durable goods manufacturing, 63 percent. In manufacturing as a whole, 50 percent of employees are covered by private pension plans. Among service workers only 24 percent are covered, and a scant 7 percent of the nation's farm workers have any pensions whatsoever.

Also significant are those differences related to employer size. Over 90 percent of the industrial work force in companies with 500 or more employees is covered by pension plans. However, in companies with under 100 employees, less than 30 percent are covered. Nearly half of the industrial labor force, exclusive of farm and domestic workers, is employed by small companies. Interestingly, there is at least a statistical relationship between unionization and pension coverage. Over 80 percent of union workers are covered by pensions, which is almost double the percentage for non-union workers.

It is not surprising, given the number of employees now covered by the private pension system, the increasing amount of pension plan assets and their growing significance in the savings and capital structure of the nation, that the federal government should seek to exercise some control. And, in 1965 a committee appointed by President Johnson recommended that federal standards be imposed on the private pension system.

In the 1960's a flow of complaints from plan participants began to be voiced concerning certain specific private pension plans, a relatively small number in all. Most of these complaints stemmed from the fact that both management and labor generally gave higher priority at the outset of a plan to the interests of older, longer-service workers than to those of younger employees. Thus, more emphasis was placed on creating a capacity to make payments to those relatively near retirement age than to funding service credits for younger workers.

1. The Employee Retirement Income Security Act of 1974

Worker dissatisfaction, perhaps more than any other factor, led to enactment of the Employee Retirement Income Security Act of 1974 (ERISA). This legislation involved some of the most complicated technical issues ever to come before Congress. A host of special interest groups were actively concerned in its consideration, as were four major legislative and three nonlegislative congressional committees. The results of their labors is several hundred closely printed pages—a law whose total impact it will take years to assess.

Nevertheless, the effects of the new law, the basic aim of which is to protect the pension rights of employees, are already being hotly debated. This is not surprising. A private pension system with minimal federal intervention has suddenly become one with extensive regulation.

Key features of the law are the vesting standard (the nonforfeitable rights to a pension), the continuation of vested benefits even if the plan should fold, the high standards for fiduciary conduct, the disclosure provisions designed to apprise participants of their status, and the participant's right to bring court action in certain cases. Other features include the new funding standard and the requirement that participants be offered a joint and survivors annuity.

Some critics believe the Act does too little for participants while others believe it does too much and that the regulations imposed will stifle initiative in private pension planning.

That ERISA will involve additional costs to employers is unquestioned. The anticipated magnitude of these costs is already causing some alarm. One regulation in the law stipulates that companies must compensate for poor pension plan investment returns over the past half-dozen years. Market losses they have sustained must be paid back into the fund—out of corporate revenues if the market does not continue to improve.

It is entirely possible, therefore, that faced with burdensome costs, companies and unions will deemphasize pensions, turning instead to alternative forms of compensation or fringe benefits. Such a development and its potential impact on the entire private pension system and on the possibility of extending its benefits to the uncovered half of the nation's work force is uncomfortably clear. It would indeed be ironic if the new law, conceived to protect Americans in their old age, was instead to stifle the growth of the private pension system both with regard to numerical coverage and liberality of benefits. Too many people are unaware that there is a trade-off involved. The nature and magnitude of this trade-off will become more apparent in the next few years.

2. Economic instability

Passage of ERISA last year coincided with both inflation and recession. And the current pressure of pension costs is undoubtedly more directly attributable to this economic instability than to the new law. The value of all private uninsured pension funds dropped by 15 percent in 1974. Morgan Guaranty Trust, one of the largest managers of corporate pension funds, reports a drop in the assets it manages from $23.6 billion to $17.8 billion—or approximately 25 percent. Losses such as this are proving an alarming drain on company profits, and some security analysts are now recommending that the size of a company's pension bill be considered a significant factor in determining its value as an investment.

A continuing high rate of inflation can have an insidious and potentially disastrous effect on the private pension system—especially when the investment returns on pension funds fall so precipitously. Fund managers have traditionally looked to the yield on invested reserves to cover any inflationary rise. To date, this yield has covered such rises as long as they were in the 2 to 2½ percent range.

If in the next decade the rate of inflation is 5 to 10 percent, however, pension plans of the types now generally in effect will need investment returns of 10 to 13 percent a year to maintain a company's cost at a level percent of payroll. It is questionable whether there are enough such investment sources.

A spiraling Consumer Price Index tends to create not only demands for wage and salary increases at least as great as the increases in costs of living but also demands for pension increases high enough to maintain purchasing power after retirement. A fair number of public employee pension systems has already added post-retirement cost-of-living increases to pension, and major private pension plans have also begun to grant such supplements. Thus far, most private-plan cost-of-living additions have been made on an ad hoc basis; they are limited to the life of the collective bargaining contract. Practically, however, it is difficult to envision the elimination of these supplements once they are granted.

If pensions are increased 0.5 or 0.6 percent per unit rise in the CPI—a reasonable expectation—then at present rates of inflation the amount of an average pension will double well before the pensioner reaches the end of normal life expectancy. Thus, inflation presents a problem of great magnitude to both the pension fund manager and the potential pensioner.

A persistent high level of unemployment presents another problem for the private pension system. The largest number of complaints against private pensions prior to the enactment of ERISA came from individuals who, despite years of work, were still not qualified for a pension. In recent years, prior to ERISA, more liberal vesting provisions had been secured in many industries through collective bargaining. And as has been noted the pension reform law has reinforced this trend by setting forth specific standards for vesting.

The protection provided by these standards, however, will be substantially diminished if a sizable segment of the work force is unemployed repeatedly and for long periods of time. Clearly, a healthy private pension system requires sustained high levels of employment in order to function equitably.

3. Demographic and social patterns

In addition to the recent spate of economic woes and the exigencies of the new pension law, there are other pressures on the private pension system that will have a profound impact, especially on projected costs. Most far reaching of these pressures are those created by demographic changes in our society.

A little over one hundred years ago in 1870 only 2.9 percent or 1.2 million of the total U.S. population of 40 million were aged 65 or over. According to the 1970 census, there were 20.1 million people in the 65 and over age group out of a total of 200 million or slightly over 10 percent.

One of the primary reasons for the rapid growth in the number of older Americans is increased longevity. Since 1900 the average life expectancy at birth has increased from 47 to 70 years. Current actuarial tables indicate that men who reach the age of 65 may expect to live an additional 15 years, while women will live almost 20 years.

The median age of U.S. citizens peaked somewhere around 1950. And then the first post World War II generation literally swamped the generation born in the prewar period. In 1973, there were 109.5 million U.S. inhabitants under 30 years of age and 69.5 million between the ages of 30 and 59. This enormous postwar generation is now beginning to enter the labor force; and by the year 2020, it wil reach retirement age.

After the postwar baby boom, the birth rate leveled off and today experts foresee a relatively steep decline during the next few years, steeper than had previously been anticipated.

Developments involving the birth rate, longevity, and the size of the aged population, all combine to increase the ratio of retirees to workers. This ratio is expected to climb from 30 for every 100 workers to about 50 for every 100 workers by the year 2030.

Another factor influencing the pattern of our private pension system is the trend toward early retirement. Until relatively recently, most workers continued to work until they were physically unable to continue. The policy of compulsory retirement at age 65 only gained widespread acceptance in the 1950's. And it was only in the late 1960's that the possibility of early retirement—except for reasons of poor health—was even considered. Now, less than a decade later, retirement prior to age 65 is becoming increasingly common.

During the past two decades most pension plans were amended to permit early retirement, but the retirement benefit was severely reduced and not many people could afford to retire before 65 years of age. In the 1960's however, a number of developments took place which made early retirement more attractive to both employees and their employers. These included:

(1) An increase in normal and early retirement benefits;

(2) Amendment in 1961 of the Social Security Act extending to men the right to reduced benefits at age 62 (women acquired this right in 1956);

(3) Negotiation of several important contracts providing supplements to the standard actuarially reduced early retirement benefits, and of other contracts providing full accrued retirement benefits based only on length of service without regard to age; and

(4) Changing attitudes toward work which make the transition from productive employment to retirement more socially acceptable.

In 1972, just over half of all persons receiving Social Security retirement benefits and two-thirds of all new claimants were under 65. And these retirees were not all government employees, utility technicians and executives, but auto, steel and rubber workers as well.

Challenges confronting private pension system

It is reasonable to assume, if present demographic and social trends continue, that by the year 2000 nearly 15 percent of the population will be of retirement age and total assets of private pension plans—plus those covering state and local governments—will be about $4 trillion.

The very magnitude of these figures prompts one to question the viability of our present private pension system. Is it economically sound? Does it fulfill desirable social objectives? Is it providing the maximum security for American retirees at a reasonable cost? Does it conflict with or complement the Social Security system? What, if any, changes should be made in the system as presently constituted?

The soundness of the system depends, as does that of other institutions and structures, to a large extent on the economic health of the nation. As has already been indicated, prolonged inflation or recession will sap its strength.

According to a Bureau of Labor Statistics report 144 of the 149 major pension plans that it regularly summarizes showed significant change between 1970 and 1974. Owing to improvements in pension formulas, often spurred by the rising rate of inflation, the "projected normal retirement benefit" provided by these plans increased on the average by 29 percent. However, because consumer prices rose 30.4 percent, the "real" projected monthly benefit declined 1.4 percent.

Lagging benefit levels is a potentially serious problem. It is really not feasible to tie pensions to the cost of living in a period of high inflation unless all other items in the economy are similarly tied. The overall rise in the Consumer Price Index and the decrease in the purchasing power of the dollar are national problems and can only be dealt with effectively on a national level.

An individual company cannot cope with the CPI alone. Indirect compensation and compensation for time not worked—health insurance premiums, pensions, Social Security, unemployment insurance, workmen's compensation, vacations, holidays—already take upwards of 30 percent of the payroll dollar.

Overwhelmingly, Americans consider the provision of adequate income for our retired citizens not only an eminently desirable social objective, but as an essential element of national policy. However, in assessing this social objectives, it must be stated that many Americans question the desirability of early retirement. A second study by Louis Harris conducted for the National Council on Aging shows that more than one-third of the nation's 21 million elderly were forced to retire and would have liked to continue working. Of the people surveyed who do hiring and firing for business, 87 percent admitted that employers discriminate against the aged and 37 percent said they disagree with mandatory retirement because of age.

More than 200 suits have been filed by the Labor Department under the Aged Discrimination and Employment Act since its enactment in 1968, forcing companies to pay for pension and health benefits lost by workers improperly retired. And the Department attributes recent pressure for early retirement to the economic slump. This view is echoed by the National Council on Aging, whose executive director states: "We use our elderly to solve our unemployment problem—a lazy way to deal with the question of full employment."

Widespread agreement exists that private pension plans will be progressively liberalized in the future, although some people advocate that the system be preempted by the Social Security system.

Our pension system flowed during a period of wartime prosperity, while Social Security was established in response to the depression that preceded it. Both systems are rooted in the desire to provide security for the aged and both have widespread popular support. Both seek to answer a similar need, but in uniquely different ways—and it is my view that they complement each other and that this inherent duality reflects the variety and strength of the American nation.

Social Security has both an insurance and a social function. It is insurance insofar as all covered persons—and all U.S. employees are covered—pay stated premiums for stated benefits, and social insofar as in relation to premiums the benefits are much higher for low-wage than for high-wage earners. Private pension plans are of a totally different order.

There is also a different contribution-benefit relationship under the two systems. Social Security benefits are supported by taxes and by employers and employees. The taxes collected currently are intended to be sufficient to pay the benefits currently falling due and to maintain a reserve of about one year's future payments. Essentially, it is a pay-as-you-go system. In view of the federal government's power to tax, this is entirely satisfactory. However, it does mean that the liability for benefits accruing for present workers is being passed on to future generations. For this reason, predictions of an ever-dwindling work force can be and often are viewed with alarm.

On the other hand, under private pension plans, the employer is now required to accumulate pension reserves sufficient to pay for all future benefits should the plan be terminated. At the very least, the employer is expected to pay each year the full cost of benefits accruing for that year, plus an amount necessary to amortize unfunded liabilities over 30 or 40 years.

Maintenance of a private pension system, in conjunction with Social Security, has the virtue of allowing over 300,000 plans, each tailored to the unique characteristics of the industry, area, employer organization and collective bargaining history of a particular employee group, to fulfill specific needs. This freedom to adjust to the economic priorities of different groups of employees and employers, and this flexibility of choice in levels and kinds of benefits, are elements that only private pensions can provide. They are not present under Social Security, or other government mandated systems.

Another feature that distinguishes the private from the public system of retirement insurance is its growing importance in the capital structure of the country. The private pension system's growing reserves provide a very important source of capital for our economic expansion.

Pension fund reserves were $2.4 billion in 1940. By the end of 1960, they had grown to $52 billion. In 1972, they reached nearly $170 billion, and in 1974, $193 billion. While pension plans may not be all important in our total capital market, they are important in major segments. Pension fund holdings of total corporate bonds exceeded 50 percent from 1966 to the present. Over the same nine year period, pension funds have doubled their relative holding of stocks. Although this holding is still rather small, it does not mean that pension funds have a small influence in stocks, however. As a matter of fact, from a cash flow viewpoint, pension funds are *the* major factor in the stock market.

In addition to supplying an increasing amount of investment funds, the private pension system can act, to some extent, as an economic stabilizer. Unlike Social Security taxes, pension plan contributions generally can be reduced in tight money periods and increased when the employer's cash needs are less pressing.

Rather than let either one of our two major retirement systems replace the other, it seems eminently desirable that they be coordinated in some rational way. This coordination of private plans with Social Security is commonly referred to as "integration." And, today, most employers do design their retirement plans for salaried employees in a way which recognizes that retirement income is being provided to employees under Social Security and that Social Security pension benefits are related to earnings up to a certain level.

Integration usually takes one of two approaches—offset integration or excess integration. Under offset integration, gross plan benefits are reduced by a portion of the employee's Social Security benefits. Under excess integration, a plan provides proportionately greater benefits with respect to earnings which are not covered by Social Security. Both approaches can be designed to provide automatic or nonautomatic integration.

Integration allows for the achievement of a stated income objective in retirement. And a private plan should be permitted to limit benefits, especially as the level of Social Security benefits increases, so that combined income does not exceed disposable pre-retirement income. The special advantages of both Social Security and the private pension system should not be abandoned for some ideological argument for overall uniformity. Social Security can continue to provide basic amounts of pension income on a fairly uniform basis for all retired citizens, while supplementary security income can be provided by the private pension system.

The one flaw in this seemingly serene picture of secure retirement for all Americans is that a sizable number of our citizens—half of the nonagricultural workers of the nation and most of the agricultural workers—do not have access to this supplemental income.

Prior to passage of ERISA, I advocated that any pension legislation be addressed primarily to the 30 million members or more of the private sector work force without pension plan coverage. I envisioned a federal legislative requirement that every private nonagricultural employer provide a basic fully funded, fully vested, fully portable pension. Since the passage of ERISA, this plan has become largely academic.

Now, however, other suggestions are being put forth, proposals to amend the pension reform legislation to encourage the expansion of private pension plans to uncovered employees—or at the very least, not to discourage the seemingly inexorable trend toward growth of the private system. One such suggestion is to give small employers a financial incentive to form pension plans. It envisages tax deductions for contributions to pension plans on the part of those employers in the 22 percent tax bracket. Such employers would also be subject to more liberal eligibility and vesting provisions or would be given direct tax credits for contributions to a plan.

It can be safely said, I think, that proposals along these lines will have to be seriously considered; for unless something is done to bring the so far forgotten half of the working population into the private pension system, that system, despite its many virtues, may be in jeopardy.

Labor's Perspective on the Future of Private Pension Plans

(By Bert Seidman)

I am really not going to react to Robert Paul's excellent paper. I don't find very much to disagree with in what he said. I think that he has given us an excellent outline compressed in very few words—a great deal of information and I am simply going to talk about some of the same subjects from a somewhat different perspective.

I would like to begin by calling to your attention the fact that the nation's basic retirement income system, social security, as well as its supplemental system, private pensions, are both undergoing great stress today. Some of the fundamental principles and traditional practices of these systems are being questioned.

It is a great temptation for me to give you my analysis of where we stand in the social security system, and what I think ought to be done, both for making sure there is adequate financing and that we have benefits at a proper level for all the people who are covered by the system. I say this because I am at least as much interested in the social security system as I am in our supplemental retirement income system, that is, private pensions. But my assignment today is not social security, it is private pensions, and so I will refer in only a fleeting way to social security.

Some of the problems which have been recognized and emphasized, to my mind unduly emphasized, in social security involve the same forces which are buffeting the private pension system. We hear a great deal about how social security is foundering and about the lack of proper financing for social security, both in the short term and the long term, about the impact of demographic changes on social security, about the impact of the current combination of inflation and depression on social security. These same forces are greatly affecting the characteristics and the future prospects of our private pension system and yet you see no headlines about the problems of private pension plans. Nobody is talking about this. You only see rare references to it. But those who are directly concerned with the private pensions system, particularly those who are concerned with the administration and the financing of the system, are well aware of this.

There is all this talk about how in the year 2025, or whenever it is going to be, we will have a much smaller proportion of people in the active labor force to people who are retired, and the impact that this is going to have on the social security system.

I think that when the year 2025 comes we will find that this proportion is not what some people are forecasting, but whatever it is, it will have the same impact on the private pension system as it does on social security.

We have heard about the impact of the recession and inflation on social security, but this has had a much greater effect in the short term on the private pension system.

There are people who criticize the social security system because of its investments in government bonds. Some say we could get much higher benefits if we were to invest social security funds in less conservative directions. Well, the private pension system does not involve this conservative financing. All too many of the private pension funds have been invested in mutual trusts and you know what has been happening to them recently.

We have also heard from some of the participants in this conference some very provocative papers with respect to some of the fundamental principles of the social security system. Well, I think probably to an even greater degree people have been questioning not so much the fundamental principles, but some of the practices which we have had in the private pension system. This questioning has culminated, at least for the time being. in the law that Bob Paul referred to and which was signed by the President on Labor Day last year.

The private pension plans in this country are now affected to varying degrees by the new pension reform law. Though I will be talking about some of the serious problems involved in the new pension reform law, I want to stress that we in the AFL-CIO consider this a very beneficial law for protecting the rights of workers in the pension and the health and welfare systems. That is why the AFL–CIO vigorously and enthusiastically supported the enactment of the law and that is why we are anxious to see that it is administered as effectively as possible.

But I can't refrain from also saying that it is an extremely complex law. In part I think it is unduly complex because of a very worthy effort by those concerned with the lack of protections for workers, to try to dot every "i" and cross every "t." Their desire to make sure that the protections were in the law itself and not just in the way in which it was administered are certainly to be praised. So you have a law of some hundreds of pages which I for one find extremely difficult to read, much less to understand, and I have tried to do both.

You have a law which is extremely complex, extremely difficult to understand, which now governs the private pensions systems and in some respects the health and welfare plans, which are covering thousands of firms and millions of workers in this country and which will require substantial changes in many of these plans. All this clearly will have a very considerable impact on the future of private pension plans in the United States.

Now I want to return for a moment to the respective roles of social security and private pensions in this country. To my mind, and this is certainly the view of the AFL–CIO, social security is and should remain our basic retirement income system. It should continue to be universal and it should provide a decent retirement income, based on the previous income of the worker, to all who depend on it. I think we should remember that the private pension system developed essentially because of the inadequacy of social security. Workers, seeing that despite the best efforts of organized labor and others to obtain improvements in the legislation, they were unable to achieve adequate retirement income under the social security system, turned to collective bargaining as a pragmatic way of filling in the chinks and achieving a higher level of income.

But private pensions can only supplement social security and they do not do so for large numbers of workers. The most that they can do in the future, as they do now, is to supplement social security. Therefore, it seems most important that whatever improvements we can make in the private pension system should not detract in any way whatsoever from the need to have a basic, universal, social security system, which will provide a decent level of living for all workers covered by it, whether or not they are covered and to whatever degree they are covered by private pension plans.

Today the private pension plans cover very few of those who are already retired. In fact, only about one-third of those retiring now are covered and the private pension system is not likely to cover even half the retirees for some years to come. Indeed, today only one out of every two workers is covered by a private pension plan.

We have heard a lot of discussion in this conference and elsewhere about the so-called regressivity of the financing of social security. The private pension system is financed on a much more regressive system. It does not have the inherent strength of spreading the risk of a social insurance system. Instead the resources for financing private pensions must come out of each company, each corporation, each firm, whether it is strong or weak financially. What this tends to mean is that in private pensions, unlike social security where at least the benefit structure is progressive, you have just the opposite system. Private pensions have to be financed by the individual enterprise. The weaker individual enterprises, which pay the lowest wages, can finance, if they can finance anything at all, only the lowest level of pensions. So the workers who have the lowest wages have lower pensions; not just actual lower pensions in dollar amounts, but also relatively lower pensions—relative to their previous income—than the workers who have the good fortune to be covered by financially stronger companies.

Another important difference between social security and private pensions is that while we can inject some elements of integration and uniformity into our social security system, the benefit levels and all other aspects of private pension plans vary tremendously. There are probably no two private pension plans that are alike in their financing, in their benefit structure, in who is entitled to benefits and when, etc. So, I repeat, while we should do everything possible to improve the private pension system, it is never going to be anything more than a supplement to our basic retirement income system in this country, social security.

If we look, then, at the private pension system as a supplementary system to social security, what is its future?

In large part the future of the private pension system will be determined by the new legislation and the modifications that I am sure we will be making in that legislation over the years. It will also be determined by our ability to manage our economy well enough in the future so that we will be able to finance a decent level of private pensions.

When we look at the new law, the Employment Retirement Income Security Act—usually called ERISA or just the pension reform law—it is important to recognize what the law does *not* do as well as what it does. There are two things that it does not do that are very important. One, it does not require that plans be set up. It regulates plans that exist or that may be set up in the future, but it does not require that every employer have a private pension plan. Secondly, it does not set benefit levels. It doesn't say that benefits have to be at a certain level or at a certain percentage of previous income.

It does deal with safeguarding the money in the plans. It does this by the fiduciary requirements that Bob Paul talked about. While they are extremely complicated, what they essentially boil down to is first, that the funds should be managed the way a prudent man would manage the investment of his own funds—the so-called "prudent man principle." I guess that is sexist, but we haven't talked about the prudent person in this particular regard. Secondly, it essentially says in great detail that there is to be no hanky-panky. I won't go into all the details of this, I couldn't begin to.

The law deals with how the money is to be accumulated, the so-called funding standards. It also regulates how the money is to be paid out, that is, the vesting standards.

What information must be given to participants, beneficiaries, and the government are detailed. And, finally, what happens if there isn't enough money to make the payments or if a firm goes bankrupt or out of business (what used to be called "reinsurance"), now comes under the Pension Benefit Guarantee Corporation.

The pension reform law preempts all state laws in this field so that we have a national, rather than a state-by-state, system of regulation. In this respect the pension reform law is more like social security than like unemployment insurance or workers' compensation, which, as you know, are administered on a state-by-state basis.

As a result of this law virtually every plan in the country will have to be revised in one way or another. I just happened to be looking at the July 21st edition of a trade publication called *Pensions and Investments*. Their editorial was titled "Documentation Demanded in ERISA." This editorial said every decision, every discussion, every action, (by administrators or by trustees of plans) should be thoroughly documented by every fiduciary to protect against suits charging breach of fiduciary duty. Now this is something that every fiduciary of these thousands of plans is going to have to keep in mind.

From the same issue an article about a survey of 300 lawyers begins, "rewriting legal documents for defined benefit pension plans under ERISA creates a document that is about fifty percent new," and these are, of course, very detailed documents. Then there are a couple of articles that deal with investment and it says "the nation's pension fund managers have avoided investing in the residential mortgage market more out of habit than for economic reasons" and of course, while the mortgage market has been affected, particularly new mortgages, during the period that the stock market has gone down, it is a more conservative type of investment than the stock market. Another article says "this pension fund investment manager who stayed fully invested in stocks during the 1973–74 bear market was not doing his job as he should have."

Well, the point of all this is that, while this was the business of the fiduciary, the administrator or the trustee of the fund before, now all of this has to be dovetailed into the requirements of the law and if the wrong kind of investment is going on for the plan and it is not developing sufficient funds, it is not going to be able to meet the funding requirements of the law. So the plans are going to have to be revised in many different ways and they are already undertaking these revisions.

I don't have any crystal ball with respect to the future of private pension plans in this country, but I would just like to throw out a number of possible changes that are ahead, particularly as a result of the impact of this legislation.

In the first place there is, and I think this will increase and then die down, a period of a great uncertainty, perhaps bordering almost on chaos, as the trustees and administrators of these pension plans try to understand and adjust to an extremely complex and detailed law. This insecurity will be heightened by the inevitable slowness of the administrative process made worse by one feature of this law that I didn't mention—that is, it has a hydra-headed administration.

Primarily because the law was being considered in two different committees in the Senate and two different committees in the House, there was a great deal of controversy over where the law should be administered. The Ways and Means Committee in the House and the Senate Finance Committee are kind of the patrons of the Treasury and the two labor committees are patrons of the Labor Department. The AFL–CIO thought that since the law was to protect workers, its administration should be "housed" in the Labor Department. But the only way this jurisdictional dispute could be resolved was to give the administration of the law to both the Internal Revenue Service and the Labor Department. The people in these two departments are just getting to know each other. They had had very little contact with each other until now, and they are approaching the legislation from very different vantage points as you might expect; they are not finding it very easy to come to agreements. And when you add having to build up staffs practically from scratch, especially in the Labor Department, you can imagine the problems. The government would be moving slowly even if it were administered by a single department but you can see why guidelines and directions are coming out with glacial speed rather than whatever the opposite of glacial speed is.

This creates a great sense of insecurity because there are items in the legislation which people don't understand on which they need clarification and assistance. You have to bear in mind that while there are some huge corporations with all kinds of resources that are administering these plans, there are also some union trustees of plans, small plans, who are doing the job on a volunteer basis. They now suddenly realized that they're liable in various ways and they are naturally uneasy.

Another way in which the law has an impact is that although most plans now have some vesting provisions, most do not conform to the law's ten or fifteen years as the maximum period of employment for vesting. There are variant alternatives that can be chosen. In any case the result of these new vesting standards is clearly that more workers will get pensions when they retire. More workers will be getting pensions also because there will be more plans, continuing a long term trend toward the setting up of more plans, and because more workers will be assured of pensions under their provisions and also because we now have the Pension Benefit Guarantee Corporation. So the law's vesting and funding requirements will mean that more workers will get pensions, but because more workers will get pensions, in some cases those who get pensions may be getting smaller pensions than they would have gotten if fewer workers had received pensions. In other words, there are trade-offs involved in this. A third change that we can expect is a more general effort to adjust the pension payments to the increase in living costs. We now have indexing in social security, in supplemental security income and in other types of programs. Most pension benefits, however, are not indexed to living costs. But, as I said, I think we'll see the trend toward such cost-of-living clauses expand.

I also think that pensions of more workers will be geared to their earnings immediately before retirement rather than career earnings. At the present time both in our social security system and in our private pension systems the benefits are geared to the average earnings over the working life of the individual rather than those just prior to retirement. There is no question about the fact that workers would have much greater security if they knew that their pension benefits would be geared to their earnings just prior to retirement rather than career earnings. I think we can expect to see and we certainly will push for such changes both in social security and in the private pension plans.

In addition, I think that pension plans will, as they are already doing to some extent or some of them are doing, try to meet the gaps in social security for early retirees. There is a trend toward having higher pension benefits for early retirees during the years they are receiving no payments or reduced payments from social security. I think that effort will continue. I believe that unions will press for investment of at least a proportion of pension funds in social projects, especially in housing. Here I think we will have to remember that questions will be raised as to whether this meets the fiduciary requirements. In other words, if a union can invest in moderate or low rent housing at low interest rates or in luxury housing at high interest rates, which meets the fiduciary obligations of the pension reform law? We would like to think that there is enough flexibility in the pension reform law so that the union can do what's best for its members, taking into account the *whole* picture. But I am sure that questions will be raised.

We have to face up to the possibility that unless there is a sympathetic realistic and flexible administration of the law fewer trade union leaders will be willing to serve as trustees, particularly at the local level. We certainly hope this will not happen, but it is a possibility.

There is no question about the fact that the new law will affect collective bargaining. It will affect it directly by establishing certain minimum standards which will no longer be subject to collective bargaining. The union doesn't have to fight for these standards because they are in the law. It will affect, of course, the whole bargaining package because the employer will claim that if I have to put this money into pensions I can't put it into something else. While this may not be a serious problem in some industries, in low wage industries, such as the service industries, the garment industries, the textile industry, etc. it could create some very serious problems in terms of other gains not in the pension field that unions seek to make through collective bargaining.

The law has established some broad principles and I think this is extremely important. The mere fact that this law has been enacted establishes the principle that pensions are not a gratuity to be given by the employer at a whim, that they are subject to regulation and that they are part of the compensation that the worker receives and is entitled to. The pension plans, as both Bob Paul and I stressed, must now meet certain minimum standards and I think that there is no question that pensions are here to stay as a supplement to social security.

RABBI JACOB B. AGUS

Mr. BEALL. Mr. President, this past weekend, October 3–5, the Baltimore community honored a very special man—Rabbi Jacob B. Agus. For the last quarter century, Rabbi Agus has served as spiritual leader of Beth El Congregation in Baltimore. But the contributions of this extraordinary person extend beyond his official duties at Beth El, for over the years Dr. Agus has been recognized as one of the world's great scholars and ininterpreters of Judaism.

As teacher, author, and speaker, Dr. Agus has led all of us to a greater knowledge of the role of Judaism and all religion in today's world. He has, through his entire life, encouraged the development of an open mind, with the ability to look beyond the moment. Further, he has applied the timeless wisdom and traditions of the past to the problems of the present, and helped Jews and non-Jews alike better understand the future.

In his distinguished career, Rabbi Agus has written seven books and innumerable magazine and journal articles. Additionally, for 12 years, he served as consulting editor for articles on Judaism and Jewish history for the Encyclopedia Britannica. Dr. Agus also collaborated with Arnold J. Toynbee in that author's work, "Study of History."

I join with his many friends and admirers in saluting Dr. Agus for his many contributions to mankind. Baltimore and Maryland are indeed fortunate to have such a man in our midst.

Mr. President, I ask unanimous consent that an article which appeared in the Baltimore Jewish Times of October 3, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Maverick Rabbi

(By Gary Rosenblatt)

Beth El's Rabbi Jacob Agus has never been afraid to speak his mind on controversial issues, from Zionism to Soviet Jewry.

Dialogue is a key concept to Rabbi Jacob Agus—whether it be the type of interfaith dialogue through which he has developed an international reputation as a scholar or the informal breakfast dialogues he has with the regular members of Congregation Beth El's minyan each weekday morning.

The proper, neatly dressed 64-year-old rabbi at first seems a bit out of place seated at the long table in Beth El's large kitchen. But when his 15 or 20 congregants begin asking him questions over coffee, eggs and bagels, he eases into the role he is obviously most comfortable with—teacher and educator.

The questions on a recent Thursday morning ranged from the intricacies of keeping kosher, to the shaking of the lulav to the differences in theologies between Orthodox, Conservative and Reform Judaism.

In his slow, soft-spoken style, the rabbi answered each question in kind—the serious ones with a source reference, usually the Bible, and the less serious ones with a touch of dry humor.

Later, as he sat behind his desk in his large, booklined study, he noted the importance of the informal breakfast sessions. "People are more open to learning when you have developed a personal relationship with them," he said.

It is clear that Rabbi Agus has developed such a relationship with his congregants who are honoring him this weekend for his 25 years of service as spiritual leader of Beth El.

But one cannot help notice how much more relaxed he is among his books—they seem almost an extension of him as, often in our conversation, he turns in his swivel chair to pick out a book devoted to a question we have touched on.

The inherent irony is that this man, who has served in the rabbinate for more than 40 years, was urged almost at the outset of his career to give up the profession by a well-meaning rabbinical leader.

"It was the Spring of 1935," Rabbi Agus recalled, "and I had been at my first pulpit, in Norfolk, Virginia, for a year. I was in Philadelphia for a convention and I met with this man, who was a great Jewish leader, and he told me that the rabbinate was not a profession for a talented scholar because, he said, in 25 years the synagogue would be an extinct institution.

"He felt that the combination of Jewish self-hatred and the flight of the young would spell the end of synagogue life. But I had the opposite feeling," says Rabbi Agus, "and I decided to continue."

He went on to Harvard (while serving a small congregation in Cambridge) where he received his masters and doctoral degrees in the history and philosophy of religion. He also received a first-hand lesson in anti-Semitism there and it came as a shock to him.

"At that time, in the late 1930s, German literature was of great importance at Harvard, and German literature was poisoned with anti-Semitism. Even the progressive, intellectual community was infested with anti-Semitism—these professors were wonderful saints personally but they espoused the rhetoric without really thinking about it."

It was in this situation, as a graduate student, that Agus put into effect what was to be his dialogue philosophy: to combat ignorance through scholarship, to point out the textual errors and misconceptions which often led to anti-Jewish distortions.

"I often played the role of mediator between the professors and the students," he says.

After completing his work at Harvard, Agus spent a year expanding his dissertation into a book, *Modern Philosophies of Judaism*, the first of many he was to write. He then took a pulpit in Chicago for two years and went on to Dayton, Ohio from 1942 to 1950 before coming to Beth El as its first spiritual leader.

It was only natural that Rabbi Agus be chosen to head the newly formed Conservative congregation since he was a leader of the liberal wing within the Conservative movement. Although ordained at an Orthodox institution, Yeshiva University in New York, Agus was even at that time "committed to a nonliteral interpretation of Revelation," as he puts it. "I found Conservative Judaism to be the stage of synthesis between the Orthodox thesis and the Reform antithesis."

By 1942, he says, there was "a definite rift" between his and the Orthodox position. "I saw it coming," Rabbi Agus notes. "The Rabbinical Council of America (an Orthodox group) had an official inquest after my first book was published."

Agus joined the Rabbinical Assembly (a Conservative group) in 1944 and chaired its Ideology Commission for many years. "The official break, though, came in 1950 when a Responsum on the Sabbath that I wrote for the Conservative movement concluded that it is a mitzva to come to shul on Shabos even if you have to ride."

Throughout his career, Rabbi Agus' has led the movement for scholarly interfaith dialogue between Christians and Jews and it was he who was chosen to rewrite and edit more than 1,000 articles dealing with Judaism and Jewish history for the *Encyclopedia Britannica*. The project took 12 years.

In light of the various criticisms of interfaith discussions, Rabbi Agus is eager to defend its merits and quick to charge that "it is stupid of those who criticize" ecumenism as being non-productive.

"When I was a rabbi in Dayton, Ohio in the 1940s there was a Ku Klux Klan center in Troy, a nearby town, and the KKK was headed by a minister. I went to talk to him and we met a number of times and I ended up teaching him a lot of Jewish history. As a result, he became a local authority on Jews, became a friend of the Jews, and went around lecturing on the Jewish dialogue."

The rabbi cited several others—including productive personal conversations with Cardinals of the Catholic Church and instigating changes in key Latin prayers—as proof that progress can be made. He believes that Christianity is still quite ignorant of Judaism and its beliefs.

Picking up on his reference to the fact that, within Judaism, the labels Orthodox, Conservative and Reform are "more valid now than ever before," I asked if there was a similar need for dialogue among Jewish leaders.

"A requirement for successful dialogue is that there be a degree of civility," was the immediate reply. "In my experiences of dialogue between Jews there has been a total lack of civility."

So Rabbi Agus has devoted his energies to explaining Judaism to the Christian world, including historian Arnold Toynbee, whom many Jews consider to be an anti-Semite. Those charges stem from Toynbee's reference to Jews and their culture as a "fossil of the Syriac civilization" and designation of the Arab refugees as "the new Jews."

"I consider Toynbee one of the greatest saintly persons," says Rabbi Agus, who has served as a consultant to Toynbee on Jewish matters. (Some of his letters to Toynbee are printed in the 12th volume of the historian's *Study Of History*.)

The rabbi once invited Toynbee to lecture at Beth El but the officers of the congregation vetoed the invitation.

But then Rabbi Agus has never been afraid to take unpopular positions. He became disenchanted with leaders of the Zionist movement during the years just prior to statehood because he felt they were promoting terrorism.

Even today he feels that Israel occupies too great a role among world Jewry. "The role of Israel in the course of time will sink into its proper place," he says, noting that "the influence between Israel and the Diaspora should flow more evenly in both directions."

He also feels that, rather than being responsible for the new Jewish awareness, Israel has detracted from it. He argues that many people have devoted their energy towards Israel at the expense of exploring their Jewish identity.

On the subject of Soviet Jewry, Rabbi Agus has criticized the leaders of the Soviet Jewry movement in America for concentrating their attention on the small percentage of Jewish activists rather than on efforts to re-kindle the practice of Judaism in the Soviet Union.

"We have been acting as if the activists in the Soviet Union are the only Jews there worth caring about," the rabbi says. "We must recognize the fact that 90 per cent of the Jews in Russia will remain, and instead of making a case against the Soviets as being anti-Jewish, we should try to work with the Catholics and the Greek Orthodox in making the Kremlin adopt a more liberal attitude toward religion so that religious life—including Jewish life—could continue."

The rabbi says that leaders in the Soviet Jewry movement are re-thinking the entire issue and are now beginning to look at this approach more seriously than they did when he and others first suggested it.

"It is within the spirit of detente," says Rabbi Agus, who was opposed to the "Jewish tie-in" with Sen. Henry Jackson because "his political interests run counter to the best interest of the Jews of Russia."

It seems apparent that Rabbi Agus can reach these controversial opinions because he seems to bring very little emotion to bear on extremely emotional issues. Perhaps because of this trait some have called him cold, but he is above all a pragmatist, a freethinker and a scholar who views things from the larger perspective. His comments on the *Encyclopedia Judaica* might very well apply to his outlook in general: "We must avoid like a plague the temptation to narrow our field of vision. An extremely wide lens is needed if the fullness of Jewish life is to be viewed in focus."

RATIFICATION OF GENOCIDE TREATY IS FIRST STEP TOWARD WORLDWIDE HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, Franklin Roosevelt, in an address to Congress in 1943, said:

> There have always been those who did not believe in the people, who attempted to block their forward movement across history, to force them back to servility and suffering and silence.

Let it not be said of the Senate that we have tried to block the fundamental human rights of people worldwide. It is now 27 years since the text of the Genocide Convention was adopted by the United Nations. The Senate has shamefully ignored this treaty by refusing to vote for its ratification.

Genocide, the immoral and brutal killing of millions of Jews, Poles, Czechs, and many others, was carried out by the Nazis throughout World War II in an effort to exterminate men, women, and children who did nothing wrong except belong to ethnic and religious groups which were not sanctioned by the ruling government.

Well over 70 countries have ratified this important human rights treaty opposing genocide. The United States is not among these nations.

We must ask ourselves if we, as a nation regarded as a world leader and dominant inspiration of all free world countries, are not blocking the formation of basic human rights for citizens in other countries.

We can hesitate no longer. If the United States is to stand up to challenges from friend and foe and maintain its role as a world leader, the Senate should ratify the Genocide Convention.

AMERICAN AUTOMOBILE ASSOCIATION PRESIDENT ON ENERGY

Mr. BEALL. Mr. President, over the past several months, Congress has wrestled with our Nation's energy crisis, but has regrettably failed to develop a comprehensive plan to deal with this problem. I strongly believe that the accomplishment of such a plan is one of the most pressing requirements in this Congress, and I hope that the Congress and the administration will be able to agree on an overall battle plan to meet our Nation's energy problems in the very near future.

In spite of the inaction by Congress, however, many private citizens are shedding light into the darkness in which we grope. One of these concerned citizens is Mr. Charles Bulotti, president of the American Automobile Association. At that organization's recent 73d annual meeting, he made a particularly thoughtful speech on our Nation's energy policy—or lack of it—which I believe deserves careful attention and analysis by Congress.

Mr. Bulotti clearly points out in his speech that—

> We still have a great genius in America. Let us insist that it be unfeathered and let us have confidence in it.

He proposed comprehensive solutions to our present difficulties, and I ask unanimous consent that his remarks be printed in the Record for the benefit of my Senate colleagues.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Using Common Sense To Solve Uncommon Problems

(By Charles F. Bulotti)

I take special pride, as I am sure many of you do, in being in this historical city today. That we are within the Bicentennial year, within reach of this great nation's 200th anniversary, and that simple acts of birth have given the present generations of Americans the honor of being alive on this occasion are thoughts to conjure with.

I think of the genius of those who founded this nation—I guess we all go back to that.

But I also wonder how people like Washington, Jefferson, Madison and Franklin would react if they came back today and saw how we use the system they helped to establish. I wonder if we would be proud of the grades that they might give us for the way we utilize the heritage they passed down.

Let me give you some examples. American genius created the automobile industry, and American business acumen made it a vast and profitable enterprise. Now, there are people who will tell you that the automobile is a symbol of all the things that are wrong with America—that it reflects our crassness, our materialism, and our shallow values. They tell you that we love our cars more than our fellow man.

And if we reply that the automobile is basic to the freedom we cherish as Americans, all the intellectuals giggle and chuckle at our ignorance and forgive us for being a bunch of antiquated old fools who do not have the good fortune to be blessed with that marvelously modern, multi-patented device called "social consciousness," which comes as standard equipment on every liberal intellectual.

Here we are saying that the freedom to buy the automobile you want, and drive it when you like is akin to other freedoms since freedom is indivisible. I admit that freedom of travel doesn't have the same noble ring as some others. On the other hand, it wasn't a question in 1776, or in 1789 when the Constitution was written.

I think if the Constitution were being written today, freedom of movement would be in it. Does that sound trite? It shouldn't. It wouldn't sound trite to a Soviet citizen. It would sound impossible. A Russian citizen can't travel without permission from the state. There is a reason why Communist governments control the movement of their citizens as severely as they control speech, press, assembly and religion. Because that is a valuable and necessary human right. To take it away is to control a person's behavior.

Look at it another way. If the American Constitution had been written before Gutenberg invented movable type for the printing press, with all the consequences which flowed from that, then freedom of the press wouldn't have been in our Constitution either. So perhaps it is only a slight technology lag that prevents us from according to the automobile the same respectable place in the list of human freedoms that we accorded the press, or speech, or assembly.

Today, freedom of movement in America is in serious jeopardy.

It is in jeopardy not because a dictatorial government has suddenly decided the automobile is a threat. It is in jeopardy because a faction-ridden government cannot unite on a non-political solution to the energy problem.

Since no single group can come up with a good solution for which it gets full credit, every group is intent to take the fall back position which is to make hay out of blaming everybody else for not solving the problem. The interest of the motorist falls between the cracks.

I could go through a long laundry list of a thousand pieces of energy legislation, but I won't. The immediate problem, for car owners, after all the analyses are done, and all the computer runs computed, and all the blue-ribbon studies, and the hearings and the investigations, comes down to a very simple fact. We don't have enough gasoline.

Oh sure, at the moment you can pull into most any filling station in the country and fill the tank. But we're still running short on gas.

Never mind why. We know we're being priced to death by the oil exporting nations because we can't supply enough of our own short-term petroleum needs. But I don't want to get into the basic problem. You're now well familiar with it. I am concerned about how we cope with the problem.

So far we aren't coping at all. We have taken a bad situation and made it worse. It always embarrasses me to simplify these weighty matters that Washington wrestles with so valiantly and renders so complex. I always wonder if I'm not missing the point. But I don't think I am.

Simplified, it comes down to this. In 1950, we were pretty much sufficient in energy. In 1960 we were importing 16% of our oil. In 1974, we imported 37%. If we keep consuming at the present rate, and if we don't come up with new domestic energy sources, we will be importing 50% of our oil by 1985. That kind of dependency is very dangerous. That kind of dependency is the sort of thing that leads to wars.

Since we have not decided on war, the next best step seems to be to reduce our dependency. That can only be done by increasing domestic resources. Since this cannot be done overnight, the more immediate solution to decreasing dependency is to decrease consumption. Now we get to the nub of the problem, and if I may say so, we get to one of those violations of the essential American system which is at the least a denial of faith in our own system ,and at worst a dangerous departure from common sense.

The real argument within the government is not the need for energy conservation. We are all agreed on that. The argument is over how to bring it about. The argument is not whether the government should insert itself between the problem and the free enterprise market mechanisms which are important to its solutions, but rather how to insert itself.

And so the President wants to put a tariff on oil, and has already put a two dollar tariff on it, which raises the cost of energy across the board and particularly the cost of all petroleum derivatives. The Congress, which boasts a very considerable number of "social consciousnesses," wanted to tax gasoline specifically to get back at those who have the temerity to want to use an automobile.

This, in turn, begs fuel efficiency goals for the automobile manufacturers, who have the bad grace to try to make a profit on their automobiles. Congress also wants to tax anyone who wants to drive anything larger than a motorized roller-skate. I can see a day when we'll have to pay a surcharge if we want a back seat in the car. Catalytic converters and air bags will be mandatory. The gas tank will be optional.

When there is a shortage of a commodity such as energy, the price goes up. When the price reaches the market clearing point, it stops. At that point, people use what they can afford. If they can't afford to use as much, you have a conservation program. It ought to be that simple.

There is a rumor, which may be untrue, that Washington has a hoary old moss-backed economist left over from the pre-Keynesian days of the Eisenhower administration, whom they keep folded up in a footlocker somewhere in the basement of the Commerce Department. They bring him out for a little sun every fourth of July, because Congress isn't in session then and the bureaucracy is on vacation, so he can't hurt anything. They let him out a couple of months ago and asked him his views on energy and the economy, and he described approximately the process I just described to you, whereupon it was decided that he was incoherent by virtue of senility and could safely be released without doing himself or anyone else any harm. His release has been set pending a Congressional hearing on the matter.

We might remember an event that occurred in Vietnam back in 1965 in a city called Ben Tre. There was a terrible battle there between Communist forces and the government forces, and when it was over, the place had been virtually leveled. When the press flocked in to get some misinformation for a good sensational story, they cornered some tired American Army Captain and questioned him about the battle. In the most poorly chosen words since Marie Antoinette suggested a change in diet for the starving French, the Captain said, "We had to destroy the city to save it."

Well, that didn't make any sense to anybody and the liberal intellectuals, the doves, the anti-war activists and their friends set up a terrible howl about it. But today, ironically, their spiritual heirs are among the same group which has adopted a strategy of destroying our economy, ostensibly to save it.

The policy of piling inflationary prices onto exorbitant prices for gasoline while foot-dragging on such matters as deregulating the costs of natural gas, bringing in the Naval Petroleum Reserves, opening up the outer continental shelf of drilling, and producing a sensible strip-mining policy has managed to throw Detroit into a tailspin and to increase unemployment and other ancillary benefits which further cripple an already damaged economy.

You know what is the only conservation program that has worked, in spite of all the Federal foolishness? Voluntary conservation. Heaven forbid that anyone should credit the American motorist with having any sense. And Heaven forbid that the Federal government should take that good sense into account when it is developing its policies.

And so I only cite to you the fact, for your own amusement and with no thought that it will matter much to anybody in Washington, that gasoline consumption is down by millions of barrels this year compared with the same period of 1973, before the energy crisis broke. I think the American motorist deserves some credit for that.

I also think that we deserve some credit for it. There is no question whatever in my mind that the American Automobile Association with its GAS WATCHERS program has contributed more to energy conservation than all the taxes and tariffs and rationing schemes put together.

If I were a jaundiced observer, I might say that the government, as usual, is asking more of the American people—and has gotten better from the American people—than it is willing to give.

Here again is another breach of faith with the American spirit so soundly confirmed 199 years ago. It says we no longer believe in the capacities of American genius. Can anyone really believe that it has to take ten years to increase our domestic energy output by a petty one million barrels a day?

In World War II, Japan cut off the world's chief supply of raw rubber in Southeast Asia. We didn't have the time to discuss the problem and debate and complain. We didn't even have much time for politics. We needed rubber, and our chemists, our technicians, and our engineers went to work and produced artificial rubber from hydrocarbons. And it didn't take ten years to do it.

In 1940, we knew that the Germans were working on atomic energy, we knew what would be the result if they successfully developed an atomic bomb and we didn't have one. So we went to work and we built the atomic bomb. We put together the plants to produce the bomb even before all the technical work was completed. It was one of the greatest scientific efforts, and one of the most remarkable technological feats of this century.

In 1961, President Kennedy committed the nation to put a man on the moon by the end of the decade. In 1969, Neil Armstrong and Buzz Aldrin stood on the surface of the moon.

Now, it seems to me that if we can accomplish the impossible in space in less than ten years, we can certainly achieve the possible—energy self-sufficiency—in less than ten years in a nation as rich in resources and technology as our own. We can certainly do better than a million barrels a day by 1985.

Consider the question of the Naval Petroleum Reserves. The Nixon Administration tried, unsuccesfully, and the Ford Administration is still trying, to have those reserves opened up. For many years we have had one or two small committees in the House of Representatives sitting on millions and millions of barrels of oil for no other reason than the fact that they have the authority to do it.

Those reserves were established for use in our naval vessels in the event that other sources were insufficient or unavailable. In the broader sense, they were established for use in a national emergency. Since they were set up, we have fought one world war, a war in Korea, and a war in Vietnam, and we have never touched them.

Moreover, in most cases, with the exception of the Elk Hills Reserve, it would take longer to make those fields productive than any war in which they might be needed could be expected to last.

If the Petroleum Reserves had been available during the '73–'74 embargo, there probably would not have been an embargo—and if there had, we would have weathered it with no hardship at all. If the reserves were available for consumption right now, they would provide a countervailing force against the world price of oil. But, as usual, "if" is a very big word. The reserves are not yet available.

There are enormous resources on our outer continental shelf, but most coastal states don't want any drilling off their shores, so there is another resource tied up in many areas because of a lack of national unity and common commitment to the national good. Then, of course, there is the Environmental Protection Agency, and that is a major impediment. If Moses had had to file an environmental impact statement before he parted the Red Sea, you can guess what might have happened to the Israelites.

Certainly we need to protect our environment but the time to restrict energy resource development for environment purposes is not when we are going through a severe energy shortage.

Coal is our most abundant resource, but there again we have neglected this resource in a short-sighted fashion, in favor of once-cheap oil from abroad, with no thought to the fact that even aside from possible political differences and changes in the international climate, foreign oil reserves, too, must someday run out.

Now that we want to use coal, we find environmental restrictions making it costly when it should be very cheap. But this is only the most immediate and obvious lapse. The real question is why we are so far behind in developing coal as the kind of energy feedstock it should be.

We act as though coal gasification and liquefaction are new and exotic possibilities. In fact, the Germans supplied a very substantial part of their energy requirements during the war from coal gasification and liquefaction. If they could do it thirty-five years ago, why can't we do it today?

At a time when we have a natural gas shortage, the price of natural gas remains regulated. If it were permitted to seek its market-clearing level, the operators would bring in new natural gas or the utilities would be forced to find other fuels, and we wouldn't have an artificially created shortage.

The point is that we really don't have a shortage of energy, per se, in America. We have a shortage of traditionally used fossil fuels. But most of all, we have a shortage of initiative, self-confidence and commitment.

The solution, I suggest to you, is to open the problem up to the full range of American ingenuity, of scientific skill and engineering know-how and not limit incentives to the present energy industry alone.

Let me give you one example of acute tunnel vision where the development of our energy resources is concerned. Out in Utah, Colorado and Wyoming there are an estimated three trillion barrels of oil locked in shale lands out there. But nearly all of the rich shale land is owned by the Federal government—under the control of the Department of Interior.

The law says that when the Interior Department leases land for private use, it has to get a maximum return on that land—it goes to the highest bidder. So, theoretically the American people get the best possible return on their land. But, by seeking maximum bids, the Government virtually forecloses at the outset any incentive to bring in oil at a low price. The conditions of these leasing arrangements, to the contrary, encourage costly inefficiencies by forgiving payments when development costs exceed the bid. And the law which requires that the American people get maximum financial return for their land simply guarantees that the cost of that land will be passed right back to them when they buy the end product.

We have a new situation in the world, and we have to think and act anew in order to cope with it. We have to stop thinking in terms of fossil fuels as our sole, or principal energy resource.

The anti-atomic energy lobby has managed to scare the country to death about a vital resource. And yet nuclear energy is one of the safest and potentially cheapest sources of energy we have. Today, it takes eleven years to get a nuclear plant sited in this country. In Japan it takes only six—and don't you think the Japanese, living on an over-crowded island, have at least as much respect for atomic energy as we have? And atomic energy is only one of a host of possible energy sources.

We haven't scratched the surface in developing geothermal energy. Iceland uses geothermal energy to heat its homes, provide its hot water, heat the greenhouses which make it agriculturally self-sufficient in spite of its weather and barren soil.

People say, well, geothermal energy is only available on the West Coast. Fine. Let's develop it on the West Coast. That means that a large part of the oil and gas now consumed on the West Coast can be diverted to other parts of the nation—and be more plentiful, and thus cheaper.

We have only begun to scratch the surface in applying the technology for solar energy. It is possible today to buy a solar heating system that will provide up to 90% of a home's heating requirements. Consider what that would free up in terms of natural gas, oil, and electricity. We have proposals to provide tax incentives for increased home insulation, storm windows and such. We need to move faster with attractive tax incentives for conversion to alternative energy sources, such as solar energy. It is beginning to promise cost figures even more favorable than nuclear, without any environmental consequences to boot.

We need incentives for motorists to choose automobiles using alternative power sources. There is a growing technology in the development of more efficient storage batteries. There are electric cars on the market. Shouldn't incentives be established to purchase them? Shouldn't there be some effort to look at steam driven autos again? Why is the automobile the most suspected, the most neglected, and one of the least perfected of our energy users, when it is a dominant energy user? Is it because of the age old bias among the self-proclaimed "thinkers" toward Detroit and the American motorist?

Wind energy is another possibility. So we are told that it can only be used in certain areas where the wind is constant, and if we use it elsewhere, then we have to store the energy created in peak producing periods and save it to keep the supply constant. That's expensive. All right, just use it where the wind is constant. That still will permit some diversion of resources to areas that can't use wind.

Tidal power is once again being studied as a likely energy source. It is true that it only works in certain areas. It isn't the whole answer. Fine. We recognize that it isn't the whole answer. Let's use it where it is the answer. The tides in the Bay of Fundy can produce enough energy to meet the electricity needs of New England. And New England can certainly use it.

In other words, we have to stop thinking in terms of universal solutions to the energy problem.

We have to develop a lot of different solutions and use them where they work. We have to get away from the philosophy that says we are going to have to reduce energy consumption forever, and adjust to paying more for our energy. That is absurd. It completely ignores what the scientists and the engineers and the natural resources of this nation have to offer. And it is unrealistic, because it ignores the very facts of our national existence and the way we live. With six percent of the world's population we consume thirty-three percent of the world's energy output. Our entire way of life depends on it. The present thinking is as pessimistic as saying that air is short, and we are all going to have to breathe a little less from now on.

The truth is that energy, per se, is not short; we are just going to have to be more creative and daring and enterprising about developing it. Fifty years from now people are going to look back and be enormously puzzled at the fact that we had an energy shortage in this country at the same time we had engineers out of work. It won't make sense then, and it doesn't make sense now.

We are on the threshold of a vast expansion and diversification of a major industry. All we need to do is open the door. That door is closed now, in part because of outdated government policies and the contemporary fuzziness in government thinking. And it is closed in part because we have all been lulled into the fallacy that traditional fossil fuels are the only answer to the energy situation. They are only one answer. There are a lot more waiting to be developed, and I have absolute confidence that they will be developed, and that we can and will return to the days of plentiful energy at tolerable prices.

Much of the task of making that happen will fall on the citizenry at large. We can do it. And the sooner we join together as a people and lift our heads up from the stumbling blocks in front of us and focus on the possibilities on the horizon—the sooner we acknowledge the great wealth of skill that we have available to us today and use it, the sooner the so-called energy crisis will be a thing of the past.

I don't accept the argument of those who say we have to drastically change the way we live. The way we live is a reflection of the kind of people we are. We have one of the highest standards of living in the world today not because anybody handed it to us, but because we came up with the energy, the ambition, the ingenuity and the guts to build this nation into what it is. To say that we have to totally alter our way of life is to say we have to change the kind of people we are. And that mentality has already gone too far in America. What we really have to do is to determine that we are going forward, not backward, that we are going to build, not just tear down. So what we need is a grand commitment on the scale of the Manhattan Project to get the energy job done.

To those who say America can't cope with its problems, and that we must let our problems control our lives, I say baloney. We are in serious trouble if we really believe that kind of argument. The fact is that America remains America.

We still have rights and freedoms in America. Let us use them. Let us be more diligent and more fierce, if we have to be, in protecting them.

We still have a free enterprise system. Let us insist that it be left alone to work.

We still have a great genius in America. Let us insist that it be unfettered, and let us have confidence in it.

If we can do these things, then the American motorist will be all right. And so will the country.

Because, let us never forget, if an irresponsible government is left alone to tinker with the rights of the motorist, it will soon find other rights that do not accord with the latest fashion in social engineering. What the outcome will be is unforeseeable. But at the least we can be sure that it will be unworthy of those who built a nation that was able to celebrate two hundred years of freedom.

JEROME S. ADLERMAN

Mr. PERCY. Mr. President, I was deeply saddened to learn of the passing of Jerome S. Adlerman, the former general counsel of the Senate Permanent Subcommittee on Investigations, who died October 1 in Miami.

Mr. Adlerman, who retired in 1971 after 11 years as general counsel to this subcommittee, was a tenacious investigator, a skillful lawyer, and a gentleman.

I had the good fortune to work with him on this subcommittee and learned to respect his judgment and appreciate his thorough professionalism.

Jerry came to Washington first in 1947 to serve as counsel on the Senate War Investigating Committee under William P. Rogers, the then general counsel of the committee who was later to be appointed Attorney General and subsequently Secretary of State. While he planned to stay in Washington for only a little while, he became so fascinated with the legislative process that he wound up spending half a lifetime here, serving at one point as assistant to the late Robert F. Kennedy and later succeeding him as chief counsel to the Senate Select Committee on Improper Activities in the labor or management field.

Jerry Adlerman is in large measure responsible for the brilliant studies that the Investigations Subcommittee has undertaken in the matter of the TFX airplane, which undercovered poor management and Federal waste. He also managed the subcommittee's investigation of organized crime that was highlighted by the carefully documented testimony of Joe Valachi, as well as the role of organized crime in stolen securities.

During his service in the Senate, he was a loyal associate of Senator McCLELLAN who so ably chaired the Investigations Subcommittee through many of its most challenging years.

Even before coming to the Senate, Jerry Adlerman was a dedicated public servant, serving as chief of the Prosecution Subcommittee of the War Crimes Commission after World War II. He was well known for his diligence in gathering much of the evidence later used in prosecuting Nazi war criminals who performed medical experiments in concentration camps.

Mr. President, Jerry Adlerman was a credit to the staff of the subcommittee and his country. He will be sorely missed.

TOP LEVEL GOVERNMENT JOBS REMAINING VACANT

Mr. HUGH SCOTT. Mr. President, the problem of Federal salaries keeping pace with private industry has still not been solved. The result is painful and predictable: top-level Government jobs are remaining vacant because competent professionals can find higher paying positions in the private sector.

An article of Joseph E. Persico in today's New York Times discussses the inequities inherent in the present system. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STILL TRUE: YOU GET NO BREAD WITH ONE MEATBALL

(By Joseph E. Persico)

WASHINGTON.—The doctor at the Veterans Administration responsible for the care provided to over a million patients a year and for the operation of 171 V.A. hospitals is paid a $40,000 Federal salary. A typical neurosurgeon in private practice earns about $70,000, a general practitioner in the Northeast about $45,000.

The Federal official responsible for assuring the safety of drugs consumed by 214 million Americans is paid $36,000 per year. A top research scientist with a drug manufacturing company earns over $97,000 a year.

If your money is in a bank protected by the Federal Deposit Insurance Corporation, the official responsible for insuring the safety of deposits in that bank (and of 8,825 banks in this country, with assets of over $300-billion) is paid an annual $39,960 Federal salary. The president of a large bank in New York City earns about $200,000 per year.

And so it goes. The Federal official responsible for regulating the 3,565 brokerage houses in this country gets $36,000, a typical stockbroker in a metropolitan area $55,000. The Federal official who oversees the sales operation of 2,768 commercial aircraft and the competence of 30,000 pilots is paid $36,000, a senior airline pilot $55,000.

All of this is not to say that Government salaries, however elevated the responsibility, ought to equal private-sector incomes. There are deep nonmaterial satisfactions in doing something that one believes in and that is useful and important.

Obviously, no one who is thinking straight goes into Government for the money. Those who do risk winding up their careers in a far more confining kind of Federal institution than they originally had in mind.

Nor is the point that top Government salaries are low in an absolute sense. In a country where median family income last year was $12,840, few Americans will shed a tear for someone earning $36,000, whatever the job.

But, when the gulf between public and private salaries yawns too wide, it is hard to attract and hold able people in top Government jobs. And these are posts that affect the health, safety and well-being of everyone in this country.

Until recently, top Federal salaries for career employes had been frozen at $36,000 since 1969. In the meantime, the cost of living has gone up 48 per cent. In other words the $36,000 salary then is worth about $24,324 in buying power now.

The results are predictable. Empty offices in key places, early retirements and a fast switch from public to private payrolls. Resignations among professional Federal employes have doubled since 1970. The chief actuary's job for the entire Social Security system has gone vacant for fifteen months. The directorship of the program for the aging at the National Institutes of Health has not been filled since its creation in 1974.

High-level program managers at the Atomic Energy Commission, a chief economist at the Commerce Department, a top Justice Department trial attorney, and a computer systems director at Agriculture all quit for higher paying jobs in private industry, the computer expert nearly doubling his salary to $70,000 by the move.

Recently, the Congress and the President broke the current $36,000 logjam with a bill providing that some 17,000 top Government officials and members of Congress will get their salaries increased by the same percentage as other Federal workers, whenever pay raises are passed.

But a long-term solution is wanted to keep Government and private salaries in reasonable tandem. President Ford appointed a President's Panel on Federal Compensation last June headed by Vice President Rockefeller to help find the answer.

It would help if people took a consumer attitude toward what they get for their tax dollars. Just as we buy cars with income dollars, we buy safer highways with tax dollars and protection for our savings, the assurance of the safety of drugs, cleaner rivers and purer air, and all the other purposes of a well-governed society.

When salaries for taking on major responsibilities are relatively low, only selfless saints, of whom there are few, or run-of-the-mill bureaucrats, of whom there are plenty, will be drawn to public service. Whether we are talking about the quality of products we buy with income or the quality of government we buy with taxes, it is hard to escape the ancient truth: We probably get what we pay for.

THE FEDERAL GOVERNMENT AND THE U.S. ECONOMY

Mr. JAVITS. Mr. President, last week our colleague from the State of Illinois (Mr. PERCY) gave an address before the 18th Annual Convention of the Illinois State AFL–CIO. In his speech, Senator PERCY reviewed the state of the economy and recommended certain actions which the Congress and the executive branch can take to improve Government efficiency in productivity, and to improve the employment picture in the national economy.

Perhaps the most important point made in Senator PERCY's speech is the fact that—

> It is time to admit that America as a Nation, Americans as individuals, cannot buy everything all at once and not expect to pay the price.

I say this because I believe our country has entered upon a very difficult phase of readjustment of expectations, in the wake of the guns and butter ideology that seemed to pervade our thinking during the sixties and even well into the seventies. This cannot be taken to mean cutting health, education, research, and welfare essential to a just Government and people but it can mean that conservation must become a way of life. Should it really matter to us, for example, that we may have to drive smaller cars if this is the price we pay for a socially progressive country? Should it really matter to us that we may have to wear heavy clothes in winter rather than burning excessive amounts of fuel, in order to accomplish the other tasks which we as a nation have set out for us?

I ask unanimous consent that the speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

ADDRESS BY SENATOR CHARLES H. PERCY, 18TH ANNUAL CONVENTION, ILLINOIS STATE AFL–CIO

Stan Johnson, Bob Gibson, Harl Ray, Members of the Executive Board, Delegates and Guests:

It is a pleasure and a privilege to be with you again to address this great convention. You have an outstanding program planned that reflects the vitality and strength of the Illinois State AFL–CIO.

The first time I appeared before this convention was five years ago in Peoria. On that occasion, I had the distinction of being the first Republican U.S. Senator from Illinois to address you in at least two decades. I am pleased to see that at least one other Republican is with us today to discuss the vital economic and social issues that affect every working man and woman regardless of party affiliation.

The last time I appeared before this convention was three years ago in Chicago during the 1972 campaign when my opponent and I participated in a debate. It was one of the high points of the campaign. The debate was comprehensive and vigorous. Stan Johnson stood by with a stop-watch, carefully refereeing the program. I must say that I much prefer the present circumstances, although the issues we face today are equally if not more challenging than those we debated three years ago.

The obvious difference between the state of the nation in 1972 and the situation we face today is the condition of the economy. The economy was vigorous in 1972, although even then a few warning clouds were beginning to form on the horizon. Our prime concern then was growing inflation. The concern already had inspired the ill-fated experiment with wage and price controls that made us all aware that inflation is a chronic rather than a temporary national problem.

Today we are in the first months of economic recovery following the worst bout with both inflation and recession since the Great Depression. But there is a wide range of opinion about the strength and sticking power of the recovery. This has created a pervasive mood of uncertainty in the country. Leaders in labor, business and government, along with working men and women throughout America, are watching and waiting to see the results of the economic recovery period.

This uncertainty centers on conflicting predictions about what will happen in the months ahead and on conflicting advice about what the Federal government should do to encourage recovery. The Administration advocates a steady-as-you-go approach, warning that more economic stimulus now could further aggravate the volatile inflation rate. In due time, Administration spokesmen say, unemployment will decline as recovery advances.

Others claim that increased economic stimulus is needed to bolster the recovery and to reduce unemployment more rapidly. They accept the danger of higher inflation as a necessary evil.

This debate is not a theoretical argument for you, your families and your fellow workers. You live daily with the consequences of inflation and recession. Your experiences remind the economic thinkers and planners that there is a human side to the economic debate that looms much larger than charts and graphs. Recession to you means lost jobs and the reality of unpaid bills and idle hours. Inflation to you means reduced earning power that strikes home every time you pass through the check-out line at the supermarket.

What, then, is the most accurate picture of our current economic condition? What is the real hope for recovery? Where do we stand and what can we expect? What can labor, business and government do to restore our national economy to a state of health and prosperity?

We are all painfully familiar with the latest facts and figures about unemployment and inflation. Seasonally adjusted unemployment stood at 8.4 percent last month, down from the peak of 9.2 percent in May. Unemployment hit 9.1 percent for the State of Illinois in August. In Chicago, the unemployment rate was estimated at 11.7 percent, mostly because of cutbacks in heavy manufacturing. These unemployment conditions are totally unacceptable to every citizen in Illinois and throughout the nation.

Inflation was up to double-digit proportions in July and August, primarily because of food and fuel price hikes. Inflation is nearly as high today as at any time in the last two years.

Signs of economic growth are more encouraging. The gross national product is on the positive side after negative growth last year and early this year. Industrial production is up with the largest one-month increase last month in nearly three years. Business is selling off inventories. New housing starts show impressive gains after reaching a low point in February, although housing starts at the current annual rate of 1.2 million are obviously insufficient to meet the Congressional target of 2.6 million needed each year to keep pace with demand.

But long-term projections about unemployment, inflation and economic growth are disappointing and unacceptable. Predictions set unemployment at between 7 and 8 percent and inflation at about 6 or 7 percent by late next year. Estimates put growth of the gross national product at between 4 and 6 percent by the end of 1976.

These predictions foreshadow distress and challenge for every sector of the American economy for the next year or two or even longer. Our economic problems are not temporary conditions; they will not pass quickly. We face an extended effort to restore the health of our national economy. The quick fix cannot be accepted as a substitute for sound policies that yield long-term stability.

We must all realize—and this realization must touch leaders in labor, business and government as well as working men and women—that a healthy and stable economy demands discipline by every American citizen. There is little question that we spent our way into the current economic mess. We fought a wasteful war and launched new, loosely administered social programs without taking the necessary economic precautions to prevent future trouble.

It is time to admit that America as a nation, and Americans as individuals, cannot buy everything at once and not expect to pay the price. We all want a nation that provides a strong defense, adequate social programs and progressive reforms to improve the quality of life. But we must set priorities to reach and maintain these national goals.

Most of all, we must dispel the popular American myth that says "bigger is better." This myth extends to the cars we drive and the gadgets that fill our homes. We have the highest standard of living in the world, and we are dedicated to the principle of improving living standards for the greatest possible number of citizens. But perhaps it is time to return to basic values and reject the notion that size, speed and luxury bring happiness.

This re-evaluation of goals and values can guide us as we act to restore economic health. The national agenda for economic action is extensive and will not be accomplished in a period of weeks or months. In the interest of long-range as well as short-term advancement, we must strike a careful balance between economic stimulus and restraint to assure that immediate gains are not erased by future setbacks.

The keystone of economic recovery is renewed confidence among consumers and producers. To help build confidence as the economy recovers, Congress should extend at least a portion of the tax reduction program passed earlier this year. It would be folly for Congress to take away from consumers in December what it gave them in April. And we must consider ways to increase capital for producers so that business confidence increases along with consumer confidence.

We have a mutual concern about the lagging job market and what can be done to improve its prospects. This is the foundation of your organization's Jobs Program and puts you squarely on the side of economic stimulus as the way to return workers to their jobs. Congress can respond now by taking a number of actions to help put people back to work, assist those who remain unemployed and help find new jobs to meet the demands of the growing labor force.

The Senate-passed plan to spend Federal dollars for short-term, quickly implemented public works projects and direct assistance to cities and states most severely affected by the recession is sound and practical. Congress should approve the plan now in conference at the earliest possible date. The program would direct Federal money to areas most in need and would adjust spending to meet changes in state and local unemployment conditions.

We also must maintain funding for existing programs that provide public service jobs. This is the quickest and most effective way to reduce unemployment. It pays people for working and thus reduces the personal frustration and humiliation that often accompanies public support for people who are involuntarily unemployed. These programs need not be permanent parts of our economic process, but they should be maintained as long as unacceptable levels of unemployment exist.

The minimum program we should support is the current level of 310,000 public service jobs. You know and I know that this is not enough. We should move toward the 550,000-job level that we both support.

Congress must also continue unemployment benefits for workers not employed in insured jobs. These workers are perhaps the most helpless victims of the recession. They must not be abandoned and made to weather an unpredictable period of economic recovery without assistance.

We should also consider applying the concept of adjustment assistance to workers who lose their jobs because of a change in national policies and priorities. If we can assist workers who lose their jobs because of imports, then we can provide aid to workers who lose their jobs because a new national policy such as gasoline conservation causes layoffs in the auto industry or related industries.

Congress also must face the challenge of doing its part to fight inflation, the main cause of reduced purchasing power, depressed business activity and unemployment. I, for one, do not believe that a major assault on inflation means an automatic increase in unemployment. If we act responsibly, Congress can help reduce inflation without hampering moves to put people back to work.

One critical element in this effort is the new budget procedure that regulates Congressional spending. It is a system based on spending limits and priorities. Because of the new system, Congress is on the course of sensible spending for the first time in decades. As a strong proponent of this reform, I emphasize that we do not intend to control spending without regard for priorities.

We approach the Federal budget with a scalpel and not a hatchet. We are as concerned about expenditures for aircraft carriers as we are about spending for school lunch programs. We intend to examine every spending proposal carefully to assure that we meet the nation's needs and at the same time keep spending below the budget ceiling set earlier this year by the House and the Senate. Every time I cast a vote in the Senate on Federal spending I remind myself that it is your money we are spending.

In the battle against inflation, we also must stabilize government policies that affect the prices of food and fuel, the two most serious causes of inflation. American consumers feel the pinch worst when they stretch their budgets to feed their families and heat their homes. It is inexcusable for Congress or the Administration to sit idly by while government policies over which each branch of government has control contribute to higher inflation.

The government should establish sensible export policies to prevent sudden jolts in the agricultural market. The current flap over grain sales to the Soviet Union shows the results of poor planning. Farmers must have access to foreign markets without undue government interference, but the American consumer should not be forced to pay the bill for such access. The current negotiation between U.S. and Soviet officials is a hopeful sign that additional sales to the Soviet Union will follow the same long-term pattern that governs sales to other nations. This will help avoid future shocks in the grain market.

The government also has a responsibility to establish sensible policies regarding the production and marketing of fuel. The responsibility is especially obvious in the current stalemate between Congress and the Administration over decontrol of domestic oil prices. Decontrol must be gradual to prevent sudden increases in consumer prices.

This need makes it mandatory that both Congress and the Administration set political considerations aside and act immediately on a compromise and not return to total market control for another three to five years. Beyond that, we must work together to forge a comprehensive national energy program that provides for conservation and the development of new energy sources. The inability of politicians and policy makers in Washington to agree on national energy policy is nothing less than a national disgrace.

There are other opportunities for government action to fight inflation. One that deserves prompt attention is the opportunity to cut consumer prices by reducing unnecessary government regulation of business. This action should not follow the course of wiping out government regulation across the board. Many businesses and industries should be regulated to prevent even higher prices that could result from reduced controls. But many Federal regulatory practices, some of which receive strong business support, reduce competition and inflate prices. I have joined with other Senators in the Government Operations Committee to launch a study of Federal regulation to determine costs and benefits to consumers and recommend which regulations should be modified or terminated. In particular we should ask why the regulated are sometimes the strongest proponents of continued regulation.

The government also has a role in increasing productivity to help improve economic performance and reduce inflation. I spoke of this need when I addressed your convention in 1972, and I emphasize it again today. Productivity can benefit both labor and management by raising profits, increasing wages, creating jobs and stimulating competition in foreign and domestic markets. The AFL–CIO has been helpful in the effort to boost the nation's productivity.

Recently the Senate addressed the need to increase productivity by passing legislation to create a National Center for Productivity and Quality of Working Life. The Center will be the focal point of the Federal government's effort to increase productivity in the private and public sector. The legislation deserves prompt consideration by the House and support by leaders, in labor as well as business.

In the months ahead, Congress also will be looking carefully at many Federal social programs to examine their costs and the relative benefits to the American people. This examination is long overdue. Many Federal social programs such as welfare are a hodge-podge of conflicting goals and priorities. But the tone of this examination is crucial. We must abandon inflammatory rhetoric that cries out against "welfare cheats and chiselers." The fact is that middle class persons benefit greatly from Federal social spending. They receive assistance through Social Security and veterans' benefits; unemployment compensation provides assistance to millions of men and women. We all have a stake in future planning and spending for social programs.

One area in particular that deserves Congressional attention is Federal spending to improve health care. The Medicare and Medicaid programs that were heralded in the sixties as the answer to our health care problems need review and reform. In some cases, outright fraud and abuse have increased the cost of these programs and reduced their impact on those who need them most. Following reform of these programs, we should enact a national health insurance plan to assure quality health care for all Americans at a cost they can afford. We should place special emphasis on the need to protect Americans against the expense of catastrophic illnesses.

I very much appreciate the opportunity to be with you today and participate in this meeting. I can assure you that the hopes and aspirations of working men and women in Illinois and through the nation are in the forefront of national concern. As we move through the period of economic recovery ahead, your voices will be heard and your needs will be met.

UNITED NATIONS

Mr. **FANNIN**. Mr. President, the 30th general session of the United Nations opened last month on an unexpected note of international harmony. The rhetoric of confrontation, which has been prevalent in all General Assembly meetings for the past several years, was reduced and replaced by rational suggestions for the solution of the major economic and social problems confronting the world community.

The United States left the U.N. community virtually speechless with its opening address listing alternative methods of solving the serious economic problems facing the third and fourth world nations. Contrary to past practice, our proposals were not open-ended offers of financial and development assistance. In fact, they put the United States on record as expecting the nations of the world to solve their own problems without direct American aid.

While these events represents a psychological advantage for the United States at the U.N., substantive economic advances are far from being accomplished. There is considerable doubt in my mind as to whether the U.N. apparatus ever will be able to handle critical international problems. Its past history has shown it to be a more effective debating society than a responsible forum for the rational solution of worldwide problems.

If the U.N. is to be a viable organization, it must be reformed. Membership should be broad but it also should be based on acceptable standards such as governmental stability both political and economic; worldwide recognition; and willingness to support the parent organization morally and financially. Member nation governments should have the support of a cross section of their population, they should be able to withstand a specified test of time, they should have an organized governing system, they should be able to provide for at least a subsistence level of well-being for their citizens and they should be sufficiently solvent to pay off loans and other debts for services rendered. Formal recognition by previously established governments should be required before an applicant nation is approved for membership. Each prospective member should support the ideals of the organization's charter.

The United States should not continue to provide the major portion of U.N. funding. The annual assessments of other nations must be readjusted to portray their improved economies and the extent of their influence within the U.N. community. The United States provides 25 percent of the funding for the U.N. and approximately that same level of support for all the related agencies. This is the largest proportion of the budget assessed any U.N. member. According to the 1975 assessments, the next largest amount was 14.9 percent and that was charged to the Soviet Union. Not one of the newly rich oil-producing states has been asked to contribute as much as one-half of 1 percent to the support of the United Nations.

A recent public opinion poll, which I initiated in Arizona, showed my constituents in opposition to the United States remaining in the United Nations. A final tabulation of the responses showed 44.5 percent of the respondents favoring our participation in the U.N. and 55.5 percent objecting to our membership in that organization. The ultra-liberal Chicago

Council on Foreign Relations conducted a survey this year titled "American Public Opinion and U.S. Foreign Policy, 1975." Even their conclusions on American attitudes toward extensive U.S. participation in international organizations showed a considerable degree of disregard for U.S. participation in international organizations such as the United Nations. "The American public is ambivalent about formal international organizations; supporting the principles and procedures rather than the institutions themselves. Eighty-two percent of the respondents regarded the U.S. role in founding the United Nations as a proud moment in American history, but only 53 percent thought that it was very important for the United States to be a world leader in support of international organizations such as the U.N."

I remain deeply critical of the U.N., in spite of the hopeful events surrounding the opening of its 30th general session. Because of these encouraging signs, I will expect a great deal more from this organization this year with respect to achievement of rational, practical economic and social policies. Presently, in the U.N., there seems to be an inclination among all members to work toward accomplishing realistic solutions for devastating problems. I am anxious to see how effectively the U.N. responds to this positive attitude. A few months' time should prove whether my critical attitude is justifiable or not.

Mr. President, a pertinent editorial, "Winning the Fourth World," appeared in the Wall Street Journal on September 26, 1975. It is a commentary on the opening session of the U.N. and, in my opinion, is on target as a thoughtful response to the potential for revitalization currently existing at the United Nations. I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Sept. 26, 1975]

Winning the Fourth World

To almost everyone's surprise, the United States seems to have pulled off something of a diplomatic coup at, of all places, the United Nations. As the dust settles from the recent Seventh Special Session of the UN General Assembly, called to further the "Third World's" demands against the West, the results seem so much less bad than they could have been that even we are tempted to applaud them.

We must immediately add that a lot of the dust is still in the air. The United States made 41 specific proposals in its Labor Day speech attributed to Secretary of State Kissinger and read by Ambassador Daniel Patrick Moynihan. Not even the proposers seem to be sure how they will all work out in practice. The touchy business of commodity agreements, for instance, could cause greater or less damage to world free trade and more or less cost to consumers depending on which section of the U.S. bureaucracy gets hold of it. But the speech, and the fact the Special Session seized on it as an agenda, mark a turn against the talk of across-the-board cartelization of commodities, so prevalent in the "Third World" and even in the State Department since the previous UN Special Session.

The marathon haggling over rhetoric obscured the remarkable fact that most of the substance in the session's final resolution came point for point from Mr. Kissinger's speech. Instead of the Algerian program of coordinated Third World price-fixing, a la OPEC, this document calls for such American proposals as commodity stockpiling to stabilize price swings, expanded credit to finance trade deficits and removal of trade barriers.

While we reserve the right to take a closer look at the merits of ideas like buffer stocks, the diplomatic outcome certainly vindicates Ambassador Moynihan's basic approach. Rather than play the European game and swallow as much, and a bit more, of the Third World's demands as the U.S. could tolerate, the U.S. set out to be a responsible opposition. Accepting the basic structure of the UN, the U.S. criticized programs the U.S. thought were wrong and offered solid alternatives.

More fundamentally, the resolution shows how hollow were most of the programs of the "new international economic order." Although the resentment and hardship of the world's poor countries are very real, their suggestions for changing things seemed little more than the attempt to duplicate OPEC's success for the other raw materials that some of them export.

This approach hasn't been pushed because it won't work economically. The oil cartel succeeded because of the geographical concentration and relative political cohesion of the major exporters and because of a temporary tightness in the world supply. Other commodities, such as copper, are a glut on the market; or like bauxite, are found in large deposits in countries more closely tied to the West than the Third World; or, like bananas, can't be withheld from the market without spoiling.

And the bulk of the world's poor countries can't, in their sober moments, really want these cartels to succeed. We use "Third World" as the only possible collective description of some 100 separate nations, but the phrase obscures enormous variations in politics, ethnicity and economic make-up. One major faction, the OPEC bloc, has recently become rich primarily at the expense of the rest. At the very best, new cartels would create a few more "rich-poor" nations and increase import costs for the "poor-poor," the so-called "Fourth World." If OPEC is any example, the "Fourth World" won't see much of the revenue these cartels are supposed to "redistribute" from the industrial nations.

It's still a very open question whether any form of foreign aid will do much lasting good for countries like India, which seem determined to frustrate development by foolish policies and bureaucratic inertia. In some cases, the foreign aid programs of the '60s not only failed, they seemed to sap the will of recipients to put their own houses in order. Mr. Kissinger's speech shifts the emphasis to the capital markets, which at least gives the borrower responsibility to use his loan wisely. But it makes only a token bow to the nagging question, what if the borrower doesn't?

Even so, the American proposals are infinitely preferable to the neomercantile fantasies of the "new international economic order." The secret of their favorable reception at the UN is, in short, that Kissinger has more to offer the Fourth World than does Algeria's Bouteflika. His various investment trusts and capital facilities are sincere efforts to get money to the most needy, not to the lucky few who can cash in on cartelization. The recent marathon on Turtle Bay suggests at least that some good sense is returning to the debate about development.

JEROME S. ADLERMAN

Mr. McCLELLAN. Mr. President, it is with a deep sense of regret and sadness that I have learned of the death on Wednesday, October 1, 1975, of Jerome S. Adlerman, general counsel of the Senate Permanent Subcommittee on Investigations from 1960 until his retirement in 1971.

As chairman of the subcommittee during the period in which Jerry Adlerman served in this position, I had the opportunity to observe his dedicated and loyal work on the subcommittee, to the Senate as a whole and to the people of the United States.

Mr. Adlerman was a key figure in the successful efforts of the subcommittee to investigate and uncover corruption, waste and wrongdoing in Government and labor-management relations and to expose the activities of organized crime in America. His work resulted not only in the exposure of malfeasance, misfeasance, and corruption but also in positive legislative reforms—and almost every segment of American society has reaped the benefits of his efforts.

Mr. Adlerman came to Washington in June, 1947, to serve as assistant counsel to the Senate Committee To Investigate the National Defense. This was intended to be a 6-month assignment but it developed into a quarter century of valuable service to the Nation.

A graduate of the New York University Law School, Mr. Adlerman was in private practice in New York City from 1925 until 1933, when he became assistant counsel of a task force investigating welfare scandals. During the early days of World War II, he was an attorney with the Department of Justice. From 1944 to 1946, he was chief of the prosecutions subsection of the U.S. Army War Crimes Group in Germany, which gathered evidence on medical experiments performed in Nazi concentration camps.

Mr. Adlerman joined the staff of the Senate Permanent Subcommittee on Investigations on February 1, 1948, upon its organization and became chief assistant counsel in 1957. In 1960, I had the pleasure of appointing him general counsel of the subcommittee upon the resignation of his able predecessor, Robert F. Kennedy.

Throughout his career with the subcommittee, Mr. Adlerman was a vigorous and responsible investigator. But he was not only a dedicated public servant, he was also a gentle and considerate man who often agonized over the transgressions of others with whom his work brought him in contact.

He played a valuable role in investigating irregularities in military procurement, corruption in the field of labor-management relations, and helped rip away the cloak of secrecy which had surrounded the burgeoning influence of organized crime in American society. He also delved into irregularities in the TFX contract, helped uncover waste in foreign assistance programs in Southeast Asia and brought to light valuable information concerning the criminal disorders that swept our Nation in the late 1960's.

Mr. President, the Senate has indeed been fortunate in the quality and dedication of many of its staff members. Jerry Adlerman typified in his personality all the labor that is good in our system and our way of life.

I know I speak for all Members of the Senate, and staff members who knew Jerry, in these sentiments I have expressed. Mrs. McClellan and I extend our profound sympathies to his wife, Evelyn, and to the other members of Jerry's family.

His passing leaves a void in our lives that will be impossible to fill.

BEDFORD-STUYVESANT COMMUNITY DEVELOPMENT

Mr. JAVITS. Mr. President, I have the great satisfaction today to report to my colleagues the opening of a $6 million commercial complex in the Bedford-Stuyvesant community in Brooklyn, N.Y.

The late Robert F. Kennedy founded the Bedford-Stuyvesant Corporation, in which I joined with him. I have consistently supported the gifted concept of community economic development corporations, in a multifaceted attack on poverty based upon a "special impact" program. The Bedford-Stuyvesant Corporation was the first community development corporation and now over 40 of these programs are funded through the Community Service Administration.

It is backed by a list of eminent business and financial leaders per the appended list.

The results of congressional support for the concept of community development can be seen in Bedford-Stuyvesant, once a ghetto community with no hope and no future. Now, the community can point with pride to its new commercial complex, with its infusion of new capital, and the creation of new jobs. This can only be a starting point on which to build and grow. Not only will this result in economic gain, but it will also increase the social services available to the community.

The Bedford-Stuyvesant Corporation has shown that local communities can and do form the leadership of an economic community to develop local businesses. The support of major corporations, such as Lane Bryant, Nathan's Famous, Chemical Bank, and Consolidated Edison, add to the economic strength and confidence of the community.

An article in Friday's New York Times, written by Charlayne Hunter, highlights the renewed spirit and confidence in this community. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 3, 1975]

BEDFORD-STUYVESANT COMPLEX OPENS

(By Charlayne Hunter)

"Isn't it spectacular?" said a beaming Franklin A. Thomas, president of the Bedford-Stuyvesant Restoration Corporation, as he welcomed guests yesterday to the opening ceremonies of the corporation's new $6-million commercial center.

"It's terrific, Frank," replied Ann Doar, whose husband, John, is a former principal of the corporation. "I could do my Christmas shopping here."

Her companion, Barbara Elliott, said: "A beautiful spot like this, you won't be able to keep people out."

"I hope not," Mr. Thomas said.

That was certainly the case yesterday as several thousand people streamed to the spacious plaza, including Ethel Kennedy, widow of Senator Robert F. Kennedy, who was one of the creators of the corporation. Also present were bank and corporate executives, foundation officials and residents of the Bedford-Stuyvesant community.

A 32-STORE COMPLEX

The only major black-owned commercial complex in the city, "Downtown Bedford-Stuyvesant," as it is called, is a 32-story split-level complex on the square block bounded by Fulton and Herkimer Streets and New York and Brooklyn Avenues—the heart of the community.

In the three newly constructed and four renovated buildings, the tenants include small businesses such as the Chic d'Amerique Boutique and A. J. Battle, opticians, along with major retail stores such as a Lerner shop and a Lane Bryant, Nathan's Famous, a Baskin-Robbins Ice Cream parlor, the Brooklyn Union Gas Company, Consolidated Edison and the Chemical Bank.

Five years ago the space, which now also includes a skating rink and underground parking facilities, contained a milk-bottling plant, several partially abandoned and decaying manufacturing and warehouse facilities, and tenements.

Plans for the future include such "desperately needed facilities," according to an official of the corporation, as a major supermarket and a drugstore.

A MAJOR COUP

"They really pulled off a major coup," said an official of the Ford Foundation, which financed the complex along with the First National City Bank, the Vincent Astor Foundation and the Federal Community Services Administration.

"This whole area was an urban wasteland," he said, "and they've brought life and vitality to it in a relatively short period of time."

James Shipp, president of the Restoration Development Center, the corporation subsidiary that owns and is responsible for developing, constructing and operating the center, said the most difficult part of the development has been the leasing.

"Major stores were telling us that they left Bedford-Stuyvesant 15 years ago, and that the people had followed them to the outskirts.

"We argued that there are 450,000 people here that represent a market that ought to be tapped. We stressed the reaffirmation of their commitment."

WHY THEY CAME

Avrum Marcus and Steven Schleifer, who own Stav's Cards and Books, said they decided six weeks ago to come into the complex because "we like the way they handled things."

"I felt they knew what they were doing," said Mr. Marcus. "It's a terrific opportunity."

Fred Powell, a young black entrepreneur who with his wife, Barbara, will run Every Blooming Thing, a flower shop, said he knew people would support the complex.

"We have a store in the area on Nostrand Avenue, and when we told the people we'd be moving here, they were tremendously excited."

Paula Miley, who is 14 years old, said: "From what I've seen today, you put me in one of these stores and I'd go crazy."

While some statistics indicate that conditions are worse today in Bedford-Stuyvesant than five years ago—unemployment then was 6 per cent and now it is at least 20 per cent—many involved with the corporation feel that the effects of such ventures as the complex will make a difference in the years to come.

"This certainly should encourage the people who have been fleeing to take a second look," said Judge Joseph B. Williams, administrative judge of Family Court, who is chairman of the corporation's board. "With the tremendous labor market and the cost of land lower and more available, there can be the kind of development that leads to jobs and many other things."

"A lot will depend on the follow-through," said a bank executive. "But Frank's on the board of two banks, so that shouldn't be a problem."

As for Mr. Thomas, he said: "It's a plateau. But we take off from here on to the next project because the process of change is the nature of the industry."

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Under the previous order, the Chair now recognizes the Senator from Illinois (Mr. STEVENSON).

ANNOUNCEMENT OF SENATOR PASTORE NOT TO SEEK REELECTION

Mr. STEVENSON. Mr. President, I have had the privilege of serving in this body and also on the Commerce Committee with the distinguished senior Senator from Rhode Island (Mr. PASTORE). I have come to acquire the greatest respect and affection for Senator PASTORE and, therefore, it is with disappointment and dismay that I learned this morning of his intention to not seek reelection to the Senate. His departure from this body will be a loss for the Senate, and a very real personal loss for all of his colleagues. including myself.

BASE NEGOTIATIONS WITH SPAIN

Mr. STEVENSON. Mr. President, before turning to the subject of oil and gas price regulation, I want to make a few observations about the conduct of the present negotiations with Spain.

Mr. President, the Western World has been shocked by the executions in Spain. We are brutally reminded that the exercise of tyranny is not restricted to the Communist nations but lives on in the only Fascist dictatorship to survive World War II. I do not condone terrorism. I accept that one man's revolutionary is another man's terrorist. I do not challenge the right to trial who are charged with murder. But I do find summary justice by a military court abhorrent. I share the indignation voiced by our NATO allies in Europe, most of whom have withdrawn their Ambassadors from Madrid in protest, and the Commission of the European Common Market, which has recommended that trade negotiations with Spain be suspended.

I regret that our own Government has been almost mute, or perhaps worse than mute. The reluctant utterances from the White House and the State Department have ducked the issue on the ground that it is an internal Spanish matter and that—after all—many nations impose death penalties.

We all know, of course, why the administration is so reluctant to say anything to offend an aging dictator. We do not wish to jeopardize our negotiations for the renewal of agreements for the use of naval and air bases in Spain. With a fine disregard for public opinion both here and in Western Europe, our Secretary of State was actively pursuing these negotiations directly with the Spanish Foreign Minister last week. We read in the Saturday newspapers that the Secretary has reached agreement in principle on a new accord. We do not know precisely what this one will cost the American taxpayer, but we read in the press that it may be as much as $750 million—five times more than the expiring agreement cost us. Our NATO allies must regard this expression of support for Franco's regime as an act of extreme imprudence. The Spanish Foreign Minister has been quoted as describing this agreement as "an affirmation of friendship at a moment of extraordinary importance." Extraordinary indeed.

This is another case of pragmatism at the expense of principle. I question that it can be justified as pragmatism. We and our European allies share the earnest hope that the successor government to the present dictatorship will make of Spain a democracy worthy of membership in the Western family of nations. How are we going to deal with such a government if, right up to the last ditch, we continue to support antidemocratic forces? Why must we always end up on the wrong side? The history of the past 30 years is strewn with the wreckage of these decisions: China, Vietnam, Chile, and—perhaps most aptly—Greece. Who can deny that our support to the Papadopoulos regime encouraged the Greek military adventure in Cyprus which has led us to today's wretched impasse? Who can wonder that the Greek people see in our bases there, whose future is in doubt, a symbol of our kinship with a departed dictatorship?

Mr. President, this matter is far too serious to escape the earnest attention of this body. The American people deserve an answer to the question "What is the rush?" The 1970 base agreement expired on September 25. Under its terms, we have a year's grace within which to conclude another agreement. Given the present climate of public opinion, here and abroad, toward Fascist Spain and given the fluid political situation in that country, why not step back and take a hard look at what we are doing before we are committed again to the wrong side? The appropriate committees should hold hearings to enable this body, and the public, to examine the issues. Meanwhile, I urge that further negotiations be held in suspense.

Mr. Safire, a columnist with whom I do not always agree, wrote on the subject in Wednesday's New York Times that—

> Standing for something in the world is worth both the trouble and the money.

I ask unanimous consent that his column be included in the RECORD as well as a letter I wrote to Secretary Kissinger last Friday, before the agreement in principle with the Spanish Government was announced, urging him to put the negotiations "on ice."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 1, 1975]

THE REIGN IN SPAIN

(By William Safire)

WASHINGTON, Oct. 1.—America's interest in Franco's reign in Spain falls mainly on the planes—that is, the air and naval bases we have been renting, whose leases are now being renegotiated.

The world's interest in Spain these days centers on the execution of five terrorists, including two Basque separatists, convicted by a military court of murdering policemen in the course of bank holdups. General Franco evidently decided that one way to discourage cop-killing was to put a handful of cop-killers in front of a firing squad.

The world little notes nor long remembers the stern measures used behind the Iron Curtain to "repress' killers of public officials. No voices are raised in the United Nations to demand an accounting of the death march ordered by Cambodian Communists. No ambassadors are withdrawn to protest the absolute termination of press freedom in Saigon.

But General Franco is a Fascist, not a Communist, dictator, and an aging one at that. That's why his stern response to the murders of a score of policemen so far this year, including three yesterday, met this international reaction:

Fifteen ambassadors from European countries, including the entire Common Market, were recalled from Madrid or kept home.

Mexican President Luis Echeverria, with no relations to break off, found a way to express his rage by cutting off postal communications with Spain.

The Vatican, hardly a leftist redoubt but conscious of the need to establish a footing with the people who will come after Franco, expressed its displeasure after the Spanish Government would not heed the Pope's plea for clemency.

What can we learn from this? And what should our own reaction be?

The first lesson is that solemn declarations not to interfere in the "internal affairs" of sovereign nations are hogwash. Almost every nation feels free to meddle and to moralize, restrained only by threat of military or economic retaliation.

Lesson number two is that leftist leaders are much better at meddling in rightist nations' affairs than vice versa. Sweden's Prime Minister is now contributing money to Spanish opposition groups; he would cry havoc if the Shah of Iran or somebody were to help finance anti-Socialist activities in Sweden.

Our first reaction should be to recognize the right of any nation to impose a death sentence on murderers of police or prison guards. We may disagree on capital punishment, but the penalty is not beyond the pale of civilized national behavior.

Next, we should set aside the temptation to bedeck murderers with the verbal garland of "guerrilla" or "commando" or even "revolutionary." A person who kills another human being in a bank holdup, whether in the name of Basque separatism or Symbionese Liberation, is a murderer. (Radicals change terrorist to "guerrilla" in the same way liberals soften "involuntary" to "court-ordered" and conservatives harden "involuntary" to "forced.")

Does this mean the Government of the United States should continue to say nothing, to hold that terrorism in Spain—and the repression it desires and has triggered—is "an internal matter" off-limits to comment, and to keep our eye on the ball of the military bases?

Absolutely not. Franco's transfer to the terrorists' trials from civil courts to military courts was wrong, and we should say so. The principle of summary execution, without the right of appeal, is abhorrent to our idea of justice, and we should make our opinion known. Only when a state provides an individual with a fair trial can it claim the right to put the guilty to death.

Secretary Kissinger would say that's all well and good, but to speak up would jeopardize delicate negotiations. Not necessarily so: A statement of our beliefs, including a unique emphasis on the tragedy visited on the families of the dead policemen, could be fashioned in a way that would not be unwelcome in Spain.

An honest and reasonable statement by the U.S., especially at a delicate moment, is important for our own self respect as well as our image abroad. This is sneered at as moral posturing by the power pragmatists on the seventh floor of State, but unless they make some obeisance to international morality, they will be faced with the practical problem of a grand agreement and no Congressional approval.

America is against terrorism and against mindless overreactions to terrorism. Saying so now requires some courage, some diplomatic finesse, and may cost us a few million dollars on our air base leases. Standing for something in the world is worth both the trouble and the money.

We could become the only nation in the world consistent in applying a measure of moral pressure on dictatorships of both left and right. If Mr. Kissinger persists in looking the other way, he will discover, as the embattled General Franco has, how foolish it is to put all our Basques in one exit.

OCTOBER 3, 1975.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State, Washington, D.C.

DEAR MR. SECRETARY: I am disturbed by indications that we are proceeding with negotiations for a renewal of the Spanish Bases Agreement at a time when public opinion, particularly among our Western European NATO allies, is inflamed over domestic developments in Spain. I am aware of the strategic considerations which make a renewal of the Agreement important to us. However, I fear that in this case the pursuit of pragmatism may not be justified. In the past our dogged support of waning authoritarian regimes has not served us well. I urge that further negotiations be put on ice until we have carefully examined the options in the light of current Spanish political dynamics and our relations with Western Europe as a whole.

I am enclosing a copy of a statement I intend to make in the Senate at an early opportunity.

With best wishes,
Sincerely,

ADLAI E. STEVENSON.

NATURAL GAS EMERGENCY ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, S. 2310, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. STEVENSON. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. GARY W. HART). The pending question is the amendment of the Senator from Illinois to the amendment of the Senator from Kansas to the amendment of the Senator from South Carolina to S. 2310.

Mr. STEVENSON. Mr. President, I ask that this amendment No. 948 be modified in accordance with modifications which I send to the desk.

The PRESIDING OFFICER. The clerk will state the modifications.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON) proposes modifications to amendment No. 948.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

In lieu of the language proposed to be inserted, insert the following: That this Act may be cited as the "Natural Gas Production and Conservation Act of 1975".

SEC. 2. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by striking out section 24 thereof (15 U.S.C. 717w) in its entirety and by inserting immediately after the enacting clause thereof and before section 1 thereof (15 U.S.C. 717) the following: "That this Act may be cited as the "Natural Gas Production and Conservation Act of 1975."

"TITLE I—GENERAL PROVISIONS"

SEC. 3. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by adding at the end thereof the following two new titles:

"TITLE II

"PURPOSES

"SEC. 201. The purpose of this title is to establish temporary emergency authorities for minimizing the detrimental effects on employment, food production, and public health, safety, and welfare caused by natural gas supply shortages.

"DEFINITIONS

"SEC. 202. As used in this title—

"(1) The term 'Administrator' means the Administrator of the Federal Energy Administration.

"(2) The term 'Commission' means the Federal Power Commission;

"(3) The term 'essential user' means a user or class of user who satisfies criteria to be established by the Commission, by rule, as indicative of a user for which no alternative fuel is reasonably available and whose supply requirements must be met in order to avoid substantial unemployment or impairment of food production or the public health, safety, or welfare.

"(4) The term 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas, including any land or subsurface area located on the Outer Continental Shelf.

"(5) The term 'intrastate commerce' means commerce between points within the same State not through any place outside thereof.

"(6) The term 'interstate commerce' has the same meaning as such term has in section 2(7) of the Natural Gas Act (15 U.S.C. 717a(7)).

"(7) The term 'Outer Continental Shelf' has the same meaning as such term has in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

"(8) The term 'new natural gas' means (A) natural gas which was not, prior to September 9, 1975, committed by contract to interstate commerce, and (B) any natural gas (i) committed by contract to intrastate commerce which contract, on or after September 9, 1975, terminates and is not renewed or (ii) otherwise available for sale during the period that this title is in effect. Except as provided in this title, new natural gas shall not be subject to Commission jurisdiction. The term does not include 'transferred natural gas' as defined in subsection 205(e).

"(9) The term 'person' includes any governmental entity.

"(10) The term 'pipeline' means a person engaged in the transportation by pipeline of natural gas.

"(11) The term 'priority interstate purchaser' means (A) any interstate pipeline (or a person acting on behalf of an interstate pipeline) which the Commission, taking into account any existing curtailment plan of such pipeline and the natural gas supplies available to such pipeline, determines is, to a significant extent, unlikely to obtain supplies of natural gas adequate to meet the requirements of essential users under any agreement (without regard to whether such agreement is for interruptible or firm service) to supply natural gas to such user by—

"(i) such pipeline; or

"(ii) a person to which such pipeline supplies natural gas for purposes of resale,

or (B) any interstate pipeline that can demonstrate it will otherwise be unable to secure supplies of natural gas that are necessary to supply essential users on such pipelines through June 30, 1976, because of competition from interstate pipelines that have previously been designated as priority purchasers.

"(12) The term 'supply emergency period' means the period, or any part thereof, which begins on the date of enactment of this title and ends on July 1, 1976.

"ACCESS BY PRIORITY INTERSTATE PURCHASERS TO NATURAL GAS

"SEC. 203. (a) The Commission shall, not later than the end of the 15-day period which begins on the date of enactment of this title, and shall as necessary throughout the supply emergency period, upon petition or upon its own motion, designate priority interstate purchasers.

"(b) The Commission shall, by rule, not later than the end of the 15-day period which begins on the date of enactment of this title, establish an area ceiling price applicable to any first sale of new natural gas (except first sales of new natural gas produced from lands located on the Outer Continental Shelf) for each area in the United States in which natural gas is produced during the supply emergency period. The Commission shall designate areas to which such ceiling prices shall apply. Such ceiling price shall, to the maximum extent practicable, approximate the average sales price, as determined by the Commission, for contracts entered into or renewed during the period from August 1, 1975, through August 31, 1975, for natural gas produced in the area and sold in intrastate commerce: *Provided*, That until the Commission establishes an area ceiling price in any area, sales of new natural gas may be made pursuant to this Act at the price the producer or other seller charged for the latest sale of natural gas produced nearest to the point of production of the natural gas being sold.". If no such sales were made during the period from August 1, 1975, to August 31, 1975, in a designated area, the Commission shall establish a ceiling price by rule based on the average sales price for contracts most recently entered into or the average sales price in another similarly situated area during the period from August 1, 1975, to August 31, 1975.

"(c) No producer or other seller (as the case may be) may charge and no purchaser may pay a price for the first sale of new natural gas occurring between September 8, 1975, and June 30, 1976, which price exceeds the applicable area ceiling price established by the Commission or if purchased from an intrastate pipeline, the acquisition cost pursuant to contracts entered into prior to September 8, 1975, of such natural gas by the selling intrastate pipeline plus a reasonable charge for any transportation services rendered by a producer or other seller (as the case may be). Any contractual provision prohibiting such sales or transportation or terminating any other obligations of any gas supply or sales contracts as a result of such sales or transportation shall be unenforceable in respect to any such sale or transportation.

"(d) Any new natural gas produced from lands located on the Outer Continental Shelf shall be sold in interstate commerce.

"(e) (1) No new natural gas produced in the United States (except new natural gas produced from lands located on the Outer Continental Shelf) may be sold in interstate commerce unless—

"(A) the purchaser has been designated by the Commission as a priority interstate purchaser; or

"(B) the producer or purchaser has filed a notice of a proposal to sell new natural gas (whether in the form of an offer to sell or a proposed contract to sell such gas) with the Commission at least 15 days prior to sale.

"(2) The Commission shall, by rule, prohibit the sale in interstate commerce from lands located in the United States (except lands located on the Outer Continental Shelf) of any new natural gas to any person other than a priority interstate purchaser if, (A) a priority interstate purchaser, within the 15-day period specified by paragraph (1) (B), offers to purchase such new natural gas under terms and conditions substantially similar to or identical with the terms or conditions of such proposal to sell to which the notice prescribed by paragraph (1) (B) pertains, or (B) if the purchasing pipeline is directly or indirectly connected to a priority interstate purchaser and that priority interstate purchaser has not yet obtained sufficient quantities of natural gas to satisfy the needs of the essential users of such pipeline and the priority interstate purchaser indicates a willingness to purchase such natural gas within the 15-day period specified in paragraph (1) (B), under terms and conditions which the Commission determines are substantially similar to or identical with the terms or conditions of such proposal to sell to which the notice prescribed by subparagraph (B) pertains.

"(3) Paragraph (2) of this subsection shall not apply (A) to sales of new natural gas (i) by a producer that is an affiliate of an interstate pipeline, or (ii) by a producer to a pipeline in the case of an advance payment financing arrangement between such producer and such pipeline entered into prior to September 9, 1975, whereby such pipeline has been granted a right of first refusal, option, or other priority claim to natural gas produced from a property as consideration for advance payments made to such producer to finance exploration or development, or (B) to sales of new natural gas (i) sold pursuant to the Natural Gas Act, and (ii) committed by contract for a duration in excess of 2 years. No provision of this subsection provides any priority to any interstate purchaser over any intrastate purchaser. If both an interstate purchaser and an intrastate purchaser offer to purchase new natural gas (except new natural gas produced from lands located on the Outer Continental Shelf) from a producer, or other seller, the producer or seller may sell to either purchaser, subject to the prices permitted to be charged under this Act.

"(f) Any interstate purchaser may purchase new natural gas produced from lands located other than on the Outer Continental Shelf pursuant to the provisions of this title, for a period not to exceed 180 days, provided the price of the first sale of such new natural gas does not exceed the applicable price permitted to be paid pursuant to subsection (b) or (c) of this section. Any such sale price shall be deemed just and reasonable for purposes of section 4 of the Natural Gas Act (15 U.S.C. 717c) and any such sale to an interstate purchaser shall not require certification of such sale under section 7 of such Act (15 U.S.C. 717f), except certification shall continue to be required for the construction of facilities under the Natural Gas Act and the Commission shall continue to have jurisdiction over transportation charges for new natural gas sold for resale by an interstate pipeline over which the Commission exercised jurisdiction on or before September 8, 1975.

"(g) If the Commission determines that natural gas could have been produced or sold, or both, but was not produced or sold, or both, during the period that this title is in effect, such natural gas may not at any time thereafter be sold at a price above that permitted under this title.

"(h) A priority interstate purchaser shall obtain priority only to the extent necessary to meet the requirements of essential users and the Commission shall take such steps as are within its authority under the Natural Gas Act to assure that any additional supplies of new natural gas obtained by a priority interstate purchaser are made available to essential users.

"(i) The Commission shall encourage and expeditiously consider voluntary agreements between pipelines that are not inconsistent with this title to sell or exchange natural gas or other arrangements that increase the supply of natural gas available to priority interstate purchasers.

"AVAILABILITY OF GAS FOR AGRICULTURAL USERS

"SEC. 204. (a) (1) Notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, upon petition or upon its own motion prohibit any interruption or curtailment of natural gas supplies, and take such other actions under authority of the Natural Gas Act and this title as the Commission determines to be necessary and appropriate, to assure to the maximum extent practicable the availability of sufficient quantities of natural gas from the interstate pipelines serving the essential agricultural, food processing, or food packaging user for use for any essential agricultural, food processing, or food packaging purposes as determined by the Secretary of Agriculture, for which natural gas is necessary, as determined by the Secretary of Agriculture including, but not limited to, irrigation pumping, crop drying, and use as a feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants.

"(2) No prohibition pursuant to paragraph (1) of this subsection may be implemented by the Commission in a manner that results in curtailing natural gas supplies to residential users, to small users, to hospitals, or for products and services vital to public health and safety. If an implementation of a prohibition pursuant to paragraph (1) of this subsection would necessarily and unavoidably result in curtailments to other essential users, the Commission shall, in its discretion, weigh the unemployment impacts to other essential users against the benefits of continuing or increasing natural gas service to the essential agricultural, food processing or packaging users and shall apportion the natural gas supplies available in the most equitable and beneficial manner.

"(b) For purposes of this section, the Secretary of Agriculture shall not determine any use of natural gas to be necessary if such gas is to be used as a boiler fuel to serve (1) expanded capacity of existing facilities, (2) an existing facility for which natural gas supply contracts have expired, (3) new facilities, or (4) an existing facility that has the capability and necessary equipment to burn petroleum products or other alternate fuels, the burning of petroleum products or other alternate fuel by such facility in lieu of natural gas is practicable, and petroleum products or other alternate fuels will be available to such facility. The Secretary of Agriculture shall certify to the Commission the volumes and identify the users of natural gas determined to be necessary for essential agricultural, food processing, or food packaging purposes.

"PROHIBITION OF USE OF NATURAL GAS AS BOILER FUEL

"SEC. 205. (a) The Administrator shall, by rule, prohibit any powerplant from burning natural gas if he determines that—

"(1) such powerplant had, on September 1, 1975 (or at any time thereafter), the capability and necessary plant equipment to burn petroleum products;

"(2) the burning of petroleum products by such plant in lieu of natural gas is practicable;

"(3) petroleum products will be available during the period the order is in effect; and

"(4) natural gas made available as the result of such prohibition could be available, directly or indirectly, to a priority interstate purchaser.

A rule under this subsection shall not take effect (A) until a date which the Administrator of the Environmental Protection Agency certifies is the earliest date on which such plant can burn, in compliance with the Clean Air Act (including any applicable implementation plan) petroleum products which the Administrator determines, under paragraph (3), are available, or (B) if the Commission certifies to the Administrator that the prohibition under this paragraph will impair the reliability of service in the area served by the plant.

"(b) (1) The Administrator shall, by rule, prohibit the use of natural gas by any powerplant if the Administrator determines—

"(A) that alternative supplies of electric power are available to the electric power system of which such powerplant is a part;

"(B) that the generation of such alternative supply of electric power will not result in an overall increase in consumption of natural gas; and

"(C) natural gas made available as the result of such prohibition could be made available, directly or indirectly, to a priority interstate purchaser.

"(2) A rule under this subsection shall not take effect if the Commission certifies to the Administrator that the prohibition would impair the reliability of service in any area served by those affected electric power systems.

"(c) (1) The Administrator shall exempt from any rule under this section the burning of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by powerplants.

"(2) Subject to paragraph (1) of this section the Administrator may make a rule under subsection (a) or (b) of this section apply to all natural gas burned by the powerplant to which such rule applies or may specify the periods and amounts of natural gas to which such rule shall apply.

"(d) The Administrator shall, by rule, prohibit the sale, directly or indirectly, to any person other than a priority interstate purchaser of natural gas made available as a result of rules under subsections (a) and (b) of this section.

"(e) (1) If the application of a rule under this section results in a sale of transferred gas by a curtailed user or a supplier of a curtailed user to a person other than such curtailed user or a supplier of such user, such seller may not charge an amount for such transferred gas which exceeds the amount he would have charged such user or supplier (as the case may be). In addition, the person to whom such sale is made shall compensate the curtailed user, and any supplier of such curtailed user, in an amount which is equal to any net increase in such user's reasonable costs for replacement fuel or replacement power, and any net increase in such supplier's or curtailed user's reasonable costs and any other losses which are incurred by such supplier or curtailed user, as a result of the application of the order issued under this section. Such compensation shall be in an amount agreed upon by the parties, or if the parties are unable to agree in an amount determined by the Commission in accordance with the provisions of this section.

"(2) For purposes of this subsection—

"(A) The term 'curtailed user' means a powerplant to which a rule under this section is applicable.

"(B) The term 'transferred natural gas' means natural gas which a curtailed user does not consume by reason of a rule under this section and which is made available to another person.

"(C) A person is a supplier of a curtailed user if he sold natural gas to such user, or sold natural gas to any person for resale (directly or indirectly) to such user.

"(f) This section shall not apply to any powerplant of which the maximum daily use of natural gas does not exceed fifty thousand cubic feet.

"(g) For purposes of this section, the terms 'powerplant' and 'petroleum product' have the same meanings as such terms have under section 2 of the Energy Supply and Environmental Coordination Act of 1974.

"(h) Section 2(f) (1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out 'June 30, 1975' and inserting in lieu thereof 'June 30, 1976'.

"(i) This section (other than subsection (i)) does not affect any authority under the Energy Supply and Environmental Coordination Act of 1974.

"PRODUCTION OF GAS AT THE MAXIMUM EFFICIENT RATE

"SEC. 206. (a) The Secretary of Interior shall, by rule, require natural gas to be produced from fields, designated by such Secretary, at the maximum efficient rate of product determined for such field.

"(b) (1) Within 45 days after the date of enactment of this title, the Secretary of the Interior, by rule, shall determine the maximum efficient rate of production for each field on Federal lands which such Secretary determines produces, or has the capacity to produce, significant quantities of natural gas.

"(2) Each State or the appropriate agency thereof may determine the maximum efficient rate of production for each field (other than a field on Federal land) within such State which the State or appropriate agency determines produces, or has the capacity to produce, significant quantities of natural gas.

"(3) If, at the end of the 45-day period which begins on the date of enactment of this title, a State or the appropriate agency thereof has not determined the maximum efficient rate of production for any field (other than a field on Federal land) within such State, which field the Secretary of the Interior determines produces, or has the capacity to produce, significant quantities of natural gas, the Secretary of the Interior may, by rule, specify the maximum efficient rate of production.

"(c) For purposes of this section the term 'maximum efficient rate of production' means the maximum rate of production of natural gas which may be sustained without loss of ultimate recovery of crude oil or natural gas, or both, under sound engineering principles.

"(d) Nothing in this section shall be construed to authorize the production from any Naval Petroleum Reserve subject to the provisions of chapter 641 of title 10, United States Code.

"PRICE CONTROL AND ALLOCATION AUTHORITY FOR PROPANE AND OTHER PRODUCTS IN SHORT SUPPLY

"SEC. 207. Notwithstanding the provisions of section 4 (g) or any other provision of the Emergency Petroleum Allocation Act of 1973, as amended, the regulations promulgated by the President under section 4 of such Act and the authority of the President under such Act shall, with respect to propane and butane, remain in effect for the duration of the supply emergency period.

"PENALTIES

"SEC. 208. (a) (1) Any person who is determined by the Commission, Administrator, or Secretary, after notice and an opportunity for a presentation of views, to have violated a provision of this Act or any rule or order under this title (for which such Commission, the Administrator, or the Secretary has responsibility), shall be liable to the United States for a civil penalty of not more than $10,000 for each violation; and if any such violation is a continuing one, each day of violation constitutes a separate offense. The amount of any such penalty shall be assessed by the Commission, the Administrator or the Secretary by written notice. In determining the amount of such penalty, the Commission, the Administrator or the Secretary (as the case may be) shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(2) Such civil penalty may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, such civil penalty may be compromised by the Commission, the Administrator, or the Secretary, as may be applicable. The amount of such penalty, when finally determined (or agreed upon in compromise) may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(b) A person is guilty of an offense if he willfully violates a provision of this title or rule or order under this title. Upon conviction, such person shall be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

"ENFORCEMENT

"SEC. 209. (a) The Attorney General, at the request of the Commission, the Administrator, or the Secretary (as the case may be), may bring an action for equitable relief to redress a violation by any person of a provision of this title, or a rule or order under this title. Any other person may bring a civil action alleging a violation of a provision of this title or rule or order under this title.

"(b) The district courts of the United States shall have jurisdiction with respect to any civil action brought under subsection (a). The court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or remedy the effect of such violation, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the courts shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C) whenever and to the extent deemed necessary or appropriate to defer future violations, punitive damages.

"(c) A rule or order prescribed under this title is subject to judicial review to the extent authorized by, and in accordance with, chapter 7 of title 5, United States Code, except that (A) the second sentence of section 705 thereof is not applicable, and (B) the appropriate court shall only hold unlawful and set aside such a rule or order on a ground specified in subparagraph (A), (B), (C), or (D) of section 706(2) thereof.

"RULEMAKING

"SEC. 210. The Commission, the Administrator, or the Secretary, in addition to the authorities specifically granted herein, may, notwithstanding any other provision of law, require the submission of such information as the Commission, the Administrator, or the Secretary, in their discretion, determines are necessary or appropriate to carry out the purposes of this title, and shall have authority to issue rules and orders applicable to any person which the Commission, the Administrator, or the Secretary (as the case may be) determines are necessary or appropriate to carry out the purposes of this title.

"EXPIRATION

"SEC. 211. Sections 203 (except subsection (g) thereof), 204, 205, 206, 207, and 210 of this title shall expire on midnight, June 30, 1976.

"TITLE III—PRODUCTION AND CONSERVATION INCENTIVES

"SHORT TITLE

"SEC. 301. This title may be cited as the 'Natural Gas Production and Conservation Act'.

"DEFINITIONS

"SEC. 302. As used in this title, the term—

"(1) 'affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person as determined by the Commission pursuant to its rulemaking authority. In promulgating rules to implement this paragraph to specify when one person is an affiliate of another person, the Commission shall consider direct or indirect legal or beneficial interest in another person or any direct or indirect legal power or influence over another person, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements or leasing arrangements;

"(2) 'boiler fuel use of natural gas' means the use of natural gas or synthetic natural gas as the source of fuel for the purpose of generating steam or electricity in amounts in excess of 50 Mcf on a peak day;

"(3) 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas, except that nothing in this Act shall amend or change in any way any grant of land or right in land created by the Alaska Native Claims Settlement Act (18 U.S.C. 437) or any Act granting statehood to a State. The term includes the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)). The term excludes lands which the Federal Government acquired by mortgage foreclosure and continues to hold mineral interests;

"(4) 'includes' should be read as if the phrase 'but not limited to' were also set forth;

"(5) 'intrastate commerce' means commerce between points within the same State, unless such commerce passes through any place outside such State: *Provided*, That all sales of new natural gas or exempt natural gas produced from Federal lands within a State and consumed within the same State shall be treated as sales of natural gas in interstate commerce;

"(6) 'joint venture' means any undertaking by two or more persons who have a community of interest in the purposes of the undertaking, and who share the right to control or direct the conduct of the undertaking;

"(7) 'Mcf' means one thousand cubic feet of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure;

"(8) 'new natural gas' means—

"(A) any natural gas which the Commission in its discretion determines was not dedicated to interstate commerce prior to September 1, 1975; or

"(B) any natural gas which is committed by contract to the intrastate market if such contract, on or after September 1, 1975, terminates and is not renewed or if such natural gas is otherwise available for sale;

"(9) 'old natural gas' means natural gas that, prior to September 8, 1975, was dedicated to interstate commerce on the date of the first delivery of such natural gas as determined by the Commission in its discretion;

"(10) 'paragraph' means a paragraph of the subsection in which the term is used;

"(11) 'pipeline' means a person engaged in the transportation by pipeline of natural gas in interstate commerce except that the term does not include persons who are exempt from the Commission's jurisdiction pursuant to sections 1(b) or 1(c) of the Natural Gas Act (15 U.S.C. 717(b) or 717 (c));

"(12) 'producer' means a person who produces and sells natural gas;

"(13) 'purchaser' means a person who purchases or acquires natural gas from a producer or small producer;

"(14) 'residential user' means a person who uses natural gas for personal, family, or household purposes;

"(15) 'section' means a section of this title;

"(16) 'small user' means a person or governmental entity that used not more than 50 Mcf of natural gas on its peak day of natural gas usage in the preceding calendar year;

"(17) 'subsection' means a subsection of the section in which the term is used; and

"(18) 'user' means a person or governmental entity using any natural gas after it is delivered in interstate or intrastate commerce; the term includes a producer or small producer who consumes natural gas (except for transporting or processing natural gas) in facilities owned or controlled or under common control by such producer or small producer.

"NEW CRUDE OIL AND NEW NATURAL GAS PRICING

"SEC. 303. (a) NEW CRUDE OIL PRICE CEILING.—Crude oil that is defined as new crude oil, pursuant to subsection (h)(4), may not be sold or transferred, after the date of enactment of this title, by a producer of crude oil or by an owner of oil-producing land receiving royalties, at a price in excess of $9.00 per barrel plus any increases authorized pursuant to subsection (c). Such ceiling shall apply only to any first sale of new crude oil in the United States.

"(b) OLD CRUDE OIL PRICE CEILING.—Crude

oil that is defined as old crude oil, pursuant to subsection (h)(5), may not be sold or transferred, after the date of enactment of this title, by a producer of crude oil or by an owner of oil-producing land receiving royalties, at a price in excess of $5.25 per barrel. Such ceiling shall apply only to any first sale of old crude oil in the United States.

"(c) NEW CRUDE OIL PRICE CEILING ADJUSTMENT.—Commencing with the month following the date of enactment of this title, and at monthly intervals thereafter, the new crude oil price ceiling enumerated in subsection (a) shall be adjusted by the Administrator for any inflation or deflation by multiplying it by a number whose numerator is the latest available quarterly implicit price deflator for gross national product as of the date of computation and whose denominator is the implicit price deflator for gross national product for the corresponding quarter of the base year 1974, as compiled by the Bureau of Economic Analysis as initially published by the Department of Commerce, but in no event shall such adjustment amount to an increase of more than 5 cents ($0.05) per barrel in any month.

"(d) EXCEPTIONS.—(1) The provisions of subsections (a), (b), and (c) shall not apply to any of the following categories of new crude oil production—

"(A) synthetic oil produced from coal, organic wastes or from other nonconventional sources;

"(B) shale oil;

"(C) heavy oil production.

"(2) The Administrator may, by rule, promulgate a special price ceiling or exempt from price ceilings new crude oil produced by tertiary or a comparable advanced recovery technique or for any category of new crude oil production specified in paragraph (1) if he finds that such a ceiling or exemption is necessary and in the public interest. If any such ceiling or exemption is promulgated, the Administrator shall transmit a copy of such ceiling or exemption and findings to the Congress in writing together with a statement of the reasons therefor. Such a ceiling or exemption shall be known as a special new crude oil price ceiling or exemption. The Administrator may implement a special new crude oil price ceiling or exemption 60 days after the applicable transmittal to the Congress, unless either House of Congress approves a resolution of that House stating in substance that such House disapproves such ceiling or exemption, in accordance with the procedures set forth in section 1017 of Public Law 93–344 (31 U.S.C. 1407). If such a ceiling or exemption is disapproved by either House, the Administrator is authorized to modify the initially proposed special new crude oil price ceiling or exemption, taking note of the reasons for such disapproval. The Administrator may transmit to the Congress a revised special new crude oil price or exemption in accordance with the procedures for an initial transmittal.

"(e) NEW NATURAL GAS PRICE CEILINGS.—(1) Not later than January 1, 1976, the Commission shall establish a national price ceiling applicable to any first sale of new natural gas in the United States. Such price ceiling shall become effective midnight, June 30, 1976, and shall to the maximum extent practicable approximate the average sales price, as determined by the Commission, for contracts entered into or renewed during the period August 1, 1975, through November 1, 1975, for natural gas produced and sold in intrastate commerce but in no event shall such price ceiling exceed $1.30 per Mcf.

"(2) The Commission shall, by rule, provide that no producer may charge, and no purchaser may pay, a price for any first sale of new natural gas in the United States occurring after November 1, 1975, which exceeds (A) the national price ceiling established by the Commission under paragraph (1) plus any increases authorized pursuant to paragraph (3); or (B) the applicable special new natural gas price, if any, established pursuant to subsection (f).

"(3) Commencing with the month following the date of enactment of this title, and at monthly intervals thereafter (notwithstanding that the national price ceiling becomes effective midnight, June 30, 1976), the new natural gas national price ceiling enumerated in paragraph (1) shall be adjusted by the Commission for any inflation or deflation by multiplying it by a number whose enumerator is the latest available quarterly implicit price deflator for gross national product as of the date of computation and whose denominator is the implicit price deflator for gross national product for the corresponding quarter of the base year 1974, as compiled by the Bureau of Economic Analysis as initially published by the Department of Commerce, but in no event shall such adjustment amount to an increase of more than 1 cent ($0.01) per Mcf in any month.

"(f) EXCEPTIONS OF NEW NATURAL GAS CEILINGS.—(1) The provisions of subsection (e) shall not apply to any of the following categories of new natural gas production—

"(A) synthetic natural gas;

"(B) new natural gas produced from wells that exceed 20,000 feet in depth;

"(C) new natural gas produced from wells located in water at depths in excess of 600 feet;

"(D) new natural gas produced from low-porosity rock formations.

"(2) The Commission may, by rule, promulgate a special price ceiling for any category of new natural gas production specified in paragraph (1) if it finds that such a ceiling is necessary and in the public interest. If any such ceiling is promulgated, the Commission shall submit a copy of such ceiling and findings to the Congress in writing together with a statement of the reasons therefor. Such a ceiling shall be known as a special new natural gas price ceiling. The Commission may implement a special new natural gas price ceiling 60 days after the applicable submission to the Congress,".

"(g) PRESIDENTIAL REPORT.—On January 1, 1980, the President shall submit recommendations and the reasons therefor in writing to Congress together with any proposed changes in the price ceilings for new crude oil, new natural gas, or both. Such proposed changes in price ceilings for new crude oil and new natural gas shall be effective 60 days after the applicable submission to the Congress, unless either House of Congress approves a resolution of that House stating in substance that such House disapproves such change or changes, in accordance with the procedures set forth in section 1017 of Public Law 93–344 (31 U.S.C. 1407). If any such change is disapproved by either House, the President may modify the initially proposed recommendation and change, taking note of the reasons for such disapproval. The President may submit a revised proposed change in any such price ceiling, subject to the procedure for an initial submission.

"(h) DEFINITIONS.—As used in this section, the term—

"(1) 'Administrator' means the Administrator of the Federal Energy Administration;

"(2) 'base period production level' means a number which shall be computed monthly, subject to supervision by the Administrator, by each producer of crude oil and each owner of oil-producing land receiving royalties. Such number shall be equal to (A) the number of barrels of crude oil, defined by the Administrator under the 'old crude oil' definition in effect on August 31, 1975, pursuant to the Emergency Petroleum Allocation Act of 1973, produced during the year prior to the date of enactment of this section; (B) divided by 12; (C) reduced by 1.67 percent of such quotient for each month that has elapsed since the month following such date of enactment; and (D) increased by the amount, if any, by which the base period production level for any preceding months exceeded the actual production of such producer or owner during such month;

"(3) 'crude oil' means all hydrocarbons, regardless of gravity, that exist in a liquid in underground reservoirs and that remain liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate, which is a natural gas liquid recovered in associated production by lease separators;

"(4) 'new crude oil' means the total number of barrels of domestic crude oil produced from leased or owned property during a specific month less the base period production level for such month; and

"(5) 'old crude oil' means the total number of barrels of domestic crude oil produced from leased or owned property during a specific month, up to the base period production level for such month.

"(i) ADJUSTMENTS TO NEW NATURAL GAS PRICE CEILING.—A producer shall increase or reduce the price at which he sells natural gas to a purchaser by the following factors:

"(1) a gathering allowance as specified by the Commission for any gathering actually performed by the producer or small producer;

"(2) the actual costs of removing carbon trastate commerce must comply with the provisions of this Act concerning new natural gas.

"(3) any amount actually paid by a producer or small producer for State or Federal production, severance, or similar taxes;

"(4) a proportional adjustment for British thermal unit (Btu) content from a base of one thousand Btu's per cubic foot of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure; and

"(5) an amount equal to the uncompensated value of any advance payments or any other form of compensation paid to the producer or small producer.

"(j) TREATMENT OF OTHER GAS.—After the date of enactment of this title, all sales of natural gas in interstate commerce that are not sales of old natural gas must comply with the provisions of this title concerning new natural gas.

"(2) After the date of enactment of this title, all dedications of natural gas in intrastate commerce must comply with the provisions of this Act concerning new natural gas.

"FILING REQUIREMENT

"SEC. 304. All purchasers shall file with the Commission all new natural gas sales contracts, transfer agreements, or any other transfer arrangements.

"OLD NATURAL GAS

"SEC. 305. The Commission, notwithstanding any other provision of law, shall not authorize an increase in the price charged by a producer of old natural gas unless such an increase is necessary—

"(1) to cover the cost of production (including deeper drilling or reworking operations) of such old natural gas and to provide a reasonable rate of return on investment to such producer or small producer; or

"(2) to afford (A) such a producer a price which is equal to a cost-based price which the Commission has authorized a similarly situated producer of old natural gas; or (B) such a small producer a price that is equal to a cost-based price which the Commission has authorized a similarly situated small producer to charge for old natural gas.

"RESIDENTIAL AND OTHER SMALL USERS

"SEC. 306. (a) GENERAL.—The Commission shall—

"(1) require all pipelines to file separate tariffs with respect to (A) old natural gas, (B) new natural gas, and (C) synthetic or liquefied natural gas, in such form and manner as to reflect the price and average annual volumes of each which enter each such pipeline;

"(2) require all pipelines to give first priority for sales or transfers under the applicable tariff for old natural gas to local distribution companies, to the extent such old natural gas is available, to meet the requirements of each such company's residential users and small users; and

"(3) promulgate rules to govern sales, exchanges, or transfers among pipelines and sales, exchanges, or transfers to local distribution companies served by multiple pipelines, to the extent necessary to achieve the purpose of this section.

"(b) Enforcement.—It shall be unlawful for local distribution companies to charge residential users and small users rates which do not reflect the lesser cost of old natural gas for such users. It shall be the duty of the State utility commissions to assure that the benefits of the old natural gas tariffs are reflected in the rates to such residential and small users.

"INCREASING NATURAL GAS SUPPLIES

"Sec. 307. (a) Prompt Certification.—All applications, except where two or more natural gas companies file competing and mutually exclusive applications under section 7(c) of this Act (5 U.S.C. 717f(c)), for the construction of pipeline facilities subject to the jurisdiction of the Commission shall be decided by the Commission in accordance with this subsection. The Commission shall grant (with or without conditions) or deny such applications within 120 days of the filing of an application, or within 120 days after the date of enactment of this title in the case of applications pending before the Commission on such date. The 120-day period shall commence on the date on which such applications contain all of the information required by the Commission. If the Commission fails to grant or deny any such application within the applicable 120-day period, the Commission shall be deemed to have approved such application as last submitted.

"(b) Exemption.—Notwithstanding any other provision of law, sales of new natural gas (except synthetic or liquefied natural gas) by producers or by small producers may be made without any application for a certificate of public convenience and necessity under section 7(c) of this Act (15 U.S.C. 717f (c)) and such sale shall be made at a price pursuant to the applicable provisions of section 303, and if applicable in accordance with section 202(8).

"(c) Common Carrier.—After date of enactment of this title the Commission shall, as a prerequisite to granting any certificate of public convenience and necessity for facilities for transporting or gathering natural gas on Federal lands, require such transportation and gathering facilities to be common carriers for use by any pipeline to transport natural gas upon payment of a reasonable transportation fee. The Commission shall require other natural gas gathering and transportation systems to operate on such a common-carrier basis for use by any pipeline to the extent that surplus capacity is available.

"(d) Production Requirement.—(1) Notwithstanding any other provision of law, any agreement (including a renegotiation) pertaining to natural gas or oil development on Federal lands which is consummated on or after the date of enactment of this title shall require, as a condition to such agreement, that the person granted the right of development shall design and immediately implement an exploratory and development program to obtain maximum efficient rates of production from such lands as soon as practicable, subject to submission of such program to, and its approval by, the Secretary of the Interior. The person granted any right of development shall in writing immediately inform the Commission of the discovery of natural gas on any such lands, and within 90 days after such a discovery shall submit to the Commission an estimate of volumes discovered and a timetable for commercial development. Such a person shall prepare and submit to the Commission a detailed timetable of the actions necessary for the speedy development and production of such natural gas. Such a person shall contract for the sale of such natural gas in interstate commerce within 2 years after the date of discovery unless the Commission finds, upon the petition of the person granted such rights, that the volumes of natural gas discovered or developed are not sufficient to be commercially viable or that other valid reasons exist (including the possibility in certain frontier areas, such as Alaska, where transportation costs are so high that additional discoveries of natural gas in the area are likely and could materially reduce transportation costs), but not including market demand prorationing, which justify delaying the production until a subsequent date certain. If such a petition is granted, the Commission shall require the person granted such rights to submit monthly reports of actions taken to begin production at the earliest possible time. The Commission shall also advise other interested Federal agencies and assure that all possible steps are taken to commence the production of this natural gas at the earliest possible time.

"(2) Unless a contract is entered into for the sale of such natural gas within 2 years after the date of discovery of natural gas on such Federal lands, or unless such petition is granted, and in effect and its terms complied with, the rights that had been granted the person to develop natural gas or oil on the Federal lands covered by such agreement shall terminate and any sum paid for such rights shall be forfeited.

"(3) With respect to agreements pertaining to natural gas or oil development on Federal lands (other than agreements entered into for the purpose of establishing strategic reserves) consummated prior to the date of enactment of this title, the requirements of paragraphs (1) and (2) of this subsection shall be applicable to the fullest extent legally permissible. To the extent that such requirements cannot legally be made applicable to any such agreements, such agreements shall be terminated at the earliest possible date in order to make such requirements applicable.

"(4) In order to facilitate the enforcement of this subsection, the Secretary of the Interior shall report to the Congress and the Commission, within 90 days after the date of enactment of this title and annually thereafter, on the status of all Federal lands leased or planned to be leased in the subsequent year for natural gas and oil development. Each such report shall list all parcels planned to be leased in the subsequent year and parcels leased; the name, address, and affiliates of the holder of such lease; the Interior Department's prelease evaluation of probable quantities and values of natural gas and oil underlying such lease; the number of exploratory and developmental wells drilled to date; whether natural gas and oil have been discovered at the time of the report; the date on which any natural gas or oil not being produced was discovered; estimated reserves of natural gas and oil; and annual production of natural gas and oil therefrom.

"(e) Resource Evaluation.—In estimating the value of natural gas on Federal lands for the purpose of determining the sufficiency of any bid, the Secretary of the Interior shall utilize the appropriate applicable price ceiling established by the Commission as adjusted pursuant to section 303.

"(f) Dedication Requirements.—After the date of enactment of this title, all production of new natural gas from Federal lands shall be sold or transferred to a pipeline.

"(g) Reserve Information.—(1) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas, however produced throughout the United States and its possession whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas by any agency, authority, or instrumentality of the United States, or of any State or municipality or political subdivision of a State. It shall, insofar as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for production, gathering, storage, transportation, distribution, and sale; the total estimated natural gas reserve of fields or reservoirs and the current utilization of natural gas and the relationship between the two; the cost of production, gathering, storage, transportation, distribution, and sale; the rates, charges, and contracts in respect to the sale of natural gas and its service to residential, rural, commercial, and industrial consumers and other purchasers by private and public agencies; and the relation of any and all such facts to the development of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available the results of studies made under the authority of this subsection.

"(2) In making studies, investigations, and reports under this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry. Nothing in this section shall be construed as modifying, reassigning, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency in the Federal Government.

"AVAILABILITY OF GAS FOR AGRICULTURAL USERS

"Sec. 308. (a)(1) Notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, upon petition or upon its own motion prohibit any interruption or curtailment of natural gas supplies, and take such other actions under authority of the Natural Gas Act and this title as the Commission determines to be necessary and appropriate, to assure to the maximum extent practicable the availability of sufficient quantities of natural gas from the interstate pipelines serving the essential agricultural, food processing, or food packaging user for use for any essential agricultural, food processing, or food packaging purposes as determined by the Secretary of Agriculture, for which natural gas is necessary, as determined by the Secretary of Agriculture including, but not limited to, irrigation pumping, crop drying, and use as a feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants.

"(2) No prohibition pursuant to paragraph (1) of this subsection may be implemented by the Commission in a manner that results in curtailing natural gas supplies to residential users, to small users, to hospitals, or for products and services vital to public health and safety. If an implementation of a prohibition pursuant to paragraph (1) of this subsection would necessarily and unavoidably result in curtailments to other essential users, the Commission shall, in its descretion, weigh the unemployment impacts to other essential users against the benefits of continuing natural gas service to the essential agricultural, food processing or packaging users and shall apportion the natural gas supplies available in the most equitable and beneficial manner.

"(b) For purposes of this section, the Secretary of Agriculture shall not determine any use of natural gas to be necessary if such gas is to be used as a boiler fuel to serve (1) expanded capacity of existing facilities, (2) an existing facility for which natural gas supply contracts have expired, (3) new facilities, or (4) an existing facility that has the capability and necessary equipment to burn petroleum products or other alternate fuels, the burning of petroleum products or other alternate fuel by such facility in lieu of natural gas is practicable, and petroleum products or other alternate fuels will be available to such facility. The Secretary of Agriculture shall certify to the Commission the volumes and identify the users of natural gas determined to be necessary for essential agricultural, food processing, or food packaging purposes.

"(c) Essential Industrial Purposes.—Except to the extent that natural gas supplies are required to maintain natural gas service to users specified under subsection (a), the Commission shall exercise its authority under this title to assure, to the maximum extent feasible, the continuance of natural gas service to users using natural gas as a raw material and uses other than boiler fuel for which there is no substitute regardless of whether such users purchase natural gas under firm or interruptible contracts.

(c) Prompt Curtailment Decisions.—The Commission shall decide applications for relief under subsections (a) and (b) as soon as practicable, but in no event later than 120 days of the time such applications are filed.

"NATURAL GAS CONSERVATION

"Sec. 309. (a) General.—The Commission shall by rule prohibit all boiler fuel use of natural gas in interstate and intrastate commerce if such use is not initially contracted for prior to January 1, 1975, by users other than residential or small user unless, upon petition by a user, the Commission determines that—

"(1) alternative energy supplies, other than crude oil or products refined therefrom or propane, produced in any State are not available to such user; or

"(2) it is not feasible to utilize such alternative fuels at the time of such Commission determination.

"(b) Existing Contracts.—Notwithstanding subsection (a), paragraph (3), boiler fuel use of natural gas contracted for prior to January 1, 1975, shall be terminated by the user of such natural gas at the expiration of such contract or 10 years after the date of enactment of this section, whichever is earlier, unless, upon petition of such user, the Commission determines that (A) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user, or (B) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination. The Commission shall modify or terminate certificates of public convenience and necessity relating to such contracts, to the extent necessary to carry out the purpose of this subsection.

"(2) Except as expressly provided in paragraph (1), the Commission shall not (A) modify, amend, or abrogate contracts entered into prior to January 1, 1975, for the sale or transportation of natural gas for boiler fuel use, (B) modify, amend or abrogate certificates of public convenience and necessity authorizing the sale or transportation of natural gas under such contracts, except upon application duly made by the holder of a certificate under section 7 of this Act; or (C) prevent, impair, or limit, either directly or indirectly, the performance of any such contract or certificate: *Provided*, That the provisions of this paragraph shall not otherwise modify or affect the authority of the Commission under this Act.

"(3) The Commission shall not prohibit the boiler fuel use of natural gas by any facility for the necessary processes of ignition, startup, testing, and flame stabilization, or for the purpose of alleviating short-term air quality emergencies or any other danger to the public health, safety, or welfare.".

"(c) Procedure.—In implementing the provisions of this section with respect to intrastate commerce, the Commission shall apply the provisions of section 17 to this Act (15 U.S.C. 717p).

"(d) Effect on Other Laws.—Nothing in this title shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining feasibility or practicability, where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.".

Sec. 4. Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended (1) by inserting in paragraph (7) thereof after "thereof," and before "but only insofar" the following: "or between a point upon Federal lands within a State and any other point,"; (2) by inserting in paragraph (5) thereof (A) after "gas" and before "unmixed" the following: "produced from a gas well or an oil well" and (B) by inserting after "natural" and before "and" the following: "synthetic"; and (3) by inserting the following new paragraph:

"(10) 'synthetic natural gas' means gas entering a pipeline or intrastate pipeline or local distribution company produced from any source other than a gas well or an oil well. As used in this paragraph 'intrastate pipeline' means a person engaged in the transportation by pipeline of natural gas in intrastate commerce.".

Sec. 5. Section 20 of the Natural Gas Act (15 U.S.C. 717s) is amended by adding at the end thereof the following new subsection:

"(d) Any district court of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, without regard to the citizenship of the parties or the amount in controversy, with respect to any civil action involving any alleged violation of (1) the Natural Gas Act (15 U.S.C. 717(a) et seq.), the Federal Power Act (16 U.S.C. 791a et seq.), or any other Federal law under which Congress directs the Commission to exercise any independent regulatory function; (2) any duly authorized rule, regulation, or license issued under any such law; or (3) any condition of any certificate of public convenience and necessity issued by the Commission under any such law. The court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or remedy the effect of such violation, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the court shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C) whenever and to the extent deemed necessary or appropriate to deter future violations, punitive damages. Any court of appeals of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, upon petition by the Commission, to grant appropriate mandatory or prohibitive injunctive relief, and, at any time interim equitable relief.".

Sec. 6. The Bureau of Economic Analysis shall continue to compile, and the Department of Commerce shall continue to publish, the implicit price deflator for gross national product, in accordance with procedures consistent with those in effect on January 1, 1975, in order to carry out the purposes of this Act.

Sec. 7. If any part of this Act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the applicability of such part to other persons and circumstances and the constitutionality or validity of every other part of the Act shall not be affected thereby.

ORDER FOR STAR PRINT—AMENDMENT NO. 948

Mr. STEVENSON. Mr. President, I ask unanimous consent that there be a star print of this amendment as modified, together with any additional modifications which I may make today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, these modifications are all, with several exceptions, of a technical and clarifying nature. I shall attempt to describe those which are not of such a nature.

By inadvertence, an allocation of natural gas supplies to agricultural uses, including manufacture of fertilizer, was excluded from the amendment as originally introduced. One of the modifications simply reestablishes the agricultural allocation authority.

In addition, the amendment as printed created a class of new gas produced in association with oil, and as to that class of new gas continued FPC cost based regulation. That was not the intention of the author of this amendment. The intention, in fact, is to completely eliminate FPC regulation of all natural gas production that is based on historical costs in order to establish a simple easily administered system for wellhead natural gas prices.

With this modification, old gas remains frozen and all new gas, including new gas produced in association with oil, would be permitted to rise to a ceiling of $1.30 per Mcf. Thereafter that ceiling would be indexed to the GNP deflator in order to accommodate production costs increased by inflation in the future.

The modifications also clarify the date after which gas produced is classified as new gas. That date is now, as a result of this modification, September 1, 1975.

In addition, and finally, Mr. President, these modifications will permit certain utilities which otherwise might be required to convert from natural gas to alternative fuels to retain natural gas if it is supplied to them under existing contracts and for periods up to as long as 10 years.

Mr. President, this amendment is offered as a substitute for the so-called Pearson-Bentsen amendment. That amendment provides the worst of all worlds. It establishes OPEC regulation for domestic onshore natural gas production and it continues FPC regulation for domestic offshore natural gas production.

Onshore, all regulation would cease and the undenied result would be an increase of natural gas prices to at least the equivalent OPEC level for oil.

I say "at least" because it is probable that the OPEC oil prices would be exceeded in the case of natural gas because of the extreme shortages of this premium fuel.

When asked how high the price would go, the Chairman of the Federal Power

Commission during hearings on the subject in the Commerce Committee said that the price would instantly rise on spot basis to $3 per mcf.

The highest certificated interstate price for natural gas is now about 52 cents. In the intrastate market, the unregulated intrastate market, the price has hit as high as $2, but if the demand, the pent-up, strong demand of some 45 consuming States, is added to the demand for natural gas in the States that produce it, it is not difficult to understand that the price would rise, and rise very substantially above the unregulated price in the intrastate market.

Having already reached as high as $2 in the intrastate market, it is conservative to conclude that it would reach $3, with a demand of 45 States added on, and that is just the immediate consequence.

Over time, with industrial users and all the interstate pipelines competing for this limited supply of natural gas, the price would rise higher.

The result of that increase in the price of natural gas would be rising unemployment, more inflation, and a resumption of the recession. The analyses of the Budget Committee of this body, confirmed by analyses of others, including some by the Federal Power Commission and the Joint Economic Committee, indicate that the overall price level would rise an additional 2.2 percent by the end of 1977 if the Pearson-Bentsen amendment was adopted. The same study indicates also that by the end of 1977 the level of employment would rise by 650,000.

The recession would resume. The result would not be more natural gas. As a matter of fact, the administration's own Project Independence concluded that beyond the price of 85 cents the high price for natural gas at the wellhead does not produce more gas. It cannot produce gas which simply does not exist. To the extent gas supplies are marginally increased, that production becomes extremely expensive.

The immediate deregulation of natural gas would force natural gas prices in the interstate market to increase 400 to 600 percent. Under the Pearson-Bentsen amendment the natural gas price in the intrastate market, now unregulated, would also increase. It would increase by approximately 100 percent. Those prices are far in excess of the price necessary to optimize supply. It is possible that these prices will, in fact, decrease supply.

We have observed in the case of gasoline production in the United States, and also in the case of crude oil production abroad, the power to maintain a high price or to increase the price by actually decreasing production. The same phenomenon which has taken place in the case of gasoline in the United States last spring and oil in the world, as recently as only a week or so ago, could happen in the case of natural gas.

Also, these prices create inflation in the energy industry as well as in the economy at large.

Energy prices, that is to say leasehold costs, equipment costs and labor costs, have risen about 50 percent in the last 2 years, far in excess of the general increases in prices in the economy.

As these prices produce greater revenues and greater profits within the industry, the companies, among themselves, drive up all of their production costs so that the revenues end up going into increased production costs instead of into increased production, and we end up without more energy and with a very high priced energy industry.

As a matter of fact, the domestic production of oil and gas, in spite of a quadrupling of oil prices, has declined.

Offshore the situation is even more serious because there FPC regulation is continued and FPC regulation with new standards that are inconsistent—they conflict with one another, have no definition of law—would have to be applied in the course of protracted regulatory proceedings, and in the course of litigation in the courts.

The Pearson-Bentsen amendment establishes wellhead price regulation for offshore production, and the criteria for that offshore reduction are fourfold. The FPC in determining wellhead rates is to consider prospective costs. It is prevented from considering current costs, yet those are the only costs that can be considered in connection with leasehold expenses. Leasehold bonuses are current or retroactive costs. They are not prospective. This requirement would mean that the FPC had to consider an unascertainable future cost as opposed to the relevant and ascertainable past cost, the cost of the lease.

The FPC is also required, in determining the wellhead rates, to consider "the rate necessary to achieve optimum deliveries of natural gas." Also, "the rate necessary to promote conservation of natural gas," and, finally, "the rate necessary to protect consumers from price increases attributable to shortage conditions."

Those criteria, Mr. President, are inconsistent. One criterion says protect the consumers from price increases, in other words bring down the price, and the other two say reflect the rate necessary to achieve optimum deliveries and conservation, which means an increased price.

I am not sure that it is possible for the FPC or the courts to give such conflicting criteria any meaning at all. But clearly the efforts to do so will consume a great deal of time, both in the FPC and subsequently in the courts, with the end result that the producers are faced with continued uncertainty about price and, as a result, will curtail exploration and production from developed leases.

That is precisely the complaint that has been made against FPC regulation in the past, and with good reason. The uncertainty about the future price for natural gas has caused producers to withhold production and just not develop leases which otherwise might now be producing natural gas for a country that is starved for natural gas. They withhold development and production in anticipation of higher prices. They would have that very same incentive, to withhold production, as a result of this continuation of FPC regulation in the offshore domain.

So this amendment, the Pearson-Bentsen amendment, through its provision for OPEC control of domestic natural gas prices, has inflationary consequences and, through its continuation of FPC regulation offshore, aggravates the shortages from which the country is already suffering.

Mr. President, there is a better way to do it. The United States does not need to leave the control of domestic wellhead prices for either oil or natural gas to the governments of foreign producers. There is no question but what the effect of decontrol is exactly that. Domestic energy prices rise to levels established by the governments of the foreign oil producers or to higher levels. I think it would be a higher level in the case of natural gas. That is beyond dispute. The price of unregulated intrastate gas has already risen to a level very close to that established by the OPEC producers for oil.

There is not much question, either, though there is some question about the degree, that the effect of OPEC-established energy prices is both inflationary and recessionary. Indeed, it was not very long ago that the President of the United States and the Secretary of State were rattling the saber. They came close to threatening war against the foreign oil producers for bringing the world to the edge of depression. It is inconsistent for the President now to criticize Congress for failing to establish the same OPEC prices for domestic energy at the wellhead. Yet that is what he is proposing. And it is inconsistent to suggest decontrolled prices for natural gas at the wellhead, while recognizing, belatedly, that there must be some protection in the case of oil from OPEC pricing of domestic supplies. The administration has recognized the need for a ceiling oil price in order to prevent domestic prices from rising to the OPEC level. It has not, for reasons which are unclear, accepted the same logic with respect to natural gas.

Mr. President, the amendment which I have offered would establish a reasonable ceiling for both oil and gas. For the first time, it recognizes that neither one can be priced without reference to the other. In fact, the disparity between oil and natural gas pricing in the United States is one of the reasons why the country now faces a natural gas shortage. As long as natural gas is priced at an artificially low level, the incentive has been great to burn that premium fuel in short supply, and the incentive has been great to produce the higher-priced oil, which is in relatively ample supply. If that disparity is continued, the shortages will continue.

The Pearson-Bentsen amendment would eliminate it over time by simply letting both rise to the OPEC level or higher. The amendment which I have offered, Mr. President, recognizes that the price of oil has been too high and the price of natural gas has been too low; and, instead of letting both rise to the

OPEC level or higher, it therefore brings down the price of oil and up the price of natural gas and, over a period of 5 years, it would establish a single tier comprehensive price celing for both.

At that point, there would no longer be a need for a complex allocation system. The many tiers which exist under the House-passed bill and under the Emergency Allocation Act would be replaced by a single tier price ceiling for all domestic natural gas except that which is most expensively produced: tertiary recovery, for example. The high cost natural gas and oil would simply be exempted from this ceiling, and permitted to rise.

Mr. President, this amendment accomplishes that result by establishing a $9 per barrel ceiling price for new domestic oil, which would remain constant in real dollars over a period of 5 years. Quarterly increases are limited to the GNP deflater; but those increases are not to exceed 5 cents per barrel per month. It then phases out prices controls on old domestic oil over a 5-year period, up to the ceiling established for new oil. The Federal Energy Administration is authorized, subject to congressional approval, to exempt from this ceiling the high cost of production categories, in addition to tertiary recovery, and also heavy oils and synthetic oils, and the Federal Power Commission would have similar authority with respect to natural gas.

It also establishes a single ceiling price for all new natural gas, based on the average new natural gas price in the intrastate market from August to November of 1975, but not to exceed $1.30 per Mcf, with quarterly increases, as in the case of oil, based on the GNP deflater, but in this case not to exceed 1 cent per Mcf per month.

At the expiration of the 5-year period, the President could modify or eliminate the pricing formulas, subject to disapproval by either House of Congress.

Mr. President, the $1.30 price established for natural gas as the initial ceiling for new natural gas is not only the current average price for natural gas in the intrastate market; it is also the same as the average price initially established for oil under this amendment, on a Btu equivalent basis. In that way, no rollback for natural gas is required; it is the average intrastate price now. We simply prevent extortionate price increases. But we also establish, and for the first time, this relationship between natural gas and oil, and the relationship is maintained over the 5-year period, because price increases for both are geared to the same index, the GNP deflator.

A question has arisen about the adequacy of that $9 price. That figure of $9, Mr. President, is not picked out of the air. It is a generous price. It reflects, among other things, comments and suggestions by the administration and by the industry, made as recently as early in 1974.

In January 1974, the Federal Energy Office said:

> The long-term supply price of bringing in the alternate sources of energy in this country as well as drilling the Outer Continental Shelf and the North Slope is $7 a barrel.

The Department of the Treasury in December 1973 said:

> No one knows exactly what the long-term supply price is and, as no one can predict the future that clearly, our best estimate is that it would be in the neighborhood of $7 per barrel within the next few years.

Mr. President, the average price established under this amendment for oil between the new oil price of $9 and the old oil price is $7, and that average price, of course, rises as the old oil is decontrolled and as the new oil goes up with the rate of inflation.

The Independent Petroleum Association of America in its 1973 projection said:

> In terms of constant 1973 dollars an average price of about $6.65 per barrel for crude oil would be required over the long run to achieve 85 percent self-sufficiency in oil and gas by 1980.

The National Petroleum Council, in a study issued December 1973, projected barrel of oil prices necessary to produce various rates of return for the industry, in a table which was part of its oil and gas availability study; then it concluded that for maximum energy self-sufficiency by 1985 the industry required a 15-percent rate of return on investment, and that required an oil price of $6.62 per barrel.

Mr. President, the average price established by this amendment according to the industry's own figure would give the industry a 20-percent rate of return.

The Oil and Gas Journal in September 1973 said:

> The price outlook for domestic crude thus has to be rated promising. The new prices make investment attractive in the new equipment and services to rejuvenate marginal wells. Risks are becoming worth taking.

This amendment offers higher prices.

The Petroleum Independent, November 1973, said:

> There is no doubt that prospects are for increased drilling. Everybody I know is planning on it. With new oil price from $5.30 to $6 per barrel, there is incentive now to go looking for oil.

This amendment, even with allowances for inflation, offers the industry a higher price than that.

Mr. President, much has been made of the rate of return for the oil companies, and it has been claimed in the past that the rate of return, return on equity, of this industry is not equal to that for other industries. These comparisons rarely take into account the unique accounting procedures in the oil industry, which, for example, permit write-offs for intangible drilling costs, artificially depressing the return on investment. But, even without making such allowances, this has been a highly profitable industry, more profitable than most others, and with decontrol would become still more so.

Mr. President, the profits of the U.S. oil companies after taxes more than doubled from 1972 to 1974. The return on stockholders' equity of the 20 largest companies rose from 9.6 percent, figured very conservatively, in 1972, to 15 percent in 1973, and 19 percent in 1974.

The average after-tax return on equity for domestic operations for the 10 largest oil companies rose from 11.3 percent in 1973 to 14.2 percent in 1974, despite the embargo, despite the price controls and a business recession.

What happens next, of course, depends on some imponderables, including the state of business recovery and the future OPEC price increases.

I point out that as OPEC increases the price abroad, if not controlled at home, the price rises, and the industry profits increase. The industry has no incentive, therefore, to bargain with the foreign oil producers for lower prices. On the contrary, it has every incentive to go along from its vulnerable position and to go along because, to do so means higher prices and profits from domestic operations.

An OPEC increase of the magnitude just experienced—in other words, about $1.35 per barrel—boosts annual company revenues from U.S. production by about $5 billion without controls. If the existing controls were retained under the Emergency Allocation Act, that increase could boost the revenues of the domestic companies by about $3 billion.

With immediate decontrol of domestic wellhead prices and an OPEC increase of about $1.35 per barrel, the 1976 revenues on domestic oil for the oil companies would be about 80 percent greater than in 1974.

As I have indicated already, the return on equity for 1974 from all operations was about 20 percent, and from domestic operations it was more than 14 percent. This increase in revenues is based almost entirely on United States domestic production.

The component, according to a study conducted very recently by the Joint Economic Committee, traceable to the pass through of higher foreign crude oil prices is only $3.6 billion. Some $25.9 billion would be paid for domestically produced fuels; and of this, some $23.5 billion would redound to the oil and gas industry, as opposed to royalty owners.

If investment in domestic exploration and development grows by 50 percent in 1976, in response to decontrolled prices and such windfall profits, the increase over estimated 1975 levels would be about $4.25 billion, excluding lease bonuses.

If this amount of oilfield investment materialized, with deductions for intangible drilling costs and other expenses of about 70 percent and an effective Federal corporate tax rate of about 35.6 percent on the windfall profit after allowance for the remaining applications of percentage depletion, the companies would end up with about $9 billion in windfall after tax corporate profits.

This after-tax windfall would boost the industry's domestic rate of return by about 12 percentage points and its worldwide return by perhaps 7 percentage points. It could easily put the after-tax rate of return in the domestic oil and gas industry near 25 percent in 1976 and even higher in 1977.

For the crude production segment of the industry, profits would go still higher. With those profits, of course, the industry could subsidize its refining and marketing operations—the major oil companies could, the integrated companies—and eliminate the little remaining competition from independent refiners and independent marketers.

Those figures, Mr. President, indicating a 25-percent increase in the rate of return for 1976 over 1975, do not include the windfalls to others, including the windfalls to royalty owners and the suppliers of this industry.

The increase in oilfield investment spending in 1974 was accompanied by a roughly 25 percent jump in drilling costs. Costs have continued to rise rapidly since then. The large infusions of capital anticipated would renew the inflationary pressures in this industry. Their production costs already have increased by about 50 percent since 1972.

So the result of all these profits is more energy inflation, a more expensive energy industry, and not increased production.

What happens then, of course, is that the companies are tempted to invest in other enterprises. Some are energy related. They expand their holdings of coal resources. The integrated companies already control about 50 percent of the Nation's recoverable oil resources. They already control about 80 percent of the known uranium reserves in the United States. They move beyond the energy industry into other fields. One of the largest, Mobil Oil Corp., recently acquired Marcor, the holding company for Montgomery Ward and the Container Corp., for a reported $800 million—funds which, according to industry advertising, these companies need from higher energy costs in order to explore for more oil and gas. They create for themselves a concentration of economic power that is unprecedented in the world, and the United States ends up with not only the production of oil and gas, the refining capacity, the pipelines, the marketing facilities for petroleum products controlled by a handful of corporations, but with those same corporations moving beyond oil and gas to control alternative sources of fuel and even beyond that.

Mr. President, I suggest the absence of a quorum without losing my right to the floor. I ask unanimous consent that I not lose that right.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FANNIN). Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I yield to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. MOSS. The amendment which is presently before the Senate is one of greatest concern for the economic well-being of this country as well as the lifestyle of our people, and it is of such importance I think we need to examine very carefully all the ramifications that would come from a course that would follow complete decontrol of oil and gas so far as prices and allocations are concerned or, on the other hand, restrictions on allocation and price that are so severe that they would not propel us toward a position of greater energy independence.

I do not think it is possible for us to attain total independence, at least for a long period of time, but we certainly must come closer to independence than we are now. We must reduce our imports of oil and gas down to a point where we cannot be left totally vulnerable in the event of an embargo by the suppliers of either of these two fuels.

At the present time our importation is so high if we received an embargo and suddenly had to cut off anywhere from 20 to 40 percent of our supply, our economy would be immediately crippled, and we would be vulnerable either militarily or economically because our economy then would shoot up as far as inflationary pressures are concerned, and the result would be increased unemployment and a rekindling of all of the factors of the very severe recession which we have been experiencing these past 3 years.

We are now beginning to show some recovery—at least there are indicators that there may be a recovery—from the worst parts of the depression or recession we have been experiencing.

If we had a sudden increase in price and a shortage of supply, we would be right back again to double digit inflation and double digit unemployment would follow. So the future of the United States depends, in large part, on the policies the Congress adopts concerning the economy and energy.

Energy policy must attempt to restore a measure of control over prices and supply of energy by reducing our vulnerability to the OPEC nations. There is need for early action, and we cannot afford false starts.

Energy, as we all know, is the lifeblood of the U.S. economy. In turn, economic progress will depend upon the price and the availability of energy. The impact of energy policy on revenues, taxes, and the general macroeconomic goals of a fiscal policy is of great significance.

Now, we have been told by those who argued for higher prices for energy or complete deregulation that this is the way to get independence because it will stimulate production, and in this way will make us self-sufficient rather than depending on imports. Well, there is no doubt that raising prices for energy does increase the effort to discover and to produce more petroleum and more natural gas. But there is a limit to that, and this is the thing I am afraid that many of the opponents of the amendment before us overlook, that even if the price goes very, very high there is a finite limitation on how much oil we can produce and how much gas we can produce. It is not open-ended by any means, and I think this is a mistake that many make.

The Budget Committee appointed a task force on energy policy, and seminars were held with a number of experts on this policy. Among other things, we explored this idea of higher prices and whether it would increase oil production on an open-ended basis.

One of the witnesses before that committee was Mr. John F. O'Leary, who is technical director of the energy resources and environment division of the Mitre Corp. Mr. O'Leary, I think, is well-known to nearly all of the Senators. He has served in Government in very important positions, including the Office of Coal Research, and other areas in the Interior Department, and is one of the most knowledgeable experts we have.

He said about this question of whether or not we could increase the oil production:

> There is a possibility of going up about 2 million barrels a day on the outside for the United States between now and 1985. I would say that is without regard to price; that is to say, in a price level of between $10 and $20. I don't think you would swing more than a quad on that number. This is going to be conditioned by a lot of other factors.
>
> Now, past 1985, the price could have a significant impact, but right now if you push the price to $100 a barrel, it would not significantly influence production except for infield drilling and going into places where we already know the oil is there, let's say, between now and 1980.

What Mr. O'Leary was trying to say is that to take off the lid and let the price go up to the import price of OPEC oil would not significantly change our production, at least for a period of time, say 5 years down the road, because it takes that length of time to acquire the capital, to find the location to explore, to produce once a deal has been discovered. It takes 3 or 4 years before it is in production of any consequence.

He said also, in regard to natural gas:

> With regard to natural gas, the situation is much more severe. We can't look forward to any increase. There is in the Federal Power Commission a recently developed statistical tool called the national availabilities curve, from which you can easily predict the level of finding required to support any level of production over any period of time. In order to support the Project Independence Blue-print projections of gas production by 1985, we would require a finding rate of around 50 trillion cubic feet a year. That is a factor of five higher than the average of the last 10 years.
>
> In all likelihood, regardless of what will happen in 1990 and the year 2000, regardless of the resource constraints, we cannot, I believe, over the next 10 years, increase the finding rate of the gas industry by anything approaching that level.
>
> In fact, we will be lucky to increase the finding rate by about 50 percent from the current 10 trillion up to 15 trillion. That would permit the production of 17 trillion cubic feet a year in contrast to the current 22 trillion.

So what Mr. O'Leary was saying there is that we do not cure all of our production problems by simply letting the price go sky high. Of course, we must have enough change in price, enough increase in price, that we will have continued efforts made at discovery and production and we must have an industry that operates at a reasonable rate of profit so that they will continue to operate at the fullest efficiency possible.

But it is not one of these open end things. This is what I think has been overlooked by so many arguing for the other side. It is the fact that many have said, simply let the price go high enough and the energy will be there, the oil will be there and the gas will be there.

What Mr. O'Leary says and what their other witnesses said is that there are limitations other than price that are holding us from having the amount we need.

Those limitations are the inability to find it, time to get in place to get it out, and that although we must work diligently at that and move along as fast as possible we cannot do it alone, simply pushing the price up high.

We have spent so much of our time, at least while I have been engaged in this discussion on this amendment, talking about whether we were going to get production, whether we were going to become independent by reason of a pricing and allocations policy, that I think we have overlooked a good part of the other side of the equation.

The other side of the equation is the consumer and through the consumer into the economy and what happens to the economy.

We have developed a lifestyle of housing, heating, industrial production, automobile transportation, all of these things which are dependent on petroleum, unfortunately, because it was such an abundant resource, so readily transportable and usable, that we have become dependent on this source of energy. This is just the way it is. Houses are built now and we have heating systems and furnaces in them and they depend on natural gas or oil for their heating.

If that suddenly becomes so high in price that it cannot be afforded, the same people that cannot afford to buy it any more cannot afford to change their system of heating their houses.

So we are pushed in a dilemma. We cannot permit prices to shoot up so high that our people cannot afford the energy they need and our industrial machinery cannot be thrown out of whack because it cannot afford the cost of energy.

It is pervasive. It is through our whole society. The reason it costs more to ship by truck is energy, it costs more now to fly because of energy, it costs more to do anything we can name because of the increased price of energy.

This amendment that is before us takes note of the fact that, indeed, we have come to the end of an era. We are leaving the time when we can be dependent almost totally on petroleum and natural gas for our sources of energy. We are leaving that and we must now phase over into something else.

We must phase over into coal as a source of a large part of our energy, we must rely more on nuclear energy, we must develop oil shale, we must ultimately move on to solar energy, geothermal, all these other kinds, and we need to develop them.

In fact, the President now is so convinced that we have to develop them that he is talking about a $100 billion corporation to go into the business of developing these other kinds of energy.

I do not know when this startling revelation finally came along, because we have been talking about it here in the Senate for the last 4 or 5 years, to my knowledge. In fact we had a bill before us to set up a $20 billion authorization to authorize ERDA and finance ERDA in getting development of other sources of energy.

So we are all in agreement now that we need to put all the time and energy, and whatever resources we need, in developing ultimate sources of energy. But not even the most optimistic of people will predict that those other sources of energy will be available to us in our resources within a matter of 2, 5, or even 10 years.

Maybe by 5 years we will begin to see a reasonable impact of additional coal and additional nuclear energy. We may find some breakthroughs on shale. Maybe in 5 years some of our energy will be coming from oil shale, and hopefully, probably not in 5 years, but in a few more years, we will be getting it from solar sources, and elsewhere.

So what we are talking about is, What are we going to do these next 5 years? What are we going to do this winter for the consumer who has to have energy to carry on his living standard that he has? Even if he does squeeze out all the waste that he can find, he still has a minimum amount that he must have.

And what about our industrial plants? What about our farmers? Production of food and fiber are dependent upon the use of hydrocarbon forms of energy. They must have it at a price they can afford to pay and not kick off our inflation to a point where the impact on our people will be too severe for us to endure.

What this amendment that we are talking about does is to try to find the middle ground on this matter. One extreme is to roll back the cost of oil and gas to a very low level and, by legal fiat, say that that is the price at which it must be sold. In so doing, it would discourage production by those who must seek, discover, and produce it. If the cost is so low that they are not induced to do it, if they will not do it, then, of course, we have defeated our own purpose by reducing the flow of domestic energy. But equally bad on the other side is to turn it loose, to let it go up to the high price that our OPEC neighbors want to impose upon us. They have just given us a 10-percent increase and promise us another one. Early next year, I think the first of January, they will look at it. Apparently we will have continuing increases in the cost of energy. That can be just as devastating, perhaps even more shocking in the early stages, than to have the rollback situation that I talked about.

So the amendment that we have here would enable us to set a price where the producers of domestic oil, of old oil, can realize an income of approximately 14 percent net on invested capital. That should be enough to induce them to continue to seek, to find and to produce energy, and at the same time, to let the consumer just very gradually, and by very small increments, begin to pay more and more for his energy. In this way, we will not disrupt and set off our inflationary pressures again.

UNITED STATES ENERGY INDEPENDENCE

Energy independence will require efforts to reduce energy consumption, increase domestic production of energy, and provide standby ability to meet future embargoes. Some energy saving will be achieved by the price increases that have already taken place. In addition, mandatory conservation programs for regulating automobile efficiency, establishing performance standards for housing and commercial energy use, and improving industrial energy efficiency will save oil and natural gas. The regulatory "rules of the game" must be clarified so that coal and nuclear power can begin to reduce our dependence on oil and natural gas. An efficient program of tax credits for insulation and utilization of solar units can save scarce natural gas. Research and development of new energy sources are vital if the world is to progress in the post-petroleum era.

ECONOMIC GOALS NEED NOT BE ABANDONED

In order to reduce oil imports to 10 percent of our requirements by 1985, it will be necessary to enforce fuel economy standards, improve public transit, and permit energy prices to rise over the next 10 years. However, the price rise need not require abandoning our macroeconomic goals, provided it is done gradually, and offsets are provided. Moreover, phased decontrol need not substantially impede progress toward energy independence.

The promise of higher prices in the future for oil and natural gas will lead to a more vigorous search for new supplies of energy and more conscientious efforts to conserve. Perhaps even more important, higher prices provide an incentive to utilize coal and solar power; there will be incentives to adopt more efficient automobile engines and tires; and there will be an incentive to search for new alternatives such as efficient electrical storage and the safe use of nuclear energy.

There is general agreement that a free uncontrolled market would be the best basis for determining energy prices and quantities. Unfortunately, a free market does not exist as long as prices are set by the OPEC cartel. If the U.S. economy is to be insulated from capricious OPEC actions some measure of control will be necessary until the United States is substantially independent of oil imports.

However, this independence will not be achieved unless energy prices increase. This is especially so in the case of natural gas where current prices in interstate markets are inadequate to call forth the necessary development, production, and conservation. It is hardly equitable to maintain low prices for some consumers while others suffer unemployment or are unable to heat their homes because of inadequate supplies.

ACCEPTABLE ENERGY POLICY

Phased decontrol is an acceptable energy strategy because of the long periods of time required to bring new energy sources into use and the time required to change energy consumption patterns. However, it is necessary to provide producers and consumers with some certainty so that they can move ahead with long-lived investments, and planned changes in living patterns.

Witnesses before the Task Force emphasized the substantial investments ($300 to $500 billion from 1975 to 1985) required to increase domestic energy production to near independence levels by 1985. A number of general principles were suggested:

So, Mr. President, what I have been trying to say in this discussion is that we must now find the place where we can get this degree of balance that we have talked about, the balance of encouraging conservation, of encouraging the changes in the uses of energy, of research and development to produce other types of energy to come in, but, at the same time, to also preserve our economic stability and to protect the consumers from outrageous increases in prices.

Many will insist that they are already victims of outrageous increases in prices. Complaints have come to me, and I am sure to other Senators, from people whose utility bills have shot up 30 or 50 percent. There seems to be no end in sight as to how high they are going. Everyone knows the cost of gasoline has about doubled since we had the embargo 2 years ago, and it seems to be on the way up again. Fuel oil, residual fuel, plastics, whatever is touched by energy, have gone up a great deal. If we permit it to skyrocket now, it will have a very severe impact on all of our people. If we have energy so high that it cannot be used and the people suffer by lack of it we will then have an impasse. We are going to have a situation on our hands that will cause a clamor for nationalization or a takeover of some kind that none of us want to contemplate and which we hope would never occur.

That is what I have been trying to impress upon this body and upon all who would discuss this matter. If we do not find that central tradeoff place, our difficulties are going to be so severe that they will make the present ones look like a happy, easy time.

As Senators will recall, Congress made an effort at extending the controls on energy, and, because the President did not agree, we had a veto, and there was a time when we did not have any controls over prices and allocations. This was a very worrisome time. The President was very concerned for fear that without any kind of restraint, the prices would take off. For that reason, he agreed to the extension that we later passed in Congress, and we are now back under a controlled situation. But it lasts only until the 15th of November. Between now and the 15th of November, we must have put in place what we intend to have as a long-range policy on energy pricing and energy allocation.

For that reason, I think we need to move along and get to the point where we can come to a majority consensus as to how to deal with the problem.

I think that the amendment now before this body offers that point, and I strongly urge that the Senate adopt the amendment, and in that way stake out what is the compromise position. I compliment the Senator from Illinois, who has taken the leadership in this matter of the pricing of natural gas. He and the Senator from South Carolina have exhibited strong leadership in this matter, and have presented to us an emergency bill which is the basic vehicle on which we are now trying to place this amendment, which could control the prices and allocations not only of natural gas, but of petroleum.

This is wise also. Gas and petroleum are not only produced in much the same way, by drilling holes in the ground, but they occur together a good part of the time, and they are competitive fuels in many ways, because they both have a quality of being easily transported by pipeline, of being storable, of being used that way. Therefore, both of them ought to be treated very similarly.

This amendment has the virtue of trying to treat them essentially the same, of more or less equating the kinds of energy, as far as pricing is concerned, on a roughly equivalent Btu basis. It cannot be exact, of course, and can never be totally precise. But the ceilings that are proposed in this amendment on the cost of oil and the cost of gas would be roughly equivalent one with the other. As we move out into the decontrolled situation, the phaseout over 5 years' time, and finally reach the point where we can be in a free market, then we would not have one of these kinds of energy severely below the other, on a noncompetitive basis.

I would like to get to a competitive market system again for energy. Perhaps if after 5 years, or even 10, we have enough oil coming from coal and enough gas coming from coal, if we have an increase in natural gas production, and we learn how to get the ferrugin out of our shale, so that we will have oil from that source, all these forms of energy can begin to compete with one another in desirability and usability, and on the basis of price, and by that time we can be on a firm basis in our economy to deal with the price.

I wish to quote at this point from the statement of George Perry, a senior fellow of Brookings Institution, who appeared before our energy seminar.

Mr. Perry said:

> Another round of oil price increases will pose problems for fiscal and monetary policy similar to those at the start of 1974.
>
> At that time, many economists recognized that the money supply would have to grow faster and consumer taxes would have to be reduced in order to offset the two principal depressing effects of higher oil prices on the economy.
>
> It was also recognized that, without a renewed effort at wage-price moderation or a reduction of other prices through excise or payroll tax cuts, higher oil prices could themselves trigger some further rounds of wage-price increases outside the oil sector of the economy.
>
> ### NO ONE ANTICIPATED DEPTH OF RECESSION
>
> Policymakers chose not to respond on any of these fronts during 1974. Taking a recession and raising unemployment and excess capacity was the preferred course, presumably on the grounds that this would combat inflation. It is doubtful that anyone planned or anticipated the depth of the recession that occurred. Yet now that it has, I am concerned at how easily we accept it and how ready we are to compromise our national commitment to high employment.
>
> Having reached 9-percent unemployment, we seem content with the possibility of reducing it to 8 percent a year from now. Had we fallen to 10 percent—as I believe we would have without the fiscal stimulus of recent months—we presumably would be content with the prospect of reducing it to 9 percent by next year.
>
> There are enormous costs to such indifference. For many workers, unemployment becomes a habit; we institutionalize semipoverty, then deplore the costs of welfare and unemployment insurance. For minorities and the young, we strengthen their suspicions that the system just doesn't work.
>
> ### INABILITY TO MEET CAPITAL NEEDS
>
> At the same time we weaken our labor markets, we undermine the major incentive to capital expansion by business. The pains of a cyclically depressed economy get diagnosed as the pathological ailments of a whole system. Today the popular press is full of stories about our supposed inability to meet our growing capital needs, when in fact business investment plans are being sharply curtailed because the market for their products is so depressed and their existing capacity is so underutilized.
>
> I stress these concerns because any response to future energy price increases must take account of the present state of the economy. The dismal consequences of not responding last year makes it even more important to respond fully this time.
>
> Inflation has slowed, and demand pressures are no longer a concern.
>
> With the economy badly depressed, the risks lie disproportionately in one direction—that we will fail to do enough to assure the strong and sustained economic expansion that is necessary to restore high employment and generate adequate profits and investment incentives.

Mr. MOSS. Mr. President, the major determinants of energy price changes in the near future are:

First, what OPEC does to the world oil price, and what they have just done;

Second, what we do to oil import duties; and

Third, what we do to the price of domestically produced oil and price-controlled natural gas.

If OPEC raises prices, and we keep our present import duty and decontrol old oil prices, the average oil price of around $10 a barrel that prevailed this spring will rise to around $16 a barrel, an increase comparable to the one that took place in the summer of 1973.

Together with the rise in natural gas prices that would follow their gradual decontrol, we would be facing an energy price increase even larger than the one experienced in 1973–74. Based on 6 billion barrels a year of oil consumption, users would be paying an additional $36 billion annually for oil products.

Conservatively estimating the cost of higher gas and coal prices at half again this much, our total annual energy bill would rise by roughly $55 billion. All this increase would not occur at once.

But if oil were decontrolled abruptly, at least $36 billion of it would occur before the end of this year.

If the $2 excise duty were removed, it would save $12 billion on the pricetag of our 6 billion barrel oil consumption, and the additional cost of oil would fall to $24 billion annually. Again, adding in half again as much for coal and gas price increases, the total energy bill would rise by $36 billion. If the duty were removed immediately and oil and gas were decontrolled gradually, the increase might be limited to about $12 billion a year over 3 years. These are necessarily rough orders of magnitude, but they represent a reasonable guess at the minimum cost we are likely to face.

In principle, we could lean particularly hard on either fiscal or monetary policy to offset the depressing effects of higher energy prices. Realistically we should try to use both.

We can estimate that some three-fourths of the rise in national energy costs arising from higher prices will correspond to a reduction in consumer purchasing power. This amounts to $41 billion in the worst case, with most of it coming in a few months if prices are decontrolled abruptly; and it amounts to $9 billion each year, rising to $27 billion by the end of 3 years, in the "better case" considered above.

Some allowance must be made for increased demands from non-consumption sectors that would accompany higher energy prices, but these will be very much smaller than the declines in consumer demands. Thus either through tax reduction or other fiscal measures, policy should be prepared to offset most of the loss in consumer purchasing power that higher energy prices will entail.

Any such incremental action must be in addition to the fiscal stimulus that would be appropriate without further energy price increases.

In particular, it should be considered in addition to the $12 billion of personal tax reduction that will be needed for 1976 just to keep withholding rates from rising at the start of the year.

So, Mr. President, the thing that I return to again is the admonition that we must not at this time fail the American consumer and the American economy by suddenly decontrolling natural gas or petroleum in price nor in allocation.

Nor must we decontrol a large segment of it, as is proposed essentially in the Pearson amendment. If we decontrol the major part of our natural gas, it will be almost the same as if we decontrolled every bit of it. This would be an impact that would reverberate through our economy and cause disruptions that are unacceptable for the people of the United States.

For these reasons, I urge that we proceed to consideration and adoption of the amendment that is before us which has been discussed at some length by our colleague from Illinois, and others, and I certainly hope that we can, out of this discussion and in this chamber, fashion an energy policy that will be in the best interests of the people of this country.

We have come into a situation of great difficulty because of our failure to anticipate and be prepared for the petroleum shortage that came upon us and that was triggered when we had the embargo of 1973.

Since that time we have never been able to move to a position of security so far as our supply is concerned, and our prices have continued to rise so that we have been in a period of inflation and high unemployment.

This we must remedy. This we can remedy. But it is going to take time, it is going to take patience, and above all it is going to take governmental direction and control over these policies until we can finally get to the area of free competition which would come after the 5-year period or somewhere around that time when the gradually increasing prices will have moved up to the point where we can then be in a free competitive market. We would have moved on by then in other forms of energy so that we will have more kinds of energy going into the mix and being utilized by our industrialized society.

We became a great industrial nation because of our source of energy and our uses of energy. Now we must find ways to have different kinds of energy to propel us onward as the great industrial society that we are.

Mr. President, I have about completed my discussion of this matter for this afternoon. I understand that the Senator from Oklahoma desires to seek the floor on another matter, at which point, if he requests, I will yield to him for that purpose.

I now understand, Mr. President, that the Senator will not be able to be in the Chamber this afternoon, and I have about completed my discussion.

I ask unanimous consent that I may suggest the absence of a quorum, without losing my right to the floor. I do this to ascertain whether there is to be any more discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MOSS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENT SUBMITTED ON S. 2310

Mr. FANNIN. Mr. President, the Congress has been debating the natural gas issue intensively since the Phillips Supreme Court decision handed down over 20 years ago. The dialog on natural gas has been taking place in committees and on the floors of both Houses. Within the past 2 years in the Senate alone, the natural gas debate has filled more than a hundred pages in the CONGRESSIONAL RECORD and several thousand pages of hearing records in the Senate Commerce and Interior Committees alone.

While the debates have been going on and the legislative opportunities to deal with the gas shortage have come and gone, a nationwide crisis of extreme proportions has intensified. Five years ago, in 1970, interstate pipeline curtailment imposed by the Federal Power Commission had begun to mount. At that time there was a 100-billion-cubic-foot shortage, far less than 1 percent of consumption; in 1974, curtailments had risen 2 trillion cubic feet or 10 percent of total demand. This year the forecast is for an increase of 45 percent to 2.9 trillion cubic feet which is approximately 15 percent of total demand. This winter's shortage will be 300 billion cubic feet worse than last winter's.

It is surprising to note that the distinguished Senator from South Carolina and the distinguished Senator from Ohio have asserted in debates that there really is no shortage. They imply that there is plenty of gas for everyone. The Senator from Ohio last week asserted that if the industry would stop setting on reserves, there would be more than enough gas to meet everyone's needs. My colleague from Idaho dealt quite adequately with that false contention by demonstrating that several studies, including one recently conducted by the Interior Department, revealed that there was little evidence that industry is sitting on reserves.

Our colleagues from South Carolina and Ohio have denied that wellhead price controls imposed by the Federal Power Commission have had much to do with the present natural gas supply situation, notwithstanding volumes of testimony from the Federal Power Commission which has emphatically stated that the Federal Power Commission imposed wellhead price controls have been the principal cause of our Nation's natural gas shortage. The record is full of the analyses of academic experts that Federal Power Commission price controls have been, in essence, the sole cause of our Nation's shortage of natural gas.

I would like to speak about one factual dimension of the natural gas shortage. The best factual example of which I am aware, relating to the increasing criticality of the Nation's gas shortage, pertains to reserve to production ratios. This ratio is computed by dividing the amount of Natural Gas consumed nationwide in a given year into the total proved reserves of natural gas known to exist that same year. Why a reserve production ratio is an important indicator of abundance or a shortage is that the higher the ratio, the greater the supply and the lower the ratio, the lower the supply. In 1954, the year of the Phillips decision, the reserve production ratio for natural gas in this country was 22.5. what that meant is that when the amount of natural gas consumed in 1954 was divided into the total amount of proved reserves known to exist that year, the number which resulted from that division was 22.5. What that meant was that assuming that gas demand would remain constant and that no additional reserves were added, the United States would have had a 22.5-year supply of natural gas. In 1970, the reserve production ratio for natural gas had dropped to 12.1. In 1971, it had dropped to 11.5. In 1972, it had dropped to 10.7. In 1973, it had dropped to 9.9. It has been decreasing since. What this means is that we are drawing natural gas out of the bank at a far faster rate than we are adding natural gas reserves to our bank account. It means that the incentive to produce natural gas—due to low natural gas prices—has been low while the incentive to consume it has been high. There is no getting away from these facts.

Here are some more facts. Any alternative to natural gas will cost more than natural gas itself. Let us take the example of Ohio. In 1974, 2,561,400 homes used natural gas. Natural gas supplied 31 percent of all energy used in Ohio. In 1974, here is what Ohio consumers paid for their fuels. Those who used natural gas in their homes paid $1.08 per million Btu's for their gas. Those who used heating oil in their homes paid $2.20 per million

Btu's for heating oil. Those who used electricity in their homes paid $7.11 per million Btu's for their electricity.

Because of the natural gas shortage, it is estimated that Ohio, this winter, will be short nearly 80 billion cubic feet of natural gas. Assuming alternative fuels are not available to the industries now using natural gas, this shortage could potentially place 186,000 manufacturing and related industry workers out of work.

The Senator from Ohio seems to think that his potentially unemployed voters are not in need at this time of legislation which would solve the Nation's natural gas shortage, thereby insuring their continued employment, but instead has preferred to support a dubious stop gap measure which will do them little or no good. I will return to why the bill he is supporting will be of little or no use to his constituents in just a moment.

But first, let me return to the facts regarding prices. If his constituents either do not wish or cannot afford to switch from natural gas to oil or from natural gas to electricity, and they insist upon using natural gas, and price controls remain in effect, then natural gas pipelines will be forced to manufacture synthetic natural gas to supplement their rapidly declining reserves of natural gas. Present day prices for synthetic natural gas range between $3 and $4 a thousand cubic feet. This is because much synthetic natural gas is produced from naphtha which must be converted into synthetic gas. Naphtha in turn is refined from crude oil. The costs of manufacturing natural gas from crude oil into naphtha or other expensive feedstocks into synthetic gas are practically twice as much as what new natural gas would cost if it were selling a Btu equivalent basis at the same price it would cost for new oil. Even if new natural gas did sell as high as $2 a thousand cubic foot—approximately one half the cost of synthetic natural gas, residential consumers would only be confronted with a gradual price increase under the Pearson-Bentsen amendment. This is because, assuming the Pearson-Bentsen amendment becomes law, the first year one-tenth of the Nation's gas supply would be the higher priced new gas while nine-tenths would be old gas, the price of the latter still being controlled by the FPC.

The following year another tenth of the supply would be new gas and the next another tenth, and so on. Each year the new gas price would be rolled in with the old gas price with the result that the increase of costs to ultimate consumers would be quite gradual. This is a reality which my esteemed colleagues from South Carolina and Ohio seem to enjoy avoiding. Under the guise of protecting the consumer, they are opting for a policy which force their constituents to burn synthetic natural gas which would cost nearly 13 times the average cost of natural gas of today, or twice the cost of new natural gas, assuming it reached a price as high as today's oil prices on a Btu equivalent basis.

To sum up the facts before getting into the bills themselves, the Nation has a natural gas shortage this winter equivalent to 15 percent of normal consumption. This natural gas shortage was caused by 20 years of FPC price controls on natural gas sold in Interstate Commerce. There is no shortage of natural gas in the intrastate market, because there never have been price controls. In fact, due to the absence of price controls, the supply of natural gas in the intrastate market now actually exceeds demands.

The only practical alternatives to natural gas for homeowners for the purpose of heating and cooking, is oil or electricity or some combination of the two. Electricity costs about 7 times as much as natural gas does now and heating oil costs twice as much as natural gas. If, on the other hand, homeowners refuse to use electricity or heating oil and their Senators vote to continue FPC price controls on natural gas, then the homeowners will be forced to use synthetic natural gas which, as indicated, costs $4 per thousand cubic feet. Finally, due to FPC price controls, the Nation's supply of natural gas dwindled from a 22-year supply in 1954 to less than a 10-year supply in 1974.

Now, let us get into the issues regarding the Hollings-Glenn alternative as compared to the Pearson-Bentsen option. Here is what Mr. Zarb had to say about the Hollings-Glenn alternative. He said that continued regulation of new natural gas and regulation of presently unregulated intrastate natural gas would be unwise and unacceptable for several substantial reasons. These are:

> The principal reason for the present state of natural shortages is the current system of regulation, which inhibits production and should be removed from the interstate market instead of extended to the intrastate market.
>
> An artificially controlled low price (relative to alternative fuels) encourages excessive consumption of natural gas.
>
> Continued excessive consumption exacerbates shortages, and requires bureaucratic decisions as to what industries and other users will receive priority.
>
> Since the amount of natural gas available over the short term is limited, the setting of priorities amounts to taking natural gas from some and giving it to others.
>
> Regulation of intrastate prices will be an immense administrative burden.

He said that the area ceiling price called for in the Hollings-Glenn alternative to be established within 15 days of enactment is unwise and administratively unworkable. He stated eight other reasons why the Hollings-Glenn amendment is unacceptable. These reasons have already been called to the attention of my colleagues.

Additionally, under the price limitations applicable to intrastate pipelines, the intrastate pipeline will have to prove to the Federal Power Commission that it charged no more than the weighted average cost of all the natural gas it purchased plus a transportation allowance for producer transportation or gathering plus the cost of transportation services that it rendered in getting the gas to the interstate pipeline. In order to justify this, the intrastate pipeline could seriously expose itself to having the Federal Power Commission do a complete cost of services of its system. In addition to this exposure, the most the intrastate pipeline would receive would be a recovery of its "costs".

With no economic incentives to sell plus serious FPC encroachment into its cost and services, it is highly unlikely any pipeline would ever sell gas under amendment no. 934 to interstate pipelines.

The same problems exist with respect to 180-day sales permitted under section 4(f). For these sales, the pricing limitations under section 4(c) still apply.

Mr. Nassikas, Chairman of the FPC, also reached substantially the same conclusions as did Mr. Zarb. He said:

> I find the provisions of S. 2310 . . . administratively unworkable within the time period proposed.

Mr. Nassikas additionally said:

> I do not believe it is feasible for the commission to establish intrastate rates for new onshore gas at the average new or renewed intrastate price for August 1975, within 15 days after date of enactment.

Additionally, Mr. Nassikas said:

> The 15 day requirement of section 4(a) . . . would impair the commission's ability to make a well thought out determination of what pipelines would qualify as priority interstate purchasers and what end-users would qualify as essential users for the purpose of this emergency relief legislation.

Mr. Nassikas also said,

> I believe (section 4(g) could lead to protracted litigation and controversy.

Mr. Nassikas also gave several other reasons why the Hollings-Glenn alternative is unworkable.

Now, let us turn to the Pearson-Bentsen substitute amendment No. 919, which would deregulate new gas sales at the wellhead for onshore production upon enactment. It would establish FPC ceiling price authority over OCS production for a term of 6 years through December 31, 1980.

The offshore ceiling price would be set by FPC rulemaking based upon four criteria.

First. Prospective costs.

Second. Capital formation raised for exploration.

Third. Promotion of conservation of natural gas.

Fourth. Consumer protection.

This new criteria would allow the FPC to set prices to provide sufficient incentives to develop new gas at a far higher rate than present FPC price regulations will permit. The Pearson-Bentsen amendment, additionally, would establish a statutory priority for essential agricultural uses of natural gas produced in interstate commerce and would ban new gas sales for boiler fuel use for electrical generation and phase out use of natural gas as boiler fuel.

The Pearson-Bentsen substitute would also deal with the winter 1975–76 emergency by permitting 180-day emergency purchases by distressed interstate pipelines to meet the needs of their high priority customers as well as providing for other short-term relief.

To sum up the explicit objectives that the Pearson-Bentsen substitute is designed to achieve, these are:

First, to alleviate, to the extent possible, natural gas emergencies this winter;

Second, to increase supplies of new natural gas for the benefit of the American consumer;

Third, to protect the consumer against inflationary price increases for gas presently flowing in interstate commerce.

Fourth, to assure efficient allocations of dwindling gas supplies to high priority residential and agricultural usages until the gas shortage is alleviated.

Fifth, to inhibit the demand for natural gas for consumption under boilers where alternate fuels can reasonably be obtained.

Sixth, to authorize collection of comprehensive data on natural gas supplies, production, transportation, sale, and consumption.

Mr. President, for all of these reasons, I would urge my colleagues to support the Pearson-Bentsen substitute. The Pearson-Bentsen substitute is, in fact, a fair and reasonable compromise. It does not go as far as my amendment would have, had it been adopted rather than tabled on last Wednesday. It is an honest, diligent, and fair attempt to reach a compromise which will truly serve the national interest.

ORDER FOR THE RECOGNITION OF SENATORS MANSFIELD AND ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, prior to the period for the transaction of routine morning tomorrow and following the recognition of the two leaders under the standing order, Mr. MANSFIELD and Mr. ROBERT C. BYRD be recognized each for not to exceed 10 minutes in the order stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. MANSFIELD will be recognized for not to exceed 10 minutes, after which Mr. ROBERT C. BYRD will be recognized for not to exceed 10 minutes. Thereafter, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 3 minutes each.

At the conclusion of routine morning business on tomorrow, the Senate will resume consideration of the bill S. 2310. Rollcall votes may occur during the day tomorrow.

I believe I should state that in the event the House of Representatives overrides the Presidential veto of the school lunch bill, the Senate is expected shortly thereafter to attempt to do the same thing.

Other rollcall votes may occur on the pending measure, S. 2310, or amendments thereto, or motions in relation thereto.

Of course, conference reports, being privileged matters, may be called up at any time, and other measures that are cleared for action may also come up.

RECESS UNTIL 9 A.M. TOMORROW

Mr. MOSS. Mr. President, subject to the previous agreement entered into with the assistant majority leader, I move that the Senate stand in recess until 9 a.m tomorrow.

The motion was agreed to; and at 2:51 p.m. the Senate recessed until tomorrow, October 7, 1975, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 6, 1975:

DEPARTMENT OF THE INTERIOR

Dale Kent Frizzell, of Kansas, to be Under Secretary of the Interior, vice John C. Whitaker, resigned.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Ethel Bent Walsh, of the District of Columbia, to be a member of the Equal Employment Opportunity Commission for the term expiring July 1, 1980 (reappointment).

FEDERAL HOME LOAN BANK BOARD

Ben B. Blackburn, of Georgia, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1978, vice Thomas R. Bomar, resigned.

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Ackley, John B., III, [redacted].
Adams, Merlin R., [redacted].
Allen, Ronald C., Jr., [redacted].
Amberson, Roger G., [redacted].
Anderson, Robert D., [redacted].
Armor, George W., [redacted].
Armstrong, Don W., [redacted].
Baldauf, Boyd J., [redacted].
Barker, Boyd C., [redacted].
Belet, Edward E., [redacted].
Bell, Carroll W., [redacted].
Bell, Robert W., [redacted].
Bentley, Otis K., [redacted].
Benton, Jack W., [redacted].
Beyer, John R., [redacted].
Black, Edward C., [redacted].
Blackstad, Charles O., [redacted].
Blomeley, Warren R., [redacted].
Boeck, Albert G., Jr., [redacted].
Boruski, Gerald G., [redacted].
Bradley, Ernest H., [redacted].
Braman, Keith W., [redacted].
Burk, Carl E., [redacted].
Burton, Jack C., [redacted].
Callison, Talmadge P., [redacted].
Carlson, Donald A., [redacted].
Cernik, Marvin, [redacted].
Chirigotis, George S., [redacted].
Ciancone, Elmer S., [redacted].
Collins, George W., [redacted].
Colwell, James L., [redacted].
Connell, Richard A., [redacted].
Cook, Edwin J., [redacted].
Coursey, John T., Jr., [redacted].
Cravey, David O., [redacted].
Currie, Craig H., [redacted].
Davis, Elbert F., [redacted].
Davis, Victor M., Jr., [redacted].
Duelger, Carl P., [redacted].
Dunnelly, John J., Jr., [redacted].
Dunofrio, Angelo, [redacted].
Dunaway, Edward G., [redacted].
Dye, Everett C., [redacted].
Ellzey, Madison P., Jr., [redacted].
Erswell, George A., Jr., [redacted].
Fels, John V., [redacted].
Finke, Warren L., [redacted].
Flurett, Garfield W., [redacted].
Flynn, Paul S., [redacted].
Fugel, Myron J., [redacted].
Forte, Michael P., [redacted].
Foster, Vincent V., [redacted].
Fox, Robert P., [redacted].
Francis, Norman R., [redacted].
Gaglio, Nicholas A., [redacted].
Garvin, Stanley J., [redacted].
Gebhardt, William A., [redacted].
Gerell, Robert E., [redacted].
Giles, Keith C., [redacted].
Gillespie, Loren G., [redacted].
Gossett, John E,. [redacted].
Green, Arthur W., Jr., [redacted].
Griesinger, Rankin L., [redacted].
Halpern, Earl, [redacted].
Hammond, Denzil L., [redacted].
Handy, Ralph P., Jr., [redacted].
Hanson, Max L., [redacted].
Hardwick, William H., [redacted].
Heyman, Paul D., [redacted].
Hickman, Cleo E., [redacted].
Hinman, Jerome A., [redacted].
Hublin, Philip J., Jr., [redacted].
Hoffman, Marion R., [redacted].
Holstine, William, Jr., [redacted].
Holt, Jack W., Jr., [redacted].
Horne, Richard B., [redacted].
Hudson, Robert C., [redacted].
James, John H., Jr., [redacted].
Johnson, Warren B., [redacted].
Johnson, William C., [redacted].
Jones, Harry S., [redacted].
Kadlec, Paul W., [redacted].
Kenney, Judson W., [redacted].
Kinney, Robert W., [redacted].
Kramer, Herbert F., [redacted].
Krebs, Buford D., Jr., [redacted].
Lawrence, Burnis K., [redacted].
Lilley, Daniel T., [redacted].
Lubow, Samuel M., [redacted].
Lydecker, Leigh K., Jr., [redacted].
Macbride, Arthur M., Jr., [redacted].
Maclasky, Milton S., [redacted].
Madden, John R., [redacted].
Maddox, Alva H., [redacted].
Magee, Thomas H., [redacted].
Mahan, John C., [redacted].
Mangus, Bennie M., [redacted].
Martin, Hall T., [redacted].
Martinez, Henry C., [redacted].
Massuros, William R., [redacted].
Mathey, Robert G., [redacted].
McBurnett, Robert N., Jr., [redacted].
Merchant, Dean C., [redacted].
Messick, Wiley S., [redacted].
Middough, Robert H., [redacted].
Miller, Howells D., Jr., [redacted].
Miller, William K., [redacted].
Montgomery, John E., [redacted].
Moser, John D., [redacted].
Muller, James L., [redacted].
Murphy, James L., [redacted].
Nelson, Clarence S., Jr., [redacted].
Neuman, Arthur E., [redacted].
Nunemacher, Robert O., [redacted].
O'Neil, Philip J., [redacted].
Osborn, Thomas L., [redacted].
Palmer, Gordon M., [redacted].
Pudlesak, Aldrich F., [redacted].
Quackenbush, David S., [redacted].
Rastall, George D., [redacted].
Ray, Roderick J., [redacted].
Reese, Calvin, [redacted].
Renasco, Manuel, Jr., [redacted].
Riess, Louis C., [redacted].
Roamer, James M., Jr., [redacted].
Sandin, John E., [redacted].
Sarullo, Michael J., [redacted].
Satterberg, Richard A., [redacted].
Schafer, Robert B., [redacted].
Scheb, John M., [redacted].

Schumaker, Bernard A., [redacted].
Schwanenberg, Donald A., [redacted].
Schwartz, Charles M., [redacted].
Schwartz, Irving H., [redacted].
Schweitzer, Donald T., [redacted].
Seery, William F., [redacted].
Sharp, Alan G., [redacted].
Sherman, Earl D., [redacted].
Sherman, George C., [redacted].
Shimek, Joseph F., Jr., [redacted].
Sklow, Alvin L., [redacted].
Spector, Stanley R., [redacted].
Summerville, Wallace E., [redacted].
Swords, Smith, III, [redacted].
Thompson, Donald D., [redacted].
Thomsen, Nels, Jr., [redacted].
Trippi, Frank T., [redacted].
Ulbrich, Richard W., [redacted].
Visnovsky, Andrew J., [redacted].
Ward, Samuel J., Jr., [redacted].
Weeks, Wendell J., [redacted].
Wells, Jack G., [redacted].
Wieland, Richard J., [redacted].
Wilson, Eugene M., [redacted].
Wuest, John M., [redacted].
Zellner, Charles E., [redacted].
Zimmer, Robert S., [redacted].
Zurier, Melvin L., [redacted].

CHAPLAIN CORPS

Acerra, Angelo T., [redacted].
Flood, William E., [redacted].
Jarrett, Tally H., Jr., [redacted].
Johnson, David H., Jr., [redacted].
Kucera, Edward J., [redacted].
McDonough, John P., [redacted].
McMullen, Francis R., [redacted].
McNicholas, Edward J., [redacted].
Roller, Lawrence H., [redacted].
Shields, James P., [redacted].
Sullivan, Joseph T., [redacted].

DENTAL CORPS

Bateman, Alphalus, H., [redacted].
Carr, Bernard M., [redacted].
Hollis, John M., [redacted].
Lamastra, Salvator J., [redacted].
Manuel, Maurice, Jr., [redacted].
Moore, Andrew, [redacted].

MEDICAL CORPS

Adamson, John B., [redacted].
Francis, Gordon D., [redacted].
Hermann, Lee K., [redacted].
Luhr, David C., [redacted].
Peterson, Emil W., [redacted].
Reinarz, James A., [redacted].
Yassin, John G., [redacted].

NURSE CORPS

Androulakis, Denise F., [redacted].
Bellarts, Stella B., [redacted].
Brown, Patricia D., [redacted].
Collins, Joan P., [redacted].
Coombs, Marilyn R., [redacted].
Foley, Mary F., [redacted].
Forsythe, Ruth J., [redacted].
Hastings, Marilyn L., [redacted].
Leonard, Emily R., [redacted].
MacMurray, Beverly A., [redacted].
Malinoski, Bernadiene M., [redacted].
McDonald, Gregor R., [redacted].
Meads, Marian L., [redacted].
Nesbitt, Harriet R., [redacted].
Ronne, Ardis H., [redacted].
Smith, Grace P., [redacted].

MEDICAL SERVICE CORPS

Doyle, John T., [redacted].
Hess, Dale E., [redacted].
Hill, Walter R., [redacted].
Ragan, Durward D., [redacted].
Young, Sammie R., [redacted].

VETERINARY CORPS

Adsit, Milton E., [redacted].
Martin, James A., [redacted].
McKee, Adam E., Jr., [redacted].
Otter, Jason I., [redacted].

BIOMEDICAL SCIENCE

Brody, Sylvan D., [redacted].
Nirk, Eugene W., [redacted].
Pearson, Adeline H., [redacted].

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

First lieutenant to captain

Abbott, Ira R. III, [redacted].
Abbott, Richard L., [redacted].
Abernethy, Russell H., [redacted].
Abold, Phillip L., [redacted].
Accetta, Joseph S., Jr., [redacted].
Accola, Thomas D., [redacted].
Acker, John F. F., [redacted].
Acton, Thomas D., [redacted].
Acuff, Steven D., [redacted].
Adams, James D., [redacted].
Adams, Louis S., [redacted].
Adams, Patrick O., [redacted].
Adkison, John W., [redacted].
Aiken, Richard W., [redacted].
Ainslie, Robert S., [redacted].
Aitken, Gordon J., [redacted].
Aja, Joseph G., [redacted].
Akers, Randall D., [redacted].
Akers, Robert K., [redacted].
Akins, Jerry G., [redacted].
Albanese, Joseph L., [redacted].
Albers, Ted L., [redacted].
Alderman, Leslie D., Jr., [redacted].
Aldrich, Charles L., [redacted].
Alexander, Robert W., [redacted].
Alexander, William L., [redacted].
Alford, Robert T., [redacted].
Allen, Charles L., [redacted].
Allen, Donald L. III, [redacted].
Allen, Edward H., [redacted].
Allen, Guy V., Jr., [redacted].
Allen, Kenneth E., [redacted].
Allen, Robert W., Jr., [redacted].
Allen, Thomas L., [redacted].
Allison, Mark J., [redacted].
Alm, Kenneth R., [redacted].
Amatulli, Ladis W., [redacted].
Ambos, Dale S., [redacted].
Ambrose, David E., III, [redacted].
Amisand, Richard P., [redacted].
Amrhein, Philip C., Jr., [redacted].
Amtmann, Raymond A., [redacted].
Andersen, David B., [redacted].
Anderson, Dennis L., [redacted].
Anderson, Dennis W., [redacted].
Anderson, Donald E., [redacted].
Anderson, Hal N., Jr., [redacted].
Anderson, James E., [redacted].
Anderson, Kenneth C., [redacted].
Anderson, Philip J., [redacted].
Anderson, Robert K., Jr., [redacted].
Anderson, Terrance M., [redacted].
Anderson, Timothy L., [redacted].
Anderson, William A., III, [redacted].
Andrews, Gary J., [redacted].
Andrews, Ralph E., [redacted].
Angelico, John D., [redacted].
Anglemyer, Richard M., [redacted].
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Anselmi, Michael S., [redacted].
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Fanjoy, Richard O., [redacted].
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Farmer, Francis A., III, [redacted].
Faught, David E., [redacted].

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Rhodes, Tracy, [redacted].
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Synychak, Roman, [redacted].
Szabo, James, [redacted].
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Unz, Richard L., [redacted].
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Worley, Chandler P., Jr., [redacted].
Worley, Walter L., III, [redacted].
Worrell, Gary D., [redacted].
Wren, James E., [redacted].
Wyatt, Phillip P., [redacted].
Yake, David J., Jr., [redacted].
Yama, Rodney N., [redacted].
Yanik, Albert S., [redacted].
Yantiss, William E., [redacted].
Yarger, Gerald L., [redacted].
Yasuhara, Philip K., [redacted].
Yelmgren, Kevin E., [redacted].
Yett, Daniel A., Jr., [redacted].
Yewdall, Edward C., [redacted].
Young, Freddy R., [redacted].
Young, Gregory B., [redacted].
Young, John H., [redacted].
Young, Richard A., [redacted].
Youngblood, Herman W., [redacted].
Yuknavich, Anthony R., [redacted].
Zapalo, Peter P., Jr., [redacted].
Zappa, Patrick A., [redacted].
Zeitler, Arthur R., [redacted].
Zeitler, James A., [redacted].
Zier, George S., [redacted].
Zilin, Barry M., [redacted].
Zimmerman, Alan L., [redacted].
Zimmerman, Donald A., [redacted].
Zindell, Raymond C., Jr., [redacted].
Zink, Vernon R., Jr., [redacted].
Zorn, James F., [redacted].
Zuckerman, Meyer D., [redacted].
Zukatis, Albert W., [redacted].
Zwick, Kent W., [redacted].

CHAPLAIN CORPS

Barton, David W., [redacted].
Qualtrough, John P., [redacted].
Stainman, Theodore H., [redacted].

DENTAL CORPS

Altschuler, Bruce R., [redacted].
Anderson, Ronald W., [redacted].
Benenati, Fred W., [redacted].
Borsky, David, [redacted].
Gabryl, Roy S., [redacted].
Hanson, Robert W., [redacted].
Hott, Wayne E., [redacted].
Howard, James H., [redacted].
Hurd, Joseph J., [redacted].
Matiasevich, Laurie N., Jr., [redacted].
Nealis, Michael F., [redacted].
Nelson, James R., [redacted].
Peluso, Joseph R., [redacted].
Vakay, Lloyd R., [redacted].
Waldrop, Thomas C., [redacted].
Williams, Leslie F., [redacted].

JUDGE ADVOCATE

Alsup, Philip F., [redacted].
Anderson, Perry L., [redacted].
Armstrong, James G., [redacted].
Bearden, John H., [redacted].
Beck, Ralph A., [redacted].
Bennett, Gerald F., [redacted].
Casper, John E., [redacted].
Champney, Richard K., [redacted].
Davidson, Kenneth L., [redacted].
Davis, Jay L., [redacted].
Erickson, Richard J., [redacted].
Flynn, John T., [redacted].
Giovagnoni, Robert E., [redacted].
Gonzales, James J., [redacted].
Hamlin, Geoffrey R., [redacted].
Heupel, James E., [redacted].
Hilton, Robert G., [redacted].
Hotchkiss, Hervey A., [redacted].
Johnston, James D., [redacted].
Karr, William H., [redacted].
Lang, Robert E., [redacted].
Mangin, Charles G., [redacted].
Moorman, William A., [redacted].
Muncaster, James R., [redacted].
Paslick, Edward N., [redacted].
Pedersen, Gary S., [redacted].
Petersen, Robert L., Jr., [redacted].
Phillips, Walter D., [redacted].
Pillari, Thomas, [redacted].
Senander, Robert M., [redacted].
Silvey, Charles, Jr., [redacted].
Strobl, Edward J., Jr., [redacted].
Taggart, David A., [redacted].
Taraska, Joseph M., Jr., [redacted].
Teague, Charles M., [redacted].
Thiessen, Michael R., [redacted].
Throckmorton, Ralph R., [redacted].
Willett, Thomas E., [redacted].
Wilson, Douglas D., [redacted].

MEDICAL CORPS

Andrassy, Richard J., [redacted].
Beaty, Clisto D., [redacted].
Beezley, Michael J., [redacted].
Calderon, Daniel A., [redacted].
Carlton, Paul K., Jr., [redacted].
Chasen, Marvin H., [redacted].
Clarkson, James E., [redacted].
Cogburn, Bobby E., [redacted].
Evans, William M., [redacted].
Farrell, Paul W., II, [redacted].
Gillham, Rober A., Jr., [redacted].
Gregory, James F., [redacted].
Hallett, John W., Jr., [redacted].
Hinman, Craig G., [redacted].
Jaeger, Warren P., [redacted].
Jones, Edward R., [redacted].
Kaltenbaugh, Orie E., [redacted].
Kronberg, Gregory M., [redacted].
Laws, Harry F., II, [redacted].
LePage, John C., [redacted].
Lobritz, Richard W., [redacted].
Martin, Michael E., [redacted].
Mays, Denton L., [redacted].
McGinn, Richard C., [redacted].
Parker, Samuel B., II, [redacted].
Roadman, Charles H., II, [redacted].
Rohrer, James F., [redacted].
Ruehle, Charles J., [redacted].
Shaw, James M., [redacted].
Shield, Charles F., III, [redacted].
Staten, James R., [redacted].
Wade, Billy K., [redacted].

NURSE CORPS

Abbott, Henry M., [redacted].
Allison, Linda K., [redacted].
Baran, Carolyn J., [redacted].
Barbi, Susan J. F., [redacted].
Barry, Margaret J., [redacted].
Boothe, James F., [redacted].
Bordas, Carl, [redacted].
Bramble, Elizabeth A., [redacted].
Clark, Mary E., [redacted].
Cox, Mary K., [redacted].
Dicke, Marilyn A., [redacted].
Didier, Larry A., [redacted].
Eeckhoudt, Barbara A., [redacted].
Euler, Sandra L., [redacted].
Gans, Genevieve A., [redacted].
Gardner, Marsha, [redacted].
Gardon, Kathleen M., [redacted].
Gould, Roberta L., [redacted].
Gregory, Patricia D., [redacted].
Grubor, Darlene A. M., [redacted].
Henry, Lynne M., [redacted].
Keith, Joan L., [redacted].
Kirk, Harold E., [redacted].
Klein, Kathylou A., [redacted].
Kuhlmann, Joanne A., [redacted].
Marshall, Margaret C., [redacted].
McDaniel, Sandra F., [redacted].
Menzies, James A., [redacted].
Moses, Sharon A., [redacted].
Ocker, Shirley M., [redacted].
Post, Mary A., [redacted].
Propp, Janet G., [redacted].
Rafter, Myrna L., [redacted].
Sauls, Samuel F., [redacted].
Seibold, Margaret A., [redacted].
Sims, Sonia, [redacted].
Slusser, Jennie K., [redacted].
Smith, Eva F., [redacted].
Stanford, Joyce A., [redacted].
Stanton, Cheryle L., [redacted].
Valdez, Andrea A., [redacted].
Wagner, Nancy A., [redacted].
Walter, John J., [redacted].
White, Cheryl A., [redacted].
Whitlock, Martha A., [redacted].
Wilson, Faye L., [redacted].
Wolf, Linda A., [redacted].
Wysocki, Judith P., [redacted].

MEDICAL SERVICE CORPS

Beck, William R., [redacted].
Bower, Jeffrey H., [redacted].
Brannon, Robert H., [redacted].
Delagarza, Carlos A., [redacted].
Edwards, Robert P., [redacted].
Eickhoff, Darrell E., [redacted].
Farmer, Mavoric J., [redacted].
Fessler, David J., [redacted].
Fleming, Eugene C., [redacted].
Gonzales, Eugene, [redacted].
Greer, Willis A., [redacted].
Hanko, James F., [redacted].
Head, William C., [redacted].
Hettick, Larry K., [redacted].
Hooper, James J., III, [redacted].
Ingle, Robert M., Jr., [redacted].
Jeffrey, James R., [redacted].
Jiru, Michael W., [redacted].
Kearns, William P., III, [redacted].
Marshall, Douglas W., [redacted].
McAlpin, Brian A., [redacted].
McDermott, David W., [redacted].
Percy, James R., [redacted].
Peters, Thomas A., [redacted].
Quintana, Jose B., [redacted].
Reecer, Philip E., [redacted].
Russell, John P., [redacted].
Smith, Ross C., Jr., [redacted].
Sorum, Larry N., [redacted].
Spencer, Melvin L., [redacted].
Stake, Terry L., [redacted].
Tremblay, William G., [redacted].
Twedt, Gordon H., [redacted].
Vandehey, James T., [redacted].
Waggoner, Jerry L., [redacted].
Wilkinson, Lorenzo K., [redacted].
Wyrick, Michael K., [redacted].

VETERINARY CORPS

Baskin, Gary B., [redacted].
Burrows, Richard E., [redacted].
Carpenter, Robert H., [redacted].
Clubb, Fred J., Jr., [redacted].
Dungan, Paul B., [redacted].
Hanna, Thomas L., [redacted].
Harvey, Roger C., [redacted].
Johnson, Jeffry L., [redacted].
Langloss, John M., [redacted].
Parker, George A., [redacted].
Spencer, James M., [redacted].

BIOMEDICAL SCIENCE

Anderson, Michael P., [redacted].
Braendlein, Russell G., Jr., [redacted].
Brown, Ray D., [redacted].
Browne, Michael H., [redacted].
Coburn, Middleton J., [redacted].
Howard, Jay M., [redacted].
Kaneshird, Duane K., [redacted].
Keller, James L., [redacted].
Lamb, Neil J., [redacted].
Lecain, William K., [redacted].
Mudryk, Victor, [redacted].
Neill, Marvin W., [redacted].
Patrick, Clarence S., [redacted].
Porter, Paul F., [redacted].
Prather, Jefferson B., [redacted].
Rice, Robert M., [redacted].
Rock, James C., [redacted].
Ross, Jerry W., [redacted].
Schwebach, Gerhard H., [redacted].
Semenschin, Charles E., [redacted].

Smith, Michael F., [redacted].
Stoflet, Yvonne C., [redacted].
Sweeney, Stephen J., [redacted].
Termaath, Stephen G., [redacted].
Warnken, Reimund G., [redacted].
Wasem, Gary A., [redacted].

The following-named officer for promotion in the Regular Air Force, under the appropriate provision of chapter 835, Title 10, United States Code, as amended. Officer is subject to physical examination required by law:

LINE OF THE AIR FORCE

Captain to major

Fleig, Norman G., [redacted].

IN THE NAVY

The following-named officers of the U.S. Navy for temporary promotion to the grade indicated in the line subject to qualification therefor provided by law:

LINE

Captain

Adams, John Lewis
Agnew, William Franklin
Albertson, William Hunter
Alderson, Donald Marr, Jr.
Alexander, Howard Wills
Allen, Galen Bruce
Almstedt, Theodore A., Jr.
Ammann, Robert Eugene
Anderson, Erns Moses
Anderson, Robert George
Arthur, Glenn Neal, Jr.
Arthur, Stanley Roger
Atkins, Gerald Lloyd
Aut, Warren Edward
Baker, Walter Fay
Bannon, John Matthew
Barlow, James Dale
Barr, Ronald Lloyd
Bartholomew, James Harold
Batzler, John Richard
Bauder, James Reginald
Bausch, Francis Adam
Bennett, Raymond D.
Biegel, Herbert Karl
Bixby, Harry Llewellyn, Jr.
Black, Cole
Blackmar, Fredrik Seward
Blackwell, Jack Lester, Jr.
Blanchard, James Williams, Jr.
Blanchard, Ralph William, Jr.
Bley, John Earl, Jr.
Bock, E. James
Bond, John Roger
Boslaugh, David Lee
Bossart, Edmound Belfour, Jr.
Bosworth, Thomas Charles
Brace, Robert Lawrence
Bracken, Leonard Anthony, Jr.
Braun, Peter Joseph
Breast, Jerry Creighton
Bredbeck, William John
Brickell, Charles H., Jr.
Browder, Edward Hughes
Brown, Nicholas
Browning, Robert Barrett
Buck, Wallace, Alfred
Bull, Norman Springer
Bullard, Jerry Lynn
Burch, William Joheph
Burgess, Harold Ernest, Jr.
Burnett, Richard Walter
Butterworth, Frank W., III
Butts, Richard Franklin
Buzzard, Robert Dow
Cabot, Alan Seymour
Cameron, Jim Foster
Cann, Thomas Peter
Cannon, James Rowland
Carmichael, E. Inman
Carry, Allan Harry
Carter, Winfred Gibson
Caruso, Amedeo Brooke
Case, Robert William
Cellar, Charles Joseph, Jr.
Channell, Ralph Norman
Chase, Warren Pritchett
Chatham, Walter Lewis
Clement, Carl Clarence, Jr.
Coakley, Stephen Anders
Cobb, Emsley Foster
Cockfield, David Wellington
Coffey, Roger Lee
Coleman, Charles Louis
Collier, Neuland Craig
Conklin, Robert Brewster
Conley, David Jack
Conway, James McNarney
Cook, Charles Fred
Corr, Peter Sarsfield, Jr.
Courtney, Warren Paul, Jr.
Cowles, Robert Roger
Coyne, William Louis
Crane, Herbert Clatton
Crummer, James Frederic
Daleke, Richard August
Dallamura, Bart Michael, Jr.
Daloia, John, Jr.
Daly, Paul Sylvester
Darby, Jack Neal
Daus, Rudolph Halouk
Dawson, Albert Lee
Dean, Ronald Irwin
Debroder, Glen George
Degroff, James Lewis
Delano, George Broughton
Demaris, Darryl Arthur
Demars, Bruce
Demmin, Lester Franz
Diehm, William Charles, III
Diley, Lewis Edwards
Dillon, John Francis
Disher, John Stephen
Donnelly, Verne George
Dopazo, Anthony John
Dougherty, Gerald Patrick
Dowd, Gregory Patrick
Duffy, Francis Joseph
Eason, William Gaberial
Eastman, Alfred Clifton, III
Easton, Ervin Ray
Eckart, James Herbert
Edberg, Walter Olaf
Edwards, Leslie Richard
Ehrman, Robert Gronau
Eidsmoe, Norman Edward
Elder, William Norman
Elie, Gayle Owen
Elmore, John Elvin
Emerson, John Robert
Emery, Robert Edward
Ervin, Billy Maxwell
Estocin, Michael John
Fancher, Allen Prude
Farino, Francis Joseph
Fend, Clarence Edwin, Jr.
Fetterman, John Henry, Jr.
Fillingane, Hulon Perry
Finley, John Lawrence
Fischer, Theodore Arthur, Jr.
Fladager, Myles Edwin
Flight, John William, Jr.
Flowers, Walter Raymond
Foote, Everett William
Ford, James Nolan
Fortenberry, Thomas Nile
Frederick, Peter Griffith
Fredrick, Russell Earl
Froid, James Carl
Fulk, Gerald Albert
Galinsky, Jerome James
Gammell, Clark Morten
Garrow, Jack Alfred
Gasser, Thomas Albert
Gelke, John Joseph
Gerhan, Charles Frederic, Jr.
Gerow, Francis William
Gibson, Robert Byron, Jr.
Gigliotti, Felix Patrick
Gilbert, Donald Bruce
Gilfry, Mason Clark
Gleim, James Mac
Gooding, Charles Lewis, Jr.
Grafius, Guy Albert Boyer
Graham, Robert Francis
Grandjean, Charles Albert
Grantman, Roger Harold
Granum, Roger Barnes
Greathouse, Edwin Allen
Greenhalgh, William T., Jr.
Grimes, Laurence Hill, Jr.
Grose, Robert Howard
Grozen, Paul Barton
Guille, Sherred Leslie
Hague, John Douglas
Haines, Collins Henry
Halle, S. Portland, III
Hamilton, Robert Barry
Hammond, Leroy Lawrence
Hamrick, Franklin Garner
Hankins, Elton Ellsworth
Hanson, Edwin Eugene
Harden, Thad Harold
Harmon, James Orlando
Harmony, Lee Donald, Jr.
Harrison, Stuart Edward
Harvey, Neil Leavitt
Harvey, Richard Morris
Hastoglis Anthony Anastes
Hekman, Peter Maynard, Jr.
Henry William Frew
Hernandez, Diego Edyl
Herzog, Louis Landon
Hettinger, Louis Paul
Hickey, John Alan
Hine, Paul Melvin, Jr.
Hine, Raymond William
Hodge, Sidney Theodore
Holt, Henry Cutter IV
Hoover, Harry Allen
Horowitz, Charles Lawrence
Hosier, Charles Stone
Hoskins, Perry Don
Hughes, Richard McBurney
Jackson, George Lester
Jackson, Robert Stanley
James Harry Rees, III
Janes, William Eastman, Jr.
Jardine, Edward Fell, Jr.
Jefferis, Lawrence Richard
Jewell, Robert William, Jr.
Johnson, Billie Dell
Johnson, Roger David
Johnson, Thomas James
Johnson, Virgil John
Jones, Gerald Leon
Jones, Harry Wilson
Jones, Roycroft Clifton, Jr.
Juergens, John Goucher
Karlen, James Herbert
Kavanagh, Robert Garza
Keene, Thomas Jack
Kellaway, Peter Walter
Kellerman, Donald Wayne
Kelso, Frank Benton, II
Kennedy, Jack Martin
Kennington, William Arthur
Kerrigan, Robert Joseph
Kiefaber, Thomas Gilbert
Kiehl, Richard Lawrence
Kirby, Alexander Griswold, Jr.
Klusmann, Charles Fredrick
Knaus, Vincent Leo
Kolaras, Demosthenes Nicolas
Kollmorgen, Frederick Joseph
Kopfman, Theodore Frank
Kramer, James Bernard, Jr.
Kraus, Kenneth Eugene
Kristof, John James
Kucera, Ronald Cornell
Kuehmeier, Joseph Karl
Kuplinski, Stanley Joseph
Langford, John McClellan
Lee, Leonard Murray.
Leopold, Robert Koller.
Lewey, Ira Dale.
Lewis, Joseph Cornelius.
Lincoln, John Robert
Lindsey, Austin Monroe.
Lockhart, John Vangundia.
Looby, Robert Joseph.
Lucken, Frank Evan.
Lund, Eugene Patrick.
Lynch, Hugh Francis.
Lynch, Will Tudor.
Lyons, William Preston.
Mack, John Allen.
MacKay, Gerald Wallace.
MacLean, Robert Evers.
Manthorpe, William H. J., Jr.
Marnane, Thomas Arthur.

Marryott, Ronald Frank.
Martin, Donald.
Masterson, Leo Sylvester.
Mathews, Donald Reuben.
Mathews, Richard Louis.
Matt, George Edward, Jr.
McArdle, Stephen, Joseph, Jr.
McCarthy, Paul Fenton, Jr.
McClellan, Billy Louis.
McDaniel, Rodney Bonner.
McDowell, Curtis Gilbert.
McGuiness, Donald Arthur.
McIntyre, James Gaylord.
McIsaas, Alban Thompson.
McKeown, Thomas Joseph, Jr.
McNish, John Edawrd.
McVoy, Robert Paul.
Melton, Wade Inzer.
Michaels, Danny James.
Milligan, Jack Roland.
Miyagawa, George Robert.
Moore, Robert Wendell.
Morrison, Robert McKay.
Mortimer, Edward Hunter, III.
Mosman, Jack Herbert.
Moss, David Lee.
Munger, Burton Lorenzo.
Murton, David Blair.
Myers, Charles Elmore.
Myers, William Kennedy, Jr.
Norby, Merlin Robert.
North, Henry Carlton, Jr.
Nyquist, John Walfrid.
O'Keefe, James Lawrence, Jr.
Olsen, Walter Edwin.
Olson, Ross Stuart.
Ormond, George, Jr.
Ortmann, Dean Allen.
Osborn, Harold Nelson.
Osborn, Oakley Ernest.
Oslun, William John.
O'Sullivan, Richard Cyril.
Paganelli, John Ernest.
Parker, Elton Council, Jr.
Pearl, Harlan Robert.
Pedersen, Dan Arthur.
Pierce, William Bernard.
Perry, Timothy John.
Peters, Richard Anthony
Petri, Gordon Louis
Pfeiffer, Paul Nelson
Picciuolo, Stephen A. D.
Pierce, John Taylor
Pillow, George Ellis, Jr.
Pingel, Leon John
Plowman, Herschel Leigh
Plumly, Charles Moulton
Poindexter, John Marlan
Pollmann, Eugene Lawrence
Potter, Thomas Benjamin, Jr.
Pray, William Lawrence
Quigley, Francis Joseph
Ratliff, William Earl
Rausch, Leonard Marcene
Rentz, William Oliphant K.
Reynolds, Marvin Dennard
Rhodes, William Kennedy, Jr.
Riendeau, Gerald Louis
Robins, John Richard
Rockwell, William Andrew
Rodriquez, William Primitivo
Roe, John Emory, Jr.
Rollins, Everett Freemont, Jr.
Rush, William Herbert
Ryan, James Wallace
Ryan, John Norman
Sackett, Dean Reynolds, Jr.
Schatzle, Francis Joseph
Scheurich, Thomas Edwin
Schuppert, Vincent Joseph
Scott, Thoms Paul
Seibert, Markley Royer
Severance, Laverne S., Jr.
Shanahan, Thomas Edward
Sharpe, Lawrence Austin
Shaughnessy, Francis Michael
Sheets, James Robert
Sheldon, George Erford, Jr.
Shepherd, David Child
Shumaker, Robert Harper
Simonton, Bennet Stocum
Skorupski, Stanley Sidney, Jr.
Slack, Stephen Roger
Slayton, Marshall Thomas
Slingerland, Raymond David
Smith, Allen, III
Smith, Barton Leroy
Smith, Dickinson Miller
Smith, Edward George
Smith, Joel Eugene
Smith, Leighton Dale
Smith, Marvin Gilford, Jr.
Smith, Richard John William
Sommers, Carl William, II
Sottak, Edward John
Sousa, Manuel Benevides, Jr.
Spadoni, Eugene Arthur
Stanard, John Dunn, Jr.
Steele, Robert Jay
Steffes, Herbert John
Stone, Jack Wayne, Jr.
Stoneback, Charles Keith
Stouffer, John Willoughby, II.
Strange, Robert Cooper
Stratton, Richard Allen
Streit, John Brent
Stuart, Charles Joseph, Jr.
Stuart, Donald Bennett
Stuntz, Harley Lorraine, III
Sutherland, Paul Edward, Jr.
Sympson, William Goebel A., Jr.
Tallman, John MacDonell.
Tansey, Eugene Albert
Taylor, John Edward
Taylor, Patterson Corwin
Test, Richard Z.
Thearle, William James
Thomas, Richard Lee
Timm, Dwight Dorwan
Todd, James Forrest
Toncray, James Roblee
Toupin, Ernest Joseph, Jr.
Trask, Ace Freeman
Trygsland, Arnold Leif
Tsantes, George, Jr.
Underwood, Fred Shurlock
Ustick, Richard Coghlan
Vandewater, George Loft, Jr.
Vandusen, Harold Leroy
Vanmetre, James Merle
Vaught, Gerald Curtis
Veatch, Philip Allen
Vehorn, Raymond Chester
Vernam, Claude Cochran
Vonperbandt, Louis Kurt
Waggoner, Donald Lee
Walker, John Alexander, Jr.
Walker, William Edward
Wallace, Richard Jay
Walling, Eugene Kirtley
Walsh, Lawrence Patrick
Walter, Joseph James
Ward, Conrad Jackson
Watson, Jerome Francis
Ways, Raymond Arthur
Webb, James Eugene
Webster, Hugh Larimer
Webster, John Alden, Jr.
Weed, John Waterbury
Well, Peter Manning
Westall, Kenneth Wayne
Westbrook, Donald Herman
Westbrook, Darrell Edwin, Jr.
White, Billy Jerl
White, Jack Martin
White, William Adrian
Wickstrand, Don Raymond
Wiecking, Kenneth David
Wigley, Lawrence Stewart
Wigley, William Walter
Wildman, John Broughton
Willever, Edward Leigh
Williams, Gerald George
Williams, James Dale
Williamson, John Patrick, Jr.
Willis, James Langley, Jr.
Wilson, John Raymond, Jr.
Wilster, Gunnar Finn
Winchester, Warren Howey
Winn, Velmer Arnold James
Witherspoon, Beverly Wilson
Wolfe, Glenn Curtiss
Wolkensdorfer, Daniel Joseph
Wood, John Dillon, Jr.
Woodlief, Frank Lyon
Yonke, William David
Yosway, Philip Fred
Young, Leonard Robert
Yurso, Joseph Francis
Zuilkoski, Ronald Robert

The following-named women officers of the U.S. Navy, for permanent promotion to the grade of captain in the line, subject to qualification therefor as provided by law:

Denby, Sara Pat
Lewis, Nancy Applewhite

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major:

Ted O. Dickson
Darcy E. Grisler
Robert F. Harrington
William P. Lakin
Richard W. Schulz
Morgan L. Wilkinson

The following-named officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel:

George L. Alvarez
William D. Amberson
Ronald S. Ambrose
James A. Amendolia
William G. Andersen
Robert C. Anderson, Jr.
William D. Armstrong, Jr.
Bradley R. Baird
Jerry K. Baird
James R. Ballard
Bradley E. Barriteau
Frank M. Batha, Jr.
Rodney A. Beal
Theodore T. Bean
Walter C. Belcher
Maurice F. Bernier, Jr.
Robert A. Berns
Lee H. Bettis, Jr.
Homer E. Bever
John A. Bicknas
Norman K. Billipp
John A. Binder
Earl T. Bowers, Jr.
Edward B. Boyle
Robert J. Bradley
Harry A. Brown, Jr.
Ross A. Brown
Terrance D. Brown
Randolph D. Brunell
Allan S. Buescher
Kenneth R. Burns
Johnnie D. Burtscher
Charles J. Bushey
Charley M. Campbell
Jose R. Campos
Eugene E. Carlton
Edward E. Carmody
Gary L. Carnicle
Hugh T. Carter
Alex H. Caylao, Jr.
Justice M. Chambers, Jr.
James F. Chapman
John C. Church
Kenneth R. Clark
William C. Cleveland, Jr.
Clovis C. Coffman, Jr.
Dillard W. Copeland
Kermit C. Corcoran
William C. Corley
William V. Cowan III
Billy J. Cox
David E. Crais
Charles E. Creamer
Edward E. Crews
Richard A. Crowe
Terry M. Curtis
Robert J. Dalton
Neil B. Danberg, Jr.
Walden L. Daniel
James M. Darnell
Michael A. Davis
Thomas E. Davis
Samuel L. Dawson
David W. Decherd
Walter E. Deese
Richard J. Deichl
Henry A. Dierker
Henry E. Dill
Edward Dimajo
Jerome Drucker
Serge R. Dube
William E. Duke
John H. Eager
Edwin E. Eloe
George J. Eschenfelder
David P. Evans
John T. Fanning
William T. Farrow
Dennis L. Faust
Richard L. Ferris
Andrew R. Finlayson
Charles E. Finney
Augustus Fitch III
Wesley L. Fox
Robert L. Frantz
Richard H. Freeman
Gary A. Fry
William R. Fry
Carlton W. Fulford, Jr.
Larry T. Garrett
Howard L. Gerlach
Perry H. Gesell
Graydon F. Geske
Henry P. Giedzinski
Robert W. Gillespie II
John P. Glasgow, Jr.
Joaquin C. Gracida
Samuel T. Gray
Garratt W. Greene
Bruce R. Greisen
Bruce E. Griesmer
James H. Guelich, Jr.
John J. Gutter
Edward R. Haines
James C. Hajduk
Jerry E. Hankins
Dennis M. Harke
Kenneth L. Harmon
William H. Harris
Berne C. Hart
William F. Harvey
Orville L. Hastie
William M. Hatch
Gale E. Heaivilin
Bruce A. Heitz
Ronald A. Hellbusch
Donald H. Henze
Peter M. Hesser
Robert G. Hill
Anthony S. Hilliard
Miles M. Hodges
Richard W. Hodory

Jack Hofstra
Robert E. Holdeman
Franklin D. Holder
Allen W. Hoof
Nathaniel R. Hoskot, Jr.
James L. Hurlburt
Douglas K. Isaly
Frank M. Izenour, Jr.
Buddy K. Jackson
Jack D. Jewell
Arney M. Johnson, Jr.
Carl R. Johnson
James E. Johnson
William F. Johnson
Reginald L. Jones
Walter F. Jones
Luis A. Juarez
Lawrence G. Karch
George P. Kasson
Michael S. Kelly
Anthony L. Keyfel
Ben W. King
David E. Knop
George W. Kralovec III
Everett W. Krantz
John J. Krauer
Robert J. Kuhlman, Jr.
Coleman D. Kuhn, Jr.
Michael R. Lamb
Timothy L. Laplaunt
Joseph A. Lavigne
Francis X. Lawler, Jr.
Edmond H. Lawrence
William S. Lawrence
Alfred H. Legere
Richard A. Lenhart
James W. Lewallen
Newton A. Lieurance, Jr.
Ronald A. Longtin, Jr.
Claude L. Lott
James W. Lucey
Freddie M. Luckie
Michael G. Malone
Gerald R. Martin
William R. Masciangelo
Dean H. Matzko
Herman L. May, Jr.
William T. McAuley II
William G. McBride, Jr.
John E. McCarthy, Jr.
Jimmy W. McClung
James B. McKenney
Warren R. McPherson
Lee N. McVey
James M. Meehleder
Anthony F. Milavic
Ashby R. Miller
Kenneth W. Moore
Paul Moore, Jr.
Theodore M. Moore
James H. Mort
Don E. Mosley
Alfred H. Mossler
Richard J. Muller
Michael W. Murphy
Timothy J. Murphy
William A. Murphy
Frederick Y. Nakatani
Russell L. Nelson
Peter W. Oatis
Charles W. Occhipinti
Mark D. O'Connor
Robert D. Olson
John P. Oppenhuizen
Thomas F. O'Toole, Jr.
William A. Parker
James P. Perkins
Peter L. Perkins, Jr.
Guy A. Pete, Jr.
William C. Peters
Wayne E. Peterson
Daniel R. Phipps
John P. Pindel, Jr.
Robert D. Pitts
Carl N. Ponder
Paul J. Prinster
Herman W. Quest
Lewis R. Quill
Michael E. Rafferty
Arvel H. Raines
James M. Rapp
Lawrence C. Reifsnider
Larry E. Rhodes
Wayne H. Rice
Clarence E. Richards, Jr.
Paul E. Ring
Robert J. Riordan
Jack W. Rippy
Raymond J. Roettger
Edward P. Rolita, Jr.
Arden E. Romsos
Hugh A. Ronalds
James A. Ryan
Billy C. Sanders, Jr.
Eugene D. Sanford
James W. Sanders
Kenneth R. Sandstrom
Robert T. Sarles
Leroy A. Scheller, Jr.
Bernard D. Schmidt
Charles W. Schmidt
Milburn F. Schuler
Russell W. Schumacher, Jr.
Rudy T. Schwanda
William O. Schwarz
Louis E. Sergeant, Jr.
Michael N. Shahan
Thomas J. Sheridan
William B. Shively
Kenneth C. Shumate
William J. Simpson
Hurman R. Sims
Stanley C. Skrobialowski
John J. Smith
Edward A. Smyth
Donald J. Snooks
Ronald L. Sousa
Robert L. Spooner
Larry J. Springer
Richard E. Squires
James E. Stoll
Thomas D. Stouffer
Donald E. Strassenberg
John M. Suhy
John J. Sullivan
Patrick J. Sullivan
William G. Swarens
Allen M. Sweeney
Bronson W. Sweeney
Charles E. Swisher
William P. Symolon
James R. Taylor
William K. Terrell
Richard A. Thome
William F. Thompson
Ralph E. Toholsky
Jerry L. Tomlinson
Edgar A. Toney
Thomas A. Toth
Gordon E. Tubesing
Fred Tucker, Jr.
Ellsworth J. Turse, Jr.
John H. Updyke
William P. Vacca
Jay H. Vandyne
Richard L. Vogel
Richard A. Voltz
Robert A. Walden
Laurence A. Walker
Thomas U. Wall
William J. Wallace, Jr.
James P. Weaver
Terrence M. Weber
Kenneth L. Werbinski
Alfred M. West
Carlton P. White
Eddie D. Whitehead
Charles B. Whitehurst
Michael C. Wholley
Frank G. Wickersham III
Frank P. Wilbourne III
James R. Williams
Lester H. Williams, Jr.
Mark D. Williams
Roger L. Williams
Wilbur C. Williams
Richard G. Wilmes
Bruce M. Wincentsen
William D. Wischmeyer
William J. Witt
Charles F. Wolverton
Larry L. Woodruff
Bascom C. Worley S.
Eddie B. Wright
Richard J. Yeoman
Robert H. Yoder
Jon L. Zellers
Roger D. Zorens
Lester M. Zwick

The following named women officers of the Marine Corps for permanent appointment to the grade of major:

Eileen M. Albertson
Patricia R. Breeding
Juanita A. Lamb
Adelaide A. Quebodeaux

The following named officers of the Marine Corps for temporary appointment to the grade of captain:

Ronald Achten
Paul R. Ahrens
Robert A. Aikman
Frank A. Alexander F.
Ronald H. Alnutt
Frank C. Alvidrez
Donald P. Amiotte
Gary W. Anderson
Mike D. Anderson
Richard G. Anderson
Charles P. Annis
Michael R. Antonelli
Ralph H. Anzelmo
Gary D. Appenfelder
Peter N. Ard
Craig M. Arnold
Rayfel M. Bachiller
Marion R. Baggs
Thomas A. Bailey
Christopher L. Baker, Jr.
Lorenza T. Baker
John M. Ballard
Ronald E. Balske
William E. Barker
Barney K. Barnett
Donald C. Barnett
James R. Battaglini
Salvatore A. Battista
Douglas L. Bayne
Terry E. Beane
Mark T. Beck
Curtis M. Beede
Roger P. Beebe
Ivan M. Behel
James A. Belfiore
Ronald L. Bender
Thomas E. Benim
Charles D. Bennett
Chris Bennett
Fred S. Bennett
George H. Benskin, III
Richard P. Bess, Jr.
Stephen G. Biddulph
David W. Birch
Gary W. Bisplinghoff
Thomas E. Bjerke
Carl N. Blair
Scott A. Blair
Robert L. Blake
Robert E. Blankenship, Jr.
David R. Bloomer
Robert B. Blose, Jr.
James S. Bloxom
Richard A. Boeckman
Ralf R. Boedefeld
Wiley N. Boland, Jr.
Ronald A. Bonham
James L. Booker, Sr.
Robert B. Boone
Johal R. Boteler
John F. Bouldry
William G. Bowdon, III
William L. Bowling
Denham W. Bowman
Frank E. Box
Michael H. Boyce
David R. Boyer
Errett J. Bozarth, II
Thomas O. Brannon
James V. Branum
Frank X. Braun, IV
David L. Breed
Stephen H. Brighton
Clyde S. Brinkley, Jr.
Jude T. Brock
Arthur E. Brooks
Dennis L. Brown
Michael M. Brown
Palmer Brown
Shepard R. Brown
Robert E. Braithwaite
Stephen R. Brown
Donald F. Bruey
Craig L. Bryson
Danield J. Buckle, Jr.
Richard E. Buller
Leslie H. Burnett, Jr.
Ralph G. Burnette, Jr.
Paul A. Burrows
Richard E. Burton
Walter Burzinski
Kenneth O. Bush
Ronald D. Bussey
Gary A. Butler
Patrick C. Butler
William G. Byrne, Jr.
Robert D. Cabana
Timothy A. Capron
John L. Carson
William B. Carter
Thomas E. Cartier
Mark F. Carnevale
Charles T. Carroll
William H. Carver, Jr.
Dee H. Caudill
Thomas A. Caughlan
Richard C. Cavallaro
David L. Chadwick
Ronald W. Chambless
Richard Chandler
Stephen A. Cheney
James P. Chessum
James D. Churchman
John S. Cipparone
Michael J. Clarke
Alfred F. Clarkson, Jr.
Gary W. Claunch
Edgar L. Clemons
Robert Clydesdale III
Daniel E. Cobb
John M. Cocke
John R. Cohn
Larry P. Cole
William B. Collins
George W. Colvin
Michael R. Compton
Larkin E. Conatser
Vincent P. Conroy
Kevin A. Conry
John F. Corcoran
Max A. Corley
Alfred A. Cortez
Randolph P. Cotten
George B. Courtney
James P. Courtney
Glenn B. Cowen
Jimmy R. Cox
Sam B. Crimaldi
Shawn Crabtree
Doyce W. Crook
Jack C. Cuddy
Lawrence D. Cummings
Rex L. Curtis
Thomas R. Dalton
William C. Darner
Dacre G. Davis, Jr.
Donald L. Davis
Donnie B. Davis
Hartley R. Davis II
John A. Davis
David G. Decker
Joe W. Defur
Ronald V. Deloney
Melvin W. Demars, Jr.
William Z. Dement
Henry M. Denton
Van D. Dewitt
James S. Dicks
Thomas J. Dodson
Geoffry M. Doermann
Peter R. Dorn
Peter A. Dotto
Arthur J. Douglas
Gene L. Dowell
Stephen L. Dubinsky
William R. Duke, Jr.
Troy L. Duncan
Thomas E. Dunkelberger
Charles J. Dunleavy
Roderick M. Dunlop
James M. Durham
Jan M. Durham
Rhoades E. Dutton
Mark S. Dyl
Darrel B. Ealum
Carl W. Eckhardt, Jr.
Michael C. Eddings
Michael E. Edwards
Russell E. Ellis
Russell H. Erickson
James L. Eure
Michael S. Eustis
Jack H. Evans
Alex Falcon
Timothy N. Farlow
Jackie L. Farmer
Joseph C. Fegan III
James R. Felt, Jr.
Ronald J. Fenton
Thomas D. Ferran
Larry D. Fielder
Bobby J. Fields
John T. Fink, Jr.
Bruce V. Finley, Jr.
Robert M. Flanagan
George W. Flinn
Patrick J. Flynn
Thomas R. Fox
Carl W. Fredricksen
John P. Fremin
Osmund R. Fretz III
David R. Fry
Frank C. Fuchs
Ronald J. Fuhrmann
William A. Futrell
Roger D. Gabelman
Weldon M. Gainey
Joe A. Gale
Frank M. Gallagher, Jr.
Craig D. Gallan
Francis O. Galloway, Jr.
Donald P. Garcia
Lawrence E. Garcia
Mark S. Gardner
Thomas G. Gasparenas
Paul G. Gausch
Jerome L. Geil
Theodore R. Gendron
Raymond F. Geoffroy, Jr.
Peter J. Giacobbe
William M. Given III
Terry V. Gleason
Arthur Gomez
Robert G. Goodchild, Jr.
Ellwood D. Gordon
Gregory K. Gordon
Joseph P. Gordon, Jr.
Vincent J. Goulding, Jr.
Edward J. Grabus
Vernon C. Graham
Leo J. Grassilli, Jr.
Dwight E. Gray
Stephen E. Grayner
Michael J. Greene
Christopher J. Gregor
Barry P. Griffin
Terry A. Cusic
Pedro Gutierrez
Robert E. Haber
Emory J. Hagan III
James H. Hale
John R. Hales
Geoffrey T. Hall
Christopher T. Halverson
Charles F. Hamilton
Charles W. Hammond, Jr.
Timothy J. Hannigan
Thomas G. Harleman
James R. Harper
Gerald F. Harris
James R. Harris
Thomas E. Harris
Eugene G. Harrison, Jr.
Frank R. Hart
Robert E. Hartley
Walter P. Havenstein
Emerson W. Hawkins
Mark K. Hayden
Albert L. Hayes
Thomas A. Hayman
Thomas E. Hayward
Gregory T. Hedderly
Lambert C. Heikes
Jeffrey F. Hemler
Thomas R. Henry
Glen E. Hensley
Carl M. Herdering
Peter E. Hermann
John D. Hess
Donald E. Hesse
Steven C. Hibbens
Jerry N. Higdon
William H. Hill, III
John M. Himes
Timothy J. Himes
Clyde J. Hindes
Phillip L. Hindsley
Keith M. Hirvonen
Richard P. Hobbs, Jr.
James R. Hodgson
Ronald G. Hoffmann
William Hohnhorst, Jr.
Keith T. Holcomb
Ward A. Holcomb
Tony L. Holm
George E. Holmes
Charles Z. Hook, Jr.
Julius B. Hopkins
Stephen G. Hornberger
Jackson R. Howard
Russell J. Howald
Richard A. Huck
Patrick J. Hughes, Jr.
Jeffrey L. Hull
Leroy D. Humann
Douglas E. Humston
Billy D. Hunt
Richard F. Hutchinson
Harold L. Inabinet
Carl D. Inskeep

Elmer R. Jackson
Robert B. Jacobs
William M. James, Jr.
Thomas M. Jamison
Travis L. Jardon
Reid A. Jecmen
Peter J. Jeffrey
Joseph R. Jelinski, Jr.
Stephen C. Jennings
Charles A. Johnson
Eugene Johnson
Gerald H. Johnson
Gregory J. Johnson
James P. Johnson
Leslie B. Johnson
William R. Johnson
Eric A. Jones
Richard A. Joyce
Bruce Judge
Ronald Y. Kaaekuahiwi
Terrence W. Kadyszewski
Larry R. Kapp
Robert W. Kearney
David G. Keck
Charles E. Keeler
John S. Keene
James D. Keith
John E. Kellogg
Richard L. Kelly
Philip D. Kessack
Orville P. Kindschy
Thomas R. King
William L. King
Neil T. Kinnear III
Thomas W. Kinsell
Chester C. Kinsey
Joseph R. Kletzel II
David A. Knott
Michael E. Kossey
Norbert S. Koziol
Frank T. Kremian
Stephen J. Labadie, Jr.
Charles A. Lackey
Jerry L. Lamerson
John R. Landreth
Tony C. Landry
James J. Larkin
Jon R. Larsen
Albert R. Lary
James A. Lasswell
Earl L. Lavan
Joseph F. Lawler
Jerry F. Lawlor
Kurt T. Lawson
James H. Lee III
Harry C. Leeper, Jr.
Joseph E. Leinebach, Jr.
James D. Lenard
Floyd C. Lewis
Michael M. Lincoln
Thomas C. Lish
Redmond J. Loftus, Jr.
Bruce P. Lohman

Jeffrey L. Lott
John W. Loynes
Allen J. Luma
David J. Lynn
Mark S. Macklin
John D. MacKenzie
Donald P. Magers
Harold J. Maher
Roger E. Mahoney
William S. Maire
Richard A. Maloney
David G. Mann
Leo T. Marier
John P. Marlowe
Gary F. Marte
John J. Martinoli, Jr.
Martin J. Martinson
Raymond C. Matthias
Peter S. Mayberry
Robert C. Mayes
John S. Mays
Michael J. Maxie
Andrew F. Mazzara
Dennis C. McBride
John K. McClure
Ronald L. McClure
Field McConnell
Joseph X. McCormack III
Ian D. McDonough
James H. McGee
Daniel J. McGraw
Kevin J. McHale
William E. McHenry
Hugh M. McIlroy, Jr.
Scott W. McKenzie
Gene S. Mead
William D. Meadors III
John B. Meagher
Ellory M. Medor
William K. Meisenbach
James S. Mendelson
Ronald L. Meng
Larry G. Merrifield
Donald J. Mikkelsen
Ottavio J. Milano
Richard G. Miles
Charles M. Miller
Raymond T. Miller
Stephen W. Miller
Herman W. Mollenhauer, Jr.
Frederick J. Moon
James T. Moore
Jesse, Moore
Steven B. Moore
Timothy B. Moore
Henry O. Morris
James R. Morris
Michael J. Morrison
Charles L. Mott, Jr.
Michael J. Mott
Stephen F. Mugg
Robert S. Muir

John J. Mullarkey
Charles R. Murray, Jr.
Martin L. Musella
Keith E. Nadolski
Joseph A. Najjar
Michael R. Nance
Henry Napoleon, Jr.
Michael J. Neder
Ralph D. Nelson
Steven T. Nichols
Thomas E. Nicoletti
William G. Nix
Vincent W. Norako, Jr
Robert H. Norman
John R. North
Dennis K. Oberhelman
Thomas P. O'Brien, Jr.
James S. O'Connell
Dennis M. O'Connor
Hillman R. Odom, Jr.
Hugh K. O'Donnell, Jr.
James P. O'Donnell
Donal A. Olsen, Jr.
Glen A. Osmond, Jr.
James R. Ottaway
Larry D. Outlaw
Forrest D. Owen
Richard L. Owen
Richard L. Owen, Jr.
Lowell B. Parkerson
Cruz Pardo
Frederic A. Parker
William H. Parrish
Eugene L. Pate
Richard L. Patterson
Philip J. Paul III
Ned G. Paulson
William C. Pedrick, Jr.
Brian A. Peirano
William A Penberthy
Terry S. Pendleton
William D. Penn
William A. Pepper
Alfred L. Perry
Dane L. Peters
Dale A. Peterson
Ronald W. Peterson
Michael W. Phillips
Gerald W. Pickett
James E. Picone
Alfred M. Pitcher
Clifford C. Pittman
Thomas G. Poeltler
John P. Poole
Lewis C. Pope, Jr.
John F. Porter
Robert A. Price
J. C. Privett, Jr.
Bruce W. Prout
Paul F. Pugh
Jesse P. Pullin
James E. Queen

John A. Quinn IV
Paul F. Quinn
Donald J. Radomski
Donald W. Ramsey
Bruce A. Randall
Curtis J. Rastetter
Dewitt R. Reid, Jr.
John W. Rerucha
Larry R. Rice
Herbert C. Richardson, Jr.
Stephen A. Riggs
George H. Risch, Jr.
Carl R. Ritterspach
Charles R. Rivenbark
Raymond M. Robertson
John R. Robinson
Neil H. Robinson
Alfred R. Rocheleau
John J. Roddy, III
Albert J. Rodenberg, Jr.
George L. Rodgers
Robert W. Roesch, Jr.
Ronald D. Rogers
Gerald H. Rohloff
Mark C. Ronning
Ralph C. Rosacker II
Bowen F. Rose
James K. Ross
Robert O. Rumble
Anthony Rusnak
James E. Russell
Thomas P. Ryan
Arthur J. Rybicki
James L. Sachtleben
John W. Sams
Stephen A. Sandwich
Joseph C. Santillo
John F. Sattler
Paul R. Schroyer
Karl T. Schwelm
Gerald M. Scienski
Joe E. Scott
James M. Searing
Peter A. Seitz
Thomas R. Sellers
Robert H. Settle
Robert Shearer, Jr.
Charles N. Sherman
James S. Shi
Robert G. Shillito
Peter J. Shimonis, Jr.
Richard Y. Shintani
Larry L. Shreve
James O. Shuler
David E. Shumpert
Harold L. Siemens
Gary B. Simpson
Laurence E. Simpson
Larry J. Sims
Minter C. Skipper, Jr.
Danny R. Smith
Herbert S. Smith, Jr.
Michael H. Smith

Paul R. Smith
Isaac A. Snipes
William R. Spain
Martin J. Speer
William F. Spencer
Leonard E. Spiker, Jr.
James A. Spooner
Ronald E. Spratt
Kenneth F. Stange
Terry A. Stephan
Walter C. Stephenson
Bruce S. Steward
Darrell L. Stewart
Clay O. Stiles
Carl M. Stipe
Steven H. Stokes
Christopher B. Stoops
David K. Storey
James A. Storey III
George G. Stuart
Lynn A. Stuart
Robert C. Stuart
Jonathan W. Stull
Patrick H. Sullivan
Thomas P. Sullivan
Frank W. Sultenfuss III
Mario J. Summa
Michael P. Summers
Gary D. Sweeney
Thomas E. Swindell
Michael J. Swords
Joseph B. Tarlton
Edward Tavares
Anthony T. Tavella III
Gene A. Taylor
Thelbert F. Taylor, Jr.
Jon D. Terry
David M. Thomas
Wayne P. Thompson
Joseph Thorpe
Arleigh E. Thurston
Michael K. Thweatt
Jerome P. Todd
Terry L. Tonkin
Richard F. Travis
Eugene M. Trippleton
Gene A. Tromly, Jr.
David J. Turner
Robert G. Twigger
Joseph S. Uberman
John B. Ullman
Daniel K. Upham
Daniel Vallee
Leroy D. Vansciver

Gerald J. Varela
Michael J. Verbarendse
James E. Vesely
James S. Vintar
Robert C. Vogel
Michael Vontungeln
Gregory J. Vonwald
Paul H. Voss
John H. Wagner
James H. Walker
Richard W. Walker
Sheldon E. Walker, Jr.
William J. Walker
Thomas A. Walsh
Robert E. Walton, Jr.
Bruce M. Ward
Donald G. Warfield
Rufus J. Washington
Brett N. Watermann
Dale M. Watson
Leonard R. Webb
Patrick J. Webb
David B. Weber
Michael J. Weiss
Terry T. Weiss
Gary C. Wells
Michael H. Wesner, Jr.
William A. Whiting
William A. Whitlow
Jimmy L. Whitson
Hugh N. Wiggins
Paul A. Wilbur
James L. Wilding
John A. Wilkins
Phillip E. Williams
Bruce M. Windsor, Jr.
Wallace E. Winslow
Tony L. Winstead
Anthony P. Witek
Ronald F. Wnek
Billy W. Woodard
John C. Worl
Robert P. Wray
Charles G. Wright
Larry W. Wright
James J. Yantorn
John D. Yarbrough
Wallace E. York
John P. Yost
Alden P. Young
Charles E. Young
Dale D. Young
James M. Younkins
Arthur Yow, Jr.

The following named women officers of the Marine Corps for permanent appointment to the grade of captain:

Mary S. Burns
Elizabeth F. Burroughs
Dian S. George
Rebecca A. Heldt
Bonnie J. Lewis

Mary K. Lowery P.
Michele Manning
Patricia A. Meeler
Patricia A. Miller
Linda L. Murray
Bonni L. Sutherland

HOUSE OF REPRESENTATIVES—*Monday, October 6, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord is good unto them that wait for Him, to the soul that seeketh Him.—Lamentations 3: 25.

Eternal God, our Father, who art the source of strength, the fountain of wisdom, and whose love endures forever, we come to Thee at the beginning of this new day offering unto Thee our minds and hearts to be renewed by Thy spirit, restored by Thy power, and redeemed by Thy grace.

May the light of Thy presence shine upon our path helping us to see the way we should take and giving us courage to walk in it. Grant that the life of our people and of all people may be permeated by Thy spirit and thus find the path to a greater life together.

May the goal of our efforts be to make this world a better world in which will dwell righteousness and justice, peace and good will. Give us the creative faith which dares to walk in this way.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8070) entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," and that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 2, 3, 5, 55, 56, 57, and 59 to the foregoing bill.

The message also announced that the Senate had passed a resolution of the following title:

S. Res. 267

Resolved, That the Senate disapproves the proposed deferral of budget authority for emergency conservation services, which deferral (D76–49) was set forth in the special message transmitted by the President to the Congress on July 26, 1975, under section 1013 of the Impoundment Control Act of 1974.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

MAILING PRIVILEGES OF FORMER MEMBERS OF CONGRESS

The Clerk called the bill (H.R. 4865) to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office.

There being no objection, the Clerk read the bill as follows:

H.R. 4865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3210(b)(1) of title 39, United States Code, is amended—

(1) by striking out "until the 1st day of April following the expiration of their respective terms of office" and inserting in lieu thereof "during the 90-day period immediately following the date on which they leave office"; and

(2) by striking out "their official business" and all that follows through "section" and inserting in lieu thereof "the closing of their official business, as intended by Congress to be mailed as franked mail under subsections (a)(3)(A), (a)(3)(D), and (a)(3)(E)".

With the following committee amendment:

Committee amendment: Strike out all after the enacting clause and insert the following:

That (a) section 3210(b)(1) of title 39, United States Code, is amended—

(1) by striking out "and" immediately before "each"; and

(2) by striking out "until the 1st day of April following the expiration of their respective terms of office,".

(b) Section 3210(b) of title 39, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) The Vice President, each Member of Congress, the Secretary of the Senate, the Sergeant at Arms of the Senate, and each of the elected officers of the House (other than a Member of the House), during the 90-day period immediately following the date on which they leave office, may send, as franked mail, matter on official business relating to the closing of their respective offices. The House Commission on Congressional Mailing Standards and the Select Committee on Standards and Conduct of the Senate shall prescribe for their respective Houses such rules and regulations, and shall take such other action as the Commission or committee considers necessary and proper, to carry out the provisions of this paragraph.".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLOTMENTS AND ASSIGNMENTS OF PAYMENTS FROM CIVIL SERVICE RETIREMENT ANNUITIES

The Clerk called the bill (H.R. 6642) to provide for allotment or assignment of payments from civil service annuities, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 6642

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8345 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) An individual entitled to an annuity from the Fund may make allotments or assignments of amounts from his annuity for such purposes as the Civil Service Commission in its sole discretion considers appropriate.".

Sec. 2. Section 8346(a) of title 5, United States Code, is amended to read as follows:

"(a) The money mentioned by this subchapter is not assignable, either in law or equity, except under the provisions of 8345(g) or subject to execution, levy, attachment, garnishment, or other legal process, except as otherwise may be provided by Federal laws.".

With the following amendment:

Committee amendment: On page 2, line 2, strike out "8345(g)" and insert "section 8345(g) of this title," in lieu thereof.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESTORATION OF EXCESS ANNUAL LEAVE LOST DUE TO CERTAIN PERSONNEL ACTIONS

The Clerk read the bill (H.R. 7976) to amend title 5, United States Code, to provide that annual leave lost by a Federal employee because of an unjustified or unwarranted personnel action shall be restored to the employee, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 7976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5596(b)(2) of title 5, United States Code, relating to unjustified personnel actions, is amended to read as follows:

"(2) for all purposes, is deemed to have performed service for the agency during that period except that—

"(A) annual leave restored under this paragraph which is in excess of the maximum leave accumulation permitted by law shall be credited to a separate leave account for the employee and shall be available for use by the employee within the time limits prescribed by regulations of the Civil Service Commission, and

"(B) annual leave credited under subparagraph (A) of this paragraph but unused and still available to the employee under regulations prescribed by the Commission shall be included in the lump-sum payment under section 5551 or 5552(1) of this title but may not be retained to the credit of the employee under section 5552(2) of this title.".

(b) The amendment made by subsection (a) shall apply to any employee found, on or after March 30, 1966, to have undergone an unjustified or unwarranted personnel action the correction of which entitled or entitles such employee to the benefits provided under section 5596 of title 5, United States Code.

Sec. 2. With respect to former employee (except a former employee referred to in section 3 of this Act) who is not on the rolls on the date of the enactment of this Act, annual leave which was not credited under section 5596 of title 5, United States Code, because it was in an amount that would have caused the amount of leave to the employee's credit to exceed the maximum amount of the leave authorized for the employee by law or regulation, is subject to credit and liquidation by lump-sum payment only if a claim therefor is filed within three years immediately following the date of the enactment of this Act with the agency by which the employee was employed when the lump-sum payment provisions of section 5551 of title 5, United States Code, last became applicable to such employee. Payment shall be by that agency at the salary rate in effect on the date the lump-sum payment provisions become applicable.

Sec. 3. (a) With respect to a former employee of the Post Office Department or a former employee of the United States Postal Service who had prior civilian service with the Post Office Department or other Federal agency, who is not on the rolls on the date of the enactment of this Act, annual leave which was accrued before July 1, 1971, but was not credited under section 5596 of title 5, United States Code, because it was in an amount that would have caused the amount of leave to his credit to exceed the maximum amount of the leave authorized for the employee by law or regulation, is subject to credit and liquidation by lump-sum payment only if a claim therefor is filed within 3 years immediately following the date of enactment of this Act with the Postal Service. Payment shall be by the Postal Service at the salary rate in effect on the date the lump-sum payment provisions of section 5551 of title 5, United States Code, or comparable provisions of regulations of the Postal Service, as appropriate, last became applicable to the former employee.

(b) With respect to a present employee of the Postal Service who had prior Federal civilian service with the Post Office Department or other Federal agency, annual leave which was accrued before July 1, 1971, but was not credited under section 5596 of title 5, United States Code, because it was in an amount that would have caused the amount of leave to the employee's credit to exceed the maximum amount of the leave authorized for the employee by law or regulation, is subject to credit and liquidation by lump-sum payment only if a claim therefor is filed with the Postal Service within three years immediately following the date of the enactment of this Act. Payment shall be by the Postal Service at the salary rate in effect on the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATION OF AUTOMATIC RESTORATION OF ANNUITY REDUCTION UPON REMARRIAGE

The Clerk called the bill (H.R. 8550) to amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within one year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor's annuity, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 8550

To amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within one year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor's annuity, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8339(j) of title 5, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following: "Upon remarriage the retired employee or Member may irrevocably elect during such marriage, in a signed writing received in the Commission within 1 year after such remarriage, a reduction in his annuity for the purpose of allowing an annuity for his spouse in the event such spouse survives him. Such reduction shall be equal to the reduction in effect immediately before the dissolution of the previous marriage, and shall be effective the first day of the first month beginning 1 year after the date of remarriage.".

(b) Section 8341(b)(1) of title 5, United States Code, is amended by striking out "unless the employee or Member" and all that follows, and inserting in lieu thereof the following: "unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire any spouse surviving him to receive his annuity, or in the case of remarriage, he did not file an election under the third sentence of section 8339(j) of this title.".

Sec. 2. The second sentence of section 8339(k)(2) of title 5, United States Code, is amended to read as follows: "The reduced annuity shall be effective the first day of the first month beginning 1 year after the date of marriage.".

Sec. 3. The Civil Service Commission shall, on an annual basis, inform each annuitant of such annuitant's rights of election under sections 8339(j) and 8339(k)(2) of title 5, United States Code.

Sec. 4. (a) Except as provided under subsection (b) of this section, the amendments made by the first section of this Act shall apply with respect to annuities which commence before, on, or after the date of the enactment of this Act, but no monetary benefit shall accrue for any period prior to the first day of the first month which begins on or after the date of the enactment of this Act.

(b) The amendments made by the first section of this Act shall not affect the eligibility of any individual to a survivor annuity under section 8341(b) of title 5, United States Code, or the reduction therefor under section 8339(j) of such title, in the case of an annuitant who remarried before the date of the enactment of this Act, unless the annuitant notifies the Civil Service Commission in a signed writing received in the Commission within one year from the date of the enactment of this Act that such annuitant does not desire the spouse of the annuitant to receive a survivor annuity in the event of the annuitant's death. Such notification shall take effect the first day of the first month after it is received in the Commission.

(c) Sections 2 and 3 of this Act shall take effect on the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SENSE OF THE CONGRESS WITH RESPECT TO INTERNATIONAL WOMEN'S YEAR

The Clerk called the concurrent resolution (H. Con. Res. 309) expressing the sense of the Congress with respect to International Women's Year.

There being no objection, the Clerk read the concurrent resolution as follows:

H. Con. Res. 309

Whereas the United Nations has proclaimed 1975 as International Women's Year, during which attention will be focused on means of advancing the status of women and eliminating discrimination against women without the United Nations family of agencies and within each of the one hundred and thirty-eight member countries of the United Nations;

Whereas the United Nations has set the following three goals for International Women's Year which are in accord with the objectives of the Government and people of the United States: (1) to promote equality between men and women; (2) to insure the full participation of women in the total development effort, both national and international; and (3) to recognize the importance of women's increasing contribution to the development of friendly relations and cooperation among nations and to the strengthening of world peace;

Whereas the President of the United States, by Presidential Proclamation Numbered 4262 of January 30, 1974, proclaimed International Women's Year for the United States and called on Federal and State officials, private organizations, and individuals to assist in the observance of International Women's Year by constructive measures for the advancement of the status of women;

Whereas the President of the United States, by Executive Order Numbered 11832 of January 9, 1975, created a National Commission for the observance of International Women's Year to reinforce the national commitment to women's rights;

Whereas a United Nations-sponsored International Conference will be held during International Women's Year at Mexico City, Mexico, and other United Nations activities for the year are planned;

Whereas despite the progress made, especially in recent years, there is urgent need for more equitable utilization of women's talents, particularly at higher levels of Government, industry, the professions, labor, the arts, and sports, and for greater recognition of women's potential for contributing significantly to the cultural, economic, political, and spiritual life of the Nation;

Whereas education available to women often has been more limited than that enjoyed by their male colleagues, restricting their occupational choices later in life;

Whereas the majority of Americans over the age of sixty-five are women and almost half of such women have incomes below the poverty level; and

Whereas women in the United States and throughout the world, during International Women's Year, can exchange useful experiences in seeking and finding means of improving their conditions in life: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the designation of 1975 as International Women's Year is welcomed and full support is expressed for the goals for the year as proclaimed by the Secretary General of the United Nations and the President of the United Nations;

(2) a concerted effort should be made to insure that 1975 is a year not only of stocktaking but also a time for the launching of new programs and the forming of new attitudes toward the role of women, with impact reaching well beyond 1975, so as to overcome the obstacles still encountered by women in exercising their full human rights and responsibilities in all fields, including government, business, labor, the professions, education, the arts, and sports, and in enjoying freedom of choice in planning their lives;

(9) action should be taken to acknowledge the contributions of homemakers to their families and communities and to the economy and to effect changes in existing laws and attitudes which fail to reflect accurately the significance of such contributions.

With the following committee amendments:

Committee amendments: Amend the preamble as follows:

Page 1, in the first paragraph, strike out "will be" and insert in lieu thereof "is".

Page 2, in the third paragraph appearing on that page, strike out "will be" and insert in lieu thereof "was".

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF INTERIOR TO PROVIDE RELIEF TO THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

The Clerk called the bill (H.R. 589), to authorize the Secretary of the Interior to provide relief to the Santa Ynez River Water Conservation District due to delivery of water to the Santa Ynez Indian Reservation lands.

There being no objection, the Clerk read the bill, as follows:

H.R. 589

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Santa Ynez Indian Reservation lands are located within the Santa Ynez River Water Conservation District, and such lands remain in Federal ownership, therefore, the Secretary of the Interior is authorized to relieve the district of payments pursuant to the contract between the district and the United States for repayment of a small reclamation projects loan, contract numbered 14-06-200-8253, or as it may be amended, in the amount of $1,120 per year, beginning with the payment due January 1, 1976.

With the following committee amendment:

Committee amendment: Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That the Secretary of the Interior is authorized to amend the repayment contract dated March 16, 1960, with the Santa Ynez River Water Conservation District, to reduce by $1,120, annually, the amount due the United States. The reduction is to commence with the payment due on January 1 of the year following passage of this Act and continue as long as all of the lands of the Santa Ynez Indian Reservation, as presently constituted, remain in Federal ownership.

The committee amendment was agreed to.

Mr. JOHNSON of California. Mr. Speaker, I rise in support of the bill H.R. 589 to authorize the Secretary of the Interior to enter into an amendatory contract with the Santa Ynez River Conservation District of Santa Barbara, Calif.

The purpose of this bill is very simple. It will allow the Secretary to reduce the payments due the United States by the conservation district—in the amount of $1,120 per year for the life of the existing contract—a matter of 30 more years.

The justification for the reduction of the amount due the United States is found in the fact that the district is furnishing water service to a small Indian reservation the title of which is held by the United States. The sole source of revenue available to the district for meeting its obligations to the United States is an ad valorem levy on the lands of the district. Of course, the district cannot constitutionally tax the Indian reservation and thus taxes on non-Indian lands must be increased accordingly.

Unless H.R. 589 is enacted, a condition will be perpetuated in which non-Indian landowners are subsidizing the reservation occupants.

The record should show that the executive branch did not endorse this measure. The Committee on Interior and Insular Affairs had difficulty understanding this position as it is totally contrary to all existing law and policy concerning repayment of water resource project obligations by Indian tribes. For example, the Leavitt Act forgives repayment obligations on Indian lands for as long as the lands remain in Indian ownership. This has been national policy for at least 40 years. Apparently, the administration's position would revise this policy and our committee simply did not think that H.R. 589 was the proper vehicle for even considering such a change.

I commend this measure to all my colleagues and hope it will be passed promptly and without objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR DIVISION OF ASSETS BETWEEN TWENTY-NINE PALMS BAND AND CABAZON BAND OF MISSION INDIANS, CALIFORNIA

The Clerk called the bill (H.R. 1465) to provide for the division of assets between the Twenty-nine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the United States Treasury, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting for and on behalf of the United States and the Cabazon Band, is hereby authorized and directed to convey to the Twenty-Nine Palms Band of Mission Indians the beneficial interest in the northeast quarter northeast quarter northwest quarter and northeast quarter southeast quarter section 30, township 5 south, range 8 east, San Bernardino base and meridian, California, comprising two hundred and forty acres, more or less, as shown on Bureau of Land Management plat of survey approved July 30, 1927.

SEC. 2. The conveyance authorized by this Act shall be by trust patent and title shall be held by the United States in trust for the Twenty-Nine Palms Band of Mission Indians: *Provided, however,* That said trust patent shall not operate to extend the period of trust as specified in the original patent.

SEC. 3. The Secretary of the Interior is authorized and directed to distribute from the tribal fund of the Cabazon Band of Mission Indians to the tribal fund of the Twenty-Nine Palms Band of Mission Indians the amount of $2,825, plus interest earned on that amount.

With the following committee amendments:

Committee amendments: Page 2, lines 6 through 9, strike the word "Indians:" and the proviso ending on line 9 and insert in lieu thereof "Indians."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYING CERTAIN FEDERALLY OWNED LAND TO TWENTYNINE PALMS PARK AND RECREATION DISTRICT

The Clerk called the bill (H.R. 1466) to convey certain federally owned land to the Twentynine Palms Park and Recreation District,

There being no objection, the Clerk read the bill, as follows:

H.R. 1466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described land are hereby conveyed to the Twentynine Palms Park and Recreation District subject to the provisions of section 2.

Commencing at a point on the west line of section 33, township 1 north, range 9 east, San Bernardino base and meridian, California, 139.5 feet north of the southwest corner of the northwest quarter of said section, thence north along west line of said section 208.71 feet, thence east parallel with the south line of said section 208.71 feet, thence south parallel with the west line of said section 208.71 feet: thence west parallel with the south line of said section 208.71 feet to the point of beginning, containing one acre, more or less.

SEC. 2. The land conveyed by this Act shall be used only as an Indian cemetery and historical museum site for the interest of the general public, and title to the land shall revert to the United States Government if the land is used for other purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECLARING THAT CERTAIN LAND OF THE UNITED STATES IS HELD BY THE UNITED STATES IN TRUST FOR THE PUEBLO OF LAGUNA

The Clerk called the bill (H.R. 4804) to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna,

There being no objection, the Clerk read the bill, as follows:

H.R. 4804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the Pueblo of Laguna:

NEW MEXICO PRINCIPAL MERIDIAN

Township 9 north, range 3 east, section 30, northwest one quarter and south one half, containing 480 acres more or less.

With the following committee amendments:

Committee amendments: Page 1, line 8, strike out "east," and insert in lieu thereof "west,".

Page 1, line 10, strike out "one quarter and south one half," and insert in lieu thereof "quarter and south half,".

Page 1, line 10, strike out "less." and insert in lieu thereof "less;".

Page 1, following line 10, insert the following:

Township 9 north, range 3 west, section 11, lots 1, 2, 3, 4, and 5, containing 9.65 acres, more or less;

Township 9 north, range 3 west, section 12, lots 1 and 2, containing 3.68 acres, more or less;

Township 9 north, range 3 west, section 14, lots 1 and 2, containing 4.72 acres, more or less;

Township 9 north, range 3 west, section 23, lots 1 and 2, containing 9.16 acres, more or less;

Township 9 north, range 3 west, section 26, lots 1 and 2, containing 9.28 acres, more or less; and

Township 9 north, range 3 west, section 35, lots 1 and 2, containing 3.41 acres, more or less.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsidered was laid on the table.

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S.

557) to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the pueblo of Laguna:

NEW MEXICO PRINCIPAL MERIDIAN

Township 9 north, range 3 west section 30, northwest quarter and south half, containing 480 acres, more or less;

Township 9 north, range 3 west, section 11, lots 1, 2, 3, 4, and 5, containing 9.65 acres, more or less;

Township 9 north, range 3 west, section 12, lots 1 and 2, containing 3.68 acres, more or less;

Township 9 north, range 3 west, section 14, lots 1 and 2, containing 4.72 acres, more or less;

Township 9 north, range 3 west, section 23, lots 1 and 2, containing 9.16 acres, more or less;

Township 9 north, range 3 west, section 26, lots 1 and 2, containing 9.28 acres, more or less; and

Township 9 north, range 3 west, section 35, lots 1 and 2, containing 3.41 acres, more or less.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4804) was laid on the table.

PROVIDING FOR THE DISPOSITION OF FUNDS APPROPRIATED TO PAY A JUDGMENT IN FAVOR OF COWLITZ TRIBE OF INDIANS

The Clerk called the bill (H.R. 5090) to provide for the disposition of funds appropriated to pay a judgment in favor of the Cowlitz Tribe of Indians in Indian Claims Commission docket numbered 218 and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PROVIDING FOR REPAIR OF THE DEL CITY AQUEDUCT, A FEATURE OF THE NORMAN FEDERAL RECLAMATION PROJECT, OKLAHOMA

The Clerk called the bill (H.R. 6622) to provide for repair of the Del City aqueduct, a feature of the Norman Federal reclamation project, Oklahoma.

There being no objection, the Clerk read the bill, as follows:

H.R. 6622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to enter into an amendatory contract with the Central Oklahoma Master Conservancy District, organized under the laws of the State of Oklahoma, providing for an adjustment of the payment obligations of the Central Oklahoma Conservancy District under the contract of September 5, 1961, between said district and the United States pursuant to an Act of June 27, 1960 (74 Stat. 225); said adjustment of repayment obligations to be equal to the costs incurred by said district to repair the Del City aqueduct, which, in the opinion of the Secretary of Interior, are in excess of the costs of normal operation, maintenance, and replacement: *Provided,* That any such costs shall be credited so as to reduce the repayment obligation of said district annually at the end of the year during which said costs are incurred.

Mr. JOHNSON of California. Mr. Speaker, I am pleased to speak on behalf of H.R. 6622, a bill to provide for the repair of the Del City aqueduct, a feature of the Norman Federal Reclamation project, Oklahoma.

The purpose of this measure is to relieve the Central Oklahoma Master Conservancy District of the cost of repairing numerous breaks in a Federally constructed aqueduct which are over and beyond any reasonable interpretation of the phrase "normal maintenance." This conservation district is the operating and repayment entity for the Norman Federal Reclamation project near Oklahoma City. This project consists of a major reservoir and three aqueducts for conveying water to the constituent cities of the conservancy district. The contract with the United States required the district to be responsible for maintenance of all the facilities. One of the aqueducts which delivers water to Del City, Okla., has had a history of frequent unexplained breaks in the pipeline. In fact, the pipe has broken about 80 times in the last 9 years. Most of these occurrences were repaired by the construction contractor under warranty. A number of others were repaired by the Bureau of Reclamation as a part of its research efforts to identify and correct the cause of the breaks. The Department of the Interior feels it can no longer justly repair breaks through this financing procedure and the Committee on Interior and Insular Affairs agrees with this judgment.

The legislation before us today contemplates that the conservation district actually will conduct the repairs in the future and that it would be compensated for its actual costs through a reduction in its annual obligation to the United States for that portion of the cost determined to be over and above normal maintenance.

Information available to the committee indicates that the ultimate cost to the United States as a consequence of this legislation would not be more than $150,000. I believe that this is an obligation properly to be assumed by the United States and that the conservation district should rightly and fairly be relieved of this burden. For this reason I strongly urge passage of the bill and recommend its unanimous approval.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE ESTABLISHMENT OF A CONSTITUTION FOR THE VIRGIN ISLANDS

The Clerk called the bill (H.R. 9460) to provide for the establishment of a constitution for the Virgin Islands.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RONCALIO. Mr. Speaker, inasmuch as this bill is on the suspension calendar for today, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

PROVIDING FOR THE ESTABLISHMENT OF A CONSTITUTION FOR GUAM

The Clerk called the bill (H.R. 9491) to provide for the establishment of a constitution for Guam.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RONCALIO. Mr. Speaker, inasmuch as the bill also is on the suspension calendar for today, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The SPEAKER. This concludes the call of the Consent Calendar.

NAMING OF VETERANS' ADMINISTRATION HOSPITAL AT LOMA LINDA, CALIF., FOR JERRY L. PETTIS

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4034) to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital", and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, and I shall not object, I rise in support of H.R. 4034, a bill that would designate the Veterans Administration Hospital in Loma Linda, Calif., as the Jerry L. Pettis Memorial Veterans' Hospital.

Every Member of this body was shocked and saddened last February upon hearing the tragic news of the plane crash that claimed the life of our esteemed colleague, the Honorable Jerry L. Pettis. I felt a deep sense of personal loss because Jerry and I were freshman Congressmen together, and then in the House we grew up together.

A remarkable man who was not only a gifted public servant, he was an educator, a businessman, a humanitarian, and above all, a person with a strong commitment to Christian ideals. During the 8 years he served in the House of Representatives, his contributions to responsible legislation were many. One of his greatest accomplishments required no legislation, but attested to his powers of persuasion and his deep interest in the Nation's veterans. He convinced the Veterans' Administration of the wisdom of constructing a new 550-bed hospital on a tract of land adjacent to the Loma Linda Medical School and Medical Center in Loma Linda, Calif. Jerry fought for many years to have a new hospital built in southern California. Loma Linda was a choice site, since it could take advantage of the excellent medical college and hospital already there. Veterans never had a greater champion.

Jerry Pettis worked arduously to organize the medical community, the various county officials and mayors, and the veterans organizations interested in erecting the Loma Linda Hospital. He testified before the Veterans' Affairs Subcommittee on Hospitals in support of this project, and pressed for the Loma Linda site to serve the local veteran population.

His dedication and leadership helped make the Loma Linda Veterans' Administration Hospital a reality. With his persistence and dedicated efforts, southern California now has one of the very best hospital facilities in the country available to its veterans.

In closing, let me say that the constituency of California's 37th Congressional District suffered the loss of one of the most able legislators in the House of Representatives with the sudden death of Jerry Pettis. Despite this loss, the citizens of the 37th District displayed the good judgment to send Jerry's lovely and competent widow, Shirley, to the Congress to replace him and carry on the outstanding work he had been doing. It would indeed be a fitting tribute to the memory of Jerry Pettis and a graphic illustration to Mrs. Pettis and the citizens of the 37th District that we who knew him well recognized his great contribution to the welfare of the Nation's veterans by designating the Veterans' Administration Hospital in Loma Linda, Calif., as the Jerry L. Pettis Memorial Veterans' Hospital.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Veterans' Administration hospital at Loma Linda, California, shall hereafter be known and designated as the "Jerry L. Pettis Memorial Veterans' Hospital". Any reference to such hospital in any law, regulation, document's record, or other paper of the United States shall be deemed a reference to it as the Jerry L. Pettis Memorial Veterans' Hospital.

Sec. 2. The Administrator of Veterans' Affairs is authorized to provide such memorial at the above-named hospital as he may deem suitable to preserve the remembrance of the late Jerry L. Pettis.

Mr. DON H. CLAUSEN. Mr. Speaker, the name of Jerry Pettis will long be remembered for the remarkable contributions he has made to his fellow man.

His entire life is a testimony to the motto that, "He climbs highest, who helps another up."

It is fitting and appropriate that the Congress take action to recognize this great man who has done so much good for so many.

And, in my judgment, it is particularly fitting that his name be given to a veterans' hospital because of his long-standing interest in the medical field and because of his tremendous personal philanthropy on behalf of medicine generally and medical students in particular.

It is for these reasons that I was most pleased to be able to join with the distinguished gentleman from California (Mr. Brown) to coauthor the legislation we have before us to name the veterans' hospital in Loma Linda, Calif., in memory of Jerry L. Pettis.

The Committee on Veterans' Affairs has approved the bill and I strongly urge my colleagues in the House to give their overwhelming endorsement to the measure as a testament to the legacy of Jerry Pettis.

We all knew Jerry as a man who was completely and totally dedicated to making America a better place to live, a man who never asked more of others than he gave of himself, a man who was a friend who could be counted on, and a man who was known for the highest moral, spiritual, and personal values in both his public life and his private life.

None of us who served with Jerry in the Congress will ever forget him or his innumerable accomplishments. None of us can help but be better for having been associated with him.

This memorial tribute is most appropriate and I am sure that everyone associated with the veterans' hospital that will bear his name will be inspired by the memory of Jerry Pettis.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS VETO OF SCHOOL LUNCH BILL IS PRESIDENT'S MOST CALLOUS YET

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. O'NEILL. Mr. Speaker, President Ford's veto of the School Lunch Act is his most callous yet.

He has already vetoed jobs, housing, health, and education. Now he turns thumbs down on a bill to provide food for schoolchildren and expectant mothers.

The President is making "Jaws" look like a humanitarian.

He has systematically cut down every piece of legislation that would do some good for the people.

But how about his friends in the oil business?

Two times he vetoed extensions of oil price controls. And now he is proposing a $100 billion energy corporation to bail out one of the biggest and richest industries in the world.

The President has got his priorities inside out.

I hope that the House will join together and vote to override his latest and most outrageous veto of school lunches.

THE SCHOOL LUNCH ACT VETO

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, the President, with his veto of the School Lunch Act, has built further on his dubious record of most veto-prone Republican President in the 20th century.

The veto was his 37th since taking office 14 months ago. It ties him with Herbert Hoover, who vetoed that many bills in his full 4-year term.

Mr. Ford's veto rate is running at close to three a month, which easily tops all his Republican predecessors since the turn of the century—Presidents Nixon, Eisenhower, Hoover, Coolidge, Harding, Taft, Roosevelt, and McKinley.

Meanwhile, the Congress is adding to its record of protecting the people against arbitrary rule by veto. In 14 months, Mr. Ford has been overridden six times, more than any other 20th century Republican President.

Tomorrow, the House will vote to override the School Lunch Act veto. I believe we will succeed. And if the Senate follows suit, our record of Ford veto rejections will increase to seven.

A successful override will be further proof that the President remains out of touch with the needs of the American people.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT DURING HOUSE SESSION ON THURSDAY NEXT

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that notwithstanding the 5-minute rule, the Committee on Interior and Insular Affairs may be able to meet on Thursday, October 9, 1975.

The SPEAKER. Is there objection to the request of the gentleman from New York.

There was no objection.

HIGHWAY SAFETY AND NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–274)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation and the Committee on Interstate and Foreign Commerce, and ordered to be printed with illustrations:

To the Congress of the United States:

From the advent of the first gasoline-powered vehicles at the turn of the century through the next six decades, this country developed a vast, flexible form of transportation basic to its economy and way of life. This development was marked by a tremendous network of roads, highways and satellite facilities, by millions of vehicles, and by millions of drivers who drove them. It also was marred by tragedy as the numbers of accidents, injuries and deaths kept pace with the rising tide of traffic. In addition it was expensive, reaching an estimated 45–50 billion dollar annual cost to society by 1970 in wages lost, medical bills, legal fees and property damage, not to mention human suffering.

In 1966 the Congress enacted the Highway Safety and National Traffic and Motor Vehicle Safety Acts which initiated a national traffic safety effort to curb the rising numbers of traffic accidents, injuries, and deaths and, ultimately, to reduce them. These reports describe some of the many and varied programs undertaken to this end, and respond to the reporting requirements in the Acts. The volume on motor vehicle safety includes the annual reports required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972. The highway safety document contains information on projects initiated because of provisions in the Highway Safety Act of 1973.

It is not possible to assess the contribution of any single program to traffic safety, but the combination of safer cars, safer highways and better trained, better informed drivers is having a beneficial effect. The fatality rate (per 100 million miles driven) has been forced steadily downward from 5.7 in 1966 to 4.3 in 1973. Deaths to motor vehicle occupants leveled off in those years, despite substantial increases in numbers of vehicles and drivers on the roads, miles driven, higher speeds, greater per capita alcohol consumption, and other persistent factors adversely affecting the safety of the motoring public. Average days of bed disability also declined, indicating some lessening in the severity of injuries, which may be attributable to motor vehicle safety features. Improved highways are basic to traffic safety, as is demonstrated by differences in the fatality rates on the fully improved, versus relatively unimproved, portions of the Nation's highway system.

The effects of the fuel shortage and fuel conservation measures were the most publicized traffic safety development of 1974. The combination of reduced speeds, fewer miles driven and altered driving habits and attitudes is given primary credit for saving the lives of 9,550 motorists and pedestrians during the year. Of these factors, the Department of Transportation considers the lowered speed limit to be quite significant. Pedestrian fatalities which had been trending upward, dropped 17.8 percent in 1974—another bright side to fuel conservation. However, there has been a recent tendency for the situation to drift gradually back toward "normal." With enactment, and enforcement, of a national 55 mile per hour speed limit, a substantial portion of the beneficial aspects of the fuel shortage should continue.

We believe that the highway and motor vehicle safety programs which make up the national traffic safety effort will continue to have a positive effect, and merit the support of the Congress, of the States and communities, of industry and of a citizenry increasingly aware that their lives may well be at stake.

GERALD R. FORD.

THE WHITE HOUSE, *October 6, 1975*.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3 (b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote for the yeas and nays is ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

AMENDING CHAPTER 5, TITLE 37, UNITED STATES CODE, TO EXTEND SPECIAL-PAY PROVISIONS FOR VETERINARIANS AND OPTOMETRISTS

Mr. STRATTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7642) to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists.

The Clerk read as follows:

H.R. 7642

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302a is amended by striking out "July 1, 1975" wherever it appears therein and inserting in place thereof in each instance "October 1, 1977".

(2) Section 303 is amended by striking out "July 1, 1975" wherever it appears therein and inserting in place thereof in each instance "October 1, 1977".

(3) Section 312(e) is amended by striking out "June 30, 1975" and inserting in place thereof "June 30, 1976.".

SEC. 2. This Act shall become effective July 1, 1975.

The SPEAKER. Is a second demanded?

Mr. O'BRIEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New York (Mr. STRATTON) will be recognized for 20 minutes and the gentleman from Illinois (Mr. O'BRIEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7642 would extend entitlement to special pay of $100 a month to optometrists and veterinarians in the uniformed services who entered active duty after July 1, 1975. The entitlement to the $100-a-month special pay continues for veterinarians and optometrists who were on active duty prior to June 30. However, the authority to make such payments to newly appointed officers expired on June 30. Therefore, newly appointed veterinary and optometry officers will be making less than their fellow professionals until the bill passes.

Continuation of special pay for these health professionals is considered necessary if the uniformed services are going to be able to compete for an adequate number of such personnel.

The committee amended the bill to extend the authority to pay bonuses to nuclear-qualified officers in the Navy.

The nuclear bonus for Navy officers is available to those who complete their obligated service but who have less than 10 years of service. There is a critical retention problem in this field. The committee is planning to fully review the retention requirements of nuclear-qualified officers and to consider alternate proposals for additional special pay for such officers. In the meantime, it is important to extend the bonus authority so that there is not a lessening of the special pay available and so these officers will know the Congress is not ignoring their situation.

The bonus is for up to $15,000, paid in equal annual installments, to officers who extend their obligated service for 4 years.

H.R. 7642 is a noncontroversial bill that was approved by the Armed Services Committee by a voice vote. The Defense Department requested the bill.

Cost: There will be no increase in the budgetary requirements of the Department of Defense on the enactment of H.R. 7642 as it merely continues the special-pay authority that was exercised in fiscal year 1975.

The cost of all special pay for veterinarians and optometrists for fiscal year 1975 was approximately $1.5 million. However, since this legislation applies only to those who entered active duty after July 1, 1975, the cost is estimated at $175,000. The cost of the nuclear bonus in fiscal year 1976 will depend on the number of officers who extend their service obligation. However, it is not expected to exceed the fiscal year 1975 cost.

Mr. Speaker, I have no further request for time and I reserve the balance of my time.

Mr. O'BRIEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7642 was requested by the Department of Defense to provide $100 a month special pay to optometrists and veterinarians who entered active duty after July 1, 1975. Under present law, $100 a month special pay has been and continues to be paid to those who were on active duty prior to June 30, 1975. But the authority for providing the special pay to newly appointed officers expired on June 30. Pending enactment of this bill, we are in the position where optometry and veterinary officers are paid different amounts merely because of the date on which they entered service. This is obviously an unjustifiable and inequitable situation.

Retention among veterinary and optometry officers is still below the level required. The committee concluded.

therefore, that special pay for these highly trained specialists has to continue to be paid to keep a serious retention problem from becoming critical. If a bonus is paid, of course, it should be paid equally to all officers in the specialty. Therefore, H.R. 7642 is absolutely necessary.

There also expired on June 30 the authority for special pay for nuclear-qualified officers in the Navy. In this case, the special pay consisted of a 4-year bonus of $15,000. The Navy has proposed legislation to provide an entirely new career-incentive program for nuclear officers. It will take extensive hearings to properly assess this proposal and to draft legislation which will assure adequate retention in this critical area of highly trained officer personnel. Therefore, the committee, by amendments to H.R. 7642, has provided a 1-year extension of the present authority for a nuclear-officer bonus so there will continue to be some special-pay mechanism available while the committee has an opportunity to look into the problem.

I recommend approval of H.R 7642, as amended.

Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Speaker, I strongly support the passage of the bill H.R. 7642. My only objection is that it is not sufficiently generous for optometrists and veterinarians. I do not feel it takes into account adequately the inflation factors.

The purpose of pro pay is to attract and retain specialists and there is a shortage of both optometrists and veterinarians in the armed services. The reason why there is a shortage is because doctors in both of these professions can earn far more as civilians than they can as practitioners in the armed services. The service pay scale would not begin to compare to the levels of compensation in the civilian world.

Now, I just wonder if this simple extension, which is all it is, will do the trick—whether it is actually enough. I guess only time will tell; but until we know how severe the problem of retention will be, I strongly urge my colleagues to support this much-needed bill.

Mr. Speaker, I yield back the balance of my time.

Mr. LEGGETT. Mr. Speaker, this bill is a simple extension of authority for the services to provide bonus incentives for certain categories of officers which they find are hard to retain on active duty.

In the case of veterinarians and optometrists, the services must compete with the attractions of private practice, which are considerable. There is a shortage in these professions in private practice, and the bonus is designed to keep that shortage from transferring itself to the Armed Forces.

Some questions as to the necessity for extension of this authority have been raised on the ground that the services do not really need as many of these professionals as they say they do. This charge is simply not proven. Optometric services are in notoriously short supply in the Armed Forces in the best of times; with the current shortage within DOD, failure to extend this incentive could become critical. Military veterinarians perform valuable research services besides their function of certifying a safe food supply for our uniformed servicemen. They also are responsible for controlling animal-borne disease on military installations. It may be worth a headline or two for someone to talk about "taking care of the general's poodle," but I would rather have someone perform this function than have a rabid poodle or other pet attacking servicemen and their families. This is not an idle fear; not only has it happened here in the United States, it happened to our servicemen in Vietnam, sometimes to devastating effect.

To refuse this legislation would be an incredibly short-sighted gesture toward false economy. I strongly urge its passage.

Mr. STRATTON. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. STRATTON) that the House suspend the rules and pass the bill H.R. 7642, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: "A bill to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists, and for nuclear-qualified officers who extend their period of active duty."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALL OF THE HOUSE

Mr. RUSSO. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 589]

Anderson, Ill.
Andrews, N.C.
Beard, Tenn.
Bell
Biaggi
Burke, Calif.
Burke, Fla.
Chisholm
Clausen, Don H.
Conte
Conyers
de la Garza
Diggs
Dingell
Drinan
Esch
Eshleman
Evins, Tenn.
Fary
Fish
Foley
Fraser
Frey
Gonzalez
Harrington
Harsha
Hébert
Hightower
Hinshaw
Holland
Holtzman
Howard
Jarman
Jenrette
Jones, Okla.
Kazen
McEwen
Macdonald
Metcalfe
Mills
Moakley
Moorhead, Pa.
Morgan
Myers, Pa.
Obey
Peyser
Rees
Riegle
Rosenthal
Runnels
Ryan
Sarbanes
Scheuer
Shuster
Sikes
Sisk
Snyder
Steed
Udall
Waxman
Wilson, Bob
Wilson, C. H.
Wolff
Wydler
Yates

The SPEAKER. On this rollcall 368 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

VETERANS' READJUSTMENT ASSISTANCE AMENDMENTS OF 1975

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9576) to amend title 38 of the United States Code in order to set a termination date for veterans' educational benefits under chapters 34 and 36 of such title, to extend the maximum educational benefits to 45 months under chapter 34 of such title, and for other purposes.

The Clerk read the bill as follows:

H.R. 9576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1652(a)(1) of title 38, United States Code, is amended to read as follows—

"(a)(1) The term 'eligible veteran' means any veteran who (A) served on active duty for a period of more than 180 days any part of which occurred after January 31, 1955, and before January 1, 1976, and who was discharged or released therefrom under conditions other than dishonorable; or (B) was discharged or released from active duty, any part of which was performed after January 31, 1955, and before January 1, 1976, because of a service-connected disability.".

SEC. 2. Section 1661 of title 38, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) Except as provided in subsection (c) and in the second sentence of this subsection, each eligible veteran shall be entitled to educational assistance under this chapter or chapter 36 for a period of one and one-half months (or the equivalent thereof in part-time educational assistance) for each month or fraction thereof of his service on active duty after January 31, 1955, and before January 1, 1976. If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 45 months (or the equivalent thereof in part-time educational assistance). In the case of any person in the active military service in the Armed Forces on December 31, 1975, the ending date for computing such person's entitlement shall be the date of such person's first discharge or release after December 31, 1975.";

(2) by amending subsection (c) thereof to read as follows:

"(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of forty-five months.".

SEC. 3. Section 1662 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) In no event shall educational assistance be afforded to any eligible veteran under this chapter or chapter 36 of this title after December 31, 1987.".

SEC. 4. (1) Section 1681(b) of title 38, United States Code, is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing, where an eligible veteran, who is pursuing a course leading to a standard college degree, transfers between consecutive school terms from one approved institution to another approved institution for the purpose of enrolling in and pursuing a similar course at the second institution, the veteran shall, for the purpose of entitlement to the payment of the educational assistance allowance under this chapter, be considered to be enrolled at the first institution for a period of time not to exceed thirty calendar days following the termination date of the school term of the first institution.".

(2) Section 1731(a) of title 38, United States Code, is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing, where an eligible person, who is pursuing a course leading to a standard college degree, transfers between consecutive school terms from one approved institution to another approved institution for the purpose of enrolling in and pursuing a similar course at the second institution, the eligible person shall, for the purpose of entitlement to the payment of the educational assistance allowance under this chapter, be considered to be enrolled at the first institution for a period of time not to exceed thirty calendar days following the termination date of the school term of the first institution.".

SEC. 5. (a) Subchapter I of chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1807. Service after July 25, 1947, and prior to June 27, 1950

"Each veteran whose only active duty service occurred after July 25, 1947, and prior to June 27, 1950, and who—

"(1) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable; or

"(2) served for a period of less than 180 days and was discharged for service-connected disability;

shall be eligible for the benefits of this chapter.".

(b) The table of sections for subchapter I of chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new item:

"1807. Service after July 25, 1947, and prior to June 27, 1950.".

SEC. 6. Section 1818(a) of title 38, United States Code, is amended to read as follows:

"(a) Each veteran who served on active duty, any part of which occurred after January 31, 1955, and who—

"(1) served for a period of more than 180 days and was discharged or released therefrom under conditions other than dishonorable;

"(2) has served more than 180 days in an active duty status and continues on active duty without a break therein; or

"(3) was discharged or released from active duty after such date for a service-connected disability;

shall be eligible for the benefits of this chapter, subject to the provisions of this section.".

SEC. 7. (a) Subchapter VI of chapter 34 of title 38, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended by striking out the following:

"SUBCHAPTER VI—PREDISCHARGE EDUCATION PROGRAM

"1695. Purpose; definition.
"1696. Payment of educational assistance allowance.
"1697. Educational and vocational guidance.
"1697A. Coordination with and participation by Department of Defense.".

(c) Notwithstanding the provisions of subsection (a) of this section, any eligible person enrolled in and pursuing a course or courses under the provisions of subchapter VI of chapter 34, title 38, United States Code, on the day before the effective date of this Act, shall be permitted to continue to pursue such course or courses through the end of the period for which he is enrolled.

SEC. 8. Section 2108 of title 5, United States Code, is amended by striking out in paragraph (1)(B) "after January 31, 1955," and inserting in lieu thereof "any part of which occurred after January 31, 1955, and before May 8, 1975,".

SEC. 9. This Act shall take effect on the date of enactment.

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

Mr. EDGAR. Mr. Speaker, I wish to inquire whether the gentleman is opposed to the bill.

The SPEAKER. Is the gentleman from Arkansas (Mr. HAMMERSCHMIDT) opposed to the bill?

Mr. HAMMERSCHMIDT. Mr. Speaker, I am not opposed to the bill.

The SPEAKER. The gentleman does not qualify.

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DON H. CLAUSEN. I am, Mr. Speaker, in its present form.

The SPEAKER. The gentleman qualifies.

Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Vietnam wartime period has ended and various wartime benefits; namely, non-service-connected pension and burial benefits, are no longer available for those whose active duty began on or after May 8, 1975.

The induction authority of the Military Selective Service Act expired July 1, 1973, and we now have an all volunteer military service. I understand the last draftee left service around Thanksgiving of last year.

It is now time for us to consider a termination date for other wartime readjustment benefits. Such action is consistent with that taken following World War II and the Korean conflict.

The reported bill would set a termination date of December 31, 1975, for GI educational readjustment benefits. The bill would also extend the entitlement to 45 months for those eligible veterans who served after January 31, 1955, any part of which occurred prior to January 1, 1976. The veteran may use the entitlement for both undergraduate and graduate study.

I want to commend the work of the Subcommittee on Education and Training chaired by the distinguished former chairman of the House Committee on Veterans' Affairs, "TIGER" TEAGUE, for holding hearings and bringing this bill to the House. Much effort has gone into bringing the reported bill to the floor of the House. I want to express my appreciation to the gentleman from Arkansas, the ranking minority member of the full committee, Mr. HAMMERSCHMIDT, and the leadership of the gentlewoman from Massachusetts (Mrs. HECKLER), ranking minority member of the Subcommittee on Education and Training, and the gentleman from New York (Mr. WOLFF), a ranking member of the committee. I am also grateful for the efforts of the members of the subcommittee.

Mr. Speaker, H.R. 9576 is supported by the major veteran organizations, the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and AMVETS; and at this point in the RECORD I would like to insert letters from these organizations expressing support of this bill which will set a termination date for education benefits for peacetime volunteer soldiers. The letters follow:

DISABLED AMERICAN VETERANS,
Washington, D.C., September 30, 1975.

Hon. OLIN E. TEAGUE,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This is in reference to H.R. 9576, a veterans' bill favorably reported out of the House Committee on Veterans' Affairs which is scheduled to receive consideration by the membership of the entire House on October 6th.

The main provision of this measure proposes to set a termination date for veterans' educational benefits under Chapters 34 and 36 of Title 38, U.S. Code (current GI bill benefits).

The current program has faithfully and well served the purpose for which it was intended—restoration of lost or postponed educational advancement opportunities to those inductees and enlistees who served during the Cold War period, 1955–65, and during the Vietnam Era conflict.

However, the circumstances which necessitated the inception of the current GI bill by the Congress—the existence of the military draft, and United States involvement in a military conflict—no longer exist. Therefore, the present GI bill should be terminated, as were the educational programs which served veterans of World War II and the Korean Conflict. The substantial funds no longer necessary to administer these educational benefits can be well-used in other VA programs which serve America's wartime disabled veteran, his dependents and survivors.

The Disabled American Veterans' most recent National Convention unanimously adopted a resolution calling for the termination of the present GI bill program. We therefore urge you to vote in favor of H.R. 9576.

Sincerely,

CHARLES L. HUBER,
National Director of Legislation.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., September 30, 1975.

From: Thomas C. (Pete) Walker, Commander-in-Chief, Veterans of Foreign Wars of the United States.
To: All Members, House of Representatives of the United States.
Subject: Termination of Educational Benefits under the GI Bill.

I have been advised H.R. 9576 which would terminate eligibility for educational benefits under Title 38 of the United States Code for those entering military service after the end of this calendar year—will be taken up by the full House under the suspension of rules on Monday, October 6, 1975.

It has also come to my attention three members of the House Veterans' Affairs Committee, the Honorable Robert J. Cornell, the Honorable Robert W. Edgar, and the Honorable Harold E. Ford, voted against reporting this legislation and have filed an official "Dissenting Views" supplement to the committee report. In addition, Messrs. Cornell, Edgar, and Ford intend to circulate a "Dear Colleague" letter, with the view toward blocking passage of H.R. 9576.

Although the legislation in question does not fulfill the position of the Veterans of Foreign Wars of the United States, we believe it is the best bill obtainable at this time, and, therefore, urge passage thereof.

The position of the Veterans of Foreign Wars with respect to the GI Bill is that it be continued in its present form, administered by the Veterans Administration, and charged to the Department of Defense budget, our rationale being it has proved a valuable recruiting tool and so used by the Department of Defense to obtain higher caliber personnel needed by our present-day military establishment with its proliferation of very costly and highly sophisticated equipment.

Although peacetime veterans are not eligible for membership in the Veterans of Foreign Wars and, for the reasons outlined above,—as Commander-in-Chief of the 1.8 million members of the Veterans of Foreign Wars of the United States, I solicit your favorable vote when H.R. 9576 is considered by the full House.

With best wishes and kindest personal regards, I am

Sincerely,

Thomas C. (Pete) Walker,
Commander-in-Chief.

The American Legion,
Washington, D.C., October 1, 1975.
Hon. Ray Roberts,
Chairman, House Committee on Veterans' Affairs, Washington, D.C.

Dear Chairman Roberts: The American Legion supports H.R. 9596 to set a termination date for veterans' educational benefits and to extend maximum educational benefits to 45 months. This bill, if passed, would satisfy two resolutions of The American Legion that were unanimously adopted by our National Organization. The copies of these two Resolutions, No. 17 and No. 541, are attached.

The American Legion is the original sponsor of the G.I. Bill of Rights, the goal being to provide for the effective rehabilitation of those who fought the Nation's wars. This was a concept clearly defined in its dimensions, and The American Legion has not deviated from it through the ensuing wars and national emergencies.

We champion the principle that benefits for wartime veterans be reserved for the veteran who served in a period of hostility, cold war or national emergencies. Any educational and vocational programs that may be devised for members of the peacetime military establishment should be clearly differentiated from wartime benefits.

Mr. Chairman, The American Legion will inform each Member of Congress that we support your stated opposition to the extension of the present educational benefits.

Sincerely,

Harry G. Wiles,
National Commander.

AMVETS,
Washington, D.C., September 26, 1975.
Hon. Ray Roberts,
Chairman, House Veterans Affairs Committee, Washington, D.C.

Dear Mr. Chairman: This letter is written to convey the position of AMVETS (American Veterans of World War II, Korea, and Vietnam) with regard to H.R. 9576. It is our understanding that this legislation will be considered within the next few days, and we appreciate the opportunity of letting you know the feeling of our membership on this legislation.

It is very important that H.R. 9576 be approved without any amendments. It is our feeling that if educational benefits are to be provided for those citizens entering the service after May 7, 1975, such benefits should be provided under the budget of the Department of Defense. It would be a disservice to those honorably discharged veterans of World War II, Korea and Vietnam who were enlisted or were drafted and fought during war-time, for those entering service now to be recognized with veterans of war-time service.

We are cognizant of the fact that the Department of Defense feels that the retention of education benefits for those entering service now is necessary for recruiting purposes. It is believed that if educational benefits are provided for those entering service after May 7, 1975 that the cost of the program should be assessed against the Department of Defense budget.

If the cost of educational benefits were to remain in the Veterans Administration budget, it will mitigate in the future, we feel, against the approval of compensation, pension, and hospital benefits for war-time veterans and also against benefits provided for the widows and children of war-time veterans.

The approval by your Committee of H.R. 9576 is, therefore, greatly urged by this organization.

Sincerely,

Paul C. Welsh,
National Commander.

Mr. Speaker, I yield such time as he may consume to the chairman of the subcommittee, the gentleman from Texas, "Tiger" Teague.

Mr. Speaker, the gentleman from Texas, "Tiger" Teague, has been the author of all the GI bills. He is the man who has done more for veterans than anybody ever in this Congress.

GENERAL LEAVE

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Speaker, the structure of veterans' laws which has developed over the past 200 years has been based on the concept of wartime and peacetime service. War veterans have been given substantially more benefits than peacetime veterans. This system has worked very well over the years.

Your committee believes that with the termination of the draft and the ending of the Vietnam wartime period, it is appropriate to set a termination date for the current GI educational readjustment program. The educational assistance programs for World War II and Korean conflict veterans, as well as those eligible under current law, have all been readjustment programs designed to help veterans adjust from military to civilian life by affording them monetary aid to obtain an educational status they might normally have aspired to and obtained had they not served their country in wartime or national emergency. We never contemplated that educational assistance would be a continuing peacetime benefit.

The World War II veteran was eligible for GI education benefits if he was on active duty on or before July 25, 1947, the official ending date for World War II. A final termination date of July 25, 1956, was set for the majority of World War II veterans.

The Korean conflict was terminated on January 31, 1955. A final termination date of January 31, 1965, was set beyond which no benefits were permitted under the Korean conflict program.

The bill as reported would provide that any individual entering service on or after January 1, 1976, would be barred from accruing any entitlement to educational benefits under the present bill. Those individuals in military service on December 31, 1975, would be permitted to accrue and utilize entitlement to educational benefits until December 31, 1987, at which time the program would be finally ended.

In addition, H.R. 9576 would:

First, extend the maximum educational benefits to 45 months for all eligible veterans with requisite service under chapter 34 of title 38;

Second, repeal the predischarge educational program—PREP—with a savings provision for those currently enrolled;

Third, provide that those individuals entering military service after December 31, 1975, would be permitted to accrue and utilize entitlement to benefits under the Veterans' Administration home loan program;

Fourth, provide entitlement to benefits under the Veterans' Administration home loan program to individuals who entered military service after July 25, 1947, and prior to June 27, 1950;

Fifth, provide for a payment of educational assistance allowance in certain cases where a veteran or dependent transfers from one approved educational institution to another; and

Sixth, terminate the 5-point veteran preference for those individuals going on active duty on or after May 8, 1975.

Although the extension of the 45-month entitlement would cost approximately $112 million in fiscal year 1976, the cost savings in the bill would reduce the amount by approximately $11 million for a net cost of about $91 million during the present fiscal year. The 5-year cost is estimated to be approximately $435 million; however, during the same 5-year period, the Federal Government would realize cost savings of approximately $1.6 billion—a net savings of about $1.1 billion. Therefore, although the reported bill would require some short-term debt, the cost savings beyond the second year would be substantial.

Mr. Speaker, there is nothing complex about what we are recommending. The reasons for the action taken by the committee are clearly established in the committee report.

The bill was ordered reported by an overwhelming majority of our members, and the setting of a termination date for educational benefits is consistent with action taken following World War II and the Korean conflict. I urge that the measure be adopted.

Mr. Speaker, let me extend my appreciation to the gentleman from New York, Mr. Lester Wolff. He is the ranking member of the committee and presided at the hearing. He is an enthusiastic supporter of the Vietnam education program.

I appreciate the support of the gentlewoman from Massachusetts (Mrs. HECKLER). She is the ranking minority member. She is an outstanding advocate of the Vietnam veterans' education. She does her homework and is an effective member. I appreciate her help.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. Mr. Speaker, I am happy to yield to the gentleman from Pennsylvania (Mr. MURTHA), a most distinguished and decorated combat veteran from the Vietnam war.

Mr. MURTHA Mr. Speaker, I thank the gentleman from Texas for yielding me this time.

I would like to say at the outset, to the gentleman from Texas (Mr. TEAGUE), how much I personally appreciate the work the gentleman has done over the years in the field of veterans programs.

Mr. Speaker, one of the things that disturbed me so much when I was in Vietnam was the morale of our troops which was affected by the fact that there was so much criticism in the country and in the Congress on the war that it affected the morale of the troops. Of course I know that the Congress did not mean that this should occur, at all, but it did.

One of the things that happened when I returned was that the returning veterans were not able to secure the needed benefits and in many cases the GI bill benefits were not enough. In fact, in the State of Pennsylvania, I authored and we passed a law providing additional benefits so that the returning vets would have more money in order to be able to continue their schooling.

There is no question in my mind that distinguished Members like the gentleman from Texas (Mr. TEAGUE), the gentleman from Florida (Mr. BENNETT) and the gentleman from California (Mr. McCLOSKEY), who are all combat veterans and highly decorated veterans, in this Chamber realize that there is a tremendous difference when you are serving in the Armed Forces during peacetime or wartime. For instance, a Pfc. now makes almost as much as I did when I was a second lieutenant.

In addition, these men are not faced with the imminent danger of combat such as the men who fought in Vietnam faced, where they went out into combat practically every day and half of them were casualties from combat. So much so that when they returned to our country there was a great need for readjustment and that is what the GI bill is all about. It was passed to help the returning Viet veteran to readjust. That was why they received the benefits.

Also an extension of 45 months is imperative. A veterans groups from Penn State University wrote me and said that 33 percent of the veterans going to Penn State needed additional time. They need this extension in order to complete their schooling. I think that is a very important part of this bill.

Any person who voluntarily goes into the service in peacetime does not need the same kind of benefits as in wartime, as the gentleman from Texas (Mr. TEAGUE), the chairman, has stated so ably.

I think we all agree that a person who goes into the Army in wartime and is involved in combat needs a period of readjustment when they return. Even though many of them go in voluntarily, when they come back they need some sort of benefit from a grateful nation and they have received those benefits.

But in these times with an all-volunteer Army when a man goes into the armed service he does not face combat, he does not face war, and many of them do not suffer but those of them that would suffer will receive benefits, if there were a war, or if they were involved in combat.

I think this bill is a very good bill. All of the veterans groups do support the bill. Therefore I would urge this body to support a termination of these benefits.

I think if we want to come in with a recruitment program later on in order to allow the Members serving in the armed forces to have some sort of educational benefits at a reduced rate, we can do so, if it is essential for the purposes of recruitment.

Mr. Speaker, I would urge everyone in this body to support this termination of the benefits at this time.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I take this opportunity to rise in support of H.R. 9576, the legislation amending the Veterans Readjustment Assistance Act of 1966, setting a termination date for veterans' educational benefits and extending the benefit program to 45 months.

When on May 7, 1975, President Ford issued a proclamation ending the Vietnam war, he referred to the Congress a proposed bill setting a termination date for veterans' educational benefits—under chapters 34 and chapter 36 of title 38 of the United States Code. This bill calls for terminating on December 31, 1975, eligibility for education and training benefits for persons entering military service after that date. Those entering service prior to January 1, 1976, may accrue and use their benefits until December 31, 1987.

It is proper to draw a distinction between those who serve in time of war and those who serve in time of peace. The benefits extended to Vietnam-era veterans were intended for those who sacrificed during times of national emergency. Fortunately, that tragic time in our Nation's history came to an end.

If it is decided to extend additional benefits to our new all-volunteer military force, it has been duly suggested that the appropriations to fund those benefits should come from the Department of Defense budget and not from the already overextended VA budget.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

I would just like to ask two questions. Those who go into the Army now as volunteers in a peacetime Army within 3 months might find themselves involved in military conflict, and I would just point that out.

The second point is that, as I understand it, the veterans who are covered now under the GI bill are supporting this bill which benefits them, but in effect they are saying to those who are not veterans but who go into the service, after January 1, 1976, that they do not have any concern for them. I can see that from the standpoint of the veterans, and I wonder if the committee gave any thought to striking a balance.

That is like as soon as I passed the bar, my brother was in the State legislature, and I wired him saying they ought to up the requirements of those who would become lawyers, because I had gotten my ticket and I was not interested in others getting theirs. I wonder if the committee gave any thought to striking a balance between this, because as a veteran myself, I can understand how I will be happy getting whatever I can and not quite show concern for those who are in service and who will be veterans later.

Mr. TEAGUE. I will say that certainly those who worked on this GI bill from the beginning, and the veterans' groups, have thought about this question over and over. Nobody in the service today is affected. It only affects those going in the first of January or thereafter. If a conflict develops, the gentleman knows that this Congress would immediately pass another bill. If we start with 18-year-olds, they do not have a chance to go to college. The gentleman knows a bill would be immediately passed.

We had a termination date after World War II; we had a termination date after Korea, and shortly after the termination of Vietnam, we passed a Vietnam bill.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding. I have two questions. Has the committee estimated the adverse impact, if any, on recruitment for the All-Volunteer Army if we knock out the GI bill? Has any estimate been made on the possible adverse impact on recruitment?

Mr. TEAGUE. For a number of years the Department of Defense opposed the GI bill because this works both ways. A kid who gets educational benefits wants to get out to start going to college, so it works both ways.

Mr. MITCHELL of Maryland. If the gentleman would yield further, understanding that it works two ways, is the gentleman in effect saying that by knocking out the GI bill, we might substantially reduce the rate of recruitment for the All-Volunteer Army?

Mr. TEAGUE. The Department of Defense testified before the committee they want to stop it, so they do not seem to be worrying about that.

Mr. MITCHELL of Maryland. Did the chairman want to comment on my question?

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Texas.

Mr. ROBERTS. I thank the gentleman for yielding.

With reference to that, that is the armed services and not under the jurisdiction of this committee at all. It is no longer wartime but peacetime. We went so far as to tell the Committee on Armed Services and the Department of Defense that we would be happy to administer the program if they wanted to pay the bill, but we could not charge that against the wartime veterans in Vietnam and Korea.

Mr. MITCHELL of Maryland. If the gentleman will yield further, may I put my second question? It is with reference to the prep program. What is the annual cost of that program, that is, the program the committee seeks to eliminate?

Mr. TEAGUE. It is about $30 million. The gentleman from Arkansas is going to discuss the details of this.

Mr. MITCHELL of Maryland. All right, but it is about $30 million? This will mean a permanent $30 million annual saving, then?

Mr. TEAGUE. This bill will cost more, and it will come out somewhere in the long run to about $1,100,000,000 in savings, when we balance it all together.

Mr. MITCHELL of Maryland. Is there any arrangement made to take up the slack of the men who benefited under the prep program? Obviously it is there, because there was a need. Does the military plan to continue to try to meet the educational deficiencies of those who are about to come out of the service?

Mr. TEAGUE. The Department of Defense tells us they are instituting their own program to replace this one.

Mr. MITCHELL of Maryland. I thank the gentleman.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I rise to ask a few questions, as the other gentleman has done, because effectively we have been frozen out of some time. The reason I have risen at this point is that I am opposed to the bill because we have not had the opportunity to ask the very questions the gentleman raised. The Defense Department did not appear before our committee and did not give testimony in public so that I as a committee member could ask the question: What impact is this going to have?

Mr. TEAGUE. Was the gentleman at any of the meetings that took place on this legislation?

Mr. EDGAR. The gentleman has read the testimony of every Congressman.

Mr. TEAGUE. But the gentleman has not been at any of the meetings we have had with the Defense Department to ask them what their position is.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I rise to oppose this legislation with great reluctance. I do so essentially on procedural grounds because I do not like this kind of legislation being brought up under a suspension of the rules where there is no opportunity to offer the kinds of amendments that would express the concerns of our servicemen with respect to their educational benefits and their opportunities for employment.

This bill among other things would terminate the five-point veterans' preference in Federal employment retroactively to May 7 of 1975.

In other words, young men who entered military service on May 8 or later will be stripped of the slight advantage that the five-point preference on civil service examinations gives to them. This is outrageous, Mr. Speaker.

It is extremely important that we honor the commitments made to young Americans who are in military service. If we terminate veterans' preference retroactively to May 7, as authorized by this measure, we are surely repealing a commitment to give these young men and women preference in Federal employment. The procedures under which this measure is considered, Mr. Speaker, will not permit an amendment. Therefore, I hope the Senate will amend the bill to prevent the retroactive termination of veterans' preference in Federal employment. I intend to communicate my request to the chairman of the Senate committee. Should the Senate agree that this action is wrong, I hope the House committee will cooperate in correction of this injustice.

I also have reservations about the actual termination of the GI bill. The military services have depended heavily upon the availability of educational benefits to attract young men and women into the All-Volunteer Armed Force. If this benefit is terminated, a valuable recruitment incentive is lost.

Even more important, the young men and women who enlist in military service today are deserving of the opportunity to receive educational benefits. This is a two-way street. Not only does the serviceman enhance his opportunity to qualify for a better job, but the Nation benefits from his increased knowledge and from the higher taxes he pays as the result of higher salaried employment.

The principal feature of the bill, Mr. Speaker, that I strongly endorse with no reservations or qualifications is the provision that will extend an additional 9 months of benefits to all veterans pursuing programs of education. It will correct an inequity in present law that provides 45 months of education to those pursuing undergraduate degree objectives, but only 36 months of educational benefits to graduate students. This is a most important provision that must be passed, even if it requires a separate bill. It is most unfortunate, Mr. Speaker, that we have to take "the bitter with the sweet." It is for these reasons that I most reluctantly oppose this measure.

I reserve the balance of my time.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from Texas.

Mr. TEAGUE. Mr. Speaker, it would appear that this is a rushed bill but actually I left the White House and then upon the recommendation of President Ford I came to my office and called a meeting of the veterans' groups. This is not a jumped-up piece of legislation. This is something that has been very carefully considered. We knew that sooner or later there had to be a termination date, I would say to the gentleman from California. This is not a piece of legislation which has not been considered carefully. It has.

Mr. DON H. CLAUSEN. Mr. Speaker, I thank the gentleman from Texas.

Mr. Speaker, I yield 8 minutes to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 9576. This measure has six major provisions;

First. Extend the maximum educational benefits of 45 months for all eligible veterans with requisite service under chapter 34 of title 38;

Second. Repeal the predischarge educational program—PREP—with a savings provision for those currently enrolled;

Third. Provide that those individuals entering military service after December 31, 1975, would be permitted to accrue and utilize entitlement to benefits under the Veterans' Administration home loan program;

Fourth. Provide entitlement to benefits under the Veterans' Administration home loan program to individuals who entered military service after July 25, 1947, and prior to June 27, 1950;

Fifth. Provide for payment of educational assistance allowance in certain cases where a veteran or dependent transfers from one approved educational institution to another; and

Sixth. Terminate the five-point veteran preference for those individuals going on active duty on or after May 8, 1975.

On May 7 of this year, Mr. Speaker, President Ford issued a proclamation ending the so-called Vietnam era. This action terminated eligibility for wartime benefits for persons entering military service after that date. Because the provisions of the GI bill did not vest the Chief Executive with authority to terminate educational benefits, President Ford, on May 7, transmitted a message to Congress requesting the termination of educational benefits for those entering military service after July 1, 1975.

Hearings were then held by the Subcommittee on Housing and the Subcommittee on Education and Training on bills relating to the termination of the benefits under their respective jurisdictions. The recommendations of both subcommittees were incorporated in the measure now before this body, which was sponsored by the distinguished chairman and cosponsored by a substantial bipartisan majority of members of the Committee on Veterans' Affairs. The bill, H.R. 9576, was reported on September 18, and fixes a termination date of December 31, 1975, instead of the earlier date.

At the outset, Mr. Speaker, let me make it clear to my colleagues that, contrary to the impression of some, we are not bringing the GI bill education program to a screeching halt. We are not, and I repeat not, disturbing or limiting the continuing entitlement of veterans of the Vietnam conflict to educational benefits. These are war veterans and the GI bill was enacted for them. In fact, we are providing additional educational benefits for the Vietnam war veteran.

What we are doing in this measure, Mr. Speaker, is recognizing that our Nation's participation in a shooting war has ended. We are recognizing that men are no longer being drafted or entering military service under the compulsion of the draft. We are recognizing that military service is entirely voluntary. The salary, food and housing, medical care, choice of duty station, and other fringe benefits make the career military service comparable to a career in civilian employment.

It follows, Mr. Speaker, that benefits such as education, authorized exclusively for war veterans should now be terminated.

Despite the fact that the veterans' educational program was designed to assist the war veteran in his readjustment, opponents of this measure argue that the program must be continued because it is required as an incentive to military recruitment. An active military recruitment program is, of course, important to this Nation. The jurisdiction of the Committee on Veterans' Affairs, however, does not extend to devising or underwriting incentives for the recruitment of peacetime servicemen. This is a matter for the consideration of other committees.

It has also been argued that the bill is needed as a solution to the unemployment problem that will be facing the 4-year enlistee when he leaves the military service. I have no crystal ball, Mr. Speaker, that will permit me to predict the employment prospects some 4 years after military service of men who have not yet entered military service. I am, however, unwilling to concede at this point that unemployment will be such a problem 4 or 5 years hence that we should continue this multimillion dollar program now.

Veterans' preference in Federal employment, a benefit traditionally limited to veterans of war service, will be terminated as of May 7, 1975, under the provisions of this measure. The reasons for terminating the educational benefit program apply equally to veterans' preference. Additionally, the continuation of this benefit for peacetime ex-servicemen would weaken the relative advantage intended for war veterans. The cutoff date of May 7 has been selected to conform to the termination of wartime benefits set by the Presidential proclamation of May 7.

Little has been said, Mr. Speaker, about an extremely important provision of this measure that would extend an additional 9 months of educational benefits to veterans presently entitled to 36 months of education. No single issue in the field of veterans' affairs has elicited more requests for prompt action from Vietnam veterans on campuses of the Nation's colleges and universities than has the 45-month educational benefit entitlement. The enactment of this provision will permit students in pursuit of graduate degrees to receive an additional 9 months to complete their objective. This additional period has heretofore been limited to those in pursuit of undergraduate degrees only. I am proud to have sponsored one of the first bills introduced to accomplish this worthy purpose.

Finally, Mr. Speaker, the measure will authorize the continuation of the veterans' housing program. While the veterans' housing program was a part of the GI bill, it has become an integral part of our Nation's housing program. The Congress, some time ago, made it available on a continuing basis to veterans of World War II, and the Korean conflict. This measure makes the home loan program available to veterans of service between the end of World War II and the beginning of the Korean conflict and continues it for veterans of service after January 31, 1955.

The program is not costly and losses to the Government as the result of foreclosure and payment of the guaranty have been minimal in comparison with the record of other Government housing programs.

This bill, Mr. Speaker, is supported by the major veterans' organizations of the Nation. It is necessary if we are to adhere to the philosophy that the Nation's war veterans gave an extra measure of citizenship and, therefore, are entitled to something extra from a grateful Nation. Current estimates indicate that the termination of educational benefits will save $1.6 billion in the next 5 years. These funds will be needed to meet the legitimate needs of war veterans and their survivors. I shall support it and urge my colleagues to vote for it.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 1 minute to the gentlman from Pennsylvania (Mr. EDGAR).

CALL OF THE HOUSE

Mr. BRINKLEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 590]

Anderson, Ill.
Andrews, N.C.
Beard, Tenn.
Bell
Biaggi
Buchanan
Burke, Calif.
Burke, Fla.
Burton, Phillip
Cederberg
Chisholm
Clay
Cleveland
Conte
Conyers
Coughlin
Crane
de la Garza
Diggs
Dingell
Drinan
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fary
Fish
Flowers
Foley
Fraser
Frey
Harrington
Hastings
Hébert
Hightower
Hinshaw
Holland
Holtzman
Horton
Howard
Jenrette
Jones, Ala.
Jones, Okla.
Kemp
LaFalce
McEwen
McKinney
Macdonald
Mathis
Mazzoli
Metcalfe
Montgomery
Moorhead, Pa.
Morgan
Moss
Myers, Ind.
Myers, Pa.
Nedzi
Peyser
Rees
Riegle
Runnels
Ryan
Scheuer
Seiberling
Shuster
Sikes
Sisk
Snyder
Stanton, J. William
Stark
Steed
Udall
Ullman
Vander Veen
Wampler
Waxman
Wilson, Bob
Wilson, C. H.
Wolff
Wydler
Young, Ga.

The SPEAKER. On this rollcall 351 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

VETERANS' READJUSTMENT ASSISTANCE AMENDMENTS OF 1975

The SPEAKER. The gentleman from Pennsylvania (Mr. EDGAR) is recognized for 1 minute.

Mr. EDGAR. Mr. Speaker, I rise in somewhat of a confused state.

I thought I was coming to the House of Representatives where bills would be considered fairly. I object to the fact that we have 3 minutes to speak in opposition to a bill, with 40 minutes of total time for discussion, and that we have been successfully frozen out of any comments of opposition to this particular bill.

Mr. Speaker, I urge this committee to send this bill, H.R. 9576, back to the committee so that we, as members of the committee, can raise some very critical questions concerning the action to terminate GI educational benefits effective January 1, 1976.

First. What is the impact of our action today on the recruitment and on the incentive to recruit for an all-voluntary Army?

Second. What impact will termination of these benefits have on future veterans, their sons and their daughters?

Third. What impact will this action have on the future of education and on the educational institutions that many of these veterans attend?

Fourth. What impact will this action have on the minority, the members of minority groups who enter the service?

The SPEAKER. The time of the gentleman from Pennsylvania (Mr. EDGAR) has expired.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I think there are many questions that have to be asked and which the committee has failed to answer. In 2 hours of debate on July 28, four groups appeared in person to speak, three veterans' organizations, and the Veterans' Administration. I have read the testimony of that debate and discussion. I have also read many letters and comments from many of my colleagues here in the House. While many people have spoken on the bill most of the comments have centered around these factors:

First, let us extend the benefits for education for 36 months to 45 months. I approve of that.

Let us continue the housing benefits under the GI bill and I approve of that.

But, Mr. Speaker, very little testimony was received as to the impact of the termination of these benefits.

My colleagues and I who oppose the bill want to send it back to committee so that we can find out what the impact of our actions today will be. I urge that my colleagues vote "no" on H.R. 9576 and, therefore, cast a responsible vote for veterans.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I intend to support the gentleman from Pennsylvania in his position, not because I know precisely what the bill does and that it is bad, but because I cannot find out precisely what the bill does and what the arguments are, pro and con, under this procedure. I shall support the gentleman from Pennsylvania because I do not think this bill should be considered under a suspension of the rules.

Further, this is an abuse of the suspension process. Mr. CLAUSEN demanded a second and thus controlled half the time. Of course, Mr. ROBERTS controlled the other half. Only 3 minutes have been allotted to the opposition and 37 minutes to the proponents. Mr. CLAUSEN thus obviously does not represent nor sympathize with the true opposition. If such a controversial bill is to be placed on suspension at all, such should be done only on the assurance that proponents on both sides of the aisle would not conspire, or otherwise act in concert, to effectively stifle the opposition.

The SPEAKER. The time of the gentleman has again expired.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 5 minutes to the distinguished gentlewoman from Massachusetts (Mrs. HECKLER).

Mr. HILLIS. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER of Massachusetts. I am happy to yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Speaker, I rise in support of H.R. 9576, a bill which would terminate veterans' educational benefits and extend the maximum educational benefits to 45 months; and continue the GI home loan program indefinitely, including as eligibles all those who served between July 25, 1947, and June 27, 1950.

The main thrust of this bill would terminate GI bill educational benefits for volunteer servicemen entering military service after December 31, 1975.

America is no longer at war. It has been over 2 years since the last American troops left Vietnam and shortly thereafter draft inductions were terminated. We established an All-Volunteer Armed Forces. It is time to terminate wartime benefits which would otherwise be available to the new peacetime volunteers. The educational assistance programs were designed to help wartime veterans adjust from military to civilian life by affording them the educational opportunities they had to forgo because of serving our Nation during a time of crisis. It was not intended that educational assistance be a continuing peacetime benefit.

The termination of educational benefits will result in cumulative savings of $1.6 billion over the next 5 years. During this period of inflation, it is essential that unwarranted expenditures be curtailed.

Further, this bill would extend the maximum educational assistance entitlement from 36 to 45 months. The additional 9 months of entitlement will permit a veteran to use his entitlement for graduate studies, thus correcting the inequity created by the Vietnam Era Veterans Readjustment Assistance Act of 1974, when the 9 months was authorized for those veterans pursuing undergraduate degree objectives only.

The other major provision of this bill concerns the VA home loan program. This program has been instrumental in inducing private lenders to extend moneys to veterans for the purpose of constructing or purchasing homes. The VA home loan program has evolved into a permanent housing program. The program has greatly stimulated home loans and has been a tremendous help to the national economy. More important, it has enabled thousands of young veterans to become homeowners. Although they were enacted in the same bill, the VA home loan program and the educational assistance program must be viewed in a different light. The VA education and training programs have always been a readjustment benefit, available for a specified period following the serviceman's discharge from wartime or emergency service. The VA housing program is a long-term permanent housing program. In view of the very substantial benefits gained from this program, coupled with its relatively low cost to the Government, the justifications appear warranted, indeed.

Mr. Speaker, the benefits of this legislation far outweigh any possible objections, and, therefore, I overwhelmingly give my endorsement to H.R. 9576, and I strongly urge its passage.

Mrs. HECKLER of Massachusetts. Mr. Speaker, as the Members of the House know, I was the original sponsor of the GI bill amendments which were enacted last year to increase the monthly subsistence payments, to extend the veteran's eligibility for the benefits to 10 years, and to establish a new outreach program in the VA field offices to provide better communication with young veterans—educational opportunities and fair readjustment allowances for Vietnam veterans.

I sponsored those proposals because I found that the veterans of the Vietnam era were not being well served by the existing GI bill, caused by increases in cost of education.

And I do not find it inconsistent to stand before this Committee of the Whole and support the end of benefits for those who will enter military service beginning next January.

These men and women are volunteers, serving by free choice in a peacetime military, paid good salaries, provided with excellent benefits for themselves and their families, and most significantly, do not experience the involuntary removal from school or job that the draftee did during the past quarter century in World War II, Korea, and Vietnam.

The GI bill has served its purpose, and will continue to serve its purpose, for those veterans who are now in school or vocational training. They will not be denied any of the benefits that are due them. There will be a GI bill program until 1985. It will cost $2.2 billion just for the next 5 years of operation.

Some opponents of this legislation contend that the GI bill is needed to stimulate future enlistments. However, it is interesting to note that in the last fiscal year, all our military services exceeded their enlistment quotas, and brought a total of 457,000 people into the military.

If the GI bill were continued to cover new recruits, it would cost an estimated $1 billion a year in addition to the cost for the Vietnam-era veteran.

I am proud of the young men and women who served during the Vietnam war. Responding to suggestions and criticisms, I have worked hard to improve the GI bill to meet their needs. I have been gratified by the many veterans who have told me that the GI bill has helped them readjust to civilian life. Certainly no group of veterans in our Nation's history has experienced such difficulties, both in returning to a civilian job, and in finding Americans who appreciate their sacrifices. The Vietnam-era veterans are 7.3 million strong, and they stood fast in one of our country's most difficult periods. But the Vietnam era is over, and it is time to devise a new type of education benefit for the servicemen.

May I also point out to my colleagues that this legislation also contains a further improvement in the GI bill, the extension of the 45 months of benefits to include graduate school study. This was a provision that I favored 2 years ago, and originally offered as an amendment in September of 1973 in subcommittee. However, the final version of the bill last year limited the extra 9 months to undergraduate work. Now we finish the improvements in the GI bill that were begun 2 years ago. It is a good program, and it will continue to serve Vietnam-era veterans well.

Mr. KETCHUM. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER of Massachusetts. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I rise in support of H.R. 9576, a bill to terminate education benefits for individuals entering the armed services on or after January 1, 1976, and for other purposes.

I believe this legislation represents good thinking. Previous educational assistance programs, specifically those extended to veterans of World War II and the Korean war, have been terminated after veterans of these conflicts had been allowed ample time to use their benefits. To terminate education benefits in the post-Vietnam era is only following precedent.

The educational assistance programs were established for the purpose of helping veterans compensate for the time they spent in the service when they might normally have been pursuing degrees in higher education or vocational training. Many of those who took advantage of the programs were individuals who had been drafted. These people, who gave their time to the service of their country, certainly deserve the chance to catch up on educational opportunities lost during their time of active duty. However, the draft has ended and service in today's Armed Forces is on a volunteer basis. The young man or woman entering active duty now is hopefully choosing a career, rather than putting in required time. Further, during times of war, our servicemen face entirely different circumstances than during times of peace and should be compensated accordingly.

As a sponsor and cosponsor of legislation to extend 45 months of education assistance to all eligible veterans, regardless of what degree they may be pursuing, I heartily commend the Committee on Veterans' Affairs for including such a provision in this bill. I never could understand the logic behind granting the additional 9 months only to undergraduates. It certainly is not a fair and equitable restriction. I see no reason to penalize an individual who might have completed some or all of his undergraduate work before entering the service. A veteran working toward a postgraduate degree is just as worthy of assistance as an undergraduate, especially when one takes into consideration the necessary education needed to compete in today's job market.

I believe this bill accomplishes worthwhile goals and I urge my colleagues to support it.

Mr. EDGAR. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentlewoman for yielding.

I appreciate the gentlewoman's comments about the need for education for those in the volunteer service, and I commend the gentlewoman for her comments in regard to that.

I, as a member of the Education Subcommittee of the Committee on Veterans' Affairs, want to make sure that those new recruits coming in on January 1 are afforded all of the same opportunities which you have just shared.

Let me ask the gentlewoman this question: Is it not true that for 32 of the last 35 years GI educational benefits have been afforded to our veterans?

Mrs. HECKLER of Massachusetts. There was an extensive period following World War II when, as a result of service in that conflict, the basic concept of educational benefits and readjustment assistance was provided. That was culminated after a reasonable period. Subsequently the Korean veterans enjoyed the same protection, and now we are offering the same protection and generous readjustment assistance to the Vietnam-era veterans.

The SPEAKER. The time of the gentlewoman has expired.

Mr. ROBERTS. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. ADAMS), the chairman of the Budget Committee.

Mr. ADAMS. Mr. Speaker, I support H.R. 9576 which will extend educational benefits for veterans from 36 to 45 months but sets a termination date for continuing GI benefits. That protects all those who served under the draft or in combat in Vietnam and are eligible for benefits.

It is essential, however, that the Budget Committee warn the House about the automatic spending that will be involved if we simply extend benefits.

Last Friday we passed the HUD conference report which shows what we will pay this year—$900 million above the concurrent resolution in veterans' benefits—and the type of legislation we are considering today is essential as part of our continuing effort to evaluate and improve our automatic—or permanent—spending programs.

As part of this I want to discuss with the Members the unique situation dealing with the HUD-independent agencies appropriation bill. This conference report on an appropriation bill which we passed Friday was the first appropriation bill substantially over the targets assumed in the first budget resolution for fiscal year 1976. If this continues with other bills we will increase the deficit projected for fiscal year 1976.

The major reason why the HUD bill exceeded the resolution targets deals with a subject that the Budget Committee labored over long during its first year of operations—that of mandatory spending legislation. The House has acted responsibly to keep generally close to the budget resolution target in matters where funding is discretionary. It cannot, however, deny funding for mandatory spending programs. The HUD conference report exceeds the amounts assumed in the budget resolution by $900 million for veterans programs for which funding is mandatory. I did not oppose that conference report because the individuals are entitled to receive benefits unless the law is changed. That type of bill is before us today.

In the first budget resolution the Budget Committee reviewed the President's estimates for veterans' benefit programs which fall within this bill and realized the funding level did not adequately reflect the current state of the economy. Consequently the Budget Committee added $500 million to the President's budget for this purpose. On July 18, after this appropriations bill passed the House and was pending before the Senate, the President amended his own Budget for this purpose by $1.4 billion. The conference report includes this additional mandatory funding. That further explains why the Conference report exceeds the budget targets by $900 million. This is one example of what I have indicated to you on many occasions, that the pressures of mandatory spending as a result of the recession may cause various bills to exceed the resolution targets.

At this point I would like to show the major difference between the HUD conference report and the first budget resolution. In veteran affairs, which mainly are a result of the recession. Veterans who cannot obtain a job often go to school and we now see the payments rising because we have not provided enough jobs for our veterans. The same can apply to other benefits.

An analysis of the veterans readjustment benefits, compensation and pensions includes budget authority of $0.9 billion and outlays of $0.9 billion as contained in the HUD conference report. The budget resolution assumed $500 million in both budget authority and outlays over the President's February budget for this purpose. The President submitted a budget amendment to the Senate of $1.4 billion in both budget authority and outlays for this program. This reestimate was agreed to in the conference report. This puts the concurrent budget resolution $900 million worse in the deficit area.

The SPEAKER. The time of the gentleman has expired.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Speaker, I cannot believe that if this bill were going to hurt the Volunteer Army, we would not have had the Committee on Armed Services consider it carefully and present strong arguments in opposition.

I do not think it is unseemly that 4 years after a war is over we terminate the benefits that were intended to go to combat veterans. I speak from a personal standpoint in favor of this bill. I was privileged to attend graduate school, and was in law school, on the GI bill after World War II even though I had no real combat service in that war. It seems to me this bill remedies a defect in our treatment of Vietnam war veterans. We extended to the veterans of World War II and the Korean war the privilege of attending graduate school but denied that benefit to veterans of Vietnam. This bill remedies that inequity by extending for at least a year to the Vietnam veterans those benefits, and in my judgment that alone justifies passage of the bill.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. WYLIE.).

Mr. WYLIE. Mr. Speaker, all this bill does is say a person who is recruited for the Armed Forces after December 31, 1975, will not be eligible for the GI educational benefits program administered by the Veterans' Administration, plus the fact that it extends for 9 months the time within which college graduate students may receive benefits, the same as undergraduate students and it extends by 12 years the time within which educational benefits can be utilized.

Consider this, for example. If we do not pass this bill a recruit entering the service today at age 18 could serve for 30 years, leave the service at age 48 as a colonel, draw his pension, and still have 10 years within which to qualify for GI educational benefits. That would leave the matter open until the year 2015. That defeats the whole purpose for which the program was intended in the first place.

The idea, of the GI educational benefits program, as the gentleman who just preceded me stated, was to rehabilitate a young man who had been jerked out of his job or school for wartime service, as after World War I, World War II, the Korean war, and the Vietnam war.

The history of the GI bill clearly illustrates that its sole rationale is to assist those veterans who served during defined periods of armed conflict and national need. The vast majority of such veterans were conscripted into uniform and frequently suffered a serious disruption in their personal, career, and business plans because of the draft. This service was not of their own choice and the GI bill was designed to assist their transition back to civilian life and to help compensate for opportunities lost while in uniform.

The combat and related emergency has ended. The draft has terminated and we are at peace with an all-volunteer professional military establishment that is well provided for in fringe benefits and very well paid. Since the historical prerequisites for a GI bill have lapsed, it is time to close the program down.

I also cannot buy the argument that the GI bill is needed as a recruiting tool for the all-volunteer military. Those who voluntarily join the military today are not faced with the economic and personal problems caused by the draft during a war.

I rise in strong support of the bill and I cannot understand or imagine opposition to it.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, the legislation we are considering today accomplishes several goals. It terminates eligibility for education and training benefits for servicemen entering service after December 31, 1975. And, it sets a final limit on the time a Vietnam veteran has to use his benefits. This is nothing new, Mr. Speaker. It has been done after World War II, the Korean war, the cold war era, and it now time for the Vietnam war. In fact, the President, on May 7, issued a proclamation fixing the period of the Vietnam era as beginning on August 5, 1964, and ending on May 7, 1975. It is therefore long past time that Congress do its part.

Further, the bill corrects an inequity created by the Vietnam Era Veterans Readjustment Assistance Act of 1974 by allowing the veteran to use his educational entitlement for graduate work also. Another provision in this bill terminates the predischarge education program with a savings clause for those currently enrolled. As was explained earlier, this program was designed to reach the "preveteran" before discharge to help him pursue education and training under the GI bill.

However, this program, financed by the VA, has become the main high school completion program for the Department of Defense. Most of its benefits occur early in the serviceman's enlistment; not in the last months before discharge to prepare him for the GI bill, as originally intended. This does not mean that education programs will not be available to those in the military service, it only means that DOD, rather than the VA, will be rightly footing the bill.

The final provision of this bill concerns the VA home loan program, which comes under the jurisdiction of the VA Housing Subcommittee, of which I am ranking member.

Mr. Speaker, on June 19, the Housing Subcommittee held oversight hearings on the VA home loan program. Mr. Robert C. Coon, the director of the Loan Guaranty Service, testified. After that hearing, the value of this program to our veteran population became evident to me, as well as to other members of the subcommittee.

During that hearing, and a later hearing held to consider termination or continuation of the VA home loan program on July 30, it also became evident to me and other members of the subcommittee that, through a series of alterations since 1944, the VA home loan program has been transformed from a readjustment benefit to a permanent housing program.

According to provisions of the program at its inception, in 1944, a veteran had a maximum of 2 years after the war or 2 years after his discharge, whichever came later, to utilize the GI loan benefit. The entire program was to expire 5 years after the official end of the war. However, the very next year, that 5-year limitation was lengthened to 10 years, and therefore the nature of the program changed from an immediate readjustment benefit to a long-range benefit program.

In 1956, as this last extension was running out, the entitlement for World War II veterans was extended until 1958; then it was further extended by the succeeding 85th and 86th Congresses, until in 1961, under Public Law 87-84, the termination dates were dropped in favor of a new phaseout formula which gave World War II veterans until at least July 25, 1962, and not later than July 25, 1967, depending upon the veterans' military service, to utilize these home loan benefits. Korean war veterans were also placed under a similar phaseout formula, with a final termination date of January 31, 1975. Then, in 1970, Public Law 91-506 removed all the delimiting dates on entitlement to the VA loan program, and therefore made it a permanent VA home loan program. When, in 1972, Public Law 93-569 made it possible for a veteran to obtain as many home loans as he desires as long as the property had been disposed of and the loan had been paid in full, Congress had removed any vestige of an immediate VA home loan readjustment benefit. Therefore, Congress had converted the VA home loan program to a permanent program by giving all eligible veterans since September 16, 1940—except those serving only between the dates July 26, 1947 and June 26, 1950—lifetime eligibility to use VA home loan benefits as many times as they desire, as long as they meet the previous mentioned conditions.

Thus, a 60-year-old World War II veteran buying his third home would not be considered readjusting from World War II. And, therefore, the committee felt that it was a logical extension, and that these benefits should be available to all veterans who have served since the program's inception and should be extended to those individuals entering service on a voluntary basis.

Some have argued that if we continue the VA home loan program, it is inconsistent not to continue the education and training program. To make such an argument, however, is to disregard the intent of those Congresses which passed legislation since 1944. While the VA housing program has been continually broadened since 1944 into a permanent Government housing program for nearly all veterans since 1940, the VA education and training program has remained truly a readjustment benefit available for only short periods after a serviceman's discharge after a war or the cold war era.

As mentioned earlier, our 60-year-old World War II veteran, discharged in 1945 and buying his third home, is, today, currently eligible for a GI home loan. That same veteran lost his entitlement to education benefits 9 years after his discharge in 1945. Thus, to compare these two programs and argue for continuance of both on the same rationale is like comparing apples to oranges. One is a short-term, temporary education benefit while the other is a long-term permanent housing program.

Other considerations should also be viewed, Mr. Speaker. Since its inception in 1944, the VA home loan program has been instrumental in inducing private lenders to extend $114.4 billion to over 9 million veterans. Under its direct loan program, the VA has helped another 322,000 veterans become homeowners by lending some $3.2 billion. However, the amazing part is that the total cost of this entire program from 1944 through fiscal year 1975, including administrative expenses, has been only $868.8 million, and of that amount, $404 million, or about half, went for paying the first year's interest on the VA loans. And that provision was terminated in loans approved after September 1, 1953—Public Law 83-149. Add to that a foreclosure rate of only 3.6 percent and I can safely say that this VA home loan program has been the most successful government housing program, providing more "bang for the buck" than any other government housing program. Not only did the committee realize this, but also, the administration, which is noted for terminating unworthy spending programs, in its draft bill asked for continuation of the VA home loan program and stated in hearings that there was no objection to the continuation of this program.

Therefore, Mr. Speaker, in light of the fact that the education program began as a readjustment benefits while the VA housing program has been transformed into a permanent housing program by several Congresses since 1944, I, as well as a majority of the committee, feel that it should be continued. It is also crucial to note that the estimated 5 year extra cost of continuing the education program is $1.4 billion, while it is only $27 million for the VA housing program—$15.7 million of which is paid back in interest to the Government and only $11.3 million going for operating expenses and losses.

Mr. Speaker, I overwhelmingly give my endorsement of H.R. 9576, and strongly urge its passage.

Mr. DON H. CLAUSEN. Mr. Speaker, I wonder if I could ask the gentleman from Texas a question, because I have raised the question previously on the matter of civil service veteran's preference termination. It is my intention to write a letter to the committee having jurisdiction on the Senate side. I am hopeful they could remove this retroactive provision on the Senate side and that we could have the support of the leadership of the gentleman's committee.

Mr. ROBERTS. Mr. Speaker, if the gentleman will yield, we certainly have no objection. It may come in under another committee.

Mr. DON H. CLAUSEN. But the gentleman would help me in my efforts.

Mr. ROBERTS. We would not object to it.

Mr. DON H. CLAUSEN. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr Speaker, I rise in support of the bill.

Mr. Speaker, I urge all Members to vote for the passage of this important piece of legislation. The bill provides for important improvements in the benefits available to Vietnam-era veterans.

In 11th-hour action, the 93d Congress restricted the educational benefits of Vietnam-era veterans to 36 months. I can attest to the adversity that this restriction caused many of my own constituents principally located at Michigan State University and my two community colleges. With the help of Chairman TEAGUE and Mr. ROBERTS, I was pleased to be able to assist in the extension of the eligibility to 45 months which this bill contains.

In addition, Mr. Speaker, the bill calls for the termination of the educational benefits for the all-volunteer, peacetime Army beginning with recruits in January of 1976. While I support this termination, I recognize the need to improve the educational financial assistance for all people, veteran and nonveteran alike, and will dedicate my efforts to that end.

In its present form, the bill will be a saving to the taxpayers of roughly $1 billion a year. We in the Congress frequently are accused of annual continuations of old, outmoded programs, and programs designed for specific purposes which no longer exist. We are thereby accused of irresponsible Federal fiscal policy. This bill is an example of Congress commitment to periodic review of programs and the abolition of those whose purposes have been fulfilled. But such an abolition cannot be justly taken as a refusal to recognize other needs which will need new and more appropriately tailored programs.

I would like to make one final point, Mr. Speaker. Along with my colleagues from Tennessee, Wisconsin, and Pennsylvania, I, too, am concerned about the procedure under which this bill has arrived here on the floor. I agree with Mr. EDGAR of Pennsylvania, that there are many questions to be answered regarding the impact of this legislation. However, I am of the judgment that there is time to seek the answers to those questions and put them into the form of new legislation if it is necessary. Having been a prime author, along with the distinguished chairmen of the committee and the subcommittee of the extension of the 36- to 45-month eligibility, however, I find compelling reason to vote for the bill, notwithstanding the fact that it comes to us on a suspension calendar. I urge my colleagues to support the bill on passage.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. CORNELL).

Mr. CORNELL. Mr. Speaker, I rise in opposition to this bill not because I am opposed to the 9-month extension because I have introduced a bill to that effect. I am not opposed to continuance of the housing loans for veterans. I voted for that in the subcommittee.

But I am opposed to the termination of the benefits for those who joined the armed forces after December 31. We have had a long-term program which has been in effect for the last 30-some years. Just last year we had testimony from the Veterans' Administration down through the Internal Revenue Service to some of the same committee members who now want to terminate these benefits, testimony which cited statistics which showed the educational program is a profitable investment, bringing back to the Government three to six times the amount of money originally spent by the Government on these benefits. Surely these economic factors have not changed in the last 6 to 10 months. Maybe the benefits should be changed and limited somewhat. Maybe the entitlements should be limited to those who are not getting a military pension. Maybe these educational benefits should be financed out of the defense budget.

These are questions which the committee never asked—let alone answered. Indeed, the subcommittee held a scant 2 hours of hearings which only approached the subject of termination in an incidental manner.

The committee is reporting H.R. 9576 to the House under suspension of the rules a procedure which prohibits amendments. Hence I urge my colleagues to vote against this measure in the hope that more careful consideration can be given to such an important, significant piece of legislation.

I hope that this matter will be returned to the subcommittee for more extensive hearings and consideration of alternatives which could cut down on the cost of the program without eliminating it altogether. Surely, there exists a way for the Veterans' Committee to make the transition from wartime benefits to peacetime programs without killing one of the best measures ever afforded American veterans.

The impact of this bill upon schools, the Department of Defense, or the Veterans' Administration is far secondary to our purpose of making sure that future veterans will have a fair chance of making a decent living after their military services.

Mr. ROBERTS. Mr. Speaker, I have only one more speaker to close debate.

I yield such time as he may consume to the gentleman from Ohio (Mr. MOTTL).

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. MOTTL. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, I rise in support of this legislation. I would hope sometime in the future we can get fresh legislation to continue the GI bill to those who joined up after December 31. Meanwhile, it seems to me that this is a step in the right direction and I support it.

Mr. MOTTL. Mr. Speaker, I rise in support of H.R. 9576. This bill would set a date in the future after which a volunteer peacetime soldier entering the service would not accrue education benefits. Let me emphasize that this legislation has nothing to do with cutting off or cutting back in any way the education program for Vietnam veterans. As a matter of fact, this bill liberalizes benefits for Vietnam veterans in that it grants an additional 9 months to Vietnam veterans for graduate study.

Mr. Speaker, the Vietnam emergency is over. There is no longer a draft. All other war veteran benefits have been terminated and it is proper that the education benefit be terminated. This action is supported by the American Legion, Veterans of Foreign Wars, Disabled American Veterans and AMVETS. These are the war veteran organizations and they have indicated that they do not support a billion dollar a year program for the recruitment of peacetime soldiers if it is to be paid out of the VA budget.

It may be that some sort of education program is needed by the military. However, the Defense Department has made no such recommendation as of now. If the Department of Defense needs some sort of education program which will be paid for out of the Department of Defense's budget, that legislation should be prepared and referred to the Armed Services Committee which is proper committee of jurisdiction. The Veterans' Affairs Committee is concerned primarily with war veterans, and in my opinion there is no justification for taking a billion dollars a year out of the VA budget to pay for a program for peacetime soldiers.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. MOTTL. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I hope the gentleman will realize there are other groups in support of this.

The groups supporting our position are: National Association of Concerned Veterans, Non-Commissioned Officers Association of the U.S.A., Paralyzed American Veterans, the American Veterans Committee, the American Association of State Colleges and Universities, American Association of Community and Junior Colleges, American Council on Education and National Student Lobby.

Mr. WOLFF. Mr. Speaker, I rise in support of H.R. 9576. As a member of the House Veterans' Affairs Committee and a ranking member of the Education Subcommittee, I sincerely believe that this legislation is in the best interests of the men and women who served in Vietnam—those for whom the Vietnam-era GI bill was intended.

H.R. 9576 reaffirms the fact that the Vietnam war is over by providing that we shall no longer pay wartime benefits to those serving in an all-volunteer, peacetime Army, which already has a program of benefits and incentives that far exceed anything that was offered to wartime veterans. In addition, H.R. 9576 corrects as inequity that has stood far long enough—that of providing 45 months of education entitlement to undergraduate veteran-students, while restricting graduate veteran-students to only 36 months. Since last year, I have advocated removal of this restriction and was the first Member of the House, along with my distinguished colleague from New York (Mr. Koch) to introduce legislation to grant 45 months of education entitlement to all veterans without restriction.

I believe it is essential that we enact H.R. 9576 for a number of reasons. First, the Vietnam-era GI bill was created as a postservice readjustment assistance program. Without enactment of H.R. 9576, it will be used by the Department of Defense as a preservice incentives program for recruiting men into an all-volunteer, peacetime Army—yet its costs will continue to be borne by the VA. The cost of an education program for today's serviceman should be transferred to DOD, but I honestly believe that this will not happen if we do not enact H.R. 9576.

By "forcing the hand" of the Department of Defense to develop its own education program, H.R. 9576 will enable the VA to better utilize its funding to be more responsive to those who were drafted and who served in Vietnam—those for whom the present GI bill was intended. I believe that defeat of H.R. 9576 will constitute a disservice to the Vietnam veteran. The VA's budget is limited, so that veterans are not getting the most effective assistance; the VA's budget will continue to be strained—and the veteran shortchanged—if we continue to pay wartime benefits to peacetime servicemen.

I quite agree with those of my colleagues who feel that DOD needs an education incentives program and that today's serviceman should be entitled to education assistance. However, the Vietnam Era GI bill is not responsive to today's serviceman, precisely because it was created as a readjustment assistance program. Today's serviceman is in a peacetime army, on his own volition, making a decent salary—a private in today's Army makes $344 a month, compared with the $98 a month made by his counterpart during the Vietnam Era. He will not face the same kinds of readjustment problems as faced by the Vietnam veteran. Also, a great many of those who make up today's Army are undereducated and need education assistance while they are in service. An education is needed that can be used to upgrade the caliber of those who comprise the all-volunteer army—both for their own sake and for the sake of the country's defense—but this will not happen if we continue to allow DOD to use the Vietnam veterans' education bill—a program that provides readjustment assistance after service completion—as a recruitment incentives program.

I know that some of my colleagues are confused over the purpose of H.R. 9576. I want to stress that this legislation in no way jeopardizes the education benefits of Vietnam veterans. In fact, it liberalizes their education program by granting all veterans 45 months of education entitlement.

Since I have been in Congress, I have actively supported and sponsored legislation on behalf of this Nation's veterans. If I thought that H.R. 9576 would at all work against our veterans, I would not support it; but it is my sincere belief that this legislation is in the veteran's interest. It will hopefully help us to get enacted additional, needed reforms in their education program—reforms which now fall by the wayside because the VA's budget is constrained.

I urge my colleagues to support H.R. 9576 in the interest of the Vietnam veteran.

Mr. BRINKLEY. Mr. Speaker, to me there is merit in the contention of Messrs. Edgar, Cornell, and Ford that GI bill educational benefits be retained, even if in reduced form, not so much for the military but for the individual and for the country. This was reflected in my vote to recommit the bill in committee to the Subcommittee on Education and the absence of my name on the bill under consideration.

As chairman of the Subcommittee on Housing of the Veterans' Affairs Committee, I agree with the continuance of that program and also support extension of the maximum educational benefits to 45 months for all eligible veterans, having introduced legislation on that subject.

Notwithstanding the problem I find with the justifications toward ending the GI bill, my vote will be for the overall measure. This is done with a recognition of the validity of the committee contention that further educational benefits should be borne by the Department of Defense.

Accordingly, as a member of the Armed Services Committee, I will investigate the possibility of introducing legislation patterned as follows:

> To provide a system of special enlistments whereby the volunteer soldier might take reduced benefits while in service and for every good month served earning a month of educational entitlement up to the 45 months. The system would be cumulative and similar to the survivors' benefits legislation which would require the enlistee to "opt out" instead of "opting in"—thus it would have to be a conscious rejection of this opportunity. There should also be an open season annually to afford each individual the chance to get in or get out at that particular point.

This should meet fiscal objections to the continuation of the existing program and would also distinguish between the volunteer soldier and the wartime soldier.

Mr. FORD of Tennessee. Mr. Speaker, I rise in opposition to H.R. 9576, the Veterans' Readjustment Assistance Amendments of 1975.

As you know, I was a member of the Veterans' Affairs Committee and a member of that committee's Subcommittee on Education and Training until just last week. I was proud to be associated with the members of that committee and its eminent chairman. The Veterans' Affairs Committee has a long and distinguished record of accomplishment. It has a well-deserved reputation for thorough consideration of every major issue within its jurisdiction.

However, the committee's evaluation of the measure we have before us this day is a radical departure from its customarily exhaustive studies. The Subcommittee on Education and Training held a mere 2 hours of open public hearings on H.R. 9576, a bill designed to terminate the veterans' educational benefits program. On the "strength" of that brief and inconclusive testimony, the Committee on Veterans' Affairs is recommending that this House cut out a program of almost inestimable value.

The GI educational assistance program has for 32 of the past 35 years, during periods of war and peace, proven to be one of the most successful Federal programs ever implemented. Not only has the program provided unparalleled educational opportunities for this Nation's former servicemen and servicewomen, but it has been a financial winner for this country as well. According to the figures of the U.S. Department of the Treasury and the Internal Revenue Service, for every $1 spent in educational assistance to veterans, from $3 to $6 is returned in the form of taxes paid due to higher wages and greater earning capacity. As a representative of one veterans' organization declared:

> A guaranteed return of 300 to 600 percent on any investment is truly astonishing but considering the nation's present economic problems, that return is little short of miraculous.

The veterans' educational benefits program which this bill seeks to eliminate has been particularly effective in recent years in helping minorities and other disadvantaged GI's obtain a higher education. In the last 7 years great strides have been made in creating an awareness of the provisions of the GI bill in the ghettos and inner cities of this country. As a consequence, minority veterans of the Vietnam era have been applying for educational benefits in increasing numbers. Now, in the face of this progress, and in light of the fact tnat minorities are enlisting in the Armed Forces in record numbers, the committee is attempting to shut down the program.

Perhaps the GI educational program should be modified in some ways, leaving an alternative program in its stead. However, no alternative proposal is under examination which would replace the present program if the House terminates it today. It would be totally irresponsible to end this existing program prior to developing another program, regardless of the form the new program would take.

Mr. Speaker, the proponents of H.R. 9576 are claiming that their measure has the support of this country's veterans' organizations. Well, at best, this is a distortion of reality. I have received a number of statements in opposition to the bill from many of my constituents and groups including, the National Association of Concerned Veterans, the Non-Commissioned Officers Association of the U.S.A., and the Paralyzed American Veterans. In addition, the Veterans of Foreign Wars and the American Legion are in favor of some form of educational compensation for those now entering the service. Finally, upon completion of the hearings on educational benefits for veterans before the Veterans' Affairs Committee of the other body, its chairman, the Honorable Vance Hartke said:

I believe termination of educational benefits for volunteer veterans is short-sighted and not in the best interests of this nation.

When I served on the Committee on Veterans' Affairs, I felt that it was my duty to join Congressmen CORNELL and EDGAR in dissenting from the committee's favorable report on H.R. 9576. This is the first time in 24 years that members of the committee have felt the need to use this procedure to bring the case of the people before this House.

Today, Mr. Speaker, I urge my colleagues to defeat H.R. 9576, returning it to the Subcommittee on Education and Training for full public hearings and a complete investigation of the question of educational benefits for men and women who so nobly, and with great distinction, serve the citizens of the United States.

Mr. LEGGETT. Mr. Speaker, I want to make clear to my colleagues that I do not oppose the provisions of H.R. 9576 as reported by the Committee on Veterans' Affairs. I do, however, oppose the passage of this bill under suspension of the rules. It is highly significant legislation, and ought to be exposed to the full legislative process, including amendments.

The bill enunciates a principle of equity with which I agree; that veterans of military service during times of war or national emergency are entitled to benefits beyond those received by those whose service was only during peacetime. That is reasonable.

However, the current GI bill discriminates rather badly against a class of veterans who certainly should not suffer at our hands; these are the sons and daughters of those who previously gave their lives in the service of their country. We provide for these orphans what their fathers would have provided had they lived, an opportunity for educational achievement. We then inconsistently force them to repay our generous gesture by forfeiting the bulk of the educational benefits they should be entitled to by virtue of their own service. I say inconsistent because the victims of this forced loan are, in many cases, not told what will happen to them until after they have been discharged from the Armed Forces. The VA informed me that this information was disseminated in a counseling program they required for all participants in war orphans' benefits "unless they have been accepted in a standard college degree program." This means a majority of participants are simply never told of this restriction until they attempt to use benefits they had been told throughout their service were theirs.

If the motion to suspend the rules on this measure is defeated, I shall offer as an amendment the provisions of my bill, H.R. 5256, to correct this inequity, which will allow us to end this discrimination against the orphans of veterans.

Mr. BARRETT. Mr. Speaker, I rise in opposition to H.R. 9576, the Veterans' Readjustment Assistance Amendments of 1975. I do so with mixed emotion, because there are a number of provisions in the bill which I support. However, I believe that to terminate educational benefits to those individuals entering military service after December 31, 1975, as proposed in the bill, is wrong. By defeating this bill today, I do not think we jeopardize those provisions in the bill that are worthy of enactment into law. I have great confidence in the gentleman from Texas, the esteemed chairman of the Committee on Veterans' Affairs, that the committee can report a bill in time for action during this session of the 94th Congress.

The GI educational program over the years since its inception has probably done more to benefit the citizens of this country and thereby the Nation than any other piece of legislation in this century. Millions have enjoyed the benefits under this program; it has served to raise the general level of education among our citizens. It has been part of the ingredients that has raised the general standard of living among our people and thereby the quality of life. The arguments to discontinue this great program because we have gone to an All Volunteer Army, Navy, and Marines do not convince me. I believe that such action would be short sighted and not in the best interest of the Nation.

Further, I would venture that if all factors are fully considered the cost-benefit ratio of the GI education program would be as high as if not higher than any other program enacted in the last 50 years.

I urge my colleagues to defeat H.R. 9576, inasmuch as the bill cannot be amended under the present method of its consideration.

Mr. STEIGER of Wisconsin. Mr. Speaker, I rise in opposition to the committee's recommendation that the GI bill be terminated for all future enlistees. Basically, I am in sympathy with the committee's position. We do need a more cost-effective incentive that will be specially targeted only to those for whom postservice educational benefits will be perceived as an inducement to enlist. However, I think it highly unwise to throw out the GI bill before an acceptable alternative has been adopted. Every study has shown that the GI bill provides an important incentive to enlist, particularly among those who score well on military entrance examinations.

I understand the position of the committee and the desire to establish a post-Vietnam veterans policy. At the same time, I do not believe that we can cut the recruiting force as we did last week and then put further pressure on the remaining recruiters by depriving them of one of their most attractive incentives. I urge the defeat of the committee proposal, followed by action to develop a cost-effective set of educational benefits.

Mr. O'HARA. Mr. Speaker, I rise in opposition to the motion to suspend the rules and pass H.R. 9576. I regret the necessity to vote against this bill, because many of its provisions are good ones, and even the most fatal flaw in the bill, the termination of Veterans' Administration educational programs for the men and women who will enlist in the armed services after December 31, is only objectionable because it fails to drop the other shoe—it fails to revive those program where they ought by rights to be in the Department of Defense.

But the bill does fail to make provision for DOD operation of these educational programs, and it comes before us under suspension, with no opportunity given the House to correct this deficiency by amendment. Given the President's unremitting hostility to any serious investment by this Nation in the education of its people, whether they are veterans or not, it would seem to be wholly imprudent to end the GI bill eligibility of future veterans and then to rely on the hope that we can enact, over an almost inevitable Presidential veto, a bill setting up such a program in the Department of Defense.

Though not a member of the committee which reported this bill, I think I have two sets of credentials which entitle me to speak about the legislation.

First, I address the issue as chairman of the House Subcommittee on Postsecondary Education. From the point of view of our national educational policy, I think this bill and the Presidential views which it embodies are deeply in error. The administration views expenditure on education as a waste of money, as a luxury we cannot afford in these times. That point of view was made clear in the first 6 years of the present administration, and it has been faithfully maintained throughout the Presidency of Gerald Ford.

But it seems to me that the Congress, by its repeated actions in overriding the educational vetoes of Presidents Nixon and Ford, has demonstrated its recognition of the basic wrongness of that view. We have, as recently as last month, voted overwhelmingly in support of the proposition that education is an investment of national funds, and that in periods when people cannot get jobs, in periods when we are desperately seeking to increase national productivity, in periods when we need all the brain power development we can possibly secure, to meet the increasingly complex problems the future holds in store—in such periods especially, it is truly wasteful to reduce our investment in education.

Let me assure this House, Mr. Speaker, as chairman of the subcommittee which deals with them, that the student financial assistance programs operated by the Office of Education are not now, and will not in the foreseeable future, be an adequate substitute for the programs carried on under the Veterans' Readjustment Act. If we terminate the investments now managed by the Veterans' Administration, we will substantially reduce our national educational investment, and we will prevent thousands of men and women from going on to a postsecondary education. The enactment of this bill will close the door to college to a great many young Americans—most of whom will not be able to open that door otherwise.

The National Negro College Fund says:

> A mind is a terrible thing to waste.

This bill wastes minds.

But I have another set of credentials for my views on this legislation, Mr. Speaker. I am moved to my opposition because like the young people we are talking about, I am a veteran, and I was able to go to college only because of the World War II GI bill.

Mr. Speaker, as a combat veteran of World War II, let me reassure the Veterans' Administration and the Veterans' Affairs Committee that I fear no dilution of my status whatever by the fact that the term "veteran" will be used to describe the men and women who will enlist in our all-volunteer military after the end of this year.

We are told, Mr. Speaker, that the President has proclaimed the end of the Vietnam war, and that the members of the armed services who begin their service next year will be "peacetime" soldiers and not worthy of the same treatment as those who served in time of war.

I wish that were the case, Mr. Speaker. I wish that a proclamation signed in the calm of Washington, D.C., could in fact, create the peace that so many people worked and so many others died to secure.

But, Mr. Speaker, I do not know how we can take seriously the proposition that the aircrews who even now fly lonely patrols over the polar ice—the soldiers who huddle in missile silos with the key to Armageddon in their hands—the infantrymen who man the fragile ramparts of peace in Europe and in Korea—the sailors of the Sixth Fleet—and the dedicated volunteer men and women who will give of the irreplaceable years of their youth to safeguard this Nation in the years ahead—are in any way peacetime veterans.

Yes, Mr. Speaker, these people will be volunteers. And yes, they will be paid better than members of the services have been paid hitherto. But the fact that their wages are a little better than those of World War II is hardly an excuse to insult the caliber of their service or downgrade the reality of their sacrifice by pretending that they are somehow less deserving of postservice readjustment than were the veterans of earlier periods of war and interwar.

The volunteers of the new armed services will be doing exactly what their predecessors of the past two generations have been doing—giving of the best years of their lives in order to protect and prolong the years of all our lives.

Presidents may proclaim peace, but there is no peace, Mr. Speaker. The next gale sweeping over the horizon could bring to our ears the sounds of a world in flames. Those who keep the watch against that gale are worthy of more gratitude than we can pay, and more than this bill would take away.

Mr. CONTE. Mr. Speaker, I rise in opposition to the Veterans' Readjustment Assistance Amendments of 1975 (H.R. 9576). It is clear that terminating the GI bill will be disastrous on our military recruitment program which is finally starting to take shape. One of the most enticing aspect of enlistment is the educational assistance the GI bill can provide. These educational benefits are essential to those many Americans who would not otherwise be able to continue with their educations. I am sure a vast percentage of us would not be here today if it was not for the GI bill.

In the past 2 years, I served as chairman of the Special Veterans Opportunity Committee of the National League of Cities/U.S. Conference of Mayors. I held hearings across the country on veterans programs only to find that the GI bill was sadly lacking. This educational assistance was a prime concern of all those young men and women I spoke with. Last year we made a step in the right direction by extending the eligibility for the GI bill from 8 to 10 years. Now we are taking a giant step backward by terminating the GI bill for all those who enter the service after January 1, 1976. Thus, we have another magic arbitrary date—those who enter before midnight December 31, 1975 are deemed eligible for 10 years of education benefits while those who join after midnight December 31, 1975 receive none.

In these times when a bachelors degree means no more than a high school diploma did 10–15 years ago—passage of this bill would effectively prevent thousands of Americans from achieving that bachelors degree which today is so very basic.

I must say that the provisions that extends the education benefits from 36 to 45 months is a wise one. However, it will apply only to those who enlisted before December 31, 1975. While the extension of benefits is welcomed, it is clear that this bill is not a suitable vehicle to accomplish that end.

Further, I am not satisfied that the report has decisively explored the impact the bill will have on future recruitment, minority veterans, and veteran unemployment. It is clear that the GI bill has generated millions of dollars in tax revenues by enabling veterans to accede to higher paying jobs. Termination of the education benefits can only have a reverse effect—perhaps to the extent of increased unemployment and welfare rolls.

Proponents of this bill argue that the Department of Defense must carry the responsibility for the educational benefits of those who enlist in the Volunteer Army rather than the Veterans' Administration who now assume the burden. The problem is that there is no program ready to be implemented on behalf of those entering after January 1, 1976. Congress has no insurance of the nature of benefits that will be made available to those entering after January 1, 1976. Only when Congress can evaluate the program that the Department of Defense will implement on behalf of recruitees after January 1, 1976, can we make an informed and educated decision on the bill before us. It is for these reasons that I consider this bill to be premature.

The dissenting views in the report merit our close scrutiny. The gentlemen from Pennsylvania (Mr. Edgar), Wisconsin (Mr. Cornell), and Tennessee (Mr. Ford) set out many of the arguments I have just enunciated. I suggest that all my colleagues read their dissenting views closely before casting their vote on this bill.

I urge my colleagues to defeat this untimely piece of legislation.

Thank you, Mr. Speaker.

Mr. DRINAN. Mr. Speaker, proponents of H.R. 9576 claim that the matter of providing for an ongoing program of educational assistance for post-Vietnam-era veterans is not the issue before us and is in fact unrelated to this measure which follows the precedent of limiting the GI bill to those veterans who have service in established periods of armed conflict.

The GI bill has existed for 32 of the past 35 years. It has been sustained not only as an expression of gratitude to those with wartime service but as a major investment in this Nation's future. Recognition that returning veterans would be facing an economy in turmoil as well as a recognition that the Nation must prepare for its development through education and training to assure that manpower needs would be met were as much factors in establishing the original program in 1944 as was the intent for providing a readjustment allowance for the veteran whose life was interrupted by wartime service.

Following World War II the GI bill provided this Nation with teachers, engineers, metalworkers, medical professionals, electricians, and a higher population of skilled workers than would have been realized without it. As early as 1944 the Truman Commission on Higher Education saw that incentives for training and education were "an investment, not a cost."

The argument has been made that we cannot afford continuation of this program. The question of what the bill costs the country may be rephrased to what will it pay the country. Studies have shown that for every $1 spent on the GI bill at least $4 is realized in additional tax revenues from increased earnings resulting from increased education and training.

If enacted, H.R. 9576, would terminate a program that has been highly successful without providing any incentive for drawing our attention to establishment of an ongoing education and training program. It would be irresponsible to terminate the program without allowing for appropriate discussion of the possible ramifications of such action. The Department of Defense has acknowledged that the GI bill is a major incentive for recruitment. In 1966 the Congress recognized this fact and wrote into the GI bill statute its recognition that this program "enhanced service in the Armed Forces by making it more attractive."

To end the program at this time would be shortsighted and not in the best interest of the Nation.

Mrs. MINK. Mr. Speaker, I rise in opposition to H.R. 9576 which terminates GI educational benefits.

The GI bill, without doubt, has afforded tens of thousands of men and women the opportunity to further and complete their education. It is an opportunity given in exchange for offering military service to our nation.

Except for a 3-year period, eligible veterans have been entitled to receive educational benefits since 1944, the date of enactment. To propose a complete halt in entitlement at this time without the benefit of full and honest debate by this House is ill-advised.

Some members of the Committee have said that the GI educational program should only be afforded to wartime veterans and have expressed concern at the cost of continuing these educational benefits. We cannot, obviously, ignore these costs. At the same time, we cannot hastily dismantle a program which has served our veterans so well for so long.

I understand that cost-saving alternatives have been suggested which merit some attention by the committee. One alternative would make the program available only to those who are discharged under honorable conditions. Or educational benefits might be applied only to books, course fees, and tuition. These and other options should at least be given the opportunity for full and free discussion.

It is difficult to vote against this bill because of other beneficial provisions. The bill corrects an inequity in current law by providing up to 45 months of benefits to veterans whether they are pursuing an undergraduate or graduate degree. Current law only provides 45 months of benefits for those veterans pursuing an undergraduate degree.

In addition, the bill incorporates a provision which I introduced as a separate measure, H.R. 2523, to provide payment of educational benefits to veterans who transfer from one school to another. Because of a technicality under current law, veterans are denied benefits for the semester break between the end of enrollment at the first school and the beginning of the next term at the second school. My amendment would allow these veterans to continue to receive benefits between terms provided the transfer takes place within 30 days after the ending of the term of the school from which he is transferring. Since the student who is transferring between semesters is not out of training for any longer period of time than the student continuing in the same school, he is being discriminated against by not receiving educational benefits for that period. My proposal corrects this inequity.

H.R. 9576, however, poses many unanswered questions. We do not know the effect of the termination of educational entitlement on the recruitment rate nor its effects on minority and disadvantaged youths who I believe are enlisting in the service in part because of the educational opportunities provided by the GI bill. This House should not be legislating without knowing the full effects of this termination.

For these reasons, I urge my colleagues to vote against H.R. 9576.

Mr. WALSH. Mr. Speaker, I rise in support of H.R. 9576 which would terminate the GI bill educational program for veterans who enter the service after December 31 of this year.

The Vietnam-era GI education bill was created as a postservice readjustment assistance program. Without enactment of H.R. 9576, it will be used by the Department of Defense as a preservice incentives program for recruiting men into an all-volunteer, peacetime army—yet its costs will continue to be borne by the VA. The cost for an education program for today's servicemen should be transferred to DOD, but this will not happen if we do not enact H.R. 9576.

By forcing the hand of the Department of Defense to develop its own education program, H.R. 9576 will enable the VA to better utilize its funding to be more responsive to those who were drafted and who served in Vietnam—those for whom the Vietnam-era GI bill was intended. Our colleagues who oppose this bill do a disservice to the Vietnam-era veteran. They know that the VA's budget is limited so that veterans are not getting the most effective assistance, yet they would place an additional strain upon the VA by extending Vietnam veterans' benefits to the peacetime serviceman.

The present Vietnam veterans' GI bill is not responsive to the needs of those entering an All Volunteer Army during a peacetime era, precisely because it was created as a readjustment assistance program. Those joining the All Volunteer Army will not face the same readjustment problems as those who were drafted and/or who served in Vietnam. Today's serviceman is in a peacetime army, on his own volition, making a decent salary—a private today makes $344 a month, compared to the $98 a month made by his counterpart during the Vietnam era. An education program is needed that can be used to upgrade the caliber of those who comprise the All Volunteer Army while they are in service. This will not happen if we continue to allow DOD to use the Vietnam veterans' education bill as a recruitment incentives program.

It is essential that we correct the inequity, created last year, of providing 45 months of education entitlement to undergraduate veteran-students, while restricting graduate veteran-students to 36 months. This bill will give all veterans 45 months of education entitlement.

H.R. 9576 is supported by virtually all veterans' organizations. The chairman of the House Veterans' Affairs Committee has been assured by the chairman of the House Armed Services Committee that they are working with DOD to develop a new education program. Enactment of H.R. 9576 will demonstrate to DOD that Congress feels this is the course that should be followed.

I sincerely urge all of my colleagues to vote in favor of this legislation.

Mr. FORD of Michigan. Mr. Speaker, I rise to strongly and vigorous oppose the bill, H.R. 9576, which would abolish GI bill education and training benefits and repeal the predischarge education benefits, PREP. Under the provisions of this legislation, no veteran who entered the service after January 1, 1976, would be eligible for GI education benefits, and all education benefits under the GI bill would be abolished as of December 31, 1976.

Mr. Speaker, I find it unbelievable that we are even seriously considering the proposal before us today. We are told that abolishment of GI education benefits is in response to President Ford's proclamation ending the Vietnam era in which he stated that—

> The time has now come to terminate wartime benefits which apply to the new peacetime volunteers.

Evidently, he believes that this is just one more way of economizing on the Federal budget and, consistent with his past practices, he once again has selected a program which hurts the sons and daughters of working people rather than singling out any of our multibillion dollar defense contracts which pour money into the pockets of the fatcats.

Mr. Speaker, the educational benefits made available under the GI bill have for years made it possible for many young people to have the opportunity to attend school—be it academic or vocational—who would otherwise be unable to afford it. During the Johnson administration, the Congress recognized the very special significance of this program by making it permanent. Today, under the Ford administration, we are asked to repeal it.

Veterans' education benefits have become a way of life for millions of American veterans for 32 of the past 35 years. Yet overnight, this administration wants them abolished.

The bill before us now is opposed by the National Association of Concerned Veterans, the Non-Commissioned Officers Association of America, the National Association of Community and Junior Colleges, the National Student Lobby and the American Association of State Colleges and Universities.

Both the American Legion and the Veterans of Foreign Wars have testified that they believe there should be some educational program for those now entering the service, and they expressed their interest in perhaps restructuring the administration and financing of it. Yet, the Ford administration has suggested no alternative whatsoever.

Mr. Speaker, GI bill education benefits are not only vitally necessary, but they are productive. They more than pay for themselves.

According to the committee report, studies have shown that for every dollar spent on GI educational benefits, at least $4 is realized in additional tax revenues from increased earnings resulting from increased education and training. There can be little doubt that there are further savings made available by this program, due to reduced unemployment benefits paid out to veterans who have taken advantage of the benefits.

Mr. Speaker, this bill is wrong, and I hope my colleagues from both sides of the aisle bill join me in voting against it.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill (H.R. 9576).

The question was taken.

The EDGAR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3(b), of rule XXVII, and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Pennsylvania withdraw his point of order that there is no quorum?

Mr. EDGAR. Mr. Speaker, yes, as long as we can have a vote on the bill.

BICENTENNIAL COMMEMORATION

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 540) to require the American Revolution Bicentennial Administration to establish a committee to report to the Congress ways to significantly commemorate our Nation's Bicentennial.

The Clerk read as follows:

H.J. Res. 540

Whereas this Nation is celebrating in 1976 the two hundredth anniversary of its birth; and

Whereas this will be an occasion for important activities in communities across the Nation now being planned by the American Revolution Bicentennial Administration and local leaders; and

Whereas it can also be a period of self-evaluation; and

Whereas the Bicentennial should be an opportunity not only for celebration and reflection, but in the year 1976—in tribute to our heritage and as an expression of confidence and hope in our future—this Nation should also take the opportunity to initiate a significant commemorative act for this country, which would give some permanent significance to the Bicentenntial observance; and

Whereas the American Revolution Bicentennial Administration has not been specifically directed to produce such a concept by its legal mandate: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the American Revolution Bicentennial Administration shall appoint, within sixty days of enactment of this resolution, a committee of thirteen members to examine the possibility of initiating a significant Bicentennial Commemorative for the Nation through congressional action in 1976, and that the thirteen-member committee so appointed solicit ideas from citizens throughout the Nation as to what the nature of this action by the Congress and the executive branch of the Nation should be, and that the committee report to the American Revolution Bicentennial Administration, to the President, and to Congress by February 15, 1976, so that hearings and action by the Congress can be completed by July 4, 1976.

The SPEAKER. Is a second demanded?

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentlewoman from Colorado (Mrs. SCHROEDER) and the gentleman from California (Mr. ROUSSELOT) will each be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation calls upon the American Revolution Bicentennial Administration to appoint a committee of 13 members to study and recommend to the Congress proposals for a significant and lasting Bicentennial commemoration.

This legislation is not intended as a criticism in any way of the current decentralized nationwide effort to bring the Bicentennial into the cities and towns of America.

House Joint Resolution 540 does recognize, however, that there has been no single project which has a national focus, and it recognizes furthermore, the need to commemorate the "Bicentennial Era" which will run from July 4, 1976, to March 4, 1989, when our present form of Federal Government was initiated.

It is the hope of the committee that this legislation will produce sound ideas for the consideration of Congress as to how the Nation might commemorate the great experiment in government that began—and did not end—with July 4th.

Mr. ROUSSELOT. Mr. Speaker, I cosponsored this legislation, along with the gentleman from Illinois (Mr. SIMON), because I believe that this Congress does in fact have a rare opportunity to commemorate our 200th anniversary by implementing legislation which would be a meaningful remembrance on a national level to millions of Americans and their future generations.

I have some disagreement with the comments of the Administrator of the Bicentennial Commission that this resolution would somehow be counterproductive or diminish the importance of local celebrations. On the contrary, I think that because it will involve Members of the House of Representatives and the Senate, that the celebration of the bicentennial from a local as well as a national perspective will greatly complement one another.

I think, more importantly, the resolution will create greater awareness and a substantial interest in the bicentennial, not only on a national basis but here in the House. It will promote the participation and involvement of substantial numbers of people than might otherwise be the case. If such a resolution as this were not passed.

Mr. ROUSSELOT. Mr. Speaker, I yield 5 minutes to my colleague from Virginia (Mr. BUTLER). I think he has some questions which he would like to direct to the chairman of the subcommittee.

Mr. BUTLER. Mr. Speaker, does the gentlewoman have the letter from the Administrator of the American Revolutionary Bicentennial Commission, Mr. Warren, with reference to this legislation?

Mrs. SCHROEDER. Yes, and we are opposed to it.

Mr. BUTLER. Is the gentlewoman familiar with the Advisory Council, which established the American Revolutionary Bicentennial Administration?

Mrs. SCHROEDER. Yes, and the assumption is that this resolution would mandate, would probably come from that commission and just be a smaller commission considering what we do for that 13-year period after July 4th. That is the period in which the Constitution was created. It would consider how to carry forward with something of substance that would commemorate that period.

Mr. BUTLER. Then it is my understanding, from what the gentlewoman is saying, that those 13 people will, in fact, be members of the Advisory Council?

Mrs. SCHROEDER. Yes. We see no conflict with that mainly because, as I say, this is rather directed to the 13 years which occurred in this country between the signing of our Declaration of Independence and the creation of the Federal Government as we know it now through our Constitution. It would be directed toward that kind of implementation rather than just the July 4th celebration.

Mr. BUTLER. The gentlewoman does recognize the problems of termination of the Bicentennial Administration in 1976. Does that create a third problem with reference to that? Does the gentlewoman have any thoughts on that?

Mrs. SCHROEDER. No, I think what we basically want from the Commission is ideas on what we could do to carry on beyond just the celebration. I think that is the impetus.

We know what the celebration will be for the 200th anniversary, but rather what kind of ideas they come up with after going through this experience, and what kind of ideas they can come up with which they can carry forward for the next 13 years which will be much more thought provoking and a reevaluation of where we are and where we are going.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield, I know that the gentleman is extremely active in the Bicentennial activity commemoration, but I was concerned that this group formed by this resolution will not in anyway be in potential conflict with the Advisory Committee or the American Revolutionary Bicentennial Administration itself.

As the gentleman and I discussed, anything that this group produces, that this committee produces, will be reported to the Bicentennial Administration and will be subject to their final determination as to how it will be handled.

Mr. Speaker, I hope that that satisfies some of the concern that the gentleman has.

Mr. BUTLER. I thank the gentleman. It certainly does. It satisfies many of my concerns. I suspect, quite frankly, that this is an effort that would go forward without this legislation. I think it perhaps burdens us with a little bit more paper and a little bit more legislation than perhaps we really need to accomplish this, but if the gentleman from California (Mr. ROUSSELOT), the gentlewoman from Colorado (Mrs. SCHROEDER), and the gentleman from Illinois (Mr. SIMON) feel that strongly about it, why, I surely do not want to stand in the way of progress as they view it. I do think it is a duplication of effort, but we can live with it.

Mr. ROUSSELOT. If the gentleman will yield further, I think the attempt was to try to encourage and stimulate even greater participation, especially here in the House of Representatives, to come forward with ideas that could be helpful. But again, these ideas and specific suggestions would have to be submitted to the Bicentennial Administration and the advisory committee of which the gentleman speaks.

So I am sure and convinced that what this does is to encourage more substantial participation in the Bicentennial celebration, and especially with Members of the House of Representatives.

Mr. BUTLER. I thank the gentleman. In reference to that, of course, we also have proceedings, much along the same lines, in the committee charged with the responsibility for congressional involvement in the bicentennial, which is the committee headed by the gentlewoman from Louisiana (Mrs. Boggs).

Mr. ROUSSELOT. And I know the gentleman is on that too.

Mrs. SCHROEDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. Simon).

Mr. SIMON. I thank the gentlewoman for yielding.

Mr. Speaker, I shall be brief. I would simply like to reiterate what has been said by the gentlewoman from Colorado (Mrs. Schroeder) and the distinguished gentleman from California (Mr. Rousselot) that this is not a criticism of ARBA. This commission was not told by legislation that there should be some kind of national focus. But it was the unanimous opinion of our subcommittee, after having hearings twice on this matter, that there should be, in addition to some excellent local programs, some type of national focus.

I asked the Congressional Research Service what happened 100 years ago, when we celebrated the centennial, and what specifically could we look back to as a Nation to that effort; and they said the only specific thing that came out of it was the centennial safe. I have not done any research on what the centennial safe was, but I hope that 50 years from now, or 100 years from now, that people could look back and see something really significant to honor the heritage of this Nation took place. And we leave it up to ARBA. ARBA will appoint this committee, as has been suggested by the gentlewoman from Colorado (Mrs. Schroeder) and the gentleman from California (Mr. Rousselot) ARBA can appoint from among its own members, if it wants to. The report goes back to ARBA. I can see no harm and, possibly, we can all lift the vision of the Nation in some way to remind us of our heritage. So I see some good. I do not join with the gentleman from Virginia (Mr. Butler) in his fear that it is just going to be another thing cluttering up the law books. I would hope that we could get a little more focus out of this. I think that would depend on the committee that is appointed.

Mrs. SCHROEDER. Mr. Speaker, I have no further requests for time at this point.

Mr. ROUSSELOT. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentlewoman from Colorado (Mrs. Schroeder) that the House suspend the rules and pass the joint resolution, House Joint Resolution 540.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on House Joint Resolution 540, the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

PROVIDING FOR STRIKING OF MEDALS IN COMMEMORATION OF BICENTENNIALS OF ARMY, NAVY, AND MARINE CORPS

Mr. STEPHENS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5708) to provide for the striking of medals in commemoration of the bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps.

The Clerk read as follows:

H.R. 5708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in commemoration of the Bicentennial of the United States Army on June 14, of the United States Navy on October 13, and of the United States Marine Corps on November 10, 1975, the Secretary of the Treasury is authorized and directed to strike three medals, of suitable sizes and metals and with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Army and the Secretary of the Navy, as applicable, subject to the approval of the Secretary of the Treasury.

Sec. 2. The Secretary of the Treasury shall furnish the medals to the Secretary of the Army and the Secretary of the Navy, as applicable, at a price equal to the cost of manufacture.

Sec. 3. The Secretary of the Treasury shall also cause such medals to be sold by the Mint, as list medals, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses.

The SPEAKER. Is a second demanded?

Mr. SCHULZE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Georgia (Mr. Stephens) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. Schulze) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. Stephens).

Mr. STEPHENS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill simply provides for the striking of medals in commemoration of the bicentennials of the U.S. Army, which occurs on June 14 of this year, the U.S. Navy, which occurs on October 13 of this year, and the U.S. Marine Corps, which will be on November the 10th of this year.

The bill requires no specific funds since provision is made for the Department of the Treasury to recoup costs of manufacture. These medals would be manufactured at the mint and sold at the mint as what they call "list medals," and under the regulations that may be prescribed, they will be sold at a price sufficient to cover the cost of making the dies and all other overhead expenses in connection therewith.

This legislation, Mr. Speaker, was brought up in the prior Congress and we did not have an opportunity then to pass it. It was sponsored at that time by the distinguished gentlewoman from Missouri (Mrs. Sullivan), and the bill that we are taking up today is the gentlewoman's bill.

Mr. Speaker, I feel that this is a very fine thing for us to do.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. STEPHENS. I would be glad to yield to the distinguished gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, as the sponsor of H.R. 5708, I urge approval of this legislation to authorize the striking of national medals commemorating the 200th anniversaries this year of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps.

The Army's bicentennial was on June 14; the Navy will be 200 years old on October 13; and the Marine Corps will reach the anniversary on November 10.

Some of the Members have asked me why the Coast Guard was not included among the services to be honored with these commemorative medals. The Coast Guard is very close to my heart, and is under the jurisdiction of my Committee on Merchant Marine and Fisheries, but it is not going to be 200 years old for another 15 years—and these medals provided for in my bill are all to recognize bicentennial anniversaries. So I assure the Members interested in the Coast Guard that I have not discriminated against, or neglected, that service.

This bill was drafted in the Department of Defense and forwarded to the Speaker last year by Secretary of the Navy J. William Middendorf II. Apparently there was a mixup somewhere and it was inadvertently not introduced. A constituent of mine, Dr. Gerald H. Moeller, assistant superintendent of schools in St. Louis, called it to my attention early this year and I introduced the bill on April 8. Dr. Moeller had learned about the proposal while on temporary Naval Reserve duty in Washington, and I am glad that he called it to my attention so that the bill could be introduced and brought before the House.

I am grateful to Chairman Reuss of the Committee on Banking, Currency and Housing, and Chairman Stephens of the newly created Subcommittee on Historic Preservation and Coinage for expediting the legislation in this fashion.

The bill is completely noncontroversial. It will entail no expense to the Treasury Department. The medals authorized by H.R. 5708 would be manufactured in the facilities of the Bureau of the Mint at Philadelphia, and would be placed on sale to the general public at prices high enough to cover all costs of production, including labor, material, dies, use of machinery, and overhead expenses.

They would be added to a catalog of so-called list medals offered by the Mint to commemorate national achievements or historic events—going back to George Washington's assumption of the leadership of our Revolutionary forces, honoring Gates at Saratoga, Morgan at Cowpens, Jackson at New Orleans, John Paul Jones, Decatur, Perry, and many others.

Mr. Speaker, during the 12 years I served as chairman of the Subcommittee on Consumer Affairs, which had jurisdiction prior to this Congress over all activities of the Bureau of the Mint, we approved numerous bills calling for the striking of national commemorative medals, and I do not recall any controversy over a single one of them that we brought before the House. The test we developed was that they had to relate only to events of a truly national significance, and certainly the 200th anniversaries of our Army, or Navy, and our Marine Corps, meet that test. I, therefore, urge approval of the bill.

Mrs. BOGGS. Mr. Speaker, we are asked today to endorse the striking of a commemorative medal for our Armed Forces. In so doing, we shall in actuality be reaffirming the very founding, and foundation, of our great Nation.

Our Founding Fathers knew that a strong military was the key to protecting their fledgling efforts, and so on June 14, October 13, and November 10, 1775, the Second Continental Congress formally created an Army, Navy, and Marine Corps, respectively. With the assignment of George Washington as their Commander in Chief, the path to independence was irrevocably laid. They have served as guardians of those efforts ever since.

We cannot deny their valor, bravery, and spirit which have for 200 years permitted this Nation to expand, progress, and even remain whole. We cannot deny that the loyalty and faith of millions of our citizens, voluntarily committed, have assured the continuity of the principles and liberties we to this day cherish.

We do not now wish to commemorate war, fighting, and hatred among men. We are being asked to forge a piece of metal, that might be held in the hand of a child, a child who with the continued assistance of our military forces may never need experience those crimes of man against man. And that piece of metal's weight, its symbols and its value, will remind us all of our inheritance and our heritage, of a history that might not have been, and a future that could never be, were it not for the selfless performance of our citizen militia.

I urge my colleagues to pause for a moment, and picture the men and women who have graced this Hall before them for 200 years. Then, in grateful remembrance of a tradition to which we ourselves endeavor now to bring honor, let us unanimously acclaim our gratitude through the passage of H.R. 5708.

Mr. SCHULZE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have no requests for time on this side. This is a good measure, and I urge its support and its eventual adoption.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia (Mr. STEPHENS) that the House suspend the rules and pass the bill H.R. 5708.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STEPHENS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DECLARING CERTAIN SUBMARGINAL LAND OF THE UNITED STATES SHALL BE HELD IN TRUST FOR CERTAIN TRIBES AND MADE PART OF RESERVATIONS OF SAID INDIANS

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5778) to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as hereinafter provided, all of the right, title, and interest of the United States of America in all of the land, and the improvements now thereon, that was acquired under title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of the Act of August 24, 1935 (49 Stat. 750, 781), and that are now administered by the Secretary of the Interior for the use or benefit of the Indian tribes identified in section 2(a) of this Act, together with all minerals underlying any such land whether acquired pursuant to such Acts or otherwise owned by the United States, are hereby declared to be held by the United States in trust for each of said tribes, and (except in the case of the Cherokee Nation) shall be a part of the reservations heretofore established for each of said tribes.

(b) The property conveyed by this Act shall be subject to the appropriation or disposition of any of the lands, or interests therein, within the Pine Ridge Indian Reservation, South Dakota, as authorized by the Act of August 8, 1968 (82 Stat. 663), and subject to a reservation in the United States of a right to prohibit or restrict improvements or structures on, and to continuously or intermittently inundate or otherwise use, lands in sections 25 and 26, township 48 north, range 3 west, at Odanah, Wisconsin, in connection with the Bad River flood control project as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311): *Provided,* That this Act shall not convey the title to any part of the lands or any interest therein that prior to enactment of this Act have been included in the authorized water resources development projects in the Missouri River Basin as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311), as amended and supplemented: *Provided further,* That such lands included in Missouri River Basin projects shall be treated as former trust lands are treated.

SEC. 2. (a) The lands, declared by section 1 of this Act to be held in trust by the United States for the benefit of the Indian tribes named in this section, are generally described as follows:

Tribe	Reservation	Submarginal land project donated to said tribe or group	Approximate acreage
1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin.	Bad River	Bad River LI-WI-8	13,148.81
2. Blackfeet Tribe	Blackfeet	Blackfeet LI-MT-9	9,036.73
3. Cherokee Nation of Oklahoma.		Delaware LI-OK-4	18,749.19
		Adair LI-OK-5	
4. Cheyenne River Sioux Tribe	Cheyenne River	Cheyenne Indian LI-SD-13	3,738.47
5. Crow Creek Sioux Tribe	Crow Creek	Crow Creek LI-SD-10	19,169.89
6. Lower Brule Sioux Tribe	Lower Brule	Lower Brule LI-SD-10	13,209.22
7. Devils Lake Sioux Tribe	Fort Totten	Fort Totten LI-ND-11	1,424.45
8. Fort Belknap Indian Community.	Fort Belknap	Fort Belknap LI-MT-8	25,530.10
9. Assiniboine and Sioux Tribes	Fort Peck	Fort Peck LI-MT-6	85,835.52
10. Lac Courte Oreilles Band of Lake Superior Chippewa Indians.	Lac Courte Oreilles.	Lac Courte LI-WI-9	13,184.65
11. Keweenaw Bay Indian Community.	L'Anse	L'Anse LI-MI-8	4,016.49
12. Minnesota Chippewa Tribe	White Earth	Twin Lakes LI-MN-6	28,544.80
		Flat Lake LI-MN-15	
13. Navajo Tribe	Navajo	Gallup-Two Wells LI-NM-18.	69,947.24
14. Oglala Sioux Tribe	Pine Ridge	Pine Ridge LI-SD-7	18,064.48
15. Rosebud Sioux Tribe	Rosebud	Cutmeat LI-SD-8	28,734.59
		Antelope LI-SD-9	
16. Shoshone-Bannock Tribe	Fort Hall	Fort Hall LI-ID-2	8,711.00
17. Standing Rock Sioux Tribe	Standing Rock	Standing Rock LI-ND-10	10,255.56
		Standing Rock LI-SD-10	

(b) The Secretary of the Interior shall cause to be published in the Federal Register the boundaries and descriptions of the lands conveyed by this Act. The acreages set out in the preceding subsection are estimates and shall not be construed as expanding or limiting the grant of the United States as defined in section 1 of this Act.

SEC. 3. (a) All of the right, title, and interest of the United States in all the minerals including gas and oil underlying the submarginal lands declared to be held in trust for the Stockbridge Munsee Indian Community by the Act of October 9, 1972 (86 Stat. 795), are hereby declared to be held by the United States in trust for the Stockbridge Munsee Indian Community.

(b) Section 2 of said Act of October 9, 1972, is hereby repealed.

(c) Section 5 of the Act of October 13, 1972 (86 Stat. 806), relating to the Burns Indian Colony is amended by striking the words "conveyed by this Act" and inserting in lieu thereof the words "conveyed by section 2 of this Act".

SEC. 4. (a) Nothing in this Act shall deprive any person of any existing valid right of possession, contract right, interest, or title he may have in the land involved, or of any existing right of access to public domain lands over and across the land involved, as determined by the Secretary of the Interior. All existing mineral leases, including oil and gas leases, which may have been issued or approved pursuant to section 5 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), or the Mineral Leasing Act of 1920 (41 Stat. 437), as amended prior to enactment of this Act, shall remain in force and effect in accordance with the provisions thereof. All applications for mineral leases, including oil and gas leases, pursuant to such Acts, pending on the date of enactment of this Act and covering any of the minerals conveyed by sections 1 and 3 of this Act shall be rejected and the advance rental payments returned to the applicants.

(b) Subject to the provisions of subsection (a) of this section, the property conveyed by this Act shall hereafter be administered in accordance with the laws and regulations applicable to property held in trust by the United States for Indian tribes, including but not limited to the Act of May 11, 1938 (52 Stat. 347), as amended.

SEC. 5. (a) Any and all gross receipts derived from, or which relate to, the property conveyed by this Act, the Act of July 20, 1956 (70 Stat. 581), the Act of August 2, 1956 (70 Stat. 941), the Act of October 9, 1972 (86 Stat. 795), and section 1 of the Act of October 13, 1972 (86 Stat. 806) which were received by the United States subsequent to its acquisition by the United States under the statutes cited in section 1 of this Act and prior to such conveyance, from whatever source and for whatever purppose, including but not limited to the receipts in the special fund of the Treasury as required by section 6 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), shall as of the date of enactment of this Act be deposited to the credit of the Indian tribe receiving such land and may be expended by the tribe for such beneficial programs as the tribal governing body may determine: *Provided*, That this section shall not apply to any such receipts received prior to enactment of this Act from the leasing of public domain minerals which were subject to the Mineral Leasing Act of 1920 (41 Stat. 437), as amended and supplemented.

(b) All gross receipts (including but not limited to bonuses, rents, and royalties) hereafter derived by the United States from any contract, permit or lease referred to in section 4(a) of this Act, or otherwise, shall be administered in accordance with the laws and regulations applicable to receipts from property held in trust by the United States for Indian tribes.

SEC. 6. All property conveyed to tribes pursuant to this Act and all the receipts therefrom referred to in section 5 of this Act, shall be exempt from Federal, State, and local taxation so long as such property is held in trust by the United States. Any distribution of such receipts to tribal members shall neither be considered as income or resources of such members for purposes of any such taxation nor as income, resources, or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such member or his household would otherwise be entitled to under the Social Security Act or any other Federal or federally assisted program.

The SPEAKER. Is a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

CALL OF THE HOUSE

Mr. HARKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 591]

Anderson, Ill.
Archer
Ashley
Badillo
Beard, Tenn.
Bell
Biaggi
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burton, Phillip
Carney
Chappell
Chisholm
Clay
Cochran
Conte
Conyers
Coughlin
de la Garza
Derrick
Diggs
Dingell
Drinan
Esch
Eshleman
Evins, Tenn.
Fary
Foley
Fraser
Frey
Giaimo
Green
Harrington
Harsha
Hastings
Hébert
Hinshaw
Holland
Holtzman
Horton
Howard
Jarman
Jenrette
Jones, N.C.
Jones, Okla.
Kelly
Leggett
McCollister
McEwen
McKinney
Mathis
Miller, Ohio
Moorhead, Pa.
Morgan
Myers, Pa.
Nowak
Patman, Tex.
Pike
Railsback
Rangel
Rees
Riegle
Risenhoover
Rodino
Runnels
Ryan
Scheuer
Schneebeli
Shuster
Sisk
Slack
Snyder
Steed
Stuckey
Teague
Ullman
Waxman
Wilson, Bob
Wilson, C. H.
Wolff
Wright
Wydler
Yatron
Young, Alaska

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 346 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DECLARING CERTAIN SUBMARGINAL LAND OF THE UNITED STATES SHALL BE HELD IN TRUST FOR CERTAIN INDIAN TRIBES AND MADE PART OF RESERVATIONS OF SAID INDIANS

The SPEAKER pro tempore. The Chair will recognize the gentleman from Washington (Mr. MEEDS) and the gentleman from Kansas (Mr. SKUBITZ) each for 20 minutes.

The Chair recognizes the gentleman from Washington.

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5778 in effect represents the final fulfillment of a promise made to several Indian tribes over 35 years ago. This bill provides that the United States will hold in trust for 17 Indian tribes approximately 370,000 acres of land purchased by the United States for their benefit during the depression years of the 1930's.

It was the purpose of the submarginal land program, which is what this land program was called, to retire eroded, depleted farm land from production and to relocate the occupants of these lands to urban areas for rehabilitation purposes.

There were approximately $25 million appropriated under that authority and spent for the purposes of purchase of land, and $5 million of that was used for the purchase of Indian submarginal land projects. The purposes were to reduce checkerboarding on Indian reservations; and to facilitate watershed and water control; to provide additional lands to supplement inadequate reservation lands; to provide lands for homeless Indians; and finally to control grazing on Indian reservations.

In 1938 and 1940 President Roosevelt by Executive order transferred administrative control of the Indian submarginal lands, which were initially under the Secretary of Agriculture, to the Secretary of the Interior.

These Executive orders are still in effect and together with other related administrative records and documents make it very clear that these lands were to be permanently administered for the exclusive benefit of the Indian tribes for whom they were initially purchased.

It is also clear from these records that it was the intent of the administration that the Congress eventually enact legislation which would transfer these lands in trust for the appropriate tribe.

Initially the purpose of these lands being held exclusively for Indians was carried out either through leasing or subleasing or allowing the Indian tribes involved to sublease lands under irrevocable permits from the Secretary of Agriculture, but during the policies of the fifties, in the so-called termination era, that policy was changed and in some instances the tribes were charged rentals for these lands.

The United States began to earn income from the lands even when the Indians were the lessees and the persons for whom an exclusive benefit was originally intended. In addition, revenue from the leasing of mineral and timber interests on the lands were retained by the United States and kept for the benefit of the United States.

In 1964, under another administration, the leases were returned partially to the original intent and now the tribes were able to issue revocable permits. When it was discovered that the acquired land to the United States included some submarginal lands which could not be legally leased as public domain lands, the Congress enacted the Mineral Leasing Act for acquired lands of 1947. This shows how the administration intended to keep these funds separate that will be provided, that the funds would be held in a special treasury account until distribution of those funds by the Congress.

In 1947, 1956 and in 1972, Congress has already enacted laws providing for the transfer of some of these submarginal lands to the tribes on an individual basis; the Pueblos of New Mexico, the Seminoles of Florida, the Stockbridge-Munsee Tribe of Wisconsin, and the Burns-Paiute Tribe of Oregon have already received trust title to their submarginal lands thereunder.

In four of these cases, both surface as well as subsurface interests were transferred. In one case, the earned income was also transferred.

Mr. Speaker, this bill, H.R. 5778, will complete the transfer of submarginal lands to the tribes entitled thereto. In other words, instead of paying these on a case-by-case ad hoc basis before the Congress, we have put in all the remaining 17 into one omnibus submarginal land bill.

This bill transfers trust title or transfers title in trust to all of these lands for the proper tribes and it transfers both surface and subsurface estates.

Also, the bill provides that any earned income by the United States on these lands which were supposed to be administered for the exclusive benefit of the Indian tribes will be deposited to the credit of the appropriate tribe. That amounts to approximately $4 million, $3 million of which is presently held in special funds.

The bill also amends past submarginal land acts to conform them to the provisions of this particular bill.

It also provides that all valid existing rights in and to these lands, both public and private, shall be preserved and protected.

Mr. BERGLAND. Mr. Speaker, will the gentleman yield on that point?

Mr. MEEDS. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Speaker, I thank the gentleman for yielding.

This bill will affect certain lands in the district that it is my pleasure to represent that are found within the boundaries of the White Earth Reservation in Minnesota. The question has arisen as to the effect of section 4(A).

Mr. Speaker, specifically the problem is this. These lands, as the gentleman has so well stated, are checkerboard in nature and are commingled with other lands, some of which are privately owned and some are tribal lands on which persons have had leases in some cases for a number of years. The access to some of these leased and privately owned properties crosses these lands in question, sometimes by way of a public road and sometimes by way of what we in Minnesota call a common law trail.

Can the gentleman from Washington assure this gentleman that in the event this law passes, anyone currently having these leases and private lands will not be denied access to these lands by those in power by using this authority to deny access to these leased and privately held property?

Mr. MEEDS. Mr. Speaker, I certainly assure the gentleman that any legal vested rights that a person has for ingress or egress across these lands today will not be affected by this bill.

Section 4(a) provides:

> Nothing in this Act shall deprive any person of any existing valid right of possession, contract right, interest, or title he may have in the land involved, or of any existing right of access to public domain lands over and across the land involved.

I am sure that all rights presently recognized under Minnesota law would not be affected by this.

Mr. BERGLAND. I thank the gentleman for yielding to me.

Mr. MEEDS. Mr. Speaker, I strongly urge passage of this bill as reported to the subcommittee, and the fulfillment of this commitment which was made over 35 years ago.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the distinguished gentleman from Florida.

Mr. HALEY. Mr. Speaker, may I say that the gentleman from Washington, I think, has given a very clear explanation of this bill. It is a good bill. I think it carries out the original intent of the Federal Government and, as the gentleman has stated, several times during the past years we have individually transferred to tribes who have asked for it the so-called submarginal lands.

I am happy to see that the gentleman from Washington has been wise enough to lump all of these together. Let us get rid of what has been a rather difficult situation here in the committee by reason of the fact that we had to hold hearings on each individual tribe.

I thank the gentleman, and again I want to say that he has done a fine job, as he usually does, on Indian affairs.

Mr. MEEDS. I thank the gentleman from Florida, not only for his remarks but for his longstanding interest in the American Indians and for his great work with the Seminoles and other Indians of all this nation; not only with this legislation, but legislation for many years in the past.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5778. This bill transfers approximately 370,000 acres of land, surface and subsurface, in nine States to 17 Indian tribes. The United States will hold the title to the land in trust for these tribes.

The bill also deposits some $3,930,000, earned from leases and permits on the lands between 1934 and 1975, to the credit of the appropriate tribes.

As my colleague has indicated, these lands were known as submarginal because during the early depression 1930's they were temporarily incapable of providing more than a marginal economic return. The United States purchased these lands as part of a national land acquisition program under the National Industrial Recovery Act of 1933 and subsequent relief acts. Of a total of 11 million acres purchased under this program, about 1 million acres were designated as "Indian Demonstration Projects."

These projects were in five categories: First, checkerboarded areas; second, watershed or water control areas; third, additional lands to supplement reservations; fourth, land for homeless Indian bands or communities forming acute relief problems; and, fifth, lands needed for proper control of grazing areas on Indian reservations.

Congress has thus far enacted five statutes transferring trust title to 576,695 acres of Indian submarginal project lands to individual tribes. In 1949 and 1956, two bills transferred 535,902 acres to seven Pueblos. In 1956, 27,000 acres were transferred to the Seminole Indians of Florida. In 1972, 716 acres were transferred to the Burns Paiute Tribe of Oregon and 13,077 acres to the Stockbridge-Muncie Indians of Wisconsin. Except for the Stockbridge group, each of these acts included transfer of subsurface rights as well as any income earned on the lands from permits or leases.

This bill will complete the transfer of all remaining Indian submarginal lands. It thus fulfills the intent of the original enacting legislation that the lands purchased for the Indian projects would be for the exclusive use and benefit of the Indians.

In furthering this end, H.R. 5778 will also remove a title problem. Although they are currently able to use the land under permit, the tribes are effectively prevented from incorporating the land into any long-range land use plan. As a consequence, they are precluded from using the land for its optimum benefit.

Using this land under permits, the affected tribes or communities are reluctant to spend their own funds for any improvements on the lands because of their uncertain tenure. The private sector is also reluctant to provide financing to the Indians for farming, stock raising, and other business ventures because of the cloud over title. In addition, the Department of Housing and Urban Development will not approve public housing projects on these lands due to the uncertain title.

This bill preserves any valid existing rights on the conveyed lands including access across such lands to public domain lands. It also maintains any leases approved pursuant to the Mineral Leasing Act for Acquired Lands of 1947 and the Mineral Leasing Act of 1920.

There are known mineral reserves under some of the submarginal lands, particularly at the Fort Belknap and Fort Peck, Mont., projects. However, the remaining lands are generally considered of such relatively low mineral value that the cost of conducting an on-the-ground survey to determine precisely the potential monetary value of the subsurface mineral interest would represent an unwarranted expenditure.

Mr. Speaker, this bill was voted out of the Interior Committee without opposition. A companion measure, S. 1327, was recently passed by the Senate. I urge my colleagues to approve this bill and thereby further the efforts of these Indian tribes to achieve a greater measure of economic self-determination.

Mr. LUJAN. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Speaker, I rise in strong support of this bill. The situation as I see it is that several years ago this land was purchased for the purpose of turning it over to the various Indian tribes. Up until this time, the Department of the Interior has maintained, I believe in all cases, that land to be used by the various Indian tribes anyway, so the situation is not going to change. It is going to be the same except for the fact of where the title lies.

The SPEAKER pro tempore (Mr. McFALL). The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the bill H.R. 5778, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1327) to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes, and ask for immediate consideration of the Senate bill.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as hereinafter provided, all of the right, title, and interest of the United States of America in all of the land (including the improvements now thereon) which was acquired under title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of the Act of August 24, 1935 (49 Stat. 750, 781), and which is now administered by the Secretary of the Interior for the use and/or benefit of an Indian tribe identified in section 2 of this Act, together with all minerals underlying any such land however acquired or owned by the United States, is hereby declared to be held by the United States in trust for such tribe, and (except in the case of the Cherokee Nation) shall be a part of the reservation established for such tribe.

(b) The property conveyed by this Act in trust for the Oglala Sioux Tribe shall be subject to the appropriation or disposition of any of the lands, or interests therein, within the Pine Ridge Indian Reservation, South Dakota, as authorized by the Act of August 8, 1968 (82 Stat. 663). The property conveyed by this Act in trust for the Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin shall be subject to a reservation in the United States of a right to prohibit or restrict improvements or structures on, and to continuously or intermittently inundate or otherwise use, lands in sections 25 and 26, township 48 north, range 3 west, at Odanah, Wisconsin, in connection with the Bad River flood control project as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311). This Act shall not convey the title to any part of the lands, or any interest therein, which prior to enacment of this Act has been included in the authorized water resources development projects in the Missouri River basin as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311), as amended and supplemented.

SEC. 2. The Secretary of the Interior shall publish in the Federal Register the boundaries and descriptions of the lands conveyed by this Act. The lands are generally described as follows:

Tribe	Reservation	Submarginal land project donated to said tribe or group	Approximate acreage
1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin.	Bad River	Bad River LI-WI-8	13,149
2. Blackfeet Tribe	Blackfeet	Blackfeet LI-MT-9	9,037
3. Cherokee Nation of Oklahoma.		Delaware LI-OK-4	18,750
		Adair LI-OK-5	
4. Cheyenne River Sioux Tribe	Cheyenne River	Cheyenne Indian LI-SD-13	3,739
5. Crow Creek Sioux Tribe	Crow Creek	Crow Creek LI-SD-10	19,170
6. Lower Brule Sioux Tribe	Lower Brule	Lower Brule LI-SD-10	13,210
7. Devils Lake Sioux Tribe	Fort Totten	Fort Totten LI-ND-11	1,425
8. Fort Belknap Indian Community.	Fort Belknap	Fort Belknap LI-MT-8	25,531
9. Assiniboine and Sioux Tribes	Fort Peck	Fort Peck LI-MT-6	85,836
10. Lac Courte Oreilles Band of Lake Superior Chippewa Indians.	Lac Courte Oreilles.	Lac Courte LI-WI-9	13,185
11. Keweenaw Bay Indian Community.	L'Anse	L'Anse LI-MI-8	4,017
12. Minnesota Chippewa Tribe	White Earth	Twin Lakes LI-MN-6	28,545
		Flat Lake LI-MN-15	
13. Navajo Tribe	Navajo	Gallup-Two Wells LI-NM-18.	69,948
14. Oglala Sioux Tribe	Pine Ridge	Pine Ridge LI-SD-7	18,065
15. Rosebud Sioux Tribe	Rosebud	Cutmeat LI-SD-8	28,735
		Antelope LI-SD-9	
16. Shoshone-Bannock tribes	Fort Hall	Fort Hall LI-ID-2	8,712
17. Standing Rock Sioux Tribe	Standing Rock	Standing Rock LI-ND-10	10,256
		Standing Rock LI-SD-10	

SEC. 3. (a) All of the right, title, and interest of the United States in all the minerals, including gas and oil, underlying the submarginal lands declared to be held in trust for the Stockbridge Munsee Indian Community by the Act of October 9, 1972 (86 Stat. 795) are hereby declared to be held by the United States in trust for the Stockbridge Munsee Indian Community.

(b) Section 2 of the Act of October 9, 1972 (86 Stat. 795), is hereby repealed.

(c) Section 5 of the Act of October 13, 1972 (86 Stat. 806), relating to the Burns Indian Colony, is amended by striking the words "conveyed by this Act" and inserting in lieu thereof the words "conveyed by section 2 of this Act".

SEC. 4. (a) Nothing in this Act shall deprive any person of any valid existing right of use, possession, contract right, interest, or title he may have in the land conveyed, or of any existing right of access to public domain lands over and across the land conveyed, as determined by the Secretary of the Interior. All existing mineral leases, including oil and gas leases, which may have been issued or approved pursuant to section 5 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), or the Mineral Leasing Act of 1920 (41 Stat. 437), as amended, prior to enactment of this Act, shall remain in force and effect in accordance with the provisions thereof. Notwithstanding any other provision of law, all applications for mineral leases, including oil and gas leases, pursuant to such Acts, pending on the date of enactment of this Act and covering any of the minerals conveyed by sections 1 and 3 of this Act shall be rejected and the advance rental payments returned to the applicants.

(b) Subject to the provisions of subsection (a) of this section, the property conveyed by this Act in trust for an Indian tribe shall hereafter be administered in accordance with the laws and regulations applicable to other property held in trust by the United States for such Indian tribe, including, but not limited to, the Act of May 11, 1938 (52 Stat. 347), as amended.

SEC. 5. (a) Any and all gross receipts derived from, or which relate to, the property conveyed by this Act, the Act of July 20, 1956 (70 Stat. 581), the Act of August 2, 1956 (70 Stat. 941), the Act of October 9, 1972 (86 Stat. 795), and section 1 of the Act of October 13, 1972 (86 Stat. 806), which were received by the United States subsequent to its acquisition by the United States under the statutes cited in section 1 of this Act and prior to the conveyance in trust, from whatever source and for whatever purpose, including but not limited to the receipts in the special fund of the Treasury as required by section 6 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), shall as of the date of enactment of this Act be deposited to the credit of the Indian tribe receiving such land and may be expended by such tribe for such beneficial programs as the tribal governing body of such tribe may determine: *Provided,* That this section shall not apply to any such receipts received prior to enactment of this Act from the leasing of public domain minerals which are subject to the Mineral Licensing Act of 1920 (41 Stat. 437), as amended and supplemented.

(b) All gross receipts (including but not limited to business, rents, and royalties hereafter derived by the United States from any contract, permit or lease referred to in section (a) of this Act, or otherwise, shall be administered in accordance with the laws and regulations applicable to receipts from property held in trust by the United States for Indian tribes.

SEC. 6. All property conveyed to tribes pursuant to this Act and all the receipts therefrom referred to in section 5 of this Act, shall be exempt from Federal, State, and local taxation so long as such property is held in trust by the United States. Any distribution of such receipts to tribal members shall neither be considered as income or resources of such members for purposes of any such taxation nor as income, resources, or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such member or his household would otherwise be entitled to under the Social Security Act or any other Federal or federally assisted program.

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEEDS: Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That (a) except as hereinafter provided, all of the right, title, and interest of the United States of America in all of the land, and the improvements now thereon, that was acquired under title II of the National Industry Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of the Act of August 24, 1935 (49 Stat. 750, 781), and that are now administered by the Secretary of the Interior for the use or benefit of the Indian tribes identified in section 2(a) of this Act, together with all minerals underlying any such land whether acquired pursuant to such Acts or otherwise owned by the United States, are hereby declared to be held by the United States in trust for each of said tribes, and (except in the case of the Cherokee Nation) shall be a part of the reservations heretofore established for each of said tribes.

(b) The property conveyed by this Act shall be subject to the appropriation or disposition of any of the lands, or interests therein, within the Pine Ridge Indian Reservation, South Dakota, as authorized by the Act of August 8, 1968 (82 Stat. 663), and subject to a reservation in the United States of a right to prohibit or restrict improvements or structures on, and to continuously or intermittently inundate or otherwise use, lands in sections 25 and 26, township 48 north, range 3 west, at Odanah, Wisconsin, in connection with the Bad River flood control project as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311): *Provided,* That this Act shall not convey the title to any part of the lands or any interest therein that prior to enactment of this Act have been included in the authorized water resources development projects in the Missouri River Basin as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311), as amended and supplemented: *Provided further*, That such lands included in Missouri River Basin projects shall be treated as former trust lands are treated.

SEC. 2. (a) The lands, declared by section 1 of this Act to be held in trust by the United States for the benefit of the Indian tribes named in this section, are generally described as follows:

Tribe	Reservation	Submarginal land project donated to said tribe or group	Approximate acreage
1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin.	Bad River	Bad River LI-WI-8	13,148.81
2. Blackfeet Tribe	Blackfeet	Blackfeet LI-MT-9	9,036.73
3. Cherokee Nation of Oklahoma.		Delaware LI-OK-4 Adair LI-OK-5	18,749.19
4. Cheyenne River Sioux Tribe	Cheyenne River	Cheyenne Indian LI-SD-13	3,738.47
5. Crow Creek Sioux Tribe	Crow Creek	Crow Creek LI-SD-10	19,169.89
6. Lower Brule Sioux Tribe	Lower Brule	Lower Brule LI-SD-10	13,209.22
7. Devils Lake Sioux Tribe	Fort Totten	Fort Totten LI-ND-11	1,424.45
8. Fort Belknap Indian Community.	Fort Belknap	Fort Belknap LI-MT-8	25,530.10
9. Assiniboine and Sioux Tribes	Fort Peck	Fort Peck LI-MT-6	85,835.52
10. Lac Courte Oreilles Band of Lake Superior Chippewa Indians.	Lac Courte Oreilles.	Lac Courte LI-WI-9	13,184.65
11. Keweenaw Bay Indian Community.	L'Anse	L'Anse LI-MI-8	4,016.49
12. Minnesota Chippewa Tribe	White Earth	Twin Lakes LI-MN-6 Flat Lake LI-MN-15	28,544.80
13. Navajo Tribe	Navajo	Gallup-Two Wells LI-NM-18.	69,947.24
14. Oglala Sioux Tribe	Pine Ridge	Pine Ridge LI-SD-7	18,064.48
15. Rosebud Sioux Tribe	Rosebud	Cutmeat LI-SD-8 Antelope LI-SD-9	28,734.59
16. Shoshone-Brannock Tribes	Fort Hall	Fort Hall LI-ID-2	8,711.00
17. Standing Rock Sioux Tribe	Standing Rock	Standing Rock LI-ND-10 Standing Rock LI-SD-10	10,255.56

(b) The Secretary of the Interior shall cause to be published in the Federal Register the boundaries and descriptions of the lands conveyed by this Act. The acreages set out in the preceding subsection are estimates and shall not be construed as expanding or limiting the grant of the United States as defined in section 1 of this Act.

SEC. 3. (a) All of the right, title and interest of the United States in all the minerals including gas and oil underlying the submarginal lands declared to be held in trust for the Stockbridge Munsee Indian Community by the Act of October 9, 1972 (86 Stat. 795), are hereby declared to be held by the United States in trust for the Stockridge Munsee Indian Community.

(b) Section 2 of said Act of October 9, 1972, is hereby repealed.

(c) Section 5 of the Act of October 13, 1972 (86 Stat. 806), relating to the Burns Indian Colony is amended by striking the words "conveyed by this Act" and inserting in lieu thereof the words "conveyed by section 2 of this Act."

SEC. 4. (a) Nothing in this Act shall deprive any person of any existing valid right of possession, contract right, interest, or title he may have in the land involved, or of any existing right of access to public domain lands over and across the land involved, as determined by the Secretary of the Interior. All existing mineral leases, including oil and gas leases, which may have been issued or approved pursuant to section 5 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), or the Mineral Leasing Act of 1920 (41 Stat. 437), as amended prior to enactment of this Act, shall remain in force and effect in accordance with the provisions thereof. All applications for mineral leases, including oil and gas leases, pursuant to such Acts, pending on the date of enactment of this Act and covering any of the minerals conveyed by sections 1 and 3 of this Act shall be rejected and the advance rental payments returned to the applicants.

(b) Subject to the provisions of subsection (a) of this section, the property conveyed by this Act shall hereafter be administered in accordance with the laws and regulations applicable to property held in trust by the United States for Indian tribes, including but not limited to the Act of May 11, 1938 (52 Stat. 347), as amended.

SEC. 5. (a) Any and all gross receipts derived from, or which relate to, the property conveyed by this Act, the Act of July 20, 1956 (70 Stat. 581), the Act of August 2, 1956 (70 Stat. 941), the Act of October 9, 1972 (86 Stat. 795), and section 1 of the Act of October 13, 1972 (86 Stat. 806) which were received by the United States subsequent to its acquisition by the United States under the statutes cited in section 1 of this Act and prior to such conveyance, from whatever source and for whatever purpose, including but not limited to the receipts in the special fund of the Treasury as required by section 6 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), shall as of the date of enactment of this Act be deposited to the credit of the Indian tribe receiving such land and may be expended by the tribe for such beneficial programs as the tribal governing body may determine: *Provided*, That this section shall not apply to any such receipts received prior to enactment of this Act from the leasing of public domain minerals which were subject to the Mineral Leasing Act of 1920 (41 Stat. 437), as amended and supplemented.

(b) All gross receipts (including but not limited to bonuses, rents, and royalties) hereafter derived by the United States from any contract, permit or lease referred to in section 4(a) of this Act, or otherwise, shall be administered in accordance with the laws and regulations applicable to receipts from property held in trust by the United States for Indian tribes.

SEC. 6. All property conveyed to tribes pursuant to this Act and all the receipts therefrom referred to in section 5 of this Act, shall be exempt from Federal, State, and local taxation so long as such property is held in trust by the United States. Any distribution of such receipts to tribal members shall neither be considered as income or resources of such members for purposes of any such taxation nor as income, resources, or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such member or his household would otherwise be entitled to under the Social Security Act or any other Federal or federally assisted program.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5778) was laid on the table.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO ENGAGE IN FEASIBILITY INVESTIGATIONS OF CERTAIN POTENTIAL WATER RESOURCE DEVELOPMENTS

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6669) to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments, as amended.

The Clerk read as follows:

H.R. 6669

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to engage in feasibility studies of the following potential water resource developments:

(a) Power intertie potentials for the purpose of improving electric power transmission systems affecting the seventeen Western States.

(b) Bouler Canyon project modification, located at the existing Hoover Dam at the Arizona-Nevada boundary on the Colorado River, in Mohave County, Arizona, and Clark County, Nevada.

(c) Minidoka project, Minidoka powerplant rehabilitation and enlargement, located at the existing Minidoka Dam, powerplant, and reservoir on the Snake River in Minidoka, Cassia, and Blaine Counties, Idaho.

(d) the Mora River Basin in Mora County. New Mexico.

(e) Yakima project, Yakima Indian Reservation near the Yakima River in Yakima and Klickitat Counties, Washington.

(f) Columbia Northside project, White Salmon Division, located along the White Salmon River in Klickitat and Skamania Counties, Washington.

(g) Seward project, Logan and Oklahoma Counties, Oklahoma.

(h) Frenchman-Cambridge division, Pick-Sloan Missouri Basin program, Chase, Hitchcock, Hayes, Frontier, Red Willow, Furnas, and Harlan Counties, Nebraska.

(i) Upper Canadian River Basin, Colfax County, New Mexico.

(j) Versippi Unit, Heart Division, Pick-Sloan Missouri Basin programs, Stark and Dunn Counties, North Dakota.

(k) Muddy Ridge area, Riverton unit, Pick-Sloan Missouri Basin program, Fremont County, Wyoming.

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. JOHNSON) is recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6669 is another in a continuing series of routine measures to specifically authorize the Secretary of the Interior to study certain potential water resource development programs.

It has been the practice of the Committee on Interior and Insular Affairs to report such a bill either annually or biannually for the last 10 years.

General reclamation law provides authority for the Secretary of the Interior to seek appropriations for the investigation of potential projects.

Such appropriations were routinely requested and received for decades until about 12 years ago.

At that time the Congress imposed a requirement that such studies could not be undertaken unless specifically authorized by Congress.

H.R. 6669 would convey such authorization on behalf of 11 projects in the Western United States.

It is important for the Members of the House to understand that this legislation actually authorizes no appropriations—as I have already explained—the Secretary's authority for such appropriations is organic in reclamation law.

Perhaps, the best way to explain the function of H.R. 6669 is to characterize it as a formal expression of our oversight responsibility, in which we make a finding that these projects are of sufficient potential merit to warrant expenditures of funds.

The estimated cost of the several studies—if they are all funded and undertaken, is approximately $4,229,000, and will be distributed over a period of several years.

Examination of the individual items points out a strong emphasis toward water projects benefiting hydroelectric power production and municipal and industrial water supply.

Irrigation, particularly new irrigation projects, has a very limited role.

I think this is indicative of the way the Federal reclamation program is being oriented today—away from irrigation of lands.

I agree it is proper for our water development agencies to show concern for multiple purposes but I do not, personally, believe that irrigated agriculture should be deemphasized to the extent this administration seems to be doing.

Speaking of the administration—Members will be interested to learn it took no position whatsoever on this bill.

I am not sure what significance attaches to that point but as I said—it is nonetheless interesting.

Mr. Speaker, this measure has been carefully considered by the Committee on Interior and Insular Affairs and comes to you without objection.

I feel it deserves the support of my colleagues and urge that the House suspend the rules and pass it.

Mr. LUJAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the gentleman from California (Mr. JOHNSON) in support of this bill and would point out to my colleagues that the faster we pass this legislation into law, the more money we will save both the Federal taxpayers and the local water users in a number of Western States.

Each of the studies authorized in this bill is aimed at solving an existing problem, ranging from the need to generate more power by existing facilities to the creation of new irrigation lands.

The committee has carefully considered each of the study authorizations, and our extensive hearings have proven them all to be urgently needed and worthwhile.

Time is very important, because of the inflation factor. Any delays will result in higher costs both to the taxpayer and to the local sponsors of each project. Time after time, throughout our hearings, we heard testimony to the effect that the extra costs of even a year's delay could price some of the projects beyond the capacity of the local people to repay.

I urge my colleagues to support this bill, because of its very real benefits not only to the specific States in which some of the individual projects are located but to the Nation as a whole.

A number of the studies will have a direct bearing on the alleviation of our current energy crisis, but one of them—the power intertie study authorized in section (a), is especially important in this respect. The benefits to be derived from power interties will be felt by power consumers throughout the country, because it will be possible to balance out the load requirements of power lines and thus use more efficiently the power generating capacity we now have.

I also want to invite the attention of my colleagues to the potential long-range beneficial effects of another project in this bill, the Mora River Basin study authorized in section (j). Our committee report states that—

> . . . the committee expects that full attention will be given to the affirmative economic effects of construction and operation of the facilities and urges that such effects be quantified and included in the evaluation of the potential project.

This language is very important, because it expresses the intent of this Congress to have the Bureau of Reclamation expand the criteria on which it has historically based its judgment as to the economic feasibility of any given project. The benefit-cost ratio, which we have used as a yardstick in judging the economic viability of reclamation projects, has been rather narrow in scope, resulting in the inability of many otherwise worthwhile projects to meet the test matching benefits to costs, dollar for dollar.

In some cases, this yardstick has not served its purpose. It has failed to take into account the economic benefits to the Nation of a number of factors that have not been considered. For example, what is the value to society in the creation of new permanent jobs that take families off of welfare rolls and permit them to engage in useful, productive, work? The Economic Development Administration can use this factor as a justification for its project, but the Bureau of Reclamation's benefit-cost ratio formula does not recognize this factor. In considering the Mora project bill, the committee discussed this matter at length with the Bureau witnesses, and we have agreed that a revision of the yardstick is in order. The Mora project study will determine, on a one-shot, isolated basis, how this can be done and what its effects would be. It will determine, for instance, what dollar value society can place on the aspect of a project that results in making it economically possible for more of our rural young people to stay on the family farm and make a career of farming rather than migrate to the cities in search of employment.

This project alone, Mr. Speaker, is reason enough to pass this bill, for it will provide the Congress with one more tool with which to fight our continuing battle of raising the living standards of our depressed rural areas. For this reason, and because each of the projects in this bill is worthy of our support, I urge unanimous support of H.R. 6669. Thank you.

Mrs. SMITH of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in support of this bill. It would authorize feasibility studies of means to increase and extend the water supply to the existing Frenchman-Cambridge Division of the Pick-Sloan Missouri Basin program in southwest Nebraska.

This bill will authorize a feasibility investigation of a supplemental water supply for the division. The purpose of the study is to assess alternative plans for alleviating water shortages. The alternatives to be considered are: First, measures to reduce distribution system losses; second, irrigation management services; Third, development of additional storage facilities; and fourth, no development.

We are not speaking in diminutive terms when we discuss the implications of this action. This is not just a "study" but a step toward solution of a serious problem. At present there are 66,093 irrigable acres served by the Frenchman-Cambridge project in the seven Nebraska counties of Chase, Hitchcock, Hayes, Frontier, Red Willow, Furnas, and Harlan. However, if the water continues to recede unchecked, some 10,000 acres of irrigated project lands will have to revert to nonirrigated production within the next 25 years.

Let me demonstrate some of the impacts of procrastinating action in this area. In 1974, the seven counties mentioned produced an average of 101 bushels of corn for grain per acre on irrigated land. At the same time, only 23 bushels per acre were harvested from nonirrigated soil—a difference of 77 bushels per acre. This is one example: There are similar differences relative to wheat, soybeans, and other crops which America and the world relies on farmers to produce.

Not only is there a loss of valuable food staples in the face of world food shortages, but farmers also stand to suffer as water declines from a stream to a trickle. Farmers are already struggling under the burden of rising production costs, while commodity prices are uncertain at best. Their livelihood hinges on the crop they raise, and their harvest is, in turn, directly dependent upon their water supply. As their crops wither, so does their payback ability, which jeopardizes the future not only of the community, but of the other 56,000 acres of the project as well.

With world food shortages and economic upheavals all around us, it behooves us to maintain the maximum production potential of those vital natural resources we have harnessed for the benefit of our Nation.

I urge the passage of this bill as the first step toward averting unnecessary waste of our precious farm production potential.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I would like to thank the gentleman in the well, Mr. LUJAN, and also the gentleman from California (Mr. JOHNSON) for helping us bring this bill to final passage here today. I urge all the Members to vote for this bill.

Just as an example, one project that is in the State of Idaho, which is up river in the district of the gentleman from Idaho (Mr. HANSEN), the Minidoka Powerplant, is the subject of a study which will consider the rehabilitation or replacement of the power units in the existing Minidoka Powerplant which dates back for more than 65 years. Opportunity exists to increase capacity from 13,400 kilowatts, to about 30,000 kilowatts without increasing reservoir storage. The study will require 18 months and an estimated $200,000.

This type of opportunity will cause no environmental damage to anything and will more than double the power potential of the already existing project.

Certainly, Mr. Speaker, it is worthy of the support of the Members of this body.

I thank the gentleman for yielding.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Yes, I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of the legislation.

Mr. Speaker, when I sponsored this legislation earlier this year, I was convinced of the urgency connected with each of the 11 projects that it authorizes. But developments on the national and international level since then have forced an even higher priority on this legislation, and I believe it to be virtually an emergency measure at this time.

The problems addressed by this bill are the problems of our national shortage of energy and of our swiftly mounting water shortage crisis in the Western States. Embodied in this bill are legislative initiatives in each of these areas. The time for talking about our energy and water crises is in the past. It is now time for action, and this bill represents a congressional response to the need for action.

Let me explain to my colleagues what just a few of these projects will do:

In subsection (a) we authorize an immediate study of an idea that has been kicking around for quite a few years but whose time has now arrived. That idea is simply to tie together the major electric transmission lines of the 17 Western States so that surplus power in any one State can be shifted into any of the other States to meet peak load requirements.

This intertie system will permit the major power-producing river basins to pool their power capacities and thus help alleviate future power shortages by using our present generating capacity more efficiently. Current projections show that the savings can amount to about 24 million barrels of oil in 1983. That amounts to a dollar saving of about $245 million. Yet the total cost of the bill before us is only $4.2 million.

In subsection (b) we authorize a feasibility study of a project to increase the generating capacity of Hoover Dam by 1,000 megawatts. That is a million kilowatts of new power that we feel can be brought on line to meet the power crunch of the 1980's. Recent actions by the oil producing export countries—OPEC—in raising the price of oil we are now forced to import have underlined the critical need for us to find new sources of energy. This bill responds to that need.

Other subsections of the bill authorize immediate studies of projects aimed at producing new water for irrigation, municipal, and industrial use in Western States. Located in Idaho, Washington, Oklahoma, Nebraska, North Dakota, and New Mexico, these projects will not only develop new water sources in those States but will help relieve the pressures on our overloaded river basins throughout the West.

Mr. Speaker, this is a badly needed piece of legislation and I urge my colleagues to give it the unanimous support it so richly deserves. Thank you.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Yes, I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I would like to commend the gentleman from California (Mr. JOHNSON) for the excellent work he has done on this type of projects.

I feel that nothing is more important to the people in the Western part of the United States than the proper use of water, and this type of legislation certainly makes it possible for us to orderly use our water in such fashion that we can turn very brown and barren areas into areas that are green and habitable and productive for the people who live there.

Mr. Speaker, I would like to commend the gentleman in the well, the gentleman from New Mexico (Mr. LUJAN), for his good work in this regard, and my colleague, the gentleman from Idaho (Mr. SYMMS), also.

Mr. Speaker, I urge support for this legislation.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. Yes; I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman for yielding.

I want to join him in his statement as it relates to the Mora River Basin project. Certainly those of us on the Subcommittee on Water and Power Resources agree with the gentleman wholeheartedly.

We hope that they will go there and make a thorough investigation. We believe that this will be a very worthwhile project.

Mr. LUJAN. Mr. Speaker, I thank the chairman for his support.

I think we are looking at a new concept in another way and that we have to fight the effects of bad economic conditions in certain areas.

I think that once the Bureau of Reclamation is convinced that this is the way that we need to go, it will be very beneficial for all these areas in this country.

Mr. JOHNSON of California. Mr. Speaker, I have no further requests for time.

Mr. LUJAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. MCFALL). The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill (H.R. 6669), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDING THE WATER RESOURCES PLANNING ACT TO REVISE THE MEMBERSHIP OF THE WATER RESOURCES COUNCIL

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5952) to amend the Water Resources Planning Act to revise the membership of the Water Resources Council, as amended.

The Clerk read as follows:

H.R. 5952

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby further amended as follows:

(a) By deleting in section 101 the words "the Secretary of Health, Education, and Welfare," and inserting in lieu thereof "the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Administrator of the Environmental Protection Agency,".

(b) By deleting in section 105(a)(5) the words "to exceed $100 per diem for individuals" and inserting in lieu thereof "in excess of the daily equivalent of the rate prescribed for grade GS-18 under section 5332 of title 5 of the United States Code in the case of individual experts or consultants;".

(c) By deleting in section 205(a)(4) the words "to exceed $100 per diem" and inserting in lieu thereof "in excess of the daily equivalent of the rate prescribed for grade GS-18 under section 5332 of title 5, United States Code,".

(d) By deleting in section 301(a) the words "for the next fiscal year beginning after the date of the enactment of this Act, and for the nine succeeding fiscal years thereafter" and inserting in lieu thereof "for fiscal years 1977 and 1978,".

(e) By deleting immediately after the phrase "(c) not to exceed" in section 401(c) the words "$3,500,000 annually for fiscal years 1974 and 1975" and inserting in lieu thereof "a total of $10,000,000 for fiscal years 1976 and 1977".

The **SPEAKER** pro tempore. Is a second demanded?

Mr. **LUJAN**. Yes; Mr. Speaker, I demand a second.

The **SPEAKER** pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The **SPEAKER** pro tempore. The gentleman from California (Mr. JOHNSON) will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. JOHNSON).

Mr. **JOHNSON** of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I take this time to explain in support of H.R. 5952—a bill to amend the Water Resources Planning Act which is reported to you by the Committee on Interior and Insular Affairs without opposition.

The major emphasis in this legislation extends the authorization for appropriations for two of the programs of the Water Resources Council—for 2 additional years.

The bill also makes minor changes in the administrative provisions of the existing law.

Perhaps the most important and worthwhile program carried on by the Water Resources Council is the administration of grants to the States for the purpose of strengthening the State capability in water resource planning.

There has been authorized, for the past 10 fiscal years, the sum of $5 million per year for this purpose.

This authorization expires with fiscal year 1976 and the bill before you would extend it for 2 more fiscal years at the same monetary level.

This provision of H.R. 5952 is widely supported by Federal Government agencies across the country, but unfortunately it is not supported by the administration.

The other major provision of this bill is the authorization of appropriations in the total amount of $10 million for continuation of work on the national water assessment and the coordination of comprehensive river basin plans for the fiscal years 1976 and 1977.

In fact, it is this provision that imparts a sense of urgency to H.R. 5952 as the bill must be enacted so that needed appropriations can be provided in the public works appropriations bill now pending in the other body.

This bill also authorizes certain changes in the membership of the Council to more accurately aline the Council with present organizational and jurisdictional arrangements within the executive branch.

The Secretaries of Commerce, HUD, and Transportation, plus the Administrator of EPA are added to the Council while the Secretary of Health, Education, and Welfare is dropped from Council membership.

The bill will also allow the Council to employ expert consultants at the GS-18 salary level.

Mr. Speaker, I think we should view this legislation as an interim measure that maintains the status quo in the U.S. Water Resources Council for a sufficient length of time for the committee to consider the ultimate role of this agency in our management of water resources.

There is a great deal of concern within and without the Federal Government that the Water Resources Planning Act is not doing what it was intended to do.

I think I am safe in assuring the House that the Interior and Insular Affairs Committee will go into this question in depth and either reaffirm or reorient the Water Resources Planning Act.

This should not be done in haste or in a crisis atmosphere imposed by appropriation deadlines.

This bill buys us enough time to do the job right.

Mr. **LUJAN**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the distinguished chairman of our Water and Power Resources Subcommittee in support of this bill, as amended, and urge its passage.

The only provision of this bill that invoked any controversy in the committee is the provision to raise the pay of consultants. The objections were heard and the point was fully debated, with the result that the majority in the subcommittee prevailed in support of the increased compensation. After being voted down in subcommittee, the Members opposing the pay raise realized that it would be useless to press the point further, and we do not intend to oppose this otherwise worthwhile bill on those grounds.

Mr. Speaker, the planning grants authorized in this bill are badly needed by the States in order to continue the excellent progress made to date in carrying out water resource planning on an orderly and productive basis. It is a good program that must be continued until the work is finished, and the minority Members are in full support of the authorizations contained in this legislation. Thank you.

Mr. **JOHNSON** of California. Mr. Speaker, I have no further requests for time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill H.R. 5952, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Water Resources Planning Act (79 Stat. 244), as amended.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **JOHNSON** of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDING THE SMALL RECLAMATION PROJECTS ACT OF 1956, AS AMENDED

Mr. **JOHNSON** of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6874) to amend the Small Reclamation Projects Act of 1956, as amended.

The Clerk read as follows:

H.R. 6874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled That, the Small Reclamation Projects Act of 1956 (70 Stat. 1044) as amended, is further amended as follows:

(a) Subsection 2(d) of the Act, as amended, is further amended to read as follows:

"(d) The term 'project' shall mean (i) any complete irrigation project, or (ii) any multiple-purpose water resource project that is authorized or is eligible for authorization under the Federal reclamation laws, or (iii) any distinct unit of a project described in clause (i) and (ii) or (iv) any project for the drainage of irrigated lands, without regard to whether such lands are irrigated with water supplies developed pursuant to the Federal reclamation laws, or (v) any project for the rehabilitation and betterment of a project or distinct unit described in clauses (i), (ii), (iii), and (iv): *Provided,* That the estimated total cost of the project described in clause (i), (ii), (iii), (iv), or (v) does not exceed the maximum allowable estimated total project cost as determined by subsection (f) hereof: *Provided further,* That a project described in clause (i), (ii), or (iii) may consist of existing facilities as distinct from newly constructed facilities, and funds made available pursuant to this Act may be utilized to acquire such facilities subject to a determination by the Secretary that such facilities meet standards of design and construction which he shall promulgate and that the cost of such existing facilities represent less than fifty per centum of the cost of the project. Nothing contained in this Act shall preclude the making of more than one loan or grant, or combined loan and grant, to an organization so long as no two such loans or grants, or combinations thereof, are for the same project, as herein defined.".

(b) Section 2, as amended, is further amended by adding a new subsection (f) as follows:

"(f) The maximum allowable estimated total project cost of a proposal submitted during any given calendar year shall be determined by the Secretary using the Bureau of Reclamation composite construction cost index for January of that year with $15,000,000 as the January 1971 base.".

(c) Section 4, as amended, is further amended by adding a new subsection (d) as follows:

"(d) At the time of his submitting the project proposal to the Congress, or at any subsequent time prior to completion of construction of the project, including projects heretofore approved, the Secretary may increase the amount of the requested loan and/or grant to an amount within the maximum allowed by subsection (a) of section 5 of the Act as herein amended, to compensate for increases in construction costs due to price escalation.

(d) Section 4, as amended, is further amended by changing subsection (d) to subsection (e) and by changing the reference in the last sentence of the renumbered subsection from (d) to (e).

(e) Section 4, as amended, is further amended by changing subsection (e) to subsection (f).

(f) Subsection 5(a), as amended, is further amended by deleting "$10,000,000 or" and inserting in lieu thereof the following: "two-thirds of the maximum allowable estimated total project cost as determined by subsection (f) of section 2, or".

(g) Section 10, as amended, is further amended by deleting "$300,000,000" and inserting in lieu thereof the amount of "$400,000,000".

The SPEAKER pro tempore. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. JOHNSON) will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise at this time for the purpose of presenting H.R. 6874 to the Members of the House.

The purpose of this legislation is to extend the small reclamation projects program and to amend present law in such a way that this program can continue to serve the people of the reclamation States as it has for the last 19 years.

The Small Reclamation Project Act authorizes a program through which qualified non-Federal public agencies may receive loans from the Federal Government to construct minor water resource projects—without the long time-consuming procedures that are required for major undertakings.

At the present time a small project is defined as one costing less than $15 million.

It may be a multiple-purpose project however and we frequently find that municipal water supply and other purposes are being benefited along with the irrigation function.

Since this program was started in 1956, there have been 72 loans approved for 62 separate projects.

It has been necessary to obtain supplemental loans in 10 instances.

These approved loans represent the public investment of about $180 million.

Additional projects have a combined cost of approximately $225 million and are in various stages of study and review.

Perhaps the most outstanding feature of the small projects program is the fact that it operates with an absolute minimum of overhead expense.

There is no bureaucracy—in fact, there are only three or four persons employed full time on this work in the Bureau of Reclamation.

This does not mean, however, an absence of safeguards.

Loan proposals are reviewed very carefully for their technical integrity, their financial feasibility and their compliance with the basic act.

H.R. 6874 accomplishes five needed changes in this basic act.

Three of these changes relate specifically to the question of inflation.

In one instance the bill provides that the maximum size of a small project shall be determined each year by the Secretary in consideration of increased price levels.

The amount of loan may be similarly increased for the same reason.

Also, the Secretary may increase an existing loan to cover the effects of inflation.

In total, these changes in the law do nothing more than place the small reclamation projects program on the same basis as other public programs.

Another feature of H.R. 6874 is a provision which would clearly authorize the use of loan funds to purchase existing facilities in lieu of constructing new ones—with appropriate safeguards.

Finally, the bill would authorize another $100 million of appropriations, bringing the total amount authorized for this purpose to $400 million.

Mr. Speaker, this legislation has received more expressions of support than any measure I have been privileged to handle.

It is substantially in accord with the recommendations of the executive branch.

It was reported from the Committee on Interior and Insular Affairs without dissent and it deserves the support of every Member.

Mr. LUJAN. Mr. Speaker, again I want to commend the gentleman from California (Mr. JOHNSON), the chairman of the subcommittee, for his explanation of this legislation. Basically it boils down to two things.

1. It is necessary to keep up with the inflation factor and we have taken that into consideration in the bill so that projects which at one time could have been built for $15 million and which now cost more than that can still be built—that is the same kinds of projects.

2. I think it is important to remember that in the past we have not been able to buy existing facilities in order to add on to public systems. Many times it is less expensive and many times it is more desirable to buy some existing facilities to add on to the present system. So with the passage of this legislation we will be able to do that.

Because these two things are so badly needed, Mr. Speaker, I certainly urge my colleagues to support the bill H.R. 6874 without reservation.

Mr. DON H. CLAUSEN. Mr. Speaker, as a cosponsor, I want to register my positive support for the bill before us at this time, H.R. 6874, to amend the Small Reclamation Projects Act of 1956.

The purpose of the legislation is to update the act to take into account the effects of inflation. Water user organizations in our 17 Western States are being hard hit as a result of spiraling construction costs and a great many important irrigation water projects are in danger of being priced out of reach.

The problem stems from the fact that under the act small reclamation projects are limited in size to $15 million and Federal loans cannot exceed $10 million. Construction costs are going up so fast that many of these projects exceed the ceilings.

Even if the project falls within these limits, costs are rising so rapidly that between the time the application for a loan is drawn up and the time it is considered the figures have become out of date. In the past this meant that the application had to go back to the sponsor for revision and the cycle began again.

Under our bill these two problems are resolved. Our bill permits the maximum size of the project to float with the Bureau of Reclamation's composite construction cost index. The effect of this provision will be a ceiling of $23 million in 1975.

Second, the Secretary is authorized to adjust the application to reflect rising costs without sending the application back for revision.

Enactment of the bill is vital. It is timely and responsive. I urge my colleagues to give it their support.

Mr. JOHNSON of California. Mr. Speaker, I have no further request for time.

Mr. LUJAN. Mr. Speaker, I have no further request for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill H.R. 6874, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 6874) just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PROVIDING FOR THE ESTABLISHMENT OF A CONSTITUTION FOR THE VIRGIN ISLANDS

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9460) to provide for the establishment of a constitution for the Virgin Islands, as amended.

The Clerk read as follows:

H.R. 9460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress, recognizing the basic democratic principle of government by the consent of the governed, authorizes the people of the Virgin Islands to organize a government pursuant to a constitution of their own adoption as provided in this Act.

SEC. 2. (a) The Legislature of the Virgin Islands is authorized to call a constitutional convention to draft a constitution for the people of the Virgin Islands. Such constitution shall provide a republican form of government and shall include a bill of rights.

(b) No person shall be eligible to be a member of the constitutional convention who is not a citizen of the United States and who is not a qualified voter in the Virgin Islands.

(c) Except as provided by subsection 2 (b) above, the members of such constitutional convention shall be selected as provided by the laws of the Virgin Islands (enacted after the date of enactment of this Act).

(d) The convention shall submit to the voters of the Virgin Islands a proposed constitution for the Virgin Islands. There shall be held a referendum for approval or disapproval of such constitution by the voters of the Virgin Islands. Such referendum shall be conducted as provided under the laws of the Virgin Islands (enacted after the date of enactment of this Act). Upon approval by not less than a majority of the voters participating in such referendum (by casting either an affirmative or negative vote with respect to such constitution), such constitution shall be submitted to the President of the United States by the Governor of the Virgin Islands. Such constitution shall become effective in accordance with its terms unless disapproved as provided in subsection (e).

(e) The President shall determine, within sixty calendar days after the date on which he has received the constitution, whether or not such constitution is in compliance with Section 2(a) of this Act, and is otherwise satisfactory. He may approve such constitution in whole or in part. In the event he approves the constitution in its entirety, the constitution will become effective on the 60th day following such approval. In the event the President approves the constitution in part, he shall submit the approved portions of said constitution to the Governor and to the head of the Legislature of the Virgin Islands, and such approved portions shall become effective if and when they are approved in the same manner as the laws of the Virgin Islands provide for the enactment of legislation. The President shall return the disapproved portions of the constitution to the constitutional convention together with his objections for further deliberation by the constitutional convention and approval by the people as provided above.

(f) A constitution of the Virgin Islands taking effect as provided in this Act shall supersede such provisions of the Organic Act of the Virgin Islands as the President may determine to be inconsistent with such constitution.

The SPEAKER pro tempore. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. DON H. CLAUSEN) and the gentleman from California (Mr. PHILLIP BURTON) each will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 9460.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 9460 provides the means by which the people of the Virgin Islands may, for the first time in their history, exercise the right of self-government which is inherent in the establishment of a constitution.

The Virgin Islands, acquired by the United States in 1917, was administered by naval Governors until 1931, when jurisdiction was given to the Department of the Interior. The Organic Act of 1936 organized the territory, was revised in 1954, and marked the first steps toward internal self-government. The trend was bolstered in 1968, when the Congress provided for an elective Governor commencing with the 1970 election, and in 1972, when an elected delegate to the U.S. House of Representatives was approved.

H.R. 9460, as amended, is the product of thoughtful consideration leading to the view that Congress, instead of periodically amending the Organic Act of the Virgin Islands in piecemeal fashion, should now authorize the people of the Virgin Islands to adopt their own constitution and more fully exercise their basic rights of self-determination.

The language in H.R. 9460, as well as in H.R. 9491, which permits the President to veto the Constitution in whole, or in part, was inserted in order to alleviate the concern that the Constitution approved would abrogate any provisions of the Organic Act other than those the President found acceptable and otherwise "satisfactory."

Mr. Speaker, I would like to commend our distinguished colleague, the delegate from the Virgin Islands (Mr. DE LUGO) for his leadership in this respect, for having acquired more than 100 coauthors, on the broadest possible basis of bipartisan cosponsorship.

I would also like to notify the Members, this bill before us contains a slight modification of the bill as amended in committee in that the legislation before us provides that the President may veto in whole or in part the local constitution.

I might state the obvious, Mr. Speaker, that nothing in this legislation, or in H.R. 9491, abrogates the supremacy of the Constitution of the United States.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ), the ranking minority Member.

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 9460 and H.R. 9491, which provides for the establishment of local constitutions for the Virgin Islands and Guam, respectively. Both bills are identical except that H.R. 9460 pertains to the Virgin Islands and H.R. 9491 is applicable to Guam.

The legislation before us, as amended in committee, grants to the citizens of the Virgin Islands and Guam the right to formulate and control thereafter their own internal political status through the popular adoption of their own constitutions. If in compliance with the U.S. Constitution and upon approval of the President, the internal political status of Guam and the Virgin Islands will become codified in their territorial constitutions, embracing the rights of citizens, the operation of local government and the division of power between the three traditional governmental branches.

This authority to draft local territorial constitutions represents one more step along the road of insuring democracy throughout the Republic. Commencing with the bestowal of U.S. citizenship on the residents of Guam and the Virgin Islands earlier in this century, the U.S. Congress has continuously relinquished its plenary authority, granting more and more self-government to America's insular possessions. For example, in 1968, this body passed legislation, which provided for elected Governors in Guam and the Virgin Islands to be followed soon thereafter with elected territorial representation in the U.S. Congress. It is only fitting, therefore, that the 94th Congress continue this democratic tradition.

H.R. 9460 and H.R. 9491 apply only to the internal political status of Guam and the Virgin Islands and will not disturb the balance in present U.S. Federal-territorial relations although it is apparent that revisions in this area are also required. The precedents to be established in Federal-territorial relations if the recent recommendations of the Ad Hoc Advisory Group on Puerto Rico are accepted or if the Covenant of the Northern Marianas' Commonwealth is enacted; testify that modifications in current national policy are necessary. Accordingly, I enjoin the administration to review, in conjunction with other territorial areas, the present status of relations between the Federal Government and the governments of Guam and the Virgin Islands.

Mr. Speaker, H.R. 9460 and H.R. 9491

are appropriate extensions of self-government to America's overseas territories. The provisions of both measures are timely and just. Accordingly, without reservation, I urge my colleagues to lend their support in passage of these two bills.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us, H.R. 9460, provides for the establishment of a local constitution for the Virgin Islands. Currently the Virgin Islands are governed under the provisions of an Organic Act, which falls under the jurisdiction of the House Interior and Insular Affairs Committee. The bill provides for the calling of a constitutional convention; subsequently, the proposed constitution will be submitted to the territorial electorate for approval of not less than a majority of the participating voters, whereupon the constitution will be reviewed by the President of the United States.

This bill was introduced on September 9, 1975, and heard in subcommittee on September 17, 1975. Although the administration approves the general thrust of the legislation—especially considering that both Puerto Rico and the new Commonwealth of the Northern Marianas have been granted the right to formulate their own constitutions—there was insufficient time for the various Federal departments to review the bill and develop specific recommendations.

The Director, Office of Territorial Affairs, U.S. Department of the Interior, testified in subcommittee hearings that the administration's principal concern was that the adopted constitution might alter the present relations between the territories and the Federal Government. Accordingly, at this point, the bill was amended to give the President wider authority in his review of the draft constitution, allowing him to consider questions of national policy as well as the type of government specified in the proposed constitution. Moreover, provisions were inserted to establish what procedures are to be followed in the event the President rejects the territorial draft.

Although I would have preferred that the administration had an opportunity to present a formal position, I am confident that the bill, as amended in committee, provides ample safeguards to our national interests as well as extends the right of self-government to the Virgin Islands. Therefore, I believe the measure before us is sound, and I urge unanimous passage of H.R. 9460.

Mr. PHILLIP BURTON. Mr. Speaker, I yield such time as he may consume to the gentleman from the Virgin Islands, the Honorable Mr. DE LUGO.

Mr. DE LUGO. Mr. Speaker, shortly I expect the Members of this distinguished body to set in motion the wheels of historic legislation for the continuing political development of the Virgin Islands. I have every reason to believe that Members on both sides of the aisle will unanimously pass H.R. 9460 authorizing the people of the Virgin Islands to organize a government pursuant to a constitution of their own adoption. When this legislation is approved, you will have participated in a new moment, historic in both its nature and its scope.

That the House of Representatives stands today at this threshold is in great part due to the outstanding leadership and superior legislative judgment of our friend, my distinguished colleague and chairman of the House Subcommittee on Territories, the Honorable PHILLIP BURTON. His sensitive awareness of the noble aspirations of Virgin Islanders remains unquestioned and unchallenged. I have consistently relied on his counsel and guidance in this important matter and have drawn on his consummate skill in directing this bill through its legislative process in record time. Congressman BURTON's concern for our political welfare is reciprocated by our continuing debt of gratitude to him.

Significant also, and perhaps even unheralded, is the fact that 102 Members of the House cosponsored my bill; the broad and bipartisan support of these colleagues demonstrates clearly that partisan politics were not an issue here, only the best interests of Virgin Islanders. On behalf of these citizens, I express my sincere appreciation to all Members of the House.

The legislation about to be approved is in keeping with the furtherance of the progress to more autonomy for the Virgin Islands, a policy to which the Congress has previously given its approval by passing the 1968 Elective Governor's Act and the 1972 act granting the Virgin Islands an elective Delegate to the U.S. House of Representatives.

Such congressional confidence in our political maturity is not taken lightly, I can assure you. We accept your confidence with a renewed hope and a determined spirit to foster and preserve the democratic principles to which we are dedicated.

Mr. LAGOMARSINO. Mr. Speaker, as you know, for over a generation the residents of Guam and Virgin Islands have been U.S. citizens. However, in spite of this status, the right to develop their own territorial constitutions has been denied. Rather, both territories have been governed by Organic Acts, necessitating Federal legislation to accommodate the most insignificant modification in territorial government. The unresponsiveness of this procedure was recognized early in the case of Puerto Rico; in 1952, the U.S. Congress approved the Puerto Rican Constitution, proclaiming Puerto Rico a commonwealth of the United States. More recently, this body approved the Covenant of the Northern Marianas, which also sanctions the people's right to formulate their own territorial government, guided solely by the provisions of the U.S. Constitution and the legal precedents stemming therefrom. Fortunately, H.R. 9460 and 9491, on today's calendar, correct the oversight that the U.S. Congress has perpetrated upon the citizens of the Virgin Islands and Guam.

The inhabitants of both territories have demonstrated time after time their political maturity and adherence to the principles of democracy. Their patriotism has been repeatedly demonstrated by their loyal participation in all of America's wars during this century. It is time, therefore, that we extend the full privileges of republican government to all American citizens, regardless of their geographic location.

Critics of the proposed legislation may contend that the territorial constitutional conventions may alter the delicate balance in Federal/territorial relations developed over the years. To eliminate this possibility, the legislation now before us has been carefully worded to provide Presidential review of the constitutional drafts, precluding thereby disruption of American overseas policy.

Accordingly, Mr. Speaker, not only do I rise in support of H.R. 9460 and H.R. 9491, I enjoin by colleagues to support unanimously the extension of self government—the birthright of democracy—to our fellow citizens of Guam and the Virgin Islands.

Mr. LEGGETT. Mr. Speaker, I am pleased to rise in support of two bills that I cosponsored, H.R. 9460 and H.R. 9491, which would authorize the peoples of the Virgin Islands and Guam to adopt their own constitutions and organize governments under them. These bills will permit completion of the process of establishing for these two territories the precept that has long guided American political life—the Lockean principle of government by consent of the governed.

Major steps have been taken in recent years toward greater self-government for both Guam and the Virgin Islands. Both peoples obtained the right to elect their Governors in 1970. And further legislation enabled them to elect delegates to this House of Representatives in 1972. The two bills before us, authored by the gentlemen holding those two seats—Mr. WON PAT and Mr. DE LUGO—will mark the culmination of that process.

These bills provide for constitutional conventions, called by the legislatures of the two territories, which would draft constitutions establishing a republican form of government as well as a bill of rights, much as is the case with the 50 States. The two conventions would then submit their constitutions to referenda in order to seek the consent of the qualified voters in the Virgin Islands and Guam. Each constitution would require the approval of a majority of participating voters. If the voters consent in this form, the Governors of the respective territories would then submit the constitutions to the President of the United States for his approval. The President is to determine whether the constitutions comply with the section calling for a republican form of government and a bill of rights. He must approve the constitution in question or return it, with his objections, for further work by the convention.

Mr. Speaker, this is the just way to proceed for the peoples of the Virgin Islands and Guam. It would end the piecemeal pattern of periodic changes in the organic laws governing both territories. These bills will enable the peoples of the Virgin Islands and Guam to establish governments in a truly democratic manner. I urge my colleagues to support the two bills as fulfillment for these people of the American way in politics—government by consent.

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

Mr. DON H. CLAUSEN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. McFall). The question is on the motion offered by the gentleman from California (Mr. Phillip Burton) that the House suspend the rules and pass the bill—H.R. 9460—as amended.

The question was taken; and—two-thirds having voted in favor thereof—the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR THE ESTABLISHMENT OF A CONSTITUTION FOR GUAM

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill—H.R. 9491—to provide for the establishment of a Constitution for Guam, as amended.

The Clerk read as follows:

H.R. 9491

A bill to provide for the establishment of a constitution for Guam

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress, recognizing the basic democratic principle of government by the consent of the governed, authorizes the people of Guam to organize a government pursuant to a constitution of their own adoption as provided in this Act.

Sec. 2. (a) The Legislature of Guam is authorized to call a constitutional convention to draft a constitution for the people of Guam. Such constitution shall provide a republican form of government and shall include a bill of rights.

(b) No person shall be eligible to be a member of the constitutional convention who is not a citizen of the United States and who is not a qualified voter in Guam.

(c) Except as provided by subsection 2(b) above, the members of such constitutional convention shall be selected as provided by the laws of Guam (enacted after the date of enactment of this Act).

(d) The convention shall submit to the voters of Guam a proposed constitution for Guam. There shall be held a referendum for approval or disapproval of such constitution by the voters of Guam. Such referendum shall be conducted as provided under the laws of Guam (enacted after the date of enactment of this Act). Upon approval by not less than a majority of the voters participating in such referendum (by casting either an affirmative or negative vote with respect to such constitution), such constitution shall be submitted to the President of the United States by the Governor of Guam. Such constitution shall become effective in accordance with its terms unless disapproved as provided in subsection (e).

(e) The President shall determine, within sixty calendar days after the date on which he has received the constitution, whether or not such constitution is in compliance with Section 2(a) of this Act, and is otherwise satisfactory. He may approve such constitution in whole or in part. In the event he approves the constitution in its entirety, the constitution will become effective on the 60th day following such approval. In the event the President approves the constitution in part, he shall submit the approved portions of said constitution to the Governor and to the head of the Guam Legislature, and such approved portions shall become effective if and when they are approved in the same manner as the laws of Guam provide for the enactment of legislation. The President shall return the disapproved portions of the constitution to the constitutional convention together with his objections for further deliberation by the constitutional convention and approval by the people as provided above.

(f) A constitution of Guam taking effect as provided in this Act shall supersede such provisions of the Organic Act of Guam as the President may determine to be inconsistent with such constitution.

The SPEAKER pro tempore (Mr. McFall). Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. Phillip Burton) will be recognized for 20 minutes, and the gentleman from California (Mr. Don H. Clausen) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Phillip Burton).

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill H.R. 9460, just passed, and the bill H.R. 9491, which we are about to discuss.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 9491 is a companion bill to the legislation we just adopted with reference to the Virgin Islands. H.R. 9491 provides the means by which the people of Guam may, for the first time in their history, exercise the right of self-government which is inherent in the establishment of a constitution.

Guam came under the American flag in 1898, and was administered by naval Governors until the Organic Act of Guam established territorial civil government in 1950 and administration passed to the Department of the Interior. The act has been amended numerous times in the intervening years to meet specific needs. Major milestones came in 1970, when the people of Guam won the right to elect their own Governor, and in 1972, with the right to elect a Delegate to the U.S. House of Representatives.

H.R. 9491, as amended, is the product of thoughtful consideration leading to the view that Congress, instead of periodically amending the Organic Act of Guam in piecemeal fashion, should now authorize the people of Guam to adopt their own constitution and more fully exercise their basic rights of self-government.

Mr. Speaker, at this time I would like to commend our distinguished representative from Guam, the Honorable Antonio Borja Won Pat, for his effective leadership in the development of this legislation and in achieving the broadest possible bipartisan support for this measure.

This measure as amended, as did the companion measure relating to the Virgin Islands, clarifies the right of the President to veto, in whole or in part, the proposed constitution of Guam.

It was approved, without dissent in the subcommittee, as well as the full committee.

I urge its approval by our colleagues today.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, similar to H.R. 9460, which establishes provisions for the adoption of a local constitution in the Virgin Islands, H.R. 9491 sets up corresponding procedures for Guam. Following a constitutional convention, the proposed constitution will be submitted to the qualified voters of Guam for approval. The referendum will be conducted pursuant to local laws; and upon the concurrence of not less than a majority of the participating voters, the proposed constitution will be submitted to the President of the United States for final review and approval.

In my opinion, this extension of self-government to America's Territories is in keeping with the republican tradition and is a forward step in the democratic process. However, certain peculiarities in the legislation, as introduced last month in the House, require clarification.

In both H.R. 9460 and H.R. 9491, for example, subsection (e) broke with the Puerto Rican precedent, in that U.S. congressional approval of the Puerto Rican Constitution, resulting in floor debate and amendment, was necessary before self-government in the Commonwealth was achieved.

However, in the case of Guam and the Virgin Islands now under consideration, the President and not the Congress will be the final authority. In addition, subsection (e), as originally written, was unclear, in that it failed to delineate the grounds or the procedures whereupon the President could return the draft territorial constitution if found unsatisfactory.

Again, in both bills, subsection (f) stated that the constitution would supersede all provisions of the Organic Act, which were determined inconsistent with said Constitution. Nowhere, however, did the bills detail by whom or how such a decision would be made.

Lastly and more importantly, considering Guam's strategic location in the Western Pacific, the President's review authority was limited to and based solely upon his determination that the proposed constitution established a republican form of government and included a bill of rights.

Accordingly, I introduced amendments in committee markup which lessened the ambiguity of the proposed legislation and expanded Presidential discretion in his constitutional review. Specifically, the President is now empowered to weigh national policy implications, as well as the suggested form of government, in his consideration of the Territorial Constitution. Fortunately, the committee recognized the merit of my recommendations; and all have been incorporated into the legislation now before us.

Although final approval of the Territorial Constitution continues to remain in the hands of the President, I am convinced that this new innovation in territorial legislation is just; inasmuch as the administration is more capable than we in assessing the impact on national security implicit in the constitutional draft.

Therefore, Mr. Speaker, I seek unanimous support of my colleagues in approving H.R. 9491, assuring thereby that the rights of self-government are extended to all U.S. citizens, whether residing on the mainland or in the overseas territories.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. DON H. CLAUSEN. I am happy to yield to the gentleman from Florida.

Mr. HALEY. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this legislation, and I want to apologize to the gentleman on the other side of the aisle because I am not on this bill. I would have been, except for a little misunderstanding. I happened to be out of town at the time.

Mr. Speaker, I think it is good legislation, and I hope it will pass unanimously.

Mr. DON H. CLAUSEN. I thank the gentleman for his remarks.

Mr. PHILLIP BURTON. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Guam, (Mr. WON PAT).

Mr. WON PAT. Mr. Speaker, the bill being presented for consent today, H.R. 9391, is intended to grant much-deserved additional local autonomy to the people of Guam.

It does not affect the relationship between Guam and the Federal Government but merely allows the people of Guam to draft their own local laws, in the form of a constitution and subject to Presidential review, by which they will live.

Presently, the people of Guam are governed by the provisions of the Guam Organic Act of 1950. That act was an instrument written by Congress for Guam.

Mr. Speaker, this is clearly an idea whose time has arrived. The people of Guam desire no less than the residents of the Virgin Islands, the Northern Marianas and the 50 States to exercise their rights as U.S. citizens to local self-government. A commonwealth compact to allow self-government for the Northern Marianas has already been approved by the House. Legislation for the Virgin Islands similar to H.R. 9491 has also been reported out by the Interior Committee.

I urge my colleagues to approve this bill by consent today. The people of Guam have been governed by the Organic Act for more than a quarter-century. There is no reason for further delay. This legislation has been considered extensively by the Subcommittee on Territories. Hearings have been held, appropriate amendments have been made, and the bill has received the unanimous and bipartisan support of the membership of the subcommittee and the full Interior Committee.

In this year of the 200th commemoration of the establishment of self-government as an American right, on behalf of the people of Guam, I urge passage of this legislation which would extend this right to them also.

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

Mr. DON H. CLAUSEN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill H.R. 9491, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

WAR CLAIMS ACT AMENDMENTS

Mr. ROONEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5360) to increase benefits provided to American civilian internees in Southeast Asia.

The Clerk read as follows:

H.R. 5360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(1)(3) of the War Claims Act of 1948 (50 App. U.S.C. 2004(1)(3)) is amended by striking out "$60" and inserting in lieu thereof "$150".

The SPEAKER pro tempore. Is there a second demanded?

Mr. SKUBITZ. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. ROONEY) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. SKUBITZ) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 5360 is to amend the War Claims Act of 1948 to increase the authorized detention benefit for American civilians interned during the Vietnam conflict from $60 to $150 per month.

In 1970 the military prisoners of war were provided with increased benefits amounting to $150 per month. The civilian prisoners are long overdue this modest raise which equalizes their benefits with those received by former military prisoners.

The subcommittee on transportation and commerce held hearings on this bill, an administration proposal, on June 10, 1975. The State Department, OMB, and the Foreign Claims Settlement Commission, which administers the War Claims Act, all supported the bill. After executive session, the subcommittee unanimously reported H.R. 5360 to the full committee. The full committee also favorably ordered the bill reported to the House without amendment after executive session.

The Foreign Claims Settlement Commission estimates that 30 persons will receive these increased benefits. The cost is estimated at $126,000 which will come out of funds already appropriated for this purpose. The Commission states there will be no increased administrative costs due to passage of this bill.

The military prisoners in Vietnam received comparable benefits in 1970. This modest increase for civilians interned in Vietnam will give them a benefit equal to that received by the military. Both groups suffered the same deprivations and hardships. I urge passage of this long overdue legislation.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Pennsylvania (Mr. ROONEY) in his usual fine manner has given a thorough explanation of the purposes of this bill. He has pointed out that the 1948 War Claims Act authorized detention benefits for World War II civilians and military POW's.

The benefits for the military personnel at that time were $5 a day, and the civilian rate remained at $60 per month. Under this bill the benefits are raised to $150 per month for the civilians.

The bill will cost about $275,000 for approximately 60 civilians. However, since 30 civilians have already received $60 per month compensation, the total amount will be about $126,000.

Mr. Speaker, the bill before the committee is supported by the administration, and as my colleague has pointed out, it was passed by the Senate during the last session.

I urge that the Members of this body accept this legislation.

Mr. ROONEY. Mr. Speaker, I have no requests for time.

The SPEAKER pro tempore (Mr. MCFALL). The question is on the motion offered by the gentleman from Pennsylvania (Mr. ROONEY) that the House suspend the rules and pass the bill, H.R. 5360.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 5360, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENTS TO SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT

Mr. SMITH of Iowa. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9056) to amend the Small Business Act and Small Business Investment Act of 1958 to provide additional assistance under such Acts, to create a pollution control financing program for small business, and for other purposes, as amended.

The Clerk read as follows:

H.R. 9056

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

Sec. 101. Section 2 of the Small Business Act (15 U.S.C. 631) is amended by redesignating subsections (b) and (c) as (c) and (d), respectively, and by inserting immediately after subsection (a) the following new subsection:

"(b) It is the declared policy of the Congress that the Government, through the Small Business Administration, should aid and assist small business concerns which are engaged in the production of food and fiber, ranching and raising of livestock, aquaculture and all other farming and agricultural related industries; and the financial assistance programs authorized by this Act are also to be used to assist such concerns.".

Sec. 102. The first sentence of section 3 of the Small Business Act (15 U.S.C. 632) is amended by inserting after "concern" the following: ", including but not limited to enterprises that are engaged in the business of production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries,".

Sec. 103. Section 7(a)(1) of the Small Business Act (15 U.S.C. 636(a)(1)), is amended by inserting "from non-Federal sources" immediately before the period at the end thereof.

Sec. 104. Section 7(b)(4) of the Small Business Act (15 U.S.C. 636(b)(4)) is amended by striking out the proviso.

Sec. 105. Section 18 of the Small Business Act (15 U.S.C. 647) is amended by inserting after "Federal Government" the following: ", except those enterprises engaged in the production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries,".

TITLE II

Sec. 201. Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by striking from the first paragraph following paragraph (8) of such section 7(b) the following: "Notwithstanding the provisions of any other law, and except as otherwise provided in this subsection, the interest rate on the Administration's share of any loan made under this subsection shall not exceed 3 per centum per annum, except that in the case of a loan made pursuant to paragraph (3), (5), (6), (7), or (8), the rate of interest on the Administration's share of such loan shall not be more than the higher of (A) 2¾ per centum per annum; or (B) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum plus one-quarter of 1 per centum per annum.", and inserting in lieu thereof the following: "Notwithstanding the provisions of any other law, the interest rate on the Administration's share of any loan made under subsection (b) shall not exceed the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum plus one-quarter of 1 per centum: *Provided, however,* That the interest rate for loans made under paragraphs (1) and (2) hereof shall not exceed the rate of interest which is in effect at the time of the occurrence of the disaster.".

TITLE III

Sec. 301. Part A of title IV of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new sections:

"Sec. 404. (a) For purposes of this section, the term—

"(1) 'pollution control facilities' means such property (both real and personal) as the Administration in its discretion determines is likely to help prevent, reduce, abate, or control noise, air or water pollution or contamination by removing, altering, disposing or storing pollutants, contaminants, wastes, or heat, and such property (both real and personal) as the Administration determines will be used for the collection, storage, treatment, utilization, processing, or final disposal of solid or liquid waste.

"(2) 'person' includes corporations, companies, associations, firms, partnerships, societies, joint stock companies, States, territories, and possessions of the United States, or subdivisions of any of the foregoing, and the District of Columbia, as well as individuals.

"(3) 'qualified contract' means a lease, sublease, loan agreement, installment sales contract, or similar instrument, entered into between a small business concern and any person.

"(b) The Administration may, whenever it determines that small business concerns are or are likely to be at an operational or financing disadvantage with other business concerns with respect to the planning, design, or installation of pollution control facilities, or the obtaining of financing therefor, guarantee the payment of rentals or other amounts due under qualified contracts. Any such guarantee may be made or effected either directly or in cooperation with any qualified surety company or other qualified company through a participation agreement with such company. The foregoing powers shall be subject, however, to the following restrictions and limitations:

"(1) notwithstanding any other law, rule, or regulation or fiscal policy to the contrary, the guarantee authorized in the case of pollution control facilities or property may be issued when such property is acquired by the use of proceeds from industrial revenue bonds which provide the holders interest which is exempt from Federal income tax.

"(2) Any such guarantee shall be for the full amount of the payments due under such qualified contract and shall be a full faith and credit obligation of the United States.

"(3) No guarantee shall be issued by the Administration unless the Administration determines that there exists a reasonable expectation that the small business concern in behalf of which the guarantee is issued will perform the covenants and conditions of the *qualified contract.*

"(c) The Administration shall fix a uniform annual fee for any guarantee issued under this section which shall be payable at such time and under such conditions as may be prescribed by the Administrator. The fee shall be set at an amount which the Administration deems reasonable and necessary and shall be subject to periodic review in order that the lowest fee that experience under the program shows to be justified will be placed into effect. In no case shall such amount exceed 3½ per centum per annum of the minimum annual guaranteed rental payable under any *qualified contract* guaranteed under this section. The Administration may also fix such uniform fees for the processing of applications for guarantees under this section as the Administrator determines are reasonable and necessary to pay the administrative expenses that are incurred in connection therewith.

"(d) In connection with the guarantee of rentals under any qualified contract pursuant to authority conferred by this section, the Administrator may require, in order to minimize the financial risk assumed under such guarantee—

"(1) that the lessee pay an amount, not to exceed one-fourth of the average annual payments for which a guarantee is issued under this section, which shall be held in escrow and shall be available (A) to meet rental charges accruing in any month for which the lessee is in default, or (B) if no default occurs during the term of the qualified contract, for application (with accrued interest) toward final payments of rental charges under the qualified contract;

"(2) that upon occurrence of a default under the qualified contract, the lessor shall, as a condition precedent to enforcing any claim under the qualified contract guarantee, utilize the entire period, for which there are funds available in escrow for payment of rentals, in reasonable diligent efforts to eliminate or minimize losses, by releasing the property covered by the qualified contract to another qualified lessee, and no claim shall be made or paid under the guarantee until such effort has been made and such escrow funds have been exhausted;

"(3) that any guarantor of the qualified contract will become a successor of the lessor for the purpose of collecting from a lessee in default rentals which are in arrears and with respect to which the lessor has received payment under a guarantee made pursuant to this section; and

"(4) such other provisions, not inconsistent with the purposes of this section as the Administrator may in his discretion require.

"(e) Any guarantee issued under this section may be assigned with the permission of the Administration by the person to whom the payments under qualified contracts are due.

"(f) Section 402 shall apply to the administration of this section.

"Sec. 405. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitations as a revolving fund for the purposes of section 404. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $15,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with section 404 shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under section 404 shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under section 404 may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

SEC. 302. Section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694) is amended by striking out "this part" wherever it appears therein and by inserting in lieu thereof "section 401".

The SPEAKER pro tempore. Is a second demanded?

Mr. J. WILLIAM STANTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. SMITH) and the gentleman from Ohio (Mr. J. WILLIAM STANTON) will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. SMITH).

GENERAL LEAVE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 9056, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 9056 and urge the immediate passage of this legislation.

The purpose of this bill is to prohibit the Small Business Administration from discriminating against food and fiber producers by arbitrarily denying them the assistance available to other small businesses; to insert unchanged into the Small Business Act the interest rate provisions for natural disaster loans made by SBA; and to create a new program of financing for assisting small businesses in meeting pollution control requirements.

TITLE I

The Small Business Act defines a small business as one which is independently owned and operated and which is not dominant in its field of operation. The act also provides that SBA shall not duplicate the activity of another agency.

Despite the absence of statutory language authorizing SBA to discriminate against any particular type of small business by denying them the same assistance given to other types of small business, the Small Business Administration by administrative action and internal memorandum has determined that food and fiber producers should not receive such assistance.

One of the reasons given by SBA for refusing assistance to small agricultural concerns is that they might be entitled to some form of price support. The committee completely rejects this type of argument as it has nothing to do with whether or not loan assistance should be provided. Many of these small concerns do not receive price supports. In any event, Federal price supports are given to manufacturers and marketers of other products, such as minerals, and yet they also receive small business financial assistance.

Another reason is that these small businesses might be eligible to receive some type of financial assistance from another Federal agency such as the Farmers Home Administration. The committee found, however, that the loan programs being offered by other agencies are not comparable to the type of assistance available to small business through the SBA, either because of the shorter term of the loan, the interest rate, the maximum amount of the loan or the type of security required.

One of the specific SBA loan programs being denied to a segment of the small business community is water pollution control loans under section 7(g) of the Small Business Act. This problem confronting dairy farmers was brought to our attention by our colleague, JOHN BURTON of California. At the conclusion of my statement, I will recognize him to detail the needs of dairy farmers and the present unavailability of Federal financial assistance to them.

TITLE II

Natural disaster loans to businessmen and homeowners are made by the Small Business Administration and natural disaster loans to farmers are made by the Farmers Home Administration. In order to maintain a consistent interest rate for all disaster loans, whether such loans were being made by FmHA or SBA, Congress set the same interest rate for both in the Consolidated Farm and Rural Development Act.

This year the Agriculture Committee substantially changed the type of natural disaster loan assistance for agriculture, and at the same time set a variable interest rate on these loans depending upon the purpose for which the loan was granted.

The Agriculture Committee in modifying the interest rate provisions on disaster loans made by the Farmers Home Administration inadvertently changed the interest rate on natural disaster loans made by the Small Business Administration. The change was not intended by the Agriculture Committee and when we brought it to their attention, an amendment was offered and adopted on the floor setting the natural disaster loan interest rate on SBA loans at the cost of money to the Federal Government plus one-quarter of 1 percent.

Since the interest rate on natural disaster loans made by SBA is different from that of disaster loans made by FmHA, the bill would insert it, unchanged, into the Small Business Act. This will insure that it is not inadvertently changed in any subsequent amendments to the Consolidated Farm and Rural Development Act.

TITLE III

The Council on Environmental Quality has reported the estimated costs to industry of meeting clean air and clean water requirements for the period 1973–82 to be $47.6 billion. Others have estimated the cost in the range of $30 to $40 billion, of which about one-third will have to be borne by small business.

Those small businesses which will be required to make significant pollution control expenditures generally cannot take advantage of the economies of scale for pollution control costs experienced by larger firms. Furthermore, they are also often at a considerable disadvantage in financing pollution control facilities. However, if financing terms allow repayment over a sufficiently long period, annual payments can be reduced to manageable levels for most small firms.

Unless some type of Federal financial assistance is provided to small business, many of them will be forced to close because of their inability to comply with environmental standards. The demise of these small concerns will also result in less competition and in increased unemployment. EPA, for instance, informed the committee that as of December 1974, they were aware of 12,000 job losses which may have occurred as a result of pollution control requirements.

This situation will be aggravated as the deadline approaches for Federal standards. It has been estimated by the Council of Environmental Quality, after study by Chase Manhattan Bank and others in the development of economic projections, that the loss to the small business sector may be 100,000 to 120,000 jobs in the next 5 years because of the need to meet pollution control requirements.

These pollution control facilities are essentially nonproductive in a functional sense, and represent a negative expenditure operationally considering that no offsetting income is realized through the use or product of the installed facilities. Yet the impact, in the real world, is inequitable because of the uneven effect on large versus small businesses. Unlike the majority of large businesses, the smaller firm lacks access to long-term, low-cost funds. The drain on cash flow for small businesses is, therefore, more burdensome.

Although loans to meet pollution standards are one source of assistance, they cannot be relied upon exclusively to provide the aggregate financing which will be needed.

Under the Internal Revenue Code, States may establish an agency to issue industrial revenue bonds, the proceeds of which may be used by companies for pollution control equipment. Such bond issues are attractive and beneficial to the companies because they carry a lower interest rate than other bond issues because the bond interest income is tax exempt to the investor. During 1973–74, a total of $3.4 billion in public issues in these industrial revenue bonds were for pollution control equipment. However, none of these issues were by any small businesses. Instead the entire amount was used by big business.

There are several reasons for the lack of small business participation in pollution-control revenue bond programs. The primary one is that these bonds are secured solely by the credit of the corporation in whose behalf the bonds were sold. Neither the full faith, credit, nor taxing power of the public issuer is pledged to support the bonds. Accordingly, bondholders may look only to the business for payment of debt principal and interest.

A proposal to facilitate small business use of this type of financing was presented to the committee by the Honorable John McFall. Basically, under the proposal, the pollution control equipment would be financed by the proceeds of industrial revenue bonds as currently authorized by law. The bonds, however, could be used by small business as their repayment would be secured by a pledge of the guarantee issued by SBA for payments under the lease of the equipment.

The SBA guarantee would be the key to making the plan attractive to both the governmental units who would issue the bonds and to potential investors. The cost to the Government of providing the guarantee would be recovered by a fee paid by the small business for the guarantee. I will recognize Mr. McFall to discuss this program further.

The committee is aware that there is some controversy over the merits of tax exempt financing. We are not necessarily recommending any expansion of this type of financing but we strongly believe that as long as it is available to big business, it should be made available to small business. That is all that title III of this bill accomplishes.

CONCLUSION

This legislation which is before the House this afternoon was written by the subcommittee after conducting extensive hearings upon numerous bills which were introduced to rectify financing problems facing the small businessman.

Again I want to stress that the cosponsors of this bill were jointly responsible for the development of this bill. This bill originated in the legislative branch and combines the ideas of the cosponsors. It is a bipartisan or nonpartisan bill. The ranking member of the full committee, Mr. Conte, and of the subcommittee, Mr. J. William Stanton, worked hard and constructively to develop all three titles. The California sponsors produced witnesses, studies and evidence to effectively support their request for legislative action. Other members likewise provided studies showing that the need for legislation is nationwide. This measure was unanimously reported by the subcommittee and subsequently by the full committee. It should receive the bipartisan support of the entire membership of the House, and I urge its immediate passage.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. Yes, I yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, the House now has before it a piece of legislation vital to the small business community in this Nation. This bill, H.R. 9056, contains three basic parts, but I wish to address my remarks specifically to title III. This title adds a new section to the Small Business Investment Act to expand and extend the SBA lease guarantee program to cover pollution abatement equipment.

Before examining this title, however, I wish to compliment Chairman Neal Smith and the members of the Subcommittee on SBA and SBIC Legislation for their diligent and thorough consideration of this legislation. Having held several days of hearings and receiving testimony and comments from numerous witnesses representing all segments of Government and industry, I believe the subcommittee has reported an excellent piece of much-needed legislation.

As the situation stands today, Mr. Speaker, small businesses across the country are encountering difficulty in securing the necessary financing for the purchase and construction of statutorially mandated pollution control equipment. It is conservatively estimated that for the 10-year period ending in 1982, the small business community in this country will need to spend a total of $10 billion to meet the costs of Federal, State, and local pollution abatement standards.

Last January, I introduced a bill, H.R. 78, that would create an SBA lease guarantee program to provide the necessary assistance to allow small businesses to meet this tremendous financial burden. The major provisions of H.R. 78 have been incorporated as title III in the legislation presently before us.

This title provides for a new source of small business financing for pollution control equipment. It permits the financial requirements of small businesses having a common geographic or industry relationship to be grouped into a single bond issue. These bonds would be sold by the appropriate State or local authority and the interest income would be tax exempt to the investor under current tax laws. Proceeds of the bond sales would be used to construct the pollution abatement equipment. This equipment would then be provided to small businesses by contract, with the contract payments by the small business providing the funds to meet bond principal and interest. The SBA would insure the individual contract payments for a fee adequate to cover operating costs and projected losses.

Currently 48 States permit State or local agencies to issue such bonds. The problem is that only large companies are being helped because only they have the credit behind them to back up the bonds and make them attractive enough to investors. The SBA contract guarantee will provide small businesses the credit footing necessary to place them on an equal basis with large firms.

I wish to emphasize that this SBA contract guarantee program is designed to be self-sufficient. This bill authorizes $15 million in seed money to begin the program, but beyond that no additional need for Federal funds is anticipated. This is an important attribute of the bill, particularly when compared to the billions of dollars that would need to be appropriated to gain similar scope and coverage under a program of direct SBA loans.

The financial burden confronting American small businesses to install pollution control equipment is overwhelming, and without assistance, many may well have no alternative but to stop production. The resulting drop in production output, rise in unemployment, and decline of competition are burdens we cannot add to our economy. Title III of H.R. 9056 contains the most practical, least expensive, and most expeditious program to insure that the small business community is able to comply with pollution standards and still remain in business.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. Yes, I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman from Iowa (Mr. Smith) for yielding.

I would like to commend him and the members of the Committee on Small Business for clarifying to the Department of Agriculture, once and for all, that producers of food and fiber are as eligible for small business treatment as any other small business.

I believe that this is something that the Department well could have done on its own motion without causing the committee to go to this problem, but I do strongly commend the gentleman from Iowa (Mr. Smith) and the ranking minority member for having brought this matter to fruition in this legislation.

There is nothing in this legislation that in any way should deter the Department of Agriculture from also making certain loans under programs that are available through it now to help small farmers meet pollution problems; is that correct?

Mr. SMITH of Iowa. Yes, that is correct.

Mr. JOHN L. BURTON. And the mechanism discussed as far as pollution control bonding is concerned, again, is a procedure that can be utilized, but it is clear that it is not our intent to allow either agriculture or small business to use this as an excuse for not granting loans under presently authorized programs; is that correct?

Mr. SMITH of Iowa. Yes; that is correct.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman very much.

Again, I commend not only the gentleman from Iowa (Mr. Smith), but the gentleman from Ohio (Mr. J. William Stanton) for the work they have put in on this measure.

Mr. SMITH of Iowa. Mr. Speaker, again I thank the gentleman from California, Mr. John L. Burton, Mr. McFall, Mr. Don H. Clausen, Mr. Ketchum and Mr. Roybal, and also Mr. Gonzalez, Mr. Hanley, Mr. Breckinridge, Mr. Hungate, Mrs. Fenwick, Mr. Goodling, Mr. Hicks, Mr. LaFalce, Mr. Ottinger, Mr. Peyser, and Mr. Roe, for being very helpful and constructive in developing this bill.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. Yes, I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in strong support of the bill, H.R. 9056 to amend the Small Business Act and Small Business Investment Act to provide financial assistance to small farmers, ranchers, and other small concerns engaged in agriculture.

I would like to take this opportunity to commend my colleague from Iowa (Mr. SMITH), chairman of the Subcommittee on Small Business Legislation, for his leadership in the committee and his efforts in bringing this bill to the House.

As a cosponsor, I feel it is vital that the Congress act expeditiously to provide this much needed financial relief to the small business community. Of particular significance is the impact this legislation will have on our dairymen in their efforts to meet pollution control standards. The bill before us today is the end product of months of investigations into alternative solutions to this problem and, in my opinion, represents the most direct and responsive approach.

Our dairymen are required under the Federal Water Pollution Control Act to provide facilities to prevent cow wastes from entering our water supplies which may sound like a minor problem but it is not. The equipment is extremely costly and without assistance many of our ranchers will not be able to meet the expense. SBA has refused to make such loans available for this purpose despite their willingness to loan money to small food processors which in my opinion amounts to unjust discrimination. Our bill removes the basis for SBA's denial by extending eligibility for loans to all agricultural small businesses.

Our bill is also significant in that it will prevent the collapse of many small dairy operations. We all recognize unemployment as one of our most critical national problems. This legislation will allow these businesses to continue to employ workers, produce goods which enter the market stimulating jobs farther down the line and, at the same time, will create new jobs for those responsible for the construction and installation of the pollution control equipment. Our dairymen are not asking for a handout or a gift but simply the means to help themselves.

SBA's assistance to these farmers is long overdue and it is imperative that we act promptly and favorably on this legislation.

Mr. Speaker, I want to take just a brief moment to extend my sincere appreciation to the gentleman from Iowa (Mr. SMITH) and to the gentleman from Ohio (Mr. J. WILLIAM STANTON) for giving expeditious consideration to this very important matter.

It happens to affect both the Congressman who just spoke in the well, the gentleman from California (Mr. JOHN L. BURTON) and myself in the counties of Marin, Sonoma, and the entire north coast of California, as I am sure it would affect others.

Mr. J. WILLIAM STANTON. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE), the minority chairman of the Subcommittee on Small Business.

Mr. CONTE. Mr. Speaker, I am going to be brief because I believe everyone knows how I feel about this bill. I cosponsored this bill; I wholeheartedly endorse and support it.

The Small Business Committee's Subcommittee on Legislation worked long and hard on this measure. I would like to express my congratulations and appreciation to the subcommittee chairman, NEAL SMITH; the ranking minority member, BILL STANTON, and all of the subcommittee members.

It was a true bipartisan effort that brought this bill before us today. I am proud to note every minority member of the subcommittee attended the markup sessions and joined in cosponsoring the bill.

Title I merely recognizes something we already know—a farmer is a businessman and a small farmer is a small businessman. The small farmer is the prototype of the small businessman. For the most part, he is hard-working, God-fearing, and the last to ask for or accept any handout. It is probably because of these characteristics—the farmers' reluctance to complain or beg—that it took the Congress so long to realize that they were being arbitrarily excluded, through administrative fiat, from the SBA assistance programs.

Well, we now realize it and we have before us, in title I of the bill, the opportunity to do something about it.

I would like to point out, Mr. Speaker, that the only arguments we heard in opposition to this bill were to the effect that, because we have a Department of Agriculture, we should not have farmers being helped by the SBA. With all due respect, I submit that that is like saying we should not have a SBA because we have a Department of Commerce.

If anyone can tell me why the guy who gets up on a cold winter morning to milk cows cannot get an OSHA or a pollution loan, while the guy down the road—who processes the milk in a nice warm plant—can get the loans, I will be glad to listen. But it is obviously going to take some convincing.

Title II of the bill is simple and its need is obvious. It merely places the interest rate on certain SBA loans in the Small Business Act where they belong. It also makes the rate uniform for all 7(b) loans, something I think we have all wanted for a long time.

Title III of the bill represents the first really innovative change to come before us in a long time. Many State authorities now offer tax-exempt industrial bonds and they use the proceeds to buy or construct pollution abatement equipment to be used by industry, with the industry paying a rental fee or user charge for the equipment. The bonds are really backed by the ability of the given industry to pay the fees. As a result, only large industries have enough credit to make the bonds marketable, so only large business is benefiting.

All we want to do is put the small business on equal footing. Only if the SBA guarantees the small firm's lease of the equipment can bonds be sold to finance the abatement activities of small business.

I am not necessarily an advocate of tax-exempt industrial bonds, but as long as they are there, I think this Congress has an obligation to see that their benefits are available to small, as well as big, business.

Title III authorizes $15 million in seed money to get this program going. After that, it will be self-sustaining—and we have taken great pains to write language to insure that it will be self-sustaining.

In closing, Mr. Speaker, I just want to say again that I am convinced of the worth and need of this bill, and I hope it is passed unanimously by the House. Thank you.

Mr. J. WILLIAM STANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts (Mr. CONTE) and the gentleman from Iowa (Mr. SMITH) have in my opinion adequately explained this bill. As both of these gentlemen stated, this is really a question of clarification.

Mr. Speaker, I wish to add my own thanks to the chairman of the subcommittee on Small Business Administration of the full Committee on Small Business the gentleman from Iowa (Mr. SMITH) for his efforts in taking the time to bring this legislation to the floor because the legislation is so extremely important today to the farmers of our country. It is a question that we probably should have met a long time ago.

Mr. Speaker, I wish to express my support for the bill, H.R. 9056, and to thank my colleagues on the Small Business Committee for their cooperation in the bipartisan effort to expand and improve the Small Business Act and the Small Business Investment Act.

I would also like to take this opportunity to relate a few facts that confirm the wisdom of granting legislative jurisdiction to the Small Business Committee. Since the beginning of this Congress, 52 legislative proposals have been referred to our committee. We have completed action on 27, or 54 percent, of them. We have already begun hearings on three other bills. I think that record speaks for itself.

With regard to the bill before us today, I believe a close reading of our committee report, Report 94–519, will convince everyone that the bill should be passed.

Rather than repeat what other members have said or will say, I would like to repeat the views expressed by the National Federation of Independent Business.

In a communication sent to House Members of October 1, our former colleague Mike McKevitt, speaking on behalf of the Federation, said:

> NFIB and its 430,000 member firms support this important piece of small business legislation and hope you will vote for it.
>
> H.R. 9056 is probably the most innovative and important piece of small business legislation to come before Congress since the Small Business Act of 1958. It has two major provisions.
>
> Title I makes agricultural related firms eligible for SBA compliance loans equalizing, for the first time, their ability to comply with OSHA, EPA and other regulatory laws.
>
> Title III sets up a new workable program that would make it possible for small business to finance pollution abatement equipment and technology by using SBA's Lease Guarantee authority in conjunction with the

> tax exempt public bond market. It would pool the needs of several small firms, making them eligible for the same low cost financing now available to their larger competitors.
>
> H.R. 9056 is needed and it has strong bipartisan support. NFIB hopes you will be able to support it.

These views were neither written nor solicited by our committee. They are the views of a respected small business group that has closely followed the hearings and the progress on the various bills whose provisions are incorporated in H.R. 9056.

I urge a unanimous vote approving this bill.

Mr. Speaker, I have no further requests for time. I know of no objection to this bill.

Mr. SMITH of Iowa. Mr. Speaker, again I want to thank all of the members of the subcommittee and the full committee of the Committee on Small Business who have worked on this measure. It has been developed unanimously and all members have cooperated very well. I believe this is a piece of legislation that should pass unanimously.

Mr. EVINS of Tennessee. Mr. Speaker, I want to associate myself with the remarks of the gentleman from Iowa (Mr. SMITH) and join with him and other members of the Small Business Committee in urging passage of H.R. 9056 in the public interest.

This bill makes it clear that small farmers and ranchers are eligible for SBA assistance—this is a worthwhile bill, a needed bill, and should be enacted to assist small farmers and ranchers in need of financial assistance.

I also want to commend the gentleman from Iowa (Mr. SMITH) for his excellent leadership as chairman of the Subcommittee on SBA and SBIC legislation.

I also want to commend the members of this legislative subcommittee for their good work this year as the Small Business Committee has changed from a select committee to a standing committee with legislative authority.

Some 50 bills or resolutions have been referred to the subcommittee of the gentleman from Iowa (Mr. SMITH).

I am advised that action on 27 of these bills has been completed—this amounts to action of more than half of the bills this subcommittee has considered.

Hearings have begun on some bills and action will be taken in the near future on 20 other bills.

Bills which have been brought to the floor of the House for debate and consideration have passed unanimously without a dissenting vote, which attests to the excellent work by the chairman and members of this subcommittee.

I also want to take this means of commending the gentleman from Massachusetts (Mr. CONTE), the ranking minority member of the full committee and also the gentleman from Ohio (Mr. J. WILLIAM STANTON) the ranking minority member of the Legislative Subcommittee for their distinguished work with our committee.

The bill we bring you today has bipartisan support on our committee and is needed as a matter of equity to afford small ranchers and farmers the opportunity to participate in the assistance programs of the Small Business Administration.

This bill also includes the determination of interest rates previously included in the Consolidated Farm and Rural Development Act and adds to the Small Business Investment Act provisions to provide financial assistance for acquisition of pollution abatement equipment needed by small business.

This bill in effect equalizes the opportunity of small business to obtain tax-exempt industrial revenue bonds, an opportunity now available only to big business.

I urge the passage of this bill in the public interest.

Mr. McCOLLISTER. Mr. Speaker, as the scale of everything around us mushrooms, Americans are becoming ever more aware of the necessity to preserve individualism and the integrity of the pluralism which underlies our entire society and economy. Just as individual citizens are endangered by the tendency of their government to restrict their personal freedoms, so are smaller, independent businesses endangered by concentration of market power by giant corporations.

The importance of preserving the vitality of the small business sector of our economy has long been recognized. In 1953, the Congress created the U.S. Small Business Administration to protect that interest. In the intervening years, succeeding Congresses have broadened and strengthened the Small Business Act.

H.R. 9056 is another attempt to meet the need to provide assistance to small, independent businessmen. In this case, the small independent farmers and ranchers.

It hasn't been too many years since the U.S. Department of Agriculture completed its study of farm size and efficiency. Its conclusion: Fully mechanized family farms are the most efficient. Of course, it takes financing for small farming operations to become fully mechanized and, thus, maximize their efficiency. Undercapitalization has haunted American family farming enterprises since the first pioneers broke ground for cultivation.

Lack of available investment capital was only a serious inconvenience in past years, exposing farmers even more to the extreme risks forced on them by the vagaries of the weather and the markets for their products. Now, facing the threat of severe competition from well-financed integrated corporations which have extended their reach into agricultural enterprises, the small, independent agricultural producer needs help as never before. His need is accentuated by the terrible capital crunch caused by a steady string of mounting Federal Government deficits which have strained the Nation's capital markets.

Among its chief provisions, H.R. 9056 extends to agricultural producers the loan programs of the U.S. Small Business Administration. By regulation, the SBA has declined to extend its program to farmers and ranchers on the grounds that its program duplicates that of the Farmers Home Administration. The Small Business Committee on which I serve, investigated this contention and found that the programs are not merely duplicative. This finding prompted approval of legislation to allow farmers and ranchers to apply for assistance from the SBA. Perhaps a century ago, agriculture could be considered a vocation quite apart from the world of business. But times change. Today's successful farmer must also be a successful businessman in every sense of the word. I urge approval of H.R. 9056 to help our small, independent farmers and ranchers.

Mr. KETCHUM. Mr. Speaker, as a cosponsor of H.R. 9056, I rise in support of the committee's favorable action on this fine piece of legislation. We, the supposed champions of the free enterprise system, must act whenever abuses of that system are uncovered. That is the purpose of H.R. 9056; providing small businesses the right of access in areas unjustly predominated by big corporations.

As a Representative for many California food producers, I feel title I of this bill rectifies an injustice imposed for far too long on parts of the agriculture industry. Certainly the Federal intent to avoid duplication of Federal assistance programs is one which we all commend. However, it has been well documented that Farmers Home Administration loans do not in any way correspond to SBA programs. Moreover, the FmHA programs open to agriculture concerns do not make available funds at a low enough interest rate repayable over a long enough term to provide a viable source of assistance. Who can quarrel with the elimination of outright discrimination? Financial assistance—when available—should be accessible to all small businesses, whether they are the producers of food stuffs or durable goods. Our economy—big business included—cannot function without the products supplied by these private agricultural concerns.

Further, we have already taken it upon ourselves to mandate environmental protection via the institution of pollution standards. However, we have neglected to recognize that we have—in effect—mandated possibly 120,000 job losses. Small business just cannot afford the equipment required to comply with pollution control levels. Needless to say, big business has in no way been affected—except in absorbing the faltering small company's business. We have laid the foundations for a decrease in economic competition and an increase in unemployment—not to mention the demise of an integral sector of our economy.

Currently, the most effective means of financing pollution control devices has been the tax-exempt revenue bond. Unfortunately, big business has been successful in predominating this market as well. For example, in California the State legislature authorized $200 million in individual revenue bonds, with $183.2 million used by big business. Use of the remainder, reserved for small enterprises, has been blocked by problems with corporate credit, investor interest, and the fixed costs incurred by such an issue.

It is my opinion that the SBA's position as contract guarantor is an absolute necessity for the survival of small business. What we are talking about is equality plain and simple—and it is time big business quit slamming the door in the little guy's face. There may be those of us who disagree in principle with tax-exempt bonds. But as long as these bonds are a marketplace reality—and currently the best answer to the pollution control problem—small and big business both must be allowed to reap the benefits.

I find only one problem with this piece of legislation—that of its definition of a small businessman. H.R. 9056 does not include qualifying language so as to correct one pressing problem: That of resident aliens who, as small businessmen, receive these vital loans. Since rules of the House prohibit my amending this bill to the effect that recipients of SBA loans must be U.S. citizens, I intend to introduce this legislation separately. I thereby shall correct what I consider to be the only flaw in H.R. 9056.

On behalf of my California farmers and small businessmen—and in defense of free enterprise—I rise in support of H.R. 9056.

Mr. MATSUNAGA. Mr. Speaker, I rise in support of H.R. 9056, a bill to amend the Small Business Act and Small Business Investment Act of 1958. H.R. 9056 has been referred to by Washington representatives of the National Federation of Independent Business representing 430,000 member firms, as "probably the most innovative and important piece of small business legislation to come before Congress since the Small Business Act of 1958."

The bill would prohibit SBA from discriminating against food producers by arbitrarily denying them the assistance which is available to other small businesses. It would also establish in the Small Business Act the interest rate provisions for natural disaster loans made by SBA and would create a new financing program for assisting small business in meeting pollution control requirements. Agricultural related firms would become eligible for the first time, for SBA loans, and would equalize their ability to comply with OSHA, EPA, and other regulatory laws.

Title III of the bill would be of special assistance to the small businessman. It would make it possible for small business to finance the purchase of pollution abatement equipment and technology by using SBA's lease guarantee authority in conjunction with the tax-exempt public bond market. It would permit the pooling of the needs of several small firms to make them eligible for the same low-cost financing now available to their larger competitors.

H.R. 9056 is a bill which would provide equity to businessmen now denied needed assistance. I urge its support by my colleagues.

The SPEAKER pro tempore (Mr. BOLLING). The question is on the motion offered by the gentleman from Iowa, Mr. SMITH, that the House suspend the rules and pass the bill H.R. 9056, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING THE FEDERAL RULES OF EVIDENCE

Mr. HUNGATE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1549) to amend the Federal Rules of Evidence, and for other purposes, as amended.

The Clerk read as follows:

S. 1549

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That rule 801(d)(1) of the Federal Rules of Evidence (88 Stat. 1938) is amended by adding at the end thereof a new clause (C), as follows: "(C) one of identification of a person made after perceiving him; or".

SEC. 2. This Act shall become effective on the fifteenth day after the date of enactment of this Act.

Passed the Senate June 19 (legislative day, June 6), 1975.

The SPEAKER pro tempore. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. HUNGATE) will be recognized for 20 minutes and the gentleman from California (Mr. WIGGINS) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, the Senate bill 1549 is a bill that amends the Federal rules of evidence, and in particular, rule 801(d)(1). I believe that in order to understand the bill fully that some background is necessary.

The 93d Congress enacted the Federal rules of evidence. The House passed the rules of evidence bill overwhelmingly by a vote of 377 to 13.

As passed by the House, rule 801(d)(1) of the rules of evidence reads:

> A statement is not necessary if . . . the declarant testifies at the trial or hearing and is subject to cross examination concerning the statement and the statement is . . . one of identification of a person made after perceiving him.

The Senate version of the rules of evidence bill struck from the bill the language "one of identification of a person made after perceiving him." The impact of this was to make inadmissible evidence of out-of-court identifications. At the conference, the Senate strenuously insisted upon its version of rule 801(d)(1). In order to get a bill, the House acquiesced in a Senate version and agreed to the conference report striking the language "one of identification of a person made after perceiving him."

The Senate has now changed its mind and is willing to accept the House version of rule 801(d)(1).

The vehicle for doing this is the bill S. 1549.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. HUNGATE. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I would inquire of the gentleman from Missouri whether this was the only provision in which this House gave in to the other body on the rules of evidence? I thought there were several things where the Senate had its own way.

Mr. HUNGATE. The gentleman's statement is correct.

This is not the only incident.

The fact is, Mr. Speaker, that this bill was worked on for some 12 or 14 years, I believe, by the Judicial Conference and the bar association and came to the House of Representatives and this particular section passed the House of Representatives and went over to the Senate without controversy, it came out of the subcommittee and the full committee without any real controversy.

If I am in error then I hope someone will contradict me. I think that I am right.

It got over to the other body and a distinguished Member of the other body who is no longer here and who was on the conference committee was quite upset with this provision.

The House worked on this bill roughly 2 years. We were up to December 16 or later, at the end of the session, and it was made rather plain to us that they would engage in what the Senate calls extended debate, and what others call other things. If we did not accept this, we would not get the bill. Of course, the bill is quite lengthy, and we thought rather than sacrifice all the work that had been done over that length of time that we would go ahead and accept that provision.

Mr. JOHN L. BURTON. If the gentleman will yield further, now we are going to reinstitute this provision?

Mr. HUNGATE. The other body has reflected upon this, and the distinguished gentleman who put it in is no longer there. I worry about people who are forgotten so soon when they are gone.

Mr. JOHN L. BURTON. If the gentleman will yield further, that is because the gentleman did not mention the distinguished gentleman's name.

Mr. HUNGATE. I want to be parliamentary at all times. He was an able and distinguished gentleman, but he retired.

Mr. JOHN L. BURTON. It would be improper to mention former Senator Ervin's name in this colloquy?

Mr. HUNGATE. I would not mention it in any way except a praising way, although I am in disagreement in this case.

The Senate has now reviewed this whole matter, and the other body agrees now that the House was correct in the first place.

We are into the subject matter, and to highlight what I think the facts are. We have a robbery or a burglary, or some crime committed, and they are trying to decide who did it. They bring the victim down to the police station, and they put several people across the line-up, and the victim says, "That is the guy who did it. That is the one."

So then they proceed on the basis of this, and when they get to trial, they call the same fellow who made positive identification within a week of the offense and ask him, "Is this the man? Is this the defendant?"

"Oh, I don't know. I don't know. I don't recognize him."

What is suggested here is that in the field of organized crime—and in some of the even more unorganized crime—there are people of a more vicious nature who suggest to these witnesses that if they would ever like to see their children or their wives again, they had better not recognize this fellow. Or there may be financial reward.

The feeling of those who press for the law the way it came to the House and the way it would be now written is that this is protection for the public against the changing testimony of witnesses.

The second part of the argument is this. If one is going to identify the man or woman, his identification is probably more accurate, say, within a week after the offense. The trial comes up one or two years later, and the fellow has had a chance to grow a beard or dye his hair, and probably the victim's first identification is best. That is the general nub of the argument.

This is a typical situation with which this rule would deal. A crime takes place, as indicated. The witness sees it and identifies the person. By the time of the trial, the witness has what some would suggest is a convenient lapse of memory.

Current Federal case law—please hear this—permits the use of the identification. The passage of S. 1549 will, in effect, codify existing Federal law. We are not coming in here and taking away any rights people have had before. We just leave that part the way it is.

Rule 801(d)(1), as S. 1549 proposes, will not permit the use of just any out-of-court identification. There are preconditions to the use of this evidence. The person who made the identification must testify and must be subject to cross-examination about the out-of-court identification. If this precondition is satisfied, then the court must determine whether the out-of-court identification procedures meet constitutional standards. If they do, then rule 801(d)(1) says the evidence is admissible—if they meet constitutional standards.

Courtroom identification is generally very suggestive. It takes place a long time after the offense. The witness knows the defendant is in the room. He knows where he nearly always sits—next to the defense attorney.

Out-of-court identifications that meet the preconditions are not so suggestive.

S. 1549, I submit is a good bill, and the two amendments are purely technical. One changes the effective date from July 1, 1975, to 15 days after it becomes law, so it would not be a retroactive statute.

The other amendment makes a stylistic change.

S. 1549 will codify present Federal case law. It will make available to judges and juries what we believe to be a more reliable type of identification evidence. I urge the Members to support it.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. Wiggins).

Mr. WIGGINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to express my support of S. 1549 amending one provision of the Federal rules of evidence to conform with existing case law in many of the U.S. circuits.

S. 1549 merely returns to the rules of evidence a paragraph which it originally contained when written by the Judicial Conference, transmitted by the U.S. Supreme Court and when first passed by the House of Representatives as H.R. 5463 on February 6, 1974. The bill excludes from hearsay restriction evidence of a prior eyewitness identification—but only if the witness testifies at trial and is subject to cross-examination. This provision was not originally accepted by the Senate and the House-Senate Conference Committee deleted it from the House bill. The Senate now has seen the wisdom of the House version and S. 1549 returns rule 801(d)(1) to its original condition.

The bill returns to existing case law and applies to situations where an eyewitness has previously identified a person out of court. It would admit into evidence testimony of that identification. For example, testimony by a police officer that at a lineup John Doe identified the defendant as the man who robbed his store.

Why is this necessary? Because in some instances the eyewitness may forget, in others he may have been threatened by the defendant to withdraw the identification, and in still others the eyewitness may be able to give only the most inconclusive identification in court.

In such cases, the prior out-of-court identification was more reliable than that given in court because it was made closer to the time of the actual event and moreover, in a setting much less suggestive than the courtroom.

This bill still requires the eyewitness to testify at the trial and be subject to cross-examination. It does not remove any other of the pre-trial identification requirements promulgated by the U.S. Supreme Court. The out-of-court identification must have been made under circumstances insuring its reliability and the right to counsel exists as it did under the strictures of the Kirby against Illinois and Wade against California cases.

The argument that this bill would "open the door to all kinds of out-of-court eyewitness identification" ignores both the letter and purpose of the bill. Only identifications that would have been admissible under the Supreme Court rulings would become admissible now.

In conclusion, this bill serves to return this section of the hearsay rule to the status it had reached by process of natural judicial evolution. This status was one calculated to strike the best balance between the rights of the defendant and those of the State, and to insure admissibility of the most trustworthy evidence.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. Hyde), a member of the subcommittee.

Mr. HYDE. Mr. Speaker, I wish to voice my support for the adoption of S. 1549.

This bill merely returns to the rules of evidence a provision originally passed by the House but deleted by the Senate and the House-Senate Conference Committee when the rules were originally passed.

One of the Nation's most noted experts on evidence, Judge Jack B. Weinstein, has called this deletion "the most incomprehensible action of Congress in modifying the Rules of Evidence."

Writing in a five-volume, exhaustive analysis of the rules, Judge Weinstein goes right to the heart of the entire issue of admitting prior eyewitness identifications when he states:

> Most trial judges recognize that the identification in the courtroom is a formality that has little reliability and much in the way of suggestibility. The experienced judge gives much greater credence to the out-of-court identification—4 *Weinstein's Evidence* 109.

Writing earlier in a judicial opinion, Judge Weinstein cited the example of the blind man who detects someone picking his pocket and grabs him until the police arrive. At trial, the blind man cannot look across the courtroom and point to the defendant as the man who robbed him. But the identification that he made at the time of the crime was seen by the policeman. How is justice served by not admitting that out-of-court identification? *U.S.* v. *Barbati*, 284 F.Supp. 409, E.D.N.Y. 1968.

As my distinguished colleague Mr. Wiggins has stated, an out-of-court identification made while the memory is fresh is certainly more reliable than a mere ritual performed in court after time has dulled the memory.

I urge support of S. 1549.

GENERAL LEAVE

Mr. HUNGATE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill S. 1549 now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WIGGINS. Mr. Speaker, I reserve the balance of my time.

Mr. HUNGATE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. Hungate) that the House suspend the rules and pass the Senate bill S. 1549, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

TAX-EXEMPT STATUS OF OBLIGATIONS USED TO PROVIDE CERTAIN IRRIGATION FACILITIES

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9968) to amend section 103 of the Internal Revenue Code of 1954 with respect to certain obligations used to provide irrigation facilities.

The Clerk read as follows:

H.R. 9968

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) CERTAIN IRRIGATION DAMS.—A dam for the furnishing of water for irrigation purposes which has a subordinate use in connection with the generation of electric energy by water shall be treated as meeting the requirements of subsection (c) (4) (G) if—

"(1) substantially all of the stored water is contractually available for release from such dam for irrigation purposes, and

"(2) the water so released is available on reasonable demand to members of the general public".

SEC. 2. The amendments made by the first section of this Act shall apply to obligations issued after the date of the enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. KETCHUM. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from California (Mr. KETCHUM) will be recognized for 20 minutes respectively.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before explaining the purpose of this legislation, I want to take this opportunity to advise the Members that there is an inadvertent error in the committee report on the bill—House Report No. 94–531. The report, on page 4, at the bottom of the page, states that the bill was ordered reported by a unanimous voice vote. This is an error since the gentleman from Wisconsin (Mr. STEIGER) objected to the reporting of the bill, and, therefore, Mr. Speaker, I want the record to be clear that that sentence in the committee report was in error. However, I can say that the bill was overwhelmingly reported by the committee although it was not unanimous.

Mr. Speaker, the bill, H.R. 9968, deals with the tax-exempt status of obligations the proceeds of which are to be used to reconstruct the American Falls Dam in Idaho. The dam is used for irrigation purposes but the water also will have a subordinate use in generating electric energy. Under present law, an industrial development bond whose proceeds are used to build a dam that stores water for irrigation purposes may be eligible for tax-exempt status. However, in this case where the water has a subordinate use in generating electric energy, the eligibility of the bond issue for tax-exempt status is uncertain.

The original American Falls Dam was constructed in 1927 by the Bureau of Reclamation of the Department of Interior. In 1972, the Bureau of Reclamation restricted the dam to two-thirds of its capacity for safety reasons because of certain structural defects.

In lieu of waiting for a Federal appropriation that would enable the Bureau of Reclamation to build a replacement dam, Congress enacted legislation on December 28, 1973, to permit the American Falls Reservoir District, which is a political subdivision of the State of Idaho, to build a replacement dam. In addition, the act also authorized the reservoir district to contract with an electric utility, the Idaho Power Co., for the use of falling water at the dam for hydroelectric power generation. The revenues from the contract are to help defer the costs of constructing the dam. It is intended that in normal circumstances substantially all of the falling water would be made available to the power company only when water is released from the dam for irrigation purposes.

It is the interrelationships of the use of the dam for furnishing water for irrigation purposes and the use of the water for electric energy that raises questions with the interpretation of the tax-exempt status of the industrial development bonds. In view of the special circumstances in this case, the Committee on Ways and Means believes it is appropriate to except the obligations for the reconstruction of the American Falls Dam from industrial development bond treatment which will allow these obligations to receive tax-exempt status.

Since the American Falls Dam is to be turned over to the Bureau of Reclamation for supervision after its reconstruction, this bill can be viewed as saving the Federal Government the direct expenditure of about $50 million if appropriations were to be made.

Mr. Speaker, I urge that the bill be adopted.

Mr. KETCHUM. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of the bill.

Mr. Speaker, I would like to associate myself with the remarks of the chairman of the committee, the gentleman from Oregon (Mr. ULLMAN). I think the gentleman has described this bill very, very well.

This bill deals with the tax-exempt status of certain obligations, the proceeds of which are to be used to reconstruct the American Falls Dam in Idaho. The dam will be used for irrigation purposes, with a subordinate use in generating electrical energy. Under the Internal Revenue Code, an industrial development bond, the proceeds of which are used in building a dam for storage of water to be used for irrigation purposes, may be eligible for tax-exempt status. However, where such water will have a subordinate use in generating electrical energy, the tax-exempt status of such bonds is uncertain.

The American Falls Dam, which was constructed in 1927 by the Bureau of Reclamation of the Department of the Interior, was restricted by two-thirds of safety reasons. Although the Federal Government might eventually appropriate funds to rebuild the dam, the American Falls Reservoir District is undertaking reconstruction now in order to render the dam fully operational as soon as possible. Additionally, the Idaho Power Co. is assisting in the financing of the project and will receive use of certain amounts of water for electrical energy generation.

In June 1974 the American Falls Reservoir District applied to the Internal Revenue Service for a ruling that the bonds to be issued to finance the reconstruction of the American Falls Dam would qualify as tax exempt under the provisions of section 103(c) of the Internal Revenue Code. However, the IRS raised the questions regarding the interrelationship between the furnishing of water for irrigation purposes and for electrical generation purposes, as described above.

It is anticipated that normally, substantially all the falling water from the dam would be made available to the Idaho Power Co. only when the water was released from the dam for irrigation purposes. There has been no intention to release water specifically for the power company except to the extent of approximately 2.65 percent of the dam storage capacity. Released water in that amount could be used by the power company for the purpose of scheduling the generation of electrical energy. Therefore, the use of water for electrical generation purposes would clearly be subordinate to the use for irrigation.

Were it not for the use of water by the power company for electrical power generation, any bonds issued by the reservoir district would presently qualify as tax-exempt under the Code. As stated above, the power company is financing a large portion of the debt to assist in reconstruction of the dam. Additionally, since the dam will be turned over to the Federal Government after reconstruction for ownership and operation, this financing may be viewed as saving the Federal Government the expenditure it would have had to make for dam reconstruction at some point in the future.

In view of these special circumstances, the committee believes it appropriate to extend tax-exempt status under section 103 of the Internal Revenue Code to the industrial development bonds to be issued in connection with rebuilding the American Falls Dam. The exception to be added to the code will apply to obligations for a dam which furnishes water for irrigation purposes and which has a subordinate use in connection with the generation of electrical energy, on the condition that substantially all the stored water be contractually available for release from the dam for irrigation purposes and that the water so released be available on reasonable demand to members of the general public.

The committee estimates, and the Department of Treasury concurs with this estimate, that changes made by H.R. 9968 would result in an annual revenue loss of about $1 million per year in each of the next 5 fiscal years.

Mr. SYMMS. Mr. Speaker, I would like to thank the gentleman from California (Mr. KETCHUM) for his work on this legislation clear back in the year 1973 when it first passed the Committee on Interior and Insular Affairs. It is, as the gentleman from California pointed out, a piece of legislation where private capital is going to pay to rebuild a Government bureau reclamation structure and deed it back over to the Federal Government after it is reconstructed.

I think this is a fine example of how our private system, if allowed to work and if Government will allow it to do so, can take care of many of these problems. We appreciate passage of this bill and would like to thank the gentleman from Oregon (Mr. ULLMAN) for the speedy work that the Committee on Ways and Means did to bring this up so that we could start digging by December of this year, because they do need to start. It is a 3-year construction program, and they need to start to work on the reconstruction immediately, so it is coming none too soon.

We certainly appreciate it, and I know that as a downstream water user of the Snake River, many of my constituents also will appreciate this.

Mr. Speaker, I would also like to thank my colleague from Idaho (Mr. HANSEN) for the work he has done to bring this to speedy passage. Also I wish to pay tribute to Chairman BIZ JOHNSON for all the work he did on this legislation.

Mr. KETCHUM. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, we all know that one man doesn't move even the weakest legislation; that a lot of hands are involved.

Two suspensions today are of vital importance to Idaho, particularly to the Second Congressional District. They are H.R. 6669 and H.R. 9968. Both of these bills will have a tremendous economic impact on an area where people only survive and thrive with good land use practices and water management. We in the West cannot underestimate the value of our reclamation projects.

On behalf of the people of Idaho, I want to sincerely thank two of my colleagues for their invaluable assistance and foresight in committee, especially in working out the details of H.R. 9968, and for bringing these two bills to the floor—Chairman JOHNSON of the Water and Power Resources Subcommittees of Interior, and Chairman ULLMAN of Ways and Means.

I am also most grateful to my colleague Mr. KETCHUM and Mr. STEVE SYMMS, a member of the Interior Committee, and to members of his staff, who watched these bills so carefully during their progress.

Mr. ULLMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 9968.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Minnesota withdraw his point of order of no quorum?

Mr. FRENZEL. I do, Mr. Speaker.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 9576, de novo.

H.R. 9968, de novo.

The Chair will reduce to 5 minutes the time for any electronic votes after the first vote in this series.

VETERANS' READJUSTMENT ASSISTANCE AMENDMENTS OF 1975

The Speaker. The unfinished business is the quesion of suspending the rules and passing the bill H.R. 9576.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 9576.

The question was taken.

Mr. EDGAR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify the absent Members.

The vote was taken by electronic device, and there were—yeas 298, nays 106, answered "present" 1, not voting 28, as follows:

[Roll No. 592]

YEAS—298

Abdnor
Adams
Addabbo
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bevill
Biaggi
Biester
Blouin
Boggs
Boland
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conlan
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harsha
Hastings
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Karth
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Michel
Milford
Miller, Ohio
Mills
Minish
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Neal
Nichols
Oberstar
O'Brien
O'Neill
Passman
Patten, N.J.
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Russo
St Germain
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shriver
Sikes
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Tsongas
Udall
Ullman
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—106

Abzug
Alexander
Ambro
Aspin
Badillo
Baldus
Barrett
Baucus
Bedell
Bergland
Bingham
Blanchard
Bolling
Brademas
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Clausen, Don H.
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Dellums
Drinan
Eckhardt
Edgar
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fraser
Gonzalez
Green
Hall
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hughes
Johnson, Calif.
Jordan
Kasten
Keys
Lehman
McClory
Madden
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moss
Natcher
Nedzi
Nix
Nolan
Nowak
Obey
O'Hara
Ottinger
Patman, Tex.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pressler
Quillen
Rangel
Reuss
Richmond
Roncalio
Roybal
Ruppe
Santini
Sarbanes
Scheuer
Schroeder
Shipley
Simon
Solarz
Staggers
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Thompson
Traxler
Van Deerlin
Vander Veen
Vanik
Weaver
White
Wirth
Yates
Young, Alaska
Young, Ga.

ANSWERED "PRESENT"—1

Leggett

NOT VOTING—28

Anderson, Ill.
Bell
Burke, Fla.
Butler
Conable
Dingell
Esch
Eshleman
Evins, Tenn.
Fary
Hébert
Hinshaw
Holland
Holtzman
Howard
Jenrette
Jones, Okla.
McEwen
Morgan
Myers, Pa.
Riegle
Runnels
Ryan
Shuster
Sisk
Waxman
Wilson, Bob
Wolff

The Clerk announced the following pairs:

Mr. Hébert with Ms. Holtzman.

Mr. Howard with Mr. Anderson of Illinois.

Mr. Ryan with Mr. Bob Wilson.

Mr. Morgan with Mr. McEwen.

Mr. Riegle with Mr. Burke of Florida.
Mr. Dingell with Mr. Myers of Pennsylvania.
Mr. Evins of Tennessee with Mr. Conable.
Mr. Jones of Oklahoma with Mr. Butler.
Mr. Sisk with Mr. Eshleman.
Mr. Waxman with Mr. Shuster.
Mr. Wolff with Mr. Esch.
Mr. Jenrette with Mr. Fary.
Mr. Runnels with Mr. Hinshaw.
Mr. Holland with Mr. Bell.

Messrs. NOLAN, LEHMAN, MELCHER, PEPPER, RUPPE, and BAUCUS changed their vote from "yea" to "nay."

Mr. HELSTOSKI, Mrs. SPELLMAN, and Messrs. MOFFETT, MACDONALD of Massachusetts, DOWNEY of New York, DERRICK, and MAGUIRE changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

TAX TREATMENT OF IRRIGATION FACILITIES OBLIGATIONS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 9968.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 9968.

The question was taken.

Mr. MILLER of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 286, nays 111, not voting 36, as follows:

[Roll No. 593]

YEAS—286

Abdnor
Adams
Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Badillo
Bafalis
Baldus
Baucus
Bauman
Beard, Tenn.
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Mass.
Burleson, Tex.
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conlan
Conte
Corman
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Fisher
Flood
Flowers
Flynt
Foley
Ford, Tenn.
Fraser
Frenzel
Frey
Fuqua
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hansen
Harris
Harsha
Hastings
Hays, Ohio
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McKay
McKinney
Macdonald
Madigan
Mahon
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Michel
Mikva
Milford
Miller, Ohio
Mills
Mink
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mosher
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Oberstar
O'Hara
O'Neill
Passman
Patterson, Calif.
Perkins
Pettis
Peyser
Pickle
Pressler
Preyer
Pritchard
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Ruppe
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Winn
Wirth
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Tsongas
Vanik
Vigorito
Weaver
Yates
Young, Ga.
Zeferetti

NAYS—111

Abzug
Addabbo
Ambro
Anderson, Calif.
Annunzio
Aspin
Barrett
Bedell
Bennett
Biaggi
Biester
Blouin
Brademas
Brodhead
Brown, Mich.
Burke, Calif.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Cornell
Coughlin
Delaney
Dellums
Dodd
Downey, N.Y.
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Findley
Fish
Fithian
Florio
Ford, Mich.
Gaydos
Giaimo
Gude
Hall
Hannaford
Harkin
Harrington
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hughes
Jacobs
Kastenmeier
Koch
Krebs
LaFalce
Lehman
Levitas
Long, Md.
McHugh
Madden
Maguire
Mann
Metcalfe
Mezvinsky
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Nix
Nolan
Nowak
Obey
Ottinger
Patten, N.J.
Pattison, N.Y.
Pepper
Pike
Poage
Price
Quie
Reuss
Richmond
Rodino
Rosenthal
Roybal
Russo
St Germain
Scheuer
Schroeder
Simon
Stark
Steiger, Wis.
Stokes
Studds
Thompson

NOT VOTING—36

Anderson, Ill.
Beard, R.I.
Bell
Burke, Fla.
Butler
Conable
Dingell
Esch
Eshleman
Evins, Tenn.
Fary
Forsythe
Fountain
Hawkins
Hébert
Hinshaw
Holland
Holtzman
Howard
Jenrette
Jones, Okla.
McEwen
Morgan
Myers, Pa.
O'Brien
Patman, Tex.
Riegle
Runnels
Ryan
Shuster
Sisk
Waxman
Wilson, Bob
Wilson, Tex.
Wolff
Wydler

The Clerk announced the following pairs:

Mr. Morgan with Mr. Fary.
Mr. Wolff with Mr. Holland.
Mr. Hébert with Mr. Jones of Oklahoma.
Mr. Hawkins with Mr. Riegle.
Mr. Jenrette with Mr. Runnels.
Ms. Holtzman with Mr. Charles Wilson of Texas.
Mr. Patman with Mr. Anderson of Illinois.
Mr. Beard of Rhode Island with Mr. Butler.
Mr. Dingell with Mr. Bell.
Mr. Evins of Tennessee with Mr. Esch.
Mr. Fountain with Mr. Burke of Florida.
Mr. Howard with Mr. Eshleman.
Mr. Sisk with Mr. Conable.
Mr. Forsythe with Mr. Hinshaw.
Mr. McEwen with Mr. Ryan.
Mr. Myers of Pennsylvania with Mr. O'Brien.
Mr. Shuster with Mr. Bob Wilson.
Mr. Wydler with Mr. Waxman.

Messrs. CARNEY, METCALFE, ZEFERETTI, KOCH, HARRINGTON, BLOUIN, RUSSO, SIMON, POAGE, HARKIN, HANNAFORD, MOAKLEY, LEHMAN, ANDERSON of California, and FITHIAN changed their votes from "yea" to "nay."

Messrs. RUPPE and GREEN changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 7706, SUSPENDING DUTY ON NATURAL GRAPHITE UNTIL JUNE 30, 1978

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon? The Chair hears none, and appoints the following conferees: Messrs. ULLMAN, CORMAN, RANGEL, STARK, WAGGONNER, SCHNEEBELI, and VANDER JAGT.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO BE DISCHARGED FROM FURTHER CONSIDERATION OF H.R. 9432 AND RE-REFERRAL TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from the further consideration of the bill, H.R. 9432, to amend the Internal Revenue Code of 1954 in order to provide for quarterly payment, rather than annual payment, to the Government of the Virgin Islands of amounts equal to internal revenue collections made with respect to articles produced in the Virgin Islands and transported to the United States, and that the bill be re-referred to the Committee on Interior and Insular Affairs, with the understanding that this action in no way affects the basic jurisdiction of the Committee on Ways and Means with regard to the matters involved.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 4034, a bill to designate the veterans' hospital in Loma Linda, Calif., as the Jerry L. Pettis Veterans' Memorial Hospital.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENERGY, RESEARCH, DEVELOPMENT AND DEMONSTRATION OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO MEET DURING 5-MINUTE RULE ON TOMORROW AND BALANCE OF WEEK

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the Subcommittee on Energy, Research, Development and Demonstration (Fossil Fuels) of the Committee on Science and Technology be permitted to sit during the 5-minute rule on tomorrow and for the balance of this week.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERSONAL EXPLANATION

Mr. ANDERSON of California. Mr. Speaker, on September 26, the House voted to extend current oil price controls, under authority of the Emergency Petroleum Allocation Act, until November 15.

Although I supported this measure, I was recorded as voting "nay," apparently through mechanical error. I would like to take this opportunity to say that I did support the Senate amendment on H.R. 9524, rollcall No. 554. A "nay" vote would have been a vote for immediate decontrol, a position I have spoken out against time and again.

Fortunately, this measure passed by a vote of 342 to 16, once again expressing the strong opposition of the Congress to immediate decontrol.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 683

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may have until midnight tonight to file a report on House Joint Resolution 683.

The SPEAKER pro tempore. Mr. McFall). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

STATE AGRICULTURAL EXPERIMENTAL STATIONS

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I would like to call to the attention of my colleagues the centennial of the State agricultural experiment stations in the United States.

Initiated in Connecticut in 1875, the system began in my own State of Wyoming in 1891. Following the pattern of the first experiment station in Connecticut, these stations have attempted to find solutions to biological and social science problems relating to reproduction and the environment. The stations are set up in various locations throughout the State. Wyoming has six such stations.

The programs have been very successful and have benefited the nation by increased and improved agricultural production. The success of these programs indicates how effectively the research projects have touched our lives.

Research is conducted in cooperation with the USDA through the Agricultural Service, the Economic Research Service, and the Forest Service. In addition, there has been much cooperation among researchers of the public and private sectors.

In Wyoming, researchers probe not only agronomy, but also the related areas of livestock, environment, home economics, and the economic aspect of agricultural production.

Some of Wyoming's successes through agricultural research include: First, the improvement of range and forage production and the upgrading of the type of livestock produced; second, a new breed of chicken, and the poultry industry acceptance of the "dubbing" technique, through which egg production continues through winter; third, progress on weed control; and fourth, more effective irrigation practices.

For years, Wyoming has enjoyed international recognition as a leader in lamb carcass research and quality, and one other special area of research which brought international fame to Wyoming was the work of the late Dean, John A. Hill in wool production. He set up the first plant for scouring wool in an effort to produce a fleece that would command a premium through purchase on a clean basis. He was dean of the University of Wyoming College of Agriculture.

These are but a few of the successes of the agricultural experiment stations in Wyoming. In addition, Wyoming has played an important role in the activities of the regional research through the Committee of Nine, a statutory committee of the Secretary of Agriculture which coordinates the regional research efforts across the country.

The agriculture experiment stations are to be commended on their successes in the areas of agricultural economics, agricultural engineering, animal sciences, biochemistry, home economics, microbiology and veterinary medicine, and plant science. I am sure that they will continue to improve agricultural production and to protect our environment.

MARYWOOD COLLEGE'S 60TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDade) is recognized for 10 minutes.

Mr. McDADE. Mr. Speaker, last Saturday evening was a sparkling moment in the history of Marywood College and, indeed, the entire community of northeastern Pennsylvania. Friends, faculty, alumnae, and distinguished guests, all gathered to observe the 60th anniversary of the founding of Marywood College in Scranton, Pa. Many of those people who have been the dynamic force behind Marywood's growth and achievement were on hand for the culmination of the 2-week celebration. In addition, the great sense of community pride all of us feel for Marywood was exemplified by the presence of leaders from all segments of community life.

His Excellency Bishop J. Carroll McCormick, the head of our religious community; Mr. Robert J. Keating, president of the Parodi Cigar Co. and second lay chairman of the board of trustees; Mr. Robert E. Nolan, Jr., newly elected chairman of the board and president of the Greater Scranton Chamber of Commerce joined together with Sister Coleman Nee, president of Marywood and Sister M. Michael Keenan, vice president for academic affairs to grace the occasion.

This year the university bestowed the gold medallion, its highest honor, upon four of Marywood's most devoted friends. They are Sister M. St. Mary Orr, IHM, former president of the college; Sister M. Cuthbert Donovan, IHM, dean emerita of Marywood College; Mother M. Beata Wertz, IHM, former superior general of the Immaculate Heart of Mary Congregation; and to Mrs. John Murphy, who accepted the award for her late husband John Murphy, a former trustee of the college.

Mr. Speaker, I am attaching for the Members' interest two articles which appeared in the Scranton newspapers describing the events of the evening. They quite clearly indicate the great sense of accomplishment of the award recipients, the great pride all of us have in Marywood, and the continuing excellence in educational leadership and opportunity which Marywood has come to symbolize:

[From The Scrantonian, Oct. 5, 1975]

Presentation of Marywood's Highest Award Highlights Jubilee Dinner

Civic and educational leaders of Northeastern Pennsylvania joined with friends of Marywood College in observing the 60th anniversary of Marywood at a formal dinner and reception Saturday night in Nazareth Hall on the local college campus.

The evening was highlighted by the presentation of the Presidential Medal of Marywood, the highest public award of the school, to three Sisters, Servants of the Immaculate Heart of Mary, and the late chief executive officer of Northeastern Bank of Pennsylvania.

Sister M. Coleman Nee, IHM, president of Marywood, bestowed the gold presidential medallion on Sister M. St. Mary Orr, IHM, PhD, former president of the college; Sister M. Cuthbert Donovan, IHM, PhD, dean emerita of Marywood, and Mother M. Beata Wertz, IHM, LLD, former superior general of the Immaculate Heart of Mary Congregation. Mrs. John F. Murphy, widow of regional banker, John F. Murphy, a trustee of the college, was presented with the award on behalf of her late husband.

It was the second time in the history of the college that the Presidential Medal, instituted in 1973 by Sister Coleman, was awarded. Inaugural recipients, who received the award in March, 1973, are Dr. Clarence C. Walton, President of the Catholic University of America; Cong. Joseph M. McDade and Cong. Daniel J. Flood.

In keeping with the historical nature of the 60th anniversary celebration, all four recipients were cited by Sister Coleman for their significant contributions to the college in various stages of Marywood's historical development.

Preceding the bestowal of the Presidential Medal, a gold replica of the college seal bearing the college motto, "Sanitas, Scientia, Sanctitas" (health, knowledge, holiness), Sister Coleman presented a citation to each of the recipients outlining Marywood's recognition of their contribution.

Sister Cuthbert, professor and administrator at Marywood for over 45 years, was introduced by Mrs. Rosemary Carroll Kazimer, professor of education at the college. Sister St. Mary, president of Marywood from 1961 through 1970, a member of the first graduating class of the college and a former professor of psychology at Marywood, was introduced by Georgetown University psychologist, Dr. Mary Elizabeth Reidy, a former student of Sister St. Mary's at Marywood.

Mother Beata, elected superior general of the 1,100 member Congregation of the Sisters, Servants of the Immaculate Heart of Mary for two six-year terms, was introduced by Sister M. Michael Keenan, IHM, vice president for academic affairs at Marywood, and Robert J. Keating, president of Parodi Cigar Corp. and second lay chairman of the Marywood Board of Trustees, spoke on behalf of the late Mr. Murphy.

Following the welcome by Sister Coleman, the invocation by Bishop J. Carroll McCormick and opening remarks by 60th anniversary dinner chairman, Sister Marionette Coll, IHM, the citations were read and medallions presented.

In tribute to Sister Cuthbert, Sister Coleman's citation said, "The designation of her name in religion was truly prophetic for like the great St. Cuthbert, the "Wonder-worker of Britain" in the 7th century, Sister M. Cuthbert Donovan, was destined to become the Wonder-worker of Marywood College in the mid 20th century. On this occasion we joyfully gather to honor her service to Marywood College as a true educator and a great woman."

In honoring Sister St. Mary, the citation by Sister Coleman read in part: "Marywood's aim is to educate the type of woman who can stand up to a crisis. This cannot be done by developing the mind alone but by integrating all forces—spiritual, intellectual, moral, physical and social . . . into an authentic human being . . .

"Throughout a notable life her roles of leadership have been graciously and judiciously exercised whether in her own religious congregation, in civic endeavors, or here at Marywood. The common thread continues to be her abiding concern for the spiritual intellectual, moral physical and social formation of the children of God as individuals with eternal dignity and worth.

"It is a gesture of love to honor this distinguished daughter of Marywood and to gratefully recognize the service she has rendered to all of us and to history. With pleasure we acknowledge the debt we owe to this valiant religious woman."

Mother Beata's citation, also read by Sister Coleman, expressed the following: "A woman gifted with a natural warmth and simplicity, enriched by an extraordinary religious spirit and deep faith, Mother M. Beata Wertz, was twice elected by the Sisters, Servants of the Immaculate Heart of Mary as their superior general."

"God is made present by the witness of a living and mature faith, and it is a faith such as this which Mother M. Beata exemplifies. In her is living evidence of the words of the Council Document: 'Faith proves its fruitfulness by penetrating the believer's entire life and activating him toward justice and love . . . Faith throws a new light on everything, manifests God's design for man, and directs the mind to solutions which are fully human.' . . .

"Combining the attributes of deep personal integrity with genuine concern for, and interest in others, Mother M. Beata is at home and at peace with God and with her fellowman. Her genuine humility puts at ease all who come into contact with her."

"For her leadership in adaptation and renewal, for her contributions as an 'educator of educators,' for her continuing prayerful interest in Marywood College, and for her profound personal example as a woman of deep faith—"

"Marywood College proudly presents the Presidential Medal to Mother M. Beata Wertz."

In memory of John F. Murphy, Sister Coleman's citation said, in part: "The death of John Murphy brought to an end his physical involvement with Marywood College. His spirit will never forsake this institution. He has left Marywood with a legacy of honor, services and devotion that few individuals will equal.

"Marywood already feels the absence of this modest man. John Murphy was a keen business adviser, a loyal supporter and a unique friend of the college. Giving so much of himself for so many years, he was part of the growth and progress of this institution, which he served even during his retirement.

"As long as spirit and determination remain on this campus, as long as faith in the service of our fellowmen endures, the memory of John Murphy will be honored at Marywood."

The 60th anniversary dinner and Presidential Medal presentation were part of a two-week long celebration commemorating the anniversary of the founding of Marywood College in September, 1915. The events, which will conclude Tuesday with a luncheon in tribute to the over 50 sisters who have served Marywood for 20 years or more, have included historical lectures, cultural programs and receptions.

Today's program at the college will include the dedication of the Memorial Commons, erected on the site of the first home of the college in the Marywood Motherhouse and Seminary Building, which was destroyed by fire several years ago. The Commons dedication is scheduled to begin at 2:30 p.m. The public is welcome.

This evening's event will be an anniversary concert featuring internationally renowned concert pianist Sanda Cohen and the Marywood quartet in residence, the Audubon String Quartet, at 7:30 p.m. in the Marywood Fine Arts Theatre.

[From the Sunday Times, Oct. 5, 1975]

MARYWOOD MARKS 60TH ANNIVERSARY

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Preceding the bestowal of the Presidential Medals, a gold replica of the college seal bearing the college motto, "Sanitas, Scientia, Sanctitas" (health, knowledge, and holiness), Sister Coleman presented a citation to each of the recipients outlining Marywood's recognition of their contribution.

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"Shakespeare might have been speaking of Sister Cuthbert when he wrote: 'Some men never seem to grow old. Always active in thought, always ready to adopt new ideas, they are never chargeable with fogyism.' A vital faith in the living God has been the center of her life, enabling her to live and act with the courage and compassion that a changing world demands.

"As a teacher she has imparted knowledge with vision, humility, and patience, showing students how the hate and prejudices in a world of conflict can be translated into love and understanding. Thousands of students remember her for her warmth, her empathy, her keen intellect and her truly amazing memory.

"As an administrator, Sister Cuthbert has led courageously, wisely, and innovatively—always demonstrating unusual insight. Many young women in leadership positions today live by her good example.

"As a religious, Sister Cuthbert's life has been exemplary, showing her to be of generous heart, compassionate spirit and reflective piety. As described in the ancient scriptural hymn, she is 'a woman that reveres the Lord, she shall be praised forever.'

Throughout her lifetime Sister Cuthbert has been the embodiment of the motto of Marywood: Sanitas—soundness of judgment; Scientia—immeasurable wisdom; Sanctitas—a life of selflessness growing out of limitless charity, inspirational to all who know her."

In honoring Sister St. Mary, the citation by Sister Coleman read, "Marywood's aim is to educate the type of woman who can stand up to a crisis. This cannot be done by developing the mind alone but by integrating all forces—spiritual, intellectual, moral, physical and social—into an authentic human being.

"In issuing this challenge to the Marywood College faculty in 1961, Sister St. Mary unknowingly provided a description of herself as she addressed the faculty in a new role as president of her alma mater."

"Crisis would be a later stage in the administration of the largest Catholic college for women, coming as it did to private and independent colleges."

* * * * *

"Throughout a notable life her roles of leadership have been graciously and judiciously exercised whether in her own religious congregation, in civil endeavors, or here at Marywood. The common thread continues to be her abiding concern for the spiritual, intellectual, moral, physical and social formation of the children of God as individuals with eternal dignity and worth.

"It is a gesture of love to honor this distinguished daughter of Marywood and to gratefully recognize the service she has rendered to all of us and to history. With pleasure we acknowledge the debt we owe to this valiant religious woman.

"Si monumentum, requiris, circumspice!"

Mother Beata's citation, also read by Sister Coleman, expressed the following: "A woman gifted with a natural warmth and simplicity, enriched by an extraordinary religious spirit and deep faith, Mother M. Beata Wertz was twice elected by the Sisters, Servants of the Immaculate Heart of Mary as their superior general.

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"As a woman of faith, Mother M. Beata was that new light on everything as she guided the Congregation in its responses to the call of the changing church and changing religious life. As a woman of faith, she demonstrated a constant readiness to begin anew and adapt. Thus, she took the initiative in the spiritual renovation of the Congregation. As a true apostle herself she saw to the apolistic preparation of the hundreds of IHM Sisters and embraced, as well, the educational needs of many congregations from Africa, India, China, Japan, Korea, and the Philippines. Marywood College was an outstanding beneficiary of Mother M. Beata's wisdom and vision as she planned for the education of its future religious faculty.

"Combining the attributes of deep personal interiority with genuine concern for, and interest in others, Mother M. Beata is at home and at peace with God and with her fellowman. Her genuine humility puts at ease all who come into contact with her.

"For her leadership in adaptation and renewal, for her contributions as an 'Educator of educators,' for her continuing prayerful interest in Marywood College, and for her profound personal example as a woman of deep faith—Marywood College proudly presents the Presidential Medal to Mother M. Beata Wertz."

In memory of John F. Murphy, Sister Coleman's citation said, "The death of John Murphy brought to an end his physical involvement with Marywood College. His spirit will never forsake this institution. He has left Marywood with a legacy of honor, service and devotion that few individuals will equal.

"John Murphy's interest in Marywood was typical of the spirit which he brought to every project that he undertook in his life. A man not necessarily of words, but of action, he served every cause with which he was associated in a persevering and determined manner, never taking the credit for the good his works effected.

"As a member of the advisory board and then as an officer of the board of trustees, John Murphy fulfilled the dual role of serving Marywood's interests in the public sphere and bringing to the college the value of his expertise and experience. As our advocate, he exactingly translated the needs of the college to the business and civic communities in an objective yet compelling manner.

"Marywood already feels the absence of this modest man. John Murphy was a keen business adviser, a loyal supporter and a unique friend of the college. Giving so much of himself for so many years, he was part of the growth and progress of this institution, which he served even during his retirement.

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This evening's event will be an anniversary concert featuring internationally known concert pianist Sandra Cohen and the Marywood quartet in residence, The Audubon String Quartet, at 7:30 p.m. in the Marywood Fine Arts Theatre.

CONGRESSMAN JOHN J. McFALL INTRODUCES FAIR SHARE FOREST RECEIPTS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 15 minutes.

Mr. McFALL. Mr. Speaker, I am today introducing a bill to assure that counties having national forest lands receive their fair and rightful share of receipts from the sale of national forest timber harvested within their boundaries.

The immediate effect of this bill would be to increase the level of forest receipts to the counties.

The 14th District of California, which I am privileged to represent, has a total of 2,806,281 acres of national forest lands within the boundaries of six counties.

Only one other congressional district of California has more acres of national forest land.

Bills identical to the one I am introducing today have been introduced in the Congress. After careful review of the problem and possible alternative solutions, I am introducing this bill today. I find it offers the best and fairest solution to assure that counties receive the full amount of funding to which they are entitled from national forest timber sales within their boundaries.

This bill restores the formula for arriving at the amount of the allocations. It provides that the allocations to the counties from national forest timber receipts be based upon the gross value of the timber harvested rather than the net receipts as is the current practice.

Under Federal law—16 U.S.C. 500—25 percent of all moneys received each year in each national forest are allocated to the States in which the forests are located. These funds are to be used for public schools and public roads in the counties having national forest lands.

The States are permitted latitude in the manner in which these payments are distributed and various payment plans are in effect. In California these funds are directly passed on to the counties by the State and must be split on a 50–50 basis for public schools and public roads.

Under forest service procedure, timber is appraised and offered for sale as if necessary roads and other development costs to harvest the timber have been constructed or accounted for. The appraisal figure represents the gross value of the timber. It would be upon this gross value that the bill I introduced today would apply.

Under current Forest Service practice, however, the timber purchaser builds the access roads to timber sales areas. The Forest Service credits these purchaser costs against the gross value of the timber. As road work and other development occurs, the gross value decreases to what is termed by the Forest Service as "stumpage value."

This system is outlined in Forest Service regulations—36 CFR 221.7—which states in part: The objective of National Forest timber appraisals is to establish fair market value. The basic procedure will be analytical appraisal under which stumpage value is a residual value determined by subtracting from the selling value—gross value as provided by my bill—of the products normally manufactured from the timber the sum of estimated operating costs, including costs to the purchaser for construction of roads or other developments needed by the purchaser for removal of the timber, and margins for profit and risk.

Under this system, for each dollar credited against the gross value, there is a 25-cent reduction of the amount that would be disbursed to the countries for public schools and public roads.

The current system actually results in the local counties subsidizing the costs to harvest our national timber resources. This in itself is an inequitable situation.

As an example, a 20 million board foot sale of timber in a national forest in my congressional district brought a $2.44 million bid from a logging firm. Expenses for road costs, reforestation, and other items reduced this gross value to a net of $2.25 million.

By basing the allocation for public schools and public roads on net receipts, the loss to the State for distribution to the county for just this one sale totaled $47,500. In a very real sense, the people of the county deprived of these funds are burdened with national resource development costs that all taxpayers should share. Too, the people of these counties are prohibited from using many of these forest roads.

This and scores of situations like it across the Nation appear contrary to the intent of the Congress early in this century to provide that counties receive fair compensation for having productive tracts of national forest lands for which they are deprived property tax revenue.

This whole situation is placed even more out of balance as there are indications that purchaser credit expenditures for roads are inordinately high.

Congress has recognized that timber companies should bear only those road costs directly related to the actual harvesting of the timber. Federal law provides that timber harvesters are not required to bear the costs of installing roads to meet standards for multiple uses such as public recreation, forest protection, and management.

Federal law notwithstanding, there has been a significant decline in the level of direct public support for forest road construction and a corresponding rise in dollars and percentages in costs levied to purchasers of timber against the gross value of timber for forest road construction.

In 1967, direct Government financing of all forest roads totaled $118.4 million while timber purchasers were credited with $59.4 million in additional costs or 33.4 percent of the total forest roads program.

A review of these cost breakdowns shows that for several years the percent of purchaser costs of the total forest roads program fell within 30 percent to 41 percent: 40.3 percent in 1968; 39.5 percent in 1969; 33.5 percent in 1970; 36.8 percent in 1971, and 40.6 percent in 1972.

In 1973 there was a significant jump to 47.8 percent, followed by 52.8 percent in 1974; 52.2 percent in 1975; and an estimated 57 percent for 1976.

Let us take a look at these figures in actual dollars. Nationwide, timber purchaser forest road costs credited against gross value has risen from $59.4 million in 1967 to $187.4 million in 1975.

And, total direct Government support of the forest roads program has risen only by $52.7 million from 1967 to 1975, compared to a $128 million increase for the same years for purchaser credits against gross value.

Such an imbalanced situation makes a person wonder when we will see the day when the Forest Service finds some way to credit nearly all forest road costs against the gross value of timber.

The bill I introduced today would be a first step in restoring the concept that counties in which national forests are located receive their full measure to which they are entitled from national forest receipts. This bill would clearly restore the intent of Congress in making the first of these allocations during the early 1900's.

The text of the bill follows:

H.R. 10043

A bill to amend chapter 2 of title 16, United States Code (relating to national forests), to provide a share of timber receipts to States for schools and roads

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 500 of title 16, United States Code, is amended to read as follows:

"§ 500. Payment and evaluation of receipts to States for schools and roads

"Twenty-five per centum of the gross value of timber harvested during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State in which such national forest is situated, to be expended as the State legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such national forest is situated: *Provided,* That when any national forest is in more than one State or county the distributive share to each from the proceeds of such forest shall be proportional to its area therein. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for school and roads by this section shall be based upon the product of the volume of the sale times the selling price."

PANAMA CANAL: CONCEPTUAL AGREEMENTS FORESHADOW U.S. SURRENDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennslyvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, on June 26, 1975, the House of Representatives, by the decisive vote of 246 to 164, adopted an amendment to the 1976 appropriation bill for the Department of State, Justice, and Commerce, and related agencies that would prohibit the use of the appropriated funds for negotiating the surrender of "any U.S. rights" in the Canal Zone.

The Senate did not accept this amendment and the conference recommended a substitute as follows:

> SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the operation, maintenance, property and defense of the Panama Canal.

After considerable debate, the House, on September 24, insisted upon its disagreement with the Senate.

The conferees subsequently inserted the term "Canal Zone" in the Senate's original version. This is not a consequential change but would, in effect, give congressional approval to typical State Department language, which would have the effect of making the House of Representatives appear to support the surrender of our indispensable sovereign rights, power, and authority over the Canal Zone.

When commenting on the language recommended in the original conference report in an address to the House on September 22, I denounced it as "semantic fraud"—CONGRESSIONAL RECORD, September 22, 1975, page 29622. I repeat that denunciation now.

Since then I have received the full texts of three conceptual agreements in the current negotiations that have had wide circulation on the isthmus and have, until now, been denied to the Congress and the Nation. From these, it is clear that the executive branch of our Government has agreed to surrender U.S. sovereignty over the Canal Zone within 3 years as was stated in my remarks to the House on September 24—CONGRESSIONAL RECORD, September 24, 1975, page 30069.

The new substitute language of the conferees will soon come before the House for acceptance or rejection. The reasons against its acceptance are very clear and impelling. Its acceptance would create clear and present dangers to our country that must be avoided. The new conference language must be rejected.

In these connections, I would quote part of an editorial prepared by Maj. Gen. Thomas A. Lane, an unusually capable military strategist and student of Panama Canal policy questions, who had several years of previous service in the Canal Zone:

> The belief of some officials that U.S. operation and defense of the Canal under treaty provisions, instead of sovereign authority, would eliminate the friction of recent years is a calamitous misjudgment of the present scene. Marxist-Leninist subversion would be intensified by such retreat. Friction would mount and the U.S. position would become intolerable. The United States would be compelled to use force against the Republic of Panama, or to withdraw and allow the Canal to be operated and defended by another lessee. That is a prospect which no President should impose on his successors. (*Strategic Review,* Winter 1974, p. 4.)

The three "conceptual agreements" follow as part of my remarks:

CONCEPTUAL AGREEMENT ON THE PROTECTION AND DEFENSE OF THE CANAL

Whereas:

The Panama Canal is a maritime interoceanic waterway wherein the Republic of Panama has an inherent interest as a territorial sovereign and the United States has an interest because it built it, and it contributes in a significant manner to the goal of an economically prosperous and peaceful world;

Panama, as a territorial sovereign, has the responsibility of protecting and defending its territory;

The United States shall have the main responsibility of protecting and defending the maritime waterway until the expiration of the treaty;

Upon the expiration of the treaty, Panama shall [take] over total responsibility for the protection and defense of the waterway;

During the life of the treaty, Panama will increasingly participate with the United States in the protection and defense of the waterway, subject to a continuous examination so as to determine what changes can be made in the course of time, to the extent Panama's capacity will allow, and in accordance with the main responsibility of the United States for the protection and defense of the waterway;

To the extent this procedure exempts the United States from the requirements of operation, those installations not considered essential shall be turned over to Panama in accordance with the terms to be agreed upon; and

The agreements on the joint protection and defense of the Parties shall not restrict the identity or lines of authority of the Panamanian and U.S. military institutions,

It is agreed that,

A. Each of the parties, in accordance with its constitutional procedures, shall act to face the common danger arising out of an armed attack or other action which might threaten the security of the waterway and the transit of ships.

B. The contracting parties commit themselves to guarantee the permanent and effective neutrality of the interoceanic waterway, which shall remain open to the vessels of all nations on an indiscriminate basis, and they shall make efforts to have this neutrality recognized and guaranteed by all nations.

C. Both parties shall establish a Joint Board, composed of high level Panamanian and U.S. military representatives, in equal number, whose respective governments shall entrust them with consulting and cooperating in all matters relative to the defense of the Canal, and planning the measures which shall be taken jointly to ensure the security or neutrality of the Canal. The Board shall make provisions for the coordination and cooperation with regard to:

1. The management of the Panamanian and U.S. operations for the protection and defense of the waterway;

2. The preparation of plans for the protection and defense of the waterway for possible emergencies on the basis of the cooperative efforts of the two national forces;

3. Planning and performance of joint military exercises;

4. The implementation of the joint use of training areas; and,

5. The guarantee that Panamanian participation includes the use of manpower and other Panamanian resources with regard to functions, personnel levels, and operation locations.

D. The Panamanian Government shall grant to the United States rights of use for the purpose of protecting and defending the waterway as well as the transit of vessels through same, whereby:

1. The United States shall be allowed to maintain land, air and naval forces in specific locations to be made available by Panama;

2. An agreement shall be included regarding the laws applicable to the Armed Forces which shall allow an effective operation of such forces and their agencies; and,

3. Such rights shall end upon the expiration of the treaty, unless the parties reach another agreement through negotiations which shall take place five years prior to the expiration of the treaty.

E. Both parties shall review the structural position of the Joint Armed Forces at five-year intervals during the life of the Treaty.

F. The matters relative to the costs of Panamanian participation in the protection and defense of the canal shall be established in the Treaty.

G. In view of the fact that the Republic of Panama is a signatory to the Treaty of Proscription of Nuclear Arms in Latin America (TLATELOLCO), the United States shall not install any type of nuclear armament in Panamanian territory.

CONCEPTUAL AGREEMENT ON THE INCREASED PANAMANIAN PARTICIPATION IN THE ADMINISTRATION OF THE CANAL

Whereas:

Panama shall participate in the administration of the interoceanic waterway;

The primary objective of Panamanian participation is to guarantee that Panama is prepared to assume complete responsibility for the efficient operation of the interoceanic waterway once the new treaty expires;

This objective shall be reached by guaranteeing a sufficient number of Panamanian personnel, qualified and available to operate the interoceanic waterway when the treaty expires;

This procedure should begin immediately as the treaty goes into effect;

The joint planning of the various stages of Panamanian participation should be begun before the new treaty goes into effect;

This Panamanian participation should be the basis for an effective partnership between the two countries regarding the administration of the interoceanic waterway;

The following is agreed:

A. During the life of the treaty, the United States will have primary responsibility for canal operations and the transit of ships.

B. There will be a growing participation on the part of Panamanian nationals at all levels and fields of employment in the canal operation, including participation in the drafting of overall policies as well as in daily canal operations.

C. Employment preferences for citizens of the Republic of Panama will be established, in order to ensure the growth, in orderly stages, of Panamanian participation.

D. A Joint Consultation Group shall be established on the basis of the principle of parity and at a high governmental level which shall constitute the liaison between the two governments in connection with Panamanian participation in the administration. The functions of this group shall include:

1. Recommend specific programs for the hiring of personnel in order to provide employment to an increasing number of Panamanian citizens through horizontal transfers from the Panamanian economy;

2. Recommend specific promotion and training programs aimed at achieving a vertical promotion of Panamanian citizens from low level positions to higher positions at all levels;

3. Recommend other policies, programs and guidelines designed to make preparations for Panama to assume, in an orderly and efficient fashion, full responsibility for the canal administration, operation, and maintenance upon the expiration of the treaty.

E. The new administrative body shall appoint Joint Technical Advisory Commissions whose functions shall include making recommendations regarding the integration of electric power, water supply, roads, ports and other systems of the body's infrastructure with the rest of the Republic of Panama.

F. The present Panama Canal Company shall be eliminated once the treaty goes into effect. It shall be replaced by a new administrative body, governmental or otherwise, which, in addition to taking over the management of the canal, shall implement programs to hire and train Panamanian citizens in accordance with the aforementioned principles and objectives, which shall be stipulated in the treaty.

G. Activities currently being carried out by U.S. Agencies and to be transferred to a Panamanian operation shall be specified in the new treaty. Such transfers shall be effected as soon as practicable and within the time periods to be agreed upon between the two governments in accordance with the recommendations of the Work Team to be created prior to the conclusion of the treaty, in order to plan the initial stage of Panamanian participation in the canal operation.

H. The government of Panama and the government of the United States shall be directly responsible for compliance with the treaty provisions.

CONCEPTUAL AGREEMENT ON JURISDICTION AND RIGHT OF USE

Whereas:

The Panama Canal is an interoceanic waterway in which the Republic of Panama has an inherent interest as territorial sovereign and the United States has an interest for having built it, and it contributes significantly to the objective of an economically prosperous and peaceful world;

The parties are prepared to carry out these objectives through the formulation of a new relationship of association between them, in accordance with the new treaty that shall eliminate the sources of conflict,

It is agreed:

A. Upon the abrogation on the treaties governing the relations between Panama and the United States concerning the Panama Canal, the U.S. jurisdiction over the Panamanian territory known as the Canal Zone shall cease.

B. The laws of the Republic of Panama shall be applicable in the Panamanian territory previously known as the Canal Zone, except as may be otherwise provided for in the treaty.

C. Upon the treaty's becoming effective, the U.S. entity known as the Canal Zone Government shall immediately terminate.

D. All relations of a private nature shall be subject to Panamanian jurisdiction immediately after the new treaty goes into effect.

E. By virtue of the abrogation of the treaties, the Republic of Panama shall reassume criminal jurisdiction over Panamanians and third country nationals.

F. The Republic of Panama, in the exercise of its sovereignty, shall reassume general police authority in that part of its territory known as the Canal Zone when the new treaty goes into effect.

1. The U.S. installations specified in the treaty are excepted.

2. In the agreed areas, the Republic of Panama shall grant the United States police authority up to a period of time of three years after the treaty goes into effect. During the stated three-year period, the parties shall set up a system of joint patrols in which each member may arrest persons under the police authority of his respective country.

G. The courts of the Republic of Panama shall exercise jurisdiction and shall have competence over all lawsuits and procedures that may arise in the Panamanian territory previously known as the Canal Zone, except as agreed in the treaty.

H. The new treaty shall contain the rights of use that the Republic of Panama grants to the United States relevant to the operation and maintenance of the Panama Canal.

1. The Republic of Panama shall grant the U.S. the rights, for a period of three years after the exchange of ratification instruments, of primary jurisdiction over all crimes committed in locations whose use has been granted by the Republic of Panama to the United States, as specified in the treaty, by members of the Armed Forces of the United States, civilian nationals of the

United States employed by the U.S. Government and the dependents of members of the U.S. Armed Forces and of U.S. nationals and civilians employed by the U.S. Government.

2. U.S. courts of law in the old Canal Zone shall cease operation three years after the new treaty goes into effect.

3. The United States—acting through the administrative entity that shall assume the management of the Canal's operation—shall have the necessary rights for operation of the Canal, including the right to transport its officials and employees freely and without obstacles, to import the equipment and materials deemed necessary for the operation of the Canal, and to employ contractors.

I. There shall be no canal area or Canal Zone.

The Republic of Panama shall grant the United States the use of the areas needed to carry out the specific objective of operating, maintaining, protecting and defending, and carrying out regular canal improvements which do not alter the nature of same, including the right to transport themselves freely and without obstacles within said areas. (The areas, the use of which are to be granted to the United States, shall be specified in the treaty.)

J. The Government of the United States, its agencies and organizations, and its employees, shall be granted immunity from Panamanian civil jurisdiction regarding acts or omissions committed in the performance of their official duties. Panama shall be entitled to request repairs for damages from the Government of the United States, through diplomatic channels, regarding any cases that could arise to which such immunity would be applicable.

K. The records and installations of the United States shall be inviolable.

L. During the period specified in the treaty, United States citizen employees of the Canal Administration and their dependents shall enjoy the privileges and immunities specified in the treaty.

1. A limited number of high ranking officials of the United States shall enjoy the same privileges and immunities as diplomatic personnel.

M. The period of transition necessary for full compliance with the jurisdictional arrangements stated herein will in no case exceed a total of three years, computed following the exchange of ratification instruments of the new treaty. However, it may be reduced through agreement by both parties.

1. For the purpose of allowing an orderly and effective transition to the new jurisdictional relationship, the treaty shall go into effect six months after the exchange of ratification instruments.

N. The United States shall have jurisdiction over such matters as relations with its employees, the fixing and modification of tolls and the transit of ships through the Canal (including violations of navigation regulations.) Lawsuits against the United States Government (other than those coming under the jurisdiction of the United States) shall be subject to a lawsuit procedure mutually agreed upon.

O. Panama and the United States shall draw up agreements or separate agreements and for the period agreed to therein concerning the following activities: Tests in connection with tropical environment studies, training for jungle survival and combat, communications, activities of the Inter-American Geodetic Service, humanitarian aid operations, medical activities, operations of the Federal Aviation Administration, and other activities to which the parties may agree.

P. Panama and the United States shall agree, in separate agreements, and for whatever period is agreed to in them, to operational rights for the United States to render education, water supply, hospital, electricity and the prevention and firefighting services.

1. These activities shall be carried out in line with the exercise of jurisdiction by the Republic of Panama over its territory.

WAYS AND MEANS OVERSIGHT HEARINGS ON HEW'S AFDC QUALITY CONTROL PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the Ways and Means Oversight Subcommittee will hold public hearings on the Department of Health, Education, and Welfare's quality control effort in the aid to families with dependent children—AFDC—program. These hearings are being held in cooperation with the Public Assistance Subcommittee and are an effort to insure an adequate program of Federal/State cooperation to reduce errors in the AFDC program.

The hearings are scheduled for 10 a.m., Friday, October 31, and Monday, November 3. The room and schedule of witnesses, which will include HEW, State, and welfare organizations, will be announced at a later date.

THE OPEC OIL PRICE REDUCTION ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 15 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today introducing legislation to offset the economic impact of the October 1 price increase announced by the Organization of Petroleum Exporting Countries. This additional charge of $1.05 per barrel set by OPEC has been labeled as "outrageous" by the administration.

However, words alone will not ease the burden for America's hard-pressed energy consumers.

The legislation I am introducing today requires the President to reduce his tariff on imported crude oil by $1.05 per barrel to exactly offset the announced OPEC price rise. This action could prevent a new wave of inflationary pressure from sweeping the land, retarding economic growth and exacerbating unemployment.

Similar legislation has been introduced in the Senate by Senator HUMPHREY, and I am hopeful that both bodies will act swiftly to prevent any slowing of our fragile economic recovery.

Mr. Speaker, this legislation would save consumers almost $4 billion annually in lower oil prices.

If domestic oil prices are decontrolled in the future, this OPEC price hike could cost American consumers an additional $1.5 billion annually in higher oil and gasoline bills, and $4 billion annually in related produce price increases.

My legislation prevents the imposition of this additional and outrageous burden upon American consumers.

If oil prices are decontrolled, my legislation would save the average American family approximately $175 over the next 12 months. Additionally my legislation would prevent a 3-cent-per-gallon increase in consumer prices over the next 12 months.

Failure to enact this legislation will drain consumer purchasing power, and will reduce by one-half of 1 percent our real economic growth rate over the next year—which translates out to 140,000 jobs lost. Since we are already committed to providing the unemployed with jobs that have already been lost, it would be foolish not to take action to prevent additional job losses that will result from this oil price increase.

Mr. Speaker, this legislation simply reduces the President's $2 per barrel tariff—a tariff that has already been challenged by the courts. Since this bill would also not affect increased domestic oil production or national energy conservation efforts, I see no reason why it would invite a Presidential veto. Actually, I believe the President has established a precedent for this legislation already, by lifting the 60-cent per barrel import duty on imported refined oil products. The administration, in taking this action, has recognized that it is unlikely that OPEC will further increase its price if it views the American consumer as untouched by the October 1 price increase. OPEC pricing policy is an internal matter, loosely based upon the inflation index of the Western goods imported by OPEC countries. Since my bill will actually prevent added inflationary pressure in this country and a concomitant increase in the price of exported goods, it should not result in any further price increase action by OPEC.

Mr. Speaker, I do want my colleagues to understand that this bill is designed as an interim relief measure. It is not intended to imply congressional acceptance of the President's $2 per barrel surcharge, because it rolls back a portion of that surcharge and leaves 95 cents of it intact.

The Supreme Court will decide on the President's authority to impose such a tariff—and I am hopeful that it will decide that the President does not have this authority. However, we cannot realistically expect a decision and action to indemnify energy consumers before next spring. That means all through the winter, energy consumers will be paying more for heat, light, and gasoline. This is not fair, and this is precisely why I have developed this legislation as an "interim consumer relief measure."

Mr. Speaker, I urge my colleagues to support this proposal, and insert in the RECORD at this point in my remarks the text of my bill entitled "The OPEC Oil Price Reduction Act of 1975":

THE OPEC OIL PRICE REDUCTION ACT OF 1975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This act shall be cited as "The OPEC Price Reduction Act of 1975".

SEC. 2. Notwithstanding any other provision of law, if the Organization of Petroleum Exporting Countries increases its publicly announced price for any grade of crude oil, natural gas or products derived therefrom, during the period from September 1, 1975, to December 1, 1975, then the President shall reduce, but not below zero, the amount of any duty, license fee, supplemental fee, or any other charge which he imposes under Section 232 of the Trade Expansion Act of 1972 on imports of such grade of oil, gas or other products after such date by an amount which is equal to such increase, determined in dollars.

ADDRESS BY SENATOR EDWARD M. KENNEDY TO THE 25TH ANNIVERSARY CONFERENCE OF THE NATIONAL COUNCIL ON THE AGING, WASHINGTON, D.C., OCTOBER 2, 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Brademas) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I believe that all Members of the House will read with keen interest an address delivered by the distinguished senior Senator from Massachusetts, the Honorable Edward M. Kennedy, on October 2, 1975, to the 25th anniversary conference of the National Council on the Aging in Washington, D.C.

Senator Kennedy has been a vigorous champion of effective action to meet the problems of America's elderly citizens and his address on this occasion is a forceful review of some of the major issues facing the Federal Government on problems of the aging.

The text of Senator Kennedy's address follows:

Address by Senator Edward M. Kennedy to the 25th Anniversary Conference of the National Council on the Aging

It is a pleasure once again to meet with the National Council on the Aging. I am particularly pleased to be able to share this 25th anniversary with you.

The National Council on the Aging continues to trail-blaze, focussing the spotlight of research on the aging in a rapidly changing world and perfecting innovative programs to meet their needs.

There is no better symbol of the aggressiveness of your organization than the woman who first directed its operations, Ollie A. Randall. I am proud to say that she hails from New England. She continues to be a forceful, articulate and respected advocate of the nation's elderly.

I have served on the Labor and Public Welfare Committee, as Chairman of its Subcommittee on Aging and I remain a member of that Committee and of the Special Committee on Aging.

After serving on these Committees, I am convinced that the ideal of social justice in America will never be achieved until we improve the quality of life for the elderly of this nation.

I can think of no group that deserves more attention from its elected representatives than the nation's elderly They have built the factories and mills of America. They have fought in its defense. They have paid the taxes to finance the growth of its ciites and towns. And they have worked and struggled and sacrificed for a lifetime to see that their children and your children might have a better chance to realize their dreams.

And government—which they served so well throughout their lives—has failed them too often in their moment of need. Particularly this Administration, in virtually every major aspect of domestic policy, has slammed the door on the hopes of the elderly.

You know that, the Federal Council on Aging now knows that, and I believe the nation's elderly know it as well.

ECONOMIC DISCRIMINATION AGAINST THE ELDERLY

The theme of this meeting is "Aging in America's Third Century." To a remarkable degree, the answer to how we meet the challenges facing the nation's elderly will determine the quality of life and the quality of social justice for all Americans in this third century.

I pledge my efforts—as my brothers have before me—to see that those challenges are met.

The first challenge is to end the economic policymaking that discriminates against the elderly.

We heard the Administration call for a 5 percent cap on social security cost of living increases for the elderly.

But we haven't heard any call for a reduction in price hikes by the major oil companies. We haven't heard any call for major corporations to tighten their corporate belts.

All we have heard are calls for policies that heap an unfair share of the impact of recession and inflation on the backs of the elderly.

When President Ford vetoed the Health Services bill, he said it was to hold the line on spending and on inflation. And then he imposed a $2 per barrel tariff on oil imports that sent our fuel bills soaring.

When he vetoed the appropriations bill for education programs and proposed rescissions in basic aging programs, he said it was to fight inflation; but then he proposed a $15.7 billion hike in Defense Department spending.

When he rejected the recommendations of the Federal Council of Aging for an end to cutbacks in elderly programs, he argued that reduced federal spending on those programs would reduce the burden on inflation on the elderly. But then he turned around and proposed a $100 billion partnership with the major oil companies.

Congress has not bought the Administration Alice-in-Wonderland argument that you ease the burden inflation on the elderly with policies that force them to pay more for health care, more for fuel, more for food, and more for rent, while you put a cap on their income.

The Administration budget proposed to increase the costs for Medicare by more than a billion dollars.

Congress rejected that proposal.

The Administration proposed to raise the cost of food stamps by up to 30 percent.

Congress rejected that proposal.

The Administration proposed to renege on the promise in the Federal law for guaranteed Social Security cost of living increases.

And Congress rejected that proposal as well.

We will not find the answer to our economic crisis now or in the future by denying dignity to older Americans. We will not accept that answer in Massachusetts. We will not accept that answer in Washington. We will not accept that answer in America.

I believe that we can find the right answers to our economic problems. We know it can be done because we remember what it was like in the early 1960's. We remember that we had the greatest economic growth without inflation in our history. We did it before and I believe we can do it again.

QUALITY HEALTH CARE

A second challenge as we enter this new century is to unlock the door to quality health care for all of our citizens and especially for the elderly.

The Administration proposal to make elderly citizens pay more out of their pockets for health care than in 1965 in added deductibles and co-insurance is simply unacceptable.

With health care costs rising 50 percent faster than the general price level, and elderly health expenditures more than three times that of the average 16 to 64-year-old, it makes no sense to add to their out-of pocket health bills.

Senator Church and I plan to introduce legislation this week to freeze the Part A medicare payment which had been scheduled to rise by more than 10 percent.

To improve elderly health care this year, we provided start-up grants for home health care, encouragement of geriatric specialties and the establishment of a Commission on Mental Health Care for the Aged, in the Nurse Training and Health Services Act. But we had to override a Presidential veto to do it.

Although the National Health Insurance legislation I introduced this year also has a new grant program for home health care services. I have asked the Committee for National Health Insurance to study the possibility of including in a revised bill next year a full range of long-term care services, as the National Council on the Aging's policy statement recommends.

Ultimately, removing the final barrier to quality health care means enactment of a comprehensive national health insurance program.

We remain the only industrialized nation without a national health insurance program. And that is inexcusable as we approach our bicentennial.

If we want a bicentennial monument that will be looked back on by our descendants as truly meaningful, let us enact a National Health Security program that brings the highest quality care to every citizen at a price he can afford.

I want a health care system that covers workers all of the time, so they don't lose their health protection when they change their jobs or when they lose their jobs.

I want a health care system where they ask how sick you are when you enter a hospital, not how much insurance you carry.

I want a health care system where quality health care is a basic right for all Americans and not just an expensive privilege for the few.

And I am here to tell you that I need your help and I want your help to see that these principles of health security are enacted into law.

DECENT HOUSING

A third challenge facing us is to assure the elderly decent housing, so that no one faces unsafe or deteriorating living conditions. All too often the lack of adequate housing is the real reason for individuals being forced into a nursing home that is more costly, in dollars and in independence.

That is why we have just witnessed a tragic chapter of history. Congress last August passed an extension of Section 202, one of the best and most successful subsidized elderly housing programs ever developed.

For nine months, the Administration did not even propose to issue regulations. They asked for no funding at all in their budget; even though Congress had appropriated some $215 million for that program last December. I wrote the Comptroller General in protest. He ruled that the failure to spend the $215 million constituted an illegal impoundment. But he said it was too late to go to court.

Then HUD issued draft regulations which totally violated the congressional intent and virtually insured the program would not work. But they have been rejected.

Finally, I can tell you that we have passed a new $315 million appropriation—all for permanent financing—and we hope that more than a year after its passage, this vital program will finally begin producing adequate housing for the elderly.

TRANSPORTATION, NUTRITION, AND EMPLOYMENT

A fourth challenge is to achieve federal leadership in the area of crucial services like transportation and nutrition and employment.

We must provide adequate public transportation so that the elderly are not isolated. We passed a program in the Older Americans Act to experiment with special fare and no fares. Even though the Administration has opposed that program, we intend to see it move forward.

We must multiply the nutrition programs for the elderly. I authored the original legislation three years ago in the Senate, and we know now that the program works and works well. Yet the Administration proposed to send $25 million that we had appropriated back to the Treasury instead of spending it on increasing the number of hot meals available to the elderly. We have rejected that proposal.

We must expand the opportunities in employment so that the elderly are not shut out of the job market. The Title IX Older Worker Community Service Employment Program that I introduced, which was based on the experiments pioneered by this organization, is a first step. My bill to expand and extend it for three years has been adopted and I am pleased to report that it will survive the current Senate-House Conference. It authorizes 190,000 part-time jobs over the next three years.

OUR ATTITUDES TOWARD AGING

Finally, as we look beyond the immediate challenges, and into the future we must change our attitude toward aging.

Too often we display an attitude that all of the skills, all of the experience and all of the knowledge that men and women have acquired in their careers disappear like Cinderella's Coach at age 65.

Old age cannot be allowed to be a time of silence, a time of isolation, or a time of inactivity.

Benjamin Franklin replied long ago, when asked his age, "I am in the prime of senility." For those who would question that tart reply, let them recall that it was at age 69 that Benjamin Franklin helped draft the Declaration of Independence. It was from age 70 to 79 that he served as Ambassador to France. It was at age 81 that he participated actively in the Constitutional Convention that set this nation on the democratic road it has pursued for two centuries.

This Conference honored four individuals Tuesday night—Governor Averell Harriman, Artist Abraham Rattner, Educator Benjamin Mays and Ollie Randall. All beyond the 80 year-old threshold and all still contributing impressively to our nation.

We forget too often that the exceptional older men and women in public life are multiplied a million-fold by men and women who in their own communities and in their own ways still have a great deal to contribute to their families and their nation.

We must find ways to break down the barriers of age discrimination—not just in employment where the age discrimination in the Aging Act still requires far greater enforcement—but in education, in civic affairs, in the arts and in community activities. We must insure that those with the capacity to contribute and the will to contribute are given the chance to contribute in our third century.

In these ways, we can change our attitude toward aging. We can tear down the barricades. And we can open a new path to improving the quality of life for the nation's elderly.

We have the resources to insure that the heritage of old age is one of dignity not despair. We have the resources and we have the capacity. It is only to be determined whether we have the wisdom.

If we stand together, if we keep faith with our two centuries of tradition, and if we keep faith with ourselves, then we can achieve a richer quality of life and a new standard of social justice for all Americans, young and old alike. This third century will then be a century of promise, of hope and of justice.

RODINO ANNOUNCES HEARING ON PROFESSIONAL SPORTS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. **RODINO**) is recognized for 5 minutes.

Mr. **RODINO**. Mr. Speaker, on Tuesday, October 14 the Monopolies and Commercial Law Subcommittee will meet during the congressional recess to consider the bill H.R. 2355, to protect the civil and constitutional rights of professional athletes.

A public hearing is scheduled for 11 a.m. on the 14th, in room 2141 of the Rayburn Building to hear from representatives of the National Football Players Association, and from Commissioner Pete Rozelle of the National Football League.

"DEPOLITICIZING" SALARIES OF MEMBERS OF CONGRESS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. **HARRIS**) is recognized for 5 minutes.

Mr. **HARRIS**. Mr. Speaker, today I am introducing a bill which completely revamps the procedure for setting and adjusting the salaries for all Members of Congress. In recent months, we have been through the "heat of battle" and have struggled with the question of the best possible method—now, how much, and when.

My bill would in effect provide that in order to receive any salary adjustment, Congress would have to enact legislation and set the effective date, which in my view should be for the next elected Congress. My bill would hold the salaries of Members of Congress to the rate in effect on September 30, 1975 and in order to change that rate a new law would have to be enacted.

Under existing law, there are two measures which deal with Members of Congress salary rates. First, there is the Quadrennial Commission procedure established by 2 United States Code, sections 325–361. Under this procedure, a nine-member Commission on Executive, Legislative and Judicial Salaries meets every 4 years to review rates of pay for Members of Congress, other positions in the legislative branch, officials of the judicial branch, executive-level positions in the executive branch and Governors of the Board of Governors of the U.S. Postal Service.

The Commission reviews the rates of pay of the various groups affected and makes recommendations on pay adjustments to the President who then incorporates an adjustment in the next fiscal year budget. Under this law, the President's recommendations become effective in 30 days following transmittal of the budget unless in the meantime other rates are enacted by law or at least one House enacts legislation specifically disapproving all or part of his recommendations. Thus, under this procedure the rates of pay for Members of Congress can be changed every 4 years. Practically, Congress does not set the rates, but in effect does if one House intercedes and disapproves the President's recommendations.

Another layer was added to this process when we enacted H.R. 2559 which passed the House on July 30 and is now Public Law 94–82. This law brought Members of Congress and others covered by the Quadrennial Commission procedure, into the annual comparability process which formerly covered only general schedule employees. As we all know, under this procedure the President's agent—the Office of Management and Budget and the Civil Service Commission—and the Advisory Committee on Federal Pay make a recommendation to the President, after comparing Federal salaries with those in private industry. The President can propose an "alternative plan," as he did on August 29 by recommending a 5-percent cap instead of the 8.66 percent recommended by his advisers.

Thus, under current law, Members of Congress will receive an annual comparability adjustment; if the President proposes an amount differing from that of his advisers, the Congress can overturn it by a resolution of disapproval, as I attempted on October 1 in the House.

Both of these procedures in my view have the potential of becoming very politically charged. The comparability procedure, in particularly, created a politically tense atmosphere and I have no doubt that unless we take Members of Congress out of this procedure, we are going to be faced every year with a difficult political decision. It is unfair to tie the salaries of Members of Congress with other Federal, legislative, and judicial employees. We should not hold their salaries hostage because of the difficulty of deciding on our own raises. I supported the bill when it came before the House in July; I now think including Members' salaries in the bill was a mistake.

I voted for H.R. 2559 because I wanted to give some small relief to those Federal and other executives whose salaries have been frozen for 6 years. It was unfortunate that we did not and could not sever Members of Congress from that bill. I fully realize that the intent was to take our own increases out of the political arena. But given the President's authority to propose an alternative plan, the salary question is thrown back into the political arena, right into our laps. And as long as the President has that authority, I am certain that every year we will be faced with the challenge to disapprove his plan and thereby vote on our own pay raise.

Many hours of work and effort in this House have led me to introduce this bill.

The last few weeks have demonstrated clearly to me that we have to have a better, more objective, and fairer system. First, the Post Office and Civil Service Committee failed to report my resolution, House Resolution 688, disapproving the 5-percent adjustment. Then, I sought support for and action on a bill limiting Members to 5 percent this year, in an effort to separate the Federal employees salaries adjustment from that of Members. That effort did not gain significant support.

Next, the House on October 1 voted 278 to 123 to table the resolution of disapproval, not even allowing debate on the merits. Many Members have indicated to me their desire for adequate salaries for Federal and military employees. And many have communicated more strongly their own skittishness about voting themselves a "pay raise." The motion to table House Resolution 688 was no doubt difficult for all of us. If it proved anything, it demonstrated to me that the only answer is my bill.

My bill would accomplish two things: It would separate Members of Congress salaries from those of Federal employees, thus giving us the opportunity to vote on each separately on their individual merits. Second, my bill would allow every Congress to enact salary legislation whenever the Congress desired and to set whatever effective date the Congress wished. That date, I believe, should be far enough in advance so that no Congress would vote themselves a pay raise. This is the only fair, equitable, and responsible way to deal with this question.

COMMUNIST NORTH KOREA'S WORLD PROPAGANDA CANNOT CHANGE FACTS: SOUTH HAS WON RACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 30 minutes.

Mr. LEGGETT. Mr. Speaker, the world is continuously bemused by the plethora of North Korean Communist $40,000 advertisements which appear in American newspapers. The copy on its face would appear to be struggling to explain to the world the peaceful aspirations of the North Korean Communists and the threatening menace posed by the South Koreans. Perhaps due to a cultural and language barrier, they just cannot get their point across.

What does come across, however, is the intransigent personality cult of this 30-year old Communist government fully absorbed in the cliches and breast beating, abandoned by their Communist brethren at least a decade and a half ago. No figures of economic, human liberty or cultural development are presented—only breastbeating and threatening dogma.

Take the $40,000 Washington Post advertisement of last month—September 7, 1975—the ad is dominated by the somber portrait of Kim Il Sung. He is referred to as glorious, noble, and beloved at least one dozen times. Sung states that his "advanced Socialist system is self-supporting with a brilliant culture, is effecting new innovations and leaps forward in all spheres and construction." He presents no facts whatsoever.

The major progress claimed as in ideological revolution when "great changes are being effected in the mental qualities of the party members and working people"—"the revolutionary ideology with one mind and purpose with unbounded loyalty"—"loyalty to the party and political zeal that will grow mightier hastening the complete victory of Socialism." The North is not aware that we call this 'sadistic brainwashing" in this country.

He next accuses the United States of a desire to invade North Korea, and "that these maneuvers create the danger of another war breaking out at any moment." He indicates a desire to wipe out the United States and unite Korea under proper Socialist doctrine. What Sung ignores is that all threats of war come from his own lips and that he is the only one who ignited the last fire of war. He indicates that "as long as the United States is in Korea, he will carry on a forceful struggle to drive us out."

He suggests elections in Korea on unification, ignoring the fact that Park Chung Hee in a recent election obtained a strong vote of confidence. He suggests that the United States will be pushed out of Korea just like Vietnam, but he ignores the fact that South Korea is unified against the paranoid North and are not splintered like Vietnam.

He suggests a coalition government ignoring the fact that the coalition between moderates and fanatic Communists in Laos led to the latter's domination in but a few months.

Sung suggests he would like to talk to Kissinger and conclude a peace for Korea, but South Korea would really be crazy to fall for this one.

Sung talks of militant solidarity with the third world of lesser developed countries and overtly encourages them to withhold natural resources to "shatter the old economic order." He clearly wants complete international chaos out of order, and he states this when he says:

> The entire people in North and South Korea will, in firm unity, wage a nationwide struggle and thus frustrate the maneuverings of the internal and external partitionists and definitively reunify the divided country.

As opposed to these aggressive international gesticulations, on August 20, Park Chung Hee said simply:

> If the North Koreans gave up their objective of unifying the whole of Korea by means of force and violence, and if they accepted peaceful coexistence with us, then I would immediately repeal the emergency measures I have taken and I would take much more liberalized policies.
>
> If Kim really intends to seek the unification of this country by peaceful means and not by military force, it would not be meaningless for me to meet with Kim Il Sung and talk about the unification of this country.
>
> As long as Kim thinks that he must communize the whole country by military means, it would just be a waste of time for me to have any direct dealings with Kim Il Sung.

As opposed to the breast beating of North Korea, the simple, unassailable facts indicate that South Korea has won the race of development from the north.

Today, just 30 years after its liberation on August 15, 1945, the republic is a rapidly emerging modern state literally throbbing with mushrooming modern industries that promise yet another major industrial takeoff.

The thriving results of the phenomenal growth of this nation, which in fact began in the 1960's on the basis of political stability and a dynamic leadership, are virtually ubiquitous. Seoul, the capital city which was reduced to ashes during the Korean war, is now a bustling modern metropolis with 6,500,000 people. The high rise skyline of the city is continually changing with new construction of skyscraper office and hotel buildings and towering apartment complexes. Just a year ago. Seoul dedicated a subway system built mostly with domestic engineering know-how. Other major cities are all linked by multilane expressways.

Sprawling ultramodern industrial complexes dot the nation's coastal as well as inland regions including the colossal integrated steel works at Pohang on the southeastern coast, which is to double its production capacity to 2,600,000 tons a year soon; plus several oil refineries whose combined capacity runs to 435,000 barrels a day; and in addition the mammoth Hyundai Shipyard at Ulsan, also on the southeastern coast, which has already built two 260,000-ton oil supertankers for a Greek shipping magnate.

There is a plethora of other flourishing industries whose products range from plywood, cement, textile, and leather goods, and wigs to sophisticated electrical and electronic devices, most of which are exported in increasing volume.

Industrial buildup and modernization, which accounts for an average annual economic growth rate of 10 percent since 1964, one of the highest rates in the world, agriculture nonetheless grew at an impressive pace, marking up a yearly 5-percent increase in crop yields since the mid 1960's.

The stage for this unprecedented economic upsurge of modern Korea was set with the successful implementation of the two consecutive 5-year economic development plans which preceded the current third 5-year plan.

During the first 5-year period, the Nation's economy chalked up an average annual growth rate of 8.3 percent, with secondary industry registering as high as 15-percent growth.

This second-phase period from 1967 through 1971 saw the economy grow at a yearly average rate of 11.4 percent, far outstripping the planned 7 percent. Significantly, the mining-manufacturing sector expanded by an average of 21.1 percent a year and tertiary industry at 13.3 percent, indicating the increasing formation of a solid industrial base to back up the fast-expanding export industries.

In 1971, exports soared to $882 million which in the following year amounted to more than $1,620 million. Exports further zoomed to $3,266 million in 1973 when the annual economic growth rate soared to an all-time high of 16.9 percent.

But the Republic, with a series of ingenious and determined emergency economic measures, was able to weather the worst part of the severe international economic storm. As a result, the Nation's exports surpassed the targeted $4,500 million last year, the third year of the third 5-year plan period, while the overall economic growth rate registered 8.2 percent, bettering the year's goal of 8 percent.

For this year, the penultimate year of the third 5-year plan, the economic growth rate is set at a moderate 7 percent and the export target at $6,000 million. Barring any new major international economic deterioration, the nation expects to boost its exports to $10,000 million and its per capita gross national product to $1,000 by the early 1980's.

Why this success? One obvious reason is the nation's attractive, ever-widening investment opportunities that advantageously combine with Korea's abundant, industrious, and yet inexpensive labor that can quickly adapt to new skills.

While the nation's diverse manufactured goods are being bought by more than 100 countries abroad, tens of thousands of Korean skilled and professional workers are helping various projects in many parts of the world. The contracts won by Korean construction firms for overseas projects so far this year, for instance, totaled nearly $289 million. These contracts come from the Middle East, Southeast Asia, and the Pacific region where Koreans have been already building highways, harbors, and other development facilities.

The dramatic growth of the Republic in the short span of less than a decade and a half presents a striking contrast with the faltering general economy of North Korea where the Communist monolith has assigned its major priority to the development of military industry.

The GNP of the Republic of Korea, with a population of 33,459,000, reached $17,160 million in 1974, more than three and a half times bigger than the $4,820 million of North Korea, which has a population of 15,900,000. The South's per capita income of $513 last year dwarfs the North's $313. The North's exports, amounting to $520 million in that year, are no match for the South's $4,700 million. In virtually all major economic sectors, from heavy industry to agriculture, the South stands far ahead of the North.

The contrast is even more remarkable in view of the fact that the North has more natural resources than the South, and the North had the advantage of an industrial base.

These are the simple facts as most Americans understand them, paid advertising not withstanding. Americans look to the day when the Koreas can either unite in peace or jointly join the United Nations and continue their economic competition in peace.

U.S. CITIZENS HELD BY CUBA

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, many in this Chamber and elsewhere have recently joined a rising chorus of calls for a reexamination of this Nation's policy toward Cuba. As one who believes that there should be a thorough periodic reexamination of our foreign policy, I do not oppose such a study. I do believe, however, that such a review must take into account the sordid record of the Castro government which led to the split between the United States and Cuba. Moreover, such a review should take note of Castro's continuing hostility toward this country as evidenced by his recent hypocritical claims about the status of Puerto Rico and by his continuing refusal to allow U.S. citizens in Cuba to return to this country.

The Miami Herald of September 13 contained an excellent article outlining the plight of the 800 U.S. citizens in Cuba which, I believe will be of interest to all Members interested in U.S. policy toward Cuba.

UNITED STATES STILL GIVES AMERICANS HELD IN CUBA TOP PRIORITY

(By Frank Soler)

The plight of 800 Americans stranded in Cuba remains one of the most formidable obstacles to a more friendly attitude between the Caribbean island and the United States.

The Americans want to leave Cuba, but the Fidel Castro regime steadfastly has refused to let them go, claiming that although they hold U.S. citizenship, they also are Cuban nationals by birth.

The refusal has created a tense situation which the United States insists must be resolved if there is to be any warming of relations.

The issue of these "fireside" Americans, as Fidel Castro once called them because of their "dual nationality," most recently was alluded to by U.S. Secretary of State for Inter-American Affairs William D. Rogers.

Speaking in Washington earlier this week, Rogers listed the fate of the stranded Americans among the top-priority problems to be resolved on the way to improved relations with Cuba.

Resolution of the thorny question may be difficult, however.

For Cuba, U.S. officials say, has shown no willingness to budge from its present rigid stance regarding the American citizens and their relatives. Neither have there been any indications that Cuba might revise that stance in the near future they say.

"We really don't expect any immediate shift in their position," says on U.S. official.

He cautions that little progress can be made until "some willingness to release the Americans" is shown by the Castro regime.

"It is not a simple matter," another official concedes. "The Cubans feel justified in retaining them because they consider them Cubans in spite of their American status. And we feel justified in requesting that they be permitted to leave the island because they are U.S. citizens in spite of their Spanish surnames.

"As far as we are concerned, there is a group of Americans being detained in Cuba against their will. The Cuban reaction is not that of a nation that wishes to engage in friendly exchanges with us," he says.

The issue dates back almost to the time of the diplomatic and commercial estrangement of the two neighboring nations Jan. 3, 1961.

Succeeding years saw a number of these Americans—most of whom had become naturalized here—fail in efforts to leave the island despite strong U.S. efforts to gain their release.

Finally, in 1966, the United States called on assistance from Mexico, which had retained relations with Cuba.

The Mexican government flexed some diplomatic muscle and neogotiated two initial repatriation flights in December of 1966 and two more the following year. The four flights carried 312 American citizens and their Cuban relatives out of the island.

The first flights came at irregular intervals. It was not until January 1968, that the flights were stabilized to once a month.

After the flights were regularized, Mexican government aircraft flew an average of 80 passengers, including Americans and relatives, from Havana to the border city of Matamoros, Mexico, where they were processed before entering the United States.

The flights were abruptly terminated by Cuba in August 1970.

There have been no flights since—and no public explanation why the flights were canceled at that time.

More than 2,000 American citizens and their relatives had left the island on 33 flights by then. That left another 800-plus citizens and about 1,400 relatives behind.

They are still there.

Many of them are out of jobs, which they lost as a result of their efforts to leave Cuba.

This has prompted the U.S. government to grant them subsistence loans until that time when they do manage to leave the island.

There are no precise figures on the loan total as of this time. U.S. officials are reluctant to discuss them.

But the totals must have surpassed the $1 million mark by now, considering that more than $750,000 had been spent on supporting the Cuban-Americans by late 1971.

The breakdown at the time indicated that some 200 hardship cases were receiving an average of between $14,000 and $15,000 monthly then.

The maximum amount that an adult American stranded in Cuba in 1971 could receive was $120 monthly, up from $100 in 1969. Children were being allotted up to $40 a month.

The figures probably have not varied much since then. They likely will continue to escalate the total loan amounts until the "fireside" Americans are allowed to depart.

COLLEGE HOUSING PROGRAM

(Mr. PATTEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATTEN. Mr. Speaker, this past Friday, I gave my support to the conference report of H.R. 8070, making appropriations for the Department of Housing and Urban Development and independent agencies. With very few exceptions, I thought the bill to be a good one representing conscientious efforts by both Houses to strike a balance between fiscal restraint and responsible program support. I was particularly pleased that the House and Senate committees included language that provides for the restoration of the modest college program which I have long advocated.

As some of you may recall, I stood on this floor 10 months ago asking my colleagues to remove the college housing program from the rescission bill sent to us by the administration. At that time, I indicated that the most important arguments in favor of the restoration of the program are contained in reports that occupancy of college housing is increasing and that this trend signaled the continuing need for the college housing interest subsidy program that the administration proposed to eliminate.

As further verification of the trend toward much higher occupancy rates in colleges and universities across the country, I urge my colleagues in the Congress to refer to the following two pieces, one

appearing in the September 2, issue of the Chronicle of Higher Education and the other, excerpts from the September 26, issue of the Wall Street Journal:

[From the Chronicle of Higher Education, Sept. 2, 1975]

DORMS WILL BULGE THIS AUTUMN

(By Jack Magarrell)

Most college dormitories will be filled to near-capacity when classes resume this fall, and more than a few will be jammed beyond their normal capacity, the Association of College and University Housing Officers has reported.

A spot check of campuses across the country indicates the average occupancy rate for residence halls this fall will be about 98 per cent, the association found. That would equal the rate reported last fall, when an upsurge in dormitory applications reversed a four-year trend of empty rooms.

On the avearge, dormitories may be a little more crowded and waiting lists a little longer than they were last year, said Dale W. Meador, a member of the association's research and information committee.

Compared with last year, enrollments generally are expected to be larger this fall. At the same time, there has been little construction of new dormitories. The building of new student housing has been discouraged, not only by the empty rooms of just a few years ago, but also by population projections that indicate a substantial decline in the number of high-school graduates during the 1980's.

Last year the occupancy rate for residence halls nationally increased for the first time in five years, according to information from 353 institutions surveyed by the housing officers' association.

The major factors generally credited with last year's upturn apply this year with no less impact:

Economically, dormitory contracts have become more favorable in comparison with off-campus living costs. Although board and room rates for students living on campus have increased, inflation has boosted the cost of living off campus even more rapidly in many areas.

Socially, dormitories have become more attractive, with fewer restrictions and more programs designed to satisfy student interests.

The demand for dormitory rooms might be even greater if it were not for the parttime and older students who constitute an increasingly large segment of total college enrollment.

THREE STUDENTS TO A ROOM

Reports of residence halls booked to capacity for fall have been frequent this summer. Some institutions have long waiting lists.

It is not uncommon for colleges and universities to commit dormitory space beyond normal capacity, usually by assigning three students to a room that would normally house two. For some students the triple-occupancy is a year-long arrangement; for others, a temporary condition that will end after the beginning of the semester, when some students fail to show up and others drop out.

At Western Illinois University, where Mr. Meador is director of residential facilities, dormitories this fall are expected to be filled to 100 to 102 per cent of normal capacity.

Mr. Meador said preliminary reports on dormitory applications for this fall indicated that East Coast colleges and universities again would average more than 100 per cent of normal capacity. Occupancy rates in the Upper Midwest, the Great Lakes area, and the Southwest probably will increase slightly over last year's, he said.

Dormitory occupancy reached 98 per cent nationally last fall, after three years at 96 per cent. It had dropped from 98 per cent in the fall of 1969 and 97 per cent in 1970.

The table below shows regional differences in the percentage of normal capacity of dormitory beds assigned to single students in 1974–75, according to the housing officers' survey:

[In percent]

	Public	*Private*
Northeast	102	99
Mid-Atlantic	101	98
Southeast	97	100
Great Lakes	98	97
Upper Midwest	93	96
Southwest	92	94
Intermountain	100	94
Northwest	95	98
California	98	101
Total	97	98

Arizona State University reported its occupancy rate last fall was 102 per cent, even after 450 students had been turned away. This fall; said Russell Flaherty, housing director at Arizona State, the rate will be just as high and the number of students turned away will be even higher—about 600 or 700. Increased demand for rooms forced Iowa State University to stop accepting dormitory contracts for this fall back in May. To accommodate more students, the university said it would convert over 600 of its double rooms to triples this fall and provide temporary housing for some students in recreation areas and conference rooms in the residence halls.

The high demand for residence-hall rooms is attributed by officials at Iowa State to an increase in enrollment and a "competitive" board-and-room rate of $330 per quarter.

Washington State University has reported a shortage of housing for students for this fall, even though it plans to open a new unit that will house about 450 additional students.

University housing hasn't been available for transfer students at Washington State since June 1.

This summer, housing officials at Washington State urged students to let them know if they changed their minds about enrolling in the fall, so their dormitory beds could be assigned to others.

Among the universities expecting a greater number of students and no additional dormitory space in which to house them is the University of Kentucky. Residence halls on the Lexington campus were booked solid by midsummer, the university reported, and last week there were about 700 undergraduates on the waiting list.

[From the Wall Street Journal, Sept. 26, 1975]

BACK ON CAMPUS—MORE COLLEGE STUDENTS WANT TO LIVE IN DORMS, AND ROOMS GET SCARCE

(By Vasil Pappas)

* * * * *

* * * dormitory space at the University of Utah has suddenly become scarce. All 2,374 student housing spaces at Utah are filled this year and more than 600 students are on the housing waiting list.

NATIONWIDE TREND

And at many other colleges and universities, the trend is similar. Some examples:

Arizona State University, which turned away 450 housing applicants last fall when its dorms unexpectedly filled to 102% of designed capacity, rejected 600 to 700 housing applicants this year.

Washington State University is still short of space, with 50 students on a housing waiting list, despite the opening this year of two new complexes housing 450 students.

Iowa State University, which had 950 students on the waiting list this summer, has added more than 600 beds by converting recreation and conference rooms in dormitories to bedrooms. The university also has leased the former clubhouse of a nearby country club and the fifth floor of the student union to house 90 additional students.

The University of Kentucky's Lexington campus, which had 700 undergraduates on its waiting list when it opened in August, asked hometowners to take in students and lined up two motels at reduced rates for 180 to 200 students.

And Pennsylvania State University, where dorms are perennially filled, says 2,100 students seeking housing were turned away this year, nearly twice the 1,100 rejected last year.

* * * * *

The sudden shortage of dormitory space at many campuses is attributable, college housing officials say, mostly to two factors: the recession, which has reduced the amount of money that students, and their parents, can spend, and inflation, which has ballooned the cost of renting apartments and buying meals off campus.

And the housing squeeze is being aggravated, ironically, by the success of campus administrators in revamping their housing policies and facilities to make dormitory life more appealing to students.

* * * * *

* * * last year's slumping economy abruptly reversed the dormitory exodus. Nationwide occupancy rates rose for the first time in five years, to 98% last year from an average of 96% from 1971 to 1973. This year occupancy may well top 98%, according to Dale Meador, who annually surveys dormitory occupancy for the Association of College and University Housing Officers.

MUCH MONEY INVOLVED

"Occupancy is definitely on the rise across the country," Mr. Meador says, based on his preliminary survey of 500 of the nation's largest schools. "The 2% increase is a very significant figure," he adds. "It represents approximately 20,000 beds, or roughly $14 million in gross revenues" for the schools.

At Western Illinois University, where Mr. Meador is director of residential facilities, occupancy is 100% this year.

* * * * *

When dorms at the University of Wisconsin, River Falls, were only 76% filled in 1973, administrators converted some of the extra space to offices and a day-care center and some into a halfway house for alcoholics and drug addicts. But occupancy has climbed to 95% this year, and that figure "doesn't describe how full we really are," says Bruce Schlegel, assistant director of housing. The university took back two dormitory floors that had been earmarked for guest housing to get an additional 70 beds for students, and it assigned roommates to 89 of the 250 students originally promised single rooms.

"If demand continues to increase, we'll convert lounges and use temporary housing before we begin cutting back on the 50 spaces in the halfway house," David Reetz, director of auxiliary services at River Falls, says.

Many schools are meeting the housing problem by deliberately assigning more students than dorms were designed for. Mississippi State College, Starkville, which last year reached capacity for the first time in recent history, this year has overassigned 150 women three to a double room and has rented blocks of rooms in two local motels. And at Michigan State University in East Lansing, where occupancy fell as low as 90% by the end of 1971, school dorms are 9%

above capacity and more than 1,600 rooms are overassigned.

"We usually start the year overassigned, and then the situation corrects itself with normal attrition," Robert Underwood, manager of residence halls at Michigan State, says. "We expect it to be normal by January or February."

Mr. Meador's nationwide survey found that private schools average slightly higher occupancy rates in their dormitories than do the state schools. The disparity arises from the fact that about three-fourths of the private schools require some students to live in residence halls, while about half of the public schools allow students to stay anywhere.

But even so, private colleges and universities are also experiencing increased demand for dormitory rooms. At Boston College, where all 5,800 dormitory beds are filled each year, the current school session began with a housing waiting list of 400 students, up from 250 a year ago. At the University of Denver, where upperclassmen get first chance at the 2,000 dorm rooms, the percentage of them living on campus has surged to 35% this year from 13% in 1970.

Since the establishment of the Housing Act of 1950, there has been a college housing program providing for long-term, low-interest loans to colleges and universities to build dormitories and related facilities. These low-interest, 3-percent loans provided the necessary capital for many institutions of higher education to build dormitories and to rent them at rates that students could afford. The loans were discontinued in 1968 when the Congress established the college housing interest subsidy program and it was that program that was rescinded by President Ford last December.

Despite the fact that the rescission of the interest subsidy program was accepted by the Congress last year, the appropriations committees now recognize the continuing need for dormitories, apartments, student unions, dining halls, and infirmaries as well as the need for renovation and repair of facilities at many colleges and universities. This bill does not provide new money for college housing but merely directs the Secretary through both committee reports to use the repayments on existing loans for new loans to colleges and universities that have specific needs described in the reports.

In my own State, Rutgers, the State University, has a serious need for new living quarters for both undergraduate and graduate students. By directing the HUD Secretary to use the principal portion—not the interest—of the repayments for new loans to colleges and universities, Rutgers and other colleges and universities will be able to build dormitories and apartments and rent them at rates that students can afford.

The texts of the House and Senate report language on college housing follows:

[From House Report 94-313, HUD Appropriations]

COLLEGE HOUSING

Although recent studies have shown that there is no current need for a national college housing program, some institutions are experiencing shortages of dormitory and cafeteria space. In response to these selected needs, the Committee directs the Department to utilize repayments of principal on outstanding loans for the completion of unfinished college housing projects and for selected projects to help solve fuel and environmental problems. For example, these funds should be used for projects which have been started but have only partial permanent financing; projects that are phased programs with the first phase constructed or under construction, but which lack the financial ability to undertake a necessary second phase which is essential if the program is to work efficiently; and the provision of capital funds for the rehabilitation, alteration, conversion, or improvement of heating-cooling systems so as to effect a substantial economy in the use of fuel and operating costs.

[From Senate Report 94-326, HUD Appropriations]

COLLEGE HOUSING

The Senate concurs with the House in directing the Secretary to reestablish the College Housing Program by utilizing the repayments of principal on outstanding loans. In rescinding the College Housing Interest Subsidy Grant Program in December 1974, the Congress acknowledged that there is no longer a pressing national need for financial assistance to colleges and universities for the construction of dormitories and related facilities. Since then, however, national survey data and specific appeals from educational institutions indicate that there still exists sufficient localized need to justify continuation of a modest housing loan program as recommended by the House.

Future repayments of principal on existing loans should be made available for projects that have been started but have only partial permanent financing; for projects that are phased programs, including approved master plans, with the first phase constructed or under construction; for projects at colleges and universities which have severe shortages of dormitories and related facilities and which can demonstrate to the satisfaction of the Secretary that future student use will be sufficient to sustain repayments and thus minimize defaults; and for projects involving the rehabilitation, alteration, conversion, or improvements of existing eligible facilities so as to achieve substantial economy in the use of fuel and operating costs.

TENTH ANNIVERSARY OF SOUTHERN ILLINOIS UNIVERSITY, EDWARDSVILLE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, on October 13, 1975, Southern Illinois University at Edwardsville will mark the 10th anniversary of the opening of its facilities at the Edwardsville campus.

As we all know, our educational system is one of the most important aspects of the American way of life. Our country's elementary and secondary schools rival any ever seen on this Earth in any period of its history. But we have not stopped there; rather, we have built a system of postsecondary institutions throughout this Nation which gives lie to the age-old belief that higher learning is the privilege of the few. Indeed, we have made such an education the right of the many.

Southern Illinois University at Edwardsville is just such an institution of higher learning. With enrollments in recent years averaging approximately 12,000 students, of whom I am proud to say many are my constituents, this campus has given uncounted students the opportunity to pursue their education—students who otherwise might have found it financially impossible to attend a private college or a State university outside their local area.

SIU-E's success can be seen by comparing the schools of 1965 and 1975. Ten years ago the campus consisted of only a few buildings—Lovejoy Library, Peck Classroom Building, and a few others which were, in short, the bare essentials. Today the campus includes every facility necessary to the functioning of a modern university and is still growing. Indeed, part of this 10th anniversary celebration will include the dedication of additional housing units at the campus' Tower Lake housing site.

Yet a university cannot be judged by the size of its campus or the number of its facilities alone, any more than a nation can be judged only by the length of its railway system or the wealth of its resources. In both cases it is the people who provide the spirit, the essence which makes the campus or country what it is.

I would be remiss, then, if I did not mention those people whose efforts allow me today to discuss the remarkable achievements made by Southern Illinois University at Edwardsville after only 10 years of operation—the faculty and administrative personnel, former President Delyte Morris and former Chancellor John S. Rendleman, who became the first president of SIU-E after its separation from the Carbondale campus of the university. Dr. Rendleman still holds this position and I believe he deserves a great deal of the credit for making SIU-E the viable institution of higher learning it is today.

Lastly, and perhaps most importantly, I would like to mention the students and alumni of the university. Any institution's reputation is only as good as the achievements of those who studied there can make it. In 10 years there have been many men and women who have studied at SIU-E, and there will be many more to come as the campus passes this 10-year milestone and moves on. Some of the students will become well known in the world, some perhaps will never be recognized outside their own circle. Yet to each of these men and women, SIU-E has given the opportunity to achieve and to enrich themselves as they see fit. This, in essence, is the goal of the university and in my opinion this goal is being achieved at SIU-E.

It is fitting that Southern Illinois University at Edwardsville marks this point in its existence during our Nation's bicentennial. In these times more than any other we need the strength of a well-educated America to continue where the last 200 years have left us. The men and women of SIU-E are just such Americans, and I am proud to represent these people and this institution in particular. I look forward to even greater achievements in the future.

OBJECTIVE VIEW OF THE FOOD STAMP PROGRAM

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, there has been such a spate of articles and editorials lately which have presented misinformation or biased information about the food stamp program that it is a relief to come across one that is accurate and objective. Today, I am inserting in the Congressional Record the following article by Kenneth Schlossberg, the former staff director of the Senate Committee on Nutrition and Human Needs. It is both objective and accurate. I hope other Members of Congress will take the time to acquaint themselves with the facts as opposed to the fictions about the food stamp program. The article appeared in the New York Times Magazine on Sunday, September 28:

Funny Money Is Serious

(By Kenneth Schlossberg)

A few years ago, to deal with the nation's so-called "welfare mess," President Nixon proposed a Family Assistance Plan that provided a guaranteed income for the nation's poor. It offered cash grants to establish an income floor for the jobless and, for the first time, cash supplements for millions of working families whose incomes fall below or just above the poverty line. Many welfare reformers considered this income-supplement provision crucial, for it seemed the only hope for families caught in the familiar welfare trap—since welfare benefits decline as a family begins to earn its own income, the head of a family receiving substantial welfare benefits can see no advantage in getting off welfare by taking a low-paying job.

To the dismay of reformers, FAP ran afoul of a cantankerous Senate. Liberals felt it offered too little; conservatives felt it offered too much. Yet in retrospect, the defeat seems somewhat ironic. For as FAP failed, another social program, food stamps, began to gather strength. Food stamps are coupons ("funny money") that can only be exchanged for food items at grocery stores—the purchaser cannot even use them to buy paper towels or soap. While Congress would not approve straight cash grants to the poor, it did approve the idea of "fighting hunger" with food stamps. And it has continued to approve, even as the value of food stamps available annually to a family of four with almost no income has risen to $1,994—far outstripping the original FAP assistance level of $1,600—and even though food stamps are available to low-income working families as well as the jobless poor.

The result has been that the food-stamp program designed to fight malnutrition among the destitute is also turning into an income-supplement program, with minimal nutritional impact, for the working poor—the very function FAP's income-supplement provisions were intended to fulfill. No one is sure if food stamps are helping poor families break out of the welfare trap, but there is no question that as the recession has deepened and unemployment has soared, food stamps are supplementing incomes on a scale that has grown to astonishing—some would say alarming—proportions.

Between November and June, the number of Americans using food stamps climbed 15 million to nearly 20 million. Government statisticians estimate that for every one percentage point increase in unemployment, an additional 500,000 to 750,000 persons use food stamps. Yet the stamps are increasingly popular with the low-income employed as well. Before the recent growth, the majority of families on food stamps were also on welfare of one kind or another. Now, for the first time, working families outnumber welfare families 55 per cent to 45 per cent.

As a social assistance program, food stamps are today second only to Social Security in magnitude and constitute a significant factor in the Federal budget and the nation's food economy. The Federal cost of the program this year will run about $6 billion. Food stamp users will invest another $6 billion in stamps. The total investment of $12 billion means that food producers, processors and retailers also have an important stake in the program.

These costs are enough to give the Federal Office of Management and Budget the shakes. But there may be more. There are probably another 20 million Americans who are legally eligible for food stamps but, for one reason or another, are passing them up, and the Agriculture Department is under two Federal court orders to recruit those missing 20 million, and to increase the amount of food stamps guaranteed to each family.

Because of their cost implications, food stamps have become the most controversial social program in the country. Late last year, before participation exploded, President Ford proposed a hefty cut in food-stamp benefits. Because of its particular provisions, the proposal would have hit hardest at elderly families, a special group in our society with political support disproportionate to their numbers. The heavily Democratic Congress, in its first action, resoundingly rejected the President's recommendation.

But that was only the beginning of what looks like a long struggle. The President has gained strength since then. He has recently appointed a special Food Stamp Task Force, under the aegis of the Domestic Council, to come up quickly with legislative proposals to halt the growth of food stamps and, if possible, even reduce the program's size. Treasury Secretary William E. Simon recently attacked the program as "a haven for the chiselers and rip-off artists," while the Republican Congressional leadership singled out the program for criticism in their recently released Legislative Agenda, charging that it has "bypassed the real intent of Congress to provide help only for the needy."

Under today's food-stamp program, only a few families—those with incomes of less than $30 a month—receive their stamps free. The rest pay something for stamps that can be exchanged for a larger amount's worth of food. A family that has been declared eligible receives a special card that it takes to a bank or post office in order to buy stamps.

A family of four with income at the top of the basic food-stamp eligibility scale of $6,480 a year pays $1,656 for its $1,944 "allotment" of stamps, for a "bonus" of $288, or $24 a month. As income declines, a family pays less and receives a higher bonus. A family earning $3,000 annually would pay $852 to purchase its $1,944 worth of stamps, for a bonus of $1,092.

Federal programs to feed the poor began in the nineteen-thirties and usually involved the distribution of farm surpluses. In fact, the purpose of the first programs was to raise farm incomes more than it was to improve the nutrition of the poor. In 1961, President Kennedy, who had had a depressing close-up view of the surplus-foods program during the West Virginia primary, issued his first executive order, which established pilot food-stamp programs in West Virginia and six other states.

This pilot program was rather puny, providing, on the average, $64 in stamps monthly for a mother and three children, for which the family paid $34 out of an income of $70. But even this minimal program was strongly opposed by Congressional conservatives who felt the surplus-foods program better served the interests of farmers.

The inadequacies of this pilot program shocked Senator Robert Kennedy when he visited the Mississippi Delta in April of 1967. Kennedy happened upon a two-year old child, almost naked, sitting on the floor of a dank shack. The child was rubbing several grains of rice round and round on the floor. Despite five minutes of talking, caressing, tickling and poking, the Senator could evoke no response from the child. The child's mother said they were subsisting on rice and biscuits, adding that she had no money to buy food stamps.

When Kennedy left the shack, he said: "I've seen bad things in West Virginia, but I've never seen anything like this in the United States."

This visit initiated a sustained effort to make food stamps and hunger a national issue, but despite Kennedy's concern, it was not easy going at first. Conservatives in Congress threw up a stone wall against any major food stamp reform. Agriculture Secretary Orville Freeman was reluctant to engage in a fight with the powerful Southerners who controlled the agriculture committees, for fear of risking their support for basic farm programs. President Johnson was suspicious of anything connected with Kennedy, the more so when it implied criticism of his own antipoverty effort. Besides, he was bogged down in the Vietnam war and had little flexibility for further domestic spending.

It wasn't until the Nixon Administration took office that the food-stamp issue really began to move. In April of 1968, a Citizens Board of Inquiry into Hunger and Malnutrition had issued a report, "Hunger, U.S.A.," stating they had found "chronic hunger and malnutrition" in every part of the country, estimating that 10 million Americans were suffering, and indicting the Agriculture Department and the food-stamp program for failing to alleviate the problem. A month later, CBS television broadcast a documentary, "Hunger in America," backing up the printed charges with film of an emaciated infant dying of malnutrition in a hospital ward.

This publicity barrage outraged House Agriculture Committee Chairman Bob Poage, a conservative Texas Democrat approaching his seventies. He wrote public-health officers all over the country, demanding to know if they were seeing hunger and malnutrition. The chairman of the House Appropriations Subcommittee on Agriculture, Jamie Whitten, a Mississippi Democrat, sent F.B.I. agents to interview everyone connected with the two hunger reports in hopes of finding fraud.

But two days after the Nixon Administration took office in 1969, the dispute was settled, at least on a scientific basis. Dr. Arnold Schaefer, director of the Department of Health, Education and Welfare's National Nutrition Survey, took the stand before the newly created Senate Select Committee on Nutrition and Human Needs, chaired by George McGovern, testifying that the survey has uncovered "malnutrition comparable to that found in less developed countries," and that malnutrition had caused some children to lag six months to two-and-a-half years behind normal growth.

Southerners and conservatives in Congress continued to resist the antihunger campaign, though, until one of their own, Senator Ernest "Fritz" Hollings, the handsome and eloquent Democrat from South Carolina, also sat down before McGovern and, in a moving *mea culpa,* admitted: "There is hunger in South Carolina." In large part, it was Holling's owning up to hunger at home and wanting to do something about it that would enable food stamps to succeed in Congress after FAP had failed.

Secretary of Agriculture Clifford Hardin, meanwhile, had been pushing for a Nixon initiative on food stamps. He had run into competition from Presidential Counselor Daniel Patrick Moynihan and H.E.W. Secretary Robert Finch, who were promoting FAP. President Nixon had decided he couldn't handle both ideas within his new budget, so he opted for FAP. But Hardin was invited to testify on May 6 by McGovern, who was in receipt of the Secretary's own far-reaching plan for food-stamp reform. The day before he was scheduled to appear, Hardin made a last ditch, personal plea to Nixon. Nixon changed his mind, giving Hardin the go-ahead, and the next day delivered a speech calling for a greatly expanded and reformed food-stamp program. In the back of his mind, though, the President expected food stamps to phase into FAP down the road.

Following the White House Conference on Food, Nutrition and Health in December of 1969, the President announced new national eligibility guidelines and new purchase-price and allotment schedules for food stamps. In January of 1971, Congress passed a number of food-stamp amendments sponsored for the most part by McGovern, ratifying the President's actions and specifying in the preamble to the act that every food-stamp recipient was entitled to a "nutritionally adequate diet." This was a significant change from the previous preamble, which said only that food stamps should "more nearly" assist families to obtain an adequate diet.

It was during and after this time, a period when FAP had become the focus of intense debate, that the food-stamp program began to take root and grow. By the end of 1970, four million persons were on the program's rolls. A year later, that figure had more than doubled. In the next two years, participation rose to 11 million, then 12 million.

A major breakthrough took place in 1973, during a Senate-House Conference Committee on farm legislation to which a few food-program amendments had been attached. Among the food amendments was a Senate proposal to update food-stamp benefits semi-annually, commensurate with rising food prices, and to require the surplus-food distribution program, still feeding three million persons, to provide a nutritionally adequate diet.

The conferees readily agreed to the first amendment. But when they came to the second, Poage, head of the House side, began sputtering. "Hold on, now," he said. "We have a food-stamp amendment to do that very thing. I don't see why we need two of these programs. We ought to have one or the other, but not both." Whereupon somebody explained that the only way to do that would be to make the food-stamp program mandatory nationwide, replacing surplus foods altogether. To the surprise of all, Poage, arch-opponent of feeding the poor, replied: "Well, then why don't we just do that?" It is of such accidents of fate that great social legislation is made.

By itself, the "Poage amendment" raised food-stamp participation to 15 million persons between the fall of 1973 and 1974. Switching Puerto Rico from surplus foods to food stamps added 1.9 million persons—about 80 per cent of the island's population. Food stamps are now worth more to Puerto Rico than all other Federal benefits combined.

In addition to all the other legislative changes since 1969, Poage's move set the stage for the food-stamp boom that began last November: the influx of the five million, mostly nonwelfare, working families. This group, including some with incomes well above what is ordinarily considered the poverty level, is fueling controversy over the program, for it is blurring the line between food stamps as guaranteed food income for the poor, and food stamps as an income supplement for hard-pressed working families.

The ability of the program to cross the line from an investment in better nutrition to an income supplement is the result of its unique design. "The whole driving force in the food-stamp program," says Paul O'Neill, deputy director of O.M.B., "is the existing law and regulations that specify entitlement."

What O'Neill means is that unlike any other current public assistance program, there is no arbitrary upper limit on income eligibility for food stamps. To calculate the amount of food stamps a family may receive, the Agriculture Department begins by figuring out how much money it will take a family to purchase enough food to permit it to follow a special "economy" diet plan. The department then uses this "allotment" figure to establish the level of income at which a family becomes eligible to receive food stamps. The allotment figure, the department believes, should not exceed 30 per cent of a family's income, since the family needs the other 70 per cent to cover other basic needs such as housing, utilities, clothes, medical and transportation expenses. A family becomes eligible for food stamps when it can show an income so low that the allotment level exceeds 30 per cent of it.

The purchase price—the actual amount a family will have to pay for its allotment of food stamps—varies according to income and family size. The average purchase price is 24 per cent of the family's income.

For many years, the basic eligibility level approximated the official poverty line, but as food prices rose sharply, so did the food-stamp allotment level, reflecting the automatic escalator in the law and the current cost of a minimally adequate diet. The allotment level is now $162 a month for a family of four, an amount that establishes the eligibility figure at $6,480, substantially above the latest official poverty line of about $5,000.

Actual gross incomes of some families using food stamps, however, may well exceed that basic $6,480 figure, because of a complicated series of deductions, not unlike the system of itemized deductions people may use in calculating their income for tax purposes. These deductions from gross income include state and Federal taxes, Social Security payments and union dues, medical fees over $10 a month, tuition and mandatory education expenses, alimony, child-support and unusual expenses associated with disasters, and any housing cost exceeding 30 per cent of the family's income after it has been reduced by other deductions. A family with more than $1,500 in assets cannot qualify for food stamps (the limit is $3,000 for a family with an extra older person) but the applicant does not have to include the value of a house and lot, a car used for work and household and personal belongings.

The theoretical implications of this income-eligibility system are a favorite subject of food-stamp critics. Last May, for example, Senator Herman Talmadge, chairman of the Senate Agriculture and Forestry Committee found that his morning edition of The Atlanta Constitution featured a front-page photo of food stamps and an open letter beginning: "Dear Sen. Talmadge: I just wanted to let you know how your Food Stamp program is coming along and to thank you for trying to help me and my family. I went down to the welfare office the other day and asked to sign up. I told the welfare lady I had a gross income of more than $400 a week, a $40,000 house, a three-acre lot, two late-model automobiles, and a wife and three children, one of whom will soon be going off to college. She asked me if I owned a boat or an airplane; I told her no because I didn't think anybody who owned a boat or an airplane could qualify for food stamps. She said that wasn't true. A lot of people who own boats and even a few who have airplanes can get food stamps. Anyway, we figured out all my deductions: Taxes, loan payments, work-related travel expenses, doctor bills, etc. And she said I could qualify for $180 worth of food stamps each month at a cost of $140." The open letter was signed by Bill Shipp, executive city editor.

While this ploy hit its mark—Talmadge now says of stamps: "People who need it, aren't getting it. Those who don't need it, are."—it was also misleading. On Shipp's income, $20,000 a year, he would need monthly deductions of more than $1,100 to bring his gross income down far enough to qualify. Under the assets rule, his second late-model car should have knocked him out immediately. And the caseworker who said that loan payments are deductible, while boats and airplanes don't count, should go back and read the rules. (If Bill Shipp had been serious and taken the stamps under false pretenses, he would have been liable for a $5,000 fine or five years in jail.)

A more reasonable example would be a four-person family with an after-tax income of $7,200 a year or $700 a month, well over the eligibility ceiling of $6,480 a year or $540 a month. On a monthly basis, this family might be permitted to deduct $20 in medical expenses and, since the wife works part-time, $100 in child-care expenses. This would reduce their net monthly income to $580. Then under the "shelter allowance" provision of the law, the family could deduct any amount of housing costs that exceeded $174, or 30 per cent of $580. Since their rent, utility and telephone expenses were $250, they could take a shelter allowance deduction of $76, for a final net income of $504. At that level, under the purchase-price formulas, they would be entitled to purchase their $162 monthly allotment of food stamps for $130, for a benefit of $32.

Nevertheless, there is an element of truth to Bill Shipp's complaint. Some relatively high-income families are able to use food stamps because of the deductions. Though these families may be few in number out of the millions in the program, exceptions always tend to draw more attention than the rule. Concern about this abuse, combined with general dissatisfaction with the administration of the program—a complex, six-page application form and thousands of people waiting in long lines—led the Senate Agriculture Committee to request a comprehensive report from the Agriculture Department, focusing on recommendations to streamline program management and screen out high-income abuse.

The department's report, issued on July 1, debunked the theory that large numbers of high-income people are using food stamps. The report stated that "participants tend to be the poorest of the poor. Highest rates of participation are shown by the extremely needy whose annual cash income was less than $3,000. For example, in four-member households participation in the $2,500-$3,500 income range amounts to approximately 65 per cent of the U.S. total, and the participation rate drops steadily to 2 per cent in the $9,000-$10,000 range." The report showed that 77 percent of the families using food stamps had incomes of less than $5,000 after taxes and before using the deductions. These figures are supported by an earlier study, "Food Stamps and Nutrition," published by the conservative American Enterprise Institute, that found 66.8 per cent of food-stamp families concentrated in the $1,000–$3,000 range.

The department's report also reconfirmed the fact that the food-stamp program is remarkably free of fraud. In the first nine months of 1974, 355 persons were found guilty of fraud totaling $322,625. Administrative errors—honest mistakes either by caseworkers or applicants in filling out the forms—resulted in excess bonus coupons worth about $3.8-million being issued to 17,480 persons during fiscal 1974. Subsequent studies have shown that as the program has grown, the percentage of honest errors has grown, but this is more a problem of quality control than fraud per se.

The report also showed, however, that 13 per cent, about 2.6 million, of all food-stamp users came from households with incomes of $7,000 or more a year. In addition, the data indicated that at every family size, the higher the income, the higher the average deductions tended to be. Families of four with net income at the maximum level claimed about $2,400 in deductions annually, giving them gross incomes of $8,880.

As the department copes with critics worried about the program's growth, however, it also has to cope with those who are pushing to expand it even more. Several years ago, a New York antipoverty legal service program called Food Research and Action Center brought suit against Agriculture Secretary Earl Butz for failing to fulfill the legal requirement that the food-stamp allotment provide "a nutritionally adequate diet." The Agriculture Department annually issues three recommended diet plans—low-cost, moderate and liberal—and devises the special economy plan upon which the food-stamp allotment is based. The liberal plan, for wealthy families, allows for the very best cuts of meat, fresh fruits and vegetables year-round, and assumes plenty of waste as well. The moderate plan, for comfortable middle-class families, approximates the liberal plan in variety but on less than a gourmet standard. The low-cost plan, aimed at working families who need to stretch their budgets, call for larger amounts of bread and cereals, and substitutes hamburger for steak. The economy plan, estimated to cost 20 per cent to 25 per cent less than the low-cost, is heavier yet in bread and cereals, allowing the minimum in protein and absolutely no waste. The Agriculture Department's own nutritionists have warned that the economy plan should be used only on an "emergency basis," and that over an extended period of time, only one out of every 10 families could be adequately nourished using it.

There is, of course, no requirement that food-stamp users buy particular kinds of foods. There are frequent but undocumented charges that people using food stamps waste them on soft drinks and potato chips, leading to occasional legislative attempts to mandate that the stamps be used only for nutritious foods. The Agriculture Department is in the process of letting a multimillion dollar contract to study what food-stamp users do buy and whether they are ending up with an adequate diet.

While the department is studying, however, the U.S. Court of Appeals, District of Columbia, has already acted. On June 12, in the FRAC suit, it found against the Secretary, stating that the economy plan failed to provide millions of food-stamp families with the legally prescribed opportunity to purchase a nutritionally adequate diet. The court ordered him to issue a more adequate allotment schedule. "For a family that needs a loaf of bread," the court said, "the offer of a slice is poor comfort."

The ramifications of this decision could be enormous. If, for example, the low-cost plan were substituted for the economy, the food-stamp allotment could shoot up to $190 a month, raising the basic eligibility limit to $7,500 and annual program costs to $7.5-billion. The decision has sharpened the fundamental questions about the food-stamp program, causing both the Administration and the Congress to search hard for possible answers.

McGovern is leading the search for the Democrats and liberals in Congress. He has introduced legislation to simplify the food-stamp application process, and he also proposed, in response to inflation and recession, to raise the food-stamp allotment level by 10 per cent while dropping the maximum purchase price to no more than 25 per cent.

In a curious political alliance, Bob Dole, the conservative Kansas Republican, picked up the simplified-application amendment and led a successful fight for it through the Senate Agriculture Committee and on the Senate floor. The amendment ran into heavy opposition in the House Agriculture Committee, where members feared abuse, especially by college students, and limited its use only to areas where food-stamp officials specifically requested the new authority.

Tom Foley, chairman of the House committee and a middle-of-the-road Democrat from the state of Washington, is moving very cautiously on the food-stamp issue, sensing it could be dynamite. John Kramer, a special counsel to Foley, predicts: "On any expansive issue, the committee will be tough. The committee will be for more benefits for the needy, but they want to make sure it is for the needy."

This is the avowed purpose, and more, of Congressional conservatives, led by Republicans Bob Michel of Illinois and James Buckley of New York, who have launched a serious effort, not just to focus benefits on the needy, but to alter the fundamental character of the food-stamp program as an income supplement to low-income working families. Introducing the National Food Stamp Reform Act, Senator Buckley said: "Shocking Federal regulations have turned a worthy and humane food-stamp program into an administrative nightmare and a public rip-off. They contain more loopholes than a moth-eaten fishnet. Able-bodied persons who do not wish to work can get food stamps. Persons who quit their jobs without good reason can get food stamps. Minor children can get food stamps without parental consent or control. The owner of jewelry, furs and luxury appliances can get food stamps. There is literally no limit to the ways the taxpaying public can be exploited through the food-stamp program."

The Michel-Buckley bill, drafted for them by David Swoap, a former director of welfare for Ronald Reagan, would fix the maximum allowable income for food stamps at the $5,000 poverty line. It would permit no deductions, except $25 per month for an elderly person, to bring a higher gross income down to that limit. It would count the value of other assistance programs, such as housing or school lunches, as part of a family's income. In addition, the value of a house over $25,000, a car over $1,200 and the cash value of a life-insurance policy would be included in the definition of assets. College students and striking workers, for the most part, would be barred from the program. For those remaining, the allotment level would be raised from economy diet to low-cost diet.

Swoap estimates that this bill would reduce food-stamp participation by at least 31 percent, to between 13 million and 14 million persons. It is drawing a lot of attention because it goes to the heart of the question of whether food stamps should be permitted to continue serving as a substitute for a guaranteed-minimum-income program.

This is the question facing the man in charge of the President's Food Stamp Task Force, Jack Veneman, a moderate California Republican who formerly served as a top aide to Robert Finch at H.E.W. during FAP's finest—and worst—hours. He personally believes that any changes in the food-stamp program should be consistent with any future guaranteed-income plan that would continue to provide assistance to low-income working families. But Veneman is walking a political tightrope. The Michel-Buckley bill, with its sharp and rigid eligibility cutoff, violates this concept, but it represents the thinking of the Reagan wing of the Republican party, which the President is courting to insure his nomination.

Nevertheless, Veneman is considering an innovation that could transform food stamps into even more of an income-supplement program—a partial cash-out. Under this proposal, a family would simply receive its bonus allotment in stamps, retaining its purchase-price money for additional food or anything else it saw fit. It is estimated that such a change would encourage millions of families, who prefer now to hold onto all their cash, to accept the stamps. It would also, of course, diminish the impact of the program as an antihunger tool, though Veneman doesn't see that as a serious consideration where working families are concerned. "The time has come to be honest," he says. "For people to think that food stamps have a nutritional impact for families above $5,000—it is not true."

Proponents of major reform of the nation's welfare system are watching this developing debate with both interest and concern. They admire the way food stamps have stepped in to fill the gap left by FAP as a supplement to low-income working families. But they are concerned that as food stamps grow and become institutionalized, along with other assistance programs such as housing supplements and health insurance, they will become an inseparable bar to more reform and a guaranteed income.

"If you don't reform the welfare system now," says William Morrill, H.E.W. Assistant Secretary for Planning and Evaluation, "time is not on your side. Pretty soon we'll find we can't afford to reform because it will disadvantage too many people. Take food stamps. We are making income transfers to people at some very high levels. As Charley Schultze [budget office director under President Johnson] says, 'If you think taking something away from the poor is hard, try taking it away from the middle class.' "

Richard Nathan, who headed the Nixon FAP Task Force and is currently a senior fellow at the Brookings Institution in Washington, takes a less gloomy view. "The whole business of the 'welfare mess' is overstated," he says, with refreshing candor, since he was a leading overstater a few years back. "With food stamps, Supplemental Security Income Aid to Families with Dependent Children, we do have a logical set of welfare programs." An effective guaranteed income plan, he believes, would have to cost at least $16-billion over current welfare spending. Without investing that much, he says, you can't have an adequate basic-payment level for the poor or decent supplements for working families.

This additional cost can be covered only by additional revenues from a growing economy, tax reform or a combination of both. The last major political figure, McGovern, to propose a sweeping guaranteed-income plan, combined with tax reform to finance it, was hooted off stage. Financially and philosophically, such a plan still seems to represent a giant step for our society. It may not be a step we will be prepared to take for years to come.

If that is the case, then we must make do with the next best thing. That appears to be food stamps. As an antihunger aid for the poor and an income-supplement for working families, food stamps are fulfilling an important function in America today.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Symington (at his own request), for October 7, 1975, on account of death in the family.

Mr. Wolff (at the request of Mr.

O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Sarasin) and to revise and extend their remarks and include therein extraneous matter:)

Mr. Kemp, for 30 minutes, today.

Mr. McDade, for 10 minutes, today.

(The following Members (at the request of Mr. Cornell) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. McFall, for 15 minutes today.

Mr. Flood, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Ford of Tennessee, for 10 minutes, today.

Mr. Dominick V. Daniels, for 15 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Rodino, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Leggett, for 30 minutes, today.

Mr. Fascell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Runnels to revise and extend his remarks on H.R. 4804 on the consent calendar today.

Mr. Johnson of California to revise and extend his remarks prior to passage of H.R. 589 and H.R. 6622.

Mr. Young of Georgia and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the public printer to cost $786.50.

(The following Members (at the request of Mr. Sarasin) and to include extraneous matter:)

Mr. Conlan in two instances.

Mr. Kemp in three instances.

Mr. Crane.

Mr. Ketchum.

Mr. McKinney.

Mr. Erlenborn.

Mr. Frenzel in two instances.

Mr. Gilman.

Mr. Kasten.

Mr. Symms.

Mr. Treen.

Mr. Steiger of Arizona.

Mr. Fish.

Mr. Myers of Pennsylvania.

(The following Members (at the request of Mr. Cornell) and to include extraneous material:)

Mr. Annunzio in six instances.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Baldus.

Mr. Biaggi in 10 instances.

Mr. Rangel in 10 instances.

Mr. Bingham in 10 instances.

Mr. Dominick V. Daniels.

Mr. Richmond in two instances.

Mr. Beard of Rhode Island.

Mr. Harris in 10 instances.

Mrs. Spellman in 10 instances.

Mr. Hall in two instances.

Mr. Drinan in 10 instances.

Mr. Zeferetti.

Mr. Nowak in 10 instances.

Mr. Gaydos.

Mr. Badillo in three instances.

Mr. McDonald of Georgia in two instances.

Mr. Howe.

Mr. Ford of Michigan.

Mrs. Boggs.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8070. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 8070. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

ADJOURNMENT

Mr. CORNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 35 minutes p.m.), the House adjourned until Tuesday, October 7, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1834. A letter from the President of the United States, transmitting proposed supplemental appropriations for the Veterans' Administration for fiscal year 1976 and the transition quarter (H. Doc. No. 94–275); to the Committee on Appropriations and ordered to be printed.

1835. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Defense Appropriation Act, 1975, or the Military Construction Appropriation Act, 1975, during the second half of fiscal year 1975, to make payments under contracts in a foreign country except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 835 and 109 of the respective acts; to the Committee on Appropriations.

1836. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting on recommendations and actions related thereto contained in the report of the National Advisory Council on the Education of Disadvantaged Children entitled "America's Educationally Neglected—A Progress Report on Compensatory Education," dated March 31, 1973, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1837. A letter from the Assistant Director for General Services, Facilities and Support Services Division, U.S. Environmental Protection Agency, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1975, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1838. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of the Republic of Korea for permission to sell certain U.S.-origin military equipment to the Government of Malaysia, pursuant to section 3(a) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1839. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to provide for the protection of U.S. magistrates by amending title 18, United States Code, to include U.S. magistrates within the coverage of section 1114; to the Committee on the Judiciary.

1840. A letter from the Assistant Secretary of the Interior, transmitting a report on the study of the benefits and costs of transporting natural gas from the North Slope of Alaska to markets in the lower 48 States, pursuant to section 302(b) of Public Law 93–153; jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

1841. A letter from the Secretary of Commerce, transmitting the fourth annual report of the National Advisory Committee on Oceans and Atmosphere, pursuant to section 4 of Public Law 92–125, together with his comments and recommendations as required by that act and by section 6(b) of the Federal Advisory Committee Act; jointly, to the Committees on Merchant Marine and Fisheries, and Government Operations.

Received From the Comptroller General

1842. A letter from the Comptroller General of the United States, transmitting a report on the capability of the Reserves to carry out effectively their responsibilities as required by the total force policy; jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on International Relations. House Joint Resolution 683. Joint resolution to implement the U.S. proposal for the early-warning system in Sinai (Rept. No. 94–532). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself, Mr. Cochran, Mr. Crane, Mr. Guyer, Mr. Hinshaw, Mr. Hyde, Mr. Jones of North Carolina, Mr. Kemp, Mr. Ketchum, Mr. Kindness, Mr. Lott, Mr. McDade, Mr. Mitchell of Maryland, Mr. Pattison of New York, Mr. Preyer, Mr. Sebelius, Mr. Thone, Mr. Treen, Mr. Charles Wilson of Texas, and Mr. Winn):

H.R. 10030. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of small business investment companies and their shareholders; to the Committee on Ways and Means.

By Mr. ASHLEY (for himself, Mr. Blanchard, Mr. Hubbard, Mr. LaFalce, Mrs. Sullivan, Mr. Rees, and Mr. McKinney):

H.R. 10031. A bill to amend the Defense Production Act of 1950; to the Committee on Banking, Currency and Housing.

By Mr. BRINKLEY:

H.R. 10032. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to eliminate the provisions which presently exclude from coverage under the old-age, survivors, and disability insurance program any service performed by an individual in the employ of his or her spouse or by a child in the employ of his or her parent; to the Committee on Ways and Means.

By Mr. CLAY (for himself and Mr. Won Pat):

H.R. 10033. A bill to restore to Federal civilian and Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DOMINICK V. DANIELS:

H.R. 10034. A bill to provide for a reduction in charges imposed on oil imports in proportion to OPEC price increases; to the Committee on Ways and Means.

By Mr. DIGGS (by request):

H.R. 10035. A bill to establish the Judicial Conference of the District of Columbia; to the Committee on the District of Columbia.

By Mr. DRINAN (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Blouin, Mr. Carney, Mr. Conyers, Mr. D'Amours, Mr. Dominick V. Daniels, Mr. Downey of New York, Mr. Eilberg, Mr. Fascell, Mr. Florio, Mr. Ford of Tennessee, Mr. Gonzalez, Mr. Hannaford, Mr. Harrington, and Mr. Helstoski):

H.R. 10036. A bill to amend the Solid Waste Disposal Act to encourage research, development, and implementation of energy and resource recovery from solid waste, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Science and Technology.

By Mr. DRINAN (for himself, Ms. Holtzman, Mr. Jeffords, Mr. LaFalce, Mr. McHugh, Mrs. Meyner, Mr. Moakley, Mr. Mosher, Mr. Oberstar, Mr. Pattison of New York, Mr. Pepper, Mr. Roe, Mr. Scheuer, Mr. Stark, Mr. Symington, Mr. Thompson, Mr. Waxman, Mr. Weaver, and Mr. Whalen):

H.R. 10037. A bill to amend the Solid Waste Disposal Act to encourage research, development, and implementation of energy and resource recovery from solid waste, and for other purposes; jointly to the committees on Interstate and Foreign Commerce, and Science and Technology.

By Mr. EVANS of Colorado:

H.R. 10038. A bill to amend title II of the Social Security Act to increase to $3,520 the amount of outside income which (subject to further increases under the automatic adjustment provisions) is permitted each year without deductions from benefits, and to provide that income of all types and from all sources shall be included in determining whether an individual's benefits are subject to such deductions; to the Committee on Ways and Means.

By Mr. EVANS of Colorado (for himself, Mr. Fraser, Mr. Gude, Mr. Flood, and Mr. Hawkins):

H.R. 10039. A bill to provide for research and development in weather modification, to establish a comprehensive system and means for the orderly, safe, and scientic development of weather modification activities, and for other purposes; to the Committee on Science and Technology.

By Mr. FINDLEY (for himself, Mr. Harkin, and Mr. Kemp):

H.R. 10040. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. GUDE (himself, Mr. Fauntroy, Mr. Whalen, Mr. Biester, Mr. Fraser, Mr. Litton, Mr. Mazzoli, Mr. McKinney, Mrs. Meyner, Mr. Railsback, and Mr. Rees):

H.R. 10041. A bill to amend section 739 of Public Law 93–198; to the Committee on the District of Columbia.

By Mr. HARRIS:

H.R. 10042. A bill to provide that the rates of pay for Members of Congress shall be the rates in effect on September 30, 1975, until such time as they are fixed otherwise by law, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McFALL:

H.R. 10043. A bill to amend chapter 2 of title 16, United States Code (relating to national forests), to provide a share of timber receipts to States for schools and roads; to the Committee on Agriculture.

By Mr. METCALFE (for himself and Mr. Pattison of New York):

H.R. 10044. A bill to amend section 1979 of the Revised Statutes (42 U.S.C. 1983) to permit suits against bodies politic and the District of Columbia with respect to certain violations of civil rights; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 10045. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PATTEN:

H.R. 10046. A bill to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976; to the Committee on Interstate and Foreign Commerce.

By Mr. PEYSER (for himself and Mr. Roybal):

H.R. 10047. A bill to amend title XX of the Social Security Act to provide that no State shall be required to apply a means test, or limit benefits on the basis of federally prescribed income levels, in determining the individuals for whom education, transportation, recreation, socialization, or associated services may be provided thereunder, if such services are provided in a manner consistent with certain specified State programs; to the Committee on Ways and Means.

By Mr. STUDDS:

H.R. 10048. A bill to amend the Regional Rail Reorganization Act of 1973 to protect branch line rail service; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN (for himself and Mr. Schneebeli):

H.R. 10049. A bill to increase the temporary debt limitation until March 31, 1976; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.R. 10050. A bill to amend section 552a of title 5, United States Code, to permit Members of Congress to receive information from Federal agencies regarding individuals; to the Committee on Government Operations.

H.R. 10051. A bill to amend section 815 of the Internal Revenue Code to allow a life insurance company to disregard (for purposes of that section) a distribution during the last month of its taxable year, determined to have been made out of the policyholders surplus account, if such distribution is returned to the company not later than the due date for filing its income tax return (including extensions thereof) for that year; to the Committee on Ways and Means.

By Mr. HUGHES:

H.R. 10052. A bill to provide that contractors on certain civil works projects on Federal property shall be subject to State and local laws including taxation, to provide for sharing of revenues from such property with State and local governments, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. QUILLEN:

H.J. Res. 684. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

By Mrs. MINK:

H. Res. 769. Resolution to restore amateur status to the late Jim Thorpe; to the Committee on the Judiciary.

By Mr. ROE:

H. Res. 770. Resolution in support of the people of Portugal; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. LAGOMARSINO introduced a bill (H.R. 10053) for the relief of Robert G. Gibbs, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 200

By Mr. TREEN:

Page 62, line 24, strike all on line 24 beginning "Except as" and the words "(b), nothing in this Act" on line 25.

Line 3 of page 63, strike all of section 309 (b) and (c) and all matter commencing on line 3 and continuing through line 23 of page 64.

Renumber the succeeding sections.

H.R. 8672

By Mr. HEINZ:

Page 14, lines 11 and 12, strike out "to eligible applicants,".

Page 16, immediately after line 24, insert the following new subsection:

"(b) Special Discretionary Unemployment Grants.—Notwithstanding the eligibility provisions set forth in section 3(1) and section 6, the Secretary may, in accordance with this Act, provide financial assistance in the form of grants to any railroad for projects that involve the repair, restoration, rehabilitation, or improvement of railroad roadbeds and facilities owned by such railroad if the Secretary determines that—

"(1) such railroad is operating rail service in areas identified by the Secretary of Labor as areas of substantial unemployment;

"(2) such railroad has high-density freight or passenger rail lines with severely deteriorated roadbeds and facilities;

"(3) such railroad is not financially capable of performing the necessary repair, restoration, rehabilitation, or improvement on such roadbeds and facilities; and

"(4) such project is designed to fulfill the objectives set forth in paragraphs (2) and (3) of subsection (a).

In making such grant, the Secretary shall obtain adequate assurances that the proposed project substantially meets the goals set forth in section 7."

Page 16, line 25, strike out "(b)" and insert in lieu thereof "(c)".

Page 18, line 14, strike out "(c)" and insert in lieu thereof "(d)".

Page 18, line 20, strike out "(d)" and insert in lieu thereof "(e)".

Page 18, line 20, insert "and other railroads" immediately after "applicants".

Page 18, lines 23 and 24, strike out "such applicants" and insert in lieu thereof "such eligible applicants or railroads".

Page 19, line 1, insert "and other railroads" immediately after "applicants".

Page 19, line 3, strike out "the applicant'" and insert in lieu thereof "such eligible applicants or railroads".

Page 19, line 23, insert "and other railroads" immediately after "applicants".

Page 26, line 4, insert "(a) GRANTS TO ELIGIBLE APPLICANTS.—" immediately after "SEC. 10.".

Page 26, line 6, strike out "pursuant to section 4." and insert in lieu thereof "to eligible applicants pursuant to section 4(a).".

Page 26, line 7, strike out "section" and insert in lieu thereof "subsection".

Page 26, immediately after line 8, insert the following new subsection:

"(b) SPECIAL DISCRETIONARY. UNEMPLOYMENT GRANTS.—There are authorized to be appropriated not to exceed $100,000,000 to the Secretary for purposes of providing financial assistance pursuant to section 4(b). Sums appropriated under this subsection are authorized to remain available until expended."

By Mr. SOLARZ:

Page 25, line 15, insert immediately after "subsection" the following "or subsection (e)".

Page 25, line 16, insert immediately after "transferred" the following "to anyone other than the United States or any agency or instrumentality thereof".

Page 25, line 23, strike immediately after "that" the following "the", and insert in its place the following "such".

Page 26, immediately after line 2, insert the following new subsection:

"(e) ACQUISITION PRICE.—whenever the United States or agency or instrumentality thereof acquires, by purchase or otherwise, any roadbeds and facilities which have been repaired, restored, rehabilitated, or improved with financial assistance under this Act, there shall be deducted from the acquisition price thereof an amount equal to the lesser of—

"(1) the amount of Federal financial assistance expended pursuant to this Act for the repair, restoration, rehabilitation, or improvement of such roadbeds and facilities, or

"(2) the increase in value of such roadbeds and facilities which is a direct result of the Federal financial assistance expended pursuant to this Act."

H.R. 9500

By Mr. ERLENBORN:

Page 20, line 14, section 5(d), delete the words "arising out" and substitute therefore the word "because"; and

Strike the last sentence of section 5(d) and insert immediately before the period the following: "; *Provided*, That this immunity shall not insulate from civil or criminal liability standard national construction labor organizations or national construction contractor associations when the performance of acts under this statute are knowingly and willfully used to achieve an illegal purpose."

H.R. 10029

By Mr. EDWARDS of Alabama:

On page 2, line 20, delete "$728,727,000" and insert in lieu thereof "$663,827,000".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of September 25, 1975, page 30248:

H.R. 9400. September 5, 1975. Ways and Means. Amends the Tariff Schedules of the United States with respect to the importation of certain horses.

H.R. 9401. September 5, 1975. Ways and Means. Amends the Tariff Schedules of the United States to extend the suspension of the import duty on certain horses for a temporary period.

H.R. 9402. September 5, 1975. Ways and Means. Amends the Social Security Act to increase the amount of outside earnings permitted each year without reduction in Old-Age, Survivors and Disability Insurance benefits.

H.R. 9403. September 5, 1975. Post Office and Civil Service. Creates the Federal Labor Relations Authority to oversee labor relations between Federal agencies and civilian Federal employees. Enumerates unfair labor practices, and empowers the Authority to prevent such practices.

Directs the Authority and the Federal Mediation and Conciliation Service to provide assistance to agencies and labor organizations in resolving negotiation disputes.

H.R. 9404. September 5, 1975. Government Operations. Authorizes Federal payments to county governments to compensate for the tax immunity of Federal lands within their boundaries.

H.R. 9405. September 5, 1975. Judiciary: Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 9406. September 5, 1975. Ways and Means. Amends the Internal Revenue Code to treat expenditures by a taxpayer in connection with his trade or business of publishing for the development or improvement of a book, teaching aid, or similar product as a research or experimental expenditure.

H.R. 9407. September 5, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to repeal the requirement of user charges as a condition for the approval of Federal grants for the construction of waste treatment works.

H.R. 9408. September 5, 1975. Interstate and Foreign Commerce. Amends the Federal Power Act and the Natural Gas Act to assess regulated public utility and natural gas companies annual charges equal to the costs of administering such laws.

H.R. 9409. September 5, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to remove Federal controls on certain sales of natural gas produced by independent producers on non-Federal lands. Authorizes the Federal Power Commission to issue certificates of public convenience and necessity for the transportation of such natural gas to certain high-priority areas of consumption where a shortage of natural gas exists.

H.R. 9410. September 5, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power Commission to make certain sales of natural gas exempt from the provisions of such act.

H.R. 9411. September 5, 1975. Public Works and Transportation. Authorizes the Secretary of the Army to reconvey certain lands acquired for the Clark Hill Reservoir in Georgia to the former owners.

H.R. 9412. September 5, 1975. Post Office and Civil Service. Authorizes the United States Civil Service Commission to contract with certain qualified health maintenance organizations.

H.R. 9413. September 5, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9414. September 5, 1975. Judiciary. Directs the Comptroller General of the United States to settle and adjust the claim of a certain business entity for advertisements published for the Department of the Navy.

H.R. 9415. September 5, 1975. Judiciary Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9416. September 5, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9417. September 5, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9418. September 5, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for moving expenses incident to employment with the Defense Language Institute.

H.R. 9419. September 8, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to revise the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance.

H.R. 9420. September 8, 1975. Interstate and Foreign Commerce. Extends the Emergency Petroleum Allocation Act until October 15, 1975.

H.R. 9421. September 8, 1975. Banking, Currency and Housing. Authorizes the Secretary of the Treasury to guarantee bonds issued by the Municipal Assistance Corporation of the State of New York.

H.R. 9422. September 8, 1975. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to authorize the Commissioner of Education to extend grants, upon application therefor, to local education agencies to aid them in adopting and implementing plans designed to reduce crime and increase the safety and security of the children, employees, and facilities in elementary and secondary schools by the increased reporting of crimes committed in schools to local law enforcement agencies.

H.R. 9423. September 8, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to remove Federal controls on certain sales of natural gas produced by independent producers on non-Federal lands. Authorizes the Federal Power Commission to issue certificates of public convenience and necessity for the transportation of such natural gas to certain high-priority areas of consumption where a shortage of natural gas exists.

H.R. 9424. September 8, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to authorize the Federal Power

Commission to make certain sales of natural gas exempt from the provisions of such Act.

H.R. 9425. September 8, 1975. Interstate and Foreign Commerce. Extends the Emergency Petroleum Allocation Act of 1973 until October 20, 1975.

Extends the Energy Supply and Environmental Coordination Act of 1974 until December 31, 1975.

H.R. 9426. September 8, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited deduction for amounts paid by or on behalf of an individual for an individual retirement account, an individual retirement annuity, an individual retirement bond, an employee's trust, or an annuity contract.

H.R. 9427. September 8, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited deduction for amounts paid by or on behalf of an individual for an individual retirement account, an individual retirement annuity, an individual retirement bond, an employee's trust, or an annuity contract.

H.R. 9428. September 8, 1975. Veterans' Affairs. Allows the continued extension of educational assistance beyond the 10-year delimiting period for any veteran who at such time is pursuing a program of education.

H.R. 9429. September 8, 1975. Veterans' Affairs. Extends the entitlement of veterans to educational assistance from thirty-six months to forty-five months.

H.R. 9430. September 8, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by directing the Secretary of Labor to (1) render on-site consultation and advice to any employer, upon the request of such employer, concerning compliance with the Act; and (2) establish programs for the education and training of employers and employees concerning hazards in particular industries.

H.R. 9431. September 8, 1975. Education and Labor. Sets forth benefits to which an employee who becomes disabled or dies due to an employment-related injury, or the survivors of such employee, is entitled.

Directs each State to revise workers' compensation law to meet certain administrative requirements. Authorizes the Secretary of Labor to make grants to the States for such purpose.

Directs the Secretary of Labor to establish a program for the compilation and analysis of workers' compensation statistics.

Establishes a National Workers' Compensation Advisory Commission to monitor State compliance with programs, and furnish technical assistance to States.

H.R. 9432. September 8, 1975. Ways and Means. Amends the Internal Revenue Code to provide for quarterly payments by the Secretary of the Treasury to the Government of the Virgin Islands in an amount equal to the amount of all taxes imposed by, and collected during the quarter under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States.

H.R. 9433. September 8, 1975. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 (1) to prohibit person who are not citizens of the United States from acquiring more than five percent of the voting securities or thirty-five percent of the nonvoting securities of any issuer whose securities are registered under the Act; (2) to prohibit any person not a citizen who now owns securities in greater percentages than stated above from acquiring any more of such securities; and (3) to direct the Securities Exchange Commission to require the registration of persons not citizens before their acquisition of securities registered under the Securities Exchange Act of 1934.

H.R. 9434. September 8, 1975. Public Works and Transportation. Requires that agreements between the Secretary of Transportation and State highway departments for the construction of highways in the Interstate System authorize the State to sell coffee at public rest and recreation areas on the rights-of-way of such System.

H.R. 9435. September 8, 1975. Public Works and Transportation. Requires that agreements between the Secretary of Transportation and State highway departments for the construction of highways in the Interstate System authorize the State to sell coffee at public rest and recreation areas on the rights-of-way of such System.

H.R. 9436. September 8, 1975. Interstate and Foreign Commerce. Prescribes criteria for Federal, State, and local agencies regulating electric utilities which would require that rate schedules accurately reflect long-run incremental costs of service and that price differentials for different customer classes reflect actual documented differentials in costs of service.

Prohibits any allowance for recoupment of any advertising costs except if such advertising is designed to discourage energy consumption during peak load periods or to encourage conservation of electricity in general.

Establishes standards for the treatment of fuel adjustment clauses and for the determination of effective dates for proposed changes in rates and schedules.

H.R. 9437. September 8, 1975. Science and Technology. Directs the Administrator of Energy Research and Development to establish a program of research and development of industrial energy conserving technologies. Authorizes financial assistance in the form of grants and loans for the development and demonstration of such technologies, with special attention to be given to stimulation of depressed industrial areas.

H.R. 9438. September 8, 1975. Interstate and Foreign Commerce; Science and Technology. Amends the Solid Waste Disposal Act to expand research and development programs and to authorize the Administrator of the Environmental Protection Agency to make grants and guarantee loans for energy and resource recovery pilot plan and demonstration programs.

Includes provisions for grants and assistance to State, locals, and interstate solid waste management and resource recovery programs.

H.R. 9439. September 8, 1975. Ways and Means. Amends the Tariff Schedules of the United States to place an import duty on glycine and related products.

H.R. 9440. September 8, 1975. Post Office and Civil Service. Revises the effective date provisions for pay rate adjustments so that such adjustments apply to all executive branch employees on the same date.

H.R. 9441. September 8, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations from 3 to 5 years. Revises the conditions for approval of applications for licensing renewal. Allows appeals from Federal Communications Commission decisions to be brought in the circuit in which the broadcast facility is, or is proposed to be located instead of in the District of Columbia Court of Appeals.

Requires the Federal Communications Commission to study possible reduction and consolidation of the filings, supporting documents, and other administrative materials now required for renewal applications.

H.R. 9442. September 8, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure of such returns unless specifically authorized by this Act.

H.R. 9443. September 8, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for each ton of post-consumer waste paper processed in the United States by the taxpayer during the taxable year into new commercially marketable pulp, paper, paperboard or other similar products.

H.R. 9444. September 8, 1975. Public Works and Transportation. Designates the Federal Building in Omaha, Nebraska, as the Glenn Cunningham Federal Building.

H.R. 9445. September 8, 1975. Judiciary. Includes bodies politic in the category of persons who may be sued for depriving any citizen of rights secured under the Constitution and laws of the United States.

H.R. 9446. September 8, 1975. Post Office and Civil Service. Prohibits Members of Congress from receiving any pay increase during a session of Congress unless such increase is to take effect not earlier than the first day of the next Congress.

H.R. 9447. September 8, 1975. Ways and Means. Revises the formula used to compute an individual's primary insurance amount under the Old-Age, Survivors, and Disability Insurance program of the Social Security Act.

H.R. 9448. September 8, 1975. Ways and Means. Amends the Tariff Schedules of the United States to place an import duty on glycerine and related products.

H.R. 9449. September 8, 1975. Judiciary. Revises criteria for membership in certain associations under the Export Trade Act. Directs the Secretary of Commerce to establish a program to promote the formation of such associations in accordance with antitrust laws. Requires periodic meetings between the Chairman of the Federal Trade Commission and the Attorney General of the United States to avoid conflicting positions with respect to such associations.

H.R. 9450. September 8, 1975. Education and Labor. Establishes in the Office of Education a National Student Financial Assistance Data Bank to provide information on available financial assistance to students at institutions of higher education.

H.R. 9451. September 8, 1975. Judiciary; Banking, Currency and Housing. Amends the Civil Rights Act of 1968 and the National Housing Act to prohibit discrimination on the grounds of sex or marital status.

H.R. 9452. September 8, 1975. Judiciary; Banking, Currency and Housing. Amends the Civil Rights Act of 1968 and the National Housing Act to prohibit discrimination on the grounds of sex or marital status.

H.R. 9453. September 8, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations from 3 to 5 years. Revises the conditions for approval of applications for licensing renewal. Allows appeals from Federal Communications Commission decisions to be brought in the circuit in which the broadcast facility is, or is proposed to be located instead of in the District of Columbia Court of Appeals.

Requires the Federal Communications Commission to study possible reduction and consolidation of the filings, supporting documents, and other administrative materials now required for renewal applications.

H.R. 9454. September 8, 1975. Interstate and Foreign Commerce. Extends the Emergency Petroleum Allocation Act of 1973 until October 31, 1975.

H.R. 9455. September 8, 1975. Interstate and Foreign Commerce. Includes the use of blood and blood products and the management of blood resources within the research and training programs of the National Heart and Lung Institute, under the Public Health Service Act, and extends appropriations for such programs.

Limits the authority of the Secretary of Health, Education, and Welfare to disclose information contained in research grant applications.

Extends appropriations for National Research Service Awards.

Authorizes the Secretary to make grants to and enter into contracts with public and nonprofit private entities for projects related to the testing, diagnosis, counseling, and treatment of individuals with respect to genetic diseases.

H.R. 9456. September 8, 1975. Interstate and Foreign Commerce. Extends appropriations, under the Public Health Service Act, for the extension of loans and loan guarantees by the Secretary of Health, Education, and Welfare for health maintenance organizations.

H.R. 9457. September 8, 1975. Judiciary. Authorizes the enrollment of a certain retired Federal employee in an approved health benefits plan.

H.R. 9458. September 8, 1975. Armed Services. Directs the Secretary of the Air Force to restore a certain individual to active duty commissioned status.

H.R. 9459. September 9, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct and maintain the Tualatin second phase reclamation project in Oregon.

H.R. 9460. September 9, 1975. Interior and Insular Affairs. Authorizes the establishment of a constitution for the Virgin Islands.

H.R. 9461. September 9, 1975. Interior and Insular Affairs. Authorizes the establishment of a constitution for the Virgin Islands.

H.R. 9462. September 9, 1975. Interior and Insular Affairs. Authorizes the establishment of a constitution for the Virgin Islands.

H.R. 9463. September 9, 1975. International Relations. Transfers the functions of the Passport Office to a new agency of the Department of State to be known as the United States Passport Service. Establishes a Passport Service Trust Fund to finance the operations of the United States Passport Service.

H.R. 9464. September 9, 1975. Interstate and Foreign Commerce. Directs the Federal Power Commission to take steps to assure the availability of natural gas to designated priority interstate users, and to assist in making natural gas available for certain essential agricutlure purposes as determined by the Secretary of Agriculture. Directs the Commission to regulate prices of first sales of new natural gas on an area-wide basis.

Directs the Federal Energy Administrator to prohibit the use of natural gas as boiler fuel where adequate alternatives exist. Provides for increased rates of production at natural gas fields to satisfy the needs of priority users.

H.R. 9465. September 9, 1975. Public Works and Transportation. Authorizes the Secretary of the Army to carry out a project for flood protection in the vicinity of Baytown, Texas.

H.R. 9466. September 9, 1975. International Relations. Establishes a Commission on Security and Cooperation in Europe to monitor the acts of the signatories which reflect compliance with the Final Act of the Conference on Security and Cooperation in Europe.

H.R. 9467. September 9, 1975. Agriculture. Authorizes the Secretary of Agriculture, under the United States Grain Standards Act, to license qualified official inspection agencies and to supervise the official inspection of grain grown in the United States.

H.R. 9468. September 9, 1975. Post Office and Civil Service. Applies current Federal retirement benefits for law enforcement and firefighting personnel to certain of such personnel who retired prior to the effective date of the current benefits.

H.R. 9469. October 9, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 9470. September 9, 1975. Post Office and Civil Service. Repeals certain increases in the salaries of Senators and Representatives.

H.R. 9471. September 9, 1975. District of Columbia. Amends the District of Columbia Income and Franchise Tax Act to repeal the inclusion of income from an unincorporated business in "gross income" and increases the percentage of net income which is to be excluded from such tax.

H.R. 9472. September 9, 1975. Public Works and Transportation. Amends the Tennessee Valley Authority Act of 1933 to increase the limitation on the amount of bonds authorized to be issued by the Tennessee Valley Authority.

H.R. 9473. September 9, 1975. Interior and Insular Affairs. Creates the Reclamation Lands Authority to administer the disposal and use of excess lands created by provisions of the Federal Reclamation Act of 1902. Transfers specified functions and duties from the Secretary of the Interior to the Authority.

Authorizes the sale or lease of such excess lands in accordance with uses determined by the Authority. Stipulates that the proceeds from such sale or lease shall be paid into a special fund to provide additional revenues for education, conservation, and economic opportunity programs.

H.R. 9474. September 9, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to make grants, upon application therefor, to public and nonprofit private hospitals to assist them in meeting operating deficits which are attributable to the provision of outpatient health services to persons (1) who are unable to pay the costs thereof, and (2) for who reimbursement for the costs of such services may not be made under any public program.

H.R. 9475. September 9, 1975. Merchant Marine and Fisheries. Amends the Commercial Fisheries Research and Development Act of 1964 to declare the Trust Territory of the Pacific Islands eligible to participate in certain Federal fisheries programs.

H.R. 9476. September 9, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 by (1) revising the procedures and eligibility standards for receiving black lung disability benefits; (2) creating a Black Lung Disability Insurance Fund and requiring coal mine operators to pay premiums into such fund; (3) transferring certain functions under the Act from the Secretary of Labor; and (4) revising the name, membership, and responsibilities of the committee on coal mine health research.

H.R. 9477. September 9, 1975. Government Operations. Authorizes the Administrator of General Services to assign surplus Federal property to the Secretary of Commerce for disposal of such property to States and local areas threatened by unemployment as a result of the closing of Federal facilities. Requires that such property be used by the transferees for economic development purposes.

H.R. 9478. September 9, 1975. Agriculture. Amends the Agricultural Marketing Agreement Act of 1937 to prohibit certain unfair methods of competition and unfair trade practices by associations of milk producers and to require such associations to provide certain accounting information to members on a regular basis.

H.R. 9479. September 9, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 9480. September 9, 1975. Ways and Means. Amends the Internal Revenue Code to exempt certain articles sold to any nonprofit volunteer firefighting or rescue organization for its exclusive use from the taxes on special fuels, automotive and related items, petroleum products, or communication services.

H.R. 9481. September 9, 1975. Interior and Insular Affairs. Directs the Secretary of Health, Education, and Welfare to make grants and provide scholarships to encourage Indians to enroll in health-related training programs. Authorizes the Secretary to expand funds to better meet Indian health care needs, to provide hospitals and other health facilities, and to supply unmet needs for safe water and sanitary waste disposal facilities. Requires the Secretary to contract with urban Indian organizations to assist such organizations to establish and administer health programs to benefit urban Indians.

H.R. 9482. September 9, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 by (1) revising the procedures and eligibility standards for receiving black lung disability benefits; (2) creating a Black Lung Disability Insurance Fund and requiring coal mine operators to pay premiums into such fund; (3) transferring certain functions under the Act from the Secretary of Labor; and (4) revising the name, membership, and responsibilities of the committee on coal mine health research.

H.R. 9483. September 9, 1975. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to authorized appropriations through fiscal year 1977.

H.R. 9484. September 9, 1975. Ways and Means. Amends the Social Security Act by entitling an Old-Age, Survivors, and Disability Insurance claimant to a reconsideration of the initial decision concerning such claimant's eligibility for benefits. Allows such claimant to request a hearing on the reconsideration determination. Requires that such a hearing be presided over by an administrative law judge and conducted on the record.

H.R. 9485. September 9, 1975. Interior and Insular Affairs. Directs the Secretary of Agriculture and the Secretary of the Interior to convey all interests of the United States in certain lands in South Carolina to the State superintendent of education of South Carolina.

H.R. 9486. September 9, 1975. Education and Labor. Establishes in the Department of Labor a Construction Industry Collective Bargaining Committee having jurisdiction over, and the power to resolve, labor disputes within the construction industry which may occur between the parties to a collective bargaining agreement.

H.R. 9487. September 9, 1975. Public Works and Transportation. Modifies the Willow Creek flood protection project purposes and to authorize advanced participation in the project by certain local interests in Oregon.

H.R. 9488. September 9, 1975. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to enter into agreements with States in order to obtain increased law enforcement services during peak visitation periods at water resource development projects within the Secretary's jurisdiction.

H.R. 9489. September 9, 1975. Ways and Means. Directs the Secretary of Labor to provide Federal payment of State unemployment compensation benefits attributable to services performed in certain Federally-funded public service jobs under the Comprehensive Employment and Training Act of 1973.

H.R. 9490. September 9, 1975. Banking, Currency and Housing. Establishes a Neighborhood Protection Corporation with the authority, on a demonstration basis: (1) to enter and take possession of abandoned residential properties; and (2) to hold and assemble parcels of land for orderly development and redevelopment.

H.R. 9491. September 9, 1975. Interior and Insular Affairs. Authorizes the establishment of a constitution for Guam.

H.R. 9492. September 9, 1975. Interior and

Insular Affairs. Authorizes the establishment of a constitution for Guam.

H.R. 9493. September 9, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9494. September 9, 1975. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9495. September 9, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain corporation in full settlement of such corporation's claims against the United States arising out of a specified Government construction contract.

H.R. 9496. September 9, 1975. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 9497. September 10, 1975. Agriculture. Amends the Agricultural Act of 1949 to revise the time period for which the index of prices paid by farmers is averaged for the purpose of computing the level of price support for tobacco.

H.R. 9498. September 10, 1975. Post Office and Civil Service. Permits Government officials and employees to participate in political management and in political campaigns. Prohibits the use of official authority or influence for the purpose of affecting the result of an election.

H.R. 9499. September 10, 1975. Interstate and Foreign Commerce. Limits the authority of the Secretary of Health, Education, and Welfare, under the Federal Food, Drug, and Cosmetic Act, to regulate vitamins and minerals.

H.R. 9500. September 10, 1975. Education and Labor. Establishes in the Department of Labor a Construction Industry Collective Bargaining Committee having jurisdiction over, and the power to resolve, labor disputes within the construction industry which may occur between the parties to a collective bargaining agreement.

H.R. 9501. September 10, 1975. Interstate and Foreign Commerce. Establishes the Electric Power Authority with the duty to assure that adequate supplies of electric energy are available to meet anticipated demand. Directs the Authority to assist in the construction of new electric power plants and transmission facilities, with preference to be given to those facilities fueled with domestic energy supplies other than crude oil derivatives.

H.R. 9502. September 10, 1975. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to permit air carriers to offer free or reduced-rate air transportation to the widows or widowers of certain pilots of such air carrier.

H.R. 9503. September 10, 1975. International Relations. Repeals the embargo on United States trades with North and South Vietnam under the Trading With the Enemy Act.

H.R. 9504. September 10, 1975. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act by allowing the Secretary of Health, Education, and Welfare to establish a State as one area for which a Professional Standards Review Organization may be designated, under certain circumstances.

H.R. 9505. September 10, 1975. Education and Labor. Establishes the Commission on Unemployment Caused by the Dispersion of Hazardous Industries to study (1) the impact on unemployment in the United States of the dispersion of hazardous industries to various foreign countries; and (2) the occupational safety and health laws and policies in foreign countries to determine the extent to which such laws are attracting United States industry.

H.R. 9506. September 10, 1975. Education and Labor. Directs the Secretary of Agriculture and the Secretary of the Interior to establish a Civilian Conservation Corps to provide employment for unemployed persons in projects connected with the conservation of the Nation's land and water resources. Authorizes grants for State conservation projects which meet eligibility requirements under this Act.

H.R. 9507. September 10, 1975. Education and Labor. Directs the Secretary of Agriculture and the Secretary of the Interior to establish a Civilian Conservation Corps to provide employment for unemployed persons in projects connected with the conservation of the Nation's land and water resources. Authorizes grants for State conservation projects which meet eligibility requirements under this Act.

H.R. 9508. September 10, 1975. Public Works and Transportation. Amends the Tennessee Valley Authority Act of 1933 to increase the number of members on the board of directors of such Authority from three to five. Limits the number of times the board can consider a price or rate increase to once every two years. Requires public hearings on such proposed increases.

H.R. 9509. September 10, 1975. Interstate and Foreign Commerce. Amends the Federal Power Act to prohibit certain employees of the Federal Power Commission from accepting employment or compensation from persons engaged in activities subject to regulation by the Commission under the Federal Power Act or the Natural Gas Act, for a period of five years after termination of employment with the Commission.

H.R. 9510. September 10, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to establish controls on the price of new natural gas. Allows small producers and producers of new, liquefied or synthetic natural gas to charge rates in excess of price control levels.

Establishes minimum production requirements for natural gas. Directs the Federal Power Commission to prohibit boiler fuel use of natural gas and propane.

Sets forth procedures for allocation of natural gas for emergencies and for essential agricultural purposes.

H.R. 9511. September 10, 1975. Ways and Means. Amends the Internal Revenue Code to impose an alternative tax on certain corporations with gross income from oil-related sources based on such corporation's adjusted book earnings for the year.

H.R. 9512. September 10, 1975. Post Office and Civil Service. Prohibits any increase in the salaries of Senators and Representatives from taking effect after December 1, 1975.

H.R. 9513. September 10, 1975. Ways and Means. Amends the Internal Revenue Code to reduce the Federal excise tax on beer for certain qualified breweries.

H.R. 9514. September 10, 1975. Ways and Means. Amends the Tariff Schedules of the United States to place an import duty on glycine and related products.

H.R. 9515. September 10, 1975. Judiciary. Prohibits the search of business, private, or medical records, the opening of foreign or domestic mail, or the interception of wire or oral communications by agents of the United States without proper legal authority.

Requires that notice be given to affected parties prior to authorization of such activities. Repeals the authority of the President, the Attorney General, or appropriate State officials to order such searches.

Requires reports from persons seeking court orders to authorize interception of wire, oral or other communication or the opening of mail to Congress relating to the nature of such proposed activity.

H.R. 9516. September 10, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act to require the Secretary of Transportation to prepare a report with respect to essential nationwide rail service. Directs the Rail Services Planning Office to evaluate and to hold public hearings on such report.

Requires the Secretary of Transportation to submit to Congress a national transportation policy. Prohibits abandonment of certain rail service when opposed by any State, county or municipality served by that line. Expands rail service continuation subsidies and increases appropriations therefor.

H.R. 9517. September 10, 1975. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to construct the Little Cypress Lake and Reservoir in Texas.

H.R. 9518. September 10, 1975. Judiciary. Directs the Commissioner of Education to make payments to State educational agencies for fiscal years 1976 and 1977 for educational programs, services, and activities for Indochinese refugee children in schools of the local educational agencies of that State.

H.R. 9519. September 10, 1975. Ways and Means. Amends the Internal Revenue Code to set forth procedures for withholding State and city income tax from the pay of members of the Armed Forces in accordance with the direction and administration of the Internal Revenue Service.

H.R. 9520. September 10, 1975. Banking, Currency and Housing. Requires disclosure of certain information by depository institutions with respect to mortgage loans.

H.R. 9521. September 10, 1975. Post Office and Civil Service. Designates February 15, the birthday of Susan B. Anthony, as a legal public holiday.

H.R. 9522. September 10, 1975. Judiciary. Eliminates the jurisdiction of Federal courts to issue busing orders based on race, color, religion or national origin.

Prohibits any Federal agency from including such busing through withholding or threatening to withhold Federal financial assistance.

Postpones the effectiveness of any busing order until all appeals have been exhausted or until the time for such appeals has expired.

H.R. 9523. September 10, 1975. Judiciary. Eliminates the jurisdiction of Federal courts to issue busing orders based on race, color, religion or national origin.

Prohibits any Federal agency from inducing such busing through withholding or threatening to withhold Federal financial assistance.

Postpones the effectiveness of any busing order until all appeals have been exhausted or until the time for such appeals has expired.

H.R. 9524. September 10, 1975. Interstate and Foreign Commerce. Extends the Emergency Petroleum Allocation Act of 1973 until October 31, 1975.

H.R. 9525. September 10, 1975. Interstate and Foreign Commerce. Prohibits the introduction or delivery for introduction into commerce of the chemical compounds known as polychlorinated biphenyls by deeming such compounds to be "banned hazardous substances" under the Federal Hazardous Substances Act.

H.R. 9526. September 10, 1975. Banking, Currency and Housing. Establishes pilot homestead programs whereby publicly owned structures will be made available to tenant cooperatives for use in providing low- and moderate-income housing.

Permits localities establishing such a program with a ten year property tax abatement to participant cooperatives to credit tax losses to the required non-Federal share of Federal grant-in-aid programs.

Requires the Secretary of Housing and Urban Development to promulgate regulations for the administration of this program and submit them to certain House committees.

H.R. 9527. September 10, 1975. Education and Labor. Amends the National Foundation on the Arts and Humanities Act of 1965 to establish an emergency employment program for artists to be administered by the Chairman of the National Endowment for the Arts. Declares that such program shall remain in effect during any fiscal year in which the seasonally adjusted national employment rate exceeds 6.5 percent.

H.R. 9528. September 10, 1975. Ways and Means. Amends the Internal Revenue Code to allow an additional exemption of $1,000 for each individual who is more than 64 years of age and whose principal place of abode during the taxable year is the principal residence of the taxpayer.

H.R. 9529. September 10, 1975. Judiciary. Establishes a Federal minimum death benefit to be paid to eligible survivors of Federal, State, or local law enforcement, corrections, and firefighting personnel.

H.R. 9530. September 10, 1975. Ways and Means. Amends the Social Security Act to specify certain minimum staff-to-child ratios to be included by the Secretary of Health, Education and Welfare when imposing staffing standards for day care centers.

H.R. 9531. September 10, 1975. Post Office and Civil Service. Revises the basic administrative work week for Federal firefighting personnel.

H.R. 9532. September 10, 1975. Ways and Means. Amends the Social Security Act to stipulate that income and resources deriving from reserved Indian land shall be disregarded in determining eligibility for, or the amount of, benefits payable to Indian people under aid to families with needy children programs and aid and medical assistance for the aged, blind or disabled.

H.R. 9533. September 10, 1975. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90 days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchise for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by a franchisor.

H.R. 9534. September 10, 1975. Banking, Currency and Housing. Amends the Renegotiation Act of 1951 to revise renegotiation procedures. Redefines excessive profits. Prohibits exemption of any contractor by the Renegotiation Board from a determination of excessive profits.

Stipulates the term of office and political affiliation limitations for Board members. Sets forth the authority and functions of Chairman of the Board, and administration and powers of the Board.

Eliminates exemptions for durable productive equipment, standard commercial articles and services, and products of oil or gas wells.

Sets forth penalties for failure to file certain statements or filing misleading information. Authorizes judicial review of a determination of excessive profits.

H.R. 9535. September 10, 1975. Government Operations. Authorizes the Administrator of General Services to assign surplus Federal property to the Secretary of Commerce for disposal of such property to States and local areas threatened by unemployment as a result of the closing Federal facilities. Requires that such property be used by the transferees for economic development purposes.

H.R. 9536. September 10, 1975. Education and Labor. Authorizes Federal emergency financial assistance to local government units to enable them to hire and fire police personnel to replace those public safety officers who were laid off by the unit due to severe financial hardships.

H.R. 9537. September 10, 1975. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 by authorizing the Director of the ACTION agency to make grants to foster grandparents programs which furnish supportive services to mentally retarded children and adults.

H.R. 9538. September 10, 1975. Ways and Means. Revises the timing and method of computing automatic cost-of-living increases in Old-Age, Survivors, and Disability Insurance contributions and benefits under the Social Security Act.

Directs the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, to develop a special Cost of Living Index for the elderly.

H.R. 9539. September 10, 1975. Interstate and Foreign Commerce. Extends the Emergency Petroleum Allocation Act of 1973 until October 20, 1975.

Extends the Energy Supply and Environmental Coordination Act of 1974 until December 31, 1975.

H.R. 9540. September 10, 1975. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals certain existing provisions which permit mining in specified national parks, monuments, and memorials.

H.R. 9541. September 10, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a deduction from gross income all the ordinary and necessary expenses paid or incurred by an individual during the taxable year for the use of mass transportation facilities in traveling between such individual's principal residence and principal place of employment.

H.R. 9542. September 10, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 9543. September 10, 1975. Judiciary. Declares a certain individual the natural-born alien child of citizens of the United States for purposes of the Immigration and Nationality Act.

H.R. 9544. September 11, 1975. Public Works and Transportation. Authorizes appropriations from the Highway Trust Fund for the rural transportation assistance program, the urban transportation assistance program, and the highway safety and bridge improvement program established by this Act. Stipulates that the Federal share of projects under such programs shall be 80 percent.

Reapportions expenditures for the Federal-aid highway systems and the programs established by this Act.

Amends certain procedures and apportionment formulas for such systems and programs with respect to transportation construction and maintenance.

Makes right-of-way acquisition appropriations under the Federal-Aid Highway Act of 1956.

H.R. 9545. September 11, 1975. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to include Puerto Rico and the District of Columbia as States for the purpose of specified provisions.

H.R. 9546. September 11, 1975. Agriculture. Amends the United States Grain Standards Act to require that official inspections be performed by Federal or state employees who have been licensed by the Secretary of Agriculture.

H.R. 9547. September 11, 1975. Ways and Means; Merchant Marine and Fisheries. Amends the Internal Revenue Code and the Social Security Act to include service performed by an individual on a vessel used in catching fish or other marine animal life wherein such individual receives as compensation a portion of such vessel's catch, within the definitions of "employment" and "self-employment" for the purposes of certain taxes and benefits under such Acts.

H.R. 9548. September 11, 1975. Ways and Means. Amends the Internal Revenue Code to treat expenditures by a taxpayer in connection with his trade or business of publishing for the development or improvement of a book, teaching aid, or similar product as a research or experimental expenditure.

H.R. 9549. September 11, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish the Old Ninety-six Star Fort National Battlefield in South Carolina.

H.R. 9550. September 11, 1975. Post Office and Civil Service. Stipulates that civilian air traffic controllers employed in Executive agencies shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement.

H.R. 9551. September 11, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 9552. September 11, 1975. Judiciary. Authorizes the awarding of attorney's fees to prevailing plaintiffs in actions brought under certain civil rights laws.

H.R. 9553. September 11, 1975. Ways and Means. Requires States which have entered into agreements with the Secretary of Health, Education, and Welfare for coverage of State and local employees under the Social Security Act to make payments and reports to the Secretary of the Treasury on a calendar-quarter basis.

H.R. 9554. September 11, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 9555. September 11, 1975. Public Works and Transportation. Amends the Federal reimbursement for advanced construction to those publicly owned treatment works on which construction was initiated between July 1, 1972, and June 30, 1973, inclusive. Authorizes additional appropriations for reimbursement to States for advanced construction of such treatment works.

H.R. 9556. September 11, 1975. Ways and Means. Amends the Internal Revenue Code to remove the lien attached to any gross estate to enforce payment of estate tax from so much of the property as is transferred by the executor to a purchaser or holder of a security interest, and to attach such lien to the proceeds from such transfer.

H.R. 9557. September 11, 1975. Government Operations. Authorizes Federal payments to county governments to compensate for the tax immunity of Federal lands within their boundaries.

H.R. 9558. September 11, 1975. Judiciary; Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 9559. September 11, 1975. Judiciary; Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 9560. September 11, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to extend various authorization provisions of such Act through fiscal year 1977.

Authorizes approval of waste treatment user charge systems based upon ad valorem taxation by the Administrator of the Environmental Protection Agency. Extends Federal reimbursement for advanced construction to publicly owned treatment works on which construction began between July 1, 1972, and June 30, 1973, inclusive.

Allows the Administrator to accept state certification as discharging his responsibilities under certain provisions of the Act. Authorizes extensions for certain compliance deadlines contained in the Act by the Administrator within prescribed limits.

H.R. 9561. September 11, 1975. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 with respect to the National Airport System Plan, the distribution of funds, project approval, the Federal share of costs, and future obligations of the Federal sector.

H.R. 9562. September 11, 1975. International Relations. Declares that no debt owned to the United States by any foreign country may be settled in an amount less than the full value of the debt except by concurrent resolution of the Congress.

H.R. 9563. September 11, 1975. Judiciary. Incorporates the National Ski Patrol System, Incorporated.

H.R. 9564. September 11, 1975. Interstate and Foreign Commerce. Prohibits any railroad in reorganization from abandoning or discontinuing service over certain light density lines under the Regional Rail Reorganization Act of 1973.

H.R. 9565. September 11, 1975. Atomic Energy. Amends the Atomic Energy Act of 1954 to prohibit the issuance of permits for the construction of new nuclear fission powerplants without approval of such construction by a majority of the voters in the affected counties. Requires that such referendum be held within two years prior to application for a construction permit.

H.R. 9566. September 11, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to establish separate rules for broadcasting of postseason championship playoff games of professional baseball, basketball, and hockey clubs which prohibits blackouts of such postseason games in local areas only where all tickets of admission available to the general public have been purchased twenty-four hours or more before the game, rather than the general seventy-two hour limitation.

H.R. 9567. September 11, 1975. Armed Services. Authorizes eligible persons to receive health benefits under contracts entered into by the Secretary of Defense without regard to such person's eligibility for compensation for service-connected disabilities or death from the Veterans' Administration.

H.R. 9568. September 11, 1975. Banking, Currency and Housing. Amends the Housing Act of 1949 to permit the Secretary of Housing and Urban Development to waive a local grant-in-aid for certain urban renewal projects under certain condtions.

H.R. 9569. September 11, 1975. Ways and Means. Amends the Internal Revenue Code to treat expenditures by a taxpayer in connection with his trade or business of publishing for the development or improvement of a book, teaching aid, or similar product as a research or experimental expenditure.

H.R. 9570. September 11, 1975. Armed Services. Authorizes the Secretary of Defense to dispose of the entire inventory of carbonyl chloride under his jurisdiction by sale within the United States.

H.R. 9571. September 11, 1975. Armed Services. Authorizes the President to sell certain naval vessels to the Government of Brazil.

H.R. 9572. September 11, 1975. Armed Services. Authorizes the President to sell certain naval vessels to the Republic of China, the Government of Iran, and the Government of Greece.

H.R. 9573. September 11, 1975. Armed Services. Limits the total cumulative entitlement to payment for unused accrued leave to sixty days for discharged members of the Army, Navy, Air Force, Marine Corps, Coast Guard, and National Oceanic and Atmospheric Administration.

H.R. 9574. September 11, 1975. Armed Services. Amends the Aviation Career Incentive Act of 1974 with respect to incentive pay for certain individuals.

H.R. 9575. September 11, 1975. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to increase the amount of the Federal grant which may be made for long range and emergency mass transportation projects from 80 to 90 percent of the project costs.

H.R. 9576. September 11, 1975. Veterans' Affairs. Extends the entitlement of veterans to educational assistance from thirty-six to forty-five months. Sets a termination date for determining eligibility for such benefits.

H.R. 9577. September 11, 1975. Veterans' Affairs. Designates a Veterans' Hospital in California as the Jerry L. Pettis Memorial Veterans' Hospital.

H.R. 9578. September 11, 1975. Ways and Means. Amends the Social Security Act to authorize Federal payments to States for programs providing certain social services to certain groups of individuals, without requiring a determination of each participant's eligibility.

H.R. 9579. September 11, 1975. Ways and Means. Amends the Social Security Act to authorize Federal payments to States for programs providing certain social services to certain groups of individuals, without requiring a determination of each participant's eligibility.

H.R. 9580. September 11, 1975. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 9581. September 11, 1975. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 9582.—September 11, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 9583.—September 11 1975. Government Operations. Sets forth guidelines to be followed in the classification of material as "Defense Data" for purposes of determining whether its dissemination must be limited in the interest of national defense.

H.R. 9584.—September 11, 1975. Ways and Means. Amends the Internal Revenue Code to exclude property used in, or related to, the taxpayer's trade or business, which was provided to, or acquired by, such taxpayer at no cost, from the definition of capital asset.

H.R. 9585.—September 11, 1975. Interior and Insular Affairs. Authorizes the addition of certain lands to Mount McKinley National Park and Katmai National Monument in Alaska.

Designates certain lands and waters in Alaska as additional units to the National Park System and the National Wild and Scenic Rivers System.

H.R. 9586.—September 11, 1975. Interstate and Foreign Commerce. Requires the Consolidated Rail Corporation, under the Regional Rail Reorganization Act of 1973, to provide rail service over certain light density lines.

Sets forth the Federal share of a rail service continuation subsidy for 10 fiscal years.

Directs the Rail Services Planning Office to analyze certain rail lines not designated for inclusion in the final system plan, and designate certain rail lines which should be transferred to the Corporation or are operating profitably.

H.R. 9587. September 11, 1975. Ways and Means. Amends the Social Security Act to revise the procedure for Federal payment and administration of claims submitted by the States under the programs of old-age assistance, aid to families with dependent children, services to the aged, blind, or disabled, aid to the blind, aid to the permanently and totally disabled, supplemental security income, medicaid, and social services.

H.R. 9588. September 11, 1975. Ways and Means. Amends the Social Security Act to revise the procedure for Federal payment and administration of claims submitted by the States under the programs of Old-Age Assistance, Aid to Families with Dependent Children, Services to the Aged, Blind, or Disabled, Aid to the Blind, Aid to the Permanently and Totally Disabled, Supplemental Security Income, Medicaid, and Social Services.

H.R. 9589. September 11, 1975. Ways and Means. Amends the Social Security Act to revise the procedure for Federal payment and administration of claims submitted by the States under the programs of Old-Age Assistance, Aid to Families with Dependent Children, Services to the Aged, Blind, or Disabled, Aid to the Blind, Aid to the Permanently and Totally Disabled, Supplemental Security Income, Medicaid, and Social Services.

H.R. 9590. September 11, 1975. Ways and Means. Amends the Social Security Act to specify certain minimum staff-to-child ratios to be included by the Secretary of Health, Education and Welfare when imposing staffing standards for day care centers.

H.R. 9591. September 11, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation to make grants to States for the construction of bikeways. Directs the Secretary to establish construction standards for bikeways constructed with Federal grants.

H.R. 9592. September 11, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 9593. September 15, 1975. Government Operations. Authorizes the Administrator of General Services, under the Federal Property and Administrative Services Act of 1949, to donate without cost any personal property under the control of any executive agency which has been determined to be surplus property, to the appropriate State agency.

H.R. 9594. September 15, 1975. Education and Labor. Permits handicapped children residing on Federal property or residing with parents who are employed on Federal property to be counted for purposes of determining certain local educational agency entitlements.

Makes Federal funding available in certain circumstances for the education of handicapped children in private schools.

H.R. 9595. September 15, 1975. Post Office and Civil Service. Prohibits civil service disciplinary action in the case of a civil service employee who refuses to comply with directives to report as directed for the service of State or local process in connection with State or local tax claims against such employee.

H.R. 9596. September 15, 1975. Judiciary. Immunizes from prosecution or releases from punishment those persons who, within the period commencing on August 4, 1965 and ending March 28, 1973, were guilty of certain offenses against either the Military Selective Service Act or the Uniform Code of Military Justice, so long as such persons file a certificate affirming that such conduct resulted because of disapproval of the military involvement of the United States in Indochina.

H.R. 9597. September 15, 1975. Banking, Currency and Housing. Amends the Defense Production Act of 1950 to establish a National Economic Stockpile Association, under the Secretary of the Treasury, as a market facility for economic stockpiling to stabilize domestic industries through purchase and sale of such resources.

H.R. 9598. September 15, 1975. Banking, Currency and Housing. Amends the Defense Production Act of 1950 to authorize additional appropriations for the National Commission on Supplies and Shortages. Directs the Commission to establish and operate a National Resources and Materials Information System and to identify long-term and short-term impacts of potential shortages of resources.

Directs the Secretary of the Interior to maintain an annual survey of all resources in the public lands and of United States.

H.R. 9599. September 15, 1975. Ways and Means. Amends the Internal Revenue Code to direct the Secretary of the Treasury to set forth procedures for tax claims and the rights and obligations of a taxpayer during an audit.

Establishes an Office of Taxpayer Services within the Internal Revenue Service to assist taxpayers in the filing of returns.

Restricts access to tax returns filed by taxpayers.

H.J. Res. 625. September 3, 1975. Agriculture. Amends the Agricultural Act of 1949 to require quarterly adjustments in the support price for milk.

H.J. Res. 626. September 3, 1975. International Relations. Declares it the policy of the United States to renounce the first use of nuclear weapons, and to negotiate an end to efforts of the United States and the Soviet Union to achieve counterforce capacity.

H.J. Res. 627. September 3, 1975. Post Office and Civil Service. Authorizes and requests the President to designate January 4, 1976, as "Haym Salomon Day".

H.J. Res. 628. September 3, 1975. Judiciary. Proposes an amendment to the Constitution: (1) to prohibit compelling attendance in schools other than the one nearest a student's residence, and (2) to insure equal educational opportunities for all students.

H.J. Res. 629. September 3, 1975. Judiciary. Proposes an amendment to the Constitution to prohibit a public school student from being assigned to, or required to attend, a particular school.

H.J. Res. 630. September 3, 1975. Post Office and Civil Service. Authorizes the President to designate the 4th Saturday of each September "National Hunting and Fishing Day".

H.J. Res. 631. September 3, 1975. Judiciary. Directs the Attorney General of the United States to investigate the manufacture, marketing, and sale of replacement home canning lids with respect to possible antitrust violations.

H.J. Res. 632. September 4, 1975. Judiciary. Proposes an amendment to the Constitution to extend the rights of due process and equal protection to persons at every stage of biological development regardless of age, illness, or incapacity. Allows medical procedures required to prevent the death of a pregnant mother.

H.J. Res. 633. September 5, 1975. Government Operations. Amends the Energy Reorganization Act of 1974 to include the Secretary of Labor in the membership of the Energy Resources Council.

H.J. Res. 634. September 5, 1975. Merchant Marine and Fisheries; Ways and Means. Amends the Fishermen's Protective Act of 1967 to direct the Secretary of the Treasury to place an embargo on the products of all foreign enterprises engaged in commercial whaling.

H.J. Res. 635. September 5, 1975. Public Works and Transportation. Authorizes acceptance or appropriation of funds for establishment of equipment and other facilities for sound and light performance on the east front of the United States Capitol.

H.J. Res. 636. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 637. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 638. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 639. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 640. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 641. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 642. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H.J. Res. 643. September 8, 1975. Post Office and Civil Service. Authorizes the President to designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day".

H. Con. Res. 378—September 3, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 379—September 3, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 380. September 3, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 381. September 3, 1975. International Relations. States that it is the sense of the Congress that the United States Government do nothing to compromise the freedom of the Republic of China.

H. Con. Res. 382. September 4, 1975. International Relations. Expresses Congressional objections to the sale to Jordan of certain weapons as proposed by the President.

H. Con. Res. 383. September 4, 1975. Post Office and Civil Service. Designates 1975 as "Workmen's Circle Anniversary Year."

H. Con. Res. 384. September 5, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 385. September 5, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 386.—September 5, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 387.—September 5, 1975. Public Works and Transportation. Declares it the sense of Congress (1) that certain public buildings be surveyed for architectural barriers to the handicapped, (2) that such barriers be removed, and (3) that other governmental units be urged to take like action.

H. Con. Res. 388.—September 5, 1975. International Relations. Requests the President to bring the Baltic States question before the United Nations. Urges the United States Information Agency and other propaganda agencies to bring this issue to world attention.

H. Con. Res. 389. September 5, 1975. International Relations. Declares it the sense of Congress that it is the policy of the United States not to recognize the annexation of the Baltic nations by the Soviet Union, notwithstanding the signing of the Final Act of the Conference on Security and Cooperation in Europe.

H. Res. 686. September 3, 1975. International Relations. Recommends the postponement of grain sales and shipments to Russia until it is determined that such sales will have no inflationary impact on prices in the United States.

H. Res. 687. September 3, 1975. International Relations. Expresses the disapproval of the United States of the attempts to expel Israel from the United Nations. Declares that in the event that Israel is expelled the United States will (1) review present United States' commitments to the United Nations, and (2) consider withdrawing United States membership in the United Nations.

H. Res. 688. September 4, 1975. Post Office and Civil Service. Declares the disapproval of the House of Representatives to the alternative plan for pay adjustments for Federal employees recommended by the President on August 29, 1975.

H. Res. 689. September 4, 1975. Judiciary. Declares it the sense of the House of Representatives that the United States should endorse the Standard Minimum Rules for Treatment of Prisoners.

Declares it the sense of the House of Representatives that the Attorney General should take steps to incorporate such Rules in regulations and directives of the Federal Bureau of Prisons.

H. Res. 690. September 4, 1975. Post Office and Civil Service. Declares it the sense of the House of Representatives that Arcadia, California be commended for its participation in the sister city program and its twinning with Newcastle, New South Wales, Australia.

H. Res. 691. September 4, 1975. Rules. Establishes a House Select Committee on Missing in Action to study all matters relating to United States servicemen missing as a result of military operations in Southeast Asia.

H. Res. 692. September 4, 1975. Sets forth the rule for the consideration of H.R. 8650.

H. Res. 693. September 4, 1975. Sets forth the rule for the consideration of H.R. 8674.

H. Res. 694. September 4, 1975. Sets forth the rule for the consideration of H.R. 8800.

H. Res. 695. September 5, 1975. Rules. Establishes in the House of Representatives a Select Committee on Security and Cooperation in Europe to monitor compliance with the provisions of the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki, August 1, 1975.

H. Res. 696. September 5, 1975. International Relations. Requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz.

H. Res. 697. September 5, 1975. Interior and Insular Affairs. Declares it the sense of the House of Representatives that the National Park Service assure the availability of lodging and other services and facilities where appropriate in the national park system.

H. Res. 698. September 8, 1975. Authorizes payment of compensation to employees of the Publications Distribution Service of the House of Representatives for authorized services performed in excess of the normal workday.

H. Res. 699. September 8, 1975. Rules. Declares it the sense of the House of Representatives that the current recess schedule be suspended until the completion of major pending business or sixty legislative days, whichever comes first.

EXTENSIONS OF REMARKS

PUTTING CHILD CARE IN PROPER HANDS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. RANGEL. Mr. Speaker, as House and Senate committees debate the role which the Federal Government should play in funding child care services, it is critical that the best interests of the children be our paramount concern.

Preschool children must not be used as pawns simply to provide jobs to those not trained or qualified to care for children between the ages of 2 and 5. In many cities, including New York City, excellent day care programs have been developed by dedicated professionals specializing in early childhood education. Working closely with parents, they provide learning environments geared specifically for the needs of preschoolers. Day care centers in New York also provide constant medical and nutritional services.

Any Federal program should provide for community participation in the process of determining which programs best serve the needs of preschool children. There should not be an automatic assumption that child care belongs in the public schools, institutions which traditionally have not met the needs, and lack the specialized facilities, personnel, and commitment to best educate and care for preschoolers. There must also be no automatic assumption that unemployed elementary or secondary schoolteachers are also qualified to teach prekindergarten-age children. A comprehensive Federal program to encourage child care across the United States should not simply be a vehicle to provide "slots" for those whose prime personal commitment is not the care of these young children.

The following New York Times editorial which appeared in the July 28 edition, points out the limitations of "downward extension of the existing public school system" as a means of providing quality child care services to all those who want them.

I insert the editorial for my colleagues' review:

[From the New York Times, July 28, 1975]

THE EARLY YEARS

The American Federation of Teachers and the National Education Association, setting aside their organizational rivalry, have joined in a campaign for dramatic expansion of pre-school education.

Since the extension of schooling to millions of children between the ages of three and five would create a substantial number of new teaching jobs at a time of declining enrollment and rising professional unemployment, the drive toward early childhood education might be dismissed as a self-serving maneuver. The truth is, however, that the United States has long lagged behind many other industrial nations in providing pedagogical care for its pre-school youngsters.

Former President Nixon's veto of the Child Development Act, which enjoyed strong bipartisan support in Congress and among child care experts, is responsible for the fact that such services are not already available. Although President Johnson's Project Headstart was crippled almost from its birth by inadequate planning and funding, expert evidence suggests that its concept was sound and its extension could have done much to improve many children's intellectual, physical and psychological capacities and performance.

The question thus is not whether but how best to expand early childhood education. The teachers' concentration on downward extension of the existing public school system is not necessarily the only answer. If a new category of services for very young children is to be created, much of the inflexibility in existing administrative codes and union contracts will have to be avoided.

In establishing a sympathetic environment for pre-school youngsters, the lines between professional staff and locally familiar lay and community people, including parents, ought to be more fluid than in regular classrooms, perhaps most important, the training and selection of personnel should be attuned with far greater sensitivity to children's needs than either the licensing or the seniority systems permit in existing schools. Effective care for the nation's pre-school children must not be jeopardized by failure to distinguish between what the professional establishment wants and what the children need.

CONNIE CALDERON—HEART OF WILMINGTON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. ANDERSON of California. Mr. Speaker, on October 12 the people of Wilmington will honor one of the most active, unselfish, and deserving members of the entire Harbor community—Connie Calderon.

Ms. Calderon—or Connie, as she is known to her many friends—has for years served as the athletic director of Holy Family School in Wilmington, acting as girls' coach in volleyball, basketball, and baseball. Her gift of imparting sportsmanship and team spirit to both the young men and women of Holy Family Grammar School has had an important role in the development of many of our community's young persons.

Far from limiting her enthusiasm and leadership to her position at the school, Connie Calderon has been an extremely active force in the Harbor community. She has served the youth of Wilmington as assistant director of Teen Post No. 108 and has been director of the post for over 9 years. Her active role in serving as a "guiding light" for Wilmington's youth has long been appreciated by the entire community.

Connie has also worked closely with the Henry Flores AmVets Post No. 33 and the Wilmington Jaycees in promoting activities aimed at benefitting the community she has loved for so long. Her work on behalf of community health day activities has been extremely beneficial to the disadvantaged persons of Wilmington, and is just one example of her concern for the people of the community.

During summer months, Connie volunteers her time and efforts in the neighborhood youth employment program, acting as a job placement officer. This program alone serves the youth of the area by supplying over 1,000 jobs in the 7 years Connie has been active.

A founder and promoter of the Decor Carmeli service organization of the Holy Family Parish, Connie Calderon is also a charter member of the Club of Friends of Anna Veronica de la Pena Scholarship Committee. In this capacity, her continued interest in education has been instrumental in giving scholarships to disadvantaged students.

Connie's cheerfulness and indomitable spirit, combined with a strong sense of duty, have for many years been a keynote to the community which she has served so well. And I am sure that the future will only see this remarkable woman continue her timeless efforts to benefit her fellow members of the Harbor area.

Because of its location in the Port of Los Angeles, Wilmington is often called the heart of the Harbor. But Connie Calderon, through her unselfish dedication and concern for her community, truly deserves to be known as "The Heart of Wilmington."

Mrs. Anderson and I add our good wishes to those expressed by the citizens of Wilmington, and wish her many more happy years of service to her community.

A PROGRESSIVE PROGRAM FOR "A BACKWARD NATION"

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. SYMMS. Mr. Speaker, appearing in a recent issue of Time magazine are the excerpts from a speech given to the Downtown Rotary Club of Washington, D.C., by Mr. Lewis Foy, chairman of Bethlehem Steel. His speech, entitled "A Progressive Program for 'A Backward Nation,'" is a beautiful combination of acute insight into our Nation's economic workings and an awful lot of commonsense as to what we should be doing on that front. All too often the gloom and doom collectivists belabor us with what is wrong with our society, never seeming to recognize that our system, which has allowed a significant degree of capitalism, has helped us to create a standard of living better than any other people on Earth have known. I find this message by Mr. Foy to be much more enlightening that most of the editorialized news which usually habituates in this magazine, and would like to commend him and the Bethlehem Steel Corp. for sharing these perceptive thoughts with the reading public. I encourage all Americans, and my colleagues in particular, to give their attention to the excerpts offered:

A Progressive Program for "A Backward Nation"

("I'm talking about jobs. I'm talking about food on the table and goods in the store. I'm talking about a dynamic economy that'll bring a new prosperity to this land.")

"I'd like to set the stage by telling you about 'a backward nation.'

I'm talking about a nation that's been 'backward' in terms of economic growth. Over a long period of years that particular nation had an average economic growth rate of only four percent a year—less than half the growth rate in Japan, and seventeenth among twenty leading industrial nations.

Seventeen out of twenty in economic growth? I say that's 'backward.'

I'm talking about a nation with lagging capital investment . . . lagging economic growth . . . lagging plant modernization . . . and lagging productivity gains . . . and I say that's a pretty fair description of a 'backward nation'—a nation that's falling behind.

Well, I guess you know what country I'm talking about. It's our country, the U.S.A.

Of course we're still an economic powerhouse. Of course we still have a sizeable lead over most other countries in a lot of respects, but we're losing our lead, and *fast*. Relative to the other major industrial nations, we're moving *backward*.

Why? Because too small a share of the nation's output is being allocated to investment. We simply aren't plowing enough of our resources back into productive enterprise, into the engines of growth and progress.

WHERE WILL NEW JOBS COME FROM?

About a million-and-a-half people will be entering the private labor force every year between now and 1980, and we want to make sure there are jobs for them, and I mean good jobs. But the average investment to create just a single new job opportunity is rising all the time. It's about $25,000 now, and it'll be close to $35,000 by 1980.

You might think about that for a moment: $52½ billion in the year 1980, just to create enough new job opportunities for the people coming into the labor force that year.

We won't get the economy back into gear unless and until the private sector can generate the capital funds needed for modernization and growth. In the case of my own industry, that's something in the order of $5 billion a year.

Corporate profits can't generate that kind of money, not the way things have been going.

The equity route is at a dead end these days, and there are limitations to further borrowings. Even if corporate debt weren't at record heights, there's the crowding-out effect of massive borrowing to cover oversized Federal deficits.

Where's that private investment capital coming from? How in the world is our 'backward' nation going to get moving forward again?

In my opinion there's no way to do it without an enlightened and coherent Federal income tax program.

A PROGRESSIVE PROGRAM

I want to urge just five tax-related measures that are needed by companies like mine, and industries like the steel industry, and manufacturing and mining industries in general. To my way of thinking, these five measures are rock-bottom requirements.

First, I urge Congress to enact a realistic, effective capital recovery system.

The guts of this system has to be *full* and *fast* recovery of expenditures for plant and equipment. Under the present depreciation system, we don't recover our investment fast enough to plow it back into more capital spending when, as today, funds for capital spending are in short supply and badly needed.

And cost inflation makes matters a lot worse. Our original cost basis gets more ridiculous every year that replacement costs spiral upward. The longer the period for depreciation, the less we recover of the *real* costs of replacing our old equipment with equivalent modern equipment.

Second, what I've said about capital recovery goes *double* for the capital we're putting into pollution-abatement facilities.

Those facilities rarely produce a cent of income. In fact, they incur heavy operating costs year after year. In such cases the usual rationale for depreciation—recovering the expenditures out of earnings—makes no sense at all. *There aren't any earnings!*

So, I recommend—I *urge*—that outlays for pollution control may be written off *immediately*, in the year the costs are incurred, or over any period that the taxpayer elects.

My third recommendation is this: Let's stop playing games with the investment tax credit. The Tax Reduction Act of 1975 took a step in the right direction, but it's only a single step.

At last Congress acknowledged what we've known for a long time, that the tax credit pays off in more investment. So far so good. Raising it from seven to ten percent was a sensible move, but limiting the increase to two years wasn't.

The business community needs *certainty* in order to plan ahead, and we need more than two years for long-range financial planning.

Let's boost the tax credit to *12 percent*. And let's make it *permanent*.

That would be another powerful shot-in-the-arm for economic growth and job formation, and it would lay the basis for increased future tax revenues.

Fourth, let's do something about double taxation of corporate profits. I mean taxing income when earned by the corporation and again when it's received by shareholders in the form of dividends.

Most other industrial nations have systems that provide relief from double taxation, and I think that's the way we ought to go. In the long run it'd help open up the possibility of more capital formation through sales of new issues of corporate stock.

My fifth and final recommendation has to do with natural resources—mining and energy production.

I'm not suggesting anything new. All I want to do is urge the continuation of the existing tax provisions—notably, percentage depletion. It's terribly important to the extractive industries. It's been a helpful feature of the tax code for more than forty years, ever since 1932.

Today, when the national well-being requires the greatest possible assurance of ample mineral raw materials and energy resources, we've got to encourage exploration, development, and production. This is expensive. It costs like sin. And it's just about the riskiest business going.

WE HAVE GOT TO MOVE FORWARD

The immediate and long-lasting payoff from these tax-related measures will be nothing less than solid economic growth. And I'm not talking about benefits that, as some people say, would just 'trickle down' to all Americans.

I'm talking about jobs; I'm talking about food on the table and goods in the stores; I'm talking about a dynamic economy that'll build our strength in world markets and bring a new prosperity to this land and all its people.

This is worth fighting for, and I hope you'll join me in letting Congress know where we stand!"

PUBLIC ENEMY NO. 1: BIG GOVERNMENT

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. CONLAN. Mr. Speaker, big Government is public enemy No. 1 throughout this country. People want Government out of their pockets, out of their neighborhoods, and off their backs.

During the summer congressional recess, I called for a "Ballot Box Tea Party" in 1976 to celebrate our Nation's Bicentennial. The best birthday present that voters can give their country is a Congress without the ultraliberal big spenders and big Government advocates who constitute the majority of this Congress.

I am proud to count myself as an enemy of big Government, and would like to share with my colleagues some views I expressed about the cost and inefficiency of the bureaucratic tyranny we must get off the back of the people and the American economy:

The Spirit of '76 Will Topple Big Government

The latest survey by national pollster Albert Sindlinger shows that public confidence in the liberal Democrat Congress and the federal bureaucracy has gone down to a historic low.

Only about 12 or 13 per cent of the American people believe the federal government is doing a good job.

This low public esteem in government is not hard to figure out.

The cost of government is intolerably high.

And the bureaucracy exerts stifling control over the lives of all Americans.

This public reaction is a repudiation of big government paternalism . . . which since 1960 has expanded to unthought-of proportions.

Consider for a minute the cost of government for the average American family.

Taxes take an average of 43 cents out of every dollar earned.

This immediately reduces a $10,000 annual income to about $6,000 before a penny has been spent by the person who earned it.

Wasteful and unnecessary government regulations cost the average family an additional $2,000 a year in higher prices for products and services.

The $10,000 income is now down to $4,000.

Then there is the further drain of runaway government deficits.

They now cost every household between $838 and $1,490 a year . . . further reducing the purchasing power of that original $10,000 income to about $3,000.

The damaging consequences of bureaucratic meddling extend far beyond the economic impact on individual citizens and families.

The plethora of so-called safety, health, and environmental regulations that waste natural and human resources cause added hidden costs that we all ultimately pay . . . one way or another.

A General Accounting Office study of the effects of land-use regulations found that more than 6 billion board feet of mature timber die every year in our natural forests . . . because federal regulations prohibit their being harvested.

This timber is enough to build 850,000 new homes . . . but goes wasted because of bureaucratic stupidity.

Lawnmover regulations of the Consumer

Product Safety Commission could increase the cost of a $100 mower to $186 . . . and put 25 lawnmower manufacturers completely out of business.

The Federal Trade Commission plans to collect and publicly reveal so-called "line-of-business" data on the sales, profits, and product lines from 345 of the nation's biggest manufacturers.

It will cost each company—and ultimately consumers—an average of $548,000 to provide this data . . . not to speak of the loss in being forced to give away trade secrets and other valuable material.

There are thousands of other examples of higher costs to consumers because of questionable and wasteful bureaucratic controls and standards.

Much of the additional consumer cost from federal regulation comes from the federal paperwork burden imposed on businesses.

It is estimated that more than 130 million man-hours a year are spent completing the 5,146 different types of federal forms, in addition to all tax and banking forms.

A Senate subcommittee estimates that private business spends about $20 billion annually on paperwork demanded by federal bureaucrats. The General Accounting Office estimates that the federal government spends the same amount again processing the paperwork.

A private firm employing 50 or less people is required to submit as many as 75 or 80 different types of government forms. Some must be completed several times a year. Others must be completed for each employee.

A plant with 5,000 employees needs to hire 10 full-time additional people just to meet federal poperwork requirements.

A large corporation with 40,000 employees, in addition to hiring extra staff to complete federal paperwork, needs 125 file drawers of back-up material just to meet federal reporting requirements on personnel.

Most of these forms are required to prove that a business does not have discriminatory hiring practices against minorities.

Employers must prove to federal bureaucrats that they are hiring just the right number of women and people from certain racial groupings, language groupings, and so forth.

Now, all of us favor an end to any kind of discrimination.

But evidence indicates that it is impossible for some bureaucrat to find an appropriate socio-economic mix without disrupting and polarizing various ethnic groups . . . one against another.

Federal quota systems and other bureaucratic attempts to end discrimination therefore often do as much as discrimination itself to set people apart . . . to sow seeds of racial, ethnic and social discord and hatred . . . and to stiflle excellence.

Since 1954, federal bureaucrats and ultra-liberal judges have been promoting the dangerously simplistic view that racial tension and low minority achievement in schools could be ended by busing for integration.

Mandatory busing has done precisely the opposite of what its advocates expected . . . while violating the privacy and rights of millions of parents and children.

Busing has created racial strife in dozens of major cities across the nation.

It has pitted parents against parents . . . and parents against schools.

It has increased racial and economic segregation by forcing busing opponents to flee to the suburbs.

And according to professional educators themselves . . . school integration through busing has had no measurable positive effect on the achievement or opportunity of minority children.

Despite the open and intense public rebellion against forced busing, Congress has again flaunted its arrogance of power by requiring bi-lingual elections across the country.

It did this with the recent extension of the so-called Voting Rights Act.

Every community in the nation where more than 5 per cent of the voting population is from a certain "language minority" . . . and where less than half of all eligible voters participated in the previous election . . . will be required to print ballots and election materials in those foreign languages as well as in English.

In Arizona . . . ballots in many communities will have to be printed in multiple languages and dialects—including Spanish, Navajo, Hopi, Apache and so forth . . . some of which don't even have a usable written form.

This is an insult to English-speaking citizens of Mexican and Indian origin.

The law assumes that Mexican-American and Indian-American citizens are less literate in English than they are in Spanish or their own Indian dialect.

This is not necessarily true.

In fact, I recently received a letter from former Governor Jack Williams' official Spanish translator, who wrote to complain about the inaccurate Spanish version of food stamp brochures being circulated in Pinal County.

She told me that 90 per cent of all Spanish-speaking citizens who are literate and read English do not also read Spanish . . . even though they speak their own form of Spanish.

The remaining 10 per cent who do not speak or read enough English to understand an English ballot are basically illiterate.

They would not be helped by a ballot even in their own language or dialect, since they could not read it anyway.

Instead . . . they would rely on assistance that has always been available from deputy registrars and at polling places for illiterate citizens.

The U.S. Immigration and Naturalization service law requires applicants for citizenship to speak, read and write English. If immigrant citzens must know English, and if some native born citizens can't read English by age 18, then printing the ballot in a non-English language is a useless bureaucratic expense.

Ultra-liberals in Congress did not do their homework before they forced the ridiculous "language minority" provisions of the Voting Rights Act down the throats of the American people.

Disregarding the fact that English is our universal language . . . they imposed assinine and expensive election requirements on states and local communities.

There is little hope with the current ultra-liberal majority in Congress that federal meddling and the massive growth of bureaucratic power can be reversed.

Leadership to do this must come from responsible Democrats and Republicans at the local, county, and the state levels . . . and from the White House itself.

In some instances . . . citizens will have to seek judicial relief from unrealistic federal social engineering in the courts.

There is no doubt that we have too much unrepresentative government by bureaucratic decree.

The bureaucracy needs to be stripped down and rule-making authority over our lives returned to the Congress—rather than the bureaucracy—so people can register their disapproval of government regulations and power at the polls.

The President should form a Blue Ribbon commission of distinguished citizens from all walks of life across the nation to provide the Congress and the executive branch with a concrete plan to strip down government and bureaucratic power

That power must be returned to the people.

The inefficiency and cost of big government has caused or fueled just about all our major problems—inflation, unemployment, the energy situation, skyrocketing taxes, crime, and social unrest.

These problems need to be turned around . . . and *will* be turned around . . . by thinking Americans at the polls in 1976.

There is a new revolt against the tyranny of the state growing throughout our country. Americans who are sick and tired of government spending and regulatory control that have stifled their individual freedom and the economy are reaffirming the Spirit of '76 . . . which will topple big government.

Either Congress and the President will move to revive our personal enterprise system by reducing the power and cost of government, or voters will replace them with a new Congress and administration sincerely committed to that cause.

FRANKING PRIVILEGE LOOPHOLE CLOSED

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, I wish to commend the Committee on the Post Office and Civil Service for its expeditious consideration of H.R. 4865, a bill to prohibit certain franked mailings by former Members of Congress and other U.S. officials. I introduced this legislation, because of an actual abuse of the franking privilege which took place due to a loophole contained in 39 United States Code 3210(b)(1). I believe that rapid enactment of H.R. 4865 will close this loophole and still permit former Members and U.S. officials to conduct that business essential to the closing of their offices.

An abuse of the franking privilege had taken place earlier this year when a mass mailing was made by a former Member prior to the April 1 deadline specified in section 3210. Before attempting a legislative remedy, I contacted the Postmaster General, the Attorney General, and the House Committee on Standards of Official Conduct. When these offices indicated that mass mailings by a former Member prior to April 1 were within the letter of the law, I introduced H.R. 4865 to close this loophole.

I believe that the committee amendment, incorporating the suggestions of the House Commission on Congressional Mailing Standards, is an improvement upon the original structure of this bill. It should eliminate the potential for abuse, as the original bill intended, while permitting greater flexibility for attention to individual cases.

Mr. Speaker, I believe H.R. 4865, should be enacted for two important reasons. First, it will save money for the American taxpayer. We rarely have the opportunity to vote for a reduction in Federal expenditures. Second, and most importantly, this legislation will correct a a situation permitting an abuse of privilege by former Members or officers of the United States. I believe the key word here is "privilege." As we all know, Mr. Chairman, certain privileges accrue to the offices we are honored to hold. We must not confuse these privileges of office with excessive perquisites for those who hold or have held these high offices. The granting or continuing of excessive privileges only contributes to the perception of a gap between the American people and their elected officials, a problem which is all too prevalent at this time in our history.

To cut Government expenditures and to eliminate franking abuses, I commend the rapid enactment of H.R. 4865.

TIME TO APPLY 14TH AMENDMENT TO SENIOR CITIZENS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. FINDLEY. Mr. Speaker, I originally introduced legislation to end age discrimination in employment in February of this year. Since then, more than 40 of my colleagues have joined me in this effort including my friend and colleague, AUGUSTUS F. HAWKINS, chairman of the Equal Opportunity Subcommittee, and ALBERT H. QUIE, the ranking Republican of the Education and Labor Committee.

A groundswell of public support is building throughout the country, and the time has come for the House of Representatives to outlaw this most pervasive form of discrimination in our society. During the past few months the American Medical Association, the Association of Retired Persons, the National Council on the Aging, the National Council of Senior Citizens, the Newspaper Guild of AFL–CIO, all have publicly expressed their support for legislation of this nature. Prominent public leaders have also called for an end to forced retirement, including Mayor Richard J. Daley of Chicago. The diversity of these groups reflects the wide support this measure has gained.

Dr. Arthur S. Flemming, former Secretary of the Department of Health, Education, and Welfare, Commissioner of the Civil Rights Commission, and Commissioner of the Administration on Aging has stated.

> We must give the older Americans the chance to remain involved. It has been shown that non-involvement leads to a rapid decline in a person's physical, mental and spiritual health. Older people resent this.

I fully agree with Dr. Flemming and feel his remarks are indicative of the mood of the country. A recent Harris poll showed that an overwhelming majority of Americans feel that mandatory retirement is wrong and should be abolished.

The 14th amendment states that no one can be denied life, liberty, or property without due process of law. To carry out the 14th amendment, we have passed laws prohibiting discrimination based on race, sex, and religion. Many of the same arguments against guaranteeing women, blacks, and other minority groups the basic rights of life, liberty, and the pursuit of happiness are now being raised against guaranteeing older Americans an equal chance to a job. Our national commitment to equality has always overcome the pressures of the time, and our Nation is the stronger for it. It is time to extend the 14th amendment to the Constitution to our senior citizens.

ELEANOR KRATZER "WOMAN OF THE YEAR"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. GAYDOS. Mr. Speaker, on November 2, the McKeesport Allied Veterans will honor an individual who never ceases to amaze those who know her. Miss Eleanor Kratzer is one of those rare personalities you come across once in a lifetime.

She knows something about everything and is virtually a living encyclopedia when it comes to the history of McKeesport. Her knowledge of the community is astounding; yet she is not a native of the area or of Pennsylvania.

Miss Kratzer was born in Port Washington, Wis. and did not come to our area until she was in her mid-20's, when she left her job with the Wisconsin Dairyman's News to become society editor of the Daily News in McKeesport. But, it is generally conceded that Eleanor Kratzer has more friends and acquaintances than anyone else in the area.

However, her list of friends is rivaled by her membership and association in civic, fraternal, social, and charitable organizations. She is the "meetin'est" person in town. I will not attempt to cite all of the groups to which she belongs, just a few to give my colleagues an idea of the scope of her interests and activities:

The 20th Century Club of McKeesport, the YWCA Board, Confederation of McKeesport District Woman's Club, the area's Thiel College Woman's Club, the McKeesport Woman's Club, the Board of McKeesport's Preschool for Exceptional Children, the Salvation Army, the local branch of the Cancer Society.

The American Legion Auxiliary to Burt Foster Post 361—her brother, Michael, was killed in the Battle of the Bulge during World War II at the age of 19, the College Club, the Hospital Junior Committee, Women's Communications, and McKeesport Chapter 32, AARP.

Miss Kratzer also holds honorary memberships in numerous other organizations, including four area women's clubs, the McKeesport Music Club, Beta Sigma Phi Sorority, the Altrusa Club, the McKeesport Garden Club, Hadassah, the Semper Fidelis Club, and two other AARP groups.

In her spare time, Eleanor likes sports: Fishing—the love of her life, hunting, tennis, field hockey, swimming, ice skating, badminton, and—shooting pool.

Mr. Speaker, that is a thumbnail sketch of this amazing, gracious lady, but it clearly illustrates why Miss Eleanor Kratzer is the McKeesport Allied Veteran's "Woman of the Year" for 1975.

USDA'S PROPOSED FOOD STAMP REGULATIONS HURT ELDERLY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. RICHMOND. Mr. Speaker, the Department of Agriculture has recently proposed new food stamp regulations that discriminate against the elderly. These proposed new food stamp coupon allotments appeared in the Federal Register on September 19, and comments on the proposals are being considered by the USDA.

I urge my colleagues to let the USDA know how they feel about these proposals, as well as informing their constituents who may wish to respond as well.

I am inserting into the RECORD an analysis of the three proposals which have been prepared by the Food Research and Action Center in New York, a public interest and advocacy organization specializing in USDA's food and nutrition programs. FRAC's explanation clearly shows how discriminatory and inadequate the USDA proposals are.

The information follows:

SEVERAL MILLION ELDERLY PERSONS MAY HAVE THEIR FOOD STAMP BENEFITS CUT

The U.S. Department of Agriculture has proposed new food stamp regulations that could substantially reduce, and in some cases eliminate, food stamp benefits for thousands of elderly recipients. If certain proposed regulations are adopted, most elderly recipients will lose at least $4 to $6 each month in food stamp benefits, and many will lose much more. In fact, in many states, elderly Supplemental Security Income (SSI) recipents will lose at least $7 in monthly benefits, and in some states, SSI recipients will lose all of their benefits. Elderly individuals in all states, that receive both SSI and at least $20 a month in Social Security benefits will be particularly hard hit by the proposed regulations, and will lose at least $7 in their monthly food stamp benefits.

On June 12, 1975, the U.S. Court of Appeals for the District of Columbia ruled that the U.S. Department of Agriculture had not followed the proper administrative procedure in issuing its food stamp coupon allotments. The Court also determined that the present food stamp coupon allotments did not provide all recipents with the "nutritionally adequate diet" guaranteed them under the Food Stamp Act. Consequently, the Court ordered the Agriculture Department to follow proper administrative procedure in issuing food stamp coupon allotment regulations which guarantee all recipients the opportunity to purchase a nutritionally adequate diet. This means that the Agriculture Department has to issue coupon allotments in proposed form, and then accept and consider comments on these proposed allotments from all interested parties before it issues final coupon allotment regulations.

THREE PROPOSALS

On September 19, 1975, the Department of Agriculture published their proposed regulations, as required by the Court order. The proposed regulations contained three alternative proposals for establishing coupon allotments.

Proposal 1: This first alternative would calculate a household's monthly food stamp coupon allotment on the basis of the age and sex of each household member. The method would be very harmful to elderly women (ages 55 or over) living by themselves. Their monthly coupon allotment would be reduced from $50 to $44.[1] In addition under this proposal, an elderly woman, living by herself, with a monthly income (after deductions) between $170–$189.99, will have to pay $1 more for her lower ($44) monthly coupon allotment and, therefore, will be paying $39 for a $44 coupon allotment. If the elderly woman's monthly income (after deductions) exceeds $190, she will have to pay $45 a month, or more, for her $44 coupon allotment, and will have to drop out of the Food Stamp Program.

Under Proposal 1, an elderly couple (containing a man and a woman both 55 years of age or older) will have their monthly food stamp coupon allotment lowered from $92 to $88. In addition, if this two-person household has an income (after deductions) between $270–$289.99, it will pay $2 more for its lower $88) coupon allotment; if household income is $290–$309.99, it will pay $8 more for its lower coupon allotment; if household income is $310–329.99, it will pay $16 more for its lower coupon allotment; and if its income exceeds $330, it will be eliminated from the Food Stamp Program since it will have to pay $92 for an $88 monthly coupon allotment.

DEVASTATING EFFECTS

To fully appreciate the devastating effects of Proposal 1, consider the following:

1. In the following states, most or all elderly single member SSI households receive $170 or more in SSI benefits, and, consequently, an elderly female SSI recipient would lose $7 in food stamp benefits each month: Colorado, Illinois, Michigan, Minnesota, New Hampshire, New Jersey, Oklahoma, Oregon, Pennsylvania, Rhode Island, Vermont and Washington. In Kansas, Rhode Island, South Dakota, Washington, Idaho, Nebraska and Connecticut, many single elderly female SSI recipients living alone will be completely eliminated from the Food Stamp Program.

2. In all the states in which SSI recipients are eligible for food stamps, female elderly SSI recipients who are also receiving $20 or more in Social Security benefits will lose $7 in food stamp benefits. In the following states many or all of these same recipients would be eliminated from the Food Stamp Program: Colorado, Illinois, Michigan, Minnesota, New Hampshire, New Jersey, Oregon Oklahoma, Pennsylvania, Rhode Island, Washington, Kansas, South Dakota, Vermont, Idaho, Nebraska, Connecticut.

3. In Idaho, Vermont, Minnesota and Washington, many elderly SSI couples will lose a total of $6 in monthly food stamp benefits, and in Connectitcut, Nebraska, Vermont, Rhode Island and Oklahoma, many elderly SSI couples will lose $12 in monthly food stamp benefits, and receive only an $8 monthly bonus. If SSI couples in these states are also receiving at least $20 in monthly Social Security benefits, they will lose even more food stamp benefits.

Proposal 2: This proposal is exactly the same as Proposal 1 except that it would guarantee that any household participating in the Food Stamp Program as of December 31, 1975, would not receive a coupon allotment lower than it was receiving on that date, as long as the household remained continuously on the Food Stamp Program after that date. Proposal 2 is no real improvement over Proposal 1: (1) many elderly one-member female households and elderly two-member households may go off the Food Stamp Program after December 31, 1975, and will receive a lower allotment when they come back on; (2) cost of living increases will raise coupon allotments for food stamp households so that the allotments of December 31, 1975 will soon be eclipsed; and (3) while allotments will not be lower than December 31, 1975 allotments, the purchase price for these same allotments will be the same as in Proposal 1, and, consequently, substantially higher than present purchase prices.

Proposed 3: This proposal is similar to the schedules presently in effect, with slightly higher coupon allotments. Unlike the first two proposals, allotments are not based on the age and sex of the individual household members, so elderly recipients would be no better off and no worse off than other food stamp recipients.

All three proposals are inadequate to meet the needs of impoverished senior citizens as well as other needy food stamp recipients since they establish coupon allotments based on the Department of Agriculture's Thrifty Food Plan. The Thrifty Food Plan is not geared to provide recipients with a "nutritionally adequate diet." Instead, it is based on insuring that the Department does not have to increase the costs of the Food Stamp Program. As an example of the inadequacies of the Thrifty Food Plan: it is based on food consumption data derived from a survey that is almost ten years old; it is premised on the amount of money certain households actually spend for food, not on the amount needed for adequate nutrition; it does not consider variations in regional food costs or variations in the individual health of the food stamp participant.

WHAT YOU CAN DO

It is important that all elderly persons and groups interested in the welfare of the needy elderly write to the Department of Agriculture protecting against the adoption of either Proposal 1 or 2. Both of these Proposals will harm elderly recipients and must not be adopted.

The Department of Agriculture cannot decide which proposal (if any) it will use until it reads and considers all comments. Consequently, all comments it receives that call for a rejection of Proposals 1 and 2, and that protest the use of the Thrifty Food Plan are important. Explain who you are and who you represent? Explain why you are concerned? Explain how you will be hurt by Proposals 1 and 2.

Send your comments to: Jack O. Nichols, Acting Director, Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250.

Important: Submit your comments as soon as possible.

For further information and help in preparing comments, contact: Food Research and Action Center, 25 West 43rd Street, New York, New York 10036.

For a further analysis of these proposals, write to CNI Weekly Report, 1910 K St. N.W., Washington D.C. 20006 and request a free copy of the September 25 issue of CNI.

PERSONAL EXPLANATION

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. BALDUS. Mr. Speaker, I was absent from the session of October 3 because I was attending a field hearing of the House Dairy and Poultry Subcommittee, of which I am a member, in Martin, Tenn.

I would like the RECORD to show that, had I been present, I would have voted "yea" on accepting the conference report on H.R. 9070, and would have voted "yea" to recede and concur with both Senate amendments No. 3. and No. 56.

In regard to the votes on amendments to H.R. 8841, I would have voted "no" on the Symms amendment seeking to give the Secretary of Agriculture veto power over decisions made on the banning of pesticides. I would also have voted "no" on the Brown substitute amendment providing for a simple 1-year extension of the existing law.

HOW MUCH LONGER MUST WE RELY ON FOREIGN OIL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. BIAGGI. Mr. Speaker, this Nation was jolted last week by the announcement that the OPEC nations planned to increase their oil prices by 10 percent. If this were not enough, it was reported yesterday that two major New England oil suppliers were about to sign an agreement with the Soviet Union to purchase oil for their customers.

These are unnerving developments which should provide a very clear message to each of us in the Congress, as long as we keep haggling with the administration over energy and oil pricing legislation we will be vulnerable to these types of increases and worse possible embargoes of valuable oil supplies by two nations who cannot be relied on to do anything but exploit the American consumer to the hilt.

Incredible even despite this increase the administration spoke of possible long term agreement with the OPEC nations for oil. This latest increase was even characterized as "modest" by certain administration spokesmen despite the fact that according to U.S. News and World Report, the OPEC cartel have raised their prices by 438 percent in the last 2 years. This latest 10-percent increase translated means that OPEC's annual revenues will now be $110 billion a year and the American people will be forced to shell out another $2 billion a year for foreign oil.

I have extreme reservations about this Nation having to rely on the Soviet Union for oil. Our vulnerability to embargoes will be decided and we can ill afford to gamble on a commodity as important as oil.

It is imperative that legislation be passed and signed into law which will establish a definite long-term U.S. energy and oil pricing policy. Included in this legislation should be some controls on oil process but they should be reasonable enough to encourage the exploration and development of new domestic oil supplies.

This Congress should be alarmed over the developments of the past week. We must translate this into constructive action on legislation which will break the back of the greedy OPEC cartel and free this Nation from the captivity of foreign oil.

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[1] All these figures are based on new benefit levels that would take effect on January 1, 1976.

WELFARE REFORM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. GILMAN. Mr. Speaker, the acute need for reforming our Nation's welfare system is underscored by a resolution which I recently received from the Orange County legislature in my congressional district in Orange County, N.Y. The county legislature's resolution expresses local government's concern about the critical welfare situation, stressing the need for prompt reform. In recent action, the Orange County legislature refused to approve a supplemental welfare appropriation, contending that our welfare laws are discriminatory.

Recently, I conferred in Washington with representatives of the U.S. Department of Health, Education, and Walfare to review the cost and operations of public assistance and medicaid programs, welfare programs, and to explore reforms needed at the Federal level. I have also arranged for officials of HEW and the New York State Department of Social Services to meet with representatives of county government in order to exchange ideas and to seek solutions to this problem.

Since there is a growing urgency throughout the Nation concerning our welfare problems and because of the merit in the following resolution, seeking practical alternatives to our present welfare system, I am pleased to include in the RECORD at this point, for the review and consideration by my colleagues, the September 1975 resolution adopted by the Orange County legislature:

RESOLUTION BY ORANGE COUNTY LEGISLATURE, ORANGE COUNTY, N.Y.

Resolution memorializing the Congress of the United States to enact certain amendments to the Social Security Act in relation to first, Federal reimbursement for the aid to families with dependent children and medicaid programs, second, the employment of persons receiving assistance under the aid to families with dependent children—unemployed—program, and third, the removal of the limitation on indirect payments in AFDC cases.

Whereas, Hon. Stephen Berger, Commissioner of Social Services of the State of New York has stated the existing public welfare system contains basic human inequities and serious social and economic problems in that it penalizes family stability and encourages family breakup; it does little or nothing for the working poor; and it provides few incentives for recipients to move back into the working class; and

Whereas, Commissioner Berger has further stated that because of its narrow categorical approach, it leaves general assistance or "Home Relief"—the kind of aid most responsive to fluctuations in the economy—to be financed wholly by the states and localities; and

Whereas, the experience of the Orange County government in administering assistance to the needy of the County has demonstrated the validity and accuracy of Commissioner Berger's observations; and

Whereas, welfare functions now absorb about 48.9% of the total budget of Orange County and that figure will increase to 51.2% for 1975 if the deficiency in the current welfare appropriations is funded by the County; and

Whereas, by reason of the current economic recession, Home Relief costs in the County has risen 145% over 1974; and

Whereas, the foregoing plainly indicates the need to begin moving toward the creation of a truly national, much more rational system of public welfare—and to move immediately, as an emergency measure, to relieve the crushing burden that the existing welfare system places upon many state and local governments (such as New York State and Orange County), especially in today's depressed economy; and

Whereas, Commissioner Berger has proposed that, as such an emergency measure, the Congress of the United States amend the Social Security Act to provide that the minimum Federal share of expenditures for Aid to Families with Dependent Children (AFDC) and for Medicaid be increased from 50% to 75%—in any state where unemployment exceeds 7%; and

Whereas, the aforesaid proposal does not involve any basic change in the philosophy that lies behind the existing system in that Federal law recognizes that the basic economic health of a state should be taken into account in determining what share of AFDC and Medicaid costs the national government should share; and

Whereas, the basis prescribed for making this determination—generally, the percentage of a state's population with incomes below a given level—is inadequate; first because it takes no account of geographical variations in living costs; and more importantly, because it provides only a static picture of economic health, unrelated to the economic cycles that so seriously affect the costs of relieving dependency; and

Whereas, such proposal would permit a more realistic distribution of costs on the basis of capacity to pay, and would sharply reduce the gap between states like New York, which must under the present system pay 50% of the costs of AFDC and Medicaid, and those like Mississippi that pay only 20%; and

Whereas, Commissioner Berger has further recommended that the present limit on hours which underemployed persons can work under the AFDC (Unemployed) Program, now set at 100 hours per month, be completely eliminated; and

Whereas, under existing Federal law and regulations, a Social Services Department may only make indirect payments to landlords and vendors for shelter and other services furnished to recipients under the AFDC program on behalf of only 10% of the persons receiving such assistance; and

Whereas, this arbitrary limitation is unreasonable and the decision as to whether indirect payments should be made in appropriate cases on behalf of recipients under the AFDC program should be left to the discretion of local Social Services Departments; and

Whereas, for that reason, Commissioner Berger has also recommended that the Social Security Act be amended to completely remove the aforesaid 10% limitation therefrom; and

Whereas, the crushing burden imposed on Orange County, as well as on many state and local governments, in financing their share of the costs of the existing public welfare system is now reaching devastating and disastrous proportions, and will seriously impair the ability of these governments to carry out their other general governmental purposes, and will in effect convert these state and local governments into welfare governments with permanent welfare economies.

Therefore, be it resolved as follows:

1. The President and the Congress of the United States are memorialized to prepare, enact and approve legislation that would create a truly national, but much more rational system of public welfare.

2. As interim measures, the Congress is memorialized to enact, and the President to approve, legislation which would amend the Social Security Act in the following respects:

(a) That the minimum Federal share of expenditures for AFDC and for Medicaid be increased from 50% to 75% in any state where unemployment exceeds 7%;

(b) That the present limit on hours which underemployed persons can work under the AFDC (Unemployed) Program, now set at 100 hours per month, be completely eliminated; and

(c) That the present 10% limitation on indirect payments to landlords and certain vendors furnishing services to recipients under the AFDC program be completely eliminated.

VETOING THE SCHOOL LUNCH BILL

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. ZEFERETTI. Mr. Speaker, a number of years ago, Congress, responding to overwhelming evidence that many children in this country were living on substandard diets, enacted into law a program aimed at changing this situation. That bill was the School Lunch Act, which has been extended in a number of ways in succeeding years.

The proof at the time was simply incontrovertible. Millions of youngsters had no hot meals at home. Their diets generally were far from adequate. A general state of undernourishment contributed to an inability on their part to function effectively in school. Giving them a decent meal in the school was determined to be one effective way in which the Government could upgrade children's diets, aid their education and generally better their lives.

This program has proven to be a successful one, allowing millions of children to have a more balanced diet and to obtain more from our educational systems. Few educators have anything but praise for these efforts, and its success has secured broad bipartisan support. Therefore, it was with both surprise and dismay that I heard that the President had vetoed the bill to extend school lunch programs, largely, as he stated, because Congress had changed the bill to extend lunch subsidies to "nonneedy" children—children whose families had incomes above the poverty level, or those who are allegedly not in need of assistance.

It seems evident to me, as well as to most of the Members of Congress that the previous poverty or income guidelines are no longer fair determinations of a family's ability to adequately feed their children. Those who would be eligible under this new bill desperately need such assistance, regardless of whether or not they fall beneath the poverty income levels, levels that seem to have lost much of their meaning due to the ravaging effects of inflation.

There is no reason to veto such a vital piece of legislation. The veto, if sustained, will adversely affect millions of people who rely upon school lunch subsidies, and food assistance programs to low-income pregnant women. In addition, the veto will do great harm to the children of the millions of Americans who have been propelled into the ranks of the unemployed. Allowing their children to obtain hot school lunches under a Federal program is certainly not an unrealistic or an unfair extension of the law.

Our country has always had a social conscience. And, while I do not favor give aways of any kind, I do not believe that it is somehow immoral to feed hungry children. Nor should it be termed an illegal act to alleviate suffering. Therefore, I shall vote to override the President's veto of the school lunch extension bill, in the hope that this unwise action by the administration can be overruled by Congress.

WHAT IS A CONGRESSMAN?

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. BAUMAN. Mr. Speaker, at one time or another, every Member of this illustrious body has an opportunity to meet with or is stopped in the halls by inquiring groups of tourists, both foreign and domestic. And at one time or another, we must respond to the question, "Honorable Sir, What is it that you do?" Honorable or not, we are obliged to reply, and we usually do so in vague and many words.

I remember a book published in 1963 by the title "The Congressman," which spends 507 pages of closely written text answering the above question. My children bring home school textbooks with chapters devoted to us, but the sections of those chapters are usually incomplete, and they raise more questions than they answer.

Well, I am proud to announce that the definitive description of a Congressman, a definition which can be included in the next printing of the Oxford English Dictionary, has just now been produced by the good offices of the Hurlock Primary School of Hurlock, Md. Mr. Robert "Bob" Wright assigned the problem to his third grade class after realizing our definitional difficulties. The class researched the matter, choosing their words carefully, and coming up with a definition simple enough that even Congressmen can understand it. They accomplished this, mind you, without having to rely on a National Science Foundation grant, on officially approved studies or those other impediments which stand in the way of one's sound education.

I believe that the entire Congress owes the third grade class of Hurlock Primary School a debt of gratitude. I draw the attention of my colleagues and the scrutiny of editors everywhere to the following text of their definition of "Congressmen":

They go to Capitol Hill. They carry Messages for us. If everyone went to the White House, it would be crowded. They help the President. They help make new laws. They help people lots of ways. They try to keep people happy. They read very important newspapers and books. A lady can be a congressman. If we did not have Congressmen, we would have a very mixed-up state. Mr. Wright's Third Grade Class, Hurlock Primary School, Hurlock, Maryland, September 25, 1975.

PUBLIC EMPLOYEES AND THE ECONOMIC CRISIS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. RANGEL. Mr. Speaker, the budget crisis which is devastating New York is no isolated phenomenon. Other cities and even States are teetering on the brink of fiscal insolvency. Services are being cut and public employees are being laid off by the thousands.

One of the tragedies of the current economic crisis is that it pits those lower down on the economic scale against each other. We sometimes tend to look for scapegoats and the scapegoats turn out to be the people hit hardest by the economy. Some blame the poor who use welfare, public hospitals and other social services. Some blame public employees who are now struggling to deliver critical social services under reduced budgets. Others blame those workers who have recently found jobs under affirmative action programs after decades of discrimination. Whoever gets blamed, whether the poor, the public employee or the newly hired, they cannot fight back because they do not have the resources of some of the real villians who have manipulated the economy.

The American Federation of State, County and Municipal Employees, AFL–CIO, published an important response to those who would blame public employees for the economic situation. I am pleased to include in the CONGRESSIONAL RECORD an article which appeared in the July/August issue of The Public Employee:

PUBLIC WORKERS: ECONOMIC SCAPEGOATS?

There's blame enough to go around for the national economic recession which has had such a disastrous effect on state and local governments. But instead of accepting some of the blame or taking on greedy special interests such as the banks, the politicians and the media have made scapegoats out of public employees.

To set us up for the kill, the enemies of public employees have concocted seven big lies about public employment—myths that must be shattered if we're ever to begin to solve the real problems of states and cities.

THE SEVEN MYTHS ABOUT PUBLIC EMPLOYEES

1. Public employees are living off the fat of the land

The fact is, despite the gains of the past 20 years, public employees still lag behind workers in private industry. The average earnings for state and local government employees (including teachers) lag behind average earnings for employees in transportation by $3,000; in electric, gas, and sanitary service industries by $2,300; in mining, by $2,000; in communications, by $1,400; and in contract construction, by $1,200. Actual dollar increases during the period 1955 to 1973 were greater for several industries, including transportation, electrical utilties, mining, communications and contract construction.

2. There are too many public employees

There has been a growth in the number of public employees. For one thing, America needs workers to provide health care, education, environmental protection, police protection, and social services. Also, cities in several areas, such as the Southwest where unions have been weak, are growing tremendously and need more public employees. But public payrolls in the major industrial cities have remained remarkably stable. New York City, for example, has added only 22 workers in 11 years to provide basic services such as highways, sewers, libraries, parks, and recreation, finance, police, fire, sanitation, and water supply.

3. Public employees are strike-happy

Tell that to the president of General Motors, the head of a trucking company, or a construction contractor. According to the Bureau of Labor Statistics, the number of workdays per worker lost as a result of strikes is half as large in public employment as in private industry. Incidentally, teachers strikes account for half the total in public employment.

4. Public employees have an unfair amount of political power

Public employees are citizens, and we have the right—and the duty—to participate in the political process, just like other Americans. But, if public employees, or sad to say, working people in general—were as powerful as the press says we are, then the President and Congress would be afraid to vote against our needs. It's the giant corporate lobbies—Big Oil, Big Banks, General Motors and General Electric—who influence politicians and who receive special favors from government.

5. Public employees receive lavish pension benefits

Pensions in private industry are such a scandal that Congress passed legislation reforming and regulating pension systems. But that doesn't mean that public employees' pensions are enviable. Unlike most private sector plans, public pensions are usually "contributory"—and it's not unusual for public workers to contribute as much as 6 to 8 per cent of their salaries each year. A worker must also stay at a job for many years—20 in Atlanta, for example—in order to achieve "vesting rights."

6. Public services are parasitical on productive private industry

To hear the *Wall Street Journal* tell it, private industry won't survive another year unless there are severe cutbacks in America's education, health care, or social service systems. They've decided that police officers, fire-fighters, hospital workers, teachers, and sanitation workers are all "tax eaters" who live off of productive hard-working people like, say, $200,000-a-year bank presidents. But is healing the sick—or policing the streets—really less important than running an advertising agency or making bubble gum?

7. It would save money to simply close down state and city governments and contract out to private entrepreneurs the provision of public services

Public services became the responsibility of government because there was no way that business could make an *honest* profit out of providing them. But there are plenty of ways for businessmen and politicians to get together and make a dishonest, fast buck out of contracting out public services. The city of Albany, N.Y., was rocked with scandals in 1973 after investigators discovered a system of kickbacks to public officials from businessmen receiving city contracts. The same kickback system—when uncovered in an investigation of Maryland politics—forced Spiro Agnew out of the vice presidency. And today the newspapers are filled with stories about the scandals of private nursing homes receiving public Medicare and Medicaid funds to abuse and mistreat the elderly.

PUBLIC SERVICE OPTIONS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. FRENZEL. Mr. Speaker, the following article from the Minneapolis Tribune of September 20, 1975, details the work of a new group in the Twin Cities metropolitan area called Public Service Options. Public Service Options was formed to encourage public bodies to contract for services with private concerns instead of automatically assuming that all public services had to be provided by Government bodies themselves.

The intention of Public Service Options was to insure that required governmental services be provided efficiently and at the lowest cost. The article details the progress of Public Service Options to date. I commend it to my colleagues as an example of a positive approach by one metropolitan community to reduce the cost of Government while improving its efficiencies.

The article follows:

PUBLIC SERVICE OPTIONS

Public Service Options, the Twin Cities area's newest "good-government" group, seems already to have done just about all it set out to do when it was established a little more than a year ago.

In the process, however, it may have pointed out a future role for itself—or something very much like itself: Son of Public Service Options, perhaps.

The organization, sponsored by the Citizens League and the Upper Midwest Council, was formed in the summer of 1974 and financed for a 2-year period by the Bush Foundation, the Edna McConnell Clark Foundation of New York and the National Science Foundation. Its purpose: to encourage public officials to contract for some services with private concerns instead of assuming automatically that all public services had to be provided by governmental bodies. The goal: to assure that the best level of service was provided in the most efficient manner at the lowest cost.

With two years in which to work, and a lot of amorphous ground to cover, the group decided to take a pragmatic approach from the beginning, according to Lars Carlson, the project director. That meant meeting with about 700 public officials and business leaders to let them know what the group was and what it was trying to do, then focusing on some immediate issues in hopes of developing demonstration projects around them.

In addition to wanting individual projects to which to point, explains John Carpenter, an associate director, the group wanted to accomplish the "institutionalization" of the Public Service Options approach. It wanted, in other words, to instill in governmental agencies the habit of considering all the alternatives, including contracting with private suppliers, whenever questions of providing services might arise.

Now, just over half way through its allotted life span, Public Service Options can point to:

An emerging agreement between Minneapolis, St. Paul and the Occupational Training Center of St. Paul, under which the nonprofit center will dispose of trees cut down because of Dutch elm disease or oak wilt, at no cost to the cities, and will support the operation by selling wood chips. The potential saving for each city: at least $150,000 over the next five years.

A decision, as a result of Public Service Options involvement, by the Minnesota Urban Consortium to enter a competitive bidding and performance-contracting system for nearly all manpower-training programs in the consortium's five county area.

The inclusion of purchase-of-service provisions in the state chemical-dependency bill expected to gain passage in next year's legislative session.

Cooperation between Public Service Options and Hennepin County in drafting a manual for the county to use in considering alternative means of providing services and in contracting for services. The manual is expected to be a model for other governmental agencies—and a major step toward the "institutionalization" Carpenter mentioned.

In the long run, however, one of Public Service Options' most significant achievements may well be its recent report on shared-ride services, discussed in an editorial elsewhere on this page. In it, the group departed from its customary role as broker between the public and private sectors. Instead, it took a problem that concerns both—that of getting people to and from work without either clogging more and more highways with more and more cars or putting a huge capital outlay into a greatly expanded mass-transit system. And it outlined a way of solving part of that problem by encouraging people to share rides in small vehicles.

But for that to happen, there would have to be more than a public agency contracting with a private concern to provide the service. There would, instead, have to be a series of steps to coordinate public and private efforts to develop a market for shared-ride programs, to assist employers in establishing them, to provide management and administrative services where needed (such as in multi-employer programs), to eliminate legal and financial problems relating to insurance and regulation.

The group's report doesn't say who should take those steps. But a reader is left with the impression that the lead, at least, should be taken by a group that is neither public nor private, but is, instead, a disinterested collection of the representatives of both sectors. A "good-government" group, like the Citizens League, perhaps.

Or like Public Service Options. That group is nearing the end of its two-year life and has succeeded in awakening both the public and private sectors to alternative ways of providing services. It will probably go out of existence in its present form next year. But it has staff and task-force members who probably know more about how shared-ride systems work—or could work—than anyone else in the Twin Cities area. Shouldn't they stay together, under some new umbrella, to help get some such systems under way?

Son of Public Service Options, it's your cue.

STEPHEN J. WEXLER

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, a tragic and untimely accident on September 27, 1975, has taken the life of a young men who contributed much to the educational and cultural life of this Nation. Stephen J. Wexler was a native of my native city, Providence, R.I., and for the past 6 years was chief counsel for the Subcommittee on Education of the Senate Committee on Labor and Public Welfare.

Mr. Wexler first came to Capitol Hill as an aide to Senator CLAIBORNE PELL in 1964. A brilliant young man, sharp of wit, persuasive and possessing a keen intellect, Mr. Wexler was remarkably suited to his role as a champion of widened educational opportunity. As chief counsel of the Senate subcommittee, Mr. Wexler worked closely with Senator PELL, subcommittee chairman and was the architect of the basic education opportunity grant program of 1972. Prior to becoming chief counsel of the education subcommittee, Mr. Wexler was associate general counsel of two subcommittees of the Senate Labor Committee. He was instrumental in drafting the legislation which created the National Foundation of the Arts and the National Foundation of the Humanities.

When I first came to Washington last year, Stephen J. Wexler was of inestimable help in clearing obstacles and setting me on a clear administrative path. I valued highly his firm friendship and enthusiastic encouragement.

I join Senator PELL and all the Members of the Congress of the United States in mourning the loss of this young man, devoted to his colleagues, to his country, to his family, and to his mission in this life of which he had but 40 years. Education, the arts and humanities, the lifeblood of the culture of this Nation, owe much to the devotion of Stephen J. Wexler.

COUNTY CANNOT AFFORD TO HAVE WELFARE RECIPIENTS WORK

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. KETCHUM. Mr. Speaker, I think things have reached a sorry pass, indeed, when a county admits that it cannot afford to have welfare recipients work. Difficult though this may be to believe, it has occurred. I would like to share with my colleagues an article which appeared in my hometown newspaper, the Bakersfield Californian, regarding just this situation.

That one line tells it all:

> It's just not economically feasible for Kern County for them to work.

I may be way off base, but I have always believed our welfare system was designed to assist, not support. Further, I would have considered it a great asset to put welfare rollers back on payrolls. Apparently, this is not the case. As one deeply committed to total welfare reform, and as one who has joined in sponsoring comprehensive legislation to correct deficiencies in the aid to families with dependent children program discussed in this article, I urge my colleagues to read on. I suggest that they read it sitting down, and, when they have finished reading, I suggest that they act positively to prevent further welfare abuse. Sadly, it is the very administration of the welfare program which makes such abuse possible, and it is up to this body to correct administrative deficiencies.

[From the Bakersfield Californian, Oct. 2, 1975]

ON WELFARE, FOR TOTAL INCOME OF $17,000

(By Gordon Anderson)

A women can earn almost $10,000 a year while working for Kern County and receiving welfare benefits at the same time for a total income of nearly $17,000 . . . she can take the same exemptions or deductions twice . . . and the county would be better off financially if she didn't work at all.

These were some of the conclusions of Kern County Welfare Director O. C. Sills in an interview Wednesday with The Californian.

At any given time, an average of 20 of his department's employes receive, in addition to their salaries, welfare payments under the federal Aid to Families with Dependent Children (AFDC) program—a program which he says, "encourages people to work, although fewer and fewer of them go off welfare," Kern pays 16¼ per cent of AFDC costs.

"Although they eventually leave welfare, it's just not economically feasible for Kern County for them to work," he adds.

"I don't think anyone knows how many people work for the county who also are on welfare," Sills says.

Among his department's 20 employes who also get welfare payments is an eligibility worker II—call her Joan C.—who receives a base monthly salary of $800. She is the divorced mother of three unmarried, minor children. Their father is "absent."

The maximum aid for such a family is $349. This woman receives $286 a month from AFDC in addition to her $800 salary and another $320 in retirement and other county fringe benefits—a total monthly income of $1,406.

Under AFDC's "30 plus ⅓" rule, $30 is exempted from her pay, plus another one-third or $257, leaving $513. Then, payroll-associated taxes, averaging $140, also are exempted, as are $300 monthly child care and $10 transportation costs.

This gives Joan C. a yearly income of $16,872 a year, of which Kern Pays $14,000.

If she didn't work she would receive $4,200 a year ($349x12), $700 of it in county funds.

Also, if the children's father were disabled, dead or unemployed AFDC would pay her an additional $50 a month.

AFDC rules state any parent is entitled to welfare aid who has "insufficient resources and income." The word "insufficient" is not defined.

In August, there were 6,353 AFDC cases in the county like Joan's, at a budgeted annual cost of about $18 million, says Sills, or $3 million a year to Kern.

In addition to her county salary and fringes, Joan receives its prorated benefits of the Medi-Cal and food stamp programs and Kern Absorbs her share of AFDC's administrative costs of Kern Medical Center and the county data processing, administrative office, general services, welfare and other departments. Finally, although her child care and tax expenses already are deducted in computing her AFDC aid, Joan also can deduct them on her federal income tax form.

"All in all," says Sills, "it's not economically feasible for Kern County for her to work. The only answer is for the county to hire people who are not on welfare, but we can't do that legally."

Sills says in August only 76 of the 6,353 AFDC recipients' mates were unemployed, the balance being absent, disabled or dead. But he stresses the majority are fathers who no longer live with the family and/or fail to provide court-ordered child support payments.

To combat this, he's trying to convince Dist. Atty. Al Leddy his family support division should take over total responsibility for such fathers, from initial interviews to court judgments and payment enforcement. It's estimated Leddy would need up to 50 more employees to handle this caseload.

NEW TERM FOR SUPREME COURT

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. HOWE. Mr. Speaker, today marks the beginning of a new term for the U.S. Supreme Court. It is a resumption of a historic tradition and reminds us that the Court's daily business consists of important decisions with the potential of affecting the lives of every American. I would like to acknowledge this renewal and observe that the Supreme Court wields extraordinary power in its role as interpreter of the Constitution and in its ability to define both our rights and the limits of freedom in our society.

As Daniel Webster observed:

> Justice is the great interest of man on earth. It is the ligament which holds civilized nations together.

The complexity of jurisdiction and authority in the U.S. legal system requires an arbiter, a role which the Supreme Court has assumed. In performing this task, the Court has usually been careful to interpret the constitutional division of authority between State and Federal Governments in ways which have seemed to preserve the delicate Federal-State balance in our system.

To look back on the history of this great body is to embark on an extremely rewarding and interesting journey replete with historical milestones, often misunderstood in their time, but which eventually signaled the way for far-reaching and significant national changes. It is hardly necessary to recall the many instances in the Court's history where it has been in the forefront of controversy and stood out as the single, clear, steady voice in a chorus of emotion and partisan reactions. Historic decisions have changed the face of a century and have exerted profound influence that even today gives strong testimony to the standard of excellence and quality of leadership which has often been reflected in the makeup of our Court.

Despite the continually changing character of the Court, and the fact that it might not always represent an exact numerical balance of philosophy or attitude, I like to think that its record indicates a consistent quality of fairness and a tradition of balanced interests. This quality of harmonizing interests and flexibility that the Court has manifest at different times in history is one of its most praiseworthy traits. It has also become an essential characteristic as the Court has been forced to face many enduring issues whose resolution is continually reevaluated.

I believe the Congress can learn much from the example set by the Court in its performance and rise above narrow interests for the greater good of all Americans. I hope that the Court will retain its always cooperative and beneficial relationship with Congress in clarifying viewpoints to issues which also have legislative consequences. There is a test of this relationship coming up in several instances on the Court's forthcoming docket of cases. Among them are numerous discrimination arguments and most prominently, capital punishment, issues which have both been dealt with in legislative arenas at some prior time or level.

There are two cases pending of particular interest to Congress which I hope will be expeditiously and fairly resolved. First, a case will be brought that tests the constitutionality of the new Federal law that limits political contributions and campaign spending. The law is one which has emerged directly from Watergate-related examples of illegalities which are uncovered every day. Yet serious considerations of restraints on free expression and fundamental first amendment rights emerge in this case which challenges efforts by the Government to restrain and limit campaign contributions. A second case could feasibly force the Justices to more clearly define Presidential authority currently under congressional challenge. This concerns President Ford's imposition of a $2-a-barrel fee on imported crude oil. The President is appealing a lower court decision that this action was beyond the scope of his authority.

I urge the Court to act decisively on both of these cases and on the rest of its large docket when it begins its session Monday. The Supreme Court speaks from a unique perspective of authority which, coupled with a proud and respected tradition, enables it to exert far-reaching influence on the lives of all Americans. I sincerely hope that we as legislators, and individuals, will not be closed to this worldly and wise voice of the Court:

> The spirit of justice, when not joined with the spirit of kindness, is so dry and so cold that it is no better than a mania for equality and it can lead . . . as much to the suppression of the weak as to the desire to help them. . . . When one wants to know, not what maintains society, but how it must be improved . . ., it is to charity, to the spirit of devotion, to the spirit of brotherhood, that one must look. It is these which are the true duties, not only for the society itself, those are the principles which in their farthest consequences do not risk turning out to be the opposite of what they were. Faguet.

LAETRILE, THE FDA BUREAUCRACY, AND MEDICAL FREEDOM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. CRANE. Mr. Speaker, in a free society men and women should not be prevented by Government from seeking medical remedies which they believe will be effective. While Government may have a legitimate responsibility with regard to keeping dangerous substances from the market, its right to make the use of nontoxic substances illegal is a far different matter.

The Food and Drug Administration has made the use of laetrile, an extract made from apricot pits which many believe is effective in treating cancer, a criminal act. The FDA has never claimed that laetrile causes harm, but declares only that, in its opinion, laetrile is "not efficacious."

Laetrile is widely used in other countries. Americans have been forced to travel to Mexico, West Germany, or other distant places to be treated with it or to risk prosecution for using it in the United States.

The real question is not whether laetrile does, in fact, cure cancer. The real question, as an editorial in the Anaheim Bulletin recently noted "is that there are people who believe it is effective and that, as free individuals, they have the right to make use of it if that is their choice."

In a recent court case challenging the FDA ban on laetrile, U.S. District Judge Luther Bohanon stated that the FDA, in arbitrarily banning the drug, had "abdicated its duty to the common man," and then ruled that a cancer victim had the right to transport laetrile from Mexico.

Recently a book concerning laetrile, "Vitamin B–17: Forbidden Weapon Against Cancer" by Michael L. Culbert, has been published. Based on interviews with the originator of laetrile, biochemist Ernst T. Krebs, Jr., the author concludes that "cancer is not formed by an alien, outside force but through natural processes that run wild when man's tampering with nature has removed or diminished the natural restraints on those natural processes."

In a thoughtful review of this book, journalist Solveig Eggerz points out that:

> Few claim that Laetrile offers a total cure for cancer, but many point to the tumor-reducing effect reported by the cancer patients of Dr. Ernesto Contreras . . . There is, however, general agreement on the pain-reducing characteristics of Laetrile . . . Because of the FDA's unwillingness to permit clinical testing on Laetrile, it is available only through the "Laetrile underground."

Mr. Culbert's book, Miss Eggerz notes in her review, "does not plead the case for laetrile—instead it demonstrates the logicality of acting upon the 'test laetrile now' slogan in order that cancer patients may have freedom of choice. Despite the fact that a predicted 350,000 persons in the United States will die of cancer this year, the cancer bureaucracy keeps a closed mind. This book makes it clear that the basic issue is not the efficacy of laetrile, but the infringement of freedom in what amounts to a life and death question."

Freedom of choice must be brought to bear upon U.S. medical practice. Anything less challenges the very idea that Americans are in charge of the important decisions in their own lives. The FDA's position with regard to laetrile must be reversed if such freedom is to be made a reality.

I wish to share with my colleagues the editorial, "Laetrile Decision," as it appeared in the Anaheim Bulletin of September 11, 1975, and the book review by Solveig Eggerz, as it appeared in the Libertarian Review of September 1975 and insert them into the Record at this time:

Laetrile Decision

Individuals who believe that they, not some governmental agency, have the right to decide what goes into their body have won a partial, perhaps only temporary, victory.

In violation of that right, the federal Food and Drug administration took it upon itself to ban the use of Laetrile (an extract made from apricot pits which many believe is effective in treating cancer) in this country on the ground that it is useless for that purpose. No one to our knowledge, including the FDA, claims that Laetrile causes any harm to those taking it. The ban has been in effect since 1963.

As a consequence, terminal cancer victims have been traveling at great expense to foreign countries, principally Mexico, to get the drug and a last chance at life.

We don't know whether Laetrile is effective in the treatment of cancer or not, and, certainly, we are not recommending its use. The point we make now, and the point we have made all along, is that there are people who believe it is effective and that, as free individuals, they have the right to make use of it if that is their choice.

Apparently U.S. District Court Judge Luther Bohanon goes a long way toward agreeing with us. In a case challenging the FDA ban on Laetrile, brought by cancer victim Glen L. Rutherford of Wichita, Kansas, Judge Bohanon first pointed out that the FDA, in arbitrarily banning the drug, had ". . . abdicated its duty to the common man," and then ruled that Rutherford may transport Laetrile from Mexico. Rutherford, desperate and outraged at the FDA ban, testified that Laetrile had saved him in Mexico; without it, he said, he would die.

The decision, we said at the beginning of this editorial, represents a partial and, possibly only temporary victory for the free way of life because:

1. Rutherford's access to Laetrile is still on a permissive basis, a privileged bestowed upon him by a government official, rather than by right. The mark of a free man is that he makes decisions with respect to his life, his body, and his property. The mark of a slave is that those decisions are made by someone else.

2. True to its dictatorial nature, the FDA has appealed Judge Bohanon's ruling and may be successful in getting it reversed.

Vitamin B–17: Forbidden Weapon Against Cancer

(By Michael L. Culbert)

In a decade when the federal government is spending billions annually on its War on Cancer, this book treats of what the cancer establishment calls an "unorthodox" cancer remedy. *Vitamin B–17: Forbidden Weapon Against Cancer* outlines the history of the suppression of Laetrile, a non-toxic substance derived from apricot pits and a variety of fruits.

Laetrile advocates argue that cancer is caused not by external factors, but by a metabolic breakdown within the body. Furthermore, cancer is a disease of modern man living on a high level of civilization. It follows that cancers may be set off by the *lack* of something in a diet, a lack for which Laetrile is said to compensate.

Based on interviews with the originator of Laetrile, biochemist Ernst T. Krebs, Jr., author Michael L. Culbert concludes that "cancer is not formed by an alien, outside force but through natural processes that run wild when man's tampering with nature has removed or diminished the natural restraints on those natural processes."

Few claim that Laetrile offers a total cure for cancer, but many point to the tumor-reducing effect reported by the cancer patients of Dr. Ernesto Contreras, who, in his Tijuana, Mexico, clinic, each month administers the cancer remedy that is banned in the U.S. to numbers of American patients. There is, however, general agreement on the pain-reducing characteristics of Laetrile.

Because of the Food and Drug Administration's unwillingness to permit clinical testing on Laetrile, it is available only through the "Laetrile underground." Culbert describes the growth of the Laetrile lobby, which includes those from both ends of the political spectrum who advocate freedom of choice in cancer therapy. He concludes that "there is something to Laetrile, and the growing wave of evidence makes a compelling case for facing this fact without assuming Laetrile is the total answer or that all opposition to Laetrile has an identical vested interest in its suppression."

The reader is led to feel that the ban on non-toxic Laetrile, which may or may not be efficacious in cancer treatment, is perhaps as senseless as the legalization of highly toxic cancer drugs that have done little to cut the cancer death rate and frequently only further debilitate systems already weakened by cancer.

In 1953 the California Cancer Commission issued a report stating that Laetrile has no effect on cancer tumors and citing the use of 44 case studies in its research. Subsequent statements have been based on the 1953 study, despite the fact that it was later discovered that in the California study Laetrile was not given in dosages large enough to warrant reaching any conclusions about the substance. In recent years raids have been made on doctors' offices where officials suspect that Laetrile is being used. In 1973 Dr. John A. Richardson was charged for using Laetrile under California's "cancer quackery" statutes. The FDA and the National Cancer Institute have followed the line taken on Laetrile in 1953. In December 1973 NCI stated: "Based on all of the studies we have carried out, we conclude that the material does not possess activity in any of the tumor systems that we have utilized." Recent statements echo the same sentiments, including that of the Sloan-Kettering Cancer Institute, which several years ago "leaked" positive findings on Laetrile to the public. Among those who disagree with NCI's official statement is the recently retired former head of NCI's cytochemistry unit, Dr. Dean Burk.

Laetrile's foremost advocate, Ernst Krebs, points to the "billions of dollars" at stake in cancer therapy and cites the "fantastic ego considerations" among scientists and bureaucrats as key elements in cancer politics. "If you bring in Laetrile you've eliminated the department of tissue pathology, therapeutic radiology, and will have made one hell of a dent in surgery," is how Krebs explains the perceived threat of Laetrile.

Culbert's book does not plead the case for Laetrile, although it includes a chapter of remarkable testimonials. Instead it demonstrates the logicality of acting upon the "test Laetrile now" slogan in order that cancer patients may have freedom of choice. Despite the fact that a predicted 350,000 persons in the U.S. will die of cancer this year, the cancer bureaucracy keeps a closed mind to anything but the time-tried and minimally successful orthodox cancer therapies. This book makes it clear that the basic issue is not the efficacy of Laetrile, but the infringement of freedom in what amounts to a life and death question.

COUNTERSECURITY CONFERENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the antidefense, countersecurity advocates are redoubling their efforts to to cripple the defense capability of the Armed Forces and to blind and deafen the Nation through unremitting slanderous attacks on the intelligence agencies.

One of the tactics used to create a climate of hostility toward intelligence gathering is to try to convince the American public that each of our 208 million citizens is the subject of a political dossier containing the minutia of our daily lives—this in direct contradiction of the facts which clearly have shown the miniscule percentages of Americans who have come to the attention of any of these agencies.

On November 2–4, a gathering of the leadership of the antisecurity organizations is scheduled to be held at the University of Michigan at Ann Arbor. As an alumnus of Michigan, this is particularly distressing to me and strongly reminiscent of the Vietnam teachings which began in Ann Arbor and spread nationwide—that campaign was sucessful in its call for an American defeat and a Communist victory in Vietnam.

Entitled, "The Bicentennial Dilemma: A Teach-In on Techno-Tyranny," the event is being organized from an ad hoc Ann Arbor Teach-In group located at 332 S. State, Ann Arbor, MI 48108 [313/995-0404].

Workshops, panel discussions and lectures are to focus on "corporate manipulation, political assassinations, police repression, the subversion of the forces of dissent, surveillance and data-veillance, and psychological techniques of control."

The featured speakers and panelists include leaders of most of the principal purveyors of antisecurity paranoia. They range from members of the Communist Party, U.S.A. and the undisciplined and anarchist left to fellows of leftist "think-tanks" and the world government advocates of the Council on Foreign Relations.

The published list of speakers includes:

Eqbal Ahmed—student of counter-counter insurgency techniques, author of *Reaction and Revolution in the Third World;* fellow of the Institute for Policy Studies (IPS) and former defendant in the Harrisburg 8 kidnap-conspiracy case.

Richard Barnet—influential member of the elite one-world government coordinating club known as the Council on Foreign Relations; former deputy director for political research for the U.S. Arms Control and Disarmament Agency (1961–63); and consultant to both the State and Defense Departments.

Since 1963, when he co-founded the Institute for Policy Studies, the radical think-tank dedicated to ushering in a collectivist society by "doing what it can to hasten the demise of the present one," Barnet has actively waged a massive and incessant propaganda war against the so-called "military-industrial complex," and has worked consistently for U.S. unilateral disarmament, total economic and political cooperation with the Soviet Union, diplomatic recognition by the U.S. of all the totalitarian Marxist-Leninist regimes, and drastic cutbacks in America's military and security budgets.

Barnet has been active with several groups working in support of the Vietnamese Communist cause including the Lawyers Committee on American Policy toward Vietnam which was founded by leaders of the National Emergency Civil Liberties Committee, a CPUSA front; Business Executives Move for Peace in Vietnam (now Business Executives Move for Peace in Vietnam (now Business Executives Move for New National Priorities; and endorsed the so-called People's Peace Treaty with Hanoi which he visited in 1969 vowing to bring back the message that "the Vietnamese will continue to fight against the aggressors, the same aggressors that we will continue to fight in our own country."

Nancy Borman—*Majority Report.*

Robert Borosage—director of the Fund for Peace's Center for National Security Studies, whose staff includes persons remarkable for their consistent support of the Vietnamese and Cuban regimes. Borosage was an Institute for Policy Studies staffer for a number of years and is a member of the revolutionary legal support group, the National Lawyers Guild (NLG).

Tim Butz—a former Kent State SDS and Vietnam Veterans Against the War (VVAW) activist who was first in the national eye as a member of the joint Congressional and New Left delegation which "discovered" tiger cages in South Vietnam. Butz was a founder of the Organizing Committee for the Fifth Estate (OC-5) which states it is *"dedicated to spying on Big Brother—the American intelligence community."* The OC-5 advisory board ranges from CPUSA and CPUSA front activists through Philip Agee who has said that his CIA expose was produced with the assistance of the Cuban government and the Cuban Communist Party.

Blanche Cook—a professor at John Jay College, New York, who will speak on "The Garrison State" and "mind control."

Steven Shorover—who teaches at Massachusetts Institute of Technology and will speak on behavior modification.

William Domhoff—a writer on anti-intelligence, anti-security themes.

Frank Donner—a thrice-identified member of the Communist Party, U.S.A. who heads the American Civil Liberties Union's antisurveillance project at Yale, and a regular speaker at leftist anti-CIA, anti-FBI conferences. Donner is also an advisor to the Organizing Committee for the Fifth Estate.

Regina Brave Dixon—representative of the Wounded Knee Legal Defense/Offense Committee, a joint National Lawyers Guild/New Left support group for the terroristic American Indian Movement (AIM).

David DuBois—editor of the *Black Panther* newspaper and pro-Maoist step-son of W.E.B. DuBois. His mother, Shirley Graham DuBois, is still an editor of the Communist Party's magazine for minority groups, *Freedomways.* DuBois is currently managing the career of Joann Little, recently acquitted of murder charges in North Carolina, apparently having converted her to the revolutionary cause.

Jon Frappier—whose impressive credentials as a revolutionary "heavy" include arrest as a member of the Weatherman riots during the 1969 Chicago "Days of Rage," a founder and leader of the North American Congress on Latin America (NACLA), a research and information gathering group founded by SDS as the "intelligence arm of the movement" and which works in close support of the Cuban regime; and a Cuba traveler with the Venceremos Brigade.

Donald Freed—a white supporter of the Black Panther Party, on whose behalf he was once charged with attempting to purchase hand grenades. Freed's recent activities include alleging a conspiracy to blame Sirhan Sirhan for the assassination of Robert Kennedy and supporting film makers preparing a documentary with and about the Weather Underground terrorists.

D. Georgakas—another "expert" in behavior modification.

Robert Katz—founder of the Assassination Information Bureau industriously developing elaborate conspiracy theories about the assassinations of President Kennedy, Robert Kennedy and Rev. Martin Luther King. Katz is also an advisor to the OC-5.

William Kunstler—revolutionary attorney active with the Center for Constitutional Rights, National Lawyers Guild and National Emergency Civil Liberties Committee who last month stated his goal as: "keeping people on the street who will forever alter the character of this society: the revolutionaries. Whether its the American Indian Movement, or the Black Liberation Army, or H. Rap Brown—a person or an organization—I'm really interested only in spending my talents, and any assets I have, to keep the revolutionaries functioning."

Mark Lane—an attorney and activist since the 1950's with the National Lawyers Guild and who has recently been active in defense work with the Wounded Knee Legal Defense/Offense Committee. However, one can't hold a candle to Lane when it comes to his so-called "investigation" of the assassination of President Kennedy, an investigation which resulted in a lucrative and best-selling book.

Sidney Lens—a former member of the Trotskyist Revolutionary Workers League who has been active in a number of Communist Party fronts and coalitions including the Chicago Peace Council and the Peoples Coalition for Peace and Justice.

John Marks—co-author with former CIA official Vincent Marchetti of the CIA and the Cult of Intelligence. Marks has been active in execrating the CIA for its alleged involvement in the downfall of the Marxist Allende regime in Chile.

Beverly Moor—Center for the Study of Responsive Law.

Charles Morgan—Washington representative of the American Civil Liberties Union.

Carl Oglesby—former SDS leader and now a self-appointed New Left theorist.

Jeremy Rifkin—organizer of the People's Bicentennial Commission which attempts to sell Marxist theories under the guise of "economic democracy" and the misrepresentation of the philosophy of America's Founding Fathers.

Syd Stapleton—national secretary of the Socialist Workers Party's Political Rights Defense Fund (PRDF), a front developed to raise funds and disseminate propaganda regarding the Trotskyist communist's suits against the FBI and other law enforcement agencies. SWP founder James P. Cannon, when asked in 1973 to describe the role of the PRDF replied:

"It's a proper and correct procedure to exploit every possibility to utilize what cracks there are in the bourgeois-democratic system to advance our ideas. It's like taking part in their elections. It's wise to use a situation like this to explain our ideas to a wider audience."

William Stringfellow—who was harboring federal fugitive Daniel Berrigan when the FBI finally discovered the activist's hiding place.

Margaret Van Houten—a staff member of the Organizing Committee for the Fifth Estate.

Last week Senator BARRY GOLDWATER revealed that among the information suppressed by the Rockefeller Commission report was the fact that Capitol Hill offices have been penetrated by the KGB and other hostile intelligence services.

Apparently some highly placed administration figures fear that a Congress and an American public fully informed as to the extent of Soviet subversion on Capitol Hill would be damaging to their "détente" plans.

On the contrary, a full investigation of this matter, rather than a destructive revelation of the details of our own security services' operations, would provide us all with a valuable yardstick with which to measure the Soviet bloc's true intentions about "détente."

DR. EUGENE R. BALTHAZAR TO RECEIVE STRITCH MEDAL

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. HALL. Mr. Speaker, the Aurora Beacon News recently printed an excellent article on one of Aurora's and Illinois' most outstanding and dedicated citizens, Dr. Eugene R. Balthazar.

Dr. Balthazar has spent over 50 years serving the medical needs of his patients. When he retired from active practice in 1972, Dr. Balthazar opened a storefront clinic where he provides treatment at no charge to his patients.

For his life-long dedication, Dr. Balthazar is being honored as this year's recipient of the prestigious Stritch Medal presented by the Loyola School of Medicine in Chicago. The Stritch Medal, named after the late Samuel Cardinal Stritch, of Chicago, goes to a physician, medical teacher or researcher who exhibits a high degree of competence, resourcefulness and dedication. As Rev. James F. Maguire, the Loyola chancellor, said:

> Dr. Balthazar is the embodiment of everyone's vision of a dedicated physician.

Mr. Speaker, Dr. Balthazar will be honored at a dinner on November 25 at the Conrad Hilton Hotel in Chicago.

My congratulations and very best wishes to Dr. Eugene Balthazar and my commendation to the Loyola School of Medicine for their excellent decision in honoring Dr. Balthazar. Mr. Speaker, the article from the Aurora Beacon News follows:

BALTHAZAR TO RECEIVE 1975 STRITCH MEDAL

Dr. Eugene R. Balthazar, 73-yead-old Aurora physician who founded the Aurora Free Medical Dispensary, will be the 1975 recipient of the Stritch Medal of Loyola University of Chicago.

Dr. Balthazar's selection was announced by the Rev. James F. Maquire, Loyola chancellor. Dr. Balthazar is a 1925 graduate of Loyola's Stritch School of Medicine.

The Stritch Medal is given each year to a physician, medical teacher or researcher who exhibits a high degree of competence, resourcefulness and dedication. It is named after the late Samuel Cardinal Stritch, former Archbishop of Chicago and Loyola benefactor, for whom the Stritch School of Medicine is named.

"Dr. Balthazar is the embodiment of everyone's vision of a dedicated physician," Father Maguire said.

"He served his patients for nearly 50 years with love and compassion, and then he chose to use his retirement years and his own funds in the services of the underprivileged in his community. His lifelong concern for the welfare of the sick has been a beacon for others in his profession and a promise to the despairing."

The medal will be presented to Dr. Balthazar Nov. 25 at the annual Award Dinner for the Stritch School of Medicine. The dinner will be held at the Conrad Hilton Hotel.

"To say I am thrilled is to put it very mildly," Dr. Balthazar said. "I just didn't expect anything like this. After all, we're just running a service dispensary for underprivileged persons—a very small endeavor."

At the store-front clinic on North Broadway, treatment, shots, drugs and bandages are dispensed without charge to patients.

"My wife and I talked it over, and we decided that I would retire at 70," Dr. Balthazar said. "We decided that we would found and staff a dispensary for underprivileged and minority people, and fund it for two years."

They started in September of 1972. Even though his wife, Dorothy, died in December of 1972, Dr. Balthazar continued with his project. Now, three years later, he feels that it ought to be continued for a fourth and fifth year. He plans to increase his time there to five days a week. He works Monday, Wednesday, Friday and Saturday at the clinic "until everyone is taken care of." He may see as many as 100 patients a day.

Dr. Balthazar is the only doctor at the clinic, but he does have the help of a full-time registered nurse, Mrs. Catherine Weiland, who has been with him for more than 30 years. Many other volunteer nurses help out.

Even though his expenses run $1,800 a month, Dr. Balthazar was adamant about refusing financial help from others. Donations have been courteously but firmly rejected. The City of Aurora rents the building, a former furniture store, to Dr. Balthazar for $1 a year.

There was one time, though, when the expenses piled up and Dr. Balthazar had to admit he needed some financial help if the clinic was to continue. A brief campaign netted $25,000.

"That was enough, and we put a stop to it," he said. "We now have enough money to take us into 1976. Then we'll see. If God wants us to continue, He'll provide."

For the present, all offers of money are again being turned down. Even Medicare and Medicaid cards aren't accepted.

"I want to do this alone," Dr. Balthazar said. "We do not need anything here. We have all the volunteer workers we need, all the supplies we need and all the money.

"I appreciate the kind offers of money. I know everyone means well. But this is something I want to do on my own."

Dr. Balthazar also believes that it is a way of doing something for Aurora.

"My father and my grandfathers on both sides lived here and the community has been good to us for more than 100 years," he said.

All four of Dr. Balthazar's children are in the healing arts—two are doctors and two are dental students. His daughter, Yvonne, a junior at Loyola University's School of Dentistry, will accompany him to the annual award dinner.

His son, Dr. Eugene, Jr., is a surgical resident at the University of Illinois Hospital, Chicago. His daughter, Dr. Dorothy Balthazar, is a surgical resident in Worcester, Mass. Renee, the youngest, now Mrs. Michael Stebelin, is a freshman at the University of Illinois Dental School in Chicago.

Dr. Balthazar has lived alone most of the time since his wife's death. By his own admission, his cooking ability is rather limited. But his patients make up for it. They are constantly bringing him homemade goodies and casseroles—even whole meals.

"My good patients have kept me fat for years," he said.

"There are a lot of memories," Dr. Balthazar recalled. "Memories and friends. The friends are priceless. When I look back on things, I've no regrets. It's been a busy satisfying life."

Dr. Balthazar is former president of the medical staff and chief of surgery at Mercy Center Hospital and the former St. Charles Hospital, both of Aurora. He was also senior staff surgeon at Copley Memorial Hospital in Aurora.

FOOD STAMPS—AN ISSUE WHICH WILL NOT GO AWAY

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. KASTEN. Mr. Speaker, the Washington Post of Sunday, October 4, 1975, contained an article by Jodie T. Allen and Robinson G. Hollister, Jr., entitled "Food Stamps: Out of Control?" This article is but the most recent example of the growing interest in meaningful food stamp reform. Congress can no longer afford to procrastinate. As the authors of the article state:

> The debate over the program as it now exists cuts across the classic liberal-conservative barricades.

Although the issues may be difficult to resolve, it is irresponsible to ignore them in the hope that they will disappear. I urge the House Agriculture Committee to initiate a comprehensive oversight of the program which will provide the basis for developing responsible alternatives.

For the benefit of my colleagues who have not had the opportunity to see the article, I would like to request that it be included in the RECORD at this point:

FOOD STAMPS: OUT OF CONTROL?

(By Jodie T. Allen and Robinson G. Hollister, Jr.)

One in 11 Americans uses food stamps. One out of five is eligible to use them. Is a "food stampede" underway which will dwarf the "welfare explosion" of the '60s?

Last December the number of persons participating in the food stamp program rose by 1.1 million. In January the numbers went up by another 700,000, in February by 600,000, in March, 500,000. By the end of May the total number of participants was 19.5 million, an astonishing 25 per cent growth in one year.

Current estimates are that even the 19.5 million participants represent only 50 per cent of those eligible under the existing law. Although caseloads have leveled off in the summer months, some observers fear that the upward trend will soon resume.

Naturally, the never-ending debate about the program has grown in volume. But coming out frankly in favor of abolishing a program to feed the poor is like opposing the Ten Commandments. So, instead of attacking the program's principles, critics tend to talk about abuses or fatal faults.

Decade-old complaints about welfare cheats were revived during a recent congressional battle to check the rise in food stamp prices. Sen. Milton Young (R-N.D.) said the program's participants included "hippies in communes who don't want to work." Sen. Herman Talmadge (D-Ga.) described a man in a Cadillac who bought $189 worth of steak with food stamps.

P. Royal Shipp, the Agriculture Department official who administers the program, understandably defends it. "It's extremely difficult to administer (but) it's a good program. It provides benefits to a large number of people who need them."

But some of those administrators and reformers closest to the program are among its harshest critics, their ire perhaps fired by frustration at trying to make it work. Sidney Brooks, director of the New York City program, says it is "an insult. When you get paid, does your boss ask you if you bought food? Food stamps are saying, 'I don't trust you. I want to make sure you spend a certain portion of your money on food.' "

Those who are "on" food stamps are, by contrast, enthusiastic. A Hoboken, N.J., working father with 11 children said, "It's wonderful. It helps a lot of people. I didn't used to want to do the shopping, but now I'm over that. I don't feel bad about being on food stamps because I work every day. If the government sponsors it, I'm entitled to it."

Food stamp recipients complain mostly about long lines and inconvenient hours for food stamp purchase. Some recipients—interviewed in New York City and New Jersey—appreciate the stamp program's budgeting help: "I have a lot of expenses, so money might go for something else." "You might spend money on clothes, you need food more." Others, however, want to be able to shop where they wish, to take advantage of special food offerings or bargains in stores which don't accept food stamps.

Non-recipients range widely in their opinions. In Upper Montclair, an affluent New Jersey suburb: "Why not, if it helps people." "A lot are getting it who shouldn't and those who need it aren't." "It's good because the poor who need food will get it. I don't believe in giving them money; it doesn't always go for food."

In working-class Hoboken, where food coupon users pack huge cars full with groceries at the beginning of each month, comments on the program were a trifle sharper: "A lot of people who are getting them don't deserve them. They should be doing a job. A lot of them are lazy." "People take advantage. They are all dolled up and they buy their groceries and go into a big Cadillac."

To food store managers, the food stamp program is a mixed blessing. Items purchasable with food stamps have to be separated out of each order. Food stamps stick together, the managers say, and extra help has to be hired each month to count and recount the stamps. But sales are up: in New York's Little Italy a manager puts it simply, "People buy more, they eat more. And they buy things they didn't buy before—olives, what I call delicacy items." Up in Harlem the difference is more basic. "The change is in meat sales," says a store manager. "They pick up more expensive cuts; they're upgrading chuck steak to sirloin."

The program has a long history dating back to a food voucher program serving 4 million Americans in the last years of the Depression. It was revived as a series of pilot projects in the early 1960s and was gradually transformed into a major income maintenance system. In July, 1974, the old commodities distribution system was eliminated and operation of a food stamp program was made mandatory in all U.S. jurisdictions. Households which receive public assistance are automatically eligible for stamps. Other households, to be eligible, must show that their income and other financial resources are below a certain level.

For example, a family of four with a net monthly income below $540 is eligible to get some stamps if it does not have assets—other than a home, car and life insurance policies—exceeding $1,500 in value. Aged persons may have $3,000 in assets. Applicants must also have access to cooking facilities, and some household members are supposed to register for work and report to the unemployment service as requested.

The amount in stamps one may purchase is determined by the size of one's family. The amount of money one must pay for the food stamps, the "purchase requirement," varies according to income (after certain deductions have been made). For example, a family of four currently receives a monthly allotment of $162. If the family's net income is $200 a month, it must pay $53 in order to obtain the food stamps. The difference is called the "bonus value" of the stamps. Stamps are generally purchased at local banks, although in some states they are purchased at food stamp offices, welfare offices or post offices. They can be used to buy any food items except alcoholic beverages, pet food and imported meat. They cannot be used to buy non-food items. Forty-five per cent of food stamp participants receive welfare payments under the Aid to Families with Dependent Children program, and an additional 7 to 10 per cent receive benefits from the Supplemental Security Income welfare program for the aged. Fifty-six per cent of food stamp households are headed by women and over 20 per cent by persons over 65; 36 per cent are black. The participation rate is highest among large families; over 20 per cent of all families with seven or more members buy food stamps.

The majority—about 55 per cent—of current recipients are "poor" by official standards. The majority—almost 60 per cent—of non-participating but eligible families are not. Estimates of the currently eligible population range from 35 to 50 million. If every eligible family began participating, the total costs per year at present standards, could be as much as $9 billion as compared to the current level of about $5 billion.

The debate over the program as it now exists cuts across the classic liberal-conservative barricades. Proponents of food stamps include conservatives who like the fact that the recipients must pay something for the stamps and the fact that relief in the form of stamps assures that public benefits are not used to buy cars or color TV sets. Liberals argue that food stamps are less of a social stigma than cash welfare. Some friends of the program contend that the built-in food purchase requirement is a protection for the poor against their own weak budgeting habits. The program's conservative critics consider it inefficient because it requires a duplication of bureaucracy and because "funny money" is difficult to issue, distribute and redeem. At high administration levels, no one likes the program, but the reasons vary. Last January President Ford proposed raising stamp prices as a budget-cutting measure. Many in the Office of Management and Budget and the Department of Health, Education and Welfare see the program as an impediment to welfare reform. To Treasury Secretary William Simon, the program is a "haven for the cheats and rip-off artists." To reconcile divergent views, a White House task force is currently studying the program.

More than 130 bills on food stamps have been introduced in this congressional session, and the major protagonists are expected to argue their case of this week's full-dress Senate Agriculture Committee hearing. They range from nutritionists pushing for liberalizing reforms—such as raising the allotment, lowering stamp prices, simplifying income declaration procedures—to Sen. James Buckley (C-N.Y.) and Rept. Robert Michel (R-Ill.) who proposes limiting eligibility to families below the poverty line, increasing the costs of stamps but also raising the coupon allotment substantially. None of the reforms answers the objections of those who question the efficiency of an in-kind transfer program and argue that there is a fundamental weakness in trying to use a program which transfers one type of good—in this case food—in order to accomplish major income distribution.

One answer to this weakness, of course, is to transfer more than one kind of good—to add, say, a housing allowance. Housing allowance experiments are going on in 13 locations. Education vouchers are being tested in a demonstration program in California. Various groups have proposed "energy" or "gasoline" stamps—and, most recently, clothing stamps. The trump would be played if and when the U.S. Treasury proposes the Stamp stamp—the voucher which will purchase any other stamp. They might call it "money."

Income redistribution is a despised phrase in the American political lexicon. Sen. George McGovern learned this in 1972, and that is undoubtedly why he has hastily repaired to his former hunger-fighting stand. This is the unspoken issue in the debate on reform of food stamps and welfare in general. Is it necessary to pretend one is only feeding the malnourished in order to get any degree of income redistribution?

AMENDMENT TO H.R. 9500

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. ERLENBORN. Mr. Speaker, H.R. 9500, Construction Industry Collective Bargaining Act of 1975, will be considered by the House later this week. I intend to offer the following amendment to section 5(d) of that bill:

Page 20, line 14, section 5(d), delete the words"arising out" and substitute therefore the word "because"; and strike the last sentence of section 5(d): and insert immediately before the period the following:

; *Provided*, That this immunity shall not insulate from civil or criminal liability standard national construction labor organizations or national construction contractor associations when the performance of acts under this statute are knowingly and willfully used to achieve an illegal purpose.

Section 5(d) has caused some concern, because of the broad exemption from civil and criminal liability given national construction contractor associations and national construction labor organizations. It is possible that section 5(d) as presently written in the bill would provide a cloak of immunity for the performance of knowingly unlawful acts, such as violations of antitrust laws, or insistence upon the inclusion of hot cargo contracts or insistence on nonmandatory subjects of bargaining. Section 5(d) as presently written may also hold harmless those national employer groups and national labor organizations who conspire outside their role under H.R. 9500, and would appear to even exculpate them from liability in circumstances where they are presently liable. Accordingly, it is clear that the immunity now contained in section 5(d) is far too broad to accomplish its legitimate purpose. My amendment limits immunity as far as is reasonably necessary.

Certainly, employers and unions alike should be immune from civil or criminal liability in performing acts which the law requires, and management and labor should be immune for the proper performance of their duties under H.R. 9500. When management and labor are asked to act on behalf of the Government in order to stabilize construction industry bargaining, they should be immune from liability when acting in good faith and only mistakenly committing an illegal act.

However, when either management or labor act in bad faith or willfully and knowingly commit wrongdoing, they should not be immune from liability. My amendment attempts to achieve this purpose. The proposed amendment only tailors immunity of management and labor on the committee established by H.R. 9500 to the same level that other public officials enjoy—no more, no less.

GOVERNOR SHAPP ENDORSES H.R. 2584

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am bringing to the attention of my colleagues a letter I received from the distinguished Governor of the Commonwealth of Pennsylvania, Milton J. Shapp, which strongly endorses H.R. 2584, the Emergency Employment Projects Amendments of 1975.

This legislation was reported by the Manpower, Compensation, and Health and Safety Subcommittee on June 19 by a vote of 8 to 1, and is pending action by the full Education and Labor Committee.

Governor Shapp's letter presents a strong and cogent case for this much-needed legislation. Clearly, this Congress cannot delay in its efforts to alleviate the hardships of unemployment that today are eroding the fabric of our society, virtually ruining the lives of millions of Americans and their families.

H.R. 2584 provides a $5 billion authorization for title VI of the Comprehensive Employment and Trading Act for fiscal year 1976. This sum will fund more than 500,000 jobs in addition to the current level of 310,000 public employment slots.

The bill also refines the manpower delivery system under title VI by introducing competition among eligible applicants for receipt of Federal funds to run public service employment projects. Such competition will curtail many abuses of CETA moneys for purposes of political patronage, nepotism, and substitution of Federal funds for local payrolls.

I commend Governor Shapp's letter to my colleagues:

HARRISBURG, PA.,
September 30, 1975.

HON. DOMINICK V. DANIELS,
Chairman, Subcommittee on Manpower, Compensation, and Health and Safety, Education and Labor Committee, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN DANIELS: It is my understanding that H.R. 2584, which amends Title VI of the Comprehensive Employment and Training Act, has been reported by your subcommittee and will be acted upon by the full House Education and Labor Committee this month.

As the Governor of a state which has been directly responsible only for balance-of-state CETA jobs, I write to endorse the measure on which your subcommittee and its staff worked for so many months. While I do not believe that public service jobs of themselves will totally answer our continuing intolerable unemployment problem, there is little question that the $5 billion authorization is a step in the right direction. Such an authorization, if implemented by a realistic appropriation, will provide a meaningful number of jobs and help significantly in the struggle by our state and cities to maintain services now being eroded by inflation at a time when the need for them grows daily because of the recession.

We endorse the concept of a competitive system for the allocation of public service employment funds. Such a system should create an infusion of improved strategies for the effective utilization of public service positions.

We welcome the provision increasing the amount of money for administrative costs to 15 percent. We also feel that the subcommittee provision for a maximum salary of $12,000 for a third of the jobs gives recognition both to rising living costs and the skills and services that so many of today's jobless can offer. We also endorse the project approach covering 80 percent of the funding as an effective answer to attempts to fill job vacancies on a political basis. We feel also that the proposed requirement that all job vacancies must be published through the Employment Service is also a needed requirement to keep politics out of the program.

The present language of the bill, as we understand it, would establish a "reasonable" time for implementation of the program. It is my feeling that the program would be better served if mandatory deadlines were established.

It is my hope that the full Committee will approve the measure largely without change and that the Congress will act without undue delay. Our state and the nation need meaningful jobs and the jobless need meaningful work as an alternative to unemployment insurance benefits and welfare which drain away tax revenues while requiring added state and local services.

I am sending a copy of this letter to all members of the Pennsylvania House delegation.

Sincerely,

MILTON J. SHAPP,
Governor.

UNITED STATES-LATIN AMERICAN RELATIONS IN THE CHANGING MID-70'S—V

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. LEHMAN. Mr. Speaker, this is the fifth section of the paper by Dr. Federico G. Gil, entitled "United States-Latin American Relations in the Changing Mid-70's." As you know, it was my esteemed constituent, Dr. Ione S. Wright, who brought this interesting and informative address to my attention and, thus, before my colleagues. An analysis of Latin America today, presented by an eminent scholar with extensive background in the area and a superior awareness of policies and trends among the nations of the area should be of interest to every Member of Congress and provide us with a different, sometimes new, viewpoint in considering our dealings with our Southern neighbors.

This final section contains Dr. Gil's conclusions and recommendations about the future of our policies toward Latin America and directions he believes the United States should take.

It is clear that these events represented important diplomatic victories for Venezuela. President Perez actively lobbying for cancellation of the Buenos Aires meeting, had skillfully marshalled some of the wavering countries such as Mexico and Argentina and successfully sabotaged Dr. Kissinger's "New Dialog." It was evident that U.S. Trade Act had contributed to the building of new and more solid foundations for Latin American efforts at unity and that Venezuela intended to make a strong bid for the leadership of a unified front against the United States. President Perez' efforts are now facilitated by the widespread feeling that Latin America, which has always been given a very low priority by U.S. foreign policymakers too preoccupied with superpower diplomacy, has still to attract Washington's attention.[23] In this regard, we may recall the story, probably apocryphal, but yet illuminating, which tells of Dr. Kissinger paragingly summarizing South America to his associates in the State Department as "that great dagger aimed at the heart of Antarctica." The crux of the matter is that, though the effects of the trade bill will be uneven through Latin America to the extent that countries, such as Mexico, may even profit in exports to the United States, it has served as an issue to consolidate Latin American unity. The purpose of this new drive for unity is the eventual creation of common marketing systems for Latin America's basic commodities envisioning the withholding of products in order to assure remunerative prices. Nothing could be more attractive to countries generally considered weak, compliant, and long derided for their disunity, than to create their own price-fixing cartels for copper, iron ore, tin, phosphates, rubber, coffee, cocoa, or bananas, following the example of the Arab states. Such plans have generally failed in the past, because its members have lacked the cohesiveness to make them work and be cause of American opposition. In the changing scene of the 1970's the prospects of success appear to have grown immeasurably.

With regard to what the United States can and should do to repair the deteriorated fabric of hemispheric relations little can be added in the way of specific policy recommendations to the fine list proposed in the Linowitz report. It may be useful, however, to suggest a reassessment of some of the assumptions upon which United States-Latin American relations have basically rested in the past.

It has been always assumed that a commonality of interests exists between the two Americas. The validity of this assumption, in our opinion, is questionable at this juncture. The United States is a great industrial and military power with Latin America is part of the Third World, a group of nations underdeveloped and only rudimentarily industrialized at best. Does this not suggest that the relationship between the two resembles more an adversary relationship, at least in part, than a true cooperative partnership on egalitarian terms? The main issue of conflict between the United States and Latin America will be more and more the same issues which separate the industrialized world from the great mass of the poor and backward nations; namely, private investments, the power of multinational corporations, tariffs, raw materials and prices, human rights, the transfer of technology, et cetera. This leads us logically to question that other traditional principle of American policy—the existence of a historically special relationship with Latin America. That "special relationship" has always been characterized by a dominant economic and military U.S. position and Latin America's dependence and subordination. We are suggesting that the United States can no longer elude the need for drastic changes in this relationship, abandoning in the process all hegemonic assumptions and outmoded concepts of "spheres of influence." This is necessary, because Latin America is no longer living "on the margin of international life" and, on the contrary, it has become an active participant and protagonist on the world scene. The world has witnessed an unparalleled diffusion of power in international policies, marked by increasing economic and military power in the previously peripheral areas. All over the world there is a reassertion of the smaller powers and Latin America cannot be neglected, exploited, or patronized any more,[24] its voice becoming louder and louder in the councils of the world. The United States must evolve, then, a relationship somewhat in the Western European style, derived from complementary as well as competitive interests and based on sovereign equality and mutual respect,[25] because "our hegemonic stance is not only normatively wrong; it is and will be pragmatically costly."[26]

Finally, there is another tenet of our Latin American policy which needs to be reappraised. Historically, the United States has always shown a tendency to curb and even to crush any political movement in Latin America that rejects "representative democracy" and dependency on the American model. Nowhere else in the world are potential revolutionary tensions stronger than in Latin America today and "only the lack of an 'international alternative'—substitution markets, financial support, and effective guarantees—has retarded the multiplication of the Cuban phenomenon." Chile's case demonstrated that the Soviet Union is not willing to provide such an alternative, for the time being, and China is not able to, as of now.[27]

There must be a recognition on the part of U.S. policymakers that it may be too late for Latin America to emerge from underdevelopment by merely accepting reformism of a capitalist system of production which would preserve democratic molds. Rising against the falsehood of nominal democracies at the hands of greedy oligarchies, there are great masses of revolutionaries whose basic premise is that the traditional order in Latin America is so totally corrupt and outmoded that any attempt to modernize it through reforms would be an exercise in futility. These revolutionaries will argue that modern capitalism—so successful in highly industrialized countries like the United States—loses all its theoretical rationality when applied to the underdeveloped world.[28] Some of these groups seem ready to undertake violence if necessary. While others are not, all of them have in common the "will for revolution" against the existing order. They favor a new order though they have not yet reached a consensus regarding the nature of the revolutionary action that would be required nor the kind of political system which they hope would eradicate social injustice. One thing appears to be certain: It is just a matter of time for these groups to converge into a growing radicalization process toward their goals and the means to attain them. For a large number of these Latin Americans, of all kinds of political persuasions, the third world, including Latin America, is inexorably moving toward some autoctonous variety of socialism. In their view, the United States would do well to rid itself of ideological hangups and to recognize that the trend all over the continent is toward some type of nationalistic authoritarianism which would necessarily be resentful of U.S. predominance.

Footnotes at end of article.

To conclude, it seems fitting to use a seldom-quoted passage from José Martí, the Cuban patriot:

> The contempt of the formidable neighbor, who is ignorant of her realities, is the greatest danger facing Latin America. And it is of vital importance for the day of reckoning is near, that the neighbor be informed quickly so that his contempt will cease. Out of ignorance, he might be lead to lay hands on her. But, after he becomes informed, he would keep his hands off, out of sheer respect.[29]

FOOTNOTES

[23] Jonathan Kandel, "New Tensions Break Dialogue Between United States and Latin Nations," *The New York Times*, February 2, 1975.

[24] Abraham F. Lowenthal, Statement Prepared for Testimony Before the Subcommittee on Western Hemisphere Affairs, Senate Foreign Relations Committee, February 27, 1975, pp. 1–2 (mimeo).

[25] Silvert, *op. cit.*, p. 13.

[26] Lowenthal, *op. cit.*, p. 2.

[27] Radomiro Tomic, "Issues of Justice in Latin America," CICOP '73 Annual Conference.

[28] Interview to Radomiro Tomic on the Chilean Situation: Past, Present and Future, *Right-On*, Austin, Texas, November 15, 1974 (mimeo).

[29] *Granma*, February 16, 1975.

FOOD STAMP ABUSES GETTING OUT OF HAND

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. STEIGER of Arizona. Mr. Speaker, the number of Americans living at public expense has mushroomed alarmingly in recent years. Government welfare programs intended to relieve the helpless and destitute among us are collecting ever-mounting numbers of able-bodied employable people who cannot be considered impoverished by anybody's standards.

Commenting in the Phoenix Gazette of September 26, 1975, Allan C. Brownfeld notes that—

> The great jump in Government welfare programs has come not with an increasing need for such programs, but, quite the contrary, accompanied our mounting prosperity.

He further calls attention to the need to—

> Plug the loopholes in the present law so that only the needy will receive assistance which was clearly meant only for the needy.

I am having the complete text of Mr. Brownfeld's excellent column reprinted here for the benefit of my colleagues:

[From the Phoenix Gazette, Sept. 26, 1975]

FOOD STAMP ABUSES GETTING OUT OF HAND

(By Allan C. Brownfeld)

The number of Americans who live on the earnings of others has been increasing for a number of years.

It is interesting to note that the great jump in government welfare programs has come not with an increasing need for such programs but, quite to the contrary, accompanied our mounting prosperity.

Between 1952 and 1972, when the gross national product in constant dollars expanded by 100 per cent, and when per capita income in constant dollars increased 70 per cent, government spending for domestic social programs took a giant jump—from $12 billion in 1952 to $131 billion in 1972 and to an estimated $167 billion in fiscal 1975.

The food stamp program has grown beyond all reason and is now being abused by thousands of men and women for whom it was clearly not meant—such as students from wealthy families at our colleges and universities, and employed union members who are striking. Secretary of the Treasury William Simon recently referred to the food stamp program as "a well known haven for chislers and ripoff artists." The harsh language is clearly consistent with the available data.

In the last 10 years, the number of people receiving food stamps has multiplied nearly 50-fold from an average of 424,000 in 1965 to nearly 19 million this year. The cost in federal money alone has soared even faster, from about $85 million to $4.9 billion, and this year's cost is expected to be about $6.6 billion. The states, in addition, pay another $250 or $300 million in administrative costs.

When the food stamp program was first initiated to help only the poor it involved 117 federal employes and a total cost of $31 million. Today it requires 2,000 federal employes and takes more than two thirds of the entire budget of the Department of Agriculture.

According to the Republican Study Committee, in July of 1974 over half (57 per cent) of those eligible for food stamps had incomes above the poverty line. The study committee also found that one out of 10 Americans will be getting food stamps this month, and that one of four Americans is currently eligible for food stamps.

Rep. Robert Michel, R–Ill., says, "I was amazed to note that the Department of Agriculture announced that on July 1 of this year, new and higher allotments and eligibility levels for food stamps will go into effect. That will mean that a family of four on food stamps will be eligible for just $8 per month less in stamps than the average working family spends of its hard-earned dollars. Not only that, but families much closer to average than the poverty level will not be eligible. We just can't go on like this. The food stamp program is costing billions and destabilizing the economy. It is unjust and unfair to average Americans who pay their taxes for it, and is one program that desperately needs reform, and soon."

One example of the kind of abuse with which we are faced occurred recently in St.

Louis. Twelve thousand members of the International Association of Machinists and Aerospace Workers walked off their jobs at the McDonnell Douglas plant. They earn $7.43 per hour and are demanding more. During their walkout they could not qualify for unemployment compensation, but they were eligible immediately for food stamps. "If it weren't for the stamps," a union official explained, "we might not be able to sustain the strike. They give us a nice cushion at a time like this."

Deputy U.S. Commissioner of Welfare Carl Williams stated that, "We're giving away food stamps like crazy. There are virtually no controls. The taxpayers ought to be up in arms." A California State Task Force reported in 1974 that the food stamp program is "an administrative nightmare." In Denver, food-stamp caseworkers must fill out 12 separate forms for each applicant. Los Angeles County requires 18,000 employes and more than $25 milllion just to administer the program. In Los Angeles, the error rate is 47.3 per cent; in Rhode Island, 65.8 per cent. A nationwide Department of Agriculture survey indicates that one out of every four beneficiaries is receiving more aid than he is entitled to.

Sen. James L. Buckley, CR-N.Y., and Rep. Bob Michel, R-Ill., have introduced a comprehensive food stamp reform bill that would save the taxpayers at least $2 billion annually and, at the same time, increase benefits to the genuinely needy recipients by 29 per cent. The bill is designed to plug the loopholes in the present law so that only the needy will receive assistance which was clearly meant only for the needy.

"THE GUN WITHIN": AN ESSAY BY JAMES BILLINGTON

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. BRADEMAS. Mr. Speaker, I believe that all Members of Congress will read with keen interest the article, "The Gun Within," by James Billington, published in the October 6, 1975, issue of Newsweek magazine.

Dr. Billington is the distinguished director of the Woodrow Wilson International Center for Scholars, the Smithsonian Institution, and is an eminent authority on Russian intellectual and political history.

He is also the author of the book, "The Icon and the Axe," and of a forthcoming history of revolutionaries.

The article to which I refer follows:

THE GUN WITHIN

(By James Billington)

Violence is not only "as American as cherry pie," it is likely to remain à la mode for some time to come.

At its simplest, it arises from two basic causes: too many people and too many weapons. The population explosion simply creates too many people rubbing up against too many others; and every species from rats on up finds more to fight about when there is less room.

The availability of weapons—both firearms (the favorite of amateurs) and explosives (the historic preference of professionals)—is an unchecked scandal in our country. And the sale of weapons internationally has never known a boom period like the present. It points to a dangerous, deeper possibility of which the spread of weapons may be both a cause and a symptom: the breaking up of the modern nation-state.

Perhaps the most distinctive characteristic of the modern national state was that it established a monopoly on the exercise of violence within its borders. The private courts, castles and armies of the feudal era lost their legitimacy in early modern Europe. New institutions for maintaining order and justice developed largely within the national territorial unit. Even at the high point of free trade in the nineteenth century, weapons of war differed from all other products of the industrial revolution in that their distribution was a function of government, not of a market mechanism.

PRIVATE VIOLENCE

In the United States, however, feudalism never existed, and nation building involved substantial private violence—against native Americans, the natural environment and each other. Thus, we never honored as much as the Europeans the state's monopoly on violence. Moreover, we demonstrated in the Vietnamese war the irrelevance of those quintessential forms of violence uniquely controlled by the industrial nationstate; airborne explosives.

The Vietnamese war did, however, end up demonstrating the effectiveness of guerilla violence against the modern state. The three-man Viet Cong unit, when disciplined and dedicated, proved itself the master of the machine-rich morale-poor nation we created in the south. Now that Hanoi has all our machines, we may expect to see others apply the lesson—and perhaps even use the weapons.

The widespread drift toward military rule among developing nations reflects the gut need to control internal violence as the prerequisite to industrial progress. But it is doubtful that even a militarization of society would suffice to control internal violence in a postindustrial state.

Perhaps the most ominous—and least understood—feature of revolutionary violence in the modern world is that it is the creation of educated people, not of primitive barbarians. It often arises within those institutions controlled by intellectuals: the universities.

REFORMIST RULERS

From the original student rebels of Germany in the early nineteenth century, through the original terrorists in Russia in the late nineteenth century, down to our own times, the pattern is similar. Amidst a suddenly expanding student population, political expectations rise far faster than job opportunities. Hopes are raised by reformist rulers (Prussian reformers; Alexander II, "the Czar liberator": the "New Frontier"), but institutional inflexibility chastens the majority and drives a small residue of the intractable into increasing violence.

The postindustrial West may be as vulnerable to this violence as was the preindustrial West. The intellectual population has never increased so rapidly as in the postwar era, and the internal crisis of modern intellectual life—its lack of shared values—creates a thirst for the combination of commitment and "relevance" that is hard to find in the modern multiversity.

So far, revolutionary violence has largely been expressive, exhibitionistic—and essentially amateur. The great Communist powers appear to have supported terrorism only marginally. Current examples seem similar to the early stage of guerrilla violence in the nineteenth century, which was dominated by the Italian and Polish nationalist movements. These involved assertive and heroic—but ultimately suicidal—efforts to "raise the consciousness" of large, inert masses and to strip legitimacy away from traditional authority (the Hapsburg and Romanov empires).

The dark question remains: will we soon meet a new version of the more professional form of revolutionary violence that appeared in the late nineteenth century in Russia? Theirs was a new approach to violence: disciplined, ideological, ascetic. Targets were strategically chosen, and "people's justice" impartially administered to carefully chosen officials. Applied science contributed special bombs designed to kill both target and assassin. Acid was recommended to disfigure the face of the assassin beyond recognition, thereby focusing attention on the principles of the revolutionary cause. Women (including pregnant women) played a crucial role, and the liberalized news media, like the open courts, were ruthlessly and brilliantly exploited for dramatic publicity.

TARGETED TERRORISM

The extreme vulnerability of a complex industrial society to intelligent, targeted terrorism by a very small number of people may prove the fatal challenge to which Western states have no adequate response. Counterforce alone will never suffice. The real challenge of the true terrorist is to the basic values of a society. If there is no commitment to shared values in Western society—and if none are imparted in our amoral institutions of higher learning—no increase in police and burglar alarms will suffice to preserve our society from the specter that haunts us—not a bomb from above but a gun from within.

TRIBUTE TO JOHN RHODES

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. CONLAN. Mr. Speaker, a fine tribute to my good friend JOHN RHODES recently appeared in Roll Call, the newspaper of Capitol Hill. This front-page feature about Arizona's First District Congressman, and this body's distinguished Republican leader, certainly captures the genuine dedication and good nature of the man.

I would like to share this tribute to JOHN RHODES with all my colleagues in the House, and ask that it be included in full at this point in the RECORD:

[From Roll Call, Sept. 25, 1975]

HOUSE LEADERSHIP: BETTER THAN REPORTED

It was November 6, 1974, the day after the election, a bad election for Republicans. In Arizona, House Republican Leader John Rhodes surveyed the ruins, took a deep breath, and went out to meet the press. His disappointment in the results notwithstanding, Rhodes made a prediction which was dismissed as wishful thinking. "The House GOP minority," Rhodes said, "will turn out to be the largest single cohesive force on Capitol Hill."

It is one year later and Rhodes' prediction has proven more accurate than not. The remarkable ability of House Republicans in the 94th Congress to stick together on key votes has brought cheer to a party badly in need of something to cheer about.

It has also caused the Democratic leadership to knash its teeth in rage. With a two-to-one numbers advantage over Republicans, it was thought—and expected—that Democrats could do anything they wanted. Leading Congressional Democrats giddily referred to a "mandate from the people to act". Some even used the phrase the "veto-proof Congress."

It didn't turn out quite that way. President Ford has used the veto a total of ten times this year, more than any other President. He has been overridden only twice. On virtually every critical test, House

Republicans have held together for the President.

Most everyone on Capitol Hill gives John Rhodes major credit for the impressive GOP showing. "He has an infectious all-American-boy spirit and rallies his Republicans as a coach would rally an underdog football team," wrote long-time Capitol Hill reporter Shirley Elder. The failure of the Democrats to override Ford's veto of a massive public service jobs bill, Elder wrote, was a "great victory for Rhodes."

Rhodes insists on sharing the credit. He heaps praise on his leadership team: GOP Whip Bob Michel (for "completely modernizing the whip organization") Policy Committee chairman Barber Conable, ("one of the brainiest guys in Congress"); and Conference Chairman John Anderson ("probably the best speaker on either side of the aisle").

What about his own role, Rhodes is asked? "I try to lead by friendly persuasion," says the first GOP leader in over forty years elected unanimously (he was re-elected Minority Leader, also without a fight). "I let the troops know when I need them, but I also try to be sympathetic if for some reason they can't go with me. I don't hold grudges."

Rhodes' leadership style is low-key. Those who have watched him over the years know that he can hit the high notes when he has to. But his daily hallmark is quiet performance; not fanfare.

"He's a decent, honorable man, a man of integrity," says Arizona Democrat Morris Udall about the dean of his state's Congressional delegation.

Another Democrat, Wisconsin's Harry Reuss, adds that Rhodes is "thoughtful" and "industrious." "He's not unduly partisan," says Reuss.

Tip O'Neill, the House Majority Leader, would have a hard time agreeing with that last accolade. He and Rhodes have had almost daily exchanges on the House Floor. Speaking under the one-minute rule, O'Neill has blasted away at everything from Ford's veto record and the state of the economy to the decision to pick Kansas City as the site of next year's GOP convention. Recently, for example, O'Neill recalled to everyone that the last time a Republican convention met in Kansas City, the candidate was Herbert Hoover and wryly suggested a parallel between Hoover and Ford economic policies.

Quick as a flash, Rhodes was on his feet to remind everyone that New York City, the Democrats' convention site, faces bankruptcy. The Democrats, said Rhodes, "should feel right at home" in New York because "they have run Uncle Sam a half trillion in hock" during nearly forty years of Congressional control. Rhodes then suggested a new name for the Democratic convention, "the Debtocratic convention."

John Rhodes came to Congress twenty-three years ago, the first Republican ever elected to the House from Arizona. He first tasted the political waters by running for state Attorney General. The year was 1950 and Rhodes received a telephone call from a young Barry Goldwater, inviting him to be on the ticket. "But Mr. Goldwater," Rhodes recalls saying, "I don't *want* to be Attorney General."

"Don't worry," Goldwater replied. "You won't be."

He wasn't. It was his only political defeat. Two years later, Rhodes upset John Murdock, a long-term veteran of the House and an institution in Arizona.

Once in Congress, Rhodes dug into the system and earned a reputation for hard work and competence. He won a seat on the Appropriations Committee and became the ranking Republican on the powerful defense subcommittee.

The years of hard work finally paid off for Rhodes in 1965 when his colleagues elected him Chairman of the Republican Policy Committee. At the '72 GOP convention, he was Chairman of the platform committee. Through it all, he kept a low profile and didn't really become a nationally known fig- Through it all, he kept a low-profile and didn't really become a nationally-known figure until Richard Nixon replaced Spiro Agnew with minority leader Gerald R. Ford. It took the national press corps nearly two weeks to find out what nearly every House Republican already knew—namely, that Ford's successor as minority leader would be John J. Rhodes of Arizona.

Rhodes is not a maverick but, as Morris Udall is quick to point out, "he's no lackey" either. It was Rhodes who broke with the Administration during voting on the controversial SST (the only House GOP leader to do so). Rhodes' coolness under fire was much in evidence during last year's impeachment debate. He steadfastly resisted pressure from all sides to act prematurely, insisting that final judgment should be reserved until "all the facts are in." The retrospective analysis of Rhodes' conduct during impeachment was perhaps best stated by Capitol Hill commentator Joseph McCaffrey: "One of the most tremendous displays of political savvy ever seen."

Rhodes' voting record is definitely conservative but he is the farthest thing from an ideologue. Arizona political columnist John Kolbe calls him "moderate." Significantly, Rhodes firmly believes that the Republican Party must have "a broad enough tent for all kinds of people" and campaigns hard for all Republican Congressional candidates, regardless of their position on the ideological spectrum.

His dream is to win control of Congress, an event which would make him Speaker of the House.

"You give me 218 warm Republican bodies," Rhodes tells audiences around the country, "and I'll show you how a Congress should act!"

"And if it sounds like I'm running for Carl Albert's job," Rhodes has been known to add above the applause, "it's because I am!"

Rhodes laments the lack of any "clear Congressional party image" and admits that "Republicans haven't done a very good job of getting their message across."

It was to remedy this "failure" that Rhodes came out this year with a Republican legislative agenda. "The idea," he explains, "is to tell people what they can expect from a Republican Congress."

"The days of presidential coattails are gone forever," Rhodes believes, "and it's up to Congressional Republicans to tell our own story."

Making a positive contrast with the Democratic majority is the name of the game, according to Rhodes. The spirit among House Republicans has been catching. The day after a group of freshman Democrats demanded to meet with Speaker Carl Albert to complain about the majority leadership, for example, House Republican freshmen seized the public relations initiative by presenting Rhodes with a petition of support, along with two dozen long-stem roses. Quipped Rhodes while holding the flowers at a brief presentation ceremony: "I feel like I just won the fifth race at Hialeah."

John Rhodes will be trying to win a lot more races—for Republicans—with an eye on next year's elections. He keeps a speaking schedule (close to 200 speeches since January) that would flatten a twenty-year-old. "I have a difficult time just keeping close to his pace," one young staffer admits.

What makes Johnny Rhodes run?

It's the vision of waking up the day after next year's election and realizing that he has the votes to be elected Speaker of the House.

Optimistic? Definitely. Impossible? Well . . .

Those who acknowledge the possibility of a Republican Congress invariably point to John Rhodes as a key factor in the equation. After all, they say, everyone laughed when he talked about House Republicans becoming the "largest cohesive force" in town. Now, when he goes before the television cameras in the Radio-TV Gallery after sustaining yet another presidential veto, reporters are apt to say to him (as did one following the "jobs" bill veto), "Wipe those chicken feathers from your mouth, John."

That John J. Rhodes may be wiping chicken feathers from his mouth at the start of the 95th Congress is a possibility not to be lightly dismissed.

ORGANIC FARMING STUDY WELL RECEIVED BY PROFESSIONAL SCIENCE COMMUNITY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. RICHMOND. Mr. Speaker, because of the increasing energy problem and the environmental concerns all of us as Americans have, organic farming as an alternative to conventional farming is a subject that must be seriously analyzed.

The Center for the Biology of Natural Systems, directed by Dr. Barry Commoner, has begun to do just that. The center has completed an important study on the economic viability of organic farming which has implications for our entire emphasis on chemical intensive farming.

Coauthored by several of Dr. Commoner's colleagues and sponsored by the National Science Foundation, the study compares the net market value per acre of crops of 16 conventional farms against those of 16 organic farms. The study shows that the organic farms did as well overall as the conventional farms.

The results are very promising. The key point to remember, however, is that more research will have to be done in order to get a more accurate reading on how beneficial organic farming can be. In order for this to be done funds will have to be made available by the USDA as well as the NSF. This is too important a matter for the USDA to neglect.

The fact that prestigious Science magazine has written about the Commoner study is an indication of the capability of the study and its acceptance by the professional science community. Dr. Commoner and his group should be commended for having the foresight to provide us with a better understanding of this type of efficient, energy-conserving, and ecologically sound farming.

The article follows:

[From the Science magazine, Sept. 5, 1975]

BOOST FOR CREDIT RATING OF ORGANIC FARMERS

One of the basic tenets of the modern way of agriculture—that intensive use of chemical fertilizer and pesticides is the royal road to high yields—is called into question by a study of the economics of organic farming. The study, which is arousing surprise and some consternation among conventional agriculturalists, indicates that organic farmers can produce about as much per acre, and earn as good an income, as conventional farmers using the full panoply of chemical aids to agriculture. Of relevance to national policy as well as the farmer's pocketbook is that organic farming is about one-third as prodigal of energy as is the conventional method of farming.

The study, performed by William Lockeretz and coauthors at the Center for the Biology of Natural Systems at Washington University, St. Louis, defines organic farmers as those who nourish their soil with manure or crops grown for the purpose ("green manure"), while eschewing the use of chemical fertilizers and pesticides. The 16 organic farms examined in the study, all located in Corn Belt states and run on a profit-making basis, were each matched with conventional farms similar in size, soil properties, and location.

From an economic comparison of the two styles of farming, Lockeretz and colleagues draw the following conclusions.

The market value per acre of the crops produced by the organic farmers was only slightly less than that of the conventionally raised crops. Most of the crops (chiefly corn, soybeans, wheat, and oats) were fed to cattle, not sold for cash. Had they been sold at prevailing prices, however, the organic farmers would have received $165 per acre for their produce, $14 less than the conventional farmers. The 8 percent difference is not statistically significant.

The organic farmers' operating costs were, on average, $31 per acre, $16 less than those of the conventional farmers, largely because they had no chemical fertilizer bills to meet.

Since the differences in production value and operating costs cancel each other out, the two groups of farmers enjoy essentially the same net income per acre of crop production—$134 for the organics, $132 for the conventionals—as far as direct costs are concerned. The authors of the study believe that fixed costs are the same in both cases.

As for energy intensiveness, measured as energy input per unit value of production, the conventional farmers used 18,400 Btu's per dollar, the organic farmers 6800 Btu's per dollar, a difference of almost threefold.

The authors of the study, who include center director Barry Commoner, do not neglect to cite the low opinion in which organic farming is held by authorities such as the Secretary of Agriculture. ("Before we go back to an organic agriculture in this country somebody must decide which 50 million Americans we are going to let starve or go hungry," Earl Butz said in a 1971 interview.) The authors do not advocate a mass return to organic agriculture, but they believe that organic and conventional farming are two points on a spectrum and that it is possible to adopt certain features of each. They stress that their study is preliminary, being based on the performance of the 1974 crop year only. One implication they draw from their results is that organic farms "will be less vulnerable than conventional ones to further disruptive effects of the energy crisis of the kind that have already been experienced in the Corn Belt"—half of the conventional farmers in the study used less fertilizer than they would have liked in 1974, because it was either too expensive or unobtainable.

Another inference is that organic farms, because of their lower operating costs, are less vulnerable to a decline in crop prices. Present agricultural methods, the authors believe, "are not necessarily the only way to produce food in sufficient quantities at a reasonable economic return to the farmer."

The study's finding of equal income among the two groups has occasioned considerable interest in the Department of Agriculture. "I was astounded that they were so close," says Earle E. Gavett of the Economic Research Service. Gavett, who serves as an unofficial devil's advocate on the National Science Foundation committee reviewing the project, believes that with a continuing rise in the cost of energy "it is entirely possible that more and more people could go this [the organic] route, and I think we should investigate this further."

Department of Agriculture officials stress that they are not hostile to organic farming—"We are working with some of those, like the Rodale people, who were most critical of us in the past," says an Agricultural Research Service (ARS) scientist. But despite concern about the energy intensiveness of American agriculture, the ARS has been unable to mount a specific study of organic farming because of lack of new funds. Asked why the Washington University study is funded by the National Science Foundation and not the Department of Agriculture, ARS energy coordinator Landy B. Altman explains that the department can only study the energy problem with funds it can get from other agencies. Also, in the present funding crisis, "We are pretty well stuck with the complement of people we have, so there is some reluctance to redirect much of our program into energy research." The Department of Agriculture estimated 2 or 3 years ago that some $10 million was being spent in projects which were "more than casually related to energy research," a figure which Altman believes has not changed much since.

Not everyone is pleased by the National Science Foundation's sponsorship of the study. Says an official of the Fertilizer Institute in Washington, D.C., "I am concerned that the NSF is putting money into a group like this which is more interested in headlines than in the facts." The Washington University group may not have produced a brew satisfactory to everyone, but it has at least stirred the pot.—N.W.

WHY WE NEED GUNS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. SYYMS. Mr. Speaker, recent attempts on the life of President Ford have refocused attention on the issue of gun control. These actions by isolated deviants would not have been any less possible with either the registration or confiscation of the citizenry's firearms. Along the path of political revolutionary tactics and assassination, any and all weapons remain accessible even under the most strict totalitarian government. Only the average working man is left without means of self-protection and the defense of his home and family.

But you will see over the next few weeks a growing enchantment among the liberals of this question, "Why Are Women Taking Up Arms?" This question of shooting Presidents is no more a sexist issue than the proposal to disarm the citizenry is a rationale approach to solving a critical crime problem. Not until the courts act swiftly and firmly against all criminals committing all crimes with all manner of weapons will we see a resurgence of law and order in this nation.

Law and order comes about only through the mutual respect and responsibility of individuals; not through dismantling our Constitution plank by plank.

At this point, I insert in the RECORD a recent article from Reason magazine which presents excellent arguments on the constitutional aspect of this issue:

WHY WE NEED GUNS

(By Morgan Norval)

(The truth is that all men having power ought to be mistrusted—James Madison)

Would you rather have a gun and not need it, or—if the state has its say—be forced into a situation where a weapon is desperately needed, but you aren't allowed to have one? This choice by the individual may soon become as extinct as the dodo bird if the state continues on its merry way of grabbing up the rights and freedoms of the individual. However, your right to own a gun, or anything else, should not be argued on the basis of some sort of special pleading to the state.

For example, sportsmen argue that they have some sort of right to have a gun with which to harvest a deer, during a state licensed season and usually on state owned or overseen land. If no deer ever was shot again in the long history of this planet it is still conceivable that mankind could struggle on, survive and even be free. In short, shooting animals is a tenuous base upon which to argue against legislation that would restrict the ownership of guns.

Target shooters make the same sort of bizarre arguments, as though it is part of the Bill of Rights that the state support accurate markmanship (perhaps by building and maintaining rifle ranges from public funds) but that it is unthinkable that the state should go the next step and insist on the right to regulate the guns used in the target shooting. Why not? Once you have accepted the right of the state to intervene in the first place, why shouldn't it intervene in the second, third, and fourth places?

The list of special pleadings in regard to guns goes on and on.

It includes, finally, those who insist that they have a right to defend their homes against *them*. Just who *them* might be varies from community to community: criminals rank fairly high. So do racial minorities and hippies.

The ever-alert state, however, is ready and eager for *that* defense. Inasmuch as the citizens already have accepted as a form of Holy Writ the notion that the state should have a virtual monopoly on the protection business, it is not surprising that the state answers any sort of home protectionist argument in regard to firearms with the simple and logical response that you don't have to guard your home, that the police will do it for you—in fact, *should* do it for you.

If you then protest that the police simply can't do the job, the state can just as reasonably respond that its armed branch, the police, certainly *could* do the job if you, the taxpayer, would just ante up some more tax money and/or cede a little more of your legal position to the state so that the police could do their job with greater efficiency and less interference from those pesky civil libertarians.

There is no special pleading that does not provoke from the state a special and powerful response, and in the argument between the state and the individual, sad experience has taught us that the individual is the underdog.

And that is precisely the point.

DON'T TREAD ON ME

The reason for owning a gun is not to be found in special pleading or in general notions of defense. You have a right to own a gun most basically because the state has no right to take it, *or anything else,* away from you. (Nor do your neighbors except when you have initiated the use of force against someone—in which case action taken against you is simply self-defense by someone else.)

Of all the defensive uses of firearms, of course, the one which is least discussed, but which should be most obvious in view of the rise of state power here and around the world, is the use of a gun to defend individuals and their natural communities and homes against the violence of the state itself.

Idealists recoil from this idea. Conservatives have never understood it and liberals faint when faced with it. Hopefully, Watergate has stripped away the innocence of Americans to the idea that the state would stoop to such depths as to lie to and deprive her citizens of their rights and freedoms!!

People who think that since Nixon and his gang of thugs have been swept away, those who follow will think twice before using the state for corrupt or illegal purposes are just deluding themselves!

After all, the machinery of the state that made Watergate possible is still with us. The FBI and CIA still spy and keep secret files on U.S. citizens. The IRS still harasses citizens. Since the Bank Secrecy Act of 1973 requires your bank to microfilm all of your checks and hold these records for six years, the state can get intimate details of your life from a study of your checking account. The state has already given you an I.D. number (your Social Security Number) and—as the Watergate incident has shown—doesn't hesitate to place you under both physical and electronic surveillance. Welcome to 1984!!

Meanwhile, the state pooh-pooh's its citizens' fears that forms of gun control carried out by the state, such as licensing and registration, will lead ultimately to confiscation of these same firearms. Yet it is worth examining a recent development in our nation's capital, Washington, D.C.

In 1968 the D.C. City Council enacted one of the nation's most stringent gun control laws. Among other things it required District of Columbia residents to obtain a license permitting them to own firearms and also required the resident to register all firearms in the citizen's possession. Police clearance, fingerprinting and "mug" shots were required to get the license.

During hearings held prior to its enactment officials of the D.C. government gave assurance that it would not at some future point confiscate these legally registered firearms from their licensed owners.

However—in February of this year a bill was introduced which would confiscate all legally registered pistols and shotguns of the D.C. citizens. As a temporary sop to hunters it would still permit, for the time being, rifles to be owned by D.C. citizens. However, these "lucky" people who are permitted to keep their rifles disassembled must submit a report "to the Chief of Police in writing each time the weapon is fired, by or to the knowledge of, the licensee, no later than the fifth day of the month in which such rifle is fired." This is like a law legalizing pot smoking, but requiring the individual to report to the state every time he smokes a joint!

If Watergate hasn't convinced the citizens that the state's words or action are sometimes not to be trusted then perhaps the District of Columbia's recent action will.

The game is still the same, only the names of the players have changed.

POWER AND GUNS

The root power of the state as it has existed throughout history has ever rested on divine commands or respected traditions, and propaganda invariably plays a role in permitting one ruling class or another to acquire power over the other—but in the ultimate it is raw force which sustains that power.

Against the power of the state, the individual must have counter power. If the counter is merely rhetorical or legislative, it is meaningless, as experience after experience has shown. The state can either buy support (as in America) or simply demand it, as in the Soviet Union. In both cases, the individual has no rights unless those rights are also backed by some sort of power that meaningfully can confront the power of the state.

If you think that this is nonsense look at some of the proposed "gun control" legislation currently being considered by various legislative bodies, both locally and nationally. In every case of restrictive gun legislation being considered, from mere registration to outright confiscation, exception to the proposed law is granted to law enforcement officers, the military and other selected agents of the state. The state thus excludes itself from all restrictions. In short, an individual can be "drafted" or forced by the state to carry a firearm to do the state's bidding, but cannot own one to protect himself, his family or his property.

The matter of firearms, in a nation of growing state power and growing state violence in a world of growing state repression, is not a matter of special pleading or of mere convenience or legalistic syllogisms. It is a matter of individual survival.

Individuals who have no real power in the face of the awesome police powers of the state, must inevitably face the day when they become little other than slaves of the state. That day, most likely, would be heralded by the claim that the total power is necessary to suppress revolutionaries in our midst. (The British, of course, made the same point about Samuel Adams, Tom Jefferson and their friends.) Such a day can never arrive if the people maintain, as individuals, as members of communities and families the means to deter the final, fateful development of police powers by the state.

Deterrence for the people begins with their own sense of self and of community as opposed to the artificialities and formalities of the state.

But the deterrence for the people must, finally, include the physical means for physical survival. For some, Gandhian resistance will seem enough. Perhaps it is or will be. For others, the possession of the means of escape or actual resistance may seem essential. In neither case should people today sit by idly while the state takes any action which would diminish the ability to carry resistance into effect.

The right to defend one's self is an inalienable right in common-law of the English speaking nations, and particularly in the United States. But, how can this right exist if the state takes from the individual the means to protect himself? To attempt to justify this basic individual right by looking to some form of written "constitutional" guarantee or some other written "holy" commandment from the state is to miss the very point itself. *For what the state gives it can just as easily take away.* The right of self-defense does not rest on any solemn words inscribed on parchment or tablets of clay. It rests on the individual's natural right to life and liberty. And, having the means to defend oneself is the individual's ultimate guarantee of preserving his or her individual freedom.

Collectivist supporters of the state and others who feather their nests from dealings with the state loathe and fear individual freedom, because they view it as a threat to their very existence and power. Thus, they seize every opportunity to suppress it, usually with the cooperation of the state.

This is no time to disarm the individual. The people are already faced with vast state repression. To disarm them now may well be to destroy them as individuals possessing liberty and self-determination.

"Order" may be the excuse; "law" may be the argument; "keeping someone else in his place" may be the emotional rationale; "supporting the police" may be the civic slogan; "ending violence" may be the dream—but the nightmare of reality is total tyranny of the state.

The issue is the fundamental liberty of the individual; not whether firearms serve some other useful purpose.

A COMPROMISE ON THE OIL ISSUE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. ANDERSON of California. Mr. Speaker, 3 days ago President Ford signed into law an extension of the oil price controls that will run through November 15. If the President and Congress can work out a compromise on a staged decontrol of oil prices within that time, I strongly feel that the best interests of the American consumer will have been served.

In my own district in southern California, the city of Long Beach is the operator of several tidelands oil fields for the State of California. As operator, they are legally charged with operating the fields at the highest possible level of profit for the State.

Ironically, to continue the profit at maximum levels, Long Beach may close down several wells because they are currently losing money at the frozen price level of $4.21 per barrel. If this should happen, the oil lost by the closing of the wells will have to be replaced by imported oil—at approximately $13 per barrel.

The implications of such a scenario happening on a larger scale are obvious—higher prices to the U.S. consumer.

Obviously, continued control of oil prices cannot be maintained if it means a loss of domestic production. At the same time, we cannot allow oil prices to undergo a sudden increase—the effects that would have on the economy and the consuming public would be catastrophic.

Instead, President Ford and this Congress must agree on a compromise—perhaps a phased decontrol of current price levels with an eventual ceiling to keep domestic oil prices from being regulated by the OPEC cartel.

Mr. Speaker, I would like to include in the Record the following article from the September 30 Long Beach Press-Telegram which clearly states the position in which Long Beach has been placed in its management of the offshore oil fields:

Oil Price Lid Could Close Wells in L.B.

(By Bob Schmidt)

Sacramento.—Federal oil price controls may force the closing of some Long Beach tidelands wells, the State Lands Commission was told Monday.

David K. Hayward, assistant manager of Long Beach operations for the State Lands Division, the commission's administrative arm, said the federally frozen price of $4.21 per barrel is preventing some wells in the offshore fields from paying their own way.

Congress last week approved an extension of existing price controls until Nov. 15, and Hayward's information is expected to prompt a warning that the production of oil in California will be reduced unless the state can obtain a higher price.

The City of Long Beach, as operator of the tidelands fields for the state, is obligated to see that the fields bring the state the maximum revenue possible.

Since some of the wells are not operating economically, closing them will reduce expenses and increase net revenue, Hayward said.

Lands Commission Chairman Kenneth Cory and Long Beach City Manager John Mansell are arranging a joint press conference for next week to discuss the severity of the problem.

William F. Northrop of Long Beach, the commission's executive officer, said in response to a question from Cory that any reduction in the production of domestic oil would probably have to be offset by the additional importation of foreign oil.

"Mr. Zarb (Federal Energy Administrator Frank Zarb) opposes letting California get more money for its oil because, he says, it will mean a higher pump price for gasoline," Northrop said. "But if some of the Long Beach wells have to be shut down because it is not economical to operate them, then more oil—at $13 a barrel—will have to be imported, and the consumer will really get it in the neck.

"This is a very large policy question," Cory said. "This does not seem to be the time to reduce our domestic production. On the other hand, should California be expected to subsidize the entire nation's oil needs?"

The City of Long Beach and the commission contend that California has been the victim of pricing discrimination by the oil companies and the federal government.

The affected fields, Hayward said, are the pie-shaped area being developed by Powerine, just seaward of the Long Beach Harbor Building and extending out into the water, and the field just westward, being developed by the Long Beach Oil Developing Co. (LBOD).

The "economically marginal" wells being operated by Powerine total about 5,000, and by LBOD about 24,000, he said.

The huge field being developed by Thums, to the east of the Powerine field, also has marginal wells which may be affected at some future date.

The $4.21-per-barrel price has been in effect since December of 1973, he said, and has not been allowed to increase because of the federal controls while production costs have soared.

In a separate report, Northrop told the commission that oil produced in the Thums field totaled 39.4 million barrels during the 1974–75 fiscal year which ended June 30. The total exceeded the estimate for the year of 38.2 million barrels, he said, and produced a net revenue to the state of $106.5 million.

DRUG ABUSE: LEARNING FROM FOREIGN EXPERIENCES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. RANGEL. Mr. Speaker, in our continuing battle against heroin addiction in the United States, we too frequently ignore the fact that drug abuse is an international problem. As you recall, the United States had great difficulty in persuading the French Government to crack down on the heroin manufacturing laboratories in the Marseilles region until French officials realized that addiction was spreading among their own youth.

Drug abuse is not a new phenomenon, either in this country or abroad. Of course, when addiction was primarily concentrated in the inner city, it was out of the sight of the media and the majority of our citizens. Not until large numbers of servicemen returned from duty in Southeast Asia as junkies instead of heroes did the Federal Government begin a serious effort to deal with narcotics. So, too, with the international experience. Drug use and abuse is a cultural phenomenon in a number of nations in the developing world so the attention of the developed countries was never focused on them. This omission was simply a continuation of the historic American policy of ignoring the Third World except for purposes of commercial or military exploitation.

Therefore, when the People's Republic of China eradicated opium addiction over the past two and one-half decades, the United States took no notice of that significant fact. This was a reflection of our foreign policy of pretending that the People's Republic of China did not even exist, coupled with our reluctance to learn from the experiences of developing nations such as China was during that period of time.

At this point, I am including in the CONGRESSIONAL RECORD an article which appeared in the Charleston, S.C., Chronicle comparing American and Chinese antiaddiction methods:

NEEDED: A TOTAL EFFORT

(By Charles G. Adams)

Have we become so preoccupied with problems in the economy that we have forgotten the spreading menace of the illicit dope trade which continues to destroy human lives in America? Are we to become the tragic victims of America's unwise relaxation of effort against the dope epidemic?

Judge and Mrs. George W. Crockett, Jr. recently returned from an enlightening visit to the People's Republic of China to report that there is no dope addiction there. The astounding fact is that the Chinese who had the most protracted and severe narcotics problem in the history of man solved that problem totally within a very few years after the Communist revolution of 1949.

This terrific achievement which has been almost entirely ignored, denied or disparaged in the U.S. is deftly reported and studied in the paper by Dr. Paul Lowinger of the Wayne State University School of Medicine.

Dope addiction began in the 18th century, and lasted for 20 years. Drug abuse among these oppressed people was the physical concomitant and auxiliary to political domination and economic exploitation. A people disabled by addiction are in no shape to fight for their rights. They are easy prey to be subdued, exploited, contained and controlled. Just as a patient is anesthetized before surgery, so a doped-up nation or race can be worked over and torn apart without offering any resistance.

China had it bad. In 1906 over 15 million Chinese were addicted to opium. By 1930 opium was used in quantity by 25 percent of the adult population of China. The war for freedom and independence against foreign imperialism was identified as a war against dope addiction. Sadly, the government of Chiang Kai-shek which was aligned with the U.S. was on the side of the problem of the dope conspiracy and not on the side of the solution.

But the revolution was successful and complete by Oct. 1, 1949. By 1954, the problem of dope addiction had been wiped out of the People's Republic of China.

How did they do it? First they indoctrinated their young people against illicit dope. The continuation of drug abuse depends on a steady flow of new users. The old users fall by the way and new users are needed to sustain the illegal market. Once the flow of new addicts is abated, a total solution comes in sight.

Next the war against dope was part of the reordering of society and redistribution of wealth. Land was taken away from feudal landlords and given to the peasants who changed land usage from the cultivation of opium to the production of food.

Thirdly there were programs of mass medical treatment and counseling for all addicts. The lack of these three factors in America accounts for our failure in the war against dope.

First, new users are created every day. There is no effective program of early indoctrination against the illicit use of drugs. Secondly, failure of the movements in the 60's for civil rights, peace and ecology produced a sense of frustration, hopelessness, powerlessness, alienation and despair among our young. They are bored and disillusioned.

Since they could not get society turned around they have taken to getting "turned on" as an escape from boredom and failure. Thirdly addicts here are often shunned rather than treated. We have yet to see a total effort against America's greatest domestic destroyer.

But if China did it, why can't we? America has the power to solve the dope conspiracy if she can only find the will. If we can get people on the moon, we can get people off of dope and build a meaningful society of hope and life on earth.

FEDERAL FISCAL INTEGRITY

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. TREEN. Mr. Speaker, on the very first day of the 94th Congress I introduced House Joint Resolution 19, calling for a constitutional amendment limiting the Federal Government's authority to spend in excess of its revenues, except when both Houses of Congress declare a national emergency to exist.

Since that date the Congress has approved its first budget target resolution under the new Budget Control and Impoundment Act approving the largest deficit in our Nation's history. And there is little reason to believe that existing statutory mechanisms will prevent an even higher deficit in fiscal year 1977, aggravating inflation further and increasing the shortage of lendable funds.

I am inserting in the RECORD a copy of a resolution adopted unanimously by the Southern Governors' Association on September 15 calling for the passage of a constitutional amendment just as I have proposed, in the hopes that it will impress upon the Judiciary Committee the strong support in this country for hearings on House Joint Resolution 19:

FEDERAL FISCAL INTEGRITY

The Southern Governors express unified and deep concern over the adverse economic impact of both the ever-gorwing size of the one of the major causes of inflation.

Second . . . due to the very size of Federal government spending, there are insufficient capital resources remaining in the private sector to insure creation of an adequate number of jobs and increase the productive capacity of our nation.

We endorse the concept of a federal constitutional amendment requiring a balancing of the federal budget within a specific impact of both the ever-growing size of the Federal Budget and this nation's chronic pattern of deficit spending.

It has become increasingly clear to all that:

First . . . large, growing, and continual deficits not only encourage inflation, but are multi-year period, providing for a temporary suspension during war or national economic emergency, with such temporary deficit to be repaid within a period of 20 years, and providing for the granting of standing to any state to bring suit to secure compliance with the amendment.

We also recognize that the states must bear part of the responsibility for creating pressures resulting in excessive federal spending, and we pledge our best efforts to support the spirit of this amendment by restraining our own demands for federal spending.

Therefore, the Southern Governors' Conference resolves that a Task Force be created to draft, circulate, and promote a proposed Constitutional Amendment that will limit excessive Federal government spending and the national debt.

RESULT OF NEW YORK DAILY NEWS POLL ON SINAI TECHNICIANS MERITS ATTENTION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 6, 1975

Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues the results of a very timely poll conducted by the New York Daily News measuring the views of New Yorkers on the proposal to send 200 American technicians to monitor the interim peace agreement between Israel and Egypt.

Of the 532 persons surveyed which represented a cross-section of the population only 36 percent expressed outright approval of the proposal. The highest percentage, 40, expressed disapproval while 24 percent did not know their views. These latter two figures are important both in terms of recognizing that there is opposition and confusion among the American people about this proposal.

The House later this week will consider House Joint Resolution 683 which will authorize these 200 technicians to be sent to the Sinai. We must be cautious to avoid having this legislation lead to an escalation of our involvement in the Middle East thus placing us in direct confrontation with the Soviet Union. I have a number of objections to the language in the resolution as nowhere does it state how long these technicians will be required to remain. It should be noted that three American technicians employed by the Mobil Oil Co. have already been sent to the Sinai.

I hope my colleagues will take the time to evaluate not only the findings of this poll but will also seek out the views of their constituency prior to our consideration of this important legislation. The last thing this Congress needs to do is pass a resolution containing the potenial for the same consequences as the infamous Gulf of Tonkin resolution in 1964.

SENATE—*Tuesday, October 7, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

INTERNATIONAL DAY OF BREAD

O Lord who has taught us to pray, "Give us this day our daily bread," on this Day of Bread make us thankful for our daily bread and mindful of those who do not have it.

We thank Thee for the miracle of seed becoming grain and grain becoming flour and flour becoming bread. We pray for all who plant and cultivate and harvest and thrash and grind and bake the bread which nourishes mankind.

As long ago Thou didst feed Thy people in the desert with bread from Heaven so empower us with wisdom from above to work with Thee to provide sufficient daily bread for the whole family of man.

We pray in the spirit of Him who said, "Give and it shall be given unto you." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 7, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HARRY F. BYRD, JR. thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, October 6, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar under New Reports.

There being no objection, the Senate proceeded to the consideration of executive business.

FEDERAL POWER COMMISSION

The second assistant legislative clerk read the nomination of Richard L. Dunham, of New York, to be a member of the Federal Power Commission.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader request time?

Mr. DOMENICI. Mr. President, I reserve any time I may have.

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Montana (Mr. MANSFIELD) is recognized for not to exceed 10 minutes.

Mr. MANSFIELD. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 10 minutes.

Mr. MANSFIELD. Mr. President, with his approval, I yield back his time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF VETO MESSAGE AT 3 P.M. AND FOR VOTE AT 4 P.M. TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent, providing the House overrides the veto on the school lunch—really the school breakfast—program early this afternoon, that the Senate, at the hour of 3 o'clock, turn to the consideration of the veto message and that the vote occur at 4 o'clock.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and it is so ordered.

ORDER FOR DEBATE AND VOTE ON SILBERT NOMINATION TOMORROW

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that on tomorrow, the vote on the Silbert nomination occur at 2 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. If necessary, I ask unanimous consent that there be a half hour, if needed, to discuss the nomination. If not, we shall stay on the pending business at that time until the hour ordered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HARRY F. BYRD, JR.) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:43 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed without amendment the bill (S. 557) to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ULLMAN, Mr. CORMAN, Mr. RANGEL, Mr. STARK, Mr. WAGGONNER, Mr. SCHNEEBELI, and Mr. VANDER JAGT were appointed managers of the conference on the part of the House.

At 12:43 p.m., a message from the House of Representatives, delivered by Mr. Hackney, announced that the House has passed the bill (S. 1327) to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservation of said Indians, and for other purposes, with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (S. 1549) to amend the Federal Rules of Evidence, and for other purposes, with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House has passed the following bills and joint resolution in which it requests the concurrence of the Senate:

H.R. 589. An act to authorize the Secretary of the Interior to provide relief to the Santa Ynez Water Conservation District due to delivery of water to the Santa Ynez Indian Reservation lands;

H.R. 1465. An act to provide for the division of assets between the Twenty-Nine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the U.S. Treasury, and for other purposes;

H.R. 1466. An act to convey certain federally owned land to the Twenty-Nine Palms Park and Recreation District;

H.R. 4034. An act to designate the Veterans' Administration hospital in Loma Linda, Calif., as the "Jerry L. Pettis Memorial Veterans' Hospital," and for other purposes;

H.R. 4865. An act to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office;

H.R. 5360. An act to increase benefits provided to American civilian internees in Southeast Asia;

H.R. 5708. An act to provide for the striking of medals in commemoration of the Bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps;

H.R. 5952. An act to amend the Water Resources Planning Act (79 Stat. 244), as amended;

H.R. 6622. An act to provide for repair of the Del City aqueduct, a feature of the Norman Federal Reclamation project, Oklahoma;

H.R. 6669. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments;

H.R. 6874. An act to amend the Small Reclamation Projects Act of 1956, as amended;

H.R. 7976. An act to amend title 5, United States Code, to provide that annual leave lost by a Federal employee because of an unjustified or unwarranted personnel action shall be restored to the employee, and for other purposes;

H.R. 9056. An act to amend the Small Business Act and Small Business Investment Act of 1958 to provide additional assistance under such Act, to create a pollution control financing program for small business, and for other purposes;

H.R. 9460. An act to provide for the establishment of a constitution for the Virgin Islands;

H.R. 9491. An act to provide for the establishment of a constitution for Guam;

H.R. 9576. An act to amend title 38 of the United States Code in order to set a termination date for veterans' educational benefits under chapters 34 and 36 of such title, to extend the maximum educational benefits to 45 months under chapter 34 of such title, and for other purposes; and

H.J. Res. 540. A joint resolution to require the American Revolution Bicentennial Administration to establish a committee to report to the Congress ways to significantly commemorate our Nation's Bicentennial.

The message also announced that the House has agreed to the concurrent resolution (H. Con. Res. 309) expressing the sense of the Congress with respect to International Women's Year, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 557) to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna.

The enrolled bill was subsequently signed by the President pro tempore.

At 3 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 824) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes.

The message also announced that the House has passed the bill (H.R. 6642) to provide for allotment or assignment of payments from civil service annuities, and for other purposes, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate Nos. 50, 57, and 64 and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate Nos. 33, 48, and 75 and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

The message further announced that, on reconsideration by the House and two-thirds of the House agreeing, the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, returned by the President of the United States with his objections, was passed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Foreign Relations, with amendments:

H.R. 6334. A bill to amend further the Peace Corps Act (Rept. No. 94–412).

By Mr. SPARKMAN, from the Committee on Foreign Relations:

S.J. Res. 138. An original joint resolution to implement the United States proposal for the early warning system in Sinai (Rept. No. 94–415).

By Mr. LEAHY, from the Committee on Agriculture and Forestry, with amendments:

S. 2308. A bill to provide for the modification of the boundaries of the Bristal Cliffs Wilderness Area (Rept. No. 94–414).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 961. A bill to extend, pending international agreement, the fisheries management responsibility and authority of the United States over the fish in certain ocean areas in order to conserve and protect such fish from depletion, and for other purposes (Rept. 94–416). Referred to the Committee on Foreign Relations with instructions to report back after a period not exceeding 21 days of actual daily sessions of the Senate.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that S. 961 be referred to the Committee on Foreign Relations for a period of not to exceed 21 days, excluding days when the Senate is not in session, and that after the expiration of 21 days the bill automatically be placed on the Senate calendar for consideration.

I submit with this unanimous-consent request a report from the Commerce Committee on the bill.

Mr. GRIFFIN. Mr. President, reserving the right to object, I did not hear the request. I am sorry; I wonder if it could be restated.

Mr. MAGNUSON. The request, I will say to the Senator from Michigan, is to refer a Commerce Committee bill which would extend to 200 miles the fisheries limit to the Committee on Foreign Relations for 21 days. I have had the agreement of the Senator from Alabama and others to this matter.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The report will be received and printed.

IMMIGRATION AND NATURALIZATION—REPORT OF THE COMMITTEE ON THE JUDICIARY (REPT. NO. 94–411)

Mr. EASTLAND, from the Committee on the Judiciary, submitted a special report entitled "Immigration and Naturalization," pursuant to Senate Resolution 255, 93d Congress, 2d session, which was ordered to be printed.

SUBMISSION OF A REPORT FROM THE SELECT COMMITTEE ON SMALL BUSINESS ENTITLED "THE ROLE OF SMALL BUSINESS IN SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION" (S. REPT. NO. 94–413)

Mr. McINTYRE. Mr. President, from the Select Committee on Small Business, for Mr. NELSON, the chairman, I submit a report entitled "The Role of Small Business in Solar Energy Research, Development, and Demonstration."

This is an interim report of the committee on the subject of solar energy. We shall have more to say on this subject later.

The report filed today summarizes the testimony received at hearings before the full committee on May 13 and 14, 1975. Tomorrow, October 8, and again on October 22, the committee will be continuing hearings on the part that small business has played and may be expected to play in the development of solar energy as one of the most promising ways to solve national and world energy problems.

In this interim report, there are many conclusions and recommendations that the committee has been able to draw on the basis of the record to date. While they are all of interest and importance, the most important is probably this: If this country had followed the advice given to President Truman in 1952 instead of relying on the Nation's big business energy companies, we would now be saving as much as 3 million barrels of oil every day using solar heating and cooling equipment.

The advice given to Mr. Truman came from the President's Materials Policy Commission, familiarly known as the Paley Commission after its distinguished Chairman, William S. Paley. That Commission and its work have grown in the attention and respect of the world with each passing year, as more and more people have come to recognize the wisdom that was contained in its five-volume final report, "Resources for the Future."

The portion of the Commission's report that has been pointed up in the Small Business Committee's report, filed today, is from volume IV, "The Promise of Technology," and specifically from chapter 15 of that volume. The chapter is entitled "The Possibilities of Solar Energy."

While the chapter is long and technically detailed, the conclusion is not hard to find or to state. On page 220, we read this:

> Efforts made to date to harness solar energy economically are infinitesimal. It is time for aggressive research in the whole field of solar energy—an effort in which the United States could make an immense contribution to the welfare of the free world.

Quoting now from the committee's report—

> Tragically, the Paley Commission's recommendation "for aggressive research" went unheeded. As a result, the Commission's optimistic prediction for solar energy's contribution to the national energy budget was unrealized. That prediction was that, by 1975, solar energy could account for 10 percent of the nation's total energy consumption.

Mr. President, 10 percent of our current—1975—energy requirements would amount to 3 million barrels of oil a day, one-sixth of the national daily oil requirement, one-half of our current oil imports.

The Commission's 1952 prediction for 1975 assumed that most of the solar contribution would be for heating and cooling buildings. That would mean that to get 10 percent of total national energy needs, we would be obtaining some 30 to 40 percent of our heating and cooling energy from solar systems. It was a practical idea in 1952, because the technology was already reasonably well advanced.

Much more recently, in 1973, a special panel of the Atomic Energy Commission, the so-called AEC Subpanel IX, has again predicted that a 20- to 25-year effort could result in this country's getting 30 percent of its heating and cooling energy needs from the Sun.

Since we did not take the Paley Commission's advice in 1952 and thereby failed to attain the then-realistic goal of meeting 30 percent of our heating and cooling needs from the sun in 1975, is it not sensible to set a national goal now of attaining 30 percent of that energy sector from solar systems in the year 2000?

The committee's report concludes that it is, and recommends that we establish that as national policy. The report is critical of the long delays and modest sums that have typified solar energy R.D. & D. on the part of big government and big business.

Mr. President, Edward Cowan, writing in last Sunday's New York Times, opens a thought-provoking column with these words:

> Imagine a President peering sincerely into a television camera and intoning: "My fellow citizens, I am happy to be able to report to you tonight an important breakthrough in our drive for energy independence for the United States. We have discovered a source of energy that is infinitely abundant and is found throughout the land. It is clean energy that will not contaminate our air or water or create dangerous residues. Nor does it require deep holes in the ground, the stripping of prairies or mountains or the construction of huge processing plants.
>
> "My fellow citizens, it is with great satisfaction that I report to the American people that we have learned how to harness the energy of the sun."
>
> As a matter of fact, President Ford could make such a declaration now.

One might think, from that beginning—and from the rest of the column—that the Times would give that article a more encouraging caption than it did: "As a Source of Energy, the Sun Has Drawbacks."

The drawbacks mentioned are, again quoting Mr. Cowan:

> First, solar energy, for all its beauties, now costs more than other energy—coal, natural gas, oil, nuclear. Second, the problem of storing it for use at night and on cloudy days has not yet been wholly solved.

Testimony received by the Small Business Committee indicates that these drawbacks are already more illusory than real, at least in the building heating and cooling energy sector, and tending to reach the vanishing point as technology advances and fuel costs advance even more. The committee's report suggests also that our methods of costing alternative heating systems may be inaccurate and incomplete. The calculations too frequently fail, at the consumer's level, to take lifetime fuel costs into account and they neglect, at the national level, adequately to account for comparative environmental costs of various energy options. The committee will be taking a closer look at the total national costs and benefits of solar energy and other energy development as its hearings continue.

Mr. President, I ask unanimous consent to include in the RECORD at this point a short summary of the highlights of the Small Business Committee's report together with the committee's press release concerning tomorrow's resumption of hearings on solar energy, and the text of the article by Edward Cowan to which I referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HIGHLIGHTS

(Report of the Senate Small Business Committee Entitled "The Role of Small Business in Solar Energy Research, Development, and Demonstration")

I. HEARINGS

Hearings on May 13 and 14, 1975, sought answers to the questions: "Solar Energy: How much? How much from small business? How soon? Why not more? Why not sooner?" Testimony was received from three small businessmen and representatives of three Federal agencies—ERDA, HUD and FEA. An anthology of appendix material was also compiled to be printed with the record. Hearings focused on two major concerns: (1) that solar energy has not been and is not being developed fast enough; and (2) that the Federal programs for solar development are not adequately recognizing small business accomplishments of the past and potential for the future.

II. THE WORK TO COME

Rapid development of solar energy will present both great opportunities and some problems for the economy and for small business. The committee, in hearings on Oct. 8 and 22, 1975, and thereafter, will consider how to enlarge the plus factors and diminish the minus factors. The need to foster decentralization and competition in the various emerging solar energy industries will be considered. All solar and related energy technologies will be within the scope of the work.

III. CONCLUSIONS

Small business and individual inventors pioneered the solar energy field, while big business and big government, until very recently, ignored it. Now that the country is waking up to the immense possibilities of solar energy, there is reason for concern that the small business pioneers will be shouldered aside by policies and practices of big government and big business. This must be prevented. Preferences for small business in Federal contract awards in solar programs should be used wherever possible.

A wise group of experts, the Paley Commission created by President Truman, reported in 1952 that this country, by aggressive research work, could be meeting 10 percent of its total energy needs from solar technologies of various kinds—mainly the solar thermal heating of buildings—by 1975. A tragic failure to heed the Paley Commission's advice means we are now burning about 3 million barrels of oil a day (or the equivalent in other fuels) that we could be saving, right now. That saving is still possible, however, for the year 2000, with important percentage increases in the solar contribution to the national energy budget each year. And the need is even greater now. The country should establish immediately a goal of having 30 percent of all building heating and cooling energy come from solar energy systems by 2000, with 3 to 5 percent by 1980.

IV. RECOMMENDATIONS

Federal, State and local regulations and programs should encourage and aid both a more rapid growth of solar energy utilization and a larger share of small business participation in all the emerging solar industries. In particular, the Department of Housing and Urban Development should immediately add standards for solar heating, cooling and water-heating equipment to its Minimum Property Standards, since the omission of solar standards in the "MPS" now forecloses an important market to solar products. The Federal Energy Administration's proposed program for widespread purchase of solar equipment for Federal buildings should be pushed forward rapidly.

[From the Select Committee on Small Business, Oct. 2, 1975]

NEWS RELEASE

WASHINGTON, D.C.—The Senate Select Committee on Small Business resumes hearings October 8, 1975, on the development of solar energy and the role of small business, Senator Gaylord Nelson (D.-Wis.), chairman, announced today.

Nelson said that the hearings, to be conducted by Senator Thomas J. McIntyre (D.-N.H.) and Senator William D. Hathaway (D.-Me.), will have as witnesses small business installers of solar heating and cooling equipment; consumer spokesmen; representatives of architectural firms; and the president of the New England Council.

Senator McIntyre, an outspoken advocate of alternate energy sources, said that "there is urgent need to develop solar home heating and cooling throughout the United States. Our earlier hearings and the session on October 8 are aimed at determining the work being done by small business, the effects on consumers, and the need for regulatory changes."

The witnesses will include:

Lola Redford of Consumer Action Now, a New York-based group;

Bruce Anderson, president of Total Environmental Action, a New Hampshire architectural and consulting firm which has designed and built solar-heated homes;

Robert Fawcett, the New England Fuel Institute past president, whose association has begun a $50,000 prototype program for the installation of solar hot water heating and home heating systems; and

Edward J. King, president-designate of the New England Council, a regional development group headquartered in Boston.

McIntyre noted that this hearing is the third in a series pinpointing problems small businessmen face in the development of solar heating equipment.

"These hearings have already meant a changed attitude on the part of the Energy Research and Development Administration toward small business, highlighted regulatory changes must be made on Federal home mortgage insurance regulations, and made American consumers aware of the advantages of lower heating bills by equipping homes with solar heating apparatus," he said.

The hearing is scheduled to start at 10:00 a.m. in Room 457 of the Russell Senate Office Building.

[From the New York Times, Oct. 5, 1975]

IT COSTS MORE, AND THEN THERE'S THE SHORTAGE PROBLEM—AS A SOURCE OF ENERGY, THE SUN HAS DRAWBACKS

(By Edward Cowan)

WASHINGTON.—Imagine a President peering sincerely into a television camera and intoning: "My fellow citizens, I am happy to be able to report to you tonight an important breakthrough in our drive for energy independence of the United States. We have discovered a source of energy that is infinitely abundant and is found throughout the land. It is clean energy that will not contaminate our air or water or create dangerous residues. Nor does it require deep holes in the ground, the stripping of prairies or mountains or the construction of huge processing plants.

"My fellow citizens, it is with great satisfaction that I report to the American people that we have learned how to harness the energy of the sun."

As a matter of fact, President Ford could make such a declaration now. Honesty, however, would compel him to add two qualifications: First, solar energy, for all its beauties, now costs more than other energy—coal, natural gas, oil, nuclear. Second, the problem of storing it for use at night and on cloudy days has not yet been wholly solved.

Techniques for harnessing solar energy have been known for years. Adventurous architects have been putting solar heating panels into roofs for decades. But costs are high, partly because a conventional heating system also is usually needed in most regions and partly because of high interest rates. However, with heating oil up 100 per cent in three years, using sunshine saves more money.

M. Richard Blieden, an official of the Energy Research and Development Administration, removes two thin grids from his wallet, one silicone, one cadmium sulfide, and places them in sunlight. "They're putting out power now," he exclaims. But, he adds, they produce only about one-tenth of the one kilowatt per square meter voltage that sunshine theoretically can produce. Thus, the photovoltaic grids' efficiency rating is roughly 10 per cent, and it would take vast arrays of them in sunlight. They're putting out power loads.

There are other solar-energy ways of making electricity—harnessing wind and ocean temperature differences and reflection of sunlight onto a central receiver. They, like photovoltaic conversion, pose problems of high engineering costs and low efficiency. These are essentially economic problems.

In addition, there is the storage problem: How to store solar energy so that it can heat buildings or produce electricity at night or on cloudy days. Solving cost and storage problems is the key to widespread use of sunshine as an alternative to conventional energy.

Can it be done? How soon? No one really knows.

That the Government should put up development money is generally accepted, although there is some debate about how it should be spent. Some Federal Energy Administration officials believe that instead of financing research, the Government should simply order solar equipment for Federal buildings and thus trigger research and manufacturing by private corporations.

The main question then would seem to be: In light of the potential advantages of solar energy and the disadvantages of virtually all alternatives, is the Government now spending enough money to harness sunshine.

President Ford's revised request to Congress contemplated authority for the Energy Research and Development Administration to sign contracts in fiscal 1976, which began July 1, to spend $418 million for fossil fuels, $621 million for nuclear fission, $140 million for nuclear fuels, $264 million for nuclear fusion and $89 million for solar. With other categories, the total proposed Energy Research and Development effort came to $1.98 billion.

Is solar's share enough? "It's a tough problem to decide how much is enough," admits Robert Fri, Deputy Administrator of the Energy Administration. "In the early stages of a research and development program, it's hard to tell how much is enough, and you're driven by how much you can absorb."

Mr. Fri points out that solar energy spending has grown at a tremendous rate, from about $1 million several years ago to $15-million last year and $67-million this year.

Some Democrats contend that despite the Congressional mandate in that act to give equal priority to nonnuclear energy, the Ford Administration has remained biased in favor of nuclear power. This is a complicated argument that involves politics, ideology, environmentalism and some passionate opponents of nuclear power, such as Ralph Nader.

Being antinuclear and prosolar has become trendy among the new liberals in Congress, such as Representative Frederick Richmond, a first term Democrat from Brooklyn. He sponsored on the House floor a $50-million increase in the solar authorization, to $195-million. Mr. Richmond, when asked the other day, was unable to explain specifically why he knew better than the House Science Committee how much could be usefully spent.

The discretionary range is enormous. Two years ago, a panel of non-Government experts said that a five-year solar effort could range from $200-million to $1-billion.

When President Kennedy and Congress decided to beat the Russians to the moon they spent money for space flight with little regard to efficiency, redundancy or the natural sequence in which certain tasks should be done to minimize costs. It is, in strictly budgetary terms, a more costly way—and whether in energy a faster rate of spending hastens the advent of what is sought is uncertain.

In this sense, how much money to spend on solar energy, or any other promising technology, involves national priorities and is a political decision. "If you're going to be aggressive, you're going to waste some money," asserts John Andelin, an aide to Representative Mike McCormack, chairman of the House Science Subcommittee on Energy Research, who then adds: "The time has come to be aggressive."

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Roderick M. Hills, of California, to be a member of the Securities and Exchange Commission.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were each read twice by their titles and referred as indicated:

H.R. 589. An act to authorize the Secretary of the Interior to provide relief to the Santa Ynez Water Conservation District due to delivery of water to the Santa Ynez Indian Reservation lands; to the Committee on Interior and Insular Affairs.

H.R. 1465. An act to provide for the division of assets between the Twenty-Nine Palms Band and the Cabazon Band of Mission Indians, California, including certain funds in the United States Treasury, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1466. An act to convey certain federally owned land to the Twenty-Nine Palms Park and Recreation District; to the Committee on Interior and Insular Affairs.

H.R. 4034. An act to designate the Veterans' Administration hospital in Loma Linda, California, as the "Jerry L. Pettis Memorial Veterans' Hospital", and for other purposes; to the Committee on Veterans' Affairs.

H.R. 4865. An act to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

H.R. 5360. An act to increase benefits provided to American civilian internees in Southeast Asia; to the Committee on the Judiciary.

H.R. 6622. An act to provide for repair of the Del City aqueduct, a feature of the Norman Federal reclamation project, Oklahoma; to the Committee on Interior and Insular Affairs.

H.R. 6669. An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

H.R. 6874. An act to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Interior and Insular Affairs.

H.R. 7976. An act to amend title 5, United States Code, to provide that annual leave lost by a Federal employee because of an unjustified or unwarranted personnel action shall be restored to the employee, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9056. An act to amend the Small Business Act and Small Business Investment Act of 1958 to provide additional assistance under such acts, to create a pollution control financing program for small business, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

H.R. 9460. An act to provide for the establishment of a constitution for the Virgin Islands; to the Committee on Interior and Insular Affairs.

H.R. 9491. An act to provide for the establishment of a constitution for Guam; to the Committee on Interior and Insular Affairs.

H.R. 9576. An act to amend title 38 of the United States Code in order to set a termination date for veterans' educational benefits under chapters 34 and 36 of such title, to extend the maximum educational benefits to forty-five months under chapter 34 of such title, and for other purposes; to the Committee on Veterans' Affairs.

H.J. Res. 540. A joint resolution to require the American Revolution Bicentennial Administration to establish a committee to report to the Congress ways to significantly commemorate our Nation's Bicentennial; to the Committee on the Judiciary.

H.R. 6642. An act to provide for allotment or assignment of payments from civil service annuities, and for other purposes; to the Committee on Post Office and Civil Service.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 309) expressing the sense of the Congress with respect to International Women's Year was referred to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, October 7, 1975, he presented to the President of the United States for his approval the enrolled bill (S. 557) to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna.

JOINT REFERRAL OF S. 1833

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 1833, a bill to authorize emergency loan guarantees to units of government, be jointly referred to the Committee on Government Operations and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR H.R. 5708 TO BE HELD AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent H.R. 5708 to provide for the striking of certain medals be held at the desk until further action is taken.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. YOUNG:

S. 2479. A bill for the relief of Miss Kirstin Hager Halvorsen-Vigdis. Referred to the Committee on the Judiciary.

By Mr. TAFT:

S. 2480. A bill to amend the Regional Rail Reorganization Act of 1973 in order to authorize and direct the Secretary of Transportation to make certain State and local tax payments on behalf of railroads in reorganization. Referred to the Committee on Commerce.

By Mr. HELMS:

S. 2481. A bill for the relief of Oscar Rene Hernandez Rustrian. Referred to the Committee on the Judiciary.

By Mr. GRAVEL:

S. 2482. A bill to amend title 5, United States Code, to remove the limitation on the amount of the cost of living allowance payable to Federal employees stationed outside the continental United States, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. DOLE:

S. 2483. A bill for the relief of Harald and Sylvia Schubert. Referred to the Committee on the Judiciary.

By Mr. PACKWOOD (for himself and Mr. Hatfield):

S. 2484. A bill to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended, to remove the limitation on any single loan or advancement for watershed works of improvement. Referred to the Committee on Agriculture and Forestry.

S. 2485. A bill to amend Title III of the Bankhead-Jones Farm Tenant Act as amended to eliminate the necessity of referring loans made with Resource Conservation and Development funds in excess of $250,000 to Congressional Committees for approval. Referred to the Committee on Agriculture and Forestry.

By Mr. CHILES (for himself and Mr. Stone):

S. 2486. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Florida Trail as a national scenic trail. Referred to the Committee on Interior and Insular Affairs.

By Mr. MORGAN:

S. 2487. A bill to amend section 1673(c) of title 38, United States Code, to permit, under certain circumstances, the payment of an educational assistance allowance to an eligible veteran who pursues a bar review course conducted by telephone or closed circuit television. Referred to the Committee on Veterans' Affairs.

S. 2488. A bill to amend the National School Lunch Act to require that free lunch be served to all children in schools participating in the school lunch program under such Act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. JAVITS (for himself and Mr. Curtis):

S. 2489. A bill to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency. Referred, by unanimous consent, joint by to the Committee on Finance and the Committee on Labor and Public Welfare.

By Mr. MONTOYA:

S. 2490. A bill to authorize the Secretary of the Interior to cancel certain obligations of the Yahtay Industries, Incorporated, Jemez Pueblo, New Mexico, to the United States. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON (for himself, Mr. Kennedy, Mr. Williams, Mr. McGovern, Mr. Eagleton, and Mr. Hathaway):

S. 2491. A bill to require the Federal Energy Administration to preserve all fees collected under the Oil Import Fee Program for eventual distribution to the consuming public. Referred to the Committee on Finance.

By Mr. TOWER:

S.J. Res. 137. A joint resolution proposing an amendment to the Constitution of the United States to ensure the right of students to attend their neighborhood public schools. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN, from the Committee on Foreign Relations:

S.J. Res. 138. An original joint resolution to implement the United States proposal for the early-warning system in Sinai. Read twice and ordered placed on the Calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TAFT:

S. 2480. A bill to amend the Regional Rail Reorganization Act of 1973 in order to authorize and direct the Secretary of Transportation to make certain State and local tax payments on behalf of railroads in reorganization. Referred to the Committee on Commerce.

LOCAL TAX RELIEF ACT

Mr. TAFT. Mr. President, today I am introducing legislation to provide tax relief to those units of State and local government which have been hard hit by the removal from the tax base of property owned by the bankrupt railroads in the Northeast.

The courts have ruled that the bankrupt rail lines do not have to pay the property taxes that are owed to State and local governments. In Ohio the railroads own property in 74 of our 88 counties.

Localities in particular depend heavily on this revenue, often for education-related expenses. The nonpayment of these taxes creates a genuine hardship for many communities. There is at this point no end in sight. There is no time toward which these communities can look with certainty to receive the revenue owed to them.

This bill, the Local Tax Relief Act, would authorize the Federal Government to pay the back taxes owed to State and local governments, the Federal Government, in turn, assuming the rights of recovery from the bankrupt estates now pertaining to the local and State entities. In other words, the Federal Government would become the underwriter collection agency for the local and State governments.

While this would provide extremely important financial relief for local and State governments, it should not cost the Federal Government much money over a period of years. Local and State governments' rights in the bankrupt estates are very high priority, and there is good reason to believe that recovery would be a high percentage.

This bill would provide very important financial relief to the local governments of the State of Ohio, and throughout the Nation. The Penn Central Railroad, one of the major railroads in the State of Ohio, has paid no county taxes since July of 1971. The city of Cincinnati is owed $2,212,647.72 by the Penn Central; Hamilton County, in which Cincinnati is located, contains local jurisdictions to which a total of $3,012,458.11 is owed. The local jurisdictions in Lucas County, where Toledo is located, are owed $2,007,174. Cleveland, Ohio, is owed $10,655,521,541 and over $12 million is owed within Cuyahoga County.

The areas comprising Cuyahoga County provide a good illustration of how important this money is for education. Bedford City is owed $109,763.77; of that $68,406.04 is money for education—money that was expected, but has not been received. For Berea, out of $155,715.70, $97,232.06 is education-related. In East Cleveland, $73,655.57 is owed for education. The amount of $196,359.02 is owed to Maple Heights, of which over $119,000 is budgeted for education.

I know my colleagues are all aware how tight money for education is. This money, owed by bankrupt railroads, is vitally needed. It is needed by the teachers and students in our schools, and by the local taxpayers who support those schools.

Nor is it only urban areas which feel the pinch from back taxes owed by bankrupt railroads. Seventy-four out of the 88 counties in Ohio are owed money, and all of them need that money badly, especially for education. All other States in which the bankrupt Northeast Lines are located face similar situations.

We can assist education by establishing more Federal programs where more money is spent on bureaucrats or we can help local government with their education budgets through programs like this which provide them directly with needed funds.

The Federal Government will assume full rights to the money owed to the States and local entities at the same time that it pays the money to them. When the estate is finally settled or liquidation occurs the Government will be able to get its money back.

I think it is important to realize that it was the Government that overregulated the railroads and got them into this problem: now we must take the responsibility of helping the local and State communities that have been hurt.

I would like to add that I realize that this is just a short-term answer, we also need to deal with the long-term problem of getting the Nation's rail system back on its feet.

On May 21, I introduced a bill, S. 1801, the Omnibus Rail Act of 1975, which deals with many of these longer range problems. As I noted at that time, we must devote our attention not only to the immediate problems of the railroads, but to the long-term causes of those problems. I stated that "our deliberations have tended to focus on the symptoms of the disease: not the cause. After all, bad track is not the cause of the rail industry's trouble, but the result of it—the result of 25 years of rate of return on investment not equal to the cost of capital, hence of disinvestment."

S. 1801 would, I believe, effectively deal with the long-range problems facing the rail industry, which is to say with the problems facing those areas of our economy dependent on rail transportation. By directing controlled transfer of the bankrupt Northeast railroads instead of Con-Rail, it would solve the Northeast rail problem on a free enterprise basis, without massive expense to the taxpayer, by eliminating ICC authority over railroad ratemaking and abandonment, it would allow the rail industry to function on a free market basis, thus providing it with an adquate rate of return.

The alternative to passage of this legislation is for local and State governments to make up this difference through the passage of high property taxes. Property taxes only hurt the family homeowner who has been so severely hit by inflation. Furthermore, I am sure my colleagues are aware of the fact that it is nearly impossible for a local school jurisdiction to get an increase in the property tax approved.

I hope my colleagues will join me in enacting this legislation as quickly as possible. The people we represent need this tax relief.

By Mr. GRAVEL:

S. 2482. A bill to amend title 5, United States Code, to remove the limitation on the amount of the cost of living allowance payable to Federal employees stationed outside the continental United States, and for other purposes. Referred to the Committee on Post Office and Civil Service.

ALASKA FEDERAL EMPLOYEES BILL OF ECONOMIC RIGHTS

Mr. GRAVEL. Mr. President, the Alaskan economy is seasonal, labor intensive, based primarily on fish and forest products. Our harsh climate, vast distances, small population and, in some cases, barely adequate transportation and communication, present serious barriers to the establishment of a diverse economic base.

Ninety percent of our food and manufactured goods must be imported.

As a result, the cost of living in Alaska has always been substantially higher than in the continental United States.

Figures from the Bureau of Labor Statistics study of urban family budgets for a family of four provides graphic illustration of the difference in cost of living between Anchorage, Washington, D.C., and the U.S. average. I ask unanimous consent that a table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Lower level	*Intermediate level*	*Higher level*
U.S. urban average	$9,198	$14,333	$20,777
Washington, D.C	$9,723	$15,035	$21,725
Anchorage	$13,667	$19,082	$26,595
Anchorage (percent over United States)	+49	+33	+28
Washington, D.C. (percent over United States)	+6	+5	+5
Percent difference between Anchorage and Washington, D.C	+43	+28	+23

Mr. GRAVEL. President Truman issued Executive Order 10000 in 1948 to insure that pay to Federal personnel working outside the continental United States was reflective of high living costs. It provided additional compensation when conditions of environment differ substantially from those in the United States, when extraordinarily difficult living conditions are present, or where excessive physical hardship or notably unhealthful conditions exist.

The Cost of Living Allowance—COLA—program is administered by the Civil Service Commission. Federal employees in Alaska, Hawaii, the Virgin Islands, Puerto Rico, and Guam are eligible. Cost of living surveys in these areas are compared with those of Washington, D.C., at least once a year. The percentage difference between Washington, D.C., and the COLA areas is added to the pay of eligible Federal employees. Such payments are limited to 25 percent of base pay.

Recent events in Alaska have strained the credibility of the program to the point where it must be subjected to congressional reevaluation.

Alaska's 350,000 population and narrowly based economy simply cannot absorb the millions of dollars and thousands of people injected into the State by the pipeline. The demand for goods and services has skyrocketed while the State's production capability has remained unchanged. As a result, my State currently suffers from an extremely high cost of living, a severe housing shortage, overburdened public services and an inflation rate of 12 percent.

According to the Bureau of Labor Statistics, prices of consumer goods and services in the Anchorage area rose 5 percent in the first 3 months of 1975. This is the biggest one-quarter jump since since the Consumer Index was started in 1960. The index is 15.6 percent above the figure of 1 year ago.

Alaska interstate and intrastate freight rates increased by 7 percent in July.

Despite this data, the Civil Service Commission announced that while the 25-percent payment would remain in effect in most of Alaska, there would be a 2.5-percent reduction in Anchorage beginning July 1975. Alaskans and their congressional delegation protested this decision because the economic data on which it was based was 16 months old. The Civil Service Commission is evaluating more current economic data in an effort to confirm or modify their findings.

Unfortunately this review is 2 months overdue. As a result, the paychecks of Anchorage Federal employees may have been shortchanged for the last 2 months.

I urged by letter last Friday that Civil Service Chairman Robert Hampton make every effort to rapidly conclude this study.

My own review of the COLA program has prompted me to introduce today the Alaska Federal Employees Bill of Economic Rights.

It is a short and simple piece of legislation that will insure justice for Alaskan Federal employees by removing the 25-percent-payment limit, and mandating immediate study of the breadth and frequency of COLA surveys and the time lag betwen the collection of COLA data and the date when new payment schedules are announced.

THE 25 PERCENT COST OF LIVING ALLOWANCE LIMIT

Inquiries to both the House and Senate Post Office and Civil Service Committees and exhaustive research by the Civil Service Commission and the Library of Congress have failed to uncover any legislation or executive history pertaining to the 25-percent-allowance limit. In the past the Civil Service Commission has favored the abolishment of this arbitrary ceiling.

The 25-percent limitation tends to discriminate against Alaskan Federal employees. If the cost of living reaches a level over 25 percent higher than Washington, D.C., Alaskan civil servants cannot be compensated at a rate consistent with the intent of the COLA program, which is to "equalize living costs between Washington, D.C., and the so-called nonforeign areas outside the continental United States."

The inequities caused by the 25-percent ceiling are clearly seen when one reviews the Civil Service Commission survey data from 1955 through 1972.

During that period, the Commission conducted 10 cost-of-living surveys. Nine of those years, the cost of living in Anchorage was between 26 percent and 56.7 percent higher than Washington, D.C. Because of the arbitrary 25 percent ceiling, Anchorage employees have lost between 1 percent and 31.7 percent in salary buying power during that time.

Fairbanks employees were shortchanged all 10 years, as their cost of living ranged between 31.2 percent and 66.8 percent higher than Washington, D.C.

Juneau civil servants lost payments ranging from between 2.5 percent to 16 percent for 7 of those 10 years.

The artificial limit, set 27 years ago by unknown authors for unknown purposes must be eliminated in the name of justice and equality.

THE BREADTH OF CIVIL SERVICE COMMISSION SURVEY

While the Civil Service Commission has surveyed more Alaskan areas in the past, and is currently contemplating expanding the breadth of its Alaskan surveys, it presently collects COLA data only from Anchorage, Fairbanks, and Juneau.

Removing the 25-percent payment limit necessitates that more areas be studied.

While the majority of our Federal employees work in the three major metropolitan areas, hundreds do not. They are stationed in remote areas that are hundreds, and in some cases over 1,000 miles from the main cities. Their costs reflect the higher prices that merchants in remote areas must charge as they buy in smaller quantities and pay larger transportation costs.

Only by expanding the number of areas surveyed can we insure economic justice for some of our more dedicated Federal servants who perform their tasks in extremely remote areas.

Additional survey sites could be selected based on the number of permanently based employees. The State could be broken into several regions combining a number of boroughs, towns, and villages for the purpose of an expanded survey.

Regardless of what method is used, the Alaska Federal Employees Bill of Economic Rights mandates the Civil Service Commission to study this problem and make its recommendations within 3 months after passage of this legislation.

THE FREQUENCY AND SPEED WITH WHICH COLA SURVEYS ARE MADE

The Civil Service Commission is required to conduct at least annual cost of living surveys in order to determine the COLA payment.

This provision is inadequate to meet our needs, as the massive strains on our economy have occurred with such rapidity that the COLA surveys simply cannot keep pace with rising costs.

While differing statistical methodology employed by the Civil Service Commission, the Bureau of Labor Statistics and the Consumer Price Index may account for differing survey results, I suspect that the reason the Civil Service Commissions' figures indicated that the Anchorage COLA payment should be lowered while all other data reflect dramatic upward trends lies in the fact that the CSC's data is now 19 months old.

It is my judgment that the extreme gyrations of the current Alaskan economy warrants more frequent attention by the Civil Service Commission than it now receives.

One possible solution would be to require two surveys a year until pipeline construction ceases. Another would be to use data collected at more frequent intervals by other Government agencies to act as a triggering mechanism for the initiation of a COLA survey. The Alaskan Federal Employees Bill of Economic Rights requires the Commission to examine this problem and report suggested solutions.

While focusing on the general problem area the Civil Service Commission must also study ways of reducing the time from survey initiation to determination of the cost-of-living allowance.

The present 4-month survey time must be shortened to insure justice to Federal employees caught in a widely fluctuating economy.

If more personnel, increased computer capability or better facilities are needed, Congress must know so that it may take appropriate action.

Mr. President, I have refrained from providing specific legislative solutions to those problems surrounding the breadth and adequacy of the Civil Service Commission's survey technique because several of these areas are under scrutiny by the Commission at the present time. This bill mandates close examination and suggests some avenues of inquiry that I think we should explore. I want the best thinking of the Civil Service Commission on all these areas.

Mr. President, our State and indeed our Nation has just cause to be proud of the Alaskan Federal employees. They are dedicated and hard working. Some accomplish their tasks in extraordinarily difficult situations. Often their jobs are harder because of the extremes of our environment and lack of transportation and communication.

Despite this, they demand no more than their colleagues in similar service. They simply demand justice. They simply ask that their pay have equal buying power to that of their counterparts in the lower 48. This can only be done by improving the current COLA program.

For these reasons I hope that the Congress will act favorably on the Alaska Federal Employees Economic Bill of Rights.

I ask unanimous consent that the letter to which I referred be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 2, 1975.

Mr. ROBERT HAMPTON,
Chairman, Civil Service Commission,
Washington, D.C.

DEAR MR. HAMPTON: On May 7 I wrote you expressing my dismay at the Civil Service Commission's decision to reduce the Cost of Living Allowance in Anchorage, Alaska by 2.5 percent.

In your June 3 response you indicated that the Commission was reviewing more recent Alaska data in hopes of confirming or modifying your decision, and that a final decision would be reached sometime in July.

Two months have passed since that deadline. Despite repeated contacts between my staff and yours, despite my meeting with Mr. Carney during his August visit to Alaska, the Civil Service Commission has not rendered a decision in this matter of crucial importance to Anchorage Federal employees.

The people of Alaska have waited long enough. We have been more than fair and tolerant. I urgently request that you personally intervene in this case and render an immediate decision.

Sincerely,

MIKE GRAVEL.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 2484. A bill to amend Public Law 566, Watershed Protection and Flood Prevention Act, as amended, to remove the limitation on any single loan or advancement for watershed works of improvement. Referred to the Committee on Agriculture and Forestry.

Mr. PACKWOOD. Mr. President, today, I am introducing with my colleague from Oregon, Senator HATFIELD, a bill to amend the Watershed Protection and Flood Prevention Act, Public Law 566, as amended, to remove the limitation on the amount of any single loan or advancement for watershed works of improvement.

The last sentence of section 8 of Public Law 566, as amended, now reads:

> With respect to any single plan for works of improvement, the amount of any such loan or advancement shall not exceed five million dollars.

This bill if enacted, would delete this sentence. This would remove the "five million dollars" limitation on a watershed loan. With increased costs of construction the present loan limitation prohibits maximum assistance on feasible works of improvement where a loan of more than $5 million is needed for local sponsors to provide the local share of construction cost. With the removal of this limitation, the amount of watershed loan for any single work of improvement would only be limited by the economic feasibility of the improvement for which loan funds are requested and the availability of loan funds.

The removal of the $5 million statutory limitation is not without precedent. For example, Congress recently passed the Rural Development Act of 1973 removing statutory limitation on loans for community facilities.

This bill, if enacted, will require no additional annual expenditure of funds. In addition, the Office of Management and Budget advised that there is no objection to the presentation of this legislation from the standpoint of the administration's program. Further, the Department of Agriculture recommends that the bill be enacted.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 2485. A bill to amend title III of the Bankhead-Jones Farm Tenant Act as amended to eliminate the necessity of referring loans made with resource conservation and development funds in excess of $250,000 to congressional committees for approval. Referred to the Committee on Agriculture and Forestry.

Mr. PACKWOOD. Mr. President, today, I am introducing with my colleague from Oregon, Senator HATFIELD, a bill to amend title III of the Bankhead-Jones Farm Tenant Act, as amended, to eliminate the requirement of referring single loans in excess of $250,000 made with resource conservation and development funds to certain congressional committees for approval.

Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, now reads:

> No appropriation shall be made for any single loan under this subsection in excess of $250,000 unless such loan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives.

The proposed bill would amend this act by deleting this sentence. When this language was signed into law by President Johnson on November 8, 1966, the President directed the Department of Agriculture not to approve any loans over $250,000 as that would require referral to Congress for final approval. This directive is still in effect meaning that, as the cost-of-living increases, fewer and fewer projects can qualify for the funding.

This requirement for congressional referral is unique to the many lending programs administered by Farmers Home Administration. Deleting the referral requirement will allow FmHA to more effectively administer the program and, at the same time, will require no additional expenditure of loan funds.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the administration's program.

By Mr. CHILES (for himself and Mr. STONE):

S. 2486. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Florida Trail as a national scenic trail. Referred to the Committee on Interior and Insular Affairs.

Mr. CHILES. Mr. President, today I am introducing a bill for myself and Senator STONE which would authorize the Secretary of the Interior to conduct a study to determine the feasibility of adding the Florida Trail to those areas listed in the National Trails System Act as national scenic trails. Passage of this bill would not necessarily result in the designation of the Florida Trail as a national scenic trail, but would require the Secretary of the Interior to prepare a report to Congress on the feasibility of doing so.

The Florida Trail begins at the Oasis Airport on Highway 41 not far from Everglades National Park and runs northward through the Big Cypress Swamp and Ocala National Forest, turns in a westerly direction in Osceola National Forest, thence westerly in Osceola National Forest, runs the bank of the Suwannee River, passes south of Tallahassee, and will extend through Apalachicola National Forest to Blackwater River State Forest.

Florida's geology, weather, and flora are unique among the 50 States, and the Florida Trail is also unique. It is a flatland trail where mile after mile the elevation does not vary more than 2 or 3 feet, and it passes through swamp lands, sand pine country, islands of long-leaf pines, and large live oaks with Spanish moss.

As winter hiking conditions in Florida are similar to summer hiking weather in other parts of the Nation, it can be said that the Florida Trail is perhaps the only warm weather winter trail in the Continental United States. The best months on the trail are the winter months—January, February, and March.

The people of Florida are concerned—and we feel just so—about protecting the Florida Trail for posterity, and it is for this reason that we are introducing this bill today. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 5 of the National Trails System Act is amended by adding at the end thereof the following:

"(15) Florida Trail, extending north from Everglades National Park, including the Big Cypress Swamp, the Kissimmee Prairie, the Withlacoochee State Forest, Ocala National Forest, Osceola National Forest, and Black Water River State Forest, said completed trail to be approximately 1,300 miles long, of which over 400 miles of trail have already been built."

By Mr. MORGAN:

S. 2487. A bill to amend section 1673(c) of title 38, United States Code, to permit, under certain circumstances, the payment of an educational assistance allowance to an eligible veteran who pursues a bar review course conducted by telephone or closed circuit television. Referred to the Committee on Veterans' Affairs.

VA BENEFITS FOR BAR REVIEW COURSE

Mr. MORGAN. Mr. President, I am today introducing S. 2487, a bill to amend section 1673(c) of title 38 of the United States Code to provide individuals attending bar review courses by telephone or closed circuit television with eligibility to receive educational assistance from the Veterans' Administration.

Under existing law, VA educational benefits can be paid to individuals attending bar review courses so long as the instructor is physically present with the attendee. In North Carolina, as I am sure the situation exists elsewhere, there is primarily one bar review course given each year. The instructor is physically located in one city and his instruction is carried by telephone lines to a second location.

Under the present law, those individuals attending the bar review course at the second location are not eligible for VA benefits whereas those attending at the primary location are. This seems highly inequitable to me and my bill would correct this inequity.

This bill would allow the Administrator of the Veterans' Administration to approve for educational benefits programs where courses are offered through the medium of telephone or closed circuit television.

Mr. Chairman, I hope the distinguished chairman of the Veterans' Affairs Committee will be able to hold early hearings on this bill.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1673 (c) of title 38, United States Code, is amended by adding at the end thereof the following: "The Administrator may also approve the enrollment of an eligible veteran in a bar review course which is offered through the medium of telephone or closed circuit television if (1) the instructor of such course teaches the course in person to students at one location and his instruction is transmitted live to the remote classroom location, and (2) the attendance of the eligible veteran at the remote classroom location is regularly checked and his attendance record is certified to the Veterans' Administration in such manner as the Administrator shall prescribe by regulation.".

By Mr. MORGAN:

S. 2488. A bill to amend the National School Lunch Act to require that free lunches be served to all children in schools participating in the school lunch program under such act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

A UNIVERSAL FREE LUNCH PROGRAM

Mr. MORGAN. Mr. President, today I am introducing legislation that can have a major impact on the physical and mental well-being of this country's children. My bill, S. 2488, would establish a universal free lunch program for our children.

Over the last three decades we have seen the growth and development of the national school lunch program into a program which provides lunches to 25 million children daily. Of those 25 million children, more than 9 million children are receiving their lunch for free or at a reduced price. Only about 60 percent of the children participating in the program are paying completely for their lunch. I would like to see this percentage dropped to zero—I would like to see those 25 million children receive their lunches for free. I would like to see every child treated equitably, both economically and nutritionally.

It is time we put an end to the humiliation and degradation suffered by those children who are eligible for a free or reduced-price lunch. Although we in the past have legislated against any discrimination being shown against the nonpaying child, it is extremely difficult for the schools to adopt a procedure which insures the anonymity of the child eligible for a free or reduced-price lunch. I wonder how many of these children refuse the lunch altogether rather than be subjected to embarrassment by the other children. A universal free lunch program would eliminate any means test.

On the other side of the coin—which I might add, is shrinking very rapidly—are those children who come from families whose income although higher than the eligibility level set for this program—$5,640 for a family of four for a free lunch and $7,900 for a reduced-price lunch—really cannot afford the daily lunch cost for maybe two children or more. It is a very nebulous boundary that establishes this economic barrier preventing children who are hungry and needy from getting that important and nutritious type-A lunch. How do you explain to a confused and frustrated child that his next door neighbor can have a hot lunch while he must go undernourished and hungry?

In a study prepared by the Department of Agriculture at the direction of Congress, it is estimated that more than 36 million children would participate in a universal free lunch program. Thus, more children would be encouraged to take part in a meal program that would provide them with a nutritious meal. It is important to remember that it is not only our economically needy children who are nutritionally needy. Poor nutrition really has no economic boundaries. My bill would not only provide a nutritious meal to every child, but it would also expose more children to what is a nutritionally sound meal—an education in itself.

The elimination of eligibility requirements for a free lunch would also serve to reduce the administrative time and costs that school officials must presently spend on the application, processing, and evaluating procedure that is currently in effect for eligibility determination for free and reduced-price meals. I am sure that the time saved by the school officials in being relieved of this additional administrative duty could be better spent elsewhere.

I am sure I do not have to remind you of the economic situation our country is presently in. Inflation, recession, and unemployment are the key words in the headlines today. Why cannot we add nutrition as well? Why cannot we say to the people of this country who are struggling to make ends meet, struggling to pay for the basic costs of living—food, shelter, and clothing, that we are going to allow them a little more spendable income by providing their children with a good nutritious meal, perhaps even reducing their medical bills as well? Why cannot we make this small investment in a program that can greatly help in the physical and mental growth of our children?

We have the power through this bill to continue and expand a fundamental program which has worked successfully for the last 30 years, that is "to safeguard the health and well-being of the Nation's children."

By Mr. JAVITS (for himself and Mr. CURTIS):

S. 2489. A bill to encourage and assist States and localities to develop, demonstrate, and evaluate means of improvin the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency. Referred, by unanimous consent, jointly to the Committee on Finance and the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, I join today with Senator CURTIS in introducing the administration's proposed Allied Services Act of 1975.

This measure is to be referred jointly to the Committee on Labor and Public Welfare and the Committee on Finance, as it would affect a number of social services programs under the respective jurisdiction of these two committees. Senator CURTIS is the ranking minority member of the Committee on Finance, and I am the ranking minority member of the Committee on Labor and Public Welfare.

The Allied Services Act is designed to deal with situations in which one member of a family is helped by one program at one location and another family member by another program elsewhere, or where an individual goes to one place for nutritional help, to another for health services, and to yet another for educational counseling.

While this act is similar to bills introduced in the 93d Congress, modifications have been incorporated in response to suggestions made during hearings and from interested individuals in the community. Whether these modifications fully satisfy questions and concerns that have been raised, should be considered and developed further in hearings to be held.

While again joining in the introduction of this bill on behalf of the administration, as the ranking minority member of the Labor and Public Welfare Committee, I must again note reservations about certain of its provisions. Among these are—the authority to transfer up to 30 percent of funds from one Federal program to another, even with the present modification that 25 percent so transferred could only be between programs servicing substantially the same population; and the authority to waive certain constraints enacted by the Congress in authorizing statutes.

However, I feel that the objective of the legislation—to coordinate and improve the delivery of human services—is a commendable one and merits careful consideration by the Congress. This bill serves as a vehicle for that consideration and, hopefully, after an opportunity to hear all viewpoints and after deliberation, an effective measure can be evolved and I shall join in the effort accordingly.

Changes and modifications in this act are emphasized in the letter of transmittal to Vice President ROCKEFELLER, and the "Summary of Changes from the Allied Services Act of 1974." A summary of the proposed act also follows: I ask unanimous consent that these items be printed along with the bill in the RECORD. I also ask unanimous consent that the bill be referred jointly to the Committee on Labor and Public Welfare and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUMMARY OF THE PROPOSED "ALLIED SERVICES ACT OF 1975"

The proposed "Allied Services Act of 1975" is intended to develop, demonstrate, and evaluate various mechanisms by which States and localities could coordinate the provision of human services to individuals and families in ways that will assist them in attaining the greatest feasible degree of personal independence and economic self-sufficiency, or will prevent individuals and families from becoming increasingly dependent upon public and private programs for both financial support and personal care.

The Act would define various key terms. For instance, the term "human services" includes any services provided to achieve or maintain personal and economic independence. The "allied delivery of services" means the provision of human services needed by individuals and families, in such a coordinated way as to (1) facilitate access to and use of the services, (2) improve the effectiveness of the services, and (3) use service resources more efficiently and with minimal duplication. These definitions help to restate the goals of the Act in clear terms—to develop the means by which dependency may be lessened through more effective service delivery.

Title I of the bill provides authority for the Secretary to make grants which may be needed by States and localities to develop plans for the allied delivery of services. These grants may not be made to any grantee for more than two years and no initial grant may be made after three years following enactment.

This title also describes the State and local allied services programs contemplated under this Act. Section 102(a) describes the steps which must be taken by the Governor as conditions precedent to the submission of a State allied delivery of services plan. First, after taking into consideration factors such as the distribution throughout the State of service needs and service resources, and in cooperation with affected units of general purpose local government, he must designate areas within the State ("service areas") for the purpose of administering local allied delivery of services plans. In the process of delineating service areas, he must cooperate with units of general purpose local government. The Governor must also designate a State agency which is under his direction and which will have responsibility for developing a State allied delivery of services plan which incorporates local plans and for reviewing its administration.

Section 102(b) provides for the designation of a public or nonprofit private office or agency to be the lead agency in carrying out the local allied delivery of services plan. Such agency is to be designated by the chief elected official or officials of the unit or units of general local government in the service area. Such office or agency must provide an assurance, satisfactory to the Governor, that it has the necessary ability to develop and carry out the local plan.

The local allied delivery of services plan must be approved by the State agency and incorporated into the State plan before any of the forms of Federal assistance described below can accrue. The plan must be designed to serve as a demonstration or evaluation of means to substantially improve the allying and consolidation of human services planning and delivery.

Prior to submission of its local plan to the State agency, the local agency must afford a reasonable opportunity to interested agencies, organizations, or individuals to present their views and comments on the proposed plan. The local plan must specify the agencies and organizations which have agreed to participate in the coordination effort, describe the service needs and resources within the service area, enumerate the programs to be included under the plan, and provide reasonable assurance that progress will be made in allying the delivery of services. This assurance is to be provided by describing the specific functions and services to be allied, the benefits to individuals, and the administrative efficiencies to be achieved by the allied delivery of services.

The local plan must also specify procedures which assure that interested agencies, organizations, and individuals will have their views taken into consideration with respect to the carrying out of the plan. It is the intent of this bill to have the active and continuous involvement of voluntary organizations, client groups, service consumers, and local social service providers in the planning and administrative processes of the program. Also, the local plan must specify procedures which will ensure that there will be no unauthorized disclosure of personal information obtained in carrying out the plan.

Section 103(a) prescribes the requirements applicable to a State allied delivery of services plan. An approvable plan must (1) be designed to serve as a demonstration and evaluation of means to substantially improve the allying and consolidating of human services delivery, (2) through a brief summary of the incorporated local plans, describe the current status of the allied delivery of services, and the steps which will be taken to achieve a greater degree of human services coordination, (3) provide that under each local plan services under the assistance titles of the Social Security Act will be allied with services under at least three other human services programs (regardless of whether those programs are receiving Federal support), (4) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the plan, (5) establish objectives, consistent with the purposes of the Act, toward which activities under the plan will be directed, identify obstacles to the attainment of those objectives, and indicate how it proposes to overcome those obstacles, (6) provide that the State agency will conduct periodic evaluations of activities carried out under the State plan, (7) specify the steps the State intends to take to better coordinate State and local human services programs, (8) provide that the head of each State agency affected by the plan has an opportunity to comment thereon, (9) be designed to achieve expansion of its coverage to other services and other service areas on a reasonable basis, (10) provide that the State agency will provide any other relevant information which the Secretary may request, and (11) have been made available to the public for comment in accordance with procedures discussed below.

Subsection (b) directs that an opportunity to review and comment upon a State plan submitted for approval be afforded to the head of any Federal department or agency which is extending assistance to a program included within that plan.

Subsection (c) permits the Secretary to approve a State plan only if he finds that (1) the Governor has complied with the preliminary organizational requirements prescribed in section 102, and (2) the plan meets all the specified requirements.

Subsection (d) provides certain penalties if the Secretary finds failure to comply substantially with the provisions of an approved State plan (or included local plan). He may in his discretion apply these penalties to the entire State plan or only those parts of the State or local plan or service areas affected by the noncompliance. In such instances, the subsection would provide: no Federal planning funds may be consolidated or intermingled with other such funds for human services planning, no Federal funds may be transferred among programs, no requirements may be waived, and no further payments or grants may be made (in the fiscal year for which the plan is approved) for so long as the failure to comply continues.

Section 104 of the bill would require both State and local allied delivery of services plans to be made available to the public at least 60 days before being submitted to the Secretary, in the case of a State plan, or to the State, in the case of a local plan. The responsible State and local agencies must, for a period of at least 30 days, accept comments on the plan; and the final plan must also be published at or prior to the time it is submitted to the State or to the Secretary, as the case may be.

Title II of the bill authorizes the Secretary to make grants to meet initial costs of allying or consolidating administrative support services and management functions necessary to facilitate the allied delivery of human services if those costs cannot be met from other available funds. The State must indicate how it plans to allocate the funds applied for among the various designated local agencies with approved plans. These grants are not to be used to meet the non-Federal share requirements of any Federally-assisted program and may not be made to any grantee for more than three years. No initial grant may be made after three years following enactment.

Title III of the bill contains several special authorities to facilitate the allied delivery of services. First, authority would be given both the Secretary and State and local governments with approved allied services plans to consolidate planning funds extended by the Department of Health, Education, and Welfare. Thus, the Secretary may make a single, consolidated grant to States of HEW funds available for planning at the State level for or under any program included in the approved State plan or to local governments of HEW funds available to them for planning for or under any program included in the local allied services plan. As a corollary, a State or a unit of general purpose local government, with an approved allied services plan, may use planning funds provided by the Department of Health, Education, and Welfare and available for any program included in its plan for planning in connection with the provision of human services under any other included program.

Second, a State or local agency with an approved plan would be able to transfer up to 25 percent of the Federal assistance available for use under an HEW-assisted program included in the plan to be expended in carrying out any other included programs, but only if such funds are designed to serve substantially the same population or if they are to be used for common administrative support services. An additional 5 percent could be transferred among such programs without restriction. Any such proposed transfer would have to be specified in both the State and local plans, and the Secretary could not approve any plan involving a transfer unless he determines that overall program goals or priorities will not be undermined by any such transfer. Assistance transferred under this authority carries with it the matching rate established under the program for which it was originally appropriated, so that no incentive to transfer will be created merely by disparities in matching rates which exist among the included programs. Transfers of grants would not be permitted, however, in the case of cash assistance programs and Medicaid under the Social Security Act or in the case of title I of the Elementary and Secondary Education Act.

Third, the Secretary would be authorized to waive requirements of Statewide applicability, administration by a single or specified State or local agency, or technical or administrative requirements imposed in connection with any included program which, at the Federal level, is administered by the Secretary and which the State or local agency certifies impedes implementation of its allied services plan. Thus, it would not affect the basic protections provided by the Civil Rights Act of 1964 or any other generally applicable legislation; nor would it apply to programs administered by other Federal departments or agencies.

Title III also provides joint funding authority, which expands somewhat authority now provided under the Joint Funding Simplification Act of 1974. The joint funding provision in this proposal would, with the concurrence of affected Federal agencies, permit waiver of technical grant or contract requirements imposed by statute as well as by regulation.

Also, title III of the Act would authorize the Secretary to evaluate, directly or by grant or contract, the programs established under the Act and to provide technical assistance for planning or implementing a specific allied delivery of services program. In addition to any salary and expense money he may wish to devote to these activities, the Secretary may also use for this purpose amounts not in excess of 5% of the amounts appropriated to carry out the Act.

Finally, title III would require the Secretary to report to the Congress four years after passage of the Act on the activities carried out under the Act, his evaluation of those activities, and recommendations with respect to appropriate legislation in the area of allied service delivery.

The bill would authorize the appropriation of $20,000,000 for fiscal year 1976 and for each of the four succeeding fiscal years.

Allied Services Act of 1975—Summary of Changes From Allied Services Act of 1974

1. PLANNING GRANTS

The bill authorizes planning grants under Title I to States, and through States to local agencies for the purpose of developing a State and local plan for the allied delivery of human service programs.

2. DESIGNATION AND GEOGRAPHY OF SERVICE AREAS

Since the ASA is to be a limited demonstration program, the requirement that the Governor divide the entire State into distinct service areas has been deleted. The Governor is required only to designate those service areas where he plans to mount a local demonstration project.

There is no longer a requirement that the service areas conform to the geographic areas established by the Office of Management and Budget in Circular A-9. Service areas can be the boundaries of a single unit of general purpose government or several units.

3. LOCAL AGENCIES

The selection of the local agency to develop a local plan for the area designated by the Governor is now the responsibility of the local unit or units of general purpose government. Consultation with public and private service providers continues to be required. Local unit(s) of government can select a private not for profit agency if they so desire.

4. PROGRAMS MANDATED FOR INCLUSION

States are required to integrate the services provided under Parts A and B of Title IV and XX of the Social Security Act with no fewer than three other human services programs regardless of their source of funding. Guam, Puerto Rico and the Virgin Islands are to ally services provided under Parts A and B of Title IV and Titles I, X, XIV and XVI of the Social Security Act with no fewer than three other human service programs regardless of their source of funding.

5. STATE AGENCY REVIEW AND COMMENT

Each head of a State Agency responsible for administering a human services program included in the State plan is to be given an opportunity to review and comment on the plan prior to its publication for public comment.

6. CONFIDENTIALITY PROVISION

A provision has been added to the bill requiring that the local plan specify procedures for protecting the confidentiality of personal information obtained or transferred as a part of the local plan.

7. PUBLIC DISCLOSURE AND COMMENT

A requirement regarding public disclosure and consideration of citizen and consumer comments on the local and State plans has been added to the bill.

8. FUND TRANSFER PROVISION

The fund transfer provision has been changed to provide that 25 of the 30 percent which may be transferred must be among programs directed at essentially the same target population or for cooperative efforts to integrate administrative support services for programs included in the plan. The remaining 5 percent could be transferred without restriction. Affected units of general local government will be given an opportunity to comment on State initiated transfer requests.

The Secretary is prohibited from approving requests for transfer which could adversely affect the carrying out of overall program priorities or goals expessed in the legislation authorizing any program from which funds are intended to be transferred.

Funds available to States under Title XIX of the Social Security Act, cash assistance funds under that Act, and funds granted to local educational agencies or to States under Title I of the Elementary and Secondary Education Act of 1965 cannot be transferred. All other HEW programs are subject to the transfer provision.

Department of Health, Education, and Welfare,
Washington, D.C., October 1, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed for the consideration of the Congress is a draft bill "To encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency."

The past forty years have seen a vast increase in the number and variety of Federal, State, local, and private programs which provide services to individuals who find themselves in various degrees of economic and social dependency. Included in these programs are health and mental health care, alcoholism and drug addiction treatment, education, manpower training, vocational rehabilitation, child care, and juvenile delinquency prevention services.

Recently, however, we have come to see a need for providing the means to coordinate and combine the efforts of all levels of government and private organizations to reduce or eliminate these various and often interrelated conditions of dependency. This proposal is designed to help meet that need by providing assistance to States and to local units of government to develop, demonstrate, and evaluate selective efforts to provide such a mechanism. To that end, the Allied Services Act would authorize the following:

(1) grants to State and local governments for a maximum of two years to develop plans for programs to demonstrate the coordination of the delivery of services:

(2) authority in States and local governments with approved allied services plans to transfer a portion of their funds from one Department of Health, Education, and Welfare program to another under certain limited conditions as discussed below;

(3) grants to States and local governments for a maximum of three years to cover the administrative costs of implementing plans for the allied delivery of human services;

(4) authority in the Secretary of Health, Education, and Welfare to waive statutory and regulatory constraints of a technical or administrative nature in any program administered by the Department if those constraints would impede the development of allied human services programs.

The bill we are proposing is similar to H.R. 12285 and S. 3054 introduced for the Administration during the Ninety-third Congress. However, we have made a number of modifications to our proposal based on suggestions we have received from interested individuals and organizations. Some of these changes were discussed during hearings on H.R. 12285 last year. The most significant respects in which the bill has been modified are as follows:

(1) The authority to transfer up to thirty percent of the funds from one Department of Health, Education, and Welfare human services program to another would be modified to provide that twenty-five of the thirty percent so transferred could only be between programs serving substantially the same population or for use in providing common administrative support services, while the other five percent could be transferred without restriction between human services programs.

(2) The requirement for the Governor to divide the entire State into service areas would be eliminated. Rather, the Governor, in cooperation with affected units of local government, would designate those areas which are to participate in an allied services demonstration. The affected local units of government would then designate the lead agency to administer the plan. Such lead agency could be either a public agency or a private nonprofit organization.

(3) Both State and local allied delivery of services plans would be required to be made available to the public for comment at least sixty days prior to their submission.

(4) Procedures would have to be developed by local agencies to prevent the unauthorized use of personal information obtained in carrying out a local allied delivery of services plan.

A detailed explanation of the differences between this bill and the bill we submitted to the last Congress is enclosed.

As was the case with our previous proposal, the program embodied in the enclosed draft bill is essentially a demonstration effort. At the end of four years, the Secretary will report on the results of the demonstrations.

An annual budget level of $20 million is projected for this legislation. We believe that this modest investment, in conjunction with the authority contained in this proposed legislation, will provide significant benefits in demonstrating the means to coordinate and improve the delivery of human services.

We therefore urge the prompt and favorable consideration of this proposal. A summary of the bill is enclosed for your convenience.

We are advised by the Office of Management and Budget that enactment of this proposal would be in accord with the program of the President.

Sincerely,

David Mathews,
Secretary.

S. 2489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Allied Services Act of 1975."

FINDINGS AND DECLARATION OF PURPOSE

Sec. 2. (a) The Congress hereby finds that—

(1) there is a great and a growing need in the Nation today to better relate our human services programs in order to improve their effectiveness in restoring dependent individuals to a status of personal independence, dignity, and economic self-sufficiency.

(2) while various separate programs have been developed which can assist in achieving these goals, there are inherent, and increasingly irreconcilable, obstacles in our present approach to the effective management and provisions of these services on a coordinated basis;

(3) these obstacles typically take the form of: (i) fragmentation among many service agencies and units of government of the responsibility for serving dependent individuals and families, (ii) the lack, at State and local levels, of any single locus of accountability for the effective management and delivery of services, (iii) excessive structural and fiscal rigidity within arbitrary categories of Federal, State and local service programs, (iv) inadequate processes by which to match individual needs with available resources, (v) only informal and ad hoc means of coordination and communication among agencies and units of government providing human services, (vi) the absence of any commonly accepted and measurable set of service goals towards which human service programs should be directed, and (vii) costly duplication of support service functions across service agencies.

(b) It is therefore the purpose of this Act to provide a program to develop, demonstrate, and evaluate the utility of coordinating human services delivery through such means as new cooperative arrangements and reorganization and reassignment of functions at all levels in the system of planning, management, and provision of human services, in order to—

(1) provide appropriate institutional care for individuals for whom independent living is not feasible and for whom a high degree of care and protection is necessary;

(2) secure adequate community-based services for individuals capable of noninstitutional living but for whom self-care is not feasible;

(3) secure and maintain maximum independence and dignity in a home environment for those capable of self-care with appropriate supportive services and for whom economic independence is not feasible; and

(4) remove individual and social barriers to economic and personal independence for all individuals capable of self-support, and assist children and youth in achieving their maximum potential for eventual personal independence and self-support.

DEFINITIONS

Sec. 3. For purposes of this Act—

(1) The term "allied delivery of services" means the provision of human services, needed by an individual or a family, in a coordinated manner designed to—

(A) facilitate the accessibility and utilization of all the human services needed by the individual or family and available in the community,

(B) improve the effectiveness of such services, and

(C) use available resources as efficiently as possible and with a minimum of duplication.

(2) The term "human services" means services provided to individuals or their families in need thereof to help them achieve, maintain, or support the highest level of personal independence and economic self-sufficiency, including, but not limited to, health, education, manpower, social, and vocational rehabilitation services and services to older persons; and the term "human services program" means a project or program under which one or more human services are provided.

(3) The term "Governor" means the Governor of the State, in the case of any of the fifty States, and, in the case of the other States, the chief executive officer or officers thereof.

(4) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(5) The term "State" includes, in addition to the fifty States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(6) The term "unit of general local government" means (A) a city, county, town, parish, village, or other general purpose political subdivision of a State, or (B) the governing body of an Indian tribe, band, nation, Pueblo, colony, rancheria, or a community (including an Alaska native village as defined by the Alaskan Native Claims Settlement Act (85 Stat. 688)), recognized by the Secretary of the Interior as eligible for the special programs and services provided by him for Indians because of their status as Indians. The term also includes regional corporations established in accordance with the provisions of the Alaskan Native Claims Settlement Act.

(7) The term "administrative support services" means any activity conducted to facilitate the direct delivery of one or more human services, including management; budgeting; outreach; client intake, referral, and follow-up; information; data processing and reporting; and transportation.

TITLE I—HUMAN SERVICES PLANNING DEMONSTRATION GRANTS

Sec. 101. (a) The Secretary may make grants for projects designed to develop plans for the allied delivery of services within a State (which plans may include, in the case of interstate areas, provision for cooperative arrangements between the States and local governments in such areas for the allied delivery of services) if he determines that such projects will serve as demonstrations and evaluations of means to substantially improve the allying and consolidating of human services planning and delivery. Such grants may be made to the Governor of any State, or any office or agency of such State which is approved for this purpose by the Governor, or through the Governor or any such State office or agency to any local agency (as described in section 102(b)) which is preparing to ally and consolidate human services to carry out the purposes of this Act.

(b) A grant under this section may be made only upon application therefor which provides assurances, found satisfactory by the Secretary, that the development of the plan will be undertaken in a manner which will afford adequate opportunity for full participation by any agency carrying out a human services program within the jurisdiction of or area served by the applicant, and that the plan will be developed only after considering fully the needs for services and resources therefor of the area served by the applicant.

(c) No State, office, or agency may receive grants under this section for more than two years, and no initial grant may be made to a State, office, or agency under this section after three years subsequent to the date of enactment of this Act.

ORGANIZATION

Designation of Service Areas and State Agency

SEC. 102. (a) (1) In order for a State to participate under titles II and III, the Governor of the State shall, in accordance with regulations of the Secretary,

(A) in cooperation with the affected unit or units of general local government, designate the areas within the State (hereinafter in this Act referred to as "service areas") for the purpose of administering local allied delivery of services plans developed under subsection (c); and

(B) designate a State agency which is under his supervision or direction to develop the State plan to be submitted for approval under section 103 and to review the administration of the plan in each service area in which it is in effect.

(2) In designating service areas pursuant to paragraph (1), the Governor shall consider such factors as:

(A) the incidence of needs for human services,

(B) the distribution of services resources,

(C) the boundaries of existing units of general local government, and

(D) the boundaries in the State which were drawn for the planning or administration of human service or related programs.

Designation of Local Agencies

(b) After the designation by the Governor of the service areas within the State pursuant to subsection (a), and after considering the views offered by agencies providing human services within the designated service area, the chief elected official or officials of a unit, or combination of units, of general local government shall designate a local public or nonprofit private office or agency within the service area to assume primary responsibility for the development of the local plan and to assure its implementation as a part of and in a manner consistent with the State plan approved under section 103. Such agency must provide assurance, found adequate by the Governor, that it will have the ability to develop a local plan and to carry out, directly or through contractual or other arrangements, a program pursuant to that plan within the service area.

Local Allied Delivery of Services Plan

(c) In order to be approved and incorporated into the State allied delivery of services plan for any fiscal year, the local agency designated with respect to a service area must develop for such area a local plan which, as determined by the State agency designated under section 102(a) (3), is designed to serve as a demonstration or evaluation of means to substantially improve the allying and consolidation of human services planning and delivery. For fiscal years following the initial year of operation of an approved plan, such plan shall be revised as necessary to meet changed circumstances. Such plan or revision thereof may be approved by the State agency designated pursuant to section 102(a) (3) only upon the determination of such agency that the public notice requirements set forth in section 104 have been met. To be approved such plan must also—

(1) specify the agencies and organizations which have agreed to participate in the local program for the allied delivery of human services within the service area;

(2) contain a survey of the needs for human services within the service area and an inventory of resources available to meet those needs;

(3) enumerate the human services programs which will be allied within the service area;

(4) provide reasonable assurance that the agencies and organizations participating in the local plan will make progress toward allying their provision of services by—

(A) describing the functions to be allied or consolidated, including planning, budgeting, management, and evaluation;

(B) explaining how the outreach, intake, integrated management information systems, referral, followup, and related administrative support services, which are common to each program included in the local plan, will be combined; and

(C) describing the benefits to the individuals and families receiving or intended to receive services included in the local plan, and the administrative and cost efficiencies to be achieved thereby;

(5) describe the progress which the local agency has made in achieving the objectives specified in any preceding local plan developed by the local agency pursuant to this subsection;

(6) specify procedures found adequate by the Secretary to assure that interested agencies, organizations, and individuals will have their views taken into consideration with respect to the carrying out of the local plan;

(7) specify (A) any transfer of funds pursuant to the authority contained in section 302 expected to be carried out in the operation of the local plan and (B) any waiver of program requirements expected to be requested pursuant to the authority contained in section 303: *Provided*, That the failure to specify such a waiver of program requirements in the local plan shall not be cause for the Secretary to disapprove any such request if he determines that the need for such a waiver could not reasonably have been anticipated prior to the submission of the local plan; and

(8) specify procedures which will ensure that the use and disclosure of information obtained or transferred in connection with the administration of the local plan concerning applicants for and recipients of services included in that plan will be restricted to purposes directly connected with the administration of the local plan.

STATE ALLIED DELIVERY OF SERVICE PLANS

SEC. 103. (a) In order for a State to be eligible to participate in the programs established under titles II and III for any fiscal year, the State agency designated under section 102(a) (3) must submit for such year a State allied delivery of services plan which—

(1) is designed to serve as a demonstration and evaluation of means to substantially improve the allying and consolidating of human services planning and delivery;

(2) describes, by briefly summarizing the relevant portions of each approved local plan, the current status of the allied delivery of services within the State, and the steps planned to achieve a substantially greater degree of such allied delivery;

(3) provides that the services provided pursuant to any plan of the State approved under part A or B of title IV or title XX of the Social Security Act, or under titles I, X, XIV, or XVI of such Act as in effect with respect to Guam, Puerto Rico, and the Virgin Islands, will be allied with each other and with at least three other human services programs (regardless of whether they are supported with any Federal assistance) and specifies the human services programs to be included in each local plan;

(4) provides for the use of such methods of administration as are necessary for the proper and efficient administration of the plan;

(5) establishes objectives, consistent with the purposes of this Act, toward which activities under the plan will be directed, identifies obstacles to the attainment of those objectives, and indicates how it proposes to overcome those obstacles (including the steps the State agency intends to take to improve the management and administration of human services programs covered by the State plan);

(6) provides that the State agency will, in accordance with regulations of the Secretary, conduct annual reviews of activities carried out under the State plan and that the State agency will report results of such reviews to the Secretary within three months of the anniversary date of the approval by the Secretary of the State plan;

(7) specifies the steps the State agency intends to take to better coordinate the activities of State and local agencies participating in human services programs, with a view toward improving and strengthening the relationships between such State and local agencies;

(8) demonstrates (A) that the head of each State agency responsible for administering a human services program which is included in the plan has had an opportunity, for at least 30 days prior to the publication of the proposed plan pursuant to section 104, to review and comment on the plan and (B) that any comments received from the head of such an agency have been duly considered in the development of the proposed plan;

(9) is designed to achieve reasonable expansion of its coverage both with respect to the number of service areas participating in the program established pursuant to this title, and the programs, functions, or services included in the plan;

(10) provides that the State agency will make such reports, in addition to the reports of the annual reviews required by section 103 (a) (6), in such form and containing such information as the Secretary may from time to time require, and will comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports; and

(11) has been made available to the public for comment pursuant to the requirements of section 104.

CONSULTATION WITH OTHER FEDERAL AGENCIES

(b) If a State allied delivery of services plan, submitted to the Secretary for approval under subsection (c), includes a human services program for which Federal financial assistance is being extended by any other Federal department or agency, the Secretary shall provide to the head of each such department or agency a reasonable opportunity to review and comment upon the State plan. The Secretary shall take into consideration any such comments he may have received in determining whether the plan complies with the requirements for approval.

APPROVAL OF STATE PLANS

(c) The Secretary may approve a State allied delivery of services plan only if he finds that—

(1) the requirements of section 102 have been satisfied; and

(2) the plan fulfills the conditions specified in subsection (a).

FAILURE TO COMPLY

(d) If the Secretary finds, after notice to a State and adequate opportunity for the State to respond, that it is failing to comply substantially with the provisions of its approved allied delivery of services plan for any fiscal year (or that any local agency designated thereunder is failing to comply substantially with the provisions of its local plan which was incorporated into such State plan), then thereafter (during such year and until there is no longer any such failure to comply) no Federal funds may be consolidated or transferred pursuant to section 301 and section 302, respectively, no requirements may be waived pursuant to section 303, and no payments of grants under section 201 may be made (or, in the Secretary's discretion, any such consolidation, transfer, waiver, or payment shall be limited to parts of such State or local plan or areas of the State not affected by such failure).

NOTICE TO THE PUBLIC OF ALLIED DELIVERY OF SERVICES PLANS

SEC. 104. In order for a local or State allied delivery of services plan to be approvable under this title—

(1) at least 60 days prior to the submission to the State agency designated pursuant to section 102(a) of a local allied delivery of services plan, the local agency responsible for such submission shall publish and make generally available (as defined in regulations prescribed by the Secretary) to the public the proposed plan for the allied delivery of services;

(2) at least 60 days prior to the submission to the Secretary of a State allied delivery of services plan, the State agency responsible for such submission shall publish and make generally available (as defined in regulations prescribed by the Secretary) to the public the proposed plan for the allied delivery of services;

(3) the local and State agency responsible for such submission shall, for a period of at least 30 days after such publication, accept comments from the public with respect to such proposed plan; and

(4) prior to or simultaneously with the submission of the final plan to the State agency or the Secretary, as the case may be, the local and State agency shall publish the final plan and make it generally available to the public in the same manner prescribed in paragraph (1) or (2) of this section, together with an explanation of the differences between the proposed plan and the final plan and the reasons therefor.

TITLE II—ADMINISTRATIVE SUPPORT SERVICES

DEMONSTRATION GRANTS

SEC. 201. The Secretary may make grants to States which have in effect State plans approved under section 103, or through such States to local agencies which have local plans approved by such States, to assist in meeting the initial costs of allying or consolidating administrative support services and management functions necessary to facilitate the allied delivery of human services where funds to cover such costs cannot be obtained from other sources. Such grants may be made only if the Secretary determines that the objective of demonstrating the allied delivery of services under such plans will be achieved within the period for which assistance is provided under this title.

APPLICATIONS

SEC. 202. (a) An application for a grant under this title shall describe the specific activities for which the assistance will be used. The application shall specify the manner in which the grant applied for will be allocated among the State agency and the designated local agencies which have approved local plans.

(b) Grants under this title shall not be available—

(i) to meet the non-Federal share required under any other Federally assisted program, or

(ii) to meet any part of the cost of construction (including renovation, expansion, or alteration) of facilities.

No State, office, or agency may receive grants under this title for more than three years, and no initial grant may be made to a State, office, or agency under this section after three years subsequent to the date of enactment of this Act.

TITLE III—SPECIAL AUTHORITIES CONSOLIDATED PLANNING GRANTS

SEC. 301. (a) In the case of any State with an allied delivery of services plan approved under section 103 for any fiscal year, the Secretary may, notwithstanding any other provision of law, upon the request of the—

(1) Governor of such State provide to it a single grant comprised of the Federal funds extended to any State agency in such State participating in such approved plan by any officer or agency of the Department of Health, Education, and Welfare and available, as determined by the Secretary, for planning for or under any human services included in such approved plan, or

(2) chief elected official of a unit of general purpose local government, or the chief elected officials of a combination of units of general purpose local government, which have designated a local agency which has an approved plan within such State, provide a single grant to such local agency comprised of the Federal funds extended to any agency or organization participating in such local plan by any officer or agency of the Department of Health, Education, and Welfare and available, as determined by the Secretary, for planning for or under any human services included in such approved local plan.

The Secretary shall make such single grants in accordance with regulations (including payment procedures) consistent with the provisions of the Joint Funding Simplification Act of 1974 (P.L. 93-510). In accordance with that Act, the Secretary may establish for any such consolidated planning grant a single non-Federal share according to the Federal share ratios applicable to the several Federal assistance programs involved and the proportion of funds provided under each program.

(b) Any State with an allied delivery of services plan approved under section 103 for any fiscal year, or any local agency with a local plan approved and incorporated into such a State plan, may use any Federal assistance which is extended by an officer or agency of the Department of Health, Education, and Welfare and which is available for planning for one human services program, as determined under subsection (a), for planning for the provision of human services under any other program included in such State or local plan. In any case in which a State or local agency intends to use funds pursuant to this subsection, it shall so indicate in the State or local plan and shall specify the human services programs involved and the amounts to be so used.

FUND TRANSFER

SEC. 302. (a) In order to carry out a State or local allied delivery of services plan for any fiscal year to expand or improve the provision of human services under any program included in that plan and more fully to achieve the purposes of this Act, a State agency designated pursuant to section 102 (a), or upon the approval of that agency, a local agency designated pursuant to section 102(b), may, subject to the provisions of subsections (b) through (f) of this section, transfer not more than 30 per centum of the Federal assistance extended by any officer or agency of the Department of Health, Education, and Welfare for any fiscal year and available for expenditure under a human services program included in the State or local allied delivery of services plan, for use in carrying out for such year one or more of the other human services programs so included.

(b) (1) Twenty-five per centum of such Federal assistance may be transferred pursuant to subsection (a) only for use—

(A) in carrying out one or more of the other human services programs included in the plan which serve substantially the same target population, or

(B) in providing administrative support services which relate to two or more programs included in the plan.

(2) Five per centum of such assistance may be so transferred for any use authorized under the human services program to which it is transferred.

(c) In any case in which a local agency desires and intends to transfer any funds pursuant to this section, it shall so indicate in the local allied delivery of services plan, and shall specify the human services programs involved and the amounts to be so transferred. If a State agency designated pursuant to section 102(a) desires to transfer any funds under this section or has approved or intends to approve a local allied delivery of services plan involving the transfer of funds, it shall specify in its State plan the service area or areas affected, the programs among which funds will be transferred, and the amounts to be so transferred. The Secretary shall not approve such a State plan unless he determines that the transfer of funds which is contemplated will not adversely affect the carrying out of overall program priorities or goals which are expressed or implied in the legislation authorizing any program from which funds are to be so transferred.

(d) (1) A State agency which desires to transfer funds pursuant to this section shall, prior to the publication of its proposed plan pursuant to section 104, notify the units of general local government which would be affected by that transfer and provide such units an opportunity to comment on the proposed transfer.

(2) A local agency which desires to transfer funds pursuant to this section shall, prior to the publication of its proposed local allied delivery of services plan pursuant to section 104, consult with each State agency which would be affected by any such transfer of funds and provide such agency with an opportunity to comment on and submit suggestions with regard to the proposed transfer.

(e) Any Federal assistance transferred pursuant to this section shall be subject to the non-Federal share requirements applicable to such assistance prior to such transfer.

(f) No payment to a State under section 403(a) (1) or (2) or section 1903 of the Social Security Act, no payment to Puerto Rico, the Virgin Islands, or Guam under sections 3(a)(2), 1003(a)(2), 1403(a)(2), or 1603(a)(2) of that Act, and no payment to a local educational agency or to a State under title I of the Elementary and Secondary Education Act of 1965 may be transferred under this section.

WAIVER OF PROGRAM REQUIREMENTS

SEC. 303. (a) Any State with a plan approved under section 103, or any designated local agency with a plan approved and incorporated in the State plan, may apply to the Secretary for waiver (with respect to the year for which the plan is approved) of any requirement which the State or local agency certifies is impeding the implementation of its plan and which is imposed by statute or regulation upon a human service (1) included within the plan for the allied delivery of services and (2) for the administration of which at the Federal level the Secretary or other Department of Health, Education, and Welfare official is responsible. The Secretary shall, subject to the limitations in subsection (b), grant such waiver for such year only upon receipt of assurances, satisfactory to him, that the granting of such waiver will not result in the expenditure of Federal funds for purposes other than those for which they were appropriated and will not adversely affect the carrying out of overall program priorities or goals which are expressed or implied in the legislation authorizing such appropriations.

(b) Waivers under subsection (a) may apply only to—

(1) a requirement that all aspects of a human services program be in effect in all political subdivisions of the State;

(2) a requirement that a single or a specified agency administer or supervise the administration of the program; and

(3) any other technical or administrative requirement applicable to a human services program included in the State or local plan.

JOINT FUNDING

Sec. 304. In addition to the authority provided in sections 6 and 8 of the Joint Funding Simplification Act of 1974, and pursuant to regulations prescribed by the President, where funds are advanced for a single project or program pursuant to more than one statutory authority by a single Federal agency, or by more than one Federal agency, to an agency, organization, or person assisted under this Act, or which administers or supervises the administration of a project or program which is included in a plan for the allied delivery of services which is approved under this Act, any one Federal agency may be designated to act for all in administering the funds advanced with the concurrence of each Federal agency responsible for administration of the statutory authority pursuant to which such funds were advanced. Any agency so designated may waive any administrative or technical grant or contract requirement (as defined by such regulations) regardless of whether such requirement is imposed by statute or otherwise and regardless of whether such requirement is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose. Before granting any waiver under this section, the Federal agency designated to be the administering agency for the jointly funded project or program shall obtain the concurrence of the other Federal agency or agencies otherwise responsible for the administration of the authority pursuant to which funds are advanced. Nothing in this section shall be construed to authorize the expenditure of Federal funds for purposes other than those for which they were appropriated.

EVALUATION AND TECHNICAL ASSISTANCE

Sec. 305. (a) The Secretary may conduct evaluations, directly or by grant or contract, of programs for the allied delivery of services assisted under title II or III in order to determine the achievements of such programs and the efficiency and effectiveness of the services provided on an allied basis thereunder.

(b) The Secretary may disseminate the results of the evaluations conducted pursuant to subsection (a) and the results of the activities conducted under other provisions of this Act to interested agencies, organizations, and individuals.

(c) The Secretary may provide, directly or by grant or contract, such technical assistance as may be necessary to assist a Governor, or any public or nonprofit private agency, in the planning or operation of a program for the allied delivery of services.

(d) In addition to funds otherwise available therefor, such portion of any appropriation to carry out this Act as the Secretary may determine, but not in excess of 5 percent thereof, shall be available to him to carry out this section.

PAYMENTS

Sec. 306. Payments for projects pursuant to grants under this Act may be made for all, or such part as the Secretary may find appropriate, of the cost of such projects. Such payments may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions as the Secretary may determine.

REPORT

Sec. 307. Four years after the date of enactment of this Act the Secretary shall make a report to the Congress on the activities that have been carried out under this Act, including his evaluation of those activities and his recommendations with respect to appropriate legislation dealing with the allied delivery of human services.

AUTHORIZATION OF APPROPRIATIONS

Sec. 308. There are authorized to be appropriated to carry out the purposes of this Act $20,000,000 for the fiscal year ending June 30, 1976, and for each of the four succeeding fiscal years.

Mr. CURTIS. Mr. President, I am pleased to join with the distinguished Senator from New York (Mr. Javits) in introducing the administration's proposed Allied Services Act of 1975. The principal purpose of this bill, which will be referred to the Committees on Finance and Labor and Public Welfare, is to provide assistance to States to permit them to better coordinate and deliver human services.

While I will want to study the specific provisions of this bill in greater detail, I share the administration's desire to provide a more systemized approach to the myriad of categorical and special programs now in effect. I am hopeful that the administration's proposal will receive careful consideration.

By Mr. JACKSON (for himself, Mr. Kennedy, Mr. Williams, Mr. McGovern, Mr. Eagleton, and Mr. Hathaway):

S. 2491. A bill to require the Federal Energy Administration to preserve all fees collected under the oil import fee program for eventual distribution to the consuming public. Referred to the Committee on Finance.

Mr. JACKSON. Mr. President, on May 1, 1973, President Nixon radically changed the mandatory oil import program by abolishing the quota system, and establishing a schedule of license fees on imported petroleum and petroleum products to be phased in gradually over a period of 7 years. The former President claimed that section 232 of the Trade Expansion Act granted him extensive authority to take whatever action he deemed necessary to decrease the Nation's reliance on foreign oil.

On January 23 of this year, President Ford dramatically expanded the import tariff program of his predecessor. Mr. Ford signed an Executive proclamation which would have imposed supplemental fees of $3 per barrel on imported crude oil and $1.20 per barrel on petroleum products by the end of April 1975. The first dollar of the tariff was imposed on February 1.

Senator Kennedy and I reacted by sponsoring a bill which would have imposed a 90-day moratorium upon the implementation of the proclamation. This bill was adopted by the Congress on February 19 and was vetoed on March 4. Overwhelming public opposition to the proposed tariff did force the President to suspend imposition of the second and third dollars of the supplemental fee or face a congressional override of his veto. Mr. Ford chose the suspension, and no attempt was made to override.

On June 1, the President imposed the second dollar of the supplemental fee. Between February 1, when the first dollar of the fee was imposed, and June 30, the President's oil import tariff has inflated the energy bills of American consumers by over $760 million.

In late January, several northeastern States and utility companies filed a suit challenging the legality of the tariff. On August 11, 1975, the Court of Appeals for the District of Columbia Circuit declared, in no uncertain language, that both Presidents Nixon and Ford had acted through Executive fiat to usurp power and authority vested exclusively in the Congress by the Constitution. The court of appeals held that the Congress did not delegate to the President the power to impose taxes, tariffs, fees, or other monetary restrictions on imported commodities under section 232 of the Trade Expansion Act.

The administration took no action to establish a mechanism for returning these fees to the consuming public. Instead, the Federal Energy Administration immediately moved to stay the court's decision. As part of its motion, the FEA announced on August 15 that import fees due for the months of July and August would not be collected, or if already collected, they would be refunded to importers, if the Congress sustained the President's veto of S. 1849, a bill extending the Emergency Petroleum Allocation Act for 6 months. The practical effect of this strategy was to allow importers to continue to add the cost of the fees on to the prices they charged their customers, even though the importers would be relieved of any obligation to pay these fees to the FEA. In short, the practical effect was to give the major oil importers a windfall of several hundred million dollars.

I wrote to the Attorney General on August 28 and requested him to conduct an immediate investigation of the FEA's action. I ask unanimous consent that that letter be printed in the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, since the cost of the oil import fees, to some undetermined extent, has already been passed through to crude oil purchasers, and ultimately to individual consumers, it is they who should receive the benefit of any refunds of fees already collected by the FEA, not the major oil importers. I suggested to the Attorney General on August 28 and again on September 23, that fees due on imports during the months of July and August be collected from importers by the FEA and held in trust. I further asked Mr. Levi to submit the Department's recommendations for legislation to insure that any funds collected under the import fee program will in fact be preserved for eventual redistribution to the consuming public. To date, I have received no response from the Justice Department.

The administration filed a petition for certiorari with the Supreme Court on September 10—2 days after this body failed to override the President's veto of

S. 1849. It was then announced that the President would decide by the end of the month whether the tariff would continue to be imposed pending Supreme Court review of the court of appeals opinion. To date, no Presidential decision has been made.

On September 22, the FEA stated that it would proceed to collect the fees accrued for the months of July and August, a sum of nearly $600 million, in accordance with the views expressed in my August 28 letter. I requested the Attorney General last week to expedite its evaluation of this issue in view of the administration's abrupt change in policy. I ask unanimous consent that my letter of September 23 be printed in the RECORD at the conclusion of my remarks.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(See exhibit 2.)

Mr. **JACKSON**. On Monday, September 29, five major oil companies brought suit in Federal District Court in the District of Columbia resisting attempts by the Federal Energy Administration to collect fees due on oil imported during the months of July and August. This recent development demonstrates the need for quick congressional action to resolve once and for all the current controversy and uncertainty created by Mr. Ford's reaction to the court of appeals decision.

Mr. President, now that the FEA intends to collect these fees, the major oil companies are claiming that the tariff is illegal. Where were these companies in May of 1973 when Mr. Nixon first imposed the tariff? Where were these companies in February of 1975 when Mr. Ford increased the tariff? Why did they not claim then that the tariff was illegal? The answer is painfully obvious—there was no windfall at stake. But place $600 million within their grasp, Mr. President, and the companies will line up to protect the American consumer. Five companies were involved in Monday's suit here in Washington. Similar suits have been filed by four other companies in Texas. The court in Washington issued a temporary restraining order directing the FEA to collect the July and August fees and to hold them in a special account until October 9 when further arguments will be heard. In response, the FEA announced that fees collected for July and August from all importers, not just the plaintiffs in Monday's suit, will be held in this special account, pending further court proceedings in Washington on October 9.

Mr. President, I have today introduced legislation directing the Federal Energy Administration to collect fees due for July and August and to hold them in trust pending ultimate disposition by the Supreme Court of the legality of the Nixon-Ford tariff. Although it appears that part of the objective of such legislation has been accomplished, precipitous action by the lower Federal courts or by the administration prior to a final ruling by the Supreme Court could seriously jeopardize the prospects for an orderly and equitable procedure by which these fees can be returned to those who have paid them. Any action that interferes with this objective must be prevented; the status quo must be preserved.

I wish to stress my deep conviction that all of the fees imposed by former President Nixon and by President Ford constitute an unlawful confiscation of the hard-earned dollars of every American consumer who has had to pay higher prices for gasoline, home heating oil and electricity. I am hopeful that the Supreme Court will affirm the lower court's ruling declaring these fees illegal.

But until the Supreme Court acts, and that could take several months, any fees that have been and will be collected by the FEA should be preserved intact for distribution to those end-users who have borne the cost of the import fee program. There very well might be cases where an importer did not pass all of the costs on to his immediate purchasers. The burden, however, should be on the importer to so demonstrate this fact.

The Congress did not impose this tariff, Mr. President. An Appellate Court of the United States has declared it to be illegal. I have reviewed the court's opinion and emphatically concur in its decision. The Congress did not intend, in any way, to grant to the Executive the taxing authority the President has asserted under section 232 of the Trade Expansion Act of 1962.

The inconsistent policies and intentions announced by the FEA in response to the court of appeals decision have exacerbated the chaos and controversy surrounding the oil import tariff. The bill introduced today is but the first step toward rectifying the flagrant lack of concern for the American consumer that pervades the energy program of the Ford administration. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2491

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

1. The Congress finds and declares that:

(a) The imposition of fees upon the importation of petroleum and petroleum products into the United States pursuant to Executive Proclamation No. 3279, as amended, has been declared unlawful by the United States Court of Appeals for the District of Columbia Circuit in *Algonquin SNG, Inc., et al.* v *Federal Energy Administration* and consolidated cases, Nos. 75–1202, 75–1206, 75–1281 and 75–1282;

(b) The Federal Energy Administration and defendants-appellees in *Algonquin SNG, Inc., et al.* v *Federal Energy Administration* and consolidated cases have filed a petition for certiorari with the Supreme Court of the United States;

(c) The cost of the fees has been borne, in whole or in part, by the customers of oil importers and by the American public;

(d) Refund, forgiveness, or non-collection of fees which have been paid or accrued, and the cost of which has been passed through, whether in whole or in part, to the customers of oil importers and to the American public, will result in a windfall to oil importers at the expense of their customers and the consuming public; and

(e) It is in the public interest to preserve for equitable distribution all fees paid or accrued in the event the Supreme Court of the United States denies the petition for certiorari filed by the Federal Energy Administration and defendants-appellees or affirms the decision of the United States Court of Appeals for the District of Columbia Circuit in *Algonquin SNG, Inc., et al.* v *Federal Energy Administration* and consolidated cases.

2. (a) "Fees" means those monetary charges, however denominated, imposed upon the importation of petroleum and petroleum products by the President pursuant to Executive Proclamation No. 3279, as amended, under the purported authority of Section 232 (b) of the Trade Expansion Act of 1962, as amended, and declared to be unlawfully imposed by the United States Court of Appeals for the District of Columbia Circuit in *Algonquin SNG, Inc., et al.* v *Federal Energy Administration* and consolidated cases.

(b) "Court of the United States" shall have the same meaning accorded to that term in Section 451 of Title 28 of the United States Code.

3. (a) The Federal Energy Administration shall not forgive or defer collection of any accrued fees and shall not refund any fees except those which would normally be subject to refund under regulations of the Federal Energy Administration in effect as of August 11, 1975.

(b) The Federal Energy Administration shall segregate all fees which are, or shall be, in its possession or under its control and shall not transfer, expend, or disburse such fees except as provided in subsection (a) of this section.

(c) The Federal Energy Administration shall not transfer any fees which are, or shall be, in its possession or under its control to the United States Treasury, whether to the General Fund, Miscellaneous Receipts, or otherwise.

(d) The Federal Energy Administration shall retain such fees as are necessary to effect refunds as provided in Subsection (a) of this section and shall invest all other fees which are, or shall be, in its possession or under its control in securities of the United States Government. All fees, and accretions thereto, except such fees refunded as provided in subsection (a) of this section, shall be preserved for equitable distribution in the event that the fees have been illegally imposed.

4. (a) No court of the United States, except the Supreme Court in the exercise of its original jurisdiction under Article III of the Constitution of the United States, shall have jurisdiction over any civil action which has been brought, or which may be brought, seeking to restrain or to enjoin the Federal Energy Administration or any Federal official from collecting fees or seeking to recover fees already paid to the Federal Energy Administration or to the United States Treasury. Any court of the United States, except the Supreme Court in the exercise of its original jurisdiction under Article III of the Constitution of the United States, in which such a civil action has been brought, or shall be brought, shall dismiss such action for lack of jurisdiction.

(b) The provisions of subsection (a) of this section shall not apply to any court of the United States exercising jurisdiction over the action brought in *Algonquin SNG, Inc. et al.* v. *Federal Energy Administration,* and consolidated cases.

5. (a) This Act does not confirm or ratify that the President, purportedly acting under the authority of Section 232(b) of the Trade Expansion Act of 1962, as amended, has lawfully imposed or may lawfully impose monetary charges upon the importation of petroleum or petroleum products.

(b) This Act does not provide authority for the imposition of monetary charges, however denominated, upon the importation of petroleum or petroleum products into the United States.

(c) This Act does not prohibit prospective termination or reduction of the imposition of fees.

6. Within 30 days from the date of enactment:

(a) the Federal Energy Administration shall submit to the Congress a report specifying in detail the actions taken by the Federal Energy Administration to comply with the provisions of this Act; and

(b) both the Federal Energy Administration and the Department of Justice shall submit to the Congress reports setting forth their respective analyses of the problems, legal and practical, that may be involved in distributing equitably all fees to all sections and regions of the consuming public, to the extent that the cost of such fees has been borne by such sections and regions, in the event that the fees have been illegally imposed. Such reports shall analyze the adequacy of existing administrative mechanisms and shall contain recommendations for any legislation that may be necessary, to effectuate such an equitable distribution.

EXHIBIT 1

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS,
Washington, D.C. August 28, 1975.

Hon. EDWARD H. LEVI,
Attorney General of the United States, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: On January 23, 1975, President Ford signed Proclamation No. 4341 which would have imposed supplemental fees of $3.00 per barrel on imported crude oil and $1.20 per barrel on petroleum products by the end of April. In response, the Congress on February 19th, passed a bill imposing a 90-day moratorium upon the implementation of the Proclamation. That bill was vetoed on March 4th. However, the President at that time suspended imposition of the second and third dollars of the supplemental fee for two months, a suspension that he continued for an additional 30 days on April 30th. On June 1st, the President imposed the second dollar of the supplemental fee. For imports between February 1st, when the first dollar of the fee was imposed, and June 30th, a total of over $760 million will have been collected.

On August 11, 1975 the United States Court of Appeals for the District of Columbia Circuit held that the Congress did not delegate to the President the power to impose taxes, tariffs, fees or other monetary restrictions on imported commodities under Section 232 of the Trade Expansion Act. Accordingly, the two-tier program of fees imposed on the importation of petroleum and petroleum products by Presidents Nixon and Ford was declared to be an unlawful exercise by the Executive of authority vested in the Congress by the Constitution.

As part of its motion to stay the Court of Appeals decision, the FEA announced on August 15, 1975, 40 Fed. Reg. 36302 (August 20, 1975), that pursuant to Presidential directive it expects to refund to importers all supplemental fees collected with respect to petroleum imports made on or after July 1, 1975 if the President's veto of S. 1849, extending the Emergency Petroleum Allocation Act, is sustained. A copy of the FEA notice of deferral is enclosed for your ready reference.

The supplemental fees imposed by the President will total about $600 million for the months of July and August alone, almost as much as the collection for the first five months of the program. It is not clear from the FEA notice whether any supplemental fees that remained unpaid at the end of August would be collected if the President's strategy for ending price controls is successful.

A portion of the supplemental fees that would either be refunded to or not collected from importers will have already been added by them to the prices paid by ultimate consumers. Therefore, any action by the FEA in refunding or not collecting such fees would result in a potential windfall to importers of hundreds of millions of dollars.

To date, the Administration has announced no program for the return of these funds to end-users who actually bore the increased cost of petroleum imports made after July 1, 1975. The FEA notice of August 15th, establishes no mechanism, and indeed provides no assurance that a mechanism will be established, to ensure that the increased charges on such imports will be refunded to the consumers who absorbed these unlawful costs.

It is unreasonable to assume that importers receiving a windfall can be relied upon to effectuate an equitable rebate and distribution of these funds absent a clear directive through regulation or court order. If the Emergency Petroleum Allocation Act expires on August 31st as a result of the President's veto of S. 1849, no evident statutory authority for Federal action to implement such a directive through a mechanism of price controls will exist.

It is my strong view that pending the ultimate resolution of the litigation concerning the scope of Presidential authority under Section 232 of the Trade Expansion Act, all funds collected or accrued under the license fee program should be collected and should be held in public trust by the FEA. Any dissipation of such funds prior to a final determination of the legality of the license fee program would constitute a breach of the FEA's fiduciary obligation to the consuming public which has paid the cost of the supplemental import fee program. Any course of FEA action which results in a massive windfall to importers at the expense of purchasers and consumers would violate this obligation.

Unfortunately, it appears that the FEA notice of August 15, 1975 unwittingly contemplates precisely such action. It is therefore imperative that the FEA take appropriate measures to preserve all funds collected or accrued so that they may be equitably distributed to those who bore the cost of the license fee program.

There is a strong likelihood of extensive litigation involving importers, consumers and the federal government to determine who is entitled to refunds or rebates of fees collected or accrued to date. Such litigation would be in addition to any further proceedings in the consolidated cases decided by the Court of Appeals on August 11th.

Given these prospects, I am requesting you to undertake an immediate investigation of this matter and report to the Committee with the Department's evaluation of the problems involved. I am particularly interested in your views regarding legislation that may be necessary to ensure that any sums received by oil companies under the import fee program will be retained for redistribution to the consuming public.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

EXHIBIT 2

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., September 23, 1975.

Hon. EDWARD H. LEVI,
Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: You will recall that on August 28, 1975, I requested the Department of Justice to conduct an immediate investigation of the $600 million windfall that could accrue to the major oil importers as a result of the Administration's announced plan to defer collection, or to make refunds if collection had already occurred, of fees due on imported petroleum and petroleum products during the months of July and August. I further requested the Department to prepare a report for the Committee containing the Department's analysis of and suggestions for, legislation to ensure that these funds are preserved for eventual distribution to those end-users who actually bore the cost of the President's import fee program. This program was declared illegal by the Court of Appeals for the District of Columbia Circuit on August 11, 1975.

I was pleased to learn on September 21st that the Administration has reversed its position and will now collect fees incurred on imports during the months of July and August, in accordance with the position expressed in my August 28 letter where I stated:

"It is my strong view that pending the ultimate resolution of the litigation concerning the scope of Presidential authority under Section 232 of the Trade Expansion Act, all funds collected or accrued under the license fee program should be collected and should be held in public trust by the FEA. Any dissipation of such funds prior to a final determination of the legality of the license fee program would constitute a breach of the FEA's fiduciary obligation to the consuming public which has paid the cost of the supplemental import fee program. Any course of FEA action which results in a massive windfall to importers at the expense of purchasers and consumers would violate this obligation."

In view of the change in Administration policy on this important matter I would appreciate it if the Department would expedite action on a report to the Interior Committee on the questions raised in my letter of August 28, 1975. I am particularly interested in the Department's views as to the adequacy of existing legal authority to effectuate a rebate to consumers who bore the ultimate cost of the tariff. For the months of July and August alone, the tariff increased consumer costs by approximately $600 million.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

Mr. KENNEDY. Mr. President, I am pleased to join Senator HENRY M. JACKSON, the distinguished chairman of the Senate Interior Committee, in introducing legislation to provide for consumer rebates of any illegally imposed oil tariffs already collected by the Federal Energy Administration.

As it stands now, there is a possibility that the fees collected in July and August—some $600 million—might be turned back to the oil companies under the pending court case filed by those companies. Since the oil companies already have passed those charges along to consumers in higher prices, returning the fees to the oil companies without any requirement that they rebate that money to consumers would mean a $600 million windfall for those companies.

Although past precedent in the case of New England's independent oil importers indicates that they traditionally have passed through any such benefits to their customers, there is no indication of the likelihood of this action on the part of the major oil companies. Therefore, this legislation simply will insure that the customers ultimately benefit from any final court decision declaring the fees to have been imposed illegally.

Since I expect that the Supreme Court will uphold the U.S. court of appeals decision ruling that those tariffs were illegally imposed, this legislation is crucial.

First, it will preserve the existing $600 million still in the hands of FEA from being returned to the oil companies, while there is no process for the money to thereby ultimately be returned to the consumer.

Second, it will establish as congressional policy that the fees collected between January 23 and June 30, some $760 million, which now has been channeled to the General Treasury, should be returned, not to the oil companies, ultimately, but to the consumers.

Third, it will provide for congressional monitoring of the redistribution of these funds to consumers. I think it is particularly important to insure that the consumers of Massachusetts and New England, a region which suffered the most as a result of the payment of these import fees—because of our greater reliance on petroleum imports—will receive their full share of the rebates.

I believe it is worth recalling that it was on January 23, the same day the President issued his Executive proclamation which would have imposed $3 per barrel tariffs on imported crude oil and $1.20 per barrel on petroleum products, that I introduced with Senator JACKSON a 90-day moratorium on the implementation of that proclamation.

One of our main arguments was that the tariffs being proposed were illegally imposed. This bill was adopted on February 19 and vetoed on March 4. Rather than face a congressional override, the President altered the timing of his tariff program and decided not to impose either the third dollar on crude imports or the second 60 cents on product imports.

I consulted with the office of the Governor of Massachusetts and the offices of other Governors as well as with the New England Regional Commission with regards to the possibility of a suit challenging the President's oil tariff authority. Ultimately, a suit was filed and on August 11, 1975, the U.S. Court of Appeals for the District of Columbia Circuit found the imposition of the fees to have been illegal.

While the President suspended the fees initially, he waited until late this month to announce that the July and August fees were to be collected and only the 60-cent tariff halted as of September 1.

In fact, the $2 per barrel crude oil tariff continues in effiect today in a rather strange and unfortunate decision by the administration to maintain an added burden on American consumers.

I continue to hope that the President will remove the $2 per barrel tariff without waiting for a final Supreme Court decision. Its major impact has been twofold: First, to raise U.S. consumer prices unnecessarily; and second, to communicate to the OPEC countries that the administration obviously believed the American economy could absorb a $2 per barrel price hike.

The imposition of those tariffs was the wrong energy policy; it was the wrong economy policy, and the Appellate Court has said it was illegal.

This legislation is designed to insure that the $1.3 billion which has been collected, if ultimately confirmed as having been illegally imposed by the Supreme Court, will be rebated to consumers instead of being returned to the coffers of the oil companies.

By Mr. TOWER:

S.J. Res. 137. A joint resolution proposing an amendment to the Constitution of the United States to ensure the right of students to attend their neighborhood public schools. Referred to the Committee on the Judiciary.

Mr. TOWER. Mr. President, during my tenure in the Senate I have consistently opposed the massive forced busing of our Nation's public school children out of their neighborhoods, and I have been very much opposed to the liberal movement of the past decade or more which has eroded the sanctity of the neighborhood schools. In my opinion—an opinion shared by the vast majority of Texans, and I believe, by an overwhelming majority of all Americans—one of the primary concerns of parents and citizens is the role of the local public school in the acculturation and education of their children. The school plays a part second only to the family itself in forming the values, attitudes, and behavior of our children. Consequently, one of the most jealously guarded freedoms in this country has been the local parental control of our schools—which is closely related to the right to maintain neighborhood schools. I feel that the constitution reserves this power to the people, and I strongly disagree with the Supreme Court that the 14th amendment overrides this right in the name of racial balance.

The equal protection clause of the 14th amendment says that no State shall deny to any person within its jurisdiction the equal protection of the laws. It is a very simple and straightforward clause and means only that no State shall treat in a different manner persons similarly situated. And when a school district opens its schools to children of all races, religions, and national origins, and grants them the freedom to attend whatever schools are available to children of their ages and educational attainments and chosen by them or their parents, it treats everyone similarly situated in exactly the same manner. The best way to end discrimination in schools is to allow the children or their parents to select the schools the children are to attend from among those open to children of their ages and educational standards.

Nevertheless, in our structure of Government, the Supreme Court has the ultimate authority to interpret the Constitution. in the ruling in Swann against Charlotte-Mecklenburg—1971—and subsequent opinions the Court has determined—in my view, in a most unreasonable manner—that the schools must fall to the power of the equal protection clause. The ruling in Swann is the present guideline for all desegregation cases being heard today. With this type of ruling from the Court, we are left with only one alternative—to remove the jurisdiction in school desegregation matters from the Federal courts—to stop the courts as well as the Department of Health, Education, and Welfare from usurping and exercising the rights, powers, and responsibilities of local school boards throughout this Nation. The only viable means with which to do this is by constitutional amendment.

As we all are well aware, there are a number of proposals before this Congress to amend the Constitution of the United States to prohibit the assignment and transportation of schoolchildren out of their neighborhoods to achieve racial balance. I have joined many of my distinguished colleagues in sponsoring several of these proposals, and today I am introducing yet another—to insure that the right of a student to attend his neighborhood school is not abridged on account of his race, religion, or national origin. While the language of my amendment varies somewhat from many of the other proposals before Congress, I am not particularly wedded to any specific wording. It should perhaps, be left to the Committee on the Judiciary to hammer out language that is sound in its antibusing purpose yet in keeping with the philosophy and structure of the Constitution. At this point we would be foolish to confine our discussion to semantics when the survival of quality education for all children in America is at stake. The important thing is that a constitutional amendment to prohibit forced busing passes the Congress and goes to the States for their ratification. In all fairness to the great people of this Nation whom we represent, we can no longer delay consideration of this critical and emotional issue. We can no longer ignore the clear mandate of our constituencies who have placed their trust in us to execute their will.

What we have done by introducing a constitutional amendment that would prohibit forced busing is to underscore the fact that we are firmly committed to the continued desegregation of our public schools, but we do not believe that the entire educational system should be uprooted in the process. What is necessary is an education for all our children. This includes the amount of money spent for teachers and teaching devices as well as for physical plants and facilities. It must be made clear, too, that we will not deny a quality education to any child regardless of his race, religion, or national origin.

However, in the years that busing has been used as a tool to overcome racial imbalance, there has been no evidence that it has improved educational opportunities for anyone. This tool of the courts has been both disruptive to our educational system and inexcusably dangerous in terms of the health and safety of the children involved. Our concern over the busing of schoolchildren is more than an emotional one. What we are dealing with is not simply some new program that may or may not work. We are dealing with the lives and education of our American schoolchildren. Children whose education is sacrificed today in the name of social experimentation may never recover the opportunities they have lost. Damage done to already beleaguered school districts may be irreparable. We cannot afford this sacrifice. We have a very important question to be resolved: Shall we use our schools as vehicles for social engineering or shall we concentrate with our limited financial resources on providing quality education in our public schools. I think the answer is clear. It is not the function of the schools to engage in social experiments. It is the function of the schools to develop the minds and intellects of our young people and prepare them for life. We should address ourselves to that responsibility.

Mr. President, before I came to the Senate, I was a schoolteacher, and I taught in an integrated classroom situation. I know for a fact that blacks, anglos, and Mexican Americans and other groups can indeed work and learn well together. The point is not whether desegregation should continue; no one that I know advocates or intends that we should return to a dual school system.

In promoting integration, however, we cannot condone the massive disruptions of our school systems and the tremendous waste of resources which result from forced busing—especially when the only end in sight is the further disintegration of educational opportunities, the neighborhood school, and the parent's freedom of choice.

There is little more that can be said on this topic that has not been said before and that has not been the subject of great debate and controversy. We have identified a major national problem. Now we must take action to extricate the Nation from it.

Mr. President, recently I sent a letter to the President asking his support of a constitutional amendment to end compulsory transportation of public school students. I ask unanimous consent that the letter be included in the Record together with the text of my constitutional amendment.

There being no objection, the letter and joint resolution were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., September 25, 1975.

The President,
The White House,
Washington, D.C.

Dear Mr. President: For a number of years, the problem of forced busing was primarily limited to a few areas of the country, and cries of protest gained national attention only when violence and destruction erupted. In the wake of the Supreme Court's *Swann* decision in 1971 and subsequent court rulings, busing has quickly spread to communities throughout the nation. Predictably, popular objection to busing has also spread, and the frustrated efforts of citizens to end this abhorrent practice have become a matter of national concern.

I know that we share the conviction that our main concern should and must be the quality of our educational system. I am personally convinced that the social planners in our society have lost sight of that goal in their preoccupation with numbers and quotas, although the American people have overwhelmingly rejected the policy of forced busing to achieve a numerical balance of minority representation in our nation's classrooms.

During the last two weeks the Senate has been embroiled in debate over the busing issue, specifically in an attempt to limit the power of HEW to force the transportation of students by the threat of a cut-off of federal funds. I have participated in these efforts, and I applaud the success we have had to date. The problem, however, lies not so much with the Department of Health, Education, and Welfare as with the judicial branch of our government. Federal court rulings on busing have forced local school boards to divert their energies and their resources toward methods of getting students to and from school and away from the quality of education.

At present in my State, one city—Corpus Christi—is operating under a Court ordered busing plan in which elementary students must walk two and three miles to school across busy streets and over railroad tracks, as many buses are not yet available. In Dallas, the citizenry is anguishing over a court order which in all likelihood will call for the implementation in the middle of the school year of a cross-district busing plan involving at least eight school districts.

I am categorically opposed to this kind of social experimentation with the lives and education of the children of my state. The Federal Courts have ignored the will of the people. Such disregard leaves us with only one practical alternative. We must remove from the courts the authority to order the transportation of students for the purpose of achieving racial balance. The only viable means of accomplishing this end is by the adoption of a Constitutional amendment. Several such amendments have been introduced in the Congress this session, and I intend to introduce yet another. I fervently urge your support of a Constitutional Amendment to prohibit compulsory busing, and I would very much appreciate an opportunity to discuss this issue further with you, along with other members of the Congress, at your convenience.

Let me emphasize that the point is not whether we should continue our desegregation efforts. Certainly I am a strong supporter of integration and the equality of education. The separation of individuals simply because of their race or national origin is inconsonant with our American ideal of equality. Nevertheless, the Courts must not be allowed to impose upon us a reverse bias in redirecting the emphasis of the schools from education to quota systems. The majority of Americans demand an end to forced busing. The government of this nation must begin to be responsive to this demand and take action to address the ill effects caused by forced busing. The survival of quality education for all children in this country is at stake, and we cannot do otherwise.

Very truly yours,

John Tower.

S.J. Res. 137

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission by the Congress:

Article —

Section 1. The right of students to attend the public school nearest to their place of residency shall not be denied or abridged on account of race, religion, sex, or national origin.

Sec. 2. The Congress shall have the power to enforce the provisions of this article by appropriate legislation.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 123

At the request of Mr. Inouye, the Senator from Montana (Mr. Mansfield) was added as a cosponsor of the bill (S. 123) to amend title XVIII of the Social Security Act to provide for the coverage of certain clinical psychologists' services under the supplementary medical insurance benefits program established by part B of such title.

S. 953

At the request of Mr. Stevenson, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of the bill (S. 953) to amend the Export Administration Act of 1969 to clarify and strengthen the authority of the Secretary of Commerce to take action in the case of restrictive trade practices or boycotts.

S. 1406

At the request of Mr. Montoya, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 1406, a bill to amend title 38 of the United States Code to provide that veterans' pension and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 1736

At the request of Mr. McIntyre, the Senator from Maine (Mr. Muskie) was added as a cosponsor of S. 1736, a bill granting the National Ski Patrol Association a Federal charter.

S. 1754

At the request of Mr. Magnuson, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 1754, a bill to establish a uniform and comprehensive legal regime governing liability and compensation for damages and cleanup costs caused by oil pollution of the marine environment, and for other purposes.

S. 1923—WITHDRAWAL

At his own request, the Senator from Minnesota (Mr. Humphrey) was withdrawn as a cosponsor of S. 1923, a bill to amend the act entitled "An act to require the protection, management, and control of wild free-roaming horses and burros on public lands," approved December 15, 1971.

S. 2020

At the request of Mr. Ribicoff, the Senator from Kentucky (Mr. Ford), the Senator from Alaska (Mr. Gravel), and the Senator from Ohio (Mr. Taft) were added as cosponsors of S. 2020, a bill to add vision care to part B medicare payments.

S. 2321

At the request of Mr. Bellmon, the Senator from New Mexico (Mr. Domenici) and the Senator from Utah (Mr. Garn) were added as cosponsors of S. 2321, a bill to amend the Voting Rights Act of 1965.

S. 2340

At the request of Mr. Bentsen, the Senator from Illinois (Mr. Stevenson) was added as a cosponsor of S. 2340, a bill to amend section 174 of the Internal Revenue Code.

S. 2348

At the request of Mr. Hartke, the Senator from Oregon (Mr. Packwood) and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 2348, a bill to amend section 4940 of the Internal Revenue Code of 1954 to change the excise tax on the investment income of private foundations from 4 percent to 2 percent.

S. 2350

At the request of Mr. Symington, the Senator from Rhode Island (Mr. Pell) was added as a cosponsor of the bill (S. 2350) to amend the National Security Act of 1947, as amended, to provide that the Secretary of the Treasury be made a statutory member of the National Security Council.

S. 2359

At the request of Mr. BAYH, the Senator from New York (Mr. JAVITS) and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 2359, a bill to provide for equal treatment for all persons entering into health insurance agreements.

S. 2360

At the request of Mr. BAYH, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 2360, a bill to amend the Public Health Service Act to provide health care services for pregnant adolescents before and after childbirth.

SENATE RESOLUTION 265

At the request of Mr. RIBICOFF, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of Senate Resolution 265, to establish a code of ethical conduct for commercial dealings with governments and public and private enterprises.

SENATE JOINT RESOLUTION 127

At the request of Mr. BAYH, the Senator from Michigan (Mr. PHILIP A. HART) was added as a cosponsor of Senate Joint Resolution 127, a resolution to restore posthumously full rights of citizenship to Eugene Victor Debs.

SENATE JOINT RESOLUTION 131

At the request of Mr. HUMPHREY, the Senator from Ohio (Mr. TAFT), the Senator from Connecticut (Mr. WEICKER), and the Senator from Iowa (Mr. CULVER) were added as cosponsors of Senate Joint Resolution 131, to establish a task force on Federal small business impact.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 132

At the request of Mr. TUNNEY, the Senator from Arizona (Mr. FANNIN), the Senator from Alaska (Mr. GRAVEL), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of amendment No. 132 to S. 729, a bill to improve judicial machinery by reorganizing the fifth and ninth judicial circuits, by creating additional judgeships in those circuits, and for other purposes.

NOTICE OF HEARING

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, October 21, 1975, at 10 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Charles H. Haden, II, of West Virginia, to be U.S. district judge for the northern and southern districts of West Virginia, vice Sidney L. Christie, deceased.

Eugene E. Siler, Jr., of Kentucky, to be U.S. district judge for the eastern and western districts of Kentucky, vice Mac Swinford, deceased.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing, with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee will consist of the Senator from Mississippi (Mr. EASTLAND) Chairman; the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from Nebraska (Mr. HRUSKA).

NOTICE OF HEARINGS ON IMPACT OF ENVIRONMENTAL REGULATIONS ON SMALL FARMERS

Mr. NELSON. Mr. President, I wish to announce that the Small Business Committee will continue its series of hearings on "Will the Family Farm Survive in America?" on October 21 and 22, to look into the impact of environmental regulations on the small farmer. Hearings will be held on October 21, in room 457 Russell Senate Office Building, and on October 22, in room 3110 Dirksen Senate Office Building, commencing at 9:30 a.m.

Federal District Court Judge Charles Richey has ordered the Environmental Protection Agency—EPA—to present to him by November 10, 1975, proposed regulations extending the national pollutant discharge elimination system to all point sources of pollution in the concentrated animal feeding operation category. These regulations will have a direct and potentially disruptive impact on each and every small farm.

The purpose of these hearings will be to explore the methodology EPA will use to comply with the Court order and to analyze the economic impact of the EPA's order on small farm operations.

Those who wish to testify or submit a statement for inclusion in the RECORD should communicate as soon as possible with the Small Business Committee, 424 Russell Senate Office Building. Telephone 224-5175.

NOTICE OF POSTPONEMENT OF HEARINGS

Mr. ABOUREZK. Mr. President, I wish to announce the postponement of hearings concerning Justice Department policies affecting the independence of Congress, scheduled by the Separation of Powers Subcommittee on October 8, 9, and 10, 1975.

ADDITIONAL STATEMENTS

THE "DAY OF BREAD"

Mr. DOLE. Mr. President, at this moment, may I respectfully call the attention of my colleagues to the "Day of Bread," an observance of increasingly important dimensions in this year, 1975.

The "Day of Bread" was launched more than 20 years ago in Europe as a revival of man's ancient practice of pausing in his labors each year—after his granaries were filled and his larder stocked for the winter. Thus, for thousands of years, the "Day of Bread" was a significant moment both in the year and in the history of man and his civilization.

HARVEST WEEK

As part of harvest festival week, the "Day of Bread" paid special homage to the forces of nature and divine providence that provided man with food for the winter and seed for planting in the spring. It was a period for both joy and a special reverence that satisfied the eternal inborn desire of all men to acknowledge and pay tribute to forces of greater potency and strength than those of their own command or making. Bread—the symbol of all food—was provided as a product of the soil, the seasons, the sun, and the rains, as well as man's own sweat and toil.

Today, the mechanics of the harvest have changed, but the meaning of the harvest has remained immutable and imperishable—the same as it was 6,000 years ago.

WORLDWIDE FOOD NEED

I mentioned that the "Day of Bread" carries an aura of special significance in 1975. This year, we in the United States enjoy one of the largest yields of wheat on record. But at the same time, we are also confronted with a commitment to help feed a world of 4 billion people—two-thirds of whom live in developing countries dependent upon more advanced nations like the United States for food, technology, training, equipment, and other forms of aid. Of those 3 billion people in the developing countries, 500 million live on the brink of starvation, under the lengthening shadow of malnutrition and its related diseases.

We can extend help in many forms, but none is so important as food itself. Even here at home, we who enjoy the abundance of food, find among us those who suffer from malnutrition and even outright hunger. Sponsors of the "day of bread" are committed to the goal of correcting this situation with an extensive campaign of nutrition education, and the publicizing of problems related to foods and nutrition—an effort mustering the combined resources and strength of science, technology, agriculture, and industry in all aspects of their spheres of influence—on crops and seed improvement; on soils and fertilizers; on farm equipment and its improvement; on the control of pests, vermin, and plant diseases which would rob us of our yield; on transportation and delivery systems for wheat, flour, and bread; on processing and baking; even on weather and its control.

3-PERCENT PRODUCE SUPPLIES

Compared to the men who first celebrated the "Day of Bread" more than 6,000 years ago—we know so much. Yet in relation to the needs of today and tomorrow, we know so little. In our own Nation of 215 million people, only 3 percent—or about 6½ million—produce food enough for this country and huge surpluses to ship abroad to feed the hungry and malnourished, to sell as a contribution to the improvement of our balance of payments, to write a new chapter in the history of man's eternal fight for freedom. But even while American agriculture is the most highly organized in the world and in centuries of progress, we still need improvement and research to find better, more efficient ways of producing and marketing still greater quantities of food.

It is to this end that the "Day of Bread" this year, and in all recent years in which I have participated in the annual sponsorship of the event, is eternally dedicated. I ask that my respected colleagues whether they represent those who grow, process, distribute, and sell food, or whether they speak for the millions in urban areas dependent upon a reliable food supply, join with me in marking this "Day of Bread"—1975—both as an immense and almost immeasurable achievement in itself as well as a modest beginning to the solution of the eternal problem of malnutrition and hunger, at home and abroad.

CULEBRA ISLAND

Mr. BENTSEN. Mr. President, I am delighted to learn that the Navy has now ended the use of Culebra Island, Puerto Rico for its target practice. I have long been concerned about the Navy's efforts to remove Culebra's inhabitants in order to expand its target-practice and training on the island. Since other uninhabited areas for target practice have for some time been available and since the shelling of Culebra poses substantial threats both to the island's population as well as to the ecology of the area, I joined with a number of my colleagues in the last Congress in cosponsoring legislation to terminate Navy shelling. I am pleased that the Navy has reached this decision; it is long overdue but very welcome.

GOLIATH AND THE NATIONAL DEFENSE

Mr. MATHIAS. Mr. President, a week ago last Sunday, the congregation attending services at the Washington Cathedral was privileged to hear a timely sermon from the Very Reverend Francis B. Sayre, Jr., drawing some instructive analogies between the fall of Goliath and the arsenals of armaments which we find in today's more complex world.

At a time when we on the Senate Appropriations Committee and in the Senate as a whole will soon become immersed in the intricacies of a Defense appropriations bill of truly monumental proportions, the wisdom and clarity of Dean Sayre's vision should be useful to us all.

I commend his observations to the attention of my colleagues, and I ask unanimous consent that the sermon be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

OUR TRUE ARMAMENT

When you hear about Goliath, that redoubtable Philistine, don't you have an eerie feeling that somehow you are peering into a mirror? What a marvellous description the Bible gives! A warrior whose height was six cubits and a span; a helmet of brass on his head; wearing a coat of mail the weight of which is 5000 shekels of brass; greaves upon his legs, a gorget of brass between his shoulders; and a spear like a weaver's beam with a point weighing 600 shekels of iron!

I hope there are a few generals here this morning to delight in that martial figure; a member of the President's security council, or the Senate's Armed Forces Committee perhaps, to approve of such an armament. Overwhelming might! That's the picture of Goliath—and it's the image we carefully cultivate of ourselves in this nuclear age. Who dares defy the 85,000 strategic atomic weapons we brandish in our arsenal? "A warlike man from his youth," said Saul of Goliath long ago. Are they saying that of us?

II

Last spring a United States Senator showed me one of the handy little computers by which even the dumbest layman can calculate at a glance exactly what the effect of just one nuclear bomb will be. Here it is! Just turn the dials and set the little plastic pointers at the proper height and size of bomb and you can readily tell on a scale just how many hundreds of thousands of lives will be sacrificed; the degree of burns of those who remain; the range of blindness, the proportion of hemorrhage, the effects of thermal radiation or suffocation in the fire storm.

Or you can work it the other way around. Ask what it would take to wipe out a city, a province, a whole country. And you can readily read the awful answer.

Here it all is, for easy daily use! The algebra of power! 5000 shekels of brass; 20 megatons of explosion per shot, and two thousand four hundred chariots—submarines, planes, and rockets for the delivery of the holocaust across the seas and continents of earth. Who wants to do battle with the giant that wears these stars and stripes, standing over here in our corner of the world?

III

Well, you say, we are a peaceful people, and peace rests upon deterrence; a kind of balance of terror, as Churchill once described it, when others as well as we have the unthinkable means of obliteration in their hands.

It was not unreasonable once to put credence in such a strategy of controlled and inhibiting threat. But no longer. Not when the number in the atomic club goes beyond two, and you have a nuclear Goliath on every continent of the globe. With the proliferation of such armament: already now to France and Britain and China and India, and if they choose to develop it, to 12 more nations besides, including Israel. One quickly comes to see that Peace simply cannot rest on might. The chances of accidental triggering, the opportunities for blackmail, or just the suicidal perversity that lurks in every man, makes it insane to think any longer that all those helmets of brass will bring safety to mankind.

Military power in the end is self-devouring. It has taken us a long long time to realize that what the Bible says is true: that he who lives by the sword shall die by the sword. Thus it befell Goliath at the hands of David who cut off his head with the bully's own sword. David was no pacifist and neither am I! No dreamy shepherd boy was he. As he told the King, he had fought bear and lions in the course of guarding his father's sheep.

But he had a secret weapon, had David. Not the smooth rounded stone that he slang to the warrior's forehead; but the faith with which he slang it! That was his strength; from that day to this a force stronger by far than all the vaunted panoply of physical power that man may boast.

"Who is this Philistine that defies the armies of the living God?" There was an invisible strength that shimmered upon the boy. At first he tried on King Saul's armor. After all who was he to mock the world's wisdom, which assured him he would need it? But then he took it off again, and went out only with his sling. After all when you try the unknown fortune of Fate, what you really need is faith, and that is enough.

"Thou comest to me with a sword and with a spear and with a shield," cried David, "but I come to thee in the name of God." And he "put his hand in his bag and took thence a stone, and slang it" . . . and prevailed!

IV

How shall the world—how shall these blind generals of ours, our leaders and our lawmakers, ever be persuaded of that primal truth, as simple as a shepherd lad, yet as deep as God—that moral courage is stronger than all the bombs of hell, and will ultimately win the world?

How patently plain already is the futility of denying it! If our aim is peace, then how idiotic it must be to let nation after nation acquire the instruments of disaster. Instead of peace, we have a powder keg. Again if our aim is peace, say in the Middle East, then how ridiculous to send arms, even conventional ones, to Israel and Jordan and Egypt, the better that they may fight one another. It is the irony of peace we practice!

Ah yes, if it's peace we're really after; then how does it happen that the American Secretary of Defense proposes for next year a budget of 105 bilion dollars; ⅕ larger than the last year of the Viet Nam war?

What kind of hypocrites are we who say that we believe in the power of truth, yet continually coddle ourselves in the massive illusion of military might? Instead of peace we have only redundant armament!

V

No, the great battles of mankind are won, as David proved, by the power of God; invisible, never expected, choosing as its instrument the unpretentious and familiar things of earth—like a smooth stone from the stream, or an act of love between two peoples, some spontaneous gesture of faith or friendship that may alter the whole course of history.

Think of the little sailboat that carried our forebears across the raging Atlantic. T'was the aim of faith that shot that little craft from the dirty Old World to the unknown shore of the New. Powerless, precarious, yet girded with strength enough to build a whole new civilization. That's the power of God! Silent, stark and real it is; far more than anything our billions will ever buy!

I remember one time meeting the massive resentment with which the Arab countries now look upon the United States. It was in a camp of refugees in Jordan. The boys were dancing to a simple flute the ancient lays of their ancestors. It was the wistfulness of Bedouins in the desert yearning for love, nourishment of every heart. When I stepped forward and offered to dance with them, there was quick resistance. "Ah, but you don't dance in your country do you?"—they said defiantly. "Oh yes we do," I said, and persuaded them at last to learn from me the Virginia Reel. When we parted, there was friendship in their eyes, and something sacred kindled, all because of a little reel! The initiative of love!

Oh the hidden power of God! Don't you suppose that instead of sending 200 soldiers to Sinai—thus mortgaging the might of America to God knows what chance of explosion; we might do our friends in Israel much more good simply by making friends with their Arab neighbors? Sometimes it happens in God's Providence, that a little drop of loving truth can melt the whole frozen iceberg of hatred!

VI

I guess it was something like this. Something like the dauntless faith of David, something like the courage that could set out to convert the mighty Empire of Rome, that led St. Paul to advise: "Be strong in the Lord, and in the power of his might. Put on the whole armor of God that ye may be able to withstand the evil day. Stand therefore having your loins girt about with truth and having on the breastplate of righteousness, and your feet shod with the preparation of the gospel of peace."

It is this only power that will prevail!

WORLD DAY FOR ANIMALS, 1975

Mr. MAGNUSON. Mr. President, I call to the attention of my colleagues a special day of observance which was held this past Saturday, October 4. This day was known as the "World Day for Animals."

The World Day for Animals is an international day of celebration and commemoration that has been sponsored for over 15 years by the World Federation for the Protection of Animals, which has over 300 member groups in 55 nations.

Originally known as the International Be Kind to Animals Day, the World Day for Animals has traditionally been celebrated on or around October 4 in order to coincide with the Christian feast of Saint Francis of Assisi, who is legendary for his kindness to and rapport with animals.

Despite its Christian origin, the day is now celebrated by countries whose national religions include Buddhism, Hinduism and Islam.

The purpose of the day is to encourage citizens in every nation to stop and reflect on the importance of animals in their lives, as well as to foster a greater respect for and appreciation of these creatures.

To achieve this purpose, the World Federation, through its member groups in each nation, distributes information outlining animal-related programs that can be sponsored by clubs, schools, societies and churches. Various churches in the Washington, D.C., metropolitan area, for example, held special services this past weekend during which pets and other animals were blessed.

The special emphasis of the 1975 celebration was the plight of fur-bearing animals which are exploited for their skins. This theme pointed up the direction of the World Federation's activities for the next "animal year." During that time it will concentrate its efforts on ending the abuses of fur bearers.

Mr. President, the World Day for Animals has special significance for the Senate Commerce Committee, which has over the years taken a leading role in the enactment of animal protective legislation. It was through the continued vigilance of the Committee that the Endangered Species Act of 1973 became law.

It is this act, which, perhaps more than any other single piece of legislation, has established the United States as the standard bearer in the international effort to preserve and protect endangered and threatened species of animals.

As chairman of the Commerce Committee, I urge my colleagues to take a few minutes to pause and reflect on the importance of this day, and to consider what we as legislators can do to promote the welfare of animals.

CATHERINE CREEK

Mr. **PACKWOOD**. Mr. President, during the August recess I held an informal meeting in La Grande, Oreg., to bring myself up to date on the local attitudes toward the Catherine Creek Dam project. I have supported building the dam in the past, including a $400,000 appropriation request for fiscal year 1976; $1,388,000 has been spent to date on the project.

The Army Corps of Engineers currently has a moratorium on construction or fiscal outlay of any kind on the project due to a suit filed by the Confederated Tribes of the Umatilla Indian Reservation to stop construction. The tribes claim that the dam would destroy anadromous fish spawning grounds as well as "usual and accustomed fishing locations." This suit is expected to be resolved late this year or early next.

I view my August meeting as an extremely important public opinion forum on the Catherine Creek project and want to preserve the testimony given for the Oregon congressional delegation and other interested parties by inserting the same into the CONGRESSIONAL RECORD. I offer this material in gratitude to the many who took time to make their views known and ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BY STATE REPRESENTATIVE ED PATTERSON, OREGON LEGISLATIVE DISTRICT 58

Thank you Senator Packwood for allowing me the opportunity to present my views on the proposed Catherine Creek Dam. On behalf of all the citizens of Union County let me first welcome you to the area, and express our collective thanks for you taking time from your busy schedule to listen to the different points of view concerning the construction of a reservoir and dam on Catherine Creek.

I intend to be brief. And judging from the long list of names of persons wishing to present their views there will be no shortage of opinions and facts concerning this long discussed proposal.

I am here representing myself and not any particular group of individual residents of this area. However, in my five years of serving the people of Union County in the State Legislature I have had many opportunities for personal discussions about the Catherine Creek Dam proposal. And because we are both politicians, I believe my impressions may be of some value to you in your deliberations. I will leave comments as to the benefits by the development of the facility such as flood control, water quality control, sports fishing enhancement, additional recreation, irrigation, and additional municipal and industrial water supplies to those who follow me with testimony.

In general I would say that the majority of the people in Union County who are at least conversant with the project believe wholeheartedly that the economic benefits far outweigh any environmental losses that may occur due to construction of the Catherine Creek Dam. I have discussed the project with many people in Union County that consider themselves environmentalists. Not the environmentalists who consider preservation for preservation sake is always good, but those environmentalists that look upon our natural resources as an environmental asset that should be maximized. And those persons who believe that societal progress must be measured and developed by rational thought process and good judgment. I believe that the majority of my constituents, and yours, in Union County consider themselves environmentalists and in fact live in this part of Oregon because of the environment. I believe that the majority of the residents of Union County would favor the construction of Catherine Creek Dam because it would enhance the environment of the area.

One of the opinions that has been expressed to me repeatedly has been a disappointment in getting the Federal Government to move on a project that has been supported by citizens of this area for the past 15 to 20 years. There will be people testifying here today that have presented testimony to congressional committees as far back as 15 years ago. Letters have been written, telegrams sent, telephone calls made, and a great many personal contacts with Oregon's congressional delegation have taken place over the past 20 years about this proposal. If nothing else, I hope the tenaciousness of these long-time supporters of the Catherine Creek Dam will come through to you in this hearing. I hope that through today's hearing we will be able to convince you to come to our aid and bring the power of your office to bear on getting the bureaucracy to take action.

Another opinion that has been expressed to me by supporters of the Catherine Creek Dam, has been the futility felt when the Indians' injunction was filed to stop further progress. It is felt by many that this was not an Indian decision alone, but a decision that was prompted by radical environmentalists groups. We all know that additional delay in final court settlement of this case only works to the advantage of the antidam segment. We have a project here that is environmentally sound and economically feasible. The longer construction is delayed the higher the cost of construction.

The longer we delay construction the more unfavorable the cost benefit ratio. I am confident that those who would prefer to see no progress are dedicated to seeing this proposal tied up in the courts for two or five or ten more years. I cannot believe the handful of Indians who use Catherine Creek as fishing grounds have been motivated to go to the courts for an injunction. An injunction that actually delays the enhancement of sports fishing in the area. I realize that you are not a member of the judicial branch of our federal government. However, if there is anything you can do to expedite final judicial decisions on this matter, it should be done. Then let us get on with the fight to build Catherine Creek Dam or forget about it.

Senator, I would urge that in your deliberations to formulate a position on the Catherine Creek Dam, that you listen to all of the arguments that will be presented to you today. And in your final deliberations please consider that the supporters of the Catherine Creek Dam project have been around for many many years and are volunteers fighting for a worthwhile community project.

A few congressional appropriations to the Corps of Engineers have allowed continuous study of the proposal. At times supporters have been optimistic about the future. And we are still optimistic about the benefits of such a project. These people are worthy of your support, please consider the effort that has gone into this endeavor over the past 15 years. And base your support on the obvious merits of a dam on Catherine Creek.

STATEMENT IN SUPPORT OF CATHERINE CREEK DAM, BY THE UNION COUNTY COURT

The Union County Court wishes to express its concern over the delay on the construction of the Catherine Creek Dam and the resultant increase in cost because of these delays.

The dam was authorized by Congress in 1965 by Public Law 89–298. Since the date of authorization many people of the area have indicated great support for the project. Many citizens and organizations have devoted much time, effort and money toward satisfactory completion of the project. (Recently a group headed by relatively new comers of the area have mounted resistance to the projects.) More than 2,000 people in the area have given written support and have contributed to the Union County Water Development Committee.

Irrigation districts have been formed. The City of Union has filed requests for municipal water supply. The dam was also supported by a comprehensive study made by the Water Planning Committee, Union County Long Range Planning Conference 1968. It also is appropriate to say that former Governors Hatfield and McCall gave high priority to the Catherine Creek Project before Congress. (Former Governor Tom McCall is presently requesting all citizens to join and/or support the Oregon Environmental Council) which is of some significance. The Northwest Steelheaders have given their blessings to the project after much dialogue with the Corps of Engineers and Local Water Development Committee.

Even though none of the present County Court were a part of the County governing body in 1965, the present members feel that none of the factors and reasons for support in the past has changed significantly to reverse their present support.

We thank you for the opportunity to present this statement in favor of the Catherine Creek Dam and request you continue to give the same affirmative support you have given in the past.

Sincerely,

EARL MISENER,
County Judge.
HAROLD SCHWEBKE,
Commissioner.
RALPH ROBINSON,
Commissioner.

CITY OF LA GRANDE,
La Grande, Oreg., August 15, 1975.

Subject: Informational Meeting, Catherine Creek Dam Project, La Grande, Oregon, August 15, 1975.

Hon. ROBERT PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: Seventeen years ago I testified in favor at a hearing in the Large Ballroom of the Sacajawea Hotel conducted by the Corps of Army Engineers concerning the development of the Catherine Creek Dam Project.

The benefits and priorities have not changed through these years, but the need has become more apparent. The passage of National Flood Insurance legislation could adversely affect the development of the City of Union, Oregon. By determining the 100 year flood plain for Union, the future development of Union could be stopped. The flood control factor of the Catherine Creek Dam Project would benefit the City of Union by lowering the flood plain.

Tourism is the third largest industry in the State of Oregon. Through controlled development of the recreation factors offered by the Catherine Creek Dam Project, our tourism and recreation economy will be furthered. This would also ease the pressure on the Eagle Cap Wilderness area. This Project would also afford the residents of this area a water recreational area for boats which we do not presently have in this area.

I am sure that other testimony today will stress the importance and value of other factors for the development of the Catherine Creek Dam Project. In closing my comments, I wish to urge your support in favor of this project.

Sincerely,

ROESCH A. FITZGERALD,
Mayor, City of La Grande.

STATEMENT BY JERRY EYESTONE

The Catherine Creek project will be a multiple-purpose dam and lake located on Catherine Creek, a tributary of the Grande River, eight miles upsteam from the City of Union, Union County, Oregon. Congressional authorization is contained in the Flood Control Act of 1965 (PL 89–298). Multiple use of the project will be flood control, irrigation, public water supply, fishery enhancement, and public recreation.

Authorized multiple purposes of the project will be served by a lake with a maximum storage capacity of 61,000 acre-feet. The maximum surface area of the lake will be approximately 800 acres with a minimum conservation pool area of 250 acres. The dam will be constructed of rock and earthfill and will be 210 feet high with a crest elevation of 3451 and a spillway located in the left abutment. The spillway will be an ungated side channel with a 220-foot-long spillway crest at elevation 3435, with a design capacity of 18,500 cubic feet per second and a frequency of use approximating once in 200 years.

Releases from the lake will be through outlet works consisting of an intake tower on the right bank just upstream of the dam and tunnel through the right abutment. The tunnel will be used for diversion during construction. The release capacity of the outlet works will vary from 800 cubic feet per second at the maximum controlled lake level at elevation 3435 to 200 cubic feet per second at minimum lake level at elevation 3336.

Ninety six square miles of the Catherine Creek drainage basin will drain into the lake formed by the project. The lake will be 2.5 miles long at maximum pool elevation 3435 and 1.3 miles long at minimum elevation 3336. Road relocation is a necessary part of the project since the proposed lake will flood several miles of Oregon State Highway 203 and a short portion of Union County Road 141. The project will require the relocation of 4.4 miles of state highway and 0.6 mile of county road along the right bank of the lake.

The dam will block upstream migration of approximately 750 spring chinook salmon and 200 steelhead. It is estimated that half of the salmon and one-fourth of the steelhead that normally spawn above the damsite spawn in the area to be inundated by the lake. Mitigation facilities will consist of an upstream migrant trapping facility, a fish haul truck, and a fish hatchery located just below the dam. Half of the salmon and all of the steelhead trapped will be hauled to the hatchery for spawning. The remaining half of the chinook salmon will be hauled around the lake and released back into the stream for natural spawning. The downstream migrating chinook smolts will readily migrate through the lake and will be released downstream through provisions in the outlet works. Steelhead smolts do not readily migrate through lakes and therefore all adult steelhead will be spawned in the hatchery. In addition to the mitigation facilities, the project will provide for enhancement of the existing spring chinook salmon run through additional hatchery facilities and lake rearing for 1¼-million spring chinook fingerling.

This proposal for compensation and enhancement of the fishery resources of the area was developed by the Oregon Fish Commission. It is important to note that Catherine Creek is one of the few projects where we have been able to enhance both the resident sports and anadromous fisheries. Development of 480 acres of land on the right bank downstream of the project will replace the loss of winter range for deer and elk which will be flooded by the project.

The total amount of land to be acquired for the project is approximately 3400 acres, from which 1,361 acres will be associated with the lake and a 300-foot land strip surrounding it. Some of this 300-foot strip will be used for public shoreline activities. Of this acreage total, 89 acres are presently national forest land administered by the U.S. Forest Service; 160 acres are involved in the existing Catherine Creek State Park; 1,910 acres are in the University of Oregon Hall Ranch Expericent Station; and about 1,240 acres involve other owners (private and corporate).

Of the land to be acquired, about 1,360 acres will be used for the dam and lake, 60 acres for a borrow source, 20 acres for road relocation, 670 acres for public recreation, 480 acres for big game habitat replacement, and 810 acres are an uneconomical remnant of the Hall Ranch Experiment Station.

As a result of the multiple-purpose objectives, various segments of the public will be served by the project development. People in the City of Union, Oregon, and users of agricultural land downstream will receive the flood protection provided by the project. Irrigation storage will provide water for agricultural use during the dry summer period under a Bureau of Reclamation program. The City of Union will benefit by having avaliable an additional source of municipal and industrial water supply. The lake will also provide an area for quality outdoor recreation with facilities for boating, fishing, picnicking, camping, and potential for future expanded development. Incidental improvements in the resident fishery downstream of the project may occur due to a greater uniformity of flows throughout the year as a result of lake regulation. Enhancement of the anadromous fishery will be accomplished by utilizing Catherine Creek Lake as a rearing area for 1¼-million chinook salmon fingerling which will substantially increase the size of the yearly salmon run that presently exists and will provide substantial economic benefits. The benefits of this fishery plan will accrue to the regional commercial and sports fisheries of Oregon, Washington, and Idaho.

The hydrology studies used as a basis for development of the flood control benefits have received extensive review from our Portland and Washington offices and have been found to be satisfactory. The present studies accurately reflect current watershed management practices. Through recent meetings with the Forest Service we have concluded that any possible future vegetative manipulation for runoff control would not be a substitute for but would complement the proposed impoundment.

Economic Analysis of the project is based upon a 100-year project life. The total annual benefits to the various project purposes are estimated to be $1,393,000. This compared to the estimated total annual cost of $1,178,000 provides a benefit-to-cost ratio of 1.18 to 1.10 using July 1974 price levels.

The discount rate of 3¼ percent used in the computation of benefits and costs for the project is in accordance with the instructions contained in the Water Resources Development Act of 1974, Public Law 93–251. The annual cost includes amortization of the initial construction cost plus estimated annual operation and maintenance expenses. Of the initial estimated construction cost, the Federal portion would be $26,400,000 and the non-Federal part would be $151,000, for a total of $26,551,000. The Federal portion will be reimbursed $4,423,000 from irrigation and $104,000 from municipal and industrial water supply to the City of Union.

The current status is that the detailed planning studies are completed, some final design work has begun, and funds have been appropriated by Congress to begin construction. Of the funds appropriated, $1,389,000 have been expended as of 30 June 1975 for advance engineering and design, explorations, and detailed design studies. The project is included in the fiscal 1976 budget for $200,000 to continue detailed design studies for the dam, outlet works, and fish hatchery.

Prior to start of construction, several local participation contracts must be consummated. The local irrigators will be signing contracts prepared by the Bureau of Reclamation for the storage of irrigation water, the City of Union will be signing a contract for 750 acre-feet of storage for municipal water supply, Union County Court will be signing a contract for participation in the recreation development, and the Oregon Wildlife Commission will sign a contract to participate in stocking the lake with trout. These contracts are all in final stage of preparation and we do not expect any problems in this area.

In late 1972 the Corps of Engineers was first made aware that the Confederated Tribes of the Umatilla Indian Reservation claimed fishing rights on Catherine Creek as a usual and accustomed fishing station reserved to them in common with citizens of the United

States by the Treaty of 1855. Discussion with them over the following two years failed to produce an agreement which would allow the project to proceed. On 19 December 1974 they filed suit in the U.S. District Court to stop construction of the project on the grounds that it would result in an unauthorized taking of rights reserved to them by the Treaty. The suit is still pending and no date has been set for the hearing. The Indians have filed a motion for summary judgment and the Corps of Engineers will respond after the first of September.

In any proposed water resource develeopment there are adverse environmental effects which cannot be avoided. These impacts have been reflected in the final Environmental Impact Statement which was filed with the council on Environmental Quality on 15 January 1975. It is our conclusion that these impacts are not of sufficient magnitude to preclude development of the project.

UNION COUNTY WATER DEVELOPMENT COMMITTEE STATEMENT

SENATOR PACKWOOD: My name is Bill Howell. I am a farmer in the Imbler area. I grew up on a farm adjacent to the Grande Ronde River and still operate the farm. I am chairman of the Union County Water Development Committee. I will represent them in testimony in favor of the Catherine Creek Project.

First, Senator, I want to recognize the support you have given to this project in the past and we sincerely appreciate that support.

I will not attempt to quote a lot of facts and figures since they are a matter of record in the Corps of Engineers Memorandum Design and Environment Statement. However, I do wish to give a brief history of why we have a Catherine Creek Project and to indicate the support that initiated this program and to reaffirm that same support and interest in this project.

After the severe flood of 1948 and in considering the troublesome annual floods, it was felt in the community that something should be done in the way of water resource development and management. With this in mind a public meeting was held in 1958, under the guidance of Ted Sidor, Union County Extension Agent. As a result of that meeting the Union County Water Development Committee was formed. This committee consisted of all factions of the county such as: The Izaak Walton League, Chamber of Commerce, Labor Group, City & County representative, and agriculture groups. Their purpose was to represent county water problems but expressly to explore the possibility of "Multi-Service Dams" on both the Grande Ronde River and Catherine Creek. In 1961 the "Water Committee" requested the Corps of Engineers to do a study of the "Grande Ronde Project." Public meetings indicated overwhelming support. A poll returned 2,500 in favor, with less than 1 percent opposed.

May I emphasize at this point the Corps of Engineers was requested by local people to be involved. They have been most cooperative and have considered local interest throughout the durattion of this project. These are some of the reasons why we have the Catherine Creek Project. To reaffirm the support of the community I would point out that to our knowledge there has never been a retraction of the original statements of support or approval by any group.

In our recent preparation for this hearing it appears there is equal interest today as when the project was initiated.

Why have the dam—the concept is a multi-use project to provide benefits to all the community as well as surrounding areas:

Flood control—extremely important to conserve some of the most fertile and productive land in the valley, keep them in production and provide pollution abatement.

Irrigation—will provide supplement water for an estimated 18,000 acres. Irrigation is a proven thing in this valley; approximately 30,000 to 35,000 acres already being irrigated. It intensifies the land use, more production of crops and gives predictability of those crops.

Recreation—the pool site when full is approximately 800 surface acres and about 2½ miles long. As the report has shown, the fishing possibilities should be enhanced, providing 32,000 angler days. This is 23,500 more than the current usage. In addition the pool will furnish boating and water sports at a convenient distance to the population center in Northeast Oregon.

The closeness to this kind of recreation is certainly an energy saving feature. The Park Program is under contract between the State of Oregon and Union County. It provides minimal but adequate facilities initially with the provisions to expand as demand is justified.

Municipal Water—City of Union will contract municipal water from this project.

Pollution Abatement—It should eliminate the stagnant pools left from spring flooding—also by supplying water to irrigation users—which reach to the north end of the valley—there should always be water in the river bed instead of a dried-up stagnated stream bed.

These then are some of the benefits of the dam and we feel they do benefit *all* the people.

Present economic pressures and emphasis for food production point out the need for more land use and the predictability and dependability of production. This kind of dependable agriculture generates basic dollars providing economic side benefits to the community, as a dollar earned turns over many times before it leaves the community. This committee recognizes recent opposition primarily from environmental groups. We have been aware of this opposition and carefully reviewed their concerns. However, there have been causes for different kind of needs as well: the need for food, conservation of energy and increased economic demands.

In considering both issues it is the opinion of this committee that the advantages of the Catherine Creek Project far outweigh any disadvantages.

Furthermore, we do not consider the environmental problems of significant nature to justify any alteration of this project.

There have been numerous alternatives suggested: Let me comment. One suggestion of further diking and dredging for flood control. This has had a thorough study by the Corps of Engineers many years ago. The plan was refused by the landowners involved. They felt the project was too costly, it wasted our water rather than conserving it so it could be used beneficially.

Also, there is the possibility of lowering our natural water table. It was pointed out that for about the same cost we could build a dam that would provide flood control and at the same time provide for total use of a clean renewable resource.

It is said that wells are the answer for our irrigation demands. The Bureau of Reclamation has identified certain areas in the southern part of the valley that would produce wells. Also drilling on an individual basis has proven water is available in that area at a reasonable depth (200 to 400 ft.). We would encourage this kind of venture, however, that condition does not exist throughout the most of the valley. The few wells we have are at depths of 1,000 to 1,600 feet and there is no guarantee of producing wells at these depths.

These are but two alternatives which we feel are not practical; others have been suggested but they are even more impractical.

In short, Senator, we feel nothing substantially has changed in support of this project since it was authorized in 1965. In fact when you consider the emphasis for food, increased land values, increased values of crops, the need to conserve energy, the increased demand for recreational facilities, plus the growing economic pressures that dictate the need for a productive, stable economy, it is quite reasonable to think that this project is more justified today than it was when it was authorized by Congress 10 years ago. Construction of the Catherine Creek Dam is an investment in the future economic and recreational growth of the community.

Again, Senator, thank you for your past support in this project and may we count on that support being continued.

STATEMENT OF PACIFIC NORTHWEST WATERWAYS ASSOCIATION

My name is H. Calvert Anderson. I am Executive Vice President of the Pacific Northwest Waterways Association. I appear here in representation of that Association.

The Pacific Northwest Waterways Association is a regional organization which for 42 years has been concerned with the wise and planned use, development and conservation of the water and related land resources of Washington, Oregon, Idaho and Montana. PNWA is an entirely membership-supported and membership-controlled organization.

PNWA has supported for several years the investigations and studies related to the construction of the Catherine Creek Dam and Lake. We believe that its apparent multipurpose benefits justify its addition to the region's water resource development program.

We are well aware that the irrigation benefits, accruing from supplemental water supplies in an area now fully appropriated, account for a share of the economic gains used to compute the current 1.18 to 1 benefit-cost ratio. We are also aware that the finalization of these irrigation benefits is in abeyance dependent on the outcome of a pending legal action. No final decision on benefit-cost can be made until the current legal action is settled.

We feel, however, that the flood control, water quality control, use of municipal and industrial water and recreational values do exist and that these justify the continuation of the project. All of these will become moot, however, if the courts rule the project in violation of Indian Treaty Rights.

Upstream storage of water is becoming increasingly important in the Pacific Northwest. Catherine Creek Dam and Lake can be one of these upstream storage facilities. The effect of release of water stored here can be a valuable addition to downstream power plants and other water uses dependent upon the timing of releases to meet needs and situations.

We realize the importance of the benefit-cost ratio in determining the economic feasibility of projects. We, however, have often in the past called to the attention of the Congress and the Administration, the fact that water resource developments are the only recipients of Federal funds, appropriated by the Congress, that are required to file such a benefit-cost justification.

Senator Warren G. Magnuson of Washington, speaking in Lewiston, Idaho on June 20, 1975, emphatically pointed out that many water resource projects when they reach full development return to the local, state and national incomes benefits far in excess of those that could be assessed at the time of the original consideration. This should be kept in mind in considering the long term values of a project such as Catherine Creek.

We, therefore, recommend that the Catherine Creek Dam and Lake Project be advanced as expeditiously as possible by the U.S. Army Corps of Engineers and the U.S. Bureau of Reclamation, pending the outcome of the current legal action. It is in the interest of all concerned—the Indian tribes, the local sponsors, regional planning, Federal Agencies and the Congress, that this legal question be resolved.

INFORMATION SUBMITTED BY NANCY JONES

Eleven years ago my family and I happened onto Catherine Creek, we elected to take a "side road" on our way to the Wallowa

Mountains after spending the night in Baker, Oregon. We appreciated the quality of the area, the cool, rushing stream and quiet atmosphere of the wooded State Park and surrounding countryside. In 1968 we came to make our home in La Grande and soon after I learned of the proposed Catherine Creek Dam. With interest I investigated the purpose of the dam and each year added to my file of fact, opinion and related issues.

I now feel that the project must be re-evaluated by the U.S. Government Accounting Office, in light of substantial new information and law. Alternatives to Flood Control and Irrigation in the Grande Ronde Valley must be re-examined. The Corps has used poor comparison selection in the final EIS for determining their projected recreation benefits, which I will demonstrate.

In early 1975 a group of concerned citizens of Union County organized to research the Benefit to Cost Ratio of the Catherine Creek Dam and Reservoir Project. The final EIS clearly identifies the benefit breakdown on page 1–4, but it takes a good deal of time, energy and patience to seek the COST TO PUBLIC breakdown.

I reject the Corps' projected $128,000.00 annual recreation benefit for the following reasons:

1. The projected usage figure of 160,000 visitor days/yr. was determined by using comparisons with Hillgard and Emigrant State Parks. (EIS pg. 8–66) These two parks are visible from Highway US 80 N, convenient stop off points between Pendleton and La Grande. Catherine Creek State Park is located 22 miles east of US 80 N and on a state (203) road that leads directly to Medical Springs, Oregon and back to Baker. Approximately 50 miles of curvy road from Union, Oregon to Baker which no more than 160 cars travel per day.

2. 57,000 visitor days are projected by the Corps for the fifth year of planned development. I use the attached figures on Phillips Reservoir to demonstrate the decrease in usage by the fifth year. Phillips is 3X the maximum size of the CC proposed reservoir (Phillips 2,450 surface acres, CC 800 surface acres). In 1974 visitor usage in the total area of Phillips reservoir was half (50–60%) what it had been in 1971, the 3rd and peak fishing year for an impoundment. I believe the unattractive aspects of reservoir features; trash fish, stagnant water, algae, siltation, drawdown for irrigation use, are self evident. (Illustration: Corps may of proposed dam, reservoir and recreation area displaying 500 acres of mudflat during peak recreation and irrigation months.)

3. I have not seen any study to support the Corps' assumption that local residents want to trade a low density recreation experience for a high density impoundment experience. With the projected influx of 15,000 overnight campers per year as compared to the 1973–74 overnight usage figure of 2,887 (Oregon State Highway figure) the area would lose a free, uncongested, quiet Oregon State Park, deer and elk would be lost and displaced, wildlife habitat lost.[*]

4. Public interest in having the CC project re-evaluated has been expressed with petition signitures, a newspaper poll, a door to door poll in Union, an informative booth display by the Committee for Catherine Creek at the Union County Fair, Aug. 1 & 2 and bumper sticker display. I include Mrs. Jesse Turnbow's letter with my testimony to illustrate local feeling for Catherine Creek as a free flowing public stream.

5. Attached to this report is a list of the available recreation areas in Union County. There are impoundments available for speed boats, water skiing, swimming and fishing now. Catherine Creek offers diversity as the only State Park in Union County that accommodates overnight and day camper use and retains a natural setting for hiking, stream and fly fishing, innertubing on the riffles and just plain quiet enjoyment.

6. I do not think the effect of home site development, the impact of projected vacation homes was discussed adequately in the final EIS. (one reference, pg. 3–24)

7. To my knowledge the Corps has not projected the recreation enhancement without the dam over the 100 year project life. (In compliance with Senate Document #97) Currently the existing facilities are being improved with flush toilets and 10 new overnight camping spaces.

When the Committee for Catherine Creek met with Colonel Conover and Corps representatives from the Walla Walla District in May, 1975 the Colonel said, "If the project cannot stand scrutiny, then it shouldn't stand." I certainly agree, so let's send the current data in for a G.A.O. study.

Thank you, Senator Packwood, for holding this informational hearing today.

Public Testimony Presented by George Venn

Senator Packwood, the Committee for Catherine Creek was organized six months ago to study the proposed Catherine Creek Project because we believed that it was our duty as citizens to involve ourselves in decisions that permanently affect a stream which belongs to us all. It is accurate to say we have studied this project more as citizens who asked questions than as citizens who opposed or favored it, and it is also accurate to say that most of us would resist the easy and stereotyped label "environmentalist", because it usually is used to dismiss questions and avoid points of view. We have asked questions which we hope will reveal the full consequences of the Catherine Creek Dam. In our testimony today, we hope that you will see some of the important results of our study, a study made completely by volunteers with nothing to gain and a free-flowing stream to lose.

Part of my study of the proposed project has focused on some serious legal questions which we hope you will be able to help us find answers for. Most of these questions are based on a careful reading of the following GAO document:

Improvements Needed in Making Benefit-Cost Analyses for Federal Water Resources Projects, Comptroller General of the United States, September 20, 1974 (B–167941).

The first legal question involves Area Redevelopment Benefits claimed at $114,000 annually for the 100-year life of the project. In September, 1974, the Corps told the GAO investigators that—

"It was Corps policy that area redevelopment benefits should not be used to justify a project which would not be economically feasible." (p. 10)

In our May 2, 1975, meeting with the Corps, this point was confirmed by Mr. Rook, Walla Walla District. Corps officials in the Portland District told us that inclusion of Area Redevelopment Benefits was still only an unofficial policy because it had not yet been approved by the Water Resources Council.

In spite of these disclaimers that Area Redevelopment Benefits should not be part of the actual cost-benefit ratio, the Walla Walla district insists on using them to justify the project. Further, there is no evidence that a study has been done in Union, Baker, or Wallowa Counties which would substantiate that the Corps will, in fact, find the skilled labor it needs for project construction in this area. The Corps Portland District agreed that the percentage of workers that would originate from a local area could not be determined without a study.

Finally, Public Law 89–136 under which Area Redevelopment Benefits are developed and claimed states that projects like this one should assist an area in achieving "lasting improvement and enhance the domestic prosperity." There is no evidence that this project will have that effect here on the labor force employed at the project.

Is the Corps breaking its own regulations? Is the Corps simply guessing at the number of skilled workers in the area? Is the Corps just using the letter of the law and avoiding its spirit? We don't know. More important we don't know if it is legal for the Corps to arbitrarily select which regulations will be applied to the project and which ones will be dropped. Evidently, the Corps will not be evaluating the project on the new Principles and Standards adopted by the WRC in October, 1973. As taxpayers and citizens, we need to be assured that choosing whatever rules suit the situation is, in fact, legal.

Secondly, our study of the project has led us to believe that the Corps has not complied with the requirements of full disclosure of alternatives to the Catherine Creek Dam as required by the National Environmental Policy Act. In *Environmental Impact Statement Guidelines, Region X, EPA*, April, 1973, we find the following:

"The most significant aspect of the *Morton* decision is the court's conclusion that all alternatives reasonably available to the Government as a whole be discussed—even if some of those alternatives are outside the control of the agency preparing the statement."

In our May 2, 1975, meeting with the Corps, Mr. Howard Hogan told us that "We could add the statement (on alternatives), I guess, they've just been left out. I guess you could just add the statements." (p. 38, transcript of May 2, 1975, meeting). This omission creates the misleading impression that damming is the only solution in the Grande Ronde. Our committee research has shown that other, non-structural solutions are also available, but they were not discussed by the Corps for the benefit of citizens or the Congress. Thus, a false set of choices—dam or no dam—is created illegally. Obviously, we need to know our choices. In other statements by our committee, we have listed and requested study of some combination of the following alternatives:

1. Snowpack management.
2. Dikes and levees (for Catherine Creek).
3. Groundwater development.
4. Flood plain insurance.
5. Flood plain zoning.
6. Temporary pumping stations.

We realize that no one of these alternatives, alone, would accomplish the same results that a permanent dam might create, but we insist that even the dam, alone, might not accomplish what is claimed for it. We would seek your assistance, Senator, in encouraging the Corps to fulfill the legal requirement of full disclosure of alternatives evaluated on a comparable basis.

I would like to quote once more from the GAO document:

"Senate Document 97 defines benefits as the increase or gains, net of associated or induced costs, in the value of goods and services which resulted from conditions with the project compared to conditions without the project. Proper application of this criteria would have resulted in a determination of the specific or incremental benefits estimated to be contributed by each project purpose."

This statement applies to most if not all of the benefits claimed for the project because most of them are not calculated on analysis of conditions without the project, especially as those conditions are projected for the next 100 years. The following list describes those areas where with/without analysis and figures has not been made:

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[*] It is interesting to note that federal guidelines for all agencies have been established for the permissable range of values per day for recreational facilities: $.50 to $1.50/day for generalized recreation (swimming, boating, hiking); $1.50 to $6.00/day for specialized, low density recreation (Camping facilities, nature trails)

Quantitative figures but never the less they demonstrate a higher-quality recreation in low density camping. *Engineering A Victory for Our Environment: A Citizen's Guide to the U.S. Army Corps of Engineers*. EPA July 7, 1971.

1. Municipal and industrial water benefits.
2. Recreation benefits.
3. Area redevelopment benefits.
4. Irrigation benefits.
5. Flood control benefits.
6. Angler days and hunter days.
7. Animal unit months.
8. Anadromous fishery and trout fishery benefits.

In almost all of their statements and calculations, the Corps assumes a stagnant and invisible future for all of these areas without the project when, in fact, the area has direct and specific momentum, even without the dam.

I would like to illustrate the importance and need to include this kind of analysis so that we can all see why it was legally required. For example, the benefit of $7,000 annually for Municipal and Industrial Water for Union was not analyzed on a with/without basis. If it were, it would be immediately seen that the water now coming out of the creek for Union is free. If an alternative source suggested by recent engineering studies were developed, municipal wells, water would be provided at much less expense to the city. Recent engineering studies indicate that water from the dam would cost $35 per user per month while water from wells would cost $15 to $20 per user per month. It is also worth adding here that Union will probably be faced with the induced cost of installing an expensive water treatment plant (estimated at $500,000) if it continues to contract for reservoir water while well water can go into the city system untreated. With/without analysis would have shown that the project is costing the citizens of Union thousands of dollars for storage and treatment, and that it is of no real benefit to them.

A second example may be sufficient to illustrate the importance of this with/without process required by law. Irrigation benefits are also not analyzed on a with/without basis projected for the 100 year project life. At the present rate of development, it is not at all unlikely that the majority of farms in the Grande Ronde will drill wells for sprinkler irrigation. This will come partly as a result of the fact that wells are, at this point, cheaper than project water, wells avoid the $4,000,000 drainage cost applied by the Bureau, they have no acreage limitation or federal contract associated with them. There are already 115 irrigation wells irrigating at least 15,000 acres in the valley, and 15 of those wells, probably more, have been drilled in the last two years alone. All evidence indicates that the ground water resource has not been developed here. If the with/without analysis had been done, it would have been obvious to all that most of the irrigation benefits would have occurred without the project. This statement excludes the effects of the following beneficial practices on production:

1. ASCS programs.
2. potential new agricultural techniques.
3. potential new crops.

In summary, with/without analysis has not been made which would show that many of the same benefits claimed for the project irrigation would occur without the project at tremendous saving to the citizens.

It would, of course, be possible to develop this point further, but time requires me to summarize and conclude. It might be worth adding at this point, however, that flood control benefits are the most susceptible to this analysis. The recent high flow of 1032 cfs through Union on May 21, 1975, with no flooding in Union, exemplifies this problem of inadequate analysis.

For these and other reasons you will hear today, we believe that the project should be submitted to the GAO for a full review. As an impartial agency, we would assume that their analysis would show most completely both the answers to these legal questions which directly affect the benefit-cost ratio, as well as answers to questions raised by other members of our Committee.

If I am able, I would be happy to answer any questions you might have! Thank you!

TESTIMONY BY THE OREGON ENVIRONMENTAL COUNCIL

As regional vice-president of the Oregon Environmental Council, I wish to thank you for arranging this important meeting. As you know, the Oregon Environmental Council is a coalition of 80 conservation, sportsmen, planning, health and labor organizations and over 2,500 individual members throughout Oregon. Larry Williams, our Executive Director, has been actively involved in all public participation opportunities that have been available in the planning of this dam.

Members of the Oregon Environmental Council have followed the project over the many controversial years and through the environmental impact statement process. In our opinion, the Final EIS did not comply with the National Environmental Policy Act because of misleading statements, omissions, and inaccuracies. Today, Senator, the Oregon Environmental Council is requesting you to request a complete investigation of the Catherine Creek Dam proposal by the General Accounting Office.

The Army Corps of Engineers did not adequately evaluate the present beautiful Catherine Creek and her environs. In preparing for today's testimony, I concentrated primarily on the fishery resource. Nowhere could I find where the Corps had put a value on the present fishery resource. The proposed Catherine Creek damsite is located within the principal spawning and rearing area for salmon. Presently steelhead trout also spawn in the proposed reservoir area. Nowhere could I find the fact discussed that this section of the free-flowing stream has available gravel to support several times the present spawning population of anadromous fish. That means that if anadromus fish could successfully negotiate the Lower Snake River dams, the free-flowing Catherine Creek could support several times the present population of anadromous fish!

The Corps has projected dollar benefits for a hatchery which is still a phantom! Telephone cals to the Oregon Department of Fish and Wildlife and to the US Fish and Wildlife service just this week revealed that they do not know the plans of the presently proposed hatchery. In spite of the fact that the responsible fishery agencies do not know the details on the hatchery, the attached * newspaper clipping shows that the Corps has tried to open bids on construction of it. The estimated $1 to $5 million construction cost, as well as its projected benefits, must be investigated. The Catherine Creek and Grande Ronde dams have always been criticized by fish and wildlife interests. The law suit and the threat of another law suit by conservationists are the only reasons that the dam, channelization, siltation and increased water pollution from pesticides, herbicides and fertilization are not destroying the fish right now.

The Phantom hatchery and its questionable fish benefits are projected on the theory of raising Chinook salmon and rainbow trout in the proposed Catherine Creek reservoir. Senator, reservoir rearing of Chinook has not been successful. It is a relatively new method of anadromous fish propagation and certainly not proven in eastern Oregon! In fact, it is difficult to just rear trout in eastern Oregon if the reservoir fluctuates over 20%. Regrettably, I could not figure out what the average acre feet fluctuation would be, but it could fluctuate 69% between the maximum and minimum pool! In addition, the Corps has stated that "no release will be made from the lake storage for the purpose of fishery enhancement." Also, the control of trash fish in the reservoir will definitely complicate and maybe destroy the questionable projected benefits; no minimum flows are required by law; their projected stocking rate far exceeds any other reservoir in eastern Oregon; and they are evidently experiencing difficulty in finding a site and providing water for the hatchery. The biggest fish problem cannot be solved unless the Corps concentrates on repairing the damage other dams have already caused. Unless the "Lower Snake River Report for Compensation for Fish and Wildlife Losses" is funded, and the Lower Snake River dams modified to prevent continuing destruction of anadromous fish, there will be *no* chance of dollar benefits from the Catherine Creek fish enhancement by 1980. According to "The Snake River Salmon and Steelhead Crisis", dated February, 1975, (Exhibit C) "the runs of the Snake River will be unable to survive long after 1979 unless corrective action already initiated is carried out without delay." As the attached newspaper clipping (Exhibit B) testifies, two of our leading editors that have supported fish protection are now questioning if the taxpayers should continue pouring money down the dam rathole or not.

The Oregon Environmental Council contends that fish and wildlife resources can not be "mitigated" by the Corps. We all know that the reservoir would destroy essential big game range and fur bearing animals' habitat. Lands are not available that could sustain the wildlife that the project plans to displace. Since nearby areas are already being utilized by other animals, some animals would be forced to move onto private agricultural lands and we are not prepared to say good-bye to these animals.

New facilities such as summer homes and recreational developments on adjacent lands would further displace wildlife. The idea of leaving snags for osprey when the multiple-use of water oriented recreation could harass the bird is pure folly. In addition to the destruction of habitat, the losses from animals trying to cross the ice in winter and from drowning are just too much. More intensive farming could result in many square miles of habitat loss to pheasants. The loss of wildlife is not just a loss of money and hunter days, although this should devaluate the proposed project, it is a loss to the quality of life for mankind.

To summarize, the Oregon Environmental Council believe that the General Accounting Office must thoroughly investigate the benefit-cost ratio claims; today's information on fish and wildlife is only an example of one of the questionable benefits.

EXHIBIT A

[From the Pendleton East Oregonian,
July 11, 1974]

DAM CONTRACTS TO BE LET DURING 1975

Contracts for construction jobs on proposed dams at Willow Creek and Catherine Creek, and at the existing McNary Lock and Dam, will be issued during fiscal year 1975. They are associated with Army Corps of Engineers' Civil Works Projects.

Bids will be opened in April, 1975 for a Willow Creek project costing more than $10 million. The project near Heppner, includes main dam clearing and relocation of water lines and roads.

At Catherine Creek, southeast of Union, a fish hatchery costing an estimated $1 million to $5 million will be constructed. Bids for the job will be opened in July, 1975. Bids for abutment stripping will be opened in April of next year.

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*Exhibit A.

At McNary Dam, spillway flip lips and traveling screens at the powerhouse will be built, each project costing between $1 million and $5 million. Bids for both projects will be opened in July, 1975.

UNION, OREG.,
August 13, 1975.

Hon. BOB PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: Is the Catherine Creek project consistent with existing social and economic priorities?

It is my understanding that this hearing has been called because of the social and economic priorities of the project. Some people think that the project is economically and socially bad for the area. For the majority of the people in the Union area, the project will offer many economic and social advantages. Following are some of the advantages offered by the project:

I have separated this presentation into 3 sections.

1. What does it mean to the area? Does it serve a need?

2. What is the competition?

3. What does it mean to the competitive balance between different areas of use?

(1) What does it mean to the area? Does it serve a need?

1. Provides flood control.

The Union area has mid-winter flooding every few years due to the ice jams. Every so often the Union area has flooding from the spring run off.

2. Provides municipal water.

The town of Union hasn't been able to find a good supply of quality water from underground sources and, therefore, has to rely on Catherine Creek. Every year when the flow of Catherine Creek drops, the city of Union does not have a water right old enough to supply it with adequate water for the town's needs.

3. Provides late summer irrigation water for the area.

The area needs late summer irrigation water badly to increase crop production so the farmers can increase their income on the lands they farm. The area also needs late summer water to irrigate the farm land so the fall planted crops will get a good start before the winter winds start. In some dry years many of the farms have eroded badly because the fall crops did not get a good start before the winter winds started.

(2) What is the competition?

Other areas using the water that originates in our area.

California has been trying to get Columbia River water for years. If we do not use our surface water we will lose it. More surface irrigation will recharge the underground water for those farmers using wells. Some of the irrigation wells have been dropping through consistent use.

Recreation—Most of the residents have to go out of the county for fishing and boating. The reservoir behind the dam will provide excellent boating and fishing in a beautiful mountain setting. In a time of energy conservation our own citizens will be able to find more outdoor recreation closer to home. The majority of the drainage area for the Catherine Creek drainage is above 500 feet elevation. Because of this high elevation Catherine Creek flows at a high rate until late July or early August. The reservoir won't start its draw down till this time and, therefore, will be at a high level for most of the summer recreational season.

(3) What does it mean to the competitive balance between different areas of use?

1. It will provide flood control plus storing water for irrigation and recreation.

2. It will provide a reliable source of municipal water for the town of Union at an expense that is known instead of an unknown expense from an unknown source.

3. It will provide water for greater crop production that will in turn provide greater services purchased locally. It will also provide greater employment. As the land becomes more productive more labor will be required to take care of the added production.

Sincerely,

A. W. PETERS.

TESTIMONY FOR FRIENDS OF THE EARTH

(By Deanna Crispin)

I am pleased to present testimony here today on behalf of Friends of the Earth, an organization with over 27,000 members in all 50 States. As our name implies, we are vitally interested in seeing that our earth and all its natural support systems, get a fair shake in men's plans.

In the case at hand, we feel that the Corps of Engineers, in their Environmental Statement on Catherine Creek Dam, has sinned by omission many times in the information and analyses presented. The Corps wishes to justify the construction of a man-made structure, which would benefit a relative handful of farmers, at the cost of permanently altering a free-flowing stream and its dependent ecosystems.

In general, the Corps has assigned no monetary value to many of the amenities a dam would of necessity destroy, and greatly overestimates the volume of water which would be controlled. Furthermore, the Corps does not include project-induced costs in its benefit-cost calculations.

For these reasons, we request that the entire Catherine Creek project be subjected to a General Accounting Office study.

As an example of an important area completely ignored in the Corps' Statement, I would like to discuss the case of Ladd Marsh.

The 2,419-acre Ladd Marsh Game Management area is located four miles south of La Grande, astride Interstate 80N. The Oregon Wildlife Commission recognized Ladd Marsh's unique characteristics by acquiring it in 1949. Three hundred acres of this area are further designated as a wildlife refuge. These 300 acres, covered with water to a depth of two to three feet, are the last tule (a short of bulrush) marsh left in Oregon. Originally, thousands of acres in eastern Oregon were covered with tule marshes, but they have been drained to create farmland.

The Wildlife Commission has managed Ladd Marsh refuge as a wildlife sanctuary. Ducks, geese and shorebirds use the refuge, as well as raptores such as the golden eagle and peregrine falcons, an endangered species. Some animals found there are mule deer, mink, muskrat and raccoon.

The Oregon Natural Area Preserves Advisory Committee has selected Ladd Marsh as a proposed Oregon Natural Area Preserve because of its unique features. Ladd Marsh represents the only opportunity for the tule marsh ecosystem to be represented in the Oregon System of Natural Area Preserves.

Ladd Marsh is located as close as one mile to farmland which would participate in using stored irrigation water from the Catherine Creek Dam. In the Bureau of Reclamation's document, "Drainage Appendix, Grande Ronde Project, Oregon," of May, 1972, is found the only specific mention that the Catherine Creek project might have some effect on Ladd Marsh (p. 31).

At that time, the Bureau of Reclamation was proposing dual pumping wells (for irrigation and drainage). The Bureau had obviously thought there might be a problem with water recharge of Ladd Marsh due to the pumping. However, before any definite statement on the water-table lowering effects to the Marsh, the Bureau stated that "Additional data and further study in the problems of well spacing will be required for definite plan report preparation." This additional data and study have never been forthcoming.

However, a more recent development in the drainage plans from the Bureau of Reclamation may be even more threatening to the continued existence of Ladd Marsh.

We understand that the Bureau is now encouraging participating farmers to build drainage sumps on their land. In return, the farmers would be allowed to deduct the cost of the sumps from the cost of their irrigation contract water. This could well accelerate drainage of the Grande Ronde Valley.

To date there have been no studies, either by the Corps of Engineers or by the Bureau of Reclamation, to guarantee that their drainage proposals would have no effect on Ladd Marsh. Requests for information to the Bureau of Reclamation regarding their sump proposals have gone unanswered.

In view of the unique characteristics of Ladd Marsh as a natural area, we feel that this is a serious omission in the Corps' Statement. We understand that the Oregon Wildlife Commission and the Fish and Wildlife Service share a similar interest and concern.

Furthermore, the whole question of drainage of the area in order to make full irrigation feasible, is another instance of the Corps' not including induced costs in their benefit-cost ratio calculations.

The Corps and the Bureau of Reclamation acknowledge that achieving proper drainage is a problem in this area, even at present; and a full irrigation supply would tend to worsen the drainage conditions throughout the project area, as well as raising the ground water level. In fact, the Corps assumes that "drainage required to sustain adequate levels of crop production will be provided by the irrigators" (p. 3–32) as a prerequisite to their being served Catherine Creek reservoir water.

Increased irrigation water could actually decrease crop yields if sufficient drainage is not provided. So, before counting an annual irrigation benefit of $200,000 for the dam—one must somewhere subtract the estimated $4 million the Bureau of Reclamation says it would take to provide adequate drainage. Or get someone else to pay for it.

The Corps plans no construction of any irrigation or drainage works. This construction would be the responsibility of the irrigation districts; and any improvements in "existing water distribution facilities would be the responsibility of the landowners." (p. 3–37)

Could it be that in trying to pass on the costs of drainage to the farmers (in the construction of sumps), the advocates of the dam are employing an evasive tactic to improve their benefit-cost ratio?

This is one more reason why we feel that the entire Catherine Creek project should be scrutinized by the G.A.O.—which we urge that you, Senator Packwood, will request.

Thank you.

TESTIMONY BY GEORGE MEAD

What you will hear, and have already heard, during this hearing will be a series of arguments, pro and con, droning on during the day about whether a rather insignificant dam should be built on a rather insignificant stream in Northeastern Oregon, often treated as a rather insignificant part of the State of Oregon by the more heavily populated portions of Oregon. The proponents will argue that the dam will reduce the hazards of flooding, which will reduce the loss in property damage, measured in dollars, in the future; that the dam will produce additional water for irrigation, which will produce added income, measured in dollars, for a small number of farmers, in the future; that the dam will produce recreation, which will produce added income, measured in dollars, for the few merchants catering to that type of business, in the future. So the arguments will ebb and flow around the familiar litany of the dam builders—"Flood Control, Irrigation, Recreation"—all benefits in the future. A future which must be better than the present, else why would we want to build the dam? But in all who speaks for the past? I do. I speak for the past.

The Corps of Engineers has suggested in public meetings that the only reason that they hear from archaeologists at meetings such as this is because there is money to be had to perform archaeological work on these projects. That is certainly true. But I do not speak for the dam, but against it. Archaeologists turn up at meetings of this nature for the same reason that policemen turn up when vandals are in a public library tearing pages out of library books, to stop vandalism, not to just make a living.

The past of Eastern Oregon is almost totally unknown. We barely know anything about pioneer history in this part of the state, and it goes back just over a hundred years. We know even less about the aboriginal history of this portion of the state, and it stretches back 10,000–12,000 years.

The Corps of Engineers proposes to build a dam and reservoir on Catherine Creek. When they are finished the water backed up behind this dam will flood a considerable amount of land. On this land there are at least ten archaeological sites. I have written and sent through the normal channels a grant request to run an archaeological project for two summers in order to save one of those pages of the history of Northeastern Oregon that vandals are trying to destroy. It is a page of history that is of interest not only to archaeologists, but to descendants of the first inhabitants of this land, descendants who are also worried about losing part of their history and who are also opposed to the building of this dam and reservoir.

The rising and falling of the impounded waters as they are used for irrigation will destroy all archaelogical sites within the reservoir, much more thoroughly than any other single imaginable agent, including the ever present relic collectors. I have no confidence that if the dam is authorized and the required lands acquired for the project, that the Corps of Engineers will give me, or any other archaeologists, sufficient time to do an adequate job in saving a non-renewable resource. Archaeological sites are non-renewable, each is irreplaceable, each is unique, each is priceless. In the United States we are losing 10% of all archaeological sites a year, the bulk of which are being destroyed by various types of construction projects such as this dam.

In Northeastern Oregon there has been done effectively, no work of any significance dealing with that 10,000–12,000 year period of time that I mentioned earlier. By the end of next summer, a graduate student from Washington State University, with whom I am working, will produce the first professional statement of any type dealing with this distant human past in this region. From preliminary work done to date, the sites in Catherine Creek Reservoir are too important, not measured in terms of dollars to be gained in the future, but in terms of knowledge to be gained about the past; knowledge that once destroyed cannot ever again be acquired.

I have appendaged to a copy of this little talk a copy of the grant request that I wrote which goes into a little more detail as to why the dam and reservoir will destroy the archaeological remains, a grant request that appears to now be falling through the limbo of a newly created governmental bureaucracy called the Interagency Archaeological Services Office located in San Francisco, California. I have also attached a copy of my vita so you can answer the question: "who is this guy Mead that speaks about archaeology?" Thank you.

UNION, OREG.,
August 15, 1975.

Senator PACKWOOD: I am William Cooper, Union, Oregon, a landowner in the Catherine Creek Irrigation District. I am for the dam.

I have been hoping, fighting and working to get the Catherine Creek Dam all of my adult life. There are many neighbors and friends who were doing the same thing for mnay years both before and since I began. Those of us working for the project now hope we live long enough to see the completion of this project.

In 1948 I was chairman of the committee to consider a series of channels to be built by the Army Engineers to waste the water out of the valley during the spring season. We considered the proposal for a number of years and decided then neither we nor the federal government could afford such a wasteful project for reasons too numerous to mention. We do not regret this decision now and are asking you, Senator Packwood, to expedite the Catherine Creek Dam project in every way possible.

In the interest of time let me say I endorse the stand of the Catherine Creek Irrigation District. As a citizen of Union County and a farmer in this area I also believe the following arguments are pertinent to this issue:

As a landowner and a farmer I know there is a difference between spending and investment. It is time for the Federal Government to invest in the future of this community and I can think of no better way than to invest in a dam to save the water which is now being wasted. Unemployment is high in this area. Jobs would result from this project. This is better than spending for welfare.

In the past we have produced mostly crops which were in surplus. An investment in this project would give the farmers of the area a chance to grow a greater variety of crops. This is better than federal subsidies.

An investment in this project would give a full season water supply. I believe if the area were completely irrigated both killing frosts in the spring and fall and the hot weather in the summer would be modified and the growing season prolonged. This would give us a wider choice of crops and a better yield of all crops. Certainly this is better than food stamps.

This is a free project from the Federal Government's standpoint. The Federal is only temporarily loaning the money and for a short time.

There are many ways the Federal Government will get its money back, and many times over, during the life of this project but I will only point out a few.

Inheritance taxes, for instance. The increase in land value of farms will produce three times the estate taxes to the Federal Government. If 18,000 acres, now valued at $500.00 per acre increases to $1,000.00 we are talking about an increase of 9 million dollars. As you know the rate of estate taxes more than triples when the value of the estate doubles. This does not take into consideration the extra value in the estate because of irrigation and equipment and machinery which increases the tax take even more . . . perhaps even quadruples.

How about the extra income tax collected annually and the transportation tax collected from railroads, truck lines and air lines? Certainly we could go on all day enumerating extra taxes to be collected as a result of the Federal investment in this project but in the interest of time and because this is harvest season and many of us should be in the fields I will be more brief than this occasion should warrant.

The Catherine Creek Dam project could be an outstanding example of federal investment in the country's future rather than spending us into a socialized bankrupt society.

We thank you . . . and let's go.

TESTIMONY BY ROYAL WILDE, FARMER, PRESIDENT OF CATHERINE CREEK IRRIGATION DISTRICT

I have spent all my life near or on Catherine Creek, as a boy on my father's farm and as a farmer for myself. We have always had problems with flooding, as long as I can remember. We would try to clean the creek channel, dike the best we could with the equipment we had.

After farming for myself I continued this same practice and adding a little more as I could. The task was getting too great for one farmer to handle so when the Soil Conservation District was formed several of us farmers pooled together to have dikes made on each side of the creek. This was not successful for all farmers couldn't participate for one reason or another. We consulted the Corps of Army Engineers for advice and possible help. This was given us. And we found out that our valley was very flat and to handle the spring runoff each year our diking project would be quite an undertaking.

Our valley is approximately 37 miles as the crow flies, but to get Catherine Creek water out of the valley, it winds around the valley traveling some 55 miles. So there is 110 miles of dikes to build and maintain. Which in itself is a costly task.

We then decided that all we were doing was building a freeway to ship our most valuable resource out of the valley, and still leaving us without any water for later use. This is when we decided to go to some form of storing this water for use later in the summer months. Out of this we have the present Catherine Creek Dam project, which is a multipurpose storage project.

On Dec. 2, 1964, a petition was signed by some 56 farmers totaling 18,000 acres for supplementary water from this dam. Catherine Creek Irrigation District was formed for the purpose of bargaining with the Bureau of Reclamation for this water. Negotiations are underway at this time for a contract for this water. Also other districts are formed and are interested in this water.

Due to pressures on the agriculture industry at this time our taxes, operating costs, and etc., we can no longer farm as we used to several years ago. We used to say well, we'll summer fallow this field and plant in the fall. We have to have all land into production to make it pay. We need year around use of water to be able to carry this out.

This year (1975) we had above normal snow pack in the mountains, and weather conditions good for spring runoff, yet many acres were flooded, great damage done. Yet on the 29th day of July water was so low, at my ranch a dam was put across Catherine Creek to raise water to level for our irrigation pumps. In August water will be so low no water available only to few priority rights. All practical purposes dry.

We hear much said about so few benefiting from this project but nothing ever said about the portion allotted to M&I and irrigation must be paid back in full through cost of the water used.

TESTIMONY BY ROBERT EVENSON, DISTRICT MANAGER, GENERAL TELEPHONE CO. OF THE N.W.

I support the construction of the Catherine Creek Dam. The economic growth and well being of Union County is dependent upon an infusion of new capital into our economy.

This project will provide a great initial impact on the local economy through construction payroll as well as materials and supplies purchased locally. With the current high employment rate in Union County, this project is a necessity.

The benefits to be gained from placing additional farmland under irrigation can add a great deal to Union County productivity in the field of agriculture.

Projects of this type will be necessary whenever possible if we are to continue in providing food in this country and to the rest of the world.

The flood control capability of this project will result in saving of farmland from erosion and reduce the amount of silt and debris entering the river systems. This will have a positive effect on the fisheries of this river system as well as saving many acres of farmland.

This project is not designed for the generation of electricity. However, the storage and timely release of water will add to the hydro-electric capabilities of the power generating dams in the Columbia River system.

The use of stored water to supplement the water supply for the city of Union will eliminate water shortages and assure a supply of water for future residential and industrial development.

The recreational possibilities of this project are a bonus to Union County both in attracting recreational dollars and in providing recreational facilities for local residents. Residents of this county must now travel 75 to 100 miles to enjoy boating activities.

In summary I say that the many positive aspects of this project make it one that will have a good affect on Union County in many ways now and in the foreseeable future.

I urge that you, Senator Packwood, provide your support to remove the legal obstacles to allow this project to get underway.

Thank you.

Statement of Ernest J. Kirsch, Union County Extension Agent Oregon State University Extension Service

I am Ernest J. Kirsch, Union County Extension Agent, representing Oregon State University Extension Service. I am a graduate of Oregon State University in Agricultural Engineering, have a Masters Degree from Purdue University in Agricultural Economics and have done post graduate work at Iowa State Universtiy and Colorado State University.

I have served as Union County Extension Agent and Staff Chairman for the past 10 years.

The Oregon State University Extension Service has been active in working with the people of Union County in resource development for 60 years. The Extension Service is a unique cooperative program involving Federal, State and County governments. Funds for our program are dependent upon support of the U.S. Department of Agriculture, Oregon State Legislature through Oregon State University and the Union County Court.

We work with an Extension Advisory Council and numerous committees and organizations in the county. The Union County Extension Advisory Council involves 15 businessmen, farmers and homemakers. That group has unanimously supported the Catherine Creek Project and has requested that the Union County Extension Staff assist in any way possible to encourage early construction of the Catherine Creek Project.

My predecessor, Mr. Ted Sidor, who is now Assistant Director of the Oregon State University Extension Service at Corvallis, worked extremely hard on this project. He was sent by the citizens of Union County to Washington, D.C., in 1965, to testify before Congressional Committees to support authorization of the Grande Ronde and Catherine Creek Dams. In 1966, he was again sent to Washington, to support a funding request for preconstruction planning of these projects.

Others on your program will present the facts regarding the Catherine Creek Project. The economic and social benefits are well documented. I wish to briefly discuss a few of these I think are particularly important.

Soil and Water conservation has been a major activity of Extension educational programs throughout the United States. This project will conserve water and reduce the waste of this important natural resource. It will also have a major impact on soil erosion by providing moisture for establishing needed winter ground cover.

The Bureau of Reclamation estimates the gross production will increase on the order of $775,000. Dr. Fred Obermiller, Oregon State University, is now conducting a new study of agricultural benefits and he has advised that increased agricultural production could be as much as $1,726,000. I would like to point out that these figures are for direct production benefits. The community generally benefits over 2 to 2½ times from every one dollar generated. Using the conservative figure of 2 times, the irrigation phase of the project will provide additional push of $1½ million to $3½ million annually to our economy.

The same criteria could be used for the 30,000 acres that will receive some protection from floods. The increased production as a result of this protection will generate secondary benefits that are not computed in the benefit to cost ratios.

I want to add that farmers will not get the full benefit of any of these. There will be increased costs of fertilizer, irrigation expenses, harvest, etc., to produce the additional bushels of grain, tons of alfalfa and pounds of beef.

I would like to recount some of the Extension activities in connection with this project.

The Union County Extension Advisory Council and the Extension Service sponsored long range planning conferences in 1924, 1936, 1946, 1958 and 1968. I have copies of the 1958 and 1968 reports which I would like to have you enter into the record.

In each case the Extension agents sat down with an advisory committee to identify as many as 200 individuals to serve on subcommittees to develop long range plans, 10 years or more, for the county. In 1958, the report states, "The shortage of late season water for irrigation limits crop and livestock enterprises. Upstream storage would remedy this." The report further states, "We recommend the irrigation be expanded in the county from either upstream storage or underground water, which ever is cheaper, and that a complete ground water study be made by the U.S. Geological Survey." They also stated, "Upstream storage on Catherine Creek and Grande Ronde River would be prohibitive if financed by irrigation alone," and they recommended "that the major portion of the cost of the storage be charged to industry, flood control and recreation." It was at that time that a multi-purpose project was considered.

As a result of the 1958 report Mr. Ted Sidor who was then County Extension Agent in Union County worked with an interested group to organize the Union County Water Development Committee. That committee identified Catherine Creek Dam as a major project to support in the Grande Ronde Valley. They did this only after careful study.

Working with the County Court they employed Oregon State University to conduct a research study on the economic benefits of irrigation. They asked the Corps of Engineers to further study flood control benefits. The County also joined with Wallowa and Baker counties and employed Larry Smith and Associates to conduct an economic study of the region. The committee also arranged for Mr. Hampton of the U.S. Geological Survey to make a complete study of the ground water resources.

Others, today, will detail the activities of this committee which included sending delegates to Washington to testify at hearings and working with state officials, Corps of Engineers, Bureau of Reclamation and many other agencies to assure that the project would meet the needs of the people of Union County. It was a direct result of their efforts that the Catherine Creek Dam was authorized in 1965.

In 1968, we held another Long Range Planning Conference in Union County. The publication which I am submitting in the record is entitled, "A Blueprint for Progress." It was published following more than 100 meetings of 34 planning committees involving 200 Union County citizens. Senator, I would like to report that at that time not one person raised objections to the Catherine Creek Dam.

I would like to read six of the recommendations of the Water Development Committee which was then adopted by a countywide conference involving several hundred people February 28 and 29, 1968, in La Grande.

1. "The development of our water resources, making optimum use of these resources should be completed as rapidly as possible.

2. "The county should expand its support wherever necessary to bring about the early utilization of water.

3. "Full irrigation at a cost based on present crops of wheat, peas, grass seed, pasture and alfalfa should be developed.

4. "Early construction of Catherine Creek and Grande Ronde dams is needed to develop fully the agricultural potential of the Grande Ronde Valley.

5. "These multipurpose dams will also provide needed flood control, recreation, industrial and municipal benefits to the valley.

6. "Water resource committees, chambers of commerce, farm organizations and other interested groups should work together to promote the investigation, planning and construction of all economical feasible water development projects."

Senator, I believe the development of the Catherine Creek Dam Project is an excellent example of how all segments of citizenry can get together on a Federal project. It has involved people in industry, labor, agriculture, business, sportsmen, and recreationists, working with their county, city, state and federal officials.

As the Union County Extension Agent representing Oregon State University in La Grande, I want to congratulate the people of Union County for their continued leadership in planning full development of the resources of the area to meet the needs of our community and our country. They deserve special recognition for the many hours of voluntary help that they have given to making Union County a better place to live.

I want to thank the Senator for an invitation to appear at this hearing today. I will be most happy to answer any questions you might have about the agriculture in the area.

Testimony by John N. Groupe, Economic Development Specialist With the Oregon Department of Economic Development

The Oregon Department of Economic Development recognizes:

1. That environmental protection and a balanced economy are of great importance to all Oregonians; and that these goals are not, and cannot be permitted to become, mutually exclusive.

2. That a program of balanced economic growth and development is necessary to correct an existing imbalance in the geographic distribution, quality and quantity of economic activity within the state.

3. That the current imbalance in the geography of economic health that exists between the metro and rural areas is demonstrated in the rural and less developed regions of the

state by markedly lower levels of personal income per capita, fewer community services, restricted tax base, narrow economic base, and high outmigration of young people and higher chronic and cyclical unemployment rates.

4. That properly planned and properly distributed economic growth can help maintain and improve the total environment by broadening the tax base so that more and better services can be provided to all citizens.

5. That Oregon cannot offer an attractive future to its own youth unless additional jobs are made available through the expansion of existing industry and the location of new industries. Without these additional industrial payrolls the state may suffer a migration of its youth and continuing decline of many of the smaller communities.

6. That Oregon's clean air, its streams and forests, its varied regions and mountains and its vast natural beauty are in themselves an economic asset and an incentive to industry; and that a sound, balanced economy in a well-protected environment are worthy and compatible goals.

We sincerely believe that the comprehensive planning which has been underway for many years has shown the Catherine Creek Dam Project would be a valuable multi-purpose project for eastern Oregon. The continuing economic growth of this section of rural Oregon is based on sound and comprehensive development of our land and water resources.

Like most of the state of Oregon, we have for many years been dependent on the forest products industry for a large share of our primary jobs. Because of automation and increasing shortages in our available timber stands we face the probability of fewer jobs related to forest products in succeeding years. Fortunately irrigation projects and increased production of food products has enabled us to bring many jobs on the line through food processing.

The citizens of this area deserve the recreational opportunities which would be provided by the project. Many of us have traveled great distances to similar reservoirs which have added so much to the quality of life in other areas of eastern Oregon. With due respect to all social and environmental factors involved we feel the economic stimulus that will be provided by the Catherine Creek Dam Project would have far reaching effects to one of the great scenic areas of the Pacific Northwest.

Our field of economic development is concerned with improving the quality of life through the development of productive employment opportunities. Site selection teams from prospective industries ask many questions about the recreational potential of an area. The promise of a contented and productive labor force is one of our most effective tools in selling rural Oregon to our clients.

Let's get on with the job. The Catherine Creek Dam will make this beautiful area an even greater place to live.

HELLS CANYON
PRESERVATION COUNCIL, INC.,
Clarkston, Wash., August 15, 1975.

To Senator Robert Packwood.

Re Information to support deauthorization of Army Corps' projects.

Senator BOB: May I document my deep appreciation that you are investing some of your vacation-time to this meeting?

Your willingness to grant us this opportunity to provide some facts in support of the prohibition of Catherine Creek project is especially reassuring!

I say this: Because at the end of April, this year, I received an alert from environmental colleagues in Portland asserting that some of your constituents here in LeGrande had just heard a press release from your office, stating that you "supported every dam project in Oregon"!

Your presence here today will help to rebut that concern of mine for your *support* of Catherine Creek Dam!

Because I am a lay citizen, and not an environmental scientist, I wish to submit two courses of evidence for denying the Catherine Creek project:

One: Will be published articles and personal letters which state better than can I—my convictions and facts against the Catherine Creek project.

Two: My other channel of evidence will be my own personal observations and experiences of the Grande Ronde River as a unique recreation and environmental resource.

First, may I submit excerpts from an excellent article published in the Reader's Digest, titled "Crisis on Our Rivers" which "wraps it all up" and lays it on the line about *why* the Corps is raping the remaining natural rivers—and *how* the Corps is hoodwinking the public and persuading the Congress in the Corps' self-serving programs.

May I read a few of these points—they are *my* convictions, couched in the words of longtime documentary writer, James Nathan Miller.

(As I progress through the Reader's Digest article, I will insert letters and opinions referring to the Catherine Creek project, which demonstrate the same truth as exampled in the RD article.) (These are numbered: "Ref. No. 1" . . .:)

REFERENCES

No. 1: Letter by G. Venn: Points No. 13.

No. 2: Leter to A. O. Oard, Supervisor, Wallowa-Whitman National Forest.

No. 3: Letter from K. S. Hauter, WW*N. F. Hydrologist, re: Catherine Creek project alternatives to flood control by vegetation control.

No. 4: "The Rare Rivers Are Disappearing!" editorial in Lewiston Morning Tribune (applicable to dams on Ronde).

No. 5: "Channelize . . .": See Part 1 of OE Council's testimony before House and Senate Appropriations Committees on Public Works, April 29, 1975 (p. 1), "dam will open way for channelizing Grande Ronde . . ."

No. 6: Letter from Gerald Jayne, Idaho Falls, president of Idaho Environmental Council with points to puncture the Corps' rationale for Catherine Creek project.

No. 7: Letter-directive from U.S. Fish & Wildlife Assistant Director (under Nat Reed, soon after his appointment):

Directs reevaluation and review of all authorized but yet-unstarted projects—the Ronde being a good example.

NOTE

This directive was ignored by the N.W. USF & WL regional director, when *he withdrew before its being published* a report by the Service dated March 1973, in which it concludes that the Catherine Creek project can, in no way, mitigate the damage and losses in wildlife and fisheries that the dam and project will effect. (This was in defiance of the *Service's directive to "reevaluate projects."*)

(G. Venn has a copy xeroxed from the Tussing copy—only one available, as copies were called in and denied by NW region F&WLS.)

Reference No. 8: Letter to W. E. Sivley of Corps: claiming the Corps states excessive flood control benefits from the CC project: By G. Venn, Committee for CC, LeGrande

Reference No. 9: Congress is persuaded by Corps to *support* projects.

Phase Two of my Testimony offers some personal observations:

No. 1: Use of the Ronde is priceless—as a family, no-cost, small-raft float stream; this use is increasing every year—and is unique in the area:

Two clippings: Lewiston Morning Tribune:

Reports and photos by A. Tussing, indicative of raft-trips which she helped organize and participate-in, to publicize Ronde as prime recreation stream and outing-opportunity, for families with minimal equipment and in local area.

(Clips No. 1 and No. 2)

Evidence that recreation on such a natural stream is appealing to Congressmen:

No. 3: Letter from Sen. McGovern

No. 4: Spokane Daily Chronicle clip: column stating opposition to Ronde dams: by F. Roskelley

No. 5: Letter from environmental-documentary film maker, stating that Corps allowed little press coverage of CC project—this was also true in Lewiston: (see editor's letter, as No. 6)

NOTE

In this year (1975) run—float trip of Ronde by 45 citizens, in early June, the trip was filmed by KIRO–TV Seattle, and a copy of the film is available from the Washington State Game Dept. L: contact Dick Bolding, I & E. Section, Olympia

No. 6: Personal letter to Tribune, protesting its lack of coverage on the CC project—draws a hot personal denial from editor (otherwise a friend of A. Tussing!). This confirms that the Corps has persuaded Tribune: . . . ". . . the CC project is too far removed from here to be of any consequence to your readers": a similar statement was made to A. Tussing by Col. Richard Connell, then-Dist. Engineer, Walla Walla, at public meeting (about area projects, held late in 1973, in Lewiston).

Fact is: If CC dam is allowed, it will establish the schedule that will lead to subsequent projects, to dam the entire Ronde.

Clip No. 7: Column by F. Peterson in Teamsters publication describing use and appeal of Ronde river and area.

In conclusion: May I state some very blatant truths, the core of the crisis over the entire natural Grande Ronde River canyon:

The power of the rapids, the beauty of the crystal water, the unspoiled condition of the canyon; its wildlife, eagles overhead; a fishery that can be reinstated; the *experience* of retreat for the human, on a sedan-road approach—all spell an irreplaceable treasure in this medium-size "wild" river, the Ronde, one of Oregon and Washington's shared *jewels* of environment.

In 1964, forest officers of natural areas noticed an increasing use of free-flowing streams: floatboating. For instance, on the Salmon River's Middle Fork: in 1964 some 753 floaters were counted.

In 1975 use-rate had soared to 3,028.

Actually, recreationists are just beginning to "discover" the Ronde. Will we allow its destruction before it can come into its own as a recreation treasure?

As Kerry Thornley puts it: "Yesterday ecology was a science, Today it is a social problem. Tomorrow, if we are to keep making the scene, it had better become something like a religion".

And so . . . Senator Bob . . . we ask that you lead the way in the Congress—to serve America *best*, through preservation of her rare natural rivers, prime among which is the Ronde.

(Writ on cranky little portable typewriter, under the trees at Wallowa Park, Aug. 14th) A. Tussing, Member, Outdoor Writers Of America & Northwest Outdoor Writers. Member, Directors: Hells Canyon Preservation Council.

TESTIMONY BY ALICE ROHWEDER

My name is Alice Rohweder. I am a homemaker and a resident of La Grande for the past 6½ years. I do not represent any group.

The questions I will raise deal with the socio-economic impact of the Catherine Creek project. They are the result of my personal experiences and observations in two other communities associated with dam building projects.

In the spring of 1964, I was a high school student teacher in Hardin, Montana. The school was a lovely facility built as a result of the Yellowstone Dam under construction on the Big Horn River. Even at that time class sizes were beginning to dwindle as families involved with the construction moved on to other projects. This was an immense project compared to the Catherine Creek project, but my question is the same. Although there are federal funds available to buffer the initial impact on the school of a community, who is going to pay for maintenance, heating and so forth of an over expanded facility? School districts and cities are having an increasingly difficult time passing budgets in this current inflationary period. Will the residents of Union County be willing to support expanded sewage, water, educational and social services? They will be needed as soon as construction begins.

From 1966 to 1968, I was a member of the OSU Cooperative Extension staff in Sherman County. During this period we were working with citizen committees on a Ten Year Planning Conference. Some of the long term residents of the community expressed the idea that areas of need in health care, drug, alcohol counseling, and other social services were aggravated and needs increased by the population influx resulting from the John Day Dam construction. These were candid opinions. I would be interested to know if any studies have been done on the social impact on a community and the cost as the result of small or even large dam construction projects. Perhaps then we would have a more educated idea of the impact of this aspect of the Catherine Creek project. The families I have known that were associated with construction projects are fine people. Rightfully they expect a place to park their trailer homes and adequate public services.

The final Environmental Statement Catherine Creek Dam and Lake, Catherine Creek, Oregon states paragraph 3–39, "Even though some major impacts of the project will be reflected in the agricultural sector, both the transportation and education sectors will ultimately be affected due to the probability of increased local populations and the increased demand for products and services." These costs are not enumerated. According to news stories and the testimonies here today, there are questions concerning other benefits and costs. Senator Packwood, you have expressed yourself in the *Congressional Record*, Monday, July 21, 1975, as being concerned about the "continued tolerance and cooperation of the middle-income American." I am a middle-income American and I am concerned that the cost-benefit ratio of this be accurate, current, and comprehensive. I want a reasonable answer as to how the need for expanded social and educational services is going to affect the property and income taxes that we pay. Thank you for listening.

UNION SOIL AND WATER
CONSERVATION DISTRICT,
La Grange, Oreg.

I am Jim Scott, Chairman of the Union Soil and Water Conservation District, which consists of the following elected members: Allen Courtright, Elmer Case, Clifford Towle, Bud Jones, Bob Gulzow, Alfred Arnoldus and myself. We endorse the construction of the project as a means of accomplishing the following conservation measures:

SOIL CONSERVATION

Streak bank erosion during flood stage causes extensive sediment pollution downstream, as well as loss of agricultural land areas adjacent to the stream channel.

ENERGY CONSERVATION

Pumping from a well with one hundred foot lift uses approximately double the amount of energy as pumping from a creek.

WATER CONSERVATION

Full season water would make it feasible for irrigators now using flood systems to convert to sprinkler irrigation, thereby, conserving approximately thirty per cent additional water.

WIND EROSION

Full season water will allow plants to obtain good growth before winter, thereby, reducing soil loss from wind erosion.

FLOOD CONTROL

It will eliminate or reduce flooding on approximately 33,000 acres of land.

I appreciate the opportunity given me to appear at the hearing today. This testimony is herewith submitted to be included in the proceedings presented today.

TESTIMONY BY BARBARA BAILEY

One of the crucial factors in the evaluation of Catherine Creek Lake is how long the lake will be able to serve the functions expected of it. The Army Corps of Engineers plans a 100 year lifespan. A potential problem with siltation could shorten this. The Corps expects no problem from this because of their observations at Phillips Lake. The Catherine Creek drainage basin is not comparable however for two reasons: 1) the instability of the mountain slopes at the headwaters of the creek, and 2) the erosion potential of the exposed lake bed itself.

The headwater region of Catherine Creek is the western crest of the Wallowa Mountains. The elevations along the crest are over 8,000 feet with China Cap at 8656 feet. The weathering conditions here are severe and are particularly effective in decomposing the granite of the Wallowas. Deep weathering has weakened the granite so that the slopes on it are now unstable. A recent landslide of significant size occurred in July, 1975 on the Middle Fork of Catherine Creek. Figures 1–4 show the landslide and the local terrain.

The toe of the landslide will be worn away and the material carried downstream. When this happens, the loose material above it will slide down again until all loose material has been removed. Given the gradient of the stream, this material will not be deposited for long periods of time in its streambed. Rather, it will be deposited where stream velocity slows markedly: Catherine Creek Lake. In addition, the surface exposed by the landslide will also erode until it has a good plant cover. Landslides and the processes involved are natural occurrences and cannot be prevented by proper forest management. Other landslides in the area can be expected to occur and again, their material will be deposited in the lake in potentially significant amounts.

The second aspect of sedimentation involves the water regime of the lake itself. The shallow basin (Figure 5) will have broad expanses of raw earth exposed when the lake is not at maximum pool level. For most of the winter, over 300 acres of earth will be exposed (Figure 6). This can be expected to erode and contribute to sedimentation in the lake. In February, the level of the lake will be dropped to prepare for the coming spring snow-melt, exposing another 250 acres. The creek in March will thus travel over 7,700 feet of exposed lakebed encouraging further erosion.

The mudflats can be expected to grow with time. The vertical drop of 50 feet in pool level combined with the emergence of approximately 4800 feet at the upper end of the lake could be unattractive to recreationists. Deposition within the lake could measurably reduce lake capacity if the full erosion potential of loose materials provided both upstream and within the lake is realized. The value of the lake as a recreation resource will be increasingly compromised with time.

TESTIMONY BY LARRY STARR

I am Larry Starr of Summerville, Oregon, President of the Union County Wheat League. I have farmed in Union County continuously for 33 years.

The Oregon Wheat League has promoted conservation by supporting research and by the co-sponsorship of a state conservation winner every year.

For many years the area to be irrigated by the Catherine Creek Dam has had a wind erosion problem. With late water furnished by the dam, these fields could be irrigated and planted to crops early enough to prevent wind erosion. Without late irrigation water, the farmers in this area are unable to plant crops early enough to get a protective cover in many years.

We believe that the additional food production made possible by late irrigation water should be considered in the decision to build this project. Food production and conservation is a national policy in the United States. Many people not connected with farming are unaware of the problems involved in food production. When the meat boycott was taking place a housewife in San Francisco was asked her opinion of the financial return to the farmer. Her answer was that she was not concerned with the farmer's income, that she bought her food at the supermarket. This lack of understanding on the part of many people can lead to political pressures and emotional decisions that are very detrimental to agriculture and agricultural communities.

Very few people with whom we are acquainted lack a reasonable supply of food. We believe that an adequate supply will be benefitted by smaller projects like the Catherine Creek Dam. These plans have to be made in advance of a food shortage and not afterward. One example that we have at the present time is the shortage of sugar. I, as a farmer and also as a consumer, am rather unhappy with the price of sugar.

The expense of plowing, cultivating, seeding and harvesting 40 bushels of wheat is very little less than an 80 bushel crop of wheat. With the present prices of machinery, fertilizer and fuel, irrigation can mean the difference of making a profit or losing money. We believe that common sense, dependable decisions concerning conservation, increased food production and economics, as well as many other factors, such as flood control, should leave no doubt that the Catherine Creek Dam should be constructed.

FOUR A RANCHES,
Cove, Oreg., August 15, 1975.

Hon. ROBERT PACKWOOD,
Post Office Box 3621,
Portland, Oreg.

DEAR SENATOR PACKWOOD: I support the proposed Catherine Creek Dam.

In an era of intensifying World food production capabilities we should readily see the benefits to us all by providing an even dependable year round source of water from Catherine Creek.

One of the basic tools for increasing crop production is irrigation. Research is producing more and more evidence on the importance of timeliness in all phases of farming operations. Nowhere is the more important than in irrigation. If water supplies and delivery systems are adequate there is no problem.

I doubt that there are many areas, nationwide, that the time factor is as critical as it is within the Grande Ronde Valley.

If Fall crops cannot be established and with adequate growth to protect them from the cold and Winter winds, they will not mature properly. The net result will be, and has been, severe blow or wind erosion which carries away the top soil, never to be replaced. The resulting dust storms increase in intensity by picking up more soil particles as it cuts across bare fields. The sky becomes black as other more established crops are cut to the crown by the sand laden wind. The resulting dust storms from time to time have engulfed the entire valley.

This erosion is a needless expensive waste that conserves nothing and destroys all growth that is unprotected.

How to stop it? By providing Fall irrigation water to those farmers along Catherine Creek, will enable them to plant and establish their Fall crops in time with adequate moisture to allow the crops to develop to a size that will serve as a cover to the sandy soil.

Not only will Fall irrigation help in reducing erosion but it will provide an opportunity for agronomic expansion into other and more intensive crop/production by having dependable water year round. Those crops such as potatoes and high cow unit pasture lands that require more water will be feasible. Existing crops of hay, grass, and grains will benefit from early establishment and early recovery from the growing season, in short they will not have to depend on erratic Fall rains to plan their crops.

What we are talking about is making some 18,000 acres more efficient, thus providing us all with more food and fiber.

Senator, this is just part of the total benefit of the Catherine Creek project. There is: Flood control, fish production, recreation, municipal water.

I for one will see no personal benefit from the project, but it is still important to me to see to it that those projects that help agriculture and thus help us all receive support.

Thank You.

Sincerely,

BRUCE B. ANDREWS.

Statement of Carl G. Helm

My name is Carl G. Helm. By way of identification, I am a fifth generation Oregonian, and have considered myself a resident of the area East of the Cascade Mountains all of my life, as did my parents before me. I consider myself to be an environmentalist. I am a 20-year member of the National Wildlife Federation and an associate member of the American Museum of National History. I am one of the founders of the Save the Minam, Inc., the Northeast Oregon organization which was principally responsible for the enlargement of the Eagle Cap Wilderness Area in the Wallowa Mountains, and was an initial member of its Board of Directors.

I also consider myself to be a farmer and rancher, and with my son own and operate a family farm of approximately 2,800 acres located two miles North of Union, Oregon, and comprised of 2,000 acres of pasturelands and 800 acres of tillable land, approximately 600 of which is irrigated from Catherine Creek by water delivered to our property by Swackhammer Ditch Improvements District, a small "irrigation" district of which I am the president.

I am one of the initial members of the Board of Directors of the Union County Water Development Committee, and have twice traveled to Washington, D.C., to testify with regard to the Grande Ronde and Catherine Creek projects. I am a member of the Oregon Water Resources Congress.

By profession, however, I am a lawyer, admitted to the Bar in Oregon and Washington in 1939, and have practiced in La Grande since 1945. I am, of course, a member of the Oregon State Bar, and am a former member of its Board of Governors. I present my testimony today, however, individually, and pretend to speak for no one except myself.

To me the Grande Ronde Valley and the surrounding Blue and Wallowa Mountains comprise the most delightful residential area of any with which I have been privileged to come in contact, and, principally by necessity, I have seen a reasonably substantial portion of the surface of this earth. Weather during two-thirds of the year could hardly be improved on. We are not beset by many of the ills forced on other areas by population pressure, and hopefully will not be. We have a solid economic base in timber and farming. We are, however, annually threatened in the Grande Ronde Valley by spring floods which periodically are disastrous.

In 1965 over 65,000 acres of agricultural land were flooded in the valley, 500 families were evacuated, seven homes and many outbuildings were washed away, five bridges were washed out, and damage was extensive otherwise. Flooding of similar extent has occurred previously on a periodic basis. Obviously control of this size disaster is beyond local means.

The farm economy of the Grande Ronde Valley has historically lacked the benefit of full season water for irrigation. Precipitation in the South end of the valley is insufficient for crops (approximately 14 inches annually at Union), and irrigation is necessary of a substantial part of the tillable land in that area for any crop other than early pasture. Except for wells, which are very recent development in the valley and possible economically for only about 20% of the farm area, full-season water is lacking to any considerable extent, and long season, high profit crops or re-cropping are not possibilities to most local farmers. Our own operation, because of lack of late water in Catherine Creek, has irrigation water available in a usual year until approximately the 10th of August. Other farmers in the area are without water in usual years as early as the 1st of July.

The two dams authorized by Congress (Grande Ronde and Catherine Creek) would have completely controlled the flood problems of the valley and would have made available full-season irrigation to the entire valley. I am certainly not familiar with the complex system of determining the cost-benefit ratio which Congress uses in authorizing and funding projects, but I understand that this ratio was not sufficient to justify funding of the Grande Ronde Dam after it was authorized. The Catherine Creek Dam, which will control most local flooding and will substantially reduce damage in years which would otherwise be disastrous from that standpoint, thus becomes even more important to the area.

In addition, as will be testified by others, I am certain, it will very much improve the farm economy because it will supply full-season water to substantial acreages, principally, I am told, in the South end of the valley where rainfall is least. I would estimate that in our own farming operation late-season water for irrigation, if available, would increase our gross return from crops and cattle by 25 to 35 pecent. Considering the tremendous increase in the cost of farm chemicals, fertilizers and machinery today's farm economy badly needs every advantage possible to increase production and, consequently, gross income.

There seems, to my mind, to be no logical opposition to the construction of the Catherine Creek Dam. I understand that others who also classify themselves as environmentalists contend that the construction of the dam will be disastrous from the standpoint of fish and game, and that the lake behind the dam will not be useful by recreationists. My belief is very much to the contrary. Our ranch, in February and March, supports as many as 250 head of deer. I doubt that this many could be found on the Hall ranch at that time, and I am certain that the few head of elk that may winter there would easily find other forage.

There are thousands of acres of lower pasture than that of the Hall ranch in the immediate area, and it would be no more possible to exclude them from those areas than it is from the Hall ranch presently, if, in fact, they do winter there. Obviously some salmon would be eliminated, but plans are made for increasing the salmon run below the dam, and to my mind dams on the mainstem of the Columbia and Snake have all but eliminated the runs, in any event, and in all probability will eliminate them in the future.

Recreationists use all of the other irrigation impoundments in Eastern Oregon. Thief Valley, Malheur, Phillips, Owyhee—all receive heavy use until late in the summer, and since water will not be drawn to any extent from the Catherine Creek Dam for irrigation until after the 1st of August, because it is designed for supplemental irrigation, it would seem that it should be completely available to the recreationists until at least the 1st of August, and very substantially available on into early fall.

I am certain that there is no program of improvement that can have unanimous approval. The testimony which will be offered today, as I understand, will include some which is adverse to the construction of the dam. It is my opinion as a citizen of this valley, as a farmer, and as an environmentalist, that the advantages of the construction so far outweigh the disadvantages that reason necesarily dictates that the dam be constructed. I firmly believe that this is the opinion of at least 80% of the commnuity in the valley.

Testimony by Mark Freeman

My name is Mark Freeman. I'm a rancher in the Little Park Valley directly above the Catherine Creek dam site. This puts me in a position to be directly affected and very concerned about the proposed dam.

During an approximate period of 49 years, from 1920 to 1969 we have constructed a grand total of 200 dams on the Columbia and Snake river systems. And more are being planned and fought over today. In two hundred years we have managed to alter 90% of all the free flowing rivers in the United States. We have done this in a headlong, never look back fashion and have tended to address ourselves to immediate concerns or needs while ignoring the environmental impact on the landscape and the human consciousness, the alternatives and rational need assessments.

Basically, one generation has made all of these pro-dam judgements. Their decisions have already been made, our landscape has already been altered and we are already prisoners of their consequences be they good or bad. Now that so many judgments have already been made, now that we have altered so many streams, dammed so many rivers why not slow down, wait, stand back and see what the consequences of nitrogen poisoning, turbine mortality, changing weather patterns and the loss of aesthetically pleasing free flowing water systems is going to be.

This year my wife and I were blessed with a son. I can't help but wondering what decisions are going to be left for him. If we dam all the rivers will his only alternative be to blow them up? And what about your children? Will they ever see a real river, a free flowing river? Are we so perfect as to not need to question or ever worry about our judgment? Why not leave some decisions to our children?

UNION COUNTY SEED
GROWERS ASSOCIATION,
Union County, Oreg., August 15, 1975.

The Hon. BOB PACKWOOD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PACKWOOD: My name is Marinus DeLint; at this hearing I am representing the Union County Seed Growers Association as their President.

The Union County Seed Growers Association consist of about 45 family farms which are actively engaged in the production of grass seed and wheat.

With an annual production of up to 10 million pounds, which equals a value of $3,000,000 the local grass seed industry plays a vital part in the economy of Union County and the State of Oregon, with most of this money being spent locally on taxes, supplies and wages.

The Union County Seed Growers Association is supporting and requesting the construction of the Catherine Creek Dam for the following reasons:

FLOOD CONTROL

Many acres of good farm ground lies idle year after year or has a crop failure due to flooding.

During the heavy runoff in the spring these fields will inundate for six or more weeks and thus ruin a crop that was seeded or a field will not be seeded at all since it will be too late to become productive or the ground will be too wet to work up properly for seeding.

We feel thousands of acres of good fertile land could and should be brought into high production of grass seed and or wheat. This would be possible if the high spring runoff of Catherine Creek could be controlled.

During this high runoff extensive damage is also done to river banks, fences and bridges.

We feel that raising the levees and dikes along the river will only compound the problem. This could even endanger life besides being as costly as the construction of the Dam.

IRRIGATION

To be able to grow grass seed successfully you need irrigation. This year is a good example: 1974 had a very dry fall with no rain until late October and then very little. (I believe we had less than one-half inch all fall). The grass fields that did not have supplemental irrigation did not green up and come to life after harvest. Consequently these fields did not produce seed this year.

Total production this year will be down 30–40%. This will have quite an impact on the local economy both with fewer jobs and less money to be spent on equipment and supplies.

One side effect, but none the less, a very important one is the role grass seed plays in our environment. For 10 months out of the year these grass fields are green and producing oxygen so essential for life on earth.

Also grass seed is a tremendous soil builder. A large area of this valley consists of sandy soil which blows very easily in the winter. With grass seed grown here it will cover the ground year round thus eliminating the wasteful and dangerous dust storms we have in this area.

We feel that if some of the water that is now being wasted in the spring was saved until fall for irrigation thousands of acres could and would be brought into production of grass seed. Also the now common practice of wheat summer-fallow rotation would be eliminated, increasing the wheat production in this area 200% plus.

The average yield for wheat on dry land is 35 bushels an acre. This could be increased to 100–120 bushels per acre per year. A 300% increase.

Drilling irrigation wells in this area (as has been suggested by some) is a gamble indeed and then a very costly one. At a cost of $47 a foot and obtaining depths of 1500 feet or more, these wells are prohibitive especially when the outcome is not guaranteed. There are quite a few dry holes in this area.

RECREATION

Summer is a very busy time for farmers and other persons engaged in the agriculture industry. Not many persons during this period have the time to go to Wallowa Lake since it is 160 miles round trip. Besides being very time consuming it is also very costly.

But still these people are no different than anyone else. If Catherine Creek Dam was constructed I am sure many of them could find the time in the early evenings to go there for a few hours with their families to relax, enjoy water skiing, fishing and picnicking.

At this time of year lower Catherine Creek is very low on water with stagnant pools and turbid water. Even the carp cannot thrive under these conditions. Need we mention the infestation of mosquitoes around these pools. With the construction of the Dam, quality control and release control of the water would dramatically improve, especially with the proposed fish hatchery.

Senator, we the Union County Seed Growers feel that the positive points of the project will greatly outweigh the negative ones, if there are any.

After having paid federal and state taxes for many years, we feel we have the right to have some of our dollars returned for a project that will benefit the whole community.

Also we are sad to note that a small group of people that really have no interest in this matter, those that are here today and gone tomorrow, are trying to dictate what our local people who have lived here for years and will live here for years to come can do and try to mislead the public with erroneous information.

We therefore, Senator, urge your continued support in favor of the construction of the Catherine Creek Dam project as authorized by congress in 1965.

Marinus DeLint,
President.

Testimony by Doyle Eisimiger

I am speaking for myself and as President of the Pacific Northwest Chewings and Creeping Red Rescue Association. I am for the construction of Catherine Creek Dam.

I have been a farmer most of my life and have witnessed several times what flood water can do to our soils. This dam would help stop some of our water erosion.

This valley is ideal for being able to take advantage of supplemental irrigation water in that we don't have excessive rainfall. With one supplemental irrigation in the spring and one in the fall most of the valley can be utilized for a crop every year as opposed to the summer fallow every other year method on many dry land farms. This can about double the overall crop yield.

Another very important fact to be considered is that by using stream flow water for irrigation our water table would never lower from irrigation. If anything it would probably raise. I've seen what deep water wells have done to heavily farmed areas in Arizona and California. Some of them have been completely abandoned.

The time has come to consider keeping the fertile farm ground in full production to meet the rising demands for food to feed the United States and the world.

Chamber of Commerce,
La Grande, Oreg., August 15, 1975.

Hon. Bob Packwood,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Packwood: As the representative of the La Grande-Union County Chamber of Commerce, the testimony, which I will present, reflects the views of the majority of the 311 members of the Chamber organization, who favor construction of the Catherine Creek Dam Project. It is important to point out that some Chamber members do not favor the Catherine Creek Dam Project, however, the group constitutes a small minority of the membership. This minority view is represented by their concern that project is not economically feasible nor environmentally desirable.

The majority of the Chamber membership, however, feels that the direct benefits, when coupled with the secondary benefits which will accrue as a result of the project, would outweight the loss of the environment within and surrounding the project site.

Such direct benefits as additional recreational facilities, economic stimulation resulting from construction activities, flood control, improved irrigation, stable municipal water sources, and water quality control are positive, needed improvements for the communities of Union County.

The project would meet the need for a locally accessible, multi-purpose recreational facility, providing boating, fishing, camping, and would enhance our ability to draw and hold a larger segment of the tourist industry.

Our communities need the economic stimulation which would be provided by the construction of the dam. Payroll dollars, purchase of local materials, and the use of our local labor force would be directly beneficial to the economy of our county.

The flood control and protection is a major concern of the community of Union. There are over 200 homes and businesses in the north half of that community which have been directly affected by flooding in previous years. Some 33,000 acres of productive farm land would be saved from potential flooding, and the resulting crop and land destruction.

Irrigation is of major importance to a large segment of our agricultural community and would be instrumental in increasing crop production. Late season irrigation for an additional 18,000 acres would enhance crop production in those lands. The availability of late season water to establish good ground cover would forestall damage to productive lands by wind erosion.

The Catherine Creek Dam would provide a needed, sufficient and reliable community and industrial water source for the city of Union.

By providing water quality control, the project would even out the flow and temperature of Catherine Creek, making it, it would seem, more suitable for fish production; and eliminate dry stream beds, stagnant ponds, and mosquito breeding grounds in the valley, which have been created by flood waters.

The secondary benefits which would accrue to the project are varied. As a result of improved irrigation and increased production, it would seem that there would be an increase in crop value, land value, and tax dollars derived from those lands. The availability of quickly accessible recreational waters should increase frequency of boating and fishing locally, and enhance the recreation-oriented businesses within the surrounding communities. The potential availability of land for recreational home building sites in the vicinity of the project area, and the resulting increased land values, would create additional dollar flow and tax revenues within the county.

It would seem then, that the aforementioned direct and secondary benefits would measurably improve the economic stability and quality of life within the communities of Union County.

Respectfully Submitted,

John U. Moser,
Manager.

Testimony by Gary Webster

My name is Gary Webster. I was born in this county, attended the public school systems of this county, and graduated from EOSC in this county. I am a farmer. I speak in behalf of the Union Co. Farm Bureau, being a member of the board of directors of that organization, and also as chairman of the legislative committee of Farm Bureau.

I wish to take only five minutes of your time today with my presentation.

Senator, I would like to take this opportunity to congratulate you on your reelection bid of last November, and, while not being in the position of Mrs. Jones as chairperson in your behalf, I am a member of the GOP Central Committee, and, as such, felt privileged to have the opportunity of being a part of efforts in your behalf.

The Farm Bureau Federation is the largest of the farm organizations nationwide, in the state of Oregon, and in Union County. For the record, Farm Bureau soundly supports the concept of a dam on Catherine Creek.

We have an energy crunch. Relative to cheapness of power, water saved and regulated downstream during the year in Union County, which later helps manufacture electrical energy, can help offset the petroleum products we don't have.

Water in Catherine Creek will be used eight more times between here and the Pacific Ocean.

There will result greatly increased land use benefit. A dam will broaden the options of raising crops in the area immeasurably.

The opposition speaks of a mud flat much of the time if the dam is constructed. But what is not mentioned is the miles of mud flats that occur in the aftermath of frequent spring floodings.

The quality of the water itself will be upgraded by evening out the flow of the stream and providing temperature control of downstream releases. The average flow of Catherine Creek in May is 15 times greater than in September. Bank erosion and resulting siltation will be immeasurably reduced. Much stagnant water formerly created by flood waters will be eliminated in the Grande Ronde.

Improved recreational potential and sports fishing benefits to a greater number should not even be disputable.

But you have heard all this innumerable times previously today. And you have heard the opposition express its views.

In weighing the testimony, Senator, and in ultimately arriving at an objective decision based on those testifying, I would strongly urge you to take the following into careful consideration. Every single agricultural organization and commodity group in Union County urges that a dam be built, as does the Chamber of Commerce, the Union County Court, the city and civic leaders of La Grande and Union, the Union County Extension Service, and our elected State Representative, Ed Patterson.

The vocal opponents of a dam on Catherine Creek are sincere and dedicated individuals, and I am acquainted with a number of them personally. However, with a single exception or two, not a one of them can claim over a half dozen years' residence in Eastern Oregon or in Union County. They have statistics to lend credence to their remarks in theory, but they, virtually without exception, are not native to this area, and are simply not a part of the physical side of Union County on a long term basis. They stand four-square against a dam basically on environment grounds, but simply do not seem cognizant with the aspects of its frequent flooding, its benefits to the agricultural industry, its recreation potential, its value to the area's overall economy.

Conversely, generally speaking, testimony given by long-term citizens and residents of this area cries out for the advisability of immediate dam construction. Consider the testimony given by Mr. Cooper, Mr. Wylde, Mr. Howell, Mr. Elmer, Mr. Starr, Mr. Helm, and others all virtual lifelong residents of the Valley of the Grande Ronde.

And again, considering the very vocal opposition to the Catherine Creek proposal, virtually without exception from short-term residents, Will Rogers would put it, "there are them that think they know so much, that ain't."

I thank you, Senator, for this opportunity in testifying.

Testimony by Bill Boothman

Whereas: The Union County Livestock Association would like to go on record supporting the construction of the Catherine Creek Dam for flood control, water quality control, irrigation, recreation, industrial and municipal use and fish enhancement.

Whereas: Livestock grazing on Federal lands have and will be reduced there will be a greater need for irrigated pasture. The dam will provide irrigation for late summer and fall pasture and will support the feeder cattle to heavier weights before going into the feed lots to be finished. It will increase the hay production in the Grande Ronde Valley by a larger second and third cutting. Our group can see a possibility of growing corn silage in this area for livestock feed if there is adequate irrigation water.

There has been mention of the taking of the Hall Ranch which is connected with the experiment station. Are these meadows any more valuable than other mountain meadows in Eastern Oregon?

I would like to inject my personal observation as we came into the Grande Ronde Valley for the first time in June of 1948 we drove through a foot of water running across the main street of Union and saw many thousands of acres of good farm land was being flooded at this time. With the tremendous responsibility American farmers are being asked to produce more food each year and good farm lands need flood control and irrigation.

Testimony by Mrs. Joby Patterson

In Hearings Before a Subcommittee of the Committee on Appropriations, U.S. Senate, presented in March of 1974, for Fiscal Year 1975, the United States Army Corps of Engineers presented, among its justifications for the construction of Catherine Creek Dam two particular reasons which at the present time seem to be quite dubious and which warrant re-examination.

First, with regard to flood control for the City of Union and agricultural areas below Union, the Corps says, "The largest flood of record occurred in 1948. This flood inundated 15 city blocks of residential and business property in the city of Union, and much of the surrounding agricultural area. A recurrence of this flood would cause damages estimated at $2,014,500, most of which would be prevented by the project." (Hearings, pp 943–44.) After the 1948 flood, the Corps itself channelized Catherine Creek through Union, and subsequent flooding has been controlled. In fact, on May 21, 1975, the flood level of 1948 (c. 1740 cfs) was reached and controlled by the channelizing system which has been maintained in Union. ("Summary of Known and Projected Effects of the Catherine Creek Dam and Lake Project," prepared by the Union County Alternative Growth Futures Project, and the Oregon State University Extension Service, and dated August 13, 1975, p. 9).

The Corps also says the Catherine Creek Dam would ". . . provide water for irrigating a total of 17,750 acres of land . . ." (Hearings, p. 943.) And in the Statement of Bill Howell (Hearings, p. 6313): "Land owners have expressed extreme interest in the late season irrigation water which will be available for 18,000 acres in the Grande Ronde Valley. For every land owner that has thus far indicated that he might not want the water, there are several waiting in line for a chance to sign up for it." In addition, the report "Summary of Known and Projected Effects," August 13, 1975, p. 7, states:

"A use fee of $6.00/acre-foot on reservoir water has been proposed by the Bureau of Reclamation. This charge represents a $1.50/acre-foot levy for drainage, and a $4.50 charge for consumptive use. Further, a four-year prepayment period is desired for all drainage fees. For the average 713 acre farm, users would thus be charged $4,278/acre-foot of water to be used in the future, prior to the actual delivery of increased water supplies in the field. This feature of the proposed cost structure has been strenuously opposed by area irrigators.

"The average-size farm, using 1.3 acre-feet of reservoir water per year, would incur $4,461 in annual use fees. An additional $5,561 would have already been prepaid to cover drainage fees. At the Corps' estimate of $7,665 in incremental income, almost two years of production would be required to meet new expenses—assuming no water transportation charges, no additional variable production costs, and no opportunity cost on capital used to meet prepayment levies. These results could lead area farmers to seek other sources of water, specifically, new wells, for which an average fixed investment cost of $15,000 requires relatively small variable costs for pumps and energy consumption."

I wonder if farmers are aware of the high costs. Thus to date it does not appear that irrigation should be definitely counted as a benefit resulting from the construction of the dam. In light of these contradictory remarks a concise study of the question yet needs to be made.

Finally, not only does it seem wasteful to spend $27,000,000, tax dollars for what in my opinion are dubious reasons, but the placement of the dam on Catherine Creek will be just one more encroachment on what is otherwise presently land left largely in its natural state and which is now being put to use with minimal encroachment on that natural state. In the most recent issue of Time Magazine (18 Aug. 1975) appeared an article on the quest for tranquil places. A Midwest outdoorsman, when asked if he knew of an unspoiled area for a backpacking trip said, "You're asking that question 100 years too late." The Catherine Creek area remains one of those pastoral, tranquil places. Recreation on the dam, bringing in people, would be a detriment to this. If the dam is built, 40% of the Hall Ranch would be covered, and the whole operation would be disbanded. The use to which the land is currently being put is of more value than it would be covered by water. It is especially valuable for agricultural research since it happens to be a natural converging ground for nine distinct ecological associations out of the ten which are found in the Blue Mountain mixed forest eco-system (Environmental Impact Statement, p. 220).

So not only do some of the purported benefits seem invalid, or at least less beneficial than the Corps claims them to be, but the building of the dam appears to be even a detriment in the sense that the present uses of the Hall Experimental Ranch would be lost. Thus the flood prevention and irrigation benefits claimed by the Corps must be most carefully re-examined. I suspect that the cost of the dam, both in dollars and in loss of a natural setting already being used by means which take in its particular unique properties with minimal incursion on the environment will be excessive.

Statement by Wren Case

Senator Packwood: My name is Wren Case I am a farmer near Alicel, and have lived in this area all my life. I am at present a member and past chairman on the Oregon Wheat Commission. I am also on the board of Western Wheat Associates which is a foreign marketing group in cooperation with the Foreign Agriculture Service in promoting the use of our surplus wheat and wheat products in Southeast Asia with offices in Portland, Oregon; Washington, D.C. and seven southeast Asian countries. It is from this premise I give my testimony in behalf of the Catherine Creek Dam Project.

I traveled through Southeast Asia in November and December of 1974, consulting with government agencies that are involved with food purchasing and distribution on the matter of supplies and uses.

I personally witnessed hundreds of people salvaging food from the garbage trucks as it was being dumped in an open field outside of New Delhi, India. This in my opinion, is what happens in a country that has never taken advantage of their natural resources for food production. The resources they have, could, in my opinion, make them an exporter of food rather than an importer with many starving to death daily. But due to personal beliefs and feelings their resources are not utilized to the extent they could be.

In the present day World situation with food shortages and a population growth of approximately 3% per year, I believe we here in Union Couny, Oregon, would not only be selfish but short sighted in not supporting a project that would increase food supply in this area with a greater variety of local products.

I feel it is small projects like the Catherine Creek Dam that will contribute to the continued supply of agricultural products that were responsible for the $21 billion worth of exports into the world market place that helped offset the balance of trade for the U.S.

I feel the Catherine Creek Project would not only contribute to the national economy but would help the local economy as well in the following ways:

1. Flood control
2. Full season irrigation
3. More agricultural products
4. More employment
5. Late summer down-stream water for electric power
6. Help maintain the family farm
7. Recreation

I would like to conclude my testimony by thanking the Senator and the entire staff for the fine cooperation you have given the agriculture industry as well as the community in the past years, and look forward to working with you in the future.

Thank you for your time.

STATEMENT BY BRIAN BARRY

I'm disturbed by the suggestion that a dam be built on Catherine Creek because I like the creek and the area around it just as it is. I took a friend camping up Catherine Creek this summer. My friend has seen a lot of the world and lives overseas (in Iran), but the way he talked about our trip afterwards made it sound as if it was the best excursion he'd ever been on. He was really sorry to leave Eastern Oregon to go touring some more states and the Carribean Isles. It gave me a good feeling to know that we live in such a beautiful and relatively untouched part of the world. Although my friend and I camped on the upper stretches of Catherine Creek, the feeling we had of being in truly natural setting just could not have been the same after passing miles of flat water backed up behind a mass of concrete.

I've tried to understand the reasons why some people would rather have a dam than leave the creek as it has been, Flood control, irrigation, municipal water supply, fish and wildlife, and recreation are the chief reasons. Of these, I can only believe that irrigation could be a primary reason for spending 27 million dollars. It must be cheaper to have the land in danger of flooding bought by the government and set aside than to build a dam at such expense. Municipal water supply doesn't justify the construction of the dam, due to cost of the dam and the need for a municipal water supply for Union.

To suggest that creating a large, flat expanse of water over a nice valley would improve the fish and wildlife conditions is questionable. How can the conditions be better than they are right now? And if flooding is a concern, then why is it alright to permanently flood country which isn't even susceptible to the natural occurrence of a stream going over its banks? It appears to me that the main reason behind building the dam is to improve irrigation (as we have heard many in favor of the dam testify) and that the other reasons (considered separately or together) are really secondary and couldn't justify the building of a dam.

As far as I can tell, the improvement of irrigation below the dam could benefit only a few. The number of people who use, and who will use, the Catherine Creek area as a recreation area in its present state must be far greater.

Some have mentioned the benefits to recreation the dam would bring, otherwise not possible on a free flowing stream, such as water skiing. Considering the span of time during which the dam is expected to be standing (a hundred years or more), it might be unrealistic to assume that people will still be water skiing that long. The way the present energy situation is developing, it appears that such sports as water skiing may be replaced by less wasteful recreation activities in my generation. Already; the trend is towards non-mechanized sports, in places where it is still possible to enjoy them. I have some friends who water ski, but none of them consider it a favorite sport, but rather just something else to do.

I can't think of one of my friends who would favor damming Catherine Creek just so he or she wouldn't have to drive as far to go water skiing.

One thing which bothers me about the building of a dam is that it covers an area which many people will never get a chance to see. As an example, my brother and I took a jet boat trip down Hells Canyon a couple weeks ago. We went with a group of EOSC students, some who had already made the trip, and others, like my brother and me, who had never seen that part of Hells Canyon. We drove for many monotonous hours along the treeless shores made by Brownlee and Hells Canyon Dams. Suddenly, we passed Hells Canyon Dam and the magnificent gorge of Hells Canyon opened up below. One girl from the college said that if she had known it was like that, she would have opposed the building of dams on the river. When some others told her that there had been a plan to build a dam on the stretch of river we were about to run, and that there had been a real fight to save it, she was surprised that anyone would want to change the area. I'm sure if that girl hadn't made the trip, Hells Canyon would still be a meaningless name in the papers. As we returned from our boat trip, about 30 people passed us, starting on float trip in large rafts and small boats and kayaks. Driving back along the reservoir above, we passed a small manmade park—where two water skiers were being towed behind noisy boats.

Of course, Catherine Creek and Hells Canyon are very different areas, though it would be hard to say which one is more appealing. But I wonder how many people there are like the girl on the boat trip who have never seen the nice valley where the Catherine Creek Dam is supposed to be built, and who would be dismayed to find that the dam had been built there, once they knew what the country around the dam was like. I don't think one can really talk about a backwater from a dam affecting a particular area if a dam is built there. A dam like that would affect the whole nature of this country, a kind of character which I still consider as being unspoiled.

Finally, it bothers me to know that over a million dollars have already been spent on gathering information for a proposed dam in Union County, Oregon. To think how many people that money could have helped if it were used to continue the generous efforts on something like the HOPE ship which helps really needy people around the world.

The next time I go up Catherine Creek, it would be nice to find the same beautiful, free-flowing stream.

STATEMENT BY DAVID WALN

As usual I feel we are emphasizing the wrong issues. We are discussing the fate of a section of stream with proposed uses from agriculture to recreation. Perhaps we feel that if we are convincing enough in our convictions as to what ought to be done with Catherine Creeks waters then any rights the Indians may have will disappear.

Keeping in mind that majority rule never rules minority rights we can hopefully consider more closely the issue of rights. I bring this up realizing full well the heavy burden it places on us as products of a competitive society. All of the natural laws within our present social conglomerate tell us that we are expendable, that any gains we make are necessarily at the expense of someone else. It is truly a "dog eat dog world." And so it is hard for us to consider the welfare and rights of everyone. Even so, our forefathers took the time to define human rights as something that is guaranteed and not subject to rule.

I cannot stress too strongly the importance of rights and a strong Judicial system. Especially when I look around me and see the handful of people that make up the active part of our democracy. Most of us would be time to define human rights as something that is guaranteed and not subject to rule.

I cannot stress too strongly the importance who have made it.

The problem is, that we have made more people in our society feel like worthless, unneeded, unwanted, unappreciated losers than we have made people feel like winners. And it is important to realize that losers are people who feel alienated, probably will never vote, are often desperate, and in more severe instances exhibit anti-social behavior, or commit criminal acts. We on the other hand as successful competitors in our society are the winners; often seeing ourselves as self made, we tend to be paranoid (mostly of conspiracies that might upset things), have ulcers, are overly responsible, and see everyone else as irresponsible thus justifying our own position.

Now us people who are the winners invariably make up a majority of the voters. And when overly responsible people are given the power to make decisions concerning the system that they have done well in, and they are asked to consider the rights of an opposing minority that they regard as irresponsible, it probably won't happen.

All of this I regard as understandable, and just another reason for an ever improving bill of rights and a strong Judicial system. Blame cannot be fixed on anyone. My only point is that if what is understandable is better understood than we are in a much better position to consider the Catherine Creek issue as well as larger related issues. As the diminishing minority in power we all need to decide just how important it is for any person to feel needed, wanted, and appreciated.

My contention is a simple one and can be taken as far as you will take it. It is simply, that if you make everyone feel needed, wanted, and appreciated you have solved every problem from the American Indian to the generation gap, to crime, to welfare parasitism. If you question what I say, try yourself to survive for very long where you are not needed or wanted or appreciated. And then try watching a child blossom and grow where he is.

Many Americans Indian groups once had this attitude towards all living things. Maybe we do need them. Perhaps we will grow to want them around. And it might just happen that we will one day really appreciate them.

If we help revive some of their philosophies I guarantee the next generation of Indians to be more of a happy spot in our experiences than today's sad picture of cultural and physical impoverishment.

In conclusion I would like to state: We can dam Catherine Creek to grow more food. But, if we don't take care of more than just people's physical needs we will have to go on producing more and more food just to take care of the increasing welfare roles. And what's more we will probably end up fighting off the very people we are feeding.

TESTIMONY OF OREGON-COLUMBIA CHAPTER ASSOCIATED GENERAL CONTRACTORS

My name is Jack R. Kalinoski. I am the public affairs manager of the Oregon-Columbia Chapter, Associated General Contractors, headquartered in Portland, Oregon.

The Associated General Contractors of America is, we believe, the leading spokesman for management in the construction industry. The AGC is a national trade association with more than 8000 member contractors in every state. To illustrate the significance of the industry, contract construction amounted to about $135 billion in 1974 throughout the United States. This represents approximately 10% of the nation's gross national product.

Our chapter is comprised of 330 contractors and another 300 firms associated with the construction industry. We estimate that two-thirds of all commercial construction (not including residential construction) put in place in Oregon is accomplished by A. G. C. contractors.

The members of our Association are deeply interested and concerned about the welfare of our nation, our state and the communities within our state. It is for this reason we feel that testimony concerning the Catherine Creek Dam, on behalf of the construction industry, is appropriate at this hearing.

There are several reasons why the Catherine Creek project should be constructed, most, if not all, of which have been identified and discussed by others. For our present purposes a brief outline of these in this testimony will suffice.

It will assure the City of Union of an adequate supply of municipal and industrial water.

It will provide much-needed irrigation water for the farm lands adjacent to Catherine Creek.

It will have a reservoir that will be used by local residents, as well as others, for recreation.

It will prevent flooding of thousands of acres of land when excessively high runoffs occur.

It will improve the quality of the water in Catherine Creek.

It will substantially increase both commercial and sport fishing.

The project has been endorsed by local people as well as municipal, county, state and federal governments and agencies. Among these are:

1. The Union County Water Development Committee
2. Union County
3. City of La Grande
4. City of Union
5. Pacific Northwest Waterways Association.
6. Oregon Water Resources Board
7. Northwest Rivers and Harbors Congress
8. Ex-Governor McCall of Oregon

Statements of "no objection" to the project have been filed by the National Marine Fisheries Service, the U.S. Fish and Wildlife Service and the Oregon Wildlife Commission.

And assuming the Indian Treaty Rights problem can be resolved we understand the U.S. Bureau of Reclamation and the U.S. Bureau of Indian Affairs, both in the Department of Interior, would endorse the project.

From this, it would appear that nearly everyone is of the opinion that the positive environmental impact far outweighs the negative environmental impact that might result because of the project.

In addition to these factors, we feel it important to discuss to some degree the economic impact of this project. We are informed that the construction cost is about $24,000,000 and the project will take 3½ to 4 years to complete once construction has begun.

Before we attempt to estimate the value of the project to the local economy, it might be well to look at the economy of the state and specifically the construction industry in Oregon. Last year the value of commercial construction in Oregon was about $700,000,000. Accounting for cost increases, 55 to 70 million dollars would have to be added to that total this year to remain stable. It is apparent the expenditure of both public and private money for construction during 1975 will be far below that amount.

The most dramatic way of describing this is by comparing 1974 and 1975 employment and unemployment statistics during the peak of the construction season. Unemployment rates in contract construction were 15.6% in June, 1975 and 11.7% in July. Both of these rates are double the 1974 rates for the same months. But even these do not tell the full story. In 1974 about 43,000 Oregonians were employed as building tradesmen while in 1975 only 35,000 are in the job market. This is a decrease of 23% in the number of jobs being provided by Oregon contractors. And it also indicates that wages paid by contractors to their employees will be about $120,000,000 less this year, when compared to 1974. There is little doubt that the construction industry in Oregon is in a depressed condition.

We estimate that construction of the Catherine Creek Dam will result in between 600 and 750 man-years of jobs for construction workers. During each year about 200 people will be working on the site, many of whom will be residents of this general area. Payrolls will be about $3,000,000 each year and, assuming 50% of these payrolls will be expended in the La Grande-Union area, these workers will add about $6,000,000 to the local economy.

Besides this direct labor factor, about 300 other jobs will be provided for those not directly employed on the project. This includes those who will manufacture the products incorporated into the project, those who manufacture, sell and service machinery and equipment utilized, as well as many others, but does not include local employees who will supply the needs of the workers while the project is being constructed.

Obviously, social and economic benefits will accrue to the state and local area surrounding project. These are both short-term and permanent and, when put into perspective, constitute overwhelming reasons for continued allocation of funds by Congress for this project.

When the Congress reconvenes following the August recess we urge Oregon's congressional delegation to strongly recommend that construction funding be authorized and that the Corps of Engineers be directed by the Congress to proceed without further delay.

LEADERSHIP IN A DEMOCRACY

Mr. McGEE. Mr. President, on last May 25, Tufts University honored, with an honorary degree, a close friend of mine who, in his half century of teaching, has won the hearts and minds of hundreds of students and peers. Prof. Ruhl J. Bartlett long ago planted the seed of looking at history, government, and all kinds of domestic and worldly relationships with a disciplined, nonemotional, but inspired eye.

Ruhl Bartlett's scholarly, yet sensible, theories have borne truth and have given impetus to the talents of many men—many leaders. Not the least of those men, United Nations Ambassador Daniel P. Moynihan, a former student of Dr. Bartlett's, at the Tufts commencement last spring where the distinguished historian delivered a moving address entitled "Leadership in a Democracy."

Mr. President, I ask that Ambassador Moynihan's words of introduction plus the text of "Leadership in a Democracy" by Prof. Ruhl Bartlett be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RUHL J. BARTLETT

It would be just thirty years, come July, that I first became a student of Ruhl Bartlett. Some who might be here today could have commenced their apprenticeship almost two decades earlier than that, for he became a Professor of History at Tufts in 1927, and so it is a half century of teaching we honor, and a half century of personal relationships that do not so much go beyond teaching, as take teaching beyond the meanings which constrain it in all but a very few men. These all humane cultures have recognized as very great men. The poet Yeats touched on the essential mystery of that quality—which can invest even the most relentlessly rational vocations—when he said of a contemporary that "He was blessed, and had the power to bless." Ruhl Bartlett has had that special grace; and to have been his student has been to partake of it.

I say to have been: for one did not remain his student always. His friend, yes. His admirer, always. But his student, no. There has been a certain duality in his professional life, part devoted to the training of professional scholarly historians such as himself; part to the preparation of young men and women for lives in diplomacy and commerce, politics and affairs in which a scholarly bent is no necessary disadvantage so long as it can be concealed, (as one might an inoffensive but notably exotic taste in the erotic). One never knew which of these two sorts of people he liked the best. I have sometimes wondered if my own irresolute career might in part be ascribed to a desire to please him both ways out of an uncertainty as to which way would please him most. But whichever way we chose to go, it was his constant and unmistakable intention that the day come when in truth, and in our perception of truth, we would be going *on our own*. He came East from th emountains where this was expected of men and women, and he expected it of us. He took us up to the passes of life and said goodbye there. Early in his own career he had been offered a position that would have led to a life of affairs, in this case in the Department of State, and he had declined, although later he would speak of it in tones which suggested that every so often at that moment of parting with us as individuals he might himself had looked out into the far distance into which we would travel and wondered what might have come about had he himself chosen to go on. But always he went back down for another batch of us, repeating year in and year out for much of half a century, the labor he loved and learned so well.

So well. There is not one of us taught by him who will not testify to this. It was a craftsmanship taken to the extremes of art; such that that intended merely to instruct came in time to inspire. On the morning of the day Dean Gullion called to ask if I would make these few remarks, I had been thinking of something he had said to me about Jews and Arabs somewhere around 1947. For two decades thereafter I had occasion to wonder how it was a man so wise in other things could have been so wrong in that one. Then there commenced a decade, not ended, when I have been required to see that he had not been wrong; he had been right all along. There is nothing the matter with a professor who teaches you things it takes twenty-five years to understand. The Fletcher School had more than one such professor in those days, and I am sure it does still. But all of you will understand if I say that for many of us there was most of all this one man who as we were learning to be citizens of the world took especial pains that we should never forget what it meant to be an American.

LEADERSHIP IN A DEMOCRACY

A long academic career has some limitations but has two particular and greatly satisfying rewards. One is the opportunity to spend one's life in the quiet pursuit of his intellectual interests which should enable him in his closing years to say, as one of my cherished professors said to me, "my realm is far." The other is the joy and satisfaction of association with competent and undaunted young people, in observing their later progress, and indirectly sharing their advancement without, however, the arrogance of assuming credit for their achievements. Ambassador Moynihan's distinguished career illustrates this remark, and the comments he has just made concerning our relationship make it difficult for me to proceed.

I have attended at least sixty academic Commencements and have listened, therefore, to as many erudite Commencement addresses of which I recall only one and of that one only a trivial remark. The speaker warned the senior class that it should not expect him in twenty minutes to provide it with a liberal education their professors had failed to do in four years. This is mentioned to emphasize the fleeting impact of most Commencement speeches and to suggest that you can avoid disappointment by not expecting too much from me. Nevertheless, I will make two brief comments on two great and related subjects.

I recently read a book entitled *The Obvious Truths of History*, and was not greatly impressed partly because it is wise to be wary of alleged obvious truths unless they are similar to the one made famous by President Coolidge that when a great many people are out of work there is unemployment. I believe, however, that my comments will come close to obvious truths, and my excuse for presenting them without apology is my confidence in their importance and the need for their repetition.

As far as I know, universities have always claimed that the principal purposes of higher education are to prepare young people for leadership in society and to extend the frontiers of knowledge. In this general context the central concern of the Fletcher School of Law and Diplomacy is world peace, an objective that has been a major interest of all civilized societies. They have sought peace or more particularly security, in many ways and in none more consistently than in building walls. City states built walls around their cities to prevent invasion and to allow peaceful pursuits within. Ancient Athens built a wall to its harbor at Piraeus against a danger from Sparta. China built its famous Great Wall. The Roman Emperor Hadrian built a wall across Britain from Solway Firth to the mouth of the Tyne. The first settlers of Virginia built a picket fence between the James and York Rivers to protect themselves from the Indians. France built its Maginot Line of almost 200 miles, and Germany built what it thought was an impregnable Atlantic Wall. And there have been other kinds of defense efforts that may be considered as in the nature of walls. The Japanese thought of their fortified Pacific Islands as a kind of wall. We thought of our navy as essentially a seaborn wall, the first line of defense far from our shores, and in all times, even now, people think of geographical barriers as protective walls.

All these efforts in some degree and for a limited time have been useful in the interests of security and may have contributed to periods of peace. Nevertheless, walls keep people in as well as out, and those within have never been willing to remain enclosed, nor have those without been unable to breach the walls. In somewhat different ways other schemes of security and lasting peace have failed: massive armaments on one extreme and pacifism on the other, balances of power, and regional alliances. So that when the great war erupted in 1914, no nation could feel secure, and before it ended it took a toll of not less than 20,000,000 lives and was destructive of property and moral values from which the world never fully recovered.

In the midst of this holocaust, a group of thoughtful people in this country considered what should be done and drew up what they called "A Warrant from History." The introduction read as follows:

"Throughout five thousand years of recorded history, peace, here and there established, has been kept, and its area has been widened, in one way only. Individuals have combined their efforts to suppress violence in the local community. Communities have cooperated to maintain the authoritative state and to preserve peace within its borders. States have . . . cooperated to establish peace among themselves. Always peace has been made and kept, when made and kept at all, by the superior power of superior numbers acting in unity for the common good."

This states the great and basic principle of world peace and of domestic peace as well. There was nothing new about this principle. Virgil expressed it in a few brilliant lines in the 6th book of the Aeneid, lines that defy literal translation but which I hope you have already encountered. He pointed out that the Egyptians had achieved greatness in their ability to trace across the heavens the pathways of the stars, that the Greeks had achieved greatness in the art of sculpture, and that the Romans could be equally great and distinguished in the arts of government if they would understand and implement two essential precepts. One was the art of giving, or granting, or bestowing, or, endowing, or somehow creating a free society under just laws. The other was the willingness and determination to suppress the unruly, the dissident, and the violent who would endeavor to overthrow and destroy the society thus established. Virgil did not say that Rome had accomplished this but said only that this was the way, these were the arts of greatness in government.

The Warrant of History went on to define the meaning of "superior power of superior numbers" as applied to world peace and the outline it proposed was, in its essential features, later incorporated into the Covenant of the League of Nations. This is not the place to consider the entire Covenant with which you certainly must be familiar. I wish only to remind you that its distinguishing and indispensable provision was the guarantee entered into both severally and collectively by its signatories that no nation would be allowed to violate successfully the territorial integrity or political independence of its members and that no non-member would be allowed to assist such an aggressor.

It is customary to say that the League of Nations failed and that the Second World War was the result. This does not place the primary burden of guilt for that tragic event where it belongs, for it rests on the predatory nations whose lust for power led them to believe they could rule the world. Nevertheless, the League was responsible for the Second World War in the sense that its members were unwilling to fulfill their obligations under the Covenant and to restrain the predatory powers when the proper occasions occurred, first in 1931 in China and again in 1935, a year of fate in Ethiopia, Spain, and on the Rhine. In fact opportunity beckoned again in 1937 at the conference in Brussels. The failure of the League was not due, as most Americans were led to believe, to alleged inequities of the Treaty of Versailles or to defects of constitution of the Covenant. It failed because of the unconscionable limitations of leadership in the United States and elsewhere, limitations on a scale unprecedented in human history, for these had never been a time in the whole enormous sweep and swelling scene of western civilization when conditions were as favorable, the opportunity as great, and the time as ripe and pregnant for the establishment of a world order as it was at the end of the First World War. The conduct of those who held the reins of power during that critical time can best be described by the most devastating criticism in two words in the English language. Milton applied them to the bishops whose very title denoted their function was to *lead* and *feed* their flocks. He said they were "blind mouths."

I will pass over, in my limited time, a consideration of the Charter of United Nations, for notwithstandng the pleading of many small states, its framers abandoned the fundamental principle of world order inherent in the Covenant of the League of Nations, and in The Warrant of History, and established a system which, although not wholly useless, no nations today, large or small, would trust for its security. More could be said for the North Atlantic Treaty because it embraces the principle of the Covenant in a regional agreement, but it appears more enfeebled every day.

In this distressing outlook, the United States has no option, no alternative but to continue to spend a disproportionate amount of its resources, energy, and genius on a military establishment which it will neglect at its peril while at the same time its unrestrained continuance and growth could become a peril to our constitutional system.

This leads directly to my second comment, and it concerns a matter I have pondered for the longest time and in the deepest way and with the least certainty of conclusion. How does one explain a tragic failure of leadership? It is quite customary for political leaders to speak of government by the people, or of returning government to the people. It is a fallacy, however, of the first order that a people at large, severally animated and individually inspired, will act in unity to conceive, initiate, and implement a policy. People require leaders. Reasonably competent people may discriminate between leaders, may make wise or unwise choices among issues presented to them, and any of them may make suggestions that find support and thus become a leader, but a policy cannot be generated out of the incoherent mass of the people. The American Revolution was not spontaneous. It required organization and leadership. Even mobs require leaders.

When does a leader become a statesman? Certainly not just because he is a person whom the majority of the people follow as the majority of Germans followed Chancellor Hitler as long as he was successful in his conquests. Statesmanship requires merit in the sense of intellectual competence, wisdom, and above all character. Obviously fools cannot achieve merit, but the average reasonably intelligent American citizen can acquire a significant degree of merit by opportunity, diligence, application, and ambition. Many of them may not wish to make the effort, but this is not our problem. The fact is that reasonable intellectual merit is not beyond the grasp of ordinary people if they strive for it, and many of them do. For in its essence intellectual merit is knowledge, and there is no problem of the world with respect to world peace that cannot be understood by the average person if he makes the effort. Thus I believe that reasonable intellectual competence which is unquestionably the first essential of statesmanship, is not the most fundamental problem. Few, if any, of our national leaders are ignorant, even though in our wrath we may occasionally be sorely tempted to think so.

The problem of wisdom in human affairs is a different matter. It is elusive and cannot be measured or defined. It does not exist in the abstract because it is not separate from knowledge even though it is not dependent on knowledge alone, nor can it be "got" as the Bible seems to indicate. Terms like insight, farsightedness, and understanding are relevant but not wholly descriptive. Wisdom, in Wordsworth's phrase, "is the natural crown that sage experience wears." Yet sage experience may be inadequate. There are no experts in wisdom and no geniuses about human experience as there are geniuses sometimes in mathematics, music, the arts, and natural science. No one is born with it or can be sure he posseses it. Yet, notwithstanding all this, there is such a thing as wisdom that enables a man to be a Nestor, to look beyond the immediate turmoil around him, to see through the petty frictions of interest and ambition that cloud the minds and either promotes or inhibits action. A statesman worthy of the name must have a reasonable measure of wisdom, and if he possesses it in ample quantity, he should be, as Pindar said of Athens, "laurel crowned." The third requirement of statesmanship is the great question of character. Like wisdom it cannot be defined or perhaps even described, but unlike wisdom it can be observed and acquired, and is within the reach of anyone. The study of character is the central theme of all great literature, the most important substance of history, and should be the greatest concern of religion. Yet the problems of character pose many questions for which there seems to be no certain answers.

I would like to suggest a few extraordinary examples. How could it be possible for a man like Secretary of State Charles Evans Hughes, with all his knowledge, unquestioned competence, many services to the nation, holding as he did the respect of millions of his fellow citizens, and certainly conscious of his influence, permit himself to support arguments and state alleged facts about the League of Nations that he could not have helped but know were false, and how could he bring himself to say in 1922, after the Washington Conference on the Limitation of Naval Armaments, that the Five Power Treaty left the comparative strength of the United States Navy and the relative security of the great powers unimpaired, "absolutely" ended competition in naval armaments, and made "perhaps the greatest forward step in history" toward the "reign of peace." These comments were manifestly erroneous, but encouraged the American people, trusting his leadership, to rest easy that nothing more was required for world peace. I have no confidence in psychological explanations of human motives, for "who can point as with a wand and say what portion of the river of my mind came from yon fountain." But what can one conclude about a person who was certainly one of the most able American secretaries of state except that at a supreme opportunity for greatness he permitted political pressures, or personal animosities, or some known factor to cloud his vision and control his conduct, in short, that in this instance there was a failure of character?

I will cite one more example, that of John Foster Dulles, who like Hughes was a man of broad experience in world affairs, a lawyer of unquestioned intellectual competence, a trusted leader, and yet in a speech before the Economics Club of New York could defend the rise of National Socialism in Germany on manifestly specious grounds and actually approve the violent conquests of Chancellor Hitler prior to 1940. It seems impossible to believe these views of German policies resulted from a lack of knowledge or from any mitigating circumstances of the times. There is no pleasure in citing these examples or one does not enhance his own worth through iconoclastic exercises. The examples have been selected for purposes of emphasis because of the eminence of the people mentioned, and many more illustrations could be found without recourse to obvious recent history.

My thesis is, first, that the mass of the people, however well meaning, generally honest, and reasonably intelligent, cannot initiate or determine great decisions of world peace without the guidance or beyond the quality of their leadership. Second, that reasonable competence among most political leaders exists. Third, that we are obliged to assume, or at least permitted to hope, that among people of competence, knowledge, and experience there is a modicum of wisdom. My conclusion, therefore, is that the critical factor of leadership is that of character which, like the sense and requirements of human dignity, is an inner compulsion.

What then can be done about it in this great country with all its heritage of individual freedom and democracy and what should be expected regarding this transcendent matter of institutions of higher education? I do not claim to have certain answers or a patent remedy. Nevertheless, I have never respected persons who come empty handed with nothing to offer but criticisms and questions. In the first place I think universities can place greater emphasis on standards of excellence and less on accommodating large numbers of students whose preparation for advanced education is limited, whose interest in rigorous intellectual discipline is lacking, and who often demonstrate by their conduct—even at Commencement exercises—their disdain and contempt for the moral and intellectual authority of learning. In the second place, although it is probably not possible or even desirable to return to classical curricula, universities have tended to permit the proliferation of curricula into areas with no significant substance of knowledge until they become cafeterias of education where students select what suits their fancies unaware of what is fundamental to intellectual and moral development or to the restraints as well as the compulsions of civilization, and without knowing their academic degrees thus acquired are but "the guinea stamp." And in the third place, although limited exceptions might be conceded if time permitted, I think institutions of higher education should resist the pressures to be service centers to their communities, should not be concerned if they are called "ivory towers" but should be places where faculties of broad education and scholarship should stand on high ground, above the winds of doctrine, where whatever wisdom can be gleaned from human experience is considered, where the boundaries of knowledge are expanded, and where the requirements of character for leadership in a democracy are of primary concern. No person, institution, idea, or theory should escape their scrutiny. I am thinking, of course, of the social sciences and the humanities because they are involved with the ends rather than with the means of life. The natural sciences have their own interests and values and other institutions can be training centers for the ordinary and common needs of society.

This may be too large an entry in the order book of time, and I realize that universities and schools of international affairs can do no more than emphasize and provide opportunities for an understanding of the requirements of character in leadership. But I believe this is their unique and primary responsibility, and I leave you with this thought from a recent book by Sydney Hook: "The achievement of intellectual conviction should carry with it the moral courage to act on it."

INTER-AMERICAN CONFERENCE ON FREEDOM AND SECURITY

Mr. CURTIS. Mr. President, there is a widespread misconception that our Latin American neighbors stand monolithically behind demands that the United States surrender its rights in the Panama Canal Zone. I should like to call to the attention of my colleagues a speech delivered by the distinguished Senator from South Carolina (Mr. THURMOND) at the Inter-American Conference on Freedom and Security on Saturday, September 27. The gathering, which drew together representatives from 13 Western Hemispheric countries, was sponsored by the American Council on World Freedom under the leadership of its President, Mr. Fred Schlafly.

Earlier that day, a multinational panel heard remarks from Congressman DANIEL FLOOD of Pennsylvania, another distinguished expert long associated with the canal treaty question. The discussion following Mr. FLOOD's talk was highly revealing. Contrary to what has been widely published in the press, the discussion demonstrated:

General recognition by the Latin American representatives of the importance of the Panama Canal for interoceanic commerce and hemispheric security.

Strong opposition to the surrender of the Canal Zone to Panama.

Wide desire that the United States continue its undiluted sovereign control over the zone.

Understanding that the real struggle on the isthmus is not between Panama and the United States, but between our strategic need of the canal and possible Soviet intervention.

Realization that the drive to wrest control of the Panama Canal is strongly supported by the U.S.S.R. as part of its drive for domination of strategic waterways around the world.

Support for the resumption of the major modernization of the existing canal under the Terminal Lake—third locks proposal as the constructive way out of the present situation.

Mr. President, the addresses of Senator Thurmond and Congressman Flood constitute an excellent summary of the essential elements of the canal problem. I ask unanimous consent that the full texts of their remarks be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Address of Senator Strom Thurmond

Ladies and gentlemen: I am proud to appear here today before so many citizens gathered from all over the Americas. North and South America have so much in common that we often tend to emphasize the differences, rather than the issues on which we face common dangers and where we have identical interests. It is so easy, when we have languages which appear to present a barrier between us, and when the United States economy is one of the major factors in world trade, to assume that there is some unabridgeable contradiction between Latin America and the North.

I believe that there is no such contradiction. I believe that the experience of the United States, with its historic development of a wild and rugged continent, is an experience which is valid throughout the hemisphere. We in the United States are proud of our national heritage. We are proud of the hard work and the technical facility which have developed among our people. We believe also that it is not only our own merits that we have achieved our present success, but that it is also through the gift of God, Who has bestowed upon us the blessings of a hospitable environment and an abundance of material resources for man's use and development.

So it is with a combination of pride and humility that we turn towards our neighbors to the South. We have our own national pride and our own national aspirations for a better life. So too we realize that our Latin neighbors are proud of their own achievements and their own historic cultures, which, in many cases, antedate our own. Just as we take justifiable pride in our own sovereignty and accomplishments, so too we recognize that independence, sovereignty, national pride, and self-development are legitimate aspirations of our neighbors to the South.

Thus, we take note of the spectacular achievements of Brazil in the past decade, bringing forth its historic promise by achieving progress and stability. The trend towards socialism and disaster, the growing threat of Communism against the freedom and prosperity of the Brazilian people has been averted. We congratulate Brazil upon stepping into the first ranks of the nations of the world.

So, too, in Chile. Communism has been overthrown, and Chile is struggling to institute a free market economy from the ruins of socialism. It has been a difficult period, a period of turmoil and sacrifice. But we congratulate General Pinochet and his associates, and pledge to do all that we can to normalize relations with Chile and help its present government achieve the economic and political stability that will undergird the pattern of basic freedoms now restored to the Chilean people.

I could cite other countries, also, but I will not, because I want to take these few minutes to get down to the topic of this evening, the question of the United States territory of the Panama Canal Zone.

You know from recent news stories that this is a complicated question, that threatens to be moving towards an international crisis in the Western Hemisphere. Indeed, if it proceeds along the present course—a course pursued both by the Government of Panama and the Executive Branch of the Government of the United States—then it is indeed possible that irreparable harm could come to the best interests of the people of both our countries, and indeed to the peoples of all the Americas.

It is a case where leadership has been misguided—mired in the ideas and thought patterns of the past, and apparently unable to cope with the needs of the present, and unable to assimilate the demands of the future.

Now if anyone wants to look at the past, I am willing to throw the full spotlight of truth upon history. I see in the past how the United States cooperated with the aspirations of the people of Panama to gain their independence. But our cooperation in no way violated international canons of ethics, as is so often implied. The United States took no overt step to give military assistance to the people of Panama. In 1902, the United States was under a solemn international obligation to guarantee the neutrality of transit across the Isthmus by the Treaty of New Granada of 1846. Pursuant to this treaty, a United States company built the Panama Railroad. On at least two occasions previous to 1902, the United States had intervened under this obligation and intervened at the request of Colombia, incidently—to preserve free transit across the Isthmus.

The same situation developed in 1903. The United States had no part in the planning or equipping of the Panamanian revolution. Secretary of State Hay had been informed that a revolution was being prepared, but he declined to participate. Indeed, the Panamanians asked only whether the United States would live up to the obligations of the Treaty of New Granada. Thus when the United States sent two warships towards Panama in late October, 1903, no instructions were given to participate in the revolution.

Indeed, when Colombian troops landed in Panama, the U.S. warships made no attempt whatsoever to interfere. The Panama Railroad however, refused to violate its neutrality by transporting Colombian troops to the site of the revolution. No United States troops landed until the revolution itself was almost complete, and the Colombian troops threatened the lives of United States women and children of employees of the Railroad. The U.S. troops left as soon as it was evident that the American civilians were safe.

Now I realize that this is contrary to the lurid portrait painted by some liberals, even North Americans, who love to engage in self-flagellation. But I think that my history is taken from the actual records and the accounts of the most objective historians. The truth is that the United States acted with dignity, with restraint, and with scrupulous regard for its international obligations.

But in addition, the United States acted with a delicacy suitable for the risks of the brave Panamanians who staked their lives, their property, and their freedom to gain independence. For while it is true that the revolution was relatively bloodless, the fact remains that the leaders would have been executed and their families left without means of support if the revolution had failed. The notion that the Panama Revolution was somehow a plot devised by the French Panama Canal Company or a scheme hatched by Teddy Roosevelt conveniently overlooks the heroism of those early Panamanians and the gamble they took.

Part of the gamble was that the United States would agree to take over the works of the defunct French Canal Company. It was not at all certain that the United States was committed to Panama. In fact, nearly every previous action of Congress, except one, had to do with building an Isthmian canal in Nicaragua. Few critics of the 1903 treaty today remember that we already had a treaty for a canal in Nicaragua, and that considerable sums had already been spent in the beginning of construction on that canal.

It was because of the uncertainty that the United States would even complete a treaty with Panama that the duly authorized plenipotentiary of the new Panamanian nation felt that a sufficient inducement was needed to guarantee success of the treaty in the U.S. Congress. At least six earlier Isthmian canal treaties had failed in Congress because they did not give the United States sufficient capability to defend and maintain such a Canal. It was historically clear that Congress would not authorize a Canal which was under the sovereignty of another nation.

This is the explanation of the Treaty of 1903, which granted to the United States the rights of sovereignty in perpetuity. The two concepts are essential: sovereignty and perpetuity. The one implies the other. Sovereignty is the highest power or authority, the supreme and independent political authority. It is a contradiction in terms to speak of sovereignty as subordinated in any way to the authority of another. You either have sovereignty or you don't.

Now there is a confusion abroad in the land between *title*—that is, *ownership*—and sovereignty. Let me say that there is all the difference in the world between the two. You can have ownership without sovereignty, as any homeowner can tell you. You can also have sovereignty without ownership, unless that ownership is acquired by eminent domain. It is, therefore, clear that if the United States surrenders sovereignty in any territory, even where it has ownership, then the titles to U.S. property therein are not worth a tinker's dam, except in so far as the real sovereign so pleases.

Sovereignty, therefore, is not a title. It is authority in operation. As soon as authority ceases to operate, it ceases to exist. That is why the grant of sovereignty in the 1903 Treaty is so important. We are not talking about some abstract legality, or some splitting of legal hairs; we are talking about practical day-to-day operations. The authority to act cannot be shared without disagreement, disaffection, and ultimately disaster.

That is why I am sorry that some of my military colleagues, whose judgment I respect, have thrown prudence to the winds in agreeing to accept a split-authority, a phased-in-phased-out authority, with regard to defense and operational commands in the proposed new Panama Canal Treaty. They have overlooked the political consequences of such a proposal. It is possible for two sovereign nations to agree to a joint command, as we did in World War II and elsewhere; but it is not possible for authority to be split between a small nation that has sovereignty but no power and a large nation that has power but no sovereignty in the area of command. Any sort of split command is a negation of supreme authority to act. No matter how long such a treaty exists—even if its duration is for 50 years—it is 50 years of the negation of the supreme authority to act. In other words, if the United States agrees to such a new treaty and a strict interpretation of its obligations, we would have no ability to defend the Canal whatsoever.

As I have already pointed out, Congress, for a 150 years, has rejected treaty after treaty that committed us to operate an Isthmian canal without United States sovereignty. I predict that Congress will continue to reject any such treaty if it should be presented even now.

We have both sovereignty and title to the territory in the Canal Zone. We have it by treaty. We bought it. We paid for it. It's ours. We have every respect for the sovereignty of the United States in the Canal Zone.

We have been brought to the present circumstance by the rash actions of the Executive Branch of our government and by unfulfilled promises of our diplomats—promises that never should be fulfilled. On Panama's side, a succession of chief executives and demagoging diplomats of their own has played loosely with the public trust. What I say today, is that the people of the United States and the people of Panama should join hands and circumvent the catastrophe which our leaders on both sides are bringing upon every one.

It is no slur upon the Panamanian people to point out that a small nation cannot, at the same time, maintain both its independence and the trouble-free operation of a major international waterway. If Panama is invested with the sovereignty of the Canal Zone, the burden will crush its own independence. If Panama shares operational and defense authority with the United States, and the United States is subordinated to the supreme authority of Panama, then many world powers will seek to control Panama.

I need not point out that the dominant sea power in the world today is the Soviet Union. A battle for the control of the sea-lanes—both on the surface and below surface—is now in progress. Attention focuses on the narrow waterways of the world—that handful of places where all ships must come together for the shortest and most efficient conclusion of their varied journeys. One thinks of the Straits of Gibraltar, the Straits of Malacca, the Cape of Good Hope, Cape Horn, the Panama Canal, and the Suez Canal. It is not only the efficient voyage of a single ship that is in question; it is the deployment of whole fleets. The significant fact is that if a short-cut is suddenly not available, the number of ships on station at any given time must be increased by a large coefficient, to accomplish the same mission. The opening of the Suez Canal was, for the Soviet Union, the same as a sudden boost in the size of its fleets. The closing of the Panama Canal would be the same as the loss of a sizeable segment of the U.S. Navy.

Even though our strategic battle plans are drawn up on the basis of a so-called "two-ocean" navy, there are sizeable local conflicts and even economic controntations that rise to strategic proportions, but yet will fall short of a general confrontation with the Soviet Union. We must think of the whole range of military possibilities, and the whole international complex of strategic waterways, rather than as an isolated problem of defending our historic territory.

This is why we must not look to the past, or founder upon the out-dated concepts of the '60's, before the Soviet Union became a pre-eminent naval power. The future belongs to our children, as well as to the children of Panama and all of Latin America.

It is for this reason that I am announcing tonight that I shall shortly re-introduce the Panama Canal Modernization Act. I have introduced such a bill in previous Congresses, along with companion bills in the House by the Honorable Dan Flood, who deserves so much commendation for his tremendous leadership in the House on the Panama Canal Issue.

But lately, when I saw how determined the State Department is to give away the Canal, and thereby make the benefits of modernization impossible to achieve, I had doubts that Congress should authorize such a large project. My judgement has changed, however. We must have a positive alternative to counter the negative giveaway mentality that prevails in Foggy Bottom. The modernization project is something that is justified in itself, but justified only if we continue to maintain our sovereignty in the Canal Zone. I have, therefore, modified it so that the authority for its construction will be in effect only so long as all the rights, power, and authority granted in perpetuity to the United States by the Treaty of 1903—and reaffirmed in the treaties of 1936 and 1955—remain unaltered.

Why should the U.S. Senate make a substantial commitment to modernize the Panama Canal when the State Department has been working to give it away? If we are going to give something away, then why improve it before we do so? But now I think it is quite evident that Congress will not allow the State Department to give away U.S. territory so easily. The time has come to make it clear to the Panamanian people that the U.S. Congress is not opposed to friendly relations.

It is especially important that Congress extend the hand of friendship because the outbursts of the Panamanian press, the irresponsible statements of a handful of Panamanians indulging in demogoguery, and the passions of extremist student groups all combine to portray Congress as an enemy of the Panamanian people. Nor do I omit the guilt of the U.S. press in this regard in its anxiety to portray the most constructive spokesmen in Congress as destructive reactionaries.

I belive that action on the modernization plan would demonstrate that Congress is willing to make a long-range commitment to peace and friendship with the Panamanian people. Although the Panamanian people have long sought such a commitment, a concrete commitment, our diplomats have offered only inflammatory abstractions such as the surrender of U.S. sovereignty. The people of Panama will find that their true friends are in Congress.

The execution of the modernization plan would have such an impact upon Panama as to fulfill the highest dreams of Panamanian leaders. But just as the people of Panama have pride in their own nation, so too do the people of the United States have pride in their own nation. We should mutually respect the boundaries set by the 1903 treaty. If we can come to an agreement with the people of Panama to do so—that is, if our jurisdiction and control over the Canal Zone, our sovereignty, to be more specific, is kept intact—then the modernization plan is feasible for enactment by Congress.

What is the modernization plan? I won't go into all the technical details here. Basically it is a plan to reorganize and improve the navigational works in the Canal. It would provide a terminal lake on the Pacific end to improve navigation, and it would provide for a third lane of larger locks. Hence it is called the Terminal Lake-Third Locks Plan. It is a plan that was developed in the Panama Canal organization as result of World War II experience, and has won the support of important maritime interests, experienced navigators, and engineers. It is still recognized as the only practical alternative to proposals for a sea-level canal, and is the only economically feasible plan.

The modernization plan would cost $1.15 billion over a construction period of approximately ten years, but it would be solid capital investment. But more important would be the impact upon the social and cultural development of Panama. The expenditure of this capital sum on the Isthmus could easily generate another billion dollars in the Panamanian economy itself. If the contracting is handled properly, the benefits will be distributed equitably throughout every stratum of Panamanian society. Contractors, for example, could be mandated to make maximum use of Panamanian sub-contractors and Panamanian workers. Special training would be provided to upgrade job skills. Community planning and new construction would be required to relocate and house workers. New enterprises and new services would blossom, with a corresponding expansion of the economy.

But more important than the economic development would be the social development. The execution of the plan would create a new infrastructure in the Panamanian society that would last long after the construction itself is halted. The increased skills, experience, and capital would give Panama the basis for a great and powerful nation for the future. Panama could then properly exploit its geographic location right next to the Canal Zone, with ready access to the markets of the world. Its national pride would be based upon genuine accomplishment and on the achievement of the fullest development of the Panamanian national character.

Would the leaders of Panama accept such an alternative? I am positive that there are many constructive elements in Panama who would support their leaders in such an endeavor. Any leader who participated in such a plan would go down in history as the Father of a modern Panama, a glorious leader on a par with the historic founders of the nation. The alternative to glory is chaos, violence, and destruction.

The modernization plan, therefore, is the constructive alternative, providing that we respect our mutual boundaries and our respective sovereignties. Instead of concessions which would ultimately weaken both the United States and Panama, the modernization plan would be a dynamic leap forward for both. This is the way to turn to the future, instead of to futility.

PANAMA CANAL: JUGULAR VEIN OF THE AMERICAS

(By Hon. Daniel J. Flood)

President Schafly, Members of the American Council for World Freedom, Distinguished Guests, Ladies and Gentleman: One of the most gravely vital questions now before the Congress is the Panama Canal. Annually transiting about 15,000 vessels from some 55 countries, including those on South and Central America, with approximately 70% of the traffic either originating or terminating in the United States, it is the jugular vein of all the Americas, essential for inter-oceanic commerce and hemispheric security.

In Panama City, Republic of Panama, on February 7, 1974, the United States Secretary of State and the Panamanian Foreign Minister, without authorization by the Congress, signed an 8-point "Agreement on Principles" to govern the negotiation of a new Panama Canal Treaty. When cleared of its ambiguities, fallacies and sophistries, this piece of diplomatic trickery constitutes a program for an abject surrender to Panama by the United States of its treaty-based sovereign rights, power and authority over our most strategic waterway.

To understand the situation facing this threat to interoceanic commerce, Hemispheric security and national defense, it is essential to know certain elemental facts in Panama Canal history:

First, in 1901, the United States, in a treaty with Great Britain, made the long range commitment to construct, regulate and manage a long projected Isthmian canal under the rules governing the operation of the Suez Canal. (Hay-Paunceforte Treaty of 1901)

Second, in 1902, the Congress authorized the President to acquire the "perpetual control" of a canal zone, the purchase of all property in it, the construction of an Isthmian canal and its "perpetual" operation (Spooner Act of 1902).

Third, in 1903, after its secession from Colombia, Panama granted to the United States in perpetuity full sovereign rights, power and authority over the Canal's indispensable protective frame of the Canal Zone for $10,000,000.

Fourth, in this same treaty the United States assumed the annual obligation of the Panama Railroad for $250,000 previously paid to Colombia as an "annuity", which has been subsequently raised and in 1974 was $2,328,200. This is not a "rental" for the Canal Zone, as so often misstated in current propaganda, but only the augmented "annuity" for the railroad. This gesture of total fairness to Panama illustrates the fully friendly atmosphere then prevailing.

Fifth, in addition to sovereignty over the Zone, the United States obtained title to all privately owned land and property in it by purchase from individual property owners, making it our most expensive territorial acquisition, estimated in 1974 to have cost $166,362,173. This is more than the combined costs of all other U.S. territorial acquisitions put together.

Sixth, in 1907, the U.S. Supreme Court, in a well known cases, confirmed the validity of the U.S. title to the Zone.

Seventh, during 1904–14, the United States constructed the Canal at a cost of $385,000,000 in a land that was the pesthole of the world, transforming the Zone and surrounding areas in Panama into models of tropical health and sanitation.

Eighth, in 1914, the United States agreed to pay Colombia $25,000,000 and gave it valuable transit rights over both the Canal and Panama Railroad. In return, Colombia recognized the title to both as vested "entirely and absolutely" in the United States.

Ninth, in 1950, the Congress, in the Panama Canal Reorganization Act, specified that the levy of tolls is subject to the terms of the three previously mentioned treaties with Great Britain, Panama, and Colombia.

Tenth, in 1974, the total U.S. investment in the Canal enterprise starting in 1904, including its defense, was estimated at $6,880,370,000.

The evidence is conclusive that the United States is not a squatter sitting on the banks of the Panama Canal but its lawful owner with full sovereign rights, power and authority over both the Zone and Canal; and no amount of demagoguery or diplomatic skulduggery can obscure the essential facts.

The Caribbean and the American Isthmus have always been focal areas of conflicts because their locations are strategic. For their defense the United States has long had bases at Guantanamo, Cuba, in Puerto Rico, and in the Canal Zone. Today, Soviet power controls all of Cuba, except the Naval Base. Soviet submarines prowl in Caribbean waters, and a long time Soviet objective has been wresting control of the Panama Canal from the United States.

The elements in our country and the State Department that most loudly advocate surrender of the Canal Zone to Panama are precisely the type that urged U.S. support for Communist Mao Tse-Tung in China with the mendacious claim that he was only a mild "agrarian reformer"; and, later, urged the installation of Fidel Castro in Cuba while belittling evidence that he was a Red revolutionary. Shall we repeat in Panama in graver degree the world wide disasters brought about by supporting Mao in China and Castro in Cuba?

Certainly, we ought to learn from the experience at the Suez Canal that, following the withdrawal of British troops there, it did not take Egypt long to nationalize and expropriate it, with enormously harmful consequences, including two prolonged closures upsetting the trade routes of the world. We must not let such disasters occur at Panama, which is attempting to parallel the example of Egypt. By all indications, the amity and understanding between Red elements in Panama and ruling forces in Moscow are much closer than the relations between Nasser, then ruler of Egypt, and Moscow in 1956.

In recent years, the Congress has been alert to the Canal situation and has looked to the future rather than to the past. In its 1973 report, the House Committee on Merchant Marine and Fisheries, after extensive studies, summarized the two key canal issues yet to be resolved as follows:

(1) Retention by the United States of its undiluted sovereign control over the Canal Zone as the absolutely necessary protective frame of the Canal; and

(2) Major modernization of the existing Panama Canal, under the Terminal Lake–Third Locks Plan. This proposal was developed in the Panama Canal organization during World War II and won the approval of President Franklin D. Roosevelt as a post war project.

All other canal questions, however important, including the much propagandized "sea level" plan, the report stated, are "irrelevant" and should not be allowed to confuse.

Measures to implement the above two objectives are now pending in the Congress. Their adoption will protect the real interests of all Latin American nations that use the Canal and should go far toward restoring the prestige of the United States.

The present threat to the Canal Zone is not a harmless gesture as many have thought but part of the Soviet empire's global drive for securing control of strategic waterways and islands. Thus the real issue at Panama is not United States sovereignty over the Canal Zone versus Panamanian but continued undiluted United States sovereign control versus U.S.S.R. domination.

In support of the movement to give away the Panama Canal, many publicists have employed endless deceits. Almost daily we see the Zone described as "leased" territory or the annuity as a "rental", thus implying Panamanian ownership. Yet the briefest study of canal history establishes the fact that the Zone is as firmly a U.S. territorial possession as the Gadsden or Florida Purchases. The proposal of the State Department for surrendering U.S. sovereignty over the Canal Zone to Panama would be a dangerous precedent inviting demands for returning Alaska to Russia.

Once again, the persisting falsification in relation to Panama must be exposed. This is the claim that the United States acquired the Canal Zone through coercion. Nothing is more plainly factual than the cordial atmosphere of this acquisition. Both Panamanian officials and populace were jubilant and all records so attest. For the first time in their history, the people of Panama had an assured asset for prosperity and growth, replacing their former condition of widespread poverty, disease and despair.

Thus, the projected surrender of the Canal Zone to Panama is a matter of prime importance for all the Americas because its loss by the United States would invite Soviet power control of the most strategic position in the Western Hemisphere, transform Panama into another Cuba, and turn the Caribbean into a Soviet lake.

FOREIGN POLICY AND FOOD

Mr. **STEVENSON**. Mr. President, in recent years the United States has lost much of its self-confidence and authority in the world—not by fate, but by its own foolishness.

Twenty-five years ago the United States was the world's preeminent military and economic power. It acted with all the authority of a great power—it acted with generosity and foresight.

The United States, after World War II, inspired, led, and financed a new world order. With U.S. leadership, new institutions of mutual defense, trade, and monetary regulation were put in place.

The ambitions of the Soviet Union in Europe were successfully contained.

In the industrialized world and beyond, the United States gave of its wealth and knowledge—not out of philanthropy, but to help build nations capable of defending themselves against internal collapse and external aggression.

Our foreign policy in those early postwar years was a highly successful one that merged our self-interest with our best principles.

We sought to use our power not as a club, but as an instrument to guarantee peace and prosperity and human freedom.

Our leaders articulated U.S. policy well—and a sound policy enjoyed broad support at home and in the world.

The United States, in short, used its power sensibly—to build something more desirable than mere power. It acquired and maintained authority.

That was a generation ago—by the measures of history, a short time.

I need not tell the Members how different things are today. It is a palpable fact that U.S. power and authority in the world are diminished, largely through a series of mistakes.

In the fifties, for example, we sought to transplant the doctrine of containment—successful in Europe—to regions of the world where the soil was not favorable. What succeeded in Europe became a cruel disappointment in Asia.

In those years, we allowed a gap to grow in the conduct of foreign policy between rhetoric and reality.

The rhetoric of John Foster Dulles invited the 1956 uprising in Hungary—and the United States then stood by and watched while that revolt was suppressed. Too often we preached, in the United Nations and elsewhere, the gospel of individual liberty and human rights—while in the name of "pragmatism" we supported a succession of despots in the world: Thieu and Ky in Vietnam; the Papadopolous regime in Greece; Salazar in Portugal. The results of that mindless pragmatism today are embarrassingly apparent. It continues in Spain.

Where once foreign policy was carefully formulated and articulated, it now consists of summit journeys and shuttle diplomacy. Where once foreign policy was the occasion for deliberation and consultation among the agencies of Government—including the Congress—it is now a game for superstars.

The consultative agencies of the executive and legislative branches are ignored. Our diplomacy is not consistent, but intensely personal and reactive. Instead of a foreign policy, we have dramatic episodes: A ceremonial summit here, a dispensation of American largesse there, a whirl of shuttle diplomacy somewhere else.

The result is not only disorder in the halls of Government and confusion among our citizens and allies about our purpose in the world; it is something more serious—a loss of authority in the world that renders us, too often, impotent. We are in danger of becoming the specter Richard Nixon once raised and then helped create: a pitiful, helpless giant.

Examples of this self-inflicted helplessness are depressingly widespread:

It is a monumental indictment of our leadership that neither the energy crisis nor the food crisis of recent years were foreseen except by a few eccentric politicians and scholars. So those crises swept over us; we still are caught without strategies for dealing with them.

Détente became an end rather than a means to an end. In pursuit of détente, the United States made the concessions: questionable strategic arms concessions, a billion dollars in subsidized loans to the Soviets, wheat reserves sold at subsidized prices. Recently the President fulfilled an objective of Soviet diplomacy by placing his symbolic stamp of approval on Soviet dominance in Eastern Europe. Emboldened by such servility, Soviet positions harden. The pursuit of détente produces confrontation.

The recent Sinai agreement is a commentary on the high price the United States must consider to achieve even a limited objective.

The total dollar cost of aid to Israel and Egypt over the next 5 years may reach $15 billion. And that is the least of it. According to reports, U.S. oil and the commitment of U.S. forces to Israel's defense are promised. The weapons dangled before Israel, including F–16 jets and Pershing missiles, will spur the arms race in the Middle East, and all for what? We are now told—unless it is a little more time.

I mention these unhappy facts because a clear-eyed perception of our difficulties must be the beginning of any effort to overcome those difficulties. And they can be overcome.

The United States, for all its failures and missteps in foreign policy, is still the "last, best hope of Earth"—our reserves of goodwill and generosity and intelligence and our devotion to human liberty all justify a role of leadership in the world. There are reserves of principle and power upon which the United States still can call to reestablish its authority in the world.

As an example of what we might do to reestablish U.S. authority and leadership in the world, let me mention food and agriculture.

The United States is the world's preeminent supplier of food. Our dominance in agriculture exceeds the dominance enjoyed by any oil producer in OPEC. Fifty percent of the wheat, 60 percent of the corn, and 80 percent of the soybeans available in world markets come from the United States. By contrast, the world's largest exporter of oil, Saudi Arabia, accounts for only 25 percent of the world market for oil. The world, in short, lives on American food more than it runs on OPEC oil. Most food derives from grain. And America can control the world price and supply of grain.

Yet, the United States exercises no such control. It has no food policy, except one of selling to the highest bidder without regard for the economic or political consequences. Surges in foreign demand, or disappointing crops, produce periodic shocks to our economy, create uncertainty for our friends in the world, strain the budgets of the poor countries and move the world's inflationary spiral up another notch. America's farmers may enjoy temporary gains when demand for our exports is high, but eventually they, too suffer; inflation erodes their incomes as costs of production escalate. And as recent experience has shown, export sales which boost farm incomes one year can vanish just as quickly the next, leaving the farmer high and dry.

Before 1973, the United States pursued a policy of cutting back production and eliminating surpluses.

In 1973 the Soviet Union secretly entered the U.S. grain markets to compensate for its third major crop failure in 15 years. The result was a doubling in grain prices, a 20-percent increase in food prices, and double-digit inflation. In the following year, Soviet purchases were negligible, but now they are again substantial.

And again the United States is caught without a policy. Stocks are depleted. Belatedly, the President sends representatives to Moscow. But their preparation is nil; their mandate is unclear, and their bargaining power uncertain. Except for a temporary embargo, U.S. food supplies and prices, and therefore the world's, are still controlled, not by U.S. policies, but by speculators, and, among others, the Soviet Union and the AFL–CIO.

The United States could harness the potential of its agriculture to help solve the world's growing food deficiency. It could moderate inflationary pressures at home and regain authority abroad. The potentials for U.S. control over the world price and supply of food give it an opportunity to once again build structures of civilized behavior in an interdependent world.

How do we do this? By understanding that the world food problem is, in reality, two problems: One is the short-term problem of extreme instability in supply, demand, and price. The other is the long-term problem of chronic, growing deficiency in the supply of food throughout the world. If we are unable or unwilling to attack the short-term problem, the long-term problem will grow—and eventually defy all solution.

So, let us consider the steps we should be taking to deal with the world food problem—using decent principle to guide our immense, but latent, power.

First, we should establish a systematic and continuous system for monitoring food supply and demand worldwide. I proposed such a system with Senator JAVITS last year. It would go a long way toward removing short-term uncertainty about the world food situation. It would measure, throughout the year, the magnitude of worldwide supply as the crop progresses—and the magnitude of worldwide demand, as buying intentions develop. Such a system is an essential first step toward a rational export policy.

Second, since one of the major causes of uncertainty is the unpredictability of Soviet demand, we should require that the Soviets, before they can gain access to U.S. grain supplies, must disclose their crop conditions and their buying intentions.

At present they keep both secret. The result is that the timing and size of Soviet purchases are unpredictable. Since the Soviet Union enjoys a state trading monopoly and can deal in secret, it can corner the U.S. markets when the price is low, with the American farmer then its benefactor and other buyers the victim of higher prices.

Third, in order to reduce demand uncertainty further and provide a cushion against unpredictable surpluses, the United States should enter into short-term bilateral agreements with the Soviet Union, obligating the buyer to purchase minimum amounts and establishing maximum purchase levels which could only be exceeded with U.S. consent. Such agreements would help stabilize prices and also give the United States an opportunity to exercise much greater bargaining power with respect to a commodity which only we can adequately supply.

In this regard, the President's recent effort to seek agreement with the Soviet Union is long overdue. But it is essential that such an agreement be short term, not, as he proposes, long term. Otherwise, the United States might find itself locked into commitments to the Soviet Union which would impair its obligations elsewhere in the event of shortfalls. We could also bargain away our leverage with the Soviet Union by committing large supplies over a long term.

Fourth, when the amounts available for export are insufficient to meet foreign demand, we need a more refined system for allocating available supplies between domestic and foreign markets. At present, the United States embargoes shipments, terminates future contracts, or cuts across existing contracts. Such devices are arbitrary and can inflict severe hardship on buyers and sellers alike. They give an advantage to the buyer who happens to get into the market early. They are difficult to enforce. To enforce an embargo against the Soviet Union the United States is apparently enforcing now an embargo against Poland which with other eastern European nations has been cut off from Soviet supplies.

Export license fees offer a better alternative. They are authorized under legislation which I obtained last year. Such fees would recapture for the United States the higher price which arises when exports are limited. And price then, not arbitrary or unenforceable country by country allocations or quotas, would distribute supplies abroad. The result would be a two-tier price system, with a lower domestic price for U.S. consumers and a higher world price.

The revenues from these license fees could be recycled back into U.S. agriculture for increased production or into increased energy production. They could also be recycled to the poor countries of the world to help those countries pay their their food and fuel bills.

The United States is seeking to persuade oil producers to recycle petro-dollars into the developing countries. We could set an example by doing so with our own agri-dollars and in the bargain encourage the independence and developments which are essential to world stability.

Fifth and finally, to offset surges in foreign demand and disappointing crops at home or abroad, we need a system of crop reserves. Such a system can also be used to increase incentives to our farmers to produce more. Using the existing authority of the Commodity Credit Corporation, reserves could be accumulated to support prices at a level that assures farmers their production costs will be covered. In times of shortage, reserves would be sold when prices reach predetermined levels. The farmer and consumer would then be assured reasonably stable and fair prices, and the United States would have food reserves with which to pursue its humanitarian and political objectives in the world.

Taken together, these proposals offer the United States an oportunity to regain a measure of control over its most vital resource—food—and to assert leadership in the world that is based on policy, not chance. Our Government would not become a national purchasing or selling agent for food, as do most governments; the market would still operate to determine price and allocate supplies—but we would have some new protections against sudden shocks caused by unpredictable weather and foreign governments.

What I am proposing is a rational food policy as one step toward a rational foreign policy. It would not be a bid to charge the world what the traffic would bear—as OPEC does in the energy market. It would be, by contrast, a bid to use our power for decent ends: to stabilize food prices, increase food production and reestablish America's position as a force for good in the world.

NOMINATION OF EARL J. SILBERT TO BE U.S. ATTORNEY FOR THE DISTRICT OF COLUMBIA

Mr. HRUSKA. Mr. President, I rise in support of the nomination of Earl J. Silbert to be U.S. Attorney for the District of Columbia. This matter will come to vote on tomorrow.

The Judiciary Committee after extensive consideration of this nomination voted overwhelmingly, with only two dissenting votes from among its 15 members to report favorably the nomination with the recommendation that it be confirmed by the Senate.

Mr. President, my strong endorsement of this nomination is based upon my participation in the hearings held before the committee plus examination in detail of the testimony and documents entered into the hearings record.

Few nominees for any position have undergone the scrutiny to which this nominee was subjected. Hearings were held on 10 separate days—April 23, 24, 30, May 1, June 18, 19, 20, 24 and 26, 1974, and May 20, 1975; they are printed in three volumes consisting of 834 pages.

PERFORMANCE IN OFFICE

The record made at these hearings establish beyond question that Mr. Silbert is well qualified to be U.S. Attorney for the District of Columbia. In fact, Mr. Silbert has already served with distinction as U.S. Attorney for the District of Columbia for nearly 2 years. He assumed this post by court appointment. In January 1974, when the U.S. attorney's position became vacant, Mr. Silbert was the unanimous selection of all the Federal District Court judges in the Nation's Capital to be the U.S. attorney. Chief Judge Sirica, in making the appointment of Silbert on behalf of the U.S. District Court, stated that it was a "happy occasion" and that he and all the other judges considered Silbert "well qualified" to be U.S. attorney.

During the past 2 years, Mr. Silbert's performance as U.S. attorney has been outstanding, Under his leadership, the U.S. Attorney's Office for the District of Columbia in fiscal 1975 obtained its highest conviction rate in felony cases—88.4 percent—and its lowest dismisal rate by far—7.5 percent—since the collection of statistics in that office began in 1958.

A 1975 editorial in the Washington Star praised Mr. Silbert's "proven competence" and stated: "He has demonstrated a tenacity, a realism, and also a progressive instinct in his more than a year as interim U.S. Attorney here." A previous editorial stated, "He knows law enforcement here from top to bottom and had a primary role in drafting the District of Columbia Crime Act of 1970 * * * Silbert has the vigor and innovative ideas that are needed * * * to keep on improving the administration of justice."

The main focus of the exhaustive hearings before the Judiciary Committee was the nominee's handling of the original Watergate investigation. The record of the hearings before the committee show that the Watergate investigation and trial conducted by Mr. Silbert was honest, capable, professional, fair, and successful.

Mr. Silbert's handling of the original Watergate investigation and trial was extensively reviewed by the Special Prosecutor's Office. Special Prosecutor Leon Jaworski stated that Mr. Silbert's handling of the Watergate case was both "professional and fair."

Coverup Trial Prosecutor James Neal, whose initial duty in the Special Prosecutor's Office was to evaluate Mr. Silbert's work, stated that his performance was both "capable and honest."

Special Prosecutor Archibald Cox stated that Mr. Silbert pursued the Watergate investigation and trial with "honest judgment and complete good faith." Furthermore, two highly respected Washington lawyers—president of the D.C. Bar Daniel Rezneck, and Civil Rights Attorney Joseph Rauh—have studied the Watergate case and have praised Silbert's handling of the investigation and trial in articles in the New York Times and Washington Post.

Those who have come into daily contact with the nominee and his work as a prosecutor over the years have unanimously applauded his ability, honesty, and integrity. Included in this group of supporters is every Federal district court judge in the District of Columbia. Additionally, the directors of the District of Columbia and Montgomery County public Defenders Service, the director of the District of Columbia Bail Agency, and the previous director of the Washington American Civil Liberties Union office have all praised Mr. Silbert as an outstanding lawyer and an exceptionally able and honest prosecutor.

Mr. Silbert's nomination has received the endorsement of both bar associations in the District of Columbia. The District of Columbia Bar Association has strongly supported Silbert's nomination and confirmation. The black lawyers of the District of Columbia organized as the Washington Bar Association stated they "strongly" support Mr. Silbert because he prosecutes "even handedly, without respect to persons or social classes."

The nominee's community work, while not widely publicized, is worthy of mention. He along with some other young men organized in the early 1960's the Metropolitan Athletic Educational and Cultural Association. Mr. Silbert personally coached and refereed at inner city basketball and softball games, and also, for several years, he tutored on a weekly basis inner city children in reading and math. He is presently on the board of directors of the Boys' Club of Greater Washington, Eastern Branch.

PROFESSIONAL QUALIFICATIONS

Earl Silbert's academic and professional career is impressive. He graduated magna cum laude and the Phi Beta Kappa from Harvard College in 1957, and cum laude from Harvard Law School in 1960. Since graduating from law school, Mr. Silbert has worked his way up through the ranks of the Department of Justice to become one of its most capable and respected career prosecutors. The nominee spent his first 4 years in the Justice Department in the appellate section of the tax division arguing tax cases before the U.S. circuit courts. In 1964, Mr. Silbert was appointed an assistant U.S. attorney by the late Attorney General Robert F. Kennedy. He worked in virtually every section of the U.S. attorney's office and became an outstanding felony prosecutor to whom the most difficult and complex cases were assigned for trial. In 1969 and 1970, the nominee returned to the Department of Justice to help draft major criminal justice legislation including the District of Columbia Court Reform Act of 1970. Thereafter, he went back to the U.S. attorney's office to become the executive assistant U.S. attorney. Subsequently, he was promoted to the post of principal assistant U.S. attorney and presently by court appointment he is the U.S. attorney.

THE WATERGATE CASE

Immediately after the June 17, 1972, break-in at the Watergate, Mr. Silbert, who was then the principal assistant U.S. attorney, began an investigation for the U.S. attorney's office and the Department of Justice.

The record of the extensive hearings on this nomination held over a period of 1 year establish that the Watergate case was handled professionally and successfully by Mr. Silbert.

Chief Judge Sirica, who closely observed Silbert's handling of the original Watergate trial and investigation and was in a position to assess the nominee's integrity and ability, specifically approved Silbert's unanimous appointment as U.S. attorney.

As noted previously, Silbert's handling of the original Watergate investigation and trial was praised by the special prosecutor's office, after an extensive review.

Statements made by the targets of Silbert's investigation make it clear that Silbert was pursuing them with vigor. The Presidential tapes emphasize this. Included in them is a statement by former President Nixon that "these guys are crowding in—Silbert and the rest—they are not taking any program" and a statement by former White House Chief of Staff H. R. Haldeman that "these guys—Silbert and his colleagues—are working in a most blood-thirsty way." Convicted Watergate coconspirator Jeb Stuart Magruder testified before the Senate Watergate Committee that "my indication from Mr. Dean was that they—the White House—had no influence over the U.S. attorney."

The nomination hearings have established that early on in the Watergate investigation Silbert developed a strategy that successfully cracked the Watergate case. In light of the strict silence of the original seven Watergate defendants despite repeated attempts to obtain their cooperation, Silbert's strategy was to indict and convict the seven Watergate defendants, obtain substantial sentences, and then immunize and bring them before the grand jury to compel their testimony. This strategy worked. After obtaining solid convictions against the seven and while facing the possibility of a heavy sentence from Judge Sirica and knowing that they would be required to appear with immunity before the grand jury, James McCord began to break. Then and within 10 months of the start of the investigation, John Dean and Magruder, recognizing that the net was closing in on them, came to Silbert and revealed for the first time the Watergate coverup and the Ellsberg-Fielding burglary.

Silbert's accomplishments within 10 months of the start of his investigation on June 17, 1972, an incredibly short period of time for a case of this magnitude, are extremely impressive:

He obtained solid conviction, upheld on appeal, against the original seven Watergate defendants—Hunt, Liddy, McCord and the four Cubans.

He discovered the Watergate coverup, formulated a comprehensive prosecutive theory, and obtained hard inside information from Dean and Magruder against John Ehrlichman; H. R. Haldeman, John Mitchell and others as to their participation in the Watergate coverup.

He discovered the Ellsberg-Fielding burglary which was disclosed to Judge Bryne and eventually led to the dismissal of the Ellsberg case.

He discovered the transfer of enormous sums of cash from the White House and CRP to the Watergate burglars to maintain their silence.

He obtained the agreement of Magruder and offer of Fred LaRue to plead guilty after evidence of their guilt had been developed. The guilty plea offer for Dean, which was subsequently entered with the approval of the Special Prosecutor, was made by Silbert.

Many of the perjury and false declaration charges against the Watergate coverup defendants and others such as Herbert Porter and Egil Krogh were based on questions that Silbert and his team asked these defendants under oath.

The criticisms against Mr. Silbert's handling of the Watergate case have come from very few individuals. There was no suggestion that Mr. Silbert was unethical or dishonest in his handling of the Watergate case. See statement of Senator TUNNEY, hearings on May 20, 1975, page 57.

The major criticisms boil down to charges that: First, he limited the investigation to the original seven Watergate defendants; and second, he was not generally aggressive enough in the Watergate investigation. There are a few who today suggest, with the marvelous advantage of total hindsight, that it is difficult to understand why it took Silbert as long as it did, some 10 months, to develop a criminal case against higherups in the White House. It is additionally suggested that it took Silbert an excessive amount of time to uncover incidents of criminal activity perpetrated by some of the original defendants, particularly the Ellsberg-Fielding burglary.

Such Monday morning quarterbacking is simply unfair.

These criticisms were thoroughly explored at the hearings. The 10 days of hearings and 834 pages of testimony and written submissions prove that Mr. Silbert did not limit the investigation, was extremely aggressive in his handling of the case, and was responsible for cracking both the Watergate coverup and the Ellsberg-Fielding burglary.

Let us review for a moment what Silbert was up against in the early days of the Watergate investigation.

The facts as developed at the hearings show that McCord, Hunt, and Liddy rejected the prosecutor's requests for cooperation. For this reason and because of the perjurious or misleading statements of others, the investigation was not able to obtain incriminating evidence of others immediately. Mr. Silbert therefore decided to indict and convict the original seven defendants, and then immunize them and bring them before a grand jury to examine them about the involvement of others. This strategy is verified in the transcripts of the Watergate trial by the statements of Mr. Silbert and defense counsel—trial transcripts 93, 94, 116–17. This strategy worked.

As the present Special Prosecutor, Henry S. Ruth, Jr., explained in a letter to Senator TUNNEY dated July 23, 1975, Mr. Silbert's September 13, 1972, prosecutive memorandum to Mr. Petersen—written 3 months after the Watergate break-in—"summarizes the evidence then available to the U.S. attorney's office concerning the break-in, expresses the concerns that Mr. Silbert felt about certain important questions he felt remained unanswered and offered options for continuing the investigation to attempt to resolve these issues and determine whether others were involved in the break-in. As of this early date, however, what was unknown, of course, was the existence of the secret and organized conspiracy to prevent him from obtaining this additional evidence."

Those in the best position, that is, the Office of Special Prosecutor, to know have attested to the high quality and aggressiveness of Mr. Silbert's investigation. The targets of Silbert's investigation are likewise recorded on the Presidential tapes as indicating their fear of Silbert's vigor in the prosecution.

The present Special Prosecutor, Henry S. Ruth, Jr., discussed the June 1973, status report Mr. Silbert prepared for Prof. Archibald Cox when the latter was first appointed Special Prosecutor, in a letter to Senator TUNNEY:

> . . . This memorandum which is 87 pages long is a detailed document reflecting a full and rapidly progressing investigation into the Watergate break-in, all aspects of the Watergate coverup and the break-in at the office of Dr. Fielding. I think it fair to say that this memorandum outlines in detail the evidence relating to these events, offers a complete exposition of theories of prosecution and analyzes the culpability and credibility of the various individuals eventually convicted.

Based upon this statement of Mr. Ruth and other documentary evidence in the hearing record, it is correct to assert that Silbert, after many months of vigorous and painstaking investigation, was on the brink of bringing to justice all of the principle higher-ups in the White House who were involved in the Watergate matter at the time the office of Special Prosecutor was established. Given the magnitude of the conspiracy which was involved, Silbert is to be congratulated for moving ahead with this task in the limited amount of time which he had at his disposal.

CONCLUSION

In conclusion, Mr. Silbert has received praise for his Watergate work by Special Prosecutors Cox and Jaworski and coverup trial prosecutor Neal. The record shows that Mr. Silbert was responsible for cracking the Watergate coverup and the Ellsberg-Fielding burglary. Chief Judge Sirica and a unanimous Federal district court found Mr. Silbert "Well qualified" and appointed him U.S. attorney. Numerous highly respected and distinguished individuals who have known Silbert for many years have attested to his exceptional ability and unimpeachable integrity. In light of this record, to deny Mr. Silbert confirmation as U.S. attorney, a position he has already held with distinction for almost 2 years, would be simply unfair not only to the nominee but to the community.

As Daniel Rezneck, president of the District of Columbia Bar, wrote in an article in the New York Times:

> The actions or lack of actions of high administration officials in no way reflect on their thousands of subordinates. To argue otherwise is to smear honest and capable

individuals with the broad brush of guilt by inadvertent association.

Those of us in the Washington legal community who know Mr. Silbert and his work consider him to be an outstanding attorney, a vigorous prosecutor and a person of integrity.

The Committee on the Judiciary overwhelmingly approved Mr. Silbert to be U.S. attorney for the District of Columbia. He is a man of high integrity and professional accomplishments. He is fully qualified for the post to which he has been nominated. His nomination has been pending before the Senate for over a year and a half, having been submitted three times by President Ford. It is clearly time that Mr. Silbert be treated justly and confirmed by the U.S. Senate.

RURAL TRANSPORTATION

Mr. HUDDLESTON. Mr. President, rural transportation is at the crossroads. There are many problems, both major and minor, which need attention. They have risen, in part, from patchwork solutions to specific problems without enough consideration for the entire system.

The long-range outlook for increased exports of U.S. grain makes it imperative that improvements be made in the ability to transport grain efficiently to export ports. The immediate outlook is that grain carriers will be able to transport the required quantities of grain this season but the long-range outlook appears bleak unless Congress enacts specific legislation to aid in railroad rehabilitation.

The most obvious signs of weakness in the grain-transportation system include the Northeast rail crises and several midwestern railroads operating at substantial deficits and near bankruptcy. In one midwestern State farmers have had to take it upon themselves to rescue their railroad.

Mr. President, the story relating to a group of farmer co-ops in Iowa partially solving their transportation problems appears in the October issue of Farm Journal. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record. as follows:

Farmers With Pink Cars . . . Rescue a Rail Line

You've heard of pink elephants. Well, some people are seeing pink railroad hopper cars, merrily clicking their way to Gulf ports. A group of farmer co-ops in northwest Iowa leased 500 new cars last year from North American Car Corp. in Chicago. With that large order, they were allowed to pick any color they wanted, even pink. More important, they: cut their loading and shipping costs to Gulf ports; usually get more for their grain because they ship in 54-car trains; and have rolling stock when they need it.

But car leasing is just a piece of the action that the Iowans have taken in the past year to rescue rail service for their grain.

Some of the same co-ops, 14 in all, put up $1.08 million last year for a two-year, interest-free loan to the Rock Island Railroad. The tottering line had neglected the roadbed to where it was risky to pull 262,000-lb. loaded cars of grain over it.

The co-op group pumped in another $740,000 in June 1975 for additional repair work.

Rock Island contracted to use the loans for repair and renewal of 103 miles of track from Iowa Falls to Estherville, where 90% of the grain sold goes to the Gulf for export.

To help keep the now bankrupt Rock Island rolling, 50 shippers—mostly co-ops but some independents—formed the Iowa Falls Gateway Shippers Association (IFGSA) early in August. IFGSA is raising $1.2 million for more roadbed improvement. This will be nearly matched with $1 million from the Iowa Energy Policy Council, and $100,000 from the railroad.

Farmers have enough risks without adding transportation to the list. As Fred McKim, chairman of IFGSA and general manager of the West Bend Elevator Company sees it, this is about the only way farmers can reduce that risk.

Sure, it's an expensive way to save a railroad. Forgiven interest alone on $3 million at just 8% amounts of $240,000 a year lost income for the lenders. But the Iowans figure the investment is sound if they can save their rail lines.

Leased for around $240 a month, for seven years, by the newly formed United Purchasing Association (farmer co-ops), the pink cars are attracting attention alright. Wrote one woman: "Thank you for beautifying America." An attorney: "Your pink cars made my day." Even railroad workers like the pink because it's easy to spot in the yards when they're making up a 54-car train.

HEW INHIBITS PROPER STUDENT DISCIPLINE

Mr. HELMS. Mr. President, on numerous occasions I have commented in this Senate Chamber on the negative effect that the Department of Health, Education, and Welfare is having on the education of the children of this country. I have discussed in detail the detrimental effect of HEW requirements that local school administrators supply endless volumes of statistics to the data-hungry bureaucrats, who require the local school officials to prove their innocence of discriminatory practices. HEW, of course, assumes them to be guilty until proven otherwise.

Now, such reporting requirements may seem harmless enough on their face, but numerous school officials have repeatedly advised me that they are not. HEW requires them to devote countless hours—time they could far better spend helping students—to gathering and processing these statistics. It completely disrupts their offices and programs.

Further, in many instances these schools do not have sufficient clerical assistance, and they must resort to requiring teachers to help compile this information. They are, in effect, forced by HEW to require teachers to take time away from helping children gain an education in order to provide bureaucrats in the Department of Health, Education, and Welfare with unnecessary information.

On two separate occasions within the past 12 months, I have offered legislation to stop this kind of abusive treatment of our local school officials. My first attempt was on November 19, 1974, at which time my amendment was tabled by a seven-vote margin. My second attempt was on September 17, 1975, when my amendment was tabled by a five-vote margin. However, that second amendment touched off an extended discussion of the role of HEW in the educational process on the local level. During the 9 days that ensued three antibusing amendments passed the Senate. The matter is now in a conference committee between the House and the Senate. Therefore, the final outcome is, of course, still undetermined.

Whatever the legislative result of that extended discussion may be, I do believe that there is an increasing realization in the Senate and the House that the unbridled power now vested in the Department of Health, Education, and Welfare needs to be checked.

I have a copy of an HEW letter to the superintendent of the Chatham County Schools, Pittsboro, N.C., together with a copy of the superintendent's reply. I believe that this correspondence clearly documents what I have been saying for a long time now. It demonstrates the need for limitations to be placed upon the authority of HEW to endlessly extract voluminous statistics from local school administrators. In his response to HEW, with which he enclosed the required information, the superintendent stated as follows:

> A study of the attached information will certainly reveal that no discrimination is practiced in the area of student suspension and expulsion (as HEW had inferred). I must say that I protest such ridiculous requests which impose additional hours of work on many of our employees in order to maintain records for some bureaucrats to analyze and attempt to find evidence of discriminatory treatment. Students do not misbehave according to racial quotas and the regulations attached to this letter apply to all students equally. I find it hard to comprehend that we have reached the level of governmental intervention that disciplinary actions taken on a daily basis in a school are under scrutiny by Federal officials. It seems to me that your time and my time could be put to more valuable use in the pursuit of quality education for all of our children than in the assemblage and analysis of such data as is contained in this letter.

Mr. President, this courageous superintendent has clearly identified the problem. I now ask the same question that I have asked so many times in this Chamber—when is the Senate going to wake up and do something about it?

Mr. President, I ask unanimous consent that the aforementioned letter from HEW, dated August 28, 1975, and the reply from Mr. Perry W. Harrison, superintendent, Chatham County Schools, Pittsboro, N.C., be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Department of Health,
Education, and Welfare,
Atlanta, Ga., August 28, 1975.

Re Title VI compliance.

Mr. Perry W. Harrison,
Superintendent, Chatham County Schools,
Pittsboro, N.C.

Dear Mr. Harrison: In an *Adams* v. *Weinberger* letter to your school district dated

August 6, 1975, we noted that the disproportionate number of minority students suspended was an area about which our office was concerned.

An analysis of suspension statistics for your school district during the past two years reveals the following:

SUSPENSIONS

Year	Total	White	Black	Percent black
973-74	940	439	501	53
972-73	203	92	111	55

Serious questions have arisen in this area because of the marked increase in suspensions and the difference in almost all schools in the comparison of average number of days suspended for minority and nonminority students. The chart below illustrates this point:

DAYS SUSPENDED

	1973-74					1972-73				
School	Total number suspended	Total black	Average day-B	Total white	Average day-W	Total number suspended	Total black	Average day-B	Total white	Average day-W
Chatham Central High	42	26	4.9	16	4.6	47	26	2.0	21	2.0
Horton Middle	15	8	4.7	7	3.8	22	13	6.3	9	4.2
J. S. Waters	5	3	2.3	2	2.0	5	3	7.6	2	1.0
Jordan Matthews	63	22	3.7	41	3.5	54	29	6.8	25	4.0
Northwood High	75	42	5.5	33	4.9	71	36	4.0	35	3.0

During the 1973-74 school year minority students were suspended on the average of 4.8 days per suspension while nonminority students were suspended 4.1 days per suspension. During the 1972-73 school year minority students were suspended on the average of 4.7 days per suspension while nonminority students were suspended an average of 3.3 days per suspension.

In light of the disparity in days suspended of minority and nonminority students, it would appear that some clarification by the school district is needed. We therefore request that you submit the following information for evaluation by our office:

1. A complete description of the district wide policies and regulations for administering disciplinary sanctions in your school district.

2. For each junior and senior high school, provide for the 1973-74 and 1974-75 school years:

a. The name and race of each suspended and expelled student.

b. The reason for each suspension and each expulsion. * * * suspension and reason for each. In the case of expulsion list the date of board action and reason for expulsion.

c. For each student suspended and expelled indicate the length of time including dates.

Please provide our office with the data requested within thirty (30) days of the date of this letter. If you have questions, do not hesitate to contact me at Area Code (404) 526-2359.

Sincerely yours,
W. Lamar Clements,
Chief Elementary and Secondary Education Branch, Office for Civil Rights.

Chatham County Schools,
Pittsboro, N.C.

Mr. W. Lamar Clements,
Chief Elementary and Secondary Education Branch, Office for Civil Rights, Atlanta, Ga.

Dear Mr. Clements: In response to your letter dated August 28, 1975 in which you requested certain information on suspensions and expulsions for the 1973-74 and 1974-75 school years, I am enclosing lists of students per school. Also, I am attaching a copy of our recently adopted *Policy on Student Rights and Responsibilities*. The policy is effective with this school year and is a slight revision of past policies.

Although I have provided you with the information requested, I raise the serious question whether or not it is legal to list the names of students without permission being obtained from the parents (reference is made to the Family Education Rights and Privacy Act of 1974). You are well aware that this is sensitive information and that under no circumstances do we divulge the names of students guilty of violating school rules and regulations. I request assurances from you that the names of students listed in the enclosed lists will not be revealed to anyone outside your office and that the lists will be destroyed when no longer needed. My concern is heightened because recently I was informed that confidential information on students sent to HEW by a North Carolina school unit was shared with other agencies.

The information attached was difficult to obtain for past years since some of the schools destroy student disciplinary records at the close of a school year in order to insure that a student is not penalized in the next year for past transgressions. One problem which causes the collection of the requested information to be more difficult is that we do not maintain disciplinary records according to race and no mention is ever made on the record as to whether a child is black or white; therefore, we have to go back to individual student records and obtain information from the local schools whether a child disciplined is black or white. The demands of HEW for listing civil rights information force us to be more race conscious than we desire to be or should be for the good of the students.

A study of the attached information will certainly reveal that no discrimination is practiced in the area of student suspension and expulsion. I must say that I protest such ridiculous requests which impose additional hours of work on many of our employees in order to maintain records for some bureaucrat to analyze and attempt to find evidence of discriminatory treatments. Students do not misbehave according to racial quotas and the regulations attached to this letter apply to all students equally. I find it hard to comprehend that we have reached the level of governmental intervention that disciplinary actions taken on a daily basis in a school are under scrutiny by federal officials. It seems to me that your time and my time could be put to more valuable use in the pursuit of quality education for all of our children than in the assemblage and analysis of such data as is contained in this letter.

Sincerely,
Perry W. Harrison,
Superintendent.

COSTLY NUCLEAR POWER

Mr. GRAVEL. Mr. President, lately the nuclear industry has been widely advertising its claim that nuclear power saves the consumer money. The industry insists that because of the higher cost of fossil fuels, ratepayers get a better break with nuclear energy.

And yet, across the country, utilities are canceling and deferring their orders for nuclear power stations—and they say their reasons are economic.

Mr. Reginald Stuart has done an excellent job of explaining this apparent contradiction. In an article that appeared in the New York Times of October 5, Mr. Stuart says many utility executives are now more impressed by the high cost of building nuclear power stations than they are by the alleged low cost of uranium fuel.

Mr. Stuart's article says nuclear capital costs have gone significantly higher than fossil plant costs—and in determining electricity rates, the most important overall factor is capital cost.

Even the low cost of nuclear fuel is now uncertain. Uranium has nearly quadrupled in price in just 2 years, and the cost of preparing—enriching—the uranium is apparently going to be raised by 50 to 100 percent.

In addition, of course, the costs of nuclear waste disposal are still unknown; and new liability requirements, and hence insurance costs, for nuclear power are still unsettled.

Mr. Stuart's most important point is that the figures now used by industry to show that nuclear is saving money for some consumers do not necessarily mean that nuclear power is a utility's best choice for future generating capacity.

A nuclear plant that was built while capital costs were low may operate today at a cost advantage. But to build the same plant today at the higher construction cost may well mean higher rates, not lower ones, in the future.

Mr. President, I ask unanimous consent that Mr. Stuart's article "Is Nuclear Too Costly?" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Is Nuclear Too Costly? Expenses Soar as Demand Softens

(By Reginald Stuart)

Skyrocketing construction costs and puzzling patterns in the use of electricity have slowed the development of nuclear energy in the United States in a way that the opponents of nuclear power probably never imagined in their wildest dreams.

Despite the fact that the utility industry and Federal energy planners feel that nuclear power is essential for energy independence as well as for restraining the upward climb of rates, nuclear power has become unaffordable "necessity." Consequently, a number of utilities are cancelling nuclear projects.

Middle South Utilities, Inc., a holding company based in New Orleans, is a case in point. "Our decision to cancel the two nuclear units [in June] and defer construction of another was simply a question of our ability to finance them and the pattern of use of electricity in recent months by our customers," said Floyd Lewis, president of Middle South.

"Our peak load this year was three-tenths of a percent below that of 1974," Mr. Lewis added. "It occurred in April instead of August for the first time in 20 years."

And over-all growth in electric power for Middle South has risen only a few percentage points above last year's level, which was far below the 1973 level, he said.

More important though was the cost of the two cancelled nuclear units Middle South was proposing to build. It went from $1.3-billion three years ago to $2.3-billion currently, "and we figured they got too expensive," Mr. Lewis said.

Although fossil-fired power plants have also been rising in cost for construction and catching up with nuclear plants, nuclear units still cost more and take longer to build.

Since 1970 the cost of building power plants has soared, according to Leonard F. C. Reichle, vice president for nuclear at Ebasco Services, Inc., one of the major architectural and construction engineering companies for electric power plants.

The cost of building a nuclear reactor has risen to $1,135 per kilowatt of capacity this year from roughly $300 per kilowatt of capacity in 1970. For fossil-fired plants (those that use coal, gas or oil), the average cost has risen to $950 per kilowatt of capacity including pollution-control equipment from $220 per kilowatt of capacity in 1970.

At Middle South the situation is much the same. Cost estimates are that the nuclear system would cost the company roughly $600 to $900 per kilowatt of capacity and the coal-fired units $450 or more per kilowatt of capacity.

Mr. Lewis said that given his company's depressed earnings and unpredictable customer-use patterns, it would be a long time before Middle South considered putting plans for nuclear units back into its construction schedule. And Middle South is not the only company abandoning nuclear power.

When the Houston Power and Lighting Company last month dropped plans to construct a 2-unit, 2,400-megawatt nuclear plant, it cited higher construction costs and its inability to finance these and several other plants. It also said that "the past year has shown some indications of a slower rate of growth in the area's electrical requirements."

Several other utilities have been selling or trying to sell their interests in ongoing nuclear-plant projects for some of the same reasons:

The Green Mountain Power Corporation, a small Vermont utility, has scheduled a special shareholders' meeting Dec. 5 to vote on a management proposal to sell the company's small interest in three nuclear-power plants. If the sale is made, the company will recover $2.6-million already invested in the projects.

The San Diego Gas and Electric Company, a big California utility, has invited public and privately held utilities to become part-owners of its Sundesert nuclear plant project.

The Tucson Gas and Electric Company has sold its 15.4 per cent interest in the Arizona nuclear power project for $7-million to the Southern California Edison Company. It gave reduced load projections as the reason for the sale.

The Consolidated Edison Company of New York, one of the first companies to abandon nuclear power in a big way, is negotiating the sale of its Indian Point No. 3 nuclear plant (yet to be completed) to New York State for $350-million.

"Utilities are coming around now saying they're only going to build what they can afford," said Richard C. Toole, utility analyst for Bache & Co., a leading brokerage house.

"You're really talking about economics now," Mr. Toole added. "If kilowatt-hour sales start to come back, then these companies are going to find that they've got to build these power plants sooner than they thought. Then they've got to make the decision all over again of do they go with nuclear power or do they go fossil fuel."

Some people might argue that there is really nothing to debate about when comparing the costs of producing electricity with a nuclear facility or a fossil-fired plant. But the economic gap between the two, in which nuclear proved to be cheaper for many utilities that built their plants much earlier, has narrowed substantially, according to Mr. Reichle of Ebasco. And not every utility executive is so convinced today as he may have been five years ago that nuclear is the right choice.

"We don't have any coal-fired plants now, but in our case looking at coal vs. nuclear power the main consideration is what it costs to move coal here from Wyoming," Mr. Lewis of Middle South said.

"If you can only move coal by rail, then you go to nuclear power," he said. "But if you can move it by coal slurry pipeline [as his company has proposed] the pendulum swings back to fossil."

Nuclear power's advantage over fossil-fired power systems has always been that, although it cost more to build a nuclear power plant, the cost of producing electricity per kilowatt-hour with nuclear reactors was much cheaper than with a conventional fuel system. Over the life of a plant, therefore, nuclear would be cheaper.

But with the spiral in construction costs in the early nineteen-seventies, followed by Arab oil embargo of October, 1973, which had the effect of raising the price of uranium, and then reduced customer use, the economics of nuclear began to be questioned more.

Companies that had plants on line, such as the Commonwealth Edison Company in Chicago, might be able to show cheaper costs, some would say, but what about the nuclear plant not set to come on line until 1985?

Kenneth Hollister, an analyst for Dean Witter & Co., raised that question in a recent interview, pointing to the rising costs of uranium. Before the embargo, uranium sold for $7 a pound. It now brings $24 or more.

"In the beginning nuclear power was going to come in at a quarter of the cost of a coal plant over the life of the entire system," Mr. Hollister said. "No more."

"In terms of plants, the social [pollution-control] requirements have equated the price of a fossil plant with that of a nuclear plant. And now the emergence of the fuel situation will make them even."

Although almost 50 per cent of orders for power-generating plants on the books of the utility industry are for nuclear units, much of what has not already been dropped has been deferred for up to five or more years. And while some power-generation companies insist that the business is still good because of the back orders, they concede they do not know when the present lull will end.

"Business has turned down quite a bit, and it's really been evident this year," said Earl Dubois, general manager of water reactor division marketing for the Westinghouse Electric Corporation, the nation's largest builder of nuclear power plants.

At Westinghouse, 70 per cent of back orders for nuclear plants have been deferred. And since January, 1974, six orders for nuclear reactors have been canceled. This year, it has received orders for four reactors.

Industrywide, an unofficial tabulation of cancellations showed that orders for 13 nuclear reactors have been canceled this year, more than half of them because of financial problems at the utilities and uncertainty over the need for the plants.

Some energy-industry observers who follow the electric utility business closely have said privately that they expect no orders for nuclear reactors next year.

The cancellations of the large nuclear units and also fossil units has brought on its share of alarming comments from the utility industry, the most prevailing one being that the nation is headed for an energy shortage by the end of the decade because of a lack of power plants.

But while the debate heats up over whether there will be a season of brownouts and blackouts, the energy leaders say the only hope for a turnaround in their present condition is a turnaround in the electric-utility business.

Their recipe for recovery includes more and bigger power-rate increases, a lessening of the time required in the regulatory process for building nuclear-power plants as part of over-all reduced regulation and perhaps some help from the proposed $100-billion Federal energy agency.

THE NEED FOR FOOD STAMP REFORM

Mr. ROTH. Mr. President, on September 23, 1975, I introduced legislation designed to increase the efficiency and lower the costs of Federal grant programs by making a new grant consolidation mechanism available to the President. I noted that, in addition to this proposal, I would be calling to the Senate's attention, other possibilities for Federal program reform in which significant savings could be achieved, without compromising the basic intent of the original programs.

A major example of a Federal program that has seriously deviated from Congress original expectations—both in terms of its cost and scope—is the food stamp program. There is substantial evidence that the original purpose of the program—to lend a hand to our truly needy citizens—is being abused and is placing an unacceptable burden on the taxpaying public. The Department of Agriculture estimates that, under current Federal regulations, more than 40 million persons—one out of every five Americans—are eligible for food stamp benefits. The number of persons actually claiming these benefits has been rising annually, reaching more than 19 million persons who are receiving food stamps this year. It is currently estimated that the costs to the American taxpayer, this fiscal year, will be in the $6 billion to $6.5 billion range.

High unemployment has been an important factor in the rapidly expanding caseload. But there is no escaping the fact that the law, as currently written, and its administrative loopholes have enabled many persons who are not in need to qualify for benefits. For example:

There is no maximum income limit to qualify for food stamps; in July 1974, over half the potential eligibles had incomes above the poverty line.

Although there has been some administrative tightening, college students still may qualify, regardless of their parents' income. In October 1974, the University of California at Berkeley had 11,000 food stamp recipients; the University of Minnesota, 4,700; the University of Florida, 3,000.

Ownership of boats, cars, jewelry, and other luxury items is no bar to receiving food stamps.

In addition to these weaknesses in the

law's provisions, lax administration has permitted a large number of persons who are ineligible to illegally receive food stamps. The most recent survey by the Department of Agriculture, for the last 6 months of 1974, indicated that in 17 percent of the cases they examined, the persons receiving food stamps were ineligible, even under the loose guidelines currently in force. The survey also found that, nationwide, 26 percent of those who were eligible received too many stamps or paid too little for them.

I am convinced that a total reform of the food stamp program is needed if the program is to be brought back on its original track. I am cosponsoring legislation which will accomplish this: S. 1993, the National Food Stamp Reform Act of 1975. This bill will assist our fellow citizens who are genuinely in need of public assistance and, indeed, will increase their benefits. By instituting a series of commonsense reforms, this legislation will save at least $2 billion in Federal revenues, annually. These reforms would include:

Limiting eligibility to persons who are at or below the Federal Government's poverty line—$5,050 for a family of four;

Instituting reasonable resource limits, so that persons with considerable material wealth are not eligible;

Denying food stamp eligibility to able-bodied persons, such as college students, without small children, who choose not to work;

Instituting administrative procedures to minimize fraud.

At the same time, this bill would expand nutritional assistance to the truly needy: the elderly, the infirm, and other poor people who are legitimately entitled to public assistance.

I am pleased to note that today the Subcommittee on Agricultural Research and General Legislation began hearings on this bill, as well as other proposals to reform the food stamp program. I hope that we will move deliberately, but with some dispatch, to enact the necessary remedial legislation.

While, eventually, our whole system of public assistance, which is riddled with duplication and inefficiency, needs to be overhauled, we cannot await this comprehensive restructuring of our welfare programs. The legislation I am cosponsoring will reform at least one of the most grossly abused of these assistance programs and return Federal revenues to the American taxpayer, who is struggling to meet his own food bills.

I ask unanimous consent to have printed in the Record the table on error rates, by State, from the report, "Quality Control in the Food Stamp Program," issued by the Department of Agriculture in September 1975.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 2.—ERROR RATES BY STATE

State	Percent of cases reviewed			Percent of bonus dollars issued to reviewed cases		
		Eligible			Eligible	
	Ineligible	Over-issue	Under-issue	Ineligible	Over-issue	Under-issue
Total	17.3	26.0	10.7	17.5	8.4	2.6
Alabama	15.3	32.9	13.8	16.6	8.7	(1)
Alaska	17.6	21.6	9.8	13.0	4.5	2.8
Arizona	12.6	23.0	7.0	12.7	6.2	.8
Arkansas	10.4	29.1	8.1	13.4	8.6	1.4
California	17.1	21.1	11.6	14.1	6.7	3.3
Colorado	22.3	29.0	5.7	21.5	8.3	1.5
Connecticut	24.0	36.1	15.3	25.0	12.5	(1)
Delaware	22.2	37.8	14.4	28.8	17.7	2.6
District of Columbia	17.9	47.7	8.4	20.5	13.0	2.5
Florida	25.6	27.3	15.7	24.6	7.3	2.7
Georgia	31.3	23.6	13.1	33.5	7.9	3.8
Hawaii	9.5	34.3	9.5	8.3	11.5	6.1
Idaho	2.3	23.3	8.5	1.7	6.7	1.2
Illinois	51.5	12.9	5.0	43.8	4.7	(1)
Indiana	9.4	19.7	7.6	8.6	6.3	(1)
Iowa	14.8	26.6	11.5	19.2	7.7	(1)
Kansas	14.6	22.3	5.1	16.6	9.7	1.1
Kentucky	15.4	25.5	10.3	16.0	8.0	(1)
Louisiana	11.4	31.5	8.5	14.5	8.8	1.3
Maine	9.1	22.9	10.4	6.3	8.5	.3
Maryland	24.2	32.9	12.8	25.4	10.9	3.1
Massachusetts	50.0	30.4	13.0	41.0	16.0	4.2
Michigan	20.4	18.1	7.5	22.4	7.2	1.5
Minnesota	28.6	29.0	12.5	29.1	9.1	3.2
Mississippi	9.2	25.9	13.1	10.5	6.9	1.9
Missouri	12.3	26.0	7.7	17.4	11.5	2.5
Montana	35.1	22.8	4.1	41.5	6.0	.9
Nebraska	10.0	21.1	8.3	16.2	6.4	2.3
Nevada	8.8	25.0	3.8	10.2	6.2	.9
New Hampshire	17.8	39.7	17.8	21.4	13.1	8.1
New Jersey	14.7	37.1	17.4	17.2	13.6	4.5
New Mexico	28.7	22.3	3.2	27.8	7.2	.8
New York	25.6	23.8	17.8	22.1	7.6	5.3
North Carolina	14.4	30.7	19.1	15.2	10.3	4.7
North Dakota	7.6	15.2	3.0	7.6	3.5	.2
Ohio	19.6	29.2	10.5	21.8	8.7	(1)
Oklahoma	2.5	15.1	6.1	3.1	6.3	2.3
Oregon	26.1	22.1	6.9	24.0	7.6	1.6
Pennsylvania	20.9	31.6	10.7	21.7	11.3	2.9
Rhode Island	23.6	48.6	12.3	28.7	17.2	5.9
South Carolina	27.8	41.1	14.6	26.8	12.2	2.8
South Dakota	7.0	19.0	15.0	7.9	23.5	14.6
Tennessee	14.2	28.2	9.9	18.5	8.8	(1)
Texas	7.7	26.5	9.2	8.2	7.4	(1)
Utah	3.1	25.5	8.2	2.1	7.1	---------
Vermont	19.5	32.3	14.0	17.9	14.1	3.7
Virginia	11.1	28.5	12.7	13.7	10.2	(1)
Washington	5.2	13.8	5.5	6.9	4.9	1.2
West Virginia	6.3	20.1	13.6	4.9	6.2	2.3
Wisconsin	16.2	18.4	13.2	15.6	7.7	(1)
Wyoming	14.8	22.2	9.9	19.0	6.2	1.6

[1] Not available.

RESOLUTION OF THE CITY OF SANTA FE PRAISING THE APOLLO SPACE FLIGHT

Mr. MONTOYA. Mr. President, the city of Santa Fe, N. Mex., has adopted a resolution commending the National Aeronautics and Space Administration and the outstanding accomplishments of the Apollo space flight.

I join the citizens of Santa Fe in congratulating the men of the Apollo flight and the many dedicated personnel of NASA who made the effort possible. The accomplishments achieved by the three American astronauts should be an inspiration to all Americans who are faced with what seem to be monumental obstacles.

I call the attention of my colleagues to this resolution and I ask unanimous consent that it be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution 1975–40

Whereas, the National Aeronautics and Space Administration (NASA) has been entrusted by the Congress and peoples of the United States with the Apollo Space Flights; and

Whereas, the recent joint Apollo Space Flight with the Union of Soviet Socialist Republics was an internationally claimed success; and

Whereas, the United States Astronauts on said joint space flight communicated to Earth mentioning passages from the Bible and the deity God; and

Whereas, such communications were in the best interests of international relations and international friendship and within the heritage of the United States and said astronauts; and

Whereas, the United States astronauts have received international praise and national acclaim for their achievements on said recent joint Apollo Space Flight and;

Whereas, the Governing Body of the City of Santa Fe, New Mexico desires to commend NASA and the said Apollo astronauts.

Now, therefore, be it resolved by the Governing Body of the City of Santa Fe, New Mexico that:

1. NASA is hereby commended for its selection and training of the Apollo astronauts on the recent United States/Union of Soviet Socialist Republics Apollo Space Flight and is further commended on allowing said astronauts to exercise their inherent, as well as, constitutional freedom of speech.

2. The Apollo astronauts on the recent United States/Union of Soviet Socialist Republics Apollo Space Flight are hereby commended on their use of the English language and especially their references to the heritage of the United States, as well as the heritage of said astronauts.

3. It is entirely fitting and appropriate that astronauts be allowed to mention the deity "God" and refer to biblical passages and quote therefrom on international space flights.

4. It is in the best interests of the United States and the international community of nations that persons be allowed to exercise their inherent rights to freedom of speech and communications to promote better understanding between nations.

5. The original of this Resolution be forwarded to NASA and copies thereof be forwarded to the New Mexico Congressional delegation and the Apollo Astronauts forthwith.

NEED TO REDUCE FEDERAL REDTAPE

Mr. WILLIAM L. SCOTT. Mr. President, as I travel around my own State of Virginia, and I am sure this is true of many of our colleagues, we hear increasing concern being expressed over the proliferation and complexity of Government regulations. We are told it takes something like 42,000 pages in the Federal Register to publish just the regulations by various Government agencies implementing a wide variety of Federal laws. This is intolerable, in my opinion, since in many cases these regulations, which have a broad impact on our small businessmen, result in higher prices and often scarcities at the marketplace.

With a national debt in excess of a half a trillion dollars and with interest costs alone approaching $70,000 a minute, it seems reasonable that we should make a concerted effort to cut back or eliminate marginal or unnecessary Government forms and other Federal paperwork.

A recent issue of U.S. News and World Report has an interesting article on this subject, entitled "Rising Furor Over Federal Redtape." Mr. President, I would like to note from the article this point—

> The cost to consumers of Washington's regulatory programs is about $130 billion a year—an amount more than one quarter as big as the whole federal budget.

Certainly this kind of spending must be reversed, in my opinion, and I hope my colleagues will review this article for which I ask unanimous consent that it be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From U.S. News & World Report, Oct. 6, 1975]

RISING FUROR OVER FEDERAL RED TAPE

Evidence keeps piling up to underline the growing burden of federal regulation—in dollars and in encroachment on people's day-to-day lives.

Government red tape keeps more than 100,000 federal workers busy writing, reviewing and enforcing Washington's edicts.

The number of approved Government forms, according to one estimate, has risen to 5,146—exclusive of tax and banking forms. It takes individuals and companies more than 130 million man-hours a year to fill them out. The cost to consumers of Washington's regulatory programs is about $130 billion a year—an amount more than one quarter as big as the whole federal budget.

Now there's a rising clamor to reform this regulatory maze. It comes from the White House, from businessmen and from ordinary citizens who say they resent so much dictation.

FUELING INFLATION?

For several months, President Ford has been attacking the regulatory agencies for fueling inflation and hindering competition. His proposals for deregulation promise to be a basic part of the 1976 political campaign. Mr. Ford has noted:

"In many industries—transportation, energy, communications—federal regulatory commissions have virtually ruled out competition. What was begun as a protection for consumers now guarantees that in many, many cases they will pay higher prices than a free market would call for."

Adds a former Treasury official:

"When Government requires actions that increase the costs of production and raise the prices of products and services sold to the public, that's just as significant a form of inflationary pressure as a top-heavy budget or an excessively easy money policy."

IMPACT ON DECISIONS

Businessmen complain that Government-imposed rules are not only driving up the cost of their operations but also cutting into business decision-making.

A Chicago executive comments: "More and more, the management of our company is being taken out of our hands and being lodged with regulatory agencies in Washington."

Consumers are frustrated by rules they find costly and often conflicting.

New-car buyers, for example, paid some 3 billion dollars extra in 1974 for buzzers, harnesses and other mandatory safety equipment. The furor over seatbelt interlocks—which prevent a car from starting unless the driver is buckled in—was so violent that Congress overturned that regulation.

Mothers of small children generally applauded a requirement that sleepwear be made flame-retardant. But then came a ban in some areas, including New York State, on detergents that contain phosphates—and such detergents are considered essential for assuring the fire resistance of fabrics after repeated washings.

How effective the White House campaign will be to trim paper work and red tape remains to be seen. The regulatory bureaucracy has a built-in tendency to grow. In the past decade alone, Congress has authorized a dozen new agencies, including the Environmental Protection Agency, the Equal Employment Opportunity Commission, the Federal Energy Administration, the Consumer Product Safety Commission and many others.

Pending legislation to assure consumer privacy would require businesses to file "impact statements" involving extensive paper work.

SOME ARE HELPED

Moreover, as one Washington observer comments: "Regulation, like politics, can make strange bedfellows." For example, the trucking industry has supported Interstate Commerce Commission rules that tend to limit competition on certain routes. Ship operators and the maritime unions generally see eye to eye on rules designed to protect that industry.

Thus it appears that Mr. Ford and his supporters who favor deregulation will not find it easy to hack away at the bureaucratic jungle.

GRIPES ABOUT REGULATORS

When it comes to complaints about the growing burden of Government regulatory activities, there is scarcely a business, large or small, that can't provide abundant examples. For instance:

A company with 40,000 employees has to maintain 125 file drawers of records to meet federal reporting requirements on personnel.

An Oregon company operating three small TV stations filed 45 pounds of forms for its license-renewal application. A small radio station in New Hampshire paid $26 in postage just to mail its application to Washington.

A Philadelphia electric utility preparing to build a plant needed 24 different kinds of approval from five federal agencies, five State agencies, two townships and a regional commission.

Agents of the Occupational Safety and Health Administration ordered that trucks on a construction site install alarms that sound when vehicles are backing up. Then it ordered workers to wear ear plugs to protect them from excessive noise.

The Consumer Product Safety Commission ordered hearings to determine if 4 million electric frying pans were hazardous—even though not a single injury from the use of such pans had been reported to the Commission.

The Environmental Protection Agency required auto manufacturers in 1973 to install catalytic converters on new cars to cut air pollution. After hundreds of millions in added costs to buyers, the Agency found the converters emit sulphuric-acid fumes that injure the lungs.

These and other examples of regulatory overkill show up in a study by Murray L. Weidenbaum, former Assistant Secretary of the Treasury and now a professor at Washington University, St. Louis.

Mr. Weidenbaum sums up: "You'd have to be a Scrooge to quarrel with the intent of this wave of regulation . . . but there's a failure to weigh the merits against the costs to business and to the consumer and taxpayer."

PATRIOTS IN PETTICOATS

Mr. HUMPHREY. Mr. President, as our Nation's Bicentennial nears, the deeds of men such as George Washington, John Adams, Thomas Jefferson, Benjamin Franklin, and others are remembered and celebrated. But throughout the Thirteen Colonies the efforts of women made a unique contribution to achieving our Nation's independence.

There were women like Abigail Adams who kept John Adams abreast of events in and around British-held Boston, including news of enemy troop movements, while he was serving in the Continental Congress. Outspoken on principles, she pressed for personal liberties that most male patriots had refused to grant—women's rights and freedom for slaves. Foreshadowing today's women's liberation movement, she complained to the Nation's future President:

> Whilst you are proclaiming peace and good will . . . you insist upon retaining an absolute power over wives.

Martha Washington, a "homebody by disposition" abandoned Mount Vernon's comfort and safety each winter during the war to bring encouragement, homemade foods, and a woman's touch to the commander in chief and his troops.

Elizabeth Hutchinson Jackson nursed the sick and wounded rebels confined to a British prison ship in Charleston Harbor. It was there she caught the fever that took her life in 1781, leaving to her son, Andrew, an undying hatred for the British.

There were women who followed their men into battle and those who for want of their country's independence or their own adventure disguised themselves as men and enlisted in the Continental Army.

Congress in 1779 recognized Margaret "Molly" Corbin's courage in battle by making her the first woman pensioner of the United States. She is also the only woman buried at West Point because of service in action.

These patriots in petticoats included Rebecca Motte who encouraged the

Americans to burn her strategically located plantation mansion so that garrisoned Tories would be forced to surrender.

Sixteen-year-old Sybil Ludington raced 40 miles across the rain-drenched Connecticut countryside to muster militiamen in her father's command to save rebel supplies.

Phillis Wheatley, a slave whose themes reflected the patriotic moods of the time, was the first American black to publish a book of poems.

Mr. President, these are just a few of the many women whose courage and determination have helped make this Nation the power it is today. But behind them in the shadows stand all the others, without whom none of it would have been possible.

Lonnelle Aikman writes about these brave women of the revolution in the October 1975 issue of National Geographic. I ask unanimous consent that his article, "Patriots in Petticoats," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Geographic, Oct. 1975]

PATRIOTS IN PETTICOATS

(By Lonnelle Aikman)

"Even in their dresses the female seem to bid us defiance," wrote a British soldier in Charleston, South Carolina, as the American Revolution dragged on into the summer of 1781.

"[They] take care to have in their breasts . . . and even on their shoes something that resembles their flag of the thirteen stripes. An officer told Lord Cornwallis . . . that he believed if he had destroyed all the men in North America, we should have enough to do to conquer the women."

The discouraged Englishmen had discovered the American Woman—a female of the species as exceptional as was the notion that citizens had the right and ability to govern themselves without benefit of royalty.

Schooled in a vast untamed land of hardships and hazards, the women of Colonial America were conditioned independence and initiative. From Canada's forest-shadowed St. Lawrence Valley to the southern seaports of the Atlantic and westward to the wild frontier of the Indians, they made homes with whatever came handy.

Up at dawn, growing and preparing their own foods, spinning, making their own clothing, and nursing their sick with medicines from herb gardens and nature's field-and-forest apothecaries, most of them found that woman's work, indeed, was never done.

At the same time they were "borning" children with the regularity of the seasons. And where Indians raided or outlaws attacked, they were capable of grabbing the nearest weapon and defending their families. No wonder many women were ready to give up imported comforts and luxuries rather than submit to oppressive British taxation.

Better, they said, to wear plain homespun dresses than to flaunt gaudy, expensive ones from Europe. As for British tea, there were plenty of native substitutes—sages, current strawberry, loosestrife, or plantain leaves—which they brewed and served as Liberty Tea. In 1774, 51 strong-minded ladies of Edenton, North Carolina, sent London a signed resolution renouncing all taxed tea.

Other patriots in petticoats had set up tax-defying groups as early as 1766. Some called themselves "Daughters of Liberty," a gentler version of the often rough and ruthless "Sons of Liberty." After the war exploded, they stood firmly beside their men.

"Even Weamin had firelocks," wrote a British soldier ruefully of the sniping that took heavy toll of the Redcoats on the road back from Lexington and Concord. "One was seen to fire a Blunder bus between her Father, and Husband, from their Windows. . . ."

As the conflict spread, women of all classes, from work-worn frontier wives to mistresses of great plantations, flung themselves into it.

"Handy eBtty the Blacksmith," born Elizabeth Hager in Boston, was noted for repairing Rebel muskets and other weapons—including captured British cannon.

Esther Reed, wife of Pennsylvania President Joseph Reed, and Sarah Franklin Bacht, daughter of Benjamin Franklin, led a group of Philadelphia women who raised enough money to make 2,500 shirts for George Washington's men.

Throughout the Colonies women replaced soldier-husbands in fields and shops, and often spied and eavesdropped on the enemy.

When the British occupied Philadelphia, one story goes, a Quaker housewife named Lydia Darragh learned at the keyhole of a coming attack against Washington at Whitemarsh, and walked miles to give warning.

In North Carolina, a monument on the site of the Battle of Guilford House honors Martha Bell as a heroine who rode the countryside picking up hints of British strength to aid Gen. Nathanael Green's campaign against Lord Cornwallis.

Still other women left home to follow the Continental Army. Driven to the road by war's devastation, or wanting to be with husbands or lovers, they served as cooks, washerwomen, menders, nurses, and as companions to the troops.

True, there were frivolous or mercenary women, as well as honest Loyalists, who consorted with British officers and men. But there were also idealists who scorned "Lobsterbacks" and called such alliances with the Redcoats "taking scarlet fever." Among these stood a few fiery intellectuals who helped inflame the Revolutionary spirit.

On a wide-swinging tour of places linked with America's first women patriots, I stood on Penns Hill in Quincy, Massachusetts. From there Abigail Adams had watched the British burn Charlestown and heard the cannon roar at the Battle of Bunker Hill.

Overhead a plane passed, and rows of modern city houses obscured the view toward Charlestown. But I walked the same granite rocks that knew Abigail's footsteps, and I had climbed the same long slope to the hilltop from the restored farmhouse in which John and Abigail Adams lived in what was then called Braintree.

It was a sultry, cloudy June 17, a fitting anniversary of Abigail's experience in 1775, when the Revolution was new and the future darkly veiled. To her skirts clung one of her four children, John Quincy, nearly 8; she had snatched him up to glimpse the action and hear the ominous rumbling that filled the air. John Quincy Adams never forgot the horror of that sight of rising smoke and flame, though he lived to be 80, and, like his father, became the nation's President.

A massive stone monument—Quincy people call it the "Cairn"—now crowns the summit site. Another history-seeker was taking a picture of its bronze tablet when I was there.

But the best way to recapture the scene and mood is to read Abigail's own words, penned the following afternoon to her husband, then serving as a delegate to the Second Continental Congress in Philadelphia.

"The Day; perhaps the decisive Day is come on which the fate of America depends," she wrote. "Charlestown is laid in ashes. The Battle began upon our intrenchments upon Bunkers Hill, a Saturday morning about 3 o'clock and has not ceased yet. . . . May we be supported and sustained in the dreadful conflict. . . ."

To Abigail, the meaning of the struggle she had witnessed was clear. Only two months before, the first hot blood of combat had seeped into the ground of Lexington and Concord. Now open war was burying all hope of reconciliation, and sensible women might well ponder the cost of challenging the might of the British Empire.

As for Abigail and John, their sacrifice had already begun in the first of many separations the Revolution would bring. How painful these were we know from the ardent words that fill their voluminous flow of letters preserved in the *Adams Family Correspondence*.

Yet both willingly denied themselves for the cause that lawyer Adams had served with brilliant dedication since Massachusetts first resisted Parliament's hated Stamp and Tea Acts. Nor was Abigail merely reflecting the politics of her man.

John once twitted her for being impatient with his cautious legal tactics. He called her "fiery as a young grenadier," according to one biographer.

"I long to hear that you have declared an independency," she wrote him in March 1776, months before the Congress acted. "—and by the way," she added, "in the new Code of Laws. . . . I desire you would Remember the Ladies. . . we are determined to foment a Rebelion, and will not hold ourselves bound by any Laws in which we have no voice. . . ."

Abigail's conscience also prodded her to assail slavery, which New England found useful in an economy that turned West Indies sugar into rum to buy African labor.

"I have sometimes been ready to think," she wrote John, "that the passion for Liberty cannot be Eaquelly Strong in the Breasts of those who have been accustomed to deprive their fellow Creatures of theirs. . . ."

Such feminist and antislavery sentiments reveal Abigail Adam's own passion for justice and freedom that gave her front rank among women who helped win their country's "independency."

Despite the terrors of war, plus a smallpox epidemic checked only by primitive inoculation, and a virulent dysentery that carried off relatives and friends, she managed to run the farm alone, care for her children, and still work for the Revolution.

Using her prestige as a member of a distinguished local family, she promoted activities from sewing uniforms for country boys turned soldier to making saltpeter for gunpowder and bullets from pewterware.

She provided food and shelter for soldiers bound for General Washington's army, encamped outside British-held Boston during the first year of the war. She filled her house with Whigs fleeing the captive city, and welcomed temporary refugees appearing suddenly from neighboring towns threatened by Redcoat forays. But nothing Abigail did proved more valuable than the military and political intelligence she sent in letters to her husband.

Living on the borderline between Boston and the rebellious countryside, she reported on enemy troops and ships, as well as on Tories, inflation, and other American problems.

John Adams and his fellow delegates, who needed just such details in voting arms and trade regulations, came to appreciate Abigail's specific and accurate information.

"There is a Lady at the Foot of Pens Hill," Adams wrote proudly to a friend, "who obliges me . . . with clearer and fuller Intelligence, than I can get from a whole Committee of Gentlemen."

Significant in the success of the Revolution was the powerful factor of personal relationships and sociabilities.

On visits to historic homes from Quincy, Massachusetts, to Charleston, South Carolina, I walked through silent display settings once peopled by men and women who made love while making history, and danced and dined with fellow patriots before risking, and sometimes losing, their lives for their country.

Abigail Adams, as a member of the Rebels' highest inner circle, first met George Washington in July 1775, soon after he took command of the army in Cambridge.

She was vastly impressed by him: "... the one half was not told me," she wrote John, of his "Dignity with ease. ... Modesty marks every line and feture of his face."

Abigail also admired Benjamin Franklin, with whom she "had the pleasure of dining" later in the year. He was "social, but not talkative," she observed, "and when he spoke something useful dropped from his Tongue. ..."

Mercy Otis Warren of nearby Plymouth was another intellectual activist of the inner circle, and, like her husband, an old friend of Abigail and John. The two wives, moreover, agreed that women should be free of male bondage as mere "Domestick Beings."

"He [Adams] is very sausy to me in return for a List of Female Grievances," Abigail wrote Mercy. "... I think I will get you to join me in a petition to Congress ... in behalf of our Sex, who are rather hardly dealt with by the Laws of England. ..."

As the wife of James Warren, popular civil leader and later army paymaster, and as the sister of firebrand James Otis, Mercy presided over a brilliant Revolutionary salon. She also commanded respect by her own democratic ideas and strategy, expressed in print and in correspondence with such men as Thomas Jefferson and Samuel Adams.

Indeed, her pen was never sheathed. In a different vein but with Tom Paine's zeal, she composed and published satirical plays and poems lampooning Tory leaders and sycophants as classic clowns and villains.

So effective were these works in rallying public opinion that she has come down to us as the "poet laureate" and "penwoman" of the cause. Charles Francis Adams, an Adams grandson, called her "one of the remarkable women of the heroic age of the United States."

Historians find Mercy's three-volume history of the Revolution, published in 1805, especially interesting for its contemporary views. She not only discussed the war's causes and events but also analyzed the personalities and acts of its leading characters—Washington, John Adams, Generals Knox and Greene, among others—all men, as she wrote, with whom she had been "connected by nature, friendship, and every social tie."

Another friendship from the fertile soil of the Revolution grew up between Mercy Warren and Martha Washington.

"I took a Ride to Cambridge And Waited on Mrs. Washington ..." Mercy wrote Abigail in April 1776, after her first meeting with the general's wife in his headquarters facing the British troops in Boston. "If you wish to hear more of his Ladys Character," Mercy continued, "I will tell you I think ... her affability, Candor and Gentleness Qualify her ... to sweeten the Cares of the Hero and smooth the Rugged scenes of War."

How far Martha Washington traveled to share the life and war of her hero may astonish those who think of the mob-capped mistress of Mount Vernon as a sedate homebody.

Seated in the family coach behind scarlet-clad postillions, surrounded by hams, jellies, and other plantation goodies to augment lean camp fare, she jolted over rough roads for days at a time to reach the headquarters of the Rebel commander and his troops.

Beginning with Cambridge, from which she watched the British evacuate Boston, she was with the general in New York City, Morristown, Valley Forge, and Middlebrook. Then back to Morristown in a howling blizzard, December 1779, and north, the following winter, to New Windsor, where she was with her husband through two mutinies by his starving troops to the south.

On her way back and forth, Martha usually stayed with friends in Philadelphia, and there she "took the pox" (the smallpox inoculation) as a necessary precaution in visiting frequently disease-ravaged camps.

In the Washingtons' handsomely restored mansion at Mount Vernon by the Potomac, I knelt beside Martha's worn leather-covered trunk, a gift from a descendent to the Mount Vernon Ladies' Association that owns and exhibits the estate. Inside its lid were these words, written in 1830 by Martha's granddaughter, Eliza Uarke Custis:

"It was that in which the cloaths of my Sainted Grandmother Mrs. Washington were always pack'd by her own hands. ... I have stood by it ... distress'd at her going away—& oh how joyfully when she returned did I look on to see her cloaths taken out."

Sentiment, like a faint scent of lavender, clings to such family memories. The facts and figures of Martha's journeys I found in a yellowed expense account prepared by Washington himself on July 1, 1783, and filed in Mount Vernon's manuscript collection.

According to his meticulous accounting to Congress, Martha's eight years of travel cost him £1,064 and one shilling (perhaps $5,000).

It was worth it, for her devotion helped the leader bear the tensions of fighting on the razor edge of defeat, while her very presence belied enemy propaganda that she was a Tory.

Two firsthand descriptions of Martha Washington at Valley Forge paint a composite picture of her personality. "... a sociable, pretty kind of a woman," one visitor wrote in her diary after sitting with Mrs. Washington while waiting for an interview with the general.

"She possessed always a mild, dignified countenance, grave but cheerful," was the way Col. P. E. du Ponceau, aide to General von Steuben, saw Washington's wife. "Her presence inspired fortitude. ..."

You can still visit a surprising number of Washington's headquarters where Martha also slept. Preserved by the National Park Service, or by state, city, or private groups, these dwellings range from the elegant Ford Mansion in Morristown and the early Dutch-Colonial Hasbrouck House in Newburgh, New York, to a modest fieldstone cottage at Valley Forge (map, page 478).

A piercing wind sharpened the reality of old hardships at Valley Forge as I came to the small building before which Mrs. Washington's coach stopped on February 11, 1778. To reach it, she and her military escort had clattered past hundreds of hand-hewn log huts in which some 11,000 hungry, near-naked soldiers chanted hopelessly from time to time. "No meat, no clothes, no pay, no rum."

The wife of the commander in chief fared better, of course, as did his staff officers and wives lodged in nearby farmhouses. But rations and clothing were scarce for all. At one officers' stag party, no guest with "a whole pair of breeches" was admitted.

In the Washingtons' cramped quarters, the post's ranking lady soothed ruffled feelings of rival staff members and comforted homesick American and foreign officers. She was especially fond of the young Marquis de Lafayette, with whom an abiding friendship then began.

Martha's heart reached out, too, to sick and wounded enlisted men whose bloody footprints stained the snow-packed roads. She organized camp and neighborhood wives to roll bandages, knit socks, and mend shirts.

"I never in my life knew a woman so busy from early morning until late at night," commented one local resident who accompanied her on rounds of the huts.

Yet good news came to Valley Forge by the end of the brutal season that took the lives of some 3,000 men by disease, starvation, and exposure. On May 5 Washington announced the long-hoped-for treaty of alliance with the King of France—thus gaining, as he put it, "a powerful Friend among the Princes of the Earth." On May 6 he ordered a celebration on the Grand Parade Ground.

It is easy to relive that scene on the same open field in the heart of the restored park: To imagine the prancing horses and smart-stepping troops transformed from a ragtag mob by Prussian drillmaster von Steuben; to hear the cannon roar, the fifes and drums and huzzas for the "Friendly European Powers," the "American States," and here and there, a cheer for "Lady Washington."

Only once, during the eight long years of fighting, were the Washingtons together in their own home. It happened in the late summer of 1781 after the main theater of war moved south. Washington and the newly arrived French general, the Count de Rochambeau, had turned their combined northern armies south, toward a little tobacco port in Virginia called Yorktown. They stopped briefly at Mount Vernon, then galloped away with their aides to keep an appointment with destiny—the defeat of Lord Cornwallis at Yorktown in the last major battle of the struggle.

Ironically, the nation's triumph brought tragedy to Martha and the general. John Parke Custis, her only son by her first marriage, died from "camp fever" contracted as Washington's aide at Yorktown. But sorrow did not end Martha's travels.

Even after the guns were silent she was at Newburgh with her husband while both waited impatiently for news from Paris of the final peace treaty in 1783. As her grandson, George Washington Parke Curtis, would recall in his memoirs, "she often remarked, in after life, that it had been her fortune to hear the first cannon at the opening and the last at the closing" of all the Revolution's campaigns.

If following the army was hard on the general's lady, it was no bed of roses for the Judy O'Gradys, who trudged with the troops and often slept in the fields.

In those days, armies accepted women as a necessary evil, as drudges for their husbands and other men of the corps, and to carry water to swab cannons and ease the wounded on the battlefield. Thousands were shipped to America in British and German transports, sometimes after instant military marriages.

Rations and sometimes special work allowances were provided authorized women and their children. They might also suffer as harsh punishments for misdeeds as did the men. One female retainer with the British in Boston was found guilty of stealing and causing the slaughter of the town bull. She was sentenced to be "tied to a Carts Tail, and thereto receive 100 lashes on her bare back ... and to be imprisoned three months."

At first few American women marched with the militia, but as the war continued, more homeless or lonely wives joined the troops, as did strays, who were picked up in towns and taverns.

General Washington issued dozens of orders about camp followers. Though recognizing their contributions, he recommended that officers get rid of all unessential ones, pointing out that "the multitude of women ... especially those who are pregnant, or have children, are a clog upon every movement."

In troop transport, women were classed with the baggage, but they were forbidden to ride if able to walk. Many flouted the regulation, causing problems of discipline. Washington once observed that he was "sorry to see ... a much greater proportion of men with the baggage than could possibly be necessary."

Yet with all the misery endured by camp followers on both sides, individual acts of heroism lighted candles in the dark.

I left my car on the bank of the Hudson and climbed to the highest natural point in Manhattan, overlooking the site of one such heroic act. Bennett Park, at 183d Street, was like any park on a summer day—children playing, a young mother rolling a baby carriage, an older couple chatting. But this was historic ground—the site of the Battle of Fort Washington, on November 16, 1776, during one of the blackest periods of the Revolution.

General Washington had lately suffered the disastrous defeats of Long Island and White Plains. To hamper British pursuit of his army, he left a garrison of rifle- and artillerymen at Fort Washington, commanding the Hudson. With them came camp followers, including one destined for fame.

Her name was Margaret Cochran Corbin. Born near the Pennsylvania frontier and orphaned in an Indian raid, she had married John Corbin of Virginia when she was 21. When Corbin joined Thomas Proctor's Corps of Artillery from Pennsylvania, and it was sent to Fort Washington, Margaret went along.

She was still at his side in his two-gun battery when the fighting started. Perhaps "Moll" or "Molly," as her comrades called her, helped the gunner's team prepare the cannon. At least she knew the procedure—swabbing out the bore and ramming down the ammunition—from watching the men drill.

The American position was doomed from the time General Howe unleashed his big guns in a land-and-water attack with forces that outnumbered the defenders three to one.

Under the intense bombardment, John Corbin fell, mortally wounded, beside his cannon. Into his battle station jumped Margaret, helping to launch cannon balls that cut through ranks of Redcoats and Hessians climbing stubbornly toward the rocky height. Then she, too, went down, her breast and shoulder torn by grapeshot.

She never regained the use of her arm. Recognizing her courage under fire, Congress made her the first woman pensioner of the United States. In 1779 she was awarded the monthly sum of a soldier's half pay and later an annual allotment of "one compleat suit of cloaths, out of the public stores. . . ."

The story ends in the library of the U.S. Military Academy at West Point. Thumbing through brittle pages of the quartermasters' logs from 1784 to 1790, I read of efforts to help "Capt. Molly," who by then lived nearby, in what is now Highland Falls, New York, with an ailing second husband, and who was herself far gone in querulous misery.

You can still see the young and gallant Margaret Corbin, however, working her cannon on a sculptured bronze tablet set above her grave in the West Point Cemetery. "She is the only woman here from the Revolution," said Richard Kuehne, director of the West Point Museum, as we stood by her tombstone. "She is also the only woman buried here because of service in action."

How this distinction came about is a story strained by coincidence, for similar heroics were performed by the famous "Molly Pitcher" at the later Battle of Monmouth.

For years people confused the two Mollys. Finally, in 1926, after extensive research proved that the Captain Molly buried near Highland Falls was indeed Margaret Corbin, the Daughters of the American Revolution arranged to re-inter her at West Point with full military honors.

And what of the other Molly? Curiously, she too was married to a gunner in Proctor's artillery. Genealogists now doubt her long-accepted identification as Mary Ludwig, daughter of a German immigrant. But recently unearthed evidence lends support to the cherished tradition of Carlisle, Pennsylvania, that Molly Pitcher was a local character, a buxom Irish lass whose given name was Mary.

This Mary met and married William Hays, a young barber. Like Margaret Corbin, Mary followed her husband to war. Thus she was with him on that blistering-hot June 28, 1778, when the Continentals fought the British and Hessians in the New Jersey fields and marshes near what is now the town of Freehold.

Map at hand, I drive a winding country road rimming the state-owned Monmouth Battlefield. I was looking for the long-disputed place where legend says Molly Pitcher got her nickname by filling her pail with water to cool the parched throats of fighting and dying men.

Turning at a railroad underpass to which I had been directed, I came to a battered marker labeled "Molly Pitcher's Spring." But I still had not found the old well now believed to be the one used by Molly. That site, turned up after much research by historian Samuel S. Smith, lies three-quarters of a mile away, at a point where the fight raged most fiercely that hot day.

The hell of war seems remote in this quiet country setting of today. Yet it was here that Washington gained a stalemate after the eccentric Gen. Charles Lee had unaccountably ordered advancing Americans to retreat. Amid the general confusion, Molly Pitcher, who stood firmly beside her husband—as had Margaret Corbin—helped keep the gun in action (page 483).

In his autobiography as a private in the Revolution, Joseph Plumb Martin describes the fortitude of this earthy heroine:

"While in the act of reaching a cartridge and having one of her feet as far before the other as she could step," he wrote, "a cannon shot . . . passed directly between her legs without doing any other damage than carrying away all the lower part of her petticoat. Looking at it with apparent unconcern, she observed that it was lucky it did not pass a little higher . . . and continued her occupation."

From the rocky soil of Massachusetts came an equally sturdy woman who posed as a man in order to fight.

Deborah Sampson, born in 1760 in Plympton, came from Puritan stock that included Miles Standish and John Alden. While she was still a child, however, poverty forced her widowed mother to give her up to a Middleboro family for indentured service. Out of that hardworking but not unkind environment, she emerged a tall, strong, young woman, quite able to take on man's work.

From then on, Deborah Sampson's adventures rivaled fiction, later filling a 1797 biography by Herman Mann, *The Female Review: or, Memoirs of an American Young Lady.*

Briefly sketched, it all began when she made herself a man's suit, walked to a recruiting post in another town, and enlisted as Robert Shurtleff. She was mustered at Worcester, and joined the Fourth Masachusetts Regiment, then stationed at West Point.

She was wounded twice on raids along the Hudson. In a skirmish near Tarrytown, she suffered a sword cut to the head, and at Eastchester she took a bullet in her thigh that troubled her the rest of her life.

Army records confirm these details of Deborah's military service. Her strength and firm chin, shown in a contemporary portrait, explain how she passed for a "smock-faced" boy, too young to grow a beard.

What still plagues historians is her enlistment date. Her own sworn statement says it was in April 1781, and adds that she was at Yorktown when Cornwallis surrendered. Two documents put it at a later date.

Under the midday sun, I stood on Redoubt No. 10 of the restored Yorktown battlefield and tried to imagine that night of October 14 when the Americans took this fortified hill in a furious bayonet charge (preceding pages).

According to her biographer, "Our Heroine" was chosen as one of the select corps of attackers, after days of back-breaking, hand-blistering work in digging trenches.

"At dark, they marched to the assault with unloaded arms, but with fixed bayonets," wrote Mann, "and with unexampled bravery . . . were complete victors of the redoubts."

"We'll probably never know whether Deborah was here," said Jim Haskett, chief historian of the national park at Yorktown. "Those service records must have gone up in smoke when the British burned Washington in the War of 1812. . . . Why did she do it? Maybe she hated the British for personal reasons, or was just a girl looking for adventure."

Whatever her motives, Deborah kept her secret until she went to Philadelphia as a general's orderly. There she came down with a "malignant fever" and was sent to a hospital, where a startled examining doctor discovered that the warrior was a woman.

The game was up. Around 1782, Deborah was honorably discharged from the army, and returned to a woman's world. She married a young farmer named Benjamin Gannett and in time bore three children.

But Robert Shurtleff was not dead yet. Mrs. Gannett revived the role on tour as America's "first woman lecturer." Certainly she was the only one to wear a soldier's uniform and present arms with experienced snap.

Georgia remembers another rifle-toting Amazon, a cross-eyed frontier woman even outsiders can't overlook.

"You are now entering Nancy Hart country," announced Dr. E. Merton Coulter, editor, author, and history professor emeritus at the University of Georgia in Athens, who knows more about her than anybody else.

As we drove on toward the state's northeast border, we passed the town of Hartwell in Hart County, then turned south and took the Nancy Hart Highway to reach our objective, which was—naturally—the Nancy Hart State Park.

There Dr. Coulter, an engaging octogenarian who enjoys hiking as well as history, led me up a wooded hillside to a reproduction of Nancy's log cabin where she performed the most famous of her patriotic exploits.

"Aunt Nancy, as people hereabouts call her, was a real person," Dr. Coulter assured me. "She lived here with her husband Benjamin and their eight children, and the anecdotes told about what she did generally agree."

The incident itself has chilling credibility as an example of the civil strife that ravaged the South late in the war. After the King's men captured Savannah and Augusta, Loyalist and Rebel guerrillas exchanged savage raids. One day, goes the story, five or six Tories from a British camp came to her cabin after murdering a militia colonel, John Dooly, in his bed. They shot Nancy's last turkey gobbler and ordered her to cook it.

Though tough Nancy was known by the Indians as the "War Woman" for her ferocity against local Tories, she turned now to guile. While pretending to cooperate with the men, she sent her young daughter Sukey to fetch spring water, but with a whispered aside to blow the conch shell to summon her father.

Meantime, as the invaders grew jovial over flowing liquor, Nancy slipped two of their stacked guns through a wall chink. Caught in the act, she seized another gun and shot one of the advancing men dead. Another Tory, misled perhaps by her crossed eyes, moved toward her and was wounded (pages 490–91).

About that time Hart and his friends arrived and captured the Tories. They proposed shooting them, but Nancy argued that such a death was too good for Dooly's murderers. And so it was decided. The tale ends with the men hanged in the Harts' backyard.

Nancy Hart may seem bloodthirsty, but frontier war was not for the squeamish. Women faced not only rape by enemy soldiers but also abduction, scalping, and torture by British-allied Indians.

The more rugged ones often fought back. "Mad Anne" Bailey—"White Squaw of the Kanawha" in what was then western Virginia—served as patriot scout, messenger, and

Indian fighter. A superb horsewoman, she rode the frontier in buckskin breeches, recruiting "Liberty Men" as she went along.

On the trail of still another heroic frontier female, I drove to the site of Fort Henry in Wheeling, West Virginia. Nothing remains today of the building that once rose behind a high stockade on a steep bluff overlooking the Ohio River.

"That's where we think it was," said Dr. James Hazlett, Wheeling physician and history buff, pointing to a small granite tablet set up on the city's busy Eleventh Street Mall.

The tablet's inscription states that it commemorates the siege of Fort Henry on September 11, 1782. What it doesn't say, and Wheeling residents add, is that a young girl named Betty Zane saved the fort from an overwhelming force of British-led Indians.

Elizabeth Zane, sister of one of the settlement's founders, Ebenezer Zane, was inside the fort when the fighting began. As the defenders' gunpowder dwindled, she volunteered to fetch more from the Zane cabin.

The baffled Indians watched her leave without firing at her. They knew better on her return with a big bundle. Bullets spattered dust at her flying feet (page 487), but she made it and the garrison fought on until the besiegers gave up and faded into the forest.

In the rustic Wilson Lodge in city-owned Oglebay Park, I found an old print of the gunpowder-running scene at the entrance to a "Betty Zane Room." But I came closest to the original Betty when I met her great-great-granddaughter, also Betty Zane (Mrs. Nelson MacAninch) of Martins Ferry, Ohio, across the river from Wheeling.

"I was one of the schoolchildren who donated to the Betty Zane statue outside the old cemetery where she's buried," Mrs. MacAninch told me. "I was the first Betty Zane to march in the pageant when the statue was dedicated, and again ten years later. And I expect to be carrying the gunpowder next year at our Bicentennial celebration."

No doubt the nation will pay tribute to many heroines of the Revolution during its widespread Bicentennial celebration. Already the U.S. Postal Service has issued an eight-cent stamp honoring a female Paul Revere named Sybil Ludington.

This 16-year-old girl, daughter of Col. Henry Ludington of what is now Ludingtonville, New York, rode 40 miles through the perilous night of April 26, 1777, to rally neighboring militiamen to meet at her father's house (left).

The British were burning the Rebel base at nearby Danbury, Connecticut, and Ludington's men helped intercept them at Ridgefield. Although the militia fought valiantly, the enemy was able to slip back to His Majesty's ships anchored in Long Island Sound.

History-minded travelers can pick their own women, as I did, and play the game of tracking down the scene of the action. On the last lap of my travels, I stopped at the old Walnut Grove Plantation near Spartanburg, South Carolina, to see the girlhood home of "Kate" Moore Barry, remembered for her aid to Gen. Daniel Morgan in winning the Battle of the Cowpens. To my delight I met there a sprightly 80-year-old guide for the Spartanburg County Historical Association who happens to be a collateral descendant of my subject.

"I was born in this house," said Mrs. Mary Montgomery Miller, as we sat in a small back room surrounded by early "up country" furnishings. "As a child I loved to hear stories about old times, told by Kate's own nephew.

"Mostly they were about the Revolution, when Kate was married to Capt. Andrew Barry and lived close by. She often acted as a courier and helped round up men for skirmishes. She did the same thing before the big Battle of the Cowpens. . . . You might say they had women's lib, but men didn't know it."

Moving on, I stopped at three more spots where local historians tell of women who struck blows for liberty. At Cedar Spring, at the South Carolina School for the Deaf and the Blind, I peered into a small brick building that houses a still-flowing spring near which a Rebel band camped on a July night in 1780.

Up to their campfires galloped Jane Thomas, who had covered 60 miles to warn her son and his partisans of an impending Tory raid. Thus forewarned, the Americans routed the attackers and survived to fight again.

Thirty miles south of Cedar Spring I stood on the muddy, overgrown shore of the Tyger River, near the ford into which a young patriot named Dicey Langston had plunged on a similar night mission that same summer. Though nearly swept away by the swirling current, Dicey enabled the settlement there to foil an assault by a Tory group known as the "Bloody Scout."

Racing against sundown along back roads, I came at last to Fort Motte, now an all-but-empty ghost town that was born when the British occupied the plantation of the wealthy widow Rebecca (Mrs. Jacob) Motte,

Fortified and garrisoned, Mrs. Motte's mansion was invaluable to the British as a supply depot on the river route between Charleston and the up country, and as such became a prime target for American capture.

Rebecca, exiled to the overseer's house, not only encouraged the Americans to burn her own home, but even provided arrows to set the roof afire, forcing the garrison's surrender before the flames were extinguished.

After that victory of May 12, 1781, Mrs. Motte again presided at her own table—an unflappable hostess to the Americans and their British prisoners, who had just faced one another over guns.

Rebecca Motte's mansion has long since disappeared, and a monument set up at the site is off limits, on privately owned property.

But monuments are not the only way to remember. In old Charleston, I learned that a small memorial to the mother of Andrew Jackson has vanished from its place along a suburban road. Yet everyone I asked about Elizabeth Hutchinson Jackson knew her story—how she traveled 160 miles across South Carolina to nurse sick and wounded Rebels confined to the hell-hold of a British prison ship anchored in Charleston Harbor. And how she caught there the fever that took her life in 1781, leaving to her son an undying hatred of the British.

Back in Washington, I met the last two women on my list in an art gallery and in an educational film, respectively.

In the National Portrait Gallery, which was presenting an exhibit called "The Black Presence in the Era of the American Revolution 1770–1800," I stood before an engraving of Phillis Wheatley and marveled.

This remarkable black woman was brought from Africa in 1761 as a child slave, and sold on the block to a Boston Quaker family named Wheatley. She soon showed such precocious intelligence and unquenchable thirst for knowledge that the family helped her acquire a classical education comparable only to that of contemporary Harvard students.

Inspired by the Bible and other great works, and conscious of the evils of slavery, Phillis found a place in intellectual circles as a poet whose themes of freedom and virtue were in tune with the patriotic and literary moods of the time. One stanza of a poem, telling how she was "snatch'd" from Africa, ends with these words:

Such, such my case. And can I then but pray
Others may never feel tyrannic sway.

As the first American black to publish a book of poems, she sailed to London in 1773, where she was feted by antislavery nobility. John Paul Jones called her the "African Favorite of the Nine [Muses]," and George Washington entertained her at his Cambridge headquarters after she sent him a panegyric as the defender of "Columbia."

You can still find Phillis Wheatley's name given to branches of the Young Women's Christian Association in seven cities, including Washington, St. Louis, and Atlanta. It was chosen by the individual groups as a symbol of cultural accomplishment by blacks.

Mary Katherine Goddard of Baltimore, Maryland, was born at the other side of the social scale from Phillis. Yet she, too, had a successful career so striking that one of a series of Bicentennial films produced by National Geographic with Station WQED of Pittsburgh features her role in the Revolution.

Besides serving as Baltimore postmistress from 1775 to 1789, Miss Goddard ran a printing shop. When Congress fled to the city late in 1776, she turned out the first copies of the Declaration of Independence including a list of 55 of the eventual 56 signers.

It was as editor and publisher of the weekly *Maryland Journal and Baltimore Advertiser*, however, that Mary Kate contributed most by reporting the war's ups and downs with patriotic fervor and firsthand coverage.

A few days after the opening shots at Lexington and Concord, her readers learned details from a story datelined April 19, 1775, the day it happened. After the signing of the preliminary Paris Peace Treaty, they were the first Americans to "read all about it" in her broadside of February 19, 1783—a scoop made possible by the landing at Baltimore of a schooner verifying current rumors.

Even now we can thank Mary Katherine Goddard for a stand she took on a principle that is as newsworthy today as it was then. She refused to reveal to the Whig Club of Baltimore the source of a satirical letter she had published, which club members took seriously as support for the British.

The confrontation led to threats and violence against the paper and her brother, who owned the *Journal* and who also refused to identify the letter writer. Eventually the dispute reached the Maryland Assembly and was resolved in favor of the Goddards—affirming the freedom of the American press to protect its sources of information.

Mary Kate and Phillis . . . Martha and Abigail . . . such colorful characters capture the spotlight of history. Behind them in the shadows stand all those others, the nameless Founding Mothers without whom none of it would have been possible.

ELECTION BOARD HAS HEAP BIG PROBLEMS

Mr. BELLMON. Mr. President, on September 10 I introduced S. 2321, to solve a problem that many political subdivisions throughout the Nation are having with the new bilingual election provision of the voting rights bill recently enacted by Congress. Senators DOMENICI, BARTLETT, GARN, and HANSEN have joined as cosponsors of this proposal.

There is little question that when a substantial percentage of the voting age citizens of a country have another language other than English, then bilingual ballots should be provided. This is only just and is necessary to remedy a voting denial for these citizens. However, because of a legislative oversight in the voting rights bill, many States will be required to print bilingual ballots where there is absolutely no need. According to the Census Bureau, political subdivisions in at least 26 States may be so affected. These States are: Alaska, Arizona, California, Colorado, Connecticut, Florida, Hawaii, Kansas, Louisiana, Minnesota, Mississippi, Montana, Maine, Nebraska, Nevada, New Mexico, North Dakota, New York, North Carolina, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

S. 2321 is technical in nature and will insure that no political subdivision is forced to conduct a bilingual election unless there is, in fact, a single language minority.

The purpose of the new bilingual election provisions is to remedy voting denials for minority citizens whose dominant language is other than English. Yet because of the definition of "language minority" in titles II and III as "persons who are American Indian, Asian American, Alaskan Natives or of Spanish heritage," bilingual elections will be "triggered" in many political subdivisions where there is no dominant language other than English.

For example, in Oklahoma, 21 counties will be covered by title II because 5 percent of the voting age citizens are American Indians and the illiteracy rate—less than a 5th grade education—is below the national average. Bilingual elections will be forced in these counties even though there is no demonstration that 5 percent of a language minority—American Indian—have a dominant language other than English. Judging from news reaction throughout the Nation, this absurd situation is not unique to Oklahoma.

An incorrect assumption is made that those citizens have another language other than English because the illiteracy rate is below the national average. This is not true. There is no causal connection between the "triggers" in titles II and III and the remedy—bilingual elections. This unjust result can be avoided and bilingual elections conducted only where there is a need, merely by enacting S. 2321, which adds the qualifying language contained in the purpose clause of the act whose dominant language is other than English—to the definitions section of the act, defining the term "language minority." This absurd result occurs because there is no requirement in the voting rights bill that at least 5 percent of the voting age citizens have a dominant language other than English. This legislative oversight must be corrected before the 1976 elections or else thousands in State funds will be wasted and the very credibility of the act adversely affected.

I ask unanimous consent that an article appearing in the Lawton Constitution which further illustrates the problem in Oklahoma be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BILINGUAL BALLOT SET—ELECTION BOARD HAS HEAP BIG PROBLEMS

OKLAHOMA CITY.—State Election Board Secretary Lee Slater has a heap big problem because the great white father in Washington, many moons away, is forcing him to spend state wampum.

The English translation is that Oklahoma's first bilingual election will be held in Sequoyah County Nov. 4 to fill a county commissioner's post and Slater is having problems coping with the situation.

The three-day filing period for the post opens Monday.

A new federal voting law apparently will force Oklahoma to translate ballots into Indian languages in 17 counties and Spanish in one county, Tillman.

"The law is aimed at correcting a problem we just don't have," Slater said, adding that Oklahoma Indians have been voting for generations without any trouble. He said the law was drafted primarily for states with Indian reservations.

The problem in Oklahoma is compounded by the fact that state has a large number of Indian tribes. In Sequoyah County, for example, the U.S. Census Bureau indicates there are 1,903 Cherokees, plus a few Creeks, Alabamas, Coushattas, Kaws, Omega, Osages, Poncas and Quapaws.

In statewide elections, Slater said, the Federal act will cost the state a lot of money.

Slater conferred with Barry Weinberg, deputy director of civil rights in the U.S. Department of Justice, then forwarded Weinberg's suggestions to A. J. Henshaw Jr., secretary of the Sequoyah County Election Board.

Slater said Weinberg suggested county officials should have an interpreter on duty Monday in case people who want to file for office want to use an Indian language.

Weinberg also said the county board needs to determine the number of Indians living in the county commissioner district involved and in each precinct.

"Ballots for the election should be printed in both English and Cherokee," Slater advised Henshaw, "and all election material used by a voter—such as instructions for voting—should be printed in Cherokee also."

Interpreters also should be available on election day, Slater said.

"Mr. Weinberg stressed that implementation of the act is a local function," Slater said in a letter to Henshaw. "Therefore, I strongly encourage you to contact Mr. Weinberg directly in the event you have further questions or problems."

Other counties with sufficient Indian population to require bilingual ballots under the new federal guidelines, Slater said, are Adair, Blaine, Caddo, Cherokee, Choctaw, Coal, Delaware, Hughes, Latimer, McCurtain, McIntosh, Mayes, Okfuskee, Osage, Pushmataha and Seminole.

Gov. David Boren set the special election dates to fill a vacancy created by the death of Jerry Bachus, the District 1 county commissioner in Sequoyah County.

The primary election will be Nov. 4 and the general election will be Dec. 2.

REFORMS NEEDED IN LEGISLATION AND ADMINISTRATION OF FOOD STAMP PROGRAM

Mr. HUMPHREY. Mr. President, I wish to share with this body a statement of mine today at the hearings which the Senate Committee on Agriculture and Forestry is conducting regarding the food stamp program.

In my oral remarks, I indicated the importance of this program to the farmers in terms of providing a vital demand for their products.

I also indicated that providing food stamps has a beneficial multiplier effect on the economy. There are a whole range of groups from processors to food stores which benefit from this program. I cited an Economic Research Service study being done which indicates that in 1972 the 63.9 million in bonus food stamps in Texas helped generate $232 million worth of new business.

I indicated that we need to look carefully at a number of areas where the program should be reformed. One such area is the establishment of a gross income ceiling above which one would not be eligible for food stamps. A second area would be the simplification of deductions. Another area, which I indicated as warranting thorough exploration, was the idea of establishing some kind of individual net worth ceiling above which one would not be eligible for food stamps.

I also pointed out that I was in the process of developing legislation which would elevate the administration of the food stamp and child nutrition programs to the Assistant Secretary level in the Department of Agriculture. It is my firm conviction that these programs have been hampered by inadequate attention and too low a priority on the Department's scale of concerns.

I also indicated to Senator DOLE that we should look carefully at his and Senator MCGOVERN's bill whereby food stamp recipients would receive the bonus food stamps without having to put up any cash whatsoever.

I indicated my strong convictions to the Department of Agriculture witnesses that this program has suffered most from a lack of strong attention and sound administration. While there have been some abuses which have been documented, it appears that these numbers are relatively small.

I certainly want to work with the committee in making improvements on the legislation, and I think that process is already well underway. But we need to keep in mind the critical importance of this program to those people who have been hardest hit by our recent inflation and unemployment. We need to avoid impairing or destroying a vital program in the name of removing a relatively small number of people who should not be on this program.

I indicated that it was only last autumn—starting in September, 1974—that the programs began to grow. Participation peaked at 19.6 million in April and May, 1975. During this 9-month period, unemployment rose by over 70 percent—and food program rolls increased by about 30 percent.

Then, in the months since May, unemployment has eased slightly. Concurrently, the food stamp program rolls have declined by 700,000 persons during this period.

I would suggest that the history of the program shows its principal growth to be due to the transfer of nearly 2,000 counties from commodities to food stamps, the extension of food stamps into every county in the country, and the current swollen levels of unemployment.

What this means is that we should pretty much have hit our peak in terms of food stamp participation—unless further administration mismanagement of the economy leads to even higher and more devastating levels of unemployment.

Above all I charged the administration with the need to do a better job in the administration of this program. Whatever legislative changes may be developed will not matter much if the program is not given adequate attention and firm direction.

Our committee will need to look at ways to improve the administration of the laws as well as the law itself.

Mr. President I ask unanimous consent that my remarks at this food stamp hearing be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement by Senator Hubert H. Humphrey

I am pleased to appear here today to testify on the food stamp program. Members of this Committee know of my long-standing interest in food stamps.

This program plays a critical role in enabling millions of low income Americans to eat more adequately, in supporting American agriculture, and in keeping the economy from sliding deeper into recession.

That the food stamp program now needs some reform is beyond question. I hope that this subcommittee undertakes a thorough exploration of what revisions are needed. However, there is a difference between reform and dismemberment.

To lop 5 or 10 million Americans off of this program because a small percentage of those getting food stamps may not need or be entitled to them would be improper, and it would also be grossly detrimental to the American economy at this time.

Our goal should be to tighten program administration, eliminate abuse, and ensure that the program serves those for whom it was intended. Efforts directed to this end will have my full support. But I will strongly oppose efforts that cut low income working families, the unemployed, or the low-income elderly from the program.

Mr. Chairman, I would like to discuss here today what I see to be some of the principal charges and issues surrounding the present food stamp controversy. At the Joint Economic Committee, which I have the privilege of chairing, we have been looking at a number of issues that impinge directly on food stamps.

First of all, as everyone in this room knows, there have been claims in a few newspapers and magazines that families earning $15,000 or $20,000 a year are getting food stamps.

Last year the Joint Economic Committee published a report that deals with the incomes of food stamp recipients. That report, based on a study conducted under contract with USDA by the Chilton Research Corporation, found 87 percent of all food stamp recipients to have take-home pay of less than $6,000 a year. 95 percent were under $8,000 a year.

Moreover, the study showed that nearly 90 percent of those households that did have incomes of over $6,000 a year were households of five or more persons.

These statistics were subsequently confirmed by the Bureau of the Census. The Bureau's August, 1974 Current Population Survey found 90 percent of all households in the program to have gross income (before taxes) of $6,000 or less.

Now let me say that when it comes to families of four who make larger amounts of money—$12,000, $15,000, or $20,000 according to some press accounts—I do not believe they should receive a single food stamp. We should change the eligibility rules so that there is a firm gross income limit. But to use these unusual examples to paint a picture of a program that is flooded with middle income families is to distort the true nature of the program.

Mr. Chairman, I cite these statistics because it has been claimed by some that loose eligibility standards are the main reason for the growth of the food stamp program in recent years, and that the program is now packed with those who do not need stamps. I would suggest to those who make such claims that they should devote a little time to studying the history of our food programs in this country, and a little time to studying economics, too.

The history of our food programs shows that nearly 13 million people participated in the surplus commodity program—which was the forerunner to the food stamp program—back in 1939. That year, like 1975, was a year of high unemployment.

In 1961, the food stamp program was initiated on a pilot basis, and in 1964 the program was made permanent. However, in these years, few counties had a food stamp program. Treasury Secretary Simon stated in August that the food stamp program has grown 47,000 percent since 1962.

Mr. Simon neglected to mention the fact that the program ran in only eight counties in 1962, where as it is in every county in the country today. Mr. Simon also neglected to mention the fact that the surplus commodity program served 7.5 million people in 1,750 counties in 1962, and that these people were simply transferred from commodities to food stamps in the ensuing years.

Finally, Mr. Simon neglected to say that in 1962, over 1,300 counties, including some of our poorest areas, had no food program at all. Today, every county in the United States does have a food stamp program, and this is a fact that this Committee should be proud of.

Similarly, those who compare the food stamp program in 1965 with the program in 1975 and who note that the program has grown from 500,000 participants to 18.8 million frequently do not explain that the food stamp program ran in only 110 counties in 1965.

In 1965, there were an additional 6 million persons receiving commodities. And in 1965, there were millions more low income families that did not participate in the food stamp program because they resided in one of 1,100 counties which still had no program at that time.

When I hear some of my fellow members of Congress longing for the days when food stamps only reached several hundred thousand people, I wonder if they would like to volunteer their counties or their state as an area that should not have any food program at all or that should be returned to the commodity distribution program.

I think it is worthy of note that virtually every county in the United States finally did have a food stamp or commodity program by 1971. In December, 1971, participation in these programs stood at 14.9 million. Curiously, in August, 1974, participation still stood at only 14.9 million. The point here is that once the programs were extended to nearly every county in the U.S., program growth largely stopped even though food prices rose more than 30 percent during this period.

It was only last autumn—starting in September, 1974—that the programs again began to grow. Participation peaked at 19.6 million in April and May, 1975. During this 9-month period, unemployment rose by over 70 percent—and food program rolls increased by about 30 percent.

Then, in the months since May, unemployment has eased slightly. Concurrently, the food stamp program rolls have declined by 700,000 persons during this period.

I would suggest that the history of the program shows its principal growth to be due to the transfer of nearly 2,000 counties from commodities to food stamps, the extension of food stamps into every county in the country, and the current swollen levels of unemployment.

What this means is that we should pretty much have hit our peak in terms of food stamp participation—unless further Administration mismanagement of the economy leads to even higher and more devastating levels of unemployment.

There are no more counties into which to extend the food stamp program. Only a handful of Indian reservations still have commodities rather than food stamps. The key is unemployment: if unemployment would drop more quickly, so would the size and cost of the food stamp program.

In fact, the USDA's own work clearly documents this point. A chapter of the food stamp study prepared by USDA in compliance with Senate Resolution 58 states that under the most likely economic conditions, the size and cost of the food stamp program will decline about 10 percent between now and FY 1980.

If the Administration would stop vetoing job creation and would exert some leadership to protect the worker as well as the banker and the oilman, we could see a decline of far more than 10 percent in the food stamp program by the end of FY 1976, let alone by FY 1980.

I cannot stress enough that the food stamp program must be viewed in its context within the American economy, and the American system of social benefits. We should remember that for many poor Americans, many families whose wage-earner is unemployed, food stamps are the only government program to which they can turn.

Welfare is largely limited to fatherless families with children. The SSI program is only for the aged, blind, and disabled.

And even unemployment insurance has its limitations. Those who previously worked in uncovered occupations, those who did not work long enough before a lay-off hit, those just entering or re-entering the labor market, and those who have been unemployed for more than 65 weeks—all these are ineligible for unemployment insurance. In the last quarter of 1974, over 3 million unemployed American workers did not qualify for unemployment insurance.

So what happens to those unemployed who cannot get unemployment insurance, or who get only a minimal UI benefit? These people can turn only to food stamps.

I should also note that it is the unemployed who in better times are likely to have accumulated some small goods and assets. Most are family people with children, and they would have acquired some furniture and household goods, possibly an appliance or two that they are still paying for, as well as a car on which they still owe payments.

We certainly will oppose changes in the program that would deny these people food stamps simply because they happen to have such assets.

We should, in addition, consider what happens to workers with families who earn low wages and live at or just above the poverty line. No program other than food stamps is available to these families. Yet it is some of these families that have been hit the hardest by the current state of the economy.

First, these families have fared badly under the inflation of recent years. A study by the Office of Income Security Policy at the HEW Department found that those who have suffered most from the inflation of the past several years have been those with incomes "slightly above the poverty line."

Secondly, many low income working families have been adversely affected by the reduction in over-time work, second jobs, and odd jobs that occur during a recessionary cycle. These extra jobs had supplemented income for many families near the poverty line.

The part-time jobs held by many married women have been adversely affected by the same process. The result is that families which were able to make an investment in a house or car when the wife was working or the husband held a second job or regularly got some over-time, now find themselves—as a result of the recession—with accumulating debts and dwindling sources of income to meet them.

Like many families below the poverty line, there is no other program to help. They may not be officially poor enough for welfare—and in any case could not qualify while there is a father in the home.

There is no unemployment insurance to compensate for the loss of over-time or part-time work. Yet they must try to hold themselves and their families together, trying not to lose too much of what they had begun to build up for their families, while also meeting the dramatically higher food prices that confront us all. For these families, too, food stamps afford some necessary help.

Unfortunately, Mr. Chairman, these unemployed and low income working families are precisely the sorts of families that would be cast adrift by the bill proposed by Senator Buckley and Rep. Michel. Rather than give such families a little support when they might be tided over until the economy recovers, rather than give them jobs that would enable them to go on supporting their families, the Buckley-Michel approach asks that we desert them now. And we need to ask ourselves where these people would turn if we forced them out into the street to look for their food.

I recognize that Senator Buckley and Rep. Michel are interested in taking a big bite out of the food stamp budget and drastically reducing the number of persons getting food stamps. But they are approaching this issue in the wrong fashion—they are dealing with symptoms rather than causes.

Lopping 8–10 million persons from food stamp rolls will not change the economic conditions that led so many of these people to food stamps in the first place. In fact, as I will explain in a minute, this approach would make the current recession even worse.

In examining the economics of food stamps, we should also consider the effect that the food stamp program has on the national economy, as well as the effect of the economy on food stamps.

Recently, the Economic Research Service in USDA prepared a study on the impact of the food stamp program on the economy of Texas in 1972. The study found that $63.9 million in bonus food stamps provided in Texas that year generated $232 million in new business in Texas and appeared to generate at least $89 million in business elsewhere in the United States.

In addition, the $63.9 million provided in bonus food stamps created 5,031 jobs. Translated nationwide, this could mean that the food stamp program is now responsible for $27 billion in business in the United States each year and 425,000 jobs. Mr. Chairman, that's a lot of business sales and a lot of jobs.

In addition, the Texas study found that the business and the jobs generated by the $63.9 million used in Texas on food stamps created $12.5 million in new federal tax revenues and $4 million in state tax revenues.

Translated nationwide, that suggests that of the $5.8 billion we're expected to spend on food stamps this year, well over $1 billion can be expected to flow back to the Treasury in federal tax revenues.

Furthermore, consider how much money we would have to spend to support those 425,000 workers and their dependents if they did not have the jobs that the food stamp program has apparently generated. The cost involved here would appear to be another $1–2 billion.

Members of the Committee will also be interested to know that those Texans who are not on food stamps realized an extra $49 million in income in 1972 thanks to the business created by food stamps. The ERS study notes that "non-participating households (the balance of the economy) came close to benefiting about as much from the program indirectly as program participants benefit directly."

These figures decisively refute the attempts by Secretary Simon and others in the Administration to portray the money we spend on social programs like food stamps as money that is simply drained away from the Treasury and the economy, rather than as expenditures that make a positive economic contribution.

Of course, the sector of the American economy that benefits most from the food stamp program is agriculture. The report originally drafted by USDA in accordance with the request of this Committee included a chapter on the benefits of the food stamp program to the agricultural economy.

This chapter was subsequently censored by the Office of Management and Budget before the USDA report was released. However, this chapter has since been brought to the public's attention.

I would like to discuss some of the important data in this chapter, and I also ask that the chapter be entered in the record of these hearings.

The chapter states that bonus food stamps are now equivalent to 3 percent of home food expenditures, and create about $3 billion a year in demand expansion for food. The report also notes that "Most of the demand expansion for food demand from food stamps likely serves to support existing markets for food rather than generating new demand in competition for existing scarce food supplies."

The expanded retail demand due to food stamps amounts to over $1 billion a year for meat and poultry products (with $720–$900 million of this going into new demand for red meats), between $500 and $600 million a year for fruits and vegetables, between $300 and $400 million a year for dairy products, and $290–$360 million a year for bread and cereals.

As for our farmers, they receive an additional $1–$1.25 billion a year in income through the food stamp program. Half of this added income goes to cattlemen, hog-raisers, and poultry-growers. Dairymen realize $180 million in added income.

Among those who also benefit are wholesalers, processers, transporters, warehousemen, and other marketing agencies. Returns to marketers other than retailers amount to another $1 billion or more each year.

What we have, as a result, is a program that certainly has flaws, but that is basically doing an admirable job of feeding the hungry, enabling millions to get through our worst economic crisis since the 1930's, and providing aid to many who can qualify for no other government benefit program through no fault of their own, while at the same time generating jobs to tens of thousands, bolstering agriculture, and bringing $27 billion in sales to our national economy.

As I indicated at the beginning of my statement, reforms are needed, and I will support legitimate and well-founded program improvements.

In my view, however, using an axe will not achieve this objective.

One problem for this program has been the low level of attention and priority which has been given to it. To deal with this problem, I am having legislation drafted which would establish an Office of Food and Nutrition Services at the Assistant Secretary level. This office would be responsible for food stamp, school lunch and other related nutrition activities.

Elevating these programs—which account for over 60 percent of the Agriculture Department's budget—would recognize the importance of these activities and provide an improved vehicle for making improvements.

I will be looking for reactions to this legislation.

In addition, I will lend my full support to other changes in the food stamp program which are helpful, responsible and realistic.

THE KINGDOM OF LESOTHO NATIONAL DAY—OCTOBER 4, 1975

Mr. HARTKE. Mr. President, the former British Colony of Basutoland, now the Kingdom of Lesotho, celebrated its national holiday on Saturday, October 4.

Situated physically in South Africa, and landlocked, Lesotho maintained an air of independence prior to October 4, 1966. Upon gaining independence from Great Britain, Lesotho proceeded to raise the standard of living for 1 million people.

Owing to Lesotho's geographic location and heavy economic dependence on South Africa, it is naturally extremely sensitive to political and economic developments in the Republic of South Africa Although it shuns South Africa's racial policy, the Government of Lesotho cannot avoid vital economic and commercial ties with the Republic.

Much of the country's economy is based on the wages of miners who work from 3 to 9 months a year in South Africa. At any given time it is estimated that about 125,000 men are absent from Lesotho.

We congratulate King Moshoeshoe, the Government, and the people of Lesotho on their anniversary.

SOLID WASTE GUIDELINES

Mr. GARY W. HART. Mr. President, the solid waste problem in many parts of this country has reached a state of near emergency, not only in terms of the costs involved in disposal, but also in terms of the massive drain on American nonrenewable resources.

The EPA has labored for many months to formulate solid waste guidelines for Federal agencies under the authority of section 209 of the Solid Waste Disposal Act of 1970. This work has now been completed, and the important period of public comment on the guidelines will hopefully begin in the very near future.

I am sure that the entire State of Colorado, where conservation has long been a way of life, applauds the Adolph Coors Co. for its efforts to encourage the EPA to go ahead with publication of these guidelines in the Federal Register. These efforts are described in an October 6, 1975, article from the Washington Star. I ask unanimous consent to have printed in the RECORD this article entitled "Coors Splits With Brewers on 5-Cent Bottle Deposits."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Coors Splits With Brewers on 5-Cent Bottle Deposits

(By Robert Pear)

The president of the Coors brewing company has joined conservationists and an unlikely coalition of senators in urging the Environmental Protection Agency to publish a highly controversial proposal requiring a 5-cent deposit on all beverage containers sold on federal property.

EPA had said the rules would be published during September in the Federal Register, but the month ended with the proposal still kicking around between EPA and the White House Office of Management and Budget.

The issue is viewed by outsiders as a symbolic test of EPA's commitment and political strength.

EPA officials insist the regulation soon will be issued as a proposal, with public comment invited.

President Ford's "policy people" on the Domestic Council will have a chance to review the rules before they are published.

The EPA proposal has provoked an unusual amount of opposition from the soft drink and bottle and can industries, which have peppered Congress and the White House with letters of protest.

One congressman opposed to the guidelines, Rep. Thomas N. Kindness, R-Ohio, said they were an "outlandish" extension of EPA's authority under the Resource Recovery Act of 1970.

Kindness, in a letter to EPA Administrator Russell E. Train, said: "If the proposed 'guidelines' . . . are to be pursued, I would appreciate your informing me of that intention at your very earliest convenience, so that we can 'raise a little hell here on Capitol Hill.'"

While the U.S. Brewers Association is a major opponent of the guidelines, W. K. Coors, president of the Adolph Coors Co. of Golden, Colo., supported the proposal in a recent letter to President Ford.

Coors noted that "many members of the carbonated beverage and related industries are attempting to stop this publication," and said: "The guidelines must be published for public comment in order that we may be completely objective and have an opportunity to hear from all segments of our society."

Coors beer, produced by the country's fourth largest brewer, has a national mystique though distributed mainly in the West and Southwest.

Ten Senators from across the political spectrum joined Sen. Bob. Packwood last week in urging EPA to publish its proposed guidelines immediately.

Packwood, a Republican is from Oregon, one of three states that have enacted mandatory-deposit or returnable-container laws for beer and carbonated soft drinks.

Sen. James L. Buckley, the Conservative-Republican of New York, signed Packwood's letter prodding EPA, as did six Democratic senators including Edward M. Kennedy, George McGovern and James G. Abourezk. Republican signers were Sens. Edward W. Brooke, Robert T. Stafford and Howard H. Baker Jr.

EPA's proposal would apply to military exchanges and commissaries, to concessions in the national parks and to all federal office buildings. It is designed to conserve energy and raw materials and to reduce litter.

Federal agencies would have a year to comply and would not have to do so if the cost was unreasonable.

Industry feels its traditional hostility to government regulation. Manufacturers denounce the EPA proposal as inflationary, saying it would be expensive to shift their output to returnable containers. Labor unions fear a loss of jobs in the can, aluminum and other industries.

Packwood said that delay in issuing the guidelines could be attributed to lobbying by can and bottle manufacturers over the last four months.

H. Lanier Hickman Jr., EPA's acting chief of solid waste programs, said the proposed guidelines had gone to Train on Friday for final approval.

Among those who have written EPA to oppose publication of the guidelines are Sen. Thomas F. Eagleton of Missouri and Reps. Charles E. Bennett of Florida and Theodore M. Risenhoover of Oklahoma, all Democrats.

Risenhoover said "it seems absurd" to place a five-cent deposit on beverage containers sold at federal facilities when the sales account for only 2 percent of the national total. "Local officials have been bypassed again," he said.

The Commerce Department charged that EPA was exceeding its statutory authority. "Such a major shift from free market economics should only occur through the normal legislative process. . . ," a Commerce official told EPA.

An advisory opinion from the Justice Department said EPA's guideline "rests upon firm legal ground."

In fact, the regulations represent part of EPA's response to a federal court challenge brought in California by the Natural Resources Defense Council, the Sierra Club and Environmental Action, Inc.

The Pentagon foresaw more expensive beverages for military customers, with a shift in business from commissaries to civilian markets.

Other agencies took a neutral stand or agreed in principle with EPA, but warned of problems in refunding deposits or storing empty bottles.

A fundamental issue lying in the background is the way in which regulatory agencies like EPA solicit opinion during the "prepublication phase" of administrative rule-making. Consumer advocates say that an advance peek at regulations often enables a regulated industry to dilute their force.

EPA has acknowledged that the beverage-container rules were circulated among trade associations before environmentalists saw them.

MUHAMMAD ALI—A TRUE CHAMPION

Mr. HUMPHREY. Mr. President, I believe that now is an appropriate time for us to pay honor to a different kind of happy warrior—to the current heavyweight champion of the world, Muhammad Ali.

In front of an audience of millions, in over 60 countries including the Soviet Union, one of America's best and most well known ambassadors successfully defended his boxing crown.

As we watched the fight from this side of the globe last week, it was hard to suppress a rush of national pride. The champion, the courageous challenger Joe Frazier, and the creative promoter Don King, all were Americans from economically and racially disadvantaged homes. These three men had managed to put together one of the biggest and best fights in the history of the sport; and, perhaps, one of the biggest sports events in history.

Of course, our main reason for watching the fight was the champ. He has fascinated us—as he has the entire world—for the past decade. His skill and talent in his profession, as well as his courage and generosity outside of it, have caused us to be irresistibly attracted to him. Normally, the boxer and the world of the "fight game" do not pique the curiosity of the politician. But this champ is different.

The crowds shouted "Ali" and the champ seems to gain new strength. In those middle rounds of that grueling battle, it seems as if the champ was tiring. The challenger, Joe Frazier, was attacking with ferocity. It seemed for a while that the champ was in trouble. He appeared tired as the blows of Joe Frazier rained on his arms and body. Then, as if by some miracle, Muhammad Ali, regained new strength. It was plain raw courage—incredible courage and unbelievable spirit. Here was the test and measure of the man. Yes, he is the champion, with all the qualities of true champion.

This champ is a hero to the entire Third World. He is a hero to hundreds of thousands of young people who have witnessed the rise of a man from poverty to wealth. And this champ is a hero, because he has a great spirit—a spirit that is one of enthusiasm, optimist, and an untiring love of life.

Ali deserves our recognition and praise. Most recently, his contributions to and work with the economically disadvantaged have been impressive and inspiring.

To this gifted battler and athlete—who "floats like a butterfly and stings like a bee," and to this same man who is extraordinarily humane outside the ring, I say congratulations on the defense of his title.

Mr. President, I ask unanimous consent that several newspaper articles reporting this impressive heavyweight championship match be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Ali Stops Frazier and Retains Title

(By Dave Anderson)

Manila, Wednesday, October 1.—In the most brutal confrontation of their five-year rivalry, Muhammad Ali retained the world heavyweight boxing championship today when Joe Frazier's manager, Eddie Futch, surrendered from the corner moments before the bell was to ring for the 15th round.

Frazier, dominating the middle rounds with the fury of his youth, had been battered by the champion throughout the three rounds prior to Futch's merciful decision.

"I stopped it," Futch explained, "because Joe was starting to get hit with too many clean shots. He couldn't see out of his right eye."

Ali was far ahead on the scoreboards of the three officials. Using the 5-point must scoring system, referee Carlos Padilla Jr. had the champion ahead, 66–60. Judge Alfredo Quiazon had it 67–62 and Judge Larry Nadayag had it 66–62. On a rounds basis, Quiazon had Ali ahead 8–3, with three even. The others each had it 8–4–2.

Ali's victory was recorded as a knockout in the 14th round since the bell had not rung for the final round.

"My guy sucked it up," said Ali's trainer, Angelo Dundee. "When he looked completely out of gas, he put on another gas tank. I thought we were in front. My guy was hitting him better shots."

Futch believed that Frazier was ahead, which only added to the humanity of his decision to surrender.

"Joe had two bad rounds in a row," Futch said. "Even with three minutes to go, he was going downhill. And that opened up the possibility in that situation that he could've been seriously hurt."

Wearing dark glasses to hide his puffed eyes, especially his right eye, Frazier agreed with Futch.

"I didn't want to be stopped, I wanted to go on," Frazier said, "but I'd never go against Eddie."

Frazier dismissed questions about retirement, saying, "I'm not thinking that way now." But the weary champion indicated that the "trilla in Manila" might have been his last fight.

"You may have seen the last of Ali," the champion said. "I want to get out of it. I'm tired and on top. What you saw tonight was next to death. He's the toughest man in the world."

Ali attempted to register the early knockout he had predicted while dominating the early rounds. But then Frazier, in his relentless attack, smashed and slowed the 33-year-old champion. They resembled two old bull moose who had to stand and slam each other because they couldn't get away from each other.

Through the middle rounds, Frazier took command. On the two scorecards of the New York Times, the 31-year-old challenger won eight of the first 11 rounds. But then Ali searched for the knockout punch that would assure the retention of the title.

Moving on weary legs, Ali began to measure Frazier in the 12th with a flurry of punches to Frazier's face, which resembled a squashed chocolate marshmallow. In the 13th, the champion quickly knocked out Frazier's mouthpiece with a long left hook, then landed a left-right combination.

Frazier was shaken now, wobbling on his stumpy legs, but his heart kept him going. But then Ali's straight right hand sent Frazier stumbling backward to the center of the ring but somehow the former champion kept his feet. His mouthpiece gone, Frazier kept spitting blood as he resumed his assault moments before the bell.

In the 14th round Frazier hopped out quickly but Ali shook him with a hard right, then jolted him with several left-right combinations before the bell and Frazier stumbled to his corner.

Moments later, Futch waved his surrender to the referee. On the stool in his corner, Frazier appeared exhausted. He didn't protest.

Ali, at 224½ pounds at last Saturday's weigh-in, had been the 9-to-5 betting favorite in the United States but he was a 6-to-5 choice here. Frazier had weighed 214½ at the ceremonial weigh-in.

Ali's won-lost record is now 49–2 with 34 knockouts. He has lost only to Frazier in 1971 and to Ken Norton, who broke Ali's jaw in winning a 12-round decision that Ali later reversed. Frazier's record is now 32–3, losing to Ali twice and being dethroned as champion by George Foreman in 1973.

In the decades to come, Ali and Frazier will be remembered as two of boxing's classic rivals through 42 rounds. As memorable as their first two fights were in Madison Square Garden, their masterpiece developed halfway around the world from where their rivalry began.

It Wasn't Easy, Ali Declares

(By Dave Anderson)

Manila, October 1.—Eight hours after Muhammad Ali left the ring following his epic in brutality with Joe Frazier, the champion's face tonight resembled a mask that had been stretched to fit. His narrowed eyes appeared to be underlines in purple crayon. His forehead had small lumps on it. The bridge of his nose was scraped pink. When he walked, he moved stiffly, almost in a limp.

Muhammad Ali had never looked like this before, but in a howl of sirens and flashing red lights he had arrived at a reception for the two gladiators given by President Ferdinand E. Marcos and his wife, Imelda, at the Antique House, a Philippines restoration showplace with high ceilings, expensive oil paintings, red carpeting, dark wood, a mother-of-pearl chandelier and the scent of flowers.

At first, Ali seemed to be fulfilling a social obligation. In his beige suit, white shirt and brown figured tie, he was almost overdressed. He hardly smiled. He cupped his hands together as if he were holding a small bird. When he shook hands with the other guests, he winced. And when he sat on a sofa next to Mrs. Marcos, his body was hunched in soreness.

Unobtrusively, a maid handed him a guest book to sign. Slowly he wrote. "To Mrs. Marcos—Muhammad Ali—death is so near and time for friendly action is so limited. Love and peace always." Around him waiters were serving drinks and caviar. He took a Coke.

When the Frazier people arrived, Joe wasn't with them: "His eyes," his manager Eddie Futch, explained, "are just about completely shut." But the loser's wife, Florence, walked over to congratulate Ali, and when they shook hands the champion extended his fingers and smiled. To most of the others he had only extended a softly folded fist.

Soon the Frazier group departed. Downstairs the buffet line was forming. Candles flickered on small tables set for 250 guests. From the porch a six-piece combo was playing and Joy Salinas was singing, "You've Got to Love Me for What I Am." Sitting with President and Mrs. Marcos and their daughter, Imee, a Princeton junior, Ali was toasted with champagne.

"To the champion," President Marcos said.

Ali picked up his water glass and sipped.

But now, slowly, he smiled. He looked around, as if enjoying himself for the first time in the elegance of the room.

"I'm livin', ain't I?" he said, laughing.

TALK TURNS TO FIGHT

The combo accompanied The Temptations in a rendition of "Old Man River," as Hugh O'Brian, the actor, softly patted Ali on the shoulder.

"I like him," Ali said, brightening again. "Wyatt Earp."

The combo swung into "Tie a Yellow Ribbon Round the Old Oak Tree" and Mrs. Marcos got up to dance with Don King, the promoter. Moments later President Marcos also got up to dance.

"Let's give the First Lady some support," he said.

Soon the dance floor was filled with couples as Ali looked on from his chair.

"They don't do this at the White House," he said.

Ali was laughing often now. And soon he was talking about the fight, about how he had preserved the title when Eddie Futch surrendered from the corner with Frazier on the stool moments before the bell was to ring for the 15th round, ending one of the classic fights in boxing history, probably ending one of the classic rivalries.

"This'll kill you," the champion said. "This is next to death. I'm a superhuman. So when I'm that tired, it's dangerous. I hope he's all right. My face is swollen, but it's all right. No cuts. It'll go down. But my right hip hurts. He hit me with his left hook there, That stops you from dancin', stops you from movin'."

After the fight, Ali had spoken of retirement, as he often has lately.

"I got a lot on my mind," he was saying now. "I got $8-million saved."

Ali shook his head, remembering the left hooks that had landed there.

"He's great at his style," Ali said. "He's not scientifically great, but he's great at his style. He's great. But they all get up for me. Chuck Wepner, Ron Lyle, Joe Bugner, they all fought better than they ever fought when they fought me. They get ready for me. If they beat me, they know they got the world."

He moved to another table, laughing and joking with the Filipino guests. Soon he was ogling the pretty girls.

"I can pick 'em, can't I?" he said, grinning and hugging one of them. "I'm actin' cool again, watch me."

Perhaps two dozen of Ali's entourage were at the party. But Veronica Porche did not appear, just as she did not appear at the Philippine Coliseum for the fight. His wife, Belinda, was in Chicago, where she returned last week.

"Time to let the President rest now," Ali said after the music stopped. "He's been too nice to us."

The champion shook hands softly with the President, kissed Mrs. Marcos and Imee on the cheek and walked out onto the balcony overlooking the courtyard as his entourage assembled. Soon he was walking, not as stiffly as before, toward the chauffeured limousine that has been at his disposal here.

"What a showman," Mrs. Marcos was saying on the balcony: "What a showman."

On the street now, the limousine had been surrounded by Filipinos who had gathered waiting for a glimpse of the champion. As theatrical as ever, Muhammad Ali got out of the limousine, picked up small children and kissed them, hugged pretty girls and reached out to touch those who couldn't touch him. But soon he was back in the front seat.

The limousine zoomed away, in a howl of sirens and flashing red lights.

It Takes Two To Make a Fight

(By Red Smith)

Manila, October 1.—A gaggle of pretty girls got aboard an elevator for the press center in the Bayview Plaza Hotel, where they had been working for the last 10 days. "It's over," one of them said, "and we're glad." Were they satisfied with the way it had ended? "No," they said, "No," every one of them. "How about you?" a girl asked a man on the lift. "I'm neutral," he said, "but I'll say one thing: Joe Frazier makes a better fighter and a better man of Muhammad Ali than anybody else can do." "Right," the girls said, all together, "that's right."

A small, strange scene came back to mind. It was two days before the fight and Ali lay on a couch in his dressing room, talking. If this had been a psychiatrist's couch it would not have seemed strange, but he wasn't talking to a psychiatrist and he wasn't talking to the newspaper guys around him. He just lay there letting the words pour out in a stream of consciousness.

"Who'd he ever beat for the title?" he was saying of Joe Frazier. "Buster Mathis and Jimmy Ellis. He ain't no champion. All he's got is a left hook, got no right hand, no jab, no rhythm. I was the real champion all the time. He reigned because I escaped the draft and he luckily got by me, but he was only an imitation champion. He just luckily got through because his head could take a lot of punches. . . ."

Why, listeners asked themselves, why does he have to do this? Why this compulsion to downgrade the good man he is going to fight? It had to be defensive. He was talking to himself, talking down inner doubts that he would not acknowledge. He will never feel that need again, and he never should. If there is any decency in him he will not bad-mouth Joe Frazier again, for Frazier makes him a real champion. In the ring with Joe, he is a better and braver man then he is with anybody else.

THREE FIGHTS IN ONE

Muhammad Ali loves to play a role. He is almost always on stage, strutting, preening, babbling nonsense. But Frazier drags the truth out of him. Frazier is the best fighter Ali has ever met, and he makes Ali fight better than he knows how.

They have fought three times. In the first, Ali fought better than ever before, and lost. In the third he fought better still. This one ranks up there with the most memorable heavyweight matches of our time—Dempsey-Firpo, Dempsey's two with Tunney, both Louis-Schmeling bouts and Marciano's first with Jersey Joe Walcott.

It was really three fights. Ali won the first. Through the early rounds he outboxed and outscored Frazier, doing no great damage but nailing him with clean, sharp shots as Joe bore in.

The second fight was all Frazier's. From the fifth round through the 11th he just beat hell out of Ali. When the champion tried to cover up against the ropes, Frazier bludgeoned him remorselessly, pounding body and arms until the hands came down, hooking fiercely to the head as the protective shell chipped away. When Ali grabbed, an excellent referee slapped his gloves away.

Then it was the 12th round and the start of the third fight, and Ali won going away. Where he got the strength no man can say, for his weariness was, as he said, "next to death." In the 13th a straight right to the chin sent Frazier reeling back on a stranger's legs. He was alone and unprotected in midring, looking oddly diminished in size, and Ali was too tired to walk out there and hit him. Still, Ali won.

This evening Ali dined with President and Mrs. Ferdinand E. Marcos in the Antique House. Frazier was also invited but he begged off, sending his wife and two oldest children instead. Afterward the winner disappeared but the loser had several hundred guests at a "victory party" in the penthouse of his hotel. Like a proper host, he shaped up, trigged out in dinner clothes with dark glasses concealing bruises about the eyes.

"There was one more round to go, but I just couldn't make it through the day, I guess," he told the crowd. "Hey, fellas, I feel like doin a number." That quickly, the prize fighter became the rock singer. "Lemme talk to this band a moment, because I sure don't want to get in another fight tonight." In a moment he had microphone in hand.

"I'm superstitious about you, baby," he sang. "Think I better knock-knock on wood." He did a chorus, he urged everybody to dance, and then a member of the Checkmates took over. The Checkmates are a trio and at the fight they had sung "The Star-Spangled Banner" in relay.

"We are all here tonight," the Checkmate said, "because we respect a certain man."

He got no argument from listeners. They all stood smiling, watching Joe Frazier dance at his own funeral.

THRILLA IN MANILA—ALI'S THE GREATEST

(By Dick Schaap)

MANILA.—The blood was flowing from inside Joe Frazier's mouth and trickling from his nose. The skin was puffed under the right eye and both above and below the left eye, and as Frazier made his way back to his corner at the end of the 14th round, Eddie Futch, his manager, his trainer and his friend, came to an immediate decision. Let's call it a day, Futch said.

"Don't," Frazier said, "don't stop it." But there was no conviction in his words. Joe Frazier always listens to Eddie Futch, and now Futch was telling his fighter that his bid to become the third man ever to regain the heavyweight championship was ended, that once again, despite a display of courage that was awesome, Frazier had lost to the man he calls Cassius Clay.

Futch leaned over Frazier and pulled one of his strong fists toward him and took out a pair of scissors and began to cut away at Frazier's red eight-ounce boxing gloves. In front of the challenger, the referee Carlos Padilla Jr., saw Futch's action and waved his arms, signaling the end. Across the ring, Angelo Dundee caught the signal and shouted, "it's all over" and reached down and lifted his man Muhammad Ali, off his stool.

And then as chaos broke loose in his corner, as the members of his entourage jostled for position the way they always do, Muhammad Ali lay down on the floor of the ring and caught his breath. He was still the champion of the world, the winner on a technical knockout in 14 rounds.

For the fourth time in this calendar year, he had successfully defended the title he took from George Foreman a year ago, but all the other victims together—Chuck Wepner, Ron Lyle and Joe Bugner—didn't put up half the struggle Joe Frazier did in a magnificent pre-noon battle in the sweltering heat of the theoretically air-conditioned Philippine Coliseum.

"I don't know how he stood up," said Ali after the fight. "I know I would have gone down under all those punches I threw. He is greater than I thought he was."

A few days ago, Ali was saying that the fight would end early, possibly even in the first round, that Frazier was slow and soft and finished, that the fight would not even be close. But this fight was close. There was not a knockdown, and even though all three officials, the Filipino referee and the two Filipino judges, had Ali ahead on points by a comfortable margin after 14 rounds, there were many at ringside who thought Frazier, the underdog, outweighed by about nine pounds, was leading or at least even.

A crowd of 25,000 that paid $1.5 million—both records for an indoor fight—watched a fight that began with pseudo-psychological warfare and ended with street slugging.

Frazier entered the ring first, wearing blue trunks with a dull finish and white piping. By the time he reached his corner, he was already drenched with sweat.

Then Ali came in, his trunks a shiny white with black piping, the glitter of his trunks and the dullness of Frazier's a perfect symbolic contrast. There was not a drop of sweat on Ali. He did not sweat at all until the fight began.

Someone brought into the ring a handsome trophy, and the ring announcer said that the trophy would be presented by President Ferdinand Marcos, who was in the audience, to the winner. Ali didn't wait. He scampered into the center of the ring, grabbed the trophy and lugged it back to his corner, looking at Frazier defiantly, as if daring the challenger to come take it back.

And then the fight began, and in the early rounds, the first two or three, Ali seemed to be in complete command, almost toying with Frazier, giving a boxing lesson. In the last 30 seconds of the first round, Ali rocked Frazier with a left hook and a few seconds later, connected with a straight right, and when the round ended, Frazier gave the champion a little tap on the rear and walked back to his own corner with a sort of goofy smile on his face.

In the third round, for the first time, Frazier rocked Ali with a left hook, and the sound and ferocity of the blow drew oohs from the crowd. Ali, responding more to the crowd than to the punch, turned and made a face, opening his mouth wide, as if to say that sounded a lot tougher than it felt. He was making fun, Angelo Dundee said later. But it hurt him. I saw his legs when it landed.

In the middle rounds, from about the fourth through the eighth, Frazier was in charge most of the time. He was the aggressor, and even when Ali flurried and pounded him with combinations, Frazier kept boring in, kept punching. The goofy look was gone.

And in those middle rounds, a strange thing happened: Ali lost the crowd. Before the fifth round, he led his followers in chants of "Ali, Ali, Ali," but the men in Frazier's corner came back with chants of, "Joe, Joe Joe," and then the crowd, basically Filipino, started shouting, "Frazier, Frazier, Frazier."

The feeling was by no means unanimous, but enough of the Filipinos felt that Ali was too mayabank, too cocky, for their tastes, and so they wanted the underdog, the less boastful man to win. Apparently, Filipinos admire cockiness when two cocks fight—not when two men fight.

By the eighth round, the blood began to roll out of Frazier's mouth, some of it staining Ali's white trunks. But Ali was accomplishing little in those rounds, often allowing Frazier to back him into a corner and pound away at him. His corner yelled instructions, "stay there," meaning in the middle of the ring, and "don't hook"—you never hook with a hooker, Dundee said later—but Ali seemed to ignore the counsel.

By the 12th round, Ali was definitely running the show again, manipulating Frazier, dictating the pace and the fury of the fight. "We had an extra gas tank in the corner," said Dundee later, kidding. Then he turned serious and said, "Nobody can suck it up like my man."

Ali sucked it up, found new strength and sapped Frazier's. The 13th and 14th rounds were exercises in punishment. Several times, Ali landed six, seven, eight punches in a row, rights and lefts, shattering combinations that sent the sweat flying off Frazier's face, the mouthpiece flying from his mouth, but couldn't send him down to the floor.

In the 13th round, Frazier slipped—helped by a flurry of Ali punches—and almost went down, but regained his balance. His eyes were beginning to close, and in the following round, he was squinting at Ali, making out mostly the form of red gloves, coming at his face, bouncing off his nose and his forehead and his cheeks, pounding and pounding and pounding.

"No," said Frazier at the end, facing the press with sun glasses hiding his eye, "I wouldn't say I was hurt. No, I wasn't hurt. Just banged up. Tomorrow, I'll be all good."

Then Joe Frazier took off his glasses, and the bumps under the right eye and over the left looked enormous. They looked almost as big as Joe Frazier's heart.

GUN CONTROL CONTROVERSY

Mr. HARTKE. Mr. President, I have recently received from a constituent a very interesting letter relaying views and feelings about the current "gun control" controversy. While my colleagues and I have been addressing ourselves philosophically to the issue, trying to maintain a balance of protecting every citizen's right to obtain and own firearms while attempting to keep dangerous weapons from persons who would use them irresponsibly and against their fellow citizens, concerned citizens such as this constituent feel helpless and threatened. Mr. President, I ask unanimous consent to have printed in the RECORD this letter. I believe it exemplifies the feeling of a great number of Americans.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Dear Senator Hartke: As a Veteran of "Anzio" and World War II, I believe I fought for the right to own firearms to defend myself, my family and my property from violent criminal attack. Today the criminal is protected, and not the private citizen. I believe judges should be required to impose heavy prison sentences on criminals who use guns or other weapons to commit crimes. I do not believe that a ban on private ownership of firearms would significantly reduce the number of murders and robberies in my community. I also do not believe a new law prohibiting all ownership of firearms would make it impossible for criminals to get guns.

Your Friend,

——— ———,

Bloomfield, Ind.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, genocide is the attempted destruction of a national, ethnic, racial, or religious group by direct methods or the imposition of intolerable living conditions, designed to lead to the group's extinction. It is a crime so terrible that it has rarely been practiced, even by the most malevolent and despotic of rulers. Yet, a scant few decades ago, the Nazi regime's massacre of 6 million Jews served as a tragic reminder that the 20th century is not above such brutality. The General Assembly of the still young United Nations, in response to an outraged world community, adopted a resolution condemning genocide as its first human rights effort. It was a credible start for this global organization and a credit to the U.S. delegation that fought for this resolution.

Shortly thereafter, a treaty was drafted to implement the resolution, the U.S. delegation being one of the first signatories. Up to this point in time 87 nations have ratified the convention. The United States, however, is not one of these nations.

Mr. President, to me this is tragic. In many ways, this important human rights treaty is symbolic in the same way that the Geneva Conventions on the Treatment of Prisoners are symbolic. There is no impingement on national sovereignty in either case, except to the extent that our own moral values prevent the excesses so commonly associated with sovereignty.

What is more important is that these treaties commit us to a code of conduct through which we can hopefully raise the basic standards by which nations conduct their internal and external affairs.

As the days pass it is apparent that third world nations are determined to seek a more prominent role in world politics. Many of these States did not even exist when this treaty was drafted, and, unfortunately, have shown little interest in it. As the tragic events in Biafra demonstrate, we must renew the global commitment to human rights. Our ratification of the Genocide Convention might be the necessary spark for this rededication.

Mr. President, I urge my colleagues to heed this call.

AGRICULTURAL RESEARCH—ITS IMPORTANCE TO THE NATION

Mr. HUMPHREY. Mr. President, on October 2, Dr. William F. Hueg, Jr., deputy vice president and dean of the Institute of Agriculture, Forestry and Home Economics, at the University of Minnesota appeared before a joint hearing of the House Committee on Science and Technology and two of its subcommittees: Science, Research, and Technology and Domestic and International Scientific Planning and Analysis.

I commend to my colleagues his testimony which describes the important role agricultural research has played in the past 100 years of our history. He cites as one example the development of ERA wheat where an investment and development cost of $300,000 yielded over $80 million in more income to farmers, truckers, storage facility owners, and processors in Minnesota alone in 1973 and 1974.

He also reviews the successful melding of basic and applied research conducted through the State agricultural experimental stations—SAES—and the U.S. Department of Agriculture.

Yet this research is not confined to agriculture alone. It also includes studies in social science as it relates to opportunities for rural development and improved community and family living.

Dean Hueg points out that the major problem faced by agricultural research is the diminishing amount of funds at the State and Federal level. This has serious implications for a world which must increase its food and fiber production to meet its short- and long-term national and international goals.

Mr. President, I ask unanimous consent that Dean Hueg's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Agricultural Research and the Twenty-first Century

INTRODUCTION

(By William F. Hueg, Jr.)

I am privileged to express my views and concerns about agricultural research and development in the United States as it relates to domestic and world-wide food production needs. I approach this subject with a background in applied research and as an administrator of a large agricultural experiment station in the midwest for the past thirteen years. This presentation is based on these experiences and my perception of the opportunities for the United States to provide adequate food and fiber for its citizens and a major portion of the world.

The fact that the United States is the leading agricultural nation in the world is not an accident. Past actions by the Congress have set the stage not only for the development of the tremendous food and fiber industry as we know it in the United States but the development of a research and education system unparalleled in the world.

The subcommittees are to be commended for addressing such a significant area as agricultural research and development. It is particularly significant at a time when the United States celebrates the Bicentennial of its independence; and the centennial of the state Agricultural Experiment Stations; and as food needs become more critical throughout the world. All are significant to Americans. The Bicentennial celebrates a revolution for independence from a foreign power; the centennial of the state Agricultural Experiment Stations celebrates a peaceful revolution from hunger and a development of a food production system taken for granted in the United States. However, around the world in the developing nations the lack of food may be the source of revolution. Headlines during the past twelve to eighteen months tell of governments that have crumbled primarily because they have not been able to meet the most basic need of people—food.

At no time in recent American history has agriculture played a more vital role; captured more headlines; been placed under greater constraints; been asked to go for maximum production; moved so quickly from surplus to scarcity; or seen so many anxious about their food supply. The unwritten policy of our national government—cheap and abundant food—is now being challenged. For if we are to have abundant food it will not necessarily be cheap. Consumers, government and labor must become more positive in their attitudes toward agricultural production if we are to develop the full potential of America with respect to domestic and world-wide opportunity and responsibility to aid the less fortunate.

I've been asked to address agricultural research and development, its management, the method of priority setting and the responsiveness of current work in terms of short and long term national and international needs. Those who have provided testimony and information before me have touched on those subjects, but I too have a response to that broad area of concern.

As one looks at the land-grant institutions across the United States one may get the idea that each experiment station is essentially the same. Nothing is farther from the truth. The closest similarity is in the title of the chief administrative officer, which is usually director, but even that has been changing. Because of the cooperative nature of the research programs between the State Agricultural Experiment Stations (SAES) and the United States Department of Agriculture (USDA), Stations are similar in that they use Federal funds, including those provided through the Hatch Act, the McIntire-Stennis Cooperative Forestry Act and the PL 89–106 funds (special grant funds). However, the sources of state support, private support from industries and associations, and the number and amount of grants and contracts with the various federal and state agencies vary from one station to another. And so the major similarity is that each land-grant institution does have a system for organized research, generally referred to as an agricultural experiment station, with the primary goal of bringing the strengths of science and technology to bear in solving the problems of food and fiber production, processing, and distribution.

All too often agricultural experiment stations are assumed to conduct research in agriculture but the majority of the experiment stations conduct research in agriculture, and also in home economics, forestry and veterinary medicine. The pattern of research funding has set the tone and stage for the research conducted by the state agricultural experiment stations. In recent years there has been increasing emphasis on social science research as it relates to opportunities for rural development and improved community and family living. These have been conscious decisions on the part of the directors and their constituencies in the states as they put together program requests for consideration by committees of the congress and state legislatures. The interest of the nation in developing a policy for rural development came to fruition in the Rural Development Act of 1972.

If one explores the history of funding procedures one finds that the congress and state legislatures have been partners in deciding the direction of research. But, just as the individual experiment station director does not go to the scientist and say you must do this or that, so the congress and legislature have provided flexibility in the funding so that research in experiment stations can progress toward solving the many problems and opportunities that have faced the nation over the past one hundred years. This is good.

The Regional Research Program, which became a part of the amended acts of 1946, enables states to work more closely together in those kinds of projects that have wider concern than state borders. Although regional research is a slower program than research in an individual state, it provides opportunity for the exchange of research information and ideas, for replication of important experiments in several states and for eliminating unnecessary duplication. Thus funds appropriated for the regional research effort have been extremely valuable. By law 25% of Hatch Funds are used for regional research.

WHO ARE THE BENEFICIARIES OF AGRICULTURAL RESEARCH?

I would like to dispel what I believe to be a serious myth about the principal beneficiaries of research conducted by the SAES-USDA system. Essentially the total population of the United States and a goodly portion of the world have benefitted from this research. It is true that the primary producers of food and fiber, farmers, make up only 5 percent of the population of the United States. However, this 5 percent is joined by an additional 25 percent who provide the inputs so necessary for food and fiber production, such as seed, feed, fertilizer, pesticides, equipment, fuel; and the output industries which further process, store, market and distribute those products. The principal beneficiary is the consumer of the vast array of food and fiber products available to citizens of the United States and throughout the world. And so the myth that research done in an agricultural experiment station is done for a small segment of the population is not true.

It is the reason that we have been able to provide food at a relatively low price compared to other nations. The fact that the price of wheat in a loaf of bread has remained at approximately 5 cents over the past decade is testimony to the benefits from research. This has been accomplished by the development of new varieties and new techniques of food production making it possible for farmers to produce more and more on each acre and thereby maintain, and, in some instances reduce the cost of the raw product. There is much evidence that the other costs in the total price of a loaf of bread involved in processing, marketing and distribution of the product to the consumer have risen very rapidly in recent years.

RESEARCH PLANNING

In 1965 a concerted planning effort was undertaken by the USDA–SAES to inventory current allocation of research resources. Thirty-nine task forces were established to look at research progress to date, the state of knowledge then, and projections for the ten-year period ahead, in terms of dollar and scientist needs. That planning effort made it possible for individual states to relate better to the total research program. It enabled the USDA to strengthen certain areas in its research program and to abandon others being handled adequately in the states or by industry. But the planning has not yielded the necessary funding to carry on a strong, aggressive research program as outlined in the 39 task force reports.

More recently under the guidance of the Agricultural Research Planning Advisory Committee (ARPAC), the National Planning Committee (NPC) has organized regional planning committees concentrating on six major groupings of research, to focus more clearly and definitively on the scope of current research and to develop a planning horizon for five and ten-year periods.

No matter how well the planning effort is constituted or designed, if there is failure in funding, the program can only mark time. I believe this is the situation in 1975 as we still wait a decision on 1976 fiscal year appropriations for agricultural research, and while we are putting together the request for fiscal year 1977. In my thirteen years as director of the experiment station at the University of Minnesota, this has been the most frustrating part of the State-Federal relationship. I'm sure it is shared by my colleagues in the SAES and in USDA. The logical question at this point is, where is the fault in the planning effort??

I am partially convinced that as agricultural experiment station directors, we do an inadequate job of informing Congress of the research programs in their respective states. We have not illustrated in a simple way how basic and applied research have moved together to develop the food and fiber production system that we know. We have not told adequately the story of the successful attack on the critical problems facing this industry, such as the corn blight and the problems of army worms that were so evident in our state this year. But we still have met the demands of a world market and the pressing population increase around the world. There is not a clear understanding of the interrelationship and responsibilities of Federal, State and private funding to carry on the important task of agricultural research and development. We need to do a better job in this area.

However there are many instances where programs have been adequately funded when the information for need was clearly presented. Essentially the only sensible alternative available to the appropriating body was to provide the requested funds.

Some members of the Congress believe we have no plan of action in SAES and USDA. If this is true, then many thousands of dollars and man hours have been spent in getting scientists together in the development of reports and in the preparation of materials for fund support to no avail. Perhaps as directors of research and members of Congress we have not concentrated as much as we should. The special attention and time that these two sub-committees have devoted during the past few months to agricultural research and development are encouraging, indeed.

I believe another side of the question is that the consuming public have not been sufficiently conscious of the abundance which surrounds them or its source. Many people are two and more generations away from the farm and they have lost sight of how and where food and fiber comes from. Again, we in the experiment stations may be at fault for not telling this story adequately. The media have not been of great help, as they point out the scare stories and failures but seldom the successes. There are many more successes than failures in the agricultural research system.

STRENGTHS OF RESEARCH

One of the real strengths of the SAES–USDA system of research and development has been the successful melding of applied and basic research. For those not involved in research their mental image of research is of two distinct kinds, one, basic, the other applied. This is also a myth which needs to be dispelled. A productive researcher conducts his work in a research continuum from basic to applied. In the solution to a seemingly simple problem like the improvement of disease resistance in small grains, the plant breeder, with his colleague plant pathologist must often move into the most fundamental research, relating to controlling or identifying rust, or viruses. Once they have solved that, they can incorporate those results into the program for developing a new variety which retains the good characteristics of present varieties, with the added dimension of greater disease resistance. Strong researchers, like those in the agricultural experiment stations and USDA, constantly move back and forth from basic to applied research as is required to solve important problems.

This is not true across the spectrum of research. We have created many situations in the United States through agency funding which have not contributed strengthening to this nation of a research continuum. Some institutions have received large grants to do basic and fundamenal studies. Only when that information is published is it then available for those more interested in applied studies. Although some exchange might occur at scientific meetings, it is virtually impossible for an applied scientist to attend all meetings where useful results of basic research are presented. Thus there is nothing to compare with the day to day exchange that occurs in land-grant colleges bringing together the best talents of the basic and applied scientists. This has been the strength of the agricultural experiment station system over the past one hundred years. It is the system that is now emulated round the world in developing nations, which earlier in many instances had been stifled by European scientific legacy or narrow concern for strict basic and fundamental research.

An illustration can help to show how the importance of the basic and fundamental research and the applied research being in one individual or in one institution can help us make progress. In the 1920's the scourge of wheat producers were the leaf and stem rusts. An agricultural experiment station scientist, Dr. E. C. Stakman, discovered the phenomena of hybridizing of the rust organisms in nature. This was a major breakthrough in basic science and led the way to modern plant breeding. This fact hastened progress toward the development of wheat varieties more resistant to rusts. This work was further expanded by other scientists, in particular Dr. Norman Bolaug, Nobel Peace Prize laureate for 1970 and a student of Dr. Stakman. The "green revolution" varieties have given hope and courage to millions of starving people in the developing nations. Many of these new wheats are light insensitive and short strawed and thus useful in most parts of the world.

A new hard red spring semi-dwarf wheat variety, ERA, was grown on nearly 900,000 acres in Minnesota in 1973 and on 1.6 million acres in 1974. It yielded about 5 bushels more per acre than standard varieties. Nearly 270 million more loaves of bread were produced from this added production in 1973 and 460 million more loaves in 1974.

This committee should be interested in knowing that the investment and the development of ERA wheat was approximately $300,000. The return from this variety in 1973 and 1974 in Minnesota alone was 80 million dollars more income to farmers, truckers, owners of storage facilities, and processors.

THE FUNDING DECISION

Funding decisions are always based on priority. It is not difficult to establish priorities when additional resources are not provided. As administrators of the program, we believe that the research being conducted in the SAES–USDA at the present time is essential, if not for the immediate future, for the next five years and for the remaining decades of this century. If one looks at research project titles, one may think that nothing changes. Again this is one of the myths of the public research program. For example, in Minnesota we have conducted research on soybeans since 1937, but the major effort began in 1962 with considerable acceleration in the late 1960's and early '70's. This was in response to needs expressed by producers of soybeans on some four million acres in our state. You are aware of the special study conducted on the needs for soybean research; the American Soybean Association and several state associations participate in research decisions and support. Several states have a check-off system where funds collected from producers are provided to experiment stations for specific kinds of research. This partnership between public and private assures that current and future production opportunities will be met.

The major problem in agricultural research presently is the diminishing amount of funds available at the state and federal level. Although the dollar amounts have increased, the purchasing power of those dollars has decreased markedly through inflation. The proposed increase for fiscal year 1976 will not even keep pace with the cost of doing research.

As a consequence priorities are being reexamined and some research will be stopped. The question is whether or not this is research that at some point in the future will be necessary. There is considerable information that the use of research information has been accelerating. There may be a backlog of as much as two and a half to three years of the applied kinds of research. As the numbers of individual farms and farm operators become less, the results of research will be put into use faster. This reduction in research undertaken and acceleration in use of research output may have serious consequences in the near future.

I would like to suggest that some of the appropriation decisions could be made more easily if the Congress would consider the United States food and fiber supply as a substitute for oil. The oil rich countries of the world may wish to barter oil for food. The barter in this case can be direct purchase, but the two products substitute for one another in a market situation. If such an approach were followed, support for basic and applied research related to food and fiber production must be maintained at higher levels than in 1975 or that which is being proposed for fiscal year 1976.

Perhaps our best line of defense is food. We seem to make the decisions on defense budgets and I recognize that we cannot eliminate them but I think we must look at the balance. As example, the purchase of thirty B–1 bombers will cost about three billion dollars. Three billion dollars allocated to agricultural research would triple current research and provide a tremendous amount of food for a rapidly increasing world population, 80 million per year, and can be used to stabilize many governments that have had difficulty in meeting the basic needs of their people—food. Bombers alone cannot provide peace, prosperity and certainly not food!

If we are really serious about our commitments to the world, then food production around the world must increase at a rate of 4 percent per year rather than the 2.8 percent we now have in 1975. With population growth at 2 percent per year, we are condemning about half the world's population to some level of starvation. If we could reduce population growth to less than 2 percent or increase food production closer to the 4 percent each year, then a beginning is made on challenging the specter of starvation. This can only be accomplished by research and an adequate pricing system that gives farmers incentives to produce.

The most telling point is the role of food and agricultural products in the balance of payments. For fiscal 1975 that figure is about 22 billion dollars earned from agricultural products, and this will repeat in fiscal 1976 even though farm prices are lower. Agricultural products are the major sales of the United States to world markets. If we are to continue to meet this world demand, food and fiber producion must be undergirded by strong and continued research.

What do we need if we are to meet the short and long term national and international goals for food and fiber? First, we cannot continue to operate with appropriations for research adjusted to the cost of living only. The evidence is clear from 39 reports of task forces and the present planning effort that the research needs are real. If we are serious about increasing food production, not only for domestic supplies but for the world, then we better begin to look at that information and appropriate at the levels requested.

We need to use more cost-benefit analysis. Let me give an example. We have already discussed the relationship of the cost-benefit for ERA wheat, but another important export crop, as well as a food crop is soybean. Minnesota released two new soybean varieties in 1974 called Hodgson and Evans. These two varieties will be planted on approximately two million acres in 1976. The extra yield of these varieties will produce enough more protein to meet the needs of over one million people for a year. In addition farmers, processors and others will realigze about 10 million dollars of extra income each year because of the improved yields. The cost of developing these two varieties is about $100,000 each, a very remarkable return on an investment.

We need to do a better job relating basic and applied research programs to the continued improvement of the food production and distribution system. We need to look more critically at the decisions made by granting agencies, such as the National Institutes of Health, National Science Foundation and USDA as related to allocation of funds. The record is not good in respect to the share of funds that has come to state agricultural experiment stations. This has already been discussed by Dean Glenn Pound with these subcommittees. The standard response has been that the funds available for agriculture research come through USDA and through the state support to the state agricultural experiment stations. But those funds are not sufficient to permit us to delve into many of the still unresolved issues of food production.

As a nation we apparently can do whatever we set our mind to do. Recall the John F. Kennedy speech that promised that the United States would be on the moon in 10 years. We were! The price tag was about five times greater than originally anticipated. Research and technology got us to the moon! Research and technology will get the food production system moving in the world! The issue of food is far greater in importance to mankind than getting to the moon.

We must also continue to study the relationship of food production practices to environment. The hysteria of the late 1960's and early 1970's led to the development of laws and regulations that reduce the opportunity for expanded production. Continued research in environmental relationships, both basic and applied, hopefully will ameliorate some of the regulations now in force.

Demand for food production domestically and around the world can be met within an environment of energy shortage; within fuel, fertilizer, and pesticide requirements; and within legislative constraints to maintain if not improve the environment. Recently completed research in the Department of Agricultural and Applied Economics indicates that nationally each additional dollar spent on pesticide materials returns about $6 of additional farm output, and an additional dollar spent on fertilizer returns about $5 of additional output. Therefore, on a national basis, reducing the use of fertilizer would increase the price of raw agricultural products about one-third. Similarly, a 75 percent reduction in pesticide use would increase the price of raw agricultural products about 20 percent. Figures of this magnitude demonstrate the impact of the agricultural industry and the importance of the agricultural research that undergirds it.

In summary, let me express my appreciation for this opportunity to provide background information for consideration by subcommittee members. My comments have not been reviewed by colleagues in the experiment station system or USDA, but many of these ideas have been expressed previously in meetings of deans and directors and while I served as co-chairman of the North Central Planning Committee from 1971 through 1974. The opportunities for the United States to meet its own needs for food and fiber as well as to stimulate food and fiber production in developing nations are here now. The response of the Congress to the requests for funding research in fiscal year 1976 and those that will be made in the future will dictate how well research can respond to the opportunities facing agriculture. These responses will influence national and world development in the remaining years of this century and into the twenty-first century. The challenge and opportunity is to assure food for all. The strength of the research partnership established during this 100 years must be continued and expanded, if we are to meet this challenge and responsibility.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

Mr. HARTKE. Mr. President, most older Americans are not financially able to afford the services of an expert tax accountant. They must rely on their own understanding of the law in preparing their income tax returns. Tax laws and the Internal Revenue Service regulations which implement them are complex and difficult even for a specialist. The result is that many persons overpay their taxes. The senior citizen is especially affected because he has certain tax benefits of which he is usually unaware.

To assist in overcoming this problem, the Senate Special Committee on Aging—on which I am proud to serve—has prepared a brief but very useful summary of legitimate tax deductions available to the older American. The study also includes a list of deductions available to all citizens.

I ask unanimous consent, Mr. President, that this summary of "Itemized Deductions for Schedule A (Form 1040)" and "Tax Relief Measures for Older Americans" be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Checklist of Itemized Deductions for Schedule A (Form 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of a taxpayer's adjusted gross income (line 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% for adjusted gross income (line 15, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expense (subject to 3% limitation):

Abdominal supports
Acupuncture services
Ambulance hire

Anesthetist
Arch supports
Artificial limbs and teeth
Back supports
Braces

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs
Chiropodist
Chiropractor
Christian Science practitioner, authorized
Convalescent home (for medical treatment only)
Crutches
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures
Dermatologist
Eyeglasses
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed)
Gynecologist
Hearing aids and batteries
Home Health services
Hospital expenses
Insulin treatment
Invalid chair
Lab tests
Lip reading lessons (designed to overcome a handicap)
Neurologist
Nursing services (for medical care, including nurse's board paid by you)
Occupational therapist
Ophthalmologist
Optician
Optometrist
Oral surgery
Osteopath, licensed
Pediatrician
Physical examinations
Physician
Physical therapist
Podiatrist
Psychiatrist
Psychoanalyst
Psychologist
Psychotherapy
Radium therapy
Sacroiliac belt
Seeing-eye dog and maintenance
Speech therapist
Splints
Supplementary medical insurance (Part B) under Medicare
Surgeon
Telephone/teletype special communications equipment for the deaf
Transportation expenses for medical purposes (7 cents per mile plus parking and tolls or actual fares for taxi, buses, etc.)
Vaccines
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health)
Wheelchairs
Whirlpool baths for medical purposes
X-rays

TAXES

Real estate
State and local gasoline
General sales
State and local income
Personal property

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pension or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends exclusion, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 15, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges or loan fees, credit investigation reports. If classified as service charge, may still deduct 6% of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) limited to the portion of the total fee or service charge allocable to the year.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

CHILD AND DISABLED DEPENDENT CARE EXPENSES

The deduction for child dependent care expenses for employment-related purposes has been expanded substantially. Now a taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is $400 a month ($4,800 a year). As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses outside the household (e.g., day care expenditures) are deductible, but the maximum deduction is $200 per month for one child, $300 per month for two children, and $400 per month for three or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds $18,000, his deduction is reduced by $1 for each $2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

MISCELLANEOUS

Alimony and separate maintenance (periodic payments).

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box for income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees for securing employment.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 33, Schedule A, Form 1040) or a credit (line 52, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporing a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $50 ($100 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $12.50 ceiling ($25 for couples filing jointly).

Presidential Election Campaign Fund.—Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) to help defray the costs of the 1976 Presidential election campaign.

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other Tax Relief Measures for Older Americans

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,050
Single (age 65 or older)	2,800
Married couple (both spouses under 65) filing jointly	2,800
Married couple (1 spouse 65 or older) filing jointly	3,550
Married couple (both spouses 65 or older) filing jointly	4,300
Married filing separately	750

Additional Personal Exemption for Age.—In addition to the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1975, you will be entitled to the additional $750 personal exemption because of age for your 1974 Federal income tax return.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met. (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part, or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $20,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $20,000, an election may be made to exclude part of the gain based on a ratio of $20,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 1 year before or 1 year after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) be a U.S. citizen or resident, (b) have received earned income in excess of $600 in each of any 10 calendar years before 1974, and (c) have certain types of qualifying "retirement income". Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or

2. $1,524 ($2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, he must reduce the $1,524 figure by the amount of earned income in excess of $900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of $1,200 up to $1,700, plus the total amount over $1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax and he answers the questions for columns A and B and completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

STEPHEN J. WEXLER

Mr. KENNEDY. Mr. President, I want to express my deep sorrow at the tragic accident that resulted in the death of Stephen J. Wexler on September 27, 1975.

Steve first served as counsel to the Subcommittee on Railroad Retirement and for the past 5 years as counsel to the Subcommittee on Education of the Labor and Public Welfare Committee.

As a member of the Education Subcommittee, I knew Steve as an extremely able adviser, not only to the chairman, Senator PELL, but to all of the members of the committee. I think it can be said that much of the credit for many of the recent reforms in education, particularly the enactment of the basic education opportunities grant program which has meant so much to open college opportunities to disadvantaged students, rests on the exceptional work that Steve provided to the committee.

Throughout his service on the committee, he was continually available to counsel with me and with other members of the committee. I can recall the recent education conferences that almost inevitably lasted through the night, when he maintained the long vigil that ultimately produced accord.

His service was of the highest professional standards and he was deeply committed to improving the quality of education in this land.

I extend on behalf of myself and my staff, my sincerest sympathy to Steve's wife, Elizabeth, and to his family. We share their sorrow.

RESOLUTIONS ADOPTED BY HARTFORD COURT OF COMMON COUNCIL

Mr. RIBICOFF. Mr. President, I ask unanimous consent that three resolutions adopted by the Hartford Court of Common Council be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

[Resolutions from the city of Hartford, Conn., Court of Common Council]

Resolution

This is to certify that at a meeting of the Court of Common Council, September 22, 1975, the following resolution was passed.

Whereas, Many elderly residents of the City of Hartford have been seriously affected by rising fuel costs and other severe impacts of inflation; and

Whereas, These elderly residents of Hartford's neighborhoods represent a great source for neighborhood stability, as homeowners and long-term renters and as there is currently pending in the United States Congress legislation (HR6860 and HR8650), which would provide both tax credits for home insulation which would reduce fuel costs, and legislation to appropriate $165 million to provide grants for the purchasing of insulation materials for low-income persons; and

Whereas, This legislation could have a direct effect on many elderly residents of Hartford during the winter ahead; and

Whereas, The Hartford City Commission on Aging has contacted members of the State Congressional Delegation and expressed its support for this legislation; now, therefore, be it

Resolved, That the Town Clerk is hereby directed to forward a copy of this resolution to the Connecticut Congresional Delegation urging them to provide their fullest and most active support for this legislation.

Resolution

This is to certify that at a meeting of the Court of Common Council, September 22, 1975, the following resolution was passed.

Whereas, The United States Senate has failed to override President Ford's veto of a bill that would continue price controls for six months, thereby eliminating the mechanisms to regulate oil prices, thus freeing the industry to raise oil prices at will; and

Whereas, According to the Congressional Budget Office, a lifting of price controls on oil would be disastrous for the economy in that the decontrol of oil prices would result in 600,000 more persons unemployed by the end of 1977, a 4% increase in overall consumer prices and growth in national production 20% less than what might otherwise be expected; now, therefore, be it

Resolved, That the President and Congress are hereby requested to develop an energy policy for the United States and cease their procrastinations and delays and undertake the necessary priorities to make the United States an energy-independent nation; and be it further

Resolved, That the Hartford Court of Common Council does hereby strongly recommend that price control on oil be continued; and be it further

Resolved, That the Hartford Court of Common Council does hereby direct the Town Clerk to transmit a copy of this resolution to the President and the Connecticut Congressional Delegation in Washington.

Resolution

This is to certify that at a meeting of the Court of Common Council, September 22, 1975, the following resolution was passed.

Whereas, Senator Edward Kennedy on May 1, 1975, introduced Senate Bill S–1620 which would authorize an expenditure of $21 million for a 3-year period to aid in the fight against Cooley's Anemia; and

Whereas, Senate Bill S–1620 would provide funding for the continuation of many worthwhile programs throughout our nation involved in screening, education and research activities aimed at combating Cooley's Anemia, a fatal blood disease which afflicts thousands of Americans (predominantly of Greek and Italian extraction); and

Whereas, Senate Bill S–1620 has been referred to the Senate Labor and Public Welfare Committee for their consideration; now, therefore, be it

Resolved, That the Hartford Court of Common Council does strongly urge the Senate Labor and Public Welfare Commitee to report out favorably Senate Bill S–1620; and be it further

Resolved, That the Town Clerk is hereby directed to transmit a copy of this resolution to all members of the Senate Labor and Public Welfare Committee as well as Senators Ribicoff and Weicker.

THE ENERGY PROBLEM

Mr. MOSS. Mr. President, I ask unanimous consent that a press release from my office be printed in the Record. I do this because it is expected that the Senate will vote tomorrow on this amendment and I wanted my colleagues to be fully informed on the issue.

There being no objection, the news release was ordered to be printed in the Record, as follows:

Statement of Senator Frank E. Moss

It was nearly two years ago, in the aftermath of the 1973 October War, that our nation first recognized its vulnerability to economic attack. Now it's October again. The OPEC nations have moved to raise prices once again. Energy legislation controlling oil prices will expire next month, and still there is no national energy policy.

For two years we have been debating the complexities of the energy problem. We have heard the benefits of "regulation" and "deregulation". We have debated the advantages of "fast" decontrol and "slow" decontrol. We have discussed prices structured for both "old" and "new" oil, for both "old" and "new" gas.

The American people know little of such distinctions. They do know that in the months we have been debating these questions not only has the price of gasoline risen, of heating oil, but prices across-the-board.

They do know that unemployment has risen to over 8%—and lingers then. They do know that after two sessions of debate, Congress has yet to produce the long promised energy program.

Based on hard economic analysis, the compromise proposal we have set forth has much to recommend it. It provides a five-year decontrol schedule together with moderate prices for both oil and natural gas. A staff analysis by the Senate Budget Committee's Task Force on Energy, which I am releasing today, finds such a policy package consistent with the nation's dual goal of economic recovery and energy independence.

But the most significant aspect of the compromise proposal is its potential to end the stalemate over energy policy. It strikes not only an economic compromise, but a political one.

Adoption of this measure will signify victory for neither side, neither those advocating a price roll-back nor those seeking rapid deregulation. What it will signify is the beginning of a national energy program. It's about time we made such a beginning.

An increase in the energy bill seems inevitable. We'll be buying more as the economy recovers and the population increases. Some price increase for energy is also necessary if we are to increase domestic energy production and conservation. The debate is not about whether but how much and at what speed the increase should be. We believe that the increase included in this amendment is adequate to get this country on the road to energy sufficiency.

Under this amendment we can save $12 billion annually for five years—$60 billion compared to the 39-month or immediate decontrol plan. This means an increase of about $200 a household annually or a total of about $1,000 over the five-year period, compared to the Administration's thirty-nine month plan in which costs for the average household will increase twice that amount—$2,000 over five years.

Under this amendment there will be a price increase of 7/10 of 1% annually over the total five-year period. The Administration's plan is more than double with about 1½% price increase annually over the five-year period.

Similarly, looking at unemployment here's what's going to happen. Without any extra monetary growth or additional fiscal stimulus, unemployment under the thirty-nine month plan will be essentially two-and-a-half times that of this amendment.

There will be costs under any plan if we are to reach our nation's energy objectives. However, this amendment integrates the nation's energy and economic objectives at a price the nation can afford.

It will take time under any plan adopted to increase domestic production and to change the patterns of living from which conservation occurs. Even immediate decontrol will not, as if by magic, turn the tap on a hidden reservoir of energy.

The immediate decontrol or thirty-nine month plan would force us to pay an unnecessarily high price—they would increase the inflationary pressures—add to unemployment, and retard an economy which is struggling to recover. This amendment offers a "workable compromise" which will enable us to integrate energy and economic policies in a way which does not wrench the economy and destroy the gains already made in economic recovery.

STEVENSON, MOSS, HOLLINGS AMENDMENT TO NATURAL GAS EMERGENCY ACT OF 1975

Provisions

1. A $9 per barrel ceiling price for new domestic oil which would remain constant in real dollars over a period of five years. Quarterly increases are limited to the GNP deflator (but not to exceed 5 cents per barrel per month).

2. A phase out of price controls on old domestic oil over a five year period up to the ceiling price established in paragraph 1.

3. Authority within FEA, subject to congressional approval, to exempt from price controls certain high cost production categories, such as tertiary recovery, heavy oils, and synthetic oils. FPC would have similar authority with respect to natural gas.

4. A single ceiling price for all new natural gas based on the average new natural gas price in the intrastate market from August to November of 1975, not to exceed $1.30 per MCF, with quarterly increases based on the GNP deflator (but in no case to exceed 1 cent per MCF per month).

5. Presidential authority after five years to modify or eliminate the pricing formulas subject to disapproval by either House of Congress.

This amendment would eliminate the present pricing disparity between oil and gas, not by letting natural gas rise to an OPEC level, but by holding down the average price of oil and bringing up the price of natural gas.

The average initial price for oil under this formula would be $6.75 which is roughly equal on a BTU basis to the $1.30 price for natural gas. A reasonable price relationship would be established and maintained.

RESEARCH ON USING SOLAR ENERGY IN CROP DRYING

Mr. HUMPHREY. Mr. President, research is continuing in many directions for new sources of energy in response to the rising prices of petroleum and petroleum products. One of the Earth's most abundant and relatively untapped sources of energy is solar energy.

The September 1975 issue of the Soybean Digest includes an article, "Sunpower for Soybean Drying," explaining the research being conducted on the use of solar energy for drying soybeans as well as grain. The research is being undertaken at seven land-grant universities under a $150,000 National Science Foundation grant to study solar grain drying. A few farmers have also been experimenting on their own in this area.

The idea of solar crop drying has been considered for years, but it originally was much cheaper to use conventional energy sources rather than develop a system using solar energy. Experiments already completed show a definite savings in energy and operating costs when grain is dried using solar energy, but the cost of constructing the necessary collector system still make conventional energy sources cheaper.

The focus of most of the recent research has been on the type of collector system to be used. Plastic collectors were used in most of the experiments reported in the article, with successful results. The hope is to find a workable collector system that a farmer can build himself at a modest cost.

The research being conducted on the use of solar energy will not just benefit farmers, but the total public. With petroleum prices rising, new sources of energy need to be found. The development of solar energy may be a partial answer to this problem.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Sunpower for Soybean Drying

Harold Keener, assistant professor at Ohio Agricultural Research and Development Center, Wooster, dried a 330-bu. batch of soybeans in a test last fall. In just a 4-day drying period, their 960-sq.-ft. Solaron plastic collector produced 1.6 mil. BTU. That was actually more than needed for the small batch, which dried from 16.5% to 12.5% in 48 hours. This was 2 points more moisture removed than by natural air drying of a control batch.

Keener and another Ohio ag engineer, George E. Meyer, used the same kind of collector as in the Purdue trials, but placed no insulation between the plastic collector and the ground. "We got some heat stored in the ground during the day," notes Keener. "Just how much is running the collector at night indicated that we were recovering perhaps 90% of this ground-stored heat." Thus, transfer of heat between the earth and a flat collector may be a way of evening out the temperature rise over 24 hours, reducing the relative humidity of the drying air during night and thus shortening the total drying operation period.

"Soybeans don't need much supplemental heat for drying in a normal year," says Harvey Thompson, Iowa State Univ. extension agronomist. "However, there are some years when a farmer wants to start combining beans at about 20% moisture—about as wet as he should begin harvest. Then, drying is a way to move harvest up a few days."

Although natural-air drying can be all you need in a good fall, a little heat can hurry the process and in effect step up the capacity of a batch dryer. "When you do dry soybeans with supplemental heat, believe the moisture meter and not how a handful feels to you in a 'squeeze test'," says Thompson. "Beans will feel wet when warm because the oil in them is soft until the beans cool."

Oil companies are raising the price of LP-gas for your crop dryer, but nobody's raising the price of your sunshine. That basic fact has spurred new research on solar grain drying in the past few months. Some of it's at universities; some on farms. And the odds are good that an experimental-minded farmer or engineer will discover a practical way to make solar grain drying pay.

Soybeans and solar crop drying appear to be especially compatible. Soybeans like to be dried slowly and gently; and that's the kind of heat which inexpensive solar collectors provide. Soybeans come out of fields in early fall; that's when the weather's more sunny than in late fall or winter. Once a solar drying system's fixed costs are recovered, it would be practical to start soybean harvest early every year to reduce field losses and stretch the harvest season.

Last fall, a $150,000 National Science Foundation grant triggered 7 land-grant university projects on solar grain drying. And quite a few farmers have been experimenting on their own as well. The results: Solar heat promises to become an important crop drying technique.

You might like to experiment with solar drying on heating on your own place. This article shows you a few basics. After all, a farmer should be an expert on sunshine if anyone is!

Agricultural engineers have tried these general approaches: 1. Raising the temperature of grain-drying air with inexpensive, temporary collectors built of plastic. The air then flows directly into the grain, or the solar collector serves as a preheater for a conventional grain drying heater/blower.

2. Installing permanent solar collectors directly on the side of the grain bin, or under the roof, to trap sun-heated air. "Grain drying appears to be an ideal use of solar energy," agreed the researchers after their "proof of concept" studies last fall. So it looks as though the right kinds of collector designs will replace some of the electricity and LP-gas farmers are now buying.

Drying about 70% of the 1973 corn crop burned the equivalent of more than 600 mil. gal. of LP-gas, estimate Agricultural Research Service engineers.

Experiments so far show a definite saving in operating costs when you tap solar energy. But so far, LP-gas and other conventional energy sources are usually cheaper when you include costs of constructing the collector system.

Hopefully, today's research will develop cheap, efficient, solar-drying techniques before the prices of electricity and petroleum-based energy become exorbitant.

The new research results point to several factors favoring soybean drying:

1. October averages twice as much available solar energy as December and nearly 50% more than in November. So early-harvested soybeans come off when there's more free heat on hand.

2. With slow drying, researchers found that maximum heat rise ranged between about 10 degrees F and 35 degrees F, which is adequate to pull soybeans down to safe storage levels.

3. Beans in the bin are warmed by solar energy during the day, and this latent heat is used at night by keeping the blower going. Some drying occurs as late as 2 a.m.

4. Solar drying kept working in southern Minnesota when outside air averaged about 29.3 degrees F.

At Iowa State, research associate Glenn Kranzler reports that a solar-supplemented corn drying project late last fall saved operating costs of about 2c/bu per point of moisture removed, compared to continuous low-temperature electric heat drying.

The Iowa ag engineers designed a 64 ft. by 4 ft. collector of 6 mil. black plastic topped with 6 mil. clear plastic, held up by a lumber frame facing south at a 55 degree angle. Air flowed in at both ends of this collector and out the middle, as if out the center bar of a tee. The preheated air fed into an electric drying fan, then into an 18 ft. diameter round steel bin loaded with 3,440 bu. of 19.8% moisture corn.

A comparison bin beside the project was dried by an electric heater only. The solar-aided drying system was operated on sunny or partly sunny days—and last fall during the late November weeks, it was so cloudy there was a theoretical average of only 880 BTU/sq. ft. of solar energy available per day. That works out to about 4 hours of good sunshine every other day.

Final figures showed that the solar-aided system required .47 kilowatt hours (KWH) to remove a point of moisture from each bushel while the electric-only system took .57 KWH per point per bushel. Energy costs per bushel were 6.4¢ for solar, 8.4¢ for electricity only—a net operating advantage of 2¢/bu for the solar system.

"With only a 2¢ saving, you can't pay much for a solar collector," says Karnzler.

However, a thin plastic collector such as this loses a great deal of energy before it's delivered. Maximum temperature rise over the outside air temperature was about 10 degrees on a sunny day—whenever there was such a day late last fall around Ames, Iowa. The engineers plan further solar research in Iowa.

Purdue Univ. ag engineers last fall hooked up a pair of 12 ft. x 85 ft. plastic collectors built by Solar Energy Products of Avon Lake, Ohio. Professor of Ag Engineer Robert Peart figures that each collector delivered about 75,000 BTU/hr maximum at noon on a clear day.

Assuming about 160 BTU/hr arrive at each square foot perpendicular to the sun's rays at the Lafayette, Ind., latitude in late November, the collector would be about 46% efficient at midday. Efficiency would decrease either side of noon.

The collector produced a 30 degree heat rise in about 2,400 cubic ft. of air per minute. Researchers mixed this warm air half-and-half with cold outside air and used it to dry the grain. They figure the collector saved about a gallon of LP-gas equivalent at solar noon on a clear day, with lesser amounts in mornings and afternoon. The collector was flat on the ground, so the sun hit it at a 40 degree to 60 degree or more angle. It would have trapped more heat if tipped up about 55 degrees to face the sun squarely.

"We hear some engineers talking about designing heat storage in water, rock or chemical salts, but we feel that grain drying is an application where the user wants to keep his collector costs down," says Peart. "It's an ideal project for a farmer to experiment with on his own. Experiments can be reasonably inexpensive and if enough air is kept moving, there's little chance of spoiling grain."

Next year, Purdue engineers plan to hook up both collectors on one bin and attempt to dry down grain faster. They may also stir the bin enough to avoid overdrying any part of the grain.

Purdue researchers turned on the collector Nov. 22—and between then and Christmas, saw only about 65 hours of clear sunshine. The cloudy season meant increased use of electric heat. Even so, "Total electric requirements were about 2.5 KWH/bu (5¢) for solar-assisted drying. Normal all-electric low temperature drying averages about 3.5 kilowatt hours," says Peart. This yields a 2¢/bu saving in operating costs, similar to Iowa tests.

A concept under research at South Dakota State Univ.: Make one solar collector system dry grain in the fall, warm livestock building in the winter and dry hay in the summer. "That way you can spread the capital cost over a lot of work," says Mylo Hellickson, associate professor of agricultural engineering.

South Dakota's work reaches back 2 years, when ag engineer Bill Peterson began working with farmer Myron Pederson in Brookings County. They applied 1½-in. vertical battings on the south two-thirds of a round metal bin, and tacked up black-painted aluminum offset printing plates to make a second skin. Then, over another set of 1½-in. battings, they stretched a cover of clear plastic. Air was pulled behind the hot aluminum skin and into the grain. The plastic cover was intended to reduce heat loss from wind and radiation. Operating costs to dry 20% moisture corn to safe levels ran about 2.5¢/bu.

"If we can just come up with a workable collector that a farmer can build himself at modest cost, we'll get more use from the idea and save more energy," says Hellickson.

South Dakota researchers are testing other collector plates. Surprisingly, a black plate without a plastic cover gave a heat rise almost as good as the plastic-covered plate.

Kansas State Univ. researchers have come up with a fresh concept: Since you're trying to dry grain, there may be another way to generate low relative humidity besides just producing heat. For instance, think about a desiccant—a chemical that attracts moisture from the air. Silica gel is an example. It's in the little bag of crystals packed with cameras and other sensitive instruments to maintain dryness in the package.

If you use sunshine to first dry out the desiccant, this "dryness" could be sealed up and held for the moment to dry crops. Then, air would be pumped through the desiccant, and the resulting super-dry air would pass on into the bin to pick up moisture from grain. With suitably cheap desiccants, it might be possible to store "dryness" during heat waves of July and August, then call on it come harvest in November and December. However, the scientists repeatedly wave caution flags that all this is strictly experimental. So far, there's no obvious desiccant with the right price tag on it for the job.

There are several other research projects underway. Last fall, engineers estimate there were about 40 locations trying some kind of solar-assisted crop drying. This fall there'll be many more. All spring and summer, seminars that talked about solar heating and cooling attracted swarms of engineers, architects and would-be solar suppliers. You can expect a rash of backyard factories offering "systems" backed by a minimum of practical research, so be cautious about spending big dollars. Study the principles presented here and in other sources so you can ask knowledgeable questions of any sunshine salesman.

Actually, most real news on solar drying so far is economic. The ideas have been around for years, but cheap oil has outshined the sun as a source of drying fuel. Michigan researchers dried hay with solar collectors back in 1961. Solar steam engines pumped irrigation water in the Middle East in the early 1900s. Israel and Australia have years of experience with solar heating and cooling.

In late July, Chamberlain Mfg., a research and manufacturing firm in Waterloo, Iowa, displayed a new flat-plate solar collector designed to produce water temperatures over 200 degrees F, hot enough to drive an air conditioner. The same firm had earlier proposed projects on solar grain drying, says project leader Art Ytterhus. Elsewhere, dozens of large and small firms are pushing into solar systems building. Most are for residential heating, but some will apply to farm use.

A team of ag engineers met in mid-July at the Univ. of Minnesota to assemble a new study: a computer simulation of "what would happen if" several kinds of solar drying systems were used over a period of years and normal weather variations. Coordinator of this project, and of other land-grant research on solar grain drying, is George Foster, ag engineer and research leader at the U.S. Grain Marketing Research Center, Manhattan, Kans.

It's possible to envision an all-purpose solar collection setup on a farmstead, where there's plenty of space for collectors compared to a jammed downtown or suburban area. The collector would air-condition your home in summer (and maybe a dairy barn or farrowing building too); dry grain in the fall and heat buildings in the winter. With all the money you save, you might install a swimming pool which, of course, would be solar heated so you could swim comfortably 6 months out of the year!

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

NATURAL GAS EMERGENCY ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 2310, which the clerk will state by title.

The second assistant legislative clerk read as follows:

> A bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Illinois (Mr. STEVENSON), is recognized.

Mr. MANSFIELD. Mr. President, if the Senator will yield, without losing his right to the floor——

Mr. STEVENSON. I yield without losing my right to the floor.

Mr. MANSFIELD. With that reservation, Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GLENN. Mr. President, will the Senator from Illinois yield without losing his right to the floor?

Mr. STEVENSON. Mr. President, I yield to the Senator from Ohio without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GLENN. Mr. President, this morning's New York Times has an editorial that I think goes right to the heart of one of the things we have been talking about in the Senate Chamber for some 2 weeks. It emphasizes the importance of the natural gas situation that we find approaching us, and approaching us more rapidly than I know most of us would like to see, because we begin layoffs, with unemployment increasing, in my State of Ohio and many other States on November 1 this year.

The New York Times article points up the importance of getting on with the consideration and points up once again the importance of separating the long-term and short-term aspects that we have tried to emphasize in this Chamber over the period of the last couple of weeks.

Rather than merely submitting this for the RECORD, I shall read this editorial in its entirety.

It is entitled "Gas for Jobs."

> ### GAS FOR JOBS
>
> The Congress has just four more days to act—or else dip into its scheduled week of recess—to avert an economically crippling shortage of natural gas for the coming winter. Already notices of probable layoffs and production cutbacks are going out to workers in several states; two or three weeks hence this grim extra threat of unemployment could well become reality to thousands of industrial and farm workers in at least fourteen states.
>
> The problem, certified by Government and private economists as well as the natural gas industry, is not an absolute shortage. The gas is available—but not to the regulated interstate pipelines, since the producers can charge nearly three times the controlled price if they sell the gas within the producing states, where supplies are more than adequate.
>
> Emergency legislation to resolve this anomaly for the coming winter failed its first Senate test last week. A slim majority voted to include the short-term relief in a broader measure of deregulation that opens a bitterly contested controversy. Even if the long-standing issue of natural gas regulation could be satisfactorily resolved by the Senate, there is virtually no chance that it could clear the House of Representatives in time to affect the coming winter's crunch.
>
> Critics of the emergency legislation have a point in noting that temporary measures have a way of becoming permanent. In this case, however, the Senate is already engaged in debate over various long-term approaches to the price and supply of natural gas and its relation to energy demands. This complex problem cannot be ducked much longer; but its complexities should not immobilize the legislators from dealing with an immediate threat that all sides acknowledge.
>
> If Congress manages to depart on vacation next week-end without completing any action on this issue, its responsibility for an extra and unnecessary dose of economic distress will be all too clear.

That completes the editorial, and I could not agree with it more, Mr. President. I think the editorial writer for the Times has put his finger exactly on the situation in which we find ourselves.

We are fiddling while there is going to be no gas to burn this winter—is about what it amounts to—when action could have been taken last week that would have sped on its way the gas that could be available this winter into the pipelines in those areas where we are threatened with unnecessary unemployment this winter. That could be prevented, and that is what we have been trying to do.

I hope, Mr. President, that we will take the advice of this editorial writer because I think it is in the best interests of the Nation that we have short-term relief on natural gas before we depart on any scheduled recess. This is far more important than our taking the recess, whether it has been scheduled or not.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask to be recognized.

The ACTING PRESIDENT pro tempore. What is the will of the Senate?

Mr. STEVENSON. Mr. President, does the Senator from Ohio yield the floor?

Mr. GLENN. Yes; the Senator from Ohio yields the floor to the Senator from Illinois.

The ACTING PRESIDENT pro tempore. The Chair will say that the Senator from Ohio cannot yield the floor to the Senator from Illinois. The Chair will recognize the Senator from Illinois.

Mr. STEVENSON. I thank the Chair.

Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is S. 2310. The question is on agreeing to amendment No. 948, as modified.

Mr. STEVENSON. Mr. President, for 25 years the subject of natural gas regulation has been a source of debate and an impasse between the consumers and the producers of natural gas in the United States. For the last 2 years, Congress and the President have been engaged in a debate over the pricing of oil. Even now, after the oil embargo, with an economy suffering from energy-induced inflation and recession, the impasse on the prices of both oil and natural gas continues.

It may be that this impasse has gone on for as long as it has because the right idea has never before been advanced. Never in the course of this lengthy debate has it been suggested that either natural gas or oil could be priced sensibly without reference to the other. This amendment (No. 948) establishes a new method for pricing both natural gas and oil at the wellhead in the United States. That method recognizes that frequently oil and gas are produced in association with one another, they come out of the same hole in the ground, and they are to a large extent substitutable. It recognizes that as long as one is priced artificially low, below the level at which the other is priced, the incentive will exist to produce one at the expense of the other, and the incentive will exist to burn the cheaper fuel as opposed to the other, which is in greater supply.

That is in fact what has happened over the years. Natural gas has been priced artificially low. Wellhead prices in interstate commerce have been regulated by the Federal Power Commission historically on a cost basis. The highest certificated price for natural gas in interstate commerce is now 52 cents. Priced on a basis equivalent to the price for oil in world markets, it would be about $2.20.

That disparity between the prices of oil and natural gas has caused greater incentives for the production of oil than for the production of natural gas, and greater incentives to burn the premium fuel, the natural gas in short supply, as opposed to the oil, which, relatively speaking, is in greater supply.

As long as such a disparity continues, natural gas shortages will continue. The need to establish some comparability or rational relationship in the pricing of both is generally recognized now, if not yesterday. But the proposal of some is to establish that comparability by taking the ceiling off and letting the price of both go up to a level established by the foreign producers of oil. That would mean a quantum jump in energy prices the likes of which the United States has yet to experience.

Natural gas supplies about one-third of the Nation's energy. To decontrol natural gas at the wellhead in the United States would buffet the economy more today than it has been buffeted in the past by a quadrupled oil bill. The price of natural gas in interstate commerce would rise sixfold, and, among others, the chairman of the Federal Power Commission, Mr. Nassikas, has indicated as much.

New gas in interstate commerce, priced now as high as and no higher than 52 cents, would go to $3 immediately, on a spot basis. The demand for natural gas, in some 45 consuming States, added to the demand in the five producing States, would send the price in those States, now as high as $2, clearly higher.

Under the amendment proposed by the Senator from Kansas (Mr. PEARSON) and the Senator from Texas (Mr. BENTSEN), the price of the old gas in interstate commerce would be renegotiated. It would rise also as existing contracts were terminated and the gas sold at the new gas price. In many cases, wells would be drilled alongside old wells in old fields just to produce new gas, and at prices in excess of $3.

The result would be inflation. Even in the intrastate market, the price of natural gas would at least double. The result, according to estimates of the Senate Budget Committee and the Joint Economic Committee, would be, by the end of 1977, from just the Pearson-Bentsen amendment, an increase of 2.2 percent in the overall price level. The results would also include an increase in the unemployment rolls of 650,000 persons. And, Mr. President, the ultimate result would be a resumption of the recession. The result would not be increased natural gas supplies or decreased consumption.

The result of this amendment, the Pearson-Bentsen amendment, if enacted, would be inflation, recession, with increased unemployment, and no more natural gas.

Mr. President, the genius of the Pearson-Bentsen amendment is that it combines the worst of all possible worlds. Its results are on all sides intolerable: No more gas, no increased conservation, more inflation, more recession, and more unemployment. Its genius, Mr. President, is that it substitutes OPEC's control for FPC control of natural gas at the wellhead onshore, and continues the discredited regulation of wellhead prices by the Federal Power Commission offshore. It does the two things that virtually everyone agrees should not be done.

It was only a few days ago that the Senate by a resounding vote, by a vote of 57 to 31, repudiated the Fannin amendment, because the Fannin amendment established OPEC regulation for domestic wellhead natural gas prices.

The Pearson-Bentsen amendment does exactly the same thing on shore. Off shore it establishes a new form of regulation by the Federal Power Commission.

This regulation would lead to even greater price uncertainty. It would cause regulatory lag at the FPC and prolonged litigation in the courts, during all of which producers would have incentives to withhold production and withhold the development of leases in anticipation of higher prices later on. It perpetuates precisely the same kind of price uncertainty that has helped to retard the development of natural gas supplies as a result of the present Federal Power Commission regulation.

These standards, established by the Pearson-Bentsen amendment for FPC regulation of natural gas prices offshore, are inconsistent. They are without any meaning in the law, in the precedents of the Federal Power Commission, or in case law.

It establishes four new standards for FPC regulation.

First, the FPC would be required to consider, in establishing rates, prospective production costs. On the face of it, that is an impossible standard, because some of the costs are not prospective.

Production costs include, for example, Mr. President, the acquisition of leases. The acquisition cost and the amortization of that cost is a current cost. It is a historical cost, not a prospective cost. That standard would require definition in the courts.

The other three standards would require the Federal Power Commission, first, to encourage optimum levels of exploration for natural gas, its development and production, and the maintenance of reserves. That standard would require higher prices.

The third standard requires the promotion of sound conservation practices in natural gas consumption. That standard presumably would require higher prices.

The fourth standard requires Federal Power Commission to establish rates that will protect the consumer of natural gas from higher prices. That conflicting standard would appear to require lower prices.

These standards are inconsistent and, to be generous, their meaning would require long litigation and prolonged ratemaking procedures before they could be applied in any rulemaking. During that process, producers would be discouraged from producing additional supplies of natural gas.

If there is anything that the proponents of decontrol have argued for the last 2 years, at least during all the time that I have been conducting hearings in the Committee on Commerce on this subject, it has been for an end to regulatory lag and for an end to the uncertainty about natural gas prices caused by FPC regulation.

This amendment, the Pearson-Bentsen amendment, would do precisely what those who propose decontrol said should not be done. It continues price uncertainty. It continues regulatory lag.

Mr. President, as I mentioned before on the onshore domain, it establishes OPEC prices or higher for wellhead natural gas prices, a proposition which was emphatically rejected by the Senate when it rejected the Fannin amendment.

It is said, Mr. President, that an OPEC price or equivalent for natural gas is required in order to produce additional supplies. The proponents of decontrol, so-called, never say where the price will go. When asked they concede, as a rule, that they cannot predict where it will go.

Several years ago it was generally assumed in this administration and also among the oil economists that the increased price for oil established by OPEC would produce large oil surpluses, which in turn would bring pressure to bear on the price and that the price would decline to a clearing level of about $7. Only recently have these same individuals finally, belatedly recognized how the foreign oil producers have it within their power to control the production in the world and by so doing to control the price.

They finally recognize now that before bringing down the price of oil these producers will bring down the supply of oil and, in fact, they have been doing that and with such success that they succeeded within the last 2 weeks in increasing the price of oil once again.

So, these economists, and others, who have argued for decontrol of natural gas, are now changing their tune. Their changed views have not been detected by the press and by others. But asked now if they support decontrol of natural gas, they say yes. Ask them if they really meant that or whether there should not be some ceiling established against OPEC pricing of natural gas, they say yes, of course.

The Chairman of the Federal Power Commission, Mr. Nassikas, is perceived by the public and by the press as a supporter of decontrol. He is not that at all. He is not a supporter of decontrol. He recognizes, as do economists, many belatedly, that the OPEC price is an arbitrary price. It is a source of inflation, recession, and rising unemployment. It is an unnecessary price, an extortionate price.

The question now is not whether to accept OPEC pricing. It is not a question of whether to decontrol, because there is no such thing as decontrol. It is a question of whether the United States or OPEC will control the domestic wellhead prices and, for the growing number who finally and belatedly accept the need to establish U.S. control, a question of what level at which to establish U.S. control of oil and wellhead prices.

Mr. President, that has been a subject which has preoccupied not only the Committee on Interior and Insular Affairs and the Committee on Commerce of this body, but also the Joint Economic Committee and the Budget Committee. It is a question which finally has accumulated a great deal of statistical analysis, a body of respectable material, with which we can begin to establish a reasonable price at the wellhead in the United States for oil and natural gas and simplified procedures for the establishment and the maintenance of such a price—in other words, without resort to complex allocations systems such as are required under the Emergency Allocation Act.

The amendment which the distinguished Senator from South Carolina (Mr. HOLLINGS), the distinguished Senator from Utah (Mr. MOSS), I, and others have offered as a substitute for the Pearson-Bentsen amendment would establish a single tier price ceiling for both oil and natural gas. Over a period of 5 years, it would decontrol the old oil and at that time give the country administerable, simple price ceiling for both natural gas and oil. It would establish an initial $9 per barrel ceiling price for new domestic oil. That ceiling would remain constant in real dollars over a period of 5 years.

Quarterly increases in the ceiling price are limited to the GNP deflator—in other words, they are indexed. They would go up with the rate of inflation but not to exceed 5 cents per barrel per month.

This amendment also phases out the price controls on old domestic oil over a 5-year period, up to the ceiling established for new oil. It would give the FEA authority, subject to congressional approval, to exempt from these oil price controls the high cost production categories, such as tertiary recovery, heavy oils, and synthetic oils.

The Federal Power Commission would have similar authority to exempt high cost natural gas production from the natural gas ceiling. A single ceiling price for all new natural gas, based on the average new natural gas price in the intrastate market from August to November of 1975, would be established. That ceiling would not exceed $1.30 per million cubic feet. In fact, it would mean an initial new natural gas ceiling of $1.30 per million cubic feet.

As in the case of oil, quarterly increases in the natural gas ceiling would be permitted, based on the GNP deflater in the case of natural gas, not to exceed 1 cent per million cubic feet per month.

Finally, Mr. President, this amendment would give the President authority, after 5 years, to modify or eliminate the pricing formulas, subject to disapproval by either House of Congress. The amendment, therefore, would eliminate the present pricing disparity between oil and gas, not by letting natural gas rise to an OPEC level but by holding down the price of oil and bringing up the price of natural gas. This formula would produce an average initial price for oil of about $7. That is roughly equal, on a Btu basis, to the $1.30 price which it would produce for new natural gas. A reasonable price relationship, therefore, would be established and maintained.

Mr. HOLLINGS. Mr. President, will the Senator yield, without losing his right to the floor? I ask unanimous consent for that.

Mr. STEVENSON. I gladly yield to the Senator from South Carolina.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I commend the distinguished Senator from Illinois. At least he is debating, in a comprehensive fashion, a comprehensive solution.

We were told all last week and now during this week's debate that we really needed to move now and try to bring about a comprehensive solution—let us not avoid; let us not evade; let us get down to the real problem, because this patch work for an emergency situation this winter was ducking the issue. Now, by the tabling vote we have had on the Pearson-Bentsen amendment No. 919, we are facing the issue.

But, again, I do not know who is ducking the issue. At least, they have ducked somewhat, I say to the distinguished Senator from New Mexico, because they cannot get here and debate it and realize all that is involved now, as we move down the road to a comprehensive solution.

Immediately, when you come to the proposition of the long-range solution, you get into the same extensive debates and hearings we had before the Committee on Commerce on natural gas regulation—questions such as revising the natural gas law of 1938, laying down guidelines and rules that would divest the Federal Power Commission from day-to-day price regulation by adjudication—and the subsequent appeals, delays, and what have you. So a long-range solution is to eliminate that. Amendment No. 948 would eliminate uncertainty.

Along that line, having now gotten into this long-range solution, we have various amendments being proposed by everyone.

The hour is late. We have to move. We are into October. Before long, we will be into November, and this session will be over. The pipeline of various energy solutions has been waiting all year long.

There is an Energy Production Board. If you are really going to come in and deal with natural gas, if you are going to deal with the oil price, if you are going to deal with new supplies and offshore drilling; if you are going to try to convert from oil and gas to coal in those parts of the country where it is possible, it will be necessary to get the coal cars and get the rails, to get the railroad industry refurbished and going again.

There will have to be some coordination between the needs and the demands.

For example, as we headed down the road last year, trying to build supertankers, we only got to the end of the road with a superport bill in order to take care of these supertankers, and we have learned that now the supertankers, in a sense, are going out of style. In the Mideast, for example, they are going from exporting a crude to a refined product. With the opening of the Suez Canal, rather than use the larger supertanker, they can come through the canal by a shorter route with crude. So, rather than a shortage of tankers and carrying capabilities, there seems to be a shipping glut.

If we had had an energy production board or energy policy council, we would have had this information coordinated and collected in the first instance, and then there would have been cooperation between the agencies and departments.

I will never forget that when we started exploring the formation of an energy policy council, we discovered some 78 agencies and departments of the Government were involved in the energy picture.

Now, since we have had the crisis and embargo of 1973, those have burgeoned until there are now 91 agencies and departments of the Government dealing with energy. Instead of going forward, we have moved backward in this particular stead.

The Senate has passed an energy policy council three times during the last 2 years, only to have it stymied in the House due to the opposition of the administration. They seem to enjoy the backpocket operation of a momentary energy czar, with no particular reflection on our good friend, Mr. Zarb—he is in for how long, we know not. In any event, we have to find out just exactly what his policy is as it comes to this particular matter. We confer in good faith. We say, all right, these comprehensive solutions have all been waiting; people want energy production boards, policy councils, divestiture vertically, divestiture horizontally, and everything else of that kind. We cannot bog down Congress over the whole thing and expect to solve the natural gas shortage that we are facing and the unemployment we are facing this winter.

In contacting Mr. Zarb and everybody else, they not only say, yes, you are right, but, they say, "We feel so strongly about the emergency situation that we lay on the desk our emergency approach, our emergency solution. We have had enough hearings, we have roomsful of hearing records, witnesses' statements, and what have you; so what we ought to do is let this lie on the desk and you put yours on the desk and let us debate it or, at least, get the emergency solution passed."

That was the signal and call up until last week when they had a breakfast, or early-morning meetings at the White House, and then everything changed. Senators from both sides of the aisle were asked not just to go with the emergency, but to go with the Pearson-Bentsen long-range amendment.

Now, with the Pearson-Bentsen solution—and I am glad to see my distinguished colleague. I say to him that we have presently gotten unanimous consent to make a few comments, with the Senator from Illinois retaining his right to the floor.

To get into exactly what the Pearson-Bentsen solution does provide—there is in there an emergency provision in title 1. Then, in reading it closely, if we turn to title 2 where everything is deregulated and in effect there is no priority for the emergency period. It is just total decontrol. The very relief that we think is necessary and deserved, that everybody agrees is needed for the curtailed pipelines this winter is in fact negated. We just throw them all into a briar patch with all pipelines this winter, under title 2 of the Pearson-Bentsen solution.

As a result, rather than taking care of the emergency shortage affecting the curtailed lines and employment, we, in essence, by title II in amendment 919, provide an immediate decontrol of natural gas this winter. I am not sure that was the intent of my distinguished colleague from Kansas, but so be it, that is what it presently provides for. We have not had a chance to debate it.

As we debate the inflation impact of decontrol of onshore oil, ipso facto, then we come to the other solutions, which will be, at least hopefully, debated today, to save us some time so we can prepare for these votes tomorrow—namely, the vertical divestiture by the Senator from South Dakota (Mr. ABOUREZK) and his consponsors. He felt very definitely that those who own a refinery should not own the transportation facilities and the small filling station on the corner or the distribution facilities. It could be that that would be a move in the right direction. How it could be done over the next 5 years would be a matter of consideration.

Certain it is, then, that we have Senator KENNEDY and others, who have what we call the horizontal divestiture suggestion, saying that if we are going from coal to gas and have development, let us have competitive development of alternative sources. If we are going out to New Mexico with solar energy, then let whatever capital is necessary that can be attracted, certainly assisted by the government, go to those other than the owners of the oil industry and the owners of the gas industry.

It has been stated time and again that big oil has control of 72 percent of the natural gas in this country. They have quite a holding in coal. It certainly would promote competition and be in the best public interest to divest the coal holdings.

Let us not finally get an alternative fuel which cannot be delivered. We have the alternative fuel this very minute. This is the very predicament we are in. We have the alternative fuel, natural gas, but it is being restricted from the market, through withholding, false reports, and failure to deliver under particular contracts. So the horizontal divestiture would put restrictions on the market control of several fuels by major oil companies, which have been controlling the market and working with the OPEC cartel. Certainly let us not let the OPEC cartel control the independence movement of America in the energy field. Do not let them own the coal fields or the solar energy or the nuclear, the uranium fields, and so on. I think there should definitely be at this point a divestiture policy enacted by the Congress.

If we get through the divestiture debates, then we can make some decisions and quit talking about the way we are going to handle offshore gas and onshore, and whether it should be phased decontrol, or immediate decontrol, and what about interstate gas and what about intrastate gas? What about more gas? What about more gas on a formative solution? And how does that come about to accelerate coal gasification programs?

I say to my distinguished colleague from Kansas, I cannot see a formative or comprehensive plan for natural gas in America passing without containing a synthetic fuels provision so that we can get more gas as conventional sources are depleted.

I think that there ought to be a goal set in mind, for example, for the end of 5 years, we should have in place a synthetic natural gas producing capability. So that during that 5-year period the development of synthetic fuels is accelerated, and the development of coal gasification in this country is promoted. This would enable us to put additional gas in the line and continue with full employment and the development of America. That should be considered and be a part of this particular bill.

These are the kinds of things that, just in an exchange here with my distinguished friend from Illinois, we have gotten into. We have gone from the emergency question to the long range, we have gone from emergency and long-range gas to long-range oil prices, and we are going from emergency gas and long-range gas and long-range oil to some kind of board or policy council to oversee some of this, and to provide for divestiture to improve competition and get an overall, valid policy for energy in America.

Mr. President, as we move into the solution, if you please, to the long range, it should be on the record that we discussed this at length in the Committee on Commerce with all our witnesses. At that time, we had quite a debate on how to develop new gas supplies.

Along this line we finally settled, in addition to a general pricing policy, some additional incentives for the independent producer.

As I noted, we had an approach for the magic word "independent" during the early part of the year and with the oil depletion allowance, the magic of that word persisted all through the year and early spring through markup of the bill, and when we finally reported it out last May. It has been supplanted, of course, by the word "gradual," and they will come in and vote here today on anything you will call gradual. I think you can get a majority vote on anything gradual. You can put monitors out there in the Sinai desert, but you gradually withdraw them; you put them in and you take them away. It is firmly planted in thin air.

We see indecisiveness from our leadership. We see it by our fiscal policy—first we are going to stimulate the economy, then we are going to unstimulate it, we saw it all last night. We never can really get a decision.

In trying to make a decision in the natural gas field, rather than having 7 different types of gas, as in S. 692, which is readily understood by those in the particular trade but completely dismaying to anyone trying to vote intelligently on this measure, we decided that the best approach that could possibly be employed is to reduce it down to a dollars and cents proposition and determine a price that was, as I characterized it at the particular time in the markup, a treatment almost like the Mafia. Let us make those folks an offer they cannot refuse. Let us make a mistake on the side of increased production. That is what we are doing in amendment No. 948.

I do not mind people making a profit. I was rather taken aback the other day when the senior Senator from Texas (Mr. TOWER) came to the Chamber and said the whole debate here is against a bunch of radicals on the floor of the U.S. Senate who feel that profit has become a dirty word, and what we really are against in America is anybody making a profit.

I think half the Members of this body, Mr. President, are millionaires. I think they know something about profits. I think they know businesses, and they are going to protect them, and they believe in profits, and I cannot go along with the fanciful idea that they do not believe in profit. That is trying to becloud and obfuscate the main issue of what would be a fair profit, a generous profit, as contrasted to just outright, rampant, exorbitant inflation controlled by the cartel now that announced this morning they are going to go in permanent business in Vienna and build a $10 million building.

The next time the Senator from Kansas and I go, I guess we will go to the $10 million OPEC building and we will sit down and be entertained.

They are going into permanent business. All year long oil executives have been infiltrating into Washington. We have heard how OPEC, like Chicken Little and the falling sky, how OPEC is going to break and come apart, it cannot get along, and you say that Emmy performance of Yamani, who cannot get a telephone call from Vienna back down to Saudi Arabia, so he jumps in his plane. All the fellows fell for that except Joseph Kraft of the Post, who wrote it up like it was. He said it was a performance, and that is exactly what it was, and that is what we are playing to.

As long as we have the major oil companies operating for their interests, along with OPEC, in bed together, there is going to be a strong, viable, successful cartel or monopoly internationally that is always going to go, of course, for the highest price.

Along that line, there has to be some give and take. They try to use the word "realism." "We have got to be realistic," is what they say. We started off in hearings, and we brought them down to the end of last year where a just and reasonable profit, even by Mr. Nassikas, who favors decontrol, was found to be 50 cents. In December less than a year ago, that price included a 15-percent profit—a just and reasonable price under all the circumstances.

There was a dissent in that particular opinion signed by Mr. Moody, one of the commissioners, who is now in the employ of the State of Texas. We took his decision and we cost-factored it to find out, and we said, "All right, here you are leaving now to go with the industry and everything else, and saying they did not consider this and should have considered that. Let us put a dollar mark or percentage of a dollar next to that."

We cost-factored it out to slightly less than 75 cents.

You look then to 1974 in what the opposition characterizes as the free market price that is prevailing in a State like Oklahoma, which produces a substantial amount of natural gas that was less than 75 cents. From that we moved to take the 1975 prevailing price in August—about $1.26 per Mcf. Still the producers are not satisfied—they want the "free market" price.

We know there is no free market—it is under the OPEC market, not under supply and demand, or competition but the price is set by an international monopolistic cartel.

In 1974 the new contracts in the State of Oklahoma averaged 72.02 cents.

So then we got a little bit more firm in our judgment about a 75-cent price, by jumping mentally in our minds to a 50-percent increase immediately from what had just been found as just and reasonable, and we got to 75. I remember examining the witnesses at one of the hearings saying, "All right, let us even go above that. Let us talk about $1 gas." All they would do was smile. It was said, "Look, that will bring all the gas in that you could possibly get in."

So what you have seen happening is where in America today, as we debate, the average price of interstate gas being right at about 50 cents, we not only went to 75 cents and increased it by 50 percent; but we said we could go to $1 and make sure they have all the moneys possible to go back and drill.

You know, this is a hearing that resulted in the finding of 50 cents. You had to have the reinvestment. We were in a critical shortage. The Federal Power Commission is being decontrolled, understanding free enterprise as they did, Mr. Nassikas and his colleagues came in with 50 cents as just and reasonable. Here we are talking about $1.

We said all right, in order to account for the approach of the Commerce Committee in giving special advantage to independents, special advantage to independents who do 85 percent of the drilling—they do not own the refineries or anything like that—that is, they scratch and crawl and drill and try to make a living, they cannot sit back—we said, "Let us get to that little independent producer out in the field who is doing that drilling and give him even extra moneys."

We said, all right, we put him totally within that intrastate market and said if we add that to it then what would the price be. Well, we finally got the testimony. We had estimated at the time $1.30. Mr. Nassikas himself came to our hearing two Mondays ago and said the intrastate average was approximately $1.26. So we came up with the $1.30 figure, and I think that should be understood under the Stevenson-Hollings-Moss-Magnuson amendment. We not only have, in essence in amendment No. 934, the amendment as a substitute that I submitted with respect to the emergency, but for the long term. This is how we arrived at that $1.30.

Mr. President, I yield the floor now back to the distinguished Senator from Illinois.

Mr. MANSFIELD. Mr. President, will the Senator yield to me briefly?

Mr. STEVENSON. Without losing my right to the floor, I yield to the distinguished majority leader.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, as of now, the Senate has agreed to vote on the veto message on the school lunch, school breakfast program at 4 o'clock this afternoon; on the Silbert nomination at 2 o'clock tomorrow afternoon.

TIME LIMITATION AGREEMENT—SENATE RESOLUTION 275

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at approximately the hour of 2:20 p.m. on Thursday there be a time limitation on Senate Resolution 275, relating to the Federal Election Commission, of not to exceed 1 hour, to be equally divided between Senator CANNON and Senator HATFIELD; that on an amendment to be offered by Senator CLARK on the resolution there be a limit of not to exceed 2 hours, divided equally between Senator CLARK and the manager of the resolution; that there be a period of not to exceed 20 minutes on any additional amendments, motions, or appeals, to be divided equally between the proponents thereof and the managers.

The PRESIDING OFFICER (Mr. NUNN). Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I thank the Senator.

Mr. PEARSON. Mr. President, will the Senator yield for a question under the same arrangement with the Senator from Illinois?

I notice that the Committee on Foreign Relations is in session most of the day. Does the majority leader know or anticipate when the Sinai agreements will be forthcoming to the floor?

Mr. MANSFIELD. If the Committee on Foreign Relations reports the Sinai settlement and if the staff is able to write up its report in time, the joint leadership would endeavor to take this up sometime tomorrow, as well.

As the Senator is aware, the Senate is in a squeeze as far as the Sinai accord is concerned and it would be my hope that it would be possible to work out a time arrangement so that we could finish, hopefully, by Thursday, certainly no later than Friday.

I say "hopefully" by Thursday because it is my understanding that the House intends to go out on Thursday and if we pass a different measure here at that time, there would be no opportunity to go to conference and we would be stymied.

Mr. PEARSON. I thank the majority leader.

Mr. MANSFIELD subsequently said: Mr. President, earlier today, the Senate gave its consent to take up the consideration of Calendar No. 402, Senate Resolution 275, at approximately 2:20 p.m. on Thursday.

After clearing the matter with all the concerned parties and with approval of the Republican leadership, I ask unanimous consent that the order still stand but that the time be changed to 2:20 p.m. on Wednesday.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Later in the day, the following proceedings occurred:

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order already granted twice by the Senate with respect to Senate Resolution 275, be changed again, so that the measure be taken up at 3 o'clock rather than at 2:20.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous consent agreement, as modified, is as follows:

Ordered, That at 3:00 p.m. on Wednesday, October 8, 1975, the Senate proceed to the consideration of S. Res. 275, a resolution disapproving two regulations proposed by the Federal Election Commission, and that debate on any amendment (except an amendment to be offered by the Senator from Iowa (Mr. Clark), on which there is to be 2 hours, to be equally divided and controlled by Senator Clark and Senator Cannon), debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill.

Ordered further, That on the question of agreeing to the said resolution, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Nevada (Mr. Cannon) and the Senator from Oregon (Mr. Hatfield).

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. STEVENSON. Mr. President, no Member of this body has worked harder and more imaginatively to cope with these complex questions of energy pricing and supply than the Senator from South Carolina (Mr. HOLLINGS). His words deserve the serious consideration of every Member of this body.

Mr. President, the recent study by the Energy Task Force of the Senate Budget Committee indicated that a price of $9 per barrel for new domestic oil production and the price of $1.30 per Mcf for natural gas provide the domestic oil industry with a 14 percent rate of return on investment.

That study also indicates that substantial production increases can be anticipated as a result of prices ranging up to $9 per barrel and $1.30 per Mcf, but with diminishing increases in production at prices above those levels.

Mr. GRAVEL. Will the Senator yield?

Mr. STEVENSON. I am glad to yield to the Senator from Alaska without losing my right to the floor if he wants to ask a question.

Mr. GRAVEL. Yes. I just want to state that from my knowledge, a 14 percent rate of return on capital would be adequate, because the average manufacturing is 13 percent, if that were the case. But I wonder if my colleague would tell me again what study it is that says that $9 oil and $1.30 Mcf gas will produce a 14 percent return on capital?

Mr. STEVENSON. The study I was referring to is a recent study of the Energy Task Force of the Senate Budget Committee. That study is also supported by conclusions of the Federal Power Commission and also by analyses of the Joint Economic Committee, some of which also project the rates of return that would result from so-called decontrol.

Mr. GRAVEL. I wonder if my colleague could get all that data and put it in the RECORD so that those of us who are interested in the subject may analyze it. It is at variance with an able economist, Dr. Robert Nathan and numerous other people who have testified before the Senate Finance Committee. Nathan has put forth a study relating to the economic price of oil and the fact that historically we have not secured an economic price of oil and probably will not in the near future.

So if an economist like Dr. Nathan and others disagree with the thesis the Senator has, I am just wondering how extensive it is, and from whom the Budget Committee got these figures. Who in the Federal Power Commission is the Senator citing? The Federal Power Commission, as far as I know, recommends deregulation.

If my colleague would join me, I have a bill that has an excess profits tax that provides that if a company makes more than 15 percent return on capital it will have its profits taxed at a confiscatory rate unless it plows them back into domestic energy production. We could deregulate both gas and oil and have my excess profits tax that would protect the consumers. Would my colleague join with me in seeking deregulation and establishing an excess profits tax that would have some meaning?

Mr. STEVENSON. Under this proposal, there would be no need for an unworkable excess profits tax.

In the history of the United States, we have never been able to devise a workable excess or windfall profits tax, and I have not seen one yet in connection with oil. They tend to become excise taxes and the costs of those taxes tend to get passed along to the consumers.

Mr. GRAVEL. I would agree with that. I think all taxes do that sooner or later. I would not dispute that point at all. Whether it is excess profits or excise taxes, or just corporate taxes, the consumer pays. I agree with my colleague in that respect.

Mr. STEVENSON. The point is that with reasonable controls on prices, the economy is saved that expense. It is saved the recessionary and the inflationary consequences of OPEC oil prices, and the profits of the industry, assuming the controls are at reasonable levels, are reasonable profits. The problem of both excess profits and the extortionate pricing of energy, without inflationary or recessionary consequences, is solved. Both are solved without resort to unworkable or possibly inflationary windfall profits taxes.

Mr. GRAVEL. First off, my colleague talked in terms of price control. How can we have price control if we do not have control of all other factors going into the product?

Let's take the case of oil. We do not control the price of steel that goes into making rigs to drill for oil; we do not control the price of the labor market that works for the oil companies. How can we truly control the price of oil without raising havoc within the industry?

Mr. STEVENSON. The answer is that we take into account the costs that go into the production of energy in the establishment of a reasonable price.

Mr. GRAVEL. How do we do that?

Mr. STEVENSON. We also recognize that the uncontrolled or the high price of energy produces higher costs.

Mr. GRAVEL. That is not disputed. I am going back to the price now. Inside the price of a product is labor costs, cost of materials, cost of tools. Let us just stick to that and not talk about inflation and other things.

Mr. STEVENSON. Nothing about inflation——

Mr. GRAVEL. Inside the price we have labor costs.

How can the Senator advocate regulating the price of a product and not regulate the cost of the labor that the people who produce that product must pay?

Mr. STEVENSON. Between 1972 and 1974, the cost of energy production went up by about 50 percent. In other words, this industry experienced a rate of inflation far in excess of the rate of inflation suffered by the economy as a whole.

Mr. GRAVEL. Would it not seem odd, then, to put a ceiling on the price? If they are experiencing a higher rate of inflation and then we put a ceiling on their price, are we not just destroying the industry?

Mr. STEVENSON. I do not believe anybody is proposing destruction of the industry.

Mr. GRAVEL. Is that not the result of it? If the Senator is making widgets and I put a price of $10 on the widgets and he is experiencing a 50 percent increase in inflation, what I have done is to indiscriminately and arbitrarily put a ceiling on widgets without regard to the fact that the cost of production has gone up. What does the Senator do? He stops producing, does he not?

Mr. STEVENSON. No. If the Senator will hear me out, I will explain. The 50-percent inflation was a result of the high energy prices. The high prices produced higher profits and higher revenues than the increased costs. What happened, and this is borne out by studies of the Joint Economic Committee and the Senate Budget Committee, was that with these enormous profits the industry, competing within itself, drove up all of its costs, leasehold costs, labor costs, all of its production costs, the cost of equipment. Then what happens is that we end up not with increased production; we ended up with increased production costs, a very high energy industry and, in fact, production declined.

Mr. GRAVEL. Explain it to me one more time.

Mr. STEVENSON. The higher prices, the revenues, the windfall profits, produced higher costs in the industry and more windfall profits not alone for the industry but for all the suppliers of the industry.

Mr. GRAVEL. So there is windfall all over the country. If there is windfall in oil and windfall elsewhere, we ought to have windfall taxes all over. Let me ask my colleagues, where are these exorbitant profits? Document to me on the floor where these windfall profits are, what oil companies, how much return, how much profit, and then after that show me through economic procedure how windfall profits drive up the cost of labor. I would like to figure that one out.

Mr. STEVENSON. That is fairly evident, too. Some of these companies were simply giving away money. Mobil. Most of the major oil companies gave away bonuses at the end of 1973 to their employees.

Mr. GRAVEL. Did they? Can the Senator document that for the record?

Mr. STEVENSON. Yes, of course.

Mr. GRAVEL. I would like that documented extensively for the RECORD.

Mr. STEVENSON. Bonuses were paid to most employees by most of the major oil companies.

Mr. GRAVEL. I think we should see what those bonuses were, and I would like to see that in the RECORD so we can study it.

Would the Senator also document in the RECORD the exorbitant profits that these oil companies earned?

Mr. STEVENSON. Yes. If the Senator will read the CONGRESSIONAL RECORD for

Friday he will find most of it already in the RECORD.

Mr. GRAVEL. What source is that?

Mr. STEVENSON. The Finance Committee, among other. The Joint Economic Committee and the Budget Committee estimates on rates of return are based upon the Finance Committee studies to which the Senator alluded.

Mr. GRAVEL. Right, and I put the Finance Committee studies in the RECORD sometime back. Read me the Finance Committee studies that talk about exorbitant profits. As I recall those studies, all we found was that the oil industry in 1974, their banner year, did as well as average manufacturing in this country, not above it. Average. They had 10 years where they were depressed below average returns on manufacturing. So they have a banner year and they come up abreast of the rest of American industry. Is that exorbitant profits? Please show me.

Mr. STEVENSON. First of all, any comparison of rates of return in this industry and other industries, to be honest, has to take into account the unique accounting procedures for the oil industry.

Mr. GRAVEL. LIFO and inventory accounting procedures? FIFO and LIFO? We can discuss that, if the Senator would want to.

Mr. STEVENSON. No; I am talking about writeoffs for drilling costs which artificially depress revenues.

Mr. GRAVEL. My colleague feels that is unfair?

Mr. STEVENSON. I said they ought to take into account the unique procedures for this industry in trying to make any comparison with other industries. Otherwise, we end up comparing apples and oranges. But even without taking into account the unique accounting and tax provisions for this industry, we end up for 1973 and 1974 with rates of return which are higher than for other industries.

Mr. GRAVEL. That is after we go into this gerrymandering of accounting procedures, right?

Mr. STEVENSON. That is not. I said without taking into account.

Mr. GRAVEL. How much higher are they? What is the Senator's source for their being higher?

Mr. STEVENSON. The rate of stockholders' equity of the top 20 companies——

Mr. GRAVEL. Return on capital.

Mr. STEVENSON (continuing). Was 15 percent in 1973 and 19 percent in 19——

Mr. GRAVEL. This is what? Stockholders' equity?

Mr. STEVENSON. Return on stockholders' equity. This is Finance Committee data. Fifteen percent in 1973 and 19 percent in 1974.

Mr. GRAVEL. Is that for foreign or domestic?

Mr. STEVENSON. This is for everything.

Mr. GRAVEL. Is the Senator sure it is for everything?

Mr. STEVENSON. Yes; I can give the Senator——

Mr. GRAVEL. What is the national average?

Mr. STEVENSON. That is what I am giving.

Mr. GRAVEL. What is the national average?

Mr. STEVENSON. For all industries?

Mr. GRAVEL. Yes.

Mr. STEVENSON. I do not have it here, but it is lower.

Mr. GRAVEL. Is that relevant?

Mr. STEVENSON. Yes; and it is lower.

Mr. GRAVEL. What I put into the RECORD from the Finance Committee and what we collected shows it was not lower. We talked of the return on capital, not equity. If the Senator would want me to, I can call my staff and have them bring over the Finance Committee data, Chase Manhattan data, Business Week data, and Forbes magazine data. The Senator will see that all we have is average return. Everybody persists in this unfortunate misinformation about the exorbitant profits.

Mr. STEVENSON. The Senator is using the same data as I am and he has asked about the domestic rate of return.

Mr. GRAVEL. I will not pursue this. I think we can both put our information into the RECORD.

Mr. STEVENSON. I can pursue it. Also, what happens after so-called decontrol? These rates of return which we have been discussing are under control. In spite of business recession, among other things, and embargo, the rate of return on domestic operations was 14.2 percent in 1974, without making——

Mr. GRAVEL. What is the national average?

Mr. STEVENSON. In 1974, a recession year, I am quite sure the Senator will find a slightly lower rate of return for industry as a whole.

Mr. GRAVEL. What is the national average? The Senator has the information in front of him.

Mr. STEVENSON. No, I do not.

Mr. GRAVEL. I found it was not below the national average but was right on the national average.

Mr. STEVENSON. Then in 1976, assuming decontrol, the revenue windfalls would be 85 percent greater than for 1974.

Mr. GRAVEL. Why would that be?

Mr. STEVENSON. That is the consequence of an OPEC-established price for energy at the wellhead in the United States. That assumes, by 1976, a modest increase of $1.50 per barrel, of which the United States has already absorbed $1.35.

Mr. GRAVEL. The Senator has lost me. When he brings in OPEC, we cannot pass any laws about OPEC. All we can do is pass laws about our oil companies. The Senator sort of loses me when he and many of his colleagues bring in OPEC all of a sudden out of the clear blue. Let us just talk about what will happen if we deregulate with American oil. Does the Senator know what the price is going to go to? If there is an abundance of oil in this country, is there a possibility it might drop?

Mr. STEVENSON. That, of course, is what the gurus of economic orthodoxy have been saying for the last 2 years and they have been proved wrong.

Mr. GRAVEL. How can it drop if the price is regulated? FEA will not let the price drop. All the price increases that the Americans have suffered under for the last 3 years have been at the hands of Government. All the profits the Senator talks about have been at the hands of Government. All some of us are trying to do is to say let us get the Government out of the picture and maybe we will have a chance to see what is going on.

Mr. STEVENSON. What the Senator is suggesting is that we ought to get the Government of the United States out of the picture in order to get the Government of Saudi Arabia and the Government of Iran in.

Mr. GRAVEL. No. Here we go again, talking about OPEC. If the Senator wants to talk about OPEC, let us talk about OPEC. We have no control over OPEC. They can do what they please. It is their oil. If they want to charge $20 a barrel, they can.

Now, if you want to do something about OPEC, what you should do is get the American industry to go out and find oil in this country, so we do not have to buy OPEC oil. What we do by passing these phony laws that regulate and do uneconomic things is force people out of the business in this country, and force the American people to buy OPEC oil at unreasonable prices.

Mr. STEVENSON. Is the Senator suggesting that a $13 price for oil at the wellhead is necessary, or $15?

Mr. GRAVEL. I do not know what is necessary. I am not a guru. I do not think the FEA is, or any Senators here are. What I am saying is that the price of oil should be set by the marketplace.

I can make a better decision on what to pay based on the marketplace than some bureaucrat or some office downtown can make.

Mr. STEVENSON. Does the Senator deny that the market price at the wellhead is established by the OPEC countries?

Mr. GRAVEL. Of course not. Two things happen. The world market price for oil is established in the Persian Gulf, and will be until we get an ultimate source of energy on the line in the United States. That price probably affects us by one-third or more, because that is the amount of oil we import. If we want to get away from the influence of that Persian Gulf price, the way to do it is to produce more domestically.

The way we can help that is by decontrolling natural gas. My colleague wants to establish more control over natural gas. If we let the price rise to reflect the level of demand, we would have less use for oil and less dependency on foreign oil. Yet my colleague insists we continue to control natural gas, after we let the price of natural gas rise to the Btu value of new oil.

I can recall 6 months ago when the Senator felt we should just control natural gas, period, without regard to oil. We were in a ridiculous asymmetry, with natural gas, our best fuel, selling at the cheaper price.

Do you know why that is? Because the Government, in its wisdom, decided, "We are going to make it cheap for the American people."

Mr. STEVENSON. Mr. President, the

Senator from Alaska has an understandable interest in this subject, and is a student of it, and I congratulate him for representing his State well and for strenuously pressing his viewpoint upon this body. That is his right and his duty, and he exercises it well. But he has been unable, in all the debates to which I have been a party, to foresee for the benefit of his colleagues the consequences of what he proposes.

He proposes decontrol of domestic oil and natural gas prices without, so far at least, telling us what would happen. What will the prices be for oil and gas, and what will be the consequences for the United States?

Mr. GRAVEL. They will rise. The prices will rise.

Mr. STEVENSON. To what level?

Mr. GRAVEL. I do not know. Does the Senator know?

Mr. STEVENSON. Yes.

Mr. GRAVEL. No one can tell me what they are going to rise to.

Mr. STEVENSON. Yes.

Mr. GRAVEL. No; they cannot.

Mr. STEVENSON. Well, the Senator from Alaska has not gone through 2 years of hearings on natural gas prices.

Mr. GRAVEL. We can get projections, but I have found, by watching it for 2 or 3 years, that these economic projections are not worth anything, except as educated guesses. They make estimated projections of the world price, but it does not happen. OPEC had pressures to raise the price by 20 percent. They raised it only 10 percent. They may drop that. They may be having a problem with elasticity; I do not know.

Mr. STEVENSON. My projections in the past were right. They were wrong because the doctrinaire experts of this administration, the industry, and the economists assumed that the high price for oil would produce a surplus of oil, just as the Senator assumes that the high price for oil will produce a surplus domestically. And they went on to assume that the market would operate in a classical fashion, with a surplus built up on the basis of high prices, but that expectation has been disappointed. The cartel has increased price and regulated the supply.

Mr. GRAVEL. That is very smart on their part. But what is the point my colleague is making?

Mr. STEVENSON. What I am asking the Senator is not to make a long-term prediction about the durability of OPEC, but to tell us what would happen tomorrow if his proposal were adopted.

Mr. GRAVEL. Tomorrow the price would go up. My best guess, and I admit it is a guess, is that the price would go up. It will cost the American consumer more for gasoline. It will cost him more for natural gas. But do you know something? I think he is smart enough to realize we do not get something for nothing.

I think the consumer who is now out of a job because there is no natural gas is prepared to say, "Yes, I now understand that if we want natural gas, we have got to dig deeper. If we have to dig deeper, it will cost more money. Therefore, I will have to pay more for natural gas; and when these guys tell me, 'I can get it for you cheaper,' I am not going to listen to them, because all they are going to do is get me less gas."

I have made speeches in Boston, Connecticut, and Chicago, and in every one of those speeches I have told the people it will cost them more, and I was not run out of town.

While it is true that I come from Alaska, an oil State, I have not only been a pioneer for proper uses of oil, but I have also been a pioneer for proper uses of solar energy; and you have more sun in Chicago than I have in Alaska.

It was on this floor 3½ years ago that I offered amendments to provide more money for solar activity, and I could not even bring it to a vote. So I do not think my credentials should rest alone on the fact that I am knowledgeable in oil because my State has oil; I think they should also rest on the fact that I am knowledgeable in solar energy, because I have pushed it for a number of years.

We will never see solar energy produced economically if we do not give it a chance. To provide the inducement to get solar energy on the line today would require an oil cost of $17 a barrel. But if we had a free market, and the Arabs drove the cost up to $17, we would get solar energy, and would not be dependent on the Arabs, nor would the rest of the stocks be depleted because of the Arabs. They can keep their oil after that; we will have made a breakthrough on this planet. But this insistence, of myopic visionaries, on playing with bureaucracy is beyond my comprehension.

Mr. STEVENSON. I would like to come to what is necessary to produce increased sources of supply, but before we get to that point——

Mr. GRAVEL. I would go right to that. That is a good point.

Mr. STEVENSON. I think the Senator really owes it to this body to tell us what would be the result of his proposal, which is decontrol. What price would that lead to for oil and natural gas, and what economic consequences would result?

Mr. GRAVEL. I think what it would mean for gas would probably be $2 per Mcf for gas, and I would like to see that happen immediately. It would not mean that much of a burden on the households, but it would get people in a panic in this country, looking for oil. We would see the biggest boom in looking for oil and gas in our history. And they will find it. They will find it quickly, and we will have gas going to the consumer, to save his job and so he can heat his home. With my price increase to $2 per Mcf, we are talking about a monthly increase to the consumer, maybe, of $10, maybe at the outset over a year about 100 plus dollars. The Senator says that is a lot of money to the consumer. Does the Senator know what happens to the consumer if he has to convert from natural gas to oil? It costs him about $1,000 to $2,000 for the conversion. He would have to pay for that right now, not at an increased rate of $100 per year.

So I submit that the consumer would much sooner stay on gas and not pay for the conversion. The only way he is going to stay on gas is if he is prepared to pay the price of what it costs to go find it.

The irony of it is, if the Senator's thesis prevails and we do not deregulate gas, the consumer in 1980 is going to pay the same thing; he is going to pay $2 an Mcf plus. Does the Senator know why? It is like a mortgage on a house. A man puts a mortgage on his house. If he has to close off three rooms of his four-bedroom house, he still has to pay the mortgage. It does not make any difference. They do not cut down the mortgage because he is not using three rooms.

It is just like a natural gas pipeline. The pipeline that comes from Texas goes to Chicago. If there is not enough gas to fill that pipeline, the customer still has to pay for the cost of the pipeline. So that means that with less gas in the pipeline he pays more of the cost of transportation.

So what that means is that, as the amount of gas continues to diminish, the price to the consumer continues to increase and, ironically enough, by 1980 it is about the same thing.

If we deregulate it today, the customer would be paying the same thing in 1980 as if we did not deregulate. The only difference is we would have less gas in 1980 without deregulation.

I do not think that the American consumer is so ignorant that he cannot understand that. He is prepared to pay the price and take the medicine in order to get the product.

Mr. STEVENSON. The price of natural gas in intrastate commerce has already hit on a spot basis $2. The average price in intrastate commerce is about $1.30 at the present time.

Mr. GRAVEL. My colleague is certainly aware of the example in Texas where it went to $2, as he said on a spot basis. After it went to $2, they got an adequate supply and it came back down to $1.30. Why did that happen?

Mr. STEVENSON. If the Senator will hear me out——

Mr. GRAVEL. Why it happened is because they had enough supply.

Mr. STEVENSON. Exactly.

Mr. GRAVEL. The price went up. They had a free market and a shortage. The price went up for a period of time. Everyone went out looking for gas. They found it at a more expensive cost. It then turned around, and the price came back down. Why would that not happen nationally if we decontrol gas and oil? It happened in Texas.

Mr. STEVENSON. What happens when we decontrol natural gas is that we place on the supply the demand of not alone the five producing States which determines the intrastate price——

Mr. GRAVEL. They do not determine that. It is a free market. Do not allude that they determine the price. It is a free market in intrastate.

Mr. STEVENSON. I said the demand in the intrastate market determines the price.

Mr. GRAVEL. It is the market that does it. We agree on that.

Mr. STEVENSON. That is the whole point of what I am saying, yes. The intrastate market for natural gas is unregulated. Add to the demand within the intrastate market, about five States, the pent-up demand, industrial, light commercial, agricultural, residential of 45 States, and it does not take a genius to conclude that the price of unregulated intrastate gas will rise higher. That price is already at $1.30. Asked where it would go again on a spot basis, immediately——

Mr. GRAVEL. Two dollars. I admit that.

Mr. STEVENSON. No.

Mr. GRAVEL. I will put that in writing for the Senator.

Mr. STEVENSON. No. It goes much higher than that. It has already hit $2.

Mr. GRAVEL. Three dollars. I admit that.

Mr. STEVENSON. It goes immediately, according to the Chairman of the Federal Power Commission, and it is not denied by Mr. Zarb, immediately to $3.

Mr. GRAVEL. Sure.

Mr. STEVENSON. All of the interstate pipelines and all of the industrial users compete for this very limited supply of natural gas. It goes immediately to $3. That is a conservative estimate, and that is only a beginning.

A moment ago I heard, I think, the Senator say that he would not like to see the price of oil go to $17 per barrel.

Mr. GRAVEL. Let us stick with gas for a minute. I would like to stick with the proposal.

Mr. STEVENSON. I am. Did I understand the Senator correctly?

Mr. GRAVEL. What I said on $17 was that that appears to be the price for bringing out solar energy. That is the price of bringing out solar energy on a comparative basis on $17 a barrel of oil. That is what I said.

Mr. STEVENSON. I thought I also heard the Senator say he would not like to see the price of oil go up to $17 a barrel level.

Mr. GRAVEL. I did not like to see the price go to $12. I do not like to see it go to $10. I would like to have it at $2, but I do not have any control over it.

Mr. STEVENSON. What I am asking is, is the Senator saying that $17 a barrel is a reasonable price and is that a price necessary in order to produce domestic supplies as well as the alternative source.

Mr. GRAVEL. I said solar energy. I did not say to produce domestic energy. I said solar energy. Do not put words in my mouth.

Mr. STEVENSON. I am trying to find out what the Senator said.

Mr. GRAVEL. I am saying, and will say again, $17 a barrel appears to be what it would take to bring solar energy on line economically.

We could bring a lot more solar energy on line at $25 a barrel. We could bring a lot more other things on line at $25 a barrel.

So I do not know the point the Senator is making, but I wish to go back to the natural gas point.

Mr. STEVENSON. If the Senator is recomemnding a $17 barrel oil price——

Mr. GRAVEL. Did I just recommend $17? I did not do it.

Mr. STEVENSON. I am trying to find out what the Senator is recommending.

Mr. GRAVEL. I did not do it. I am not recommending anything.

Mr. STEVENSON. I wish to find out what he foresees as a consequence of decontrol.

Mr. GRAVEL. I do not stand here as a Senator to recommend price. The Senator from Illinois does it. He wants controls.

Mr. STEVENSON. Yes.

Mr. GRAVEL. I want the marketplace to do it.

Mr. STEVENSON. The Senator wishes the OPEC producers, who control the market, to do it.

Mr. GRAVEL. If the Senator wants to go back to OPEC again, OPEC does not set the price. We respond to OPEC pressures, to the amount of leverage they have in our economy. We can decrease the amount of the leverage they have by producing more natural gas and more oil.

I wish to get back to the Senator's natural gas argument. I say we go to $3. So, sure, it will go to $3.

Now, the people in Texas are prepared to pay $2 for their gas. The Senator wants to pass a law and get a law on the books that says that the people in Chicago can only pay 37 cents.

The difference between the people in Chicago, that the Senator from Illinois represents, and the people in Texas is that they can get all the gas they need. The people in Chicago cannot get any gas because we have made it too cheap for them.

What the Senator is going to say for them is: "We are going to Texas. We are going to take away your gas. You are prepared to pay the price. But we are not going to let you pay the price. We are going to make you suffer like the people who suffered in Chicago because we made it cheap for them."

So the Senator is going to take gas away from the people in Texas who are prepared to pay the price. That injustice just baffles me. If the people in Texas are prepared to pay the price, let them pay the price.

But under the Senator's amendment, what he wants to do is not let the people pay the price and take away their freedom to get their own supplies. The Senator is going to coddle them and say: "I am going to give you a break. I am going to make it cheap for all of you."

What the Senator is going to do is take the scarcity and spread it evenly over everyone so that people in Texas suffer like the people in Chicago as a result of his policies.

Is that inaccurate?

Mr. STEVENSON. Yes.

Mr. GRAVEL. Why?

Mr. STEVENSON. If natural gas and oil—let us take natural gas—if it were decontrolled, the price of natural gas at the wellhead because of the extreme shortage and the cartel control over oil——

Mr. GRAVEL. By whom?

Mr. STEVENSON. By the cartel, the foreign oil producers and their agents, the domestic oil companies.

Mr. GRAVEL. How does that affect gas? We do not buy any gas essentially from OPEC.

Mr. STEVENSON. Not only natural gas, but also coal rises at a Btu equivalent basis to the oil price. In the case of natural gas they rise to even higher levels, as the Chairman of the Federal Power Commission and others have conceded.

The effect of decontrol is not only in the interstate market, for new gas price sixfold increase——

Mr. GRAVEL. In price.

Mr. STEVENSON. In price. Under the various decontrols——

Mr. GRAVEL. What happens after that, though?

Mr. STEVENSON. Under the various decontrols, the old gas quickly becomes renegotiated, the contracts renegotiated.

Mr. GRAVEL. Why would that be?

Mr. STEVENSON. It likewise increases by 600 percent.

Mr. GRAVEL. That is not so.

Mr. STEVENSON. And the price in intrastate market increases by 100 percent. It goes from an average of——

Mr. GRAVEL. Why would I have a contract where I have old gas and I sit down and renegotiate it? I would make them live up to my contract.

All the proposals in this Chamber for the last 3 years, that talked to deregulation of natural gas, had sanctity of contract clauses in them. How can the Senator stand there and tell me that everybody is going to run down and renegotiate contracts that are favorable? A guy would have to be insane to do that.

Mr. STEVENSON. They are not favorable because the pipelines want additional supplies of natural gas; and to get them, they must renegotiate the old contracts with the producers of natural gas and pay a higher price, which they can then pass along. They lose nothing. They have no incentive to maintain the contracts or renegotiate them.

Mr. GRAVEL. What happens to all this money? There is a part missing from the equation with respect to this $2 or $3 gas. Where does that money go?

Mr. STEVENSON. I am coming to that. What happens, first, is that as a result of the $13, $14, or $15 price—the Senator will not tell me how high it goes—and the result of the $3 or $4 Mcf natural gas price, the country suffers a resumption of the recession, rising unemployment, and a resumption of double-digit inflation.

According to the estimates of the Joint Economic Committee and the Senate Budget Committee, just the Pearson-Bentsen amendment with respect to natural gas would, by the end of 1977, add 2.2 percent to the overall price level, 650,000 more people to the ranks of the unemployed, and cause economic stagnation.

Mr. GRAVEL. The Senator fails to push the equation a step further. He just talks about cost. He does not tell us what the $2 is going to do.

Mr. STEVENSON. I am going to do that.

Mr. GRAVEL. Please. To begin with, the Senator has told us that we are in a depression and are unemployed. If you have no gas for your factories, you are unemployed. If you do not have any American gas, you are buying from OPEC, and OPEC sells for more than an American company does. That is $14 a barrel instead of $12, and that causes inflation. That is not the same inflation the Senator is talking about. The Senator only sees inflation coming from American sources.

Tell me what will happen if we do deregulate. Is that money going to go to drill a few holes in the ground and find American gas and oil so that we will not be dependent on the Arabs?

Mr. STEVENSON. Gas which does not exist cannot be produced.

Mr. GRAVEL. The Senator does not think there is any more gas to be found in this country?

Mr. STEVENSON. I think we are running out of it, and I think we all know it.

Mr. GRAVEL. This may come as a result of my association with an oil State, but I have great faith in the capacities we have. It might surprise the Senator to learn that in Illinois there probably is enough gas to be self-sufficient, if they would only drill deep enough to find it, and I am talking about 15,000, 20,000, and 25,000 feet. But since they cannot get that money to drill that deep, nobody knows. The whole Appalachia basin is probably loaded with gas. They are finding some in northeast Mississippi. You are never going to know until you look.

All I have to say, is that judging by the people to whom I have talked in the business, if we deregulate, they will find it. If the Senator wants to use that argument and say they will not find it, I submit he has no proof. That is a self-serving argument.

Mr. STEVENSON. Let me cite some studies to the Senator which are not unsympathetic to the oil industry—Project Independence, of the Federal Energy Administration, for example.

First of all, what I said is obvious: No price will produce natural gas that does not exist. Clearly, there should be a price increase, because there are additional supplies of natural gas which can be produced with additional resources and incentives. But beyond a certain point, those incentives—the higher price—do not produce the gas which does not exist, and the cost of the marginally increased production is so high that it becomes a very uneconomic proposition. Project Independence indicated that the point at which the price produced no significant additional supplies of natural gas was 80 cents. The Senator is proposing a price of at least $3.

Mr. GRAVEL. Will the Senator repeat that, please? I did not understand that. The Senator says 80 cents?

Mr. STEVENSON. Beyond 80 cents.

Mr. GRAVEL. That means that up to 80 cents, there is not enough incentive to pay the cost of deep drilling?

Mr. STEVENSON. No. I said that up to that point, you get substantial new supplies added on; after 80 cents, you do not.

Mr. GRAVEL. How do they base that? Most people I have talked to at FEA want deregulation of natural gas. I would like to know who has written a study that the Senator interprets as saying the contrary.

Mr. STEVENSON. The FEA has updated that study and now concludes that the point beyond which price does not produce significantly increased supplies is $1.25. The price for natural gas established in this amendment is $1.30.

Mr. GRAVEL. I would like the Senator to put a little more flesh on that bone, which does not seem too solid. Why is it that if the price goes above that, you will not get more people looking for gas? How can anybody arbitrarily say that at 80 cents you are going to get less search for gas and at $1.25 you are going to get less search for gas?

Mr. STEVENSON. It is an average price.

Mr. GRAVEL. I am talking about the result, not the price. The Senator is trying to tell me and the Nation that if the price goes above $1.25, that money is all wasted and is not going to go to look for more gas.

Mr. STEVENSON. That is all you need.

Mr. GRAVEL. How can the Senator stand there and say that? Who are we to dictate what the market is going to do? There are 10,000 oil companies in this country. There are 10,000 companies that are going to grab the money and go drill for gas. How can the Senator tell me that, whether it is $1.25 or $1.30 or $2 or 50 cents? All we know is that, at present pricing policies, we do not have enough gas.

Mr. STEVENSON. At a certain price, the exploration and development of additional supplies of gas is, in comparison to all the alternative economic ventures possible, attractive. The incentives exist. The resources are available.

In the case of oil, the FEA indicates that the only increased recovery that can be anticipated as a result of a $12.50 price per barrel over a $5.25 per barrel is for new tertiary recovery. From the sound of it, I do not think that the Senator from Alaska understands my amendment. This amendment permits exemptions from the price ceiling for tertiary recovery, for other high cost forms of production, including offshore production.

I might also mention another study, one conducted not by the Federal Energy Administration. It was prepared for the Environmental Protection Agency, issued in May of 1975, which indicates that beyond the price of $9 per barrel, supplies of oil are not increased significantly, either.

Mr. GRAVEL. The oil will not increase if the price goes where?

Mr. STEVENSON. I do not know whether the Senator was listening.

Mr. GRAVEL. I apologize.

Mr. STEVENSON. The FEA study indicates that a price of $12.50 per barrel, as opposed to $5.25 per barrel—a major difference in price—does not increase oil production, except as a result of new tertiary recovery, high cost production. In that case, $12.50 as opposed to $5.25 substantially increases production.

Mr. GRAVEL. Let me understand it. What the Senator is saying is that if the price goes to $12.50, we will not see appreciably more oil in the marketplace than at $5.25. Is that correct?

Mr. STEVENSON. I am citing a July 1975 study by the Federal Energy Administration.

Mr. GRAVEL. I am not disputing that. I just want to make sure I understand that that is what the Senator is saying. Is that correct?

Mr. STEVENSON. That is correct. The only recovery that significantly increased as a result of a $12.50 price instead of a $5.25 price is for new tertiary recovery.

Mr. GRAVEL. May I interpret that for the Senator? Let me try.

What happens is this. Let us take an example. Suppose I have a hundred million barrels of oil, and I discovered that oil in 1964, and I probably discovered it at $2 a barrel.

So the Government said, "Well, now, you can only sell that for $5.25 a barrel, because if we let you sell it for more than $5.25 a barrel—let us say you sell it for the market price of $12—you will have a tremendous profit. You will have probably a $10 profit. We cannot let you make that kind of profit."

So what the Government did was keep a lid on it. What the Senator is talking about here is a replacement of inventory. Here is how it works in a very cruel fashion under present regulations: With my 100 million barrels of oil, as I sell it to the consumer, under a price control, at $5.25, it is an excess profit if I go out of business the moment I sell it. But if I have to go drill for new oil, based on the Nathan report, which said that the economic price was $12.50, that means that I have to go to the bank and borrow money and pay interest just to stay in business, because my inventory is being depleted at an uneconomic price. So, in point of fact, this difference between $5.25 and $12.50 is what is called a paper inventory profit. That is why many of the oil companies changed from FIFO to LIFO to get some succor in this occurrence.

What the Senator is saying, when he quotes the Federal Energy Administration study, is if the price were to go to $12.50, which is the present economic return that we need to stay in business, we are not going to see a lot more oil come onto the market. That is probably right. All we are going to see come on the market is enough oil to replenish what we have, not any new quantities. But that is a lot, because we are depleting the quantity of our oil by about 300,000 barrels a year, meaning that every year, we become in the nature of 300,000 barrels more dependent upon the Arabs. So the least that would happen with this $12.50 is that it would stop the onward rush to Arab dependence, and they have priced the oil higher than $12.50. So let us at least do that.

I find it odd that my colleague would take these same figures and contort them to make a case that we should not let the price of oil increase because, even if we let it increase to $12.50, we are not going to seek tremendous new supplies. All that says is that the problem is so serious at this point in time, that we have dillydallied for 2 years, we have made a mistake. We should have deregulated 2 or 3 years ago.

Mr. STEVENSON. Let me make sure the record reflects what the Federal Energy Administration concluded.

Mr. GRAVEL. What is the title of that report?

Mr. STEVENSON. This is the Federal Energy Administration 1985 Crude Oil Production, with and without price controls, dated July 1975. It states that: "Even under current controls, some new production will result. First, the trans-Alaska pipeline is expected to deliver about 2 million barrels per day to the lower 48 States by the end of this decade."

Mr. GRAVEL. I might add, no thanks to the Senator and his colleagues.

Mr. STEVENSON. "Oil may also be produced and delivered from Naval Petroleum Reserve No. 4 in the Gulf of Alaska."

Mr. GRAVEL. What do they say about Naval Petroleum Reserve No. 4?

Mr. STEVENSON. "Oil may also be produced and delivered from Naval Petroleum Reserve No. 4 in the Gulf of Alaska."

Mr. GRAVEL. That will be 10 years from now, because it is the Government doing it. We could probably do that in 2 years if the private sector would do it, but we will be lucky to get it in 10 years.

Mr. STEVENSON. If the Senator would just let me read this.

Mr. GRAVEL. I appologize for interrupting.

Mr. STEVENSON. "And will be considered new oil and exempt from any price controls. Further, additional production from the lower 48 States will be forthcoming at lower cost from enhanced recovery and some new fields. As indicated in the table below, new oil, located primarily in the offshore areas, would produce about 3.7 million barrels per day in 1985. Old oil fields would produce 1.8 million barrels per day under controlled conditions and 6.2 million barrels per day if controls were removed."

Mr. President, I ask unanimous consent that this table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION 1985 CRUDE OIL PRODUCTION—WITH AND WITHOUT PRICE CONTROLS

Expected lower 48 crude oil production (000b/d)

	At $5.25/bbl	*At $12.50/bbl*
New fields:		
New primary	3,345	3,345
New secondary	312	312
New tertiary	85	85
Old fields:		
Primary	2,210	2,259
New secondary	2,192	2,260
New tertiary	0	1,714
Exempt oil	400	0
Totals	8,544	9,975

Mr. STEVENSON. The table indicates that of the increased oil production, at a price of $12.50 per barrel, as opposed to a price of $5.25 per barrel, 92 percent is attributable to the recovery from new tertiary procedures. The $5.25 per barrel price, there would be no new tertiary recovery in old fields. At a price of $12.50, there would be recovery, new tertiary recovery of 1,714,000 barrels per day. That accounts for 92 percent of the increased production attributable to a $12.50 per barrel price, as opposed to a $5.25 per barrel price.

Dealing with averages, the Environmental Protection Agency reported in May 1975, just a few months earlier, that for a price beyond $9, the production increased insignificantly.

Mr. GRAVEL. If my colleague would have a loose sheet, maybe he could get it Xeroxed and I could follow it with him. It makes it very difficult for me not to have it.

Mr. STEVENSON. I point out to the Senator from Alaska that I agree with much of what he has said, that in order to permit these increases in production, as, for example, for new tertiary procedures in old fields, there should be a higher price. In fact, the amendment which I have offered as a substitute for the amendment offered by the distinguished Senator from Kansas places no controls on the high-cost forms of production.

The Senator, not very long ago, mentioned the high cost of the deep wells offshore. Under this amendment——

Mr. GRAVEL. I did not say anything about offshore—onshore. Why not just decontrol the high cost of finding gas anywhere in the United States?

Mr. STEVENSON. For the reasons already mentioned: First, that it does not produce any additional energy supplies.

Mr. GRAVEL. How does the Senator know? Since 1954, we have been trying it his way. Why not try it our way for a couple of years?

Mr. STEVENSON. And second, for the reason that it does to a certainty—and we do not because we have experienced it—produce an unacceptable degree of inflation and recession and unemployment.

Mr. GRAVEL. But what is more important, to solve——

Mr. STEVENSON. The economy is in a bad state now. A more precipitate increase in energy prices than anything it has experienced yet would bring about not only more double-digit inflation, but recession. All this strikes me as a little inconsistent——

Mr. GRAVEL. May I speak to that one thing?

Mr. STEVENSON (continuing).—For the Senator and others to deplore the OPEC oil price. The President and the Secretary of State rattled their sabers, came close to threatening war with the oil-produicng countries for bringing the world to the edge of depression, and then turned around and criticized Congress for not accepting exactly the same prices here, in the United States.

What we are trying to do, and it is the only way out, is to establish a balance: a price for natural gas and for oil at which the industry receives all of the incentives and the resources that it needs with which to expand the production of oil and gas, a price level at which the alternative sources of energy, including solar energy which the Senator mentioned, become economically attractive, and, on the other hand, protects the economy from extortionate cartel pricing, inflation and recession, and unemployment. That is precisely what this amendment does.

Beyond that point, a $9 price for oil and a $1.30 for natural gas, indexed to go up in the future, exceptions to the high cost of production, and all you produce is inflation, recession, unemployment, a high-cost energy industry, much of the money, the increased profits, going into increased production costs.

These costs went up 50 percent between 1972 and 1974 and into windfall profits. It becomes a ripoff.

Then what happens? The oil companies expand, they enlarge their control over not only oil and gas. They already control, the major oil companies, the production of oil and gas, the refining capacity of the country, the pipelines, increasingly the marketing and distribution, and they move out to take over coal. They control about 50 percent of the Nation's known coal reserves. They move out to take over uranium. They control roughly 80 percent of the Nation's known uranium reserves already.

They take over not only the alternative sources of energy, at which point the United States has left itself to the mercies of a handful of corporations controlled by foreign governments, but they also move out beyond that. After protesting their virtue and their need for more money with which to produce more energy, the self-anointed apostles of righteousness and patriotism go out beyond the energy industry. One of them, Mobil, was out in Chicago not long ago drilling for oil and it hit Montgomery Ward for $800 million. How much oil is Montgomery Ward going to produce for $800 million?

Mr. GRAVEL. If we continue the policies that we are pursuing, if I were an oil company, I would get into Montgomery Ward and get out of the oil business. That is one of the reasons why oil companies want to get into Montgomery Ward and other businesses because the Government is driving them out of the oil business.

Let me try one other tack because the scare tactics that the Senator talks about, inflation and unemployment, really do not hit the mark.

Let us look at what causes unemployment and what causes inflation. That is the price of gas and oil. Now, who really has caused that, who brought that about in the last 5 years, who really has escalated the price? Everybody knows it was not Exxon, it was not Mobil. It was the

Arab cartel that quadrupled the price of oil.

We all recognize that is what happened in the last 4 years. So they are the ones that caused the inflation; they are the ones that caused the unemployment.

Now, how do we solve that problem? To me it is very simple. Stop buying Arab oil, that is all. It is not very complicated. Stop buying Arab oil. How do you do that? You buy American oil and you buy American natural gas.

The bill we have before us today deregulates natural gas for what reason? So we can get more natural gas. If we get more natural gas we will not have to buy as much Arab oil, therefore oil and gas in this country will be cheaper. We will have less inflation and we will have less unemployment.

Now, for people to stand on the floor of the Senate and say that deregulation is going to create inflation and create unemployment baffles the mind. It is turning a truth around and making it a lie and holding it up and saying is a fact. It is not a fact, and I will go through it again because I think the only way to hammer this home is through repetition.

Who raised the price of oil? It was not Exxon. In fact, Exxon over the years, and the other majors, kept it at a very low price. It is when they got thrown out of the Arab countries, it is when they got nationalized, that the OPEC countries jumped the price up because the price had been kept abnormally low.

But, be that as it may, we had a low gas price in this country; we had a low oil price in this country. The Arabs skyrocketed the price. Therefore, the Americans, for a portion of the oil they bought from the Arabs, had to pay more. This caused an inflation that pushed up the balance of the cost of producing energy.

Now, the answer is not to rely more on the Arabs, which the Senator's legislation will cause, and which oil control legislation by Government has caused. The only way to be independent of the Arabs is to produce more of our own. When we refuse to let Americans charge the same price for oil as the Arabs, then what happens? Americans do not look for oil or do not look for gas. It is just that simple.

The Senator says that because natural gas prices are deregulated they are going to increase. Yes, they will in the short run. But what it does, more importantly than that, is to take the money from the increase in price and permit us to go look for more natural gas and more oil which, in turn, will permit us to be less dependent upon the Arabs.

I cannot make that equation any simpler. Yet it does not seem to carry any weight with my colleagues who feel very strongly about this subject. But then I can only say that for the last 3 years this Nation has been paralyzed on the energy issue. Do you know why?

It is because of the kind of thinking that my dear colleague, for whom I have great esteem, espouses with respect to energy. He believes that we can pass laws that will do the right thing with respect to energy. We cannot pass laws correcting economics any more than we can pass laws correcting gravity. What we want is to let the marketplace work its will. Our economy is the best economy, the soundest economy in the world. We can be independent in no time at all if we would only give ourselves a chance. But we cower in fear, we cower in fear that our economic system will not work. Therefore, we have to have the Government run it and, when the Government runs it, believe me, we are in bad trouble. We are in bad trouble and we will stay in bad trouble until we deregulate.

Why is it that, when President Nixon put on wage and price controls in 1971, we had the wisdom to take off controls from every part of the economy except one? We kept it on in one area, the area of the economy that is in the most trouble. Would it not tell you something? We decontrol food, we decontrol all the other facets of the economy, and they get back int working shape. The economy is taking off. What do we keep the controls on? We keep it on energy. Where are we in trouble? We are in trouble with energy.

When will we smarten up and realize what needs to be done? The example is there. Let us just do in energy what we have done in all other facets of the economy. Let the free market work its will.

Mr. STEVENSON. Well, Mr. President, the Senator's argument does not carry much weight, as he indicated, because his colleagues refuse to accept OPEC-controlled domestic wellhead prices as opposed to U.S. controlled. The Senator does not deny that OPEC determines the market price for oil. There is, in fact, no free market in oil, and it is not just oil that the oil price affects. I think he recognizes it establishes natural gas and coal prices.

There is no such thing as decontrol. It is a question of OPEC control or U.S. control, and most of his colleagues opt for U.S. control. As a matter of fact——

Mr. GRAVEL. That is why we are in trouble.

Mr. STEVENSON. With all due respect to the Senator I do not know of anybody any longer, even in this administration, Mr. Zarb, the President, I do not know anybody in the Congress, with few exceptions, perhaps, hardly anybody outside of the oil industry that does not accept the need for some ceiling.

Mr. GRAVEL. That is not true.

Mr. STEVENSON. Accepting an $11.25 oil ceiling.

Mr. GRAVEL. Now I can see how the Senator handles these FEA reports. The President is for decontrol. He wants a phased decontrol. I do not think it is necessary, but he is for total decontrol.

Mr. STEVENSON. No, he is not.

Mr. GRAVEL. Do not tell me he is not.

Mr. STEVENSON. I beg the Senator's pardon.

Mr. GRAVEL. I have talked with Mr. Zarb and he is for total decontrol also. He is for control on propane for this winter, and he is for a phased decontrol, but he is for decontrol.

Mr. STEVENSON. Well, in that sense I am for decontrol, everybody is also for decontrol.

Mr. GRAVEL. The Senator is for decontrol? When would he want it to apply?

Mr. STEVENSON. Of course. I cannot say; it will be a long time.

Mr. GRAVEL. When will it be good for decontrol? If it is good now, why not have it now?

Mr. STEVENSON. The President has recognized for 39 months the need for a ceiling on oil prices.

Mr. GRAVEL. His election is involved there. Everybody is playing politics on this issue. We are always talking about politicians telling the public to bite the bullet. There is no leadership. Everybody wants the thing pushed back for 2 years so we can get through the election. The problem is we do not have 2 years. We must move to solve our gas problem by decontrolling now.

There is a price to pay. Prices are going to go up. Any way we go, we have to face the music. I think the American people have the courage to face the music and pay the price for being independent. We, their leaders, do not. Maybe it is normal in a democratic society that we put our finger in the air and check where the people are and run behind them so we can be their leader.

Mr. STEVENSON. The American public is quite prepared to pay the price of economic justice, but not the price of economic injustice or lunacy, and to capitulate to the demands of the oil industry and the cartel and permit OPEC prices with no reasonable expectation of increased supply and every expectation of unemployment, of recession, of inflation, is lunacy.

The Senator says we have to pay what is necessary in order to increase the supplies of gas and oil, and I agree, but that is the point. Let us pay what is necessary and let us not pay what is unnecessary. That is the point of these studies. They indicate, all of them, that it is not necessary to pay a cartel price.

The Senator cannot tell me what that price would be, $3 for natural gas, to begin with, maybe $17, for oil maybe $18, $19, $20.

What is to encourage the OPEC countries to bring the price down?

Mr. GRAVEL. Nothing. There is nothing we are going to do that is going to alter their policy.

Mr. STEVENSON. The Shah of Iran says inflation increases the cost of their imports. If we bring up the oil prices to their level, it must mean their prices are not high enough, the price is at war——

Mr. GRAVEL. I wish to beg the Senaator's indulgence on a point he made earlier, which I think is very important. Regardless of whether the Senator may want to phase out the control of natural gas and thereby get through the next election, let me show what will happen to the American consumer. Regardless of what we do here, he is going to pay the same price.

I will put the chart here because the audience seems to be in the gallery behind the Senator and I think they can best see it here. I will show it to the chairman later.

This scenario is gas supply available which, essentially, is deregulated. This is by 1980. That is $2 and Mcf projected price by 1980. We will be paying $2.39, of that $1.27 will be cost of transportation, and $1.12, the average wellhead price.

If we keep the wellhead controlled, which it is for the people in Illinois now, it is 37 cents. By 1980, the cost of transportation will increase to $2.03 because there is less gas in the pipeline. So the Senator's people under a controlled situation will be paying $2.40 for a limited supply of gas and we are going to be paying $2.39 deregulated.

The sooner controls are phased out, the sooner it is going to be cheaper for the American public because we are going to get the quantity we need.

That is what the whole game is about.

So if we do not want to be dependent on the Arabs, we must get our own.

All I am suggesting is that if we do not go and get our own, we will pay for it anyway because of the asymmetry that exists in the transportation system of gas.

We build the pipe, it can be full or it can be empty. The problem is, we have got to pay the whole cost of the pipe regardless of whether or not it is full.

If we are going to do the right thing for the American people, forget the various plans for phasing out controls, let us do it. Deregulate, take our medicine and become independent. Then we will see what will happen.

We will have a spurt of price increases, but it will come down as we begin to develop our energy. It will never come down under FEA.

I thank my colleague for his attention in that regard.

The other chart I have behind the Senator is the Forbes chart which I have used extensively on the floor in the past. I think the Senator disputed it before, but I will go over it again very quickly.

What that is, is a 5-year average of return on profitability. I have picked out from among the Forbes 850 companies a cross-section of industries.

The Senator will see in the column, the latest 12 months, where the oil companies have had an increase. Texaco, the highest, I believe, is 23.6; Exxon 22.4. But the Senator will see with a 5-year average that only gives them 16.4, which still puts them below CBS, Procter & Gamble, Johnson & Johnson, and other American companies.

One can see that most of the oil companies, even after the banner year of 1974, placed about average in profitability in the American economic scene.

This, I would hope, would dispel the paranoia—or not so much the paranoia but the bias against the oil companies. We do not need a whipping boy to punish. All we want to do is get this economy working in a certain way.

All I recognize is that these corporations provide a vehicle to bring capital, management, and technology together in an operating econmic unit to do a job in our society. All I am interested in is what can bring the goods to the American people in the most efficient way.

To me, that is the free enterprise system with these corporations, and that is the only reason I defend them.

Mr. STEVENSON. Mr. President, we have gone over these charts before.

Mr. GRAVEL. Apparently not enough times.

Mr. STEVENSON. I have examined this subject, as a matter of fact, similar studies, including the Chase Manhattan Bank, which I think the Senator referred to.

Mr. GRAVEL. They agree with this, and the First National Citibank.

Mr. STEVENSON. The First National Citibank, and in the course of those——

Mr. GRAVEL. But these banks would not lie, would they?

The whole foundation of our free enterprise system is based on the veracity, by and large, of the information we get on Wall Street. That is the heart of our economy. So if these people are lying to each other, something is really wrong.

Mr. STEVENSON. I have learned in my political life not to take everything before me——

Mr. GRAVEL. I have learned in the last hour——

Mr. STEVENSON. That is a good rule, especially in dealing with oil companies.

One of the points about these studies is that they do not take into account—nothing dishonest about this—the different taxing and accounting procedures for the oil industry which——

Mr. GRAVEL. But we do not take into account the different taxing procedure for steel. They have a depletion allowance; oil does not have one anymore.

Mr. STEVENSON. For whatever reason one wants to make such comparisons, one ought to compare oranges and oranges, not with lemons.

Mr. GRAVEL. The oil industry is not the only unique system within American industry. Many industries cannot be compared because of taxation or accounting methods. What we are talking about on profitability is what people invest their money in. The Senator is trying to tell me that an investor in this country is not smart enough to recognize the differences in accounting practices. If they recognize that difference, then all the money should be going to the oil companies. Why is it not—

Mr. STEVENSON. Probably because they listen to the oil bank, the Chase Manhattan Bank, instead of doing such analyses as I am suggesting.

Mr. GRAVEL. My colleague then is prepared to—

Mr. STEVENSON. These studies, even if they were accurate, are all retroactive. That one, for example, is for 1975. In that year of 1975, picked obviously because it is convenient and helps the Senator make his point, but not because it helps—

Mr. GRAVEL. What is the Senator saying about 1975?

Mr. STEVENSON. I am saying that in 1975 the rate of return for the industry came down.

Mr. GRAVEL. By 30 percent.

Mr. STEVENSON. We need comparative figures for 1973 and 1974 and 1975, and then, since this is really what we are concerned about, some comparative figures for this industry, and other industries, for 1976. The policy which he is proposing, namely, a policy of decontrol which will increase the rate of inflation, if we include oil as well as natural gas by some 4 percent, and I mean an add-on of 4 percent, it will create recession if not a depression in the country. In some industries, the airlines for example, which should be included, it would be a depression.

According to that industry, the effect of decontrol in an industry which for the first 6 months of this year sustained an operating loss of a quarter billion dollars, would be an increase in operating costs of about $1 billion, with rampant bankruptcies throughout the industry.

Mr. GRAVEL. So my colleague is advocating the policy that we have in natural gas because somebody might go broke. What we will do by fiat is to keep the price low and eventually they will all be buying Arab oil.

Mr. STEVENSON. I am suggesting the Senator should give us the benefit of the analysis which would indicate what would happen if his policy were adopted before we adopted it.

Mr. GRAVEL. I have done that.

Mr. STEVENSON. The Joint Economic Committee has also conducted its analyses which, among other things, concludes that the rate of return of the 20 largest oil companies under such a policy would increase over 1975 by about 85 percent.

Mr. GRAVEL. If that is going to happen, let us just pass an excess profits tax. If that is what worries the Senator, let us just solve our energy crisis. If he is going to try to get into a social number at the expense of energy, he will really cause inflation. But to come in here with scare tactics, saying that companies will go bankrupt, that there will be these exorbitant profits, all that is projection. We can pass a law to safeguard against those dangers, but he does not want to do that. What he wants to do is to keep Government in the saddle. I do not understand. Those are facts. What he is talking about is pure speculation.

Mr. STEVENSON. I think what the Senator is suggesting is that we ought to do it and see what will happen. I am telling what will happen.

Mr. GRAVEL. How does the Senator know what will happen? What will happen is that we will become less dependent upon the Arabs. I think that is what the American people want. The price of Arab oil is more expensive than American oil. Take a choice. Take inflation from the Arabs or take inflation from the Americans. We will get less inflation from the Americans because we are going to get more oil. What the Senator is trying to tell the American people is we are not going to have any inflation. We have been telling them that for 3 years. They are not buying it any more. They are simply not buying it. We have been telling them that we can keep gas cheap. We have been telling them that for 10 or 15 years. They are not buying that any more. The American people are a little smarter. They recognize that we cannot get something for nothing. They are through with these liberal palliatives that say they will get something for nothing. They understand the difference. They understand that in the Senator's community and they understand it in mine.

Mr. STEVENSON. Perhaps in Alaska, but the people in Illinois are not at the moment clamoring for OPEC controls.

Mr. GRAVEL. Nobody is clamoring for OPEC. That is not what I am advocating. I am advocating the opposite. I am saying we can stop OPEC if we produce our own oil. The Senator turns around and puts words in my mouth. I did not say that the American people are clamoring for OPEC. Of course they are not clamoring for OPEC. But his plan permits more OPEC involvement in our economy than does my plan. I think the American people understand that. Lou Harris took a poll on May 5 and 42 percent of the American public were for decontrol.

Mr. STEVENSON. Yes. There was a poll in New Hampshire not very long ago, too.

Mr. GRAVEL. What was that?

Mr. STEVENSON. That was the election of Mr. DURKIN to this body.

Mr. GRAVEL. And on the ballot—let us not be facetious. Was it marked on the ballot "Are you for decontrol or not for decontrol?" No. On the ballot were Mr. Wyman and Mr. DURKIN. Do not stand here and tell me that the referendum on a Senate election in New Hampshire is what the Senator is going to use for an argument for continuing control. Is that the case? Is the Senator's case that meager?

Mr. STEVENSON. It certainly is not. It was not the Senator from Illinois who brought up the question of public opinion and polls.

Mr. GRAVEL. I think it is relevant because Harris asked the question, "Are you for decontrol of nautral gas" and the public said "Yes." "Are you for decontrol of oil?" The public said "Yes." interestingly enough, the American people understand the basic economics that I have been trying to get across here.

Mr. STEVENSON. If the Senator will recall the policy in question, the Harris poll said, "Will you support decontrol if it meant substantially higher supplies?" If the public were asked, "Will you accept higher prices in order to increase the supplies?" of course, the public would say, "Yes."

Mr. GRAVEL. Then why do we not let the public do it? Let them pay the higher price so they can get the oil; so they can get the gas.

Mr. STEVENSON. That is exactly what we are proposing. But we are not proposing windfall profits and extortionate OPEC——

Mr. GRAVEL. The Senator is a day late and a dollar short. Last year he was fighting to keep it at $5.25. He was fighting to keep natural gas controlled. Now because his case was so terrible he has increased it a little notch. There is no way that a bureaucrat can adjust the economy. Let the economy do it. Do not try to do it because we just cannot. Just do not try.

Mr. STEVENSON. In a perfect world, none of us would be here trying. I regret the necessity. Unhappily, it is not a perfect world.

Mr. GRAVEL. We can make it a lot more perfect in a free market than we can with bureaucrats.

The PRESIDING OFFICER. The Senator from Illinois has the floor. Does he yield to the Senator from Alaska?

Mr. STEVENSON. I thank the Chair. I have not yielded to anyone.

Mr. GRAVEL. I thank my colleague.

Mr. STEVENSON. The point is that there simply is no free market. The prices are arbitrary. Any price established by the United States is arbitrary. But without control by the United States of wellhead prices for oil and natural gas, those prices are established by the Governments of foreign countries, with consequences which are unnecessary and dangerous: recession, inflation, unemployment. Beyond a certain point, which we attempt to establish in this amendment, high prices produce no additional supplies of energy.

Those conclusions have been most convincingly reached by a study by the Budget Committee of this body. That study indicates that a new oil price of $9 and $1.30 per Mcf for natural gas, with exceptions for the very high cost production, is all that is necessary to provide the industry with all the incentives and resources with which to produce increased supplies of natural gas and oil. Beyond that point, it will not produce significantly increased supplies. What we end up with is more inflation, more recession, and more unemployment.

Mr. MOSS. Will the Senator yield?

Mr. STEVENSON. Mr. President, I ask unanimous consent that I may be permitted to yield to the distinguished Senator from Utah, under whose directions the studies I just mentioned were conducted, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, I commend the Senator from Illinois and the leadership he has shown in putting together the amendment which is now before us and about which he has been speaking to the body. I am very pleased to cosponsor that amendment. I have spoken before in the Chamber about it. Unfortunately, I have not been here for the full debate this morning because I have been presiding in a hearing and just now was able to come to the Chamber.

I heard a small part of the colloquy that went on about allowing the price of oil and gas to find their level in the free market, and that is the only way to resolve the problem.

I agree that that is ultimately the way to solve it. We have to get to that point sometime. But, unfortunately, we have not had a free market for a long period of time on natural gas, and not for a considerable time on petroleum. To suddenly now just remove all controls and allow prices to go until they find their level would be utterly disastrous to the consumer in this country, and to our economy.

In the matter of petroleum, the price is now being set by the OPEC nations, who send us about 40 percent of all the petroleum we use in this country, and the price there is certainly not set by supply and demand. We read in the newspapers that various OPEC nations have curtailed supply just in order to maintain the price where they want it. The unfortunate fact is that many of the large producing nations with great reserves in petroleum have really little need for the extra income that might be earned by producing to the optimum level, and therefore it is easy for them to shut in 10 percent, 20 percent, or some other part of their production capacity in order simply to keep the price high.

We also know that the price set by the OPEC nations has really no relationship at all with the cost of exploration or the costs of production, diminishing of reserves, or any other factor; it is simply a political decision made by these countries, which have decided to band together and to charge what they will, what the tariff will bear.

From reading the press accounts of the last OPEC meeting, it would appear that they had a considerable internal debate, with quite a bit of heat in it, about the amount that they were going to raise the price the next time. The country with the largest reserves, apparently, was the one that held out for the lowest price increase, and succeeded in getting a compromise price increase, but nevertheless an increase—not based on anything, just that they said, "Well, we can get more money." A part of the agreement was that they would consider again another price increase in a matter of about 6 months. So we can expect this to go on and on.

If that kind of arrangement sets the price, and the price can be moved up as it is all the time, then we cannot entrust ourselves, really, to the supply and demand regulation of prices. We have to move in that direction, but to do it suddenly and precipitously would bring us an impact that we could not survive here.

In the case of natural gas, it is much the same story. For a long time natural gas has been controlled at a wellhead price which many now recognize was too low, and by reason of it being so low on interstate gas, a number of producing States of our Union have retained the gas intrastate in order to get a higher price. As long as we are dealing with a free enterprise, profitmaking system, of course those who have a product will seek to sell it where they can get the highest price.

What we need to do is find a pricing mechanism now that will enable the producers of natural gas to get a reasonable return on capital, to have an inducement to continue to search and explore, produce, and transport natural gas, and to bring all natural gas into the same mix, so that we do not have a high price intrastate and a low price interstate, with the consequent disturbances of distribution that that brings about.

Therefore, the amendment that we have before us is one that would permit natural gas to be sold at a price that is now in existence or has been in existence in the intrastate market while interstate gas could come up to that price. It is permitted, then, to have an increment added as inflation or other costs make it more expensive, and have natural gas rise gradually to meet the point where it is competitive with other fuels on a Btu basis, and can be utilized by the people of this country.

We have spent nearly all of our time

recently talking about the production factor, as though suddenly dropping a lot of money into the industry would cause an immediate rise in production.

It will cause some, of course. But if the profits are higher, there will be more speculation and more attempts made, and some of them perhaps will find it. But, as I pointed out before in discussing this matter, even if we assume that we got a great expansion of effort in the industry, we still do not have the capacity to raise our reserves and supplies of natural gas suddenly, or oil, for that matter. First of all, there is the matter of exploring and finding it. Second, there is assembling the materials, the capital, and the trained personnel to do it. There is the exploration itself. When the field is found, it has to be developed. We are talking about matters of 3 to 5 years to bring in an oil field, and the same with a gas field, unless it is stepped-up drilling in a field that has already been discovered. But we are not going to have a sudden explosion of production that makes it available to everyone.

So, unless we have some kind of price restraint and some method for assuring reasonable allocation and distribution, we are going to have areas of hardship in this country. We will have areas where gas is in short supply, and people who are dependent upon it to heat their homes and use it for normal culinary purposes will find they are without it and cannot get it because, in the wide-open price market, it will be bid up somewhere else and taken elsewhere, simply because the price that they can pay is much higher than the householder would be able to pay.

The same will be true of petroleum. If we suddenly decontrol the price of old oil and do not have any cap on the price of new oil, everything will go up to the level of the OPEC imports, and will be so high that there will be certain places where real hardships will result, where there will be a slowdown of economic activity, businesses will have to close or curtail their production, there will be failures in many places, and the net result will be inflation, which means less production, and at the same time it will mean unemployment because people will be thrown out of work.

So the only reasonable and feasible way for us to proceed at this time is by setting in motion a program of vast decontrol, with the price set high enough that there is an incentive to produce the maximum amount we can, to continue to explore and produce whatever we can domestically, in order to offset our dependence on foreign supply, and permitting that price to be folded gradually into our economy, so that we do not destroy the recovery factor that we are beginning to sense in our economy and start back down the slide again, with more inflation and more unemployment. That would be more damaging than anything else we can do.

We have indeed studied this at considerable length in the Budget Committee and in the energy task force of the Budget Committee.

A great many very knowledgeable people have come and testified before us, and out of this we fashioned the amendment that is now pending before this body on which I hope we can come to a vote very shortly.

I say I hope we can come to a vote, because I think that the string has run on Congress, the President, and this administration of getting settled on an energy policy in this country.

We have put in place all of the bills that this Congress indicated in February of this year that we needed to do in order to have an energy policy, save one or two. The one big one that we have not settled upon and have not been able to get resolved is the one before us now that has to do with pricing and allocation of hydrocarbons in this country, oil and gas.

We must come to grips with that and resolve it. When we have resolved that and resolved perhaps one more on an energy production board, then this country can move ahead with a certainty and knowledge of what it has to rely on and where it must look for energy. We can do it, and a price structure will be such that the users will be able to calculate what their costs are going to be. Those who are in the petroleum and gas business can calculate what they will be able to receive by way of return when they find and produce either gas or oil, and we can continue with our upward movement in our economy.

While we have this element of uncertainty lurking over us, we will be in a chaotic state because nobody can make plans when things are uncertain.

We have been through long periods in hammering this thing out, and the President, who started out at the first of the year for total decontrol, himself, voluntarily abandoned that, and he said we will need a phaseout period, and we need to control prices and supply for 39 months to get it phased out.

Congress did not agree with him on that, and they wanted a longer period of phaseout. So the debate has been going on on how long and just where are the controls to come.

I know there are many who pointed the finger at Congress, saying that we are indecisive and we did not come up with an answer right now.

Those people apparently want a monolithic legislature the way we have a monolithic executive branch. But we are just organized differently.

In the executive branch, there is one man at the top. He is the President. Everyone else can have his point of view and argue it internally, but finally it funnels up and the one man at the top makes the decision, just as the President went on television last night and said he now thinks that we should have a tax bill next year to continue the reduction in taxes that we have, and this was unknown 24 hours before. In fact, I listened to the various announcements coming on, everyone saying the President has made up his mind, but we do not know what he has made up his mind to do, and they build up a great big suspense so that he could come on and say, "The answer is this," and because of the organization of the executive branch that now becomes the policy of the executive branch.

The legislative branch is not organized that way at all. It is organized out of 535 individuals, who represent their States or their districts within the States. Each one is responsible to his own district and to do his own conscience and is not required to subordinate his point of view to that of any other Member of the body or any leader chosen by the body. He maintains that.

Obviously, we are going to have difference of opinion. Where can one get 500 people of any kind together and not have them look at things differently and not have differences of opinion? When those differences are strongly held by various Members who see the problem differently, there are some who feel impelled to protect the producers in their States, oil States, let us say, as an example, and others who feel impelled to protect the consumers of their States, representing probably large cities or industrial areas. They both have very strongly held points of view. It is going to take a lot of time, interplay, and effort before we can finally get a majority of the legislative body to come together on a policy. Then our rules of procedure are such that even so a minority can hold this thing in abeyance for a longer period of time. The minority has immense powers around in Congress. In fact, in order to protect the minority, we have given them so much power that in some instances they overcome the will of the majority. As we have seen demonstrated not long ago in this body, the minority can prevail.

I did not intend to get off on an aside arguing about whether that is good or not, but it is a fact that we have to live with right now.

But coming back to my point, the reason it has taken a long time to get this matter hammered out is that we have had to discuss it from both extreme points of view and from the middle point of view. We have had to spend a long period of time talking with economists, oil companies, engineers, gas pipeline people, all the rest of them, trying to fit this thing together, and what we have finally fitted together and what I think will become the majority view of this body is the amendment that is before us. If we can get that amendment adopted, and if the House of Representatives concurs, I believe that the President of the United States would sign it, and we would then have a firm policy.

The House of Representatives has already spoken on oil pricing and sent a bill over that currently is in conference, and it is probably a little more liberal, if that is the kind of word to use, than this compromise that is before us in that it rolls the price back on oil to a lower level and holds down the prices more and may not be as encouraging to the producers as this compromise.

So, perhaps, this for that reason occupies the middle ground, let us say. It is not quite as liberal, not quite as restrictive to production and quite as generous to the consumer as that of the House of Representatives. Yet it is reasonable and livable and has to be accepted.

There are some, of course, who still complain that we want to limit the use of energy and to permit the price to rise on it. But those are ones who deny, overlook, or are unwilling to face the fact that we are talking about finite resources here. Oil and gas we have, but we have them in diminishing reserves. The rate of depletion is under debate, but some say we have only 10 years of natural gas left; some say 20. I do not know what it is. But we are talking about a relatively short time until our reserves of natural gas will have been depleted.

We have more oil and it will probably last somewhat longer, but that, too, has an end in sight when our reserves have then diminished to a point where we must find alternate sources of energy.

Another reason for taking this long phaseout and increase in price is to help bring in other alternate sources of energy.

We have vast reserves of coal that can be developed, but they, too, cannot be developed overnight. It takes time, it takes time just to open a coal mine and put in the machinery and get it started. It takes a year or a year-and-a-half longer for some of the more complex and remote mines before they are productive. Not only that; coal is a fine fuel, but it is not adaptive to the usages to which we have become accustomed in using petroleum and natural gas.

Another thing we must do is to develop the process whereby we can liquefy our coal and gasify the coal and make it usable and transportable, as are natural gas and liquid petroleum. We can do that. We can do it in the laboratory. It has been done for a long period of time in various ways of getting gas from coal and getting oil from coal. But we have never done it on a large, productive scale of high efficiency and low cost.

I often refer to the fact that in World War II, the German Luftwaffe flew on gasoline that was made from coal. If they could do it that long ago and do it that extensively in Germany, I do not know what our long delay is, except that we have not got to it. It just has been that petroleum has been too available and the cost has been minimal. Now we have to put all our energy into developing the ways to do this on a large scale.

We need to utilize our resources of oil shale. My State and two of the adjoining States have beds of oil shale, and the known amount, when converted to oil, is greater in total volume than all the known liquid reserves in the Middle East and everywhere else. It is out there, in that triangle. But we do not get it out. We do not know how to get it out economically or without great environmental damage.

These are problems we have to solve. Again, we do it in the laboratory very well, and we do it in pilot plants. We get the oil out of the shale and bring it out, but we have never done it on a large-plant scale, producing 100,000 or 200,000 barrels a day. This is where we must get. We must do that. It is going to take time and large investment. During the time we are getting around to doing that and getting it financed and underway, we have to make sure that the supplies we have here are equitably distributed and fairly priced. That is the reason why we have to have a measure of control over the next 5 years.

Besides these sources of energy, we are continuing our experiments with nuclear energy, still trying to develop the breeder reactor that we have thought for so long was going to be an answer with respect to getting energy from fission. We might get fusion. If we get energy from fusion, we will have it in abundance. If we can take that and convert it to electric energy, we can carry it on wires, and our troubles will go way down.

Besides all that, there is solar energy. This is the most hopeful source. At least, it stirs the imagination, let us say, of our people more than anything else. All one need do is to look up and see that we have a great, blazing furnace out there that is showering on this globe every 24 hours more energy than we could use in a million years, if we could capture it all. We will never capture it all. But if we could capture just a little of it and convert it to our uses, we would have what appears to be an unending source and a nonpolluting source of energy for the kind of industrial society we have.

Here, again, it is not that we do not have some knowledge of it. We already have solar panels. In fact, all the spacecraft we put into the air have their own solar panels. They get the energy from the Sun, convert it to electricity, and use it all the time they are in flight. That is what Skylab did, and that is what every one of our space missions has done. We can put those solar panels on the ground in a sunny area and get the energy right on the ground and convert it.

What we need to do is to find out how we can do this in great mass in an extensive area, in large amounts. The question arises, then, whether we should cover miles and miles and miles of our Earth with it or whether we should go into space, get above the atmosphere, above the clouds and all the interference, and put big panels up there that would be in the Sun 24 hours, and simply transmit that energy by microwave down to Earth, where it would be captured and collected and put to use by man.

All these things are in the future. All these things we must be doing.

I commend the President for his statement that we should now spend $100 billion in energy R. & D. This is a great change and a very welcome one, that he suddenly says that we should be trying that hard to develop other sources of energy. In the time we created ERDA and authorized some funding for ERDA, the point of view was the other way, to hold down, not to spend quite so much, and not in any way to go into a crash effort in creating alternate sources of energy.

That is coming, and we will get it. When we do, we will be able to shift away from natural gas and petroleum as a fuel. I believe the time is not too far away when we will not think of burning oil or gas as a boiler fuel simply to get the heat. I think the time is not far away when we will say that it is too valuable, that we need to break it down into its component chemical parts. We need to use the various components that we can get from petroleum, to use them in our chemical and drug and health industries—all the things for which they can be used. As it becomes more and more scarce, I think we will find that it will go out of use rather quickly as a fuel and that it can be used only for these other purposes.

I recall when Senator Bob Kerr was in the Senate, he used to say the same thing about coal. I think he is right, except that our reserves of coal are so much larger, so vast, that I suppose we will be using it as a boiler fuel for a long time just to get the heat from it. He used to say that the time will come when we will not burn coal because it can be burned down and we can get the tars and the resins and all the other components out of it; and those are so valuable that we will not be permitted to burn them up and let all those component parts be oxidized or vaporized and driven off into the atmosphere.

What I am trying to say in this discourse on where we are going down the road on energy brings us right back to what we are going to do now, what we are going to do today, what kind of bill we are going to have in order to deal with today's problems in order to enable us to continue our industrial production, our present life style, to remain the preeminent nation of the world in industrialization, with the highest living standard in the world. How are we going to do that in a feasible, equitable way, until we can complete part or all of the things I have talked about as ways in which energy may yet be produced? There are other things that I have not even touched upon, but I have touched upon some of them.

I say that what we have to do is to adopt a pricing and allocation and distribution system that accords with the amendment before us.

At the rear of the Chamber are some charts that indicate the findings that were made by the staff of the Budget Committee following the seminars of the energy task force. They show how the different options read out. If we pay close attention to those charts and read them correctly, we will see that the optimum way to go is the one that is pointed out by this amendment that is now before us; that is, to roll back the price of new oil to $9 a barrel. That will be a considerable reduction, but it still provides adequate incentive and adequate compensation to the oil producers.

The charts will show that with oil at that price, they still, on invested capital—this is on an average across the whole industry, and it takes into account the degree of success and non-success and that there are dry holes that get drilled, too, along with the producing holes. They still would have a return on capital of about 14 percent. That is after all taxes, so that would be a net return on capital.

Well, that is a good, sound, comparable return on capital that ought to keep it flowing there and encourage continued exploration and production, and do it without putting a burden on the consumer that would be not only hard on him individually, but would have a great impact on our economy today.

On natural gas, the average price of intrastate natural gas that was sold in the August–September period comes out to $1.30 per thousand cubic feet; $1.30 a thousand cubic feet would be the ceiling price on natural gas. This would be roughly equivalent, on a Btu basis, with the ceiling price on new oil. That, then, is the beginning point.

Then comes the phaseout period. First of all, old oil would begin to be phased out, by deregulating it or taking it out of the category of old oil, at 1.5 percent per month, which is roughly, again, at about the rate an oilfield depletes, until finally that is phased out and we no longer have that to deal with. We have oil all at one price at that time. On new oil, it may go up as costs go up, but not to exceed 5 cents a month. Five cents a month is the ceiling that it can go up in price over a 5-year period of time. It would then reach a ceiling roughly comparable to what the current price is of imported oil, although we do not know what that will continue to be.

Natural gas, too, will have this small increment, this small amount, to enable it to keep roughly a Btu par between petroleum and natural gas. This, I think, is awfully important, to keep the two relatively even, because if one is markedly below the other in price, of course, it tends to be used up and the demand is higher there. It ought to be used where it is best adapted for use. For that reason, it needs to be somewhat comparable.

Natural gas is probably the cleanest and most easily managed fuel that we have in large supply, but petroleum is a close second to it. They are almost interchangeable. In some things, they are not interchangeable, but in many instances, they are.

The other gas that we may get into at some time is hydrogen. I should be glad to discuss that possibility sometime, how we are going to produce vast amounts of hydrogen so that it can become a fuel. I have in my State a research company that is now doing a great deal of work with hydrogen. They have adapted the carburetor for a regular standard combusition engine car, just an off-the-floor model, that burns hydrogen. It works marvelously. One can tell it from one that burns gasoline, yet it has almost no emission at all.

Second, it has a comparable mileage return on the fuel that is put in it. If hydrogen can be manufactured cheaply and in large amounts, then there will not be any problem in shifting to that as a fuel.

Mr. President, I have spent some time this morning trying to explain and give a little of the background as to why I think it is imperative that we come to this conclusion and settle this matter of our energy policy on pricing and distribution now. I think we have temporized long enough. The country is calling for it, our economy is held in suspense a good deal because of the uncertainty. The people wonder about it. I think we must come to grips with it. I, therefore, strongly urge that this body get to a vote on the amendment before us, and I strongly urge that we adopt the amendment.

I thank the Senator from Illinois for yelding to me and allowing me to make these remarks today.

Mr. STEVENSON. Mr. President, I thank the Senator from Utah for all the hard work which he has put into this effort, as well as for his comments today.

Mr. President, the adequacy of the $9 per barrel price for new oil is supported by the studies I alluded to earlier, including the study of the Senate Budget Committee conducted under the direction of the distinguished Senator from Utah (Mr. Moss); also the study of the Environmental Protection Agency, dated May 1975, on the estimated recovery potential of conventional sources of domestic crude oil; the study of the FEA I alluded to earlier and, Mr. President, by comment, statements and studies by the industry itself.

The Independent Petroleum Association of America stated in 1973 that an average price of about $6.65 per barrel for crude oil would be required over the long run to achieve 85 percent self-sufficiency in oil and gas by 1980.

The National Petroleum Council in a study late in December 1973 concluded, among other things, that an oil price of $7 per barrel—and that is the average price established initially by this amendment—would produce a 20-percent rate of return for the industry by 1983 and that lower prices have produced that and higher rates of return up to that before that time.

The Oil and Gas Journal in the fall of 1973 stated:

> The price outlook for domestic crude thus has to be rated promising . . . The new prices make investment attractive in the new equipment and services to rejuvenate marginal wells.

Risks are becoming worth taking.

The Petroleum Independent stated:

> There is no doubt that the prospects are for increased drilling. Everybody I know is planning on it. With new oil priced from $5.30 to $6 per barrel, there is incentive now to go looking for oil.

Even allowing for the inflation in the interim, Mr. President, the price proposed for new oil in this amendment is higher than that price referred to in the Petroleum Independent in November 1973.

Prices proposed in this amendment are high enough, by the industry's own admissions in the past, to provide all of the necessary incentives and resources with which to expand oil and gas production in the United States.

Beyond those prices are a prospect of more inflation, recession, unemployment, and only insignificantly increased supplies of natural gas or oil. That goes also for dependence on foreign sources of oil.

The Budget Committee has concluded after its recent analysis that the price formula in this amendment of $9 for oil and $1.30 per million cubic feet for gas would leave the United States dependent on foreign sources of oil for 7.9 million barrels a day by the end of 1977.

By contrast, the administration's proposal of 39 months decontrol with an $11.50 ceiling for new oil, and an assumed $1.80 gas price, would leave the United States dependent by the end of 1977 on foreign sources for 7.7 million barrels of oil a day.

In other words, for the increased price occasioned by the administration's proposal over the proposal in this amendment, the United States relieves itself of foreign sources of oil to the extent of only 200,000 barrels a day and for that increased price it would acquire by the end of 1977 a rate of inflation of about 4 percent higher than otherwise, at least a million more people unemployed and with continuing recession.

Well, that price is too high.

The only other basis, beyond increased supplies, for establishing in the United States OPEC determined wellhead prices is the hope or the expectation of this administration that the increased price will decrease consumption.

Mr. President, there is no basis for that expectation. There are no studies which quantify the energy decreases resulting from various price levels in the United States, and, on the contrary, the evidence, much of it based on recent experience, indicates the demand for energy in the United States is highly inelastic.

The decreases that were experienced during the embargo had very little to do, so far as anyone can tell, with prices. Prices had not risen to a great extent at that point. The decreases had a great deal to do with the inconvenience caused motorists in their attempts to buy gasoline.

The long lines at the gasoline stations decreased consumption, but not the price of gasoline at the gas stations.

Even in the case of gasoline, theoretically, there is more elasticity than as in the case, for example, of fuel oil with which to heat homes and businesses, gasoline consumption has proven highly unresponsive, to increases in price.

The only way that energy consumption is significantly decreased is by causing recession, depression, by bringing down the level of industrial activity, and that has brought down the consumption of oil in the world.

The oil price causes inflation, it also causes recession, declining industrial activity, and that tends to level off the rate at which energy, oil, is consumed.

But, Mr. President, that is a very expensive way of decreasing consumption, by causing recession and by causing depression, and it is not necessary. There are ways in which the objective of energy conservation can succesfully be pursued and without causing recession.

Energy conservation can be mandated. Most possibilities for significantly decreased consumption are going to take time, they are going to take changes in our lifestyles, the small automobile, more insulation in homes, a greater reliance on the more efficient modes of transportation as opposed to the most inefficient. That means, more rail transportation in cities, the transportation of commodities between cities, the transportation of human beings within—by rail. That will take time.

In the meantime, it is possible to significantly decrease energy consumption by simply mandating, for example, increased efficiency in automobiles. It is possible to mandate an increased automobile efficiency of close to 100 percent by 1985. That is one way of significantly decreasing the consumption of energy in the United States. That way would cost the economy nothing. It is opposed by the administration.

Mr. President, in addition to the pricing provisions in the Stevenson and Pearson amendments, there are a number of other provisions which have not been discussed.

In the case of pricing, the infirmity of the Pearson amendment is two-fold: Onshore it substitutes OPEC regulation of domestic prices for regulation by the Federal Power Commission, a proposition which was rejected emphatically by the Senate when it rejected the Fannin amendment; and the other infirmity is the continuation of FPC regulation of wellhead prices in the offshore domain. The formula is changed. New standards are established.

Those standards are conflicting in some respects and unclear in others. Their application will require a great deal of time, both before the Federal Power Commission and in the ensuing litigation, with the result that price uncertainty continues in the offshore domain. Producers continue to be encouraged to withhold or curtail exploration and development. So this amendment produces, on the one hand, a new source of inflation and, on the other hand, it continues to cause natural gas shortages.

The amendment which has been offered as a substitute establishes price certainty, onshore and offshore, and for gas as well as for oil. It recognizes finally, belatedly, that neither oil nor gas can be sensibly priced each without reference to the other. If natural gas continues to be priced at levels which are artificially low and below levels established for oil, then the incentives exist to burn the one, in this case the lower priced premium fuel in short supply, natural gas, and not the higher priced oil. The greater incentive is to produce the higher priced oil and not the gas in relatively short supply.

This amendment would establish equivalent pricing for the two by establishing the $1.30 per thousand cubic feet price for natural gas, the initial new gas price. That is the average existing in the intrastate market. There would be no rollback. On a Btu equivalent basis that price is about the same as the average price established for oil under this amendment. The equivalency would be established and then because both prices would be indexed to the GNP deflator, they would be maintained.

In addition, Mr. President, this amendment phases out the controls on old oil over a 5-year period, bringing up the old oil price to the new oil price, and at the expiration of that period giving the United States a single-tier price ceiling for both oil and natural gas which could be easily administered and without the need for complex allocation systems required by multitiered pricing.

This amendment recognizes that some production is very expensive. It requires higher prices. Consequently, for the high cost production, including the deep wells offshore, the tertiary recovery, the FPC and the FEA could establish exemptions from the ceiling and permit the higher price, the OPEC price, where it is needed.

This amendment would not permit that higher price where it is not needed.

As a result, it would strike a fair balance between the real needs of the industry on the one hand, with which to expand exploration and development, and the real needs of the economy on the other, protection against arbitrary OPEC prices because of inflation, recession, and rising unemployment.

Mr. President, it might be useful for the Members if they were afforded a comparative analysis of the other provisions in these amendments.

The amendment which I, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Utah (Mr. MOSS), Mr. HUMPHREY, and others have offered would freeze the price of old flowing natural gas under existing contracts, except to the extent that a producer can show an increase in actual cost or price discrimination as compared to similarly situated producers, in which case he could obtain a higher price under these old contracts for the sale of natural gas.

The Pearson amendment permits the Federal Power Commission to continue allowing increases in the price of natural gas as it does now under contracts for the sale of old gas, without such a showing that there had been increases in production costs.

This provision of the so-called Stevenson amendment maintains the sanctity of the old contracts, the gas already contracted for. The producer took his risks. Except where those contracts are going to cause a decrease in production because production costs are exceeding the production prices, they will be maintained. That is as it should be. There is no point in affording or permitting a higher price than that contracted for unless it is going to produce more natural gas.

Under the Stevenson amendment, any natural gas which was not dedicated to interstate commerce—in other words, contracted for—prior to September 1, 1975, becomes new natural gas. This is a clean-cut definition, designed to place the incentive to produce, the incentive of price, where it belongs: On natural gas discoveries which, in fact, are new, and are not, in fact, old gas discoveries.

Under the Pearson amendment, natural gas from any new well drilled after January 1, 1975, and natural gas under any contract which expires after the same date, would be classified as new natural gas: And this definition allows, in fact encourages, at the expense of exploration for new fields, the production of natural gas from new wells drilled into old reservoirs. They can, it appears, be classified as wells producing new gas, and therefore be eligible for the high new gas price. Old flowing gas under contracts which have expired is also eligible for the new price, so that such gas could jump from about 35 cents per thousand cubic feet to $2 or more per thousand cubic feet just before the contract has expired, in spite of the fact that the reservoir from which it came had already been explored, developed, and dedicated to interstate commerce for the life of that reservoir, and no new expenditures in connection with its development had been made.

No new incentive price is necessary for the production of such gas, and yet it is provided under that amendment.

The Stevenson amendment and the Pearson amendment contain similar provisions prohibiting new uses of natural gas as a boiler fuel unless alternate fuels are not available or practicable. Both provisions—as I say, they are similar—require a phaseout of current boiler fuel uses over the next 10 years. They allow renewable contracts for existing uses to go the entire 10 years, if, in fact, they are renewed. That similarity, at least with respect to the renewability of contracts, results from a modification to the Stevenson amendment made yesterday. So those provisions with respect to boiler fuel phaseout are the same in the two amendments. With that qualification, they recognize that the use of natural gas as a boiler fuel is an uneconomical use of this premium fuel.

The Stevenson amendment allocates the price, not the physical property but the price, of the old natural gas under old natural gas contracts, the lower price, to small commercial and residential consumers. They are given a price preference over industrial users. This is a cost-accounting measure, which insures that those who are most vulnerable and least able to convert to alternative fuels will be protected from the price increases in natural gas which are coming no matter what we do. The Pearson amendment contains no such protection for residential and light commercial users.

The effect of this provision in the Stevenson amendment is to soften the impact of price increases on the residential and light commercial users. The $1.30 new gas ceiling price would become the price for industrial users in the large consuming States. It is the price that they would pay for gas which, without such a price, would be unavailable. So they absorb that price, and they also obtain gas; and the small consumer, the existing natural gas consumer in small businesses and in residences, gets the benefit of the freeze on old natural gas prices.

The effect of the Stevenson amendment on the price of gas for the typical gas consumer is minimal, at the same time that producers are afforded a very substantial increase in the price of natural gas in order to stimulate increased supplies and to free up supplies now curtailed in the intrastate market, for the benefit of the interstate consumer.

Both amendments also recognize the essential uses for natural gas in agriculture and food processing. They both contain an agricultural priority, which means that essential agricultural uses, food processing, and food packaging uses of natural gas receive a priority and can receive in times of shortage an allocation of natural gas. Those agricultural uses include the manufacture of fertilizer which is heavily dependent, especially the nitrogen fertilizers, upon a supply of natural gas.

The Stevenson amendment, unlike the Pearson amendment, recognizes that the uncertainty about prices in the future and the tantalizing prospect of decontrolled natural gas prices are encouraging producers to withhold supplies of natural gas in anticipation of the higher price. It recognizes that producers even in the public domain, the offshore domain where much if not most of the natural gas is, are dragging their feet; they not only curtail the production, they go slow on the development of leases, in anticipation of a decontrolled natural gas price.

This amendment recognizes that those leases are in the public domain, that they are properties owned by the American public, and it insists that those offshore properties be developed for the benefit of their owners, the American public. It contains a provision which, as far as I have been able to tell, is standard operating procedure in all countries which enjoy publicly owned oil and gas resources.

This amendment, in effect, requires development and production of these public properties for the benefit of the public and as soon as practicable or their forfeiture.

The producers who acquire these leases either produce them or they forfeit them. There is no such provision in the Pearson amendment. This is a provision which can begin to free up additional natural gas supplies where they are the greatest, and by that I refer to the offshore domain. Much of it is curtailed now in the Gulf of Mexico by producers who claim they are experiencing technical difficulties, but they are technical difficulties which could be corrected very quickly with such an inducement as this.

Under the Stevenson amendment, interstate natural gas pipelines which are experiencing shortages that result in curtailments to customers, who cannot obtain alternative fuels, are entitled on a priority basis to buy natural gas in the intrastate market at the same price as is paid by intrastate purchasers.

This provision, Mr. President, is the so-called Hollings-Glenn-Talmadge emergency pricing provision which was brought up originally as a separate bill as S. 2310. It had been our hope, if not our expectation, that emergency pricing would be taken up separately and that we then could move onto long-term pricing by taking up S. 692 immediately following the disposition of S. 2310.

In fact, an order was entered which said that after disposition of S. 2310, S. 692 would be brought up. That was not to be. Long-term pricing provisions were brought up. The Pearson amendment was offered. A motion to table that amendment failed. That led to my offer with Senator HOLLINGS, Senator Moss, and others, of this substitute amendment which includes a long-term pricing provision as well as an emergency pricing provision, both, as a substitute for the Pearson amendment.

Under this provision, interstate pipelines experiencing such shortages could acquire natural gas at the current average intrastate price. Other interstate pipelines could do the same thing, if a priority interstate pipeline was not in a position to purchase the additional gas made available by this $1.30 per thousand cubic feet price. Essential agricultural users and industrial users that require natural gas to maintain their operations would receive the natural gas delivered from the intrastate market through this new temporary 180-day pricing provision.

Both interstate and intrastate purchasers of natural gas would be subject to the same price ceiling based on the currently prevailing intrastate price of $1.30 per million cubic feet.

The emergency pricing provision, offered by the distinguished Senator from Kansas and the Senator from Texas (Mr. BENTSEN), deregulates all natural gas onshore for all producers for that 180-day period. In other words, industrial users in the interstate market, as well as the interstate pipelines, would compete among themselves for a limited supply of natural gas.

Both the Chairman of the Federal Power Commission and also Mr. Zarb of the Federal Energy Administration, like others, including the present Secretary of Commerce, Mr. Morton, have testified that no such pricing provision short-term will significantly increase supplies of natural gas. There is no way of significantly increasing the supplies of natural gas for this winter. About all that can be done is to reallocate the shortages.

If all the interstate pipelines and industrial users in some 45 consuming States are permitted to compete at any price for this limited supply of gas in the intrastate market, it will rise. That intrastate price has already hit levels as high as $2. The average, as I mentioned, is now $1.30. It does not take a genius to recognize that that price is going to go far higher. Add on the pent-up demand in all of those 45 consuming States, as Mr. Zarb and Mr. Nassikas concede, it will immediately hit as high as $3 on a spot basis. It seems more likely that it would go even higher than that. The pipelines, after all, can pass it along to their consumers.

The result is no increase to supply. The result is an extortionate price, a windfall for the producers, and more inflation for the consumers. As a matter of fact, if this entire provision were enacted into law it would mean by itself alone, without regard to the price of oil, an increase of at least 2.2 percent in the overall price level by the end of 1974.

Mr. President, the Stevenson amendment and the Hollings emergency pricing provision, which it incorporates recognizes that inflationary price produces no new supplies of natural gas, so it simply freezes the existing price at $1.30 on an emergency basis, in order to free up intrastate supplies for the interstate market this winter.

Mr. President, I ask unanimous consent that I may yield to the Senator from South Dakota (Mr. ABOUREZK), and to his designees, for a statement without losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator from South Dakota is recognized.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Henry Banta of the Antitrust Subcommittee of the Committee on the Judiciary, be allowed the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, the debate over what to do about this winter's natural gas curtailments has turned into a debate over the problem of long-term natural gas supplies. Now we are being asked to deregulate natural gas prices as a way of securing more supplies. Supporters of deregulation assure us that the free market mechanism will give the natural gas industry incentive to produce on its leases and end the shortage.

This answer fails to recognize one thing: the market for oil and gas is not freely competitive.

There are not a lot of similarly situated companies out in the Texas Gulf and southern Louisiana competing vigorously against one another, trying to increase their efficiency and reduce costs, and get gas to the market.

What is out there are a couple of dozen huge companies producing oil and gas from jointly held leases, with revenues so large that they do not need any given income at any given time. They can afford to wait while their product appreciates in the ground as customers and industry get more and more desperate, and more willing to pay the highest price for any gas to keep their homes warm and the economy running.

What is also out there are the producing arms of gas distribution companies who stand to benefit from every price increase passed on to them by their producers. These distributors have no incentive to put pressure on the pipelines to shop around for the cheapest gas when they are getting part of the take from whatever price the pipeline pays to the producer.

As the distinguished former Senator from Tennessee, Mr. Albert Gore, said during an earlier debate on this very issue:

> There never has been a free market in natural gas . . . and there will not be one if this bill is passed.

No doubt we would all be willing to pay higher prices for natural gas after a cold winter with no fuel. No doubt we would be willing to provide all sorts of incentives in order to avoid hardship, discomfort, and worse. But that has nothing to do with the free market. It has to do with manipulation of the supply to put pressure on prices.

I would like to quote from the testimony of John Wilson, a former Chief of the Economics Bureau at the Federal Power Commission. Speaking in 1973 before the Senate Subcommittee on Antitrust, Wilson said:

> The prescription offered by the petroleum industry and its various spokesmen is for unrestrained market freedom—a situation wherein the industry (not the public) would be "free"—free to extract the maximum possible price that the market will bear. Both

> arrogant sellers and desperate buyers could respond to this by saying, "What could possibly be worse for the consumer than having no gas? We might as well pay up and avoid the worst." Obviously, that position may make sense from the point of view of an individual consumer who has no recourse but to capitulate to monopoly power, but Congress, presumably, is not so constrained.

We are not so constrained. We have both the means and the responsibility to make "market freedom" reflect the needs of consumers and sellers. Deregulation without divestiture of the largest firms simply takes the controls from the hands of the Government—where there is some public input—and puts them in the hands of a few big companies. By separating the producing phase of the oil and gas business from the transporting and refining and marketing phases, we create a situation where all of the companies will compete against one another on a more equal basis for the best price possible. Without this competition, the market is simply a distribution mechanism run by wealthy men in board rooms. Their main concern is to maximize profits. If they can best do that by sitting on their fuel reserves until the price doubles or triples, they will most emphatically do just that. The only protection against that is either to pass regulations saying the the price will be controlled by the Government according to costs, or to see that there exists competition which will get up and produce.

Amendment No. 954, which has been printed, gives incentive to an enormous number of individuals who would get into the business for the first time if the decks were not stacked against them. Vertical divestiture shuffles that deck.

To those who point out that there are hundreds of gas companies in the industry, I would point out that that does not make the industry competitive. In a context where the top 20 firms control over 90 percent of gas reserves as well as the majority of the substitute fuels, the smaller companies operate under the umbrella of the big companies and benefit from their price distortions.

The question is whether we will have short supplies at cost-based prices, or short supplies at continually escalating prices. Economics and geology both tell us that price deregulation will not call forth rivers of natural gas to meet all of our needs. Economics tells us that an industry dominated by giant companies with control of production, transportation and distribution, that have their own closed and vertically integrated market, will manipulate supplies to drive up prices. When you have a corner on an essential commodity like natural gas, you are bound to get results in the form of higher prices. Geology tells us that there is only so much natural gas that can be produced over time at certain rates, and it does not matter whether we pay 50 cents or $50 per thousand cubic feet—we will not get gas that does not exist. Even the FEA tells us that.

The Pearson-Bentsen amendment asks us to get the Government out of the marketplace and let the search and the sales of natural gas be regulated by the normal forces of supply and demand.

The idea has a lot of appeal. The forces of supply and demand get almost as much lip service in this country as motherhood. But if we fall into that trap this time around, we may as well pack our bags and go home.

Because deregulation in this industry is not—I repeat, not—going to get us sufficient supplies of natural gas. Now, this has nothing to do with the argument of whether we will eventually run out of natural gas. This has to do with another time-proven economic fact: that in an industry where monopoly power is the ruler, you never get adequate supplies. Because short supplies mean high prices.

Some argue that this is not true of the oil and gas industry. But I disagree. It is true that there are thousands of participants at various levels of the industry—but there is not any competition.

The reason lies in the structure of the industry.

To begin with, every major natural gas producer is also a producer of crude oil. Those major oil companies that dominate the oil side of the business also dominate gas production. The top 14 natural gas producers in 1970 were also among the top 15 oil producers. The dominance by the major companies of natural gas supplies is nothing short of spectacular. As of June 1972, four oil companies controlled 92.3 percent of the uncommitted gas reserves onshore in southern Louisiana. They controlled 100 percent of the Federal and State offshore uncommitted reserves in the Texas Gulf and 80 percent in the Permian Basin. But what are they doing with that control? In the Gulf alone, the amount of nonproducing leases and shutin capacity already committed to interstate facilities is, according to FPC chairman John Nassikas, at least 8.5 trillion cubic feet. It should not surprise anyone that there is a gas shortage when we let companies shut in their producible wells in order to force up prices. There is no difference between the producers of OPEC oil cutting production to keep prices up, and the major producers of natural gas in this country capping wells in anticipation of deregulation.

In fact, it is the same group of companies that does both. You can name them as well as I can: Exxon, Texaco, Mobil, Standard of California, Shell, Gulf, Standard of Indiana—and so on.

Making sure that supplies are kept short is not easy, of course. In addition to their dominance over our natural gas reserves, the giant oil companies cooperate with one another in a variety of ways that allows them to get together on production policy.

We all know that the directors of major oil companies meet regularly at banks where they all sit together on the bank's board of directors. Joint ventures are common and require cooperation among the various participating companies. For example, in three lease sales from December, 1970, to December, 1972, Standard Oil of Indiana submitted six independent bids—and 321 joint bids with companies such as Shell and Union. Atlantic-Richfield made 12 bids on its own—and participated in 291 with Cities Service, Getty, and Continental.

Joint bidding leads to joint operation and thus to joint decisions on how much to produce, when, and at what price. Vertical integration stifles competitive bargaining between buyer and seller. If a refiner is part of the same company as the crude producer, there is no reason to shop around for a better price, even if your brand of crude is the most expensive. The same companies which control reserves and operate on a joint venture basis also jointly control gathering lines, pipelines and refineries. Independents who would enter the market exist at the sufferance of the majors—something made exceedingly clear during the recent petroleum shortages when so many independents failed.

With this kind of control, it is highly questionable that if we lifted price regulation, competition would regulate prices. Monopolists traditionally—as has already occurred in natural gas and oil—maximize profits by increasing prices and limiting supply. The past 2 years should have given us all a lesson in the methods of monopoly, but instead of curbing that power, we are giving in to it.

In general, I think the marketplace is the best regulator. Government agencies often serve the interests of those they regulate more than the public interest—as the Federal Power Commission has demonstrated. And regulations create enormous administrative problems and redtape for the small businessmen.

I cannot agree that we can lift price regulation in the natural gas industry until we take steps to make this a competitive market. Obviously, this means getting rid of the control by the majors, of the joint ventures and joint decisions. It means opening up this market so that companies can enter the business and supply and demand can be determined by buyers and sellers equally able to bargain.

Until a few years ago, companies involved in the distribution of natural gas were strongly opposed to deregulation. It was in their own self-interest to fight for the lowest price possible, since not only would they have difficulty in passing increased prices onto consumers, but they had no production of their own. With the onset of gas shortages, distribution companies became desperate. No longer were they interested in keeping the price of natural gas low. They were only interested in obtaining supplies. They rapidly switched sides and joined the producers in pressing for deregulation.

In addition to siding with the producers, many gas distribution companies made decisions to involve themselves in production as well. This decision meant that distributors now would also have a vested interest in obtaining deregulation. Now, in addition to being a matter of obtaining gas supplies, it was a matter of earnings.

There are various degrees of vertical integration in the natural gas industry. There are, for example, a number of instances where producers own pipelines, predominantly in the intrastate market.

There are also examples of companies engaged in the production of natural gas, transmission and distribution. In this category are People's Gas, which owns Natural Gas Pipeline of America and a producing subsidiary, and Florida Gas Company, which owns distribution, transmission and production facilities.

It is among companies engaged primarily in distribution of natural gas where the most dramatic changes are taking place. These companies have formed production affiliates, which, according to economist David Schwartz, "ha[ve] gone into the production function, the exploration, development and new finding of gas with a major or with another independent petroleum company." It has not been, says Schwartz, as an "independent entity."

Schwartz states further:

> You are corrupting the arms length aspect of a producer who is a seller of gas independently selling gas. Now you have a buyer who is a distributor whose needs as a distributor is totally corrupted and you are no longer getting the type of independence on the part of the buyers as buyers, but the distributors by going into the production function are doing so only in a joint venture context, No. 1, and No. 2, they justify the price to themselves on the basis of what they pay others. I don't think they are going to bargain very vigorously under that arrangement. (p. 1181 Interior Comm. Hearings, Market Performance, 1974)

An example of this kind of arrangement is the so-called New York Gas Group—NYGAS. It includes Brookyln Union Gas Co., Central Hudson Gas and Electric, Consolidated Edison Co. of New York, Iroquois Gas Corp., Long Island Lighting Co., New York State Electric & Gas Corp., and Orange & Rockland Utilities, Inc. The New York State Public Service Commission, in August 1973, approved a proposal whereby these companies would assess their customers a surcharge, the sum of which would be used by the companies to participate with the Tenneco Oil Co. for the acquisition of offshore leases.

There are, of course, other examples of this kind of "backward integration." What is important, however, is the recognition that the bargaining that once existed between independent entities is being eroded. Despite this fact, the Federal Power Commission has approved such schemes. In a case involving the Northern Michigan Exploration Co., a wholly owned subsidiary of Consumers Power Co., the FPC said:

> Consumers need gas for its customers; NOMECO, in concert with others, and with the financing from its parent, has found it. No argument presented to us persuades us that Consumers should be foreclosed from enjoying the fruits of NOMECO's success.

Approval of these arrangements by government regulatory agencies, be they on a State or Federal level, sanctions the gradual elimination of arms-length bargaining and forces consumers to bear the risks of gas exploration and development. Gas customers are transformed into investors against their will by use of surcharges which are being levied to finance the exploratory and developmental efforts on the part of local gas distributors.

The financial problems of splitting up the major integrated petroleum companies are sizable, but they are usually exaggerated. We have to be concerned with: First, the volume of assets to be spun off; and second, the potential methods of achieving divestiture.

REFINING AND MARKETING

A generous allowance for the value of refining capacity, after allowing for depreciation, is $1,000 per barrel of daily capacity; this is substantially above the apparent net book values which can be estimated from financial reports of several major oil companies.

Companies subject to divestiture—assuming they prefer to stay in crude oil and gas production—have 11.2 million barrels per day of refinery capacity. Thus, we estimate the refinery properties at $11.2 billion. Marketing properties can be estimated at 75 to 80 percent of refining properties, with considerable variation from one company to another. In the aggregate, the total value of refining and marketing properties to be divested is on the order of $20 billion.

By way of comparison, this is equivalent to about 2 years of A.T. & T.'s annual capital expenditures alone.

Further, if refining-marketing companies are set up with, say, 60-percent equity, the rough average for the industry, the equity requirement would be no more than $12 billion.

PIPELINES

ICC data for reporting oil pipelines showed $5.6 billion in assets at the end of 1973. Allowing for growth since that time and the inclusion of nonreporting lines, a reasonable estimate of pipeline value is $8 billion.

For ICC lines, the stockholders' equity averaged 38 percent of total assets in 1973. Thus, the equity requirement for divestiture of pipelines would be $3 billion.

Total equity requirements for refining and marketing and pipeline divestiture would be some $15 billion, an amount which could be readily handled by the domestic capital market.

SPINOFFS AS A MECHANISM FOR DIVESTITURE

The spinoff is a relatively simple means of accomplishing divestiture with minimum recourse to the capital market. In effect the original company established a subsidiary which is to be spun off with a proportionate share of the original company's assets and liabilities. The capital stock of the subsidiary is then distributed to the original company's shareholders, with the requirement that shareholders above a certain size—say, 1 percent of the new firm's voting stock—must sell their shares within a limited period of time.

Government-ordered spinoffs have a long and honorable history, from the dissolutions of the Standard Oil and American Tobacco trusts in 1911 to the Kennecott-Peabody divestiture now before the court.

The interests of stockholders can be protected if the overseeing agency—that is the FTC in the case of the present bill—acts diligently to ensure that the new entities are established as viable firms.

One recent divestiture, ordered by FTC, is instructive. Georgia-Pacific was required to spinoff Louisiana-Pacific in early 1973. Assume a small stockholder had 10 shares of Georgia-Pacific, worth $448.75 on December 1, 1972. Today he holds 10.6 shares of Georgia-Pacific—with stock dividends—and five shares of Louisiana-Pacific—worth a total of $491.07 at the exchange closing on October 3, 1975. The gain of nearly 10 percent may not sound impressive. Note, however, that it took place over a period in which the New York Stock Exchange industrial stock price index dropped by 27 percent, with the forest products industry being hit especially hard by the construction slump.

THE JOINT VENTURE QUESTION

Joint ventures per se are not affected by the proposed bill. In the United States, joint ventures in oil industry operations are pretty well limited to oil and gas production and to pipelines. At the crude production level, a joint venture between, say, Texaco and Amoco, would have to be split off from refining and marketing, but the bill would still permit the operation to continue as a joint venture of the Texaco and Amoco producing companies spun off.

Pipeline joint ventures of oil companies—that is, Colonial Explorer, and so forth—will have to be spun off. There is no reason, however, why two or more separate pipeline transportation companies could not operate the larger lines as joint ventures.

A particular question has been raised about the Arctic gas project pipeline proposal. The proposed amendment could have some impact, but not a seriously adverse one, on this proposal.

The two largest North Slope producers—Sohio-BP and Exxon— have already dropped out of the Arctic gas project. The third major producer, Arco, is listed as a "participant" but has not committed itself to any share of the financing according to the project's Washington office.

Participants listed currently for the U.S. segments of the line—Interstate Transmission Associates for the west coast branch and northern border for the Saskatchewan-Pittsburgh branch—are all natural gas pipeline companies.

The same pipeline companies together with Canadian utilities and pipeline companies and the government-owned Canada Development Corp., are expected to provide most of the financing for the 2,400 mile Canadian segment of the line. The legislation does raise a problem with respect to participation by Canadian affiliates of several U.S. oil companies—that is, Gulf Oil Canada Ltd., Imperial Oil Ltd.—Exxon, Shell Canada Ltd., and Superior Oil Ltd.

Since no shares have been established, or financing commitments firmed up, it is impossible to quantify the importance of these companies to the overall project. On balance it appears that their withdrawal would not have a significant impact on financing prospects for the project.

Last year, world demand for oil fell 37 percent. Yet the world's major oil supplier increased oil prices by 10 percent. The OPEC cartel was able to manage this feat only with the aid of the American oil companies which produce, transport, refine, and sell OPEC's oil. As the Economist magazine points out:

> Many poor primary producers would give their eyeteeth if big foreign capitalists would kindly arrange a semi-monopolistic distribution network for their products in the West, down to tied filling stations.

The cartel can be broken only by breaking the bonds that hold it together. Major integrated oil companies hold down production to hold up the price. In a situation of decreasing demand, the history of OPEC has shown that the cartel has little power to force its members to curtail production when demand drops below supplies. Only the American petroleum industry has been able to rationalize the price of oil by prorating production and controlling marketing over time. The strategy of cutting consumption cannot work when output is pegged to demand.

Breaking up the largest 18 or 20 oil and gas companies would put OPEC's own members in competition to sell as much of their oil as possible. Each of these countries has different reserves and each has different income needs. It would put newly independent refineries in the position of shopping around for the cheapest priced crude oil.

The case for breaking up OPEC by breaking up the largest oil and gas companies has been made quite clearly, most recently in New York magazine:

> But there is, I believe, one obvious answer to the question of how to break up OPEC. It is to break up the giant oil companies. For it is clear that without the companies, the solidarity of OPEC would be seriously weakened.
>
> The Seven Sisters have existed for so long—Exxon for a century, Shell for 80 years—that they have become regarded as facts of life, like nations or mountains. The need for giant integrated companies has been held to be essential to security of supply; so the Exxon oil can be pumped into Exxon tankers to be carried through Exxon refineries to Exxon filling stations. But in fact there has been nothing inevitable or irreversible about these oil empires. They have been the result, more than anything, of deliberate governmental decisions in past years which have guaranteed tax relief and diplomatic support overseas, as part of a deliberate foreign policy which is now totally outdated. The integrated companies developed increasingly into tax-dodging devices: the tax concessions led to absurd distortions in the accounting of the companies, which arranged to make most of their profits out of foreign production, where they paid minimal taxes, and came to regard their distribution and filling stations simply as "outlets" for the flood of cheap oil.
>
> But now the whole logic of the integrated company has been turned upside down. The vast machinery for extracting cheap oil and selling it through global networks has been used for the opposite purpose: to ensure that expensive oil will always find markets and will not be undercut by sudden gluts of cheap crude. The integrated companies have become like a heavy blunderbuss, seized and turned around by the opposite side.
>
> There is now no advantage to Western consumers and governments in having these unwieldy giants in control of their oil supplies. If they were broken up into smaller components, and if they were forced to withdraw from their participation with foreign governments, there would be a much greater possibility of OPEC's disintegrating. The producing countries would no longer be sure of selling their oil through long-term contracts, and would compete fiercely with each other. The oil companies, shorn of their concessions, would become more like other trading companies dealing with commodities, buying wherever the stuff was cheapest, with no permanent commitments.

One of the main arguments for deregulation that we have heard on this floor, is that FPC regulation has somehow caused the shortage we are now experiencing. We should look at the existing incentives for oil and gas production before we accept this statement.

For nearly 7 long years the administration has blamed FPC regulation of natural gas prices for the failure of the oil industry to produce gas. What are the facts here?

Time and again FPC officials and staff have testified before congressional committees that FPC interstate gas prices are set at levels which insure a 15-percent rate of return on investments for production. A recent National Observer article quotes Commissioner William Springer as saying that—because of the accounting procedures sanctioned by FPC—the 15-percent rate corresponds to a rate in excess of 20 percent computed in industry generally.

How many other industries in the economy are assured—year in and year out—of a rate of return of this magnitude?

We are also told that regulation of oil prices has limited the incentive to produce oil. In 1970 the average wellhead price of domestic crude oil was $3.18 a barrel. Today, two-thirds of our oil, "old" oil, is controlled at $5.25 a barrel—65 percent higher than what producers were getting 5 years ago.

What is the economic incentive to find new oil? Oil from new leases, brought in since 1972, sells at the free market price. That price is now in the range of $13 a barrel, 309 percent higher than it would have been in 1970.

Moreover, for leases producing in 1972 any production increase over the comparable month in 1972 is "new" oil, worth $13 a barrel, and for each barrel of such new oil, a barrel of old oil from the lease is released from controls, which means that its price can go up by more than $7 a barrel. The incentive for increasing production from old oil leases, in other words, is more than $20 a barrel—about 530 percent over what it was 5 years ago.

Not even physicians and professional football players have seen price increases like this. Yet oil and gas production drops month after month. How much incentive does the oil industry need to perform the way it should?

WOULD DIVESTITURE HELP HERE?

Now, I think that divestiture would help in this instance. The major integrated companies control most of our crude oil and gas production.

To them production is an important but still an ancillary part of their overall operation. Production investment plans must fit with overall corporate goals, that is, they must fit in directly with refining, marketing, and transportation planning, nationally and internationally. Crude oil production is important to the extent that these companies can supply their own refining requirements and at the same time to control the allocation of crude oil to their nonintegrated independent refiner competitors.

We can stress the international aspects here. As the majors are losing their ownership of OPEC crude production, they are falling all over themselves to invest astronomical sums in OPEC "downstream" operations in order to maintain positions of preferred access to OPEC crude oil, and hence the ability to control its marketing.

Saudi Arabia, for a single example, has announced the following projects in recent weeks:

A $4 billion gas gathering and processing project in which the Aramco partners—Exxon, Texaco, Mobil, and Socal—will be involved to an undisclosed extent;

A $3 billion refining and pipeline complex which will be a joint venture between the state oil company and Mobil;

Another $4 billion in seven petrochemical projects, one of which will have a non-U.S. partner—Mitsubishi—while the rest will include Shell (U.S.), Exxon, Texaco, Mobil, Gulf, Dow Chemical, and Texas Eastern and Celanese.

We are not criticizing these decisions in any way. For a major integrated oil company sound corporate planning may well dictate higher priorities for overseas investments than for U.S. basic energy development, just as it may dictate higher priorities to the acquisition of domestic department stores or circuses than to U.S. oil and gas production.

With divestiture, a production firm's corporate goal would be, very simply, to locate and produce crude oil for a market in which all refiners would be seeking to buy oil. Under these circumstances it is hard to see how exploration and development of oilfields would not be stimulated by divestiture.

Natural gas production is another matter. So long as the administration's posture, year after year, is to hold out the hope of ever-increasing prices for new gas, very little can be done. No intelligent producer would be anxious to commit gas on long-term contracts at today's prices while the administration is saying, "Be patient, boys, the price will be higher next year."

There seem to be two alternatives here—one is development of firm, cost-based prices applicable to all gas sold, while the other is complete decontrol of new gas prices. Congress will have to choose one or the other of these alternatives. Whichever is chosen, we can confidently predict that natural gas exploration and development will take place at a more rapid pace under the market conditions created by divestiture than under the present structure in which supplies of both oil and gas are monopolized by a handful of integrated oil companies.

Mr. GARY W. HART. Will the Senator yield for a question?

Mr. ABOUREZK. Mr. President, under the order, I now designate the Senator from Colorado (Mr. GARY W. HART) to have control of the floor, and under the order, if I understand it correctly, the floor is to be returned to the Senator from Illinois (Mr. STEVENSON) at the end of 1½ hours' time; is that correct?

The PRESIDING OFFICER (Mr. FORD). We will check and look at the Journal to see if that is correct.

Mr. ABOUREZK. I will yield for a question while they are looking then.

Mr. GARY W. HART. I appreciate the Senator from South Dakota yielding.

There are a large number of misconceptions and misapprehensions about the nature of this legislation. I think it would be good to get on the record exactly what this legislation does and does not do.

Is it the impression of the Senator from South Dakota that this legislation, this amendment that is pending or will be pending, is in any way an effort to nationalize the oil companies?

Mr. ABOUREZK. Is the Senator referring to the famous and well-known oil divestiture amendment?

Mr. GARY W. HART. I am, indeed.

Mr. ABOUREZK. No, it is not nationalization.

In fact, I am glad the Senator asked the question.

What it is, it is the savior of the American economy from nationalization of the oil industry. I firmly believe that if we do not take the step that the next step would be nationalization because there is no alternative to the way the oil companies are managing the oil industry today.

They are managing it only, not in terms of public or national interest, but in terms of their own corporate interests, specifically to the exclusion of the public.

Mr. GARY W. HART. I happen to believe that the citizens of South Dakota are not all that different from the citizens of Colorado and I am interested in whether the Senator from South Dakota gets the same kind of response from his constituents as the Senator from Colorado does in terms of their frustration with the degree of concentration in the domestic petroleum industry, the strong feeling that they have developed, and not totally inaccurately, over the years that somehow their lives, to a degree dependent upon energy, are being controlled and dominated and even, perhaps, manipulated by a handful of executives, and that being the case, does the Senator from South Dakota also get strong pressure from his constituency that talks in terms of nationalization or governmental takeover or stronger protections against these dominant executives?

Mr. ABOUREZK. I have to withstand that pressure all the time. In fact, there is a sizable part of my constituency that thinks even breaking up the oil companies is not going far enough. They believe the only response is nationalization.

As the Senator from Colorado knows, I am a bit more conservative than my constituency and I have to restrain them.

Mr. GARY W. HART. I agree with the Senator's observation and this is the situation that the Senator from Colorado finds himself in: That the measure that is going to be proposed on the floor of the Senate by a vote of our colleagues is labeled by industry representatives as a radical measure is misstated as an effort to nationalize the oil companies, a pattern of statements being made in the State of Colorado that I am proposing legislation to nationalize the oil companies, when, in fact, many of the citizens of our respective States feel this measure does not go far enough or goes in the wrong direction.

I think the record should reflect the fact that the principal sponsors of this piece of legislation have strongly in mind an effort, one last effort perhaps, but at least a strong effort, to restore or perhaps create for the first time a degree of competition in the domestic petroleum industry and, therefore, hopefully, in the international petroleum industry, that has never existed before. Certainly it does not exist today. The purpose being to prevent the Federal Government, or at least one effect of this measure would be to prevent the necessity of nationalization or the Federal Government's getting into the oil business.

So the truth of the matter is, philosophically and ideologically, this is a very conservative measure. If people believed, if President Ford believed, if President Ford's economists believed in the free enterprise system that we talk about almost every day, President Ford's name would be on this bill, he would be supporting it, he would be calling press conferences to urge members of his party and Members of Congress to support this very conservative, very strong, free enterprise, free marketplace piece of legislation, to prevent the kind of nationalization that the oil industry says is going on here. Is that correct?

Mr. PEARSON. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. GARY W. HART. The Senator from South Dakota has the floor.

Mr. PEARSON. That is what I want to inquire about.

Mr. ABOUREZK. I will yield for a parliamentary inquiry.

Mr. PEARSON. Mr. President, who has the floor at this time?

The PRESIDING OFFICER. The Senator from South Dakota had the floor yielded to him or to his designees by the Senator from Illinois by unanimous consent. At the time the Senator from South Dakota and his designees have completed their statements the floor goes back to the Senator from Illinois.

Mr. PEARSON. I might say to the Senator from Colorado that earlier during the day at the Senator from Illinois' request I agreed that the Senator from Colorado could have the floor for discussion purposes for 1 hour.

I think pursuant to that unanimous consent—well, I will make the unanimous-consent agreement that the Senator from Colorado now be recognized for 1 hour, and at the termination of his comments the floor return to the Senator from Illinois (Mr. STEVENSON).

The PRESIDING OFFICER. Without objection——

Mr. HANSEN. Mr. President, reserving the right to object, would it be fair to ask the distinguished Senator from Illinois how long he proposes to hold the floor?

The PRESIDING OFFICER. I do not believe the Senator from Illinois is here to answer that question.

Mr. ABOUREZK. It is not fair to ask him if he is not here.

Mr. HANSEN. I cannot very well ask him if he is not here, as a matter of fact, but I remember, Mr. President—reserving the right to object—that the Senate rules, as I recall them, are rather precise in saying that what is, in effect, transpiring here does not accord with the rules.

I shall not object, but I just make the note that I may be inclined, if such a request is later made, to object. I serve notice now on the Senator from Illinois, whom I assume will be back shortly or who will be informed as to what may have been said, that it would be my intention not to continue indefinitely this sort of an operation.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator from Colorado is recognized for 1 hour.

Mr. GARY W. HART. I thank the Senator from Kansas and the Senators from Colorado and Wyoming. That unanimous-consent agreement does not prevent the continuation of the discussion between the Senator from Colorado and the Senator from South Dakota.

In that connection, I would like to ask the Senator from South Dakota if we were to pass this amendment, or the amendment which will be proposed, are we somehow going to reduce the domestic petroleum industry to a fine rubble, will there not be a stone left unturned or one stone or another, are we going to somehow so fragment the industry that it will not be capable of producing oil and gas for the cars and homes of this country? In fact, is it not the understanding of the Senator from South Dakota that the kind of companies we are talking about are so huge and so gigantic that even if this divestiture proposal were accepted, we would still have on our hands quite a number, a much larger number, of oil and gas companies, but they would still be rather sizable and companies in their own right? Is that not the understanding of the Senator?

Mr. ABOUREZK. That is my understanding of the outcome of the proposal. In addition, I might say to my friend from Colorado, the absolute necessity of trying to cut down the size of these giant oil companies at this time is made necessary by virtue of the accumulated economic power of these giants who use that economic power for only one reason, and that is to accumulate more economic power at the expense of the consumer and the public at large. I believe it is extremely dangerous for a company such as Exxon, Texaco, or any of these oil giants, to be able to manipulate our minds, in fact.

The Senator has seen the advertising on television, in the newspapers and magazines, paid for by higher oil prices to the consumer, the advertisements which show Exxon, for example, as a company that designs and builds only bird and wildlife refuges. Probably for the first 5 years of that advertising I thought that is all they did. I did not know they were in the oil business until just recently.

And Mobil Oil Co., as I mentioned in my earlier remarks, has used a lot of its capital to accumulate the Montgomery Ward holding company, Marcor, which also owns or controls the Container Corp., if I am not mistaken.

Gulf Oil Co. has built Reston, Va., the entire community out there. Other oil companies have built entire communities with their profits that they use from gouging the consumer, from staying away and from immunizing themselves from that gouging by buying expensive advertising to shape our minds, to shape the minds of the Nation.

Mr. GARY W. HART. At the same time, these kinds of conglomerations and other kinds of investments are taking place, other kinds in the sense of being outside the petroleum industry, is it not true that many of these giant corporations were simultaneously taking out very expensive ads in the newspapers and on television, not just to talk about wildlife and bird sanctuaries, but to talk about the need for greater profits, in turn leading to greater investments to find more oil and gas for this country? In the case of Marcor, $800 million was available to go into this diversified kind of investment program. Does that make any particular sense to the Senator from South Dakota?

Mr. ABOUREZK. It makes sense if you are an oil company but it does not make sense at all if you are a Member of the Congress or of the public, I do not believe. I have watched the rapid switching in methods and modes of advertising as my friend from Colorado has.

I have always been a great fan of Johnny Cash, the country western singer. If the Senator has heard him sing songs, every once in awhile he will change key at the end of a verse, going into either a higher or lower key. The Senator will remember the song "I'll Walk the Line." He does that very definitely.

He had to do roughly the same thing when the oil company for which he was working, Amoco, was changing signals on his commercials so rapidly that he had to change commercials faster than he changed the guitar chord. First of all it was, "Buy Amoco, spend all your money in Amoco." And the next morning when you turned on the television set, "Don't buy Amoco because you have to save on fuel, you have to conserve." Then after the so-called shortage—which I believe was contrived by the major oil companies—was thought to be over with, it was right back to, "Buy more Amoco," again. We have seen that kind of thing all through the oil industry.

Mr. GARY W. HART. I think the Senator from South Dakota would agree that with as much frustration as there is on the part of the American consumer toward this industry, there is still a lack of general comprehension of the size of companies that we are dealing with when we talk about the so-called giant oil companies. The fact of the matter is that 7 of the largest 15 domestic U.S. corporations are oil companies, 9 of the largest 20 corporations are oil companies, and 20 of the largest 100 are oil companies.

It has been stated that if the measure such as will be proposed by the Senator from Colorado, the Senator from South Dakota and others were to take effect, in the case of Exxon, I think the largest corporation in the world, the Exxon Producing Co., the Exxon Transportation Co., and the Exxon Refining and Marketing Co. would each be larger than United States Steel. I think the American people and the Members of Congress, our colleagues, should begin to face up to the fact that we have here monstrous companies which, whether or not they have in the past manipulated the marketplace, frustrated competition or whatever, they certainly have that power.

The question is: Is that in the public interest? Is that in the interest of the United States? Is that in the consumer's interest? Is that the kind of dominant power in such a crucial industry that is in the long range best interest of all the people of this country?

Once the people begin to understand, I think there will be mounting support for the kind of measure we are talking about here, which, in large respect, gets the Government out of the business of regulating and controlling and gets free marketplace competition principles back into the marketplace.

A few minutes ago we were talking about whether this is a measure that is going to nationalize the oil company, people are writing letters, interestingly enough from Silver Spring, Md., and places like that, to the Colorado newspapers, saying, "You don't know what kind of a wild man you have elected to the United States Senate. He wants to nationalize the oil companies. You better look at this fellow you have elected."

I do not know what special information is floating around Silver Spring, Md., that we do not have in Denver or anywhere else. It is fine that the citizens of this country all take an interest in what all of us were doing. I just wish they would tell the truth.

Happily, there are people in the business who know a lot about it, who have sprung to the defense of this kind of proposal.

With the indulgence of my colleagues, I will refer to a letter written by Mr. Pat Griffin, from Fort Collins, Colo., who happens to be the president of Gasomat in that area. As most people know, that is a collection of independent outlets that provide competition for the retail outlets of the giant corporations.

Mr. Griffin says, in a letter to the editor of one of the Colorado newspapers, in rebuttal of this kind of allegations:

> As an independent gasoline marketer, I must take exception to the statement of the Colorado Petroleum Marketers Association that Senator Gary Hart's oil antitrust bill will lead to nationalization. Quite the contrary, the Senator's bill will get the government out of the oil business in five years. Once the monopoly of the big oil companies is broken and competition is restored, government regulation can end without hurting either the consumer or the independent.
>
> The marketer's association is also in error when it states that Senator Hart's legislation "is a blatant attempt to constrain the mechanism of the free enterprise system."

Mr. Griffin continues:

> The problem is that free enterprise in the petroleum industry is almost nonexistent because of domination by the big oil companies. As I understand free enterprise, the public is best served with competition that insures the businessman a fair profit and the consumer the lowest price. That's the kind of free enterprise I believe in, and it seems to me that Gary Hart's bill would accomplish just that.

That is Mr. Griffin's statement on the public record in the State of Colorado, in refutation to the allegations of the many companies that are trying to defeat this measure.

As I am sure the Senator from South Dakota has stated in his statement, it is not merely the fact that these giant companies, the 15 or 16 companies that we are discussing here today in the oil business, or 3 or 4 others in the natural gas business, control their product from the ground to the gas tank or to the consumer, the so-called degree of vertical integration in those companies, controlling all aspects of the industry; it is the fact that these same companies have a variety of arrangements between and among themselves of product sharing, of joint venturing, of sort of taking care of the marketplace in such a way that no individual company of that group of majors is injured, that permits them to have this dominant effect on the marketplace.

Economists are almost uniform in stating that vertical integration per se is not monopolistic, but that it is when a handful of companies in such a crucial industry as this not only each individually are vertically integrated with regard to control, but it is when they begin to cooperate with each other, either within or outside the scope of the law, that the consumer is injured, that competition is restrained, that any kind of entry into the marketplace by independent operators at one or more of these levels is almost totally frustrated, and that real competition and real free marketplace principles almost cease to exist.

It has also been alleged that some of these companies are not necessarily looking after American consumers abroad. We have talked about foreign oil interests. The fact is that producing and marketing foreign oil, to a large extent, is being done by international oil companies chartered here in the United States. So we have to look not only at what many of those companies are doing here in the continental United States, but also at what effect their conduct abroad, in the Middle East, has upon the domestic marketplace.

There have been allegations, which I cannot prove or disprove, that the OPEC cartel could not have functioned as effectively as it has without the support of the so-called Aramco companies and other companies doing business in the Middle East.

I think the American people should find out what role, if any, American oil companies played in helping the OPEC producing nations form that cartel. Was computer capability made available to those countries, many of which do not have the sophisticated marketing techniques of the domestic companies? Was there advice by Aramco executives as to the structure of the marketplace, and how to share diminished production? What kind of counsel was provided, if any, by people whose interest and loyalty should be first of all to the United States of America and to the security of this country? At a time when our backs were to the wall, what kind of advice and counsel was given by those individuals, through their corporate capacities and functions, to these foreign countries whose interests were their own, and were not the interests of the United States?

These are allegations, and I think the people of the United States should check them out through their elected officials in Congress. But the fact of the matter is that the prices at the gasoline pumps go up, petroleum prices go up, and the spinoff effect of that kind of increased price structure on the American consumer continues to tighten and to squeeze. The effects on inflation in this country are demonstrated. The effects on the continuing recession have also been demonstrated. I think the time has come when the elected officials of this country who sit in this institution, in the U.S. Senate and the House of Representatives, should be called upon to vote as to whether they believe there is a free marketplace in the American petroleum industry, or whether the divestiture proposal that such sponsors as the Senator from South Dakota, the Senator from Colorado, and others are proposing would more effectively save free enterprise and completion in the domestic and international petroleum industry, to prevent the possible necessity, down the road, of further Government intervention and control and perhaps even management.

The fact of the matter is, and the statistics clearly show that independent operators, either producers, refiners, marketers, or retailers are continuously being squeezed out of this market price. The statstics do not show increased entry at any of these levels in the domestic petroleum industry. If it were a free-market price, if free-market principles were operating, I think we would see more people getting into it.

Other allegations have been made that if the so-called divestiture proposal went into effect, these oil companies would not be able to capitalize or finance the kind of exploration we will need in this country to produce new reserves.

I think that is a fallacious argument, Mr. President. I think if we had real competition at all levels of the petroleum industry, it would be easier to capitalize those ventures, and particularly production ventures, than it is today.

What happens when a company like Exxon, Texaco, or Mobil goes into the financial marketplace to borrow for its increased expenditures? They borrow for all their operations. They borrow to finance increased exploration and production. They borrow to finance increased refinery capacity—and I will come back to that, because it has been decreasing. They borrow to increase their retail outlets in some cases. They borrow to buy pipelines and transportation facilities.

What they are seeking is tremendous amounts of capital and tremendous amounts of revenue to finance all of their operations, top to bottom. Of course, that will take enormous amounts of money. These are enormous companies. When they are financing all the operations, they have to borrow enormous amounts.

What if, however, these companies had separate operations, and they were truly independent operations? Each one of those operations would be going into the finance marketplace seeking capital for its particular venture. The investors, whether individual or institutional, could better calculate the risk, and whether they wanted to invest in an exploration, a production venture, a refining venture or a transportation venture. Then I think the investment marketplace in this country could better tell whether any of these particular ventures were the ones they wanted to get into, instead of just investing in Exxon across the board.

Mr. ABOUREZK. Mr. President, will the Senator from Colorado yield for about 3 minutes, to take care of another matter?

Mr. GARY W. HART. I yield to the Senator from South Dakota, with the understanding that I will have the floor when he finishes.

Mr. ABOUREZK. With the understanding that the Senator will retain the floor.

The PRESIDING OFFICER (Mr. DOMENICI). Without objection, it is so ordered.

TRUST OWNERSHIP BY INDIANS OF CERTAIN LANDS

Mr. ABOUREZK. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1327.

The PRESIDING OFFICER (Mr. DOMENICI) laid before the Senate the amendment of the House of Representatives to the bill (S. 1327) to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes as follows:

Strike out all after the enactment clause, and insert: That (a) except as hereinafter provided, all of the right, title, and interest of the United States of America in all of the land, and the improvements now thereon, that was acquired under title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of the Act of August 24, 1935 (49 Stat. 750, 781), and that are now administered by the Secretary of the Interior for the use or benefit of the Indian tribes identified in section 2(a) of this Act, together with all minerals underlying any such land whether acquired pursuant to such Acts or otherwise owned by the United States, are hereby declared to be held by the United States in trust for each of said tribes, and (except in the case of the Cherokee Nation) shall be a part of the reservations heretofore established for each of said tribes.

(b) The property conveyed by this Act shall be subjected to the appropriation or disposition of any of the lands, or interests therein, within the Pine Ridge Indian Reservation, South Dakota, as authorized by the Act of August 8, 1968 (82 Stat. 663), and subject to a reservation in the United States of a right to prohibit or restrict improvements or structures on, and to continuously or intermittently inundate or otherwise use, lands in sections 25 and 26, township 48 north, range 3 west, at Odanah, Wisconsin, in connection with the Bad River flood control project as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311): *Provided*, That this Act shall not convey the title to any part of the lands or any interest therein prior to enactment of this Act have been included in the authorized water resources development projects in the Missouri River Basin as authorized by section 203 of the Act of July 3, 1958 (72 Stat. 297, 311), as amended and supplemented: *Provided further*, That such lands included in Missouri River Basin projects shall be treated as former trust lands are treated.

SEC. 2. (a) The lands, declared by section 1 of this Act to be held in trust by the United States for the benefit of the Indian tribes named in this section, are generaly described as follows:

Tribe	Reservation	Submarginal land project donated to said tribe or group	Approximate acreage
1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin.	Bad River	Bad River LI-WI-8	13, 148. 81
2. Blackfeet Tribe	Blackfeet	Blackfeet LI-MT-9	9, 036. 73
3. Cherokee Nation of Oklahoma.		Delaware LI-OK-4 Adair LI-OK-5	18, 749. 19
4. Cheyenne River Sioux Tribe	Cheyenne River	Cheyenne Indian LI-SD-13	3, 738. 47
5. Crow Creek Sioux Tribe	Crow Creek	Crow Creek LI-SD-10	19, 169. 89
6. Lower Brule Sioux Tribe	Lower Brule	Lower Brule LI-SD-10	13, 209. 22
7. Devils Lake Sioux Tribe	Fort Totten	Fort Totten LI-ND-11	1, 424. 45
8. Fort Belknap Indian Community.	Fort Belknap	Fort Belknap LI-MT-8	25, 530. 10
9. Assiniboine and Sioux Tribes	Fort Peck	Fort Peck LI-MT-6	85, 835. 52
10. Lac Courte Oreilles Band of Lake Superior Chippewa Indians.	Lac Courte Oreilles.	Lac Courte LI-WI-9	13, 184. 65
11. Keweenaw Bay Indian Community.	L'Anse	L'Anse LI-MI-8	4, 016. 49
12. Minnesota Chippewa Tribe	White Earth	Twin Lakes LI-MN-6 Flat Lake LI-MN-15	28, 544. 80
13. Navajo Tribe	Navajo	Gallup-Two Wells LI-NM-18.	69, 947. 24
14. Oglala Sioux Tribe	Pine Ridge	Pine Ridge LI-SD-7	18, 064. 48
15. Rosebud Sioux Tribe	Rosebud	Cutmeat LI-SD-8 Antelope LI-SD-9	28, 734. 59
16. Shoshone-Bannock Tribes	Fort Hall	Fort Hall LI-ID-2	8, 711. 00
17. Standing Rock Sioux Tribe	Standing Rock	Standing Rock LI-ND-10 Standing Rock LI-SD-10	10, 255. 50

(b) The Secretary of the Interior shall cause to be published in the Federal Register the boundaries and descriptions of the lands conveyed by this Act. The acreages set out in the preceding subsection are estimates and shall not be construed as expanding or limiting the grant of the United States as defined in section 1 of this Act.

SEC. 3. (a) All of the right, title, and interest of the United States in all the minerals including gas and oil underlying the submarginal lands declared to be held in trust for the Stockbridge Munsee Indian Community by the Act of October 9, 1972 (86 Stat. 795), are hereby declared to be held by the United States in trust for the Stockbridge Munsee Indian Community.

(b) Section 2 of said Act of October 9, 1972, is hereby repealed.

(c) Section 5 of the Act of October 13, 1972 (86 Stat. 806), relating to the Burns Indian Colony is amended by striking the words "conveyed by this Act" and inserting in lieu thereof the words "conveyed by section 2 of this Act".

SEC. 4. (a) Nothing in this Act shall deprive any person of any existing valid right of possession, contract right, interest, or title he may have in the land involved, or of any existing right of access to public domain lands over and across the land involved, as determined by the Secretary of the Interior. All existing mineral leases, including oil and gas leases, which may have been issued or approved pursuant to section 5 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), or the Mineral Leasing Act of 1920 (41 Stat. 437), as amended prior to enactment of this Act, shall remain in force and effect in accordance with the provisions thereof. All applications for mineral leases, including oil and gas leases, pursuant to such Acts, pending on the date of enactment of this Act and covering any of the minerals conveyed by sections 1 and 3 of this Act shall be rejected and the advance rental payments returned to the applicants.

(b) Subject to the provisions of subsection (a) of this section, the property conveyed by this Act shall hereafter be administered in accordance with the laws and regulations applicable to property held in trust by the United States for Indian tribes, including but not limited to the Act of May 11, 1938 (52 Stat. 347), as amended.

SEC. 5. (a) Any and all gross receipts derived from, or which relate to, the property conveyed by this Act, the Act of July 20, 1956 (70 Stat. 581), the Act of August 2, 1956 (70 Stat. 941), the Act of October 9, 1972 (86 Stat. 795), and section 1 of the Act of October 13, 1972 (86 Stat. 806) which were received by the United States subsequent to its acquisition by the United States under the Statutes cited in section 1 of this Act and prior to such conveyance, from whatever source and for whatever purpose, including but not limited to the receipts in the special fund of the Treasury as required by section 6 of the Mineral Leasing Act for Acquired Lands of August 7, 1947 (61 Stat. 913, 915), shall as of the date of enactment of this Act be deposited to the credit of the Indian tribe receiving such land and may be expended by the tribe for such beneficial programs as the tribal government body may determine: *Provided*, That this section shall not apply to any such receipts received prior to enactment of this Act from the leasing of public domain minerals which were subject to the Mineral Leasing Act of 1920 (41 Stat. 437), as amended and supplemented.

(b) All gross receipts (including but not limited to bonuses, rents, and royalties) hereafter derived by the United States from any contract, permit or lease referred to in section 4(a) of this Act, or otherwise, shall be administered in accordance with the laws and regulations applicable to receipts from property held in trust by the United States for Indian tribes.

SEC. 6. All property conveyed to tribes pursuant to this Act and all the receipts therefrom referred to in section 5 of this Act, shall be exempt from Federal, State, and local taxation so long as such property is held in trust by the United States. Any distribution of such receipts to tribal members shall neither be considered as income or resources of such members for purposes of any such taxation nor as income, resources, or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such member or his household would otherwise be entitled to under the Social Security Act or any other Federal or federally assisted program.

Mr. ABOUREZK. Mr. President, the House amendment to S. 1327 includes one substantive and several stylistic changes. The House modified section 1 of the Senate-passed bill to provide that certain submarginal lands of the Cheyenne River Sioux, Crow Creek Sioux, Lower Brule Sioux, and Standing Rock Sioux tribes, which were included in the Missouri River Basin projects authorized by the act of July 3, 1958 (72 Stat. 297, 311), shall be treated on the same basis as former trust lands located in such projects.

Under acts approved subsequent to the 1958 act, the four Sioux tribes or their members retained certain access and use rights to their former lands included within the taking area of hte Missouri River Basin projects. The House amendment merely extends to the tribes and their members the same right of use and access to those submarginal lands located within the taking areas.

I emphasize to our colleagues that the Senate-passed bill contained language in section 1 which clearly exempted those submarginal lands, within the taking area of the Missouri River Basin projects, from transfer of trust to the four affected Sioux tribes. This prohibition is unaffected by the House amendment.

Mr. President, except for one, these amendments are strictly technical in nature and do not change the substance of the Senate language. All of the House changes to S. 1327 are acceptable to the members of the Committee on Interior and Insular Affairs on both sides of the aisle. Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 1327.

Mr. HANSEN. Mr. President, will the Senator from South Dakota be kind enough to repeat his request?

Mr. ABOUREZK. I will repeat it.

I move that the Senate concur in the amendment of the House to S. 1327, the marginal lands bill.

I say to my colleague from Wyoming this has been cleared with the ranking member on the Republican side for the Indian Affairs Subcommittee.

Mr. HANSEN. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Dakota that the Senate concur in the amendment.

The motion was agreed to.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. GARY W. HART. Mr. President, suggestion has been made that the proposal concerning divestiture is unprecedented and that it is not the business of Congress and the Federal Government to get itself into questions of industry domination and competition. The fact of the matter is there is substantial precedent for divesting elements of certain marketplaces and certain industries in the interest of free enterprise and of the free marketplace system.

In 1935, the Public Utilities Holding Act forced certain combines to divest themselves of either gas or electricity distribution facilities. That act also required that they divest themselves of all nonutility-related assets, such as oil wells, bus companies, and coal mines. That was in 1935.

In 1934, the year before, in the McKellar-Black Airmail Act of that year, Congress required a number of firms to divest themselves of either air carriers or aircraft manufacturing facilities. General Motors, for example, was required to sell off its interest in Eastern, Western, United, and TWA.

Earlier than that, in the Glass-Steagall Act of 1932, Congress forced financial institutions to rid themselves of either their commercial or their investment banking activities.

Even dating back to 1906, the beginning of this century, in the Heyburn Act, the railroads were required by Congress to get out of the business of producing coal and other commodities.

So, I think there is substantial precedent that Congress not only has a right, but it has a duty to look after those key industries in our society which have gotten so big and so dominant in the marketplace, that in the interest of the consumers they must be required to divest themselves and break themselves up along reasonable lines.

That is all we are talking about here, Mr. President.

The suggestion has been made that, if this divestiture were to occur, these poor little companies could not capitalize their needed expansion and activities in the future. I have already indicated, as the Senator from South Dakota has, that we are not talking about poor little companies. We are talking about in themselves giant operations if this divestiture were to occur. But, even so, it is the impression of the Senator from Colorado that each element of this petroleum operation will be much better off in the financial marketplace, borrowing for its own unique purposes, than trying to borrow in the financial community for a great range of vertically integrated pursuits.

It is also suggested that, if divestiture were to occur, the people who would really suffer would be the stockholders of these companies.

Mr. President, the record I think is clear in that regard.

Mr. ABOUREZK. Mr. President, will the Senator yield for a minute to let me read a copy of a letter which describes the actual situation of a gas utility?

Mr. GARY W. HART. I yield to the Senator.

Mr. ABOUREZK. Mr. President, a parliamentary inquiry. Do I have control of the floor except to those whom I might designate?

The PRESIDING OFFICER. The Senator has control of the floor and may designate other Senators to have control of the floor.

Mr. ABOUREZK. Then I am yielding in my own right.

This is a copy of a letter which describes the actual situation of a gas utility operating with nonregulated natural gas supplies. This is an example of the sort of economic impact we will get if we have deregulation without a restructured market. I read this for the RECORD. This is from Grey Forest Utilities, Helotes, Tex., dated August 14, 1975:

> DEAR SENATOR ABOUREZK: We in Texas live under a deregulated Natural Gas price system. Up to May of this year we had no State Utility Commission to regulate any utility. Natural Gas was and still is under the auspices of the State Railroad Commission, an elected body under the complete domination of the oil and gas industry.
>
> The recent article in the Reader's Digest helped to point out some half truths, and other propaganda that is being circulated by the oil and gas industry.
>
> What has happened in South Texas is a situation, where practically no regulation exist, is chaotic and economically devastating to utility consumers and gives extra high profits to Coastal States and the various gas producers.
>
> Enclosed is a graph showing the fantastic climb in the wholesale price of natural gas (going from $.23 per MCF in December 1972 to $1.4819 per MCF in June 1975), this tremendous increase in the price of gas has affected the entire economy in South Texas.
>
> Because gas is selling at $.50+ per MCF for interstate use, gas producers will not sell to interstate pipelines thus creating the shortage in Northern and Eastern part of the United States. Coastal State now has an over abundance of gas because of this intrastate price.
>
> South Texas suffered some severe curtailments in 1973–74 but it is alleged these were artificially created by Coastal State. Lo Vaca Gathering Company a subsidiary of Coastal State has lost one court suit and is facing another breach of contract suit here in San Antonio in the next few months for not honoring an existing gas contract.
>
> I am on the mailing list for American Gas Association material. The material on deregulation is so full of half truths and twisted data we wonder who believes it. It is obvious many people do read it and are working in support of deregulation.
>
> We believe there is a real conspiracy existing among the oil and gas producers causing the tremendous increase cost of gas at the wellhead and we have urged our local newspaper to tackle this with some investigation reporting but so far no paper has dared to do this.
>
> As of now we have plenty of gas for sale at a tremendous price. However, the situation is far more complex than drawing a simple cause-effect conclusion that deregulating gas will automatically produce an abundant supply.
>
> Please contact Congressman H. B. Gonzales for further material in this area.
>
> If I can be of service to you please let me know.
>
> Sincerely,
>
> EDWIN L. FAUST,
> *Mayor, City of Grey Forest.*

Relating to another matter about capital and economic viability, Mr. President, vertical divestiture does not actually mean physically breaking up an oil facility, or changing the physical operation of a company. Divestiture means a paper transaction which divides the company into several units whose owners may be the stockholders of the original company, or which may be purchased by new owners.

Though the question of capital availability is not in fact considered serious by economists confronted with the idea of vertical divestiture, apparently some people are worried. Let me just quote a letter I received from an investment securities company the other day:

> We will be buying the stocks of major international oil companies because we feel their intrinsic values substantially exceed the present selling prices of most of these companies. After careful analysis of underlying values, we are convinced that if these companies were broken up, the sum of the pieces would be worth far more than the present whole. Should Exxon be broken up into, say, 20 companies, the aggregate earning power of these companies would, in a relatively short time, greatly exceed that of Exxon.

What is more interesting, is that the oil companies themselves are beginning to restructure internally along the lines of the amendment we are proposing. Both Sun Oil and Gulf are taking steps to make the sort of paper transfers required to divide their companies into production, refining, and marketing segments.

Mr. President, I yield the floor temporarily to the Senator from Colorado.

Mr. GARY W. HART. Mr. President, I thank the Senator from South Dakota, who has made the point that I was beginning to address myself to, and that is the question of the protection of the stockholders in the major oil companies involved.

The suggestion has been made that if divestiture occurs, if these giant companies are required by law to reform themselves into separate operational units, somehow the investment of the individual shareholder around the country, particularly the small shareholders, will be damaged if not destroyed. I think the facts, as the Senator from South Dakota has indicated, are quite to the contrary.

Studies of divestitures, even major divestitures, in various industries over the past 10 or 15 years clearly indicate in almost every case—not every case but a good two-thirds if not more of those cases—that the value of the sum of the individual shares and the individual spinoffs has exceeded the value of the stock in the parent company which was required to divest originally.

I think there is every reason to indicate, particularly in an era of diminishing supply, an era when the value of the product continues to increase and, in my judgment, will continue to increase to some extent, people who own stock as a result of a planned and orderly divestiture action carried out under supervision, as this proposal suggests, of the Federal Trade Commission, will end up with shares in a variety of operating units that themselves, once the market has stabilized, will be more valuable than the individual shares in the parent company which is required to be divested.

There is little rationale or little argument or little fear that the individual shareholders should worry about. Frankly, if we actually believed in what we say about free enterprise in this country and we had confidence in the marketplace and the marketplace principles, as some of these companies that take out very extensive ads say they believe in, then divestiture would do nothing but make their stock more valuable and make wealthier. It would attract new investment and would encourage people to believe that their money is not being manipulated, that some corporate bankers in New York, although there probably will be plenty of those even after divestiture, are not wasting their money and their investments on what many have described as very wasteful and inefficient marketing techniques at the top end of the industry.

Those of us in public office have heard a great deal about Federal bureaucracy and Federal waste. If the principles of bigness lead to wastefulness in Government, I do not know why the same principles do not lead to wastefulness in private industry. People say it does not, because of the profit motive. If you have a guaranteed profit in the marketplace, you have very little incentive to work harder or to be more efficient to protect that profit margin. If you know that next year you are going to have at least the same if not a greater profit margin just because of the hold you have on the market and the agreements you have with your sister corporations, I do not see what the incentive there is for efficiency.

The fact is that many students of corporate behavior think that the most inefficient agencies of our society are giant corporations of the sort we are talking about here. It is hypocritical at least and hypocritical in the extreme for people in that kind of giant bureaucracy to point their finger constantly at the Federal bureaucracy, when they, themselves, are just as guilty of the same kind of wasteful practices that they condemn in the public sector.

I think the record is clear that this action can be taken to an extent that will not damage the value of the shares and the interests of the individual shareholders, whether personal or institutional. In fact, if we believe in our capitalistic system, it may even enhance the value of those shares if this measure can be taken, without detriment to the ability of this industry and these companies to finance further operations, at the production level, the refining level, the transportation level, or the marketing level. In fact, it may even increase their ability to finance their operations, if this kind of action can be taken in this country, without jeopardizing the ability of those giant corporations to deal in the world marketplace, in fact it may even enhance their ability to deal in the world marketplace. It certainly would cause them to begin to act, in my judgment, more in the interests of the United States than their own investments abroad.

We have heard a great deal and I have said something about the activities of the so-called Aramco companies, which is in fact a cartel itself, dealing the cartel countries, and whether they were operating, in their dealings in 1971, 1972, 1973, and 1974, in their own interests and in the interests of those producing nations rather than the interests of their own consumers at home and their own government.

The fact is that at a time when the industry, in the early 1970's, knew, without a doubt and without fail, that the demand was going to increase in this country, when they knew that they needed and would desperately need in the future, in the mid-1970's and the late 1970's and the 1980's, increased refinery capacity, those companies deliberately refused to expand their refining capacities because, in their judgment, the supply already exceeded demand in this country and therefore prices were low.

The way they countered that was to refuse to build the refineries they knew were going to be required by this country in the 1970's and 1980's. Is that in the best interests of the American consumer? Could that have been done if the decisionmaking capability and power were not in the hands of so few individuals? What if there were, in fact, a free marketplace and principles of competition operating in the oil industry in this country? Could this handful of individuals decide, either inside or outside the law, that they would not expand their refinery capacities, when they knew that that capacity was going to be required to meet the needs of this country? That is the kind of concentrated power about which some of us are concerned.

We are not against free enterprise, and we are not against corporate activities, and we are not necessarily in favor of Government taking over these industries. In fact, I am dead set against it. The fact is that if corporate individuals and people in the private sector turn their backs on the interests of the United States, they are going to be required, one way or the other, to be responsible to Congress and the elected Representatives of the people of this country. If it takes a divestiture action to do it, so be it, in my judgment.

That is the decision that the U.S. Senate is going to be called upon to make tomorrow. Are we going to permit the tail to wag the dog in this country in the future? Are we going to permit the interests of the United States and the people of the United States to be hostage to a handful of corporate executives, or are we going to make a decision that will return the free marketplace and competition principles to a highly concentrated and dominated industry that does not always act in the best interests of the people of the United States regardless of what their television and newspaper advertisements say?

The record is clear. The record is before the people of the United States. The people of the United States should hold their elected officials accountable for how they vote on this measure tomorrow.

I think it is the turning point, Mr. President, as to how we are going to conduct our business in this country in the future. Either we are going to continue to have Government controls of a highly concentrated and powerful industry, or we are going to have an industry which is competitive, in which free marketplace principles operate and the consumer, as well as the producer, benefits. We are going to be faced with this decision year after year. I think to duck the issue now is just to delay it for another decision in 1976, 1977, or 1978. We are either going to permit the best interests of this country to be controlled to one degree or another by corporate executives in a handful of boardrooms, or we are going to permit principles that those individuals, themselves, claim to believe in to operate in the best interests of this country. I think nothing less than that is at stake in this vote tomorrow.

It is appalling, in my judgment, that this issue has never surfaced on the floor of the U.S. Senate or of the House of Representatives. It has been locked up in committees year after year, hearing after hearing, a record that is 40,000 pages long, 23 volumes, that demonstrates beyond a shadow of a doubt that the effect of vertical integration and swapping and sharing agreements among these giant corporations has operated to the detriment of this country.

Those who say we cannot take such a drastic action without considering the implications are not facing up to the fact that we have, in fact, considered those implications. The record is clear. The testimony is there. The oil companies have had their chance to state their case. That case is before the U.S. Senate.

I do not know why that vote should be delayed. I do not know how anybody can argue that we need to have further hearings. That argument in favor of delay is an argument in favor of continuing under the domination of this handful of executives that I have been talking about.

A case that constantly is made is that we have to look at this more carefully, we have to consider it more carefully, we have to have further hearings, we have to examine the implications. The implications have been examined to an exhausting degree. As I have said, that case is presently before us today. If Members have not examined that case, it is their own fault, because the case has been made year after year. Because of past campaign financing practices, the ability of the dominant power and wealth of some of these companies to have an impact on this institution and the House of Representatives to prevent this issue from being voted on is nothing short of deploring. If there is a new day in American politics, it is because of those changed campaign financing practices that permit people to stand on this floor today and tomorrow and vote their consciences, vote what they are convinced is in the best interest of this country and the best interest of their constituents, and not what some oil company thinks they ought to do.

That is what is at issue tomorrow in the U.S. Senate, nothing more and nothing less. I think it is the future of free enterprise in this country. If we cannot have free enterprise in the oil business, what business can we have it in? There are independent marketers, refiners, and producers out there struggling for their lives, and they represent, at best, a quarter of that industry. Many of them are fading and falling and being swallowed up day after day.

I do not know what further can be said or needs to be said to protect the interests of those people, who represent the last element of free enterprise and competition in that industry. If they go, it is a totally monopolized industry, and nobody will be at fault any more than the Senate of the United States. I think we ought to protect the independent, because they represent those principles that all of us say we stand for.

I think we ought not only to protect their interests, I think we ought to foster them by voting for true divestiture legislation tomorrow that would put those people back in the business and reduce the size of their competition to a level that they can deal with and honestly compete with.

An independent refiner cannot compete with the giant refiners. He is dependent upon those same companies than have those refineries to sell him the oil he refines. An independent producer has to move the product that he develops through one of the pipelines that belongs to one of those giant companies. An independent retailer can only get refined products, can only get gasoline for sale through the pump from one of these giant companies.

Unless he is vertically integrated himself at some point in the process, as an independent in this business, he is dependent upon one of those giants at some level. If they are divested, if they are required to compete on each level independently as independent companies, it saves the last quarter of the oil industry, which is truly independent, truly free enterprise. I think it would be the greatest step that the Congress of the United States and the Government of the United States could take to protect free enterprise in this country.

It is absolutely ridiculous for Members of this body to stand on this floor, day after day, and talk about big government when they will not do a thing to eliminate the biggest cause of big government in this country. This is dominant, monopolistic industry. There is nothing standing between the American consumer in many of these industries—not just oil but many others—except Government regulations. We are not about to get Government deregulation until we have competition in the marketplace, at least as far as this Senator is concerned. I think anybody who is serious about reducing the size of government, Mr. President, had better be serious about reducing monopoly in a variety of these industries, because that is the only way we are going to get smaller government; that is, to get some principles back into the marketplace that have not been there for long enough.

Mr. President, while all of us are here discussing this amendment of divestiture, which we believe would restructure the petroleum industry in order to make it competitive, we are talking very little of the benefits that would be gained as a result of this. Some might think that competition for its own sake is our goal. In many respects, I think we could articulate it that way. That is a noble ideal, one that the Senator from Colorado believes in. But I do not think that I demean my colleagues one bit by saying that we seek a far more practical upshot of such restructuring and rebirth of competition.

Our major problem with petroleum today is not a shortage of supply. In the long run, in the days ahead, we may indeed encounter that, but today we are concerned about the price of the petroleum product we all consume. We are now, at this very time, in a two-tier price system: price controlled petroleum costs about $5.25 a barrel; imported crude is in the range of $13.25 a barrel, with the President's tariff presently on it. What lies ahead?

With the decontrol of petroleum prices, we can be sure that the $5.25 a barrel will be quickly gone. In fact, we are warned that all oil may run in the vicinity of $15 to $20 a barrel. In short, we will pay whatever the combined OPEC-international majors cartel determines we will pay.

But if we enact this amendment, this divestiture proposal, and the industry becomes competitive, what, then, could the American consumers expect?

In a study for the Brookings Institution by Dr. Paul Davidson, an associate director of the Bureau of Economic Research at Rutgers University, Dr. Davidson estimated that the competitive price would be in the $4 to $6 a barrel range. This, of course, assumes pure competition by 1980. It is quoted in 1974 dollars. In testimony before the Senate Subcommittee on Antitrust and Monopoly, Dr. Davidson spelled out this caveat:

> This latter estimate ($4 to $6 a barrel) would be considered merely a theoretical benchmark, for it is highly unlikely that a purely competitive market environment could be established by 1980, no matter how vigorous antitrust legislation and judicial action was during the interim.

Today, Congress is offered the chance to take the first step, a giant step, down the road that could well deliver a competitive marketplace by 1980. That is the intention of this amendment and I am certain it will be the impact. A competitive market with competitive prices is exactly what the sponsors of this measure seek.

Mr. President, one of the ironies of the energy crisis that we now face is that we are a long way from a crisis when we are all talking about the real facts in the question, is there a product which could be served to the consumers? The answer, of course, is: yes, we have petroleum at hand. But we have a shortage because the major oil companies which control that product—in a large percentage of the cases, it is a product owned by the citizens who cannot buy it. Those companies that control that product will not pump the resource.

The facts in this case are clear. For some reason, the people are still wandering around asking if there is a withholding of crude and natural gas. Of course there is. Let us, just one more time, run down the figures that have been stated on this floor before.

First, let us look at the number of shutin wells. This is a count of the wells with producible reserves. In 1971, the number was 953. In 1972, that number went to 2,966. In 1973, we hit 3,054.

The story is much the same on the natural gas side. In July 1974, the Federal Power Commission released a study which showed that in January 1974, there were 168 leases shut in. These are leases averaging about 5,000 acres each. On those leases, there were an estimated 4.7 trillion cubic feet of shutin proved gas and 3.3 trillion cubic feet of probable gas—a total of 8 trillion cubic feet that could be flowing to the marketplace today.

There is no shortage of energy for this winter, for the reasons that I have just stated. There is no reason for us to be worrying about shut-down factories and unemployment due to shortages of energy. The energy is there.

The energy is there if it were in the marketplace and the marketplace were competitive.

There is a reason for us to be concerned about the powerful companies which can withhold this product with impunity, and that is what this amendment is all about, and that is what its sponsors are trying to accomplish.

What occurs to me, Mr. President, is if the President of the United States and his advisers and the people who claim they are in favor of the free marketplace and free marketplace principles actually believed what they say, they would be in the lobbies of Congress, they would be outside the reception room of the U.S. Senate, stopping Members of this body and stopping elected officials and representatives in the House of Representatives urging their support for this measure. It is nothing more nor less than a strictly free enterprise measure.

People talk about those of us who want to introduce some competition in the oil industry as wanting to nationalize it. But it is quite the opposite, and I think the President of the United States and the economists in the White House and in the administration have to face up to that fact.

This is a measure which seeks to prevent free enterprise from being destroyed in this country and, believe me, it can be destroyed not only by Government regulation, it can be destroyed just as efficiently and, in fact, more efficiently, by the monopolists in the oil industry and in other industries.

If those of us who sponsor this legislation were able to convince our colleagues, who stand up day in and day out on this floor, and the floor of the House of Representatives, convince them that we truly believe in free enterprise, just as they do, and that this measure is to accomplish free enterprise in one of the most monopolized industries in this country and, certainly, one of the key industries in this country, I think the vote for the divestiture amendment would be overwhelming.

Mr. President, that is all we are asking for here, which is, that our colleagues approach this measure for what it is. It is not antibusiness; it is not nationalization; it is not more Government regulation. In 5 years, if this proposal were adopted, the fact of the matter is the Government would be out of the petroleum industry. There would be no regulation, there would be no price control. The FPC would not have to ride herd over these companies because there would be a free marketplace with free enterprise principles operating where these companies are concerned. That is all this proposal stands for, and that is all its proponents seek to achieve on the floor of the Senate for the first time in our history tomorrow when this vote comes up, hopefully.

When economists come around measuring for competition in an industry, a favorite tool used is "concentration ratio." Based on that, one could come up that the petroleum industry is competitive.

On a national basis, no marketer has as much as 10 percent of the market. Even in specific metropolitan markets, no single marketer has a market share anywhere approaching those of other industries which seem to be workably competitive. In most markets, the business is shared by 10 to 15 important retail sellers. The cost of retail entry is not high and product differentiation is weak.

As Profs. Fred C. Allvine and James M. Patterson, of the University of Indiana, pointed out in an article entitled "Highway Robbery."

> The same is true at the refining level. There are 150 refining companies in the United States. No important geographic area is served by less than ten refineries. There are no special trade secrets or patent advantages held by any small group. The technology is well understood and available to all. In addition, most of the refinery capacity is actually constructed by large independent contracting and engineering firms that will build for all comers.
>
> Nor are economics of scale or capital costs a real limit to entry. One hundred fifty thousand (150,000) barrels per day refining is generally referred to as the efficient size. Such refineries can be built for about $250 million. This is a sizeable but not a major capital cost, given the American capital market. Besides, many, if not most, refineries now operating have capacities of only a fraction of this amount.
>
> Even the market structure at the crude production level does not appear to be overly concentrated if it is looked at in isolation. There are over 7,000 producers of crude. The big eight in the major oil-producing Gulf Coast states produce only 52 percent of domestic crude oil. Exxon, the largest domestic producer, controls only 10 percent. No one has a monopoly on the methods of finding new oil. The techniques are known and available to all. Admittedly the big firms have an advantage because of the huge capital requirements, but their advantage is not absolute.
>
> The structure of the international crude

> market is substantially more concentrated than the domestic market, but looked at in isolation, not excessively so. True, it is largely controlled by the so-called seven sisters, but others are also active in this area and their share has grown substantially since 1960. Again, no single firm controls more than 17 percent—the big four control 56 percent and the next four only 25 percent.

When you look at the transportation picture, the concentration of ownership is far greater. This is especially true when speaking of gathering lines into a field. They generally are owned by one to three buying companies. This pretty much forecloses sales to any company other than the pipeline in the field.

The real competitive problem in this industry, of course, is not in the normal concentration of economic power at any one level but in the power that comes from the vertical integration.

Now, vertical integration, as I have said, of itself is not anticompetitive either.

Traditionally, the Justice Department staff and the courts have held that vertical integration by ownership (as opposed to contract) is legal unless it is used as an unfair method of competition.

As Allvine-Patterson explained:

> In the 1920 U.S. Steel case, the Supreme Court said, "A vertical combination actuated by considerations of efficiency and marketing and not by a desire to create a monopoly is not in violation of the Sherman Act." Until 1940 the courts rarely attacked vertical integration as such. In many of the landmark cases before 1940, vertical integration was present but left undisturbed. For example, in the Standard Oil, Harvester, and Corn Products cases, vertical integration—though important—was not condemned. Nor was vertical disintegration part of the remedy sought.
>
> After 1940, however, vertical integration was attacked in Pullman cars, petroleum pipelines, aluminum, food chains, taxi cabs, movies, and steel. Quasi-vertical integration in the form of requirement contracts came under increased attack and, with the 1950 amendment of the Clayton Act, vertical mergers were increasingly frequently contested. But, even so, sharp disputes remain over both the effects and legality of vertical integration. There has clearly been no judicial groundswell for divorcement.
>
> There is good reason for the courts' continued resort to a "rule of reason" as opposed to a *per se* approach to the regulation of vertical integration. Consider the case of a manufacturer integrating forward into wholesaling and retailing. Such a move could be viewed as a method of foreclosing competitors from an opportunity to sell in particular markets. Or, it may be merely an effort on the part of the manufacturer to eliminate wasteful and inefficient retail promotion and distribution. Which is it? The question cannot be answered in the abstract. The courts properly have sought to distinguish between cases where vertical integration seeks to foreclose markets and destroy competition and cases where vertical integration merely reflects healthy expansion or an attempt to introduce production and distribution efficiencies. This is why the law is so cloudy here.
>
> Ultimately, the legality of vertical integration must depend on the effect or purpose of the arrangement, on the one hand, balanced against various strategies and competitive factors in the markets affected by it on the other. The superior ability of the integrated firm to compete clearly poses a threat of unfair competition for the nonintegrated firm; it also creates an opportunity for lower end-prices to consumers. This is the dilemma.

So how can vertical integration be held to be anticompetitive in this industry?

It is a question of how it has been used.

Since World War II, the main profit-taking level of this industry has been at the crude level. Little profit was taken at the marketing, storage, or refining levels—because of the incentives, such as depletion allowances and such—which make the crude level so attractive.

Obviously, for independents facing competitors from subsidiaries which did not have to make money, things were tough.

And the independent refiners felt it, as Allvine-Patterson said:

> Since 1950 the integrated oil companies have taken over several of the important independent refineries and there have been built no new independent refineries with over 50,000 barrel per day capacity. With artificially high crude oil prices and low subsidized wholesale produce prices, the squeeze on the independent refineries has been very effective.
>
> Most of the independent terminal operators were driven out of business in a similar manner and many of their operations were taken over by the large integrated companies. For example, during the 1950's and 1960's the number of independent terminal operators in the Midwest was estimated to be reduced from more than 80 to less than a dozen.
>
> Also during the late 1950's and early 1960's, a majority of the largest chains of discount marketers were absorbed by the integrated oil companies. Included were such independent brands as Douglas, Wilshire, Hancock, Regal, Harbor, Oklahoma, Perfect Power, Gasateria, Bulk, Superior, Western Oil and Gas, Kayo, Cosden, Spur, and Direct.
>
> Only after 1965 did the independent discount marketers stage a major comeback. The reasons for the reversal include the general price restoration of 1965 and the moratorium in widespread price wars for approximately five years. In addition, in the latter 1960's and early 1970's the independents adopted a lower cost self-service method of marketing at the same time the majors' method of marketing was becoming more costly. This increased the competitiveness of the independents.
>
> The question now to be examined is whether or not this conduct resulted in a "public gain or loss." If the conduct resulted in lower prices and increased consumer choice, then the argument could be made that nothing should be done to restructure the industry. If the reverse is true, the petroleum industry should be restructured to increase competition in order to improve its performance.
>
> The fact is, the driving public has not benefitted from the conduct of the petroleum industry. As noted in Chapter 4 and also in *Competition Ltd.*, the integrated petroleum companies' method of selling gasoline has been extravagant and inefficient. Gasoline marketing policies and practices have led to massive overinvestment and overbuilding of branded service stations. The market for gasoline has been so fragmented that it has greatly increased the retail cost, and hence the price, of gasoline sold to the public.

The only way to expect that we will see competitive behavior in this industry is to take the steps that the proponents of this measure are urging here today, and we hope to be voted on tomorrow.

Mr. President, I think the Senator from Colorado this afternoon and the Senator from South Dakota have been attempting to make a case and, hopefully, the record now contains the documentation upon which that case can rest. It is that case we intend to present to our colleagues in the Senate tomorrow for a vote. Those who really believe what they say about free enterprise will vote for this measure. Those who want to continue a dominant monopolized industry with dominant big Government controls over that industry will vote against this measure.

Mr. President, that is the case to be made by the proponents of this legislation.

I ask whether my colleague from South Carolina now seeks the floor.

Mr. HOLLINGS. Mr. President, can I accept the floor as a designee of the distinguished Senator from South Dakota because, I think, that was in the unanimous-consent agreement. Then, as we reach the hour of 3 o'clock I think we go over to another matter by unanimous consent.

The PRESIDING OFFICER (Mr. DOMENICI). The Senator is correct.

Mr. HOLLINGS. Let me just congratulate my distinguished friend from Colorado for his treatise here with respect to the truth of the free enterprise system.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT AMENDMENTS—VETO

The PRESIDING OFFICER (Mr. DOMENICI). The hour of 3 o'clock having arrived, the Chair lays before the Senate a message from the House of Representatives.

The message is as follows:

> The House of Representatives having proceeded to reconsider the bill (H.R. 4222) entitled "An Act to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs", returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was
>
> *Resolved*, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the President of the United States to the House of Representatives, which will be printed in the RECORD at this point.

The message from the President is as follows:

To the House of Representatives:

I am returning without my signature H.R. 4222, the National School Lunch and Child Nutrition Act Amendments of 1975.

If this bill provided food for children truly in need, as I proposed in March, I would give it my wholehearted support and approve it immediately. Children of families living in poverty who need help in raising their level of nutrition should receive that help.

It was with this in mind that I recommended early this year a reform of the Federal Government's existing child feeding programs. My proposal would have provided assistance by the Federal Government for all infants and children from families below the poverty level. It would have halted the steady expansion of Federal child nutrition subsidies to increasing numbers of non-needy children. By so doing, it would have concentrated more funds on feeding needy children, yet saved the taxpayers of this Nation almost $4 billion over the next five years.

I recommended one block grant be made to States to provide them with greater flexibility to tailor food and nutrition programs to their own conditions and preferences. At the same time, States would have been relieved of much administrative and costly red tape. Such an approach would eliminate the wastefulness of present overlapping programs which often subsidize the same meal.

I recognize that H.R. 4222 would enlarge our present efforts to feed the needy children I am concerned about. But it would go far beyond that and greatly expand Federal subsidies to children from families which do not need Federal subsidies.

By extending aid to families not in need, this bill would add $1.2 billion to my budget proposals for the current fiscal year. I cannot accept such fiscal irresponsibility when we face the real danger that the budget deficit could reach $70 billion instead of the already high limit of $60 billion I set earlier this year. As Congress keeps adding to the deficit, Congress adds to inflationary pressures which could push us back into recession.

We should not expand subsidies to families with incomes above the poverty level. I believe the way to help most American families is to take actions to hold down inflation and reduce their tax burdens.

The consolidated food and nutrition program I proposed in March for needy children would have greatly improved our existing programs. The program sent to me by the Congress with disproportionate subsidies for the non-needy is worse than the programs we now have.

I propose to the Congress two choices: (1) Extend our present programs at this time, or (2) reconsider and act favorably on my proposal for needy children.

Either course would be in the best interests of needy children, the Nation's economic health and the taxpaying public.

GERALD R. FORD.

THE WHITE HOUSE, *October 3, 1975.*

The PRESIDING OFFICER. The vote on the passage of the bill, the objections of the President of the United States notwithstanding, will occur at 4 p.m.

The Senate proceeded to reconsider the bill.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER (Mr. HATFIELD). The question is, Shall the bill (H.R. 4222) pass, the objections of the President of the United States notwithstanding?

Mr. TALMADGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. Has the time been set for the vote, a time certain?

The PRESIDING OFFICER. At 4 p.m. today.

Mr. TALMADGE. Thank you, Mr. President.

Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry and the Select Committee on Nutrition and Human Needs be allowed the privilege of the floor during debate on the question of overriding the Presidential veto of H.R. 4222: Carl P. Rose, James E. Thornton, Forest Reece, Alan Stone, and Kim Wells.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, the question now before the Senate is whether the Senate wishes to join the House of Representatives in overriding President Ford's veto of H.R. 4222, a bill to extend several important child nutrition programs—which are now operating on an interim basis—and revise and strengthen the effectiveness of other child nutrition programs such as the school lunch program.

Mr. President, the House of Representatives already has overridden the President's veto of this bill by a vote of 397 to 18. And I wish to urge that the Senate do likewise.

Mr. President, Congress has been working on this legislation since April. Extensive public hearings were held on this measure in both the House and the Senate. And as you know, on September 5, the Senate recommitted this bill to conference for further revision, including sharp reductions in costs authorized in the first conference version of the bill. On September 19, 1975, the Senate unanimously adopted by voice vote, the 2d conference version of H.R. 4222, with accompanying statements of support from the Senate Budget Committee, including statements from both its Republican and Democrat members.

The President, in his veto message, has stated that H.R. 4222, in its present form, is $1.2 billion over the Federal budget, and that he "cannot accept such fiscal irresponsibility."

Mr. President, Mr. Ford, in making such statements, is trying, in my judgment, to mislead both the Congress and the American people with respect to the cost implications of this bill.

When President Ford submitted his 1976 fiscal year budget request to Congress in January of this year, he recommended the entire abolishment—as Federal programs—of most of our current child nutrition programs. He recommended that these Federal programs be replaced with a so-called block-grant program which would transfer funds to the States. The funds provided would be limited in their use to just helping finance whatever programs the States would undertake to help only those children whose family incomes were below the poverty line. The amount of funds requested by the President to finance his block-grant program for this fiscal year was about $1 billion below what it would cost to continue current child nutrition programs as they were being operated during last fiscal year.

In short, Mr. President, Mr. Ford is again playing a "numbers game" with Congress and the American people. On the one hand, he wants everyone to believe that H.R. 4222 will add $1.2 billion to the Federal budget, yet on the other hand, in his veto message, he is telling Congress he is willing to accept extension of the present child nutrition programs, which would cost about $2.5 billion, or about $200 million less than the cost of H.R. 4222, which extends and revises these programs.

Mr. President, I believe I am safe in saying that everyone who has worked on this legislation—in both the Senate and the House—knows that the President's veto message regarding this bill is grossly misleading, especially in terms of its use of cost figures. H.R. 4222, in its present form is only $216 million over the President's revised budget authority requested for fiscal year 1976 and only $201 million over in terms of estimated "outlays" for fiscal year 1976.

Mr. President, as I mentioned earlier in this statement, H.R. 4222 extends the authorization for several important child nutrition programs which are now operating on an interim basis. If the Senate fails to override the President's veto of H.R. 4222, these programs will have to be closed down as soon as the agricultural appropriations bill (H.R. 8561) is enacted—which could occur later this week, in that the conference version of that particular bill is now awaiting final Senate and House action.

H.R. 4222 deserves our support. Therefore, I wish to urge that the Senate override the President's veto of H.R. 4222.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, the distinguished chairman of the Committee on Agriculture and Forestry is to be commended for the work he has done on this legislation. The proposal he brought before the Senate was $131 million below this conference report. I am sure the conference report would be for a much higher figure if it had not been for the diligence and persistence of the distinguished chairman, the Senator from Georgia (Mr. TALMADGE).

Notwithstanding these very excellent efforts, this conference report is $131 million over the bill as passed by the Senate. It is $216 million over the congressional budget.

Mr. President, we should keep in mind that neither the President's budget nor the congressional budget are balanced budgets.

When we say that something is $216 million over either the President's budget or the congressional budget, we are saying that in spite of the fact that they planned a budget of $60 billion or more, and in the case of the congressional budget it is $67 billion, we are not even staying within that.

Mr. President, I shall oppose this conference report. I shall oppose it on two grounds: it exceeds our own budget by $216 million. As I say, that is an unbalanced budget by $67 billion in the first instance. It is $131 million more than the Senate voted for when this matter was before the Senate.

In addition to it being a proposal that busts the budget, this proposal has some very bad features in it.

I do not think there is anyone, now that the school lunch program is in operation, who would be opposed to providing a free lunch to those students without funds to buy a lunch.

We have what is termed the poverty level. The present law provides not only that someone below the poverty level gets a free lunch, but they can exceed the poverty level by 25 percent. The children of a family whose income is 125 percent of the poverty level are entitled to a free lunch. That is the law now. It is not in controversy at this time.

Also, the present law provides for a reduced price for lunches, but it is optional on the State and local levels. This means that it can fit the circumstances.

A new departure in this proposal is that the maximum reduced price lunch is mandatory—and for whom? For a great many families able to buy it themselves.

Here is how this lunch program works: the Federal Government subsidizes all meals sold to the extent of 22 cents a meal. That is for everyone—rich and poor, needy, and those who are able to take care of themselves.

For those who qualify for a free lunch, the Federal Government pays an additional 52 cents, making a total payment by the Federal Government of 74 cents per lunch.

For someone who qualifies for a reduced price lunch, it is not reduced on a sliding scale; it is reduced by the Federal Government supplying 42 cents more; or, in other words, for those who qualify for a reduced price lunch, the Federal Government will pay 64 cents.

How does that work out? Let me first say that this is not for just the poor. Any family whose income is not more than 195 percent of the poverty level is entitled to this reduced lunch. In other words, with almost twice the income of the poverty level, they are entitled to this subsidy. How much is the subsidy? Within 10 cents of what we supply for a child who comes from a family which has zero income. If this proposal becomes law, a mother and father having six children can have an income of $15,270, and it will be mandatory for those children to get a reduced price lunch, where the Federal Government would pay a total of 64 cents, and, in the case of a child with zero income, they pay only 74 cents.

I say that in addition to exceeding the budget dollarwise, we depart on a bad precedent of paying an additional subsidy for individuals who are not in the poverty class.

Mr. President, this program was intended as a program of nutrition. It was never intended as a supplementary income measure. It was to provide food for those unable to get it themselves.

If this proposal is adopted, a family where there are two children of school age can have an income of $9,770, and they will qualify for the reduced price lunch. They will qualify for within 10 cents of as much help as the child whose family's income is zero.

Mr. President, I have seen some badges around here that say, "Feed the kids." I have no quarrel with that. But I say if you want to feed them, why not pay for it? Why charge it to the kids?

How are we going to be noble and generous, and give a free lunch for the kids, and not pay for it, run out of the restaurant and not pick up the check, but leave it for them? If we were operating a balanced budget or under a surplus, then we would be engaging in generosity. If this generation, this day, this year, we were paying the cost of our own Government, and as part of that we gave the children something free, we would be giving them something.

But here we say to them that we are giving them something, and then we are running out of the restaurant and skipping out on the check, because this year the Federal Government will have a budget deficit of about $70 billion.

I want to read something that one of the most distinguished economists in this country testified to this morning. I refer to Hon. Roger A. Freeman, senior fellow emeritus of the Hoover Institute, Palo Alto, Calif.

Speaking of these budget deficits, he said:

> What is to be feared is not Federal bankruptcy, but runaway inflation.

He pointed out that the Federal Government will never go bankrupt, because we print money. But he goes on to say:

> Ever-expanding deficit spending and enlarged money supply are bound to produce inflation—as they have done countless times in a devastating manner over the past one thousand years—from China to Latin America, from Persia to France and Germany. And when the money lost most or all of its value, run-away inflation often not only ruined a country economically but led to social unrest, violent unheaval, revolution and even destruction of the society. More than any single factor it was the German super-inflation of the 1920s which broke the middle class and killed its belief in the justice of the existing social order that brought Hitler to power.

What is our record on inflation in this decade? The Consumer Price Index rose 18 percent between 1955 and 1965. Mr. President, keep in mind: 18 percent from 1955 to 1965.

From 1965 to 1975, it jumped 70 percent and there is no sign of stopping it without drastic action.

How does that figure out?

> At that rate, a dollar saved today will lose 93 cents over the next fifty years. Which young person would want to save a dollar to get 7 cents back in his later years?

Here is what we are proposing to do today: Not to pay our own bills, and give away a free lunch or reduced price lunch.

We will tell the kids that. We will deceive them. We will say: "This is a free lunch; this is a reduced-price lunch." Then we run out on it and not pay the bill.

Suppose that youngster puts a dollar in his saving account for his own retirement. It will be worth 7 cents—not some theoretical but according to the present course—it will be worth 7 cents 50 years from now.

Mr. President, I do not have too much quarrel with people, be they in or out of office, who believe in more government than I do. Where I part company with them is that they will not collect the taxes to pay for it. Where I part company with those who feel that we ought to do something for the children of America and override this veto is they are not here raising the revenue to pay for it. How hypocritical can we get to say to the children of America, "We are going to give you a reduced-price lunch even though you are not in the poverty class," and then by legerdemain we do not give them anything at all, but we pass the bill on to them. We leave them the bill and we debauch their currency that they will have to use to pay the bill when it is eventually paid.

Mr. President, I think that the action of the Senate a few weeks ago was for a sufficient amount. This conference report is $131 million over that. It is $216 million over the congressional budget, and the congressional budget was too much. I did not vote for it. But this is $216 million beyond them. In addition to that, it departs from existing law in making it mandatory to give a reduced-price lunch for families in the category that I mentioned. For a wife and two children they can have up to $9,770, and get a reduced-price lunch, and that reduction is clear up to 10 cents with what someone with no income has to pay. For a family of five children, the parents can have an income of $14,020, and for a family of six children, a mother and a father can have an income of $15,270.

Mr. President, I am not sure, as I did not have time to research it, what percent of the families this takes care of in my State. I know there are States where this is going to take care of more than 50 percent.

Mr. President, there are some militant organizations supporting this, and they are not going to be satisfied today, if we exceed our own budget by $216 million, and if we exceed the Senate figure by $131 million. They already announced their goal is a total subsidy for free lunches for everyone.

Mr. President, I did not sign the conference report. I will not vote to override. I hope there are sufficient Senators who join me in order that we might sustain the President. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, I think the Senate will shortly override the President's veto of H.R. 4222, the school lunch and child nutrition amendments of 1975. That action will make these amendments law since the House of Representatives has already voted to override by a vote of 397 to 18.

For the record, we should state the clear and imperative reasons for overriding this veto.

First, this is responsible and essential legislation which resulted from months of bipartisan work and represents sound budgetary policy. The bill has almost unanimous congressional support. The consensus for it is a welcome rarity in this time of divided government. Here was an opportunity for the executive branch to cooperate with Congress to serve the Nation and most particularly to serve the needs of our children. Instead, we got a veto which makes no sense on political or economic grounds and which is a senseless assault on the health and well-being of young Americans.

My perplexity over this veto was only compounded by the President's veto message. At best it is simplistic. At worst it is misleading and wrong on the facts.

First of all, the President makes constant reference to his early proposal to "reform" the child nutrition programs. This so-called reform in fact would have taken food from millions of children now receiving meals in schools, child care centers, summer camps, and health clinics. It would have "saved" $600 million at the expense of both taxpayers and our children, who would pay a much higher price in the future if these programs were eliminated now. That higher price would be paid in human misery as well as money. It would be paid in wasted lives instead of well-spent dollars. More children would be retarded at birth; more children at school would study, learn, and in later life earn less. In economic terms alone, this would be the most counterproductive kind of budget cutting. In a larger sense, it would be a moral outrage.

The President's so-called alternative plan is so bad that it has never been introduced. Not one single person in the Senate or in the House of Representatives has been willing to sponsor it at any time in the 6 months since it was first proposed. No one in Congress even wants to be identified with it by quietly dropping it in the hopper and then forgetting it. We have had dozens of bills and amendments, two conference committees, and many hours of floor debate on child nutrition this year, and no one has ever seriously mentioned the President's bloc-grant plan as an alternative to the existing child nutrition programs. It is not an alternative, but a piece of empty rhetoric, and everyone familiar with the development of this program knows that to be a fact.

The President's misuse of his plan as a frame of budgetary reference makes a mockery of the legislative process. The budgetary assumptions of the veto message were based on that plan that no one has been willing to touch. They are sharply at odds with available statistics of the Department of Agriculture and the appropriate congressional committees.

The President claims this bill now before us increases spending by $1.2 billion. But that is an increase over the make-believe cut the President fantasized, not the current cost of the program. The actual increase over the current cost of our child nutrition programs is approximately $200 million or 10 percent, which is substantially less than the rate of food price inflation.

We are barely standing still with this present program that the President says will break the budget.

In one of the few other substantive references of this substantively spare veto message, the President complains Congress has "extended aid to families not in need" and provided "disproportionate subsidies for the non-needy."

But here again the President has a different definition of need than most Americans or those who worked on this legislation.

The hundreds of thousands of children from working families who have been forced off the lunch program as food costs rise are not well off by any defensible or rational definition. They do not meet my definition of the non-needy, for in fact they need a reduced price lunch.

They are not asking for a free lunch, but they are asking, at a time when food prices have escalated and the cost of these meals has escalated, that those children from working families at the lower end of the income scale receive some degree of consideration in the price of these meals.

The total cost of what we are talking about here is approximately $80 million. That would provide children with a 20-cent school lunch, and the cost of it for an entire year would be less than one wing of one B–1 bomber or 1 percent of the current tax giveaways to big business.

These parents pay taxes to support the school lunch program. Congress should not permit these families to be priced out of the program.

I believe this is a modest and obvious program. It may not make the difference of economic survival, but it surely will help, and it is the least we can do.

The President concludes his veto message by stating:

> This bill is worse than the program we now have.

Mr. President, I do not know one Member of the Senate, Democrat or Republican, liberal or conservative, who has had even a minor role in the development of child nutrition legislation, who would agree with that statement. This is the best child nutrition program, at the least cost, that has ever been developed by Congress. It will streamline and improve the program to provide the maximum return for each dollar, and it brings support to the children who need it most.

Mr. President, I shall conclude by discussing the budgetary question, since this is the issue on which the President has chosen to fight this overwhelming majority in Congress.

The only objection which was raised to this bill during the last 2 months of congressional debate was the cost. We went to unprecedented lengths to meet that objection. The sponsors of the bill moved to recommit it to conference. I, myself, after working for months on this measure, moved to commit it back to the conference, to have it reduced, so that it would comply with the budgetary recommendations of the Budget Committee.

In conference, we fought and we fought hard and we fought successfully on cutbacks that were in line with the wishes of the Senate Budget Committee. The record of two debates in the Senate is replete with explicit assurances from Budget Committee members, from the chairman on down, that this bill, in its present form, is fiscally responsible. They said they could live with it. They told us that on both sides of the aisle, as senior members of that budget committee. If this is not enough, then what is?

Liberals and conservatives—and this Chamber is always going to have some of each—can work out a responsible budgetary process, but only if they can make reasonable and rational accommodations to each other's views. Neither of us can prevail entirely. But we have to commit ourselves to those accommodations when they are made and keep those commitments, if we expect to operate as a coherent branch. That is why I was willing to cooperate with the Budget Committee by returning this bill to conference and reducing its cost.

The other day, I referred to the President's veto of this bill as a mindless exercise. Mr. President, that is exactly what it is. It is mindless to respond to every piece of positive legislation by simply chanting "budgetary restraint," even if that legislation already represents effective budgetary restraint of the kind we know was built into this legislation.

There are only two questions here. First, are these child nutrition programs sound public policy? If they are not, they should be discarded. But the consensus is that they are overwhelmingly sound public policy, that there are no other public dollars we invest that return any greater dividends than the money we spend on the nutritional health of our children.

Second, is this bill fiscally responsible? It has the support of most and perhaps all members of the Senate Budget Committee. If the process by which it is developed is a failure on budgetary grounds, then Members of Congress never will be able to cooperate among themselves or with the executive branch to achieve a budget which meets the needs of people and at the same time meets the demands of economic policy.

This is the right legislation, and it is at reasonable cost. The only thing wrong is that it already has taken too long, and it must take no longer. We must enact this bill over the blind and I think insensitive opposition of the White House. That, I predict confidently, is precisely what we will do before this day passes. When we do that, it will be a victory not only for the children of America but also for the responsible legislative process we have followed, every step of the way, in the development of this legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in today's Washington Post and an article under the byline of Mr. James M. Naughton, in the New York Times of October 3, 1975.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Washington Post, Oct. 7, 1975]

The Child Nutrition Veto

President Ford made an odd choice for a stand on fiscal responsibility when he vetoed the child nutrition bill the other day. The reason his choice was so curious is that this is a case in which liberals and conservatives attempted to show they could feed poor children without being extravagant. You will recall that in the Senate, this bill obtained a special symbolism in connection with the military appropriations bill. After Senate liberals took a chunk out of the $31 billion military money bill on fiscal grounds, Sen. George McGovern was among those Senate liberals who agreed that the child nutrition bill had to be trimmed in the same spirit of budgetary responsibility.

As a result, the bill that came out of conference the second time around was sufficiently lean to attract the support of such conservative Republican senators as Bob Dole of Kansas and Henry Bellmon of Oklahoma. Senate Budget Committee Chairman Edmund S. Muskie (D-Maine), who seems determined to build a record of budgetary responsibility, was also a supporter. The House passed the bill by 380 to 7 and the Senate by a voice vote that sound overwhelming.

What appeared to have concerned the White House is that the bill permits school children from families 195 per cent above the poverty line to participate at a reduced price in the school lunch program, but that is still a family of four earning $9,770 a year, hardly a princely sum in any event. The administration's claim that the bill will cost an additional $1.2 billion is fanciful arithmetic. In the current fiscal year, the program will cost a little more than $200 million above the present cost of school lunch and child nutrition programs, and in fiscal 1977, the cost is expected to be at most $400 million above present costs. For those increases in cost, the country will gain the benefit of a program that will feed poor pregnant women and their infants nutritious food in the hope that the health of these children will not be permanently damaged by reason of their poverty. It will see to it that school children eat the kind of breakfast that may help them perform better in the classroom. In short, the feeding of hungry children is an investment in the future that we should be glad to make at reasonable cost. It is regrettable that Mr. Ford doesn't agree. His veto should be overridden.

[From the New York Times, Oct. 3, 1975]

President Vetoes School Lunch Bill Widening Subsidy

(By James M. Naughton)

Washington, October 3.—President Ford, accusing Congress of broadening school lunch subsidies for "nonneedy" pupils, vetoed today a $2.7-billion extension of Federal child nutrition programs.

"If this bill provided food for children truly in need," the President said, "I would give it my wholehearted support and approve it immediately."

But he contended, in a formal veto message to Congress, that the measure would not only continue but also "greatly expand" subsidized school lunches for children whose families had incomes above the poverty level.

Congressional Democratic leaders, evidently optimistic that they could enact the bill into law over Mr. Ford's veto, his 39th, tentatively scheduled an override vote Tuesday in the House.

The veto "will be overridden in less than a week," predicted Senator George McGovern, the South Dakota Democrat who is chairman of the Senate Select Committee on Nutrition and Human Needs. He called Mr. Ford's veto a "mindless exercise" by "a President who thinks the oil companies should have more and the hungry should have less."

NO IMMEDIATE PERIL

The child nutrition programs were not immediately jeopardized by the veto. They are all being funded by a continuing resolution of Congress, but three of the programs—those providing for school breakfasts, food aid to pregnant women and food assistance to pre-school children—could be endangered if an unlikely sequence of parliamentary events was to occur.

The vetoed bill would permanently authorize the three programs. If the veto should be sustained and the annual agricultural appropriation bill signed into law before the three programs were authorized by a new measure, the programs would automatically die. But proponents are prepared to block approval of the agricultural appropriation act until the veto is overridden or the three programs are renewed.

Both the Senate and the House adopted the measure by wide margins last month after Senate liberals agreed to trim $75-million from the subsidy because the total outlays exceeded Congressional budget guidelines.

Mr. Ford contended, nonetheless, that the bill was an instance of "fiscal irresponsibility" of the predominantly Democratic Congress. He said that the measure would add $1.2-billion to the amount he had budgeted for the current fiscal year and that Congress was therefore building "inflationary pressures which could push us back into recession."

The vetoed measure would extend and in some cases broaden a variety of politically popular child nutrition programs, such as school breakfast subsidies, school lunch assistance for children of those temporarily unemployed and food assistance to low-income pregnant women.

The President centered his objections, both budgetary and philosophic, on the basic program that provides free or subsidized school lunches to the needy.

"Children of families living in poverty who need help in raising their level of nutrition should receive that help," he said, in effect endorsing continued free lunches for children in a family of four with an annual income below the poverty level of roughly $5,000.

SEES AID FOR NONNEEDY

But the President declared that Congress, by enlarging the number of families above the poverty level whose children would be eligible for school lunch subsidies, was extending assistance to those who did not need it.

Under existing law, lunch subsidies are provided according to a formula that includes families whose income is no higher than 175 per cent of the poverty level, currently about $8,750 for a family of four. The measure Mr. Ford vetoed would cover families whose income did not exceed 195 per cent of the poverty level, or about $9,770 for a family of four.

Instead of expanding subsidies to families with incomes above the poverty base, the President said, Congress should either extend the child nutrition programs without changing them or adopt the proposal he made last March to substitute bloc grants to states and let them use the funds as local conditions and preferences required.

"My proposal would have provided assistance by the Federal Government for all infants and children from families below the poverty level," he said. "It would have halted the steady expansion of Federal child nutrition subsidies to increasing numbers of needy children."

Mr. McGovern's assessment of a quick vote to override the veto was shared widely on Capitol Hill. As one Senate aide put it, "even the old fogeys up here can't understand why [Mr. Ford] did it."

Ironically, Mr. Ford's veto message made "fiscal irresponsibility" an issue on the first measure involving a decision by Congressional liberals to exercise fiscal prudence as part of new budget procedures in effect this year.

After the Senate voted narrowly last month to pare a $31 billion military procurement bill because it would have pushed defense spending limits above a Congressionally adopted guideline, liberals agreed with fiscal conservatives that they would have to do likewise with the child nutrition measure to be consistent.

"We cannot exempt programs which are close to our own interests or ideology," Senator McGovern said at the time.

He said today that Mr. Ford's veto was "less important for what it does, which is to make Congress vote overwhelmingly one more time in favor of child nutrition, than for what it says about the Administration's attitude toward Congress and toward our national problems."

Mr. CURTIS. I yield myself 2 minutes.

Mr. President, this Congress has created a Budget Committee. The Budget Committee has fixed a congressional budget. The Senate and the House of Representatives have adopted that budget. This conference report is $216 million over the congressional budget. I wonder whether anyone is here from the Committee on the Budget who would like to have time to defend the congressional budget. I am sure that they will not abandon their own budget and that the members of that committee will join in voting against the override and vote to sustain the President's veto, because to vote to override also means to override the congressional budget by $216 million.

So, in addition to the other reasons for voting to sustain the veto, the Senate is on trial in this vote, as to whether or not we expect to adhere to the budget limits that Congress has fixed.

I yield back the remainder of my time.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WATER RESOURCES PLANNING ACT AMENDMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 5952, and that the Senate proceed to the immediate consideration of the bill.

The PRESIDING OFFICER laid before the Senate H.R. 5952, an act to amend the Water Resource Planning Act (79 Stat. 244) as amended, which was read twice by its title.

The PRESIDING OFFICER. Without

objection, the Senate will proceed to its consideration.

The bill was considered, ordered to a third reading, read the third time, and passed.

ORDER TO VACATE PASSAGE OF S. 506 AND TO POSTPONE BILL INDEFINITELY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that yesterday's passage of S. 506 the Water Resources Planning Act amendment, be vacated and that the bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT AMENDMENTS—VETO

The Senate continued with the consideration of the bill (H.R. 4222), the National School Lunch Act and Child Nutrition Act amendments.

ABUSES IN THE SCHOOL LUNCH PROGRAM

Mr. MORGAN. Mr. President, in a few minutes, we are going to be voting on the question of overriding the President's veto on the National School Lunch Act and the Child Nutrition Act of 1976, with amendments. I am going to vote to override the President's veto, but at the same time I think I should make it clear, at least for the record, that I think there is a great deal of merit to what the President had to say in vetoing the bill. I think in the bill, as amended, that he has vetoed, there are some things we need to consider and to correct.

First of all, I think the program, like the food stamp program, has been and is being abused. For instance, in my State of North Carolina, 56 percent of the children who receive lunches in the public schools are either receiving free lunches or lunches at reduced prices. I understand that the national average is about 40 percent.

I cannot believe, Mr. President, that even 40 percent of the schoolchildren in this country—and certainly not 56 percent of those in my State—are entitled, under the free lunch program, to free lunches. It is, in my opinion, being administered in such a way as to encourage dishonesty among schoolchildren and their parents.

This fact is being recognized by many children in the school, including my own daughter, who noticed it in her classroom and made inquiry of me as to why certain children in our town were receiving free lunches when they obviously had a much higher standard of living than we have. One of the larger landowners in my town, one who lives in one of the five finest homes in my town, is receiving reduced price lunches for his children. Of course, I can readily see that their income might meet the standards, but somehow or other, along the way, their net worth apparently has not been considered.

I question also, Mr. President, the wisdom of the free breakfast program. I think the fact that it is being utilized by less than 10 percent of the eligible schools in the country is a clear indication that the program is not really workable. I suspect if we are going to bus our children to school and bus them there in time to eat breakfast before classes begin, classes might not commence until the middle of the morning. At some time, I hope that we will take a look at this program and try to make it more workable.

I, personally, agree with Senator HUMPHREY's statements that I have heard him make on the floor of the Senate, that we ought to seek to provide every child in public school with a free lunch. I know this sounds a little foreign to those who have noticed my voting record against large expenditures, but I think in the long run, it would be better than having a program that is being abused, or having a program that encourages dishonesty among schoolchildren. I think in the long run, Mr. President, that the expenses involved in administering this program could go a long way toward providing free lunches for all of the children. Thus, in turn, we might be doing something to help the children of middle-class Americans, for a change, who are carrying the greatest share of the tax burden.

Mr. President, for the purpose of putting something in the hopper along this line, today, I am going to introduce a bill that would provide for a universal free lunch program for all children attending the public schools.

I thank the Chair.

ADMINISTRATION AGAIN FEEDS FALSEHOODS RATHER THAN FACTS IN CHILD NUTRITION

Mr. HUMPHREY. Mr. President, I was extremely disappointed by the President's recent action in vetoing the child nutrition bill, H.R. 4222.

Again, this administration not only vetoed a sound and important bill, but it also served to distort the picture by providing misleading information as to the costs involved.

The administration has indicated that this legislation would increase the cost of the child nutrition programs by $1.3 billion, which does not correspond to any cost estimates which I have seen anywhere.

The administration earlier in the spring submitted a so-called block grant proposal which no one took seriously. It would have dismantled these programs, and it did not provide adequate funding to continue the ongoing programs at their existing levels.

The bill as first passed by the House would have been $435 million over the President's revised budget for these nutrition programs. The version of this legislation as passed by the Senate would have been $205 million over the President's revised budget.

The action of the first conference resulted in a $291 million increase over the President's revised budget. In response to concerns regarding the cost of the program, a second conference was held whereby further reductions were made reducing the cost to $216 million over the President's revised budget.

Again we see the administration misleading the American people over the cost of a program which is vital to the health and welfare of our children.

I cannot help but recall that the administration also put out highly misleading cost estimates when the emergency farm bill was being considered earlier this year.

I would hope that the administration would have drawn some conclusions from the fact that this bill passed the House of Representatives by a vote of 380 to 7 and in the Senate by unanimous voice vote. There were very detailed hearings on this legislation, and extensive conference sessions. This is hardly an extravagant or a costly bill.

It represents a number of major improvements throughout these vital child nutrition programs.

The administration also should have provided more positive leadership in terms of at least giving early notice of its objections to this bill. H.R. 4222 sat on the President's desk for almost 2 weeks without any word as to his intentions which meant that the General Accounting Office had to get into the act and allow some of these programs to continue because of the lapse of an earlier continuing resolution.

This is hardly what I would consider to be sound or responsible leadership on the part of the administration. The State administrators need to know in advance whether and how the programs are going to be continued. The programs affected by this action are:

The school lunch program;
Women, infants, and children, WIC;
School breakfast;
Day care program;
Summer feeding program and child care.

The administration has criticized raising the income criteria level from 175 to 195 percent of the poverty income level for the reduced price lunch.

This expansion will hardly include the "nonneedy" as charged in the President's veto message. This small expansion will help many needy people and particularly those in the lower income groups who have been hard hit by the Nation's raging inflation.

Mr. President, I strongly believe that this bill should be enacted into law. It is sound financially, and it is a landmark bill in terms of improving needed programs for our children and most needy citizens.

Accordingly, I call on my colleagues to override this veto as a most unsound and unwise action. This body has already spoken clearly and eloquently in terms of its support for these programs. I urge it to repeat that declaration here today.

Mr. MUSKIE. Mr. President, we are considering today another in a long series of Presidential vetoes of domestic spending bills. As my colleagues know, this bill to continue and improve the school lunch program and other child nutrition programs has received very careful scrutiny by the Senate.

When H.R. 4222 first passed the Senate in July, I urged my colleagues to avoid liberalizing amendments so that we could keep this program's cost as close to the congressional budget figures as we possibly could. The Senate did just that, but the House conferees bargained for a bill that added another $130 million to the cost of the legislation. At this point, the Senate unanimously returned H.R. 4222 to conference by a vote of 76 to 0.

The Senate conferees fought hard to reduce the cost of the bill, and they succeeded in removing a $75 million provision to add further Federal subsidies for full-price school lunches. But the House side was insistent upon retaining the other provisions. Recognizing this fact, the Senate approved the bill before us today by an overwhelming margin.

Mr. President, of all the bills we have passed this year, Congress has paid more attention to the budgetary implications of this one than of any other. The President's veto is not just a veto of this bill; it is also a rejection of the Nation's priorities as expressed by elected representatives operating under a congressionally adopted set of budget guidelines.

Mr. President, I will vote to override. I ask unanimous consent that an editorial in today's Washington Post supporting the override be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CHILD NUTRITION VETO

President Ford made an odd choice for a stand on fiscal responsibility when he vetoed the child nutrition bill the other day. The reason his choice was so curious is that this is a case in which liberals and conservatives attempted to show they could feed poor children without being extravagant. You will recall that in the Senate, this bill obtained a special symbolism in connection with the military appropriations bill. After Senate liberals took a chunk out of the $31 billion military money bill on fiscal grounds, Sen. George McGovern was among those Senate liberals who agreed that the child nutrition bill had to be trimmed in the same spirit of budgetary responsibility.

As a result, the bill that came out of conference the second time around was sufficiently lean to attract the support of such conservative Republican senators as Bob Dole of Kansas and Henry Bellmon of Oklahoma. Senate Budget Committee Chairman Edmund S. Muskie (D-Maine), who seems determined to build a record of budgetary responsibility, was also a supporter. The House passed the bill by 380 to 7 and the Senate by a voice vote that sounded over-whelming.

What appeared to have concerned the White House is that the bill permits school children from families 195 per cent above the poverty line to participate at a reduced price in the school lunch program, but that is still a family of four earning $9,770 a year, hardly a princely sum in any event. The administration's claim that the bill will cost an additional $1.2 billion is fanciful arithmetic. In the current fiscal year, the program will cost a little more than $200 million above the present cost of school lunch and child nutrition programs, and in fiscal 1977, the cost is expected to be at most $400 million above present costs. For those increases in cost, the country will gain the benefit of a program that will feed poor pregnant women and their infants nutritious food in the hope that the health of these children will not be permanently damaged by reason of their poverty. It will see to it that school children eat the kind of breakfast that may help them perform better in the classroom. In short, the feeding of hungry children is an investment in the future that we should be glad to make at reasonable cost. It is regrettable that Mr. Ford doesn't agree. His veto should be overridden.

Mr. HANSEN. Mr. President, I vote today to sustain President Ford's veto of H.R. 4222, the National School Lunch and Child Nutrition Act Amendments of 1975.

I have fairly consistently voted to sustain the President's action in attempting to control a mounting unacceptable Federal deficit and the impact of that excessive spending on inflation. In my opinion, it is important to support President Ford in his quest for fiscal responsibility.

In the President's veto message of October 3, 1975, it was pointed out that this bill would add $1.2 billion to the administration's budget proposals for the current fiscal year. If H.R. 4222 becomes law, it will extend aid to families not in need, thereby adding the $1.2 billion. This is unacceptable; therefore, I shall vote to sustain the President's veto.

My vote is not against providing funds for adequate nutrition of those students who are from impoverished families. Rather, it is a vote against fiscal irresponsibility.

Mr. KENNEDY. Mr. President, I join with other Members of the Senate to override the President's veto of the child nutrition bill. Last July 10, I indicated my strong support for the provisions in the legislation that the President has rejected.

At that time I indicated my concern for the demand to ensure improvements in programs that deliver day care, summer feeding, school lunches, school breakfasts and programs for feeding women, infants, and children who are at a level of nutritional risk.

When the President vetoed these feeding programs last week, it was an action that was exceptionally dismaying to all of us who have worked so long for effective measures to deliver decent meals to needy children.

The real effect of the President's veto will be thrust upon those people who can least afford to lose any of the nutritional benefits they already receive.

WIC clinics might close. Children may be forced to subsist on substandard diets in orphanages, homes for the physically and mentally handicapped. And thousands of needy youngsters may be denied lunches in our Nation's public schools.

In my own State of Massachusetts, child feeding programs are an essential part of the diets for so many young people, who may otherwise receive totally inadequate meals.

Massachusetts takes particular pride in its child feeding programs. More than 700,000 schoolchildren each day are served nutritionally planned meals in approximately 2,700 schools. Of this number 182,000 children are members of low-income families and receive these meals either free or at reduced cost. Liberalization of the income eligibility guidelines as proposed in H.R. 4222 and the mandate requiring all schools to provide reduced-price lunches will, according to State officials, make lunches available to an estimated 100,000 additional children each day. These children are from low-income families whose limited income because of inflationary pressures does not permit them to provide their children with the ability to pay full prices for lunches.

In my State an average of 40,000 children each day are provided much-needed free breakfasts. H.R. 4222 authorizes a continuation of this program which will terminate on or before December 31, unless this bill becomes law.

I feel that it is essential for us not only to provide for the inclusion of a large segment of needy children penalized by these inflationary pressures, but it is important as well to guarantee a continuation of the breakfast program.

I take issue with the administration's claim that this bill will cost an additional $1.2 billion per year. Today's editorial comment in the Washington Post asserts that the administration's estimate represents "fanciful arithmetic." It seems to me that we can ill afford to overlook the needs of so many children. "For these increases in cost, the country will gain the benefit of a program that will feed poor pregnant women and their infants nutritious food in the hope that the health of these children will not be permanently damaged by reason of their poverty." By overriding the President's veto, the Congress will see to it that schoolchildren eat the kind of breakfast that may help them perform better in the classroom.

Feeding hungry children is an investment in the future that we should be glad to make at any reasonable cost. It is regrettable that President Ford does not agree. His veto should be overridden.

And I am pleased to join with my colleagues in accomplishing that goal.

Mr. MONTOYA. Mr. President, today we have an opportunity, once again, to demonstrate the conviction of the Congress that children should not be in the frontlines in our war against inflation and recession.

The President's veto of H.R. 4222, the National School Lunch Act and Child Nutrition Act Amendments of 1975, is a completely unacceptable action.

I agree with the President that we must have fiscal responsibility. I certainly agree with him that we cannot afford to waste money in a year of a high budget deficit. I do not agree with him that Congress has been irresponsible in this bill, however. On the contrary, this is a bill which the Senate recommitted after the first conference report on the grounds that the total cost of the bill exceeded the budget target established by the Congress earlier this year. After making cuts in the funding levels, the second conference report was overwhelmingly accepted by both the House and the Senate.

What does this bill do that is so wasteful? It provides for a reduced price school lunch for children who come from families in lower income brackets or whose family income is below the poverty guidelines. Those guidelines, as we all know, are very low. Inflation has made them less than valid as guidelines for housewives who are trying to feed a family. The Consumer Price Index was 162.3 in July—but the Food Price Index was 177.4. That means that inflation in food is much greater than it is in other items. But food, of course, is the largest part of the budget for poor families and middle-income families.

This bill increases the income level at which a child is eligible for a reduced price lunch in order to recognize the hard facts of life in 1975. A child whose family income is up to $9,770, with a family of four, will now be able to participate in the reduced cost lunch program. I think that any sensible person will agree with the fact that including children in that income group—$3,000 below the median family income—for the nutritional benefits of a good hot school lunch is hardly wasteful. Without this help many of these children would drop out of the lunch program entirely, or would give up the essential nutritional elements in their diet. Thousands of lower and middle income families have already been forced to let their children drop out of child feeding programs in this past year.

Making sure that all American children receive basic foods at lunchtime would seem to me to be a first priority for this Government. It certainly should not be a place where we consider budget cutting. Yet this inclusion of lower and middle income children in our lunch programs is the part of the bill which the President objects to.

What else does this bill do? It provides for the feeding program for women, infants, and children—the WIC program. In my own State of New Mexico this program is essential and is considered to be one of the most valuable of all Federal assistance programs. In a telegram to me which was representative of many received in recent days, Peter MacDonald, the chairman of the Navajo Tribal Council, said:

> For too long, Navajo people have had to watch as their children begin life with yet another handicap. Our children have been denied the right to have healthy parents, and particularly healthy mothers. The poverty which plagues our people has deprived them of a healthy start in life. This handicap is reflected in the highest infant mortality rates in the nation. In the eight months the WIC program has been in operation within the Navajo nation, it has serviced over 8,000 people.

Not only does the WIC program see that women and infants receive proper food, but many young mothers are introduced for the first time to a better understanding and knowledge of good nutrition practices. Surely, this program can do nothing but good for the future strength of this Nation. If anything can break the awful cycle of poverty which handicaps our lowest income families, better health for infants and children in those families can do it.

This bill provides for the Secretary of the Agriculture to purchase commodities for child nutrition programs and programs for the elderly. These commodities serve to beef up the substandard diets which many children in institutions now receive. Surely, we can hardly find a better use for our excess agricultural riches.

Finally, this bill provides that children of unemployed parents will receive the same food assistance that other needy children receive. The tragedy of our high unemployment rate is hard for all of us to accept. Probably the deepest tragedy for unemployed parents is the necessity to cut back on food for their children. Unfortunately, as those of us who lived through the depression know, that sometimes happens. This bill will make sure that it does not happen in such a way as to endanger the health and nutritional well-being of those children. Surely, that cannot be seen to be a wasteful program.

To sum up, Mr. President, this is a good bill, a necessary bill, and a bill which is fiscally responsible and sensible. It does not waste money—it uses money to buy food for children who would otherwise go hungry. Children who must have food in order to develop into healthy adults, cannot afford to wait while we solve our economic problems. Their lives tomorrow depend upon what they eat today.

This bill cannot wait. I urge my colleagues to join me in overriding this veto. Then, let us get back to the job of finding more sensible ways to do our budget cutting.

Mr. ALLEN. Mr. President, I rise in support of overriding President Ford's veto of H.R. 4222, a bill which would extend several of our Nation's child nutrition programs, as well as provide for strengthening the effectiveness of these programs.

Mr. President, as chairman of the subcommittee here in the Senate that handles this legislation, I served as floor manager for H.R. 4222, when it was first considered by the Senate on July 10, 1975. And, as presently before us, H.R. 4222, in terms of its costs, is about the same as it passed the Senate last July which, in turn, was substantially lower than the version originally passed by the House.

Mr. President, those of us in Congress that have been working on this legislation have been doing so since last April. Extensive hearings were held on this legislation, and, as has already been alluded to here today, the bill was even resubmitted back to conference by the Senate at one point for further revision and reduction in costs.

Mr. President, I believe H.R. 4222, in its present form, represents the best we can reasonably expect Congress to agree upon. This already has been made abundantly clear by the House of Representatives when it voted to override the President's veto of this measure by a vote of 397 to 18. While this bill may not satisfy everybody's expectations, it is now important, it seems to me, to bring an end to our deliberations on this bill so that the nutritional needs of millions of children in this country can be met without further delay or interruption.

We must remember that this bill extends several important child nutrition programs which are now operating on an interim basis, and which soon may have to be shut down unless the veto is overridden. We must also remember that this bill improves the effectiveness and efficiency of these programs in accordance with recommendations made to our committee by the General Accounting Office.

Mr. President, H.R. 4222, in its present form, now—

First. Makes permanent the school breakfast program.

Second. Extends through September 30, 1977, the secretary's authority to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available. States which phased out their commodity distribution facilities prior to July 1, 1974, could elect to receive cash in lieu of donated foods.

Third. Revises the special food service program for children to extend the summer food program through September 30, 1977.

Fourth. Revises the year-round phase of the special food service program for children to establish a child care food program to be effective through September 30, 1978.

Fifth. Extends through September 30, 1978, the special supplemental food program for women, infants, and children, WIC, at an annual authorization level of $250 million. Under the bill, about $62.5 million would be authorized for the 1976 July-September budgetary transition period.

Sixth. Expands the definition of "school" under the school lunch program and the school breakfast program to include any public or licensed nonprofit private residential child care institution, including, but not limited to, orphanages and homes for the mentally retarded.

Seventh. Deletes the State's option to serve reduced price lunches. State education agencies are to establish income guidelines for reduced price lunches at levels which are 95 percent above those in the income poverty guidelines prescribed by the Secretary of Agriculture. The new guidelines are to be implemented as of January 1, 1976. Any child who is eligible for reduced price lunches under the State's income guidelines is to be served a reduced price lunch.

Eighth. Provides that any child whose parent or guardian—providing that child's principal support—is unemployed shall be served a free or reduced price lunch if the existing family income eligibility guidelines for free or reduced price lunches are met.

Mr. President, I believe it is important that these child nutrition programs be extended and improved as now provided for in H.R. 4222. Therefore, I wish to urge the Senate to override President Ford's veto of this bill.

Mr. HRUSKA. Mr. President, I will vote to sustain the President's veto of H.R. 4222, the School Lunch and Child Nutrition Act.

This vote will be cast with great reluctance. The school lunch program is one of the most meritorious Federal programs. It provides an opportunity for the Nation's young to eat a nutritious, well balanced meal each school day. Initially, the program also provided an outlet for massive grain reserves that we had accumulated. Now our grain supplies have stabilized and this aspect of the program has less significance. The program is still vital to our Nation's young from low income families and I commend and support it.

Mr. President, I voted for Senate passage of H.R. 4222 because of unquestioned merits of the measure in providing nutritional food to children of poverty stricken families. Since that time the chairman and ranking member of the Senate Budget Committee have persuasively represented the overriding need to keep bills within the budget targets adopted by the Congress in May. On their recommendation the Senate voted on September 5 to recommit this bill to conference. A second conference was held and $75 million was cut from the bill. But the measure sent the President was still 12 percent over the congressional budget target.

President Ford, in his veto message, calls upon the Congress to exercise fiscal responsibility and stay within the budget limits that have been established. He, too, recognizes the value of this program but realizes that we must be consistent in our treatment of all programs. The President set a target of $60 billion for our budget deficit. The Congress in May set its own target at a higher figure of $68.8 billion. There now exists a real danger that the deficit will exceed $70 billion. The deficit will continue to increase unless the Congress takes the responsibility, as the President has done, to stay within our own budget figures.

Mr. President, recently we recommitted to conference the defense procurement bill because it was 3 percent above the congressional budget target. Here we have a bill that after recommittal to conference still remains 12 percent above the target. We are not acting consistently with two of our most vital Federal programs.

The President has proposed two alternatives to the Congress. One is to extend the program as it currently exists. The second is to reconsider his earlier proposal for improving the program with particular emphasis on needy children. Either proposal is worthy of our immediate consideration. If H.R. 4222 becomes law, many families who do not need public assistance will be eligible for school lunch subsidies. This would certainly not serve the best interests of the truly needy children now helped by the program, of the Nation's economic health, and of the taxpaying public.

Mr. President, even recognizing the merit of the school lunch program, I am obliged to vote to sustain the President's veto. This decision is made because I recognize the fact that the Federal Government must now exercise restraint if programs such as the school lunch program are to exist in the future.

The Budget Committee's recommendation to reconsider the amount of spending we have authorized is most compelling. The need to bring this bill within the budget target has not changed. The time has come for the Congress to respond to the people who are crying out for responsible Government and a limit on deficit spending. The first step in that direction is to stay within the budget limits we have previously set. This bill does not do that. I hope my colleagues will join me in taking this step toward fiscal responsibility by voting to sustain the President's veto.

Mr. BIDEN. Mr. President, once again we are faced with another ill-conceived Presidential veto—this time it is the National School Lunch and Child Nutrition Act (H.R. 4222).

I say this veto is ill-conceived, Mr. President, because rather than being an example of fiscal irresponsibility, the school lunch legislation reflects the desire of Congress to produce needed legislation without an extravagant price tag.

I am certain that my colleagues will recall that this legislation was recommitted to the conference committee after the funds authorized in the conference report proved excessive. In an effort to secure its enactment, the school lunch bill was trimmed by $75 million—a considerable amount. The bill we are considering today is lean by all standards.

It has been reduced by 2.5 percent compared to a 1-percent reduction of the military procurement authorization. The President opposed the 1-percent reduction—it was too large. He opposes the 2.5-percent reduction on the school lunch bill—it is too small. Mr. President, it seems to me that although the administration finds both of these reductions objectionable, they do reflect the intention of Congress to act with fiscal integrity.

The National School Lunch and Child Nutrition Act provides an essential service to the children of this Nation. Thirty million children participate in the school lunch program each day; of these, more than half pay for their lunches.

Further, this legislation contains in it a provision, which I introduced last year, to reverse an arbitrary, and in my view, illegal decision by USDA. The effect of this provision—the Biden amendment—is to restore flour and oil products to the list of donated commodities furnished schools by USDA. Last year the Department of Agriculture arbitrarily terminated the distribution of these commodities thus forcing schools to purchase them on the open market and, in so doing, raise the price of the lunch. The legislation we are now considering would restore these products to the schools.

Mr. President, in an economy suffering from inflation and recession, a nutritious meal at an affordable cost has become an important source of security to both lower and middle income families struggling to feed their children. In the past year, soaring unemployment has created an even greater need for expanded nutrition programs.

I believe Congress has taken positive steps to control Federal spending. By its own direction, it ordered a reduction in the school lunch bill. For this reason, I can see no barrier remaining in enacting the National School Lunch and Child Nutrition Act over the President's veto. I would urge my colleagues to join me in voting to override this veto.

I ask unanimous consent that an editorial which appeared in today's Washington Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CHILD NUTRITION VETO

President Ford made an odd choice for a stand on fiscal responsibility when he vetoed the child nutrition bill the other day. The reason his choice was so curious is that this is a case in which liberals and conservatives attempted to show they could feed poor children without being extravagant. You will recall that in the Senate, this bill obtained a special symbolism in connection with the military appropriations bill. After Senate liberals took a chunk out of the $31 billion military money bill on fiscal grounds, Sen. George McGovern was among those Senate liberals who agreed that the child nutrition bill had to be trimmed in the same spirit of budgetary responsibility.

As a result, the bill that came out of conference the second time around was sufficiently lean to attract the support of such conservative Republican senators as Bob Dole of Kansas and Henry Bellmon of Oklahoma. Senate Budget Committee Chairman Edmund S. Muskie (D–Maine), who seems determined to build a record of budgetary responsibility, was also a supporter. The House passed the bill by 380 to 7 and the Senate by a voice vote that sounded over-whelming.

What appeared to have concerned the White House is that the bill permits school children from families 195 per cent above the poverty line to participate at a reduced price in the school lunch program, but that is still a family of four earning $9,770 a year, hardly a princely sum in any event. The administration's claim that the bill will cost an additional $1.2 billion is fanciful arithmetic. In the current fiscal year, the program will cost a little more than $200 million above the present cost of school lunch and child nutrition programs, and in fiscal 1977, the cost is expected to be at most $400 million above present costs. For those increases in cost, the country will gain the benefit of a program that will feed poor pregnant women and their infants nutritious food in the hopes that the health of these children will not be permanantly damaged by reason of their poverty. It will see to it that school children eat the kind of breakfast that may help them perform better in the classroom. In short, the feeding of hungry children is an investment in the future that we should be glad to make at reasonable cost. It is regrettable that Mr. Ford doesn't agree. His veto should be overridden.

Mr. THURMOND. Mr. President, President Ford's veto of H.R. 4222, the National School Lunch and Child Nutrition Act Amendments of 1975, should be sustained by Congress as a step toward bringing fiscal responsibility and maximum effectiveness to all federally supported programs.

The worthy goals of this legislation—those of improving the nutritional intake, health, and learning ability of America's children—are ones which I wholeheartedly support. However, after seeing the programs authorized under this bill grow more numerous, bureaucratically complex and costly over the years, I am convinced that there is a more cost-effective way of accomplishing the same goals.

Returning operation and control of these school meal and other nutrition programs to the States, as President Ford has urged, would allow more Federal funds to be directed to where they would do the most to improve child nutrition. The $15 million Federal administrative cost—which is what the Federal bureaucracy is going to siphon off in this fiscal year—could be better utilized to feed truly needy children in and out of the schools. With adequate Federal financial support, most States already have the administrative capability and the desire to operate even more effective child nutrition programs.

It is not enough just to advocate improved child nutrition. We must search further and use the most cost-effective means of nutrition improvement. I believe returning control to the States is a preferable alternative for improving the nutrition of impoverished children without further adding to Federal deficit spending. Even programs as important as child nutrition must be subject to financial considerations, because reckless Federal spending only adds to inflation and drives the cost of school lunch and other nutrition programs even higher. Hence, I urge the Senate to sustain the President's veto as a means of breaking this vicious inflationary cycle and of improving the effectiveness of the child nutrition programs.

Mr. WILLIAMS. Mr. President, as a cosponsor of the Senate version of H.R. 4222, the child nutrition bill, I am deeply shocked and disturbed by the President's veto of this landmark legislation. No action more clearly demonstrates the administration's cold indifference toward people in need. Social security recipients and the jobless previously were made the targets of the administration's campaign against urgently needed social programs, and now the President has taken dead aim against children faced with hunger and malnutrition. The latest administration outrage means additional financial burdens for low- and middle-income families, and must be overridden.

H.R. 4222 is perhaps the most comprehensive, far-reaching child nutrition bill ever to pass the Congress. Years of study and investigation of our entire child nutrition effort underlie this bill. The distinguished members of the House and Senate committees which fashioned this bill labored countless hours to produce legislation that would respond to the nutritional needs of our children in a meaningful, responsible manner. The near-unanimous approval of both Houses of Congress testifies to the success of their efforts.

H.R. 4222 is designed to meet the long-range nutritional requirement of this Nation's children, while providing assistance to those who have fallen victim to the administration's economic policies. The legislation would extend and substantially improve a wide range of child nutrition programs, including the school breakfast program, the summer and day care-head start feeding programs, and the special supplemental food program for women, infants, and children—WIC Children in residential institutions, such as orphanages, and homes for the mentally retarded, would qualify for the school lunch program for the first time, and children in families hit by unemployment would be eligible for free or reduced price lunches while their parents remain unemployed. In States with large numbers of people out of work, such as my own State of New Jersey, this last provision has special importance.

Should the President's veto be sustained, it could seriously diminish this country's commitment to proper nutrition for all American children. As vital programs are dismantled, hundreds of thousands of children would be deprived of their primary sources of food, and hundreds of thousands more who would have been reached may continue to go hungry.

Approval of the President's action could clearly increase the possibility of higher rates of infant mortality, birth defects, and childhood disease, especially in inner cities and rural areas where the WIC program has provided food supplements to mothers and young children at nutritional risk. Failure to override could also send ripples through the economy, throwing food service employees out of work and creating back ups of inventories as millions of dollars worth of inplace food service equipment is shut down. In short, the President's veto is a prescription for disaster in the field of child health and threatens a hammer blow to still another sector of the economy.

When Congress passed H.R. 4222 it recognized what the President refuses to see—that money invested in child nutrition is returned many times over in the form of happy, active children who grow to be healthy, productive adults. Congress has understood that the child we feed for a few dollars a week is often the child saved from institutionalization or hospitalization at a cost of hundreds of dollars a day. Over the years our child nutrition programs have more than paid for themselves through increased infant survival, reduced instances of birth defects, fewer children suffering from anemia or malnutrition, and less human suffering.

Yet in the name of fiscal responsibility the administration has followed a course that could undo all we have struggled to accomplish. This is not fiscal responsibility, it is moral insensitivity. In an effort to reduce wasteful Government spending, the administration would cause the saddest waste of all—the waste of human lives.

Congress has shown that it will not stand idle while rising prices and record unemployment undermine the ability of many families to secure an adequate diet. By overriding the President's veto we underscore that determination.

Mr. HUDDLESTON. Mr. President, I rise in support of overriding President Ford's veto of H.R. 4222.

Mr. President, Congress has been working on this legislation since last April and throughout this entire period that work has gone forward on a bipartisan basis. Unfortunately, President Ford seems interested only in playing a budgetary "numbers game" with the Congress and the American people on this bill.

In his veto message to Congress, the President stated that H.R. 4222, in terms of its cost, constituted "fiscal irresponsibility." Yet, in that same message, the President indicated his willingness to accept a straight extension of all existing child nutrition programs.

Mr. President, the cost of H.R. 4222—as compared to simply extending all child nutrition programs as they were generally being operated last fiscal year—is only $200 million more than such an extension would cost.

President Ford's reference to $1.2 billion in his veto message was the amount that H.R. 4222 would cost over what the President requested in the original budget submission to Congress in January of this year. And that Budget request was to fund a block-grant program to the States for a greatly reduced level of assistance for child nutrition.

The President was unable to get a single Senator—Republican or Democrat—to even introduce his so-called block-grant program here in the Senate. So let's not be fooled by such an unfortunate use of budgetary estimates as the President has used on this bill.

H.R. 4222 extends and revises several of the child nutrition programs, and it does so consistent with recommendations submitted to the Congress by the General Accounting Office and many others who are competent and knowledgeable about these vitally important national programs.

H.R. 4222 is an excellent piece of legislation and it deserves not only the support of the U.S. Senate, but the country as a whole.

I am very pleased with the overwhelming vote in the House of Representatives today to override President Ford's veto of this bill. The vote in the House today, is a credit not only to Congressman PERKINS, QUIE and other members of the House Labor and Education Committee who worked so hard on this bill with their counterparts here in the Senate, but it also is a credit to the many other citizens and groups who joined them in working on the legislation to improve the efficiency and effectiveness of these programs.

Mr. President, H.R. 4222, in its present form, now—

First, makes permanent the school breakfast program;

Second, extends through September 30, 1977, the Secretary's authority to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available. States which phased out their commodity distribution facilities prior to July 1, 1974, could elect to receive cash in lieu of donated foods;

Third, revises the special food service program for children to extend the summer food program through September 30, 1977.

Fourth, revises the year-round phase of the special food service program for children to establish a child care food program to be effective through September 30, 1978.

Fifth, extends through September 30, 1978, the Special Supplemental Food Program for Women, Infants and Children—WIC—at an annual authorization level of $250 million. Under the bill, about $62.5 million would be authorized for the 1976 July-September budgetary transition period.

Sixth, expands the definition of "school" under the school lunch program and the school breakfast program to include any public or licensed nonprofit private residential child care institution, including, but not limited to, orphanages and homes for the mentally retarded.

Seventh, deletes the State's option to serve reduced price lunches. State education agencies are to establish income guidelines for reduced price lunches at levels which are 95 percent above those in the income poverty guidelines prescribed by the Secretary of Agriculture. The new guidelines are to be implemented as of January 1, 1976. Any child who is eligible for reduced price lunches under the State's income guidelines is to be served a reduced price lunch.

Eighth, provides that any child whose parent or guardian—providing that child's principal support—is unemployed shall be served a free or reduced price lunch if the existing family income eligibility guidelines for free or reduced price lunches are met.

Mr. President, I urge the Senate to override President Ford's veto of H.R. 4222.

Mr. DOLE. Mr. President, I rise in support of H.R. 4222, the School Lunch and Child Nutrition Act Amendments of 1975. While I still have reservations about the budgetary implications of the bill, I believe that this is a bill that will help insure the nutritional well-being of millions of young American children.

Because the Senate unanimously voted to recommit the original conference report, we were able to cut expenditures by about $75 million by eliminating a costly addition to the subsidy for school lunches of nonneedy students—a provision hardly justifiable in a year of a $70 billion budget deficit.

Thus, the final conference report, though still $300 million over the budget resolution, was at about the same level as the bill which overwhelmingly passed the Senate. It is unfortunate that we could not keep the cost of the bill more in line with the original budget target. Nevertheless, it is clear that without the intervention of the Budget Committee, the bill would have cost an additional $60 to $80 million.

I believe every Member of the Senate should welcome the Budget Committee's role in the appropriations and authorization process. For we must all take the budget process seriously. Lip service will no longer suffice. The huge deficit will not allow it. We must scrutinize all new legislation—from school lunches to weapons bill—for priorities. We must cut back those increases in spending which help those persons least in need, or represent the least long-range benefit to the Nation.

In light of the vastly more expensive House version of H.R. 4222, I believe that this final bill represents the best possible compromise on child nutrition legislation which could be achieved this year. Thus, because of the importance of the Nation's commitment to proper child nutrition, I support the motion to override the President's veto of H.R. 4222.

Mr. BAYH. The President vetoed last week the National School Lunch Act and Child Nutrition Act Amendments of 1975—H.R. 4222. The House of Representatives, which approved this legislation by a vote of 380 to 7, has wisely acted to override this latest in the series of Presidential vetoes.

I am confident that the Senate will follow the lead of the House, and I shall certainly vote to do so.

In his veto message, the President gave two reasons for his failure to sign the bill into law. First, he stated that his own child feeding bill was preferable to the legislation passed by Congress. Second, he accused the Congress of fiscal irresponsibility in extending the coverage of the school lunch program. What are the facts?

In vetoing H.R. 4222, President Ford is renewing his attempt to substitute his own block grant system for all existing child feeding programs. Since the administration announced its block grant concept in January of this year, not one Member of the House or Senate has moved to introduce the President's legislation.

Despite the failure of his legislation to attract any congressional support, the President in his veto message urges the Congress to embrace the block grant concept.

In view of the legislative history of these amendments, the President's charge of fiscal irresponsibility rings hollow. In an effort to keep the cost of the bill within its own budgetary constraints, Congress has twice sent the legislation to conference, and each time the cost of the bill was substantially reduced. The final conference bill reduced the cost of the initial House bill by $229 million.

The President claims that H.R. 4222 will increase the budgetary deficit by $1.2 billion, and calls on Congress either to enact his program or to hold the present programs to the current level of spending.

But a look at the facts shows that spending under H.R. 4222 will exceed the cost of the current programs by only $201 million.

The largest increment under H.R. 4222 results from an expansion of the reduced prices segment of the school lunch program. The President claims that this provision will extend the school lunch program to cover nonneedy children.

What the bill, in fact, does is extend eligibility for reduced price lunches—not free lunches—to children of families with incomes of 95 percent above the poverty line. The eligibility limit is currently set at 75 percent above the poverty line.

Due to the drastic inflation in the cost of food, the average cost of a school lunch has risen to 80 cents. What the bill will do is enable children whose family income is below $9,770—95 percent above the poverty line—to purchase lunches for 20 cents. Without the extension in coverage of the reduced-price lunch program, many of these children of low-income families already struggling under the burden of inflation will not participate at all. And given the economies of scale, the participation of these children serves to bring down the total cost of preparing each school meal.

The school lunch program has historically been a program which through general subsidies and special subsidies for low-income children has improved the nutrition available to all American schoolchildren. Today 25 million children or 86 percent of all schoolchildren participate in the program. One-third of these children receive free or reduced-price lunches. President Ford would have us limit the benefits to only the poorest of the poor.

H.R. 4222 is an important piece of legislation which has been hammered out by a Congress committed to exercising budgetary restraint. The President's charge of budgetary irresponsibility is simply unfounded.

Congress has responded to the need for economies in the budget in order to fight inflation by cutting the cost of legislation in a number of areas. The cost of this child-feeding measure has been reduced by 3 percent of the original cost of the House bill. This is three times the percentage by which the military procurements bill was cut, but no one has any question about whether the President will sign the military procurements bill.

We must vote to override the President's veto of this important bill which provides for the first time for food assistance for orphanages, homes for the physically and mentally handicapped, hospitals for chronically ill children, and similar institutions. This legislation will also extend the school breakfast program, and in a limited way, expands the feeding program for malnourished pregnant mothers and infants. No one can question that our Nation's priorities should include these programs.

WHATEVER HAPPENED TO THE BROWN BAG?

Mr. MATHIAS. Mr. President, should the House of Representatives decide to override the President's veto of the school lunch bill, I shall vote to do likewise here in the Senate. As this morning's Washington Post editorial suggests:

> The feeding of hungry children is an investment in the future that we should be glad to make at a reasonable cost.

But, Mr. President, I cannot help but wonder aloud whether by continuing and expanding the school lunch program, if we are not witnessing, if not encouraging, the slow demise of yet another American tradition: The brown bag. And I must also wonder whether by eliminating the brown bag from the American scene if we are not losing something larger and more important to us as a society: Perhaps we are beholding yet another break in the chain that links the child to the home. We might do well to reflect on this. The brown bag, of course, had its imperfections. The contents in these bags certainly were not the same for all children. While some kids carried roast beef sandwiches, others had peanut butter. Some children had to make do with margarine and jelly; others with American cheese. Dessert sometimes consisted of only an apple or an orange or two or three cookies. Yes; all kids did not have the same lunch; some lunches were better than others. But, I believe that most of those kids who carried a bag shared one feeling in common that millions of today's children do not experience. The children who "carried" went off to school knowing that someone in the home personally cared enough to try to see that they had a lunch to eat.

I have no way of knowing if all of those brown bags contained "nutritionally adequate diets." I do not even know if those lunches would have met the various Government standards and guidelines that seem to apply to just about everything we try to do. But I do know that those brown bags and those lunch pails symbolized parental love and responsibility.

Mr. President, I fully realize that some parents and guardians, primarily because of their incomes, are unable to adequately feed their children. But for those who have the time but are unable to afford the cost of food, would it not be better for the Congress to channel the lunch money through them so that they, and not some impersonal public institution, can see to it that their children get fed?

No humane person wants to see one single child in America go hungry or uneducated or left bereft of any of life's basic necessities. But we in the Congress, particularly those of us who vigorously support programs like those contained in the school lunch bill, might do well to consider the long range as well as the immediate impact that our Federal programs have on that most basic American institution, the family.

In our desire to see to it that all children in America are adequately fed, housed, clothed, educated, and kept healthy, let us take care that we do not undermine the role of parents in the lives of their children. In passing the school lunch bill, are we strengthening the capacity of parents to care for their children, or might we be absolving parents from their responsibilities? Consider the brown bag. This is a difficult question to answer, I admit, but we must weigh such questions as we proceed to sculpt legislation which has the purpose of benefiting children in our society.

Mr. BUCKLEY. Mr. President, I know of no one in this body who would oppose a school lunch bill whose purpose it was to update and expand the existing program so as to reflect the increases in food costs experienced as a result of our continuing inflation, and the increase in numbers of school children whose parents have become the unfortunate victims of the unemployment caused by the current recession.

We are not dealing here, however, with such a bill. The National School Lunch Act and Child Nutrition Act vetoed by the President goes far beyond these essential adjustments. It extends eligibility to include large numbers of children whose parents are fully capable of meeting their nutritional needs. Furthermore, by continuing the expansion of the program to include breakfasts and supper programs and summer programs as well, we are not only expanding the scope of existing legislation, but are going far beyond the original school-oriented needs of a child, and through the back door, encouraging the idea that children should remain in the hands of public educational institutions on a more or less day-long and year-round basis.

The net result of this expansion of the program beyond the need to offset the effects of inflation and of the recession has been to add excessively to the cost of the legislation at a time when it is essential to hold the line on all Federal expenditures. The measure enacted by the Congress is 12 percent or almost $300 million over the target established by the Senate Budget Committee earlier this year, and is a huge 86 percent over the administration's own request.

This is a large sum of money, and it will add to the inflationary pressures that we already see growing, pressures that threaten to hinder our recovery from our current economic slump.

Mr. President, either this body is serious about holding the line on Federal spending or it is not. Either we are willing to stand and be counted or we are not. I urge my colleagues to remember that to vote to sustain the President's veto is not the same thing as to vote to abolish our current child-lunch programs. Rather, it is a vote to resubmit the matter to the appropriate committees so that a new and fiscally more prudent version may be submitted for the approval of the Congress. For my part, I have no hesitancy in facing my constituents and justifying a vote against providing free food for children of well-to-do parents in order that we may protect the purchasing power of the earnings of all parents. It is for this reason I am voting to sustain the President's veto.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. MORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the bill pass, the objections of the President of the United States notwithstanding?

The yeas and nays are mandatory under the Constitution. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. THURMOND (after having voted in the negative). Mr. President, I have a pair with the distinguished Senator from Missouri (Mr. Symington) and the distinguished Senator from Colorado (Mr. Haskell). If they were present they would vote "aye." I have voted "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Colorado (Mr. Haskell) and the Senator from Missouri (Mr. Symington) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Hart) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Tennessee (Mr. Brock), the Senator from Utah (Mr. Garn), and the Senator from Nevada (Mr. Laxalt) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. Baker) would vote "yea."

The yeas and nays resulted—yeas 79, nays 13, as follows:

[Rollcall Vote No. 429 Leg.]

YEAS—79

Abourezk
Allen
Bayh
Beall
Bentsen
Biden
Brooke
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Durkin
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hartke
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Tunney
Weicker
Williams
Young

NAYS—13

Bartlett
Bellmon
Buckley
Curtis
Fannin
Goldwater
Griffin
Hansen
Helms
Hruska
McClure
Scott,
  William L.
Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Thurmond, against.

NOT VOTING—7

Baker
Brock
Garn
Hart, Philip A.
Haskell
Laxalt
Symington

The PRESIDING OFFICER (Mr. Buckley). On this vote the yeas are 79 and the nays 13. Two-thirds of the Senators present and voting having voted in the affirmative, the bill, on reconsideration, is passed, the objections of the President of the United States notwithstanding.

Mr. GRIFFIN. Will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from South Dakota without losing my right to the floor.

SENATE RESOLUTION 276—SUBMISSION OF A RESOLUTION AUTHORIZING K. KIRKE KICKINGBIRD TO APPEAR AS A WITNESS

Mr. ABOUREZK. Mr. President, I submit a resolution and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 276) to authorize K. Kirke Kickingbird, General Counsel of the American Indian Policy Review Commission, to appear and testify in the case of the National Tribal Chairmen's Association, et al. v. James G. Abourezk, et al.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ABOUREZK. Mr. President, in relation to a civil action pending before the U.S. District Court for the District of Columbia brought by the National Tribal Chairmen's Association against the American Indian Policy Review Commission, the U.S. Department of Justice has requested that Mr. K. Kirke Kickingbird, an employee of the Senate, appear as a witness and testify in the case which will be heard on Thursday, October 9.

In that Senate rules provide for immunity for employees and Senate documents in such matters, this resolution grants permission on the part of the Senate to allow Mr. Kickingbird to testify and release copies of pertinent documents related to the defense.

I submit this resolution on behalf of Mr. HATFIELD and myself.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas in the case of the *National Tribal Chairmen's Association, et. al.* v. *James G. Abourezk, et. al.* (Civil Action No. 75-0803), pending in the United States District Court for the District of Columbia, a request has been made by defense counsel, Herbert Pittle of the Department of Justice, that K. Kirke Kickingbird, General Counsel of the American Indian Policy Review Commission, appear as a witness and give testimony in such case: Now, therefore, be it

Resolved, That by the privileges of the Senate no evidence under the control and in the possession of the Senate can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by permission of the Senate.

SEC. 2. By the privileges of the Senate and by Rule XXX of the Standing Rules of the Senate no officer or employee of the Senate is authorized to produce documents, papers, or records of the Senate but by order of the Senate and information secured by officers and employes pursuant to their official duties may not be revealed without the consent of the Senate.

SEC. 3. When it appears that testimony of an officer or employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers, or records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 4. K. Kirke Kickingbird, General Counsel of the American Indian Policy Review Commission, is authorized to submit authenticated copies of such Senate records which are in his possession or under his control in his capacity as General Counsel of the American Indian Policy Review Commission (but he shall not submit any original Senate record on file in his office or in his possession or under his control in his capacity as General Counsel of such Commission) and to testify by affidavit concerning matters (documentary or otherwise) which are or have been under the control of, or in the possession of, the Senate and which are deemed by defense counsel and by the said K. Kirke Kickingbird to be material and relevant to the defense in such action.

SEC. 5. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia and to the Attorney General.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, before too many of the Senators get away, I would like to inquire of the distinguished majority leader—if we may have order—what he can tell us about the program for the rest of the day and for the rest of the week.

The PRESIDING OFFICER (Mr. BUCKLEY). The majority leader is recognized.

Mr. MANSFIELD. Mr. President, if we may have order.

Mr. GRIFFIN. May we have order, Mr. President?

The PRESIDING OFFICER. May we have order in the Senate, may we have order so that we may hear from the majority leader?

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, in response to the question raised by the acting Republican leader, it is the intention of the leadership to go out very shortly. I ask unanimous consent at this time that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow morning.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. On tomorrow, it is anticipated that we will continue with the pending legislation, and at the hour of 2 p.m., approximately, there will be a vote on the Silbert nomination. Following that, at the hour of approximately 2:20, the Senate will turn to the consideration of calendar No. 402, Senate Resolution 275, a resolution disapproving two regulations proposed by the Federal Election Commission on which there is a time limitation.

Sometime tomorrow, the leadership will call up the resolution reported by the Committee on Foreign Relations this afternoon on the Sinai settlement.

I have requested the staff of the Committee on Foreign Relations to complete their report tonight, if possible, and the Government Printing Office to have the report of the committee down here by 9 a.m. tomorrow, or as soon thereafter as possible.

Mr. JAVITS. Will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. JAVITS. Two unanimous consents would be necessary. One to file a report by midnight tonight and the other to take it up tomorrow.

Mr. MANSFIELD. Yes.

UNANIMOUS - CONSENT AGREEMENT—TIME FOR FILING COMMITTEE REPORT—SINAI AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations have until midnight tonight to file its report on an original joint resolution to implement the U.S. proposal for the early warning system in Sinai.

Mr. ABOUREZK. Reserving the right to object, Mr. President, may I ask the distinguished majority leader why is there such a big rush on the Sinai agreement? We have hardly had a chance to debate it.

Mr. MANSFIELD. It was debated in the Foreign Relations Committee for the past 2 weeks or so. There will be time to debate on the floor. The Senator himself has appeared before the Foreign Relations Committee and given his views. The Senator knows my views. I did not vote for the Sinai settlement. But I do not think we ought to spend all the time on a particular matter of this sort, when I think everybody's mind is made up.

Mr. ABOUREZK. Everybody's mind may be made up, but I would like to suggest to the majority leader that the debate in the Foreign Relations Committee centered around whether or not the classified documents ought to be made public. Not very much debate took place on the merit or the substance of the documents themselves. This is a major step in American foreign policy in the Middle East, the only real hot spot left in the world. It seems to me that it is incumbent upon the Congress, and the Senate specifically, to be a little bit more deliberate on this kind of a major agreement that could possibly commit us to a nuclear war, much more deliberate than we have been so far. I think we ought to allow a little more time for people to see the report, to allow the public to debate this as well as the Congress itself.

Mr. MANSFIELD. May I say to the Senator that I certainly agree with him, that this is one of the major issues before us at the present time, but I did not anticipate that we would pass this resolution tomorrow. All I wanted to do was to get it up and get started. I have informed the Senate that there is a strong possibility that we will be in on Saturday of this week and, if need be, we will be in next week. This resolution has a time factor added to it. I am sure the Senate will have time to debate it as it sees fit. But I understand that the time factor is of some importance. In my capacity as majority leader, I think it is my responsibility to call up legislation whether I agree with it or not.

Mr. ABOUREZK. Is it correct that the time factor is something like 5 months? Does it have a 5-months triggering date?

Mr. MANSFIELD. No, I did not think so. I understand that one side signed the agreement and the other side initialed it, and that the agreement will not go into effect until and unless the Congress approves the 200 technicians on the Sinai.

Mr. ABOUREZK. I guess I do not understand what the time factor is, then. If there is no triggering date or cutoff date, then that is further reason to deliberate it more carefully than we are presently deliberating it.

Mr. MANSFIELD. I would say that the cutoff date, if I remember correctly, occurred possibly a week ago. It has been extended to give the Congress a chance to exercise its will on the question of the technicians on the Sinai. That expiration date, I believe, is within the next 3 or 4 days.

Mr. ABOUREZK. Is that a date set by the administration or by the parties to the agreement?

Mr. MANSFIELD. By a party to the agreement, as I understand it.

Mr. ABOUREZK. Is that the United States?

Mr. MANSFIELD. No.

Mr. ABOUREZK. Would it be Egypt?

Mr. MANSFIELD. No.

Mr. ABOUREZK. Would it be Israel?

Mr. MANSFIELD. It could be, because I understand that Israel is the one who initialed the agreement, but did not sign it.

Mr. ABOUREZK. Let me ask the leader one other question, if I might.

If this order is not entered pursuant to the request of the majority leader, when would the report have to be filed?

Mr. MANSFIELD. I would imagine that, if this report is not agreed to, the Senate could get around that, if it so desired, by staying in until a late hour this evening. Nobody would accomplish anything by a tactic of that sort. It would only be an embarrassment, a wastage of time. We have wasted too much time in this Chamber in recent days. So I would hope that the Senator from South Dakota would accord the leadership the usual courtesy because this is the first time, to my knowledge, that any intimation of a protest against the request of this particular kind has ever been entered in my 23 years in the Senate. All that can be done is to delay it.

Mr. ABOUREZK. I hope the majority leader understands I do not like to break precedent, and I certainly do not want to. But I do want to find out what the time schedule would be if the report were not filed tonight under this order that he is requesting.

Mr. MANSFIELD. It would be about the same as it would be if it were filed, I say to my distinguished colleague.

Mr. ABOUREZK. It would be filed when, in the opinion of the distinguished leader?

Mr. MANSFIELD. I would imagine the Senate could stay in and it could be filed by around 9 or 10 o'clock. But nobody gains anything by it. If the Senate is kept in session, the cost to the Government is increased accordingly.

Mr. ABOUREZK. And I suppose the whole burden would be on the person objecting to the request.

Mr. MANSFIELD. I do not understand. [Laughter.]

Mr. ABOUREZK. May I ask one other question of the leader? What is the other unanimous-consent agreement referred to by the Senator from New York?

Mr. MANSFIELD. That it be in order to take it up tomorrow at an appropriate time.

Mr. ABOUREZK. That would have to be a separate request, separate and apart from the request to file the report at midnight tonight?

Mr. MANSFIELD. That is correct.

Mr. ABOUREZK. Does the majority leader intend to ask for that order to be entered as soon as this one is disposed of?

Mr. MANSFIELD. I will.

Mr. ABOUREZK. I have no objection to this order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—SINAI AGREEMENT

Mr. MANSFIELD. Now, Mr. President, I ask unanimous consent that it be in order at an appropriate time tomorrow to call up the Sinai settlement resolution, the time to be determined by the joint leadership.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, I think I should notify the Senate that this is a matter on which the administration places the highest priority. It is, according to their statements, a move toward a peaceful settlement in time in the Middle East. It is an agreement worked out by the agent of the President of the United States, the Secretary of State, Dr. Henry Kissinger. It has been reported out of the Foreign Relations Committee, I understand, by a vote of 12 to 2. It will be on the calendar tomorrow. I would hope that, regardless of our personal views and, frankly, I find myself in accord with the views of the Senator from South Dakota, we would face up to our responsibility, debate this measure, and vote according to our thoughts.

I would point out that the Senate is on notice that if this is not completed, we will be in Saturday, and if not completed this weekend, we will be in next week; and I do not think what anyone is going to say in this Chamber, is going to change any votes, because I think everyone's mind is made up at this time.

I have a lot of questions in my mind, because this is a small step forward. Though a very small step, it is a very expensive one. It is a step which could involve us in a dangerous situation in the Middle East, and, to repeat, it is the first small step of many steps yet to be taken.

It involves only about 20 percent of the Sinai. It does not touch the Golan Heights. Another force of technicians there? Perhaps. It does not touch the West Bank. Another force of technicians there? Perhaps. It does not touch the old city of Jerusalem. It does not touch Sharm al-Sheikh. It does not touch the question of the PLO. All of those questions are going to be much more difficult than this first step, and very likely are going to cost a great deal more.

It would be well to keep all these factors in mind and to realize what we may be getting into. The time to think about the moves agreed to or contemplated is now. A difficult road lies ahead.

But, Mr. President, as the majority leader of this body, it is my responsibility to call up legislation which has been reported out of a committee legitimately, on which hearings have been held, and I will do my best to see that this measure is brought to the floor of the Senate for consideration either this week or next.

Mr. GOLDWATER. Mr. President, will the majority leader yield for a question?

Mr. MANSFIELD. I yield.

UNANIMOUS-CONSENT AGREEMENT—NOMINATION OF MAJ. GEN. ALTON D. SLAY TO BE LIEUTENANT GENERAL

Mr. GOLDWATER. I see my distinguished friend from Indiana (Mr. BAYH) is in the Chamber. I wonder if I might ask the majority leader if he could expedite the consideration of executive calendar No. 178, which has been on the Calendar since July 24 of this year, the promotion of Maj. Gen. Alton D. Slay to be lieutenant general.

I know that the Senator from Indiana had some reservations about this. I have spoken to the majority leader about it. If the Senator from Indiana does not still hold his objection, or not violently so, I would certainly appreciate early consideration of this promotion, which has been pending so long.

Mr. MANSFIELD. Mr. President, the Senator from Indiana can speak for himself.

Mr. BAYH. I might say to the Senator from Arizona that if I could have my way, the Senate would reject this nomination. I do not wish to see it unduly delayed; however, as the Senator knows, it was due to his insistence and the insistence of the Senator from Mississippi that I did not request that the nomination be sent back to the White House.

I do want to raise the issue of this nomination on the floor though, and if we could find a time certain immediately after the recess, that might be adequate.

Mr. GOLDWATER. I know there may be differing opinions, but delays like this are very detrimental to a professional soldier's career, and the sooner we can get it disposed of, the better.

Mr. MANSFIELD. Would the Senator consider some day the week of October 20, with a 1-hour limitation?

Mr. BAYH. What about the 24th, the vote to come no later than 3 o'clock, and the debate to start at 2?

Mr. MANSFIELD. That is fine. It is a Friday.

Mr. GOLDWATER. October 24?

Mr. MANSFIELD. Yes.

Mr. GOLDWATER. That is all right with me.

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the nomination of Maj. Gen. Alton D. Slay to be a lieutenant general in the U.S. Air Force occur on October 24; that the debate begin at 2 p.m.; and that the vote be taken at not later than 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I thank the Senator very much.

Mr. MANSFIELD. I now yield to the distinguished Senator from Wyoming.

DEPARTMENT OF AGRICULTURE AND RELATED APPROPRIATIONS, 1976—CONFERENCE REPORT

Mr. McGEE. Mr. President, I submit a report of the committee of conference on H.R. 8561, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Buckley). The report will be stated by title.

The second assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of October 2, 1975, at p. 31510.

Mr. McGEE. Mr. President, the pending conference report recommends $11,061,282,000 in new obligational authority for fiscal 1976, and $2,052,922,000 for the transition period. For fiscal 1976 this represents a reduction of $2,698,495,530 below the new budget authority for fiscal 1975; $23,232,000 below the budget estimate for fiscal 1976; $14,019,000 more than the House bill and $31,001,000 below the Senate-passed bill for the fiscal year.

For the transition period, the conference bill is $27,403,000 above the budget estimate; $15,377,000 more than the House bill and $6,557,000 less than the Senate bill.

As usual, Mr. President, the conference on this bill was a lengthy and detailed one. The distinguished chairman of the House subcommittee, Mr. Whitten, is highly knowledgeable in the field of agriculture and is extremely thorough in his handling of the bill prior to the time it is received by the Senate. For that reason, all of the Senate amendments were carefully considered and scrutinized.

While the gentleman from Mississippi is a tough negotiator, I hasten to add that he is also fair and reasonable. I believe we were able to resolve our differences largely to the satisfaction of the Senate conferees.

The conference report and the statement of the managers was published fully on pages 31510–31514 in the Congressional Record of October 2, 1975.

Mr. President, the conference report and the statement of the managers provide a complete discussion as to how the various amendments under consideration were disposed of. I shall not go into any great detail here to discuss them further, unless some Member has some questions regarding any individual items.

There are a few items I would like to point out, however, which will be of some particular interest to my colleagues.

The conference action retains most of the increase the Senate provided for the Agricultural Research Service. The Senate increased the House bill by about $26 million. Of this increase, we were able to retain about $18 million. In view of the situation facing agriculture, both domestically and in the foreign areas, the Senate conferees placed a high priority on these additional research funds.

This represents an investment for the future and, if the past is any indication, I am certain that these additional funds will prove to be a wise and prudent investment.

The House conferees concurred generally with the increases made by the Senate in some of the loan programs of the Farmers Home Administration. The farmownership program was increased by $100 million over the budget estimate. Industrial development loans were increased by $50 million to restore the program level of 1975. The administration had proposed a reduction of $50 million.

The House also concurred in the Senate action in providing an additional $5 million for FmHA salaries and expenses. This was an item of particular interest to many Members of this body. I am particularly happy that the Senate conferees were able to retain all of this increase.

One amendment on which the Senate was required to recede was amendment No. 32. This provided that the rural rental assistance program should be carried out at a minimum level of $6 million for fiscal 1976. While the House did not accept this specific amendment, I believe the conference report makes it clear that the Department is to carry out this program this year. Both the House and Senate committee reports made it very clear that we expected this program to be initiated and carried out this year, and the language of the conference report should leave no doubt in anyone's mind what we expect in this regard.

Another matter of concern to many of my colleagues was amendment No. 38, under which the Senate added funds to the Soil Conservation Service to undertake emergency work caused by recent natural disasters in many parts of the country. While the Senate figure was reduced somewhat, as a result of amended estimates of need, the conference did retain more than $26 million. This very important work can go forward this fall, without delay.

Another item of considerable concern to the Senate was amendment No. 57, under which the Senate added $15 million for the forestry incentives program. While the House had made provisions for this program, it had combined its funding with that of the agricultural conservation program. The conference adopted the Senate provision.

For the domestic food programs, the conference adopted most of the Senate amendments, with the exception of a couple of minor adjustments. These food programs, of course, continue to be both a major part of this bill and a source of considerable trouble.

As I pointed out when this bill was before the Senate last July, most of the domestic food programs provide funding for a 7-month period, rather than for the full fiscal year. This was necessary due to the manner in which the budget estimates were presented to the committee.

For example, for the food stamp program, the budget estimate was about $3.4 billion. This estimate came when all indications, including direct testimony from responsible departmental officials, pointed to a minimum need of $6 billion for the fiscal year. We attempted all year to obtain a budget amendment in time to be considered in this bill, but no such document was forthcoming. Finally, the committee was furnished a budget estimate, but too late to be considered in this bill, in an additional amount of $3.1 billion, or almost double the original estimate.

For the various child nutrition programs, we were again presented unreliable budget information based on erroneous assumption. Generally speaking, the 1976 budget data presented to the committee were based on the assumption that we would have a new, block grant program enacted into law. Those were the programs to be funded, under the budget as presented. Several times during the course of the year, we were advised that the proposed block grant legislation was in its final stages and would be presented to Congress soon. That block grant legislation was never introduced in the Senate, much less enacted. It follows then that the budget prepared and presented on the basis of a block grant program was not too helpful to the committee.

Rather than the block grant concept, Congress has passed H.R. 4222 over the President's veto and that bill, basically, is what we have attempted to fund in this bill. This has been somewhat difficult, since we had to anticipate what H.R. 4222 would provide. But it was far better to act on that basis rather than fund the proposed block grant program, as suggested by the budget estimates, when it was apparent that this proposed legislation would not see the light of day.

Under this procedure, we will have to consider what further funding is required for these food programs for the last 5 months of this fiscal year. We will be in a good position to do this now that H.R. 4222 has been enacted.

Mr. President, I believe that touches upon the highlights of the bill and conference action. If any Member has any questions I shall be happy to attempt to answer them. Before doing so, however, I would like to express my appreciation to my colleagues on the Appropriations Committee, and particularly those on the subcommittee who have been so helpful and cooperative throughout all of these proceedings. The Senator from Hawaii (Mr. Fong), the ranking minority member of the subcommittee, is always cooperative and most helpful, and for this I am indeed grateful.

The Senator from Georgia (Mr. Talmadge) with his vast knowledge, background, and expertise in agriculture continues to be of great help to the committee. His influence and input can be seen throughout the bill.

The gentleman from Arkansas, the chairman of the Appropriations Committee, Mr. McClellan, continues to be a patient and understanding leader. I am certain my colleagues realize that his workload, his duties, and his responsibilities have increased tremendously in view of the Nation's fiscal situation and the requirements of the new Budget Control Act and related activities. He is meeting that challenge, however, in a most responsible and constructive manner. His leadership continues to be a source of inspiration to all of us who serve under him on the committee.

Finally, Mr. President, I would like to thank all of the House conferees for their courtesies and consideration during the conference. As I indicated earlier, our conferences are not easy ones, but they are pleasant ones.

Mr. CRANSTON. Mr. President, I would like to direct a question to the distinguished chairman regarding amendment No. 35 to the conference report on H.R. 8561. This is the provision which provides pollution abatement loan funds to farmers who must comply with standards mandated by Public Law 92-500, the Federal Water Pollution Control Act. It is my understanding that in cases where requirements for pollution abatement have been established merely to comply with State regulations, this amendment directs the Department to review the requirements to determine if this should be a joint responsibility of State and Federal Government. Is this correct?

Mr. McGEE. Yes, that is a correct interpretation of the amendment.

Mr. CRANSTON. In that case, I would like the distinguished chairman to clarify the role of the Department with regard to this amendment. Is it not correct that these pollution abatement loans should be provided to eligible farmers to comply with either Federal or State pollution abatement standards mandated in accordance with Public Law 92-500? As the chairman knows, some farmers are faced currently with pollution abatement compliance standards under more stringent State regulations, as permitted by Public Law 92-500. I would like to confirm that simply because the Department is directed to review the possibility of joint Federal/State responsibility for pollution abatement requirements, it is not our intention to delay or impede the disbursement of loan funds to eligible farmers currently faced with pollution control mandates.

Mr. McGEE. I want to assure the Senator that it is not our intention to impede disbursement of these loan funds pending any review of joint Federal/State responsibilities for pollution abatement requirements.

Mr. CRANSTON. I thank the chairman.

Mr. FONG. Mr. President, I commend the distinguished Senator from the State of Wyoming for his able and forthright leadership as chairman of the Agriculture and Related Agencies Subcommittee of the Senate Committee on Appropriations. It is through his efforts, and the efforts of the other members of the subcommittee, that we have this measure before us today.

I would also like to thank the distinguished Senator from the State of North Dakota who as a member of the subcommittee and as ranking minority member of the full committee has rendered great assistance and guidance in our deliberation on this bill. As always, the chairman of the full committee, the distinguished Senator from the State of Arkansas, has been of support and help to the subcommittee.

Mr. President, as the chairman of the subcommittee has already given a detailed description of the conference committee action on the bill, I will confine my remarks to only a few points of particular interest. First is the pressing need for agricultural research. The Senate provided the Agricultural Research Service more than $18 million than was approved by the House. These funds would be utilized to maintain that agency's ongoing level of research despite skyrocketing costs and would have allowed expansion in high priority research needs. The conference agreement provides ARS with an appropriation of $253 million for such programing and while it is $8 million less than originally approved by the Senate, this is substantially above the budget estimate and will provide the agency with sufficient resources to undertake vital new projects.

Similarly, the conferees agreed to an increase of $2.5 million in the level approved by the House for Scientific Activities Overseas and an increase of $1 million over the House level for high priority research contracts and grants through the Cooperative State Research Service.

In another area of great concern is the rural development programs of the Farmers Home Administration funded through this bill. The Senate and House version of this measure both increased the insured loan authorization for housing by $574 million over the budget estimate to a level of nearly $2.7 billion to enable the agency to assist communities of up to 20,000 in population as provided by the Housing and Community Development Act of 1974.

The Senate, however, provided an additional $5 million for increased personnel levels to the Farmers Home Administration so that it could better serve these new areas under its jurisdiction. I am most pleased that the Senate position has prevailed and that funding for this account will be $155 million, $23 million more than was available last fiscal year and $7 million more than the budget estimate.

In addition, the conferees agreed to increases in the levels for farm ownership loans, rural development grants and businesses and industrial loans which assist rural areas to strengthen their economic base.

Mr. President, I believe the measure we have before us today is sound—both in approach to those critical areas of concern and need and to the general problem of governmental spending in difficult economic climate.

Over all, the bill as agreed to by the committee of conference is $23 million less than the budget estimate for fiscal year 1976 and is $27 million above the budget estimate for the transition period.

The total new budget authority in this bill amounts to $11,061,282,000. This bill is $2.7 million more than what was available last year. The bill also provides $2 billion for the transition period.

I wholeheartedly support this measure and urge my colleagues to join me in supporting it.

Mr. McGEE. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The second assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 33, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: "$520,000,000"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 48, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by said amendment, insert:

"For emergency measures for runoff retardation and soil-erosion prevention, as provided by section 216 of the Flood Control Act of 1950 (33 U.S.C. 701b–1) in addition to funds provided elsewhere, $26,577,000, to remain available until expended."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 75, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by said amendment, insert:

"Sec. 612. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in section 204 of the Supplemental Appropriation Act, 1975 (Public Law 93–554)."

Mr. McGEE. I ask unanimous consent that the amendments in disagreement be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. I move that the Senate concur in the amendments of the House of Representatives to the amendments of the Senate Nos. 33, 48, and 75.

The motion was agreed to.

Mr. McGEE. I ask unanimous consent to have printed in the Record at this point a table providing a detailed comparative statement of new budget authority for 1975 and budget estimates and amounts recommended in the bill for 1976 and the transition period.

There being no objection, the statement was ordered to be printed in the Record, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

	New BA enacted fiscal year 1975	New BA estimates 1976 transition	New BA House 1976 transition	New BA Senate 1976 transition	New BA conference 1976 transition [1]	Conference compared with fiscal year 1975 enacted [1]	Conference compared with fiscal year 1976 budget estimates [1]	Conference compared with House bill [1]	Conference compared with Senate bill
TITLE I—AGRICULTURAL PROGRAMS									
Production, Processing, and Marketing									
Office of the Secretary	$2,514,000	$2,831,000	$2,697,000	$2,797,000	$2,747,000	$233,000	−$84,000	$50,000	−$50,000
Transition period		708,000	674,000	699,000	686,000		−22,000	12,000	−13,000
Departmental Administration	14,544,000	15,862,000	15,629,000	15,629,000	15,629,000	1,085,000	−233,000		
Transition period		3,965,000	3,907,000	3,907,000	3,907,000		−58,000		
Office of the Inspector General	16,221,000	16,527,000	16,455,000	16,455,000	16,455,000	234,000	−72,000		
Transition period		4,132,000	4,114,000	4,114,000	4,114,000		−18,000		
Transfer from food stamp program	(5,245,000)	(6,094,000)	(6,094,000)	(6,094,000)	(6,094,000)	(849,000)	()	()	()
Transition period	()	(1,524,000)	(1,524,000)	(1,524,000)	(1,524,000)	()	()	()	()
Subtotal	(21,466,000)	(22,621,000)	(22,549,000)	(22,549,000)	(22,549,000)	(1,083,000)	(−72,000)	()	()
Transition period	()	(5,656,000)	(5,638,000)	(5,638,000)	(5,638,000)	()	(−18,000)	()	()
Office of the General Counsel	8,055,000	8,303,000	8,247,000	8,247,000	8,247,000	192,000	−56,000		
Transition period		2,076,000	2,062,000	2,062,000	2,062,000		−14,000		
Agricultural Research Service:									
Research	208,323,000	226,130,000	237,960,000	263,925,000	255,675,000	47,352,000	29,545,000	17,715,000	−8,250,000
Transition period		60,318,000	59,526,000	64,032,000	62,006,000		1,688,000	2,480,000	−2,026,000
Transfer from section 32	(15,000,000)	(15,000,000)	()	()	()	(−15,000,000)	(−15,000,000)	()	()
Transition period	()	()	()	()	()	()	()	()	()
Special fund (reappropriation)	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	()	()	()	()
Transition period		()	()	()	()	()	()	()	()
Scientific activities overseas (special foreign currency program)	5,000,000	10,000,000	5,000,000	10,000,000	7,500,000	2,500,000	−2,500,000	2,500,000	−2,500,000
Transition period		2,529,000	1,250,000	2,529,000	1,850,000		−679,000	600,000	−679,000
Subtotal	215,323,000	236,130,000	242,960,000	273,925,000	263,175,000	47,852,000	27,045,000	20,215,000	−10,750,000
Transition period		62,847,000	60,776,000	66,561,000	63,856,000		1,009,000	3,080,000	−2,705,000
Animal and Plant Health Inspection Service	419,072,000	361,510,000	356,730,000	364,575,000	361,075,000	−57,997,000	−435,000	4,345,000	−3,500,000
Transition period		99,499,000	98,160,000	100,265,000	99,390,000		−109,000	1,230,000	−875,000
Cooperative State Research Service	101,749,000	114,476,000	113,460,000	115,460,000	114,460,000	12,711,000	−16,000	1,000,000	−1,000,000
Transition period		28,619,000	28,365,000	28,865,000	28,615,000		−4,000	250,000	−250,000
Extension Service	215,523,000	223,768,000	228,935,000	233,935,000	228,935,000	13,412,000	5,167,000		−5,000,000
Transition period		56,161,000	57,453,000	58,703,000	57,453,000		1,292,000		−1,250,000
National Agricultural Library	4,916,000	5,439,000	5,421,000	5,421,000	5,421,000	505,000	−18,000		
Transition period		1,360,000	1,356,000	1,356,000	1,356,000		−4,000		
Statistical Reporting Service	27,417,000	30,629,000	28,766,000	31,369,000	30,043,000	2,626,000	−586,000	1,277,000	−1,326,000
Transition period		7,657,000	7,190,000	7,840,000	7,509,000		−148,000	319,000	−331,000
Economic Research Service	22,394,000	25,492,000	24,567,000	25,397,000	24,897,000	2,503,000	−595,000	330,000	−500,000
Transition period		6,373,000	6,142,000	6,349,000	6,224,000		−149,000	82,000	−125,000
Agricultural Marketing Service:									
Marketing services	40,755,000	42,275,000	42,055,000	47,055,000	47,055,000	6,300,000	4,780,000	5,000,000	
Transition period		11,697,000	11,642,000	12,892,000	12,892,000		1,195,000	1,250,000	
Payments to States and possessions	1,600,000		1,600,000		1,600,000		1,600,000		1,600,000
Transition period			400,000		400,000		400,000		400,000
Subtotal	42,355,000	42,275,000	43,655,000	47,055,000	48,655,000	6,300,000	6,380,000	5,000,000	1,600,000
Transition period		11,697,000	12,042,000	12,892,000	13,292,000		1,595,000	1,250,000	400,000
Packers and Stockyards Administration	4,899,000	5,047,000	5,028,000	5,028,000	5,028,000	129,000	−19,000		
Transition period		1,276,000	1,271,000	1,271,000	1,271,000		−5,000		
Farmer Cooperative Service	2,428,000	2,493,000	2,482,000	2,482,000	2,482,000	54,000	−11,000		
Transition period		623,000	620,000	620,000	620,000		−3,000		
Total, Production, Processing and Marketing	1,097,410,000	1,090,782,000	1,095,032,000	1,147,775,000	1,127,249,000	29,839,000	36,467,000	32,217,000	−20,526,000
Transition period		286,993,000	284,132,000	295,504,000	290,355,000		3,362,000	6,223,000	5,149,000
Farm Income Stabilization									
Agricultural Stabilization and Conservation Service:									
Salaries and expenses	161,548,000	152,053,000	151,181,000	151,181,000	151,181,000	−10,367,000	−872,000		
Transition period		38,012,000	37,794,000	37,794,000	37,794,000		−218,000		
Transfer from Commodity Credit Corporation	(69,695,000)	(72,571,000)	(72,571,000)	(72,571,000)	(72,571,000)	(2,876,000)	()	()	()
Transition period	()	(18,143,000)	(18,143,000)	(18,143,000)	(18,143,000)	()	()	()	()
Subtotal	(231,243,000)	(224,624,000)	(223,752,000)	(223,752,000)	(223,752,000)	(−7,491,000)	(−872,000)	()	()
Transition period	()	(56,155,000)	(55,937,000)	(55,937,000)	(55,937,000)	()	(−218,000)	()	()
Sugar Act program	85,700,000					−85,700,000			
Transition period									
Dairy and beekeeper indemnity programs	1,850,000	6,650,000	3,350,000	6,650,000	6,650,000	4,800,000		3,300,000	
Transition period		1,000,000	1,000,000	1,000,000	1,000,000				
Subtotal	249,098,000	158,703,000	154,531,000	157,831,000	157,831,000	−91,267,000	−872,000	3,300,000	
Transition period		39,012,000	38,794,000	38,794,000	38,794,000		−218,000		

See footnote at end of table.

	New BA enacted fiscal year 1975	New BA estimates 1976 transition	New BA House 1976 transition	New BA Senate 1976 transition	New BA conference 1976 transition [1]	Conference compared with fiscal year 1975 enacted [1]	Conference compared with fiscal year 1976 budget estimates [1]	Conference compared with House bill [1]	Conference compared with Senate bill [1]
TITLE I—AGRICULTURAL PROGRAMS—Continued									
Farm Income Stabilization—Con.									
Federal Crop Insurance Corporation:									
Administrative and operating expenses	$12,000,000	$12,000,000	$11,940,000	$11,940,000	$11,940,000	−$60,000	−$60,000		
Transition period		3,000,000	2,985,000	2,985,000	2,985,000		−15,000		
Federal Crop Insurance Corporation Fund	(6,117,000)	(6,764,000)	(6,764,000)	(6,764,000)	(6,764,000)	(647,000)			
Transition period		(1,691,000)	(1,691,000)	(1,691,000)	(1,691,000)				
Subtotal	(18,117,000)	(18,764,000)	(18,704,000)	(18,704,000)	(18,704,000)	(587,000)	(−60,000)		
Transition period		(4,691,000)	(4,676,000)	(4,676,000)	(4,676,000)		(−15,000)		
Commodity Credit Corporation:									
Reimbursement for net realized losses	4,069,412,000	2,939,054,000	2,750,000,000	2,750,000,000	2,750,000,000	−1,319,412,000	−189,054,000		
Transition period									
Limitation on administrative expenses	(38,000,000)	(39,400,000)	(39,400,000)	(39,400,000)	(39,400,000)	(1,400,000)			
Transition period		(9,850,000)	(9,850,000)	(9,850,000)	(9,850,000)				
Total, Farm Income Stabilization	4,330,510,000	3,109,757,000	2,916,471,000	2,919,771,000	2,919,771,000	−1,410,739,000	−189,986,000	$3,300,000	
Transition period		42,012,000	41,779,000	41,779,000	41,779,000		−233,000		
Total, title I	5,427,920,000	4,200,539,000	4,011,503,000	4,067,546,000	4,047,020,000	−1,380,900,000	−153,519,000	35,517,000	−$20,526,000
Transition period		329,005,000	325,911,000	337,283,000	323,134,000		3,129,000	6,223,000	−5,149,000
TITLE II—RURAL DEVELOPMENT AND ASSISTANCE PROGRAMS									
Rural Development and Protection—Farmers Home Administration									
Rural Housing Insurance Fund:									
Direct loans	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)				
Transition period		(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)				
Insured loans	(2,232,000,000)	(2,122,000,000)	(2,696,000,000)	(2,696,000,000)	(2,696,000,000)	(464,000,000)	(574,000,000)		
Transition period		(530,500,000)	(674,250,000)	(674,250,000)	(674,250,000)		(143,750,000)		
Reimbursement for interest and other losses	124,592,000	122,000,000	122,000,000	122,000,000	122,000,000	−2,592,000			
Transition period									
Subtotal	(2,376,592,000)	(2,264,000,000)	(2,838,000,000)	(2,838,000,000)	(2,838,000,000)	(461,408,000)	(574,000,000)		
Transition period		(535,500,000)	(679,250,000)	(679,250,000)	(679,250,000)		(143,750,000)		
Agricultural Credit Insurance Fund:									
Insured real estate loans	(370,000,000)	(370,000,000)	(595,000,000)	(550,000,000)	(520,000,000)	(150,000,000)	(38,000,000)	(−13,000,00)	(−7,000,000)
Transition period		(92,500,000)	(117,500,000)	(137,500,000)	(130,500,000)	(38,000,000)	(150,000,000)	(−75,000,000)	(−30,000,000)
Soil conservation loans	(24,000,000)	(24,000,000)	(27,000,000)	(27,000,000)	(27,000,000)	(3,000,000)	(3,000,000)		
Transition period		(6,000,000)	(6,750,000)	(6,750,000)	(6,750,000)		(750,000)		
Operating loans	(625,000,000)	(525,000,000)	(625,000,000)	(625,000,000)	(625,000,000)		(100,000,000)		
Transition period		(131,250,000)	(156,250,000)	(156,250,000)	(156,250,000)		(25,000,000)		
Emergency loans	(100,000,000)	(100,000,000)	(100,000,000)	(100,000,000)	(100,000,000)				
Transition period									
Reimbursement for interest and other losses	485,262,000	169,214,000	169,214,000	169,214,000	169,214,000	−316,048,000			
Transition period									
Subtotal	(1,604,262,000)	(1,188,214,000)	(1,516,214,000)	(1,471,214,000)	(1,441,214,000)	(−163,048,000)	(253,000,000)	(−75,000,000)	(−30,000,000)
Transition period		(229,750,000)	(280,500,000)	(300,500,000)	(293,500,000)		(63,750,000)	(13,000,000)	(−7,000,000)
Rural water and waste disposal grants	30,000,000	150,000,000	100,000,000	100,000,000	100,000,000	70,000,000	−50,000,000		
Transition period		37,500,000	37,500,000	37,500,000	37,500,000				
Prior year unobligated balances	(120,000,000)					(−120,000,000)	(−50,000,000)		
Transition period									
Subtotal	(150,000,000)	(150,000,000)	(100,000,000)	(100,000,000)	(100,000,000)	(−50,000,000)			
Transition period		(37,500,000)	(37,500,000)	(37,500,000)	(37,500,000)				
Rural housing for domestic farm labor	5,000,000		6,000,000	9,750,000	7,500,000	2,500,000	7,500,000	1,500,000	−2,250,000
Transition period			1,500,000	2,500,000	1,875,000		1,875,000	375,000	−625,000
Mutual and self-help housing	5,000,000		9,000,000	9,000,000	9,000,000	4,000,000	9,000,000		
Transition period			2,250,000	2,250,000	2,250,000		2,250,000		
Rural Development Insurance Fund:									
Reimbursement for losses	17,446,000	25,214,000	25,214,000	25,214,000	25,214,000	7,768,000			
Transition period									
Water and sewer facility loans	(470,000,000)	(400,000,000)	(470,000,000)	(470,000,000)	(470,000,000)		(70,000,000)		
Transition period		(100,000,000)	(117,500,000)	(117,500,000)	(117,500,000)		(17,500,000)		
Industrial development loans	(350,000,000)	(300,000,000)	(300,000,000)	(350,000,000)	(350,000,000)		(50,000,000)	(50,000,000)	
Transition period		(75,000,000)	(75,000,000)	(87,500,000)	(87,500,000)		(12,500,000)	(12,500,000)	
Community facility loans	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)				
Transition period		(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)				
Subtotal	(1,037,446,000)	(925,214,000)	(995,214,000)	(1,045,214,000)	(1,045,214,000)	(7,768,000)	(120,000,000)	(50,000,000)	
Transition period		(225,000,000)	(242,500,000)	(255,000,000)	(255,000,000)		(30,000,000)	(12,500,000)	
Rural Community Fire Protection Grants	3,500,000		3,500,000	3,500,000	3,500,000		3,500,000		
Transition period			875,000	875,000	875,000		875,000		
Salaries and expenses	132,025,000	142,850,000	150,102,000	155,102,000	155,102,000	23,077,000	12,252,000	5,000,000	
Transition period		37,028,000	40,791,000	40,791,000	40,791,000		3,763,000		
Transfer from loan accounts	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)				
Transition period		(875,000)	(875,000)	(875,000)	(875,000)				
Subtotal	(135,525,000)	(146,350,000)	(153,602,000)	(158,602,000)	(158,602,000)	(23,077,000)	(12,252,000)	(5,000,000)	
Transition period		(37,903,000)	(41,666,000)	(41,666,000)	(41,666,000)		(3,763,000)		
Rural Development Grants	13,750,000	10,000,000	10,000,000	13,750,000	11,875,000	−1,875,000	1,875,000	1,875,000	−1,875,000
Transition period		2,500,000	2,500,000	3,437,500	2,969,000		469,000	469,000	−468,500
Subtotal	816,575,000	619,278,000	595,030,000	607,530,000	603,405,000	−213,170,000	−15,873,000	8,375,000	−4,125,000
Transition period		77,028,000	85,416,000	87,353,500	86,260,000		9,232,000	844,000	−1,093,500

See footnote at end of table.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1976 AND THE TRANSITION PERIOD—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

	New BA enacted fiscal year 1975	New BA estimates 1976 transition	New BA House 1976 transition	New BA Senate 1976 transition	New BA conference 1976 transition [1]	Conference compared with fiscal year 1975 enacted [1]	Conference compared with fiscal year 1976 budget estimates [1]	Conference compared with House bill [1]	Conference compared with Senate bill [1]
TITLE II—RURAL DEVELOPMENT AND ASSISTANCE PROGRAMS—Con.									
Rural Development and Protection—Farmers Home Administration—Con.									
Rural Development Service	$990,000	$1,308,000	$1,305,000	$1,305,000	$1,305,000	$315,000	−$3,000		
Transition period		355,000	354,000	354,000	354,000		−1,000		
Rural Electrification Administration:									
Rural electrification and telephone revolving fund:									
Electric loans	(700,000,000)	(618,000,000)	(750,000,000)	(750,000,000)	(750,000,000)	(50,000,000)	(132,000,000)	()	()
Transition period	()	(155,000,000)	(187,500,000)	(187,500,000)	(187,500,000)	()	(32,500,000)	()	()
Telephone loans	(200,000,000)	(140,000,000)	(250,000,000)	(250,000,000)	(250,000,000)	(50,000,000)	(110,000,000)	()	()
Transition period	()	(35,000,000)	(62,500,000)	(62,500,000)	(62,500,000)	()	(27,500,000)	()	()
Subtotal	(900,000,000)	(758,000,000)	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)	(100,000,000)	(242,000,000)	()	()
Transition period	()	(190,000,000)	(250,000,000)	(250,000,000)	(250,000,000)	()	(60,000,000)	()	()
Capitalization of Rural Telephone Bank	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	()	()	()	()
Transition period	()	(7,500,000)	(7,500,000)	(7,500,000)	(7,500,000)	()	()	()	()
Salaries and expenses	19,675,000	20,198,000	20,112,000	20,112,000	20,112,000	437,000	−86,000		
Transition period		5,241,000	5,220,000	5,220,000	5,220,000		−21,000		
Subtotal	19,675,000	20,198,000	20,112,000	20,112,000	20,112,000	437,000	−86,000		
Transition period		5,241,000	5,220,000	5,220,000	5,220,000		−21,000		
Total, rural development and assistance programs	837,240,000	640,784,000	616,447,000	628,947,000	624,822,000	−212,418,000	−15,962,000	$8,375,000	−$4,125,000
Transition period		82,624,000	90,990,000	92,927,500	91,834,000		9,210,000	844,000	−1,093,500
Conservation—Soil Conservation Service									
Conservation operations	198,007,000	200,375,000	201,057,000	206,057,000	206,057,000	8,050,000	5,682,000	5,000,000	
Transition period		50,100,000	50,271,000	51,521,000	51,521,000		1,421,000	1,250,000	
River basin surveys and investigations	14,531,000	14,798,000	14,745,000	14,745,000	14,745,000	−214,000	−53,000		
Transition period		3,700,000	3,687,000	3,687,000	3,687,000		−13,000		
Watershed planning	11,099,000	11,236,000	11,196,000	11,196,000	11,196,000	97,000	−40,000		
Transition period		2,809,000	2,799,000	2,799,000	2,799,000		−10,000		
Watershed and flood prevention operations	124,527,000	136,576,000	146,409,000	178,086,000	172,986,000	48,459,000	36,410,000	26,577,000	−5,100,000
Transition period		35,950,000	38,408,000	38,408,000	38,408,000		2,458,000		
Great Plains conservation program	20,196,000	20,575,000	20,379,000	20,379,000	20,379,000	183,000	−196,000		
Transition period		6,000,000	5,9751,000	5,951,000	5,951,000		−49,000		
Resource conservation and development	20,320,000	25,012,000	29,972,000	29,972,000	29,972,000	9,652,000	4,960,000		
Transition period		6,253,000	7,493,000	7,493,000	7,493,000		1,240,000		
Subtotal	388,680,000	408,572,000	423,758,000	460,435,000	455,335,000	66,655,000	46,763,000	13,577,000	−5,100,000
Transition period		104,812,000	108,609,000	109,859 000	109,859,000		5,047,000	1,250,000	
Conservation—Agricultural Stabilization and Conservation Service									
Agricultural Conservation Program:									
Advance authorization (contract authority)	190,000,000		190,000,000	175,000,000	175,000,000	−15,000,000	175,000,000	−15,000,000	
Transition period									
Liquidation of contract authority	(285,500,000)	(190,000,000)	(190,000,000)	(190,000,000)	(190,000,000)	(−95,500,000)	()	()	()
Transition period	()	()	()	()	()	()	()	()	()
Forestry incentives program	15,000,000			15,000,000	15,000,000		15,000,000	15,000,000	
Transition period				3,750,000	3,750,000		3,750,000	3,750,000	
Water Bank Act program	2,143,530		10,000,000	10,000,000	10,000,000	7,856,470	10,000,000		
Transition period			2,500,000	2,500,000	2,500,000		2,500,000		
Emergency conservation measures	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000				
Transition period		2,500,000	2,500,000	2,500,000	2,500,000				
Cropland adjustment program	43,801,000	42,000,000	42,000,000	42,000,000	42,000,000	−1,801,000			
Transition period		21,000,000	21,000,000	21,000,000	21,000,000				
Subtotal	260,944,530	52,000,000	252,000,000	252,000,000	252,000,000	−8,944,530	200,000,000		
Transition period		23,500,000	26,000,000	29,750,000	29,750,000		6,250,000	3,750,000	
Total, Conservation	649,624,530	460,572,000	675,758,000	712,435,000	707,335,000	57,710,470	246,763,000	31,577,000	−5,100,000
Transition period		128,312,000	134,609,000	139,609,000	139,609,000		11,297,000	5,000,000	
Total, title II	1,486,864,530	1,101,356,000	1,292,205,000	1,341,382,000	1,332,157,000	−154,707,530	230,801,000	39,952,000	−9,225,000
Transition period		210,936,000	225,599,000	232,536,500	231,443,000		20,507,000	5,844,000	−1,093,500
TITLE III—DOMESTIC FOOD PROGRAMS									
Food and Nutrition Service:									
Child nutrition programs	829,885,000	739,305,000	754,980,000	680,280,000	680,280,000	−149,605,000	−59,025,000	−74,700,000	
Transition period		236,591,000	236,591,000	236,591,000	236,591,000				
Transfer from section 32	(705,926,000)	(737,111,000)	(737,111,000)	(737,111,000)	(737,111,000)	(31,185,000)	()	()	()
Transition period	()	()	()	()	()	()	()	()	()
Total	(1,535,811,000)	(1,476,416,000)	(1,492,091,000)	(1,417,391,000)	(1,417,391,000)	(−118,420,000)	(−59,025,000)	(−74,700,000)	()
Transition period	()	(236,591,000)	(236,591,000)	(236,591,000)	(236,591,000)	()	()	()	()
Special milk program	125,000,000		84,000,000	84,000,000	84,000,000	−41,000,000	84,000,000		
Transition period									
Special supplemental food program			106,000,000	106,000,000	106,000,000	106,000,000	106,000,000		
Transition period									
Food donations program		5,839,000	5,839,000	17,839,000	17,839,000	17,839,000	12,000,000	12,000,000	
Transition period		1,460,000	1,460,000	4,460,000	4,460,000		3,000,000	3,000,000	

See footnote at end of table.

	New BA enacted fiscal year 1975	New BA estimates 1976 transition	New BA House 1976 transition	New BA Senate 1976 transition	New BA conference 1976 transition[1]	Conference compared with fiscal year 1975 enacted[1]	Conference compared with fiscal year 1976 budget estimates[1]	Conference compared with House bill[1]	Conference compared with Senate bill[1]
TITLE III—DOMESTIC FOOD PROGRAMS—Continued									
Food and Nutrition Service—Con.									
Food stamp program	$4,874,600,000	$3,453,000,000	$3,453,000,000	$3,453,000,000	$3,453,000,000	−$1,421,600,000			
Transition period		1,039,117,000	1,039,117,000	1,039,117,000	1,039,117,000				
Total, title III	5,829,485,000	4,198,144,000	4,403,819,000	4,341,119,000	4,341,119,000	−1,488,366,000	$142,975,000	−$62,700,000	
Transition period		1,277,168,000	1,277,168,000	1,280,168,000	1,280,168,000		3,000,000	3,000,000	
TITLE IV—INTERNATIONAL PROGRAMS									
Foreign Agricultural Service	29,372,000	33,805,000	35,821,000	38,321,000	37,071,000	7,699,000	3,266,000	1,250,000	−$1,250,000
Transition period		9,266,000	8,973,000	9,598,000	9,283,000		17,000	310,000	−315,000
Transfer from section 32	(2,117,000)	(2,117,000)	( )	( )	( )	(−2,117,000)	(−2,117,000)	( )	( )
Transition period	( )	( )	( )	( )	( )	( )	( )	( )	( )
Total	(31,489,000)	(35,922,000)	(35,821,000)	(38,321,000)	(37,071,000)	(5,582,000)	(1,149,000)	(1,250,000)	(−1,250,000)
Transition period	( )	(9,266,000)	(8,973,000)	(9,598,000)	(9,283,000)	( )	(17,000)	(310,000)	(−315,000)
Public Law 480	778,473,000	1,336,017,000	1,089,917,000	1,089,917,000	1,089,917,000	311,444,000	−246,100,000		
Transition period		146,220,000	146,220,000	146,220,000	146,220,000				
Sales manager	(945,000)	( )	(1,000,000)	(1,000,000)	(1,000,000)	(55,000)	(1,000,000)	( )	( )
Transition period	( )	( )	(250,000)	(250,000)	(250,000)	( )	(250,000)	( )	( )
Total title IV	807,845,000	1,369,822,000	1,125,738,000	1,128,238,000	1,126,988,000	319,143,000	−242,834,000	1,250,000	−1,250,000
Transition period		155,486,000	155,193,000	155,818,000	155,503,000		17,000	310,000	−315,000
TITLE V—RELATED AGENCIES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Food and Drug Administration:									
Salaries and expenses	199,897,000	203,460,000	201,805,000	201,805,000	201,805,000	1,908,000	−1,655,000		
Transition period		50,126,000	50,126,000	50,126,000	50,126,000				
Buildings and facilities	1,000,000		1,000,000	1,000,000	1,000,000		1,000,000		
Transition period			750,000	750,000	750,000		750,000		
Total	200,897,000	203,460,000	202,805,000	202,805,000	202,805,000	1,908,000	−655,000		
Transition period		50,126,000	50,876,000	50,876,000	50,876,000		750,000		
INDEPENDENT AGENCIES									
Commodity Futures Trading Commission	6,766,000	11,193,000	11,193,000	11,193,000	11,193,000	4,427,000			
Transition period		2,798,000	2,798,000	2,798,000	2,798,000				
Farm Credit Administration:									
Revolving fund for administrative expenses	(6,662,000)	(7,089,000)	(7,089,000)	(7,089,000)	(7,089,000)	(427,000)	( )	( )	( )
Transition period	( )	(1,841,000)	(1,841,000)	(1,841,000)	(1,841,000)	( )	( )	( )	( )
Total, Title V	207,663,000	214,653,000	213,998,000	213,998,000	213,998,000	6,335,000	−655,000		
Transition period		52,924,000	53,674,000	53,674,000	53,674,000		750,000		
Grand total	13,759,777,530	11,084,514,000	11,047,263,000	11,092,283,000	11,061,282,000	−2,698,495,530	−23,232,000	14,019,000	−31,001,000
Transition period		2,025,519,000	2,037,545,000	2,059,479,500	2,052,922,000		27,403,000	15,377,000	−6,557,500
RECAPITULATION									
Title I—Agricultural programs	5,427,920,000	4,200,539,000	4,011,503,000	4,067,546,000	4,047,020,000	−1,380,900,000	−153,519,000	35,517,000	−20,526,000
Transition period		329,005,000	325,911,000	337,283,000	332,134,000		3,129,000	6,223,000	−5,149,000
Titles II—Rural development and assistance programs	1,486,864,530	1,101,356,000	1,292,205,000	1,341,382,000	1,332,157,000	−154,707,530	230,801,000	39,952,000	−9,225,000
Transition period		210,936,000	225,599,000	232,536,500	231,443,000		20,507,000	5,844,000	−1,093,500
Title III—Domestic food programs	5,829,485,000	4,198,144,000	4,403,819,000	4,341,119,000	4,341,119,000	−1,488,366,000	142,975,000	−62,700,000	
Transition period		1,277,168,000	1,277,168,000	1,280,168,000	1,280,168,000		3,000,000	3,000,000	
Title IV—International programs	807,845,000	1,369,822,000	1,125,738,000	1,128,238,000	1,126,988,000	319,143,000	−242,834,000	1,250,000	−1,250,000
Transition period		155,486,000	155,193,000	155,818,000	155,503,000		17,000	310,000	−315,000
Title V—Related agencies	207,663,000	214,653,000	213,998,000	213,998,000	213,998,000	6,335,000	−655,000		
Transition period		52,924,000	53,674,000	53,674,000	53,674,000		750,000		
Total, new budget (obligational) authority	13,759,777,530	11,084,514,000	11,047,263,000	11,092,283,000	11,061,282,000	−2,698,495,530	−23,232,000	14,019,000	−31,001,000
Transition period		2,025,519,000	2,037,545,000	2,059,479,500	2,052,922,000		27,403,000	15,377,000	−6,557,500
Consisting of:									
1. Appropriations	13,567,777,530	11,084,514,000	10,857,263,000	10,917,283,000	10,886,282,000	−2,681,495,530	−198,232,000	29,019,000	−31,001,000
Transition period		2,025,519,000	2,037,545,000	2,059,479,500	2,052,922,000		27,403,000	15,377,000	−6,557,500
2. Reappropriations	2,000,000	2,000,000	2,000,000	2,000,000					
Transition period									
3. Contract authorizations	190,000,000		190,000,000	175,000,000	175,000,000	−15,000,000	175,000,000	−15,000,000	
Transition period									
4. Direct and insured loan level	5,291,000,000	4,819,000,000	6,033,000,000	6,038,000,000	6,008,000,000	717,000,000	1,189,000,000	−25,000,000	−30,000,000
Transition period		1,180,250,000	1,452,250,000	1,484,750,000	1,477,750,000		293,500,000	25,500,000	−7,000,000
Memoranda:									
1. Appropriations to liquidate contract authorizations	285,500,000	190,000,000	190,000,000	190,000,000	190,000,000	−95,500,000			
Transition period									
2. Appropriations, including appropriations to liquidate contract authority	13,853,277,530	11,274,514,000	11,047,263,000	11,107,283,000	11,076,282,000	−2,776,995,530	−198,232,000	29,019,000	−31,001,000
Transition period		2,025,519,000	2,037,545,000	2,059,479,500	2,052,922,000		27,403,000	15,377,000	−6,557,500
3. Transfers from section 32	723,043,000	754,228,000	737,111,000	737,111,000	737,111,000	14,068,000	−17,117,000		
Transition period									
4. Transfers from Commodity Credit Corporation	69,695,000	72,571,000	72,571,000	72,571,000	72,571,000	2,876,000			
Transition period		18,143,000	18,143,000	18,143,000	18,143,000				

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[1] Indicates increase, unless minus is shown.

Mr. McGEE. Mr. President, I ask unanimous consent that the provision of the law requiring that the conference report be printed as a Senate report be waived, since that report is identical to the report of the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE TRIP OF SENATOR WILLIAM L. SCOTT

Mr. BARTLETT. Mr. President, I make a few observations regarding the recent front page article by Lisa Myers printed in the Washington Star concerning Senator William L. Scott's factfinding trip to the Middle East during the August recess. Several of my colleagues have spoken out against the unfair attack on the Senator from Virginia, and I praise them for providing the true facts of the matter.

Senator Scott went to the Middle East on behalf of the Committee on Armed Services and visited seven countries in order to obtain information on matters of military and economic aid and the general attitude of leaders in that area toward the Sinai agreement.

Senator Bill Scott has performed a valuable service for the Senate Armed Services Committee, of which I am a member, and to the Senate for his report on the Middle East. The trip was timely, for in the next few days we will consider the Egypt-Israel Sinai accord, a matter of paramount importance to this country and the world. Indeed, the decision we reach in this body on that agreement could very well have an important impact on our world's history.

Ms. Myers, in her article, quoted unnamed State Department officials as saying:

> To put it bluntly, it was a diplomat's nightmare, Scott managed to insult almost every country,

And—

> It will take us two years to repair the damage Scott did in these couple of weeks.

Officially the State Department refuted these remarks in a press briefing on October 2. Mr. Robert Funseth, official State Department spokesman, said:

> I have checked the story and I want to say that no authorized State Department official made such remarks.

The article by Ms. Myers infers that the meetings with each head of state for 1½ hours was really a waste of time considering the amount of money spent to carry out a mission like the one Senator Scott was on. On the contrary, that is a generous amount of time for a foreign visitor considering the demanding schedules of heads of state.

Ms. Myers also took to task Senator John Stennis, distinguished chairman of the Armed Services Committee, by stating that trips like Senator Scott's are rewards—

> In return for favors, such as the "right" vote on a particular issue or "future compensation."

Senator Stennis has openly urged all members of the Armed Services Committee to make factfinding trips whenever they may benefit the committee and the Senate. Indeed, the distinguished chairman has pointed out that it is a Senator's duty to become more informed on issues that face the Senate Armed Services Committee. No hint of any awards or rewards has ever been mentioned in this context, or any other context, by Senator Stennis.

The Star article intimates that Senator Scott had a Boeing 707 type aircraft at his personal disposal for himself, "his wife, an aide, a military escort officer, and a five-man flight crew."

Mr. President, I wish to have printed in the Record at this point a copy of the complete passenger manifest.

There being no objection, the manifest was ordered to be printed in the Record, as follows:

PASSENGER MANIFEST OF OFFICIAL PASSENGERS

Name and title:

Scott, William—Senator; Scott, Inez—Mrs.; Bumpers, Dale—Senator; Bumpers, Betty—Mrs.; Randall, W.—Representative; Randall, M.—Mrs.; Taylor, R.—Representative; Taylor, E.—Mrs.; Eckhardt, B.—Representative; Eckhardt, N.—Mrs.

Esch, M.—Representative; Esch, O.—Mrs.; Eshleman, E.—Representative; Eshleman, K.—Mrs.; Hammerschmidt, J. P.—Representative; Regula, R.—Representative; Regula, M.—Mrs.; Goodling, W.—Representative; Goodling, H.—Mrs.; Corman, J.—Representative; Whitehurst, G. W.—Representative; Whitehurst, J.—Mrs.

Maury, J.—Mr.; Sanders, D.—Mr.; Hammond, C.—Col.; Wooldridge, N.—Miss; Loen, V.—Mr.; Collins, P.—Mr.

Finley, M.—Mr.; Van Dusen, M.—Mr.; Bearg, N.—Miss; Ward, M.—Miss; Conneely, C.—Mr.; Thorpe, G.—Cdr.; Rhode, M.—Lt. Col.; Walerton, C.—Lt. Col.; Hunt, K.—Lt. Col.; Arrandoada, J.—S. Sgt.

Cain, B.—S. Sgt.; Rosenmund, W.—Mr.; Fox, S.; Dixon, N.; Corman; Keasling, K.

Mr. BARTLETT. There are 44 names on that list, including another Senator and several Members of Congress and their wives. It is quite clear that Senator Scott did not "commandeer" any planes for his private use.

As a matter of fact, Senator Scott and his party used the Boeing 707 type aircraft on the trans-Atlantic portions of his flight only. While in the Middle East he traveled by small jet—8 passenger—and a reciprocal engine—12 passenger—propeller driven aircraft.

When one considers the actual facts that Senator Scott traveled with other Members of Congress and the Defense Department, little credence can be given to her statement:

> Asked why such a large plane was used for a party of four, a Pentagon spokesman said it was the smallest capable of transatlantic flight.

Ms. Myers quoted Senator Scott as saying, "This is beautiful. I have always wanted to see the Persian Gulf," while allegedly standing on the banks of the Suez Canal talking to President Sadat of Egypt. This statement is not true according to Charles Conneely, Armed Services Committee professional staff member who accompanied Senator Scott on his trip. Senator Scott met with President Sadat in western Egypt near the Libyan border, a point many miles from the Suez Canal and the Persian Gulf.

It is my strong conviction that all elements of the media are entitled to opinions and they should not be restricted in any way. I also believe that it is important that mistakes and errors that do appear in the media should be corrected by those who have the factual information. It is for this reason, then, that I am assuming this responsibility and am making this statement for the Record.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. BARTLETT. Yes, I yield.

Mr. WILLIAM L. SCOTT. Mr. President, I do appreciate the kind remarks of the distinguished Senator from Oklahoma (Mr. Bartlett) about the misleading article that appeared in the Washington Star. A number of other Senators have spoken in a similar vein, and I am grateful to all of them. It does appear that colleagues in the Senate, and the American people generally, have a basic sense of fairness. Therefore, it is difficult to understand why the Star printed this article on page 1 of its newspaper in the first place, or why, after being informed of its many inaccuracies, as the distinguished Senator from Louisiana (Mr. Long) stated last Friday, it editorially reiterated a number of the false statements.

The Washington Star has been known as a family newspaper. It has been delivered to our home for more than 25 years. In fact, both of my sons at one time or another were Star carriers. This was a number of years ago. They are both practicing law in Fairfax at this time; but I suspect they benefited from their experience as carriers.

Over a period of years the Star has had a motto, "You know it is true if you read it in the Star." Frankly, it seems that the new owners of this paper would want to protect the reputation that the Star has acquired for accuracy over the years, and it is difficult to understand why they have not retracted an inaccurate article by a young, unknown free-lance writer.

Mr. President, I ask unanimous consent to have printed in the Record a portion of the July 31 Record containing a colloquy with the distinguished Senator from Maryland (Mr. Beall) and myself regarding a unanimous-consent request for the consideration of a sense-of-the-Senate resolution that the Federal Communications Commission render a decision on the request of the Star for a waiver of the multiple ownership rules as expeditiously as possible.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAM L. SCOTT. It was 11 o'clock in the evening when the request was made and there is some question as to whether joint ownership of newspapers, television stations, and radio stations should be continued when title is transferred. I did not suggest that the waiver be granted or that it be denied. However, when Congress creates and empowers a regulatory agency to consider matters of this kind, it appears unreasonable for it to attempt to influence the operation of that quasi-judicial agency in the performance of the duties assigned to it. The resolution has not subsequently been considered by the Senate and is one of the subjects on the table. I would hope, Mr. President, that this objection had nothing to do with the placement of the misleading article on page 1 of the newspaper. The question of malice by the new ownership of the Star, however, might well be raised by such action. But to me the important thing is the protection of my own reputation. Therefore, I hope that those in charge of the operation of the Star will take another look at the matter and retract or clarify the entire episode.

Mr. President, I ask unanimous consent to have printed in the Record an editorial from the October 4 edition of the Richmond Times Dispatch, one of Virginia's leading morning newspapers, indicating it has no way of knowing whether anyone in the State Department said that my trip to the Middle East was a diplomat's nightmare but otherwise the story was inaccurate and misleading.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. WILLIAM L. SCOTT. Mr. President, I also ask unanimous consent to have printed in the Record an Associated Press account of a State Department challenge to the Star designation of the Middle East trip as a diplomat's nightmare. This challenge, that appeared in the Richmond News Leader the afternoon of October 4, stated that no official of the Department made such a statement, that the Department regretted it being cited in this manner, and that the Department does not feel that the trip was a nightmare.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. WILLIAM L. SCOTT. Mr. President, once again I do thank the various Members of the Senate for their kind remarks regarding the report I made on the Middle East trip and for their expression of concern regarding the inaccurate Star article, and of course the distinguished Senator from Oklahoma was very thoughtful to clarify a number of the questions raised by the Star.

Exhibit 1

Senate Resolution 233—Submission of a Resolution Relating to Sale of Certain Joint Newspaper-Broadcast Properties

Mr. Beall. Mr. President, I am today submitting a "Sense of the Senate Resolution" calling on the Federal Communications Commission to come to an expeditious decision on the application for waivers filed by the Washington Star for the sale of joint newspaper-broadcast properties.

It is not my intention to interfere with or prejudice, in any way, the substance of the waiver requests filed by the Star. I believe it essential, however, that a timely decision be reached in this matter.

Certainly in this, the Nation's Capital, one can expect a high degree of journalistic enterprise. Competition is an essential element in the gathering and reporting of local and national news. For many long years, the Washington Star has been an aggressive and important factor in reporting the events of the times to the public.

Now the paper has fallen on hard times. It is in financial difficulties and the ownership of the newspaper is currently being negotiated. The newspaper's publisher has applied for ownership, but says that the paper's broadcasting properties are essential to a successful transition. I do not advocate this position, I merely present it.

The newspaper has filed petitions with the FCC for waivers of the regulations prohibiting multiple ownership of broadcasting and newspaper properties. The matter is further complicated by the fact that this is the first case to be considered under newly promulgated rulings by the FCC.

As I have stated, it is not my intention to prejudice or interfere in the substance of this matter. It is my intention, however, to the Federal Communications Commission my objections to anything other than expeditious resolution of this matter.

Certainly the Star management or those seeking to purchase, needs to know how to go about the business of financial planning. A delay of the magnitude indicated by the FCC could virtually destroy the newspaper. One of Washington's two major daily newspapers is in financial trouble. It would be totally unconscionable if the newspaper were forced to stop its presses because an agency of the Federal Government could not make a decision on the matter in a timely manner.

I urge my colleagues to join me in this resolution to call on the Federal Communications Commission to come to an expeditious decision in this matter.

Mr. President, I send the resolution to the desk and ask unanimous consent that it be immediately considered.

The Vice President. Is there objection?

Several Senators addressed the Chair.

Mr. Robert C. Byrd. Mr. President, let the clerk state the title.

The legislative clerk read as follows:

"A resolution to express the sense of the Senate that the Federal Communications Commission render a decision on the request of the Washington Star for a waiver of the multiple ownership rules as expeditiously as possible."

Mr. William L. Scott. Mr. President, reserving the right to object, it was my understanding that the distinguished majority whip asked unanimous consent that there be time for routine morning business, that there not be any legislative business. So I make a point of order against the consideration of the matter under those circumstances.

Now, if there is a change in the statement of the distinguished Senator from West Virginia, I will object.

The Presiding Officer. (Mr. Chiles). It is not a motion, it is a unanimous-consent request and one can always make a unanimous-consent request. So the request is in order. The point or order does not lie. Is there objection?

Mr. William L. Scott. I object.

The Presiding Officer. Objection is heard.

The resolution will go over under the rule.

The resolution, which was ordered to lie over, under the rule, is as follows:

"S. Res. 233

"Whereas The Washington Star newspaper was and is in financial difficulty;

"Whereas the ownership of the Washington Star is being negotiated;

"Whereas the management of The Washington Star alleges that the viability of the newspaper is dependent upon the purchase of the Washington Star Communications, Inc.;

"Whereas The Washington Star has petitioned the Federal Communications Commission for waivers of its multiple ownership rules;

"Whereas The Washington Star applied for such waiver to the Federal Communications Commission eight months ago;

"Whereas the Federal Communications Commission decided on July 22 to hold public hearings which could result in a delay for more than a year;

"Whereas it is in the public interest that there be competitive newspapers in the Nation's Capital; and

"Whereas the Senate by the adoption of this resolution does not intend to prejudice the substance of this waiver request, to interfere with the regulatory process, or to influence the issue of the ultimate ownership of the newspaper, therefore be it

"*Resolved* that it is the sense of the Senate that the Federal Communications Commission render a decision on this waiver request as expeditiously as possible so that bureaucratic delay will not be a contributing factor to the possible demise of one of two of Washington, D.C.'s major newspapers."

Exhibit 2

Critical Scott Trip Account Disavowed

Washington.—The State Department, challenging a newspaper account critical of a Middle Eastern trip by Sen. William I. Scott, says the Virginia Republican's journey was not a "diplomat's nightmare."

"No authorized official from the State Department made such a statement," a department spokesman said yesterday. "We regret that a State Department official was cited in this matter."

Furthermore, the spokesman said, the department does not feel Scott's trip was a nightmare.

An article in Tuesday's Washington Star quoted a State Department official, who reportedly refused to be identified, as saying: "To put it bluntly, it was a diplomat's nightmare. Scott managed to insult every country . . ."

Scott took to the Senate floor the day the story appeared to denounce its contents as "pure nonsense."

Scott took the 24-day tour of Middle East nations in August as a fact-finding mission for the Armed Services Committee, he said.

The article said Scott's trip, on which he took his wife, an aide and a military escort officer, cost taxpayers $15,787.

An aide to Scott said yesterday that Scott was the only Senator on the August tour of the Middle East. However, the aide said the military jet on which Scott traveled to Europe had 44 persons on it, including several other members of Congress.

Exhibit 3

[From the Richmond Times-Dispatch]

Senator Scott's Trip

We have no way of knowing whether some unidentified person in the State Department called Virginia Sen. William L. Scott's recent trip abroad "a diplomat's nightmare," but the *Washington Star* story which carries that quote is not a distinguished example of journalism.

One little clue—recognized by experienced newsmen—raises the question of the intent of the author of the story.

The third paragraph of the story reads:

"On his 24-day junket through 10 countries during the August recess, Scott took his wife, an aide, a military escort officer, a five-man flight crew, a jetliner the size of a Boeing 707 and four boxes of his favorite breakfast cereal—Kellogg's Country Morning."

The picture brought to mind by the last reference is of a childish adult who absolutely insists on having his favorite cereal every morning, even when traveling to foreign countries on official business for the United States Senate. But 25 paragraphs later in the story, at the tail end, we discover that Sen. Scott made no request for the cereal to be carried on the trip, but, instead, it was put aboard by someone at the Pentagon who "knew that's what he liked."

Besides making the senator look foolish through the cereal reference, the story's third paragraph is misleading in implying that the senator, his wife, an aide and a military escort officer were the sole passengers on the big airplane and that the senator used this plane for his entire 24-day trip abroad.

The fact is that there were 44 passengers on the plane from Washington to Rome, and about half of those passengers were members of Congress and their wives. Further, the senator pointed out in his news conference here Friday that he and his party flew from Rome to Tel Aviv in a four-passenger jet and that a propeller plane was used for visits to other Middle East countries.

It is revealing also to note that the *Star* story says that Scott "thanked Egyptian President Anwar Sadat, while overlooking the Suez Canal: 'This is beautiful. I've always wanted to see the Persian Gulf.'" That would be quite funny, if true. But Sen. Scott told the Senate: "We had a very pleasant visit with President Answar Sadat at his Mersa Matruk villa on the Mediterranean Sea near the Libyan border several hundreds of miles from either the Suez Canal or the Persian Gulf."

We reiterate that we do not know whether a State Department representative feels that Sen. Scott "managed to insult almost every country" he visited, or whether criticism of the senator's actions are justified. But much of the story is inaccurate and/or misleading and to that extent does an injustice to the senator.

Mr. BARTLETT. Mr. President, I yield the floor back to the majority leader.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. HOLLINGS. Mr. President, we have checked with the Senator from Kansas (Mr. PEARSON), the Senator from Colorado (Mr. GARY W. HART), the Senator from Illinois (Mr. STEVENSON), the distinguished majority leader, and the distinguished minority leader.

The Senate has agreed to vote at 2 o'clock tomorrow on the Silbert nomination.

I ask unanimous consent that at 2:30 the Senate have an up-and-down vote on the Abourezk amendment, No. 954, and an up-and-down vote immediately thereafter on the Stevenson amendment, No. 948.

Mr. MANSFIELD. When the Senator refers to the Abourezk amendment, does he mean the Hart amendment?

Mr. HOLLINGS. That is right—the Abourezk-Hart amendment, No. 954.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that in the 15 minutes following the Silbert nomination and prior to the vote on the Hart-Abourezk amendment, the time be equally divided between the distinguished Senator from Colorado (Mr. GARY W. HART) and the Senator from Kansas (Mr. PEARSON).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION TOMORROW OF SENATORS THURMOND AND GRIFFIN AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the joint leadership has been recognized tomorrow, the distinguished Senator from South Carolina (Mr. THURMOND) be recognized for not to exceed 15 minutes; that the distinguished acting Republican leader, the Senator from Michigan, be recognized for not to exceed 15 minutes; that there then be a 15-minute period for the conduct of morning business, with a time limitation of 3 minutes on statements therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF SENATE JOINT RESOLUTION 138, PROVIDING AN EARLY WARNING SYSTEM IN SINAI

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate empower the joint leadership at any time tomorrow to call up Senate Joint Resolution 138, providing an early warning system in Sinai, reported this afternoon by the Committee on Foreign Relations.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

ADDITIONAL STATEMENT SUBMITTED ON STEVENSON AMENDMENT NO. 948

THE STEVENSON AMENDMENT IS THE SOLUTION

Mr. HUMPHREY. Mr. President, I wish today to urge the Senate to adopt the substitute language for the pricing provisions of the proposed emergency natural gas bill embodied in the amendment—No. 948—sponsored by the distinguished Senator from Illinois (Mr. STEVENSON). I am pleased to cosponsor this substitute together with several other Senators.

I believe that Senator STEVENSON's amendment offers Congress a way out of the thorny thicket of fuel price controversies that is both equitable to all and effective in achieving a basic goal of energy policy: Increased domestic fuel production. It achieves these goals without the disastrous costs to the economy of total price decontrol, as embodied in the language for which it would substitute. Senator STEVENSON's proposal constitutes a compromise among the competing interests and viewpoints that is consistent and really makes sense.

With regard to consumers, the Stevenson amendment actually would reduce energy costs today by placing a ceiling on the excessively high price of new domestic crude oil, instead of permitting natural gas prices also to rise to this excessive level as the alternative language would do. The Stevenson ceiling would save consumers about $4.5 billion next year compared to today's prices and far more compared to the decontrol approach to energy prices.

It also would provide a timely stimulus to our economic recovery. As old oil is released from its present $5.25 ceiling, moreover, it would rise only to the ceiling of $9/barrel—plus an inflation adjustment—instead of to the import price, which approaches $15 with the OPEC price increase and the President's tariff. This would save consumers billions more over the 5-year life of these provisions.

Price increases for natural gas would be limited to new natural gas and would only gradually offset the immediate savings on oil. In fact, some intrastate gas contracts would be limited to lower prices than otherwise. By moving to consolidate the prices of oil and gas at an intermediate level, the Stevenson provisions would eliminate what is, after all, a highly arbitrary and unjust form of discrimination against households and regions of the country that depend on oil relative to those that happen to use natural gas supplied through interstate pipelines under Federal price controls. In due time it should again make it possible for new homes to obtain access to natural gas, which is now in very limited supply.

These provisions can have very little adverse affect on oil production because prices above the $9 ceiling could be authorized for advanced technology projects with demonstrated costs above this level, and these higher prices could be rolled in commercially so long as natural gas is in short supply and oil imports are priced at still higher levels. I suspect that very few projects with such high costs are undertaken except for experimental and demonstration projects that probably will be funded in large part by Government anyway. On the other hand, a price ceiling at an intermediate level will help to stabilize the costs of conventional oil exploration and production, which have chased high oil prices upward rapidly in the past 2 years.

It is vital for Senators to recognize that the shortage of natural gas does not stem from a price of gas that is too low. New interstate gas prices have more than tripled over 3 or 4 years. The shortage stems, rather, from the great disparity between interstate gas prices and the excessive prices permitted for new oil. This disparity gives wildcatters every incentive to search for oil instead of gas, and it offers producers every incentive to produce oil instead of gas. High oil prices result in costs for equipment and supplies so high that they cannot be profitably employed to produce gas for interstate commerce. At the same time, the price disparity gives consumers the incentives to use gas instead of oil or even coal.

Coordination of oil and gas prices, as

envisioned by the Stevenson amendment, will make it attractive again to produce gas for the interstate market. Projections provided recently to the Joint Economic Committee by Paul MacAvoy, now of the President's Council of Economic Advisers, indicate that the supply of natural gas should be highly responsive to price even below a price of $1 per Mcf and that a price increase in the range being discussed would bring forth large new production. Thus, an increase in the price of natural gas to the level being considered would induce much more new gas production than would be sacrificed by the corresponding rollback in the price of oil.

Just as decontrol of fuel prices would place a drag on the economy, moderation of average fuel prices would facilitate recovery. Reduction of the President's oil tariff, which I propose in a bill I have sponsored recently, would work in the same direction. Nonetheless, a coordinated pricing policy such as that in the Stevenson amendment would make natural gas flow again in interstate commerce, relieving the threat of gas shortages to jobs and production in many industries and regions of the country.

I would like to point out that staff studies of the Joint Economic Committee, which I chair, have consistently pointed out the advantages, both in terms of domestic production and economic growth, that can be achieved by adopting a compromise proposal along the lines of the Stevenson amendment. I am especially pleased, therefore, to cosponsor Senator STEVENSON's amendment. I urge my colleagues in the Senate to adopt this solution to America's energy-pricing dilemma.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that on tomorrow, when the pending business is laid before the Senate, the distinguished Senator from Illinois (Mr. STEVENSON) be recognized.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL RULES OF EVIDENCE

Mr. GRIFFIN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1549.

The PRESIDING OFFICER (Mr. BUCKLEY) laid before the Senate the amendments of the House of Representatives to the bill (S. 1549) to amend the Federal Rules of Evidence, and for other purposes, as follows:

1. Strike out lines 5 through 7 inclusive, and insert: clause (C), as follows: "(C) one of identification of a person made after perceiving him; or".

2. Line 8, strike out "July 1, 1975.", and insert: "the fifteenth day after the date of the enactment of this Act."

Mr. GRIFFIN. Mr. President, I move that the Senate concur in the amendments of the House.

The motion was agreed to.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

JAPAN-UNITED STATES FRIENDSHIP ACT—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on S. 824, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. LEAHY). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 824) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 2, 1975, at p. 31455.)

Mr. JAVITS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The conference report on S. 824.

Mr. JAVITS. Mr. President, I commend this conference report to the Senate and hope very much that the report will be approved.

Mr. President, this is final action on what is called the Japan-United States Friendship Act which I had the honor to be the author of 2 years ago. It has gone through very profound consideration and debate and is now about, hopefully, to become law.

What it does is to provide 7½ percent of the Okinawa reversion money which is in the order of magnitude of $300 million. That is the money which was paid by Japan for expenditures which we made in connection with our occupation of Okinawa. The 7½ percent is in the order of magnitude, although it is not all paid yet, of about $20 million.

In addition, there is included $12 million of so-called GARIOA money, that represents the remains of the money paid by the Japanese in connection with the occupation of Japan itself.

The aggregate fund will, therefore, be in the order of magnitude of $30 million.

This fund is to be utilized for cultural interchanges, including interchanges in the humanities, the arts, and in any other field which a very distinguished panel may determine.

It is a response to a comparable fund established by the Japanese of $100 million and, in addition, has the advantage of soaking up the money which is associated with the occupation and also utilizing for highly constructive purposes, pleasing to both countries, a percentage of the money which is paid in connection with Okinawa, an extremely tasteful and useful activity.

It is especially significant now because the Emperor and Empress of Japan are in this country at this particular moment.

There has been enormous cooperation by the committees and in the House and Senate, hopefully to get this to the President's desk while the Emperor and Empress of Japan are still in the United States.

We had some problems with the State Department about the amount of money which was to go into the fund. We had some problems about the governing commission, which is a reconstitution now of another committee which is in being anyhow to which we have made some additions, including House and Senate Members. We had some problems with the House on the question of what should be appropriated and what should go into the fund as a basic fund upon which to draw in connection with these activities, the amount of the principal to be used being very importantly limited.

All these problems are now worked out. The report was just dealt with in the House today, and I am very grateful to the leadership for joining us in extending this hand of friendship to Japan, and to the Emperor and Empress of Japan while they are here, and I hope very much the Senate will act favorably on the conference report.

Mr. President, I am ready for action on the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

THE NATIONAL SCHOOL LUNCH PROGRAM

Mr. GRIFFIN. Mr. President, earlier today I voted to sustain the President's veto on the so-called child nutrition legislation.

I want to indicate that a bloc grant proposal which President Ford submitted to Congress earlier in this session would have provided for the feeding of all the needy children in the poverty category, but only the needy children in the poverty category.

Some of the items which have appeared in the news media, and particularly an item which I saw on NBC news this morning, would lead the American people to believe that President Ford is not in favor of providing school lunches to needy children. That is not the case.

President Ford's proposal would have applied to and provided some 15 million feedings per day into the school lunch program, but the bill which was passed over the President's veto would apply to 30 million feedings a day. In other words, about 15 million feedings daily will be going to children who are not in the needy category and that was the principal ground upon which President Ford vetoed the bill.

The issue should be clear and the position of the President should be clear. He not only favored but he proposed a program to the Congress which would have provided a Federal school lunch program for all school children in the needy or poverty category.

SINAI AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, historical events in this century have drawn this Nation to the center of the world stage time and again.

The U.S. Congress is now facing a decision that has been thrust upon us by events in the Middle East.

The Secretary of State, Dr. Kissinger, has placed before Congress an agreement that hopefully will, to a degree, ease the tensions in the Middle East. Egypt and Israel have agreed to take the first steps toward a settlement of the conflict that has existed between them for the better part of a generation. They have begun already to undertake the preliminary preparations for implementing a formal agreement which Egypt has signed and Israel has initialed.

A salient feature of the accord is the proposal that 200 American technicians be stationed in a demilitarized zone in order to observe both the Egyptians and Israelis. The role which is being requested of us is not a military one. The United States is being called upon to act as an agent of the peace, not as a participant in the conflict.

There are those who say let the U.N. man the posts in the Sinai. But the U.N. does not enjoy the confidence of both Israel and Egypt. The posting of American technicians alongside U.N. forces in the Middle East will serve to reinforce the credibility of the U.N. forces already there. Indeed, President Sadat has referred to these Americans as being true "witnesses" to the agreement. In any event, both Egypt and Israel want American civilians for this key task. Without them, there will be no agreement.

There are those who fear that these Americans will be harmed, and that incidents might lead to greater and greater U.S. involvement. I can understand such concerns, and, to an extent, I share them. Yet, these American civilians will be in the midst of 5,000 U.N. troops. They will be in areas that are under tight scrutiny by those concerned, and, indeed, by virtually the whole world. The United States has retained the authority to withdraw these men at a moment's notice if, for any reason, the President finds their personal safety is threatened. In light of these several facts, while risks cannot be totally removed from a situation like this, all has been done that can be done to assure the safety of the American technicians in the Sinai.

The United States has had Americans stationed in the Middle East for over 25 years with the United Nations Truce Supervisory Organization. UNTSO was established in 1948 to try to help keep the peace in the Middle East. Over 200 U.S. military officers and men joined UNTSO for 1 year in 1949. In subsequent years the number of Americans in UNTSO was usually under 20. In October 1974, the number of U.S. officers assigned to UNTSO was increased to 36. These men live and work in the Sinai and the Golan Heights.

There are, in addition, 67,000 U.S. civilians residing in Israel and adjacent Arab States. Of this number, 55,000 live in Israel and 1,300 in Egypt.

The point of all these numbers is to remind ourselves that U.S. citizens have been in the Middle East, and, specifically, in the areas of danger between opposing forces there for many years. In this sense, then, the assignment of 200 civilians to desert stations in the Sinai is not an entirely new tack in U.S. policy in the Middle East. In a way, it is rather an extension of past U.S. policies of trying to encourage and protect the peace.

Though I have reservations about stationing American technicians in the Middle East, I will vote for this proposal, because, depending upon subsequent negotiations, this Sinai disengagement agreement has a potential to bring genuine benefits to all concerned parties—including the United States.

First, if this accord succeeds, the security of Israel, though not assured draws closer to realization. The survival of Israel has been a matter of primary concern to this Nation throughout every administration—both Democrat and Republican—since Israel came into being in 1947. That survival still matters to us.

Next, it is imperative to the stability of the Middle East that the moderate, pro-Western policies of President Anwar Sadat of Egypt be vindicated. A peaceful solution to the conflict between Egypt and Israel will deal a blow to the more radical regimes in the Middle East, especially the erratic government of Libya. Though Israel will, for the time being, be left in possession of 80 percent of the Sinai Peninsula, Sadat's reasonable approach to resolving a stubborn enmity will reassure Saudi Arabia, Kuwait, and Jordan.

Additionally, despite the disclaimers of President Assad, Syria may be persuaded to enter into direct discussions with Israel concerning a permanent settlement in the Golan Heights. Not only would Syria recognize the futility of unilaterally resorting to war with Israel over this matter, but the dividends of a peaceful solution might become more apparent to the Syrian Government.

Moreover, the success of this accord has a potential of isolating the fanatical elements of the Palestine Liberation Organization. This could prepare the way for alleviating the suffering which the Palestinian people have experienced for so long.

Furthermore, U.S. security interests will be well served if the agreement between Israel and Egypt succeeds. The presence of American technicians in the Sinai is the key to an agreement. Without an agreement, there would be greatly increased chances of hostilities in the Middle East and of a new oil embargo, with all that that implies for peace and prosperity in the world.

The importance to the United States of access to energy resources in the Middle East certainly needs no detailed explanation in this forum. These are hard, real economic and security interests of the U.S. American volunteer technicians in the Sinai is a vital contribution to making the agreement between Israel and Egypt work successfully and keeping up the momentum toward peace.

Without the agreement, the area inevitably will face growing tensions and a renewed threat of war. Another war would inevitably mean another oil embargo, and the resultant disruption of the economies of industrial nations, including our own, with attendant inflation, recession, and unemployment; and the prospect of a major confrontation between the Soviet Union and the United States.

There are those who claim that assignment of American citizens to the Sinai is a step toward creation of a Vietnam situation. But both Israel and Egypt—not just one of them—have asked for the help of these American technicians. That is a fundamental difference from the whole Vietnam involvement, where the U.S. presence was at the request of only one side—not both sides. It should be noted that these will be civilian technicians numbering fewer than 200, armed only with small arms for their own protection, and in a buffer zone between the two sides—not on one side against the other as in Vietnam.

Finally, as Secretary Kissinger recently noted, it is necessary to maintain a momentum in the peace process in the Middle East. There must be continued progress toward peace. Any progress made permits time for the peace process to occur under conditions of less pressure and less tension. This agreement provides that needed time.

As the endorser of a sane solution to the Arab-Israeli conflict, the United States would, furthermore, gain a greater influence among the states of the Middle East. Our position throughout the Mediterranean region would thus be enhanced. At a time when our own diplomatic experts are raising questions concerning the possibilities of deepening Soviet interest in both the Mediterranean and the Indian Ocean, we would do well to court stability in this area.

A corollary of the success of a Sinai settlement and the stabilization of the Middle East generally might well be the cessation of the tragic civil disturbances that have flared in Lebanon. Lebanon has sought throughout recent events in the Middle East to refrain from becoming involved in the violence. Yet, burdened with a sizable population of Palestinian refugees and divided into rival religious camps, Lebanon has been a ready target for radical intrigues that now threaten its very existence as a united country.

American interests have long been inextricably bound to the Middle East. The extent to which this is true is dramatically demonstrated whenever there is a rise in tension in the Arab-Israeli conflict. Our own economic and security interests are affected, sometimes seriously, when this happens. It seems to me self-evident, given the degree to which our interests are involved in times of crisis and war, that the kind of limited involvement now proposed in the cause of preventing crisis and war is the only alternative that promises peace.

The time is short for our consideration of the terms of the Sinai accord that directly involve American citizens. I urge that we exercise wisdom in our consideration of the proposal involving American technicians, but I likewise urge that we act expeditiously and sympathetically. There may not be another opportunity to advance the possibilities for peace in the Middle East for the foreseeable future.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 9 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. Thurmond will be recognized for not to exceed 15 minutes; after which Mr. Griffin will be recognized for 15 minutes; after which the junior Senator from West Virginia (Mr. Robert C. Byrd) will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with a limitation on statements therein of 3 minutes each. Upon the conclusion of routine morning business, the Senate will resume consideration of S. 2310, at which time, Mr. Stevenson will be recognized.

At no earlier than 1:30 p.m. the Senate will go into executive session to consider the nomination of Mr. Silbert, the debate thereon to be equally divided between the majority leader and the minority leader or their designees, with the understanding that in any event the vote on the Silbert nomination will occur at the hour of 2 p.m.

On the disposition of the Silbert nomination the Senate will resume consideration of S. 2310. At the hour of 2:30 p.m., a vote will occur on the amendment of Mr. Abourezk, amendment No. 954, to be followed by a vote on the Stevenson amendment, amendment No. 948.

At the hour of 3 p.m. the bill, S. 2310, will be set aside temporarily and the Senate will proceed to the consideration of the Federal Election Commission resolution with 1 hour of debate to be equally divided between Mr. Cannon and Mr. Hatfield, with a time limitation on an amendment by Mr. Clark of 2 hours, to be equally divided between Mr. Cannon and Mr. Clark, with a further time limitation on any other amendment, debatable motion or appeals of 20 minutes each to be controlled and divided in accordance with the usual form. Senators can expect several votes tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT. C. BYRD. I thank the Chair.

Mr. GRIFFIN. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. I have two questions. With respect to the resolution reported by the Rules Committee, under the statute, as I understand it, either House can disapprove proposed regulations. I am sure there are amendments that would be in order if they go only to the disapproval of one or the other of the proposed regulations. But the fact that there is a time agreement by unanimous consent would not, obviously, I think—which is probably the case—make in order any amendment that would not otherwise be in order.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBERT C. BYRD. I would suggest that the distinguished Senator address his question to the Chair.

Mr. GRIFFIN. Then I do address that inquiry to the Chair.

We have referred to the Clark amendment, and this Senator does not know what the Clark amendment provides. If it is not in order, because it reaches beyond the statute in some way, I assume the time agreement does not make it in order.

The PRESIDING OFFICER. The amendment would be in order.

Mr. GRIFFIN. I take it that the Chair knows what the amendment is, and I do not.

The PRESIDING OFFICER. The resolution is amendable. The Chair is not personally aware of what the particular amendment is, but the resolution is amendable, and therefore the amendment on the part of Mr. Clark would be in order.

Mr. GRIFFIN. I find it very unusual that the Chair would rule that something is in order when the Chair does not know what the amendment is.

The PRESIDING OFFICER. The Chair will state that the resolution is amendable. Certainly amendments can be attacked on points of order or otherwise.

Mr. GRIFFIN. We have not waived any point of order.

The PRESIDING OFFICER. No, but the resolution in and of itself is amendable.

Mr. GRIFFIN. Well, all right, I know that. I still think that the only option available to the Senate is to disapprove of the proposed regulation. I do not think an amendment that did not do that—at least, it would be subject to question on a point of order.

The PRESIDING OFFICER. There are two separate regulations involved in the resolution.

Mr. GRIFFIN. I could conceive of a Senator, for example, proposing an amendment that would seek to revise the Federal regulations, and I just do not see that that amendment would be in order.

Mr. ROBERT C. BYRD. The mere time limitation on the amendment would not prevent a point of order from being raised. I am not saying that it can or cannot be raised, but the mere fact that there is a 2-hour limitation on the amendment would not preclude the raising of a point of order, if such a point of order would otherwise lie.

Mr. GRIFFIN. Why not leave it there?

The PRESIDING OFFICER. That was the Chair's ruling.

Mr. GRIFFIN. If I could make one further inquiry, the staff advises that, perhaps, the Senator from West Virginia made a mistake of time on voting on the Hart-Abourezk amendment. Earlier it was indicated that the vote would come at 2:30 and, I believe, the Senator from West Virginia indicated that the vote would be at 2:15.

Mr. ROBERT C. BYRD. I beg the Senator's pardon. Would the Senator repeat his statement?

Mr. GRIFFIN. It is the matter of the time of the vote on the Hart-Abourezk amendment.

Mr. ROBERT C. BYRD. I have been in committee meetings. The statement that I hold in my hand has been given to me by the Journal Clerk, and it states that the vote on the Abourezk amendment will occur at 2:30 p.m.

Mr. GRIFFIN. That is right. I understand that is the proper time, and I also understand the Senator from West Virginia may have misspoken earlier and said 2:15.

Mr. ROBERT C. BYRD. I thank the Senator, and am sorry if I misspoke.

Mr. President, let me add to my statement concerning the program.

It is also my understanding that the leadership is authorized at any time on tomorrow to proceed to the consideration of the resolution relating to the Sinai technician's proposal. Am I correct?

The PRESIDING OFFICER. Yes.

Mr. ROBERT C. BYRD. I add that to the program.

RECESS UNTIL 9 A.M.

Mr. GRIFFIN. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9 a.m. tomorrow.

The motion was agreed to; and at 5:29 p.m., the Senate recessed until tomorrow, Wednesday, October 8, 1975, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 7, 1975:

NATIONAL SCIENCE FOUNDATION

Charles Pence Slichter, of Illinois, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1978, vice Hubert Heffner, deceased.

IN THE NAVY

The following-named naval enlisted scientific educational program candidates to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefore as provided by law:

John R. Babione
Jeffrey R. Boger
Michael B. Harrison
Gary W. Hathaway
Michael S. Heazlitt
Otto E. Heise
Jerry Henderson
Richard D. High
Richard F. Hudson
Samuel Johnson
Thomas Machak
Wayne A. Moran
Terry D. Nuss
Jay D. Perkins
Randolph Sinclair
Robert S. Uhle
Charles Warner
Edward W. Wober
Sheldon Weideman
Charles F. Whitman

The following-named (Naval Reserve Officers) to be appointed permanent lieutenant commanders and temporary commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefore as provided by law:

Douglas R. Knight
Irwin Scher

Honorato F. Nicodemus (Naval Reserve officer) to be appointed a permanent commander in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (Naval Reserve officers) to be appointed permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Samuel W. Berg
Stephen M. Krenytzky
Dennis M. Lambert
William J. McDaniel
David M. Treiman

The following-named (Naval Reserve officers) to be appointed permanent lieutenants (jg) and temporary lieutenants in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Adrian L. Herren
Timothy J. Peterson

The following-named (Naval Reserve officers) to be appointed permanent lieutenants in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Hoyt E. Allen
Irving M. Cohen

The following-named (Naval Reserve officers) to be appointed permanent lieutenants in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Blaine S. Bateman
Robert A. Brunhofer
Robert S. Cave
Colin C. Craig
James P. Flatley
Robert K. Goode
Ronald P. Hempel
James T. Judkins
Mark P. Larson
Charles F. Massler, Jr.
Douglas E. Mitchell
Stephen A. Ralls
Gary M. Tetrick
Joseph J. Zambon

The following-named (Naval Reserve officers) to be appointed permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

James N. Fodor
Edward H. Hill
Gary R. Warnock

The following-named (Naval Reserve officers) to be appointed permanent lieutenants (jg) and temporary lieutenants in the Dental Corps of the U.S. Navy, subject to the qualifications therefore as provided by law:

Lawrence J. Bamberger
Steven G. Detsch
Joseph H. Lutskus
Larry J. Radney
Richard F. Sobie
Ronald A. Widlak

Albert W. Auld (ex-USNR officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Harry R. Locke (ex-USNR officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

The following-named (civilian college graduates) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Edward A. Becka
Angelo A. Dalessandro
Richard A. Fraser

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

James M. Geeslin, Jr.
James H. Oury
Albert L. Roper, II
Myer H. Rosenthal
Joseph W. Weaver
Kenneth A. Scheidt

James T. Bush (U.S. Navy officer) to be reappointed from the temporary disability retired list as a permanent commander and a temporary captain in the line of the U.S. Navy, subject to the qualifications therefor as provided by law.

William F. Rogers (U.S. Navy officer) to be reappointed from the temporary disability retired list as a permanent lieutenant commander, limited duty, classification (Deck-Surface), in the U.S. Navy, subject to the qualifications therefor as provided by law.

Frederick L. Kavanaugh (Civilian college graduate) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

Jimmie H. Knight (Ex-USN officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law.

CWO2 Paul W. Bennett (Naval Reserve officer) to be appointed a permanent chief warrant officer, W-2, in the U.S. Navy, subject to the qualifications therefor as provided by law.

CWO3 George M. Shelton (Naval Reserve officer) to be appointed a permanent chief warrant officer, W-3, in the staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law.

CONFIRMATION

Executive nomination confirmed by the Senate October 7, 1975:

FEDERAL POWER COMMISSION

Richard L. Dunham, of New York, to be a member of the Federal Power Commission for the term expiring June 22, 1980.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee on the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, October 7, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Give us this day our daily bread.—Matthew 6: 11.

Almighty Father, by whose providence we have food to eat, clothes to wear, and homes in which to live, give us this "Day of Bread" that we may find direction in our darkness and joy in our hearts as we share our goods with others around the world.

May our minds be so receptive to Thee that we may become one with Thee in seeking to feed the hungry. May our gifts and our service hasten the day when none shall go hungry but all shall partake of Thy marvelous abundance on Earth as well as in Heaven.

May this "Day of Bread" become a day of bread for everyone. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar Day. The Clerk will call the first individual bill on the Private Calendar.

BOULOS STEPHAN

The Clerk called the bill (H.R. 1391) for the relief of Boulos Stephan.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MARTA LIDIA CORLETTO PADRO

The Clerk called the bill (H.R. 1427) for the relief of Marta Lidia Corletto Padro.

There being no objection, the Clerk read the bill as follows:

H.R. 1427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Marta Lidia Corletto Padro may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Antonio A. Padro, a citizen and lawful permanent resident of the United States, respectively, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

MARISA MARZANO

The Clerk called the bill (H.R. 1507) for the relief of Marisa Marzano.

There being no objection, the Clerk read the bill as follows:

H.R. 1507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Marisa Marzano may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Salvatore and Margaret Marzano, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KEVIN PATRICK SAUNDERS

The Clerk called the bill (H.R. 1645) for the relief of Kevin Patrick Saunders.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 1647) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2399) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PETER OLAV MESIKEPP

The Clerk called the bill (H.R. 2502) for the relief of Peter Olav Mesikepp.

There being no objection, the Clerk read the bill as follows:

H.R. 2502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in administration of the Immigration and Nationality Act, Peter Olav Mesikepp may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Harry Mesikepp and Aino Mesikepp, citizens of the United States, pursuant to section 204 of the Act, and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CANDIDO BADUA

The Clerk called the bill (H.R. 2776) for the relief of Candido Badua.

There being no objection, the Clerk read the bill as follows:

H.R. 2776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Candido Badua shall be held and considered to have satisfied the requirements of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States and, notwithstanding the provisions of section 310(d) of that Act, he may be naturalized at any time after the date of enactment of this Act if he is otherwise eligible for naturalization under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TZE TSUN LI

The Clerk called the bill (H.R. 3372) for the relief of Tze Tsun Li.

There being no objection, the Clerk read the bill as follows:

H.R. 3372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Tze Tsun Li may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Teong Din Deer and Eleanore Deer, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MANUEL BONOTAN

The Clerk called the bill (H.R. 4939) for the relief of Manuel Bonotan.

There being no objection, the Clerk read the bill as follows:

H.R. 4939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Manuel Bonotan may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Paulino and Querina Bonotan, a citizen of the United States and a lawfully resident alien, respectively, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUIGI SANTANIELLO

The Clerk called the bill (H.R. 7494) for the relief of Luigi Santaniello.

There being no objection, the Clerk read the bill as follows:

H.R. 7494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Luigi Santaniello may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of the Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHERYL LYNN V. CAMACHO

The Clerk called the bill (H.R. 2118) for the relief of Cheryl Lynn V. Camacho.

There being no objection, the Clerk read the bill as follows:

H.R. 2118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Cheryl Lynn V. Camacho shall be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon filing a petition in her behalf by Mr. and Mrs. Gregorio Aquino, citizens of the United States, pursuant to section 204 of the Act, and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Committee amendment: On page 1, lines 8 and 9 strike out the following language: ", and the provisions of section 245(c) of the Act shall be inapplicable in this case".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIET ELIZABETH TOZZI

The Clerk called the bill (H.R. 1425) for the relief of Juliet Elizabeth Tozzi.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VALERIE ANN PHILLIPS, NEE CHAMBERS

The Clerk called the bill (H.R. 4046) for the relief of Valerie Ann Phillips, nee Chambers.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MITSUE KARIMATA STONE

The Clerk called the bill (H.R. 4113) for the relief of Mitsue Karimata Stone.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DR. GERNOT M. R. WINKLER

The Clerk called the bill (H.R. 1558) for the relief of Dr. Gernot M. R. Winkler.

There being no objection, the Clerk read the bill as follows:

H.R. 1558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Doctor Gernot M. R. Winkler of Potomac, Maryland, is relieved of liability to the United States in the amount of $3,908.90 such sum representing certain real estate expenses incurred in the sale of his residence in Long Branch, New Jersey, and the purchase of a new residence in Potomac, Maryland, incident to his transfer for employment as Director of the Time Service Division of the United States Naval Observatory, Washington, District of Columbia. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this section.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Doctor Gernot M. R. Winkler—

(1) an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, with respect to the indebtedness to the United States specified in the first section of this Act; and

(2) the sum of $800 in full settlement of his claim against the United States for reimbursement of a loan origination fee incurred in connection with the purchase of a new residence incident to his transfer for employment as specified in the first section of this Act.

(b) No part of the amount appropriated in subsection (a) of this section in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Committee amendments: Page 2, line 6: After "Winkler", strike the dash.

Page 2: Strike all of lines 7 through 15, and insert: "an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, with respect to the indebtedness to the United States specified in the first section of this Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH J. ANDREWS

The Clerk called the bill (H.R. 3815) for the relief of Joseph J. Andrews.

There being no objection, the Clerk read the bill as follows:

H.R. 3815

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and hereby is authorized and directed to settle and adjust the claim of Joseph J. Andrews, an employee of the General Services Administration, for reimbursement of the amount he was required to pay in legal fees for preparation of his defense to a civil suit instituted against him by Burman Anderson. An amount not to exceed $225 may be allowed in full and final settlement of the claim. There is appropriated out of money in the Treasury not otherwise appropriated the sum of $225 for payment of said claim. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN A. TOWNSLEY

The Clerk called the bill (H.R. 3816) for the relief of John A. Townsley.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

BILLINGS GAZETTE, AND OTHERS

The Clerk called the bill (H.R. 3817) for the relief of the Billings Gazette, the Idaho Statesman, the Independent Record, the Newspaper Agency, Utah State Press Association, Inc., Arizona Daily Sun, and Williams News.

There being no objection, the Clerk read the bill as follows:

H.R. 3817

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the following listed claims for advertising furnished to either the Department of the Army or to the Department of Agriculture:

Claimant	Amount
The Billings Gazette	$58.50
The Idaho Statesman	75.60
The Independent Record	334.32
The Newspaper Agency	88.20
Utah State Press Association, Inc.	33.60
Arizona Daily Sun	74.46
Williams News	17.55

The above amounts shall be payable from the applicable appropriations of the Departments of the Army and Agriculture.

With the following committee amendments:

Committee amendments. Page 1, lines 5 and 6: Strike "either the Department of the Army or to".

Page 1, at the bottom of the page, strike:

"The Billings Gazette	$58. 50"
"The Idaho Statesman	75. 60"
"The Independent Record	334. 32"
"The Newspaper Agency	88. 20"
"Utah State Press Association Inc.	33. 60"

Page 2, after line 3, insert:

"SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The Committee amendments were agreed to.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: On page 2, line 2, strike out all that follows "appropriations" through line 3 and insert the following: "of the Department of Agriculture."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the Arizona Daily Sun and Williams News."

A motion to reconsider was laid on the table.

M. SGT. GEORGE C. LEE, USAF

The Clerk called the bill (H.R. 4825) for the relief of M. Sgt. George C. Lee, U.S. Air Force.

There being no objection, the Clerk read the bill, as follows:

H.R. 4825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Master Sergeant George C. Lee, United States Air Force (FR468-28-3659), of Brandon, Florida, is relieved of liability to the United States in the amount of $5,310, representing expenses incurred at the Army Landstuhl Hospital during the period from September 21, 1967, through January 17, 1968, for the medical treatment of a child, then the niece of the said Master Sergeant George C. Lee (now his adopted daughter). A hospital administrator advised the said Master Sergeant George C. Lee that he would have no liability for such expenses. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this section.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Master Sergeant George C. Lee, the sum of any amounts received or withheld from him with respect to the indebtedness to the United States specified in the first section of this Act.

(b) No part of the amount appropriated in subsection (a) of this section in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAH MAUREEN ANDERSON

The Clerk called the bill (H.R. 4829) for the relief of Leah Maureen Anderson.

There being no objection, the Clerk read the bill as follows:

H.R. 4829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 2401(b) of title 28, United States Code, or any period of limitation or lapse of time—

(1) the Secretary of the Army shall receive, consider, and determine any claim against the United States with respect to the injuries sustained by Leah Maureen Anderson of Hopkinsville, Kentucky, in an accident on March 26, 1971, at the Fort Bragg Military Reservation, North Carolina, involving a motor vehicle occupied by Leah Maureen Anderson and a motor vehicle of the United States Army driven by a member of the United States Army, if such claim is presented in writing to such Secretary within six months after the date of the enactment of this Act; and

(2) an action with respect to such injuries may be begun in a United States district court, in accordance with otherwise applicable law, within six months after—

(A) the date of receipt, if any, of any mail containing a final denial of such claim by such Secretary,

(B) the date of a final denial, if any, of such claim by such Secretary as a result of the operation of the second sentence of section 2675(a) of title 28, United States Code, or

(C) the date on which the claimant notifies such Secretary that his offer of settlement, if any, is not accepted,

whichever occurs first.

SEC. 2. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCIE STEIN

The Clerk called the bill (H.R. 5752) for relief of Lucie Stein.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WALMA T. THOMPSON

The Clerk called the bill (H.R. 6156) for the relief of Walma T. Thompson.

There being no objection, the Clerk read the bill, as follows:

H.R. 6156

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of section 8341 of title 5, United States Code, Walma T. Thompson of Niles, Illinois, widow of Obert O. Thompson, is deemed to have been married to Obert O. Thompson for the two-year period before his death on March 9, 1973. Walma T. Thompson and Obert O. Thompson were married for approximately twenty-seven years, and were married at the time of his death, but, because of an intervening divorce, Walma T. Thompson is not eligible, but for this Act, to receive a survivor annuity under this section.

SEC. 2. For purposes of chapter 83 of title 5, United States Code, any entitlement of Walma T. Thompson to a survivor annuity by reason of the first section of this Act shall be effective as of the day after the date of death of Obert O. Thompson. Any survivor annuity payments to which Walma T. Thompson is so entitled for the period before the date of the enactment of this Act shall be made in a lump sum.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN POSTMASTERS CHARGED WITH POSTAL DEFICIENCIES

The Clerk called the bill (H.R. 6512) for the relief of certain postmasters charged with postal deficiencies.

There being no objection, the Clerk read the bill as follows:

H.R. 6512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, on such terms as it deems just and expedient, the United States Postal Service may compromise, release, or discharge, in which or in part, the individual liabilities of the following postmasters and retired postmasters to the United States for losses resulting from the mailing at an improper rate, prior to 1969, of newspapers published by Fountain-Warren Publishers of Attica, Indiana:

(1) Vivian L. Smith (retired) of Waynetown, Indiana;

(2) Wayne Simms (retired) of Waveland, Indiana;

(3) Charles A. Boggs (retired) of Veedersburg, Indiana;

(4) Joe Silotto of Dana, Indiana;

(5) Wayne Hillyer of Williamsport, Indiana;

(6) Lawrence D. Wolf (retired) of Attica, Indiana; and

(7) Gordon Stockdale (retired of Wingate, Indiana.

SEC. 2. (a) If any individual who is relieved under the first section of this Act of liability to the United States has paid or has had withheld from sums otherwise due him any amount in satisfaction of such liability, the Secretary of the Treasury shall pay to such individual, out of any money in the Treasury not otherwise appropriated, an amount equal to the amount so paid or withheld.

(b) No amount in excess of 10 per centum of the sum appropriated in subsection (a) of this section for payment to an individual who is relieved under the first section of this Act of liability to the United States shall be paid to or received by any agent or attorney of such individual on account of services rendered in connection with these claims. Any person violating the provisions of this subsection shall be guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOYCE ANN FARRIOR

The Clerk called the bill (H.R. 2110) for the relief of Joyce Ann Farrior.

There being no objection, the Clerk read the bill, as follows:

H.R. 2110

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of determining entitlement to child's insurance benefits under section 202 (d) of the Social Security Act, as amended, on the basis of wages and self-employed income of Maiden E. Farrior (social security account numbered [redacted]), Joyce Ann Farrior of Burgaw, North Carolina, shall be held and considered to have been adopted by Sarah W. Farrior within two years of the death of the said Maiden E. Farrior within the meaning of section 216(e) of that Act.

With the following committee amendments:

Committee amendment: Page 1, line 4: After "section 202(d)", insert "and to mother's benefits for Sarah E. Farrior under section 202(g)".

Page 1, line 9: Strike "Sarah W. Farrior" and insert "said Sarah E. Farrior".

Page 1, line 11: After "Act.", insert: "The entitlement to benefits authorized by this Act shall be effective as of May 26, 1967, the date of death of the said Maiden E. Farrior."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Joyce Ann Farrior and Sarah E. Farrior."

A motion to reconsider was laid on the table.

MRS. LOUISE G. WHALEN

The Clerk read the bill (H.R. 2279) for the relief of Mrs. Louise G. Whalen.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over with prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

CALL OF THE HOUSE

Mr. DE LA GARZA. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 594]

Andrews, N.C.
Ashley
Broyhill
Burke, Fla.
Butler
Casey
Conyers
Dellums
Duncan, Tenn.
Esch
Eshleman
Fary
Fraser
Haley
Harsha
Hefner
Henderson
Hinshaw
Jarman
Jeffords
Jenrette
Lujan
Martin
Metcalfe
Moss
Nichols
O'Brien
Pettis
Quillen
Riegle
Roberts
Runnels
Ryan
Scheuer
Sisk
Symington
Teague
Udall
Vander Jagt
Wilson, Bob

The SPEAKER. On this rollcall 393 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Georgia. Mr. Speaker, I have unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

BRITCHES FOR THE POSTAL SERVICE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, we at last are seeing the U.S. Postal Service at its best, propagandizing and misinforming. USPS has aimed both barrels of its shotgun at my amendment to restore the accountability of the Postal Service to the people.

The high command at the Postal Service has sent word to all of its contractors and unions that they need to get busy. Threatening telegram campaigns are underway which are deliberately misinforming Members of Congress as to the effects of the action the House took last week to institute meaningful postal reform.

This battle ought to be entitled "The People of the United States Versus the Postal Service." It is a case of the people of this country against a Government agency that has gotten too big for its britches.

I urge my colleagues to seek out the facts on which these false claims are made.

GI BENEFITS SHOULD NOT BE TERMINATED

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, yesterday I voted "no" on H.R. 9576 solely because the measure terminated the GI bill. I supported all other provisions of that law, but felt that it was unwise to terminate the GI bill for new enlistees as of January 1976.

DISCHARGE PETITION ON FEDERAL RESERVE BANKING SYSTEM AUDIT

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, I asked permission for this time to advise the Members that a petition has just been filed at the Clerk's desk under the rules of the House for the discharge of the Committee on Rules from further consideration of the rule to give consideration of the bill to audit the Federal Reserve Banking System.

Members may sign the petition anytime the House is in session. It cannot be signed except when the House is in session. When we receive 218 Members' signatures, the petition will become automatically sent to the House under the rule at a certain time, and be brought up for a vote.

Mr. Speaker, this has been done before and I hope that the Members who are in favor of the audit of the Federal reserve as proposed will take the time as soon as possible or as soon as convenient to sign the petition.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS TAX IS HEADED IN RIGHT DIRECTION BUT CONGRESS WANTS SPECIFICS

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I am glad that this time the President agrees with Congress on the need for a tax cut.

Just a year ago at this time, when we were headed deep into recession, President Ford was calling for a tax increase.

The President now appears to be headed in the right direction, but the Congress will want to see exactly where he is going. It is easy to call for a tax cut, but he wants to offset that with a spending cut that would carve $28 billion out of the hides of the American people.

Is the President talking about cuts in the veterans programs? Or health? Or school lunch? Or education?

What about timing? I note that the benefit of the tax cut would begin in January 1976. But the bad news, in the form of program cuts, would not begin until October 1976, a month before the election, and would not really be felt until well into 1977.

The President's tradeoff of a tax cut for a spending cut would cancel out all stimulus for the economy. It would be like putting a transfusion into one arm and letting blood out of the other.

The important thing is jobs and people. The tax cut should be coupled with a program for employment and economic recovery—not some arbitrary budget figure. A flat, uncompromising budget ceiling is unrealistic. The important thing is to make sure that unemployment does not get to be a way of life.

AUTOMATIC DISTRIBUTION OF TREATIES, AGREEMENTS, AND OTHER PRINTINGS TO MEMBERS OF CONGRESS IS A WASTE OF TAXPAYERS MONEY AND CONTRARY TO LAW

(Mr. ROUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSH. Mr. Speaker, I had delivered to my office yesterday one copy each of "Foreign Relations of the United States," 1948, volume I; "General: The United Nations, Foreign Relations of the United States," 1949, volume II; "The United Nations: The Western Hemisphere," and volumes 24 and 25; "U.S. Treaties and Other International Agreements."

The Legislative Appropriations Subcommittee bill which is now Public Law 94–59 specifically provides that the automatic distribution to Senators and Representatives of copies of the Foreign Relations of the "U.S. Treaties and other International Agreements"—and other named printings—shall not be available with respect to any Senator or Representative unless such Senator or Representative specifically, in writing, requests that he receive copies of such documents. I did not specifically, in writing, or in any other manner, request these books. I doubt if many, if any other member ordered them; however, I have been informed that these volumes were delivered to every office on the House side. It is a waste of the taxpayers money and contrary to law.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSH. I yield to the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. I thank the gentleman for yielding.

Mr. Speaker, I share the views of the gentleman from Indiana (Mr. ROUSH) and I hope that other Members will join in the effort that he is making. Also do not overlook the abuses in other directions including those growing out of the Federal Register.

LESS THAN HALF THE AMERICAN PEOPLE CONSIDER PRESIDENT FORD ACCEPTABLE AS PRESIDENT

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, a poll in a national news magazine showed yesterday that less than half the American people consider President Ford acceptable as President and that the main reason is his consistent and persistent mishandling of the economy.

Perhaps that is why Mr. Ford last night embraced the Democratic proposal to extend the tax cut and why he trotted out that favorite Republican whipping boy, galloping Government spending.

The suggestion that the tax cut be extended is a step in the right direction that we welcome, although the congressional Joint Economic Committee has already recommended a tax reduction and the House Ways and Means Committee has been working for some time on a proposal to give a bigger break to middle- and lower-income earners. We will pass this legislation well before the end of the year.

The Joint Economic Committee recommends more stimulus to turn the economic rebound into recovery. It recognizes, as neither Mr. Ford nor Herbert Hoover before him recognized, that arbitrary budget cuts never put a single unemployed man or woman back to work. Nor will they produce a single additional barrel of oil or bushel of wheat, and scarcities in food and fuel coupled with high interest rates are the real bogeymen in producing the inflation the President decries.

Congress will look carefully at the President's proposed spending cuts. As we have before, we will trim waste and fat and frills. Our appropriations to date are well within the range suggested by our budget resolution. But we are not going to cut $28 billion from the areas where the President has previously sought to cut. We are not going to take $28 billion out of the hides of the unemployed, the young, the elderly, the ill, the handicapped, and the ill-housed.

PERMISSION FOR SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY OF COMMITTEE ON GOVERNMENT OPERATIONS TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations Subcommittee on Legislation and National Security be permitted to sit this afternoon during consideration of amendments under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EFFORT TO STEM THE FLOOD OF UNUSED MATERIAL AUTOMATICALLY DISTRIBUTED TO CONGRESSIONAL OFFICES

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, I wish to associate myself with the remarks of my distinguished colleague from Indiana (Mr. Roush). This was just one small effort to try to stem the flood of useless and unused material that is automatically distributed to congressional offices at great expense to the taxpayer. This was just one small effort to stem the unrelenting flood of paper that pours from Government printing presses. Even this small effort has been ignored. This directive of Congress has been ignored.

Mr. Speaker, I think it is wrong. Can no one stop the printing presses? Must we continue to be buried by unrequested, unneeded, unused volumes? I hope we can stop this automatic distribution, as Congress has directed. I very much doubt that there will be many requests for the material.

OPPOSITION TO H.R. 200 FOR NATIONAL SECURITY REASONS

(Mr. GUDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUDE. Mr. Speaker, today or tomorrow the House will consider H.R. 200, legislation offered to unilaterally extend the U.S. fishing jurisdiction to 200 miles off our coasts.

There are better ways to achieve fisheries management and to protect our fishing industry; but, most importantly, Mr. Speaker, I oppose this bill because while it would try to achieve these goals at the same time it would endanger vital national security interests. Our armed forces must have the unimpeded ability to freely transit and overfly the high seas and international straits of the world to fulfill their global commitments and preserve our national security. The protection and maintenance of navigation rights is a basic right of the United States and of the international community.

If the United States, as a world leader, takes the unilateral action of adopting H.R. 200, a number of other nations will most certainly—and in short order—take similar actions to extend their jurisdictions off their coasts and most surely go farther and endanger the right of free passage in many vital places around the world.

Certainly we all share frustration at the slow pace of international negotiations—but progress is being made to protect our fishermen and fish stocks. But during this transition period—and it is a transition period—we must not forget the vital national security interests at stake. As a world leader we must strive, and encourage others, to settle differences through negotiations and law rather than actions which lead to conflict. I urge your patience, restraint and opposition to this bill.

PROPOSING A 2-YEAR LIMITATION ON STATIONING OF TECHNICIANS IN SINAI

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, in a very short time this body will take up the resolution to authorize stationing 200 technicians in the Sinai.

I support the idea, but I think it would be prudent if the Congress would establish a 2-year limitation on the authority. The gentleman from Wisconsin (Mr. Zablocki) and I will offer an amendment to that effect.

I am glad to announce that George Ball, former Under Secretary of State, Charles Yost, our former Ambassador to the U.N., and Paul Warnke, the former Assistant Secretary of Defense, strongly support this 2-year limitation amendment.

THE PRESIDENT'S PROPOSED TAX REDUCTION PACKAGE

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, President Ford has proposed a $27.7 billion package of tax reductions for individuals and corporations next year. I always have advocated letting the American people have more choice in the spending of their earnings. This proposal will allow them to do so, as it will increase their take-home pay.

The President also has proposed a commensurate reduction in Federal expenditures—a step in the right direction. He has asked that the normal growth rate of Federal agency spending, some $50 billion a year, be held down to about $22 billion. This is a simple diversion of funds from Federal programs to consumer pocketbooks.

I am hopeful that the Congress will uphold its responsibilities in trimming back spending growth to match the revenue shortfall. This is the only way to avoid an inflationary impact from the tax cut. The Congress has a distinct obligation, under this proposal, to exercise restraint, and to set spending priorities, so that the tax cut will not create a bulging deficit.

NOTICE OF HEARING BY SUBCOMMITTEE ON CRIMINAL JUSTICE

(Mr. HUNGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNGATE. Mr. Speaker, the Subcommittee on Criminal Justice of the Committee on the Judiciary presently has pending before it a bill by our colleague Roush of Indiana, H.R. 2920, relating to the granting or deprivation of benefits made possible by act of Congress, on the basis of political activity. The subcommittee requested a report on the bill from the Department of Justice, which recently responded by recommending enactment of H.R. 2920.

The subcommittee will hold a hearing on the bill on Tuesday, October 21, starting at 9:30 a.m. in room 2237 of the Rayburn House Office Building. Persons interested in testifying on the bill are requested to contact the subcommittee staff in room 2137, Rayburn House Office Building, phone (202) 225-0406.

NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The unfinished business is the further consideration of the veto message of the President on the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, on last Friday, the President returned without his approval H.R. 4222, the National School Lunch Act and Child Nutrition Act Amendments of 1975. In my judgment, this was a serious error.

Fortunately, the situation is retrievable.

Today, we have the opportunity and the duty to rectify that Presidential error and repass this legislation by a two-thirds majority. It is my hope that the margin will be at least nine-tenths.

Before continuing, I want to take this opportunity to compliment Members of the Subcommittee on Elementary, Secondary, and Vocational Education from both sides of the aisle for their untiring work in behalf of H.R. 4222. We began our work on this legislation more than 8 months ago and we were not always in agreement on every aspect of the bill. Today we are in agreement, and I wish to thank my colleagues on the subcommittee for their great efforts to bring this process to a successful close.

Mr. Speaker, this is not bank-breaking legislation. This is not a wild spending spree launched by the Congress. We have not gone adventuring down some unexplored legislative path.

In my view, no bill has ever received a more thorough and searching consideration. It was intensively debated by both Houses of Congress. It went twice to conference. Legislative and fiscal differences between the two Chambers were resolved. The total cost and benefits of the bill were carefully analyzed in relation to budgetary priorities. And in its final passage, H.R. 4222 received full bipartisan support—with only seven votes being cast against it in both Houses.

Notwithstanding this clear and near-unanimous expression of congressional intent, the President held the measure as long as he legally could, and vetoed it on the tenth day.

He gave us two choices: We could accept the administration's proposal last January of a system of block grants to the States to be spent only on better nutrition for children of low-income families. Or we could accept a simple extension of the child nutrition programs as they operated during the past fiscal year.

In other words, we could accept a knock-down of all the child nutrition programs passed by the Congress over three decades; or we could extend the present programs without change or amendment, on a basis of stagnation and strangulation.

This is worse than Hobson's choice. This is no choice at all.

Clearly it is time to send a message down Pennsylvania Avenue that the legislative power of this Government is vested in the Congress. This veto was not a reasoned objection to a measure on logical grounds. It was an onslaught against a well-established commitment by the Congress to the principle of child nutrition. It was a rejection of everything we have tried to do in this field over a period of many years.

If this veto were to be sustained, Mr. Speaker, the end of all child care programs would be in sight. I do not believe the Congress is ready for that.

In this body, we talk a good deal about the health of the economy, and with good reason. But in the fiscal year 1975, which was not notable for its robustness, the American economy was able to spare $21.6 billion worth of its food production for export overseas.

With that kind of productive capacity and economic strength, even in a bad year, it is passing strange to suggest that we cannot afford to spend $216 million more on our own children.

With resources like ours, can we not afford to spend $50 million more for nutritional assistance to pregnant women and nursing mothers?

Can't we spend $35 million more to provide food services for the first time for residential institutions, such as orphanages, homes for the mentally and physically handicapped, temporary shelters for abused children, hospitals for chronically ill children, and the like?

Can't we spend $80 million to reach more children of low income working families with a reduced-price lunch?

Can't we spend just $4 million to extend the free and reduced-price lunch program to the children of parents who are unemployed by dislocations in the economy?

The House knows the answer to those questions. And the President knows it.

The answer was written large in the vote on the conference report on H.R. 4222. What we have to do today is to draw a solid black line under it for emphasis.

No veto as ill-advised as this can be allowed to sway our determination to take care of America's children in a decent and humane way.

In fiscal year 1974, I am told that in the United States we expended $13,416,000,000 for personal health care for those under 19. That includes, of course, both public and private money.

I believe that the $2.6 billion we authorize in H.R. 4222 can substantially reduce that personal health care expenditure in the future. Our child feeding programs are designed to head off childhood illnesses and to reduce nutritional deficiencies in the development years that spell health problems in later life. On that assumption, I view H.R. 4222 as an investment in the quality of American life, and I am sure that others in this body do too.

If I may, I will touch briefly upon the approach to child nutrition which the President espoused in a message last January.

As you know, Mr. Speaker, the proposal for a block grant approach received virtually no support in the Congress at the time it was submitted. No bill was ever introduced to implement a block grant program.

My own feeling was that the block grant approach is unworkable as a means to improve the nutrition of American children. Thousands upon thousands of schools would not be able to finance a nutritionally sound school lunch program under such a system.

Literally millions of paying children would be forced out of the program as lunch prices would increase sharply to nearly $1. This conclusion is borne out by a Department of Agriculture comprehensive study of the child nutritional programs issued September 10, 1974.

And finally, it would be impossible to avoid overt discrimination against the needy children who, in most schools, would be the only children receiving a balanced lunch.

Congress has wisely chosen not to adopt this radical departure from its 29 years of experience and progress with the national school lunch program and subsequent improvements.

It has chosen instead to build upon what we have accomplished thus far. H.R. 4222 is the vehicle it has chosen. These are some of the major provisions:

First. The school breakfast program. This measure calls for the extension of the present program, and calls for the extension of the program to schools in needy communities.

Second. Extension to residential institutions. The bill would extend food services to orphanages, homes for handicapped children, and similar institutions. Since the beginning in 1946, the national school lunch program has made provision for resident-type private schools, sectarian and nonsectarian. H.R. 4222 takes the logical steps of extending services to institutions which may not technically be classified as schools.

Third. Summer feeding program. The bill significantly increases the nutritional benefits of program for needy children in summer feeding programs and for similar children in child care centers.

Fourth. WIC program. We provide for only a moderate extension of the WIC program of preventive nutrition assistance for pregnant women and nursing mothers and their infants. Personally, I wished for even broader expansion of assistance here, but the conference report did provide for some progress. We must go forward from here in the future.

In this connection, I just want to say that the House owes a debt of gratitude to our colleague from California (Mr. MILLER), a fine young legislator whose initiative, foresight and drive have contributed greatly to expansion of the WIC program—and to all of the school lunch and child nutrition programs covered by this bill.

Fifth. Children above the poverty level. This is the expansion to which the President objected to strenuously. But I believe the Congress was justified when it took the action it did. We simply increased the eligibility for reduced-cost lunches to children of families with incomes to 95 percent above the poverty level, $9,770, from the present 75 percent, $8,770, above the poverty level. And we mandated that schools provide a reduced-cost lunch for all children who are eligible. This is no hasty plunge into welfare-statism, but a recognition of the economic realities of life as it is lived by a tremendous number of American families in 1975. It is senseless that these children continue to be denied good nutrition at their noonday meal.

These are just some of the features of a bill which has been so much before this House. Members are not unaware of its provisions, and I feel confident that they are not going to turn their backs upon the solid progress we have already made in child nutrition.

Mr. Speaker, a number of people have been speaking of the destruction of the child feeding programs if the veto of H.R. 4222 is sustained. They are not being overly dramatic, in my judgment.

I would simply remind the House that a General Accounting Office decision holds that the school breakfast program, the WIC and special feeding programs are covered in the continuing resolution, and that their authority terminates when the Agriculture Appropriations bill becomes law. That may be very soon.

These programs would simply go down the drain, for I can assure you that a prolonged interruption of services would inevitably occur should their authority lapse. By the time Congress get around to passing new authorizing legislation such as we have in H.R. 4222, no doubt facing the possibility of another veto, the benefits of these programs would long since have been dissipated. This is too dear a price to pay for Presidential pride in the power of his veto.

I urge the House to override this veto, and let the work of providing nutrition to American children go forward again.

Mr. Speaker, I insert at the conclusion of my remarks tables which will clarify some of the issues under consideration today:

School lunch and child nutrition programs

Total fiscal year 1975 appropriation	$2,046,000,000
President's budget fiscal year 1976	1,682,000,000
First concurrent resolution (assumes continuation of current services) budget authority	2,441,000,000
Department of Agriculture may estimate of current services budget authority	2,542,000,000
H.R. 4222	2,758,000,000
H.R. 4222 over fiscal year 1975 appropriation	+712,000,000
H.R. 4222 over President's budget, fiscal year 1976	+1,076,000,000
H.R. 4222 over first concurrent resolution	+317,000,000
H.R. 4222 report over May estimate	+216,000,000

TABLE II.—PARTICIPANTS IN SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

Program	Number served	Percent low income
National school lunch program (May 1975)	25,000,000	40.0
Paying	15,000,000	
Free or reduced price	10,000,000	
School breakfast program (May 1975)	1,800,000	83.4
Special food services—Year round program (May 1975)	428,000	89.4
Summer food service program	1,745,000	[1] 45.0
WIC program—1975 approved caseload	648,300	100.0
Women	187,500	
Infants	178,000	
Children	282,800	

[1] 45.0 percent or more.

TABLE III.—SCHOOL LUNCH PARTICIPATING FIGURES

Month and year	Children participating	Needy children	Percentage free or reduced lunches
January 1973	24,565,969	8,388,674	33.7
February	24,852,692	8,795,529	35.4
March	24,693,958	8,977,572	36.3
April	24,703,032	9,004,118	36.4
May	24,283,799	8,731,833	35.5
September 1973	23,407,825	7,858,414	33.5
October	24,436,556	8,992,880	36.6
November	24,745,295	9,168,208	36.8
December	24,907,463	9,093,823	35.9
January 1974	24,719,551	9,222,955	37.0
February	24,428,442	9,243,756	37.6
March	24,494,457	9,371,404	38.1
April	24,576,306	9,425,818	38.0
May	24,394,742	9,256,795	37.4
September 1974	24,283,072	8,861,983	35.9
October	24,753,450	9,445,325	38.4
November	25,118,083	9,827,476	38.8
December	25,269,795	9,814,585	36.4
January 1975	25,182,784	9,940,405	39.3
February	25,083,615	10,133,751	40.1
March	25,136,833	9,854,463	40.4
April	25,193,865	10,314,036	40.6
May	25,001,120	10,211,982	40.4

The SPEAKER. The time of the gentleman has expired.

Mr. PERKINS. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, our chairman, the gentleman from Kentucky (Mr. PERKINS), has laid out the issue that is before us in this legislation. Let me talk about money a little bit, because I imagine we are going to override the President's veto. I intend to vote to override.

The President indicated that it was $1,200,000,000 over his budget. I do not know exactly how he got $1,200,000,000. I figure it is $960 million over his budget, so let us say it is about $1 billion over his budget. Also I think we ought to bear in mind that this bill is pretty close to $1 billion less than the bill was when our committee brought it to the House; $919 million to be more exact.

Looking at it another way, this is about $216 million over what the program would cost if the President's veto stood, and is about $317 million over the congressional budget.

First, let us look at the approximately $1 billion over the President's budget. was based on a bill which he sent up to the Congress but which was never introduced. What it would have done was to reduce the amount of money that went into school lunches by, in effect, removing most or all of the subsidy that goes for the middle- and upper-income children. Conceivably, the remainder, $1,798,000,000 would have been used for the low-income and those in poverty.

As I indicated, there is no way that we could ever get back to the President's budget, because the President's veto, if it stood, would not save the billion dollars.

It would save only $216 million. So I think we can put aside that large sum of money, because it was not before the House, it was not considered before our committee, and as I say nobody introduced the bill.

The savings of about $1 billion from our Committee bill are real. The savings we made in this piece of legislation from what came out of the committee itself, came in large part from savings by dropping the additional subsidy for those who could afford to pay for their own lunches. That represented about $665 million.

We dropped in the conference what the Senate put in, which would be an additional amount of money for wheat and oil products which saved, $79 million.

When the bill came out of the committee we provided for an increase in eligibility for those who could receive reduced cost lunches. In the present law it is provided that if a family is 75 percent above poverty level their children can get reduced-cost lunches. We raised that to 100 percent above the poverty level in the House. In the conference we dropped it by 5 percentage points so it is now 95 percent over the poverty level in this bill. What we did was to save approximately $70 million in doing that. It is not just saved from the drop of 5 percent but also from the fact that that provision will not go into effect until January of next year.

The last question I think which would be in everybody's mind is about the $317 million above the congressional budget. The estimate that the congressional budget evidently made was the estimate we received in the beginning of this year of what the present program would cost and that was about $100 million less than the revised figure we conference.

When the budget was developed I imagine my colleagues were like myself. We did not go into each part of the entire budget. We really looked at the total and then subsequently received information as to what each part was. All I would say is that since this budget is not fixed for this year, but it will be for next year, it will behoove us next year to look more carefully at each part of that total budget and decide whether we want to live within the particular figure that is in it or not and make the changes we desire.

What about the $216 million over what the program presently would cost, and I would imagine if the Budget Committee had had the information this bill would have been $216 million over the House budget? These programs of increases are where, for the first time, we provide full-time assistance for instance to the children in homes for the mentally and physically handicapped. I think that is a good idea. We expand from $50 million authorization to $250 million for the WIC's the women, infants, and children's program. That has proved out to be a very worthy program whereby we provide the food for malnourished individuals at the time just prior to and at birth and afterwards, which I believe is going to be a tremendous factor in improving the capability of those children later on in life when it will be found they were not harmed at the time of birth by malnutrition. That is valuable.

The last point I would like to raise is the increased eligibility from 75 percent above poverty to 95 percent above poverty for reduced-cost lunches, the 20-cent lunches. What we are talking about is a family of four between the income levels of $8,770 and $9,770. That is what the whole argument is about. We could have left it at the old figure but it seemed to me if we provided free lunches for those who were 25 percent above the poverty level that we ought to provide reduced-cost lunches for those just above that level. I came to the conclusion it was a wise decision we made in conference and it ought to warrant the support of all my colleagues.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I would like to commend the gentleman from Minnesota (Mr. QUIE) and associate myself with the gentleman's remarks and join with the gentleman in urging that the veto be overriden.

Mr. Speaker, I would also like to commend our distinguished colleague from California, Mr. GEORGE MILLER, for his outstanding policy and political leadership on this bill.

Many thousands upon thousands of retarded children and nutritionally high-risk mothers will be helped by Congressman MILLER's tireless efforts.

In all my years on the Education and Labor Committee, I have never witnessed a more decisive and effective role played by a new member, than that of this outstanding Congressman, GEORGE MILLER—with reference to the Child Nutrition Act.

Mr. QUIE. Mr. Speaker, I thank the gentleman from California for his support.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, given what the gentleman just said, is it fair to anticipate that it would be exceedingly difficult for our colleagues to be under the impression that we could, in fact, make any significant reduction in the bill as it is now?

Mr. QUIE. The gentleman is right. The only reduction there would be any possibility whatsoever would be to now reduce the eligibility for reduced cost lunches from $9,770 to $8,770, which would save $80 million. That is the only thing I can see that anybody could even propose changing in this legislation.

I have come to the conclusion, however, that was a valid expansion.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the gentleman for his comment.

I must say, I am reluctant to vote to override, but I think we are faced with a situation in which we could not anticipate any substantial change in what has been brought to us for consideration. We are forced into the position to support the override to get the program going and make sure it stays there; also, in my judgment, not to make that cutoff line so sharp that we work a very real hardship on those in the $8,700 to $9,700 category, who could be very grossly discriminated against.

I appreciate the leadership of the gentleman from Minnesota on this issue.

Mr. QUIE. Mr. Speaker, I thank the gentleman.

Mr. Speaker, talking about the change in the school lunch program, in 1969 the Federal Government spent $475 million, or 24 percent of the total cost of the school lunch program.

In fiscal year 1974, the Federal contribution raised to $1,337 million, or 43 percent of the total cost of the school lunch program. We do not have, of course, the total cost of the school lunch program this year, because we are in the school year; but as I look at the school lunch part of the bill, it amounts to $1,960 million; so, undoubtedly, the percentage is up a little bit from 1974. I am saying that because I think we have treated the school lunch program well.

That same period, since 1969, the percentage of the total costs represented by children's payments had fallen from 52.3 to 34.9 percent, and the percentage contribution of State and local funds had dropped from 23.8 to 22.1 percent. I know that these changes in large part have occurred because of the rapid expansion of participation in the free lunch program which is totally subsidized by Federal funds, but I also feel that we have gone as far as we can responsibly go in subsidizing the cost of all lunches—including the addition of built-in escalator clauses for cash and commodity supports based upon increases in the cost of food away from home. President Ford's concern about providing subsidies for families which do not need Federal subsidies is not an idle one. In fact, the existing school lunch program has contained such subsidies from its inception.

I do not believe we can be criticized because we dropped a little over $900 million from the time the bill came out of the committee until it comes before us here.

I believe that the efforts to increase the subsidy for those who can afford to pay for their own lunches is what has held up the legislation so long.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. PERKINS. Mr. Speaker, I yield 1 additional minute to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, I thank the gentleman.

Mr. Speaker, those who have fought hard to stop that kind of expenditure when it went through the House, and I voted against the bill when it went through the House, who tried to prevent even the subsidy put on it the first time it went through conference and came back, and I refused to sign the conference report, that now we ought to support the override because it is down to where I believe we can confidently say that this is a worthwhile expenditure of money and any change that needs to be made in the budget ought to be made, because I doubt there is a better expenditure than what we are going to make here with this legislation.

Mr. PERKINS. Mr. Speaker, I yield 4 minutes to the gentlewoman from New York (Mrs. CHISHOLM).

Mrs. CHISHOLM. Mr. Speaker, I rise this afternoon in support of the child nutrition bill and I urge all of you to override President Ford's ill-advised veto.

The President has vetoed this legislation because he claims it is inflationary, that the authorization would be too high a price to pay for the services provided by this bill.

But all of us know that this legislation reflects the best interest of the Congress, that with this legislation we will be making available to hungry youngsters the only nutritional meal many of them will receive each day. This legislation attempts to avoid the irreparable injury caused by poor feeding habits during the first few years of a child's life. We are attempting to limit the number of birth defects, mental retardation, lifelong disease, and all the other adverse effects which result from undernutrition in the early stages of life. We are also attempting to improve the educational potential of many youngsters born into poverty, for we know that a hungry child cannot learn.

The President has not vetoed the bill because of what it makes available to poor youngsters. Rather, he has said that the reduced-price section of the bill makes this legislation inflationary because it provides nutritional supplements to the children of the middle class. But can we really say that a family of four whose annual income is between $6,000 and $10,000 is a middle-class family—given the ever-spiraling cost of food for members of that income bracket? These are the children who are leaving the school food programs because they simply cannot afford the full price.

The enactment of this legislation is one of the most important legislative actions that the 94th Congress will take. Your vote today in favor of this bill will be a vote for the health and well-being of the American children who need it most. And, indeed, the Child Nutrition Act represents the best investment this Congress can make in the future of our Nation.

Let us show the administration that we will not sidestep our commitment to American children, especially in a time of economic crisis when the poor and the near-poor need our assistance most.

Mr. PERKINS. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I rise to speak in support of the President's veto of this legislation.

We can see it in AFDC. We can see it in food stamps. And we can see it here in the Child Nutrition Act. We come up with a program to help some needy people, and then we start to hear from those just a little above the level we set, and so we raise the level.

Whereupon, we hear from those just above that level. You cannot win that battle. It does not matter where you set the level, there is always going to be somebody just above it. That is a fact of life and we ought to learn to deal with it.

But we do not. We keep raising the level. We keep pulling more and more Americans under the welfare umbrella. And every time we do, we sap that much more energy from the economy, just that much more personal responsibility from individual citizens.

Thus we create a vicious circle. We

also create more and more problems for the Nation, and more and more dependency on the part of its citizens.

H.R. 4222 is a clear example of that process. And all the demagoguery in the world about starving children will not change that fact. If there are starving children in this country, then for heaven's sake let us feed them. But let us not at the same time destroy the very core of family responsibility by feeding, at Government expense, millions and millions of children whose parents can, and ought, to feed them themselves.

And make no mistake about it, that is exactly what this bill does, and that is why the President has vetoed it. It would add $1 billion to our already bloated budget. And where would that money go? It would go to expand Federal subsidies to children from families that do not need Federal subsidies.

We are already spending $2.141 billion on six separate nutrition programs which impact directly on elementary and secondary schools and the children attending them. If we did a better job of focusing that money on the truly needy children, I cannot for one moment believe that it is not adequate to provide them with a good lunch.

But the sponsors of this bill suggest that we need to do a better job, and as usual, they can conceive of no way to improve the program that does not involve more spending. Why did they not consider the President's block grant idea, which is designed to improve the program and still save money?

By extending aid to families not in need, this bill would add $1 billion to the budget this year. Over the next 5 years, it would add $5 billion to the current program, and this is the kind of escalation the President was talking about in his talk last night on tax reduction.

Let us hear no weeping and wailing in this debate about the need to do something for poor children. Let us hear no charges that the President is callous toward them. This bill does less for them than his proposal. This bill wastes our scarce resources. This bill dilutes our efforts and confounds our attempts to develop a fiscally responsible and humane program designed to feed the truly hungry.

And, of course, we will hear in this debate talk of a number of ancillary provisions in this bill. We will hear about orphanages, homes for physically and mentally handicapped children, hospitals, and the like. But let us not be deluded. These provsions are not the reason for the veto. They are not the source of controversy. They are not the problem.

Then, too, we will hear dire predictions that, if this veto is not overridden, WIC clinics will close because their authorizing legislation is about to expire. Well, that is not the controversy either, and this Congress can prevent that from happening simply by extending the current legislation. Holding such programs hostage in this bloated bill is a poor excuse for legislative responsibility.

Let me make one final point. The President this week has challenged the Congress. He has said to us that we can cut the taxes of the American people by $28 billion if we will stop our profligate spending habits and start cutting spending. By overriding this veto, we will be demonstrating that we are not willing to do that. We will be saying that we are not willing to make the hard decisions and hold the line on spending. We will be taking the first step toward telling the American people that they cannot have a permanent tax cut.

Perhaps some Members would prefer bloated programs to a tax cut. I would not, and I believe the American people would not either—particularly in a case such as this where a clear alternative which would help the needy and still save money is readily available.

Mr. Speaker, I urge a vote to sustain the President's veto.

Mr. PERKINS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, I rise in support of the override of the President's veto of the Child Nutrition Act. Someone said it was wailing and weeping to talk about children, but I think that is what we ought to talk about.

Mr. Speaker, I do not know if this bill is inflationary or not. It seems that everything the Congress does is inflationary and everything the President does is not according to the President.

But I do know, Mr. Speaker, that this bill is the only chance we have to help millions of children in this country to overcome the scars of poverty and the scars of malnutrition.

To say that we can do a better job on an illusionary program offered by the President, when no such program has been offered is to avoid the issue. We spent 1 day on the committee on a proposal for a bloc grant presented by the administration which would have been a marvelous proposal. It would have made bloc grants to States, and they could have picked out children they were going to feed. They could have made a determination among the WIC children who might suffer from mental retardation and the schoolchildren who might be disrupting the class and not learning to their full potential. The committee rejected this motion and to date the President has not been able to find a sponsor for his proposal.

This legislation expands those programs where the children have been discriminated against simply because of their living circumstances, the fact that they are not attending a public school, they happen to be in an orphanage, they happen to be mentally retarded. They should be entitled to these nutritional programs because that is part of the rehabilitative program in total.

Also, this expands the WIC program where we have in essence a medical program, the purpose of which is to try to ward off physical handicaps so that we will not have to spend millions of dollars in curative rehabilitation and restorative work for the children and the families.

I think that a vote today to override the President's veto is a vote for humanitarian assistance to a large number of American people. It is a vote that is necessary. Even as good as this program is, it does not go out to the many other children who are in need.

Mr. Speaker, a lot of people have talked about the fact that we have expanded the umbrella, we keep moving the levels up.

The only reason we are moving the levels up is because of inflation and because those families can no longer afford to feed their children.

Also I think it ought to be recognized that there has been a great deal of rhetoric in this Congress about helping the working poor and about helping the single parent who wants to get off welfare. This program, with the Chisholm amendment, with the provision for 95 percent above poverty level, provides the first chance we have had to give an incentive to the single person who wants to work and needs to keep his or her children in a day-care center. For the first time the day-care centers will get reimbursed to a level that will allow them to select those persons as eligible for services from among those who have sought to get off the welfare rolls.

Those persons who have received training in order to go out and look for a job will have those services for support until such time as they are able to get into an income bracket so that they can pay for their own day-care needs.

Mr. Speaker, I ask vote to override the President's veto.

Mr. MOTTL. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Ohio.

Mr. MOTTL. Mr. Speaker, I thank the gentleman from California for yielding.

It is imperative that Congress override the President's veto of the child nutrition program. The children of America are our country's most precious resource and to deprive them of their nourishment as the President suggests would be neglecting our sense of duty.

This program is an effort to maintain and expand the school lunch and breakfast program so that it can assist more middle-income families. My only regret is that the program does not go further so that more middle-income Americans could benefit.

The President maintains this program would be inflationary, but that reasoning shows a lack of sensitivity to human needs. To myself and many others it is much more inflationary to decontrol the price of oil and deregulate the price of natural gas than it would be to provide to our children their one nutritious meals a day, so that they might learn better.

Mr. PERKINS. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Speaker, I join the majority of my colleagues in support of the effort to override the President's veto of H.R. 4222, the authorizing legislation for the School Lunch Act and various other child nutrition programs, including the successful women, infants, and children program.

I consider the President's action on this particular legislation to be ill-advised for many reasons, but primarily because of the unwarranted havoc the veto has wrought upon that sector of our economy charged with insuring the delivery of nutritious foods to our Nation's schoolchildren and poor, many of whom would have totally inadequate diets were it not for this Federal assistance program.

Beyond this, however, we must consider the reasons stated for the veto. The major one appears to be that H.R. 4222 exceeds the administration budget request; a total of $1.798 billion as of February of this year. Utilizing these figures, the difference between our version—$2.758 billion—and the administration's request is $960 million, a sizable amount given the State of our economy and the growing necessity for fiscal responsibility. However, it is much more appropriate for us to consider figures that were recently released by the administration concerning the cost of a simple extension of existing programs. According to the administration's own calculations, it would cost us $2.542 billion just to continue our current efforts, a difference of only $216 million. When we consider the impact of inflation, the increased number of citizens who are eligible for participation in the various programs, this difference literally pales into insignificance.

In support of the override, however, I am not maintaining that the Congress created a perfect piece of authorizing legislation. There is one serious shortcoming that I opposed when the bill first came up for a vote and to which I am still in opposition. Simply stated, it is the backdoor funding we approved for the WIC program through use of section 32 funds. By mandating the expenditure of an authorization, we have totally usurped the appropriations process which is designed to insure fiscal responsibility and the smooth functioning of the programs. Also, we have placed many of the programs in a precarious position since the money is to be expended on a first-come, first-served basis. This is chaos at its best, and we have mandated that the administration implement our dictates in a totally illogical fashion.

However, this confusion is nothing in comparison to what is going on now throughout the country. WIC programs are simply closing down, most of them effective September 30 when the last authorizing legislation expired. In Connecticut alone, at least three programs have ceased operating, including a highly successful one in my district in the city of Waterbury. Countless pregnant women and their infants are going without the foods that are necessary for their future health. Consequently, despite the bad aspect of this legislation, we cannot tolerate this situation and must act now to reinstate these programs.

I urge all of my colleagues to consider the consequences of allowing these programs to fold and to consider our responsibility to honor our commitments. We have no choice but to vote to override.

Mr. PERKINS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I am once again astounded that the administration has taken steps to limit Federal spending by vetoing legislation aimed at aiding the children of this country.

Last week the President chided Congress for its failure to approve extravagant defense spending proposals. It is obvious that this administration prefers continuing the development of totally unnecessary weapons and other military hardware at the expense of our young people by attempting to scuttle first their education programs and now child nutrition.

I am confident, Mr. Chairman, that we will be able to override this veto easily if the votes that were taken in the House and Senate earlier are any indication of the sentiments of the Congress at this time. Surely the President is aware that some of his staunchest supporters in the fight for controlled Government spending are among those leading the effort to override his veto. The chairman and ranking minority member of the committee that has jurisdiction over H.R. 4222 have called this piece of legislation the "finest child-feeding bill that has ever passed the Congress."

Since the inception of the school lunch program in 1946 Congress has held the position that this and the other programs added in 1966 should insure the availability of nutritious meals for all schoolchildren. In 1970 we acted to expand the free and reduced-cost programs in order to reach more needy children who would otherwise be unable to participate. The President's contention that this bill is extravagant because it expands the subsidies to families above the poverty line is misleading. While it is true that only 40.4 percent of the children benefitting from the school lunch program are needy, the administration has failed to acknowledge that part of the reason the Congress chose to include nonpoverty children in the subsidized lunch program is that without these children, programs in many areas could not operate. Schools have found that it is very difficult to keep this program operational without the participation of all the children in the school.

It is important that we consider the fact that 83.4 percent of the participants in the school breakfast program are from poverty level backgrounds; 89.4 percent of those in the pre-school program are from such circumstances; in the summer camp lunch program 95 percent of the children are needy; and 100 percent of the women, infants, and children who receive benefits under the special supplemental food—WIC—program are poor. Obviously these programs are directed toward alleviating malnutrition among some of the groups that are most in need of our assistance. It is also significant that through this legislation we are offering food assistance for the first time to orphanages, homes for the physically and mentally handicapped, hospitals for chronically ill children and other similar institutions.

Contrary to the President's contention, I believe the Congress has worked diligently to try and stay as closely as possible within the confines of his budget proposals. This bill has gone twice to conference, with the result that its total price tag has been reduced by some $229 million.

The President may think us fiscally irresponsible, but I believe it would be much more irresponsible, fiscally and substantively, to deny these programs to needy youngsters who depend on them to develop into productive citizens. The evidence is overwhelming that thousands of children are handicapped every year and rendered unable to be fully self supporting adults because of lack of adequate nutrition as a child. It gives me great pride to be able to cast my vote in favor of continued and expanded child nutrition programs.

Mr. PERKINS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I think in the case of this particular veto, the President's advisers, who evidently saw fit to give him this counsel, have not served either the President well or the country well.

I think if they had been out and had the opportunity of examining school lunch programs and seeing the children involved, they would never have suggested this veto.

The administration and the Congress have supported the food-for-peace program for foreign countries.

I think that what we are really talking about here today is a food for life program for poor American children. I think that is exactly the way it ought to be viewed.

There is a real difference between starvation and a decent level of nutrition, and I do not think that any of the Members of this Congress are willing to settle for a level just above starvation for American children. What we need is a level of decent nutrition, and I think that that is what this bill provides.

Mr. Speaker, I personally am most grateful to the chairman, the gentleman from Kentucky (Mr. PERKINS), for his leadership on this, and I am grateful to the gentleman from Minnesota (Mr. QUIE), as our minority leader, for coming forcefully to the floor on this issue and leading it and getting it out of committee.

Mr. Speaker, I hope that we will overwhelmingly override this veto and make this message very clear, that we are for a food for life program for the young Americans in this country.

Mr. PERKINS. Mr. Speaker, I yield 1 minute to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise in strong support of the National School Lunch Act and urge all my colleagues on both sides of the aisle to vote to override this veto.

This bill has enjoyed overwhelming bipartisan support in the Congress, it passed the House by a margin of 335 to 59, and the Senate, by a vote of 81 to 8. Likewise, the conference report received resounding support in the House, 380 to 7, and was adopted by voice vote in the Senate. The American people have clearly indicated to their representatives their strong endorsement of this program.

In vetoing the school lunch program,

President Ford has unwisely chosen to play politics with the nutritional needs of our children. Providing proper nutrition for children of families living in poverty or close to poverty who need help in raising the level of nutrition should not be a Democratic or Republican issue. It is an American problem. The Congress, in its decisive and compassionate support of this measure, has recognized this critical national concern.

This bill provides a responsible and necessary nutritional program for poor children, and it is within the bounds of fiscal restraint. It merely extends and broadens a variety of nutrition programs such as school breakfast subsidies, school lunch assistance for children of those temporarily unemployed, and food assistance to low-income pregnant women.

The changes in the second conference report have brought this bill within the Congressional Budget Committee's target. In adopting this measure, Congress has exercised fiscal prudence as a part of our new budget procedures in effect this year.

I urge all my colleagues to vote to override.

Mr. PERKINS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Speaker, I am going to support this override because I think this veto is ill-timed and ill-advised, coming as it does on the heels of the request by the President for $100 million for an energy program which will be channeled to the very ripoff artists who have been taking the American people for the last 2 years.

If the Members think that the American people have not gotten the message and if the President's advisors think they have not gotten the message, somebody ought to read the results of the recent New Hampshire election to them.

Mr. PERKINS. Mr. Speaker, I yield 4 minutes to the distinguished gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, I had hoped that events would have made it unnecessary for this body to be considering the National School Lunch and Child Nutrition Act Amendments of 1975 once again. But the President's unfortunate veto necessitates all of us to affirm our intentions once more—as the Congress overwhelmingly demonstrated its support for H.R. 4222 a few weeks ago, we shall do so again today.

I believe all of us are familiar with the provisions in the bill which were discussed at length during debate on final passage under the experienced leadership of our colleague, Mr. PERKINS. But I believe a few of the bill's provisions bears repeating as it relates to the President's veto message and more importantly, to remind us of what H.R. 4222 inspires to do for our Nation's children.

The President tells us in lieu of H.R. 4222, the Congress accept a "block grant" proposal or an extension of current law. The first alternative is completely unacceptable. Under his block grant approach, we are told all of our needy and hungry children would be fed. A study of his accompanying budget request, however, revealed that his block grant approach would cut several million children from the current program. His proposal received the consideration it deserved when the Congress gave its approval to H.R. 4222. Undeniably, the White House continues to advocate a giant step backward in our child nutrition programs.

The President's second alternative, a mere extension of current law, would deny nutritional benefits to the many children our bill seeks to include. H.R. 4222 makes children's residential institutions, such as orphanages and homes for mentally retarded and physically handicapped children, eligible for the school lunch and breakfast programs. Under the summer feeding program, which provides needy children with nutritional assistance during the summer months, reimbursement rates are increased and sponsors are allowed to serve breakfasts, lunches, suppers, and supplements. The school breakfast program is made permanent and expansion mandated. Under the child care food program, family day care homes are eligible for the first time to receive Federal reimbursements under the school lunch and child nutrition programs. The WIC program is extended for 3 more years at a guaranteed funding level of $250 million each year. These, briefly, are just a few of the major improvements proposed in H.R. 4222.

We are told, erroneously, that H.R. 4222 extends coverage to children from families who do not deserve them. By liberalizing the family income criteria for children to participate in the mandated reduced-price lunch program, the Congress is only seeking to aid those families—$9,770 for a family of four—who obviously need this assistance as school lunch prices continue to increase.

I believe it is important to remember that the success of the school lunch program is due to the popular broad-based support it has received from the parents of all participating children. The school lunch program has been one of our most effective Federal programs because it has provided some benefits to all children through Federal subsidies for all lunches and additional Federal subsidies for free and reduced-price lunches. This support is consistent with the purposes of the act to provide nutritious meals to all children.

All of know that as parents are forced to pay more for their children's school lunch, they will find some other means of feeding their children. When these children drop out of the school lunch program, we lose with them their parents' support. Without it, we would not have any school lunch program. It is for this reason that I strongly supported and will continue to support efforts to maintain the broadest coverage for this program.

The White House does not have a monopoly on fiscal responsibility. We in the Congress are equally concerned with the size of our Federal deficit. Controlling this deficit does not mean indiscriminate cuts in Federal assistance as proposed by the White House. But it does mean a responsible weighing of priorities which Congress, through the mechanism of its Budget Committees, is presently undertaking.

There is only one responsible course open to us; I urge my colleagues to vote to override the President's veto of H.R. 4222.

It is with a great deal of regret that the House must reconsider a piece of legislation which has had such wide and uniform support, merely because the President disagrees.

The issues have been brought out clearly by the chairman of our full committee and by the gentleman from Minnesota (Mr. QUIE), the ranking minority member.

The President's use of the figure $1.2 billion is clearly erroneous. This figure is based upon the assumption that the recommendations by the President to delete the essence of this program would have been passed.

In truth, the sum above the budget resolution that we are talking about is the $200 million-plus figure which has been cited by the chairman.

The amount of money which is represented by this legislation in excess of the target figures which this House adopted is a little over $200 million.

I would like to remind the Members of the House that in approving the target figures for education, the bill, upon which this body overrode the veto, was $600 million below the budget resolution. So we have really reduced the education target by $600 million. I submit that those who might be having difficulty in accepting the $200 million previously mentioned could easily justify it by arguing that this is an educational program and that the bill already enacted dealing with elementary and secondary education is $600 million below the budget target already approved by the House.

I think the important thing to remember is that the school lunch program is an educational program and that it is designed to assist every single child in the public school systems to be better able to absorb the educational materials which we are providing him in our school systems. Certainly a hungry child is not able to absorb such an education.

There is not a single program that this Congress has passed, at least in the 11 years I have been here, which addressed itself to support for every child in the system. This is the only program. Even in the elementary and secondary education program we are dealing with special assistance to the disadvantaged, to the poor, and to those in other special categories. The school lunch program is the only one that provides basic support to every child that wants to buy a hot lunch in our school system.

By overriding the veto we are really overriding the President's proposal which would do away with the universal basic support for every child. That is really the heart of this veto debate.

So I urge the Members to consider the school lunch program for what it has meant to our school system, and to thereby support the concept of universal support for every child.

I regret that this Congress could not be considering the school lunch proposal which gave greater financial support for all paid school lunches. But this is the compromise we were forced to make in conference and it is a compromise I regret. Nevertheless this bill that was finally sent to the White House retains the heart of our basic lunch program which is universal assistance for all those who participate. That is the heart of the program.

We cannot take away the 10 or 11 cent support which is the basis of the school lunch program. So the choice clearly is one to continue to give every child in the along with the presidential veto which school system some support or to go along with the presidential veto which suggests that this support should be eliminated and that we should give only to the needy and to the disadvantaged.

I think this House has spoken clearly on this issue previously and accordingly I ask the Members to vote to override this veto.

Mr. PERKINS. Mr. Speaker, I yield 6 minutes to the distinguished gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Speaker, I rise, in what I hope will continue to be restrained, outrage at the veto of this bill by the President. The history of this legislation has been one of the most difficult experiences that I have had since I came to the House. The gentleman from Minnesota (Mr. QUIE) has very clearly laid out in the record the amount of dollar reduction that has been involved in the entire legislative process from the time that we began considering this legislation in the Committee on Education and Labor until we finally came back here after the second conference.

As the gentleman from Minnesota (Mr. QUIE) has pointed out, we have already conceded one billion dollars of what we thought were the bare essential needs of this program when it came out of the Committee on Education and Labor. Now the President has come back to us with a very unrealistic approach to further cut the legislation.

I would like to touch on two things. But first I would like to say that I do not think this is to be considered to be an attack on the President or an attack on the Jerry Ford who served in the House with us from the State of Michigan. But, Mr. Speaker, something is happening at the other end of Pennsylvania Avenue and something is happening on the other side of this Capitol, too. I do not know where it is coming from but there is a creeping sickness of cheap politics moving into the government of this country that says that we have got to demonstrate so thoroughly that we are willing to cut and chop Federal Expenditures every place, that we tell the little children of this country, the pregnant mothers and the lactating mothers now that they have got to bear more than their share, with the Pentagon, of the course we are asked by the President to follow today.

The other body came back to conference with us and said arbitrarily that we had to cut, cut, cut, solely because they had made a promise when they cut a few pennies out of the defense budget that they would cut domestic programs, too.

However, they made us one of their famous horse-and-rabbit stews. That is where they use one horse and one rabbit, and feed to the House as half horse and half rabbit. They took 10 percent out of this child nutrition, program and only 1 percent out of the Pentagon. That is the kind of horse-and-rabbit stew they forced us to swallow in this conference.

Now comes the President who says in his message that he wants a block grant program that is so great we should adopt it as an alternative. The gentleman from Illinois asked why we did not consider it? Why does he not introduce it so we can consider it? Not one Member of this House has been impressed enough by the President's child feeding bill to introduce it for him. Now we find that the veto message says we would have turned the school lunch program into a poverty program restricted to children in an outrageously narrow definition of "poor." Because the States want it, says the President's veto message.

This worries me. If I cannot get to the President to talk to him on this issue, that is one thing, but when Mr. William Milliken, the Republican Governor of Michigan, cannot get to him, that is a real problem. If the President ever runs for election, I know Governor Milliken is going to campaign for him, because the President was out in Michigan campaigning for Governor Milliken last year. I know from serving in the House with him that they are close friends.

This is a telegram Governor Milliken sent on the first of this month to his close friend, the President:

> The Child Nutrition Act of 1975 is before you for your action. Signature of this bill into law will assure continuation of local school lunch and nutrition programs for pregnant women and infants.

This is important. The Governor says:

> The changes represented in the bill bring about more efficient administration of nutrition and school lunch programs.

Last night the President of the United States told everybody in this country on television that the No. 1 thing that he wanted in this country was more efficient administration. The Governor of Michigan, his Governor and my Governor—has told him that the way to get that more efficient administration in at least one Federal program was to sign this bill. If we believe what the President was pitching to the folks across the country last night about efficiency, one way to get it is to override his veto, and override it by the kind of overwhelming vote that will encourage our friends on the other side of the Capitol, who weakened a little bit when the crunch came, to come through and stand with the kids this one more time.

The Governor finished his statement to the President by saying:

> The act presents a modest expansion of program which would aid the children of Michigan's working poor and unemployed.

I submit to the Members that when the Republican Governor of Michigan endorses a bill as being for the working poor and the unemployed of a State hit as hard as my State is by the condition of this economy, it cannot be all that inflationary.

Let me also remind you that this bill requires the same consideration for the children of working people during periods of unemployment, as we give to the poor and other low income children. My amendment which adds this feature to the law also requires the unemployment insurance offices to notify unemployed parents that the school lunch is available to their children. The only thing wrong with this bill is that we have already compromised too much with the administration. We cannot, in good conscience, retreat further—I urge a resounding yes vote to override the President's veto.

The SPEAKER. The time of the gentleman has expired.

Mr. PERKINS. Mr. Speaker, we have an outstanding member of the House Committee on Education and Labor, a member of the Committee on the Budget, and at this time I yield the remainder of my time to the distinguished gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Speaker, I was amazed when I finally got around to reading the President's veto message to discover that the President was contending that this bill would bust his budget by some $1,200,000,000. I think that is a commentary on something. It is a commentary on how unreal the President's budget is. I do not think anyone ever had any realistic expectation that the Congress was going to stop feeding kids to save that $1.2 billion that the President is talking about in his veto message.

As a matter of fact I have noticed almost all of the debate in opposition to the school feeding bill that passed this House has centered around budgetary questions. For some reason not many people are willing to take on the question of feeding hungry children so they want to talk about budgets. The President has fallen into the same sort of fallacy in talking about the budget that some of our friends in the other body fell into during consideration of this bill in the other body and in conference.

I want to apologize to the Members of this House for the fact that we did not bring back from that conference a better bill than the one the President vetoed. We could have brought back a better bill. We ought to be ashamed of this bill for it does not go far enough. That is its trouble. Not only has the President been pinching pennies with respect to the school lunch programs but when the bill reached the other body several of the Members of that body got up and said that somehow this was a violation of the President's budget but it was also a violation of the congressional budget.

I think we ought to set the record straight on whether or not that was a violation of the congressional budget. There are two points we have to keep in mind. The first one is that we did not—I repeat, we did not—adopt specific program targets when we adopted the congressional budget resolution. In colloquy on this floor we agreed that all we were adopting was the macro-economic figures that were in the resolution themselves and we were not, by adopting that budget resolution, adopting specific target figures for particular programs.

When we went to conference with the other body on the budget resolution we discovered that they were even less certain about what made up that total budget, the total outlay, than we were. When we tried to talk to them in conference about some of the specific figures for specific programs so we could arrive at our totals with some degree of sense we discovered they were not prepared to talk about it, that they did not want to talk about specifics, that the only way they had reached agreement was by never discussing specifics so they could vote on overall figures, with different mixes in different minds.

They said, in effect, "For heaven's sake, let us not discuss specifics. It will ruin us. We will not be able to get anywhere. We will fall to fighting among ourselves." It sort of reminded me of the blind men who were inspecting the elephant. Each of them had a different idea as to what the total figure was which was arrived at.

So when someone gets up in the Senate or in the White House and says: "We cannot do this because it violates a particular budget figure," that simply is not true.

So, Mr. Speaker, let me say simply this is a very good bill. The only thing wrong with it is that it did not go far enough. We should have increased the Federal payment per lunch for the paid lunches. That is something that ought to be done, that we are going to have to come back and do if we want to keep this a healthy program.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA. I yield to the distinguished chairman of the committee, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, the distinguished gentleman will recall we reduced the 5 cents payment for the regular lunch program to 3 cents in the first conference report. However, the Senate recommitted that conference report reportedly for budgetary reasons. Is that correct?

Mr. O'HARA. The gentleman from Kentucky is perfectly correct. This budgetary question got into the whole thing because they did not want to accept our 5 cents per lunch additional payment.

Mr. PERKINS. If the gentleman will yield further, as prices continue to climb more and more, children are being priced out of the school lunch program. Does the gentleman agree with me that we must reverse this declining trend in participation of paying children?

Does the gentleman agree further that if the participation rate of paying children continues to decline, we reach a point where it is no longer possible to sustain a lunch program even for needy children? In other words, is it not true that the free and reduced price lunch program for needy children is dependent upon a strong and growing program for paying students?

Mr. O'HARA. The gentleman is correct and his position is fully supported by the information we have. Traditionally, the national school lunch program has had the single purpose of improving the nutritional status of all children, and historically, the Federal Government has picked up a percentage share of the lunch costs for all children.

The Federal share for paying children, however, has declined from 31 percent of lunch costs for paying children in 1947 to 21 percent last year. At the same time, there have been marked increases in the cost of preparing a lunch and the price students must pay. The average cost of producing a meal increased 13 percent from 1973 to 1974. The Department of Agriculture estimates that in 1975 the total cost of preparing a lunch will increase from 84.9 cents last year to 92.1 cents.

The number of children purchasing lunches daily has declined from 18 million in 1970 to 15.3 million last year. From January of 1974 to January of 1975 alone the decline was 1 million, and in my judgment this decline is directly attributable to the increasing prices students must pay. We know from our studies and hearings that for each 10-percent increase in price there is a 3- to 6-percent drop in participation.

Despite our efforts, we are unable to address this problem in H.R. 4222. I fully agree with the chairman of the committee that this problem is still with us, and that we must take additional action in the immediate future. I know that he plans extensive oversight and legislative activity in connection with the feeding programs, and I will be working with him to insure that we have a viable feeding program for all children. This is not the issue before us today, however. There are other problems which must be addressed. These are addressed in H.R. 4222 and I urge that this veto be overridden.

Mr. RHODES. Mr. Speaker, as we consider the President's veto of H.R. 4222, the National School Lunch Act and Child Nutrition Act Amendments of 1975, I have come to the conclusion that I must reluctantly vote to override the President's veto.

I believe it is important that Congress reexamine our total approach to the school lunch program. The President's proposal for a bloc grant approach, which would increase the delivery flexibility for localities, is obviously the right approach. In this regard, I hope that the respective legislative committees of Congress will undertake such a review and revision at the earliest possible time. In the meantime, I do not believe that we can let the current program lapse or suffer severe disruption which further delay of H.R. 4222 would incur.

For this reason, I am constrained to support the legislation and vote to override the President's veto.

Mr. KASTENMEIER. Mr. Speaker, I strongly oppose the President's rejection of the National School Lunch and Child Nutrition Act Amendments of 1975. Moreover, I am appalled that he has vetoed this bill.

This is an important bill. It seeks to provide some measure of assurance that children in need will receive a nutritionally balanced diet. It extends, for the first time, food assistance to orphanages, homes for the physically and mentally handicapped, hospitals for chronically ill children and other such facilities. It extends food assistance to children of unemployed parents. It extends the WIC program which feeds malnourished pregnant mothers and their children.

Mr. Speaker, these programs can effectively determine whether a child will grow to his or her full physical and mental potential. They can determine whether healthy children will be born to deprived pregnant women. They can play such an enormous role in assuring the full development of our most important resource—people.

But, there is really even more at issue here than the need for this bill and the quality of the programs it provides. What is as much at issue is the desire of the President to work with this Congress. Twice this bill was sent to conference and both times the funding levels were reduced. We have made major efforts to exercise fiscal restraint in this legislation, while not sacrificing the principles of the programs.

Yet, this was not enough for the President. I, for one, am tired of being told by the White House, "Do it our way or else." The result of this attitude has been an inability to reach compromise which has virtually brought us nongovernment by veto.

And, finally, I return, as I have on so many occasions in the past when we have discussed vetoes, to the issue of priorities. Last week this body passed a $112 billion defense appropriations bill which was strongly supported by the President. The Congress passed legislation allowing military credits to Turkey, which was strongly supported by the President. We will shortly be acting on a multi-billion dollar military aid request for Israel, which is strongly supported by the President. Yet, he cannot bring himself to support expenditures for feeding hungry children and for assisting malnourished pregnant women.

Mr. Speaker, this bill speaks for itself. We should not have to stand up here and argue its merits. We should not be here voting to override a veto in the first place but we are. I sincerely hope that this body does not share the President's priorities. I sincerely hope that we put the needs of our people above guns and fighter planes. I sincerely hope that we are as concerned about hungry children as we are about angry and intransigent foreign allies. For my part, I can see no other justifiable course than to cast a strong affirmative vote in favor of this legislation.

Mr. BADILLO. Mr. Speaker, within a few minutes the House will vote on the question of overriding the President's veto of H.R. 4222, the National School Lunch and Nutrition Act of 1975. It is imperative that the House override. H.R. 4222 authorizes programs of great importance to our Nation's children.

The bill expands the school lunch program. Its provisions raise the eligibility level for reduced price meals to 195 percent of the poverty level. This means that children in New York, whose parents have an annual income of up to $12,000 will be able to buy a hot, nutritious meal for 20 cents a day. Also, for the first time since the inception of the program, youngsters of unemployed parents become automatically eligible for participation. Given our disastrously high unemployment levels, this is an extremely important innovation and should prove to be of considerable assistance to out-of-work parents and their children throughout the Nation.

The measure also contains provisions for institutionalized children. Youngsters in orphanages, homes for the mentally and physically handicapped, temporary shelters for abandoned children and hospitals for the chronically ill will henceforth be able to benefit from the nutrition program.

The summer feeding program, which assures the continued delivery of meals during vacation times, has also been improved. Reimbursement levels have been increased, funding has been assured for all eligible sponsors, breakfast, supper and snacks may, in addition to the lunches, be served at the feeding sites. Fresh air and other overnight camps for poor children will be able to participate in the program.

WIC, the enormously important feeding program for women, infants, and children has been expanded. Authorization level have been increased from $110 to $250 million. The allowance for administrative costs, previously restricted to 10 percent, has been raised to 20 percent of the program cost. The age limit for participating children has been upped to 5 years.

In vetoing the bill, President Ford stated, as the reason for his opposition, that the measure grants subsidies to "children from families which do not need Federal subsidies." I am at a loss to determine just what he is talking about. Children living in poverty, those with unemployed parents and youth in helping institutions clearly need our help. Poor mothers whose babies are in danger of suffering permanent physical and mental damage from malnutrition can hardly be termed unworthy of Federal aid. The near-poor made eligible for reduced price meals must be aided.

Mr. Speaker, this is an excellent measure, clearly worthy of support. The President made a tremendous mistake in vetoing this legislation. I urge an override.

Mr. BURKE of Massachusetts. Mr. Speaker, here we are again, being forced to overcome the delaying tactics of the President on a program which has the overwhelming support of Congress and the people.

I must admit that I find it difficult to discern any philosophy behind the recent actions of the administration concerning food policy. On the one hand, we see it supporting grain sales to Russia—an action which will most assuredly add to the cost of grain products. And just last week, it lent its support to the Beef Research and Information Act, a bill which will enable the beef industry to raise $60 million to tell Americans how much they need a product which they already consume in inordinate quantities. You know and I know who is going to end up footing the bill for that advertising campaign.

But on the other hand, the President vetoes legislation which will help the American family combat the astronomical rise in food prices.

And who is caught in the squeeze? The moderate-income family who the President wants to eliminate from the program. He tells us that the school lunch program helps too many people, that we are subsidizing families who do not need help. I am sure there are abuses of these subsidies—in a program this large, there are bound to be abuses. I would also be willing to bet that if you went into the homes of 95 percent of the families who are taking advantage of this program, you would find people who are struggling to make ends meet, regardless of whether their incomes exceed "established poverty levels." A man making $10,000 or $15,000 with six or seven mouths to feed may not qualify for welfare, but you can be sure that he is not using the money he saves on lunches for his children to pay for membership in a country club.

When we last considered the conference report on this measure, I made a statement which I would like to reinforce. The American worker of moderate means is not going to support all of our social welfare programs indefinitely without some return on his investment. That may sound cynical, but it is realistic. We cannot keep asking the average taxpayer to foot the bill for benefits for which he is ineligible, while allowing the administration to encourage actions which justify his participation, if only by circumstance.

Mr. RANGEL. Mr. Speaker, I rise in strong support of H.R. 4222 and urge my colleagues to override the President's veto of this most vital piece of legislation. I believe that the veto will not be sustained, given the overwhelming majorities by which both Houses passed this bill. It is, therefore, unfortunate that we have to devote our efforts on this matter, when it is clear that both Democrats and Republicans alike thought this legislation was a necessity.

It can be said that very few in this society doubt the importance of nutrition or the unquestionable right of individuals to be adequately fed. In a nation of such tremendous wealth, it is ironic that we really do not have to look that far for examples of starvation. Right here in our own Nation we have daily examples of children going to bed hungry and thus going to school improperly fed.

One of the keys to a successful performance in school is a proper diet. If a child is not receiving a balanced meal at home and is coming to school and not obtaining a proper lunch, then his chances for reaching his full potential are severely limited. It is up to the Federal Government to assist those students who, for whatever reason, don't receive their normal daily nutritional requirements.

President Ford vetoed this legislation arguing that it would authorize too much money and thus was beyond the budgetary guidelines which he had established. The Congress attempted to meet the President's request for austerity on this issue. We went to conference twice on this legislation and both times, the cost of this legislation was reduced. We cannot and will not reduce it any further. We will support the President in his attempt to restore controls over Federal spending but we will not be a party to this unconscionable action of denying food to hungry children.

Failure of the Congress to reverse the President's decision would result in catastrophic consequences for the impoverished specifically and the Nation as a whole. Not only would the school lunch program be adversely affected but so would the summer feeding program, programs that would aid the children of unemployed parents and the women, infants, and children program. In order to ease the burden on these poverty stricken people, H.R. 4222 must be enacted. I urge my colleagues to heed the cries of the downtrodden and vote to override.

Mr. MATSUNAGA. Mr. Speaker, I rise in support of the motion to approve, not withstanding the President's veto, H.R. 4222, the National School Lunch Act and Child Nutrition Act Amendments of 1975.

Mr. Speaker, H.R. 4222 is the finest child-feeding bill ever passed by Congress. For the first time, it provides for food assistance in orphanages, in homes for the physically and mentally handicapped, in hospitals for chronically ill children and in other similar institutions. In addition, the bill makes permanent the school breakfast program; it extends the authorization and improves the quality and efficiency of the child care and summer feeding programs; and it modestly expands the women, infants, and children supplemental food program which provides food assistance for malnourished pregnant mothers and infants.

The bill also increases the eligibility level for reduced cost lunches from 75 percent above the poverty level to 95 percent above the poverty level, and mandates schools to provide a reduced cost lunch program for eligible children. It also provides that any child whose parent or guardian is unemployed and falls within the income guidelines shall be served a free or reduced-price lunch during the period of unemployment. These provisions are critical to the needy children of America in these times of persistently high unemployment and the inflation-recession state of our economy.

This bill, whose original provisions were twice reduced in conference by substantial amounts totaling $229 million, provides vital support and continuation of children's nutrition programs which were established by the National School Lunch Act of 1946 and by the Child Nutrition Act of 1966. It adds only $600 million to current levels of nutrition program spending, and, more importantly, it is consistent with the intent of Congress to provide nutritious meals for all schoolchildren in America.

Mr. Speaker, failure to override this veto would have tragic consequences for the children currently benefiting from funded nutrition programs by withdrawing from them a service which for many of them is their only complete meal of the day. In addition, the expansion of services which would be provided by the passage of H.R. 4222, would not take effect and thereby would deny needy children who currently receive substandard diets in orphanages, homes for the mentally and physically handicapped, and similarly worthy children's institutions, the vital health benefits that are offered to them through this bill.

In these times of tight fiscal control by the President and of program recissions by Congress, it is imperative that the moneys which are appropriated by Congress are spent wisely. I strongly believe, Mr. Speaker, that there is no group of people in the United States more worthy or more deserving of congressional appropriations than our needy children. The benefits of the passage of this type of legislation are truly invaluable to our society and I, therefore, respectfully urge the Members of the House to vote for the override of the President's veto on H.R. 4222.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in strong support of H.R. 4222, the National School Lunch and Child Nutrition Act Amendments of 1975, and urge my colleagues to join me in overriding the President's veto of this vital legislation.

The distinguished chairman of the Education and Labor Committee, Mr. PERKINS, and my colleagues on the committee worked hard to produce a responsible bill within acceptable budgetary limits. It is important to remember that the final conference bill reduced the costs of the initial House bill by $229 million. Indeed, it should be noted that this legislation is only $201 million over and above the costs of simply extending all existing legislation and programs, and it makes significant improvements in these programs and expands them to include additional needy children.

I cannot accept the President's claim about the inflationary effect of this legislation. But even if his grossly inflated figures were correct, could we, as responsible human beings balance our budget by taking bread out of the mouths of babies?

How can the administration deny the opportunity for adequate nutrition to millions of needy children, and at the same time be promoting the establishment of a $100 billion lending authority to benefit big oil and gas companies?

Mr. Speaker, it is obvious to me that someone's priorities are sadly misplaced. Certainly, we need to take steps to improve our energy self-sufficiency. But in order to have heat must we also have hunger—hunger of young children? I think not.

Mr. Speaker, I am as concerned about fiscal prudence as the President. However, we must maintain our concern about meeting very basic human needs in this society. Nutrition is just about as basic as you can get, and in this case, Congress has developed a good bill with a responsible price tag.

There is no finer investment we can make in this Nation than the health of our children. I hope my colleagues will bear this in mind as they cast their votes on the veto override.

Mr. BIAGGI. I rise in support of the motion to override the President's veto of H.R. 4222, the National School Lunch and Child Nutrition Act. I was a cosponsor of the original bill. Yet, recognizing the imperative need to keep Government spending in line, I fully supported the final conference report which emerged. In spite of the fact that we trimmed $75 million from the original bill, the President still chose to veto the bill.

Let us examine briefly the finances of the bill. The bill is not an unreasonable one. The cost of the bill has been estimated at $2.665 billion. In the current fiscal year, the bill will cost approximately $200 million above the present cost of school lunch and child nutrition programs. In fiscal year 1977, the cost is anticipated to be no more than $400 million above present costs.

The National School Lunch and Child Nutrition Act encompasses such programs as the women, infant, and children projects, for which $250 million has been allocated during fiscal year 1976 and fiscal year 1977, aims at feeding the poor, pregnant women in the country and their infants nutritious food. We do this with hopes that their health will not be permanently impaired because of their financial status and inability to provide nutritious meals. Another important aspect of the bill is the summer feeding program, which will be extended through September 30, 1977.

My colleagues might recall that the House was forced to pass emergency legislation earlier this year to insure the continuation of this vital program providing meals to 300,000 children for this summer. The program did go off this summer but not without a great deal of apprehension. This 2-year extension will allow sponsors and centers to plan better for the upcoming summer. It should also be noted that this bill provides very realistic Federal assistance to these service institutions to help them keep up with the rising costs of providing lunches.

Too many children are affected by these programs, and too many will suffer if the veto is not overriden today. We must not further penalize children who are poor, nor must we permit the retardation of their physical and mental growth because they cannot otherwise get a proper diet. A child who goes to school hungry cannot concentrate on learning when there are other gnawing and immediate concerns.

In my home State of New York, the failure to override the veto will have great adverse effects. Thirty WIC projects are currently being funded in the State. Sixteen of those proejcts are located in New York City. It is expected, that New York State will serve 78,900 different women, infants, and children per month. WIC programs have proven to be among the most successful of all projects in preventive medicine, that is in the prevention of mental retardation and childhood diseases. In my district, $43,000 for WIC programs are in jeopardy as the result of the President's veto.

The child nutrition programs were developed under Federal auspices to safeguard the health and well-being of the Nation's children. We have offered the hope for a healthier future to millions of women, infants, and children across the land. We cannot fall short of that goal. We must override this veto. I hope that the majority of my colleagues will join with me in voting for the motion to override.

Mr. WON PAT. Mr. Speaker, an issue of immediate importance to millions of our citizens has emerged as a point of contention between the Congress and the administration. The President has vetoed legislation which would help insure at least a minimal nutritional subsistence for a great number of our Nation's children.

In rejecting this legislation to extend and expand the School Lunch Act, the President claimed it would unjustifiably provide benefits for "nonneedy" children of families having annual income in excess of the Federal "poverty line" of $5,000. The legislation would extend the particularly beneficial school lunch program to children of families receiving up to $9,770 per year.

First of all, we should rid ourselves of the fiction of any significance of this poverty line. It was a figure almost arbitrarily arrived at years ago to indicate the minimum income necessary to provide a subsistence level existence for a typical family and has been rendered totally meaningless by the effects of rampant runaway inflation of recent times. A valid poverty line of even 1 year, or just several months ago, is far outdated today.

In my district of Guam the per capita income is less than in any of the 50 States and the cost of living is as high as any place in the Nation. Many families supposedly above the poverty line are still in severe financial straits.

Any differences between conditions in Guam and the 50 States is merely a matter of degree. The poverty line so religiously adhered to by the administration is without validity throughout our country.

The veto of this legislation denies the intent of the entire school lunch program which has been so broadly acclaimed by educators and Government officials. It was designed to provide needed food to our Nation's children who have inadequate diets because of economic circumstances, allowing them to be better students today and better citizens of the future.

To claim children of families above the poverty line are nonneedy and do meet this criteria is to defy reason and economic reality.

I strongly urge my colleagues to reassert their support of this greatly beneficial program and vote to override this veto.

Mr. du PONT. Mr. Speaker, as one who was particularly concerned about the price tag on this bill, I can understand that the President might have some reservations in signing it into law. I cannot, however, support the President's decision to veto it. H.R. 4222 is a much needed piece of legislation.

The programs funded under H.R. 4222 provide nutritional supplements for infants, day care, and school-aged children who in some cases might otherwise go hungry. Additional assistance will go to children in orphanages and in homes for the physically and mentally handicapped. Without the aid provided in this bill those institutions would be forced to reduce the nutritional diets of children already plagued with health problems.

Mr. Speaker, twice this bill has gone to conference and twice the cost has been cut. I am satisfied that the conferees have made every reasonable effort to scale the bill down without gutting the effectiveness of the programs. I am further convinced that the bill is vital to the health and well being of many of our Nations children. For these reasons I will vote today to override the President's veto.

Mr. HELSTOSKI. Mr. Speaker, I cannot stress the importance of today's attempt to override the President's ill-advised veto of the school lunch bill. This bill is not extravagant or fiscally irresponsible—it was sent to conference twice in order to bring it within the range of the congressional Budget Committee targets. H.R. 4222 clearly represents a bipartisan effort to provide needy children with adequate nutrition.

Apparently, the President has chosen to veto this bill because it expands the lunch program to "non-needy" children, or in other words, those children from families with incomes up to 95 percent above the poverty level. The bill would allow the children in a family of four earning $9,770 a year to be eligible for a reduced-price lunch. This figure is not exhorbitant—it is obvious that our income determinations of "poverty" are clearly out of line due to the rampant inflation which particularly hits low-income families the hardest. Can the President be serious when he says that these children are not in need of Federal subsidies?

This bill will do more for the health and well-being of our Nation's children than any bill to come out of the Congress in a long time. Especially important is the provision which redefines "school" to mean any public or licensed nonprofit, residential institution. This will include homes for retarded, emotionally disturbed, runaway, delinquent, abused, and orphaned children. New Jersey estimates benefits of the child nutrition program to reach an additional 4,262 children under this provision. In addition, H.R. 4222 provides assistance to States to provide nonprofit food service programs for children in child care institutions which will include day care centers, Head Start centers, and centers for handicapped children. This provision will affect another 27,323 children in New Jersey. Finally, this bill provides that the children of unemployed parents may be eligible for free or reduced-price lunches for a 1-year period. The unemployment rate in New Jersey is approximately 12.6 percent at this time. Surely, the children of jobless parents deserve to be included in this program.

We are wasting our dollars if we allow children to be sent to schools and institutions only to sit hungry and listless. This bill will guarantee every needy child in an institution access to a federally subsidized nutrition program. It will treat poor children equally with respect to nutrition regardless of the type of educational program they attend.

I urge my colleagues to reaffirm their commitment to this worthy program by overriding the President's veto of the School Lunch and Child Nutrition Act Amendments.

Mr. ROYBAL. Mr. Speaker, I rise in support of the motion to override the veto to H.R. 4222, the National School Lunch and Child Nutrition Act Amendments of 1975.

The School Lunch Act traces its roots to a 1932 depression program which provided Federal loans and agricultural surplus commodities to some schools. Over the next 14 years, the program continued to function under discretionary authority provided in an Agricultural Adjustment Act of 1935.

Finally, in 1946 the Congress passed a permanent National School Lunch Act which gave cash grants to States to enable them to aid nonprofit school lunch programs in public and private schools. Since its modest beginnings, the program has continually expanded to provide food to needy groups. Today we provide money for free and reduced-price lunch to needy children, the school breakfast program, to assist in feeding children in preschool and day care centers, and the supplemental feeding program for women, infants, and children—WIC.

The major provisions of H.R. 4222 will continue to enhance the program we have established. First, a child will be eligible for a reduced-price school lunch if the income of his or her family is not more than 95 percent above the poverty guideline.

Second, the Secretary of Agriculture's authority to purchase agricultural commodities for donation to the child nutrition program and programs for the elderly when acquisitions under other agricultural authorities are not available is extended through September 30, 1977.

Third, the summer food program is extended through September 30, 1977.

Fourth, financial assistance to service institutions under the summer food program must equal the full cost of food service operations, but may not exceed 75.5 cents for each lunch and supper, plus administrative costs of not more than 6 cents for each meal.

Fifth, children of unemployed parents are eligible on the same basis as all other needy children for the food program.

Finally, an authorization level of $250 million a year during fiscal years 1976 and 1977 is established for the women, infants, and children—WIC—program.

Mr. Speaker, the school lunch program has made a significant contribution to the physical and mental well-being of many of our Nation's children and women. The nutrients provided by this program have enabled these people to receive a better balanced diet. Scientists and dietitians have shown that persons who eat properly tend to perform better in school and at work. Thus, the school lunch program has had a significant impact on the learning abilities of many children. I urge my colleagues to override this veto so that thousands of children and women can continue to receive the food they need to supplement their regular diet.

Mr. STOKES. Mr. Speaker, I rise in support of the motion to override President Ford's veto of the National School Lunch and Child Nutrition Act of 1975. This veto is just another example of this administration's insistence that economic health can be had at the expense of America's children. There is simply no way this country can justify rejecting such vital programs as a guaranteed lunch for our children.

Today's veto, coupled with President Ford's unsuccessful effort last month to halt the major education appropriation bill, is a further example of this administration's assault on the vital needs of America's youth. Just as Congress rejected President Ford's callous and insensitive attempt to curtail public education programs, Congress now has an equally great responsibility to continue to provide an adequate lunch to these same children.

President Ford's argument that this legislation would provide services to millions of nonneedy children is pure poppycock. With spiraling inflation and the highest level of unemployment since the Great Depression, many more families now find themselves among the ranks of the poor, and thus in need of the benefits of this important child nutrition program.

Actually, the bill requires school districts to provide reduced-price, not free, lunches to families with incomes of 75 percent above the poverty level, $8,770, to 95 percent above the poverty level, $9,770 and free lunches to those below the poverty level.

Generally, this bill will accomplish the following important and necessary changes:

Expand eligibility and availability of reduced price lunches;

Permanently extend authorization of the school breakfast program;

Allow residential institutions to receive Federal food services;

Increase reimbursement and program eligibility for food services in day care centers, Head Start, and preschool programs; and

Greatly expand funding and flexibility of the women, infant, and children nutritional supplement program, an extremely important program in Ohio.

Contrary to the President's message inveighing against the bill as being "fiscally irresponsible," these important changes would be accomplished at a cost of only $215 million over the fiscal year 1975 level of expenditures for school lunch and child nutrition programs, or roughly $1 for each American citizen. This is a small, but exceedingly worthwhile investment in the proper growth and development of our Nation's children. Indeed, the final—second—conference bill, which passed the House by a margin of 380 to 7, reduced the cost of the initial House bill by $229 million.

The consequences of failure to override this veto, in terms of both economic and social costs would be tragic. Indeed, it is a sad day in America when the President of the United States says to a hungry child, "a billion dollars more for defense but not a nickel more for your food and health."

I strongly urge my colleagues to join me in voting to override this insensitive and irresponsible veto. Once again we shall be saying to the President, in no uncertain terms, American can have no higher priority than the health and general welfare of our needy schoolchildren.

Mr. BOLAND. Mr. Speaker, I rise in support of H.R. 4222 and to urge the House to override the President's veto.

The National School Lunch and Child Nutrition Act amendments reaffirm our belief that our children are the Nation's most precious asset. Since 1946, Congress has recognized that education is only effective when children are properly fed. This bill continues the school lunch and breakfast programs as well as extends the supplemental food program for women, infants, and children.

The program cannot be labeled "fiscally irresponsible." H.R. 4222 has had all fat trimmed from it. The bill that passed the House 380 to 7 was recognized by almost everyone as a needed and sound piece of legislation. We must now insure that H.R. 4222 becomes law.

Mr. Speaker, I am sure many of my colleagues will agree with me that the action we take on this bill will have far-reaching effects on the future of this country. Promoting the health and well-being of the Nation's children is one of our most important tasks. By overriding this veto we meet that duty.

Ms. ABZUG. Mr. Speaker, our vote on this latest veto by President Ford will show whether we in the Congress are prepared to see that the Government meets its minimal responsibility to insure that the people are provided with the basic requirements necessary for their livelihood.

President Ford, in his veto message, referred to "fiscal responsibility" as a basis for his decision. I would argue here, as I have in the past, that it is the height of iresponsibility to jeopardize the well-being of millions of our citizens on such faulty grounds. This is a particularly serious matter when the well-being of the children of our country is involved.

The President apparently objects to the fact that children from families whose income is not quite low enough to be classified below the poverty level may be able to take advantage of the school lunch program. He would rather not spend some Federal dollars, and place an even greater burden on those families who are struggling at incomes just above the poverty line—a struggle which has been aggravated in many cases by the policies of this administration, which have done very little to relieve the critical unemployment situation.

I would point out that the able chairman and ranking minority member of the Education and Labor Committee have issued a statement noting that this bill has already been reduced in size twice from the original dollar figure, to meet budgetary requirements, with the last cut representing a reduction of $229 million from the initial House bill. Even this reduction of funds designated to provide food for our Nation's children, however, does not appear to be fiscally responsible to the President.

We would indeed be turning our backs on our children if we do not override the veto. The policy of this Congress must be, simply, that all their nutritional needs are met. We know that malnutrition in sections of our country has been found to be comparable to that in nations at a much lower level of development. And we know that malnutrition can cause children to lag behind normal patterns of physical and mental growth. We in this House must, therefore, make every possible effort to insure that the lives of children are not permanently marred by the lack of proper and adequate food. This policy must apply to all children whose family financial situation may prevent the provision of a sufficient diet at home, not merely to those who live below an artificially determined poverty level.

As a result of the economic policies of this administration, poverty is creeping into the lives of still thousands more of America's families. This veto must be overridden, if the Government is to fulfill its necessary and expected obligations to its citizens.

Mr. THOMPSON. Mr. Speaker, as a member of this body's Committee on Education and Labor, I am pleased to support the vote to override the President's veto of H.R. 4222—the National School Lunch and Child Nutrition Act Amendments of 1975. It is a fine piece of legislation which will further implement our commitment to end child hunger in this country.

This bill makes many improvements in all the child feeding programs which we hope will be implemented as soon as possible once this bill becomes law. Within a couple of months, we expect the Department of Agriculture to promulgate regulations which will implement the important changes we have legislated. We are concerned, for example, that the bill's provisions for new food services for children's residential institutions and child care centers—so crucial to these youngsters' well-being—will be needlessly withheld from the intended recipients because of bureaucratic delay. It is our intent, therefore, that the benefits contained in H.R. 4222 for young children not be delayed past mid-December at the latest.

I believe we can take a special pride in the way this legislation improves the operation of two of the child nutrition programs: the national school breakfast program and the special supplemental food program for women, infants and children—WIC. I would like to take this opportunity to outline them for you.

THE SCHOOL BREAKFAST PROGRAM

In 1966, we created the national school breakfast program in an effort to improve the nutritional well-being of all our school children, especially the children from families with low-incomes and children with working parents unable to provide them a nutritious breakfast each morning. Since the enactment of the Child Nutrition Act of 1966, which embodies the breakfast program's authorizing legislation, we have seen ample evidence proving that nutritious breakfasts aid not only the health of the children, but also the opportunity to learn in the classroom.

H.R. 4222, which I am confident will be enacted over the President's veto, expands the breakfast program to all needy schools. The legislation requires the Secretary of Agriculture, within four months, to promulgate regulations requiring the program's expansion to all needy schools. We expect that these regulations will specify that, at a minimum, the breakfast program must be implemented in all schools which receive funds under title I of the Elementary and Secondary Education Act and in all schools in which 25 percent or more of the children qualify for a free or reduced-price lunch under the guidelines promulgated by the Secretary of Agriculture pursuant to section 9 of the National School Lunch Act. We further expect the Secretary to actively monitor the implementation of the program in such schools so as to insure that the program's benefits reach every needy child in every needy school.

We felt the need to tighten our requirements for expansion of the school breakfast program because the requirements of the current law have simply not been effective in making the program's benefits available to needy schoolchildren. Indeed, less than 14 percent of the public schools across the country have implemented the program. The present law requires all States to submit State plans which must specify the manner in which the breakfast program is to be expanded to needy children. Specifically, current law demands that such State plans define the criteria for determining the schools which are "needy"; name the schools which are targeted to receive the breakfast program; and establish a schedule by which the breakfast program is to be implemented in these needy schools. This schedule of program implementation, in addition to establishing starting dates around the State which facilitate efficient school administration, is the only way USDA and the Congress can evaluate the effectiveness of the statutes we have enacted and the regulations promulgated thereunder. Unfortunately, the present law has not been as effective as we had hoped when we legislated this "outreach" requirement. That provision now needs strengthening and this is accomplished by this bill.

The benefits of school meals for children of the economically disadvantaged, as well as to their more affluent schoolmates, have been proven over and over again. It is for that reason that we have taken pains to insure that every needy child receives a nutritious school lunch as long as the school district has agreed to operate the school lunch program in one of its schools. Since our previous requirement for the expansion of the breakfast program has not been effective, we now feel the need for a similar provision to reflect our belief that school breakfasts must be available to children likely to suffer the harm caused by inadequate morning nourishment. It is for this reason that we require breakfast program implementation in all needy schools. Our hope is that these breakfasts will enable our young, especially the children of the poor, to better take advantage of the education so important to their future.

THE WIC PROGRAM

Since we legislated the WIC program into existence in 1972, we have been keenly interested in the way this program of supplemental foods benefits its recipient pregnant women, nursing mothers, and their young children at such crucial stages of development. We have learned that the provision of high-protein foods at the very beginning of life can do more than the best remedial care later in life. We know that the WIC program works to insure, to the highest degree possible, that our children's health will not be crippled before they leave the womb.

Therefore, we have increased the funding for the WIC program so as to provide its health-protecting benefits to more mothers and infants. Moreover, we have guaranteed participation in the program to all eligible program sponsors, and have provided a mechanism for insuring that the full authorization is utilized for this and the next 2 fiscal years.

We have increased the WIC authorization level in H.R. 4222 to $250 million a year. In order to insure that such an amount is spent for fiscal years 1976 and 1977, we have further directed the Secretary of Agriculture to use the so-called section 32 funds to supplement any direct appropriation up to the full authorization level. In addition, the Secretary must carry over any unspent funds to the next fiscal year. Thus, for fiscal year 1976, the Secretary must spend the $250 million provided by this bill plus the $30 to $40 million unspent in fiscal year 1975, for a total expenditure of roughly $280 to $290 million in this fiscal year. Similarly, if there are any unspent funds in this fiscal year or in fiscal 1977, they, too, must be available for expenditure during the following year in addition to the $250 million authorized.

We believe that the provisions affecting the WIC program in H.R. 4222 will aid the delivery of this important nutrition assistance to the vulnerable women and children so in need of this food supplement. We have required the Secretary to fund all eligible sponsors up to the full authorization level of $250 million plus any carryover funds. As long as that full authorization level plus carryover funds has not been met, he must continue to fund participating sponsors immediately and to accept new applications until the $250 million and all unspent moneys from the previous fiscal year are expended.

This bill now before us makes all the child nutrition programs more capable of providing nutrition assistance to all youngsters who need it. I urge my colleagues to join me in enacting this important piece of antihunger legislation over the President's veto.

Mr. YOUNG of Georgia. Mr. Speaker, I strongly support the overriding of the President's veto of H.R. 4222, the Child Nutrition Act. That bill is the finest child feeding bill that has passed the Congress and it will substantially improve our Federal feeding efforts. H.R. 4222 will vastly improve the school lunch and breakfast programs; it will implement, for the first time, feeding services in children's residential institutions such as orphanages and homes for the physically and mentally handicapped; and it will expand the WIC, child care and summer feeding programs.

We expect these improvements to be implemented very quickly by the USDA through the promulgation of regulations in an expeditious manner. For instance, we expect regulations for the implementation of Federal feeding efforts in children's residential institutions and for the directed expansion of the other feeding programs to be promulgated within a month or two by the Department. This will permit the promise of H.R. 4222 to become a reality for needy children.

Two facets of the child nutrition bill merit specific explanation. Those facets make important improvements in the school breakfast program and WIC programs and I would like to briefly explain them.

In the school breakfast program, the bill requires program expansion to all needy schools by directing that "the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." We expect the Agriculture Secretary to promulgate regulations within the 4-month period specified in that section of the legislation, that will require all needy schools—such as all title I schools and all schools in which more than 25 percent of the children qualify for free or reduced-price lunches—to implement the breakfast program.

After the regulations are promulgated, the "Secretary shall report to the committees of jurisdiction in the Congress" about his plans for program expansion. This report should indicate how the Department intends to monitor the congressional directive to implement the breakfast program, in a timely manner, in all needy schools. The Department hopefully will devise an active and thorough effort to monitor States' and school districts' compliance with the expansion mandate.

The need for this new legislation is obvious. Currently, the law requires State agencies to prepare and submit annual State plans of child feeding efforts. Those plans are supposed to document how the State will reach, "to the maximum extent practicable," needy children with the school breakfast program. Specific plans are supposed to be drafted every year that indicate when particular schools in needy neighborhoods will implement the program. Of course, these plans must be implemented.

Unfortunately, this current legislative provision apparently has been ineffective. Less than 14 percent of the public schools in our Nation now offer breakfast services to their youngsters. Thus, the expansion directive—contained in H.R. 4222—to all needy schools is necessary.

The WIC program is also improved by this bill. We authorize and require the expenditure of $250 million, plus carryover funds, during fiscal years 1976 and 1977. These funds are to come out of "section 32" of the Agriculture Act of 1935. During fiscal year 1978, $250 million, plus carryover "section 32" funds, are authorized, but the $250 million for that year will come out of regular appropriations.

In the WIC program part of H.R. 4222, we establish an "entitlement" right for eligible agencies seeking to implement the program. Under this entitlement concept, an applicant agency has the right to have its application for assistance reviewed immediately for an eligibility determination. Once that determination is made and the agency is deemed eligible, funds must be issued forthwith in an amount that would permit the agency to feed all the infants and mothers in that area that it is capable of serving.

This entitlement concept, however, will operate within an authorization level plus carryover funds ceiling. Therefore, during fiscal year 1978, as an example, the entitlement provision could only operate within the $250 million plus unspent carryover funds—from 1977—level. This, I believe, is a most responsible way to achieve modest but needed expansion of the WIC program.

In sum, then, H.R. 4222 is a marvelous bill that will provide much nutritious aid to impoverished youngsters. I, therefore, believe it is most appropriate that we override the President's veto.

The **SPEAKER**. All time has expired.

Mr. **PERKINS**. Mr. Speaker, I move the previous question.

The previous question was ordered.

The **SPEAKER**. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 397, nays 18, not voting 18, as follows:

[Roll No. 595]

YEAS—397

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.

Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—18

Beard, Tenn.
Burleson, Tex.
Collins, Tex.
Crane
Devine
Dickinson
Hutchinson
Krueger
Lujan
McDonald
Michel
Rousselot
Schneebeli
Shuster
Steiger, Ariz.
Symms
Teague
Wiggins

NOT VOTING—18

Bowen
Broyhill
Burke, Fla.
Duncan, Tenn.
Fary
Hinshaw
Jenrette
Martin
Moss
O'Brien
Quillen
Riegle
Ryan
Sisk
Stuckey
Symington
Udall
Wilson, Bob

The Clerk announced the following pairs:

Mr. Moss with Mr. Martin.
Mr. Udall with Mr. Broyhill.
Mr. Bowen with Mr. Duncan of Tennessee.
Mr. Symington with Mr. Fary.
Mr. Riegle with Mr. Hinshaw.
Mr. Jenrette with Mr. Burke of Florida.
Mr. Stuckey with Mr. Quillen.
Mr. Sisk with Mr. Bob Wilson.
Mr. Ryan with Mr. O'Brien.

Messrs. WHALEN and McCLORY changed their vote from "nay" to "yea."

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PARLIAMENTARY INQUIRY CONCERNING ALLEGED VIOLATIONS OF THE RULES OF THE HOUSE AND THE RULES OF COMITY

(Mr. CLEVELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLEVELAND. Mr. Speaker, I have asked for this time for the purpose of addressing the Chair so that I may make an inquiry, which will be in the nature of a parliamentary inquiry, of the Chair, in regard to the following matter:

On last April 17, at page 10458 of the Record, I was commenting on the manner in which the Senate was handling aspects of the New Hampshire Senate election, remarks were critical of the Senate and the Speaker at that time called me to order, and, quoting from the Speaker's remarks, the Speaker asked me to desist and stated that my remarks were in violation of the rules of the House and the rules of comity.

For this reason, Mr. Speaker, I wish to bring this to the attention of the Chair: I noticed on October 1 that at pages 31104–31105 of the Record the gentleman from New York (Mr. Koch) addressed the House under the 1-minute rule and had been extremely critical of the junior Senator from New York (Mr. Buckley).

Mr. Speaker, I would like to inquire if the remarks of the gentleman from New York (Mr. Koch), like those of mine earlier in the year, are in violation of the rules of the House and the rules of comity.

The SPEAKER. Does the gentleman from New York (Mr. Koch) desire to be heard?

Mr. KOCH. I do, Mr. Speaker.

First, I will not object at this time to the use by the gentleman in the well of the name of a Member of the other House.

Instead, Mr. Speaker, I would like to say this.

Mr. CLEVELAND. Just a second. I not only used the name of the gentleman from New York (Mr. Koch), but I told him I was going to be here today and for what purpose.

Mr. KOCH. No, no. The gentleman from New Hampshire (Mr. Cleveland) misunderstood me. My reference was to the other Chamber. The gentleman referred to a Member of the other Chamber by name, something we may not do.

Mr. CLEVELAND. No; I thought I just said "the junior Senator."

Mr. KOCH. I believe the gentleman from New Hampshire mentioned his name. I thought I heard it distinctly.

In any event, Mr. Speaker, I examined the precedents of the House, and I know the gentleman is familiar with Jefferson's Manual, a book that I revere, and, indeed, there are only two others that I have a higher regard for. One is the Bible, and the other is Cannon's Precedents.

In Cannon's Precedents, Mr. Speaker, there is a statement that it is not in order in debate to criticize Members of the other body, but such rule does not apply to criticisms of statements made by Members of the other body outside the Chamber.

In my remarks to which the gentleman from New Hampshire (Mr. Cleveland) refers, I did discuss the remarks of a Member of the other body, the younger brother of a noted columnist.

Mr. CLEVELAND. Mr. Speaker, I might say that that is being pretty critical right there.

Mr. KOCH. That he is the younger brother of a noted columnist?

In any event, as a result of those remarks, this noted columnist, for whom I have high regard and personal affection—I know him quite well and, thank God, he is not a Member of the other body, so I can even mention his name, Bill Buckley—he took exception to my remarks in his column.

In examining the precedents, I have come to the conclusion that I ought not to have mentioned the exact name of that Member of the other body. Therefore, with the Chair's permission, I would consent to a withdrawal of that unutterable name and have substituted in each and every case where that name was mentioned a reference to the fact that I was referring to the younger brother of a noted columnist.

The SPEAKER. The Chair is ready to rule.

The Chair will state that not only was this matter brought to his attention today, but the Chair noted the remarks of the gentleman from New York when they appeared in the Record of October 1, 1975, and anticipated that this question might arise.

The Chair has, accordingly, checked the precedents. The precedents of the House indicate that it is not in order for a Member of this body to refer to the actions or remarks of a Member of the other body occurring either within the other body or elsewhere—Speaker Rayburn, May 5, 1941. The motives of the Member making the remarks are not relevant to a determination of whether they are or are not in order, as even complimentary remarks have been held to violate the rule of comity between the two Houses—Volume VIII, 2509.

Speaker Rayburn succinctly stated the reason for the rule in 1941, subsequent to the citation given by the gentleman from New York, observing that—

> If there is a thing in the world that is important, it is that there be comity and good feeling between the two legislative bodies.

To allow references in one body to the actions of Members of the other, he continued:

> In all probability would lead to a situation which might make ordered legislative procedure impossible. (May 5, 1941, RECORD, pp. 3566–3567.)

The present and all previous occupants of this Chair have attempted to preserve the comity between the two Houses.

The Chair notes that the remarks in question were in part delivered from the floor of the House and in part inserted for printing in the RECORD. Had the Chair been aware of the content of the remarks when uttered or been informed of the contents of the matter to be inserted, he would have enforced the rule of comity at that time.

The rule of comity has clearly been violated and, without objection, the remarks of the gentleman from New York will be stricken from the RECORD.

There was no objection.

PERSONAL EXPLANATION

Mr. BOWEN. Mr. Speaker, I was unavoidably detained in a meeting with a group of my constituents in a room in which I could not hear the bells for the vote on the veto override of H.R. 4222, the School Lunch and Child Nutrition Act amendments.

If I had been present, I would have voted to override the President, as I had announced already in public statements and in letters to my constituents.

I voted earlier for the bill in the House on final passage and for the conference report. I am very pleased that only 18 Members voted to sustain the veto. Thank you.

CONFERENCE REPORT ON S. 824, JAPAN-UNITED STATES FRIENDSHIP ACT

Mr. HAYS of Ohio. Mr. Speaker, I call up the conference report on the Senate bill (S. 824) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 2, 1975.)

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The gentleman from Ohio (Mr. HAYS) is recognized for 1 hour.

Mr. HAYS of Ohio. Mr. Speaker, I yield myself such time as I shall consume.

Mr. Speaker, I will attempt very briefly to explain what this is about.

Mr. Speaker, this bill carries a Senate number. But I can assure the House that much of its substance reflects the views of the House.

The objective of the Japan-United States Friendship Act is to encourage a greater understanding of Japan—its culture, history, and language—by Americans. In furtherance of this purpose the conferees adopted most of the language contained in the House amendment to the Senate bill. The House version broadened support for major collections of Japanese books and publications in appropriate libraries in the United States. These libraries need not necessarily be connected with colleges and universities. They may be public libraries that have Japanese collections such as the Library of Congress or the New York Public Library.

Similarly the conferees adopted the broader language of the House that will permit artistic presentations to be shown at places like the Kennedy Center instead of limiting them to institutions of higher education as the Senate proposed.

The House version provided for fellowships and scholarships at the graduate and faculty level. The Senate included such support for undergraduates as well. Given the limited funds available, the conferees accepted the House version.

Both the Senate bill and the House amendment authorized an appropriation of a portion of the $320 million that the United States is receiving from Japan for the reversion of Okinawa to Japan. In the Senate version 10 percent—$32 million—was authorized. The House authorized only 5 percent—$16 million. The conferees agreed on 7½ percent—$24 million.

That sum together with $12 million in Japanese yen that the United States owns from Japanese payments resulting from the assistance given that country during the immediate postwar years will comprise the capital for the trust fund created by this act. That money will be used to promote scholarly, cultural, and artistic activities between Japan and the United States. Only 5 percent of the capital may be spent in any one year.

I think it is important to note that the Japanese Government has already set up the Japan Foundation with an initial endowment of $100 million, much of it directed to the United States for purposes similar to those set forth in this act. In addition the Japanese Government has made sizable contributions to U.S. universities to advance Japanese studies in this country.

The U.S. activities under this act will be handled by a Japan-United States Friendship Commission. The Senate and the House were in disagreement on the composition of that body. The Senate wanted a newly created body with an Executive Director and an unlimited staff. We opposed that vigorously. The reason was simple. There already exists a Joint Committee on United States-Japan Cultural and Educational Cooperation with a Japanese Panel and a United States Panel. We saw no logic in the creation of another commission and insisted that the existing U.S. Panel be used to carry out activities under this act. To that Panel we added Members of Congress and the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities. While we did accept the position of Executive Director, we insisted that staff support be provided by the Secretary of State on a reimbursable basis. In this way we hope to hold down administrative expenses.

Given our increasingly close relations with Japan and the importance of that country in the Pacific area, I think this is a meritorious bill. While modest in its financing, the objectives it seeks to accomplish between the peoples of the two countries should do much to promote a better understanding between Japan and the United States.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

I would only point out that this legislation passed our subcommittee and our full committee without a dissenting vote. There was no serious disagreement between the conferees, and we concur in urging that the conference report be adopted.

Mr. HAYS of Ohio. I thank the gentleman. All of the disagreements that were between us were settled generally in favor of the House language, which tightened the bill up considerably.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

As I understand it, we are talking about creating a trust fund, part of which each year would be used to finance cultural interchange between Japan and the United States. Is there any precedent for the U.S. Government's financing such a trust fund in the past with any other nation?

Mr. HAYS of Ohio. We have a good many agreements under the so-called Mutual Education and Cultural Exchange Act, sometimes known as the Fulbright Act, sometimes known as the Fulbright-Hays Act, which do authorize such exchanges. So there is precedent for government support. In many cases—I am thinking now of the Netherlands, Great Britain, Germany, and France—

the other government contributes a considerable amount to it. In this case the Japanese have already set up $100 million on their part for the promotion of this, and the total amount that we are putting into this—and this, as I say, is coming from moneys paid by Japan either for the reversion of Okinawa or for post World War II payments for assistance given to Japan. The dollar total is $24 million plus $12 million in yen.

Mr. BAUMAN. Are there any other plans to include such trust funds or agreements with other countries at this point?

Mr. HAYS of Ohio. I do not know of any.

Mr. BAUMAN. I thank the gentleman for his explanation.

Mr. MATSUNAGA. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. I thank the gentleman for yielding.

I wish to commend the gentleman and his committee for the leadership that he and his committee have given in bringing this bill forward. It was very timely when it passed the House to begin with, and it is timely now to approve the conference report inasmuch as the head of the Japanese nation, the Emperor and the Empress, are visiting the United States. For two countries of such diverse cultures to be able to get together on a bill such as this is an indication that we are headed in the right direction of developing brotherhood among nations and a foundation for world peace.

I again congratulate the gentleman in the well.

Mr. HAYS of Ohio. I thank the gentleman very much for his contribution.

Mr. ESCH. Mr. Speaker, I would like to express my strong support for S. 824, the Japan-United States Friendship Act. I believe that by the action we are taking today in this body, we are demonstrating a feeling of cooperation and goodwill between two countries which have shared times of turmoil, but have forgotten their differences to become two of the strongest allies in the world today.

This legislation is particularly timely with the visit to the United States this week of Emperor and Mrs. Hirohito, the first visit by a Japanese Emperor to this country. It is only fitting that Congress participate in this historic event by enacting a measure which will make a significant contribution toward strengthening the friendship and understanding between our two countries.

I believe that the Japan-United States Friendship Act is just such a measure. My own interest in this legislation goes back to the 93d Congress when I first sponsored similar legislation. I felt then, as I do now, that there exists a vital need for the cultural exchange program between the United States and Japan which this bill establishes. What better way for us to gain a fuller understanding of each other than to participate in an interchange of scholarly and artistic endeavors. For this reason I am proud to be a cosponsor of this act.

It is significant that the funds authorized by this legislation are a percentage of the moneys paid to the United States in accordance with the Okinawa Reversion Agreement of 1971. This act provides an appropriate method for the use of these funds in a way in which they will benefit both countries.

Mr. Speaker, I urge the unanimous approval of the Japan-United States Friendship Act by the House.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MAKING APPROPRIATIONS FOR AGRICULTURE AND RELATED AGENCIES PROGRAMS, 1976

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 2, 1975.)

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) is recognized.

Mr. WHITTEN. Mr. Speaker, we bring to the Members today a conference report which I highly commend to my colleagues. The conference resulted in unanimous agreement with all conferees signing the report.

Mr. Speaker, this bill making appropriations for the Department of Agriculture and related agencies includes the Food and Drug Administration, the food stamp program, the school lunch program, and many other food programs relating to production, processing and orderly marketing. The bill also includes funds for rural development and conservation.

I think, as I have pointed out in the past, that this bill is perhaps the most important bill we consider in this House to the overall economic well-being of our country. As we reach the point where we have no gold or silver behind our currency or our coinage, all we have to rely on is the promise to pay, and our ability to pay goes back to the condition in which we keep our land and the condition of those who take care of it.

I would say that when my colleagues examine this report, they will see that only about 20 percent of the funds involved in this bill are directly related to helping those who produce our food and clothing and shelter. About 80 percent of the funding in the bill relates to the other consumer programs which I have just mentioned.

I would like, at this time, to describe some of the highlights of this bill. The conference report recommends a total of $11,061,282,000 in new budget authority for fiscal year 1976 and $2,052,922,000 for the transition period. The amount agreed to by the conferees for fiscal year 1976 is $23,232,000 less than the budget estimate. The agreement is $14,019,000 more than the amount approved by the House, but it is $31,001,000 less than the Senate bill. I would also like to point out that the amount recommended for fiscal year 1976 is $2,698,495,530 less than the fiscal year 1975 appropriation. The primary reasons why the bill is so far below last year's appropriation is because, first of all, the funds needed for restoration of capital impairment for the Commodity Credit Corporation are about $1.3 billion less this year than they were last year. Second, the funds requested by the administration for the child nutrition programs are less than the amounts appropriated last year. Both the House and Senate versions of the bill, as well as the conference agreement, make the food programs, including food stamps, available for a 7-month period. Therefore, once the food programs are fully funded the fiscal year 1976 appropriation will probably be somewhat larger than the fiscal year 1975 appropriation.

There are several things this committee dealt with that I think are especially worthy of note. We attempted to strengthen the Office of the Sales Manager, which was originally created at the instance of this subcommittee some years ago. At that time the Commodity Credit Corporation had $10 or $12 billion worth of commodities which they failed or refused to offer in world trade. This subcommittee recommended, and the Congress approved, the creation of a sales manager. After some pressures, he moved into action with the consent of the Department and these commodities were sold in world trade for dollars. With time, there has been a change in the policy and in the farm roles of this country. But I truly believe that had we had a sales manager fully implemented and active, we would not have had the problems we have had with the Russian wheat sales, where we sold most of the world's available grain. We let the Russians have 3 years in which to take it, but on the other hand we did not think to have them give us 3 years in which to deliver. As a result, the Russians took in 1 year what we thought they would take over 3 years, leaving our country holding an "empty bag" and facing the resultant higher prices.

So we have once again set up provisions in the bill for an active, operating sales manager so the figures and practices of foreign countries are known to our people in the trade and to our producers. This is absolutely essential in this period when so many other countries regulate the bringing in of outside commodities.

It is also essential since the American producer is absolutely dependent on exporting about 25 percent of his production if his economy is to remain sound.

Not only that, but we also have learned throughout the years that unless we have an economically strong agriculture, it pulls down all the rest of our economy. The Great Depression was started by a break in farm prices.

Now there is another matter, Mr. Speaker, that I think I should call to the attention of the Congress and that is about food stamps, where we read so very much about the misuse of this program. There are several factors which enter into this. One of them is that eligibility is defined by the Congress and determined by the State welfare agencies. The Department of Agriculture can only pick up the bill or pay the costs.

Let me read from the statement of the managers:

> The conferees are extremely concerned about the increasing reports of widespread irregularities and abuses in the Food Stamp Program, resulting in greatly increased costs. Unless this situation is corrected it could jeopardize the program. This cannot be allowed to happen since food assistance to the truly needy is an accepted responsibility. Numerous suggestions have been made in years past in an effort to more properly supervise handling of the program.
>
> Under current regulations of the Department of Agriculture, the recipient, upon receipt of the coupons, must sign his name on the inside cover of the coupon book. Such a procedure aids in the recovery of lost or stolen coupons, and the Department should do everything possible to see that this regulation is faithfully complied with at the local welfare or other issuing offices.
>
> This regulation does not protect the program, however, from various abuses such as black marketing, theft, and other improper uses. The conferees are of the opinion that many of these problems could be solved by the adoption of a similar regulation requiring recipients to countersign each coupon at the time of surrender for goods purchased in the presence of a responsible employee, of the establishment where food is purchased with such coupons, and such employee should initial such stamps as being signed in his or her presence.
>
> This should be no more work for the local store than someone cashing a personal check, and there should be no additional administrative costs to the local or Federal governments. If properly enforced, such a requirement would help to prevent the black market and related abuses which appear to exist. It would make lost or stolen coupons more difficult to use and would aid in prosecution since forgery would be involved and appropriate penalties could be established for use or acceptance without following in full the regulations.
>
> Therefore, the conferees strongly recommend that the Department adopt some such regulation to provide added protection for both the legitimate recipient and the Federal Government. The Department is also requested to consult with the appropriate Committees of the Congress on this proposal and other means of tightening-up the administration of the program so as to preserve it for those who have a real need for such assistance.

We think that that would bring about a great improvement and help assure that the food stamps, which are provided, would be used by those who are really eligible. It would in no way restrict their proper use.

I think, in the long run, that this recommendation would serve to maintain and improve a program for which the need is not under question, although it is under attack in some areas as to certain irregularities and abuses.

Now, I repeat again, Mr. Speaker, that we have provided amply for the Soil Conservation Service, for the protection of watersheds and flood prevention operations, and to meet the emergencies that have arisen out of disastrous storms.

At this point in the RECORD, I would like to include a table which shows the amounts in the conference agreement for emergency measures for runoff retardation and soil-erosion prevention:

Mississippi River and tributaries, spring of 1975 flood	$12,077,000
Idaho storm of 1974	204,000
Oregon storm of January 1975	825,000
New Jersey storm of December 1974	340,000
North Dakota-Minnesota summer storm of 1975	6,500,000
Montana flood	6,631,000
Total	26,577,000

I would also point out that the conference agreement provides $175,000,000 for the agricultural conservation program. The following table reflects some of the accomplishments of this fine program:

ACP ACCOMPLISHMENTS

Practice	Unit	Total accomplishments 1936–72
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses.	Structures	2,249,000
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution.	Acres	33,216,000
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution.	do	114,229,000
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control and to conserve water.	do	63,260,000
Green and shrubs planted for forestry purposes, erosion control, or environmental enhancement.	do	5,485,000
Forest tree stands improved for forestry purposes or environmental enhancement.	do	4,564,000
Wildlife conservation	Acres served	[1] 13,592,000
Animal waste and soil waste pollution-abatement structures (lagoons, storage, diversion, and other).	Number	[2] 10,803,000
Sediment pollution-abatement structures or runoff control measures.	Acres served	[2] 2,961,000
Other pollution-abatement practices.	do	[2] 367,000

[1] 1962–72, inclusive, with certain data estimated.

[2] 1970, 1971, and 1972 only.

Under this program we have now planted over 6.7 billion trees. In addition, the conference agreement also provides for funding the forestry incentives program at $15 million and as a separate line item instead of under ACP as proposed by the House.

We have provided for the child nutrition programs and for the special supplemental food programs. We have provided for the many activities that the Department of Agriculture carries on including research to come up with new types of food production at a time when we know disease is striking the ones we have.

Mr. Speaker, I would like to point out that the conferees have agreed to defer the Senate increase of $3,500,000 for the boll weevil trial eradication program until there is a breakthrough on eradication research. The conferees fully recognize the importance of programs to control the boll weevil, however, until such time as various questions regarding the program, such as grower contributions and State enforcement of the program, are answered, the conferees have agreed to defer funding the program.

However, as a necessary step toward boll weevil eradication, an increase of $1,500,000 is provided for the boll weevil laboratory, including provision for the full utilization of the insect rearing facility. Included are funds for research on the tobacco budworm, which is a species of the corn earworm. Recent developments have shown that sterile insects can be produced by crossing the insects with the cherryworm. These funds will help to exploit this and any other breakthroughs.

I would also like to mention that the conference agreement provides for an increase of $250,000 for tobacco research to meet current problems and $5,000,000 for high priority research to be carried out by the Agricultural Research Service.

Mr. Speaker, I think the best thing we can say is that the conferees unanimously agreed to this report. Republican and Democrat, Senators and Members of the House, all signed this report.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. Yes. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I would like to ask the distinguished chairman a question. Amendment No. 35, which earmarks $54 million for water development, use, and conservation, as composed by the Senate instead of our figure, was, I think, a wise choice; but the question is: Is it not the clear intent of this amendment to provide long-term, low-interest loans to farmers under that section to comply with either Federal or State pollution abatement standards as they are mandated under the Clean Water Act?

Mr. WHITTEN. Mr. Speaker, may I say to my friend, the gentleman from California, the House bill provided the money for this purpose. The amendment was offered for the purpose of seeing that money was available for these pollution problems in the areas described.

That amendment was accepted by the

House. It went to the Senate committee and was taken out. Then the Senate, during floor consideration, added an amount that on further study the Department said was fully ample to meet these needs.

The conferees have attempted to include the money for the purpose of meeting the needs for long-term loans that may arise to meet the pollution requirements in the gentleman's area and, I presume, other areas that we may not know about. The conference agreement includes the full amount that evidently can be used for these loans and it is for that purpose and that purpose alone.

In the action of the House and in the action of the Senate in restoring this amount, it was the intent that the loans be made in proper cases to meet this need.

Mr. JOHN L. BURTON. Mr. Speaker, one further question, if I may.

There is language in the conference report that says where requirements for pollution abatement are necessary in order to meet with State regulations, the Department should review the matter to see if those should be a joint State-Federal responsibility. That language was in no way meant to have the Department delay in implementing these loans to meet standards, Federal or State?

Mr. WHITTEN. Mr. Speaker, the intent is clearly not to affect this in the bill. The purpose of that provision was to prevent, in the future, States requiring far more than is essential at the national level and to slow down that future effort.

It is in no way intended to restrict in the least the proper action to meet the local needs as set out in the first provision.

Mr. JOHN L. BURTON. In order for any change to take place, they would have to come back to Congress for a statute?

Mr. WHITTEN. The Department would have to go to the legislative committees to point out whatever problems they have. We do not have the authority to meet this situation.

Mr. JOHN L. BURTON. In no way is this meant for them administratively to prevent loans in States like California, as permitted by the Clean Water Act, which have stronger standards?

Mr. WHITTEN. Not in the least.

Mr. JOHN L. BURTON. I would like to thank the gentleman, also thank the ranking member who helped me on this problem. I understand the reason for the reduction in funding from the House level; but for the present time I do not think the Department would be geared up to utilize more funds this year.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I just want to join in expressing my appreciation to the conferees for assisting us on this problem which I shared with the gentleman from California (Mr. JOHN L. BURTON).

It is my understanding that the funding level is in the vicinity of $54 million, and that, I understand, is consistent with what the agencies themselves could adequately administer.

Mr. WHITTEN. That is the maximum we are told that could possibly be used.

Mr. DON H. CLAUSEN. I thank the gentleman.

SUMMARY OF CONFERENCE ACTION

Mr. WHITTEN. Mr. Speaker, the total new budget authority for the fiscal year 1976 and the transition period recommended by the committee of conference with comparisons to the fiscal year 1975 amount, the 1976 and transition period budget estimates, and the House and Senate bills for 1976 and the transition period follows:

New budget (obligational) authority, fiscal year 1975	$13,759,777,530
Budget estimates of new (obligational) authority, fiscal year 1976	[1] 11,084,514,000
Transition period	[2] 2,025,519,000
House bill, fiscal year 1976	11,047,263,000
Transition period	2,037,545,000
Senate bill, fiscal year 1976	11,092,283,000
Transition period	2,059,479,000
Conference agreement	11,061,282,000
Transition period	2,052,922,000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1975	—2,698,495,530
Budget estimates of new (obligational) authority, fiscal year 1976 [1]	—23,232,000
Transition period [2]	+27,403,000
House bill, fiscal year 1976	+14,019,000
Transition period	+15,377,000
Senate bill, fiscal year 1976	—31,001,000
Transition period	—6,557,500

[1] Includes $7,645,000 in budget amendments contained in Sen. Doc. 94–81 and not considered by the House.

[2] Includes $1,230,000 in budget amendments contained in Sen. Doc. 94–81 and not considered by the House.

This information is explained in more detail in the following tables:

Agency and title	New budget (obligational) authority enacted to date fiscal year 1975	Budget estimates of new (obligational) authority fiscal year 1976	New budget (obligational) authority recommended in House bill 1976	New budget (obligational) authority recommended in Senate bill 1976	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (—) Conference recommendations compared with—			
						1975 enacted	1976 budget estimate	1976 House bill	1976 Senate bill
TITLE I—AGRICULTURAL PROGRAMS									
Production, Processing and Marketing									
Office of the Secretary [1]	2,514,000	2,831,000	2,697,000	2,797,000	2,747,000	+233,000	—84,000	+50,000	—50,000
Transition period		703,000	674,000	699,000	686,000		—22,000	+12,000	—13,000
Departmental Administration [1]	14,544,000	15,862,000	15,629,000	15,629,000	15,629,000	+1,085,000	—233,000		
Transition period		3,965,000	3,906,000	3,907,000	3,907,000		—58,000		
Office of the Inspector General	16,221,000	16,527,000	16,455,000	16,455,000	16,455,000	+234,000	—72,000		
Transition period		4,132,000	4,114,000	4,114,000	4,114,000		—18,000		
Transfer from food stamp program	(5,245,000)	(6,094,000)	(6,094,000)	(6,094,000)	(6,094,000)	(—849,000)	( )	( )	( )
Transition period	( )	(1,524,000)	(1,524,000)	(1,524,000)	(1,524,000)	( )	( )	( )	( )
Subtotal	(21,466,000)	(22,621,000)	(22,549,000)	(22,549,000)	(22,549,000)	(+1,083,000)	(—72,000)	( )	( )
Transition period	( )	(5,656,000)	(5,638,000)	(5,638,000)	(5,638,000)	( )	(—18,000)	( )	( )
Office of the General Counsel	8,055,000	8,303,000	8,247,000	8,247,000	8,247,000	+192,000	—56,000		
Transition period		2,076,000	2,062,000	2,062,000	2,062,000		—14,000		
Agricultural Research Service:									
Research	208,323,000	226,130,000	237,960,000	263,925,000	255,675,000	+47,352,000	+29,545,000	+17,715,000	—8,250,000
Transition period		60,318,000	59,526,000	64,032,000	62,006,000		+1,688,000	+2,480,000	—2,026,000
Transfer from sec. 32	(15,000,000)	(15,000,000)	( )	( )	( )	(—15,000,000)	(—15,000,000)	( )	( )
Transition period	( )	( )	( )	( )	( )	( )	( )	( )	( )
Special fund (reappropriation)	2,000,000	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	( )	( )	( )
Transition period	( )	( )	( )	( )	( )	( )	( )	( )	( )
Scientific activities overseas: (special foreign currency program)	5,000,000	10,000,000	5,000,000	10,000,000	7,500,000	+2,500,000	—2,500,000	+2,500,000	—2,500,000
Transition period		2,529,000	1,250,000	2,529,000	1,850,000		—679,000	+600,000	—679,000
Subtotal	215,323,000	236,130,000	242,960,000	273,925,000	263,175,000	+47,852,000	+27,045,000	+20,215,000	—10,750,000
Transition period		62,847,000	60,776,000	66,561,000	63,856,000		+1,009,000	+3,080,000	—2,705,000
Animal and Plant Health Inspection Service	419,072,000	[21] 361,510,000	356,730,000	364,575,000	361,075,000	—57,997,000	—435,000	+4,345,000	—3,500,000
Transition period		[21] 99,499,000	98,160,000	100,265,000	99,390,000		—109,000	+1,230,000	—875,000
Cooperative State Research Service	101,749,000	114,476,000	113,460,000	115,460,000	114,460,000	+12,711,000	—16,000	+1,000,000	—1,000,000
Transition period		28,619,000	28,365,000	28,865,000	28,615,000		—4,000	+250,000	—250,000
Extension Service	215,523,000	223,768,000	228,935,000	233,935,000	228,935,000	+13,412,000	+5,167,000		—5,000,000
Transition period		56,161,000	57,453,000	58,703,000	57,453,000		+1,292,000		—1,000,000
National Agricultural Library	4,916,000	5,439,000	5,421,000	5,421,000	5,421,000	+505,000	—18,000		
Transition period		1,360,000	1,356,000	1,356,000	1,356,000		—4,000		
Statistical Reporting Service	27,417,000	30,629,000	28,766,000	31,369,000	30,043,000	+2,626,000	—586,000	+1,277,000	—1,326,000
Transition period		7,657,000	7,190,000	7,840,000	7,509,000		—148,000	+319,000	—331,000
Economic Research Service	22,394,000	25,492,000	24,567,000	25,397,000	24,897,000	+2,503,000	—595,000	+330,000	—500,000
Transition period		6,373,000	6,142,000	6,349,000	6,224,000		—149,000	+82,000	—125,000

Footnotes at end of table.

Agency and title	New budget (obligational) authority enacted to date fiscal year 1975	Budget estimates of new (obligational) authority fiscal year 1976	New budget (obligational) authority recommended in House bill 1976	New budget (obligational) authority recommended in Senate bill 1976	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (−) Conference recommendations compared with—			
						1975 enacted	1976 budget estimate	1976 House bill	1976 Senate bill
Agricultural Marketing Service:									
Marketing Services	40,755,000	42,275,000	42,055,000	47,055,000	47,055,000	+6,300,000	+4,780,000	+5,000,000	
Transition period		11,697,000	11,642,000	12,892,000	12,892,000		+1,195,000	+1,250,000	
Payments to States and possessions	1,600,000		1,600,000		1,600,000		+1,600,000		+1,600,000
Transition period			400,000		400,000		+400,000		+400,000
Subtotal	42,355,000	42,275,000	43,655,000	47,055,000	48,655,000	+6,300,000	+6,380,000	+5,000,000	+1,600,000
Transition period		11,697,000	12,042,000	12,892,000	13,292,000		+1,595,000	+1,250,000	+400,000
Packers and Stockyards Administration	4,899,000	5,047,000	5,028,000	5,028,000	5,028,000	+129,000	−19,000		
Transition period		1,276,000	1,271,000	1,271,000	1,271,000		−5,000		
Farmer Cooperative Service	2,428,000	2,493,000	2,482,000	2,482,000	2,482,000	+54,000	−11,000		
Transition period		623,000	620,000	620,000	620,000		−3,000		
Total	1,097,410,000	1,090,782,000	1,095,032,000	1,147,775,000	1,127,249,000	+29,839,000	+36,467,000	+32,217,000	−20,526,000
Transition period		286,993,000	284,132,000	295,504,000	290,355,000		+3,362,000	+6,223,000	−5,149,000
Farm Income Stabilization									
Agricultural Stabilization and Conservation Service:									
Salaries and expenses	161,548,000	152,053,000	151,181,000	151,181,000	151,181,000	−10,367,000	−872,000		
Transition period		38,012,000	37,794,000	37,794,000	37,794,000		−218,000		
Transfer from Commodity Credit Corporation	(69,695,000)	(72,571,000)	(72,571,000)	(72,571,000)	(72,571,000)	(+2,876,000)	()	()	()
Transition period	()	(18,143,000)	(18,143,000)	(18,143,000)	(18,143,000)	()	()	()	()
Subtotal	(231,243,000)	(224,624,000)	(223,752,000)	(223,752,000)	(223,752,000)	(−7,491,000)	(−872,000)	()	()
Transition period	()	(56,155,000)	(55,937,000)	(55,937,000)	(55,937,000)	()	(−218,000)	()	()
Sugar Act program [2]	85,700,000					−85,700,000			
Transition period									
Dairy and beekeeper indemnity programs	1,850,000	[2] [1] 6,650,000	3,350,000	6,650,000	6,650,000	+4,800,000		+3,300,000	
Transition period		1,000,000	1,000,000	1,000,000	1,000,000				
Subtotal	249,098,000	158,703,000	154,531,000	157,831,000	157,831,000	−91,267,000	−872,000	+3,300,000	
Transition period		39,012,000	37,794,000	38,794,000	38,794,000		−218,000		
Federal Crop Insurance Corporation:									
Administrative and operating expenses	12,000,000	12,000,000	11,940,000	11,940,000	11,940,000	−60,000	−60,000		
Transition period		3,000,000	2,985,000	2,985,000	2,985,000		−15,000		
Federal Crop Insurance Corporation Fund	(6,117,000)	(6,764,000)	(6,764,000)	(6,764,000)	(6,764,000)	(+647,000)	()	()	()
Transition period	()	(1,691,000)	(1,691,000)	(1,691,000)	(1,691,000)	()	()	()	()
Subtotal	(18,117,000)	(18,764,000)	(18,704,000)	(18,704,000)	(18,704,000)	(+587,000)	(−60,000)	()	()
Transition period	()	(4,691,000)	(4,676,000)	(4,676,000)	(4,676,000)	()	(−15,000)	()	()
Commodity Credit Corporation:									
Reimbursement for net realized losses	4,069,412,000	2,939,054,000	2,750,000,000	2,750,000,000	2,750,000,000	−1,319,412,000	−189,054,000		
Transition period									
Limitation on administrative expenses	(38,000,000)	(39,400,000)	(39,400,000)	(39,400,000)	(39,400,000)	(+1,400,000)	()	()	()
Transition period	()	(9,850,000)	(9,850,000)	(9,850,000)	(9,850,000)	()	()	()	()
Total	4,330,510,000	3,109,757,000	2,916,471,000	2,919,771,000	2,919,771,000	−1,410,739,000	−189,986,000	+3,300,000	
Transition period		42,012,000	41,779,000	41,779,000	41,779,000		−233,000		
Total, Title I	5,427,920,000	4,200,539,000	4,011,503,000	4,067,546,000	4,047,020,000	−1,380,900,000	−153,519,000	+35,517,000	−20,526,000
Transition period		329,005,000	325,911,000	337,283,000	332,134,000		+3,129,000	+6,223,000	−5,149,000
TITLE II—RURAL DEVELOPMENT AND ASSISTANCE PROGRAMS									
Rural Development and Protection									
Farmers Home Administration:									
Rural Housing Insurance Fund:									
Direct loans	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	()	()	()	()
Transition period	()	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	()	()	()	()
Insured loans	(2,232,000,000)	(2,122,000,000)	(2,696,000,000)	(2,696,000,000)	(2,696,000,000)	(+464,000,000)	(+574,000,000)	()	()
Transition period	()	(530,500,000)	(674,250,000)	(674,250,000)	(674,250,000)	()	(+143,750,000)	()	()
Reimbursement for interest and other losses	124,592,000	122,000,000)	122,000,000	122,000,000	122,000,000	−2,592,000			
Transition period									
Subtotal	(2,376,592,000)	(2,264,000,000)	(2,838,000,000)	(2,838,000,000)	(2,838,000,000)	(+461,408,000)	(+574,000,000)	()	()
Transition period	()	(535,500,000)	(679,250,000)	(679,250,000)	(679,250,000)	()	(+143,750,000)	()	()
Agricultural Credit Insurance Fund:									
Insured real estate loans	(370,000,000)	(370,000,000)	(595,000,000)	(550,000,000)	(520,000,000)	(+150,000,000)	(+150,000,000)	(−75,000,000)	(−30,000,000)
Transition period	()	(92,500,000)	(117,500,000)	(137,500,000)	(130,500,000)	()	(+38,000,000)	(+13,000,00)	(−7,000,000)
Soil conservation loans	(24,000,000)	(24,000,000)	(27,000,000)	(27,000,000)	(27,000,000)	(+3,000,000)	(+3,000,000)	()	()
Transition period	()	(6,000,000)	(6,750,000)	(6,750,000)	(6,750,000)	()	(+750,000)	()	()
Operating loans	(625,000,000)	(525,000,000)	(625,000,000)	(625,000,000)	(625,000,000)	()	(+100,000,000)	()	()
Transition period	()	(131,250,000)	(156,250,000)	(156,250,000)	(156,250,000)	()	(+25,000,000)	()	()
Emergency loans	(100,000,000)	([2] 100,000,000)	([3] 100,000,000)	([3] 100,000,000)	([3] 100,000,000)	()	()	()	()
Transition period	()	(	()	()	()	()	()	()	()
Reimbursement for interest and other losses	485,262,000	169,214,000	169,214,000	169,214,000	169,214,000	−316,048,000			
Transition period									
Subtotal	(1,604,262,000)	(1,188,214,000)	(1,516,214,000)	(1,471,214,000)	(1,441,214,000)	(−163,048,000)	(+253,000,000)	(−75,000,000)	(−30,000,000)
Transition period	()	(229,750,000)	(280,500,000)	(300,500,000)	(293,500,000)	()	(+63,750,000)	(+13,000,000)	(−7,000,000)
Rural water and waste disposal grants	30,000,000	150,000,000	100,000,000	100,000,000	100,000,000	100,000,000	+70,000,000	−50,000,00	
grants	30,000,000	150,000,000	100,000,000	100,000,000	100,000,000	+70,000,000	−50,000,000		
Transition period		37,500,000	37,500,000	37,500,000	37,500,000				
Prior year unobligated balances	(120,000,000)	()	()	()	()	(−120,000,000)	()	()	()
Transition period	()	()	()	()	()	()	()	()	()
Subtotal	(150,000,000)	(150,000,000)	(100,000,000)	(100,000,000)	(100,000,000)	(−50,000,000)	(−50,000,000)	()	()
Transition period	()	(37,500,000)	(37,500,000)	(37,500,000)	(37,500,000)	()	()	()	()
Rural housing for domestic farm labor	5,000,000		6,000,000	9,750,000	7,500,000	+2,500,000	+7,500,000	+1,500,000	−2,250,000
Transition period			1,500,000	2,500,000	1,875,000		+1,875,000	+375,000	−625,000
Mutual and self-help housing	5,000,000		9,000,000	9,000,000	9,000,000	+4,000,000	+9,000,000		
Transition period			2,250,000	2,250,000	2,250,000		+2,250,000		

Footnotes at end of table.

Agency and title	New budget (obligational) authority enacted to date fiscal year 1975	Budget estimates of new (obligational) authority fiscal year 1976	New budget (obligational) authority recommended in House bill 1976	New budget (obligational) authority recommended in Senate bill 1976	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (−) Conference recommendations compared with—			
						1975 enacted	1976 budget estimate	1976 House bill	1976 Senate bill
Rural Development Insurance Fund:									
Reimbursement for losses	17,446,000	25,214,000	25,214,000	25,214,000	25,214,000	+7,768,000			
Transition period									
Water and sewer facility loans	(470,000,000)	(400,000,000)	(470,000,000)	(470,000,000)	(470,000,000)	( )	(+70,000,000)	( )	( )
Transition period	( )	(100,000,000)	(117,500,000)	(117,500,000)	(117,500,000)	( )	(+17,500,000)	( )	( )
Industrial development loans	(350,000,000)	(300,000,000)	(300,000,000)	(350,000,000)	(350,000,000)	( )	(+50,000,000)	(+50,000,000)	( )
Transition period	( )	(75,000,000)	(75,000,000)	(87,500,000)	(87,500,000)	( )	(+12,500,000)	(+12,500,000)	( )
Community facility loans	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	(200,000,000)	( )	( )	( )	( )
Transition period	( )	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	( )	( )	( )	( )
Subtotal	(1,037,446,000)	(925,214,000)	(995,214,000)	(1,045,214,000)	(1,045,214,000)	(+7,768,000)	(+120,000,000)	(+50,000,000)	( )
Transition period	( )	(225,000,000)	(242,500,000)	(255,000,000)	(225,000,000)	( )	(+30,000,000)	(+12,500,000)	( )
Rural Community Fire Protection Grants	3,500,000		3,500,000	3,500,000	3,500,000		+3,500,000		
Transition period			875,000	875,000	875,000		+875,000		
Salaries and expenses	132,025,000	142,850,000	150,102,000	155,102,000	155,102,000	+23,077,000	+12,252,000	+5,000,000	
Transition period		37,028,000	40,791,000	40,791,000	40,791,000		+3,763,000		
Transfer from loan accounts	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)	( )	( )	( )	( )
Transition period	( )	(875,000)	(875,000)	(875,000)	(875,000)	( )	( )	( )	( )
Subtotal	(135,525,000)	(146,350,000)	(153,602,000)	(158,602,000)	(158,602,000)	(+23,077,000)	(+12,252,000)	(+5,000,000)	( )
Transition period	( )	(37,903,000)	(41,666,000)	(41,666,000)	(41,666,000)	( )	(+3,763,000)	( )	( )
Rural Development Grants	13,750,000	10,000,000	10,000,000	13,750,000	11,875,000	−1,875,000	+1,875,000	+1,875,000	+1,875,000
Transition period		2,500,000	2,500,000	3,437,500	2,969,000		+469,000	+469,000	−468,500
Subtotal	816,575,000	619,278,000	595,030,000	607,530,000	603,405,000	−213,170,000	−15,873,000	+8,375,000	−4,125,000
Transition period		77,028,000	85,416,000	87,353,500	86,260,000		+9,232,000	+844,000	−1,093,500
Rural Development Service	990,000	1,308,000	1,305,000	1,305,000	1,305,000	+315,000	−3,000		
Transition period		355,000	354,000	354,000	354,000		−1,000		
Rural Electrification Administration:									
Rural electrification and telephone revolving fund:[4]									
Electric loans	(700,000,000)	(618,000,000)	(750,000,000)	(750,000,000)	(750,000,000)	(+50,000,000)	(+132,000,000)	( )	( )
Transition period	( )	(155,000,000)	(187,500,000)	(187,500,000)	(187,500,000)	( )	(+32,500,000)	( )	( )
Telephone loans	(200,000,000)	(140,000,000)	(250,000,000)	(250,000,00)	(250,000,000)	(+50,000,000)	(+110,000,000)	( )	( )
Transition period	( )	(35,000,000)	(62,500,000)	(62,500,000)	(62,500,000)	( )	(+27,500,000)	( )	( )
Subtotal	(900,000,000)	(758,000,000)	(1,000,000,000)	(1,000,000,000)	(1,000,000,000)	(+100,000,000)	(+242,000,000)	( )	( )
Transition period	( )	(190,000,000)	(250,000,000)	(250,000,000)	(250,000,000)	( )	(+60,000,000)	( )	( )
Capitalization of Rural Telephone Bank[4]	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)	( )	( )	( )	( )
Transition period	( )	(7,500,000)	(7,500,000)	(7,500,000)	(7,500,000)	( )	( )	( )	( )
Salaries and expenses	19,675,000	20,198,000	20,112,000	20,112,000	20,112,000	+437,000	−86,000		
Transition period		5,241,000	5,220,000	5,220,000	5,220,000		−21,000		
Subtotal	19,675,000	20,198,000	20,112,000	20,112,000	20,112,000	+437,000	+86,000		
Transition period		5,241,000	5,220,000	5,220,000	5,220,000		−21,000		
Total	837,240,000	640,784,000	616,447,000	628,947,000	624,822,000	−212,418,000	−15,962,000	+8,375,000	−4,125,000
Transition period		82,624,000	90,990,000	92,927,500	91,834,000		9,210,000	+844,000	−1,093,500
Conservation									
Soil Conservation Service:									
Conservation operations	198,007,000	200,375,000	201,057,000	206,057,000	206,057,000	+8,050,000	+5,682,000	+5,000,000	
Transition period		50,100,000	50,271,000	51,521,000	51,521,000		+1,421,000	+1,250,000	
River basin surveys and investigations	14,531,000	14,798,000	14,745,000	14,745,000	14,745,000	+214,000	−53,000		
Transition period		3,700,000	3,687,000	3,687,000	3,687,000		−13,000		
Watershed planning	11,099,000	11,236,000	11,196,000	11,196,000	11,196,000	+97,000	−40,000		
Transition period		2,809,000	2,799,000	2,799,000	2,799,000		−10,000		
Watershed and flood prevention operations	124,527,000	136,576,000	146,409,000	178,086,000	172,986,000	+48,459,000	+36,410,000	+26,577,000	−5,100,000
Transition period		35,950,000	38,408,000	38,408,000	38,408,000		+2,458,000		
Great Plains conservation program	20,196,000	20,575,000	20,379,000	20,379,000	20,379,000	+183,000	−196,000		
Transition period		6,000,000	5,951,000	5,951,000	5,951,000		−49,000		
Resource conservation and development	20,320,000	25,012,000	29,972,000	29,972,000	29,972,000	+9,652,000	+4,960,000		
Transition period		6,253,000	7,493,000	7,493,000	7,493,000		+1,240,000		
Subtotal	388,680,000	408,572,000	423,758,000	460,435,000	455,335,000	+66,655,000	+46,763,000	+31,577,000	−5,100,000
Transition period		104,812,000	108,609,000	109,859,000	109,859,000		+5,047,000	+1,250,000	
Agricultural Stabilization and Conservation Service:									
Agricultural Conservation Program:									
Advance authorization (contract authority)	190,000,000		[5] 190,000,000	175,000,000	175,000,000	−15,000,000	+175,000,000	−15,000,000	
Transition period									
Liquidation of contract authority	(285,500,000)	([21] 190,000,000)	(190,000,000)	(190,000,000)	(190,000,000)	(−95,500,000)	( )	( )	( )
Transition period	( )	( )	( )	( )	( )	( )	( )	( )	( )
Forestry incentives program	[6] 15,000,000		(7)	15,000,000	15,000,000		+15,000,000	+15,000,000	
Transition period				3,750,000	3,750,000		+3,750,000	+3,750,000	
Water Bank Act program	[8] 2,143,530		10,000,000	10,000,000	10,000,000	+7,856,470	+10,000,000		
Transition period			2,500,000	2,500,000	2,500,000		+2,500,000		
Emergency conservation measures	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000				
Transition period		2,500,000	2,500,000	2,500,000	2,500,000				
Cropland adjustment program	43,801,000	42,000,000	42,000,000	42,000,000	42,000,000	−1,801,000			
Transition period		21,000,000	21,000,000	21,000,000	21,000,000				
Subtotal	260,944,530	52,000,000	252,000,000	252,000,000	252,000,000	−8,944,530	+200,000,000		
Transition period		23,500,000	26,000,000	29,750,000	29,750,000		+6,250,000	+3,750,000	
Total	649,624,530	460,572,000	675,758,000	712,435,000	707,335,000	+57,710,470	+246,763,000	+31,577,000	−5,100,000
Transition period		128,312,000	134,609,000	139,609,000	139,609,000		+11,297,000	+5,000,000	
Total, title II	1,486,864,530	1,101,356,000	1,292,205,000	1,341,382,000	1,332,157,000	−154,707,530	+230,801,000	+39,952,000	−9,225,000
Transition period		210,936,000	225,599,000	232,536,500	231,443,000		+20,507,000	+5,844,000	−1,093,500

Footnotes at end of table.

Agency and title	New budget (obligational) authority enacted to date fiscal year 1975	Budget estimates of new (obligational) authority fiscal year 1976	New budget (obligational) authority recommended in House bill 1976	New budget (obligational) authority recommended in Senate bill 1976	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (−) Conference recommendations compared with—			
						1975 enacted	1976 budget estimate	1976 House bill	1976 Senate bill
TITLE III—DOMESTIC FOOD PROGRAMS									
Food and Nutrition Service:									
Child nutrition programs	829, 885, 000	739, 305, 000	[9] 754, 980, 000	[9] 680, 280, 000	[9] 680, 280, 000	−149, 605, 000	−59, 025, 000	−74, 700, 000	
Transition period		236, 591, 000	[10] 236, 591, 000	[10] 236, 591, 000	[10] 236, 591, 000				
Transfer from sec. 32	(705, 926, 000)	(737, 111, 000)	([11] 737, 111, 000)	([11] 737, 111, 000)	([11] 737, 111, 000)	(+31, 185, 000)			
Transition period									
Total	(1, 535, 811, 000)	(1, 476, 416, 000)	(1, 492, 091, 000)	(1, 417, 391, 000)	(1, 417, 391, 000)	(−118, 420, 000)	(−59, 025, 000)	(−74, 700, 000)	
Transition period		(236, 591, 000)	(236, 591, 000)	(236, 591, 000)	(236, 591, 000)				
Special milk program	125, 000, 000		[12] 84, 000, 000	[12] 84, 000, 000	[12] 84, 000, 000	−41, 000, 000	+84, 000, 000		
Transition period									
Special supplemental food program	(13)	(13)	[14] 106, 000, 000	[14] 106, 000, 000	[14] 106, 000, 000	+106, 000, 000	+106, 000, 000		
Transition period									
Food donations program	(15)	5, 839, 000	5, 839, 000	17, 839, 000	17, 839, 000	+17, 839, 000	+12, 000, 000	+12, 000, 000	
Transition period		1, 460, 000	1, 460, 000	4, 460, 000	4, 460, 000		+3, 000, 000	+3, 000, 000	
Food stamp program	4, 874, 600, 000	3, 453, 000, 000	[16] 3, 453, 000, 000	[16] 3, 453, 000, 000	[16] 3, 453, 000, 000	−1, 421, 600, 000			
Transition period		1, 039, 117, 000	[17] 1, 039, 117, 000	[17] 1, 039, 117, 000	[17] 1, 039, 117, 000				
Total, title III	5, 829, 485, 000	4, 198, 144, 000	4, 403, 819, 000	4, 341, 119, 000	4, 341, 119, 000	−1, 488, 366, 000	+142, 975, 000	−62, 700, 000	
Transition period		1, 277, 168, 000	1, 277, 168, 000	1, 280, 168, 000	1, 280, 168, 000		+3, 000, 000	+3, 000, 000	
TITLE IV—INTERNATIONAL PROGRAMS									
Foreign Agricultural Service	29, 372, 000	33, 805, 000	35, 821, 000	38, 321, 000	37, 071, 000	+7, 699, 000	+3, 266, 000	+1, 250, 000	−1, 250, 000
Transition period		9, 266, 000	8, 973, 000	9, 598, 000	9, 283, 000		+17, 000	+310, 000	−315, 000
Transfer from sec. 32	(2, 117, 000)	(2, 117, 000)				(−2, 117, 000)	(−2, 117, 000)		
Transition period									
Total	(31, 489, 000)	(35, 922, 000)	(35, 821, 000)	(38, 321, 000)	(37, 071, 000)	(+5, 582, 000)	(+1, 149, 000)	(+1, 250, 000)	(−1, 250, 000)
Transition period		(9, 266, 000)	(8, 973, 000)	(9, 598, 000)	(9, 283, 000)		(+17, 000)	(+310, 000)	(−315, 000)
Public Law 480	778, 473, 000	1, 336, 017, 000	1, 089, 917, 000	1, 089, 917, 000	1, 089, 917, 000	+311, 444, 000	−246, 100, 000		
Transition period		146, 220, 000	146, 220, 000	146, 220, 000	146, 220, 000				
Sales Manager	(945, 000)	(18)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)	(+55, 000)	(+1, 000, 000)		
Transition period			(250, 000)	(250, 000)	(250, 000)		(+250, 000)		
Total, title IV	807, 845, 000	1, 369, 822, 000	1, 125, 738, 000	1, 128, 238, 000	1, 126, 988, 000	+319, 143, 000	−242, 834, 000	+1, 250, 000	−1, 250, 000
Transition period		155, 486, 000	155, 193, 000	155, 818, 000	155, 503, 000		+17, 000	+310, 000	−315, 000
TITLE V—RELATED AGENCIES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Food and Drug Administration:									
Salaries and expenses	199, 897, 000	[19] 203, 460, 000	201, 805, 000	201, 805, 000	201, 805, 000	+1, 908, 000	−1, 655, 000		
Transition period		50, 126, 000	50, 126, 000	50, 126, 000	50, 126, 000				
Building and facilities	1, 000, 000		1, 000, 000	1, 000, 000	1, 000, 000		+1, 000, 000		
Transition period			750, 000	750, 000	750, 000		+750, 000		
Total	200, 897, 000	203, 460, 000	202, 805, 000	202, 805, 000	202, 805, 000	+1, 908, 000	−655, 000		
Transition period		50, 126, 000	50, 876, 000	50, 876, 000	50, 876, 000		+750, 000		
INDEPENDENT AGENCIES									
Commodity Futures Trading Commission	[20] 6, 766, 000	11, 193, 000	11, 193, 000	11, 193, 000	11, 193, 000	+4, 427, 000			
Transition period		2, 798, 000	2, 798, 000	2, 798, 000	2, 798, 000				
Farm Credit Administration:									
Revolving Fund for Administrative Expenses	(6, 662, 000)	(7, 089, 000)	(7, 089, 000)	(7, 089, 000)	(7, 089, 000)	(+427, 000)			
Transition period		(1, 841, 000)	(1, 841, 000)	(1, 841, 000)	(1, 841, 000)				
Total, title V	207, 663, 000	[21] 214, 653, 000	213, 998, 000	213, 998, 000	213, 998, 000	+6, 335, 000	−655, 000		
Transition period		[21] 52, 924, 000	53, 674, 000	53, 674, 000	53, 674, 000		+750, 000		
Total	13, 759, 777, 530	11, 084, 514, 000	11, 047, 263, 000	11, 092, 283, 000	11, 061, 282, 000	−2, 698, 495, 530	−23, 232, 000	+14, 019, 000	−31, 001, 000
Transition period		2, 025, 519, 000	2, 037, 545, 000	2, 059, 479, 500	2, 052, 922, 000		+27, 403, 000	+15, 377, 000	−6, 557, 500
RECAPITULATION									
Title I—Agricultural programs	5, 427, 920, 000	4, 200, 539, 000	4, 011, 503, 000	4, 067, 546, 000	4, 047, 020, 000	−1, 380, 900, 000	−153, 519, 000	+35, 517, 000	−20, 526, 000
Transition period		329, 005, 000	325, 911, 000	337, 283, 000	332, 134, 000		+3, 129, 000	+6, 223, 000	−5, 149, 000
Title II—Rural development and assistance programs	1, 486, 864, 530	1, 101, 356, 000	1, 292, 205, 000	1, 341, 382, 000	1, 332, 157, 000	−154, 707, 530	+230, 801, 000	+39, 952, 000	−9, 225, 000
Transition period		210, 936, 000	225, 599, 000	232, 536, 500	231, 443, 000		+20, 507, 000	+5, 844, 000	−1, 093, 500
Title III—Domestic food programs	5, 829, 485, 000	4, 198, 144, 000	4, 403, 819, 000	4, 341, 119, 000	4, 341, 119, 000	−1, 488, 366, 000	+142, 975, 000	−62, 700, 000	
Transition period		1, 277, 168, 000	1, 277, 168, 000	1, 280, 168, 000	1, 280, 168, 000		+3, 000, 000	+3, 000, 000	
Title IV—International programs	807, 845, 000	1, 369, 822, 000	1, 125, 738, 000	1, 128, 238, 000	1, 126, 988, 000	+319, 143, 000	−242, 834, 000	+1, 250, 000	−1, 250, 000
Transition period		155, 486, 000	155, 193, 000	155, 818, 000	155, 503, 000		+17, 000	+310, 000	−315, 000
Title V—Related agencies	207, 663, 000	214, 653, 000	213, 998, 000	213, 998, 000	213, 998, 000	+6, 335, 000	−655, 000		
Transition period		52, 924, 000	53, 674, 000	53, 674, 000	53, 674, 000		+750, 000		
Total, New Budget (obligational) authority	13, 759, 777, 530	[21] 11, 084, 514, 000	11, 047, 263, 000	11, 092, 283, 000	11, 061, 282, 000	−2, 698, 495, 530	−23, 232, 000	+14, 019, 00	−31, 001, 000
Transition period		[21] 2, 025, 519, 000	2, 037, 545, 000	2, 059, 479, 500	2, 052, 922, 000		+27, 403, 000	+15, 377, 000	−6, 557, 500
Consisting of:									
1. Appropriations	13, 567, 777, 530	11, 084, 514, 000	10, 857, 263, 000	10, 917, 283, 000	10, 886, 282, 000	−2, 681, 495, 530	−198, 232, 000	+29, 019, 000	−31, 001, 000
Transition period		2, 025, 519, 000	2, 037, 545, 000	2, 059 479, 500	2, 052, 922, 000		+27, 403, 000	+15, 377, 000	−6, 557, 500
2. Reappropriations	2, 000, 000	2, 000, 000	2, 000, 000	2, 000, 000	2, 000, 000				
Transition period									
3. Contract authorizations	190, 000, 000		190, 000, 000	175, 000, 000	175, 000, 000	−15, 000, 000	+175, 000, 000	−15, 000, 000	
Transition period									
4. Direct and insured loan level	5, 291, 000, 000	4, 819, 000, 000	6, 003, 000, 000	6, 038, 000, 000	6, 008, 000, 000	+717, 000, 000	+1, 189, 000, 000	−25, 000, 000	−30, 000, 000
Transition period		1, 180, 250, 000	1, 452, 250, 000	1, 484, 750, 000	1, 477, 750, 000		+297, 500, 000	+25, 500, 000	−7, 000, 000
Memoranda:									
1. Appropriations to liquidate contract authorizations	285, 500, 000	190, 000, 000	190, 000, 000	190, 000, 000	190, 000, 000	−95, 500, 000			
Transition period									
2. Appropriations, including appropriations to liquidate contract authority	13, 853, 277, 530	11, 274, 514, 000	11, 047, 263, 000	11, 107, 283, 000	11, 076, 282, 000	−2, 776, 995, 530	−198, 232, 000	+29, 019, 000	−31, 001, 000
Transition period		2, 025, 519, 000	2, 037, 545, 000	2, 059, 479, 500	2, 052, 922, 000		+27, 403, 000	+15, 377, 000	−6, 557, 500

Agency and title	New budget (obligational) authority enacted to date fiscal year 1975	Budget estimates of new (obligational) authority fiscal year 1976	New budget (obligational) authority recommended in House bill 1976	New budget (obligational) authority recommended in Senate bill 1976	New budget (obligational) authority recommended by Conferees	Increase (+) or decrease (−) Conference recommendations compared with— 1975 enacted	1976 budget estimate	1976 House bill	1976 Senate bill
3. Transfers from sec. 32	723, 043, 000	754, 228, 000	737, 111, 000	737, 111, 000	737, 111, 000	+14, 068, 000	−17, 117, 000		
Transition period									
4. Transfers from Commodity Credit Corporation	69, 695, 000	72, 571, 000	72, 571, 000	72, 571, 000	72, 571, 000	+2, 876, 000			
Transition period		18, 143, 000	18, 143, 000	18, 143, 000	18, 143, 000				

[1] The Committee recommends "Departmental Administration" as a separate appropriation, instead of being included in "Office of the Secretary" as was done in fiscal year 1975 and in the budget request.

[2] The Sugar Act of 1948, as amended, expired Dec. 31, 1974.

[3] The budget request and bill provide no limitation for emergency loans. Funds are available in amounts necessary to meet the needs resulting from natural disasters.

[4] These amounts are excluded by law (Public Law 93–32) from the budget totals.

[5] Includes not to exceed $15,000,000 to be immediately available to carry out the Forestry Incentives Program.

[6] Reflects a rescission of $10,000,000 in budget authority (Public Law 94–15).

[7] See footnote (5).

[8] Reflects a rescission of $7,856,470 in budget authority (Public Law 94–14).

[9] For the period July 1, 1975 through Jan. 31, 1976.

[10] These funds may be made available prior to July 1, 1976, if needed to meet the program commitments as required by law.

[11] See footnote (9).

[12] For the period July 1, 1975 through Jan. 31, 1976.

[13] The Special Supplemental Food Program (WIC) has previously been funded under the "Child Nutrition Programs" appropriation. The committee recommends a separate appropriation.

[14] For the period July 1, 1975 through Jan. 31, 1976.

[15] The Agriculture and Consumer Protection Act of 1973, as amended, requires a food donations program in fiscal years 1976 and 1977, which will provide agricultural commodities to needy persons on Indian reservations until their transition to the food stamp program is complete.

[16] For the period July 1, 1975 through Jan. 31, 1976.

[17] See footnote (10).

[18] The budget requested $945,000 for the sales program under the appropriation "Limitation on Administrative Expenses," Commodity Credit Corporation. The committee recommends a separate identification of this activity.

[19] Includes $1,000,000 for construction of facilities. Committee proposes continuing a separate appropriation.

[20] These funds were originally made available to the Commodity Exchange Authority. CEA was superseded by the larger CFTC, effective Apr. 21, 1975 (Public Law 93–463).

[21] Budget estimate was increased subsequent to House action. Information is contained in Senate Doc. 94–81.

Mr. WHITTEN. Mr. Speaker, I yield to my colleague from North Dakota (Mr. Andrews).

Mr. ANDREWS of North Dakota. Mr. Speaker, this conference report provides 1976 new obligational authority of $23,232,000 below the budget request with the transitional period $27,403,000 above the budget request. One of the major cuts that my colleagues in the House made, a cut to make it below the budget, is the cut in the Food for Peace program, Public Law 480. The House reduction in this program was close to a quarter billion dollars. This does not imply that the intent of the conferees is to cut back in this very valuable humanitarian program. It merely expresses the fact that a lot of this program was previously going into Cambodia, Laos and Vietnam, and it was that portion that was cut back. This action does not result in an overall cutback in this country's Food for Peace commitments in other areas of the world. I want to point that out.

In connection with the food programs, both the House and Senate appropriated for a 7-month period. While that action holds down the totals, it is not going to have any real effect on total spending since we will have a supplemental coming up soon. In fact, a few days after the bill was reported in the Senate, a supplemental budget request was received for food stamps of $3,100,000,000 for 1976, plus $789,000,000 for the transition period.

The food stamp program was not in conference, of course, but the conferees included a statement in the report on some of the abuses in this program.

The direct and insured loan level for the Farmers Home Administration is about at the House level and is $1,189,000,000 over the 1976 budget request and $297,500,000 over the budget request for the transition period.

I would also mention that the conference agreement includes planning funds for an addition to the Human Nutrition Laboratory at Grand Forks, N. Dak. The existing facility is severely overcrowded and the new addition will make a significant contribution to nutritional research which is so important to everyone in this country.

Mr. Speaker, there are six amendments in technical disagreement, and I think that the House will react favorably to these amendments. I certainly would urge my colleagues to support this conference report. It represents an excellent adjustment of these figures for the needs of the Nation in the months ahead.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, would the ranking minority Member concur with the statements made by the chairman as to the intent of the money in here for water pollution control loans, and also to the fact that the language to the Department of Agriculture should not be determined by them as any move to slow down on providing these loans once this money is appropriated?

Mr. ANDREWS of North Dakota. I agree totally, and I would like to commend my urban friend in the well for the leadership he gave in recognizing the unique situation the farmers of America find themselves in when they are confronted with this maze of regulations from new Federal bodies telling them that they must do this, or do that, or do something else, and changing their ways of producing the food and fiber of the country.

The amount, I say to my colleague from California, put into this bill was an amount that was more than sufficient to do the job. I joined with my colleague in attempting to get enough so that we have some point to talk from. I think that the administration in the Department of Agriculture is totally correct in saying that they have gone along with the amount that will fill the need. The committee has also added additional people in this operation of the Department of Agriculture, so that there should be no holdup at the field level.

The committee intends to monitor the reaction in this area, and I am sure my good colleague, the gentleman from California (Mr. John L. Burton), as well as my good colleague, the gentleman from California (Mr. Don H. Clausen), will continually apprise the committee of the need for this program and whether or not the Department is in fact carrying out their pledge to the committee. And, believe me, because of the fact that these two gentleman called this problem to the attention of the subcommittee we are going to make sure that it will get done.

Mr. JOHN L. BURTON. I thank the gentleman. If they do not expedite it in the district I represent, instead of representing some few dairy farmers, I will have nothing but bowling alleys and supermarkets.

Mr. ANDREWS of North Dakota. I will say to the gentleman that we are always happy to get our friends from the urban areas to pitch in and help on a farm matter because, as the gentleman knows, they are our best customers. Those consumers could not be well served without a healthy agriculture out there to take care of them.

Mr. Speaker, I appreciate the help the gentlemen from California have given us for getting a better break for the American farmer.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: On page 35, line 7, strike "$595,000,000" and insert "$550,000,000."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Whitten moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$520,000,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: On page 48, line 19, insert: "For emergency measures for runoff retardation and soil-erosion prevention, as provided by section 216 of the Flood Control Act of 1950 (33 U.S.C. 701b-1) in addition to funds provided elsewhere, $31,677,000, to remain available until expended."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 48 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "For emergency measures for runoff retardation and soil-erosion prevention, as provided by section 216 of the Flood Control Act of 1950 (33 U.S.C. 701b-1) in addition to funds provided elsewhere, $26,577,000, to remain available until expended."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: On page 51, line 11, strike "carried out" and insert "entered into."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 57: On page 54, line 3, insert:

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in sections 1009 and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1509-1510) including technical assistance and related expenses, $15,000,000, to remain available until expended.

For the "Forestry Incentive Program" for the period July 1, 1976, through September 30, 1976, $3,750,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 57 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: On page 60, line 10, insert: of which $12,000,000 shall be available for the Commodity Supplemental Food Program, and which shall be in addition to not less than $20,000,000 in commodities to be made available by the Commodity Credit Corporation for direct distribution to institutions.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 75: Page 69, line 8, insert: SEC. 611. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in section 204 of the Supplemental Appropriation Act, 1975 (Public Law 93-554)."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"SEC. 612. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in section 204 of the Supplemental Appropriation Act, 1975 (Public Law 93-554)."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include tables, charts, and other extraneous material, on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. SLACK. Mr. Speaker, I call up the conference report on the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

(For conference report and statement, see Proceedings of the House of October 2, 1975.)

The SPEAKER. The Chair lays before the House the Senate amendment, which the Clerk will read.

The Clerk read the Senate amendment, as follows:

Senate amendment No. 8: Page 16, line 18, strike out:

"SEC. 104. None of the funds appropriated in this title shall be used for the purposes of negotiating the surrender or relinquishment of any U.S. rights in the Panama Canal Zone."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment amended to read as follows:

"SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property and defense of the Panama Canal."

PARLIAMENTARY INQUIRY

Mr. FLYNT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FLYNT. Mr. Speaker, is a division of the question in order?

The SPEAKER. Yes, a request for a division of the question is in order.

Mr. FLYNT. Mr. Speaker, I demand a division of the question.

The SPEAKER. The question will be divided.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 596]

Addabbo
Archer
Ashley
Beard, R.I.
Broyhill
Burke, Fla.
Cochran
Conyers
Davis
Diggs
Drinan
Duncan, Tenn.
Fary
Fisher
Fraser
Gibbons
Goodling
Harsha
Hawkins
Hébert
Helstoski
Hinshaw
Holland
Holtzman
Howard
Ichord
Jarman
Jenrette
Jones, Ala.
Kemp
Landrum
McCollister
Martin
Mathis
Montgomery
Moorhead, Pa.
Moss
O'Brien
Passman
Quillen
Rees
Riegle
Risenhoover
Rooney
Ryan
Scheuer
Sisk
Stanton, James V.
Stuckey
Symington
Udall
Ullman
Wilson, Bob
Wilson, C. H.
Wilson, Tex.

The SPEAKER. On this rollcall 378 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1976

The SPEAKER. The gentleman from West Virginia (Mr. SLACK) will be recognized for 30 minutes and the gentleman from Michigan (Mr. CEDERBERG) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. SLACK. Mr. Speaker, the conferees on the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, met on October 2, 1975, to try to reach some resolution with respect to Senate amendment No. 8, which deals with the Panama Canal issue. That was the only issue in conference.

As the joint explanatory statement indicates, the amendment was reported in technical disagreement. The language agreed to by the conferees and stated in my motion includes the words "in the Canal Zone."

Mr. Speaker, I realize that the language proposed by the conferees is not precisely what some members would like. However, the conferees had to work out something that they felt would be acceptable to the majority in both the House and the Senate.

Mr. Speaker, this bill contains funds for many important, worthwhile programs. I would suggest that we agree to the motion I have made in order to get the bill enacted and not hold up these funds any longer.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Georgia (Mr. FLYNT).

Mr. FLYNT. Mr. Speaker, I rise in opposition to the motion made by the distinguished chairman of the subcommittee and the chairman of the House conferees on this conference report. I made the request that the question be divided in order that the House might once again express its will as being unalterably opposed to ceding the Panama Canal Zone to another nation. This was the question involved in two previous votes on this particular matter. The question occurred when this bill was before the House and the amendment offered by the gentleman from Kentucky (Mr. SNYDER) was adopted by an overwhelming vote. The House again expressed its will when this conference report on the amendments in technical disagreement were before the House last week. The same question is before us again today.

Mr. Speaker, I call attention to the RECORD of the proceedings of the House on yesterday, October 6, 1975, beginning on page 31874, continuing through 31875, and almost to the end of 31876. The conceptual agreements which have been tentatively agreed to in the negotiations with the Republic of Panama have now been made public.

Before I refer to those conceptual agreements I want to quote from this RECORD on yesterday and to quote an editorial prepared by Maj. Gen. Thomas A. Lane, who is an unusually capable military strategist and student of the Panama Canal policy questions. General Lane had several years of experience in service in the Canal Zone. I quote from his statement:

> The belief of some officials that U.S. operation and defense of the Canal under treaty provisions, instead of sovereign authority, would eliminate the friction of recent years is a calamitous misjudgment of the present scene. Marxist-Leninist subversion would be intensified by such retreat. Friction would mount and the U.S. position would become intolerable. The United States would be compelled to use force against the Republic of Panama, or to withdraw and allow the Canal to be operated and defended by another lessee. That is a prospect which no President should impose on his successors. (*Strategic Review*, Winter 1974, p. 4.)

Let me read briefly from the conceptual agreements which have been tentatively entered into:

> I. There shall be no canal area or Canal Zone.
>
> * * * * *
>
> M. The period of transition necessary for full compliance with the jurisdictional arrangements stated herein will in no case exceed a total of three years, computed following the exchange of ratification instruments of the new treaty. However, it may be reduced through agreement by both parties.
>
> Upon the treaty's becoming effective, the U.S. entity known as the Canal Zone Government shall immediately terminate.

The management of the Panamanian and the United States operations for the protection, the defense of the waterway, will include the preparation of plans for the protection and defense of the waterway for possible emergencies on the basis of the cooperative efforts by the two national forces.

This would amount to the surrender of the Canal Zone to the Republic of Panama. If the Canal Zone ceases to exist as an entity of the United States it will surely be just a question of time until the Panama Canal will be taken over and operated by the Republic of Panama and its allies.

Mr. Speaker, if this is done, in less than a decade it is altogether likely, and indeed probable, that the Canal Zone and the Panama Canal will be under the operation of Fidel Castro, supported by the Soviet Union.

Mr. SLACK. Mr. Speaker, I yield 2 minutes to the distinguished chairman of the Committee on Rules to speak out of order.

ANNOUNCEMENT BY THE HOUSE RULES COMMITTEE

Mr. MADDEN. Mr. Speaker, I read in one of the national magazines last week that according to the record, the legislation passed and debated in this 1st session of the 94th Congress has been the busiest in legislative activity than any Congress since the first 100 days of Franklin Roosevelt Congress back in the early 1930's. In 1976 when we have an opportunity to tell the American people about this remarkable record of the 94th Congress, the public will realize that the Republican politicians have been releasing the same false propaganda as we endured during the Nixon administration. Therefore, regardless of all the legislation that we have considered and passed, it is generally an unfortunate situation when in the last month before adjournment there is always an avalanche of bills come in that should have come in earlier in the session.

Therefore, this afternoon at the end of our Rules Committee meeting, we unanimously passed the following resolution:

> At today's Rules Committee meeting, it was agreed by the members of the Committee that after the House adjourns on Monday, November 3rd, no more requests for rules will be accepted by the Committee for hearings or consideration during the remainder of the First Session of the 94th Congress.
>
> The only exceptions will be in cases of procedural matters or legislation of a real emergency nature when requested by the Speaker.
>
> It was the unanimous opinion of the Rules Committee members that this Congress should terminate all business on or before Wednesday, November 25th, so the Members can have sufficient time before the Christmas holidays to report to their constituents on the accomplishments of the First Session of the 94th Congress.
>
> RAY J. MADDEN,
> *Chairman, House Rules Committee.*

Mr. CEDERBERG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, here we are again on the subject of the Panama Canal. This is our third time. I hope that we can finally get it settled this time.

If we recall the debate last time, the whole question was whether or not we should put in the words "Canal Zone". That is all it was.

So to clarify that, I want to read clearly what the record says by those who said we ought to put in the words "Canal Zone", because that is exactly what we have done.

If Members will refer to page 30069, the RECORD of September 24, the gentleman from Pennsylvania stated:

> Why in the world does not the committee take the compromise language, which simply includes the Canal Zone, and everybody looks all right. It is a message.

Then we go further into the RECORD of that day and in a colloquy between myself and the gentlewoman from Missouri (Mrs. SULLIVAN) on page 30073 of the RECORD of September 24, the gentlewoman from Missouri (Mrs. SULLIVAN) says:

> If the gentleman will yield further, as I say, from our conversations and our knowledge, this language does not mean the Canal Zone or they would have said so. Canal Zone must be added to the conferees language and it would be acceptable.

So we turn further into the colloquy of that day. Starting on page 30074 of the RECORD of September 24, 1975, here is what the gentleman from Pennsylvania (Mr. FLOOD) said at that time.

> Why in the world cannot we add this? We take your term "vital interest"; we take everything you say. All we say in the proviso is "add in the Canal Zone."
>
> What in the world is the matter with that? Cannot you be reasonable? If you are so sincere about it, just add in the Canal Zone.

Well, here is what we did: If the Members will read the report, it says just exactly this, and I will read it:

> SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property and defense of the Panama Canal.

There it is. Now, let me say further that we have been to conference on this thing twice already. The Senate is adamant on its position. They did not even want to put the words "Canal Zone" in. They did not want any language. They prefer not to have any language.

Here is where we are: If the Members want us to go back to conference, I suppose we can go back to conference, but we will not come out with anything further. If it is the opinion of the Members that they would rather go with a continuing resolution instead of an appropriation bill that includes money for the EDA, that includes money for the Small Business Administration in amounts in excess of what was there last year, and that includes money for LEAA and other things we all have concern in, that is what will happen, because the Senate will sit there as long as we want them to sit.

What do we accomplish? We did everything that was requested in this debate when we added the words "Canal Zone." So I would urge every Member to accept this and get this conference report over with. We have been through the question of whether or not this is language to put in an appropriation bill. I do not happen to think that it is. I have said many times that I have no interest in giving away the interests of the Panama Canal; but the Members all know that whatever treaty or whatever agreement is entered into, it must be ratified by two-thirds of the other body, and if there is property to be given away, under the Constitution we have an opportunity to take a look at that.

So, it seems to me that we have reached the point now where we ought to come down to whether or not we are going to be reasonable about this issue, or whether we want to go up and down this bill once again and come back with nothing that will be different. So, I would urge the Members, regardless of the positions they have taken before, let us get this conference report behind us.

We, as conferees, think we have done what we should do, and we put the words "Canal Zone" in there. I do not understand why any Member cannot accept that.

Mr. SLACK. Mr. Speaker, I yield 4 minutes to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, a conference report that is brought back to this body today concerns one basic concept—the Panama Canal. The occurrence of this unusual phenomenon of a conference report on one issue is testimony to the depth of opinion in this country on the canal issue. Those Members who brought the canal issue to our attention deserve to be commended. Regardless of our subsequent action today, a significant statement has been made in this appropriations bill, where none existed before. The statement refers to the canal and Canal Zone. The sense of the Congress language on the Panama Canal demonstrates, that the very existence of treaty negotiations is a major issue in this country—not just the outcome of these negotiations. It should be very clear from the concern of this body that any proposed treaty or agreement which weakens U.S. control of the Panama Canal or Canal Zone will receive the closest kind of scrutiny by the legislative branch.

The original amendment and subsequent language which has emerged from conference, has been lodged in legislation which is, even by the admission of the author, an irregular place. So we have not had a totally clear-cut vote on the canal issue. I would ask every Member to consider what would be the result of a "clear vote" on U.S. control of the Panama Canal. And then, I would ask the same Members to consider what the direction of our executive branch foreign policy on the canal has been.

It may take us a while to fully realize that some of the decisions we make in so-called foreign policy questions, have great impact domestically. Anyone who has been involved with the activities of the U.S. merchant marine, realizes the relationship between the international and domestic sector. The impact of major decisions on the control of the Panama Canal, will be immediately felt and dramatically felt in terms of national security, commerce, and the economy of the United States. In order to emphasize this, and as a result of the events which have transpired on this appropriations bill, I am pledging to do all that I can to make the Members of this body more aware of the immense value and interrelation of the canal for this country.

Unfortunately, the canal is like many government services and projects which are truly appreciated only in their absence or impairment. We were wise enough in this country to adopt, many years ago, a policy which would result in the continuous and efficient operation of the Panama Canal. But, let us not now drift carelessly into a course, in which the ability of the United States to make decisions is severely imperiled but let us continually communicate to the executive a warning not to continue to apply a policy of irresponsible character.

Hopefully the key victory that can be acknowledged here today belongs to the people of this country—knowing that the legislative branch has fought for an institution and an area which they correctly believe to be most dear.

Mr. Speaker, I urge this House to accept the language in this conference report today.

The point has clearly been made in the debate by the original amendment offered by our colleague from Kentucky (Mr. SNYDER).

Mr. Speaker, I urge the acceptance of this conference report.

The SPEAKER pro tempore (Mrs. LLOYD of Tennessee). The time of the gentlewomen has expired.

Mr. CEDERBERG. Madam Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. Madam Speaker, I take this time, as the gentleman from Georgia (Mr. FLYNT) has done, to direct the attention of the Members to page 31875 of the CONGRESSIONAL RECORD of October 6, 1975, wherein the gentleman from Pennsylvania (Mr. FLOOD) has laid out for us the conceptual agreements that have been agreed to between the negotiators. I refer particularly to the language in the first column, under paragraph C, which says:

> Upon the treaty's becoming effective, the U.S. entity known as the Canal Zone Government shall immediately terminate.

Paragraph D reads as follows:

> All relations of a private nature shall be subject to Panamanian jurisdiction immediately after the new treaty goes into effect.

Skipping a few paragraphs, it reads further as follows:

> U.S. courts of law in the old Canal Zone shall cease operation 3 years after the new treaty goes into effect.

Another paragraph reads as follows:

> There shall be no canal area or Canal Zone.

These are the things, of course, that concern those of us who are interested in preserving the integrity of the Panama Canal and Panama Canal Zone.

Quite frankly, in my discussions with the members of the conference on the House side, I am of the opinion that that, too, concerns them, and that the conferees on the part of the House means by this language that they do not want that kind of conceptual agreement to be put into finality.

Madam Speaker, I take this time for the purpose of addressing a few questions to the chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON), the chairman of the subcommittee, the gentleman from West Virginia (Mr. SLACK), and the gentleman from Michigan (Mr. CEDERBERG), of the minority, to discuss with them the words "vital interest."

I have been concerned, as these gentlemen know, and as I mentioned in the original discussion of this when we came back with the language a couple weeks ago, that the boys at the State Department may say that it is in our vital interest to give away the Canal Zone in 3 years and the canal in 25 years.

I want the record to be clear that that is not what the conferees intended and by no stretch of the imagination can the negotiators or the State Department people ever interpret that this conference committee meant that they are protecting the vital interests of the United States if in fact they agree to the relinquishment of our rights in and to the zone and in and to the canal.

Mr. MAHON. Madam Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the distinguished chairman of the Committee on Appropriations.

Mr. MAHON. Madam Speaker, I would like to say as one of the conferees and as chairman of the Committee on Appropriations that I am unalterably opposed to giving away the vital interests of the United States in the Panama Canal.

When I say, "the vital interests," I mean the possession and the present privileges and the property and ownership which we enjoy there.

I believe that probably 90 percent of the Members of this House agree that we are opposed to giving away the Panama Canal, as we call it. We are in favor of maintaining our rights and our prerogatives and the integrity of the United

States in the Panama Canal and in the Panama Canal Zone.

I cannot help it if the State Department has a contorted meaning of the term, "vital interests." I repudiate such an interpretation.

"Vital interests," insofar as this conference report is concerned, means to me the property, the title, the possession, and the rights of the United States in the Panama Canal Zone. We cannot be responsible for the kind of treaty that State Department employees or others may propose. That is the constitutional prerogative of the Executive, and it is up to the Congress to approve or disapprove. But I think it ought to be clear to the whole wide world that the overwhelming majority of the Members of this House are against giving up the Panama Canal Zone. I appreciate the statement of my friend from Kentucky and his desire to make plain to all the attitude of the House on this important matter.

Madam Speaker, is that clear to the gentleman?

Mr. SNYDER. Madam Speaker, that is pretty clear to me.

I will ask the gentleman from West Virginia (Mr. SLACK) if he agrees with the statement made by the gentleman from Texas (Mr. MAHON).

Mr. SLACK. Madam Speaker, if the gentleman will yield, as chairman of the House conferees, let me say that I do not believe it is in the vital interests of the United States to give up the Panama Canal or the Panama Canal Zone.

Is that a direct answer to the gentleman's question?

Mr. SNYDER. And that is the gentleman's interpretation of the intent of the language the conferees have come back with?

Mr. SLACK. That is my interpretation.

Mr. CEDERBERG. Madam Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Madam Speaker, I do not know how many more times I have to say this, but I will say it again.

Mr. SNYDER. The gentleman can say it once more, then.

Mr. CEDERBERG. Madam Speaker, I said it the first time, I said it the second time, and I said it when I was down in the well the last time, and I will repeat it: As far as I am concerned, I do not want to give away the Panama Canal.

A lot of questions have come up about vital interests, and the word "vital" has been used. Let us see what Webster's dictionary says the word "vital" means.

The SPEAKER pro tempore (Mrs. LLOYD of Tennessee). The time of the gentleman from Kentucky (Mr. SNYDER) has expired.

Mr. CEDERBERG. Madam Speaker, I yield 1 additional minute to the gentleman from Kentucky (Mr. SNYDER).

Madam Speaker, will the gentleman yield further?

Mr. SNYDER. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Madam Speaker, this is taken right out of that dictionary over there, and this is what the dictionary says the word "vital" means:

> * * * of the utmost importance; essential to the continued vigor, efficiency, independence, or value of something expressed or implied * * *

Does that satisfy the gentleman from Kentucky?

Mr. SNYDER. I would say that would satisfy the gentleman from Kentucky if the gentleman from Michigan would say that it is his understanding that the conferees meant the same thing that Mr. Webster did.

Mr. CEDERBERG. Yes, I would say that is true.

Madam Speaker, let me ask the gentleman a question.

Now that we have gotten that all cleared up, is the gentleman going to vote with us today in this matter, or does the gentleman think that would be going a little too far?

Mr. SNYDER. Madam Speaker, I am going to consider it, because I think we have made great progress thus far. I feel that with this colloquy we have accomplished much for the good of our country.

Mr. CEDERBERG. Madam Speaker, I hope the gentleman will consider that real hard.

Mr. SLACK. Madam Speaker, I yield 4 minutes to the able gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Madam Speaker, I have secured a copy of a communication circulated by the Socialist Revolutionary Faction—FSR—of the Republic of Panama to its members and the Panamanian press. This communique allegedly reveals copies of a U.S. Department of State document marked "Secret" relevant to the United States-Panamanian negotiations on the Canal Zone now in progress.

The alleged agreement contains the following points:

First. Conceptual agreement on canal protection and defense.

Second. Conceptual agreement on the increased Panamanian participation in the administration of the canal.

Third. Conceptual agreement on jurisdiction and areas of use.

It is important to note that this alleged "Secret" document has not been verified by the Department of State and I would not make it public without first conferring with proper authorities; however, Members of Congress should be advised that this Communist communique is now being widely circulated among Panamanians while American citizens have little notice of its contents.

The communique reads as follows:

SOCIALIST REVOLUTIONARY FACTION—
F.S.R. RELEASE

To workers, peasants, Panamanian students/international public opinion, all national and international news media:

The Socialist Revolutionary Faction, a Marxist Revolutionary Organization, reveals to the entire country that it has obtained secret documents on the Canal negotiations.

Our revolutionary duty impels us to fight for open door negotiations, to fight against secret diplomacy. The documents we have consist of a total of 14 original papers. These are divided into three parts, as follows:

1. Conceptual agreement on canal protection and defense (original consists of 4 pages).
2. Conceptual agreement on the increased Panamanian.
3. Participation in the administration of the canal (original consists of 4 pages).
4. Conceptual agreement on jurisdiction and rights of use (original consists of 6 pages).

Every single one of these pages is marked "secret."

We do not feel that by revealing this we are violating any SECRET, but on the contrary, we feel that our people must know the actual moves behind the negotiations scene. Such documents cannot remain secret, as the future of our people is at stake in these negotiations, and it is the right of the people to know what, how and on which basis these negotiations are being carried out.

Very obviously these documents are reflecting the United States position.

Their text gives the impression of being a translation from the English.

The fact that the Panamanian government has not rejected these agreements is a very serious thing, for they reflect permanent intentions of the Yankees to continue domination and control of the Canal, allowing our country mere participation and crumbs from the table, while the United States retains the whole: the Canal.

The United States according to the documents will defend the Canal (I???), operate the post offices, use the waterway, all under the joint defense talked about so much. Our people have been struggling against all this, while the documents in question agree to just the opposite.

We are not going into an exhaustive analysis of these documents. All true revolutionary organizations should denounce such "agreements" by all means possible, with all the energy at our command.

Our organization, the Revolutionary Socialist Faction is aware of the risks of repression that can befall it for revealing the contents of the documents that came into our possession. We assume the consequences since we are a revolutionary organization. We doubt we will have the support of all national and international revolutionary organizations. We do not have a lot of money available, nor political or economic assistance as does the FEP, nor do we bow as it does to a servile role of giving away. Quite the contrary, we prove our true revolutionary standing by revealing these documents.

We demand on the part of the Panamanian government, the negotiating commission, the Ministry of Foreign Relations, a rejection of these "agreements".

We ask all popular organizations for a public statement demanding the rejection of gringo pretensions, the immediate *publication* of all secret documents and the beginning of true open-door negotiations; an immediate end, once and for all, to all talk and demagogy by the officials in disclosing only what they feel is advisable for them; that secret diplomacy end once and for all.

We call on all the revolutionary militants of the country and the world to struggle permanently against the imperialist and capitalist aspirations. The FSR voices itself against the presence of Yankee military bases in our country, against joint defense.

We raise the urgent need to establish a single front of all revolutionary and popular organizations to struggle against U.S. imperialist and the local capitalist forces which support it.

We demand the expulsion of the CIA. . . .

We demand the expulsion of the capitalist ministers of the present government such as Ardito Barletta, De La Ossa, Manfredo, Sanchiz and Ozores.

Let us fight for a true radicalization of the struggle for our sovereignty, so much demagogy should come to an end and the popular forces should mobilize. We propose popular mobilization as an urgent task to face the aggression and attacks of U.S. imperialism. We voice ourselves against the presence of Yankee troops on our soil and for the need to strengthen our ties with the workers States of China, Russia, etc. The National Government should put an end to the penetration of foreign banks on our soil.

We demand that the Facist-like provocation by the leaders of the FEP and the Economic Aid which prominent members of this government are lending the Melapelistas be ended. That they turn in the firearms they bear on the university campus and that the FEP become truly representative and democratic.

We demand access to all written radio and television information media for the revolutionary organizations and not only for those servile to the Bonapartist regime.

More and true information should be given on the negotiations with the United States of America.

The F.S.R. makes an appeal to struggle for an authentic national and social liberation of the people.

Against capitalism.

Against Yankee imperialism.

Socialist revolution, yes.

A caricature of a revolution, no.

Not one single foreign soldier on our soil.

Not one single Military Base.

No to joint defense. The Canal to its true owner: The people.

The C.I.A. out of Panama. Economic restrictions for the National Council of Private Enterprise (CONEP), the Industrialists Association of Panama (SIP), the Panamanian Chamber of Construction (CAPAC):

For the martyrs of our people: Socialist Revolution, Yes.

Caricature of a Revolution, No.

SOCIALIST REVOLUTIONARY FACTION—FSR.

PANAMA, *September 5, 1975.*

CONCEPTUAL AGREEMENT ON THE PROTECTION AND DEFENSE OF THE CANAL

Whereas:

The Panama Canal is a maritime interoceanic waterway wherein the Republic of Panama has an inherent interest as a territorial sovereign and the United States has an interest because it built it, and it contributes in a significant manner to the goal of an economically prosperous and peaceful world;

Panama, as a territorial sovereign, has the responsibility of protecting and defending its territory;

The United States shall have the main responsibility of protecting and defending the maritime waterway until the expiration of the treaty;

Upon the expiration of the treaty, Panama shall take over total responsibility for the protection and defense of the waterway;

During the life of the treaty, Panama will increasingly participate with the United States in the protection and defense of the waterway, subject to a continuous examination so as to determine what changes can be made in the course of time, to the extent Panama's capacity will allow, and in accordance with the main responsibility of the United States for the protection and defense of the waterway;

To the extent this procedure exempts the United States from the requirements of operation, those installations not considered essential shall be turned over to Panama in accordance with the terms to be agreed upon; and

The agreements on the joint protection and defense of the Parties shall not restrict the identity or lines of authority of the Panamanian and U.S. military institutions,

It is agreed that:

A. Each of the parties, in accordance with its constitutional procedures, shall act to face the common danger arising out of an armed attack or other action which might threaten the security of the waterway and the transit of ships.

B. The contracting parties commit themselves to guarantee the permanent and effective neutrality of the interoceanic waterway, which shall remain open to the vessels of all nations on an indiscriminate basis, and they shall make efforts to have this neutrality recognized and guaranteed by all nations.

C. Both parties shall establish a Joint Board, composed of high level Panamanian and U.S. military representatives, in equal number, whose respective governments shall entrust them with consulting and cooperating in all matters relative to the defense of the Canal, and planning the measures which shall be taken jointly to ensure the security or neutrality of the Canal. The Board shall make provisions for the coordination and cooperation with regard to:

1. The management of the Panamanian and U.S. operations for the protection and defense of the waterway;

2. The preparation of plans for the protection and defense of the waterway for possible emergencies on the basis of the cooperative efforts of the two national forces;

3. Planning and performance of joint military exercises;

4. The implementation of the joint use of training areas; and,

5. The guarantee that Panamanian participation includes the use of manpower and other Panamanian resources with regard to functions, personnel levels, and operation locations.

D. The Panamanian Government shall grant to the United States rights of use for the purpose of protecting and defending the waterway as well as the transit of vessels through same, whereby:

1. The United States shall be allowed to maintain land, air and naval forces in specific locations to be made available by Panama;

2. An agreement shall be included regarding the laws applicable to the Armed Forces which shall allow an effective operation of such forces and their agencies; and,

3. Such rights shall end upon the expiration of the treaty, unless the parties reach another agreement through negotiations which shall take place five years prior to the expiration of the treaty.

E. Both Parties shall review the structural position of the Joint Armed Forces at five-year intervals during the life of the Treaty.

F. The matters relative to the costs of Panamanian participation in the protection and defense of the canal shall be established in the Treaty.

G. In view of the fact that the Republic of Panama is a signatory to the Treaty of Proscription of Nuclear Arms in Latin America (TLATELOLCO), the United States shall not install any type of nuclear armament in Panamanian territory.

DOCUMENT 2—CONCEPTUAL AGREEMENT ON THE INCREASED PANAMANIAN PARTICIPATION IN THE ADMINISTRATION OF THE CANAL

Whereas:

Panama shall participate in the administration of the interoceanic waterway;

The primary objective of Panamanian participation is to guarantee that Panama is prepared to assume complete responsibility for the efficient operation of the interoceanic waterway once the new treaty expires;

This objective shall be reached by guaranteeing a sufficient number of Panamanian personel, qualified and available to operate the interoceanic waterway when the treaty expires;

This procedure should begin immediately as the treaty goes into effect;

The joint planning of the various stages of Panamanian participation should be begun before the new treaty goes into effect;

This Panamanian participation should be the basis for an effective partnership between the two countries regarding the administration of the interoceanic waterway;

The following is agreed:

A. During the life of the treaty, the United States will have primary responsibility for canal operations and the transit of ships.

B. There will be a growing participation on the part of Panamanian nationals at all levels and fields of employment in the canal operation, including participation in the drafting of overall policies as well as in daily canal operations.

C. Employment preferences for citizens of the Republic of Panama will be established, in order to ensure the growth, in orderly stages, of Panamanian participation.

D. A Joint Consultation Group shall be established on the basis of the principle of parity and at a high governmental level which shall constitute the liaison between the two governments in connection with Panamanian participation in the administration. The functions of this group shall include:

1. Recommend specific programs for the hiring of personnel in order to provide employment to an increasing number of Panamanian citizens through horizontal transfers from the Panamanian economy;

2. Recommend specific promotion and training programs aimed at achieving a vertical promotion of Panamanian citizens from low level positions to higher positions at all levels;

3. Recommend other policies, programs and guidelines designed to make preparations for Panama to assume, in an orderly and efficient fashion, full responsibility for the canal administration, operation, and maintenance upon the expiration of the treaty.

E. The new administrative body shall appoint Joint Technical Advisory Commissions whose functions shall include making recommendations regarding the integration of electric power, water supply, roads, ports and other systems of the body's infrastructure with the rest of the Republic of Panama.

F. The present Panama Canal Company shall be eliminated once the treaty goes into effect. It shall be replaced by a new administrative body, governmental or otherwise, which, in addition to taking over the management of the canal, shall implement programs to hire and train Panamanian citizens in accordance with the aforementioned principles and objectives, which shall be stipulated in the treaty.

G. Activities currently being carried out by U.S. Agencies and to be transferred to a Panamanian operation shall be specified in the new treaty. Such transfers shall be effected as soon as practicable and within the time periods to be agreed upon between the two governments in accordance with the recommendations of the Work Team to be created prior to the conclusion of the treaty, in order to plan the initial stage of Panamanian participation in the canal operation.

H. The government of Panama and the government of the United States shall be directly responsible for compliance with the treaty provisions.

CONCEPTUAL AGREEMENT ON JURISDICTION AND RIGHT OF USE

Whereas:

The Panama Canal is an interoceanic waterway in which the Republic of Panama has an inherent interest as territorial sovereign and the United States has an interest for having built it, and it contributes significantly to the objective of an economically prosperous and peaceful world;

The parties are prepared to carry out these objectives through the formulation of a new relationship of association between them, in accordance with the new treaty that shall eliminate the sources of conflict,

It is agreed:

A. Upon the abrogation on the treaties governing the relations between Panama and the United States concerning the Panama

Canal, the U.S. jurisdiction over the Panamanian territory known as the Canal Zone shall cease.

B. The laws of the Republic of Panama shall be applicable in the Panamanian territory previously known as the Canal Zone, except as may be otherwise provided for in the treaty.

C. Upon the treaty's becoming effective, the U.S. entity known as the Canal Zone Government shall immediately terminate.

D. All relations of a private nature shall be subject to Panamanian jurisdiction immediately after the new treaty goes into effect.

E. By virtue of the abrogation of the treaties, the Republic of Panama shall reassume criminal jurisdiction over Panamanians and third country nationals.

F. The Republic of Panama, in the exercise of its sovereignty, shall reassume general police authority in that part of its territory known as the Canal Zone when the new treaty goes into effect.

1. The U.S. installations specified in the treaty are expected.

2. In the agreed areas, the Republic of Panama shall grant the United States police authority up to a period of three years after the treaty goes into effect. During the stated three-year period, the parties shall set up a system of joint patrols in which each member may arrest persons under the police authority of his respective country.

G. The courts of the Republic of Panama shall exercise jurisdiction and shall have competence over all lawsuits and procedures that may arise in the Panamanian territory previously known as the Canal Zone, except as agreed in the treaty.

H. The new treaty shall contain the rights of use that the Republic of Panama grants to the United States relevant to the operation and maintenance of the Panama Canal.

1. The Republic of Panama shall grant the U.S. the rights, for a period of three years after the exchange of ratification instruments, of primary jurisdiction over all crimes committed in locations whose use has been granted by the Republic of Panama to the United States, as specified in the treaty, by members of the Armed Forces of the United States, civilian nationals of the United States employed by the U.S. Government and the dependents of members of the U.S. Armed Forces and of U.S. nationals and civilians employed by the U.S. Government.

2. U.S. courts of law in the old Canal Zone shall cease operation three years after the new treaty goes into effect.

3. The United States—acting through the administrative entity that shall assume the management of the Canal's operation—shall have the necessary rights for operations of the Canal, including the right to transport its officials and employees freely and without obstacles, to import the equipment and materials deemed necessary for the operation of the Canal, and to employ contractors.

1. There shall be no canal area or Canal Zone.

The Republic of Panama shall grant the United States the use of the areas needed to carry out the specific objective of operating, maintaining, protecting and defending, and carrying out regular canal improvements which do not alter the nature of same, including the right to transport themselves freely and without obstacles within said areas. (The areas, the use of which are to be granted to the United States, shall be specified in the treaty.)

J. The Government of the United States, its agencies and organizations, and its employees, shall be granted immunity from Panamanian civil jurisdiction regarding acts or omissions committed in the performance of their official duties. Panama shall be entitled to request repairs for damages from the Government of the United States, through diplomatic channels, regarding any cases that could arise to which such immunity would be applicable.

K. The records and installations of the United States shall be inviolable.

L. During the period specified in the treaty, United States citizen employees of the Canal Administration and their dependents shall enjoy the privileges and immunities specified in the treaty.

1. A limited number of high ranking officials of the United States shall enjoy the same privileges and immunities as diplomatic personnel.

M. The period of transition necessary for full compliance with the jurisdictional arrangements stated herein will in no case exceed a total of three years, computed following the exchange of ratification instruments of the new treaty. However, it may be reduced through agreement by both parties.

1. For the purpose of allowing an orderly and effective transition to the new jurisdictional relationship, the treaty shall go into effect six months after the exchange of ratification instruments.

N. The United States shall have jurisdiction over such matters as relations with its employees, the fixing and modification of tolls and the transit of ships through the Canal (including violations of navigation regulations.) Lawsuits against the United States Government (other than those coming under the jurisdiction of the United States) shall be subject to a lawsuit procedure mutually agreed upon.

O. Panama and the United States shall draw up agreements or separate agreements and for the period agreed to therein concerning the following activities: Tests in connection with tropical environment studies, training for jungle survival and combat, communications, activities of the Inter-American Geodetic Service, humanitarian aid operations, medical activities, operations of the Federal Aviation Administration, and other activities to which the parties may agree.

P. Panama and the United States shall agree, in separate agreements, and for whatever period is agreed to in them, to operational rights for the United States to render education, water supply, hospital, electricity and the prevention and firefighting services.

1. These activities shall be carried out in line with the exercise of jurisdiction by the Republic of Panama over its territory.

Mr. CRANE. Madam Speaker, will the gentleman yield?

Mr. ALEXANDER. Yes, I yield to the gentleman from Illinois.

Mr. CRANE. Madam Speaker, for the third time in the last 4 months, the House is being asked to consider the question of negotiating a surrender of U.S.-owned and controlled territory. Twice before, the House has made it clear that it does not believe funds should be used for such a purpose yet, despite claims to the contrary, this latest conference report does not do justice to the House position. The only difference between this version and the previous one seems to be the addition of the term "Canal Zone" and that is hardly a significant difference.

We are not arguing here the right of the President to conduct foreign policy. No one is questioning that right. What we are debating here is the right of Congress to have some say about the giveaway of American territory that U.S. taxpayers have spent hundreds of millions of dollars to purchase, develop, and operate. Certainly, it is appropriate for the House to say, before the fact, that this territory should not be negotiated away.

One need look only at the comparative operating records of the Suez and Panama Canals to understand why surrendering U.S. sovereignty over the Panama Canal and Canal Zone makes no sense at all. In fact, to give in to the pressures to give up the canal would be interpreted throughout the world, not as a gesture of goodwill, but as a sign of weakness.

Rather than delude the Panamanian leaders any longer, which will only give them more propaganda for their grist mill, the best thing to do is to make clear that any new treaty cannot, and will not, include any compromise of U.S. sovereignty over the Panama Canal or the Canal Zone. Such a step will reassure people, not only in this country but elsewhere, that we are not going to give in to the threats and fulminations of an unelected leftwing dictator.

Therefore, I urge my colleagues once again to reject this conference report and to insist on the language of the Snyder amendment as passed on June 26, 1975.

Mr. CEDERBERG. Madam Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Madam Speaker, I have heard it said today from the well that we have been to conference time and time again trying to resolve the problem. I think that we should go back to conference at least one more time to see what we can do about the language in the bill that we are discussing today.

I think it is vitally important, because we heard twice today about the language on page 31875. One particular item says:

> There shall be no canal area or Canal Zone.

Madam Speaker, I think that we should face reality—that this language means there will be no canal as far as the United States is concerned. The United States purchased the Canal Zone and built the canal through blood, sweat, and tears. This goes back many years. We have operated the canal, but all countries have had the opportunity to go through the canal.

Of the total 128 million tons of cargo which was transmitted through the canal in 1973, 43 percent originated in the United States, while 22 percent was bound for U.S. ports from abroad.

I think that alone is a point that we must keep in mind. Also we must keep in mind that since 1904 there have been about 50 changes in the Government of Panama. These rapid changes of government are not all conducive to good administration of the canal and the Canal Zone.

We have this opportunity today to vote down the motion offered by my chairman, the gentleman from West Virgina (Mr. SLACK) whom I respect very much, and that is a motion to concur in Senate amendment No. 8 with an amendment. The amendment does have the words "vital interests" in it that we heard about today. The word "vital" has been defined. I oppose the motion as it now stands, but if we were to change that word "vital" to "total," we would then have the rights and total interests of the United States protected by that language.

I think that is what is of importance

and that is the way we should vote today. We should vote down the motion so that we do have the opportunity of going back in conference and making sure that we hold all rights in the Panama Canal so that American shipping will be able to use it under whatever conditions may exist.

It is true that America has collected some $100 million in fees per year. This we put back into the improvement of the canal. I think that this is an indication of what will be done as long as the United States retains control. But we have no guarantee of what will be done if we do not control the canal and the Canal Zone.

Mr. ROUSSELOT. Madam Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. ROUSSELOT. Madam Speaker, I appreciate my colleague yielding.

Some of our colleagues feel it is unreasonable to expect that the word "vital" could be changed to the word "total," and therefore we ought to go along with the report and with the language the Chairman suggests. But in view of the so-called conceptual agreements that our colleague the gentleman from Pennsylvania has placed in the Record of October 6 is it the opinion of the gentleman from Ohio that we would in fact somehow be abandoning to the Department of State a position of relinquishment if we did not demand that the term "total" replace the word "vital"?

Mr. MILLER of Ohio. Very definitely. I do believe that we would be abandoning our position to the Department of State to make their own determination. That determination could be on the basis of the agreement that has already been acknowledged by our State Department that we will lose control of the Panama Canal—and this should never happen. If we allow the State Department the leeway of the word "vital" I can guarantee my colleagues that sooner or later they will define it in such a way that the United States will have bargained away all of its rights to the canal and Canal Zone. I would like to point out that the motion to accept the word "vital" and bring this back to the House passed in conference by only two votes. This narrowest of margins on such a vital national issue indicates to me that we can do better—and must do better. The House should reject the present wording and send it back to conference one more time to protect the "total" interests of the United States.

Mr. ROUSSELOT. I thank the gentleman for yielding.

The SPEAKER pro tempore (Mrs. Lloyd of Tennessee). The time of the gentleman has expired.

Mr. SLACK. Madam Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Madam Speaker, I am going to vote for the conference report; however, after hearing this exchange, I do so with some reluctance, because I am not sure we are recognizing reality. It is almost like a debate from in another century. Colonialism is dead. And it should be dead.

There is a vital interest for the United States and that vital interest is to see that the canal stays open. The best way to close the canal is to refuse to negotiate a meaningful agreement with the Republic of Panama.

The tenor and the tone of this debate indicates that we are not facing that harsh reality.

If someone wants to start moving again in the direction of another canal in Nicaragua, I would be happy to go along in supporting such a move.

But it seems to me, Madam Speaker, that we play right into the hands of the very people that the distinguished gentleman from Arkansas (Mr. Alexander) is talking about. The gentleman says that one cannot satisfy these extremists, and I do agree with the gentleman. But I think we can avoid playing into their hands and handing them an issue on which all of Latin America is united. I think we had better face reality.

I am going to vote for the conference committee, but with the tone of the debate here I do so with great reluctance.

Mr. FINDLEY. Madam Speaker, will the gentleman yield?

Mr. SIMON. I yield to the distinguished gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for yielding.

I want to compliment my colleague, the gentleman from Illinois, on speaking up with what I consider to be a voice of reason.

Mr. SIMON. I thank the gentleman.

Mr. WHALEN. Madam Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. WHALEN. I thank the gentleman for yielding.

I, too, want to compliment the gentleman from Illinois for his very fine statement, and I would like to associate myself with his remarks. I think, too, he has delineated the basic question confronting the Congress, and that is will the canal remain open. That is the issue.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mrs. FENWICK. Madam Speaker, I believe that not one of us in this Chamber, no matter whether or not we support the amendment before us, would take any action contrary to the defense, the security, and interests of our country. The question is how we conceive our country's welfare and best interests. This amendment states:

> It is the sense of the Congress that any new Panama Canal Treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property and defense of the Panama Canal.

I support this amendment.

Mr. CEDERBERG. Madam Speaker, I yield 5 minutes to the gentleman from Alabama (Mr. Dickinson).

Mr. DICKINSON. Madam Speaker, I am not now, nor have I ever been in favor of giving away ownership, operation or control of the Panama Canal to Panama, an international consortium, or anyone else. The canal is ours. It has been bought and paid for, and it is ours "in perpetuity" by treaty.

I did not speak on this subject before this body the last time this matter came up, even though it is of great concern to me. But, I have just recently visited the canal at the request of the chairman of the House Armed Services Committee to investigate the proposed State Department transfer of U.S. jurisdiction to the Government of Panama and national security implications. Upon my return from Panama, I held a press conference to discuss my findings. From the looks of some of the news articles that were written about that press conference it is plain to me that I have been misquoted and misunderstood by some segments of the press. I would now like to set the record straight.

Here is one of the most blatant examples of the type of press report I am referring to. "Around the Americas" in the Miami Herald says: "GOP Panelist Switches; Backs Canal Treaty"—the headline of the article. Well, that is simply not so. I do not back the proposed treaty, but I do say we have been placed in an absolutely untenable position by the actions of the State Department and the executive branch.

Going back as far as the Johnson administration and Secretary of State Rusk—all the way up to the present, our officials have openly and publicly repeatedly made assurances to the Panamanians that, yes, we will renegotiate the treaty; yes, we are willing to renegotiate the rights of perpetuity. U.S. officials have led the Panamanians to believe, time and time again, that we are about to give them the canal.

And the media in the Canal Zone pick up and amplify these statements. I have three newspapers from the 3 days I was there, which will give the members some examples of what is going on. On the front page of the Panama American the headline reads: "Panamanians Stateside Exhort Ford To Speed Up Negotiations." This date is August 6.

On August 7, the Star and Herald from Panama states: "Treaty Rally in New York August 13." Then there are three related articles, all on the front page.

The next day, August 8, the headline reads: "Time for a New Treaty 'Inquirer' Tells U.S."

Daily the Panamanians are getting front-page assault from their press quoting U.S. sources and U.S. officials from the Secretary to the Ambassador, and whoever happens to be in Panama at the time from the Department of State—all saying, "yes, we will renegotiate the treaty." To the Panamanians this means giving the canal to them.

There is something that must be separated here, because there are really two vital issues. One is the question of national pride and sovereignty of the Panamanians. This is separate and apart from who owns and controls the canal, but it is first and foremost in the minds of the Panamanians. The fact is that we have our courts there; our police are enforcing the laws there; and when a Panamanian gets into trouble, he is not tried under Panamanian law but under American law in American courts.

You may remember the riots of 1964 when 22 people were killed. These people were not rioting over who controlled or owned the canal; they were rioting over national sovereignty of the Panamanians, flying the Panamanian flag in the zone. Intense national pride is one thing that is separate and apart from the second issue, who owns and controls the canal.

The questions then become: Where are we now? What can we do? I believe we can take three attitudes. We can turn around and just walk off and say, "No, we will not negotiate; we will not talk; we are adamant; we are going to hold the canal by whatever military force is necessary." But, how long would we be willing to do this?

Or, there is the second option. We can do what some people in the Department of State would have us do, and that is to say, "We have been here too long. We have overstayed. We will give you the canal, and how much more do we owe you?"

Somewhere in between there we must overcome this unreasonable position in which we find ourselves because the Department of State has put us there. We have to find some rationale for negotiation, yet, we must continue to own and control the operation of the canal, because it is vital to our interests.

So where does that rationale lie? We will have to arrive at that, but let me say this. I talked to our Ambassador William J. Jordan, and I talked to the Governor of the Canal Zone, Maj. Gen. Harold Parfitt, and Lt. Gen. Dennis P. McAuliffe, CINCSOUTH, to Maj. Gen. Lawrence J. Fleming, Chief of Staff, U.S. Southern Command, and I talked to Panamanians and to American citizens who have been there for years, many of them in business there. They all recognized there has to be some meeting of the minds from the position we now find ourselves in.

In my conversation with our Ambassador to Panama I said:

> Mr. Ambassador, you can make all the assurances and promises you want, but I think you are ignoring one thing. The public statements that have been made by representatives of the State Department are not going to be acceded to by this Congress in my opinion. You have a partner up there whether you like it or not and whatever you agree to has to be ratified in the Senate and in the House.

He agreed with me and said that in the last 2 weeks he had been in the States to see for himself.

Mr. SLACK. Madam Speaker, I yield 3 minutes to the genial and distinguished gentleman from Pennsylvania (Mr. Flood).

Mr. FLOOD. Madam Speaker, it is quite a trick to do in 3 minutes, but all right now, who is going to run the canal? These are some of the conceptual agreements and I got these and I published them. Not many in the United States saw them until they appeared in the Congressional Record this morning, whether anybody likes that or not. Our people downtown have had these things but we in the House knew nothing about them. Members can read them on page **31874 when they leave here**, and I urge that they vote with my friend, the gentleman from Georgia (Mr. Flynt), when they vote. Vote with him.

But wait. Hear this. Who is going to run the canal? This is from the conceptual agreements.

By the way, our negotiators in the State Department are going far beyond the conceptual agreements, far beyond. Do not forget. I am not dreaming this. Members know I know what I am talking about. But do not forget. Wait. Hear this:

> Upon the expiration of the treaty Panama shall take over the responsibility of the protection and the defense of the Canal.

Panama. Panama is to defend and protect the canal. Under the last treaty we had with them in 1955 they wanted to collect the garbage. They could not collect the garbage. They want to end the Zone. They want to defend it. They want us to get out of the Canal Zone, and then the minute we get out, after the treaty, they cannot operate it, they cannot maintain it, and they will have to do something with it. They will have to lease it. To whom do you think they will give the lease for the Panama Canal? To Uganda? No. To the Soviet Union.

I am not Joe McCarthy. The Members have known me for 30 years here. Let us not kid the troops. Do Members know where Cuba is? One can sit in Havana and if one has a strong right arm he can hit the canal with a bottle of Bacardi rum. Do Members know who is in Panama to take care of the canal? They control all the straits and canals between the oceans of the world except Panama. That is what they want.

And the Latin American nations will say to me and to the Members behind the doors after they have these meetings downtown: "Please do not go. Please do not go. Do not leave the canal and the Canal Zone. Please do not do that."

Members should not forget this. This Canal Zone is a world waterway. It is a world waterway. This is not parochial. This is necessary for international commerce, for the nations of the world with whom we made binding agreements to maintain and operate the canal. There are 65 nations of the world involved. There is a struggle for world power here and there are people actively seeking to take this from the United States and Members know that.

There is a triangle in the Caribbean: Guantanamo and Panama and Puerto Rico. That is the Caribbean. Visualize that situation.

The Panama Canal and the Canal Zone is the jugular vein of hemispheric defense.

In the best interests of the United States, of Panama, and of the world the House must insist upon its position.

Mr. CEDERBERG. Madam Speaker, I yield 2 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Madam Speaker, I think our colleague, the gentleman from Pennsylvania (Mr. Flood) performed a very fine service in putting in the Record what our State Department has been doing in negotiations by "tentatively" agreeing to so-called conceptual agreements. We now know what they intend to do. So all of the claims that they do not intend to give away, not only the sovereignty but also our control over this vital Panama Canal, have been totally dispelled.

I am very pleased that my colleague, the gentleman from Georgia, has given us a chance to separate the issue by dividing the question so we can speak to the issue of the language.

Now, a vote to support my colleague, the gentleman from Georgia (Mr. Flynt), will be a vote to prevent the Panama Canal from falling under the sovereignty of anybody else. The issue is very clear.

I am sorry that my colleague, the gentleman from Michigan (Mr. Cederberg) feels that it is an "extra" requirement to have to go back to conference, because we are talking about the vital interests of this country and the Panama Canal.

I am sorry, I do not like to bump up against the Senate any more than I have to, but apparently most of them are clearly more than willing to give it away.

That is the issue, and the gentleman from Pennsylvania has performed us a "vital" service, if we want to use the word vital, in showing exactly what the State Department intends. That is the issue and we cannot avoid it. My colleague, the gentleman from Georgia, has properly separated the issue. We cannot say this is a critical appropriation issue, the world will not collapse if we do not pass it here today. The issue is the U.S. sovereignty of the Panama Canal. The State Department has now been exposed through the gentleman from Georgia.

Mr. ASHBROOK. Madam Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Madam Speaker, I agree with the gentleman. The gentleman from Alabama (Mr. Dickinson) made the point that the negotiators for the State Department are down there telling these things. I think the Membership ought to be clear on one fact. Whatever we do, the same State Department officials are going to be there, are going to be negotiating away our interests. They are already committed, as they have been in the past decade, to accomplish the turnover.

Mr. ROUSSELOT. Madam Speaker, and the same people in the Senate will ratify it.

The SPEAKER pro tempore (Mrs. Lloyd of Tennessee). The time of the gentleman has expired.

Mr. CEDERBERG. Madam Speaker, this is such a good point that I yield the gentleman 1 additional minute.

Mr. ASHBROOK. Madam Speaker, this is the one chance the House of Representatives has to speak, because it is clear the Senate will not. The House of Representatives has to make its feelings known and to point out that we do not succumb to the State Department's position and we will be independent on that and hold out for however long it takes on this vital issue.

Mr. ROUSSELOT. And the gentleman from Georgia has made it possible to totally separate the issue, so none of the other items in the appropriation are relevant.

Mr. ASHBROOK. Madam Speaker, I thank the gentleman.

Mr. ROUSSELOT. Madam Speaker, I yield to the gentleman from Michigan.

Mr. CEDERBERG. Madam Speaker, I do not have anything more to say, except the language we have in the conference report does what the gentleman from California wants. If the gentleman does not think so, he will have to vote otherwise.

Mr. ROUSSELOT. It is not the conference report we are worried about. It is the actions of the Senate and the U.S. State Department.

Mr. SLACK. Madam Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Madam Speaker, I will take just 1 minute.

I have looked over the agreement and I am not going to get into the details, but just to announce to the House that, as I read this agreement, if it becomes law and is passed, I shall immediately bring in a minimum wage law to remove from the jurisdiction and protection of the minimum wage law all but the American citizens in the Panama Canal.

Mr. SLACK. Madam Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. METCALFE).

Mr. METCALFE. Madam Speaker, I thank the gentleman for yielding to me. I would like to say to all of the Members who are here this afternoon that I think we need to really get the issue straight. This is the third time we have debated the question of the Snyder amendment.

I can conceive, although I did not support that Snyder amendment—I can conceive that Members voted the will of their people back home. I understand that. However, I think I am mindful enough to know what our parameters are, what our responsibilities are and the way we ought to go.

I am not a proud American to say that we have been negotiating for 11 years, and now we are afraid to negotiate. For me, the word "negotiate" simply means sitting down and trying to arrive at an agreement. This was what our conferees did, and I support their efforts. I supported them before; I support them now, and as an American I would not dare think that I would be proud to say that we are fearful of sitting down and negotiating the treaty.

What we have been hearing here today, and what we have heard some Members discuss, make me think that I am now in another century, another time. I know of no precedent equal to this one where the House is discussing, debating, the merits of a treaty. I thought the Constitution said that this was a right of the Senate, and it is our right, as the House, to determine what land we are going to give up. That matter is not before us.

The matter is very, very simple, and we cannot complicate it. It is simply a question of appropriating the money for our negotiators to sit down and to arrive at some agreement.

Now, the Communists have been mentioned. I am not fearful of the Communists, but I will say this: If we are not very careful, we will be playing right into their hands. As the distinguished gentleman from Pennsylvania mentioned, the Communists were all around the Panama Canal. If we want the Communists to have complete domination over the Canal, then the Members should go ahead and not appropriate the money and not sit down and meaningfully discuss the question.

When I appeared before the House during the last discussion, I reminded the Members at that particular time that the students, the Communists, and the radicals were stoning the American Embassy, and it was the government, which some Members have labeled as Communists, although a few will say it is a populist government—I am not going to debate that with the Members—but it was they who protected us and our embassy by running these students across the street and protecting the American Embassy.

So, we have to make certain that we understand exactly where we are and where we are going. More importantly, I think we need to know whether or not we are going to stick our chests out and say, "We will not give up a thing," when, in fact, if we do support this amendment, what we are saying is that we are going to give up our relationship in Latin America.

I submit to the Members, that Latin America from Mexico City down to the Argentine, are all in favor of Panama's position. If we, the "big brother," the "big bad country," the mighty, powerful country, fail to sit down with the little country of Panama and negotiate, I am afraid we will regret it for years to come.

Much has been said about the accords. Much has been said about the conceptual agreement. I knew that they were in existence, but I would not for one moment give dignity to it to say it to a third person that I knew of it. Why? Because it is not authentic; it did not come from our State Department; it did not come from our negotiators. Yet, we are basing our judgment upon that as we deliberate the merits of the treaty—which we ought not to be doing—as something that is factual.

I think we need to weigh and I think we need to know what the issue is, and that is simply to vote for an appropriation for our negotiators.

The issue before us is not whether to accept a specific new treaty—it is rather to weigh the advantages the United States will receive from breaking off negotiations—and frankly there are none—as against the bad will and unfriendly relations which Latin America will feel necessary to project for what they would clearly perceive to be an obstinate, hostile action reminiscent of the days of "big stick" diplomacy.

What we have heard from Panama and Latin America since the inception of the Snyder amendment has firmly convinced me of the disastrous impact that would follow from the interruption of 11 years of negotiations. Clearly the compromise language will not destroy our bilateral and multilateral relations on this Panama Canal issue, but a cessation of meaningful negotiations will spell disaster.

Another issue which merits consideration is the appropriateness of the method to influence Panama Canal policy. While the conference language shows the concern which we have for the important role of the Panama Canal, it does not offend the constitutional prerogative which the executive has long enjoyed to negotiate treaties. It would have been far more useful if those who wished to reaffirm U.S. rights on the isthmus would have spoken to the executive branch on this issue, as I and other members of the committee or subcommittee have, or would have sponsored the resolutions of the gentleman from Pennsylvania (Mr. FLOOD) or the gentlelady from Missouri (Mrs. SULLIVAN). But a one-shot attempt to interrupt 11 years of talks is abrasive.

I believe the United States does have an interest on the Isthmus of Panama. It is a sensitive interest. We cannot deny that the character of our presence in Panama relies heavily on the consent of the Panamanian people. Seventy percent of canal organization workers are Panamanian nationals. The commercial enterprises of Panama do much to support operations of the canal. The Canal Zone and Panama may be separate jurisdictional entities but they are very closely tied together. The greatest damage we could do to our position on the isthmus is to pretend that Panama does not exist—that is what the original Snyder amendment language would pretend. In short, the conference language before us now is realistic language, but the attempt to stop negotiations is patently unrealistic.

In the RECORD for yesterday we read the three so-called conceptual agreements between the United States and Panama.

Madam Speaker, I may agree with those agreements and again I may not. What I think is totally irrelevant to the matter before this House today. What we are voting on today is whether these negotiations should continue.

This conference report clearly states that it is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States.

That is what we should be saying to the negotiators. When a treaty is negotiated and sent up to this body, then we can make a determination as to whether, in fact, our interests have been protected.

We should go no further at this time. This body, under article IV, section 3, will have a role to play in the future of the Panama Canal. So, too, will the other body.

Let us not appoint ourselves 435 conegotiators and walk away from the conference table. Let us wait until the executive branch sends up a treaty. Until that time let us simply express our concern as, in fact, this conference report does.

I ask this body to reflect carefully today on the consequences of our vote today. Let us dispose of this issue for the time being and let it emerge again at the proper time.

Mr. CEDERBERG. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Speaker, let me

say, in conclusion, that I am opposed to giving up ownership, operation, or control of the canal. I think it is certainly in the vital best interests of this country that we maintain ownership, operation, and control of the canal. I would very ruefully see us give up the exercise of sovereignty that has been guaranteed to us in the treaty.

But the point is, the Department of State has put us in a position where we are either going to have to maintain it by military occupation, or negotiate.

I do not mean that we should give away the canal. I am saying that we are going to have to give in some aspect in the overall situation.

Mr. Speaker, I support the conference report. I think the conferees have done a good job.

Mr. CEDERBERG. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I am not sure I can add much to what has already been said in this debate, but I hope the motion to recede is adopted.

Mr. Speaker, we heard from the distinguished chairman of the committee on which I serve that in less than a month the gates of the Committee on Rules are going to be closed. We hope to get on with the final business of this first session and adjourn, and it would seem to me that if we continue to hold in hostage, as we are doing by this maneuver, a bill which would make available almost $6 million in spending authority for various departments of the Federal Government, including some of the important programs that are near and dear to the hearts of the Members of this body, like the Small Business Administration, we are scarcely doing much to assist the efficient conduct and dispatch of the people's business.

Mr. Speaker, I have been, frankly, a little bit astonished by those, particularly on my side of the aisle, who seem to think that because certain conceptual understandings have been published by the Department of State that that means that the President of the United States, a former member of this body, is going to send to the Senate for ratification a treaty which would somehow totally ignore the vital interests of this country.

I do not think that President Ford, in his instructions to the Department of State, or in any final treaty that may result from those negotiations, is going to ask the Congress of the United States to give up the vital interests of this country.

Mr. Speaker, I think, therefore, that we ought to recede in this matter, and accept the amendment that has been worked out by the conferees.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank the gentleman for yielding. My friend, the gentleman from Illinois (Mr. ANDERSON), seemed to be looking at some of us when he made that statement, and I would acknowledge that we are probably the Members to whom he addressed his comments.

Mr. Speaker, I would only say, in regard to our former colleague from Michigan, the President, can the gentleman from Illinois (Mr. ANDERSON) give me any example where the President of the United States has taken issue with the position of the State Department in the last year?

Mr. ANDERSON of Illinois. I think there are probably numerous examples. I would not be privy to all of the discussions that are held between the Secretary of State and the President of the United States and other people in the State Department. But I have known the President of the United States for 15 years, all of the time I have served in this body, and he certainly has always impressed me as a man of independent judgment, and I am not about to subscribe to the idea that because he has gone to the other end of Pennsylvania Avenue that he is just going to willy-nilly accept any advise given to him by someone simply because they are a member of the State Department. I think that it is a disservice to suggest that the President is that derelict in the conduct of his office and responsibilities.

Mr. ASHBROOK. If the gentleman will yield further, the gentleman has not named one area. If he could name one area, I would be a little more certain of what he says.

Mr. ANDERSON of Illinois. Yes, I can think of plenty of instances where the Secretary of State has made it clear that he was acting not on his own but in carrying out the instructions, the specific instructions, of the President of the United States. And I know that we have something of a diplomatic superstar in the present Secretary of State, but I happen to be firmly seized of the notion and of the idea that it is still the President who runs the foreign policy of this country.

Mr. SLACK. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, the hour is late, and I think the Members are ready to vote. I doubt very much if anything I say will change the basic conviction of any Member, but I would like to appeal to my colleagues in earnestness to recognize what is at stake here.

This is not a question of whether we want to give up the Panama Canal. I dare say that no Member of this House wants to give up the Panama Canal. I do not want to give up the Panama Canal; the gentleman from West Virginia Mr. SLACK) does not want to give up the Panama Canal; the chairman of the committee, the gentleman from Texas (Mr. MAHON) does not want to give up the Panama Canal.

Not one of us wants to abandon the vital interests of the United States. Not one of us wants to abandon the military defense of the Panama Canal.

I doubt very much that any Member of the U.S. Senate would vote for a treaty that called for giving up the Panama Canal.

Mr. Speaker, that is a false issue. That is not what is at stake here.

Let me tell my colleagues something else. The President of Panama, a man named Demetrio Lakas, who was educated in the United States in a college in my district and with whom I have had plenty of conversations about this very matter, does not want the United States to give up the Panama Canal. The President of Panama does not want the United States to abandon the military defense of the Panama Canal. Our friends in Panama are the very last ones who would want that.

But our friends in Panama are being besieged by those in that country who do not wish us well, and our friends throughout Latin America are being besieged by those who are portraying our attitude—falsely, I trust—as that of a Yankee behemoth who is not even willing to sit down with our smaller neighbors and discuss what they regard to be the legitimate issues.

Neither is the question whether we want to go on record as defending and protecting the vital interests of the United States. This resolution does that. It does it in a way that is stronger, I think, than the language proposed by the gentleman from Kentucky (Mr. SNYDER), because that is for only a limitation on 1 year's appropriation.

This is a sense-of-Congress resolution, and it is one that stays in effect.

What is wrong with it? Is this not what we want to say?

It states that it is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property, and defense of the Panama Canal.

Now, I can rest on that. That is what I believe. Is that not what we all believe?

The last time this was up for consideration several of the Members said, "Oh, I would support that if we said, 'zone,' but the very fact that it says, 'property' does not really mean 'zone.' "

So the conferees have come back now, and they have given us the word, "zone." That is what they meant, and that is what we want to say.

Another Member has said, "Oh, if we would change that word 'vital' to the word 'total' then I could support it."

Mr. Speaker, I will say to my friends that there is not any way this resolution could be written to please everybody. It says what most of us want it to say.

The question, therefore, is not whether we want to go on record as defending the interests of this country. The question is not whether we want to give up the Panama Canal. Nobody wants to give up the Panama Canal. Everybody wants to defend the vital interests of this country, and this resolution says so. The language proposed by the conferees makes that clear.

The question is whether we want to give to our enemies throughout this Hemisphere a demagogic tool by which they can portray us falsely as people who are unwilling to sit down with our neighbors and discuss with them such vital interests of their own as these: as to whether or not their legitimate, free enterprise people shall have the right to do business without having to go through an intermediary such as the giant U.S. owned Panama Canal Corporation; as to whether or not their citizens passing through this territory from one portion of their country to another shall have the right of passage without being stopped and harassed; and as to whether or not the citizens of Panama shall be amenable to the laws of their own country even when they escape over into the Panama Canal Zone.

Mr. Speaker, it seems to me we are a big enough country to accommodate those issues, and if we are not, maybe someday we really will have to give up the Panama Canal.

Mr. FLOOD. Mr. Speaker, on many previous occasions when addressing this House of the Congress, I have commented on the failure of the mass news media, with few exceptions, to deal with the interoceanic canal question in comprehensive and objective manner. Instead, its columns have generally been heavily biased in support of the State Department's program for surrender of U.S. sovereign control over the Canal Zone territory, which, with the Panama Canal, is the jugular vein of the Western Hemisphere.

A recent obvious example of such slanted writings was an article in the Washington Post by the Hon. Sol. M. Linowitz, former U.S. Ambassador to the Organization of American States and now chairman of the so-called Commission on United States-Latin American Relations of New York. This body is not a U.S. Government agency as the name suggests but a privately financed group supported by ultraliberal foundations.

The article by Ambassador Linowitz was so inaccurate, so lacking in comprehensiveness and so misleading about a policy question of vital concern not only to the United States but also to the entire free world that I felt impelled to comment at length on it. Accordingly, I wrote to the editor of the Washington Post setting forth additional facts and views essential for clear understanding.

Because of the importance for the Congress and the Nation at large being fully informed on the canal subject, I quote the indicated letter to the editor and the article to which it refers as parts of my remarks:

HOUSE OF REPRESENTATIVES,
Washington, D.C., September 9, 1975.

Mr. PHILIP L. GEYELIN,
Editorial Page Editor,
The Washington Post,
Washington, D.C.

DEAR MR. EDITOR: As a long time student of U.S. Caribbean and interoceanic canal policy questions and member of the Subcommittee on Defense, House Committee on Appropriations, I read with more than casual interest the article in the September 5, 1975, *Washington Post*, "What Future for the Panama Canal?," by Hon. Sol M. Linowitz, Chairman of what is termed the "Commission on United States-Latin American Relations" of New York.

This body is not a U.S. Government agency, as the name suggests, but a privately financed group, supported by the Clark and Ford Foundations and the Rockefeller Brothers Fund. Of its initial 23 members some 17 of them, including Ambassador Linowitz, are members of the Council on Foreign Relations (C.F.R.), an organization engaged in the manipulation of U.S. foreign policy and widely known as the "invisible government" of the United States.

It was, therefore, no surprise that the indicated article gives full support to the unauthorized "Agreement on Principles" signed on 7 February 1974 by U.S. Secretary of State Henry A. Kissinger (C.F.R.) and Panamanian Foreign Minister Juan A. Tack to govern the negotiation of a new Panama Canal Treaty that would surrender present U.S. sovereign control over the U.S. owned Canal Zone territory to Panama. An unstable country of endemic revolution, now ruled by a pro-communist dictatorship closely linked with Castro's Cuba and the U.S.S.R., it has Soviet agents in its government and is well on its way toward becoming a member of the communist fold.

Early in the present session of the Congress, 38 Senators and some 130 Representatives, in line with Article IV, Section 3, Clause 2 of the U.S. Constitution vesting the power to dispose of territory and other property of the United States in the Congress, adopted identical resolutions opposing any surrender at Panama. On June 26, 1975, the House of Representatives, by the decisive vote of 246 to 164, adopted the Snyder Amendment to the State Department Appropriation Bill to prohibit the use of such funds for "negotiating the surrender or relinquishment of any U.S. rights" in the Canal Zone. This was followed by the introduction in the Senate by Senator H. F. Byrd, Jr., of Virginia of an identical measure. It is, indeed, significant that Ambassador Linowitz admits that "only vigorous efforts" prevented the Senate from passing it. In this connection, U.S. Ambassador William J. Jorden (C.F.R.) to Panama was recalled to assist in the State Department lobbying.

In presenting his case for a new canal Treaty, Ambassador Linowitz (C.F.R) endeavors to create a "great fear" by describing the Canal sovereignty question as a "potentially dangerous issue" and stating, in event of failure of the Senate to ratify a new Treaty, that the Panama Canal could become a "tinder box." Such scare tactics do not intimidate informed members of the Congress or the people of our country who, as shown by recent polls, are far ahead of their government in evaluating the canal situation and are overwhelmingly opposed to any surrender at Panama.

Ambassador Linowitz presents four "good questions" and provides self-serving answers. I shall comment on each in succession:

1. Will the new treaty mean a surrender of United States sovereignty over the Canal?

He answers this by asserting that the United States never had sovereignty, which statement is false. The 1903 Treaty granted to the United States in perpetuity a *"concession of sovereignty enbloc"* over the Canal Zone to the entire exclusion of the exercise by Panama of any such sovereign rights, power or authority. This grant was officially confirmed by President, later Chief Justice, Taft in an address on November 16, 1910, in Panama City, R. P., at a banquet given by the President of Panama, when he stated: "We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary *sovereignty and jurisdiction* over the part of your country occupied by that canal to enable us to do this effectively." (Canal Record, Vol. IV, Nov. 23, 1910/, p. 100.) (Emphasis supplied.)

In addition to securing the grant of sovereignty in perpetuity for the perpetual operation of the Canal, the United States obtained title to all privately owned land and property in the Zone by purchase from individual property owners and assumed the obligation of the Panama Railroad for a $250,000 annuity previously paid Colombia, the sovereign of the Isthmus prior to Panamanian independence. The annuity in 1974 was $2,328,000.

The total cost of acquiring the Canal Zone, as estimated in 1974, was $166,362,173, which is more than the costs of all other U.S. territorial acquisitions combined. The validity of the U.S. title has been confirmed by the U.S. Supreme Court and recognized by Colombia, the sovereign of the Isthmus prior to November 3, 1903. If the Canal Zone should be "returned" to any country it should not be to Panama but to Colombia. But as to this, I feel certain that the Congress would be just as adamant against it as it is against the projected give away to Panama.

2. Will a new Panama Canal treaty prejudice our national security?

The Panama Canal is the jugular vein of the Americas. As to its physical vulnerability, the Armed Forces of the United States successfully protected it during two World Wars as well as during the Korean and Viet Nam wars.

There are only four great arteries of marine transportation: the Suez Canal-Red Sea, the Strait of Malacca, the Strait of Gibraltar and the Panama Canal. Control of these strategic waterways has long been a Soviet objective. With bases near both ends of the Suez Canal-Red Sea route, the U.S.S.R. can dominate it. As as result of the U.S. withdrawal from S.E. Asia, the U.S.S.R. or other Red powers are in positions to command the Strait of Malacca. A communist victory in Portugal would place Soviet power sufficiently close to the Strait of Gibraltar to control it.

Soviet power is now established in Cuba and, as previously stated, its agents are in the Panama Government ready to lead in filling the vacuum created by a U.S. withdrawal and to make Panama a second Red satellite in the Western Hemisphere. This would place Panama in a position to expropriate and nationalize the Canal as was done by Egypt for the Suez Canal in 1956 and later by Cuba for U.S. property there.

The Isthmus has long been an object for predatory attack and Panama can survive as a free country only so long as the United States remains as the sovereign of the Canal Zone.

In the current struggle for world domination, the Panama Canal, as a crucial element in American seapower and, including defense, representing a net investment estimated in 1974 at $6,880,730,000, has become a focal point in the global situation. As a part of the coast line of the United States its defense is just as important as the protection of the Chesapeake Bay. The real issue involved is not United States control versus Panamanian but continued U.S. sovereign control versus U.S.S.R. domination. This is the danger that must be recognized and faced forthrightly and fearlessly.

3. Will a new treaty weaken the United States by exposing the Canal to political instability and violence?

As to the author's assertion that the maintenance of the 1903 Treaty is an "anachronistic effort," this is not the treaty under consideration but that treaty as re-affirmed after extensive Senate debates in the ratification of the 1936 and 1955 Treaties. The major point stressed in those debates was that the United States remains sovereign over the Canal Zone.

This U.S. territory has long served as an area of stability in a land of endless political turmoil. It has often provided a haven of refuge for Panamanian leaders seeking to escape assassination. The latest example was that of Senora Torrijos who fled to the Zone during an attempt to overthrow her husband, Brig. General Omar Torrijos, during his temporary absence. Surrender of U.S. sovereignty over the Zone will not improve but worsen the situation, probably extending violence to the lock walls of the Canal. (See Jon P. Speller, *Panama Canal: Heart of America's Security* (1972), pp. 133–39 for record of Panamanian violence.)

4. Will a new treaty adversely affect U.S. Commercial interest?

Some 15,000 vessels from 55 nations transit the Canal annually and about 70 per cent of its traffic either starts or terminates in the United States. While only 16.8 per cent of U.S. trade goes through the Canal, it handles 34.3 per cent of the trade of Chile, 32.5 for Colombia, 27.2 for Costa Rica, 51.4 for Ecuador, 66.4 for El Salvador, 30.9 for Guatemala, 76.8 for Nicaragua, 41.3 for Peru and 29.4 for Panama.

Important shipping interests have expressed their deep concern over loss of control over the Canal Zone by the United States and oppose its surrender. Similar opposition can be expected from other maritime nations, including those of Latin America that have the most to lose.

The author mentioned the possibility of a so-called sea-level canal or a major expansion of the present canal. He failed to state, however, that any canal of sea-level design is strongly opposed by respected marine biologists as the "conservation challenge of the century" as well as by experienced engineers and other canal experts for other cogent reasons. Ten national and international environmental organizations have notified the President that they will oppose any treaty with a sea-level provision in it. Ambassador Linowitz also failed to mention that "expansion and new construction" for the existing canal is authorized under present treaty provisions and thus does not require the negotiation of a new one. (*Cong. Record*, July 24, 1939, p. 9834.) This fact invites the query of why should he be supporting negotiations for powers the United States already possesses.

It is obvious from a study of the Linowitz article that its author is ill-advised, ignorant of canal history and problems, or has lent himself without proper investigation to current misrepresentations.

There are, however, valid solutions for the canal problem. The House Committee on Merchant Marine and Fisheries, in its annual report on January 2, 1973, after extensive consideration, stressed the two main canal issues as follows:

(1) Maintenance by the United States of its undiluted sovereignty over the Canal Zone; and

(2) Major modernization of the existing canal within this Zone.

All other canal questions, however important, including the so-called sea-level proposal, this report declared, are "irrelevant" and should not be allowed to confuse the problem of the Canal's major needs for increased capacity and operational improvements. (Ho. Rept. No. 92–1629, p. 36). Appropriate measures have been introduced in the Congress.

This program, which has the strong support of knowledgeable authorities on the subject as well as important navigation, environmental, veteran, civic, patriotic and other organizations, will re-vitalize the Isthmus, confer enormous advantages on Panama, serve the interests of users of the Canal, improve its operations, benefit interoceanic commerce and increase Hemispheric security.

Sincerely yours,

DANIEL J. FLOOD,
Representative from Pennsylvania.

[From the Washington Post, September 5, 1975]

What Future for the Panama Canal?

(By Sol M. Linowitz)

OAS Secretary General Orfila recently called the Panama Canal "the most explosive issue in Latin America." A lot of other concerned Latin American and U.S. leaders have for some time been warning us about the canal issue and what it may mean to the whole future of the hemisphere.

But most Americans have not been listening—especially Congress.

As though to prove how hard it has not been listening, just before the August recess the House of Representatives passed 246–164 the Snyder Amendment to the State Department appropriation bill, which would have kept the State Department from even negotiating about a new Panama Canal treaty. Only vigorous efforts in the Senate kept that body from adopting the Byrd amendment to the same effect.

These developments came some weeks after 38 senators and 126 representatives cosponsored a resolution that sharply opposed the basic objectives of a new treaty.

Obviously there must be some reason otherwise thoughtful members of Congress are lining up as they are with respect to such a potentially dangerous issue. The answer is clear enough: Neither the administration nor those members of the Congress supporting a new treaty have directly responded to the arguments and concerns of those who are opposing the treaty. Rather, they have been content to let the opposition build in the apparent expectation that once a treaty is negotiated they will be able to make their case effectively.

But time is running out and opposition is building. Meanwhile, Ambassador Ellsworth Bunker and Panamanian Foreign Minister Juan Tack make progress toward a new treaty which may face rejection in the Senate. If that happens, we may find that the Panama Canal has become a tinderbox.

It is long past time to take a hard look at the arguments being advanced against the new treaty and to deal with them forthrightly. Good questions are being asked and they deserve responsive answers.

Will the new treaty mean a surrender of United States sovereignty over the Canal?

The simple answer is that the United States never had sovereignty. The 1903 treaty specifically gave the United States authority which it would have "if it were sovereign." Obviously, these words would not have been necessary if the United States were, in fact, sovereign. A new treaty which recognizes that fact and goes on from there to work out a mutually agreeable arrangement for control of the territory can hardly be called a surrender of United States sovereignty.

Will a new Panama Canal treaty prejudice our national security?

The fact of the matter is that the greatest danger to the security of the United States would be the continuance of the present status of the canal. If there is not a new treaty, we will be running the grave risk that the canal—which is, of course, exceedingly vulnerable under any circumstances—may be damaged or destroyed by irate Panamanians. By the same token we may find ourselves in the position of having to defend the canal by force against a hostile population and in the face of widespread, if not universal, condemnation. Since the new treaty will specifically include provisions for a continued U.S. defense role with respect to the canal, it is hard to see how a new treaty could be adverse to our national security.

Will a new treaty weaken the United States position by exposing the canal to political instability and violence?

If any course is designed to expose the canal to political instability and violence, it would be an anachronistic effort to maintain in effect a treaty negotiated in 1903 which is no longer respected, which is looked upon by Panamanians of all political persuasions as an affront to Panama's national dignity and as a colonial enclave, and which is viewed throughout Latin America as the last vestige of "big stick" diplomacy. Under the new treaty the United States would be able to protect its position while allowing Panama a greater responsibility in the canal's operation.

Will a new treaty adversely affect U.S. commercial interests?

Admittedly, the canal is important to us commercially, but obviously its economic significance has diminished considerably as world commerce patterns and technologies of shipping have changed. Today large vessels cannot use the canal and a major expansion of the present capacity may be necessary—possibly a sea level canal. If the situation remains as it is, it is hardly likely that Panama would accede to the modernization required. In order to accomplish that, there must be assurance of Panamanian cooperation precisely as called for in the proposed treaty.

In the light of these facts, it certainly requires no extended argument to recognize that efforts on our part to adhere to the 1903 treaty would be both damaging to our national interests and in derogation of our hemispheric objectives. By the same token the new treaty would demonstrably offer the prospect of increased security for the canal and the furtherance of our common goals for the Americas.

The SPEAKER. All time has expired.

Mr. SLACK. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on whether the House shall recede from its disagreement to Senate amendment No. 8.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FLYNT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 212, nays 201, not voting 20, as follows:

[Roll No. 597]

YEAS—212

Abzug
Adams
Addabbo
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Cederberg
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Coughlin
Danielson
Dellums
Derwinski
Dickinson
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Esch
Evans, Colo.
Fascell
Fenwick
Findley
Fisher
Florio
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Giaimo
Gonzalez
Gradison
Green
Gude
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hicks
Holtzman
Horton
Howard
Howe
Hungate
Jacobs
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Litton
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Nolan

Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rodino
Roncalio
Rosenthal
Roush
Roybal
Ruppe
Sarbanes
Scheuer
Schneebeli
Schroeder
Seiberling
Sharp
Shipley
Simon
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Thompson
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Waxman
Weaver
Whalen
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Yates
Young, Ga.
Zablocki

NAYS—201

Abdnor
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bevill
Biaggi
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Brown, Mich.
Burgener
Burke, Mass.
Burleson, Tex.
Butler
Byron
Carter
Casey
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conlan
Cotter
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Devine
Dingell
Downing, Va.
Edwards, Ala.
Eilberg
Emery
English
Eshleman
Evans, Ind.
Evins, Tenn.
Fish
Fithian
Flood
Flowers
Flynt
Ford, Tenn.
Fountain
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hanley
Hansen
Harsha
Hefner
Heinz
Helstoski
Henderson
Hightower
Hillis
Holland
Holt
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McCollister
McDonald
McEwen
Madden
Mann
Mathis
Mazzoli
Melcher
Milford
Miller, Ohio
Mills
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nichols
Nix
Passman
Patman, Tex.
Pettis
Pickle
Pike
Poage
Pressler
Randall
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rostenkowski
Rousselot
Runnels
Russo
St Germain
Santini
Sarasin
Satterfield
Schulze
Sebelius
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, James V.
Steelman
Steiger, Ariz.
Stephens
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zeferetti

NOT VOTING—20

Broyhill
Burke, Fla.
Diggs
Duncan, Tenn.
Fary
Hays, Ohio
Hébert
Hinshaw
Jenrette
Krueger
Martin
Moss
O'Brien
Quillen
Riegle
Ryan
Sisk
Symington
Udall
Wilson, Bob

The Clerk announced the following pairs:

On this vote:

Mr. Symington for, with Mr. Hébert against.

Mr. Krueger for, with Mr. Jenrette against.

Mr. Diggs for, with Mr. Fary against.

Mr. O'Brien for, Mr. Sisk against.

Mr. Moss for, with Mr. Duncan of Tennessee against.

Mr. Riegle for, with Mr. Quillen against.

Mr. Ryan for, with Mr. Burke of Florida against.

Mr. Udall for, with Mr. Hinshaw against.

So the House receded from its disagreement to Senate amendment No. 8.

The result of the vote was announced as above recorded.

The SPEAKER. The question is will the House concur in Senate Amendment No. 8 with an amendment.

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the matter just considered.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7706, SUSPENDING DUTY ON NATURAL GRAPHITE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 7706, suspending duty on natural graphite.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 94–533)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 3. Section 7(a) of Public Law 93–647 is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (1) of this subsection or section 3(f), payments under title IV or section 2002(a)(1) of the Social Security Act with respect to expenditures made prior to February 1, 1976, in connection with the provision of child day care services in day care centers and group day care homes, in the case of children between the ages of six weeks and six years, may be made without regard to the requirements relating to staffing standards which are imposed by or under section 2002(a)(9)(A)(ii) of such Act, so long as the staffing standards actually being applied to the provision of the services involved (A) comply with applicable State law (as in effect at the time the services are provided), (B) are no lower than the corresponding staffing standards which were imposed or required by applicable State law on September 15, 1975, and (C) are no lower, in the case of any day care center or group day care home, than the corresponding standards actually being applied in such center or home on September 15, 1975.".

And the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with amendments as follows:

On page 3, line 11, of the Senate engrossed amendments, strike out "Sec. 5." and insert the following: *Sec. 4.*

On page 5 of the Senate engrossed amendments, after line 3, add the following new subsection:

(c) The amendments made by this section shall be effective only for the period beginning October 1, 1975, and ending January 31, 1976; and, on and after February 1, 1976, sections 2002(a)(7), 2002(a)(11), and 2003 of the Social Security Act shall read as they would if such amendments had not been made.

And the Senate agree to the same.

Amendment to title:

That the House recede from its disagreement to the amendment of the Senate to the title of the bill.

AL ULLMAN,
JAMES C. CORMAN,
CHARLES B. RANGEL,
PETE STARK,
JOE D. WAGGONNER, Jr.,
H. T. SCHNEEBELI,
GUY VANDER JAGT,
Managers on the Part of the House.

RUSSELL B. LONG,
GAYLORD NELSON,
WALTER MONDALE,
WILLIAM D. HATHAWAY,
CARL CURTIS,
PAUL FANNIN,
CLIFFORD P. HANSEN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment included the text of the House bill H.R. 9803 but added a subsequent subsection making it inoperative. The Senate also added its own amendment which is substantially identical to the language of H.R. 9803 but which would terminate on November 1, 1975 instead of on March 31, 1976 as the House bill would have (the amendment includes a technical change to make it applicable to two other day care programs).

The subject matter of this amendment deals with postponement of penalties in the form of loss of federal participation in costs of day care which fail to meet federal standards prescribed under P.L. 93–647.

The conferees agreed to an expiration date on postponement of penalties of January 31, 1976, with the understanding that the Senate would probably act within this period and send back the original House bill (H.R. 9803) in amended form for the consideration of the House.

The second amendment of the Senate (there was no corresponding provision in the House bill) dealt with the inclusion of the costs of a 7-day detoxification period for drug addicts and alcoholics as part of a total rehabilitation program for such persons when it meets the tests of being a minor cost. This would change specific prohibitions in Title XX of the Social Security Act under certain circumstances. It also makes explicit the application of the confidentiality provisions of the Comprehensive Alcohol Prevention, Treatment, and Rehabilitation Act Amendments of 1974 to Title XX. The same provisions would apply to drug addicts. The Senate amendment would have provided for these changes on a permanent basis and the conferees agreed to the amendment for the period ending January 31, 1976 at which time it would be repealed.

Al Ullman,
James C. Corman,
Charles B. Rangel,
Pete Stark,
Joe D. Waggonner, Jr.,
H. T. Schneebeli,
Guy Vander Jagt,
Managers on the Part of the House.
Russell B. Long,
Gaylord Nelson,
Walter Mondale,
William D. Hathaway,
Carl Curtis,
Paul Fannin,
Clifford P. Hansen,
Managers on the Part of the Senate.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 7706 ON THURSDAY NEXT

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday next, October 9, 1975, to call up the conference report on H.R. 7706.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will announce to the Members that we will consider the two rules for the two bills scheduled for today, and then we are going to take up the Labor bill and go as far with it as we can.

PROVIDING FOR CONSIDERATION OF H.R. 9500, CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING ACT OF 1975

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 751 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 751

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9500) to stabilize labor-management relations in the construction industry, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Hawaii is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. Anderson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 751 provides for consideration of H.R. 9500, which, as reported by our Committee on Education and Labor, would help to stabilize labor-management relations in the construction industry. The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and the ranking minority member of the Committee on Education and Labor.

After general debate, the bill would be read for amendment under the 5-minute rule. It would be in order, for the purpose of amendment under the 5-minute rule, to consider the amendment in the nature of a substitute which is recommended by the Committee on Education and Labor, and which has been printed in the bill as an original bill. At the conclusion of such consideration, the committee will rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. Speaker, H.R. 9500 would help to give collective bargaining an innovative thrust and make it more effective in the construction industry, one of the hardest hit of all industries by the latest recession. If, as some would have us believe, the Nation is emerging from that recession, then H.R. 9500 would help the construction industry to make solid progress toward full recovery. Costly and crippling work stoppages would be avoided by means of a new procedure for the settlement of differences between labor and management arising from existing collective bargaining contracts.

Essentially, H.R. 9500 would establish a construction industry collective bargaining committee within the Department of Labor. Committee membership would consist of representatives of labor, industry, and the public on a 10–10–3 ratio, as follows:

Ten members, qualified by experience and affiliation to represent the viewpoint of the standard national labor organizations in the construction industry;

Ten members, qualified by experience and affiliation to represent the viewpoint of employers engaged in collective bargaining in the construction industry; and

Up to three members, qualified by training and experience to represent the public interest.

All committee members, whether representing labor, management, or the public interest, would be appointed by the President.

The Secretary of Labor and the Director of the Mediation and Conciliation Service would be members ex officio.

Mr. Speaker, the construction industry collective bargaining committee in effect would be the point at the top of the pyramid to which the numerous local collective bargaining disputes would be sent for resolution. The current collective bargaining situation in the construction industry is in urgent need of improvement. The situation is one which, rightly or wrongly, has been characterized by such terms as "highly fragmented," "whipsawing negotiations," "increased work stoppages," and "leap-frogging settlements."

H.R. 9500 would by no means provide a panacea, but it is a first step which we must take to bring stability in labor-management relations in the construction industry.

Under H.R. 9500, the construction industry collective bargaining committee would perform a number of other functions. For example, it would:

Assist in the formation of voluntary national craft or branch boards;

Review collective bargaining policies and developments in the particular craft or branch of the construction industry involved;

Improve productivity, manpower development and training;

Promote stability of employment; and

Provide for the equitable determination of wages and benefits.

To carry out the purposes of H.R. 9500, the Department of Labor estimates that first year costs will be $538,840. For the entire period from enactment of the legislation to the date of its expiration on February 28, 1981, total costs are not expected to exceed $2,457,600.

Mr. Speaker, we have often heard the phrase, under circumstances of stress and frustration, "There must be a better way." For collective bargaining in the construction industry, that "better way" is suggested in H.R. 9500.

Mr. Speaker, I urge the adoption of House Resolution 751 in order that H.R. 9500 may be considered.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, House Resolution 751 makes in order House consideration of H.R. 9500 under a 1-hour open rule, and makes the committee substitute in order as an original bill for the purpose of amendment.

Mr. Speaker, any similarities between the numbers H.R. 9500 and H.R. 5900, the so-called common situs picketing bill, are not purely coincidental. The administration has made no secret of the fact that it will not sign the latter bill unless it gets the former bill as well. The bargain has been struck and today we are being asked to accept the tandem-end of this package deal. I think we have to ask ourselves today whether H.R. 9500, the so-called construction industry collective bargaining bill, is worth the price of this deal—and this bill does carry with it a 5-year price tag of close to $2.5 million. As I read this bill I am inclined to agree with the minority views of the gentleman from Ohio (Mr. ASHBROOK) who has characterized this as a "charade." This bill really does not accomplish a thing. All the powers of the expensive new board created by this bill are discretionary. It is under no obligation to do anything. To quote again from Mr. ASHBROOK's minority views, the bill "sadly lacks the creation of any totally different legal framework to restructure bargaining in the construction industry."

I find this extremely disappointing since I have been working on this problem for some years now, and have introduced legislation in the last three Congresses to meaningfully address the long overdue need for rationalization and consolidation of the fragmented bargaining structure of the construction industry. In this Congress I introduced the bill as H.R. 8867 on July 24. I regret that my bill was not given serious consideration in the committee as an alternative to the Dunlop bill. But it is evident that this whole matter is being rushed through the Congress with the greatest amount of haste. I seriously question whether the committee paid adequate heed to Secretary Dunlop's admonition of June 5 when he urged the Labor-Management Relations Subcommittee to, and I quote—

> Give attention to this serious range of problems after the parties on each side have had the opportunity to consider the issues more thoroughly.

In his appearance before the Rules Committee, the gentleman from New Jersey stated that the only opposition to this bill came from the Associated Builders and Contractors. I think it should be pointed out that the committee report, on page 2, indicates that President John Matich of the Associated General Contractors testified that the bill "appears to be a step forward," but he went on to say that his organization could neither support nor oppose the bill because they had not had time for sufficient discussion with their membership. This is hardly in keeping with Secretary Dunlop's advice. I have today received a telegram from President Matich of the AGC, which reads as follows:

> Hon. JOHN B. ANDERSON,
> *House Office Building,*
> *Washington, D.C.:*
>
> The Associated General Contractors of America at its midyear board meeting in Kansas City has this date declared itself to be opposed to the collective bargaining reform bill—H.R. 9500—which is scheduled for House consideration on Tuesday, October 7, 1975. AGC's opposition is based upon the following:
>
> 1. It does not represent truly useful reform legislation.
>
> 2. Management has had no significant input.
>
> 3. The clear political coupling of H.R. 9500 with the secondary boycott bill (H.R. 5900) makes the "package" deal unacceptable, in whole or in part.
>
> We urge you to vote against H.R. 9500.
>
> J. N. MATICH, *President,*
> *Associated General Contractors.*

In summary, the AGC does not consider this truly useful reform legislation and management did not have adequate input in the shaping of this bill.

In conclusion, Mr. Speaker, I think $2.5 million is too high a price to pay for a new bureaucracy which is under no obligation to do anything. I think the committee report, on page 3, under the heading, "The essence of H.R. 9500," perhaps best sums up the significance of this legislation when it says, and I quote:

> H.R. 9500 is designed to establish a machinery, a process, whereby responsible leaders within the industry can meet on a regular and periodic basis to discuss the overall problems of the industry. . . .

Mr. Speaker, I would submit that they can achieve these same goals at the corner pub, and at much less cost to the taxpayer. I urge defeat of H.R. 9500 which is nothing more than a sham and a charade—and a $2.5 million insurance policy for the enactment of the common situs picketing bill.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield briefly?

Mr. ANDERSON of Illinois. I will be glad to yield to the distinguished chairman of the subcommittee.

Mr. THOMPSON. I thank the gentleman for yielding.

I know of the gentleman's interest, and I am aware of his pending legislation. I would respectfully ask that the gentleman allow the rule to be adopted, and during the 5-minute rule I would be delighted to discuss with the gentleman this proposition and possible alternatives.

Mr. ANDERSON of Illinois. May I say to the gentleman from New Jersey (Mr. THOMPSON) that I wonder if I could have some assurance from him at this time. As the gentleman knows, one of my objections to his bill is the composition of the committee. I do not think when we have 10 members of labor, 10 members of management—in other words, a deadlocked situation in that regard—and only three members of the public represented on that committee that we are going to get anything other than the interplay of intramural contractor-union politics in an effort to get a consensus in agreement when these matters are referred to the national level.

I will ask if I can have the assurance of the gentleman from New Jersey that he will support an amendment, which perhaps will be even offered by the gentleman from Ohio (Mr. ASHBROOK), a member of the committee, in an effort to get an amendment adopted that will provide equal representation of the public's interest 10, 10, and 10, so that we might strengthen this bill as a vehicle for really putting some stability in that area.

The SPEAKER. The time of the gentleman from Illinois (Mr. ANDERSON) has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 additional minute.

Mr. THOMPSON. If the gentleman will yield further, may I respond to the gentleman that the best manner in which to review this is for the rule to be adopted, at which time I shall be delighted to discuss the matter and engage in debate on the matter.

Mr. ANDERSON of Illinois. I thank the gentleman. I had not really expected any assurance for support of that amendment, should it be offered.

Let me say, before my time is up, that I think it is germane during this period under the rule to cover a specific matter that was raised in the Committee on Rules. The gentleman from New Jersey stated that the only opposition to this bill came from the Associated Builders & Contractors.

I have in my hand a wire that I received today from the Associated General Contractors of America at its midyear board meeting in Kansas City. It has this date declared itself to be opposed to the collective bargaining reform bill, H.R. 9500, which is scheduled for House consideration on Tuesday, October 7, 1975. ABC's opposition is based upon the following:

> 1. It does not represent truly useful reform legislation.
>
> 2. Management has had no significant input.
>
> 3. The clear political coupling of H.R. 9500 with the secondary boycott bill, H.R. 5900, makes the "package" deal unacceptable, in whole or in part.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, I wish to associate myself with the gentleman's comment. He is quite perceptive.

I would say, without being facetious, it does not take 5 minutes, I would say, to explain how this bill works. If the Members, particularly my colleague, the gentleman from Illinois (Mr. ANDERSON), who is now speaking, could read the hearings and observe the lack of clarity in the answers of the Secretary of Labor as to what specifically this bill would do, so far as solving the major problems we see in the country and in the construction industry, particularly in bargaining, I think they would be appalled. What is in this bill will bring people together to have some dynamic interaction in bringing about a settlement.

I would point out that my friend is correct. There is very little here in the way of substance, and, quite frankly, I do not think it will bring about any peace or improvement in this collective bargaining area.

Mr. MATSUNAGA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 200, MARINE FISHERIES CONSERVATION ACT OF 1975

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 760 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 760

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 200) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, and against section 306 of said substitute for failure to comply with the provisions of clause 5, rule XXI, are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, this is the rule making in order consideration of H.R. 200, a bill to protect and control fishing in waters off the U.S. coast.

This is an open rule providing 2 hours of general debate. It provides for the committee substitute to be read, for purposes of amendment, as an original bill. This is noncontroversial since no waiver would have been required if the committee had reported a clean bill. This waiver simply enables the committee to call up the bill under the number H.R. 200, for which the committee has an understandable sentimential attachment.

It was also suggested that section 306 could be construed as an appropriation and we are proposing a waiver for that section only.

H.R. 200 was reported on August 20 by the Committee on Merchant Marine and Fisheries. At that time, sequential referral was requested by the Committee on International Relations.

It was not found that the committee's legislative jurisdiction warranted this procedure. Nevertheless, the Committee on Rules has delayed consideration of the requested rule for over a month to enable that committee to study H.R. 200. We also scheduled 2 days of consideration on the rule and took testimony from interested members of both committees.

It is our belief that the rule before us will enable a full and fair discussion of the bill and I urge adoption of the resolution.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 760, the rule presently before us, provides for the House to consider H.R. 200, the Marine Fisheries Conservation Act of 1975. As outlined by the gentleman from Massachusetts, the rule would allow 2 hours of general debate and would make in order the substitute recommended by the Committee on Merchant Marine and Fisheries as an original bill for the purpose of amendment under the 5-minute rule. Other terms of this rule woud permit the substitute to be read by titles instead of by sections and all points of order against said substitute for failure to comply with clause 7, rule XVI, relating to germane amendments, and against section 306 of the substitute for failure to comply with clause 5, rule XXI, dealing with appropriations by a legislative committee, would be waived.

With respect to the second waiver of points of order, section 306 of the substitute proposes to establish a separate account in the Treasury into which all license fees imposed under a fishery management plan for the privilege of fishing are collected. The reimbursement of certain owners or operators of a U.S. fishing vessel from this account is permitted by section 306 without prior appropriation.

The purpose of H.R. 200 is two-fold; First, to extend on an interim basis the exclusive fisheries zone of the United States from 12 to 200 miles effective July 1, 1976; and second, to provide for a comprehensive fishery management program with the creation of seven regional marine councils to assist the Secretary of Commerce in developing regional management plans.

Provisions of the bill would give preferential rights for U.S. fishermen within the zone, with excess stocks to be shared with foreign nations licensed by the Federal Government. The Secretary of State is required within 90 days of enactment to commence negotiations with each foreign nation off whose shores U.S. vessels are engaged in fishing within 200 miles off that Nation's coast. The underlying purpose of this provision, of course, would be to allow U.S. vessels to continue fishing within the 200-mile zone of such nations. In this connection, any international fishery agreement, other than a treaty, would take effect 60 days after submission to both Houses of Congress, provided neither House adopts a resolution of disapproval.

Finally, this legislation would provide for the embargoing of seafood imports from foreign countries which refuse to grant equitable access to U.S. fishermen with respect to waters they have fished historically.

The cost to the Federal Government, if this bill is enacted, is summarized in the following chart:

[In thousands of dollars]

Departments and programs	Fiscal year 1976	1976 transition period, July 1 to Sept. 30	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980	Fiscal year 1981
Transportation (Coast Guard):							
Procurement	40,914	000	11,240	110,000	110,000	000	000
Start-up costs	3,520	000	3,850	1,650	1,980	000	000
Operating costs	7,432	11,148	29,541	36,526	43,440	43,440	43,440
Subtotal	51,866	11,148	44,631	148,176	155,420	43,440	43,440
Commerce: Fisheries management plan, operation of 7 regional councils, planning enforcement, research and statistics activities	4,000	2,000	21,000	25,000	30,000	35,000	40,000
State	0	0	0	0	0	0	0
Total	55,866	13,148	65,631	173,176	185,420	78,440	83,440

While I am aware of some amendments that may be offered to this legislation, it is an overall good bill and constitutes a proposal I have supported since becoming a Member of this body in 1973. For years the Department of State has urged Congress to delay the passage of a measure extending our exclusive fisheries jurisdiction to 200 miles until after a resolution of this question by the Law of the Sea Conference. The State Department is still asking us to delay, and the Conference is no closer to deciding the issue today than it was when it began consideration of the question.

The time for action is upon us. Foreign fishing fleets working in waters off our shores have literally decimated the populations of some fish species, leaving them commercially extinct, and have placed other species in imminent danger of being depleted. The crisis is real, and I refuse to take a passive approach to the problem. It is evident that the international negotiation process will proceed for many years to come, very likely long after it is too late to try and save our remaining fishery resources.

Mr. Speaker, this legislation has the sponsorship of 147 Members of the House, not to mention the support of commercial and recreational fishermen, as well as conservationists. Its passage and enactment are vital to the preservation of our Nation's fishing industry and to the perpetuation of fish as a renewable resource. I strongly urge the adoption of this rule and the ultimate passage of H.R. 200.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Speaker, I was quite surprised a moment ago to learn about delays this bill had encountered in the Committee on International Relations.

It seems to me that this legislation has moved to the floor with almost slippery speed. But I do think there is an opportunity here, at the time the rule is being taken up, to consider if this is really the direction in which we want to move.

I am getting just a little weary of being asked to make foreign policy here on the floor of the House of Representatives. We have had a long series of unhappy votes over aid to Turkey, and both last week and this week we have been wrangling over the proper approach to negotiations with respect to the Panama Canal.

We are now getting into a subject of great sophistication and great complexity of international law, in regard to the fishing rights of major nations and many smaller nations around the world. We are being asked to make the United States the first major nation in the world to break from the time-honored 12-mile limit, and push out to 200 miles.

I can tell Members that the tuna fishermen I have the privilege of representing in San Diego County will probably be displaced entirely if legislation like this is passed. It will not be possible to go on bringing the tuna catch to the United States and getting it canned here, because that operation will simply remain overseas. As a result, some 26,000 jobs could well go by the boards.

There are two canneries on the Island of Samoa. If they are no longer able to operate with economic feasibility, they will simply go out of business, and the entire industry of the Island of Samoa will be on the rocks.

I urge Members—and I will urge you by a rollcall vote shortly—to determine whether that is the direction we want to go at this time.

Let us give the International Law of the Sea Convention the opportunity to act when it meets in New York in a very few months on this very complex subject.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. VAN DEERLIN. Of course I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I want to associate myself with the remarks that the gentleman from California (Mr. VAN DEERLIN) has just made.

This rule also waives two points of order, does it not, because there is an appropriation in this legislative authorization bill. Is that true?

Mr. VAN DEERLIN. Mr. Speaker, let me say to the gentleman from Wisconsin that I am not the expert on that phase of the problem before us.

Mr. ZABLOCKI. Mr. Speaker, would the gentleman yield further?

Mr. VAN DEERLIN. I am happy to yield further to the gentleman.

Mr. ZABLOCKI. Mr. Speaker, maybe the Committee on Rules can advise us what the two waivers provide for.

Mr. MOAKLEY. Mr. Speaker, if the gentleman will yield, it waives the rule prohibiting appropriations in a legislative measure, and also it waives the germaneness provision for the committee substitute.

Mr. LEGGETT. If the gentleman will yield, it indirectly provides for appropriations and does allow for the collection of licenses.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield further?

Mr. VAN DEERLIN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. In the opinion of the gentleman from Wisconsin that is sufficient reason to vote against the rule.

Mr. VAN DEERLIN. I was prepared to go that route even without the objection raised by the gentleman from Wisconsin.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I am most concerned about the question of sequential referral. It passes all understanding how this bill is considered not to be a matter that should also be considered by the Committee on International Relations. Actually the bill tampers with many international agreements and I think violates at least two treaties. The first is the Law of the Sea Convention on the high seas which actually constitutes international law. It is not disagreed with by any nation and all of the nations engaged in any substantial way in fishing in these waters from 12 to 200 miles off our coast and other international waters are, I believe, signatories of this convention including the United States, of course.

In article 2 of that convention it is stated:

> The high seas being open to all nations, no State may validly purport to subject any part of them to its sovereignty. Freedom of the high seas is exercised under the conditions laid down by these articles and by the other rules of international law. It comprises, *inter alia*, both for coastal and non-coastal States:

First, freedom of navigation; second, freedom of fishing; and other provisions that are not appropriate.

Also in the Law of the Sea Convention on Fishing and Conservation of the Living Resources of the High Seas, of which this Nation is a contracting party, and which is in the nature of a treaty ratified by the Senate, it is provided in article 7 that signatories shall not institute measures that discriminate in form or in fact against foreign fishermen. In the bill itself in title I on U.S. Fisheries, Conservation, and Management Zone, it is provided that the 9-mile contiguous zone is extended to 200 miles, and that the United States has the same jurisdiction as it exercises in the territorial seas, with the sole exception of fishery research. All previous foreign fishing rights are rendered void and must be renegotiated within the framework established by the bill.

The bill then contains the requirements for onboard observers and reimbursement of the United States for the cost of such observations within this 200-mile limit.

This is all direct violation of the treaty provisions that I have quoted.

The SPEAKER. The time of the gentleman has expired.

Mr. MOAKLEY. At this time, Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Speaker, I am opposed to the rule on this bill for a number of reasons.

A large shrimping fleet is in my district, both on Amelia Island and in the Jacksonville area. Those are people who will be hurt the most by this bill, because most of the shrimp taken by them is taken off the coast of Mexico and in other South and Central American areas and we can expect Mexico and the other countries to retaliate. The entire shrimp crop they rely on would be wiped out by such retaliation.

More important nationally is the national defense aspect. My position on the Advisory Board of this Conference on the Law of the Sea helps me to know that. I believe we have a good chance of working out a treaty. The first thing of importance is whether it will protect us in the way of national defense. The enactment of this bill would make more difficult the agreement on a treaty which would protect important national defense interests.

Those Members who are bird lovers and wildlife lovers like myself may consider that the treaty is the only known way to protect the whale in the Pacific Ocean. Maybe that means nothing to the Members, but it does to me. I think if we pass this bill, we can kiss goodbye to any possibility of Japan or any other nation in the world agreeing with us on protecting those whales. In the context of an overall treaty for law of the sea the whales have a chance to survive and not be made extinct. To me, and I think to many House Members, that is not an unimportant reason for the rejection of this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the chairman of the subcommittee, the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, the bill that we are about to debate, I suspect now on Thursday, is one of the really creative pieces of legislation that we have had in this House. We have taken a great number of bills and we have synthesized a truly fine product. I appreciate the fact that my colleague, the gentleman from California (Mr. VAN DEERLIN) is not in a position to support this bill, but I would point out the fact that there are four major separate provisions in this bill to help the tuna people out:

One, if they do not relate to us in a proper agreement down in that area of Ecuador, Peru, et cetera, we have got boycott provisions in this legislation.

Two, there are some provisions where one makes payments under the existing Fishermen's Protection Act that he cannot get paid back. This bill takes care of that kind of reimbursement.

Three, right now if one goes down to Ecuador and pays a license fee, there is no way he can get that license fee reimbursed. There are provisions in this bill to allow for that being transferred.

Also in this legislation we accept all activity for migratory fish, and tuna is defined as a migratory fish, so I believe we take care of that situation.

With respect to the gulf, we have had some confusion as to whether or not the gulf really wanted to be in this bill, and the shrimpers presented a separate problem. We have thoroughly gone over that, and at one time we excluded the shrimpers from the gulf area. The gulf determined that they wanted to come back in under the bill, so we brought them back in.

With respect to the ideas that the gentleman from Texas (Mr. ECKHARDT) has brought up, international law and agreements and things like that, we thoroughly discussed this before the Foreign Affairs Committee when it came up before the committee some weeks ago, when the gentleman unfortunately was not there.

The record is reasonably clear. We have done a yeoman job in waiting for the Law of the Sea to take care of this. It so happens the 77 landlocked nations and the lesser developed countries are dominating the United Nations and the Law of the Sea and there is strong agreement on the 200 miles, which we are adopting, and strong agreement on certain adjacent rights of contiguous nations, and we are adopting that.

Beyond that there is confusion. We will not adopt the defense provisions. We can use the bottom of the sea only for peaceful purposes it has been agreed and this confounds some of our capability. We cannot reach agreement on fishing.

What we plan to do with this bill is pass a bill and give leadership to our negotiators in Geneva and give them some power to go back to New York next spring. This bill is not effective until June and hopefully then we can resolve the matter along with the community of nations. There are better than 40 nations today that have more than a 12-mile limit and so it is not unilateral action.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to my colleague, the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Speaker, I thank the gentleman.

I am perplexed by the gentleman's argument that the nations involved in the Law of the Seas Conference are in a state of confusion, and by the gentleman's suggestion that they can look to the House of Representatives to relieve that confusion.

Mr. LEGGETT. It is the greatest deliberative body in the world.

Mr. VAN DEERLIN. After hearing the gentleman's argument, I must point out to the gentleman we have plenty of legislation on the books which guarantees tuna fishing rights, and which authorizes the State Department to call back vessels on loan from the United States, which are used to pick up our ships on the high seas. There is legislation which requires withdrawal of foreign aid from nations which engage in these illegal seizures. None of these laws has been enforced. Can the gentleman assure me that any of the relief intended by this bill would be enforced?

Mr. LEGGETT. My heart goes out to the frustrations of the gentleman from California and I can assure the gentleman that this bill takes out the discretion which has not been used under the previous legislation and does provide a remedy.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, is the gentleman saying really seriously that we can or should by statute simply ignore the expressed statement of the treaty?

Mr. LEGGETT. No. What I am saying is this.

Mr. ECKHARDT. That is what we would be doing here.

Mr. LEGGETT. Any treaty, as the gentleman well knows, is the law, but it is not law ad infinitum; it is law until another law takes its place.

Mr. ECKHARDT. Correct.

Mr. Speaker, if the gentleman will yield further, a treaty which is made may constitute international law if it is generally accepted by all nations.

Mr. LEGGETT. Right. But we can change the law of the United States any way we want and when we get 200 authors of a bill, a bill that has passed the Senate by a vote of 2 to 1 and they say we want to change the law of the United States, then we can change the law or treaty or anything else we want to.

Mr. ECKHARDT. Does the gentleman mean change a treaty we have made with other nations and violate existing international law?

Mr. LEGGETT. We have not reneged. I have talked to the Soviets. They are prepared to yield to our exercise of jurisdiction provided we will fish the optimum limit and allow the optimum limit to be fished by the international fleet, which we plan to do.

Mr. ECKHARDT. And the gentleman's discussion with the Soviets constitutes grounds to withdraw the solemn agreed treaty agreements, agreed to and confirmed by the Senate?

Mr. LEGGETT. All I am saying is the Senate decided to change this treaty before we did. All we are going to do is go along with the Senate. I think it is wise that we do this.

We can debate the merits of this bill when this bill comes up on Thursday. There is a free and open rule. I think the gentleman raises some important points. It is unfortunate when we heard this matter before the Foreign Affairs Committee there were only a small number in attendance, because we had a good debate and a good give and take, and the matter should be thoroughly explored.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. VAN DEERLIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 47, not voting 26, as follows:

[Roll No. 598]

YEAS—360

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Bedell
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.

Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Pressler
Preyer
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zeferetti

NAYS—47

Abzug
Anderson, Calif.
Annunzio
Bennett
Brown, Calif.
Burgener
Burton, Phillip
Chisholm
Conable
Cornell
Danielson
Dellums
Eckhardt
Evins, Tenn.
Fascell
Flowers
Gibbons
Gonzalez
Gude
Haley
Hayes, Ind.
Holtzman
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
McCloskey
McCollister
McKay
Mahon
Matsunaga
Mikva
Mink
Murtha
Nix
Obey
Patterson, Calif.
Poage
Price
Runnels
Schulze
Slack
Stratton
Van Deerlin
Yates
Zablocki

NOT VOTING—26

Beard, R.I.
Beard, Tenn.
Burke, Fla.
Burton, John
Duncan, Tenn.
Edgar
Esch
Fary
Fraser
Hays, Ohio
Hébert
Hinshaw
Jenrette
Krueger
Maguire
Moss
O'Brien
Quillen
Riegle
Ryan
Scheuer
Sisk
Symington
Udall
Wilson, Bob
Wright

The Clerk announced the following pairs:

Mr. Hébert with Mr. John L. Burton.
Mr. Hays of Ohio with Mr. Esch.
Mr. Edgar with Mr. Hinshaw.
Mr. Fraser with Mr. O'Brien.
Mr. Jenrette with Mr. Quillen.
Mr. Krueger with Mr. Bob Wilson.
Mr. Moss with Mr. Burke of Florida.
Mr. Sisk with Mr. Scheuer.
Mr. Riegle with Mr. Fary.
Mr. Udall with Mr. Beard of Tennessee.
Mr. Wright with Mr. Maguire.
Mr. Symington with Mr. Beard of Rhode Island.
Mr. Ryan with Mr. Duncan of Tennessee.

Messrs. BLANCHARD and LEHMAN changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING ACT OF 1975

Mr. THOMPSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9500) to stabilize labor-management relations in the construction industry, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9500, with Mr. SMITH of Iowa in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey (Mr. THOMPSON) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. ASHBROOK) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, H.R. 9500—the Construction Industry Collective Bargaining Act of 1975—is relatively simple and modest. It establishes a process, new machinery, whereby responsible leaders in the construction industry can meet on a regular basis to discuss their common problems. Through this new machinery they can make recommendations on crucial issues in labor-management relations and utilize new methods to solve pattern-setting local disputes.

The bill was first suggested by Secretary of Labor John Dunlop in his June testimony. It reflects his experience of more than two decades with labor-management problems in the construction industry. It was drafted in consultation with leaders of both labor and management in the industry. The bill was initially introduced by my distinguished colleague, Mr. QUIE, and myself. It has been cosponsored by more than 30 Members.

The principal criticism of the bill is that it does not go far enough. We admit that H.R. 9500 is only a step. Collective bargaining problems are deeply imbedded in the structure of the construction industry. They are the product of a long historical evolution. We cannot undo this historical legacy in a single leap. As the Chinese proverb says: The journey of a thousand miles begins with a single step. I believe this is a meaningful step. We think we can take more steps, after the consultations, studies and analyses provided for by H.R. 9500.

THE CONSTRUCTION INDUSTRY COLLECTIVE-BARGAINING COMMITTEE

H.R. 9500 rests on an assumption that labor and management in the construction industry are interdependent and share mutual interests. Its potential lies in the power of persuasion. It uses communication instead of compulsion, persuasion instead of Government regulation. H.R. 9500 further recognizes self-interest, a selfish motive, on the part of labor and management. They both want long-range solutions to the problems in this industry. The bill creates a committee of construction leaders and there is every expectation that this committee will meet regularly. They will be dedicated to bringing order out of the chaos which now exists.

THE COMPOSITION OF THE COMMITTEE

The committee would have 25 members. Ten will be qualified by experience and affiliation to represent the viewpoint of employers engaged in collective bargaining in the construction industry. Ten will be qualified by experience and affiliation to represent the viewpoint of the standard national labor organizations in the construction industry. And three members will be qualified to represent the public interest. All members are to be appointed by the President. The Secretary of Labor and the Director of the Federal Mediation and Conciliation Service are members ex officio.

The president will appoint all the members after consultation with representatives of labor and management.

One of the three public members is to be designated by the President as the chairman.

Alternate members may be appointed, in the same manner as regular members.

A quorum consists of five management members, five labor members, and one public member.

The Secretary of Labor is authorized to appoint such staff as may be necessary, including an executive director.

GENERAL FUNCTIONS OF THE COMMITTEE

H.R. 9500 authorizes the committee to study the problems of the industry, and to make recommendations when appropriate. The bill pinpoints some crucial areas for the committee's attention. These include:

First. The geographical structure of bargaining within the industry;

Second. The appropriate expiration dates of collective bargaining agreements;

Third. The recognition of appropriate apprenticeship, training, and skill level differentials among various crafts;

Fourth. Voluntary procedures for dispute settlement;

Fifth. Problems of productivity, and

Sixth. The stability of employment opportunities.

The committee is authorized to make legislative recommendations in these and similar matters. We hope and expect to hear from them.

The committee is further authorized to create national craft boards, or other appropriate organizations for the dual purposes of helping resolve local labor disputes, and reviewing developments in the industry.

RESOLUTION OF LOCAL DISPUTES

The committee is to take a broad overview of the entire industry and its labor-management problems. It is also to participate in those local disputes with far-reaching consequences.

Sixty day notice. To this end, section 4 requires each local union affiliated with one of the 18 standard national construction unions to give notice 60 days prior to the expiration or reopening of a contract to the parent national union. Similarly, a local contractor is required to give notice to all national contractor associations with which he is affiliated. If he has no such affiliation, he gives the notice directly to the committee. The parent labor and management associations, in turn, immediately furnish copies of the notice to the committee.

Optional jurisdiction for 90-day period. Section 5 authorizes the committee to take jurisdiction within a 90-day period, which includes the 60-day advance notice, and a 30-day period following the expiration or reopening of the contract.

If the committee takes jurisdiction, the situation is frozen. Strikes and lockouts are prohibited within the 90-day period. The committee may, of course, release its jurisdiction prior to the end of the 90 days.

Options open to the committee. When the committee takes jurisdiction, it has several options. It may refer the matter to voluntary national craft or branch boards. Or, it may meet with the interested parties.

Request that parent organizations participate. The committee has the further option of requesting the parent labor organization and the parent construction contractor association (if there be such) to participate in the negotiations. If the parent labor organization is called on to participate, any agreement made by the local affiliate must be approved by the relevant national labor organization.

The witnesses all agreed that this is an important first step to bring some order out of the fragmented bargaining in the construction industry where half a million contractors and over 10,000 local unions deal with each other.

The Committee on Education and Labor reported this bill favorably by a vote of 34 to 1.

In closing, I would like to call attention to one provision in H.R. 9500. It expires on February 28, 1981, unless extended. If this experiment fails it will automatically self-destruct. But I believe H.R. 9500 is a good bill.

It is a crucial first step to remedying the thorny problems of this troubled industry. The blunt fact is that management faces the prospect of locking itself out of business and labor of striking itself out of business. H.R. 9500 provides a mechanism and an opportunity for sober and thoughtful negotiations before mutually destructive disputes end up in stopping construction. I urge enactment of the bill.

Mr. PERKINS. Mr. Chairman, it has been said that H.R. 9500 is a modest bill. It is modest in what it provides. It is anything but modest in what we expect it to achieve—that is, to stabilize labor-management relations in the construction industry.

The construction industry represents about 10 percent of the gross national product. It employs over 3.5 million workers, about 5 percent of the total nonfarm labor force of whom some 2.5 million are organized.

The construction industry is unique in its geographic dispersement, in the complex employment patterns that prevail throughout the industry. Unlike other industries it does not involve a stable labor force working at a fixed location for long periods of time. It employs workers with a variety of skills, who when their work is done frequently, after only a few days, leave the worksite not to return.

In part, because of the unique character of the industry and, in part, for historical reasons, this industry also has unique collective-bargaining relationships. Those relationships are highly fragmented. There are almost one-half million contractors and builders in this industry, many of whom are organized at the local, regional or national level; but many of whom are not members of any association. The organized workers are affiliated with 18 national unions which are organized into over 10,000 locals. In general, with the exception of the electrical workers, negotiation of collective-bargaining agreements and the conduct of strikes are carried out by local unions or district councils and local chapters of contractor associations.

It is the fragmented character of the collective-bargaining process, which for the most part is carried out at the local level, that is at the root of most of the serious problems which the industry faces today. Secretary John T. Dunlop, a man intimately involved with the construction industry's collective-bargaining process for many years, suggested in hearings before our committee that the local character of bargaining in this industry has failed to provide adequate consideration for the broader interests of the industry. The whipsawing negotiations, the leapfrogging of wage scales which have characterized the industry in many areas, he indicated, has led to distortions of traditional wage relationships, inefficient manpower utilization, and costly strikes.

In 1974 there were some 688 strikes involving almost 630,000 workers at a cost of 12,721,000 days of idleness.

To deal with the problems of this industry and in the hope of reducing the impact of strikes on it, Secretary Dunlop suggested that a modification of the collective-bargaining structure in this industry was badly needed. The major change he suggested was an enhanced role for national unions and national contractor associations, working as a group. This he said was necessary to provide the leadership to solve the critical problems of collective bargaining, productivity, and manpower utilization.

This bill does not go as far as some would advocate. It does not provide for compulsory arbitration or even "fact finding." It does not impose massive Federal interference in this traditionally private sector, or for any other arbitrary interference with our traditional practices. This, as I have said, is a modest bill, a restrained bill. It is, as many have characterized it, a step in the right direction. It offers an opportunity for the responsible leaders in the industry to discuss and share their mutual concerns for the welfare of the industry, and to exert their influence on the industry and on the collective-bargaining process. It provides for the injection of concern for the public interest as well. The bill follows a tradition and a history of recognition by the Federal Government of the uniqueness of the construction industry.

The industry received special treatment in the early 1940's in the operations of the Wage Adjustment Board. The National Labor Relations Board from 1935–47 exempted the construction industry from the Wagner Act. The industry received separate treatment in the Wage Stabilization Board during the Korean War. In the Landrum-Griffin amendments to the National Labor Relations Act, we provided separate treatment in several respects for the building and construction industry in such things as the validation of the "pre-hire agreement."

The Construction Industry Collective Bargaining Committee established by this act is modeled on the similarly named Construction Industry Stabilization Commission established by Executive order in March of 1971 under the authority of the Economic Stabilization Act of 1970. The proven effectiveness of that Commission gives great promise to the procedures laid out in H.R. 9500. That Commission was successful in reestablishing to some degree the historic wage relationships that had become badly distorted and in improving the structure of collective bargaining. It brought the expertise and broad vision of union presidents and national contractor associations to bear on industry problems, yet it dealt with each case individually and was able to give special attention to unique local and craft situations and to coordinate the bargaining among the crafts and branches within given localities.

The committee which this bill provides for, like the previous Commission, will involve the national union presidents and national contractor association representatives. It will use the national craft or branch boards or other appropriate organizations. I expect it to be successful in reducing work stoppages, in widening the geographic and craft structure of negotiations in some areas, in rationalizing work rules and in bringing some reality to the wage and fringe benefits structure in this industry.

All of this H.R. 9500 seeks to accomplish without change in our basic labor relations law, for as we state in the committee report:

> H.R. 9500 is intended to operate without interference with the National Labor Relations Act, the Landrum-Griffin Act or the Mediation and Conciliation Service. It is not intended to make lawful anything which is now unlawful. It is contemplated that all relevant laws will be read together in harmony to give effect to each and all.

Section 9(d) of the bill is designed solely to implement this objective. Of course, neither this nor any other bill exists in a legal vacuum. On the contrary, Congress legislates against the background of other laws and of judicial and administrative decisions interpreting those laws. Some of those laws already regulate the collective bargaining process, and the relationships between unions and employers, international and local unions, and employers and employers' associations. It is necessary, therefore, in order to avoid uncertainties as to our intention, that we make explicit our understanding of the relevant law, and to the extent that it is in doubt, what we regard to be the correct view which should govern future interpretation.

The statement in the committee report "that all relevant laws [should] be read together in harmony * * *" is not to be taken as an invitation by the National Labor Relations Board or the courts to interpret such other laws in a manner which expands the rights and duties, or remedies and liabilities thereunder, in order to further the objectives of H.R. 9500. Rather, it is prescribed that the procedures established by H.R. 9500 will operate in the framework of the National Labor Relations Act, but that a failure to comply with H.R. 9500 will be remediable only as provided in H.R. 9500.

Thus, section 4(a) of the bill refers to the notice requirements of section 8(d) of the National Labor Relations Act as amended. It is expressly stated that the notice requirements established by the bill will be "in addition to the requirements of any other law, including section 8(d)" of that act. This does not mean that the new requirement is to be enforceable through the remedies of the National Labor Relations Act. If a union goes on strike without complying with the notice requirements or other provisions of H.R. 9500, the strikers will not for that reason be engaged in unprotected activity or lose their status as where the union violates section 8(d) of the NLRA; similarly, if an employer locks out without compliance with H.R. 9500, the employees do not thereby become unfair labor practice strikers.

Section 8(c) of the bill expressly provides that "failure or refusal to fulfill any obligation imposed by this act on any labor organization, employer, or association of employers shall be remediable only by a civil action for equitable relief brought by the committee in a district court of the United States, according to the procedures set forth in" section 8(d) of this bill. As with sections 10(j) and 10(l) of the National Labor Relations Act as amended, it is intended that the right of the public agency to seek relief—here the construction industry collective bargaining committee—shall be exclusive and that no private party shall be entitled to seek any relief for failure or refusal to fulfill any obligation imposed by this act. Section 8(d) of the bill is implemented by section 8(f) which makes the anti-injunction provisions of the Norris-LaGuardia Act inapplicable for the granting of appropriate relief under this bill. However, the courts will, of course, continue to be bound by general equitable principles and the Federal Rules of Civil Procedure, including rule 65 dealing with injunctions.

Again, even as section 5(a) provides a notice requirement not found in the National Labor Relations Act, so section 5(b) authorizes the Construction Industry Collective Bargaining Committee to request the parent national construction labor organization and employer association to participate in the collective bargaining process; if the committee asserts jurisdiction, section 5(c) requires that the national union approve any collective bargaining agreement if it is to have any force and effect. We so provide, although under the National Labor Relations Act it is the exclusive union prerogative to determine the extent, if any, in which the national labor organization shall participate in the collective bargaining process or as a party or obligor under an agreement, see *Labor Board* v. *Borg-Warner Corp.*, 356 U.S. 342.

So, too, the bill recognizes the industrial reality that the standard national labor organizations covered by this bill are separate from their subordinate local unions and intermediate bodies despite the existence of some or considerable control by the national organization over the subordinate bodies. Thus, section 5(d), like a similar provision in H.R. 5900, codifies the principle that the existence of such authority by the national union over subordinate bodies does not render the national responsible on a theory of respondeat superior or joint venture or otherwise, for any acts of its subordinate bodies—or their officers or members—unless the national union has authorized, participated in, or ratified the illegal conduct. See, for example, *United Mine Workers* v. *Coronado Coal Company*, 259 U.S. 344; *Coronado Coal Company* v. *United Mine Workers*, 268 U.S. 295; *DiGiorgio Fruit Company* v. *NLRB*, 191 F. 2d 642, 646 (C.A.D.C.); *Franklin Electric Company*, 121 NLRB 143. And for the same reason, the national union does not become a party to or an obligor under a collective bargaining agreement to which a local union is a party unless it has expressly agreed to do so.

Furthermore, it must be borne in mind that the national labor organization is in effect being conscripted for the performance of a function deemed to be in the interest of national labor policy, and may deem it advisable to take action which is potentially unpopular. Therefore, questions of agency aside, it would be entirely inappropriate and inequitable to hold it responsible for any illegal acts that occurred during the negotiations in which it is a forced participant, resulting from a strike which it permits or growing out of the collective agreement eventually reached, which under section 5(c) it must approve if the agreement is to have any force or effect.

Thus, to mention some obvious examples, neither an employer who is aggrieved by a decision to allow a strike, or a local union which is aggrieved by a decision not to allow a strike, or an employer, subordinate local, or other person who is injured by the agreement or by actions taken under the agreement, may sue the national labor organization for such injury. Nor can the existence of the authority and responsibility created by this bill, or its exercise, be used as evidence against the national union. Of course, the bill does not disturb any remedies which present law provides against a local labor organization for its torts or breaches of contract or violations of statute.

Section 5(c) gives employer associations the same protections as national labor organizations. For they, too, are separate entities for employers and they, too, are being conscripted into the bargaining process for the effectuation of Federal labor policy.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, H.R. 9500 has been described as a modest bill. Its opponents claim that it is too modest, and that additional measures should be taken at this time.

H.R. 9500 is indeed a modest bill in many respects.

It is limited in duration. It is to expire on February 28, 1981, unless sooner renewed by Congress.

It is limited in scope. Employers who do not recognize or bargain with unions are not affected in any way. It also does not apply to employers who recognize and bargain with independent unions not affiliated with one of the 18 standard national construction labor organizations.

H.R. 9500 is limited to the situation wherein existing collective bargaining contracts are in the process of renegotiation. It has no applicability to the situation wherein unions and employers are negotiating their first or initial contract.

H.R. 9500 has few new requirements. Local unions and local contractors are required to give 60 days advance notice to their parent organizations when they intend to renegotiate a contract; and this notice is furnished "forthwith" to the construction industry collective bargaining committee. This is but a slight burden. The same parties are now required by section 8(d) of the National Labor Relations Act to give a similar 60-day notice to one another when they wish to terminate or modify an existing contract. It is a matter of another Xerox copy and a stamp.

If, and only if, the committee decides to assume jurisdiction over the local dispute, the right to strike or lockout is delayed for a 30-day period while the committee itself enters the bargaining process, or refers the matter to a national craft or branch board.

If, and only if, the committee requests the parent union organization and the parent contractor association to participate in the negotiations, then the approval of the parent labor organization is necessary before any new bargaining agreement shall be of any force or effect. Pending such approval, the parties are prohibited from making any changes in the terms or conditions of employment.

The constitutions and by-laws of most of the international unions in the construction industry already give the parent organization this type of control over its local affiliates.

H.R. 9500 has no sanctions, no prohibitions, no unfair labor practices. The few positive requirements are enforceable by civil injunctions sought by the committee in the appropriate Federal district courts.

H.R. 9500 is intended to operate without interference with the National Labor Relations Act, the Landrum-Griffin Act, or the Mediation and Conciliation Service. It is not intended to make anything lawful which is now unlawful, or to make unlawful anything which is now lawful. It is contemplated that all relevant laws will be read together in harmony to give effect to each and all.

What are the positive virtues of H.R. 9500? It emphasizes a pragmatic approach to the problems of labor-management disputes in the construction industry, utilizing communication instead of compulsory arbitration, relying on persuasion instead of Government regulation. It provides an enhanced role for national labor and contractor organizations, and thus provides opportunity for a "second look" at the issues in controversy by those removed from the scene, by those whose vision is considerably broader. It is a significant and worthwhile step.

Mr. ASHBROOK. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in opposition to the bill, H.R. 9500.

My views concerning H.R. 9500 are set forth in the minority views in the House Report 94–509, but let me reemphasize some of those views.

We are considering a bill that we were promised would achieve major reform concerning the labor problems of the construction industry. The legislation which has been so glowingly endorsed today is part of a package that has been espoused for years by the present Secretary of Labor. He has actively sought reform for some time, but each of his proposals over the years have been set on the back burner, unlighted. That burner was unlighted until the "common situs picketing" bill, H.R. 5900, moved to the heated front burner in late July. After that bill passed this House, word was sought as to the President's intention to sign or not to sign the common situs bill if it were ever presented to him by the Congress. It was discovered that the President was not favorably disposed to H.R. 5900, the common situs bill—and his disposition was, and is, entirely proper logically, legally, and realistically—unless a reform bill regarding construction industry collective bargaining reached his desk at the same time. That, and that alone, is the impetus for this bill. That, and that alone, is the reason this bill is moving so quickly through the Halls of Congress. That, and that alone, is the reason the same promoters of H.R. 5900, common situs picketing, are now moving a concept which they have had before them and totally ignored for many years.

Even if we were to ignore the political impetus of H.R. 9500, we should not ignore its content. The panacea in construction industry labor relations, described, hoped for, and envisioned, is not contained in this bill. The real resolution of construction industry problems and disputes is an unknown, and H.R. 9500 does not provide the answers; it does not even provide the questions. In our determination to rush this bill through committee and through the House, we have not even studied the problems, so how can we recognize H.R. 9500 as the answer?

That is my principal objection to H.R. 9500—that its foreseen premature enactment precludes this Congress from taking an indepth look at all the problems of collective bargaining in construction. Those complex problems deserve more than 2 days of hearings and more than a cursory, superficial review. They deserve thoughtful, thorough study and consideration.

One Member of this House, the gentleman from Illinois (Mr. ANDERSON), introduced a bill to be considered in regard to the issues of collective bargaining in the construction industry—H.R. 8867. We have not even mentioned his bill. We have not taken the different concepts in his bill and compared them with the Dunlop bill. It would seem appropriate for us to consider all proposals before rushing headlong a bill through this House for, obviously, reasons of political expediency only.

There are certain provisions in this bill which should be of great concern. One is the concept that an enhanced role for national labor organizations and national contractor associations working as a group is needed to minimize instability, and conflict. This is a broad, general assertion which has been given minimal attention. This enhanced role for national unions and national contractor associations is an ideological concept whose principal authority is the Secretary of Labor. However, management groups see their "enhanced role" as unnecessary for any desirable purpose. I would go even further and find that management's enhanced role is very little other than its mere participation in the committee. National management is not given the power to disapprove a local contract as is a national labor organization. That creates a tremendous imbalance and goes too far in weighting the seesaw of collective bargaining in favor of labor.

This power granted the national unions to disapprove local contracts is also unnecessary, since most of the national building trades unions have that authority already in their constitutions. In the past, the national unions have been reluctant to exercise that power. It has been speculated that they have been reluctant because of political pressures from strong local unions. What is behind all this union politicking is something we should investigate before we grant this new legislative tool to national unions. Furthermore, in granting national unions this new power under legislation, there is no provision in this bill to protect against an abuse of that power. Rather, this bill grants them broad immunity from civil and criminal liability—an immunity even beyond our congressional immunity, an immunity greater than any other governmental agent's immunity.

I am aware of the Erlenborn amendment, which I support, to attempt to limit that immunity. But that amendment does not go far enough in protecting against an abuse of the power granted the national unions. For instance, a national union does not even need to explain why it may disapprove a contract. There is as much power to dictate higher settlements as there is to stabilize the ever-increasing wage demands. Without some restrictions upon the veto power to be given to national unions under H.R. 9500, it should be similarly rejected.

Borrowing further from my minority views, let me emphasize that this bill does not contain the wholehearted support of industry and labor. For instance, we have not even heard from one local union, and the National Chamber of Commerce, one of the largest customers of the construction industry, flatly opposes H.R. 9500. The Associated General Contractors, the largest construction industry employer group, cannot support this bill in its present form. The sheet metal and air-conditioning contractors oppose the bill as does the largest nonunion construction employer group, the Associated Building and Contractors, Inc. And none of the employer groups who did endorse the bill endorsed it without reservations. They believed that any step to stabilize bargaining in the construction industry should have some meaningful, substantive, and permanent purpose. This bill does not provide those ingredients. I urge its defeat in order to provide for more meaningful legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHBROOK. Mr. Chairman, I yield myself 1 additional minute.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Iowa.

Mr. GRASSLEY. I thank the gentleman for yielding.

If there was a compromise worked out here, or if there was a deal made between H.R. 5900 and H.R. 9500, in fact it is only a deal for 6 years, then, because this bill was only in effect for 6 years—or is there a restriction of 6 years on H.R. 5900?

Mr. ASHBROOK. H.R. 5900 would be a permanent enactment of law. H.R. 9500; even from the most generous appraisal by the chairman, is but a first step. It is probably logical it would be limited, so here the gentleman is absolutely correct. The other is a permanent piece of legislation. This at best is visionary, obviously a first step or whatever one might want to call it, and is at best a limited 6-year piece of experimentation.

Mr. GRASSLEY. If the gentleman will yield further, as the ranking minority member of this committee, would he tell a freshman Member of his party how we can get sucked into passing legislation which is so overwhelmingly on the side of labor, when in fact we ought to be working for more in quota in the collective bargaining relationships as opposed to passing legislation that time after time puts more of the power in the hands of labor.

Mr. ASHBROOK. The gentleman raises a very substantive point. He might lament the fact it would seem his party and his side of the aisle is rather impotent when it comes to facing up to our responsibilities in that area. I would say honestly and candidly if we were trying to be evenhanded—and we hear so much about it in foreign policy—we would be considering at least the Anderson of Illinois bill which deals with the problems in the construction industry and at least work that in as part of our consideration in this bill. That is of course one of the points I made.

But the Secretary of Labor has had this position for years. He has evidently talked the President into it and it appears most of the Members of the House are inclined to go along with it. That is the way I see it. I do not agree with it but that is my appraisal.

Mr. GRASSLEY. But the people of labor and on the other side of the aisle ought to be glowing right now because of the fact that they have had a Republican Secretary of Labor bring this proposal to them that puts so much weight on their side.

Mr. ASHBROOK. I would say to the gentleman we have been suckers so often that maybe we are professional suckers at this point.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, the question I would like to ask is this. It seems to me not so much a question of being tipped so much in favor of labor but a question of nationalizing this whole matter of local labor unions and sort of requiring them to affiliate with some national organization, and at the same time as far as the employer groups we are sort of compelling them to associate with some sort of national group in order to get the benefits under this legislation. Is there not some kind of monopolistic effect of this legislation affecting both the management and the labor sides?

Mr. ASHBROOK. In the case of international labor of course the point is in their charter, this power of the international to override in effect.

But I cannot help pointing out, in light of the statement of the gentleman from Iowa (Mr. GRASSLEY), that there was a time when the people on this side of the aisle talked of local democracy and we fought for the Taft-Hartley bill and the Landrum-Griffin bill and the local level of power and local democracy. This bill goes in exactly the opposite direction.

Mr. McCLORY. This bill tends to nationalize it.

Mr. ASHBROOK. I would agree with the gentleman very much.

Mr. THOMPSON. Mr. Chairman, I yield myself 1 minute.

Notwithstanding my disagreement with my distinguished friend and ranking minority member on the Labor-Management Relations Subcommittee, the gentleman from Ohio (Mr. ASHBROOK), I would like to thank the gentleman, even though I do not agree with him on this matter, for his very constructive attitude.

I might say to the gentleman from Iowa that if the gentleman will review the history of labor-management relations, particularly in this industry, I think he would come to a conclusion other than that this is a labor-oriented piece of legislation. It is quite to the contrary. If it will do anything I would predict—and I ask Members to remember it is on a trial basis and a self-destruct basis—it will reduce conflicts in this industry.

Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Chairman, I take this time to engage in a colloquy with the gentleman from Ohio (Mr. ASHBROOK). I ask the gentleman from Ohio: While it is true H.R. 5900 is permanent law and this bill on its face has a limited life, I think we came to agreement in the committee, even though the gentleman and I might disagree on whether this bill should pass or not, that since this is something new we are trying. We are setting up a new Federal agency and are trying to work with the relatively new set of relationships between labor and management and, therefore, it would be a pretty good idea to have a time certain on the date of it so that the Congress and whoever is here 5 years from now at the very latest would once again have to confront this and determine whether or not it should be continued or supported.

The very fact that the gentleman from Illinois (Mr. ANDERSON) has so many ideas on how to stop this structured situation indicates at the very least Congress will have to revise it.

Would not the gentleman say that characterizes our approach why it is 5 years?

Mr. ASHBROOK. I would say to my colleague, the gentleman from Michigan, that different people read different things, different reasons into the necessity for the bill and the contents of the bill. I guess from my standpoint, again addressing myself to part of the comments of the gentleman from Iowa (Mr. GRASSLEY) having watched the leaders of labor over the years and having developed great respect for them, I would answer by saying if there was anything in this bill of a severe consequence to the Landrum-Griffin Act or Taft-Hartley, they would not be supporting it and it reiterates my opinion that it is merely for the purpose of accomplishing a significant stabilization in labor relations.

Mr. THOMPSON. Mr. Chairman, I reserve the balance of my time.

Mr. ASHBROOK. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, the legislation before us does have more controversy because we passed H.R. 5900 than would be the case if that bill had not been enacted. I would imagine we would have had more controversy expressed on the part of organized labor if they had not entered into the agreement that this must go along with H.R. 5900, for the President to sign H.R. 5900. I would imagine there would have been little controversy on the part of the management groups if it was not also the understanding on their part that that arrangement had been made and if that some way or other they could stop this piece of legislation, they would stop H.R. 5900.

I can see very little wrong with this legislation. It may be that it does not go far enough in the interests of some, but as far as what we have before us, and which has been indicated before, will be on a trial basis, I see little that could be wrong.

Now, there is a feeling on the part of some that in the case that an international union has jurisdiction and could have the authority to approve or disapprove a contract if there was an agreement between the association of employers and the local union and the international turned it down, there is a feeling on the part of some that they may turn it down because the contract does not go far enough, does not have high enough wages, or great enough restrictions on the employer association; but from listening to the testimony and listening to Secretary Dunlop and talking to representatives of organized labor, I believe that is not going to be the case, because as that committee operates, the representatives of the international labor organizations will be dealing with each other, dealing with the 10 employer group concept, at least the expression will be brought to them of the danger of excessive reaches in their contract that would come to bear on the local level.

So this may be group dynamics, but at least at this point I believe it is far superior than anything that we could enact which would have mandated any specific action on the part of either party and on the part of this Congress.

So, I urge my colleagues to support H.R. 9500. I think it is a valuable piece of legislation that will benefit the stability in the construction industry.

The conditions in the construction industry are about as unstable as one can find. The collective bargaining has been fragmented into small units, and strikes have been having a whipsawing effect and leapfrogging results that have had inflationary effects. In a recent publication of the Bureau of Labor Statistics, it showed that during the 1962 to 1971 period, before we engaged in the wage and price controls, the workers in the construction industry accounted for only 4 percent of the civilian labor force, but these workers accounted for almost 17 percent of all the striking employees. Those figures showed that the construction industry is very strike-prone, and as strikes were rising in number, so were the wage settlements, which were averaging over 17 percent in first-year contracts. During the control years of 1969 to 1974, some stability was achieved, but when the stabilization program expired in 1974, strikes and wage settlements again escalated to precontrol levels.

Secretary of Labor Dunlop has been urging this reform for some time. Since the construction industry accounts for 11 percent of the gross national product, and strikes and stoppages affect other crafts, material supplies and other industries, some reform is needed. We are now finally becoming aware that something must be done to lessen the possibility of those strikes, to reduce their number, and to end the leapfrogging effects of wage settlements.

I would indicate that organized labor understands that is the reason for this legislation. Secretary Dunlop has made that clear.

The gentleman from New Jersey (Mr. THOMPSON) has explained the bill in detail, but I would like to add something to its philosophy. The bill does not compel, nor does it interfere with other law governing labor-management relations. What it does is to set up the machinery through which national unions and national contractors can carry on a dialog about the problems and disputes in the construction industry. Not only can the committee established by this bill take jurisdiction over local disputes, thereby becoming aware of the causes of those disputes and assist in attempts to resolve them, but it also authorized to make recommendations as it deems appropriate to promote stability in the construction industry. The parties on both sides of the bargaining table have an opportunity to thoroughly consider the issues of bargaining in construction.

I might point out here in the act we considered in 9500, the purpose of that was to get at the local unions. It did not address itself to the question of national or international unions, and in this case we find in the construction industry that it would be wiser if that additional authority would be exercised by the international unions. To that extent, I believe it is a wise piece of legislation.

The reason why national associations of employers were left out and do not have the same actual treatment as the national construction labor organizations is that they have not developed to that state as yet, and most of them chose not to be affiliated with an international association for the settlement of disputes. For that reason, at this point, we left them out.

All too often, Congress passes laws with penalties, or with compulsion behind them. This bill provides a new turn—a new twist—where we, the legislative branch, provide a mechanism for parties to reach agreement without compulsion and without penalty. I believe that this policy, this "pragmatic approach," should be given a chance to be tested. Not only does this bill provide that chance, it is a concept that is also compatible with labor-management relations—that is, that neither party has to accept a proposal, but that each must come to the bargaining table in a good faith effort to reach an agreement.

In addition to the opposite parties participating in this process, the position of the public interest is protected. The bill provides for participation by up to three neutral members on the committee. In addition to the requirement of at least one public member being present to constitute a quorum for the committee to do business, I think Mr. THOMPSON would agree with me that the committee is, in effect, a tripartite committee and that action will be taken only when the public member constitutes the weighted vote. In other words, once a quorum is present, the committee can do business, but the balancing factor necessarily must be the impartial public member. Since the committee can establish its own rules and regulations, it is anticipated that those rules and regulations will keep this congressional intent in mind.

Earlier I stated that this bill does not interfere with other laws dealing with labor-management relations. In order to insure that statement, I proposed an amendment in the full Education and Labor Committee which provided that—

> Nothing in this Act (H.R. 9500) shall be construed to supersede or in any manner affect the provisions of the National Labor Relations Act, the Labor-Management Reporting and Disclosure Act of 1959, or the Labor-Management Relations Act, 1947.

Many labor lawyers and others had raised questions as to how this bill would coordinate with the NLRA, particularly since certain provisions in H.R. 9500 would appear to conflict with that act, for instance, the provision which provides for exemption from civil and criminal liability and the provision that no change in terms of conditions of employment prior to national union approval of a contract. When Secretary Dunlop appeared as a witness, he assured our committee that it was not the intent of H.R. 9500 to, in any way, preempt the NLRA. He envisioned H.R. 9500 and the NLRA as working in a coordinated fashion or along parallel lines. Therefore, in order to make this perfectly clear, I offered my amendment which was accepted.

With the inclusion of my amendment, the National Labor Relations Board's authority to determine units appropriate for bargaining still stands, as do the remedial orders issued by the Board in unfair labor practice cases. However, we anticipate that the Board will cooperate with the committee in establishing bargaining units appropriate to the goals this bill seeks in order to produce greater stability in construction industry bargaining. Also, once the jurisdiction of the committee established by this bill expires, the parties would be free to take the economic or self-help action under rules already established by the Board. The only change would be that the parties, meaning the employer and the local union, could not enter into a contract prior to approval by the national union; otherwise the bargaining structure is unaffected. Thus, while a contract could not be put into effect as such, the terms and conditions of employment already offered could be put into effect.

The purpose of this bill is to achieve a more viable and practical structure for collective bargaining in the construction industry. It establishes procedures for negotiation with a minimum of governmental interference in the free collective bargaining process. It is compatible with present concepts of bargaining. It is a pragmatic approach to a pressing problem. The reform it seeks may not be as dramatic as expected, but the reform may be surer than anticipated.

I support the concepts of this bill. I believe discussion and persuasion are more appropriate in the bargaining process and hold out more hope for reform than compulsion or mandatory arbitration.

Mr. Chairman, I would urge my colleagues to support, I believe, a very worthwhile step in bringing about stability in this industry and to make it of equal consideration with H.R. 5900, which passed the House at an earlier time.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I rise in support of this measure, and I associate myself with the remarks of the gentleman in the well.

Mr. Chairman, I would like to compliment the Committee on Education and Labor for its swift action in bringing H.R. 9500 to the House floor.

I believe this bill is a necessary companion to legislation which the House passed earlier this year; namely, the common situs picketing bill. Under the terms of this previous measure, a union may picket the whole construction site when it has a dispute with one of the subcontractors on that site. I believe that this is valid legislation in that the contractor and the subcontractors in the construction industry, by the nature of their common goal of producing the product as a whole, are not the innocent third parties that the "secondary boycott" provision of the Taft-Hartley Act seeks to protect.

However, I have no desire to see widescale strikes in the construction industry. It is my hope that enactment of H.R. 9500 will serve as a balancing factor to the common situs picketing bill. The establishment of a Construction Industry Collective Bargaining Committee, composed of representatives from labor and management, provides a forum whereby the industry leaders can examine their problems. Further, the committee will have at its disposal several alternatives for action in dealing with collective bargaining agreements. While it is generally recognized that this legislation is limited in scope, it is, at least, a first step toward creating an orderly procedure to resolve disputes in the construction industry. I, therefore, urge my colleagues to give it their support.

Mr. THOMPSON. Mr. Chairman, I yield myself 1 minute.

I do so for the purpose of expressing my gratitude to the ranking minority member of the Committee on Education and Labor for his cooperation. This has been a really long-term effort, in terms of development of what we hope will be stabilization in the industry. The gentleman's characterization of it is accurate, and I simply want to express my appreciation to him and to the members of the Subcommittee on Labor-Management Relations and to the full Committee on Education and Labor for their assistance in this regard.

Mr. ASHBROOK. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I rise in support of H.R. 9500, and at the outset let me say that it is somewhat unwilling support, in a way.

In viewing the act itself that is before us, I think that it may achieve some laudable purposes. I think it has moved rather quickly from the stage of the discussion area, in the summer, to the stage when we first actually saw language that was introduced as a bill, and then very quickly moved from the hearing stage to passage from our committee. I hope we have not moved too quickly.

Mr. Chairman, I think the basic purpose of the act does have reason for us to support it. What does make me a bit reluctant in my support is the fact that it is apparent the President considers this a companion piece of legislation to H.R. 5900 which passed this body earlier.

Mr. Chairman, I was opposed to the so-called situs picketing bill, I voted against that bill, and I hope my support of this legislation before us will not in some way help to achieve the final enactment of the situs picketing bill.

I do have a few questions concerning the language in the bill. As I have said, it has moved rather rapidly. There may be areas that could be clarified. If the gentleman from New Jersey, the chairman of the committee, would be willing to answer some questions, first of all, on page 14, line 23, we refer in the bill—and it is repeated thereafter—to "standard national labor organizations."

First of all, I should put it in context. The bill is not an amendment to any existing legislation. It is not an amendment to the Taft-Hartley or the Waggonner Act. It stands alone. The bill does contain definitions, and the definitions section contained on page 25, in section 10, does define a "labor organization" the same way that it is defined in the Labor-Management Relations Act of 1947. But the word "standard" is not defined. Could the gentleman tell me the significance of the word "standard," when it is added to the phrase "national labor organization"?

Mr. THOMPSON. Mr. Chairman, if the gentleman will yield, first of all, I would like to state that the gentleman is precisely correct when he says that we are amending any other existing law, the National Labor Relations Act, or any other act.

The term "standard" as used here, was taken from the testimony of Secretary Dunlop.

My interpretation of it is that it is applicable to the 18 existing so-called standard national labor trade unions. It has no other significance.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman for his comments.

I would like to refer the gentleman now to page 16, lines 12 through 14. It refers to "serving a written notice of the proposed termination or modification in the form and manner prescribed by the Committee sixty days prior to the expiration date thereof," the "thereof" referring to the existing contract.

Mr. THOMPSON. Mr. Chairman, if the gentleman will yield, the purpose of that is to mean at least 60 days. It is no more restricted than that. I am glad the gentleman is making that legislative history clear. It can be longer, but it must be at least 60 days.

Mr. ERLENBORN. As the gentleman recalls, before the committee there was a problem tying this section in with a later section that gave an unwarranted length of time or would allow the time to be cut off.

I think the words "at least," were in the bill at that time and they were taken out by amendment.

This would seem to be too harsh, to say that if notice was served in 61 days or 62 days, it would not be effective. So the words are meant to be read into this.

Possibly the gentleman from New Jersey would accept an amendment at the proper time to add the words "at least."

The CHAIRMAN. The time of the gentleman from Illinois (Mr. ERLENBORN) has expired.

Mr. THOMPSON. Mr. Chairman, I yield 4 additional minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I see really no necessity for this nor would I see any major objection to the gentleman's request. One must consider Saturdays, Sundays, and holidays. The 60 days implicit in it is meant to mean at least 60 days.

If the gentleman thinks that in order to perfect it, we should add the words "at least," then I foresee no objection at this particular moment.

Mr. ERLENBORN. Mr. Chairman, I might suggest that would be useful since the legislative history has those words in it and those words are in the bill as it was introduced, and since they have been removed by the committee. A court looking at this might reach the conclusion that we meant to accomplish something by taking the words "at least," out of the bill as it was introduced.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield further?

Mr. ERLENBORN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, some contracts, I will say to my colleague, the gentleman from Illinois, do not provide for a specific termination date. The committee established under the act is going to look into this question. Therefore, the notice, as I construe it, is adequately stated.

Mr. ERLENBORN. If the gentleman would look at the following language on line 15 through line 18, he will find that does raise a question.

Mr. THOMPSON. It operates to set the date of expiration.

Mr. ERLENBORN. Yes, there is separate language for the case where there is no expiration date. The language I refer to is in the case where there is a specific expiration date.

I simply want the record to be clear, and I think the legislation should be clear, and we should set forth that we are not calling on them to do this precisely on the 60th day. They could serve the notice earlier to make sure. But the other language in the bill has been so changed as to eliminate the difficulty with respect to the running of the 90 days.

Mr. THOMPSON. Mr. Chairman, if the gentleman insists on this, although it is my considered judgment that the addition of the words "at least," is really not necessary, following this colloquy, if the gentleman will show me the language, I would be glad to consider it. I do not consider that the addition of the words "at least," which in a sense are out of context, is necessary, especially following this colloquy which is establishing the legislative history and setting forth that we do mean at least 60 days before.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman.

I have one last observation, and this relates to section 5(d) on page 20.

The gentleman and I have had a conversation concerning this language, and I have shown the gentleman a proposed amendment which I understand he will agree to.

The problem is that I think inadvertently we have extended the blanket exemption from criminal and civil liability beyond what was intended, and the amendment that I intend to offer will delineate the extent to which we offer this exculpatory language.

Mr. THOMPSON. Mr. Chairman, I have had lengthy discussions on this subject with my colleague, the gentleman from Illinois (Mr. ERLENBORN), and it is my understanding that his amendment will clarify that problem. It is my intent to accept the gentleman's amendment, and in the course of accepting it I intend to make a statement precisely so that we will have no question of the legislative history.

Mr. ERLENBORN. Mr. Chairman, I thank the gentleman.

Mr. ASHBROOK. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman from Ohio for yielding this time to me.

Mr. Chairman, all Members seem in general agreement that there are ills in the construction industry bargaining process which are in need of a cure. This summer Congress called upon all of its medical expertise and prescribed its own brand of medicine to cure these ills. The purported medicine came in the form of H.R. 5900, common situs picketing. This bill was no medicine, but instead a very dangerous poison. It is certain to multiply the industry's problems making the patient much worse, not better.

Today the very forces who wrote the prescription for H.R. 5900 are lining up behind this bill. They tell us if we will just swallow the two together, all will be well. This bill, they tell us, will act as an antidote to common situs picketing. I must most strongly disagree with this viewpoint.

This bill is no bold new cure to the problems of collective bargaining in the construction industry. It is a weak and spineless excuse for meaningful reform, used to mask the evils of the common situs picketing bill. The bill creates a new committee with no requirement that it assume jurisdiction over serious disputes, and is given no muscle to guarantee a reasonable agreement in those disputes it does take on. Furthermore, it is possible that ambiguous language may have created a giant loophole allowing unions to escape from the bill's only meaningful provision, the 30-day cooling off period. The bill also moves in the wrong direction by increasing the role of the national unions in the bargaining process between the local union and its employer.

In light of the above, I have no choice but to vote against H.R. 9500 although I realize it will easily pass the House with Senate approval soon to follow. Those who favor meaningful reform can only hope that the President will see through this facade and give both bills the treatment they so readily deserve—a prompt veto.

Mr. ASHBROOK. Mr. Chairman, I have no further requests for time.

Mr. THOMPSON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Construction Industry Collective Bargaining Act of 1975".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that the legal framework for collective bargaining in the construction industry is in need of revision; and that an enhanced role for national labor organizations and national contractor associations working as a group is needed to minimize instability, conflict, and distortions, to assure that problems of collective bargaining structure, productivity and manpower development are constructively approached by contractors and unions themselves, and at the same time to permit the flexibility and variations that appropriately exist among localities, crafts, and branches of the industry.

(b) It is therefore the purpose of this Act to establish a more viable and practical structure for collective bargaining in the construction industry by establishing procedures for negotiations with a minimum of governmental interference in the free collective bargaining process.

CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING COMMITTEE

SEC. 3. (a) There is hereby established in the Department of Labor a Construction Industry Collective Bargaining Committee (hereinafter referred to as the "Committee"). The Committee shall consist of ten members qualified by experience and affiliation to represent the viewpoint of employers engaged in collective bargaining in the construction industry, and ten members qualified by experience and affiliation to represent the viewpoint of the standard national labor organizations in the construction industry. In addition, the Committee shall have up to three public members qualified by training or experience to represent the public interest, one of whom shall be designated by the President to serve as Chairman. A quorum of the Committee shall be constituted by five members qualified to represent the viewpoint of employers, five members qualified to represent the viewpoint of labor organizations, and one member qualified to represent the public interest. All actions of the Committee shall be taken by the Chairman or the Executive Director on behalf of the Committee. The Secretary of Labor and the Director of the Federal Mediation and Conciliation Service shall serve as ex officio members. The employer, labor, and public members shall be appointed by the President after consultation with representative labor and management organizations in the industry whose members are engaged in collective bargaining. Any alternate members who may be appointed shall be appointed in the same manner as regular members.

(b) The Secretary of Labor may appoint such staff as is appropriate to carry out the Committee's functions under this Act, and with the approval of the Committee, may appoint an Executive Director.

(c) The Committee may from time to time promulgate such rules and regulations as may be necessary or appropriate to carry out the purposes of this Act without regard to the provisions of title 5, United States Code, section 553.

NOTICE REQUIREMENTS

SEC. 4. (a) In addition to the requirements of any other law, including section 8(d) of the National Labor Relations Act, as amended, where there is in effect a collective bargaining agreement covering employees in the construction industry between a local construction labor organization or other subordinate body affiliated with a standard national construction labor organization, or between a standard national construction labor organization directly, and an employer or association of employers, neither party shall terminate or modify such agreement or the terms or conditions thereof without serving a written notice of the proposed termination or modification in the form and manner prescribed by the Committee sixty days prior to the expiration date thereof, or in the event such collective bargaining agreement contains no expiration date, sixty days prior to the time it is proposed to make such termination or modification. The notice required by this subsection shall be served as follows:

(1) a local construction labor organization or other subordinate body affiliated with a standard national construction labor organization shall serve such notice upon such national organization;

(2) an employer or local association of employers shall serve such notice upon all national construction contractor associations with which the employer or association is affiliated. An employer or local association of employers, which is not affiliated with any national construction contractor association shall serve such notice upon the Committee; and

(3) standard national construction labor organizations and national construction contractor associations shall serve such notice upon the Committee with respect to termination or modification of agreements to which they are directly parties.

The parties shall continue in full force and effect, without resorting to strike or lockout, all the terms and conditions of the existing collective bargaining agreement for a period of sixty days after the notice required by this subsection is given or until the expiration of such collective bargaining agreement, whichever occurs later.

(b) Standard national construction labor organizations and national construction contractor associations shall furnish to the Committee forthwith copies of all notices served upon them as provided by subsection (a) of this section.

(c) The Committee may prescribe the form and manner and other requirements relating to the submission of the notices required by this section.

ROLE OF THE COMMITTEE AND NATIONAL LABOR AND EMPLOYER ORGANIZATIONS IN LABOR RELATIONS MATTERS

SEC. 5. (a) In the event that the Committee has received notice pursuant to section 4, it may take jurisdiction of the matter by transmitting written notice to the signatory labor organization or organizations and the association or associations of employers directly party to the collective bargaining agreement during the ninety-day period which includes, and immediately precedes, the latest of: (1) the ninetieth day following the giving of notice under sec. 4(a); (2) the thirtieth day following the expiration of the collective bargaining agreement; or (3) the thirtieth day following the date proposed for termination or modification of such agreement. The Committee shall decide whether to take such jurisdiction in accordance with the standards set forth in section 6. When the Committee has taken jurisdiction under this section, it may in order to facilitate a peaceful voluntary resolution of the matter and the avoidance of future disputes: (1) refer such matter to voluntary national craft or branch boards or other appropriate organizations established in accordance with section 7; (2) meet with interested parties and take other appropriate action to assist the parties; or (3) take the action provided for in both preceding paragraphs (1) and (2) of this subsection. When the Committee has taken jurisdiction within the ninety-day period specified in this subsection over a matter relating to the negotiation of the terms or conditions of any collective bargaining agreement involving construction work between: (1) any standard national construction labor organization, or any local construction labor organization or other subordinate body affiliated with any standard national construction labor organization, and (2) any employer or association of employers, notwithstanding any other law, no such party may, at any time prior to the expiration of the ninety-day period specified in this subsection, engage in any strike or lockout, or the continuing thereof, unless the Committee sooner releases its jurisdiction.

(b) When the Committee receives any notice required by section 4, it is authorized to request in writing at any time during the ninety-day period specified in subsection (a) of this section participation in the negotiations by the standard national construction labor organizations with which the local construction labor organizations or other subordinate bodies are affiliated and the national construction contractor associations with which the employers or local employer associations are affiliated.

(c) In any matter as to which the Committee takes jurisdiction under subsection (a) of this section and makes a request authorized by subsection (b) of this section, no new collective bargaining agreement or revision of any existing collective bargaining agreement between a local construction labor organization or other subordinate body affiliated with the standard national construction labor organization, and an employer or employer association shall be of any force or effect unless such new agreement or revision is approved in writing by the standard national construction labor organization with which the local labor organization or other subordinate body is affiliated. Prior to such approval the parties shall make no change in the terms or conditions of employment.

(d) No standard national construction labor organization or national construction contractor association shall have any criminal or civil liability arising out of a request by the Committee for its participation in collective bargaining negotiations, participation in collective bargaining negotiation or the approval or refusal to approve a collective bargaining agreement. Nor shall any of the foregoing constitute a basis for the imposition of civil or criminal liability on a standard national construction labor organization or national construction contractor association.

(e) Nothing in this Act shall be deemed to authorize the Committee to modify any existing or proposed collective bargaining agreement.

STANDARDS FOR COMMITTEE ACTION

SEC. 6. The Committee shall take action under section 5 only if, in its discretion, it believes such action would:

(a) facilitate collective bargaining in the construction industry, improvements in the structure of such bargaining, agreements covering more appropriate geographical areas, or agreements more accurately reflecting the condition of various branches of the industry;

(b) promote stability of employment;

(c) encourage collective bargaining agreements embodying appropriate expiration dates;

(d) promote practices consistent with appropriate apprenticeship, training, and skill level differentials among the various crafts or branches;

(e) promote voluntary procedures for dispute settlement; or

(f) otherwise be consistent with the purposes of this Act.

OTHER FUNCTIONS OF THE COMMITTEE

SEC. 7. (a) The Committee may promote and assist in the formation of voluntary national craft or branch boards or other appropriate organizations composed of representatives of one or more standard national construction labor organizations and one or more national construction contractor associations for the purpose of attempting to seek resolution of local labor disputes and review collective bargaining policies and developments in the particular craft or branch of the construction industry involved. Such boards, or other appropriate organizations, may engage in such other activities relating to collective bargaining as their members shall mutually determine to be appropriate.

(b) The Committee may, from time to time, make such recommendations as it deems appropriate, including those intended to assist in the negotiation of collective bargaining agreements in the construction industry; to facilitate area bargaining structures; to improve productivity, manpower development, and training; to promote stability of employment and appropriate differentials among branches of the industry; to improve dispute settlement procedures; and to provide for the equitable determination of wages and benefits. The Committee may make other suggestions, as it deems appropriate, relating to collective bargaining in the construction industry.

MISCELLANEOUS PROVISIONS

SEC. 8. (a) This Act shall apply only to activities affecting commerce as defined in sections 2 (6) and (7) of the National Labor Relations Act, as amended.

(b) Nothing in this Act shall be considered to require an individual employee to render labor or services without the employee's consent, nor shall anything in this Act be construed to make the quitting of labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or services, without the employee's consent; nor shall the quitting of labor by an employee or employees in good faith because of abnormally dangerous conditions for work at the place of employment of such employee or employees be deemed a strike under this Act.

(c) The failure or refusal to fulfill any obligation imposed by this Act on any labor organization, employer, or association of employers shall be remediable only by a civil action for equitable relief brought by the Committee in a district court of the United States, according to the procedures set forth in subsection (d) of this section. The decision of the Committee to take jurisdiction over a matter, to refuse to take jurisdiction over a matter, and the actions taken by the Committee in the exercise of jurisdiction shall not be reviewable in any court, except for a determination of whether the Committee acted in excess of its delegated powers and contrary to a specific prohibition in this Act.

(d) The Committee may direct that the appropriate district court of the United States having jurisdiction of the parties be petitioned to enforce any provision of this Act. In any action under this Act the factual determinations of the Committee shall be conclusive unless found by the court to be arbitrary or capricious. No court shall issue any order under section 5(a) prohibiting any strike, lockout, or the continuing thereof, for any period beyond the ninety-day period specified in section 5(a).

(e) Services of members or alternate members of the Committee may be utilized without regard to section 665(b) of title 31, United States Code. Such individuals shall be deemed to be special Government employees on days in which they perform services for the Committee.

(f) In granting appropriate relief under this Act the jurisdiction of United States courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code to define and limit the jurisdiction of courts sitting in equity, and for other purposes," approved March 23, 1932 (29 U.S.C. 101 et seq.).

(g) The Committee may make studies and gather data with respect to matters which may aid in carrying out the provisions of this Act.

(h) Notwithstanding anything in subchapter II of chapter 5 of title V, United States Code, in carrying out any of its functions under this Act, the Committee shall not be required to conduct any hearings. Any hearings which the Committee may in its discretion conduct shall be without regard to the provisions of subchapter II of chapter 5, title V, United States Code.

COORDINATION

SEC. 9. (a) At the request of the Committee, the other agencies and departments of the Government shall provide, to the extent permitted by law, information deemed necessary by the Committee to carry out the purposes of this Act.

(b) The Committee and the Federal Mediation and Conciliation Service shall regularly consult and coordinate their activities to promote the purposes of this Act.

(c) Other agencies and departments of the Government shall cooperate with the Committee and the Federal Mediation and Conciliation Service in order to promote the purposes of this Act.

(d) Nothing in this Act shall be constructed to supersede or in any manner affect the provisions of the National Labor Relations Act, the Labor-Management Reporting and Disclosure Act of 1959, or the Labor-Management Relations Act, 1947.

DEFINITIONS

SEC. 10. The terms "labor dispute," "employer," "employee," "labor organization," "person," "construction," "lockout," and "strike" shall have the same meaning as when used by the Labor-Management Relations Act, 1947, as amended.

SEPARABILITY

SEC. 11. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

EFFECTIVE DATE, EXPIRATION DATE, AND REPORTS

SEC. 13. (a) This Act shall take effect on the date of its enactment, and shall expire on February 28, 1981.

(b) No later than one year following the date of enactment of this Act, and at one-year intervals thereafter, the Committee shall transmit to the President and to the Congress a full report of its activities under this Act during the preceding year.

(c) No later than September 1, 1980, the Committee shall transmit to the President and to the Congress a full report on the operation of this Act, together with recommendations, including a recommendation as to whether this Act should be extended beyond the expiration date specified in subsection (a) of this section, and any other recommendations for legislation to further promote the purposes of this Act.

Mr. THOMPSON (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just wanted to engage in a colloquy with the gentleman from New Jersey (Mr. THOMPSON).

I believe it is clear in the bill, and in fact, I have no doubt that it is clear in the bill, but on three different occasions in the report it speaks of the committee having jurisdiction over a dispute for a period not to exceed 30 days. Since the bill specifies 90 days, I wanted to ask the chairman of the subcommittee if this is not just a typographical error in the report, and as the bill indicates, the committee can have jurisdiction for a period of 90 days, 60 days prior to the expiration date or the notice of the date of modification and 30 days thereafter.

Mr. THOMPSON. If the gentleman will yield, the interpretation is that it is 30 days beyond the expiration of the contract, where there is a contract termination date specified in the contract, or 90 days following the notice of intent to seek a change in the contract.

Mr. QUIE. And in a case where there is not a termination date, that it be the 30 days after the date set by the 60-day notice of the date for modification; is that correct?

Mr. THOMPSON. The gentleman is correct.

Mr. QUIE. Mr. Chairman, I thank the gentleman.

Mr. THOMPSON. Mr. Chairman, I ask unanimous consent that on page 18, line 10 of the bill, immediately following the word "immediately" the word "proceeds" be changed to the word "precedes."

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN: Page 20, line 14, section 5(d), delete the words "arising out" and substitute therefor the word "because"; and

Strike the last sentence of section 5(d) and insert immediately before the period the following: ": *Provided*, That this immunity shall not insulate from civil or criminal liability standard national construction labor organizations or national construction contractor associations when the performance of acts under this statute are willfully used to achieve a purpose which they know to be unlawful: *Provided further*, That a standard labor organization shall not by virtue of the performance of its duties under this Act be deemed the representative of any affected employees within the meaning of section 9(a) of the National Labor Relations Act or become a party to or bear any liability under any agreement it approves pursuant to its responsibilities under this Act."

Mr. ERLENBORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ERLENBORN. Mr. Chairman, this is the amendment which I discussed in the colloquy with the gentleman from New Jersey (Mr. Thompson).

It would amend the provision of the act contained in section 5(d).

The provision in section 5(d) was meant to grant immunity to national labor organizations or employer organizations for the acts required of them if they were to cooperate under the terms of this act in trying to settle these labor disputes.

Unfortunately, as drafted, the language would give full immunity from any civil or criminal liability for anything that was done under the color of this act, even though some of the actions might have occurred outside of the authority conferred by this act.

The language that appears in this amendment will clarify and I believe actually grant the degree of immunity that was intended by the committee when the bill was reported.

As I said in the colloquy with the gentleman from New Jersey (Mr. Thompson) this has been thoroughly discussed by the managers of the bill, the gentleman from New Jersey (Mr. Thompson) and myself and I understand that it is acceptable to the gentleman.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, when Mr. Erlenborn and I discussed the immunity provision of the bill I agreed with him that the actions of a national standard labor organization or national contractors association should not be immunized if they are undertaken with the knowledge that they are unlawful.

I accept his amendment because it is not intended to impose liability on such organizations except for action of its officers deliberately undertaken with the knowledge of its illegality.

Specifically, it is my understanding that this amendment will not allow suits against a national standard labor organization for a breach of the duty of fair representations for its participation in collective bargaining negotiations pursuant to the request of the committee, or in approving or disapproving a collective bargaining agreement. Neither under the bill nor under the amendment is a national labor organization which performs this function a "representative" of the affected employees within the meaning of section 9(a) of the National Labor Relations Act. Moreover, a union does not by approving an agreement, which is necessary for it to become effective under section 5(c) of the bill, become a party to or liable under that agreement.

Finally, I think it important to clarify that the amendment deals only with the question of the national labor organization's liability for its own actions. The question of its vicarious liability for the actions of local labor organizations or their officers is, of course, governed by the common law rules of agency under the principles established in the *Coranado* cases 259 U.S. 344 and 268 U.S. 295, and, under the National Labor Relations Act in *DiGiorgio Fruit Co.* v. *NLRB* 191 F. 2d. 642 (D.C. Cir.) and *Franklin Electric Company* 121 NLRB 143.

Mr. QUIE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the gentleman from Illinois (Mr. Erlenborn) also that, on the other side of the coin, any liability that exists presently on the national labor organization under the National Labor Relations Act would continue and this does not remove any liability that presently exists.

Mr. ERLENBORN. Mr. Chairman, if the gentleman will yield, I would answer in the affirmative that any of the obligations or liabilities extended to national labor organizations or to contractor organizations or the parties to the contract are not diminished by virtue of this act. We are not repealing them. All we are doing by this act is saying that those actions undertaken pursuant to the authority of this act shall not give rise to civil or criminal liability unless they are willfully used to achieve a purpose which they know to be unlawful, that could be an unlawful purpose under NLRA and under the criminal statutes. Otherwise, as long as the actions are in good faith, there is immunity if they are done under the authority of this statute. But if they are acts not in good faith and are done willfully to achieve unlawful purposes, then the liabilities will attach.

Mr. QUIE. I thank the gentleman from Illinois because there are times when the national labor organization is a party to a contract.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree with the amendment offered by the gentleman from Illinois.

In considering this question it is essential to bear in mind that the standard national construction labor organizations and national construction contractor associations are not volunteers and are being conscripted for a public purpose. To subject them to suit or prosecution because they are participating in the collective-bargaining process, or, in the case of a labor organization, because it approves or disapproves an agreement, would jeopardize accomplishment of the objectives of this bill. On the other hand, to provide them with total legal immunity merely because they perform this function would jeopardize the enforcement of other laws if the performance of such functions were used as a cloak for activities which the association or the union know to be illegal. It is only in those circumstances that the Erlenborn amendment is designed to prevent immunity.

The amendment desirably adds an important proviso directed at two situations, where there is a strong danger of suits to which labor organizations should not be subject if they are to perform their functions under this bill. This proviso makes clear what should be obvious in any event, that the union does not by virtue of its performance of its functions under this bill become a representative of the affected employees under section 9(a) of the National Labor Relations Act or become a party to, or liable under, an agreement which it approves. It would make it ultrahazardous, if not impossible, for a national union to exercise its informed judgment and stabilizing influence, if it were subject to suit by members of a local who believed that they could have obtained more favorable terms from the employer but for the national organization's failure to approve them. So, too, the assumption of liability under an agreement is a voluntary action and should not be imposed on a national labor organization as a result of its approval or disapproval of the agreement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Erlenborn).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Erlenborn: Page 16, line 14, before the word "sixty" insert the words "at least".

Mr. ERLENBORN. Mr. Chairman, this is the amendment that I discussed in colloquy with the gentleman from New Jersey (Mr. Thompson). It reinstates the words "at least" in reference to the giving of the 60-day notice that was in the original bill. It does what the gentleman and I agree was the intention of the committee, and I hope that he will accept it.

Mr. THOMPSON. With the reservation that there is the risk of redundancy, I. nevertheless, accept.

The CHAIRMAN. The question is on the amendment offered by the gentlemen from Illinois (Mr. Erlenborn).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 9500) to stabilize labor-management relations in the construction industry, and for other purposes, pursuant to House Resolution 751, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 302, nays 95, not voting 36, as follows:

[Roll No. 599]

YEAS—302

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Carney
Carr
Carter
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
Davis
Delaney
Dent
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Ford, Tenn.
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heinz
Helstoski
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Ichord
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Ketchum
Keys
Koch
Krebs
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McCloskey
McCormack
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Milford
Mills
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Schroeder
Schulze
Seiberling
Sharp
Shipley
Sikes
Simon
Skubitz
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Thompson
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—95

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Burton, Phillip
Butler
Byron
Casey
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
de la Garza
Dellums
Devine
Downing, Va.
Eshleman
Flynt
Forsythe
Fountain
Frenzel
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Hefner
Henderson
Holt
Hutchinson
Jarman
Johnson, Pa.
Jones, N.C.
Kasten
Kazen
Kelly
Kindness
Landrum
Latta
Lujan
McClory
McCollister
McDonald
Mahon
Mann
Martin
Michel
Miller, Calif.
Miller, Ohio
Moore
Moorhead, Calif.
Myers, Pa.
Neal
Pettis
Poage
Pressler
Robinson
Rose
Rousselot
Satterfield
Schneebeli
Sebelius
Shuster
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Stephens
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Waggonner
Whitehurst
Winn
Wylie
Young, Fla.

NOT VOTING—36

Beard, R.I.
Bonker
Broomfield
Burke, Fla.
Duncan, Tenn.
Edgar
Fary
Fraser
Hays, Ohio
Hébert
Heckler, Mass.
Hillis
Hinshaw
Jenrette
Kemp
Krueger
McDade
Maguire
Mikva
Minish
Moss
O'Brien
Patman, Tex.
Quillen
Riegle
Rosenthal
Ryan
Scheuer
Shriver
Sisk
Slack
Stanton, James V.
Steed
Udall
Wilson, Bob
Wright

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien for, with Mr. Duncan of Tennessee against.

Until further notice:

Mr. Hays of Ohio with Mr. Hébert.

Mr. Edgar with Mr. Bob Wilson.

Mr. Jenrette with Mr. Beard of Rhode Island.

Mr. Krueger with Mrs. Heckler of Massachusetts.

Mr. Moss with Hillis.

Mr. Sisk with Mr. Broomfield.

Mr. Riegle with Mr. Kemp.

Mr. Udall with Mr. McDade.

Mr. Rosenthal with Mr. Quillen.

Mr. Ryan with Mr. Burke of Florida.

Mr. Fary with Mr. Steed.

Mr. Fraser with Mr. Hinshaw.

Mr. Maguire with Mr. Minish.

Mr. Bonker with Mr. Shriver.

Mr. Mikva with Mr. Scheuer.

Mr. Patman with Mr. James V. Stanton.

Mr. Slack with Mr. Wright.

Mr. KASTEN changed his vote from "yea" to "nay."

Mr. HIGHTOWER changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanmious consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I desire to announce the program for tomorrow. When we adjourn today, we will adjourn to meet at 12 noon tomorrow.

The first item will be H.R. 10029, military construction appropriations for fiscal year 1976.

We will go to House Joint Resolution 683, American technicians in the Sinai. The rule has been granted.

Then we will go back to the debate on H.R. 200, Marine Fisheries Conservation Act. That is the 200-mile act.

Mr. Speaker, we hope that we will be able to complete those three pieces of legislation tomorrow and that we will finish at a reasonable hour.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the distinguished majority leader for yielding. Can the gentleman tell us when we will go back to H.R. 8841, the Federal Insecticide, Fungicide, and Rodenticide Act amendments?

Mr. O'NEILL. That is the first item that will be on the calendar on Thursday. When we adjourn tomorrow, we hope to adjourn until 10 o'clock Thursday morning. The first item on the calendar on Thursday morning, regardless of what we finish with tomorrow, will be the Federal Insecticide, Fungicide, and Rodenticide Act amendments.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I appreciate the distinguished majority leader's yielding. Will the gentleman tell us what other item of legislation is scheduled for Thursday, other than the Federal Insecticide, Fungicide, and Rodenticide Act amendments?

Mr. O'NEILL. We hope to conclude the calendar as printed.

Mr. ROUSSELOT. If the gentleman will yield further, that is how many bills?

Mr. O'NEILL. That would be H.R. 7988, heart, lung, and blood research, research training, and genetic diseases amendments; S. 584, retirement credit for National Guard technician service; and H.R. 8672, emergency rail transportation improvement and employment.

Of course, we hope to conclude those. But, as the gentleman is aware, the schedule is always subject to change with the will of the majority, also always occurs.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. I thank the gentleman for yielding. Did I understand the distinguished majority leader to say that we would try to complete action on the 200-mile bill tomorrow?

Mr. O'NEILL. We expect to retire tomorrow at a reasonable hour, as we have been doing all along. We hope to finish the three bills by around 1 o'clock.

Mr. VAN DEERLIN. If the gentleman will yield further, it would not be the gentleman's intention to go into a substantial night session?

Mr. O'NEILL. I have not talked with the Speaker about that, but the Speaker has pretty well determined that we will adhere to his promise that we will not go beyond 7 o'clock these days.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. I thank the gentleman for yielding.

I will ask the distinguished majority leader if he is in a position to project through Thursday afternoon, to indicate about when the Members might expect to adjourn on Thursday, recognizing the fact that we do have a rather heavy schedule and a schedule which we probably cannot complete by that time. Is there any particular time that the Members can point to as to when we might finish?

Mr. O'NEILL. May I say that I appreciate the fact that we have given H.R. 8841 considerable consideration. I realize that it is controversial. That could take some time.

So far as the heart, lung, and blood research bill is concerned, I understand from the chairman of that committee that he does not anticipate any difficulty, and we should be finished at a reasonable hour.

I understand the retirement credit for National Guard technician service bill is also noncontroversial.

So far as the emergency rail transportation improvement and employment bill, I do not know how long that will take.

We will abide by the will of the House when it gets to 4 or 5 o'clock on Thursday; so we will have respect for the desire of the people to get back to their areas.

Mr. RHODES. I thank the gentleman.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO SIT ON THURSDAY, OCTOBER 9, 1975, DURING 5-MINUTE RULE

Mr. AMBRO. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations be permitted to sit on Thursday, October 9, 1975, during consideration of amendments under the 5-minute rule.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from New York?

There was no objection.

INTERNATIONAL DAY OF BREAD

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SEBELIUS. Mr. Speaker, today, October 7, is the International Day of Bread. I trust each of my colleagues has now received the complimentary loaf of bread provided to you by the National Day of Bread Committee, made up of wheat growers, millers, and bakers.

Time has changed since I first advised my colleagues in this House, in less than eloquent language, to let their appetites help us out of our wheat surplus problems. At that time, we were burdened by costly surpluses and farm production was being curtailed. Today, the American farmer is producing at full capacity and harvesting recordbreaking crops. Yet, our world's ability to feed its people is an open question.

The importance of a fair price for farm production is no less important today than it was then. The only way we will achieve the necessary production levels to feed a troubled and hungry world is to be fair to the farmer in the pricing and marketing of his products.

Wheat is man's oldest crop and cultivated food. It provides more nourishment for the peoples of the world than any other food. Bread, a product of wheat, really symbolizes the harvest of all crops and food itself. Throughout history, bread has been considered the "staff of life."

We are fortunate that through the productivity of the miller and the baker, 1 bushel of wheat can produce 70 nutritious loaves of bread. Because of the productive genius of the American farmer, our Nation's wheat harvest this year represents 781 loaves of bread for every man, woman, and child in this country. Even with the widely reported international sales, today, uncommitted supplies still could produce over 600 loaves of bread for every American.

I ask that you join me in breaking bread in thanksgiving and in committing our resources to world peace, understanding, and a better tomorrow for all of mankind.

RETORT TO "DAY OF BREAD" STATEMENT

(Mr. CARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER. Mr. Speaker, I have taken this time in order that I may ask the distinguished gentleman from Kansas (Mr. SEBELIUS) a question.

I might ask the gentleman if his motto still is: "If you can't eat it, mess it up"?

Mr. SEBELIUS. Mr. Speaker, if the gentleman will yield, I understand what the gentleman means, but it is my hope that if plenty of people want to eat it, we will not have to mess it up.

Mr. CARTER. Mr. Speaker, I thank the gentleman, and assure him that bread is the staff of life. In my opinion, trading our surplus grain for petroleum at prices fair to both participants is extremely advantageous to our country. Let me compliment the distinguished gentleman from Kansas for the great work he has done for the farmers.

THE ASSASSINATION OF BERNARDO LEIGHTON

(Mr. MOFFETT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MOFFETT. Mr. Speaker, I urge my colleagues to take note of yesterday's assassination of Bernardo Leighton, an old and widely respected leader of Chile's Christian Democratic Party. He was exiled from his home in 1973 at the time of the military coup. Mr. Leighton was No. 2 on the junta's most-wanted list. Yesterday he and his wife were machine-gunned in Rome. His wife was in critical condition last night; whether she is alive today I do not know.

For those who think the junta in Chile is using torture and execution only on some revolutionaries, I will give a brief outline of Mr. Leighton's background. He was Minister of the Interior under the administration of President Eduardo Frei; before that he had held various positions in Chilean Government, and at the same time exerted leadership in the Christian Democratic Party. During the presidency of Salvador Allende, Mr. Leighton was elected to the Chilean Congress where he grew in his leadership capacity and continually insisted on constitutional, electoral democracy.

When the coup came in September of 1973, Leighton and his family left Chile, fearing for their safety. The junta then announced that Leighton would never be permitted to return to Chile, the oldest democracy in Latin America. While in exile, Mr. Leighton was politically active, working not only with all Chileans opposed to the brutal regime of the junta, but also with the World Parliamentary Union, which met in London last month. That conference came out with a strong statement against the junta.

Obviously, in the eyes of the military reactionaries currently in charge in Chile, these activities of Leighton's were capital crimes. Like Gen. Carlos Prats, a moderate, constitutionalist Chilean army general who was blown up by an assassin's bomb last year while he was in exile in Argentina, Leighton represented strong, moderate opposition to the rightwing, police-state mentality represented by the junta. As General Prats represented democracy among the military, so Mr. Leighton represented it among politicians and the populace.

For this crime Bernardo Leighton had to die. Now that this fascist junta has achieved its purpose in killing, torturing, and jailing ultra-leftists, Communist and Socialist Party members and anyone who participated in the Allende administration's agrarian reform program, it is now starting in on the most moderate, respectable, constitutionalist forces who oppose the junta in favor of a return to electoral democracy in Chile. The police state in Chile is now even attacking the Committee for Peace, a coalition of Catholics, Jews, and Protestants inside the country, who, with traditional religious protection, are attempting to exert a conciliating influence on the situation, and provide a link to the outside world. A Presbyterian minister connected with this group, along with his wife and three children, were kidnaped last week in Santiago. No one has heard from them.

This, Mr. Speaker, is the Government to whom the administration wishes to give $83,693,000 this year in economic assistance. I am sure when the military aid request emerges this fall that the administration will include a hefty amount for Chile.

The history of our involvement in Chile during and after the overthrow of Allende is one of disgrace. One month after Allende was violently overthrown, the United States agreed to sell Chile $72 million in arms. In fiscal year 1974, Chile was the ninth largest buyer of U.S. weapons in the world. For fiscal year 1975, AID offered Chile $20 million in loans. Public Law 480—Food for Peace—gave $57.8 million, the sixth largest allocation in the world. This represented 81 percent of all Public Law 480 money for Latin America for fiscal year 1975. The U.S.-dominated World Bank gave Chile $13.5 million in loans in 1974, a massive increase in its involvement from the years of Allende rule when it cut off credit altogether.

Mr. Speaker, it appears as though our Government is not only failing to condemn the oppressive junta in Chile but is actually seeking to reward it. We need a new policy toward Chile and we need it now. The ban on military assistance, mandated by Congress in 1974, should be extended. Economic aid, especially the AID programs, should be dramatically reduced if not eliminated altogether until human rights are restored.

And finally, Mr. Speaker, Congress should send its own investigating team to Chile, to gain first-hand knowledge of the situation and exert appropriate pressure on the junta to change its practices.

BRAVO PATRICK MOYNIHAN

(Mr. KOCH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, I should like to say on the floor of this House: "Bravo Patrick Moynihan, you spoke the truth and ripped the shroud of hypocrisy that has settled on the United Nations when you described President Idi Amin of Uganda as a 'racist murderer'—and you might have added the word 'lunatic' as well."

It is noteworthy that none of the delegates who came to President Amin's defense seemed to dispute Delegate Moynihan's characterization. How could they? For since 1971 when General Amin came to power it is estimated that up to 250,000 Ugandans have been murdered. Instead, President Amin's defenders complained that Mr. Moynihan's remarks were "undiplomatic." Mr. Tiamiou Adjubade of Dahomey, representing the 46 member African bloc, characterized Ambassador Moynihan's statement as being an "uncivil attack." It is President Amin who is "uncivil." Indeed, it should sadden any member of the human race that such an individual could head a slate and be elected to head an organization of states such as the Organization of African Unity in today's world. And it is an outrage that a man such as President Amin should be given a forum in the General Assembly to utter his obscenities and lunatic remarks. And those who feel compelled to defend him should hang their heads in shame.

Mr. Speaker, I believe that this country should support Mr. Moynihan in his statement. We should be proud that he had the courage to speak the truth. I also want to take special note of and commend Clarence Mitchel, Jr., a member of the U.S. delegation who yesterday responded to Mr. Adjubade and said:

> We will raise our voices against such an attack on any of our people, whether they be Jews, Arabs, blacks, whites or Asians—whatever their color, whatever their creed. When we are assailed with cruel and degrading words, we feel, and are, free to express our indignation. That is what we have done. It is, in my personal view, an occasion for pride, not apologies.

Far too long the United States at the United Nations thought it could avoid speaking out directly and bluntly on the excrescences that have taken place in that chamber. With the appointment of Patrick Moynihan as our chief delegate that condition has changed and I am proud our country is represented by him.

Let me at this point set forth the superb statement of Patrick Moynihan delivered on October 5 on this subject:

> It is no accident that on Wednesday, "His Excellency Field Marshal Al Hadji Idi Amin Dada, President of the Republic of Uganda"—to give him his U.N. title—called for "the extinction of Israel as a state." And it is no accident I fear, this "racist murderer"—as one of our leading newspapers called him this morning—is head of the Organization of African Unity. For Israel is a democracy and it is simply the fact that despotism will seek whatever opportunities come to hand to destroy that one which threatens them most, which is democracy.

NO MAN, OR CITY, IS AN ISLAND

(Mr. HANLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the continuing effort of many of our colleagues of good will to deal with the more frightening aspects of an imminent default by the city of New York has begun to gather allies not just in New York, but all across America, and even in the capitals of Europe.

Recent comment by Federal Reserve Board Chairman, Arthur Burns, that default could be harmful to the struggle to end the current recession encourages us to look with hope toward 1600 Pennsylvania Avenue and gradual bestirrings of awareness about the consequences of New York "on the rocks."

The observations of West German Chancellor, Helmut Schmidt, that New York's primacy as the symbol of American fiscal solidarity gives that city a special significance in the psychological outlook of international finance is a clear bellwether that the whole world is watching what we as a Nation do to help that city forestall collapse.

And we are not without support at home either. Just today, Congressman HENRY S. REUSS of Wisconsin, chairman of the House Banking, Currency and Housing Committee, announced his support for aid to New York State in bringing the city back from the brink of disaster. We can look to immediate fact-finding hearings in the Subcommittee on Economic Stabilization, chaired by Congressman THOMAS L. ASHLEY of Ohio, and anticipate that the gravity of the situation will move the Congress to full consideration of an aid program for distressed municipalities by early December.

Mr. Speaker, I also present for your consideration and that of our esteemed colleagues the remarks of Mr. Edward W. Duffy, chairman of the Board of Marine Midland Banks, Inc., the Nation's 12th largest commercial banking concern which operates offices in 209 New York State communities as well as worldwide. Representing as it does years of experience and intimate knowledge about the grassroots impact of large-scale problems, I think it can be viewed as a prelude to similar expressions of sentiment and concern by leaders across America.

NO MAN, OR CITY, IS AN ISLAND

(By Edward W. Duffy)

"No man is an Iland intire of itselfe . . ."

This wisdom, penned nearly four centuries ago, takes new relevancy and immediacy in the plight of New York City. As this country's largest city and business center, as the world's major financial market, and as the seat of the United Nations, New York City is clearly the nerve center of the world.

Yet, a surprising number of national figures evidence a curious sense of detachment toward its financial troubles. Their naivete or unwillingness to recognize both the likelihood of parallel crises across the land and the damaging effect on America's worldwide image is incomprehensible.

New York City's fiscal ills are unique only in scale and urgency. The factors which led to the current crisis are present in varying degrees in most major American cities and even capitals abroad. Soaring costs for essential municipal services; an escalating proportion of residents unemployed or unemployable; rising crime rates and physical blight which contribute to further reductions in a deteriorating tax base; are just some of the long-term structural problems with which cities have had to deal. Add to this worldwide inflation and recession and the crisis has become overwhelming.

The socio-economic ramifications of a New York City default are frightening to contemplate: still higher unemployment, business failures, weakened investor confidence in the credit worthiness of all cities and states, and . . . inescapably . . . a possibly major setback to a national economic recovery. Issuers already withdrawing securities offerings or accepting oppressive interest rates offer disturbing glimpses into that bleak future.

The puzzling indifference exhibited thus far in Washington and other quarters toward the crisis is not shared by thinking citizens throughout New York State. These people understand that what happens to New York inexorably affects their own communities; they feel the big city's agonies with a genuine sense of involvement.

For example, doubt has been cast on New York State's ability to raise sufficient funds on New York City's behalf. A substantial portion of the state's short-term notes issued two weeks ago at rates up to almost 9% still remain unsold. Officials of the state's Housing Finance Agency have been told that the market is closed to them for the foreseeable future. The City of Buffalo received a bid for only one quarter of the total note issue advertised for sale yesterday. Many other local units in New York State have found the markets closed to them and have avoided default only by last-minute negotiations for short-term loans from their local banks.

Some with justification point to New York City's long-demonstrated difficulties in controlling its expenditures as one reason for its current fiscal dilemma. There can be no question that many of New York City's problems are self-inflicted. Any long-term solution will require greater fiscal responsibility and self-discipline. Yet the message in New York City's emergency must not long be ignored by Congressional members whose constituencies lie within the Philadelphias, the Detroits, the San Franciscos of this country. The ramifications of a default by New York City would have an effect on municipalities throughout the nation.

Past experience offers no solution to the fiscal crises facing state and local governments. The urgency of this situation demands extraordinary measures, bold actions conceived and carried out without regard to precedent or political beneficiaries. To preclude needed measures on grounds that they set an "intolerable precedent of federal intrusion in local affairs" ignores the dimension of today's crisis.

The Governor of New York, the State Legislature, and other groups are zealously working to save the city from default, perhaps bankruptcy. No one group, however—not state legislators, not banks, not unions, not pension funds—can carry a burden of such proportions.

In my opinion, the crisis has two aspects: short-term and long-term. We must deal with the short-term aspect immediately. The federal government must immediately make available—under very stringent and specific conditions—sufficient funds to those state governments whose political entities are presently unable to assess the financial markets for their essential needs. The states must carry the responsibility for enforcing the appropriate fiscal disciplines on their political subdivisions when advancing the funds to municipalities needing aid. The long-term solution must include a restructuring of the mechanism through which municipal governments finance their needs, such as a federal guarantee of taxable municipal borrowings or a nationwide insurance program for municipal issues.

The unique national and international stature of New York City should be recognized. There can be no question that if the immediate problems of this city are not solved through cooperative efforts, the consequences will be felt throughout our country.

IN COMMEMORATION OF BOB HOPE'S 25TH ANNIVERSARY ON TV—"THANKS FOR THE MEMORIES, BOB"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the people of America and their elected Representatives would be remiss if they failed to take notice of an upcoming event which is, in my judgment, not only an historical milestone in this country's television annals but a most significant achievement for a fellow American who already has achieved virtually every honor his Nation can bestow.

The person I am referring to is this country's "Diplomat of Comedy," Mr. Bob Hope, a man of great patriotism and devotion to the cause of freedom.

The occasion I refer to is Bob's 25th anniversary in television, an event which is scheduled to be observed by an NBC special on Friday evening, October 24.

The National Broadcasting Co. is in the process of gathering together many famous stars of movies, radio and television and other personalities to pay tribute to Bob.

The problem of this Congress—as it is perceived by the distinguished majority and minority leaders, Mr. O'Neill and Mr. Rhodes, and myself—is how can we adequately, appropriately and most expeditiously add the American people's recognition on this auspicious occasion.

As we observed in this Chamber on Flag Day, 1973—when Bob was our distinguished guest—he is not only a remarkable comedian, television, and film personality but a truly great and unique humanitarian.

For the many millions of miles he has traveled and the even greater millions of smiles and laughter he has given the men and women of our Armed Forces and our families at home, Bob is the most decorated civilian in the history of the United States.

He holds the Congressional Gold Medal presented him by President Kennedy.

He is a recipient of the Department of Defense Distinguished Public Service Medal, the highest award the military can bestow upon a civilian.

And his many, many other awards and honors include the Medal of Freedom presented by President Johnson, the People to People Award from President Eisenhower, and the Medal of Merit from the U.S. Government.

Mr. Speaker, every accolade we could present, would, in my opinion, be fully deserved by this stand-up American.

For that reason, it is my honor—with Mr. O'Neill and Mr. Rhodes joining me—to introduce a resolution which cites Bob Hope for his distinguished and meritorious service to our Nation and to the cause of freedom upon the occasion of his 25th anniversary in television.

Mr. Speaker, I have been told that a like resolution to that which we are introducing today will be introduced in the Senate in the next day or two and that its author will ask unanimous consent for its passage at that time.

Most respectfully, Mr. Speaker, I ask that every Member of this body indicate their gratitude and the gratitude of the people of this Nation to Bob Hope by joining Mr. O'Neill and Mr. Rhodes and myself in cosponsoring this resolution by responding to a Dear Colleague letter which will be in their offices tomorrow.

At this point Mr. Speaker, I include the text of the resolution.

H. Res. 773

Resolution to cite Bob Hope for distinguished and meritorious service to the Nation and to the cause of freedom

Whereas Bob Hope has devoted his lifelong career to bringing joy and laughter to generations of Americans, and

Whereas his humor has gladdened the hearts of countless audiences of stage, screen, radio and television, and

Whereas—far from home and loved ones—he has journeyed millions of miles to carry cheer to the members of our Country's Armed Forces in times of war and peace, and

Whereas he is the worthy recipient of more decorations and honors than any civilian in United States history, and

Whereas as the Diplomat of Comedy—he has brought great credit to the Government of the United States and its people: Therefore, be it

Resolved by the House of Representatives of the United States of America assembled, That in the name of the people, the Congress, with deepest gratitude, cites Bob Hope for Distinguished and Meritorious service to his Nation and to the cause of freedom upon the occasion of his 25th Anniversary in Television.

LEGISLATION NEEDED TO AVOID TOTAL ECONOMIC CHAOS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Crane) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, on May 14 the Congress adopted the first budget resolution (H. Con. Res. 218) specifying target levels for spending in fiscal year 1976. These target levels, as well as the breakdown into 16 categories in the accompanying conference report, were intended to guide subsequent congressional spending. By requiring Congress to set target figures for tax and debt levels as well as spending, the measure was supposed to force Congress into more carefully considered action on spending legislation, and tie separate spending decisions to fiscal policy objectives.

As finally adopted by the full Congress however, the new budget processes place little restraint on a spendthrift Congress. The May 15 target is only a suggestion; both the House and Senate are free to go far beyond it on spending measures. The second resolution, which in future years will be a legal limit, is not considered until all appropriations measures have been passed.

Although appropriations measures passed thus far have, for the most part, stayed within the target levels, it is not actual appropriations that are traditionally "break the budget" items. Instead, it is new spending measures passed by Congress outside of departmental authorizations, such as the public works projects, additional revenue-sharing outlays and expanded public service jobs now being considered by Congress. Further tax cuts, also under discussion, would cut back projected revenues and boost the deficit.

Under the current system, any or all of these programs can be passed, without regard for May's projected budget, as long as their cost is tacked on to the actual budget when the September limit is set.

Although it is impossible to tell how much higher spending would have gone without it, the fact that we will apparently exceed our original budget target makes its value questionable in its present form. In effect, we are simply requiring that all spending for a year be established by the time that fiscal year begins. Because it allows a waiver of procedural and deadline requirements at several stages, the effectiveness of the new budget processes in controlling spending depends entirely on the determination and self-discipline of the Congress.

Either that determination or that self-discipline appears to be lacking. Already this year we have enacted into law unbudgeted measures ranging from an extension of unemployment benefits—$1.2 billion—to an increase in the Federal share of highway funds—$600 million. The suspension of a planned increase in the cost of food stamps cost $650 million in untargeted funds, and our failure to limit cost-of-living increases in social security, supplemental security income, coal miner and railroad retirement benefits will run to over $2.2 billion.

The heart of the problem is that it is seldom politically expedient to vote against Federal handouts, no matter what the long-range cost to our economy might be. To help strengthen the collective congressional will, therefore, I am introducing a bill which will require the Congress to abide by its first budget resolution. Although this concept was rejected last year by both the Senate Government Operations and House Rules Committees, it is my hope that the failure of the target to meet expectations for fiscal planning will lead them to reconsider this idea.

My bill also takes the budgetary process a necessary step further by requiring the Congress to set target spending levels for 3 years into the future. Although these targets, like the current May resolution, would not be binding, it is my hope that by simply requiring the full House to consider future spending levels, we can awaken legislators to the cumulative impact of this year's legislation on the budgets of future years. I believe a lack of this kind of foresight is an important cause of the uncontrolled growth of the Federal budget.

To look at Federal spending from a historical perspective is to look at a frightening escalation of Government outlays. From a level of $9 billion in fiscal year 1940, Federal spending increased to $106 billion in fiscal year 1962 and $313 billion in fiscal year 1975. Our current targets forecast a budget of $367 billion for fiscal year 1976, which it now appears we will exceed.

Unfortunately, Federal revenues have not been able to keep pace with such spending. Since the end of World War II, there have been only seven budget surpluses, and the national debt has soared from $268.7 billion in 1946 to a level of $501.6 billion today. The 124-percent rise in the national debt has been more than matched by a 186-percent rise in the cost of living over the same period. The current projected $68.8 billion deficit for fiscal year 1976 far surpasses even the World War II produced deficit of $57.4 billion in 1943, and it is anticipated that upcoming years will see similar deficits.

Just as $200 billion of our targeted $367 billion budget has been committed by previous legislatures, our actions will add "uncontrollables" to future budgets. If this Congress were to pass all the spending proposals now under active consideration and those recommended by the President, the effect on the budget for fiscal year 1977 would be an $80 billion deficit. To this, the Congress next year will add its own new spending initiatives.

We have shown ourselves unwilling or unable to discipline ourselves even to stay within our own projected budget of 5 short months ago—already $42 billion over fiscal year 1975—yet the effect of those measures will be felt for years to come.

Currently, both the Congressional Budget Office and the Joint Budget Committee are entrusted with presenting an annual 5-year budget report, listing projected expenditures, revenues, and deficits. Although this is a step in the right direction, the format does not allow for congressional debate or deliberations, and, as with so many other reports, the probabilities are that many Members never see them. By forcing an annual vote on target spending levels for future fiscal years, we bring these figures into sharper focus and, hopefully, bring a new awareness of the economic realities of our daily actions to both the Congress and the American people.

If we are to avoid total economic chaos, we must stop and look where we are going. We cannot afford to again triple our budget in the next decade; our economy cannot withstand the crushing weight of a $1 trillion Federal budget. We must choose a direction and carefully weigh the long-term effects of our actions here in Congress. I believe the bill I am introducing is an important step in that direction.

CORRECTING FACTS AND MISUNDERSTANDINGS ABOUT UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. McEWEN) is recognized for 15 minutes.

Mr. McEWEN. Mr. Speaker, tomorrow the House will consider H.R. 10029, the military construction appropriation bill, 1976. Among the projects provided for in that bill is a second increment for the medical school of the Uniformed Services University of the Health Sciences. Earlier this year, at ceremonies attended by the President of the United States, ground was broken for the construction of this much-needed school.

I take this special order for the purpose of correcting certain misunderstandings and setting certain facts forth for the record.

In "Dear Colleague" letters and separate views accompanying House Report 94-530, some figures have been given which are incorrect or lead to misunderstanding. For the benefit of my colleagues, I would like to set the record straight.

It has been asserted that the cost to build the medical school will be $150 million. The fact is that the medical school will cost $79 million, which is substantially less than equivalent construction by schools in the civilian sector. A third phase, which would provide educational facilities for schools of nursing, physician's associates and medical technologists, will be $11 million.

Second, the University will admit approximately 175 and graduate 165 physicians annually when it becomes fully operational in 1982, not 100 to 150 as has been asserted.

Third, the law which established both the Uniformed Services University and the Armed Forces health scholarship program stipulates that the latter will have 5,000 students enrolled at any one time, from which there will be 923 physicians graduating annually, as opposed to the 1,200 which has been cited.

I submit, Mr. Speaker, that the needs of our Armed Forces require both this medical school and the scholarship program. I am, however, disturbed by the claims of some that the cost of educating a physician in the Uniformed Services University will vastly exceed the cost at a civilian school. Such is simply not the case.

The reasonably anticipated retention of doctors, with their obligation of a minimum of 7 years of service, gives every prospect that the cost of the Uniformed Services Medical School will be less on the basis of years of service received from these doctors.

I urge my colleagues to consider these facts when they vote upon this question.

H.R. 5665

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

Mr. MINISH. Mr. Speaker, I rise to indicate my support for H.R. 5665, a bill to establish an Arbitration Board to settle disputes between supervisory organizations and the U.S. Postal Service. I understand this measure will be considered later in the month.

The purpose of this bill is to authorize the creation of a three-member Board of Arbitration which will be charged with the consideration of significant differences between the Postal Service and a recognized organization representing supervisory personnel.

One member of the Board shall be selected by the Postal Service, one by the supervisors, and the third by the two thus selected. If either of the parties fails to agree on the third person, the selection shall be made by the Director of the Federal Mediation and Conciliation Service.

Under H.R. 5665, the Board would consider disputes involving:

First. A program for consultation or a plan to participate directly in the planning and development of pay policies and schedules, fringe benefit programs, and programs relating to supervisory employees;

Second. Pay policies and schedules, fringe benefit programs, and programs relating to supervisory employees which affect all or a substantial portion of supervisory personnel on a long-term or permanent basis; and

Third. Whether a particular issue is subject to consultation or direct participation.

It must be noted, Mr. Speaker, that the Postal Reorganization Act of 1970 insured the right of supervisors "to participate directly in the planning and development of policies with respect to their pay, fringe benefits, and other related programs."

However, inconsistent with congressional intent, the Postal Service has refused to insure postal supervisors the right to "participate directly' in the determination of their pay and related benefits.

In summary, H.R. 5665 merely reinforces earlier congressional policy by giving to the postal supervisors the same rights already accorded to most of their fellow workers in the Postal Service.

AMELIO DELLA CHIESA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. Burke) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to take this opportunity to bring to my colleague's attention the passing of my good friend, the former mayor of Quincy, Amelio Della Chiesa.

I am inserting two brief articles which detail the brilliant career of this noble public servant. I would like to make mention of a few details which I feel illustrate the lustre of Mr. Della Chiesa's career.

He left a very successful private business in the 1940's to answer a call to public service and served nobly in three simultaneous offices from 1958 to 1965. Amelio Della Chiesa was known and admired by both his colleagues and the people he represented as a strong man with a powerful personality who continually worked to eliminate wasteful government spending. He was so beloved by his fellow townspeople that he was elected to the office of mayor in 1958 and served in that office until his retirement in 1965. He was then the first Italian-American mayor as well as a Republican elected in a heavily Democratic area.

Amelio Della Chiesa's accomplishments as mayor are far too numerous to name here, but among them are: The building of the Quincy Vocational Technical School, the North Quincy High School Gymnasium, two major additions to the Quincy City Hospital, a branch library, a fire station, and the list goes on and on.

I urge my colleagues to examine the following inserts. At a time when so many are just talking about what must be done, I feel it is important that we pause and reflect upon the life of one who saw a job to do and made sure the work got done.

Amelio Della Chiesa, 74; Former Mayor of Quincy

Amelio Della Chiesa, 74, former Quincy mayor who served in that office for 13 years and retired in 1965, died Wednesday night in Peter Bent Brigham Hospital after a long illness.

Mr. Chiesa was a native of South Quincy and attended Quincy Trade School for two years after completing the eighth grade. At 16 he became a journeyman plumber and at 17 was the youngest master plumber in Massachusetts.

He left a successful plumbing business in 1943 when he succeeded his brother Aldo, who entered the military, on the Quincy City Council. A Republican in a largely Democratic city, Mr. Della Chiesa became the first man of Italian descent to be elected mayor. The City Council elected him a Plan E mayor from 1954 to 1957. He was elected a Plan A mayor, by the people, from 1958 to his retirement seven years later.

In addition to being a ward councilor from 1943 to 1949, he was councilor at large from 1950 to 1957, and state representative from 1953 to 1966. In the 1958–1965 period he served simultaneously as mayor, state representative and School Committee chairman.

During his mayoralty terms his accomplishments in the city included the construction of Quincy Vocational Technical School, North Quincy High School Gymnasium, additions to Quincy City Hospital, North Quincy Branch Library, Atlantic Fire Station.

On Beacon Hill Mr. Della Chiesa was assistant minority floor leader, senior Republican on the committee of municipal finance, and monitor of the House of Representatives. He was vice chairman of the MBTA advisory board from 1964 to 1965.

He was a life member of the Quincy Lodge of Elks and the Massachusetts Chamber of Commerce, a member of the Manet Masonic Lodge, the Quincy Sons of Italy, the John Quincy Adams Club, the Quincy Historical Society, the Eagles, the Moose, and Taleb Grotto. He was an honorary member of the Scandia Lodge of VASA and the Kiwanis Club.

He leaves his wife, Evelyn (Resell) of 1 Bonnie Brier Drive, Pembroke, where the Della Chiesa's lived; a brother, Ovidio of Braintree; a sister, Mrs. Olga Abbiate of New Jersey and several nieces and nephews. Mr. Della Chiesa's only son, Lt. Walter A., a West Point graduate, was killed when the jet fighter he was flying crashed off Korea in 1950.

Services will be conducted Monday at 11 a.m. in Bethany Congregational Church, Quincy. Burial will be in Mt. Wollaston Cemetery, Quincy.

Ex-Quincy Mayor Della Chiesa Dies

Boston.—Former Quincy Mayor Amelio Della Chiesa, 74, of One Bonnie Brier Drive, Pembroke, died last night at Peter Bent Brigham Hospital after a long illness.

Funeral arrangements will be made by the Vincent Buonfiglio Funeral Home, 116 Franklin St., Quincy.

The former mayor left a successful plumbing business in the 1940's for a political career in which he held three public offices simultaneously from 1958 to 1965.

Mr. Della Chiesa, a legislative specialist on municipal finance, was known for his continuing concern with needless government spending in his career as mayor, state representative from Quincy Ward Three, ward councilor and chairman of the school committee.

He was born July 31, 1901, at 80 Tabler St., South Quincy, and attended Quincy elementary schools and Quincy Trade School for two years after completing the eighth grade.

At 16 he became a journeyman plumber and, a year later, became the youngest master plumber in the state.

His career in public life began in 1943 when he succeeded his brother Aldo on the city council. His brother left the council to enter the service.

A Republican in a largely Democratic city, Mr. Della Chiesa became the first man of Italian descent to be elected mayor of Quincy. He was a Plan E mayor, elected by the city council, from 1954 to 1957, and a Plan A mayor, elected by the people from 1958 to his retirement as mayor in 1965.

His other political offices were ward councilor from 1944 to 1949; councilor-at-large under plan E, 1950 to 1957; and state representative from the first Norfolk District, consisting of Wards Three, Four, Five and Six, 1953 to 1966.

Mr. Della Chiesa's major accomplishments in his 13 years as mayor included the building of the Quincy Vocational Technical School, the North Quincy High School gymnasium, two major additions to Quincy City Hospital, a North Quincy branch library and the Atlantic Fire Station, as well as efforts to bring General Dynamics to Quincy.

A member of the legislative committee of the Massachusetts Mayors Association, he retired from the mayor's office in 1965, ending a seven-year period when he served simultaneously as mayor, state representative and chairman of the school committee.

Mr. Della Chiesa, senior Republican on the Committee on Municipal Finance and a member of the Committee on Cities, served as an assistant minority floor leader in the House of Representatives. He was also a member of the Committee on Federal Financial Assistance and of a special commission to study mental health problems.

He was a monitor in the House of Representatives and served as vice chairman of a seventeen-member council to advise and assist the House Republican leadership.

He served as vice chairman of the MBTA advisory board during 1964 and 1965.

He was a life member of the Quincy Lodge of Elks and the Massachusetts Chamber of Commerce and had done volunteer work for the Quincy Corps of the Salvation Army. He was also a member of the Manet Masonic Lodge, the Quincy Sons of Italy, the John Quincy Adams Club, the Quincy Historical Society, the Eagles, the Moose, Taleb Grotto and was an honorary member of the Scandia Lodge of Vasa and Kiwanis.

He was formerly a member of the board of directors of the Quincy Y.M.C.A. and formerly a trustee of the Quincy Savings Bank.

He is survived by his wife, Mrs. Evelyn (Resell) Della Chiesa; a brother, Ovidio Della Chiesa of Braintree; a sister, Mrs. Olga Abbiate of New Jersey and several nieces and nephews.

His only son, Lt. Walter Albert Della Chiesa, a West Point graduate, was killed June 22, 1950, when the jet fighter he was flying crashed off Korea.

Mayor Walter J. Hannon and former Mayors James R. McIntyre and Thomas S. Burgin each expressed grief over Mr. Della Chiesa's death.

Mayor Hannon said, "Mel Della Chiesa was a political legend in Quincy. To me, he was like a political father in the early years that I served on the city council.

"I served in the legislature with him and never ceased to be amazed at his vitality and his great love and interest in the city of Quincy.

"He was a man who gave the best years of his life to a city that he truly loved, and I personally will miss him a great deal."

Mr. McIntyre said, "My wife, mother and myself are extremely saddened to learn of the passing of Mayor Della Chiesa. He was an institution in Quincy, particularly during the government of the 1950's and 60's.

"Representing hard working, strong and honest government, he was an example to all that plain virtue can still add to success. He was a simple man who loved his family and his country. He literally propelled himself as a plumber on the plains of South Quincy to the highest office in Quincy because he was straightdealing and loved people.

"His loss is a deep personal loss to me, since there is no greater bond than that which exists between those who seek the same office at the same time. Like gladiators, I grew to have a respect for him which I never realized, particularly as a man of many faceted qualities.

"Mayor Della Chiesa's passing truly means an institution has passed and an era has changed," Mr. McIntyre said.

Mr. Burgin expressed his grief over Mr. Della Chiesa's death saying "The passing of former Mayor Amelio Della Chiesa brings to a close a distinguished record of loyal and dedicated public service to the people of Quincy in both local and state government.

"He was indeed a man of honor, integrity and sincerity of purpose. His death, although not entirely unexpected, following a lengthy illness, saddens all of us who were privileged to know him and be closely associated with him.

"Mel, as we called him, was a true gentleman in its highest sense, and his passing is not only a great personal loss, but a loss to the city. To his dear wife, Evelyn, and the members of his family, I extend sincere sympathy in the great loss they have sustained."

City Council president, and Sen. Arthur H. Tobin said "on behalf of my colleagues on the city council, I wish to express our most sincere condolences to his lovely wife Evelyn and to the members of the Della Chiesa Family.

"I was very fortunate to be elected to public office at a time when Mayor and Representative Della Chiesa represented the city of Quincy. He was truly a fatherly person. I can remember quite vividly my very first election to public office to the House of Representatives and Mayor Della Chiesa met my family on the front steps of the State House and presented each one of the seven Tobin children with a candy bar and took us on a tour of the State House.

"That left a most lasting impression on my family, but it also displays the love and affection that this man had for all people.

"I shall always remember him for the sound advice and good counsel that he was so willing to share with others."

RAZOR'S EDGE OF DECISION FOR SOUTH AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 30 minutes.

Mr. LEGGETT. Mr. Speaker, would it be that on South Africa would be engrafted the Brown against Board of Education principle of 1954 that "separate but equal is not constitutional and is, therefore illegal."

South Africa as a matter of fact is not the United States. South Africa does not possess our Constitution of 1789. South Africa occupies a remote corner of a black and Moslem continent, and for all that matter the Brown decision has not changed all that much in these glorious States.

People are people and countries are countries each with their attributes and frailties. To point up the separateness in fact that has blossomed in spite of equal opportunity in the States cannot be used to justify apartheid by law on another continent. To tolerate American apartheid by law as in the Panama Canal Zone of schools, housing, jails, and jobs cannot either be used for moral justification of similar actions by another foreign country.

The classic example of aggressive minority dominance can be found in virtually every Communist country in the world. In the Latin Americas and in parts of Asia the objection in many cases is just to plain old-fashioned dictatorship by law.

Apparently in this sophisticated modern wonderland it is tolerated by the family of nations for one group to dominate another by use of military force, political dogma, tradition, economic power, by trick, by surprise revolt but not on the basis of separateness of the races by law. It is also apparently all right to give special privilege to various religious sects, to preclude the immigration of certain races, to give special privilege to native born but discrimination on the basis of black and white race is censurable. So be it—hopefully all societies can achieve shades of the American millenium some day, but in the meantime policies must be developed for mutual tolerance of differences between nations. Let us face it, the prevailing attitude in parts of the world today of "Kick Rhodesia, South Africa, Israel, and the United States in the Tail" is a result of the recent dogmatic polarization of the lesser developed, black, and land locked countries that comprise the voting majority of the U.N.

Admittedly for many years the majority vote was with the United States in censuring totalitarian tactics of Communists in Hungary, Czechoslovakia, Korea, and so forth.

South Africa is now in that pivotal position as are some other states, on the edge of a razor determining whether détente or international independence is the proper option. Hopefully, we can all work for détente.

The South African situation requires considerable examination and cannot be resolved by a simple embargo or olympic exclusion. The area known as South Africa comprising a large portion of the southern grasslands of the African continent was settled much like America by the Dutch and British—but only a century later. The Germans claimed Southwest Africa which they lost after World War I and the Portuguese claimed Angola and Mozambique which are now in embryo independence.

Botswana, Swaziland, and Lesotho were under British control until 1966 when they gained independence. Rhodesia was a British Colony to 1953, in a hybrid state of 1963 when independence was declared by the minority Smith government after abortive British efforts to establish a black state.

South Africa was substantially different from all of the above. The British and Dutch fought two Boer wars to gain common control of the several independent areas of South Africa ending in 1902 with the British on top. Under British rule South Africa always had substantial independence, established a separate African language nearly 100 years ago, and became a self-governing British Union between 1910 and 1931. In 1932 independence was declared from Britain and a true two party system evolved—the British dominated Smuts United Party against the African 2 dominated National Party.

Smuts was successful in leading the country to fight on the Allied side in World War II but the National Party has dominated the post war years. A country of 4 million whites and 20 million blacks and so-called colored has had its success and failure. While the United States moved in the 1950's and 1960's to erase the color line between 90-percent whites and 10-percent nonwhites, the 20-percent white South Africans, by residence registration and voting laws, put their 80-percent black and coloreds in their apartheid place. Prime Minister Henrick Verwoerd redeclared independence in 1961 after another abortive effort to deal with Britain. Verwoerd was assassinated in 1966 and he was succeeded by the present Prime Minister B. J. Vorster.

Driven by McCarthyism type paranoia, the nationalist government bent over backward to separate out all its citizens giving each a dog-like pedigree paper required to be carried on the person.

Emerging Black African nations in the 1960's erupted. South Africa was refused entry to the U.N. General Assembly in the 1970's and President Idi Amin of Uganda has pledged to lead a holy black war on South Africa.

Were not South Africa extremely successful economically, the die for war in Africa might be cast. Over the past 20 years South Africa became of industrial age. Today, half the generated power, half the autos, and half the wealth of the African Continent are in the 10 percent of the African area occupied by South Africa. One-third to one-half of Africa's GNP is located there and the growth rate is astounding. AID programs have been extended to other African States and South America.

Considering that wars are fortunately mostly unique to Europe and Asia, it is doubtful that the African states will go to war—the balance is clearly on the side of South Africa. The country clearly straddles the knife edge of détente with the community of nations.

Pulling on the side of détente are a number of important factors:

First. Mobuto of Zaire has strongly urged his fragile nation to support South Africa in the U.N.

Second. The U.N. faces challenges not only from South Africa but from the United States and other states groping for détente with the underdeveloped but dominant majority. Luxembourg and its Premier Gaston Thorn has recently succeeded Algeria as U.N. Chairman of the General Assembly.

Third. President Idi Amin, new President of the Organization for African Unity clearly does not have the respect of a majority of African nations and Amin's position is not supported.

Fourth. Prime Minister Vorster took courageous action in setting up the unsuccessful Rhodesia-Zambia talks and simultaneously pulling all South Africa support forces from Rhodesia.

Fifth. On the Southwest African question, the South African government is releasing its grasp on this large valuable multiracial state and inevitably a form of home rule will determine the future of this former German protectorate.

Sixth. The Ivory Coast has recently allowed South Africa air landing rights, at least for our trip.

Seventh. South African control of nearly half of the world's gold supply and startling success at energy independence through gasification of coal puts the country in an excellent independent economic position.

Eighth. Job development through industrialization has created the best standards of health and living for blacks and whites in Africa albeit separate.

Ninth. Prime Minister Vorster has recently reemphasized the African nation of South Africa as follows:

> Have we not in the past had the wrong approach, by seeing ourselves not only as coming from Europe, but actually as belonging to Europe? I do not have the slightest doubt on this matter tonight. To state it very clearly, we are of Africa just as much as any other country of Africa. It is in Africa where our cradle stood; it is in Africa where our grave will be. It is here where we shall live; it is here where we shall work. Therefore I have again put the point of view in the Senate, and have made it very clear to the world, that we definitely have the right to say that we are as much of Africa as any other country in Africa. But I have however spelt it out more clearly that we are not here in Africa by virtue of the permission of anyone; we are here in Africa by virtue of our right to be here.

Fortunately, South Africa's two-party system has allowed for considerable freedom of expression in the country. On a recent tour of the country I was given a fine opportunity to see the entire area as a functioning entity. I was impressed with South African leadership and they accepted criticism. I interviewed Dr. John Barrett, director of South African Institute of International Affairs at Jan Smuts' House in Johannesburg. Barrett gave me two papers—one, by Dr. Christoph Bertram, that contains the following:

> As long as apartheid is maintained, the problem for South Africa to build its security on respected and unprovocative self-reliance is probably insolvable. The process of détente in Southern Africa might alleviate the problem but by itself is unlikely to solve it. What is more, it makes the task of unprovocative self-reliance that much more important is the search for regional accommodation should not run counter to the search for national military security.
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> . . . essence of détente is of a domestic political nature: for the states of Black Africa, it is to what extent they can coexist with a South Africa which to them discriminates against the large majority of her inhabitants on racial grounds; for South Africa, détente is the attempt to assure her neighbours that peaceful coexistence is possible in spite of major domestic differences. There is some parallel here with the détente concept of East-West relations. The West—as the Black African states—argues that real détente between East and West must not be limited to interstate relations but affect domestic policy in the East where individual liberties are suppressed. The Soviet Union, on the other hand—not unlike South Africa—claims that détente is incompatible with any attempt at interference in the internal affairs of another country. In Europe, the Soviet Union is likely to get away with this argument since the individual liberties of East Europeans are not an overriding priority for West European governments; the racial question in Africa, however, is of central concern to governments in the region. The détente forces will, therefore, be closely linked to the domestic scene in South Africa; apartheid is the real test of détente, not the recognition of governments or frontiers or the provision of economic aid.
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> The processes of change involved are complex, difficult to coordinate and difficult to control. On the one hand, the speed of détente is a serious undertaking. But will this be understood and supported, or at least tolerated by the political forces within South Africa? The closer détente comes to be measured by domestic change in the South—and this seems inevitable—the greater resistance to the détente among South Africans could become. Conversely, it seems doubtful if all groups in the African states will have the patience and the confidence to wait for the results of détente and likely that governments there will find it difficult to maintain constant over those forces which seek a solution through violence and terrorism.

Tenth. A final and not insignificant disputed action is the culmination this month, October 1975, of the 16 year program for homelands independence of the Trans Kei, Xhosa peoples, The British perhaps began the homelands independence policy in 1966 with the independence of Swaziland and Lesotho. Both countries are heavily dependent on South Africa.

In 1959 an effort was commenced to separate out an area of Transkei the size of Connecticut adjacent to Lesotho comprising 2 million people many of whom migrated intermittently to the cities to perform Bracero type labor.

This month the new country of Trans Kei is independent but still highly interdependent on South Africa white assistance—other segments of South Africa might follow this example but it is doubtful. Some call this a hairbrained scheme to avoid apartheid that will not solve the problem since the blacks remaining in South Africa will always outnumber the whites.

It is significant that South Africa says the following about herself through Prof. Ariston Chambati:

> Observers of the South African political scene appear to agree on the following:
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> (a) that there are some changes being initiated from within South Africa and that these changes are being carried out in the spirit of detente;
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> (b) that there is a general feeling among the majority of the White population of South African that change affecting the social and the political status of the Africans must come. Admittedly, the kind of change that must come to improve the status of the African people, is not defined or spelt out;
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> (c) that there is a general feeling among White South Africans that the "Homeland" policy cannot be rigidly applied if it does not work; in other words the policy is suspect. There are some who go as far as saying that if the policy does not work it would be revised completely;
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> (d) that there is a great deal of concern in South Africa about the future of the Republic and that this concern manifests itself in the constant debate that is going on in South Africa both in the press and at conferences and symposia.
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> (e) that both internal and external pressures continue to exert tremendous influence upon the situation inside the Republic. In short, there are some positive moves within the Republic. These positive moves coupled with the declared intention of the South African government to end racial discrimination, detente could be sustained leading to meaningful dialogue between South Africa and black Africa. South Africa's intention to end racial discrimination was clearly articulated by the South Africa Ambassador at the United Nations when he declared that: discrimination based solely on the colour of a man's skin cannot be defended. We shall do everyting in our power to move away from discrimination based on race or colour."
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> Some people argue that such statements are mere public relations exercises. But whatever the intentions of the speaker may have been in making such a statement, the the declaration has, nevertheless, the twin psychological effect of preparing people for possible changes and of actually committing the South African government to change. In short, political analysis agree that there are some positive moves in South Africa despite the fact that the Republic is arming itself on a most frightening scale. Africa is watching with great interest the developments taking place in South Africa.
>
> The question to be asked at this point is whether detente will be sustained. An attempt has been made to analyse two of the obstacles to detente, the Namibian questions and apartheid and the conclusion that has emerged is that there are some positive moves being made in these areas and that if sustained, these could lead to some normalization of relations, particularly among the states within the Southern African region. The remaining obstacle to be analyzed is Rhodesia. With the failure to achieve a settlement in Rhodesia, detente is in the danger of coming to an end. The consequences of the failure of detente has been already graphically described by the South African Prime Minister as being "too ghastly to contemplate."

Whether or not the Transkei effort is successful, whether the U.N. will accept a new substantially black state carved out of South Africa, whether this effort is deemed to be decolonization or another step in apartheid remains to be seen.

The South Africans say the following about the new state which is probably the best case that can be made:

AN INDEPENDENT TRANSKEI

> The freely elected parliament of the Transkei, one of the nine black homelands in South Africa, in March 1974, voted a resolution to prepare for independence within five years. The date for independence, October next year, has now been set by Chief Minister Kaiser Matanzima. This rapidly nearing prospect for the Xhosa nation is increasingly in the news as its elected leaders intensify the development efforts which are being undertaken with South African aid.
>
> The Transkei is the traditional homeland of the 4-million Xhosa nation which has taken the lead in the constitutional development of the black homelands in South Africa. In December 1963, after its first selection, the

Transkei was granted a legislative assembly and at the same time became self-governing. In 1973 Chief Matanzima was again given a mandate from his people to continue the socio-economic development of the Transkei. After almost 12 years of self-government, a period characterized by peaceful progress and experience in the instruments of government the Xhosa nation expressed the wish to become a sovereign state.

The Transkei already possesses virtually all the internal powers of an independent state, and actual independence will therefore be largely a formality.

A South African Cabinet Minister recently pointed out that the Transkei would become independent peacefully, and as a result of the expressed policy of the South African Government. In contrast to the situation in countries which have had to struggle, and even wage wars, to achieve their independence, the Transkei has been consciously developed by South Africa to the point where it can take its place in the community of nations.

The Chief Minister of the Transkei, Paramount Chief Matanzima, has announced that he will apply for membership to the United Nations—and the Organization of African Unity—after independence. In comparison to some other member states of the above mentioned organizations, the Transkei has excellent credentials for membership. With a population of 4-million the Transkei has a larger population than a string of accepted members of these organizations. It has a more literate population (80 per cent as against 10 per cent in Mozambique, for example), and a higher income per head of the population than many. The national budget of the Transkei this year—$127.5-million—was more than twice as large as that of neighboring Lesotho, a vocal member of both the United Nations and the Organization of African Unity.

The Government of the Transkei bases its authority on the results of free elections. Barely half the governments of the present members of the United Nations can claim to derive their authority from such democratic methods.

Economic development in the Transkei has now achieved a momentum which enables Paramount Chief Matanzima to travel abroad frequently to negotiate with industrialists for investments in his country. Chief Matanzima has recently returned from an extended overseas visit where he enlisted the help of France and the Netherlands to build a harbor for the Transkei after it becomes independent in 1976. Interest abroad is growing steadily as the benefits to be derived from industrial investment in the homeland have been pointed out by leading personalities.

The Transkei will be the first of the South African black homelands to break away from the Republican and become established as an independent state in the next few years. These black nations of South Africa are following a path universally recognized and enshrined in the United Nations Charter . . . that of self-determination for different peoples . . . and their guiding stars on that path are peace and orderly progress.

DISCHARGE PETITION FILED TO BRING AUDIT OF FEDERAL RESERVE BILL TO FLOOR OF HOUSE FOR IMMEDIATE VOTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 5 minutes.

Mr. PATMAN. Mr. Speaker, today I have filed a discharge petition in an effort to allow the 435 Members of the House to work their will on H.R. 7590, a bill to require GAO audits of the Federal Reserve system.

If a majority of the Members of the House sign this petition—which is at the Speaker's desk—the bill will be brought up for consideration despite the fact that the Rules Committee has postponed action.

Mr. Speaker, we have sought a rule on this legislation since July 14, but it remains bottled up in the Rules Committee. On September 24,the Rules Committee on a 9-to-6 vote tabled the bill indefinitely. As a result, on September 26, I filed a resolution providing for a rule and this was referred to the Rules Committee where it has resided without action.

The discharge petition which I have filed today is the only way we are going to be able to provide for a vote on H.R. 7590. Some 120 Members of the House are cosponsoring this and similar bills and it is wrong for 9 members of the Rules Committee to be able to block consideration by the full House.

The 435 Members of the House have basic rights and responsibilities and this discharge petition provides a means of assuring these rights on the audit legislation. I hope the Members of the House from both parties will want to uphold the basic democratic principles, the right to vote and the right to decide the fate of this legislation in open session of the full membership.

I urge the Members to sign this petition so that we may get on with the people's business. We should not knuckle under to a tiny group willing to block this legislation by any means.

MADNESS IN THE PENTAGON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, the following incredible statement by our Secretary of Defense has just been brought to my attention:

> Human behavior scientists are largely agreed that the psychological impact of a nuclear attack would result in some initial loss of confidence in government but that positive, adaptive behavior would prevail over anti-social behavior and that the survivors would support re-establishment of normal cooperative relationships at all levels of community life.

The remark is quoted from the "sanitized" version of Mr. Schlesinger's testimony before the Senate Subcommittee on Arms Control, International Law, and Organization, which that subcommittee made public this past January 10.

The prominent citizen who brought this remark to my attention commented:

> Any public official who could think this, much less say it, ought to be promptly put in a straight-jacket and carted off to a mental hospital. If such a statement has passed unnoticed since January, we are indeed closer to extinction than I thought.

Mr. Speaker, events of the past month have riveted the attention of many of us on the genuine dangers of mad people with pistols gaining physical access to the President. I suggest that we begin worrying, as well, about the far broader implications of another current reality: A madman with jurisdiction over our nuclear arsenal, whose advice is daily sought out by our President.

A TRIBUTE TO FRANKLIN SCHURZ ON 50 YEARS WITH THE SOUTH BEND TRIBUNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I was privileged to have been present on October 5, 1975, at a banquet held at the University of Notre Dame to mark the 50th anniversary of the association with the South Bend Indiana Tribune of Mr. Franklin D. Schurz.

Mr. Speaker, Franklin Schurz is an outstanding American newspaperman, a dedicated leader of his home community and a warm and wise human being.

Indeed, I believe him to be the No. 1 citizen of South Bend, Ind.

Franklin Schurz has been an extraordinarily successful leader in American journalism. He has been an officer of the board of directors of the Associated Press, the Inland Press Association, and the American Newspaper Publishers Association.

He has been a pioneer in adapting technological advances to the production of newspapers and he has been a force for progress in the field of television and radio as well.

Beyond his success as a businessman and journalist, however, Franklin Schurz has been a dedicated and effective leader in his home community.

Through his own personal commitment and through the several media of communications which he has directed, he has given constructive and energetic leadership to the entire South Bend area.

I remember particularly Franklin Schurz' untiring involvement in the effort to bring South Bend back after the closing of the Studebaker automotive plant there over a decade ago, one of the outstanding examples of community leadership rendered anywhere in the Nation by a newspaperman.

Mr. Speaker, I insert at this point in the RECORD an article, "Franklin D. Schurz, On the Job 50 Years," by Phil Ault, published in the South Bend Tribune on October 5, 1975:

FRANKLIN D. SCHURZ, ON THE JOB 50 YEARS

(By Phil Ault)

Franklin D. Schurz Sr. has been walking along the Pacific Ocean shore at San Diego, Calif. recently and watching the sailboats from a high-rise apartment overlooking Mission Bay. That's why this article can appear.

If he had been in South Bend, he probably would have vetoed it. But that is the price he had to pay when he retired as editor and publisher of The Tribune; no longer can he watch with a hawk's eye so that the newspaper doesn't publish anything about him that he might regard as flattery.

The staffs of The Tribune and WSBT are throwing a big dinner party for Schurz tonight at the Notre Dame Athletic and Convocation Center, celebrating his 50th anniversary with The Tribune.

This provides an opportunity to say in print what he has done for The Tribune, the community and the newspaper industry. If he had been someone else, Michiana probably would have done this story a long time ago.

Franklin Schurz, a young chartered public accountant who didn't know much about the newspaper business, joined The Tribune precisely a half century ago today. He was coaxed into the move by his uncle, Fred A. Miller, editor and president of the newspaper.

NEWSPAPERING IN THE 1920'S

Newspapering in the 1920s was a different world from today's computerized scene. The atmosphere at The Tribune and other newspaper plants was by current standards . . . well, dingy. The rattling arms of typesetting machines, the simmering pots of hot metal, the pounding of the compositor's gavel on page forms of type; yes, and the globs of proof ink that smudged hands and faces, are only memories today.

In their places are purring electronic marvels like video display terminals that order type set automatically, untouched by humans, and printing plates made of featherweight plastic. Type no longer is metal, but paper.

In 50 years at The Tribune, Schurz not only has witnessed these changes but also has been instrumental in bringing them about.

His name has been synonymous with growth.

His first day on the job was a Monday. The previous Sunday's circulation of The Tribune was 21,075. Circulation of today's edition is 100,000 more than that.

The Tribune company in the fall of 1925 had been publishing a newspaper for 53 years. Its operation included the daily paper and a somewhat fragile radio station—all radio stations were rickety and amateurish in those days—whose call letters had been changed the previous month from WGAZ to WSBT.

THE TRIBUNE RADIO STATION

That WGAZ stood for "World's Greatest Automotive Zone," largely in a burst of civic pride for the booming Studebaker automobile factory. The new letters WSBT meant South Bend Tribune.

It was a fortuitous change, considering what has happened to the two South Bend institutions in the interim.

Today the Tribune company spreads almost coast to coast, with newspaper and broadcasting properties in Maryland, Virginia, southern Indiana and California. The transformation of the company during the 1960s and 1970s from local to national stature has been entirely the work of Schurz.

Franklin Sr. turned over the role as editor and publisher of The Tribune to Franklin Jr. during the newspaper's centennial celebration in 1972. However, he has continued to serve actively as president of the Tribune company, at the age of 77.

When he makes a small half-circular gesture with his hand and observes succinctly that he wishes something could be done, things still happen.

That has always been his manner. He doesn't raise his voice. Browbeating a subordinate is incomprehensible to him. His words come in small clusters, not in torrents. But clothed as they are in courtly style, his messages are clear.

He divides his time between South Bend and a second home in San Diego. When in South Bend, he enjoys eating breakfast and lunch at a long table in The Tribune's cafeteria, chatting with long-time associates.

For its entire 103 years The Tribune has been home-owned, one of the few major companies in South Bend that still can make that claim.

One of Schurz's little-realized achievements has been keeping it that way, at a time when the giant newspaper chains wave inducements to sell under the noses of independent publishers more alluringly than ever before.

STOCK PURCHASE PLAN

It is his often-stated determination that The Tribune remain permanently a privately owned, South Bend-based organization. Recently, he arranged for senior employes of the company to purchase stock, as part of this plan.

Schurz's half century with The Tribune fits the pattern of longevity that has been a hallmark of the organization. His Uncle Fred presided over the newspaper as editor and president for a remarkable span of 61 years, from 1893 until his death at 86 in 1954, having succeeded to that position after the death of his father, Alfred B. Miller, who was cofounder of the paper in 1872.

Fred Miller and his wife had no children. He wanted a family member to whom he could pass on the newspaper eventually. Naturally his eye fell on his nephew Franklin—born and educated in South Bend, a graduate of Harvard University and holder of a master's degree in business administration from that eminent institution.

After earning his master's degree in 1921, Schurz went to California as an accountant and later joined the Food Research Institute at Stanford University. He earned his certified public accountant degree in California, then returned to South Bend in 1924 to work with his father in an accounting firm.

He had never hung around The Tribune as a boy and did not pretend to know much about newspapers. So Miller had to be persistent in his persuasion until he convinced the 27-year-old accountant to switch careers, especially since the change involved a cut in pay.

Having made that switch precisely 50 years ago this morning, Schurz in his thorough manner set out to learn everything he could about newspapering. He put on overalls and worked first in the stereotype department, making heavy press plates from molten lead.

Slowly he worked his way from department to department—writing stories in the newsroom, handling type in the composing room, running the presses, trying his hand at advertising, counting papers in the mailroom as they came off the press.

SOUTH BEND'S WEST SIDE

Early in his Tribune career, Schurz discovered South Bend's West Side. His interest in the neighborhood was pragmatic at first, to build Tribune circulation in the area and catch up with the rival South Bend News-Times. Out of the deep interest he developed in West Side affairs grew a commitment to civic work in general that has paralleled his newsoaper career in intensity, imagination and achievement.

He would not like us to say this, but few men in South Bend during the past half century have put time into as many civic causes as Franklin Schurz has.

THE CIRCULATION BATTLE

The circulation battle on the West Side between The Tribune and the News-Times during Schurz's first year with the newspaper, in the late 1920s, is a classic tale of enterprise.

When accountant Schurz got a look at The Tribune's books, he discovered that the newspaper was in debt, was losing money, and was about 5,000 behind the News-Times in circulation. Its sales in the Polish residential area of the West Side were negligible.

His formula for changing the situation was simple: show concern for what was happening in the neighborhood and expose the people to issues of The Tribune. Schurz himself rang doorbells, soliciting subscriptions. He ran surveys to determine reader tastes. Free get-acquainted copies of The Tribune were distributed in schools, barber shops and (some say) certain houses of a kind which officially no longer exist in the area.

Spurred on by Schurz, Francis Czyzewski conducted Polish dance contests and similar promotions. So much Polish news began appearing in The Tribune that the editors had difficulty finding room for it.

The landmark year of 1929 produced four major events in the life and career of Franklin Schurz. He was made vice-president of The Tribune, he married Martha Montgomery, a pretty, vivacious daughter of a New Albany, Ind. Newspaper publisher, the stock market crash started the Depression that tested men's souls and pocketbooks, and The Tribune surpassed the News-Times in circulation.

COMMUNITY INVOLVEMENT

While the News-Times declined, the Tribune continued to grow in circulation during the 30s, despite the hard times. Finally, the News-Times ceased publication in December, 1938.

By then, Schurz was heavily engaged in civic affairs, so much so that Miller occasionally shook his head and mumbled, "I do wish Franklin wouldn't get so involved."

That was a difference in approach between uncle and nephew; Schurz believed that for a newspaper to serve its community fully, its executives had to become active in civic affairs.

At first his volunteer work primarily centered around the First Presbyterian Church, where he was superintendent of the Sunday School.

From 1936 to 1960, a span of 24 years, he was president of the board of trustees of the YWCA.

His list of other civic involvements sounds like a catalogue of local organizations, including:

First president of the committee of 100 of South Bend and Mishawaka. Director of the Downtown Council and the Industrial Foundation.

Co-chairman of the United Fund of St. Joseph County when it was organized.

Chairman of the second through eighth War Loan drives in St. Joseph County during World War II and chairman of the St. Joseph County War Finance Committee. He brought film stars and other celebrities to the city to glamorize the fund drives.

A recipient of the 1960 Brotherhood Award of the National Conference of Christians and Jews. He has been active in the work of the South Bend-Mishawaka Roundtable, NCCJ, and was a member of the national NCCJ board.

A member of the boards of trustees of the University of Notre Dame and St. Mary's College, until his recent retirement.

Those are the major ones. He has been involved personally and through the newspaper in so many other local projects that they cannot be listed. But he steadfastly refused to serve on local bank or corporation boards of directors, lest such ties in some way compromise his independence and that of The Tribune.

CO-CHAIRMAN OF EMERGENCY CIVIC COMMITTEE

Undoubtedly one of Schurz's most satisfying assignments was as cochairman with Paul D. Gilbert of the emergency civic committee formed to revive South Bend after the disastrous close of the Studebaker plant in 1963. This was almost a full-time job during the crisis period. He also was chairman of the St. Joseph County Manpower Development and Retraining Advisory Committee and the Indiana State Governor's Manpower Advisory Committee.

Thousands of Studebaker employes, suddenly left jobless, had to be retrained for other work. Schurz commuted to Washington every other week during that difficult time, using his powers of persuasion and a bit of newspaper muscle to force the federal government into action. He succeeded.

Sufficient money and machinery were made available, far faster than the government usually acts, so that approximately 2,500 ex-Studebaker men were retrained and eventually founded jobs.

With all that, it is difficult to believe that at the same time he was performing comparable volunteer work within the newspaper industry, plus handling his Tribune executive job. But he was.

His first major industry position was the presidency of the Inland Press Association in 1947.

He was named a director of the American Newspaper Publishers Association in 1952, and two years later became the first president of the ANPA Research Institute. This organization was the focal point for the revolution in newspaper production methods that has taken place during the past 20 years. Schurz used The Tribune's plant as a testing ground for several innovations that later were adopted nationwide.

When presenting an ANPA plaque to Schurz as a pioneer in the newspaper technology in 1969, the president of the publishers association said of him:

A LEADER IN NEWSPAPER TECHNOLOGY

"We recognize him as one of the world's leading pioneers in newspaper technology. We applaud the bold confidence he has always shown in new processes and his determination that the South Bend Tribune could and would make the processes work."

In 1959, Schurz was elected to the board of directors of The Associated Press, the first Indiana editor or publisher to be so honored. For a time he had the distinction of serving simultaneously on the ANPA and AP boards. In 1966–68 he was first vice-president of the AP.

Within the Tribune organization, Schurz took on more and more responsibility as the years passed. In 1936, while continuing as company vice-president, he became manager of WSBT. The company's radio station then was housed on the third floor of the Tribune building. He ran the station for 10 years, until in 1946 he became business manager and secretary-treasurer of the entire Tribune company.

Subsequently, he obtained a television license for the company and constructed Broadcast Center to house the WSBT TV and radio operations. The Center at Jefferson and Lafayette stands on the site of his grandfather's home. Today WSBT–TV is the oldest UHF–TV station in the world.

During the final years of his long life, Miller turned over most of the responsibility for company operations to his nephew, but continued to exert strong personal influence over somc aspects, especially editorial policy.

Miller died in 1954 and Schurz became editor and publisher. Mrs. Miller succeeded her husband as president of the company until her death in 1956, when Schurz assumed that title, as well. The family succession had worked out precisely as Miller had visualized it when he coaxed his nephew into the business 30 years earlier.

THE SCHURZ CHILDREN

All four of the Schurz children have followed in the family tradition of newspaper work—Frank as editor and publisher of The Tribune, James as editor and publisher of the company papers at Hagerstown, Md., Scott as publisher of the Bloomington Herald-Telephone and editor and publisher of the Bedford Times-Mail, and Mary as a staff writer for the Associated Press in New York.

Two sons, Frank and Scott, went through the same department-by-department training course at The Tribune that their father took, with no favors asked or given.

Few major newspaper companies in the United States still can claim such close family ties to their ownership and daily operations as The Tribune and its affiliated newspapers do.

A group of Tribune executives played an impromptu word game recently during a discussion of plans for tonight's dinner, when someone suggested that those present try to characterize Schurz on a single phrase.

"Determined," one said. "Courtly but firm," another offered.

A third observed, "Something important is missing. That makes him sound like a Prussian general."

From the end of the coffee table came a voice: "Generous," followed by an anecdote from his own experience. Other words and supporting stories followed. "Kindly." "Thoughtful."

Another chipped in, "A sense of humor. There's usually a smile at the edge of his mouth."

"And many of the jokes he tells are on himself."

All the participants in this off-the-cuff exercise in character analysis had worked for Schurz for decades. What greater compliment could a man—their boss—ask from 50 years of hard work?

SCHOOL LUNCHES ARE A MUST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Ford) is recognized for 5 minutes.

Mr. FORD of Tennessee. Mr. Speaker, I rise to urge fellow Members to vote to override the President's veto of H.R. 4222, the National School Lunch and Child Nutrition Act. The bill makes permanent the school breakfast program, mandates reduced price lunches to any child whose family qualifies under the income guidelines, and implements food assistance for the first time in orphanages, homes for the physically and mentally handicapped, children's hospitals, and day-care centers. In addition, the bill extends the special supplemental food program for women, infants, and children—the highly successful WIC program.

I am well aware of the controversy surrounding the bill's income guidelines. Under this measure, a child is eligible if the family's income is up to 95 percent above the Government's poverty guidelines. Now, I know "95 percent above" sounds high to many of my colleagues, but 95 percent above poverty guidelines means an income of $9,770 for a family of four. In 1975, with inflation a fact of life, $9,770 does not amount to much when divided among four people.

This measure has gone to conference twice and I think the report now before us represents a sincere attempt to stay within the targets set by the congressional budget resolution. I am fully convinced that we must afford this bill. Let us look at the alternatives. If we do not enact H.R. 4222, school lunches could go as high as $1 in urban communities, such as Memphis. Not many of my constituents could afford $1 per day, per child, for lunches. Those children would simply go without any hot meals at all. The Department of Agriculture estimated that such price increases would result in 7 million children dropping out of the school lunch program. Such losses would mean school food service programs would lose customers to the degree of perhaps going out of business, or sharply curtailing their operations. Again, this would only contribute to the unemployment spiral with some 120,000 school food service workers losing their jobs.

Mr. Speaker, the fiscal crisis in New York City has all made us sharply aware of the importance of a responsible budget. There is, however, something tragically wrong when this Nation finds it can't afford a few pennies a day to feed our children. I hope, therefore, that my colleagues see fit to enact this bill and then we can turn our attention to restructuring this Nation's budget priorities.

A WARNING FORM INDUSTRIALIST CYRUS EATON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Seiberling) is recognized for 5 minutes.

Mr. SEIBERLING. Mr. Speaker, I have just received a telegram from the dean of American industrialists, Mr. Cyrus Eaton, who is also a resident of the county in which I live. I think it is of sufficient importance that it ought to be brought to the attention of Congress at the earliest possible time, and so I will read the telegram at this moment. Since it is very short, I am going to read the entire thing.

Mr. Eaton's telegram states as follows:

> The Federal Government must come to the financial rescue of New York City and New York State without further delay unless the Nation is to be plunged into the most catastrophic economic debacle in history. I have been involved in every American panic since 1893, the most devastating of course was the 1929 stock market crash and the subsequent collapse of the banking system. I was a leader in urging President Hoover to guarantee bank deposits. He expressed agreement but was paralyzed into inaction by the opposition of Wall Street and the uncertain prospects for congressional approval. The tragic but inevitable culmination was the temporary closing of every bank in the United States in 1933, with some of the biggest and best not allowed to reopen. One

of the first actions of the New Roosevelt Administration, after closing the banks, was to guarantee deposits. Canada, in contrast had guaranteed bank deposits at that time, and did not experience a single bank failure. If President Ford and his advisors persist in their refusal to recognize today's onrushing crisis, then Congress should take matters into its own hands. I should be glad to be helpful in any way.

Mr. Speaker, the telegram is signed by Cyrus Eaton, Terminal Tower, Cleveland, Ohio 44113.

FUTURE OF MUNICIPALLY SUPPORTED HOSPITAL CARE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the city of New York is without peer in terms of range and diversity of municipal services delivered to its residents. Some count this inclination to respond to any need as one of our city's greatest strengths; others argue that such humane instincts may well be our nemesis.

If nothing else, the city's fiscal crisis has compelled a long overdue examination of these services by persons in and out of government. A focal point of contention is the municipal hospital system—a 17-hospital network without parallel in any other American city. Administered by a semiautonomous health and hospitals corporation with a budget of over $1 billion, these hospitals provide essential medical services to the indigent and crime and accident victims in need of emergency treatment.

One of the principal issues is whether the city of New York can afford or requires a municipal hospital system when 71 voluntary hospitals have similar programs of care. While 52 percent of the cost of operating the municipal hospitals is paid by medicaid, the city of New York and its taxpayers contribute an additional and unreimbursed $284 million above and beyond the $147 million local 25-percent share of medicaid. In an area of soaring medical costs, many contend that a two-tier system of hospital care is an unnecessary luxury and an avoidable expense.

As with any controversial issue where a host of public and private interests are involved, much of the debate over the future of this particular municipal service is based on rhetoric and appeals to emotions. The interests of the public will be served by such a discussion only if calmer minds and more rational analysis prevails. That is why I recently asked those with expertise on the subject to comment on the future of the municipal hospital system, particularly whether they believe the system should be continued in its present form or some altered form: terminated now or phased out gradually. The following exchange of correspondence is offered with the thought it would be of interest to those concerned with this issue and the future of municipally supported hospital care.

JUNE 13, 1975.

DEAR DR.: I am interested in your view on the following matter and your providing me with whatever information you have which would be helpful to me in formulating my opinion on the subject.

There are some who propose that the New York City municipal hospitals with some exceptions such as Goldwater Hospital and others providing special services not elsewhere provided, be closed, and have the voluntary and proprietary hospitals provide those services. They point out that today a medicaid patient must be treated in exactly the same way that a private patient paying for accommodations is treated. Also, the City of New York could reduce its enormous budgetary deficit by removing itself from the hospital business, without diminishing services to the population now cared for in those hospitals, who would be served by the voluntary and proprietary hospitals, even though there might be greater inconvenience in getting to some of those hospitals. As I understand it, over and above medicaid and medicare and other 3rd party payments, the City contributes an additional $200 million unreimbursed for operation of the municipal hospitals.

Can you tell me whether there is merit to this proposal, and are there ample beds in the voluntary and proprietary sectors to take the additional patient load? Is there a target population not covered by medicare, medicaid or other third party payment now provided for by municipal hospitals who would not be served by the voluntary and private sectors? And, what municipal hospitals are so unique in the services they provide that even were the proposal to close to be accepted, they would have to be maintained?

Whatever information you can provide me on this subject would be greatly appreciated. All the best.

Sincerely,

EDWARD I. KOCH.

JUNE 13, 1975.

Hon. EDWARD I. KOCH,
Congressman, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN KOCH: Your letter of June 9, 1975 addresses the fundamental question about whether the municipal hospitals have a permanent future ahead of them.

Although the subject is too complex to be covered in a letter, I shall mention the more pertinent variables.

(1) As patients lose financial disabilities through acquisition of private health insurance, Medicaid and Medicare—and gain increasing sophistication about technical quality and amenities of health services—they vote with their feet. They transfer their historically enforced allegiance with municipal hospitals to voluntary hospitals.

The statistics are irrefutable. Total inpatient days in municipal hospitals have continued to decline while Medicaid and Medicare days in voluntary hospitals continue to rise.

(2) As a statistical rule the quality of administration *qua* administration of voluntary hospitals is better than that of municipal hospitals. Voluntary hospitals pay better salaries and can bid successfully for the best administrative talent around, including that which develops in the municipal hospital system.

(3) Voluntary hospitals have more powerful constituencies. These realities mean that advantages not available to municipal hospitals accrue to the voluntaries. The Ghetto Medicine program of partial deficit financing of ambulatory services from the State and City is one example. The reimbursement by Blue Cross for inpatient psychiatric services to the voluntaries and simultaneous denial of similar reimbursement by Blue Cross to the municipals is another example.

(4) Politicization of health services has occurred in both systems of hospitals. However, the impact has been particularly heavy on the community boards of the municipal hospitals. The consequences of this politicization have not been analyzed fully. However, as an early advocate of community participation (see my enclosed paper on hospital boards), I must confess my disappointment with respect to the limited gains so far. There has been no great leap forward in quality of care attributable to community participation in the municipal hospitals.

The passage of National Health Insurance will accelerate the trends I've described. Given a choice between even the new Bellevue Hospital and University Hospital, for example, patients now fiscally enfranchised with National Health Insurance will opt increasingly for University Hospital. If a patient can enter Klingenstein Pavilion at Mt. Sinai, or Harkness Pavilion at Columbia Presbyterian, will such a patient choose Bellevue Hospital or Metropolitan Hospital instead because they contain community advisory boards? The question answers itself. There will be cultural lag, to be sure, but the process of exodus from the municipals and entry to the voluntaries will be inexorable.

If my analysis is correct, then the question looms larger. Will the City remain in the municipal hospital business forever? Although the voluntaries lack the capacity to take in all former municipal hospital patients, can they increase their capacity by capital construction and expansion and merger with the partially empty and emptying municipal hospitals? To what extent can the constituencies of the municipal hospitals—the Health and Hospitals Corporation staff, District Council 37, the Community Advisory Board—slow the inevitable?

Patients now too rich for Medicaid and too poor for health insurance have no choice today but to rely on their hospitals of last resort—the municipals—or on the very limited charity facilities of the voluntaries. But the passage of National Health Insurance, if generous enough, will abolish this class of medically indigent, just as the promulgation of Medicaid and Medicare did so, at least partially, for their enrollees. The passage of National Health Insurance could conceivably abolish the need for "the hospital of last resort." I would hedge my bets somewhat here because government, after an initial spurt of beneficence, could cut back when the bills come in. The history of Medicare and Medicaid is instructive here.

In answer to your final question, other than Goldwater and Coler, no municipal hospital is so unique.

I hope I have answered your questions. I suspect I have provoked many others.

Sincerely,

LOWELL E. BELLIN, M.D., M.P.H.,
Commissioner of Health.

JULY 10, 1975.

Hon. EDWARD I. KOCH,
New York, N.Y.

DEAR ED: I regret the delay in responding to your letter to me of June 13. These comments incorporate some of the views of my staff, whose input I wanted to obtain before getting back to you.

The proposal to have New York City's voluntary and proprietary hospitals take over the municipal institutions certainly deserves consideration although I must make it clear that I cannot speak for the proprietary institutions. One chief objective would be of course the lifting of a serious financial burden from the City. On the question of the feasibility of the proposal, however, some doubts must be expressed.

Certainly the voluntary hospitals, whether they shared the burden with the proprietary hospitals or not, could not be expected to assume the burden of providing the services now being purchased by New York City at a cost of $200 million unless at least this amount were made available to us for at least several years—in which case there would be no saving for the City for that period of time.

The problem is probably not beds, essentially, because even with the relatively high occupancy of many voluntary hospitals, the impact would be initially upon outpatient—i.e., clinic and emergency services—rather than inpatient care. Facilities for providing such services would have to be enormously expanded by the voluntary institutions. Whether the proprietary hospitals could be induced to provide outpatient care in proportion to their volume is a matter that would presumably have to be negotiated by the City with them.

There is probably no population segment being served by the municipal hospitals which could not somehow be served by the voluntary and proprietary hospitals provided the other problems could be solved. Undoubtedly, transportation and expansion of satellite units would have to be arranged to reach pockets of need where now there is no hospital other than the municipal institution.

One or two municipal hospitals—e.g., Goldwater Memorial—do specialize in certain types of cases, but there is no reason why similar services could not be provided under voluntary or proprietary auspices.

In any event, the voluntary hospitals could not be expected to maintain the same number of beds as are presently in the municipal system. The most elementary demands of management efficiency would require an immediate and drastic reduction in their total number.

I hope these comments are helpful. If you would like to chat about this and other things sometime soon, I would be glad to arrange a meeting—breakfast, lunch, dinner, a drink, etc. Please let me know what would be convenient for you.

Kindest personal regards.

Cordially,

JOHN V. CONNORTON,
Executive Vice President.

SEPTEMBER 4, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: In the interim reply to your letter of June 23, the Secretary indicated that I would review the New York Hospitals bad debt situation and report directly to you on the matter. As you are aware, there is a long history to this issue which has made the development of our response more time consuming than we had initially thought.

On October 31, 1974, a meeting was held in New York City to discuss this problem. The meeting, sponsored by Mr. Joseph Terenzio, President of the United Hospital Fund of New York, was attended by Mr. Thomas Tierney and Dr. Keith Weikel, the Directors of Medicare and Medicaid. They expressed the Department's position that Medicare and Medicaid are precluded by law from reimbursing for nonprogram bad debts. While this position has not changed, and we both view national health insurance as the ultimate solution, I believe that the situation in New York and in other metropolitan areas is serious enough to warrant further consideration. I therefore asked my staff to convene a panel of experts from the Department to further investigate the matter.

Their evaluation, though not complete, has led to the following:

1. The specific financial nature of the situation has not been identified. It is possible that poor collection efforts, internal cross-subsidization among hospital departments and inefficient operation may have exacerbated the New York problem. It is hoped that a study by the accounting firm of Coopers and Lybrand, commissioned by New York Blue Cross and the State Health Department, will answer some of these questions.

2. Currently, the Public Health Service grant supported delivery projects in New York City help alleviate the demand for care in voluntary hospital outpatient departments. These projects are targeted to provide care to the poor and near poor in the city. Further their charges are related to the income of the registrant. While these projects are not able or intended to provide all of the ambulatory care in New York City, they have and continue to provide considerable service as evidenced by their funding level. A list of these projects, their operating expenditures, and an estimate of their utilization by non-publicly supported recipients is attached.

3. The Health Services Administration of PHS is about to undertake an evaluation of the present and future roles of the Public Health Services as it relates to the development of an urban health strategy. A major element of this activity (which will be coordinated with State and local health officials) will be focused upon the health care delivery of New York City.

I have asked my staff to keep me informed of the progress of the in depth evaluation of the New York situation and the development of an urban health initiative to deal with the generic issues which have been highlighted in New York. When there are meaningful results of that undertaking, I will, of course, inform you of such findings.

Sincerely yours,

THEODORE COOPER, M.D.,
Assistant Secretary for Health.

NSA FUNDED PRIMARY CARE FACILITIES IN NEW YORK CITY (1974)[1]

	Total amount dollars	Encounters		Registrants		
		Medical	Total	Medicaid	Medicare	Total
Charles Drew Neighborhood Health Center (Brooklyn)	$2,625,366	29,082	38,690	2,610	474	10,650
Gouverneur health service program (Manhattan)	21,147,058	258,312	323,444	NA	NA	NA
Hunts Point Multi-Services Health Center (Bronx)	2,807,312	43,582	92,182	7,273	135	22,034
Lyndon B. Johnson Health Complex (Brooklyn)	1,973,730	27,274	40,432	6,032	151	6,730
Martin Luther King, Jr. Health Center (Bronx)	NA	163,044	215,154	27,971	1,288	41,435
Mid-Westside Neighborhood Health Services (Manhattan)	2,786,352	43,418	65,448	13,200	444	21,386
North East Neighborhood Association, comprehensive health services (Manhattan)	$2,536,196	75,454	84,564	NA	NA	NA
South Brooklyn Neighborhood Health Center (Brooklyn)	1,410,958	18,462	29,716	NA	NA	3,958
Sunset Park Family Health Center (Brooklyn)	5,812,002	122,052	167,718	3,054	344	35,315
U.S.P.H.S. Hospital:						
Staten Island Clinic	NA	134,367	134,367	NA	NA	24,413
Manhattan Clinic	NA	79,446	79,446	NA	NA	28,741

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[1] Estimated annualized data.

JUNE 24, 1975.

Hon. EDWARD I. KOCH,
Congress of the United States, House of Representatives, Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN KOCH: This is in further response to your letter of June 13th asking for my views on the possible closing of municipal hospitals and the assumption of these services by voluntary and proprietary hospitals.

My view is that the proposal does not have merit in the near term. However, if the Congress should enact a comprehensive national health insurance law that would both simplify present financing arrangements and eliminate the financial barriers to access to health care, it would then be timely to review in some depth the appropriate public policy regarding the New York City municipal hospital system.

To your first question, the voluntary and proprietary hospitals have insufficient capacity to carry the load now handled by the municipal system. There are some 37,000 general care beds in New York City, of which under 9,000 are municipal. The latter operate at about 70 to 75 percent of capacity, while the voluntary and proprietary hospitals operate at about 80 to 95 percent of capacity. With the loss of city beds there would be substantial barries to access to care in many areas of the city. The consequence would be more than just inconvenience to patients, as has been implied to you. Here in the Bronx, for example, the voluntary and proprietary hospitals operate at 90% and higher, and it would be most unwise to plan to run the hospitals at a higher utilization rate.

As to special target populations, my comment above about the Bronx directly relates to services to the poor and disadvantaged ghetto populations. It is more than a question of financing of care. Rather, it is the matter of maldistribution or scarcity of services. Closing the municipal system would certainly deprive the poor of access to the hospital physician. I am concerned that many would then have to depend upon physicians who do not have hospital privileges or who practice in "Medicaid Mills", many of which deliver an inferior standard of medical care. On the other hand, the poor *are* covered by Medicaid and thus do have some flexibility to seek out the private physician or the voluntary hospital. Assuming the provider will render medical care, at least the financial barrier does not exist in such cases.

But the "working poor", who are the medically indigent *not* on public assistance, and thus not covered by Medicaid or Medicare, are especially dependent on the municipal hospital—for doctor's care *and* for hospitalization. Unlike the top income group who can either pay for its care or who have insurance, this group is without adequate financial resources. Its inadequate insurance coverage is particularly deficient on ambulatory care. They are the so-called "self-pay, no pay" patients who crowd all our hospital clinics. While exact figures are hard to come by, one reliable estimate based on Census data is that the "population at risk" in this category is close to 25% of the city's total population, or nearly 2 million people.

Our data are not very good as to just where the "working poor" live. They probably live just beyond where Medicaid eligibles live, but in the blocks of better houses. However, they are unable to secure private care, even the "Medicaid Mills", so they necessarily turn to the voluntary and public hospitals. A recent Blue Cross study of ambulatory services in the New York City area discloses that 44% of municipal hospital outpatient visits are classified as self-pay, while only 30% of the voluntary hospital visits are so classified. Thus, this group is not only dependent on the hospital as provider of care, but even more than the poor it relies upon the municipal hospital.

Since the costs for the 30% at voluntary hospitals are not fully reimbursed, these voluntary institutions are in increasingly financial jeopardy. I would doubt that they are in any position to assume larger deficits resulting from closure of municipal hospitals. In my opinion, then, the "working poor", which includes much of the lower middle class, would thus not find care in the private sector.

So long as New York City adheres to its traditional social policy of assuring access to medical care for all its citizens, regardless of income, and until a major national health insurance proposal is enacted, I do not see that the municipal system can be closed. Nor do I think it socially or medically wise to lower the present level of funding, which I frankly regard as much too low to meet the needs of the community. As an affiliate of the Health and Hospitals Corporation responsible for professional services at Bronx Municipal Hospital Center and Lincoln Hospital, we are well aware of these needs.

Against this programmatic outline, let me add a few budgetary facts about the municipal hospitals. In 1974/75 the City is paying to the Health and Hospitals Corporation out of tax levy funds a total of $314 million, broken down as follows:

	Million
1. General subsidy	$215
2. Capital funds	63
3. Mental health services	26
4. Health Centers	10
Total	314

If the municipal hospitals were to be closed, most of these payments would simply be transferred to the private sector, assuming it had excess capacity, to (1) continue the special services, (2) meet the needs of the poor and working poor, and (3) prevent further deficits in the private sector.

I should point out that total health costs chargeable to the city tax levy far exceed $1 billion, for they include the city's share of Medicaid payments to both private and municipal hospitals, Health and Mental Health Department programs, employee health premiums, etc.

There is no doubt in my mind that a more rational public/private system for the delivery of health care is not only badly needed but can be designed. However, I also have no doubt that it cannot be achieved with equity to all our citizens without major alterations in the financing of care and, correlatively, the role of the private sector.

I sincerely hope these comments are helpful to you, and I stand ready to assist you further should you so desire.

Sincerely,

EPHRAIM FRIEDMAN, M.D.,
Dean.

AUGUST 22, 1975.

Hon. EDWARD I. KOCH,
U.S. House of Representatives,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: I have received your letter, and especially in light of the City's current fiscal crisis, can appreciate your concern with reducing unnecessary expenditures wherever possible. On the surface, the City's subsidy of the Health and Hospitals Corporation appears to be a promising area for this type of reduction. Further inspection would show, however, that this subsidy can only be eliminated by curtailment of needed services. It is true, as you pointed out, that a Medicaid patient legally must be treated in exactly the same way as a private patient paying for services. It seems to me somewhat naive to believe that this in fact is true, especially when a Medicaid patient doesn't have a private physician. I question under what circumstances this basis can be eliminated.

As a result of increasing reliance on governmental programs, the distinction between the voluntary and municipal sectors becomes rather "fuzzy". With some voluntary hospitals receiving more than 90% of their total operating budgets through reimbursement from the two primary government health care programs, the voluntary system begins to look more and more like a municipal health care provider so that when we talk about taking patients out of the municipal hospitals and treating them in the voluntaries we're not really talking about a major distinguishable change. The fundamental advantage of municipal hospitals is that they spend public money in public, and consequently are accountable in a way that voluntary hospitals are not.

It is also true, as you pointed out, that the City contributes in excess of $200 million for operation of the municipal hospitals above what is reimbursed by all parties billed (Medicare, Medicaid, Blue Cross, Self-Pay and other insurance providers).

However, the key to answering the question of whether this money can be saved by the City comes from your inquiry of whether there is a target population that is not covered by Medicare, Medicaid or other third-party payment and must now be served by the municipal hospitals. The answer to this question, unfortunately, is yes there is a group of people who do not now have health care coverage and therefore cannot receive care in the proprietary and voluntary institutions.

It should be understood that the basic charter under which the New York City Health and Hospitals Corporation operates, mandates that the municipal hospitals provide primarily for the health care needs of the medically indigent and the deprived within our City, and although the following point is philosophically objectionable to many, the City system also does not compete with the private sectors for, if you will, a share of the market. Because of these basic tenets and the rather unique affiliation relationship of the City hospitals, wherein, the voluntary hospitals supply physicians on a contract basis to operate municipal facilities, a very small percentage of the admissions to City institutions are on an elective basis; that is physicians rarely refer a patient to a City hospital for inpatient service unless an emergent condition prevails. Implicit in this observation is the fact that patients who are admitted to the City hospital, for the most part, do not come by choice. Patients come to City hospitals from two primary sources. They are either brought in through the emergency room, because the City maintains one of the most responsive emergency ambulance networks in the County (a heavy deficit operation I might add), or because they have been turned away from a voluntary or proprietary institution due to the absence of an unquestionable indication of their ability to pay for service. It is a standard practice in many New York City voluntary hospitals to expect payment for service in advance if a patient is not covered by some major insurance program (e.g., Medicare, Medicaid, Blue Cross, etc.).

Let us look more carefully at this class of patients which have been denied service by the voluntary or proprietary hospital. To do this we must examine the rather subjective label "poor." Poor as defined in current Medicaid Legislation in New York City would include a family of four earning under $5,000. In other words, the head of a household which has four members in it and who earns over $5,000 is deemed to be earning enough money to pay the cost of medical care for his family from his own financial resources; an annual cost that today in America averages $485 per person. Knowing the cost of surviving in a large urban center, I would have to insist that the subsistence level for a family of four in New York City is more than double this Medicaid guideline. But now the logical question is, if a realistic subsistence level of income is double the cut-off point for Medicaid, then how does this in-between group pay for the "luxury" of medical care. Where does the responsibility lie to see to it that these people receive necessary and adequate quality medical services? The answer is that there are no nationally mandated provisions that allow for this segment of the population. As a result these people become the wards of charitable institutions, or of local municipalities or if provisions are not available in either of these areas quite simply these people go without treatment, perhaps to die needlessly.

Fortunately, in New York City we have municipal facilities and enough social conscience to care for this portion of the population which is between the legally defined poverty level and a realistic appraisal of what that level actually is.

What will happen to these borderline cases if the municipal hospital system is removed from the health care picture. These patients who might otherwise claim their right to health care with dignity will once again be the wards of the charitable institutions to receive needed medical attention at what devolves to the discretion of the wealthy who very possibly increase their fortune from the labors of this class of *working* poor.

National Health Insurance will mitigate against this situation depending on its scope. We will then be rewarding the hospitals that have consistently discriminated against people in need of care without third-party coverage. It is my feeling that public money must be spent in public and consequently, I see more government in health care delivery and not less. Lack of public accountability under National Health Insurance would be a great tragedy. The Corporation is visible on a daily basis to the public. Where are the Arthur Levitt audits of the voluntaries? There must be National Health Insurance because the continued whimsical treatment of so serious a social problem described earlier has no place when one considers that this in-between class is being forced to pay for the indulgence of a society which is excessively tolerant of a profiteering element in the field of health care, a field where the supply of physicians' services are tightly controlled and harshly limited at the expense of the American public. The normal forces of supply and demand have pushed the price of this care to the point where physicians earn unconscionable high incomes from the suffering of their fellow Americans.

It is from the treatment of this borderline group that much, if not all, of the Health and Hospitals Corporation's budget deficit comes. Unless the City of New York decides to no longer take responsibility for the treatment of these people the deficit cannot be eliminated.

I hope that this brief treatment of the subject satisfies your concerns on whether the City of New York should continue to provide direct health care services.

Sincerely yours,

JOHN L. S. HOLLOMAN, Jr., M.D.

OCTOBER 6, 1975.

Congressman EDWARD I. KOCH.

DEAR CONGRESSMAN KOCH: I am writing at your request to respond to your recently distributed letter of 6/13/75. At the time of our last meeting approximately ten days ago you asked that I and several other representatives of Health & Hospitals Corporation Home Health Agencies respond to the letter which you had reportedly distributed to executive directors of Voluntary Hospitals. In that letter you asked whether there was merit to the proposal to discontinue Health & Hospitals Corporation Services. You also attempted to determine whether or not voluntary & proprietary sectors would be able to handle additional patient loads. You also asked whether there was a population which would not be covered by third party payments who would not receive service through the voluntary & private sectors. I am responding as a clinician concerned about the provision of medical care for a large segment of our population currently receiving care through the Health & Hospitals Corporation & am responding as a chief of service & a member of the medical board of one of the corporation hospitals.

Over the course of the many years Health & Hospitals Corporation Hospitals have existed (previously Municipal Hospitals), it has become apparent to all in the Corporation Hospitals as well as to many in the voluntary sector that there are large segments of the population who have not received care through the voluntary hospital system. They have been referred to Corporation Hospitals because of social, financial and/or medical problems with which the voluntary & proprietary hospitals have not been able or interested in dealing. These patients have been transferred to Corporation Hospitals where they have been admitted if needed. This may have been thought to have been a previous situation which is not currently in existence, but there are numerous current comparable examples. Numerous individual cases could be cited wherein patients have been transferred from Voluntary Hospitals such as Lenox Hill & Mt. Sinai Hospital for admission. The patients who have not been admitted to the Voluntary Hospitals reportedly were not admitted because "there were no beds available". Of note is the fact that any patient in need of medical care is never refused admission at a Health & Hospitals Corporation Hospital. There is no such thing as being full on any service nor in total census. If the patient needs in-hospital care, the patient is admitted.

Specific groups can be identified who have not in the past nor predictably in the future received care through Voluntary Hospitals. This does not relate to total bed capacity or available beds but policy in the emergency rooms. Many of the types of problems with which patients present are felt to be undesirable reasons for admission to Voluntary Hospitals by those institutions. Such patients are the following:

1. Chronically Ill—Voluntary Hospitals have over the course of the past many years provided minimal care for chronically ill patients. These patients have recurrent breakdown in medical and/or social situations necessitating re-hospitalization & restabilization. They most often present without acute medical crises although these may occasionally occur. The reason that the voluntary sector has not responded to the need of this population group is that they would require long in-hospital stays with eventual return to the community. Return to the community would involve a great deal of supportive planning & care not available through the voluntary or proprietary institutions. Programs comparable to Corporation Home Health Agencies, which provide care to over 2500 patients with complex chronic illnesses are present in very few Voluntary Hospitals & if so to a very limited degree.

2. Elderly Acutely Ill Patients—These patients are often refused admission to Voluntary or Proprietary hospitals and are transferred from emergency room to Corporation Hospitals. The reason for the lack of orientation to the acute problems of the elderly is comparable to that stated above. It is felt by most house staff seeing patients in emergency rooms not geared to the care of the elderly and/or chronically ill that they will require long hospitalizations and will be what is termed "a disposition problem". Whether or not the patient is able to return home after treatment of an acute illness hardly relates to the medical necessity for admission but this is often an over-riding consideration of the admitting house staff member.

3. Elderly Frail—This population group would not necessarily present with chronic illnesses delineated by medical diagnoses nor by acute illnesses requiring immediate hospitalization but might well present with social problems requiring interim in-hospital care until appropriate management can be arranged. Such patients would be regarded as "social problems" and would be felt to be not the responsibility of the Voluntary Hospital system nor of the proprietary hospitals. The Health & Hospitals Corporation facilities on the other hand have for years felt the social responsibility for the hospitalization of such community members when necessary. Such a situation might occur when an elderly frail patient's family member developed an illness which precluded continuing care of that elderly frail patient. Until restoration of health of the family member providing care it would not be inappropriate to accept the patient for admission on an acute social basis to a hospital facility possibly transferring the patient to a health related facility or discharging the patient to home when the person providing care is once more able to resume that responsibility.

4. Chronic Alcoholics—Patient with medical problems related or unrelated to the existance of chronic alcoholism are not often refused admission to Voluntary or Proprietary Hospitals. They are admitted to the Health & Hospitals Corporation Hospitals where they receive care for problems which present. This disinclination of private physicians and voluntary house staff to diagnose and treat chronic alcoholism in its early stages as well as the later sequella of that disease entity have been documented and an article relating to that is now present in the latest issue of New York State Journal of Medicine.

5. Drug Addicts—Drug addicts are another group not admitted to Voluntary or Proprietary Hospitals unless a special grant or financial incentive exists. Drug addicts are known to have multiple medical problems. Such medical emergencies as over doses, Acute Congestive Heart Failure related to heroin addiction, blood poisoning related to injections, hepatitis again related to use of contaminated needles, etc. require in-hospital treatment as well as a program for treatment of the drug addiction problem. These exist in the Health & Hospitals Corporation Hospitals and patients are admitted when needed to these facilities.

6. Trauma Patients—Patients who have been in accidents requiring immediate and intensive trauma care are probably treated best in Health & Hospitals Corporation facilities since full trauma teams are present in most of these facilities. In many there are operating room facilities in the emergency room. This has resulted in the salvage of numerous lives including those of police officers, all community members.

7. Patient With No Identifiable Source of Reimbursement—Approximately 20% of all patients admitted to Health & Hospitals Corporation facilities have no third party reimbursement source. They fall into an economic category which is above medicaid reimbursement level but is below that which would make it possible for these patients to pay for their own medical care. They are cared for in the Health & Hospitals Corporation facilities on a scaled basis. A large proportion of these patients are required to pay minimal amounts, if any. Voluntary Hospitals & Proprietary Hospitals would not be willing or able to take care of these patients. At the present time all of these patients are transferred to Corporation facilities when they are in need of any care.

8. Patients Requiring Hospital Based Coordinated Home Health Agency Services.—The documentation for the excellence of the Corporation Home Care Programs is well stated in the Columbia Study carried out in 1968. In that study teams of health workers including a public health nurse and physician visited patients on Home Health Agency Programs of Voluntary Hospitals & community based facilities as well as Health & Hospitals Corporation Hospital based coordinated care facilities. In their summary report they noted that the Health & Hospitals Corporation Home Care Program could well "provide a model for the development of other coordinated Home Care Programs." At a time when there has been extensive "exposures" of mismanagement, inappropriate placement and poor care within some nursing home facilities, it would seem appropriate to again look at the recommendation of the Columbia Study and to further expand and develop Health & Hospitals Corporation Home Care Programs.

In summary it is my feeling that the Health & Hospitals Corporation hospital facilities are located in areas of high density populations with a large proportion of patients falling into categorical classifications delineated above. They would receive inappropriate and for a time no care if we are to rely on Voluntary & Proprietary Hospitals for the exclusive delivery of care. Health & Hospitals Corporation facilities continue to be needed for the responsible management of the types of problems which I have attempted to outline. It would also seem apparent that if Voluntary and/or Proprietary Hospitals were to, by a verbal commitment, state that they would care for these patient groups they would also require New York City funds to supplement or provide a source of reimbursement for all of these identified groups. It is my feeling that in no way would the 200,000,000 dollars operational budget for health care as currently provided through city tax funds be eliminated or diminished. If anything this figure might be higher since it is also known that the cost of daily institutional care within a voluntary facility is generally higher than that within a Corporation Hospital facility. I would cite the fact that a hospital day in most New York City Corporation Hospitals presently costs $220. This figure includes all physicians care, diagnostic tests, medications, anesthesiology costs, operating room costs, etc. In a Voluntary Hospital facility a semi-private hospital day costs $220 or more for room and board services only. All other services are extra costs and the average daily cost is therefore some place in the neighborhood of $400-$500.

I trust that this information will be of assistance as you attempt to evaluate the needs for various types of medical care facilities.

Yours sincerely,
JOSEPHINE A. LOCKWOOD, M.D.,
Medical Director, Home Care Service, Metropolitan Hospital.

August 19, 1975.

Hon. Edward I. Koch,
Longworth Office Building,
Washington, D.C.

Dear Congressman Koch: Dr. Laster has been on vacation, and I am attempting to respond to your letter of July 28th for him.

I have also read a copy of Lowell Bellin's letter to you.

I do not think we can close the New York City municipal hospitals and merely keep Goldwater and Coler going. I believe there is no question that their services will shrink, but I do not think such facilities should be allowed to entirely evaporate. As a matter of fact, I suspect a good many of the private hospitals will also find their percentage occupancies decreasing as we begin to move more and more into a society of ambulatory care. I am one of those who wildly hope that more and more of us will be allowed to die at home and I recognize to achieve that hope we must move rapidly before we are incarcerated in respirators and tied with tubes to the walls. Hence, I think we are, in general, in the state of transition where hospital uses will decline and ambulatory care will increase. I do not think in such a moment one can close down municipal hospitals and I would prefer rather to think there could be a contraction of all of them.

Trusting this is of help to you in your deliberations, I am,

Sincerely yours,
Calvin H. Plimpton, M.D.,
President.

June 23, 1975.

Hon. Edward Koch,
Congressman, House of Representatives,
Washington, D.C.

Dear Congressman Koch: I write in response to your letter of June 9 addressed to Dr. Thomas C. Chalmers. I am particularly glad to have the opportunity to respond since I am Chairman of the Committee on Affiliations of the Greater New York Hospital Association and have been intimately involved with the Corporation's activities since its inception and before that with the Department of Hospitals.

The development of public health insurance payment schemes has led to a reduction in the number of elective patients in the City hospitals so that they have been progressively having to close beds and are still unable to meet the State-mandated occupancy requirement of 80 per cent; a figure easily attained by the voluntary system. This means that those patients who are free to choose tend to elect the voluntary hospitals. Indeed, if it were not for the ambulance service of the City, their beds would be essentially empty. They do, however, provide approximately one-half of the ambulatory care services offered by hospitals in the New York area.

The latest figures that I am familiar with show that there is a total operating budget of approximately $1 billion for the Corporation and that the City tax levy approaches $400 million. The only patients for whom payment is not forthcoming are the group for whom the voluntary hospitals also have problems of finance: the working poor. The very poor patient on Medicaid and the self-supporting patient with health insurance causes the hospital no serious financial difficulty. The person in the five to ten thousand dollars a year income range does, however, lead to trouble. The only other group that I am familiar with that the City hospitals take care of for whom no payment source is available are the prisoners and there are not all that many of them.

For the City of New York and its current financial straits to continue to try to operate eighteen hospitals, six of which have occupancy rates which are well below the accepted standards for efficient use of an expensive facility is irrational. It should also be recognized that the large number of public and voluntary hospitals in New York City mean that no extensive travel is necessary.

I would be happy to discuss this with you or members of your staff if you would wish me to. I am delighted with your interest in this very major problem in New York City.

Sincerely,
S. David Pomrinse, M.D.,
Director.

August 22, 1975.

Hon. Edward I. Koch,
Congressman, New York, N.Y.

Dear Congressman Koch: Referring to your letter dated June 13th, which was received in my office on August 15, 1975, I would like to make a short comment.

It seems to me that the larger city hospitals should be supported and the smaller ones which are less utilized could be closed. This would include 4–6 institutions to be closed. This would be an orderly and fairly simple procedure. After a period of time the situation should be re-evaluated if National Health Insurance becomes law. It would be my judgment at the present time that the voluntary hospital system could not absorb the population which are presently in the city institution. I must add that I have no firm data on which to base this judgment, so my judgment is basically an opinion. There are a reasonable number of patients in New York City that are neither covered by medicaid, medicare, or other 3rd party payments who also cannot afford health services which would not be served by the voluntary and private sectors.

I believe the municipal hospitals associated with the various medical schools do a very good job in providing very good care for patients who need it.

Frankly, I do not agree with the proposal to close all municipal institutions unless they are "unique".

Sincerely yours,
Samuel H. Rubin, M.D.,
Dean.

August 28, 1975.

Hon. Edward I. Koch,
Congressman, U.S. House of Representatives,
Longworth Office Building, Washington, D.C.

Dear Mr. Koch: I apologize for the events which have caused the delay in responding to your letter of inquiry of June 13, 1975.

I am in general agreement with Dr. Lowell E. Bellin's reply of June 13 to your question concerning New York City's municipal hospital system. Patient census and third party payment mechanisms will be the major issues facing New York City's involvement via its municipal hospitals in the future.

The patient census in New York is too great for any abrupt closing of the municipal hospitals. There is simply not enough capacity in the voluntary and proprietary system to take the shock of a sudden closing. In the near term therefore, we cannot anticipate other than disastrous consequence of a premature withdrawal by the city from this function of health care provider.

While the municipal hospitals may have a lower census in some areas it is not the case everywhere. Any prospective change should be made very carefully.

More importantly perhaps is the City's function as provider of ambulatory care. Many who are above the medicaid cut off level simply would have no alternative, in view of their resources, to the municipal system as it and the third party reimbursement system now operate. A major service is provided by the City's involvement via its hospitals. The financial impact on the population now served by the City's hospitals would be very difficult.

Any proposal to shift the provider and operating responsibility for health services must be viewed carefully not only in terms of the finance and effectiveness of the system but also at the quality availability and cost of the care to those in need.

Sincerely yours,
Donald F. Tapley, M.D.,
Dean.

August 14, 1975.

Hon. Edward I. Koch,
Longworth Building,
Washington, D.C.

Dear Ed: This will acknowledge receipt of your letter of July 2, 1975, which actually reached me on *August 8*. The letter was originally misdirected to the League of Voluntary Hospitals and Homes of New York, which I have not been connected with in any way. I am sorry for the delay and request that your records of my address be changed accordingly.

I appreciate the opportunity you have given me to expres my opinion with respect to the New York City municipal hospitals and the question as to whether the City of New York should get out of the hospital business. The issues raised in your letter are complicated and require extensive discussion. I would be pleased to meet with you or any member of your staff to outline my feelings about the municipal hospital system, the New York City Health and Hospitals Corporation, and whether or not the voluntary sector in the city would be able to pick up the load which would result from the closure of the city hospitals if this were decided.

To begin with, it's my belief that the hospitals of the municipal hospital system are needed in the City of New York. Perhaps a few, even several, could be closed (closing beds in a hospital does not save money—closing entire hospitals does), and the remaining consolidated into maybe 12 or 14 more rationally organized, better funded and administered. I believe this is something which could and should be done now by the New York City Health and Hospitals Corporation.

Actually, if we do achieve within a reasonable period of time a comprehensive program of National Health Insurance or, in fact, the Medicaid program were *federalized* and its eligibility level raised (from the present $4,800 for a family of four in New York City to something more appropriate, considering the high cost of living in the city), I believe that it would be possible for the New York City Health and Hospitals Corporation to become self-sustaining as it is now organized. This would eliminate the need for tax levy support from the City of New York.

Realistically, if the municipal hospital system were closed, I do not think the voluntary and proprietary sectors could absorb the total load *at this time*, although New York City is overbedded and eventually (when more effective ambulatory services can be provided) a fairly large reduction in the total number of available beds is very much in order. The new planning legislation, National Health Planning and Resources Development Act of 1974 (P.L. 93–641), emphasizes the need for ambulatory care as an alternative to expensive in-patient services.

You raised the issue of patients choosing the voluntary hospitals as opposed to municipal hospitals when they have "freedom of choice." I think this is a view that most health care professionals take with respect to this issue. With "freedom of choice" patients will opt for a voluntary hospital largely because of the amenities provided and because in many instances the quality of care is better than one finds in the average municipal hospital. It appears likely to me that if we had universal entitlement under a broad-gauged National Health Insurance program, creating totally voluntary hospitals of the existing or remaining municipal hospitals might be acceptable to the public in the future (see comments on this below), I am certain that the existing voluntary hospitals would and could pick up a larger share of the load but not under existing circumstances. At the moment, because of the lack of adequate reimbursement for ambulatory care the voluntaries are slowly going bankrupt (14 are now technically bankrupt according to information available here at the United Hospital Fund). If, however, adequate coverage and reimbursement were made available to the voluntaries, I believe they would be more than willing to take on additional responsibilities. If we did create a total voluntary system, a realistic method for public accountability would have to be developed as an absolute necessity.

For a long time my own personal feeling has been that the City of New York is incapable of operating a hospital system. This goes for any municipality, county or even a state, wherever located. The operation of both the municipal hospital system of New York City and the operation of New York State psychiatric hospitals are real evidence to substantiate my opinion. The cumbersome bureaucracy, with overhead agencies, stringent budgetary rules of procedure, and an impossible civil service system which encourages mediocrity, simply cannot operate with the necessary speed, flexibility and attention to quickly changing techniques (which have resulted from the rapid and enormous progress made in medical science in the last several decades) to successfully deliver health care of an acceptable quality. By the time bureaucratic overhead agencies give approval for the implementation of new techniques or the purchase of new equipment in order to keep up with advances in medical science, very frequently these new modalities are already obsolete (i.e., Bellevue Hospital). I advocated, designed and succeeded in putting through (in the New York State legislative session of 1969) the bill creating the New York City Health and Hospitals Corporation because of my strong feelings about this.

I realized in 1968, when the legislation creating the New York City Health and Hospitals Corporation was being drafted, that we needed a legal mechanism to take the municipal hospital system out of constraints of the city government and yet I felt it was necessary to maintain a separately identifiable "public hospital system" because of the adverse reaction to the voluntary hospitals fostered among the medically indigent in our city by the public utterances and political rhetoric of former State Senator Seymour Thaler, who had indicated publicly that the voluntary hospitals were interested in the "poor" only to the extent that they provided clinical material for their medical training programs and had no other true interest in them. It was my feeling at that time that the general public (that is, the lower socioeconomic level of the public) just would not accept a voluntary agency as the corporate structure substitute for the Department of Hospitals, hence the idea of a public benefit corporation was generated. As noted above, I believe the public climate now would make the idea more acceptable.

Ed, frankly the New York City Health and Hospitals Corporation is not functioning the way the State Legislature and the Joint Legislative Committee on Public Health of the State Legislature in 1968–69 (State Senator Norman Lent was chairman at the time) intended it to function.

Its board of directors consists almost entirely of political appointees with little or no real knowledge of the problems of health care delivery for the medically indigent, nor do they realize the magnitude of the impact of this system on the overall effectiveness of health care delivery in New York City. Under the present arrangement, all third-party monies intended for the Corporation go to the City via the Controller's Office. It was not intended to be this way. The State Legislature intended that all third-party monies would be reimbursed directly to the Corporation treasury.

Actually, if in the future we have universal entitlement under National Health Insurance and if the reimbursement levels provided by the government are adequate, I believe the New York City Health and Hospitals Corporation can be self-sustaining as I noted above. I truly believe that the Corporation should be strengthened. Its board of directors should be reorganized by the appointment of people of the caliber of those serving the big M.A.C. or Mayor Beame's new organization for municipal management (of course with appropriate consumer representation). I believe, too, that in the long run the Corporation should move to decentralize and maybe eventually even create (as you suggest) separate voluntary or public benefit corporations for each hospital, each with its own board whose constituency could be broadly representative of the community it serves. This might be possible if we had universal entitlement under a program of National Health Insurance.

The amount of money that New York City puts into health care is indeed enormous. One reason is because 25% of the cost of the Medicaid program is paid for by the City of New York. If Medicaid were federalized, 100% of the cost would be picked up by the federal government as in Medicare (with the exception of the deductibles) and the City of New York would save an enormous amount of money.

The problem that you raise in the third paragraph of your letter regarding the target population not covered by Medicare, Medicaid, or other third-party payment who are large users of the municipal and the voluntary hospital systems is a difficult one. These are persons who are *above* Medicaid levels of eligibility, who may have Blue Cross for in-patient hospitalization but who have no ambulatory care coverage and cannot afford to go to a private physician for ambulatory care. If they have a minor illness that requires medical attention but *does not require hospital care* they have no alternative but to go to a municipal or voluntary hospital. They are the "working poor"; people whose family income, living in New York City is $5,000 thru $9,000 per year. The Community Council of Greater New York has estimated that persons in a family of four whose family earnings are less than $10,000 are at the bare subsistence level. The "working poor" without coverage for ambulatory care are creating the real problem for both the voluntary and the municipal sectors. The voluntary hospitals have depleted almost all of their endowment funds financing this group of people and they are an enormous burden on the municipal sector. This is the group that falls *between* the cracks. The voluntaries cannot pick up any more of the load than they are already doing and so if the municipals turned these people away, they simply would not get care. Some way, somehow, either by a redistribution of resources or more money in the system, a way must be found to cover the "working poor" for *ambulatory care*. This should have the highest priority in any new health legislation out of Congress, higher than catastrophic coverage or anything else. This applies both to voluntary hospitals and to municipals as well—this is breaking the back of the health system.

Lastly, Goldwater Memorial and Bird S. Coler are two municipal hospitals that provide specialty services. A study has been made regarding merger of these two hospitals (on Franklin D. Roosevelt Island) into one, I believe it would be a good move. Then, of course, there are Bellevue, Kings County, Bronx Municipal and Metropolitan Hospitals which I don't believe can be closed in any event. Maybe they can be converted into separate entities as voluntary hospitals or subsidiaries to the New York City Health and Hospitals Corporation as provided in the statute or remain part of the self-sustaining Corporation *if we someday soon have universal entitlement under a National Health Insurance Program.*

As I said earlier, this whole matter of hospital care in the City of New York involving the municipal sector and the voluntary sector is of deep interest to me and I'd be delighted to meet either with you or any members of your staff at any time to discuss this problem at length, particularly in connection with the new planning law, P.L. 93–641. Quite recently I served as a consultant to the City of Baltimore about their hospital, the Baltimore City Hospital. They certainly want out of the hospital business!

Please let me know when it would be convenient for me to have an opportunity to see you or some members of your staff. Many thanks for asking me to give my thoughts in respect to this.

With kind personal regards and best wishes, I am,

Sincerely,

Joseph V. Terenzio,
President.

July 7, 1975.

Congressman Edward I. Koch,
New York, N.Y.

Dear Congressman Koch: I have your letter of June 9, 1975, asking for my views on certain considerations which you have raised about the New York City Municipal hospitals.

This is an enormously complicated subject, which cannot be dealt with in simple ways. I invested a great deal of my time and effort in the early 1960's in making it possible for the non-affiliated City hospitals to survive professionally and to provide more and better service to their communities. It is now a decade later, and certain things have happened. Medicaid and Medicare which were implemented simultaneously in New York State resulted in a drop in census in the public hospitals and an increase in census in the voluntary and proprietary hospitals. One can assume that this will happen to a greater degree as a result of a really adequate National Health Insurance Program. Until such program is enacted, the precise effect on New York City cannot be projected. There is a Task Force of the Regional Medical Program, which is housed in the New York Academy of Medicine, examining the potential impact of National Health Insurance on the health industries of New York City.

The major short term problem that we face in New York City with respect to providing care to people who cannot afford private care is that of the working poor. The self respecting individual who is holding a job for $100 or $125 a week and who has a family, nevertheless, is disenfranchized from Medicaid (largely because of a series of cuts in income ceiling eligibility criteria made by the State Legislature) and is not old enough to have Medicare. It is this individual and his family who creates the deficits in the voluntary hospitals and who mandates the necessity for public subsidy of the voluntary hospitals through the Ghetto Medicine Program, the matching program, the mandated participation by Blue Cross in outpatient deficits, and various governmental contracts for services to various groups. It is also this group which must be taken care of, in part, by the municipal hospitals using local tax subsidy as a court of last appeal. City hospitals did not come into being by accident. They occurred because the voluntary sector could not mobilize the enormous resources needed to take care of the enormous numbers of poor people, which have poured through this City over the centuries.

If the City hospitals were to close precipitously, the voluntary and proprietary hospitals could not absorb the load. There are a certain number of small voluntary hospitals, which are unnecessary in New York City and which have been earmarked as not needed. As far as the Health and Hospital Planning Council of Southern New York is concerned, such hospitals should close. I think it is also fair to say that the census continues to drop in the public hospitals and that given careful planning, it would be possible to phase out certain public facilities over a period of time. In the long run, the poor of New York will be best served by large medical service centers operating detached ambulatory care units as a total responsibility with equal standards of care in the base institution and in the ambulatory facility. This is the way we have operated on the Lower East Side with Gouverneur and Judson.

I think it is equally important to emphasize that certain City hospitals must be maintained and improved because they are going to be the major providers of care in certain sections of the City in the foreseeable future. I mention all of this because no voluntary hospital in today's climate can move into a slum area or an area which is marginally economically deprived because they cannot pass the financial feasibility requirements, and they have enough to do to survive where they are partly because of excessive cost controls. A new group of Trustees who might wish to start a voluntary hospital in an underprivileged community could never pass a financial feasibility requirement under existing programs even though New York State has led the nation in its efforts to make monies available for modernization, expansion or new construction. What is needed is a program of support in inverse ratio to the economy of the community.

I do not mention the proprietary hospitals because they are interested primarily in low risk private patients.

Thus, it is safe to predict that public facilities such as the Harlem Hospital Center, Lincoln Hospital and certain other facilities in economically depressed areas, will serve very special purposes in New York City for the forseeable decades. Given adequate neighborhood family care centers, operated by such medical service centers—public and voluntary—the public would be better served by fewer but excellent large service centers with detached well run ambulance services with adequate 24 hour transportation.

All of us who administer health facilities are hanging on the ropes, waiting for a well thought through, well financed National Health Insurance Program. The kinds of questions which you raise should be addressed by the Health and Hospital Planning Council of Southern New York or whatever successor agency results from the new Federal legislation in the years ahead. There are a number of existing policies which can be applied to the kinds of questions which you raise in your letter.

It is important that you support local efforts to develop a strong successor planning agency capable of carrying on the long history of government—voluntary joint efforts at intelligent planning. I suggest you invite Mr. Joseph Terenzio, President of the United Hospital Fund to brief you.

I hope I have said enough to indicate the complexity of the situation and at the same time to reaffirm my very firm conviction that the great professional strength of New York City resides in the voluntary sector, which in turn serves under contract arrangements to help discharge public responsibilities. I do not believe that in the years ahead New York City will have to maintain all of the existing City hospitals. On the other hand, any idea of precipitously closing a major part of its municipal system would lead to a catastrophe.

Much of what is implied in your letter will occur through the development of National Health Insurance and natural trends in the situation which lead into such complex subjects that I do not wish to deal with them in writing. I would be glad to discuss this matter with you sometime. Perhaps, we could have lunch with our mutual friend and my Trustee, Mr. Herbert Singer.

With kind regards,

Sincerely yours,

RAY E. TRUSSELL, M.D.,
General Director.

CORPORATE TAX STUDY, 1974

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VANIK. Mr. Speaker, I have requested recognition today in order to present to the Congress and the public my 4th annual corporate tax study on America's leading corporations. These computations, for tax year 1974, were prepared by expert congressional accountants from information that is entirely public.

The study obtained tax data on 142 of the 164 companies that we undertook to examine. Twenty-two companies either lost money or did not report their tax data in a manner that allowed congressional accountants to compute effective tax rates.

I want to stress that the figures are approximate figures and may reflect tendencies by companies to overstate or understate their tax statistics. It would not be unfair, however, to say that if anything, these figures and the computed effective tax rates are very kind to the corporations. The appendix to the study includes a more detailed explanation of the limitations of the data used to compute approximate incomes and approximate effective tax rates.

As I have found in each of the last three years, there are some companies that pay no federal income taxes at all or actually were able to receive refunds from the IRS through tax credits, carrybacks, or carryforwards. In 1974, there were eight companies in the study who were able to escape paying Federal corporate income taxes completely despite a total profit of $843,974,000.

Additionally, there were 18 companies who were able to pay an approximate effective U.S. income tax rate of 10 percent or less, or $270,430,000 in taxes on $5,322,683,000 in profits. We all should recall that the corporate income tax rate, with some exceptions, is a statutory 48 percent.

In the previous tax year, 1973, my study found that 10 corporations, with total profits of approximately $976,000,000 paid no taxes. Another 20 corporations, making $5,285,555,000 in profits, paid effective Federal income taxes at a rate less than 10 percent for a total of $226,894,000 in Federal income taxes.

Although fewer companies escaped paying Federal income taxes in 1974 and their profits were also down a small amount, it is very clear that the corporate sector is continuing to reduce its proportionate contribution to the support of the Federal Government. Congress must deal with the issue of shrinking corporate taxation over the long term.

Mr. Speaker, I must also stress that these corporations were able to completely avoid paying Federal income taxes or keep them to an absolute minimum without breaking any laws. They have instead taken very effective advantage of the numerous "incentives" and business sector "stimulants" that have come to be an established part of the United States Tax Code. Although some "tax relief" is available to individual taxpayers in the form of personal deductions—and tax rebates and reductions from the Tax Reduction Act of 1975—it is miniscule when compared to the opportunities that America's corporations have to reduce their taxes.

These corporations do pay, just as the individual taxpayer, other, non-income-related taxes. These other taxes can include sales taxes, excise taxes, State, city or local taxes, franchise taxes, taxes to foreign governments, et cetera. Although companies included in my previous tax studies have been quick to claim that measuring only Federal income taxes is unfair or misleading, we all should keep in mind that individuals also pay more than just simple Federal income taxes. As a Member of Congress, my legislative jurisdiction extends only to Federal taxes, and an examination of effective Federal income taxes is essential in assessing the Federal Tax Code and its effects.

The figures on 1974's corporate tax rates continue to show that for large corporations, the 48-percent corporate tax rate is usually fiction—corporations are able to avoid to a large extent the statutory corporate tax level. The average effective Federal income tax rate for all companies in the study was only 22.6 percent, not even half of the 48-percent corporate rate.

The figures on corporations paying no Federal income taxes and those paying at a rate of less than 10 percent follow:

TABLE 1.—CORPORATIONS PAYING NO FEDERAL INCOME TAXES, 1974

Company	Approximate adjusted net income before Federal income tax (thousands)	Approximate 1974 Federal income tax (thousands)[1]	Approximate 1974 effective tax rate (percent)
Ford Motor Co.	$351,900	($56,700)	0
Lockheed Aircraft Corp.	29,800	0	0
Honeywell	98,881	(2,218)	0
U.S. Industries, Inc.	17,920	(2,828)	0
American Airlines	26,769	0	0
Eastern Airlines	17,617	0	0
American Electric Power Co.	163,749	(19,297)	0
Allstate Insurance Co. (consolidated and subsidiary)	137,338	(16,810)	0
Total	843,974		

[1] Figures in parentheses equal credits, carry forwards, carry backs.

TABLE 2.—CORPORATIONS PAYING 10 PERCENT OR LESS IN FEDERAL INCOME TAXES, 1974

Company	Approximate adjusted net income before Federal income tax (thousands)	Approximate 1974 Federal income tax (thousands)	Approximate 1974 effective tax rate (percent)
Consolidated Edison of New York, Inc.	$225,325	$100	(1)
The LTV Corp.	169,718	1,400	(1)
Occidental Petroleum Corp.	307,450	5,000	1.6
The Chase Manhattan Corp.	171,206	4,973	2.9
Texaco, Inc.	1,383,671	45,400	3.3
Continental-Illinois Corp.	129,413	5,280	4.1
Bankers Trust New York Corp.	63,382	3,026	4.8
Northwest Airlines, Inc.	95,558	4,993	5.2
Mobil Oil Corp.	1,107,099	58,500	5.3
Texasgulf	169,942	10,300	6.1
Pennzoil Co.	178,806	12,610	7.1
American Metal Climax, Inc.	167,270	11,970	7.2
American Motors Corp.	34,789	2,767	8.0
UAL, Inc.	213,314	18,216	8.5
Delta Airlines, Inc.	159,297	13,763	8.6
McDonnell Douglas Corp.	171,188	14,653	8.6
Bank America Corp.	301,540	30,000	9.9
Commonwealth Edison Co.	273,715	27,479	10.0
Total	5,322,683	270,430	

(1) Less than 1 percent.

Despite this deplorable level of corporate nontaxpayment, business lobbies and the administration are pushing hard for new and additional tax breaks in their drive to enhance capital formation. But if U.S. corporations are already paying little or nothing in Federal income taxes, it makes no sense to give them tax relief in an effort to stimulate investment capital.

Table A shows the size of the corporate study's sample for each of the last 4 years. Because new companies displaced some of the previous Fortune magazine top 100 corporations, samples do not include exactly the same representatives. They do remain generally comparable; while the total 1973 study includes 160 companies, tax year 1974's study includes 164.

Table B compares the approximate incomes and approximate effective Federal income taxes for each of five categories of American industry. The overall sample's effective Federal income tax rate is 22.6 percent, slightly lower than the rate reported in my 1973 study. Each segment of American industry is paying significantly less than the statutory 48-percent corporate Federal income tax rate.

Utilities were able to reduce their already small 1973 tax rate by almost 4 percentage points, from 18 to 14.1 percent. Consequently, utilities stand to gain very little from the administration's tax relief proposals. With close to one-fourth of the utility industry already not paying Federal income taxes, tax relief is like carrying coals to Newcastle. Furthermore, the 1975 amendments to the tax code increasing the investment credit from 4 to 10 percent for utilities will substantially eliminate utilities from the rolls of Federal income taxpayers.

Table C, largely for reference, shows tax rate comparisons for previous corporate tax studies. Because of changes in 1974's example, comparison continuity is no longer fully possible.

Table D shows the major sources of the Federal revenue dollar as calculated from figures in the Office of Management and Budget's Budget Brief. Although revenue from individual income taxes declined in 1974, corporate income tax revenue also went down, meaning that some area of noncorporate taxpayer must make up the difference. This is a point, Mr. Speaker, that I want to stress. For every revenue dollar lost to incentives or tax stimulants or just plain tax loopholes, the American public reaches into their pocket for another dollar to replace it.

Capital formation advocates, for instance, have so far not made any mention of where they expect the billions needed for capital formation to come from—unless it is to come from some kind of negative income tax for needy corporations.

TABLE A.—SIZE OF SAMPLE 1972, 1973, AND 1974

Category	1974		1973		1972	
	Examined	Profitable and data available	Examined	Profitable and data available	Examined	Profitable and data available
"Fortune Magazine Top 100" industries	110	96	100	93	100	61
Transportation	20	17	20	16	20	13
Utilities	10	9	10	10	10	8
Retailing	7	6	7	7	7	5
Commercial banks	9	8	9	8	9	3
Mining companies	8	6	8	8	0	0
Grain companies	0		6	1	0	0

TABLE B

Category	Sample		Adjusted net income before Federal income tax (thousands)		Approximate current Federal income tax (thousands)		Approximate Federal income tax (percent)	
	1973	1974	1973	1974	1973	1974	1973	1974
Industrials and mining	101	102	34,997,898	34,431,484	8,695,788	8,525,797	24.8	24.8
Transportation	16	17	1,382,982	1,842,776	209,002	300,098	15.1	16.3
Utilities	10	9	6,418,247	6,842,122	1,158,325	966,133	18.0	14.1
Retailing	7	6	1,668,715	1,229,683	559,197	405,365	33.5	33.0
Commercial banks	8	8	1,124,190	1,489,490	108,214	174,279	9.6	11.7
Grain companies	1	0	73,789		24,646		33.4	
Total			45,665,821	45,835,555	10,755,172	10,371,672	23.6	22.6

TABLE C.—DECLINE IN CORPORATE TAX RATE BETWEEN 1972 AND 1973 BETWEEN COMPARABLE COMPANIES

[Dollar amounts in millions]

Category	Sample	Adjusted net income before Federal income tax		Approximate current Federal income tax		Approximate Federal income tax (percent)	
		1972	1973	1972	1973	1972	1973
Industrials	57	$18,831	$24,190	$5,518	$6,547	29.3	27.1
Transportation	12	857	1,217	110	163	12.8	13.4
Utilities	5	5,150	6,107	1,880	1,098	36.5	18.0
Retailing	5	1,370	1,520	569	515	41.5	33.9
Commercial banks	3	520	602	75	68	14.4	11.3
Total	82	26,728	33,636	8,152	8,391	30.5	24.9

TABLE D.—FEDERAL BUDGET RECEIPTS BY MAJOR SOURCE

[Burden of supporting the Federal Government has increasingly shifted to the individual taxpayer—individuals frequently pay a higher rate of tax than the profitable corporations for whom they work; in percent distribution]

Major source	1967	1968	1969	1970	1971	1972	1973	1974	1975 estimate
Total receipts, by source	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Individual income taxes	41.1	44.7	46.5	46.7	45.8	45.4	44.4	44.9	43.6
Corporation income taxes	22.7	18.7	19.5	16.9	14.2	15.4	15.7	14.6	14.5
Social insurance taxes and contributions	22.3	22.5	21.3	23.4	25.8	25.8	30.5	31.67	30.8
Excise taxes	9.2	9.2	8.1	8.1	8.8	7.4	4.2	3.7	5.9
Customs, estate, and gift taxes	3.3	3.3	3.1	3.1	3.4	4.2	3.5	3.2	2.9
Miscellaneous receipts	1.4	1.6	1.5	1.8	2.0	1.7	1.7	2.0	2.4

PAYMENTS TO FOREIGN GOVERNMENTS LISTED

I would like to point out that this year, for the first time, the data I am presenting includes both U.S. corporate taxes and total U.S. and foreign tax payments. In the past, the Chamber of Commerce has criticized my studies for failing to mention the burden placed on American businesses by payments to foreign governments.

As a U.S. legislator, I have been primarily concerned with the Federal Tax Code. I have viewed overseas business taxes as a cost of doing business abroad—a cost which the corporations incurred because they found that certain overseas operations were profitable. Indeed, I believe that there are major portions of the Federal Tax Code which encourage U.S. businesses to invest overseas—to the detriment of employment and capital here in the United States—and that these provisions should be amended to encourage investment at home rather than abroad.

I have not changed my views on this matter, but I am providing in this study data on payments to foreign governments.

However, in the case of the American oil companies, I refuse to dignify their payments to foreign governments as taxes—those payments are primarily royalties—a cost of doing business that should not be treated as tax credits but as business deductions.

In the consideration of use of effective worldwide tax rates in addition to the effective U.S. income tax rates, Dr. Laurence Woodworth, Chief of Staff of the Joint Committee on Taxation, made these comments in a letter to me:

> I would agree with you that computing the effective tax rate in this manner [including all foreign taxes in computation of approximate effective tax rates] tends to overstate the tax burden of international oil companies because of the tendency of foreign countries in cases of this type to convert royalty payments into tax payments. Probably the best way to avoid this result would be to determine the effective tax rate by dividing the United States tax by the United States income. Unfortunately, in the SEC data, the U.S. income is not distinguished from the worldwide income. This has frustrated all attempts on our part to relate the U.S. tax to the U.S. income. The only other option available is to show the U.S. tax as a percent of worldwide income. This, it seems to me, is defective in that it omits the foreign taxes on the foreign income to the extent these taxes are allowed as credits against U.S. tax on worldwide income. The result is an understatement of the total effective tax when it is computed in this manner.

SIGNIFICANCE OF FINDINGS

Mr. Speaker, as in each of my previous corporate tax studies, the 1974 compilations reveal several important things.

First, by listing payment to foreign governments, the study reveals the pervasive involvement of America's giant corporations in overseas operations. The giant corporations are no longer U.S. corporations—they are worldwide organizations, possibly beyond the control or supervision of any single government or other public agency. Public policy decisions about the regulations of giant corporations must understand that many of these organizations are world empires, often with resources larger than the countries in which they operate.

The extent of foreign involvement can be seen by the fact that the 110 industrial corporations paid $13,923,027,000 to foreign governments and only $8,383,652,000 to the U.S. Treasury in corporate income taxes. Even the major U.S. banks are no longer really "American"—they paid $385,633,000 to foreign governments but only $174,279,000 to the United States in corporate income taxes.

The tax code should be altered to deemphasize large conglomerates in favor of smaller businesses which are currently unable to take effective advantage of the myriad of tax incentives. Encouraging small business will also have the indirect effect of promoting competition and discouraging monopolistic situations.

Second, oil companies continue to pay almost no Federal income taxes despite large profits. A committee print of the Joint Committee on Internal Revenue Taxation entitled, "Taxation of Foreign Source Income, Statistical Data," and issued September 30, 1975, indicates that no net U.S. tax on foreign source income was paid by the petroleum industry in 1974. While the oil companies' worldwide effective tax rates appear high, this is misleading, since oil companies are allowed to treat foreign oil royalties as a foreign "tax" and thus qualify for the foreign tax credit. It is particularly important that oil tax reform be considered given our domestic crude shortages and the need to develop a complete energy policy.

Third, banks continue to be a powerful and growing force in our country through their diversification into nontraditional bank investment, particularly leasing. The tendency for large banks to expand into multinational operations should be examined by the Congress.

Fourth, utilities continue to pay little if any Federal income taxes and thus plans by the administration to aid them through additional tax relief measures will have little effect. Since utilities are regulated monopolies and assured a fair rate of return through their governing public utility commissions, Federal subsidization through the tax code is a highly debatable question.

Fifth, accounting techniques continue to make exact determination of corporate tax levels extremely difficult. Congress should require uniformity in corporate accounting methods and perhaps consider legislation to require full and complete public disclosure of corporate tax returns.

Sixth, Congress must provide a national transportation tax policy. Railroads, poor profitmakers, paid much higher taxes than did the airlines—who are already benefactors of a wide range of Federal support and subsidization.

Seventh, "capital formation" proposals must be carefully considered, given the tendency for major American corporations to substantially sidestep or avoid U.S. Federal income taxes.

Following is the data for tax year 1974, with footnotes appearing after the figures. To facilitate comparability and provide a historical record, the tax data obtained in the previous 3 years follows after the 1974 data and footnotes. The footnotes for the previous years' studies are also included. The numbering of these footnotes is somewhat complex, but hopefully will prove useful. Following all of the tables is an appendix which describes the enormous accounting problems involved in calculating these approximate Federal corporate income tax rates:

APPROXIMATE EFFECTIVE TAX RATES PAID BY SELECTED LARGE CORPORATIONS

Corporation	1974						
	Approximate adjusted net income before Federal and foreign income tax [1] (thousands)	Approximate current Federal and foreign income tax (thousands)	Approximate adjusted net income before Federal income tax [2] (thousands)	Approximate taxes paid to foreign governments*** (thousands)	Approximate current Federal income tax (thousands)	Approximate effective worldwide tax rate (percent)	Approximate U.S. effective tax rate on worldwide income (percent)*
INDUSTRIAL CORPORATION LIST							
General Motors Corp	1,493,391	399,130	1,366,294	126,916	272,214	26.7	19.9
Exxon Corp						(4)	(4)
Ford Motor Co	534,200	101,400	351,900	158,100	(56,700)	19.0	
General Electric Co	928,900	336,600	858,600	74,500	262,100	36.2	30.5
International Business Machines Corp	3,434,639	1,687,044	2,668,039	791,200	895,844	49.1	33.6
Mobil Oil Corp	3,718,412	2,526,265	1,107,099	2,467,765	58,500	**68.0	5.3
Chrysler Corp						(6)	(6)
International Telephone & Telegraph Corp	655,906	304,169	353,344	246,301	57,868	46.4	16.4
Texaco, Inc	2,627,283	1,231,900	1,383,671	1,186,500	45,400	**46.9	3.3
Western Electric Co., Inc	579,754	195,835	579,754	0	195,835	[3] 33.8	[3] 33.8
Standard Oil Co. of California	966,822	720,300	318,622	640,500	79,800	**74.5	25.0
The LTV Corp	170,118	1,800	169,718	400	1,400	1.1	(5)
Standard Oil Co. of Indiana	1,677,309	720,336	1,198,193	410,857	309,479	**43.0	25.8
The Boeing Co	102,432	22,100	102,432	0	22,100	21.6	21.6
E. I. duPont de Nemours & Co	660,300	224,900	607,700	41,300	183,600	34.1	30.2
Shell Oil Co						(4)	(4)
General Telephone & Electronics Corp						(4)	(4)
RCA Corp	190,300	40,200	168,100	16,900	23,300	21.1	13.9
Goodyear Tire & Rubber	289,201	94,841	215,453	61,425	33,416	32.8	15.5
Esmark, Inc. (Swift & Co.)	63,488	28,400	54,588	6,300	22,100	44.7	40.5
Union Carbide Corp	892,400	328,300	692,500	183,100	145,200	36.8	21.0
Procter & Gamble Corp	590,979	248,535	515,817	66,271	182,264	42.1	35.3
Bethlehem Steel Corp	584,216	230,000	562,216	22,000	208,000	39.4	37.0
Eastman Kodak Co	1,101,769	452,550	970,919	122,150	330,400	41.1	34.0
Kraftco Corp	169,294	67,809	150,680	18,614	49,195	40.1	32.6
Greyhound Corp	86,928	34,885	86,928	0	34,885	40.1	40.1
Atlantic Richfield Co	919,736	434,095	539,055	377,455	56,640	**47.2	10.5
Continental Oil Co	914,389	558,301	420,785	496,162	62,139	**61.1	14.8
International Harvester Co	178,308	91,942	117,115	59,172	32,770	51.6	28.0
Lockheed Aircraft Corp	34,900	5,100	29,800	5,100		14.6	
Tenneco, Inc	564,079	153,783	534,663	28,924	124,859	27.3	23.4
Rockwell International Corp. (North American Rockwell)	230,000	77,800	209,500	17,300	60,500	33.8	28.9
Litton Industries, Inc						(7)	(7)
United Aircraft Corp	198,641	82,139	196,579	1,272	80,867	41.4	41.1
Firestone Tire & Rubber Co	271,974	100,353	225,126	45,132	55,221	36.9	24.5
Phillips Petroleum Co	711,938	328,022	506,091	200,469	127,553	**46.1	25.2
Occidental Petroleum Corp	785,808	483,887	307,450	478,887	5,000	**61.6	1.6
General Dynamics Corp	87,979	32,030	77,222	6,441	25,589	36.4	33.1
Caterpillar Tractor Co	339,800	134,000	312,700	29,800	104,200	39.4	33.3
The Singer Co						(7)	(7)
McDonnel Douglas Corp	172,499	15,028	171,188	375	14,653	8.7	9.1
General Foods						(8)	(8)
Continental Can Co., Inc	208,986	72,418	182,345	10,298	61,490	34.7	33.7
Monsanto Co	543,500	209,200	487,200	50,500	158,700	38.5	32.6
Sun Oil Co	748,304	352,600	487,128	255,196	97,404	**47.1	20.0
Honeywell	102,247	8,460	98,881	10,678	(2,218)	8.3	
W. R. Grace & Co	246,893	106,789	170,307	65,983	40,806	43.3	24.0
Dow Chemical Co	984,764	452,700	797,964	179,500	273,200	46.0	34.2
International Paper Co	427,300	178,700	373,600	49,500	129,200	41.8	34.6
American Can Co	166,606	68,907	151,761	14,845	54,062	41.4	35.6
Borden, Inc	151,708	59,900	140,508	8,500	51,400	39.5	36.6
Rapid American Corp						(6)	(6)
Burlington Industries, Inc	168,659	75,459	162,767	5,392	70,067	44.7	43.0
Union Oil Co. of California	465,126	219,000	321,526	136,900	82,100	**47.1	25.5
R. J. Reynolds Industries, Inc	750,695	422,358	527,068	230,187	192,171	56.3	36.5
Sperry Rand Corp						(8)	(8)
Xerox Corp	698,314	276,340	495,353	172,793	103,547	39.6	20.9
Boise Cascade Corp	161,611	62,807	145,379	11,055	51,752	38.9	35.5
Cities Service Co	282,167	88,500	271,367	10,800	77,700	31.4	28.6
Minnesota Mining & Manufacturing Co	539,368	223,500	452,368	87,000	136,500	41.4	30.2
Consolidated Foods Corp	123,985	46,922	110,018	12,875	34,047	37.8	30.9
Gulf Western Industries, Inc	109,344	63,300	57,544	51,800	11,500	57.9	20.0
Textron, Inc	175,670	59,094	167,668	5,602	53,492	33.6	31.9
American Standard, Inc	73,669	26,570	58,646	16,386	10,184	36.1	17.4
Signal Companies, Inc	290,365	106,614	277,672	12,693	93,921	36.7	33.8
Ashland Oil, Inc	159,929	44,200	137,325	13,860	30,340	**27.6	22.1
Owens-Illinois, Inc	129,014	41,495	104,739	24,275	17,220	32.2	16.4
United Brands Co						(6)	(6)
CPC International, Inc	186,770	76,733	138,502	42,418	34,315	41.1	24.8
Standard Oil Co. of Ohio	190,045	45,818	161,757	28,288	17,530	**24.1	10.8
Republic Steel Corp	278,131	107,276	277,591	540	106,736	38.6	38.5
Champion International Corp	142,355	35,264	123,662	11,139	24,125	24.8	19.5
FMC Corp	76,201	16,669	70,829	5,372	11,297	21.9	15.9
American Home Products Corp	439,167	181,700	380,529	58,638	123,062	41.4	32.3
The Coca-Cola Co	356,485	152,624	241,487	112,569	40,055	42.8	16.6
TRW, Inc	177,105	66,055	149,656	22,919	43,136	37.3	28.8
Armco Steel Corp	344,529	122,243	309,358	35,171	87,072	35.5	28.1
Beatrice Foods Co	250,336	110,778	223,916	24,868	85,910	44.3	38.4
Ralston Purina Co	164,391	67,300	151,991	12,400	54,900	40.9	36.1
Uniroyal, Inc	80,746	27,892	61,912	18,495	9,397	34.5	15.2
Aluminum Co. of America	286,425	107,114	254,130	30,754	76,360	37.4	30.0
American Brands, Inc	277,452	128,845	235,310	37,736	91,109	46.4	38.7
The Bendix Corp	144,200	63,000	119,200	21,000	42,000	43.7	35.2
National Cash Register Co						(4)	(4)
Raytheon Manufacturing Co	103.880	39,929	101,160	2,720	37,209	38.4	36.8
Warner-Lambert Co	260,873	101,393	198,221	62,652	38,741	38.9	19.5
Genesco, Inc	30,583	17,798	26,860	3,723	14,075	58.2	52.4
Allied Chemical Corp	222,887	54,973	206,878	17,164	37,809	24.7	18.3
National Steel Corp	311,595	129,150	311,595	0	129,150	41.4	41.4
Weyerhaeuser Co	405,197	138,145	382,617	24,645	113,500	34.1	29.7
U.S. Industries, Inc	25,320	4,572	17,920	7,400	(2,828)	18.1	
Getty Oil Co	592,755	279,024	383,282	209,473	69,551	**47.1	18.1
Teledyne, Inc	122,816	48,000	118,316	4,500	43,500	39.1	36.8
Colgate-Palmolive Co						(4)	(8)
B. F. Goodrich Co						(4)	(4)
Georgia Pacific	252,850	58,500	252,850	0	58,500	23.1	23.1
Whirlpool Corp	36,208	13,101	36,208	0	13,101	36.2	36.2
Gulf Oil Corp	4,047,000	2,831,000	1,358,000	2,641,000	190,000	**70.0	14.0
United States Steel Corp	1,081,700	351,000	934,500	79,700	271,300	34.5	29.0

	1974						
Corporation	Approximate adjusted net income before Federal and foreign income tax [1] (thousands)	Approximate current Federal and foreign income tax (thousands)	Approximate adjusted net income before Federal income tax [2] (thousands)	Approximate taxes paid to foreign governments*** (thousands)	Approximate current Federal income tax (thousands)	Approximate effective worldwide tax rate (percent)	Approximate U.S. effective tax rate on worldwide income (percent)*
Westinghouse Electric Corp	235,777	98,495	203,834	29,451	69,044	41.8	33.9
Amerada Hess	421,914	217,038	254,994	150,594	66,444	**51.4	26.1
Marathon Oil	474,209	310,616	207,793	266,416	44,200	**65.5	21.3
Phillip Morris Co	260,340	96,310	247,744	17,036	79,274	37.0	32.0
John Deere & Co	254,822	71,400	238,522	16,300	55,100	28.0	23.1
Inland Steel	257,712	98,819	251,543	5,744	93,075	38.3	37.0
Pepsico, Inc. (Pepsi Cola Co.)	145,883	51,285	125,850	20,033	31,252	35.2	24.8
American Motors Corp	42,489	10,150	34,789	7,383	2,767	23.9	8.0
General Mills						(4)	(4)
Reynolds Metals	161,015	43,445	146,225	12,494	30,951	27.0	21.0
Johnson & Johnson	280,668	111,778	217,474	57,367	54,411	39.8	25.2
TRANSPORTATION CORPORATION LIST							
Airline corporations:							
UAL, Inc	215,772	18,949	213,314	733	18,216	8.8	8.5
Trans World Airlines, Inc						(5)	(5)
American Airlines, Inc	26,769		26,769	0			
Pan Am World Airways, Inc						(5)	(5)
Eastern Air Lines, Inc	17,617		17,617	0			
Delta Air Lines, Inc	159,297	13,763	159,297	0	13,763	8.6	8.6
Northwest Airlines, Inc	96,411	5,846	95,558	853	4,993	6.1	5.2
Railroads:							
Penn Central Co						(8)	(8)
Southern Pacific Co	160,830	22,160	160,830	0	22,160	13.8	13.8
Norfolk & Western Railway Co	171,900	28,609	171,900	0	28,609	16.6	16.6
Burlington Northern, Inc	101,443	16,888	101,443	0	16,888	16.6	16.6
Chessie System, Inc. (C. & O. Ry. Co.)	165,129	34,377	160,219	2,455	31,922	20.8	19.9
Union Pacific Corp. (Union Pacific RR. Co.)	178,763	42,477	178,763	0	42,477	23.8	23.8
Santa Fe Industries, Inc	168,951	24,500	168,951	0	24,500	14.5	14.5
Southern Ry. Co	137,834	20,405	137,834	0	20,405	14.8	14.8
Missouri Pacific RR Co	72,694	13,609	72,694	0	13,609	18.7	18.7
Trucking Companies:							
Consolidated Freightways, Inc	47,076	17,574	43,897	2,784	14,790	37.3	33.7
Leaseway Transportation Corp	28,741	6,166	28,741	0	6,166	21.5	21.5
Roadway Express, Inc	60,313	25,882	60,313	0	25,882	42.9	42.9
Yellow Freight System, Inc	44,636	15,718	44,636	0	15,718	35.2	35.2
UTILITY CORPORATION LIST							
American Telephone & Telegraph Co	5,053,198	678,407	5,053,198	0	678,407	[10] 13.4	[10] 13.4
Consolidated Edison Co. of New York, Inc	225,325	100	225,325	0	100	(6)	(6)
Pacific Gas & Electric Co	293,538	34,995	293,538	0	34,995	11.9	11.9
Commonwealth Edison Co	273,715	27,479	273,715	0	27,479	10.0	10.0
American Electric Power Co	163,749	(19,297)	163,749	0	(19,297)		
Southern California Edison Co	328,154	113,806	328,154	0	113,806	34.7	34.7
Columbia Gas System, Inc						(8)	(8)
El Paso Natural Gas Co	173,037	56,318	173,037	0	56,318	32.5	32.5
Texas Eastern Transmission	158,551	50,369	152,600	5,951	44,418	31.8	29.1
Pennzoil Co	178,806	12,610	178,806	0	12,610	7.1	7.1
RETAILING CORPORATION LIST							
Sears, Roebuck & Co	596,498	201,000	596,498	0	201,000	33.7	33.7
Allstate Insurance Co., consolidated and subsidiary	137,338	(16,810)	137,338	0	(16,810)		
Great Atlantic & Pacific Tea Co., Inc						(8)	(8)
Safeway Stores, Inc	87,223	57,003	60,205	27,018	29,985	65.4	49.8
J. C. Penney Co., Inc	146,475	59,800	146,475	0	59,800	40.8	40.8
The Kroger Co	72,268	23,225	72,268	0	23,225	32.1	32.1
Federated Department Stores, Inc	216,889	91,355	216,899	0	91,355	42.1	42.1
COMMERCIAL BANKING LIST							
Bank America Corp	365,540	94,000	301,540	64,000	30,000	25.7	9.9
First National City Corp. (Citicorp)	512,295	209,401	351,295	161,000	48,401	40.9	13.9
The Chase Manhattan Corp	235,487	66,683	171,206	61,710	4,973	28.3	2.9
Manufacturers Hanover Corp	201,750	42,617	174,324	18,376	24,241	21.1	13.9
J. P. Morgan & Co., Inc	250,535	74,946	213,415	37,236	37,710	29.9	17.7
Western Bank Corp						(4)	(4)
Chemical New York Corp	97,046	33,021	84,915	12,373	20,648	34.0	24.3
Bankers Trust New York Corp	84,002	15,562	63,382	12,536	3,026	18.5	4.8
Continental-Illinois Corp	145,971	23,682	129,413	18,402	5,280	16.2	4.1
MINING CORPORATION LIST							
Anaconda Co						(9)	(8)
Kennecot Copper Corp	331,750	73,750	295,600	31,300	42,450	22.2	14.4
American Metal Climax, Inc. (American Climax)	187,730	22,220	167,270	10,250	11,970	11.8	7.2
International Minerals and Chemicals						(4)	(4)
Phelps-Dodge	142,378	28,300	140,678	1,700	26,600	19.9	18.9
St. Joseph Minerals Inc	135,543	37,851	133,245		38,527	27.9	28.9
Freeport Minerals Co	58,769	12,298	58,769	0	12,298	20.9	20.9
Texasgulf, Inc. (Texas Gulf Sulfur)	269,342	86,700	169,942	76,400	10,300	32.2	6.1

FOOTNOTES

*This does not include foreign taxes on this income. Therefore, this is not the total income tax burden on this income. U.S. tax as a percentage of U.S. income is not available from public information sources.

**This includes payments to foreign governments more properly classified as royalty payments and thus overstates tax burden.

***This may include fees to foreign governments more properly defined as royalties or other payments. In addition, the foreign governments may not actually receive this amount.

NOTE.—This study is based entirely on information from public sources including Form 10–K reports, registration statements and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders.

[1] The adjusted net income before Federal and foreign income tax reported to shareholders is comprised of net income or loss from financial statements with appropriate adjustments made for Federal and foreign income tax expense or refund, income or loss attributable to minority interests, and income or loss from investments in affiliated companies whenever the equity method of accounting was used.

[2] The adjusted net income before Federal income tax reported to shareholders is comprised of net income or loss from financial statements with appropriate adjustments made for Federal income tax expense or refund, income or loss attributable to minority interests, and income or loss from investments in affiliated companies whenever the equity method of accounting was used.

[3] The income of Western Electric Company,

Footnotes continued on following page.

Incorporated, is included in the consolidated tax return of American Telephone and Telegraph Company. However, this is essentially the same approximate tax which would have been reflected had a separate return been filed.

[4] The minority interest and/or the income or loss reported under the equity method was not separately disclosed. Data for this company, therefore, has been omitted.

[5] Due to losses, the data for this company has been omitted.

[6] Less than one percent approximate effective tax rate.

[7] The provision for income taxes may contain State and/or local and/or foreign in addition to Federal income taxes. Data for this company, therefore, has been omitted.

[8] Data for this company was not available.

[9] Due to expropriation losses and loss carryforward, data for this company was omitted.

[10] Because the wholly owned subsidiary Western Electric Company, Inc. is accounted for under the equity method, the income and current Federal income tax for Western Electric Company, Inc., is not included here even though a consolidated tax return is filed.

APPROXIMATE EFFECTIVE FEDERAL INCOME TAX RATE PAID BY COMPANIES SELECTED FROM FORTUNE MAGAZINE LISTS OF LARGE CORPORATIONS

[Dollar amounts in thousands]

	1973			1972				
Corporation	Adjusted net income before Federal income tax [1]	Approximate current Federal income tax	Effective tax rate (percent)	Adjusted net income before Federal income tax A	Approximate current Federal income tax	Effective tax rate (percent)	1971 effective tax rate (percent)	1970 effective tax rate (percent)
INDUSTRIAL CORPORATION LIST								
General Motors Corp	3,907,300	1,750,000	44.8	3,579,773	1,595,392	44.6	B 48.2	B 24.6
Exxon Corp	2,982,000	333,000	11.2		(2)		(D)	(D)
Ford Motor Co	1,216,000	221,800	18.2		(3)		E 35.2	E 41.6
General Electric Co	885,800	321,200	36.3	798,400	315,300	39.5	F 35.4	39.2
International Business Machines Corp	2,238,467	690,900	30.9	1,842,268	562,580	30.5	D 30.1	(D)
Mobil Oil Corp	873,027	43,500	5.0	589,413	17,300	2.9	F 14.5	16.8
Chrysler Corp	353,700	26,400	7.5	303,900	112,900	37.2	G 13.9	(G)
International Telephone & Telegraph Corp	469,966	47,397	10.1	376,383	3,686	1.0	H 4.9	H 4.2
Texaco Inc	1,317,300	30,000	2.3	869,711	23,600	2.7	B 3.2	B 8.0
Western Electric Co. Inc	587,000	243,024	[3] 41.4	537,980	[4] 217,649	40.5	I 43.9	I 45.3
Standard Oil Co. of California	475,000	53,900	11.3	334,207	19,400	5.8	F 4.9	16.0
The LTV Corp	65,171	800	1.2	18,579	1,300	7.0		
Standard Oil Co. (Indiana)	666,070	165,642	24.9	390,096	74,682	19.1	15.0	13.4
The Boeing Co	57,800	30,100	[13] 52.1	24,805	10,000	40.3	(17 F)	I 95.9
E. I. du Pont de Nemours & Co	921,200	344,500	37.4	693,300	290,000	41.8	42.2	43.1
Shell Oil Co	444,021	112,680	25.4		(2)		(2 F)	11.2
General Telehone & Electronics Corp	616,400	65,100	10.6		(3)		(2 F)	D 41.2
RCA Corp	303,200	100,600	33.2	257,525	91,937	35.7	(D)	(D)
The Goodyear Tire & Rubber Co	270,991	38,002	14.0		(2)		B 24.5	B 21.2
Tenneco, Inc	285,487	46,797	16.4	246,753	34,287	13.9	F 17.8	12.8
Rockwell International Corp. (North American Rockwell Corp.)	219,724	83,434	38.0		(3)		D 47.4	D 45.6
Litton Industries, Inc	54,967	17,257	31.4		(6)		B 22.5	B 29.5
United Aircraft Corp	102,299	49,476	48.4		(7)		(G)	G 20.5
Firestone Tire & Rubber Co	243,897	63,312	26.0		(2 3)		D 43.1	D 39.2
Phillips Petroleum Co	231,027	42,830	18.5	164,650	39,221	23.8	14.3	25.8
Occidental Petroleum Corp	80,503	1,425	1.8		(8)		B	B 1.4
General Dynamics Corp	64,953	16,965	26.1		(3)		F	
Caterpillar Tractor Co	340,500	107,600	31.6	312,339	100,672	32.2	B 35.7	B 41.7
The Singer Co	84,000	20,500	24.4	110,200	37,500	34.0	15.4	19.0
McDonnell Douglas Corp	200,245	6,506	3.2		(9)		(D J)	
Esmark, Inc. (Swift & Co.)	76,100	24,300	31.9	55,575	14,200	25.6	F 25.7	B 11.7
Union Carbide Corp	441,800	104,400	23.6	320,900	67,100	20.9	18.6	20.6
Procter & Gamble Co	491,900	166,100	33.8	452,328	166,724	36.9	38.7	44.0
Bethlehem Steel Corp	325,200	98,000	30.1	183,364	15,000	8.2	F 15.4	(B)
Eastman Kodak Co	1,024,400	370,300	36.1	885,650	342,500	38.7	F 39.1	39.7
Kraftco Corp	167,700	62,200	37.1		(2 3)		41.5	44.4
The Greyhound Corp	118,271	45,088	38.1	87,839	36,114	41.1	F 38.8	19.2
Atlantic Richfield Co	313,276	36,276	11.6	211,901	16,141	7.6	F 2.7	5.0
Continental Oil Co	287,804	28,626	9.9	207,445	12,371	6.0	(B)	B 5.3
International Harvester Co	78,328	36		77,037	14,043	18.2	35.1	26.1
Lockheed Aircraft Corp			(12)		(5)			
General Foods	196,979	67,056	34.0		(10)		42.1	45.8
Continental Can Co., Inc	134,633	33,250	24.7		(11)		(F)	B 40.1
Monsanto Co	350,200	130,600	37.3	184,289	65,991	35.8	F 40.1	9.3
Sun Oil Co	288,181	34,860	12.1	182,291	9,044	5.0	B 3.9	B 14.3
Honeywell	151,522	26,363	17.4	143,243	12,232	8.5	F 6.5	26.0
W. R. Grace & Co	107,289	16,331	15.2		(3)		(F)	(D)
Dow Chemical Co	330,000	96,100	29.1	229,342	62,337	27.2	22.5	32.2
International Paper Co	225,100	39,900	17.7	144,074	35,518	24.7	15.4	T 58.1
American Can Co	113,823	24,824	21.8		(3)		(F)	34.8
Borden, Inc	118,375	42,578	36.0		(3)		(F)	D 32.6
Rapid American Corp	52,608	7,300	13.9		(12)		34.2	35.0
Burlington Industries, Inc	145,623	61,380	42.1		(3)		B 47.4	B 53.7
Union Oil Co. of California	205,263	19,700	9.6	152,166	9,800	6.4	F 9.0	5.4
R.J. Reynolds Industries, Inc	421,938	100,251	23.8	420,995	160,832	38.2	F 43.7	D 47.4
Sperry Rand Corp	149,202	38,725	26.0		(3)		34.9	41.1
Xerox Corp	475,166	140,218	29.5	397,196	118,832	29.9	30.4	33.6
Boise Cascade Corp			(3)		(11)		(F)	7.2
Cities Service Co	188,477	49,500	26.3	126,254	32.662	25.9	F 8.9	17.0
Minnesota Mining & Manufacturing Co	450,457	150,700	33.5		(23)		(F)	28.2
Consolidated Foods Corp	118,448	39,124	33.0	103,344	36,157	35.0	B 37.5	B 32.3
Gulf & Western Industries, Inc	71,028	5,400	7.6		(3)		(D)	(D)
Textron, Inc	157,622	72,442	46.0	147,141	62,200	42.3	13 F 53.4	46.7
American Standard Inc	48,000	6,100	12.7	42,507	7,450	17.5	(F)	
The Signal Cos., Inc	85,787	14,738	17.2		(3)		(B)	(B)
Ashland Oil, Inc	136,892	53,165	38.8		(2)		(K)	(K)
Owens-Illinois, Inc	154,772	26,486	17.1	90,797	18,097	19.9	24.7	36.5
United Brands Co			(3)		(2)			(F)
CPC International, Inc	103,747	29,668	28.6		(3)		(F)	27.5
The Standard Oil Co. (Ohio)	113,008	3,937	3.5		(2)		(F)	
Republic Steel Corp. (Canadian combined with United States)			(6)		(3 14)		(F)	
Champion International Corp	136,306	42,940	31.5		(3)		(F)	B 19.0
FMC Corp	92,990	18,594	20.0	73,016	22,830	31.3	F 35.5	32.7
American Home Products	347,862	148,701	42.7	309,613	120,263	38.8	F 39.2	D 46.7
The Coca-Cola Co	288,764	69,119	23.9		(3)		(F)	B 28.7
TRW, Inc	137,058	41,990	30.6		(2) (3)		(F)	D 44.2
Armco Steel Corp			(4)		(2)		9.8	5.6
Beatrice Foods Co	192,272	74,829	38.9		(3)		43.7	46.7
Ralston Purina Co			(5)		(2)		38.3	43.7
Uniroyal, Inc	55,725	3,618	6.5	80,187	6,882	8.6	F 18.2	
Aluminum Co. of America	126,965	27,419	21.6	84,820	7,713	9.1		8.6
American Brands, Inc	231,556	87,277	37.7		(3)		(F)	B 42.2
The Bendix Corp	101,600	24,900	24.5	93,202	34,997	37.6	18.2	36.8
The National Cash Register Co	91,819	8,249	9.0		(11)		(D)	(D)
Raytheon Manufacturing Co	81,658	36,396	44.6		(3)		(F)	

Corporation	1973 Adjusted net income before Federal income tax [1]	1973 Approximate current Federal income tax	1973 Effective tax rate (percent)	1972 Adjusted net income before Federal income tax [A]	1972 Approximate current Federal income tax	1972 Effective tax rate (percent)	1971 effective tax rate (percent)	1970 effective tax rate (percent)
Warner-Lambert Co	188,838	50,628	26.8	177,412	56,783	32.0	[F] 35.1	34.5
Genesco, Inc			(7)	21,425	9,158	42.7	[B] 39.7	36.2
Allied Chemical Corp	127,967	22,727	17.8		(3)		(F)	9.5
National Steel Corp	150,680	54,700	36.3	116,313	42,900	36.9	23.9	
Weyerhaeuser Co	474,854	134,700	28.4	211,541	49,940	23.6	[F] 27.1	19.0
U.S. Industries, Inc	98,611	18,322	18.6	121,212	43,537	35.9	37.6	35.7
Getty Oil Co	183,925	25,247	13.7	129,525	18,367	14.2	12.4	16.3
Teledyne, Inc	73,459	38,400	[13] 52.3		(3)		(F)	31.8
Colgate-Palmolive Co	107,378	22,748	21.2	86,871	19,330	22.3	(D)	(D)
B. F. Goodrich Co	87,939	27,151	30.9	86,299	13,945	16.2	(F)	[D] 19.9
Georgia Pacific	269,350	74,640	27.7	163,240	34,480	21.1	[F] 7.0	4.2
Whirlpool Corp	152,788	69,184	45.3	122,002	56,457	46.3	[T] 48.8	[T] 57.1
Gulf Oil Corp	749,000	23,000	3.1	233,000	12,000	5.2	[B] 4.9	[B] 1.9
United States Steel Corp	425,700	77,300	18.2	157,988	23,200	14.7	[U] 8.2	
Westinghouse Electric Corp	241,749	25,445	10.5	288,888	91,494	31.7	29.1	25.9
TRANSPORTATION CORPORATION LIST								
Airline Corporations:								
UAL, Inc	98,711	0		32,445	(148)		0	
Trans World Airlines, Inc	58,583	(137)		43,497	(857)		0	0
American Airlines, Inc			(7)		(16)			
Pan Am. World Airways, Inc			(7)		(11)		0	
Eastern Air Lines, Inc			(7)	59,178	0		0	0
Delta Air Lines, Inc	115,074	24,951	21.7	67,686	3,310	4.9		12.5
Northwest Airlines, Inc	54,130	6,298	11.6	17,253	(6,174)		(F)	(B)
Railroads:								
Penn Central Co			(8)		(17)			
Southern Pacific Co	157,012	16,870	10.7	162,833	15,807	9.7	[L] 13.4	[L] 9.7
Norfolk & Western Ry. Co	106,574	12,638	11.9	56,714	13,320	23.5	1.2	(M)
Burlington Northern, Inc	59,335	7,716	13.0		(18)		(F)	[N] 4.1
Chessie Systems, Inc. (Chesapeake & Ohio Ry. Co.)	96,816	12,487	12.9	39,463	5,787	14.7	(F)	6.3
Union Pacific Corp. (Union Pacific RR. Co.)	197,563	32,886	16.6	139,560	16,619	11.9	(F)	
Santa Fe Industries, Inc	144,381	18,700	13.0	119,391	15,900	13.3	[F] 16.9	7.7
Southern Ry Co	106,154	9,626	9.1	100,844	15,153	15.1	[F] 21.3	17.5
Missouri Pacific RR. Co	49,317	6,433	13.0	31,970	3,201	10.0	9.2	[O] 2.4
Trucking companies:								
Consolidated Freightways, Inc	25,925	19,402	[18] 74.8			(4)	(F)	[D] 52.7
Leaseway Transportation Corp	31,873	7,539	23.7			(3)	18.3	
Roadway Express, Inc	48,506	22,074	45.5	46,052	20,594	44.7	[P] 54.8	[P] 48.7
Yellow Freight System, Inc	33,028	11,385	34.5			(3)	[D] 44.9	[D] 37.3
UTILITY CORPORATION LIST								
American Telephone & Telegraph Co	4,728,847	951,573	[9] 20.1	3,980,821	[10] 1,231,511	30.9	[Q] 32.5	[Q] 41.5
Consolidated Edison Co. of New York, Inc	203,319	(744)		144,781	(1,091)		R [V] 3.3	(R)
Pacific Gas & Electric Co	299,520	49,046	16.4	276,249	60,905	22.0	(8)	(S)
Commonwealth Edison Co	285,604	29,200	10.2	260,389	32,763	12.6	[F] 9.3	27.1
American Electric Power Co., Inc	194,285	(8,920)		168,103	(6,708)		4.5	13.2
Southern California Edison Co	184,030	40,189	21.8		(1)		22.2	22.3
The Columbia Gas System, Inc	170,974	39,053	22.8	151,762	27,163	17.9	23.5	33.6
El Paso Natural Gas Co	105,134	4,758	4.5	105,979	27,657	26.1	27.2	20.1
Texas Eastern Transmission	127,092	20,438	16.1		(2)		25.9	23.3
Pennzoil Co	119,442	24,018	20.1	62,276	(836)		[F] 18.0	
RETAILING CORPORATION LIST								
Sears, Roebuck & Co	817,400	299,451	36.6	748,200	317,200	42.4	42.4	42.1
Allstate Insurance Co., Consolidated & Subsidiary	204,198	27,528	13.5	169,593	33,644	19.8	5.9	
The Great Atlantic & Pacific Tea Co., Inc	18,777	3,168	16.9		(11)		37.9	41.5
Safeway Stores, Inc	129,872	41,114	31.7		(2)		[B] 48.6	49.8
J. C. Penney Co., Inc	255,900	91,600	35.8	261,623	127,620	48.8	30.5	38.2
The Kroger Co	36,013	8,340	23.2	15,693	4,103	26.1	38.0	44.2
Federated Department Stores, Inc	206,555	87,996	42.6	175,197	86,346	49.3	44.5	47.6
COMMERCIAL BANKING LIST								
Bank America Corp			(10)		(1)		(F)	[D] 31.7
First National City Corp	306,019	43,000	14.3	264,844	63,678	24.0	[B] 28.6	[D] 19.6
The Chase Manhattan Corp	170,691	4,185	2.5	159,568	8,671	5.4	[F] 5.7	[D] 25.9
Manufacturers Hanover Corp	131,568	20,376	15.5	95,102	2,826	3.0	[F] 17.2	[D] 35.0
J. P. Morgan & Co., Inc	191,931	40,650	21.1		(2)		(2)	[D] 27.4
Western Bancorp	97,730	(1,802)			(2)		(2)	[D] 15.5
Chemical New York Corp	74,765	(4,739)			(2)		[D] 31.1	[D] 33.1
Bankers Trust New York Corp	51,673	(8,020)			(2)		(1)	[D] 33.7
Continental Illinois Corp	105,818	(2,312)			(2)		[D] 25.5	[D] 22.8
GRAIN COMPANIES								
Continental Grain Co			(11)					
Cargill, Inc			(11)					
Cook Industries, Inc	73,789	24,646	33.4					
Carnac Grain Co., Inc			(11)					
Bunge Corp			(11)					
Louis Dreyfus Corp			(11)					
MINING LIST								
Anaconda Co	76,061	1,086	[14] 1.4					
Kennecott Copper Corp	211,980	800	.4					
American Metal Climax, Inc. (American Climax)	130,510	26,270	20.1					
International Minerals & Chemicals	73,614	5,242	7.1					
Phelps-Dodge	174,489	62,700	35.9					
St. Joseph Minerals, Inc	46,097	11,797	25.6					
Freeport Minerals Co	23,958	0						
Texas Gulf, Inc	67,442	0						

Footnotes on following page.

FOOTNOTES

[1] The adjusted net income before Federal income tax reported to shareholders is comprised of net income or loss from financial statements with appropriate adjustments made for Federal income tax expense or refund, income or loss attributable to minority interests, and income or loss from investments in affiliated companies whenever the equity method of accounting was used. In certain cases, the minority interest and/or the income or loss reported under the equity method was not separately disclosed and in these cases those adjustments could not be made and the data, therefore, was omitted.

[2] The income of Western Electric Company, Incorporated, is included in the consolidated tax return of American Telephone and Telegraph Company. However, this is essentially the same approximate tax which would have been reflected had a separate return been filed.

[3] Tax benefits due to extraordinary items were not separately disclosed. Data for this company, therefore, has been omitted. (Boise Cascade, United Brands Co.)

[4] A footnote to the financial statements for Armco Steel Corp. filed with the Form 10–K for 1973 indicates:

"Armco utilizes in the Federal income tax return its share (50%) of operating costs of Reserve Mining Co. including the depreciation, amortization depletion and ITC attributable to the properties of Reserve and files a consolidated FIT return which includes the domestic leasing and insurance companies that are not consolidated for financial statement purposes.

Data for this company, therefore, was omitted.

[5] The minority interest and/or the income or loss reported under the equity method was not separately disclosed. Data for this company, therefore, has been omitted. (Ralston. Purina)

[6] The provision for income taxes may contain State and/or local and/or foreign in addition to Federal income taxes. Data for this company, therefore, has been omitted. (Republic Steel)

[7] Due to losses, the data for this company has been omitted. (Genesco, American Airlines, Pan Am, Eastern)

[8] Data for this company was not available. (Penn Central)

[9] Because the wholly owned subsidiary Western Electric Company, Inc. is accounted for under the equity method, the income and current Federal income tax for Western Electric Company, Inc., is not included here even though a consolidated tax return is filed. (AT&T)

[10] Per note to the financial statement, a final determination of the exact amounts to be reported in the current year and the amounts to be deferred, if any, will not be made until the tax return is actually prepared. (Bank America Corp.)

[11] These companies appeared to be nonpublic corporations, and therefore do not have to file with the SEC. (grain companies)

[12] A footnote to the financial statements for Lockheed Aircraft Corporation filed with Form 10–K for 1973 indicates:

"As a result of book-tax accounting differences, the company had taxable losses in 1973 and 1972 and deferred taxes were increased."

[13] Although this particular company did have a high approximate effective rate, a portion of it was due to the deferred portion of Federal income taxes which were deferred in prior years and which became a current liability in the current year. (Boeing, Teledyne)

[14] It appears that one of the principal reasons for this company's low effective rate is a significant loss carryforward from prior years. (Anaconda)

[15] One of the principal reasons for this high effective rate was the loss from the sale of a subsidiary company during the year which reduced book income by approximately $20 million. (Consolidated Freightways)

FOOTNOTES TO 1972 STUDY

[1] The adjusted net income before Federal income tax reported to shareholders is comprised of net income or loss from financial statements with appropriate adjustments made for Federal income tax expense or refund, income or loss attributable to minority interests, and income or loss from investments in affiliated companies whenever the equity method of accounting was used. In certain cases, the minority interest and/or the income or loss reported under the equity method was not separately disclosed and in these cases those adjustments could not be made and the data therefore was omitted.

[2] The minority interest and/or the income or loss reported under the equity method was not separately disclosed. Data for this company, therefore, has been omitted.

[3] The provision for income taxes may contain State and/or local and/or foreign in addition to federal income taxes. Data for this company, therefore, has been omitted.

[4] The income of Western Electric Co., Inc., is included in the consolidated tax return of American Telephone & Telegraph Co. However, this is essentially the same approximate tax which would have been reflected had a separate return been filed.

[5] A footnote to the financial statements for Lockheed Aircraft Corp. filed with form 10–K for 1972 indicates: "As a result of book tax accounting differences, the company had taxable losses in 1972 and 1971 and deferred taxes were increased."

[6] The provision for income taxes is not separated into current and deferred tax categories. Additionally, the provision for income taxes may contain State and/or local and/or foreign in addition to federal income taxes. Data for this company, therefore, has been omitted.

[7] United Aircraft Corp. provides for taxes on income in combined amounts for Federal, Canadian, and State Data for this company, therefore, has been omitted.

[8] Footnote No. 9 to the consolidated financial statements for Occidental Petroleum Corp. for the calendar year ended Nov. 31, 1972, indicates: "Substantially all of the 1972 and 1971 provisions for income taxes relate to Occidental's Libyan operations. As a result of the utilization of the percentage depletion and foreign tax credits, no Federal taxes have been paid or provided for the 2 years ended Dec. 31, 1972, except for a tax on tax preference items as prescribed by the Tax Reform Act of 1969."

[9] Information abstracted from the McDonnell Douglas Corp.'s annual report to shareholders for 1972 indicates: "Taxable income of McDonnell Douglas Corp. is significantly different from earnings reflected in the financial statements. This difference is primarily due to commercial aircraft development costs being deducted for taxes as incurred and the cost of sales for the DC–10 program being determined under the specific unit cost method (on lower of cost or market basis) rather than under the average cost method used in the financial statements. McDonnell Douglas Corp.'s 1970 and 1971 Federal income tax returns reflected net operating losses. McDonnell Douglas Corp.'s 1972 return will reflect taxable income before being offset by the unused net operating losses from 1970 and 1971."

[10] The provision for income taxes is not separated into current and deferred tax categories. Data for this company, therefore, has been omitted.

[11] Due to losses, the data for this company has been omitted.

[12] The provision for current and deferred taxes, and the tax benefits due to extraordinary items were not separately disclosed. Data for this company, therefore, has been omitted.

[13] This high effective rate for Textron, Inc. may have been the result of expenses being deducted for book purposes which are either not deductible for Federal tax purposes or are deducted for Federal tax purposes at a date later than for book purposes.

[14] A footnote to the consolidated financial statement for Republic Steel Corp. for 1972 indicates that due to a "carryback of operating loses for the year 1971 including timing differences and a deduction for percentage depletion," a Federal income tax refund arose.

[15] Due to a large extraordinary writeoff, data for this company has been omitted.

[16] A footnote to the consolidated financial statements of American Airlines, Inc., for 1972 indicates that: "As a result of timing differences, American's Federal income tax return for the year ended Dec. 31, 1971, reflected an accumulative net loss carryforward of approximately $45,200,000. This net operating loss carryforward is available to reduce future taxes payable. Upon realization of the operating loss carryforward, such benefit would be credited to the deferred tax liability and not affect future earnings. American anticipates that its tax return for the year ended Dec. 31, 1972, will reflect an additional net operating loss carryforward."

[17] Data for this company was not available.

[18] A footnote to the annual report of Burlington Northern Inc., and subsidiary companies for the year ended Dec. 31, 1972, indicates: "The company will have no taxes payable on its Federal income tax return due to current year tax deductions related to discontinuance of passenger services and trackage abandonments and certain merger-related items recorded per books in 1969."

[19] Because the wholly owned subsidiary Western Electric Co., Inc., is accounted for under the equity method the income and current Federal income tax for Western Electric Co., Inc., is not included here even though a consolidated tax return is filed.

NOTE.—This study is based entirely on information from public sources including 10–K reports, from 059, registration statements and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders and annual reports to the Inter-State Commerce Commission and the Federal Power Commission.

FOOTNOTES TO 1969–71 STUDY RELEASED JULY 19, 1972

[a] The adjusted net income before Federal income tax reported to shareholders consists of the net income (or loss) plus all Federal income tax expense (or income) plus deductions for minority interest taken in calculating net income and less income from an investment in another company when the equity method of accounting has been used, in some cases, the minority interest and/or the income reported under the equity method was not separately disclosed; thus, in those cases, these adjustments could not be made. (These accounting problems are further explained in the Appendix.)

[b] The deferred income tax accounts (tax effect of timing differences) may contain State and local and/or foreign in addition to Federal income taxes. Thus, this might have a significant effect on the estimated current Federal income tax and percentage.

[c] All the data necessary to compute the result for 1969 were not available on the 1971 and/or 1970 financial statement.

[d] Possibly overstated significantly because foreign and/or State and local income taxes are combined with Federal income tax. Whenever this is believed to be extremely significant, the data are omitted. These com-

panies have not reported separately their Federal income tax expenses. As stated elsewhere, this is an apparent violation of SEC filing requirements.

[e] The Ford Motor figures represent the effects of State and local as well as Federal income taxes. Their reports combine these amounts and thus the percentages are higher.

[f] The data for 1971 were not available when this information was being gathered.

[g] Including Canadian and U.S. income tax.

[h] Even though there appears to be some tax paid, the 10 K for ITT indicates that Hartford and ITT filed consolidated tax returns on which no tax was paid.

[i] Western Electric Co.'s income is included in the consolidated return for the Bell System; however, this is essentially the same tax which would have been reflected if a separate return were filed.

[j] McDonnell Douglas Corp.'s 1971 10 K indicates a NOL carryforward from 1970 and 1971, thus, in effect, no Federal income tax has been paid since prior to 1967.

[k] The 1971 and 1970 data for Ashland Oil were not readily available in the SEC microfilm files.

[l] The 10 K report states that Southern Pacific had no tax liability on a consolidated return for either 1971 or 1970; the results for 1969 were not disclosed. The estimated amounts for Federal income tax ($19,551,000 for 1971 and $12,049,000 for 1970—effective tax rates of 13.4 percent and 9.7 percent, respectively) if actually paid may have been paid by subsidiaries less than 80 percent owned and, thus, not eligible to be included in the consolidated tax return. Some, or all, of these amounts may represent overstatement of Federal income tax accrual accounts in order to provide a reserve for future tax deficiencies following audits by the IRS; to this extent they would not be paid.

[m] The analysis of Federal income taxes (page 316 of their 1970 ICC annual report) showed that Norfolk & Western saved $29,403,000 in Federal income tax due to accelerated depreciation and to 5-year amortization. Their Federal income tax, if based on income per books of account, would have been $39,632,000. Filing a consolidated return saved an additional $16,687,000 in Federal income taxes. Their minimum tax on preferences was $2,143,000; however, the analysis of Federal income taxes indicated a refund of $1,624,000. The 1970 net income (after provision for income tax and after providing for minority interests) was $71,259,000 for Norfolk & Western and $64,017,000 consolidated.

[n] The 1970 ICC annual report (page 316, "Analysis of Federal Income taxes") showed that Burlington Northern saved $12,236,000 due to accelerated depreciation. Their taxes based on income recorded in the accounts would have been $13,367,000. Their refund was $603,603. The net income (after provision for Federal income tax and after reflecting minority interests) for Burlington Northern was $33,000,000 and $34,202,000 consolidated.

[o] The 1970 analysis of Federal income taxes (page 316 of their ICC annual report) indicated that Missouri Pacific had a refund of $814,700. Their Federal income tax based on taxable income as recorded in the accounts for financial reporting would have been $6,671,000. The net income, after provision for tax) was $18,189,000 for Missouri Pacific and $12,580,000 when consolidated. The company saved over $8,000,000 in taxes in 1970 due to accelerated depreciation and 5-year amortization.

[p] The information for Roadway Express was taken from its 1971 annual report to shareholders.

[q] Because the wholly owned subsidiary Western Electric Co. is accounted for by using the equity method, the income and current Federal income tax for A.T. & T.'s not included here even though a consolidated tax return is filed.

[r] Notes to the financial statement of Con Edison indicate net operating losses for tax purposes for both 1970 and 1971 while the 1971 net income reported to shareholders was the highest in any of the prior 10 years of the company's history. Dividends paid were $102,065,000—1969; $108,021,000—1970; and $119,406,000—1971. None of the dividends on the common stock for these 3 years (amounted to $81,188,234 and $73,436,126 for 1971 and 1970) were taxable as dividend income.

[s] Due to undisclosed amounts of intraperiod tax allocation, the total Federal income tax provision cannot be ascertained for Pacific Gas & Electric.

[t] This high effective rate for Whirlpool may have been the result of expenses being taken for book purposes which are not deductible for tax purposes (e.g., goodwill).

[u] In the tables released last July 19 and which were prepared by the joint committee United States Steel's effective tax rate was approximated at 7.6 percent, subsequent analysis by the committee indicates that the rate is closer to 8.2 percent.

[v] The figure for Con Ed paid in 1971 is brought forward from the study released July 19, 1972, and prepared by the joint committee. Subsequent information (see chapter on tax-free dividends) indicates no tax paid.

APPENDIX. PROBLEMS IN SECURING APPROXIMATE EFFECTIVE TAX RATES FROM PUBLIC INFORMATION SOURCES

CONSOLIDATIONS: FINANCIAL STATEMENTS AND TAXES

For financial statement reporting purposes, companies frequently consolidate foreign subsidiaries and subsidiaries which are more than 50-percent owned. For Federal income tax purposes, generally, they must be domestic subsidiaries and 80-percent or more owned before they can be included in a consolidated income tax return.

In financial reports to shareholders, the total Federal income tax expense (as well as all other revenue and expense accounts after elimination of intercompany transactions) of all consolidated subsidiaries (even the 50-percent owned companies) is reported as though it were an income tax or refund entirely attributable to the majority interest of the consolidated group. The minority interest in a particular subsidiary's net income or loss (perhaps as much as 49 percent) however, is removed at the bottom of the income statement. Thus, the consolidated financial reports often show the total tax expense of even 51-percent owned subsidiaries while eliminating the income attributable to the minority interest.

To compensate for this, the net income per financial statement was adjusted by the income or loss attributable to the minority interest.

METHOD OF ACCOUNTING FOR AN INVESTMENT IN A SUBSIDIARY OR AFFILIATE

If the equity method is used for financial statement reporting purposes to account for an investment in a subsidiary or affiliate which is not included in a consolidated tax return, the provision for income tax expense may exceed or be less than that which is reported on the consolidated financial statements. The equity method, which is sometimes called a one line consolidation, produces the same net income to shareholders as does consolidation. Under the equity method, the parent corporation's proportionate part of the "after tax" earnings of the subsidiary or affiliate are shown on one line in the income statement; in a consolidation, all income and expense accounts of the subsidiary are combined with those of the parent and other consolidated subsidiaries and the net after tax earnings or loss of a subsidiary attributable to a minority interest are later deducted. Thus, consolidation for financial statement reporting purposes shows all Federal income tax expenses recorded by all the consolidated subsidiaries while the equity method does not reflect any of the Federal income tax or refund attributable to subsidiaries or affiliates which are accounted for under the equity method.

Because the Federal income tax or refund attributable to the equity method net income or loss was not disclosed, the equity method income or loss was used as an adjustment to the net income per financial statement.

"OVERSTATING" THE PROVISIONS FOR FEDERAL INCOME TAXES

Corporations may "overstate" the accrued Federal income tax liability and thus, overstate the provision to provide for anticipated taxes due because of an Internal Revenue Service audit of tax returns for open years. Corporations "book" this "overstatement" because of the tendency to resolve doubtful items in the corporate favor while realizing that many of these items might result in tax deficiencies by the Internal Revenue Service. Because the amount of this "overstatement" of the provision for Federal income taxes cannot be determined from public information sources, no attempt was made in this study to adjust for this amount in arriving at the estimated current Federal income tax liability.

INTERPERIOD TAX ALLOCATION

Another major problem in estimating a Federal income tax liability involves the use of the accounting technique referred to as "comprehensive tax allocation." The Accounting Principles Board of the American Institute of Certified Public Accountants in Opinion No. 11, stated that "the tax effect of a timing difference should be measured by the differential between income taxes computed with and without inclusion of the transaction creating the difference between taxable income and pretax accounting income. The resulting income tax expense for the period includes the tax effects of transactions entering into the determination of results of operations for the period. The resulting deferred tax amounts reflect the tax effects which will reverse in future periods. The measurement of income tax expense becomes thereby a consistent and integral part of the process of matching revenues and expenses in the determination of results of operations." Generally, this results in a provision for income tax expense being larger than the current tax liability which will result in a "deferred Federal income tax liability" being recorded on the financial statements. Comprehensive tax allocation and amortization of the investment tax credit over the lives of the assets (rather than flowing-through the investment tax credit) results in the provision for Federal income tax expense for financial statement reporting purposes being larger (and in some cases smaller) than the actual current tax liability.

Comprehensive tax allocation accounting can result in a net current asset (prepaid taxes in excess of current deferred tax liabilities) or a net current deferred tax liability, or in a net fixed asset for "prepaid" taxes or a net long-term deferred tax liability (for amounts not expected to reverse in one year).

Wherever possible, these deferrals of Federal income taxes were taken into consideration in estimating the approximate current portion of Federal income tax expense.

Permanent differences (items which do not reverse, e.g., the 85-percent dividends received deduction) are treated in the same manner for financial statement reporting purposes as they are for tax purposes. Thus, these items do not result in any differences nor do they affect the provision for Federal income tax expense or the corresponding liability.

INTRAPERIOD TAX ALLOCATION

This accounting technique results in showing the effect of taxes on the various sections of the income statement. Thus, extraordinary gains and/or losses are reduced when reported to the shareholders by the tax or tax savings attributable to them. Accordingly, in estimating current Federal income tax, wherever possible, an effort was made to reflect the tax effects of extraordinary items where appropriate. For example, where the income statement showed separately a Federal income tax expense or tax savings attributable to a nonoperating extraordinary gain or loss, these items were netted against each other for purposes of this study.

This problem is further complicated when the extraordinary gain or loss is recognized for financial statement reporting purposes in years different than for tax purposes, thus making comprehensive interperiod tax allocation a significant factor in estimating the current Federal income tax.

Regulation S-X, rule 3-16(O), income tax expenses

The Securities and Exchange Commission in Accounting Series Release No. 149, issued November 28, 1973, amended Rule 3-16(o) and was applicable to financial statements for periods ending on or after December 28, 1973. The amended rule, which deals with the disclosure of the components of income tax expense, is as follows:

"(1) Disclosure shall be made, in the income statement or a note thereto, of the components of income tax expense, including: (i) taxes currently payable; (ii) the net tax effects, as applicable, of (a) timing differences (Indicate separately the amount of the estimated tax effect of each of the various types of timing differences, such as depreciation, research, and development expense, warranty costs, etc. Types of timing differences that are individually less than 15 percent of the deferred tax amount in the income statement may be combined. If no individual type of difference is more than five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate and the aggregate amount of timing differences is less than five percent of such computed amount, disclosure of each of the separate types of timing differences may be omitted.) and (b) operating losses; and (iii) the net deferred investment tax credits. Amounts applicable to United States Federal income taxes, to foreign income taxes and to other income taxes shall be stated separately for each major component, unless the amounts applicable to foreign and other income taxes do not exceed five percent of the total for the component.

"(2) If it is expected that the cash outlay for income taxes with respect to any of the succeeding three years will substantially exceed income tax expense for such year, that fact should be disclosed together with the approximate amount of the excess, the year (or years) of occurrence and the reasons therefor.

"(3) Provide a reconciliation between the amount of reported total income tax expense and the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, showing the estimated dollar amount of each of the underlying causes for the difference. If no individual reconciling item amounts to more than five percent of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate, and the total difference to be reconciled is less than five percent of such computed amount, no reconciliation need be provided unless it would be significant in appraising the trend of earnings. Reconciling items that are individually less than five percent of the computed amount may be aggregated in the reconciliation. The reconciliation may be presented in percentages rather than in dollar amounts. Where the reporting person is a foreign entity, the income tax rate in that person's country of domicile should normally be used in making the above computation, but different rates should not be used for subsidiaries or other segments of a reporting entity. If the rate used by a reporting person is other than the United States Federal corporate income tax rate, the rate used and the basis for using such rate shall be disclosed."

CONTINUING PLIGHT OF SOVIET JEWS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the execution of the five Basque terrorists without their being accorded the opportunity for an adequate legal defense, is currently arousing much public outcry. At this time we should remember the oppression of other groups in other countries. I would like to remind my colleagues of the continuing plight of Soviet Jews. Many Jews seek only to emigrate; yet, the Soviet Union places innumerable barriers between them and their simple goal.

I recently received the following letter from the Union of Councils for Soviet Jews. I think the document speaks eloquently of the situation:

UNION OF COUNCILS FOR SOVIET JEWS,
Merion, Pa.

A document, recently passed across the Soviet border, cites such problems as illegal arrests, illegal drafting of young men and the deprivation of rights of those desiring to emigrate.

This statement, which was developed by thirty-three Soviet Jews, indicates that the oppressive nature of society in the USSR today has been unchanged by international guarantees of personal freedom and institutional reform.

* * * * *

The following Soviet Jews, held hostage in the Soviet Union, signed the document:

Vitaly Rubin, Benjamin Fain, Grigory Rosenstein, Natalia Rosenstein, Vladimir Shachnovsky, Mikhail Goldblatt, Mark Novikov, Ilya Piatetsky-Shapiro, Anatoly Sharansky, Lev Karp, Lev Ulanovsky, Ilya Essas, Alexander Lipovsky, Ilya Rubin, Victor Brailovsky, Felix Kamov-Kandel, Lev Gendin, Natan Tolchinsky, Lilia Roitburd, Girsh Toker, Zachar Tesker, Pavel Abramovich, Mikhail Lieberman, Vladimir Lazaris, Mark Azbel, Leonid Koshevoy, Vladimir Prestin, Vladimir Slepak, Maria Slepak, Alexander Luntz, Yosef Begun, Yuli Kosharovsky, Victor Lapidus.

The recent trials of Lev Roitburd and Anatoly Malkin once again raise the question mark over the situation of Jews wishing to emigrate from the USSR. The necessity to draw certain conclusions from these trials is indicated by the fact that they took place at the end of August, 1975, after the signing by the heads of government of the final act in Helsinki when the whole world looked with expectation towards the change in Soviet emigration policy. The Soviet government itself, understands full well the legality of such hopes which accounts for their authorizing, through the Novosti Press Agency at the beginning of September, an article by Reuven Grover, who declares in regard to Jewish emigration from the USSR that everything in the garden is lovely and any problems arising therefrom are dealt with in the spirit of humanity. An analysis of these two trials is the best answer to the idyllic picture drawn in this article.

Who is Lev Roitburd, and what happened to him? Lev Roitburd is a refusenik (Ed. a Soviet Jew who has applied to leave and been refused) living in Odessa, trying for the last three years to obtain permission to emigrate to Israel. The authorities did not like his activities so they tried to "arrange" a trial charging him with an economic offense. When this failed, a libelous article about him appeared in the local newspaper. He was repeatedly warned: "We shall find some means to dealing with you." The Odessa KGB tried to prevent Lev Roitburd from travelling to Moscow to meet a group of United States Senators and when, in spite of their threats, he went to the airport, he was detained by KGB officials. At the trial, which was arranged with perjured witnesses, Roitburd was sentenced to two years imprisonment on a false charge of striking a policeman. This is by no means the first case of a false criminal charge being brought against people trying to emigrate to Israel.

A similar case was "cooked up" against Alexander Feldman in Kiev and the Vainman brothers in Kharkov. Lev Roitburd's trial shows that in recent years, there has been created in the USSR a group of people who are deprived of all rights and protection by the law, people who can be arrested at any time and for any charge. This special group includes anybody who hands in an application to emigrate to Israel. The refuseniks have been in this special category for many years. This fact indicates a gross violation by the USSR of the undertakings agreed upon at Helsinki in accordance with which requests for emigration would not entail any rights or privileges being removed from the applicant. The status of the refusenik is somewhat closer to that of an internee. Just like internees, refuseniks are under constant supervision by the organs of state security. The difference is that whereas internees are so because of the incidence of war, the refuseniks are interned in peacetime. Moreover differing from the internees, the refuseniks are not protected by international law or internationally agreed rights.

The Roitburd case shows how easy it is for refuseniks to be deprived of freedom of movement and to be arrested. We can point to numerous cases of refuseniks being summarily arrested and detained in connection with various internal and international events—the session of the Communist Party, the arrival or the departure of the President of the United States. There is nothing to stop a refusenik from being arrested without the slightest cause. The most recent example is the arrest, during the night of September 13 of Alexander Slepak and his detention for 15 days on the spurious charge of hooliganism. The Geneva Convention of 1949 granted internees the right to correspond with relatives and international organizations. But the refuseniks are deprived even of this right. For a whole group of them, correspondence by post has been completely closed and telephones have been cut off. The very existence, in times of peace, of thousands of internees, interned for an unspecified period of time is a scandal during a period of detente—a period when the Soviet government is trying to convince the whole world of its humanity and of its intention to fulfill the undertaking agreed upon at Helsinki.

The Anatoly Malkin case raises even more serious questions. In June, 1974, a 20-year-old student, Anatoly Malkin, successfully passed his examinations at the Institute of Steel and Alloys and was transferred to the next course. According to Soviet law, he was not liable for military call-up. However, immediately after Malkin declared his wish to emigrate to Israel and asked for his character reference (Ed. one of the numerous papers required before applying to emigrate) he was expelled from the Institute for "behavior unworthy of a Soviet student." This gave the authorities the opportunity to call him to the army.

For many long months, Malkin received no answer to his request to be allowed to emigrate. During this period, Malkin was granted Israeli citizenship and he was sent from Israel the certificate of confirmation of citizenship. As a citizen of Israel, Malkin refused to serve in the Soviet army. On the 27th of May, 1975, he was arrested and on the 22nd of August he was sentenced to three years imprisonment in labor camp for his refusal to serve. The conscription into the Soviet army of a man who is a citizen of Israel can have no justification from the point of view of international law or from the moral point of view. If the status of refuseniks is somewhat akin to that of internees, then persons of dual nationality forcibly detained in the USSR are certainly not different from internees. The fact of the extreme hostility of the USSR towards Israel needs no proof. Citizenship of the State of Israel is given only to those who really consider Israel to be their home land. Bearing this in mind, one cannot escape the conclusion that the forceful conscription into the Soviet army of an Israeli citizen, is little different from the forceful conscription of an internee who is a citizen of a country which looks upon the USSR as a hostile country.

In the above-mentioned article by Grover, he asserts that refusal of permission to emigrate on account of army service is given only to those who "recently" underwent military training in the "most important military fields." However, there are numerous cases where refusal to grant emigration permits was given to Jews demobilized seven or even ten years previously. Obviously, this comes under the heading "recently." With regard to the "most important military fields," Joseph Ahs, demobilized in 1968, served in the army as a doctor; Zacher Tesker, demobilized in 1968, was a football player in the army and played for his regimental team; Yevgeny Babas, demobilized in 1969, was a leader of a military music-lovers club.

Just as in 1972 there was an attempt to close down the emigration of Jews with the aid of the so-called "education tax," here at the present time one of the main weapons in the fight against emigration is the calling up of young men into military service. About 40% of the refusals to grant emigration permission are on account of previous army service. Those who, like Malkin, have not served in the army, are conscripted as soon as they make known their desire to emigrate to Israel. From the point of view of a young man at the present time, his very desire to emigrate has come to be looked upon as a crime. In this connection, in the sentence handed down to Malkin at this trial, it was stated with clear open cynicism: "the attempt to emigrate is a means of attempting to evade military service." Considering that military service means refusal for an unspecified period of time from even the very thought of emigration to Israel, it is clear that general military conscription gives the Soviet authorities the opportunity to effectively prevent the departure of young men.

Every family which includes young people between the ages of 17–30, must be compelled to take into account the possibility of their being called to the army in the event of their submitting application for emigration.

Therefore, it has become clear that even the threat alone of this possibility is holding back thousands of Soviet Jews from the attempt to apply for emigration. This is one of the fundamental causes for the slowing down of emigration in the last year or so. There is every reason to assume that following this line to its most cruel conclusion the Soviet government intends to close down emigration completely in the next few years.

The trials of Roitburd and Malkin indicate that the Soviet government is not only not fulfilling the obligations which it undertook at Helsinki, but has already immediately after the signing of the concluding act in Helsinki, instituted further and new methods completely in opposition to those undertakings. We call upon all heads of governments who signed the agreement at Helsinki to bear this fact in mind. In view of the fact that these questions can directly affect those governments, we hope that they will take the appropriate steps to induce the Soviet authorities to demonstrate not by words, but by their deeds, that they do not look upon the Helsinki agreement as just another scrap of paper.

Moscow, *September 18, 1975.*

THE MAJOR MIDDLE EAST PEACE ISSUES BEFORE CONGRESS

(Mr. YATES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. YATES. Mr. Speaker, on October 4, 1975, Representative Jonathan B. Bingham, a member of the House International Relations Committee and one of its experts on the Middle East, addressed the national convention of the Zionist Organization of America about the major Middle East peace issues before Congress. As a frontline participant in many of the past and present efforts to assert Congress' point of view in the making of U.S. foreign policy in regard to that critical part of the world, I commend the following excerpts from Mr. Bingham's address to my colleagues who share his concern about preserving the trend toward a permanent peace in the Middle East:

Excerpts From an Address by Representative Jonathan B. Bingham

THE SINAI AGREEMENT

On September 1, over a month ago, Egypt, Israel and the United States agreed on the terms of a new Sinai agreement.

At that time it was hoped that Congress would act within two weeks to approve the stationing of American civilian personnel in the area.

But the Congress has been dragging its feet, confused and distracted by issues that do not have to be resolved now.

One such issue was the administration's continued insistence that the parallel agreements entered into between the United States, on the one hand, and Israel and Egypt on the other, cannot be officially released. I confess that I was mystified by this procedure, since the texts of the agreements have been leaked to the press and the world knows what is in them. This problem has now been resolved with the decision by the Senate Foreign Relations Committee to publish these documents. We must now get on with the urgent job before us—to approve or disapprove the proposal for the stationing of U.S. personnel in the Sinai—and let's argue about questions of document classification later.

The other matter which a lot of Members of Congress are worrying about is the content of the secret agreements made by the administration—the provisions with respect to military and economic aid, oil supplies, nonrecognition of the P.L.O., and so on. I favor these provisions as far as Israel is concerned, and am prepared to fight to uphold them. On the other hand I am worried about the prospect of military aid for Egypt. But at the present time these provisions of the agreement are not before Congress.

The Congress is not committed to these understandings and will have ample opportunity to pass on the various points when the administration asks Congress for action. On the question of military and economic aid for Israel, for example, the administration has not yet even submitted its requests to the Congress. And when it does you may be sure the Congress is going to give them the most intensive review.

Why do I feel so strongly that the U.S. commitment of personnel should be approved? The answer is that Israel has made it absolutely clear that this commitment is essential to the whole agreement. If the Congress says no to this, the whole agreement falls apart.

Would that be so bad, you may ask? Last spring, when both sides rejected a similar agreement and the administration announced that it was reassessing our Middle East policies and let it be known that it considered Israel intransigent, we who are friends of Israel were outraged and applauded Israel's stand. I myself said Israel was right to reject appeasement.

What is so different this time? First of all, the terms are different. More importantly, the Government of Israel has made its decision, overwhelmingly approved by the Knesset, and it is not up to us in the United States to second guess our friends in Israel.

The Israelis know that the course they are embarked upon is not without risk. But they also know that risk is inherent in their situation and that there is no safe course. I am persuaded from my talks with Ambassador Dinitz and other Israeli officials that the Government of Israel made the decision to conclude this agreement on the merits and not because it was "bought" by promises of United States aid.

The Israelis are hopeful that with this agreement Egypt has in fact rejected the option of another war with Israel for a long time to come. This is not just because of the terms of the agreement, which come very close to a declaration of non-belligerency. It is also because another war would mean destruction of the Abu Rudeis oil fields (which remain within Israeli artillery range) and would throw to the wind's Egypt's big investment in the reopening of the Suez Canal and the rebuilding of the canal cities. Israeli officials also point out that the agreement will provide a chance for Israel and Egypt to develop, through working together, the kind of mutual trust which does not now exist and which is essential if true peace is to be achieved between them. Hopefully this process will occur, first, through the implementation of the agreement itself (and the talks to that end so far have gone smoothly); second, through the opening of the canal to Israel-bound cargoes; third, through the operations of the joint commission which is established under the agreement to iron out problems that may emerge; and finally through the shared use of segments of the coastal roads between the areas of the passes and the oil fields. While we cannot be sure this mutual trust will develop it is worth the risk to open up the possibility of advance toward peace. There is no chance otherwise.

Another way for us to judge the agreement is to have a look at what the Arab radicals are saying about it. Here are some samples:

From Syria: The pact, said the Ba'Athist Party, "virtually ended the state of belligerence with Israel . . ." and "established secure borders for Israel with Egypt inside Egyptian territory . . ." it is a "setback to the march of the Arab struggle."

From Libya: "We defy history to show us treason comparable to that of Muhammad Anwar Al-Sadat."

And Yasir Arafat himself, just before the Palestinian kidnapping of the Egyptian ambassador to Spain: The pact, he said, is "a conspiracy . . . hatched by imperialism to encircle the revolution." (Any conspiracy to encircle Yasir Arafat's "revolution" has something very important going for it.)

We may draw some comfort from these attacks on Sadat, but let us recognize that they also underline the danger of delay in the implementation of the agreements.

Sadat is under terrible pressure. I am fearful that something may go wrong. So I say to my fellow Members of Congress: Let's not waste time arguing over matters that don't have to be settled now. Let's get on with the job which is before us. At this time disapproval is unthinkable. Delay is dangerous. We must act now.

HAWKS FOR JORDAN

Let me turn now to another tangled tale—the sale of Hawk anti-aircraft missiles to Jordan. It is a tale which is far from over and its latest chapter is not a pleasant one.

The Hawk struggle began last spring when the State Department disclosed the administration's intention to sell Hawk missiles to Jordan. Unbelievably the announcement came right in the midst of President Ford's "reappraisal," when new weapons sales to Israel were suspended. And incredibly the sale was announced despite King Hussein's repeated statement that Jordan's principal reason for not joining the Yom Kippur War was its lack of an air-defense system. Did the U.S. Government really want to deprive Hussein of such an excuse in some future war?

My reaction was prompt and negative. On May 7, I pointed out that ,"Thanks to the Nelson-Bingham amendment to the Foreign Military Sales Act, Congress must be formally notified of any proposed sale of weapons costing $25 million or more, and can veto sales which seem unwise. It is hard to see the wisdom in selling one side American missiles to shoot down the other side's American Phantom jets. I expect the Congress will scrutinize this matter with the utmost care."

On July 10 the formal notice did in fact arrive. It turned out that the sale was to involve batteries, or $270 million worth, to be financed by the Saudis. Senator Case and I introduced resolutions of opposition to the Hawk sale in the Senate and the House, and many co-sponsors joined us. Hearings were held and I presented testimony. General Brown, Chairman of the Joint Chiefs, testified that six batteries of Hawks would be enough for an effective Jordanian Air-Defense of its own territory. What might the other eight be used for? The answer was clear—at the very least, the other eight batteries could be used to cover a Jordanian—or Syrian—ground offensive against Israel.

Thanks to the active support of organizations such as yours, strong congressional opposition to the sale was developed.

In this situation, the administration agreed to reduce the number of batteries in the initial sales agreement to six, but King Hussein refused to accept any compromise. In response, my committee, the committee on international relations, reported out the resolution of disapproval. Faced with the likelihood that the Congress would vote to disapprove the whole transaction, the Administration agreed to delay the matter past the August recess and resubmit the notice to the Congress early in September, giving us another twenty days within which to react.

King Hussein then took the unprecedented step of writing personally to all 100 Senators and 50 Representatives, threatening to go to the Soviets for Sam missiles if the Congress did not let the entire Hawk deal go through.

Again Senator case and I led the opposition. This time our efforts focused on trying to get assurances that the Hawk missiles would be permanently installed at fixed sites east and south of Amman and would not be mobile. Eventually we got a letter from President Ford to that effect. Senator Case felt that letter was a reasonable compromise, and he anounced that he would no longer oppose the deal. It thus became obvious that the Senate would not pass a disapproval resolution. My colleagues and I in the House concluded that it would be a futile gesture trying to push such a resolution through our committee and the House. But I announced that I was still very unhappy about the sale, and I added:

"The United States will now stand committed to sell to Jordan eight more Hawk batteries than were considered necessary for the defense of Amman and the airfields by our Joint Chiefs of Staff. The temptation to use these batteries for other than purely defensive purposes may well . . . prove irresistible to the Jordanians . . .

"I am also very disturbed that we should now appear to be giving way to a threat by King Hussein to buy the weapons from the Soviets, if he cannot get them, in the quantity he wants, from us. I trust we are setting no precedent here. For, if the King were to approach us with a request to buy clearly offensive weapons, accompanied by the same kind of a threat, I trust we would have the courage to say no."

I am indeed not happy with this result. However our fight was not in vain. Bearing in mind the unpleasant fact that Jordan is now in a position to use Arab oil monies for its arms purchases, we have at least established the proposition that the administration can no longer expect to make big arms sales for cash without Congress having any say in the matter. And we also are in a position to insist that the administration and the Jordanian Government live up to the commitments they have made that the Hawks are to be used only defensively. The first batch of three batteries are to be delivered late next year. There will then be a gap of some 18 months before the next batch of three are to be delivered. During that period the Congress will want to know just how the missiles have been installed. If there is any indication that the Jordanians are trying to preserve an offensive capability, you may be sure a major fight will be made in the Congress to stop any further deliveries, and we will look forward to having your help in that fight.

THE UNITED NATIONS AND UNESCO

Another continuing battle in the Congress will be to see to it that international organizations which the United States supports are not improperly used against the interests of Israel.

Last year when a majority of the UNESCO members rammed through various resolutions aimed at Israel, the Congress voted to stop all U.S. payments to UNESCO until that organization reverted to its proper nonpolitical role. I am proud to report to you that I was the author of that amendment in the House. The cut-off remains in effect and has been strengthened by the refusal of many artists, scientists and educators to participate in UNESCO activities.

The U.N. itself presents a different problem. Although the U.N. General Assembly has itself taken various deplorable steps—notably in giving a formal hearing to Yasir Arafat last fall—we must bear in mind that the U.N. maintains peace-keeping forces in the Sinai and on the Golan Heights and that all parties, including Israel, want those forces kept there. Thus the U.N. performs a valuable function, even in the Middle East.

The recent announcement that UNESCO has turned to Arab sources of funding to fill the gap left by the U.S. cutoff may be the beginning of the end of UNESCO as a balanced and universal organization.

The United States must, of course, maintain a vigorous stand against any moves to expell Israel from the general assembly. I am glad to note that the administration has taken such a stand and that, aided by a developing split among the African nations, it has been successful this year.

THE NEED FOR CONTINUED AID TO ISRAEL

In recent years the Congress has on the whole been ahead of the administration in terms of supplying Israel with the military and economic aid needed to survive and defend herself.

For example, the International relations Committee has on several occasions insisted that the amount of aid for Israel be earmarked in legislation and not left up to the administration's discretion.

A substantial program of economic aid to Israel to help with the absorption of refugees from the Soviet Union was initiated by the Congress in 1972 after bills to that effect were introduced by me in the House and by Ed Muskie in the Senate. The program, which never has had the administration's support, continues to this date.

As I have said, we do not yet know how much military and economic aid for Israel and for other middle eastern states the administration will request. But this we do know: There are many of us in the House and Senate who will insist that the Israelis receive the aid they need with which to defend themselves and to overcome the extreme economic strains of a large defense budget. We will fight for the needed legislation, not only because of the special ties that have bound Israel and this country together since 1948, not only because a strong Israel is the best assurance for peace in the Middle East, but because a viable and strong Israel is a necessity for the security interests of the United States itself.

The dollar amounts will be large, but the Congress has shown its determination to do what is right and necessary before. With your continuing help, we will do so again.

TOWARD AFFIRMING AND DEEPENING JAPANESE-AMERICAN FRIENDSHIP

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, the Emperor of Japan left Washington only a few days ago. His historic journey to this country realizes a lifelong desire to see our Nation and provides a visible affirmation of the strength and genuineness of Japanese-American ties.

With Emperor Hirohito still visiting the sights of the United States and soon to conclude his stay here with a stop in my home State of Hawaii, I am very pleased the House is acting expeditiously to consider the conference report on S. 824, the Japan-United States Friendship Act. S. 824 gives shape and substance to the expressions of good will and mutual regard which have marked the Emperor's visit.

The Japan-United States Friendship Act is both a tribute to the growth and firmness of our postwar relationship and an investment in the future and vitality of those ties. The act justly acknowledges a partnership that is "one of the most significant developments of the postwar period." We value this relationship as the outstanding precondition to a productive American foreign policy role in Asia.

While acknowledging the importance of present relations, the Japan-American Friendship Act lays the basis for maintaining and deepening those ties. S. 824 provides a vigorous program of cultural and scholarly exchange.

With funds drawn from the agreement which returned Okinawa to Japan and moneys remaining in the GARIOA account, this act encourages a wide-ranging exchange of academic, cultural, and artistic talent and information.

Surely the strongest relationships are rooted in understanding. Through language study, research, graduate, and faculty scholarships, visiting teachers and lecturers and the development of major library collections, this act provides tangible tools to our efforts to bridge cultural differences and develop greater understanding between these two societies.

We are seeking, after all, the friendship of two peoples. Unlike the friendship of governments, which can survive in strategic need and the exchange of armaments, friendship between peoples seems only to root in mutual respect and understanding. The exchange provisions of the Japan-American Friendship Act offer an opportunity to expand our understanding and in so doing, deepen our friendship.

I applaud S. 824 and urge its passage. As a symbolic gesture, it acknowledges and affirms a most important partnership. As an investment in the future, it will, I believe, yield very real results.

PROPOSING AN AMENDMENT TO H.R. 10029 MILITARY CONSTRUCTION APPROPRIATIONS ACT

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I am proposing to amend the Military Construction Appropriations Act, H.R. 10029, to include funds for the modernization of facilities at the machine shop, Pearl Harbor Naval Shipyard. The sum which I seek to add to the moneys appropriated for the Navy is $3.356 million, an amount which is currently authorized for appropriations for the period through March 1976. The substance of my amendment is as follows:

> On page 2, line 20, delete "728,727,000" insert in lieu thereof "$732,083,000".

Mr. Speaker, the Pearl Harbor Naval Shipyard in 1962 proposed modernization of the machine shop as part of the Navy's shipyard improvement program. The need at that time, 13 years ago, was to replace World War II vintage equipment and to rearrange and consolidate the shop along more functional lines to increase productivity and reduce costs.

Some new equipment has been purchased in the intervening years, but the full consolidation and modernization has yet to be carried out. The fiscal year 1975 Military Construction Authorization Act authorized the sum of $3.356 million through March 1976 for this purpose. My present request is for appropriation of the authorized funds so that the long-delayed project can be carried out.

Although the Senate's Military Construction Appropriation Act included funding for this project in fiscal year 1975, the money was deleted in the conference report. You will recall that action on the appropriations conference was delayed until late December 1974, too late for the funding request to be included in the President's fiscal year 1976 budget request. Through this accident in timing, therefore, the bill before us does not include funding for this project which has been authorized. At the time the project was deferred, the appropriations conference indicated that the project was not of a sufficiently high priority to be included in that year. The Navy filed an official appeal of that decision in reply to the matter of priorities. I quote from that document.

> The importance of this project to the maintenance of the fighting elements of the Fleet may be measured by its relative standing in the Shipyard Modernization Program. The overall priority of this project in the Navy's program is extremely high, as evidenced by the Pearl Harbor machine shop being ranked third of approximately 175 projects totaling over $550 million in identified-for-correction-of-deficiencies at the eight Naval Shipyards.

Within the last several days, the Naval Sea Systems Command has told me only one other project in the modernization program retains a higher priority than the one at Pearl Harbor. That project involves the crane rail system at the shipyard in Portsmouth, Maine. Furthermore, the Naval Facilities Command informs me that design work for the Pearl Harbor project has been completed, and that it could go to contract immediately.

The Navy's projections indicate that were the modernization program to be delayed until the fiscal year 1977 appropriations were available, the cost for this project would climb to $5.117 million. By including the full authorized amount in the legislation before us, savings of more than 50 percent could be realized with an early start on this program.

It is clear that a major project such as the one envisioned by the 93d Congress when it authorized the modernization program will have a desirable effect on the employment picture. This is, of course, hardly a "make-work" project, but is an effective use of Federal funds to employ skilled labor in accomplishing clearly necessary work. The Navy has estimated that not only will immediate implementation of this project save more than $1¾ million over anticipated expenditures if the project were delayed another year, but also, because of increased operating efficiency at the yard, fully $1.4 million in ship overhaul and maintenance costs annually would be saved in the first 10 years of the project, an obviously desirable return on investment.

I am sure it is clear to my colleagues that the overhaul and repair necessary for complex surface ships and submarines require modern facilities essential for work on mechanical components which account for approximately 30 percent of the work effort expended for a ship overhaul. High quality control standards are mandatory. Hydraulic components must be worked in an environmentally controlled area; oxygen systems must be kept free from oil contamination; pumps and valves require production control capability for efficient and high volume machining and tolerance checks; steam turbogenerators and propulsion equipment require adequate testing facilities, and radar and antenna mechanical parts must be worked in areas specifically designed for this function.

Additionally, because of its strategic location, Pearl Harbor must have the capability to develop and machine specialized mechanical components, since the nearest Naval capability is more than 2,000 miles away.

The capability to perform these functions and the requirements of modern, complex surface ships and submarines overtax the facilities now available. Work is currently performed in three distant buildings with obsolete equipment, inefficient layout, and inadequate lighting and utilities. Brush plating and certain other operations are in violation of State and Federal air and water pollution standards.

Full funding to the extent currently authorized for this vitally necessary program—a program considered necessary more than a dozen years ago—must be provided in fiscal 1976 if the mission of the shipyard is to be carried out.

I urge a favorable vote on my proposed minimal increase in funding for the Navy construction program in H.R. 10029.

FISH AND WILDLIFE CONSERVATION PROGRAMS VITALLY NEEDED ON PUBLIC LANDS NOW

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, millions of people who enjoy fish and wildlife and who support conservation programs in this country have renewed hope for those natural resources as a result of the passage of Public Law 94–452 last year. The bill was, in substance, an expansion and significant improvement to the act of 1960 which I was privileged to sponsor. I am glad to take this opportunity to express my appreciation to the distinguished gentleman from Michigan, my good friend, Mr. Dingell, for his important contributions to the legislative product now known as Public Law 94–452. Without his strong efforts we could not have enjoyed the high level of accomplishment which the bill represents.

The 1960 Sikes Act originally authorized fish and wildlife conservation programs on military lands. Some fine programs have been developed. Eglin and Tyndall Air Force Bases, Quantico Marine Base, Meridian Naval Air Station, and the Camp Pickett Army installation are examples. But overall, the 30 million acres of military lands have not nearly reached their fish and wildlife potential. The Department of Defense has shown active interest in this program but much stronger efforts are needed before substantial progress can be made.

The 1974 amendments extend the Sikes Act's provisions to other public lands. National forests, national resource lands, Atomic Energy Commission lands and National Aeronautics and Space Administration lands are included. The act now directs that comprehensive plans for fish and wildlife habitat improvements on those lands be developed and implemented by the Federal agencies through cooperative agreements with State fish and wildlife agencies—if the States agree to join forces. It also authorizes $20 million annual appropriations for that purpose.

Professional fish and wildlife managers and administrators at the State, Federal, and private organization levels recognize the great opportunity to enhance a large part of the Nation's fish and wildlife resources through the Sikes Act. One wildlife authority recently stated:

> It would be difficult to improve substantially the basic tenets of the Sikes Act as it now pertains to fish and wildlife on national forests and national resource lands. The most important ingredients for success, which can be supplied by a legislative act are present. It directs that fish and wildlife habitat be improved and maintained wherever possible, it calls for combined federal-state efforts to do the job, and it authorizes funding.

Wildlife managers are particularly eager for the Sikes Act to be implemented on national forests, administered by the U.S. Forest Service, and national resource lands, administered by the Bureau of Land Management because of the immense amounts of habitat involved. National forests total 187 million acres and there are more than 450 million acres of national resource lands. The opportunities to enhance wildlife on that large area of the United States are tremendous. The national resource lands alone offer a great challenge that must be accepted.

For years wildlife conservationists have sought help from the Congress and the administration for wildlife resources on the Nation's public lands. There seems always to have been many higher priorities, and, the effects of that fact are beginning to appear. The "Range Condition Report" prepared for the Senate Committee on Appropriations and released last January by BLM documents part of the sad truth.

BLM is our Nation's largest landholder, with more than 450 million acres. Overlapping within that area are 369 million acres of big game habitat, 386 million acres of small game habitat, 30 million acres of waterfowl habitat, 5 million acres of lakes and reservoirs, and 259,000 miles of fishing streams. Some of that habitat is in Alaska and in relatively good condition. With development of Alaska's resources, however, fish and wildlife there will be subjected to increasing encroachments and more intensive management will be required.

On BLM land outside Alaska, the report shows that the situation is becoming critical. Of 107 million acres of BLM big game habitat in the lower 48 States, 44 million are in unsatisfactory condition. BLM defines "unsatisfactory" as "where wildlife productivity has been lowered due to avoidable changes caused by factors fully under the control of man." About 49 million of 128 million acres of small game habitat also are unsatisfactory. Thirty-seven percent of 645,000 acres of waterfowl habitat is deteriorated. So is 15 percent of 656,000 acres of lakes and 41 percent of 17,000 miles of streams. And, the most alarming statistic is that the condition of all categories is worsening each year, according to the BLM report.

With the deterioration of such a vast amount of wildlife habitat, people of the United States are losing a large portion of their wildlife heritage.

Our national resource lands provide about 41½ million recreation visitor days each year involved with fish and wildlife. Approximately 8 million of those days concern some form of hunting and fishing. Other wildlife uses such as photography and general observation make up the remainder.

A wide diversity of fish and wildlife including 33 endangered species, depend on BLM lands. Twenty percent of the big game animals in the United States live there. That includes most of the caribou, brown and grizzly bears, and desert bighorn sheep; 80 percent of the moose; 65 percent of the mule deer; and 45 percent of the antelope plus innumerable other game and nongame species. Spawning grounds in national resource land streams produce more than half the west coast salmon and steelhead catch which, in 1973, was valued at more than $125 million.

To manage that large portion of the country's fish and wildlife resources BLM has only 59 wildlife biologists and 10 fisheries biologists. That equals to 1 wildlife biologist for each 7 million acres of land and 1 fisheries biologist for each 25,900 miles of stream and each 500,000 acres of lake.

BLM officials report that some of the 33 endangered species found on national resource lands may not survive at current management levels. Projected population trends for key nonendangered species is about as grim. Experts have statistically estimated that by the year 2000 there will be a 7-percent decrease in antelope numbers, 8-percent decrease in bighorn sheep, and 16-percent decrease in elk, under present management and funding levels.

The projected fate of those species is a good indication of what can be expected to happen to the numerous other wildlife living in the same habitat.

Congress has developed the mechanism in the Sikes Act which knowledgeable people say can reverse the downward trend of wildlife on the national resource lands and other public lands. Both BLM and the Forest Service, I am told, are moving rapidly to implement the act. Six States already have signed cooperative agreements with BLM for habitat improvement on national resource lands. The need now is for funding. I hope that the Congress and the administration see fit to follow through and provide the necessary funding to correct the national tragedy that has happened to wildlife on much of our public lands.

Improved outdoor recreation opportunities on public lands are another largely untapped potential of the Sikes Act. As amended in 1968—Public Law 90–465—it authorized the Secretary of Defense to carry out a program for the development, enhancement, operation and maintenance of public outdoor recreation resources on military reservations. This was to be done in accordance with a cooperative plan mutually agreed upon by the Secretary of Defense and the Secretary of the Interior, in consultation with the States in which such reservations would be located.

The nearly 30 million acres administered by the Department of Defense contain many valuable recreation resources. Those lands are located in every State. On many of these installations, due to their mission and security requirements, public use must be restricted or in some cases, prohibited. In other instances, however, these lands provide a potential source of resource related recreation opportunities compatible with the military missions of the installations.

Tre Department of Interior charged the Bureau of Outdoor Recreation with implementing Interior's responsibility under Public Law 90–465. Unfortunately, the 1968 amendment, like the rest of the Sikes Act, was never funded. In the absence of funding, the Bureau of Outdoor Recreation did not follow through with implementation. Likewise, the Department of Defense failed to implement the legislation. Some installations, however, acted on their own without guidance from the Department of Defense or assistance from the Bureau of Outdoor Recreation.

Eglin Air Force Base in Florida developed an extensive program of recreation use to go along with the fine fish and wildlife program which already had been initiated. Keynoting the recreation program was an agreement between the State of Florida and Eglin through which the State now administers two State parks within the Air Force complex. These parks, Fred Gannon State Park and Basin Bayou State Park, are an important part of the recreation opportunity provided not only for the people of Florida, but for the millions that visit there annually.

Although the Eglin success story is rare, it is not unique. Both the Navy and Marine Corps have some good programs on certain areas like Quantico and Meridian Naval Air Station. The basic fact remains, however, that neither Defense nor Interior has provided the leadership necessary to realize the recreation potential of DOD lands.

The 1968 amendment stands not as a lost opportunity, but as a delayed opportunity. Hopefully the 1974 amendment will not be delayed. It is vitally needed now. Fish and wildlife on hundreds of millions of public land acres is at stake.

ADDRESS BY THE HONORABLE WILLIAM E. SIMON TO THE FLORIDA STATE CHAMBER OF COMMERCE AT ITS ANNUAL MEETING IN PALM BEACH, FLA., ON OCTOBER 2, 1975

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Florida

Chamber of Commerce, a sound and progressive organization composed of leading business and industrial figures in our State enjoyed the distinctive pleasure of hearing the Honorable William E. Simon, Secretary of the Treasury, at the chamber's annual meeting in Palm Beach on October 2, 1975.

I am personally appreciative of the fact that Mr. Simon was our guest in Florida. I feel that he is truly one of the Nation's strong and effective leaders. His sound views are always received with appreciation by responsible audiences. I continue to be impressed by his determination to simplify Government procedures, to bring success into the very difficult effort to reduce form filling and redtape and by his significant contributions to the work of President Ford's administration.

I take pleasure in submitting for reprinting in the CONGRESSIONAL RECORD a copy of Secretary Simon's speech to the chamber of commerce:

It is a great personal pleasure to be with you today and for the second time in as many weeks to visit this wonderful State.

The opportunity to enjoy the sunshine and warm hospitality of Florida is always welcome, especially when it also offers a chance to meet with many of the leading citizens of this State. Most of you have been so successful in running your businesses and balancing your company's books that I wish you would spend a little more time in Washington. As someone once remarked, one of the things we need in this country is to have "less government in business and more business in government."

I was asked if I would talk here today about the economy—specifically where we are and where I believe we should be heading. The most impressive feature of our economic life today is that the process of recovery is off to a solid start. In fact, the recovery came earlier and has been stronger than could have been reasonably expected:

Industrial production has now risen four months in a row, and the August increase of 1.3 per cent was the biggest single increase in three years.

1.5 million jobs have been added to the work force since March.

The unemployment rate, while still far too high, has fallen from a peak of 9.2 per cent in May to 8.4 per cent today.

And the Gross National Product, after sliding downwards for 15 straight months, rose by 1.9 per cent in the second quarter and will make significant gains in the third quarter and in quarters beyond. Indeed, if we manage the recovery properly—acting prudently and responsibly—then we can also make the recovery durable and lasting.

I emphasize the need for prudence because we are now entering one of the most delicate and sensitive periods in the process of recovery. While most of the economic statistics that will come in during the next few months will be encouraging, a few will inevitably point in the wrong direction, creating a degree of anxiety about the future. Especially as the elections approach, there may be growing pressures to increase governmental spending, to increase monetary growth, or to take a number of other measures that might somehow ease our burdens and accelerate the process of recovery.

Yet I would caution that twice in the last decade we have engaged in these stop-and-start policies, and each time we have been taken for a ride that has left us worst off than before. One business economist compared the stop-and-go policies of the past to the orders of a flustered captain on a listing passenger ship. Finding all the passengers on the port side of the ship and the ship listing in that direction, he orders them all to run to starboard. The ship keels over to starboard, and he orders them all back to to the port side. The momentum picks up speed, and the ship threatens to capsize.

That is certainly not an ideal way to direct the affairs of the largest and most complex economy in the world. That is also why President Ford has opted for steady-as-you-go policies—policies that avoid short-term adjustments based on last month's economic reports, policies that fight inflation and unemployment simultaneously, and policies that recognize a subtle truth: That a responsible government not only must do what is right but must resist doing what it knows to be wrong.

In trying to pursue balanced policies, this administration has clearly not been trying to sit tight on the Treasury strongbox and refuse to add any stimulation when the economy has sagged. The Government is supplying a great deal more stimulus to the economy than most people realize. Federal outlays during the fiscal year that ended this summer were $56 billion higher than the year before, a 21 per cent increase. Monetary policy also has been stimulative as the total of currency and bank demand deposits has increased at an annualized rate of 8.8 per cent over the last seven months. In addition, we are keeping an open mind on whether to recommend an extension of the tax cut. In fact, I am returning to Washington this afternoon to continue discussions with the President and others on the extension; the President expects to reach a decision over the weekend.

But let me be clear: even if the President decides to ask for an extension of the tax cut, that should not be interpreted as a signal that we are abandoning our efforts to hold down unbridled Federal spending or excessive Federal deficits. We are convinced that the burgeoning Federal deficits of the past bear a large share of the responsibility for the inflation of recent years; to increase the current deficit far beyond $60 billion, as the Congress threatens to do, could generate a vicious new cycle of inflation that would surely imperil our hopes for a durable and lasting recovery.

It is time for all of us to recognize that there are no instant solutions for our problems. These problems have been building up over many years, and the sins of a decade will not be forgiven by a single year of penance.

Let's look back for a few moments to what's happened over the past decade in order to gain a clearer perspective on what needs to be done in the future. In the early part of the 1960s, inflation was creeping upwards at just over 1 per cent a year. In the mid-sixties, as we accelerated our efforts in Vietnam, launched the Great Society and tried to abolish the business cycle, the inflation rate doubled. In the late 1960s it doubled again. For a while, wage and price controls suppressed inflation artificially and only temporarily; as history has shown time and again, controls never end inflation, they only postpone it while pressure builds under the lid. In 1973, prices shot up over 6 per cent and last year they climbed over 12 per cent—the steepest increase in our peacetime history.

As rising prices forced up interest rates in 1973 and 1974, the housing market fell apart. Consumers, their real income eroded and their confidence destroyed, began to cut down on their buying and we experienced the biggest drop in retail sales since World War II. With two leading sectors dragged downward under the pressure of inflation, the economy plunged into recession.

Thus it was inflation that was at the root of the recession and, if we want to avoid another recession, and its companion, human misery, it is inflation that we must cure. We must determine what forces lie behind that inflation and then make a determined effort to overcome them. There have been, I would suggest, three important trends over the past decade which bear major responsibility for our inflation:

First, of course, has been the enormous growth in spending at all levels of government. You have no doubt observed a significant increase in state and local government spending over the years in your own state of Florida. At the Federal level, spending has increased by 175 per cent over the past decade while the economy has grown by 120 per cent. The resulting imbalance has led to a snowballing of Federal deficits which have in turn generated more inflation and have channeled funds away from private investment into government spending.

The truth is that neither man nor government can continue living beyond their means indefinitely. Eventually the price must be paid—either through higher taxes or through the cruelest and most regressive tax of all, inflation.

A second and related trend which has had a destructive impact on the economy in recent years has been the proliferation of Federal regulations and laws that handcuff the forces of private enterprise.

Many of you are probably familiar with some of the abuses such as regulations that require truckers to return after a haul with empty vans, or force up air fares on planes that cross state lines. These abuses are spread across the regulatory landscape and cost consumers untold billions of dollars (in higher prices.)

It is perhaps in the energy field, however, that government regulation is now causing the most significant problems. For more than 20 years it has been apparent that this nation and its energy policies were on a collision course. The experts warned us again and again that our demands were growing faster than our supplies. But rather than allow the private enterprise system to rise to this challenge, as it can, we have let the government erect one impediment after another to discourage greater production. It can fairly be said that our energy crisis, like our inflation and our recession, should carry the label: "Made in Washington, D.C."

Consider the ways that energy producers are being shackled by the government in just two vital areas: natural gas and oil.

For more than two decades, the Federal Power Commission has been required by law to keep the wellhead price of natural gas at an abnormally low level in order to hold down consumer prices. But as a result, producers have not had an adequate incentive to develop new supplies and this winter a dozen states in the Eastern United States could be severely hit by natural gas shortages. We are pushing emergency legislation to help cushion the impact of these possible shortages, but the only realistic long-range solution is to deregulate the price of natural gas, removing the disincentives.

Instead of learning from the natural gas experience, we are repeating our mistakes in the case of oil, where price controls have also been imposed. Again, the result is predictable: we are lessening the incentive for new production and are thereby forcing consumers to buy expensive oil products from foreign sources. The price increases decided upon by the OPEC ministers this past weekend leave no doubt about our continued vulnerability to their blackmail.

The stories are equally sad in the area of nuclear power, where the United States—once the pioneer—now takes more than twice as long to build a nuclear power plant as some other leading industrialized nations, and in the area of coal, where government intervention has helped to discourage growth so that coal production today is lower than it was 30 years ago.

I deeply believe that Congress must end its unceasing debates and work with the President in adopting a national energy policy that encourages both conservation and greater production. The spirit of accommodation that was indicated by the recent agreement between the President and Congress on stopgap oil legislation was encouraging, but long-term solutions are still lacking. And we have only ourselves to blame.

Let me turn now to a *third* trend that has contributed to inflation. As the forces of big government have been overfed and overnourished, the private enterprise system—the mighty engine that has given this country the greatest prosperity ever known to man—has gradually been weakened. We have diverted billions of dollars away from the most productive part of our economy, the private sector, and directed it to the least productive part, the Government.

Private industry itself has suffered from a lack of sufficient profits and incentives for growth. And as a result, we have simply failed to generate vitally needed savings and investment that translate into future jobs, higher real earnings, reduced inflationary pressures, more output per worker and rising living standards.

The fact is that the record of capital investment in the United States in recent years has been the lowest of any major industrialized nation in the Free World. Not surprisingly, our record of productivity growth in the same period was also among the lowest.

In the coming decade, our best estimate is that the level of capital investments must be approximately triple those of the past decade and that the economy will have to generate 18–19 million new jobs by 1985, compared to the 13 million new jobs created over the past decade. Thus, the need for greater capital formation and job formation is clear.

Toward these ends, the Administration in late July proposed to the Congress a "Tax Program for Increased National Saving". This proposal would eliminate the inequity and inefficiency which arises from first taxing corporate incomes and then taxing individuals who receive corporate dividends; our proposal would end this double taxation. I strongly believe that this proposal—which has already been adopted in most of the other major industrialized countries—would make a significant contribution toward meeting our capital and job needs of the future. Moreover, it is the only major tax proposal of which I am aware that comes to grips with the growing imbalance between corporate debt and equity. In short, I think this represents a sound, responsible approach, and I hope that it will merit your support.

Ladies and gentlemen: what all this boils down to is a fundamental choice about the future of our great Republic. I sincerely believe that we have reached a crossroads in our nation's history. For more than 40 years we have been gradually increasing the power of the central government over our daily lives. As our freedoms have been chipped away, year in and year out, we have also lost some of that glow that was particularly distinctive about the American experience—our boldness and vitality have been drained a bit; our ingenuity has been challenged by nations around the world; why, some nations have even come to believe they can play us for patsies, and alas, our free enterprise system—the greatest engine for social progress that the world has ever known—has slowed down perceptibly so that now it is chugging along in second gear, far below its potential.

I believe that the time has now come to choose—to choose between a continuation of the last 40 years, a trend that will eventually mean that our economic and political freedoms will be sacrificed and that our society will be run by the same free spenders who have given us the worst inflation in our peacetime history and the worst recession in more than a generation, or as an alternative, that we restore our basic freedoms as Americans, revive our private enterprise system, and reassert America's sense of destiny in the world.

I believe that we must choose balanced, stable growth for our economy—growth that is not imperiled by new inflation.

We must choose an end to runaway Federal spending and monstrous Federal deficits.

We must lift the dead hand of governmental regulation that is in the process of strangling our private enterprise system.

And we must create a more favorable environment for the growth of capital investment so that we can create more jobs for an expanding labor force and continue to raise the standard of living for all Americans. Let us recognize that capital creation is really job creation, and that job creation means an expanded work force, higher real earnings and lower prices for consumers.

These are the choices that we must make as a Nation in the coming years. These are the classic choices between freedom and socialism. These are the choices that will shape the lives of our children and our children's children.

I have always believed that every public official must take this as his highest goal: to turn over to our children a nation that is stronger and better—that offers greater opportunities for personal and spiritual fulfillment—than the nation we have inherited. I first came to Washington because—as corny as it may seem—I wanted to repay a small amount of what this country has given me. And I am proud to be there. (But when I see the abuses that Washington has inflicted and is continuing to inflict upon private enterprise and upon our freedoms, I can only shudder about the world that we are building for our children.) I believe that the time has come for new directions in this country—to set the ship of state on a new course. And I believe the American people know this. There is no question in my mind that the people of this country want a fresh start, as the President has said. But I also believe that we will make the right choices about the future only if more of our citizens—Americans of strength and character like those of you here today—stand up and be counted. I urge you to join in that effort.

Thank you.

NEW REQUIREMENTS UNDER THE PRIVACY ACT OF 1974

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it is just now becoming generally known that under the provisions of the Privacy Act of 1974 which became effective September 27, 1975—Public Law 93–579—it will be necessary that individuals who want Members of Congress to intercede in their behalf with Federal agencies, provide Members with a statement authorizing the release of information from their personal files. This law is intended to protect individuals from disclosure of personal information contained in their files to unauthorized persons. At the same time, the law delays or makes it impossible for a Member of Congress to contact various Government agencies at the request of relatives or friends who seek assistance on behalf of individuals, even including members of their family. In other words, Government agencies are unable to provide information of a personal nature pertaining to an individual to any third party without the express, written consent of the individual.

This is another example of the type of unsound legislation which can do much more harm than good. While well intentioned, it works a hardship and delays the efforts of Members of Congress to provide needed services to their constituents. Obviously, there is a need to correct this legislation. Most of us pride ourselves in our services to our constituents and we want to be helpful, not hindered, by unwise provisions of the law.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Duncan of Tennessee (at the request of Mr. Rhodes), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Seiberling, for 5 minutes, today.

(The following Members (at the request of Mr. Kelly) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 30 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. McEwen, for 15 minutes, today.

(The following Members (at the request of Mr. Ambro) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Hughes, for 10 minutes, today.

Mr. Vanik, for 60 minutes, today.

Mr. Minish, for 5 minutes, today.

Mr. Burke of Massachusetts, for 10 minutes, today.

Mr. Leggett, for 30 minutes, today.

Mr. Patman, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Ford of Tennessee, for 5 minutes, today.

Mr. Dodd, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,645.

Mr. Vanik, and to include extraneous matter notwithstanding the fact that it exceeds seven pages of the Congressional Record and is estimated by the Public Printer to cost $2,288.

Mr. Bowen to revise and extend his remarks immediately following vote to override veto of H.R. 4222, National School Lunch Act.

Mrs. Fenwick to insert her remarks after the remarks of Mr. Whalen.

(The following Members (at the request of Mr. Kelly), and to include extraneous matter:)

Mr. Fish in two instances.

Mr. Myers of Indiana.

Mr. Crane.

Mr. Bell in two instances.

Mr. Rhodes.

Mr. Frenzel in two instances.

Mr. Derwinski in three instances.

Mr. SYMMS.

Mr. DU PONT.

Mr. YOUNG of Florida in two instances.

Mr. MCKINNEY.

Mr. CONLAN.

Mr. COLLINS of Texas in two instances.

Mr. CONTE.

Mr. GRASSLEY.

Mr. GOODLING.

Mr. ANDERSON of Illinois in two instances.

Mr. KETCHUM.

Mr. ESCH.

(The following Members (at the request of Mr. AMBRO) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. CONYERS in two instances.

Mr. ROSE.

Mr. FRASER in two instances.

Mr. EDGAR.

Mr. MCDONALD of Georgia in three instances.

Mr. RICHMOND.

Mr. FLORIO.

Mr. MAZZOLI in two instances.

Mr. LONG of Maryland in 10 instances.

Mr. DERRICK in 10 instances.

Mr. NEAL.

Mr. VANIK in two instances.

Mr. REES in two instances.

Mr. WIRTH.

Mr. SCHEUER.

Mr. BRADEMAS.

Mr. BALDUS.

Mr. BONKER in two instances.

Mr. HOWE.

Mr. MACDONALD of Massachusetts.

Mr. MINETA.

Mr. STOKES.

Mr. ROYBAL.

Mr. BADILLO in two instances.

Mrs. SPELLMAN.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 557. An act to declare that certain land of the United States is held by the United States in trust for the pueblo of Laguna.

ADJOURNMENT

Mr. AMBRO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Wednesday, October 8, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1843. A letter from the President of the United States, transmitting proposed supplemental appropriations for the Department of Labor for fiscal year 1976 and the transition quarter (H. Doc. No. 94-276); to the Committee on Appropriations and ordered to be printed.

1844. A letter from the President of the United States, transmitting a proposed change in appropriation language and supplemental appropriations for the Department of State for fiscal year 1976 and the transition quarter (H. Doc. No. 94-277); to the Committee on Appropriations and ordered to be printed.

1845. A letter from the Secretary of Defense, transmitting the second semiannual report on efforts to increase the combat proportion of U.S. forces in Europe, pursuant to section 302(a) of Public Law 93-365; to the Committee on Armed Services.

1846. A letter from the Comptroller, Defense Security Assistance Agency, transmitting a quarterly report on foreign military sales letters of offer, pursuant to section 36 (a) (1) and (2) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1847. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Italy, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1848. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the Act [8 U.S.C. 1182(d)(6)]; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee of conference. Conference report on H.R. 7706 (Rept. No. 94-533). Ordered to be printed.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 775. Resolution providing for the consideration of House Joint Resolution 683. Joint resolution to implement the U.S. proposal for the early-warning system in Sinai. (Rept. No. 94-534). Referred to the House Calendar.

Mr. MADDEN. Committee on Rules. House Resolution 776. Resolution providing for the consideration of H.R. 6184. A bill to amend section 40 of the Bankruptcy Act to fix the salaries of referees in bankruptcy. (Rept. No. 94-535). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 777. Resolution providing for the consideration of H.R. 9019. A bill to amend title XIII of the Public Health Service Act to revise and extend the program for the establishment and expansion of health maintenance organizations. (Rept. No. 94-536). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 778. Resolution providing for the consideration of H.R. 9472. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority, and for other purposes. (Rept. No. 94-537). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 779. Resolution waiving point of order against H.R. 10029. A bill making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes. (Rept. No. 94-538). Referred to the House Calendar.

Mr. BROOKS: Joint Committee on Congressional Operations. Report on direct broadcasting of House and Senate floor action (Rept. No. 94-539). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 10054. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide for the making of payments at or near the beginning of each quarter; to the Committee on Government Operations.

By Mr. BROOMFIELD:

H.R. 10055. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. JOHN L. BURTON:

H.R. 10056. A bill to amend the Consolidated Farm and Rural Development Act to provide for Federal farm loans for purposes of Government-mandated pollution control; to the Committee on Agriculture.

By Mr. EDGAR:

H.R. 10057. A bill to amend title 42 of the United States Code for the purpose of reducing the minimum claim for entitlement to a hearing and judicial review of medicare claims; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 10058. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H.R. 10059. A bill to amend section 802 of the Housing and Community Development Act of 1974 and section 244 of the National Housing Act for the purpose of making mandatory the programs established under such sections; to the Committee on Banking, Currency and Housing.

By Mr. HARRIS (for himself, Mr. BRODHEAD, Mr. CLAY, Mr. DODD, Mr. FAUNTROY, Mr. FISHER, Mr. FORD of Michigan, Mr. MAZZOLI, Mr. MILLER of California, and Mr. MINETA):

H.R. 10060. A bill to amend title 5, United States Code, to eliminate the President's authority to submit to the Congress alternative comparability pay plans for Federal employees and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RHODES:

H.R. 10061. A bill to amend title 18 of the United States Code to increase the penalty for committing certain Federal and State crimes with a firearm or while unlawfully carrying a firearm; to the Committee on the Judiciary.

By Mr. TAYLOR of North Carolina:

H.R. 10062. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. THONE (for himself and Mr. MOORHEAD of California):

H.R. 10063. A bill to amend the Internal Revenue Code of 1954 to authorize a tax credit for certain expenses of providing higher education; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 10064. A bill to amend the Randolph-Sheppard Act amendments (title II of Public Law 93-516); to the Committee on Education and Labor.

By Mr. WIGGINS (for himself, Mr. PATTERSON of California, Mr.

Brown of California, Mr. Hinshaw, Mr. Lloyd of California, and Mr. Hannaford):

H.R. 10065. A bill to establish an additional U.S. district court in the State of California; to the Committee on the Judiciary.

By Mr. WON PAT:

H.R. 10066. A bill to amend title 10, United States Code, to increase the number of appointments to the service academies to which the Delegate in Congress from Guam is entitled; to the Committee on Armed Services.

H.R. 10067. A bill to provide for the establishment of a national cemetery in Guam; to the Committee on Veteran's Affairs.

By Mr. WYDLER:

H.R. 10068. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods, and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. ANDREWS of North Dakota:

H.R. 10069. A bill to amend the Disaster Relief Act of 1974 to allow certain improvements on roads subject to frequent flooding; to the Committee on Public Works and Transportation.

By Mr. DOWNEY of New York:

H.R. 10070. A bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MICHEL (for himself, Mr. Coughlin, Mr. Erlenborn, and Mr. Jones of North Carolina):

H.R. 10071. A bill to reform the Food Stamp Act of 1964 by improving and making more realistic various provisions relating to eligibility for food stamps and administrative responsibility for the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. SANTINI:

H.R. 10072. A bill to direct the Secretary of the Interior and the Administrator of General Services to convey certain public and acquired lands in the State of Nevada to the county of Mineral, Nev.; to the Committee on Interior and Insular Affairs.

By Mr. SEBELIUS:

H.R 10073. A bill to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes; to the Committee on Agriculture.

By Mr. SEIBERLING:

H.R. 10074. A bill to amend title 38 of the United States Code in order to eliminate duplication in the certification process for institutions and eligible courses under the Veterans and War Orphans' and Widows' Educational Assistance provisions of this title; to the Committee on Veterans' Affairs.

By Mr. STEELMAN (for himself and Mr. Pattison of New York):

H.R. 10075. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for classifying official information; to the Committee on Government Operations.

By Mr. OTTINGER (for himself, Mr. Peyser, Mr. McHugh, Mr. Scheuer, Mr. Hastings, Mr. Hughes, Mr. Thompson, Mr. Helstoski, Mr. Roe, and Mr. Montgomery):

H.J. Res. 685. Joint resolution to authorize the Secretary of the Interior to accept Saint Paul's Church, Eastchester, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TRAXLER:

H.J. Res. 686. Joint resolution proposing an amendment to the Constitution of the United States relative to the assignment of public school students; to the Committee on the Judiciary.

By Mr. LOTT (for himself, Mr. Buchanan, Mr. Cochran, Mr. Frenzel, Mr. Hanley, Mr. Satterfield, Mr. Waggonner, Mr. Whitehurst, Mr. Hutchinson, Mr. O'Brien, Mr. Passman, Mr. Bauman, Mr. Quillen, Mr. Armstrong, Mr. McCollister, Mr. Hagedorn, Mr. Robert W. Daniel, Jr., Mr. Ketchum, Mr. Robinson, Mr. Jeffords, Mr. Derwinski, Mr. Goldwater, Mr. Thone, and Mr. Talcott):

H. Con. Res. 419. Concurrent resolution providing for continued close relations with the Republic of China; to the Committee on International Relations.

By Mr. LOTT (for himself, Mr. McClory, Mr. Randall, Mr. Fish, Mr. Walsh, Mr. Litton, Mr. Quie, Mr. Murphy of New York, Mr. Sarasin, Mr. Archer, Mr. Schulze, Mr. Shuster, Mr. Kasten, Mr. Kelly, Mr. Hansen, Mr. Moorhead of California, Mr. Grassley, Mr. Collins of Texas, Mr. Steiger of Arizona, Mr. Don H. Clausen, Mr. Edwards of Alabama, Mr. Burke of Florida, Mr. Wiggins, and Mr. Myers of Indiana):

H. Con. Res. 420. Concurrent resolution providing for continued close relations with the Republic of China; to the Committee on International Relations.

By Mr. LOTT (for himself, Mr. Hillis, Mr. Madigan, Mr. Devine, Mr. Broyhill, Mr. Latta, Mr. Regula, and Mr. Michel):

H. Con. Res. 421. Concurrent resolution providing for continued close relations with the Republic of China; to the Committee on International Relations.

By Mr. MITCHELL of New York:

H. Con. Res. 422. Concurrent resolution expressing the sense of the Congress that during the Nation's present economic crisis, and so long as the county unemployment rate remains at 7 percent or more, emergency unemployment compensation programs should be automatically extended for another quarter to continue benefits for involuntarily unemployed individuals in such localities; jointly to the Committees on Education and Labor, and Ways and Means.

By Mr. WOLFF:

H. Con. Res. 423. Concurrent resolution expressing the sense of Congress that energy be conserved by the elimination of pilot lights on gas stoves; to the Committee on Interstate and Foreign Commerce.

By Mr. GOODLING (for himself and Mr. Eilberg):

H. Res. 771. Resolution to urge the restoration of the status of amateur athlete for the late Jim Thorpe, and for other purposes; to the Committee on the Judiciary.

By Mr. HAYS of Ohio:

H. Res. 772. Resolution providing additional funds for the expenses of the Committee on House Administration to provide for maintenance and improvement of ongoing computer services for the Committee on Appropriations of the House of Representatives; to the Committee on House Administration.

By Mr. KEMP (for himself, Mr. O'Neill, and Mr. Rhodes):

H. Res. 773. Resolution to cite Bob Hope for distinguished and meritorious service to the Nation and to the cause of freedom; to the Committee on Post Office and Civil Service.

By Mr. McDONALD of Georgia:

H. Res. 774. Resolution creating a select committee to conduct an investigation and study of executions, abductions and other denials of basic human rights in Southeast Asia by Communist forces against civilians, military personnel, police, and others; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. WIGGINS introduced a bill (H.R. 10076) for the relief of Mrs. Kazuko Scillion, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

247. The SPEAKER presented a petition of the Pacific-Asian Congress of Municipalities, Seoul, Korea, relative to energy, which was referred to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 10029

By Mrs. MINK:

Page 2, line 20, delete "$728,727,000" and insert in lieu thereof "$732,083,000".

H.J. Res. 683

By Mr. BIAGGI:

Page 3, line 11, strike out "reducing" and insert in lieu thereof "ending or reducing as soon as possible".

Page 3, line 12, immediately after "countries" insert ", including nationals of other countries participating under the auspices of the United Nations,".

EXTENSIONS OF REMARKS

THE AMERICAN SECURITY COUNCIL'S SURVEY

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, October 7, 1975

Mr. THURMOND. Mr. President, 76 percent of our citizens believe that the United States should have military superiority over the Soviet Union, and they are willing to pay for it, according to a nationwide poll conducted by the Opinion Research Corp. under the auspices of the American Security Council.

It is also significant that 74 percent of the people surveyed do not trust the Soviets to keep the strategic arms limitation—SALT—agreement. The American Security Council stated the survey "clearly demonstrates that the American people have different views on national security issues than believed by official Washington."

Mr. President, I ask unanimous consent that the American Security Council's survey report be printed in the Extensions of Remarks.

There being no objection, the report

was ordered to be printed in the Record, as follows:

Poll Shows Majority of Voters Are Much Stronger on National Security Than Official Washington

Washington.—A nationwide poll conducted by Opinion Research Corporation shows that the great majority of citizens desire U.S. military superiority over the Soviet Union and are willing to pay for it, the American Security Council reported today.

John M. Fisher, president of the ASC, said the survey his organization commissioned "clearly demonstrates that the American people have different views on national security isues than believed by official Washington."

The nationwide Opinion Research poll found that 76% believe the United States should have greater military strength than the Soviet Union, as against 21% who would settle for something less and 3% who are undecided on this question.

More than two-thirds—67%—said they would favor spending an extra $20 Billion a year for the U.S. to regain superiority if they could asume Russia had gained the edge. Only 29% were opopsed to this expenditure and 4% were undecided.

Also, 74% of the people surveyed said that they did not trust the Soviets to keep the Strategic Arms Limitation (SALT) agreement negotiated by our national leaders.

An even greater majority—86%—said that instead of the SALT ban against missile defense for civilians, they would "prefer that the U.S. develop the capability to destroy most missiles before they can strike our citizens."

The highest affirmative response in the Opinion Research poll came on the question of whether "the American people have the right to be fully informed about the goals and activities of the organizations which are dedicated to the overthrow of the U.S. Government by force and violence." No less than 92% replied "Yes" to this question, 7% replied "No" and a scant 1% were undecided.

Mr. Fisher said the Opinion Research Corporation survey "shows that Washington is out of step with the people on these most critical national defense issues."

"For example, while the Congress wrangles over how much should be cut from the Defense Department's research and development budget, no less than 85% of the people polled say the U.S. should have a military R&D program at least as large as that of the Soviet Union," he added.

"Yet the Soviets are reported to be spending up to three times as much as the U.S. on weapons research. Evidence of this is seen in the five new missiles they have tested while the United States has virtually frozen its missile development."

The Opinion Research findings were based on 1,022 telephone interviews with a national probability sample of the general public 18 years of age and over. Interviewing was conducted during the period from May 22 through May 28, 1975.

Opinion Research Survey included the following questions:

1. Should the United States have a military research and development program at least as large as that of the Soviet Union?

Yes, 85%.

No, 11%.

Undecided, 4%.

2. Should the United States have military strength greater than that of the Soviet Union?

Yes, 76%.

No, 21%.

Undecided, 3%

3. Let's assume for a moment that we learned that Russia had gained military superiority over the United States and that it would cost $20 billion a year more for the U.S. to regain superiority. Would you favor spending the extra $20 billion a year?

Yes, 67 percent.

No, 29 percent.

Undecided, 4 percent.

4. Do you trust the Soviets to keep the Strategic Arms Limitations Agreement even though there is no provision for on-site inspection by either side?

Yes, 21 percent.

No, 74 percent.

Undecided, 5 percent.

5. Should the United States increase its Naval force, in the Mediterranean and the Indian Ocean at least to match current Soviet naval build-up in order that we may protect our national interests in the Middle East?

Yes, 77 percent.

No, 18 percent.

Undecided, 5 percent.

6. Do the American people have the right to be fully informed about the goals and activities of organizations which are dedicated to the overthrow of the U.S. government by force and violence?

Yes, 92 percent.

No, 7 percent.

Undecided, 1 percent.

7. In what is known as the Cold War, do you believe the United States should have a national objective of turning back the growth of Communism?

Yes, 73 percent.

No, 21 percent.

Undecided, 6 percent.

8. In the first Strategic Arms Limitation Treaty, the United States and Russia agreed not to protect their citizens against nuclear missiles. Instead of that, would you prefer that the United States develop the capability to destroy most missiles before they can strike our citizens?

Yes, 86 percent.

No, 10 percent.

Undecided, 4 percent.

13. Should the United States give foreign aid or special trade privileges to Communist countries?

Yes, 12 percent.

No, 85 percent.

Undecided, 3 percent.

15. Should the United States be willing to use armed forces to defend South Korea, Indonesia, Taiwan, or the Philippines against Communist aggression?

Yes, 77 percent.

No, 18 percent.

Undecided, 5 percent.

ROBERT R. NATHAN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. SIMON. Mr. Speaker, one of the respected economic consultants around the world is Robert R. Nathan. I have known him for some years and respect his integrity and ability, as well as his humanitarian motivation. Recently he circulated to Members of the House his response to a statement by our colleague, Representative Robert Eckhardt. Because I felt the response was a significant one, as we strive to determine energy policies, I asked Mr. Nathan's permission to insert the letter in the Record:

Robert R. Nathan Associates, Inc.,
Washington, D.C., September 15, 1975.
Hon. Bob Eckhardt,
Longworth House Office Building,
Washington, D.C.

Dear Congressman Eckhardt: I have just seen a copy of your letter of July 23rd to your colleagues entitled "What Is The Cost Of Oil?" Several misstatements concerning my testimony on behalf of the Small Producers for Energy Independence appear to have been carried over from your source in the July 16 *Congressional Record*. Since I am sure this is not your intent, I am taking the liberty of calling them to your attention.

First, your letter states that the "Nathan Report is based on a selected group of producers which is not representative of the industry as a whole. Moreover, the calculations were based on high cost properties rather than a more normal examination of oil properties in general." This is simply not the fact. Our report was based on experience of the *entire* petroleum industry in the traditional producing area of the United States which to date have produced 100 percent of the Nation's oil. The figures we used in calculating oil costs since 1959 include exploratory and development wells drilled by all producers, large and small. Consequently, to characterize our findings as looking at the "right fields" and the "right companies" to justify "almost any price" for new oil is totally fallacious. That is not at all what we did.

Second, you state that ". . . one must question how businesses which consistently lose money (as Nathan's report maintains) can remain in business." The fact is that many of them did not. The number of independent producers (who do most of the exploratory drilling in the United States) is less than half what it was in 1960. Government data show clearly that the amount of oil well drilling declined sharply after 1964 until the price rise of 1974 provided added incentives to drill. Had the 1964 to 1973 trends in activity continued, exploration for oil reserves would have trended to zero by 1984.

In an industry like oil exploration even when the totals enjoy a higher-than-average ratio of producing wells and will show profits. They can remain in business even at a time when the average economic cost of finding oil is less than the market price for it. That is what happened in the 1960s and early 1970s.

Our study was based on rigorous analysis of hard data. The fact that the cursory Federal Power Comission staff study reached a different result in no way impugns our analysis or conclusions. Chairman Nassikas' June 27, 1975 transmittal letter to Senator Magnuson contains this warning:

"Because of the brief time in which the estimate had to be prepared and the lack of prior experience with costing of crude oil, the staff advises considerable caution in using the cost estimate."

The FPC says of its own study:

"It should be emphasized that the costing of new crude oil is novel to Staff and unlike the costing of gas, Staff lacks the experience and knowledge gained from the many case records involving gas producer proceedings."

"This limited knowledge makes suspect certain of the underlying assumptions involved in the cost study. Therefore Staff suggests cautious use of this cost analysis for any regulatory purposes."

It is extremely important to understand that reductions in return for new oil, whether by direct controls or by increased taxes, will discourage exploration for new oil reserves. Each barrel of oil that the United States does not discover because of artificially low net oil prices or restrictive taxes must be purchased at higher cost from OPEC.

Since your lètter specifically referred to the "Nathan Report," I am taking the liberty of sending a copy of this letter to Members of the House.

With kind regards,

Sincerely yours,

ROBERT R. NATHAN.

P.S.—All this refers only to new oil, not old oil.

HAVE COMMUNISTS INFILTRATED SENATORIAL STAFFS?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. McDONALD of Georgia. Mr. Speaker, Senator GOLDWATER recently admitted on the Martin Agronsky evening edition TV program that the Vice President informed him that the Rockefeller Commission had evidence of Soviet spies infiltrating senatorial staffs. However, in spite of the Vice President's assurance that this information would be included in the final report, it never appeared. It seems to me that the American people are entitled to learn whether or not certain Senate employees hold any other loyalty than that to the United States. It makes no difference whether or not this loyalty is to Great Britain or the Soviet Union—they should all put the United States first and foremost. The Senate should go into this matter thoroughly in my view. We cannot afford to have the KGB influencing votes in the U.S. Senate. The article on this matter as reported in Human Events for October 11, 1975 follows:

HAVE COMMUNISTS INFILTRATED SENATORIAL STAFFS?

Sen. Barry Goldwater (R.-Ariz.), who sits on the Senate Intelligence Committee, said last week that "Soviet espionage in this country is so fantastically larger than what we do that there's no way" to compare the two. "They have our country absolutely infiltrated," he said on Martin Agronsky's Evening Edition TV program. "I would say every major industry, every major business; they know what's going on in the committees of Congress. Every once in a while in the Armed Services Committee, I'll see the Russian equal sitting out there. Once in a while someone will go say, 'Is there anything you're not understanding'—just want to make him feel at home."

The Arizona senator who suggested that the Soviets may have placed Communist spies on senatorial staffs. Responding to a question from syndicated columnist John Lofton, Goldwater said he was told by Vice Preisdent Nelson Rockefeller—either flying to or from Chiang Kai-shek's funeral—that the Rockefeller panel on the CIA "had learned of instances where the offices of senators had been infiltrated by Soviet agents." "Some seven or nine" Senate offices, said Goldwater.

When Lofton asked Goldwater whether he meant these agents were "actually working in offices" and "supplying information, presumably to the Soviets," Goldwater responded: "Well, working in offices, reporting, helping in the drafting of legislation, the writing of reports, and so forth and so on. But I have no idea what offices they might be.

"But I would put myself in the position of the KGB, and I think one of the first things I would try to do would be to place as many people in clerical positions on the Hill as I could place."

Rocky originally told Goldwater that his panel would print the information, but when the panel's report came out, nothing about this appeared. Goldwater said Rocky had been "requested" to leave it out, though he did not know by whom.

The Vice President, through a press aide, confirmed to Human Events last week that such a conversation between him and Goldwater had taken place, though he could not recall every detail. The question now is: Will Sen. Frank Church (D.-Idaho), who heads the Senate Intelligence Committee, probe this rather startling information?

FATHER WASSON'S HUMANITARIAN WORK WITH MEXICAN ORPHANS

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. REES. Mr. Speaker, there are many unsung Americans who individually carry on humanitarian work in foreign lands, helping the poor, the sick, and the children toward a happier and healthier state. Besides their work for the impoverished and the helpless, these Americans and their activities reflect great credit on the United States, particularly in these days of much anti-American hostility in many areas of the world.

One such American is Father William Bryce Wasson, an ordained Roman Catholic priest who singlehandedly in 1954 founded a home for Mexico's homeless children, named "Nuestros Pequenos Hermanos," which translates into English as "Our Little Brothers and Sisters."

Father Wasson's compassionate and herculean efforts for the past two decades on behalf of Mexico's homeless children will be the subject of a 2-hour television dramatization, "A Home of Our Own," by the American Telephone & Telegraph's Bell System Family Theater, Sunday, October 19, 1975, over the CBS Television Network.

With the airwaves surfeited with shows of crime and violence, the show's producer, Quinn Martin and A.T. & T. are indeed to be commended in presenting to the American public a shining example of humanitarian effort on the part of one dedicated individual, Father William Wasson.

While the majority of the over 1,200 children in Father Wasson's three havens in Mexico follow the Roman Catholic faith prevalent in their country, Father Wasson puts no restriction on the children who embrace other religions. An average of 200 homeless children come to his homes for shelter each year, some from the United States where their families were migrants.

Father Wasson's children in Mexico have many friends in the United States, among whom are Shirley MacLaine, Joan Crawford, John Wayne, Jimmy Stewart, and Raquel Welch—all having helped the children in many ways. Others have spent time as volunteer workers at the havens in Mexico, including the late Robert F. Kennedy's daughter, Mary Courtney.

I am proud, as surely all Americans must be, of our fellow countryman Father Wasson, and I believe that the example he has set should be an inspiration to our citizenry and most deserving of the highest commendation of this legislative body.

JIM RICE, A GREAT AMERICAN IS HONORED

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. DERRICK. Mr. Speaker, I am proud to recognize today a very admirable constituent of mine, Jim Ed Rice of Anderson, S.C., who not only has brought pleasure to South Carolina but to the Nation as well.

Jim Rice, the sensational rookie of the Boston Red Sox, is just 22 years old, and was batting over .300 this season when an injury occurred.

This fine young man attended West Side High School in Anderson where he played baseball for 5 years; in his senior year, he transferred to Hanna High School where he was all-State football. He was among the first blacks ever to play in the Shrine Bowl Game in Charlotte, N.C. Following his junior year, he was the first baseball player ever to hit three home runs out of Anderson County Memorial Stadium. He was only 16 years old then, and this has been accomplished in approximately 600 minor leagues only twice since Rice's feat.

In 1971, he was the Red Sox No. 1 draft choice. When he signed, he received a bonus which he used to buy his parents a new home in Anderson. This unselfish sportsman was named to class all-star team at Williamsport, Pa., and was named to Florida State all-star team playing at Winter Haven. In 1973, he was named the Minor League Player of the Year which includes all leagues. He was also named to the International League all-star team; in this league, he won the triple crown with 25 home runs, 93 runs-batted-in with a .337 batting average.

Rice, who suffered a broken hand in a September game and will be out for the remainder of the baseball season, finished his first full season in the big leagues with a .309 average, drove in 102 runs, and scored 92 more. He leads the Red Sox in game-winning hits. Rice is tied for fifth in the American League in hitting and is third in the league in runs-batted-in. He was certainly a contender for the 1975 rookie of the year.

Baseball experts around the country describe Rice's potential as "unlimited." Hank Aaron, who last year broke Babe Ruth's home run record, said that this young Anderson native could certainly be well on his way to break his recently established record.

On Saturday, October 25, Jim Rice will be guest of honor in Anderson at a benefit at his old high school, West Side High. Proceeds from this event will go toward purchasing air conditioning units for St. Mary's Church in Anderson. This is just one example of Rice's willingness to help others.

I am proud to say that Jim Rice is from the Third District of South Carolina. His fans throughout the baseball world are watching him soar in his profession. Not only is he a great, dedicated player in the American spirit, but he also possesses great dignity, the height of good sportsmanship, and true professionalism. Jim Rice is a model athlete and person: a man South Carolina is very proud to claim.

DISCRETION A MUST

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. FISH. Mr. Speaker, for the second time in just a mere 17 days President Ford has escaped an attack on him as a man and at the institution he represents.

It is time for a reevaluation of the President's philosophy of "pressing the flesh" with the American people. I agree that the communication lines between the American people and their Government must remain open. This has been the foundation of our democracy. But, a fleeting handshake is not communication. It is time we looked at the stakes involved. I would like to insert into the Record an editorial which appeared September 24, 1975, in the Poughkeepsie Journal, published in my congressional district, which addresses the problems and decisions the President must now make:

> Discretion a Must
>
> The second assassination attempt on the President in less than three weeks gives reason to ponder whether Mr. Ford, himself, must share some of the guilt.
>
> Just 17 days before the latest incident, he escaped harm when the gun of a potential assassin failed to fire. This time, the gun fired, but the bullet missed its intended mark. What about the next time?
>
> In spite of the two near misses, the President insists on declaring that he will not be "intimidated" by a few from the lunatic fringe of our society, that he will continue to play the role of a sitting duck so that the people "may see their President."
>
> Courage is an admirable human trait, but there is a distinct boundary between it and foolhardiness. Risking one's life for a greater cause is the formula by which heroes are made, but sacrificing safety needlessly borders on foolishness.
>
> Before his latest spate of city hopping across the nation, Mr. Ford's penchant for traveling had come under increasing criticism. In his 13 months in office, he has visited 38 of the 50 states and 15 foreign nations, logging no less than 56,000 miles in international flights alone.
>
> It is obvious that his current trips are more politically motivated than anything else. He is a candidate, and will be for a whole year yet. But he also is the No. 1 leader of this country, and his services in this capacity should not be relegated to second place for political reasons.
>
> It is no secret that we have a lunatic fringe in this country of sizeable proportions. In terms of presidential safety, it serves no purpose to try to analyze why. It is important to face realities. There are persons among us who would kill a President.
>
> No amount of security measures can be effective in a faceless crowd, and as long as Mr. Ford insists on mingling to "press the flesh" the odds against his being harmed are going to be lowered. This is the sad reality of the current state of our society.
>
> The American people "may see their President" anytime he wants to appear before a television camera, and read his philosophy anytime he wants to espouse it in the company of media reporters. "Pressing the flesh" is as out of date as whistle-stop campaigning.
>
> At this juncture, the nation needs courageous, decisive guidance from the White House, and certainly not another dead hero.
>
> Discretion still is the greater part of valor, and Mr. Ford must use more of it in his public appearances if he is to meet the responsibilities of his high office.

1967 COMMISSION FINDINGS SUPPORT NEED FOR HATCH ACT REVISION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CLAY. Mr. Speaker, later this month the House will have the opportunity to debate the merits of H.R. 8617, the Federal Employees' Political Activities Act of 1975. This legislation seeks to bring the repressive Hatch Act up to date.

One of the issues which has been raised by critics of Hatch Act reforms is that to change the law we would be tampering with the merit system.

To allay any fears that the merit system could be eroded by Hatch Act modernization, I want to share with my colleagues the recommendations made by the Commission on Political Activity of Government Personnel. This independent, bipartisan Commission was established in 1966 by the Congress to investigate and study Federal laws which limit or discourage the participation of Government employees in political activity. The Commission held extensive formal and informal hearings around the country, conducted an impartial survey of the opinion of Federal employees, made inquiries to State employees and State and local political leaders, and sponsored a massive research effort into every aspect of this matter.

After a year's study this distinguished Commission reported to the President and Congress its findings and recommendations for legislative changes in this area. The Commission stated that:

> It is important to encourage the participation of as many citizens as possible in the political processes which shape our government. All citizens must have a voice in the affairs of government. . . . It is equally important to assure integrity in the administration of governmental affairs and development of an impartial civil service free from partisan politics.

The Commission further stated that:

> The best protection that the government can provide for its personnel is to prohibit those activities that tend to corrode a career system based on merit. This requires strong sanctions against coercion. It also requires some limits on the role of the government employee in politics. . . . These limits should be clearly and specifically expressed, and that beyond those limits political participation should be permitted as fully as for all other citizens.

The Subcommittee on Employee Political Rights and Intergovernmental Programs, which I chair, considered the recommendations put forth by the Commission. H.R. 8617 incorporates many of the Commission's suggestions. With strong controls on involuntary political activities that exist in H.R. 8617, the merit system will continue to function well. I urge your support for this legislation.

"PRUDENT BUYER" REGULATIONS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. McKINNEY. Mr. Speaker, representatives of the Bureau of Health Insurance, Social Security Administration, are presently conducting site visits in Connecticut in order to see first-hand the health care delivery system that has been developed in our State and to investigate the granting of an exception to the "prudent buyer" medicare regulations.

As many of my colleagues know, on February 7 the Social Security Administration published final regulations on medicare reimbursement for physical therapy, providing ceilings on the amount of therapy costs that medicare would recognize as being reasonable and reimbursable. Because of the unique delivery system in Connecticut, the outpatient health service providers in Connecticut are gravely concerned that elderly and disabled persons will be deprived of requisite rehabilitative services by reason of the imposition of the so-called prudent buyer regulations. Connecticut agencies contend it will be impractical, if not impossible, for them to provide the requisite services under the constraints presently imposed by these regulations.

Last month a friend and constituent of mine, Edmund S. McLaughlin, executive director of the Easter Seal Rehabilitation Center of Eastern Fairfield County, testified regarding medicare reimbursement before the House Ways and Means Subcommittee on Health. His testimony succinctly states the problems Connecticut rehabilitation centers and home health agencies face with the prudent buyer regulations, problems that may result in serious curtailment of physical therapy services. This is indeed a most alarming possibility and I include Mr. McLauglin's testimony in the Record at this point to alert my colleagues to this serious development which may also occur in their respective States:

> Testimony Regarding Medicare Reimbursement
>
> (By Edmund S. McLaughlin, executive director, Easter Seal Rehabilitation Center of Eastern Fairfield County)
>
> Mr. Chairman, my name is Edmund S. McLaughlin, Executive Director of the Easter

Seal Rehabilitation Center of Eastern Fairfield County, Bridgeport, Connecticut. May I thank the members of this committee for the honor of being able to appear before you today.

Today I am registering the concern of seven Rehab Centers and over a hundred Home Health agencies in Connecticut who are being subjected to the imposition of constraints under Medicare regulations, which will deny payment for appropriate and proper care to those who are entitled under the Medicare program.

The most recent regulation is the imposition of a "prudent buyer approach" as identified in Sec. 251 of Public Law 92-603 effective July first.

This establishes a cost rate by region which Medicare will pay for physical therapy services rendered under contract, and which suggests that shopping around for a less expensive service—regardless of quality of content, shall be in the best interest of the older person, and, thereby, denying the value of the service presently being rendered, which encourages home care as opposed to placement in a long term institution.

This rate was determined with no consideration of the "market variability" of the service being provided, and it matters not where, or by whom, and under what circumstances the care is being given.

This regulation will force many providers to abandon the service. Providers, who, throughout the years, have designed their programs *to meet* patient care needs in an integrated, cost effective approach through sharing services and professional expertise.

Duplication of services has been avoided, and a continuity of service has resulted—thus keeping people from costly, long term institutional placement.

What will happen now!

In Connecticut—which is not unlike other States—an organization of one hundred Home Health agencies, has advised the Bureau of Health Insurance, Social Security Administration, that it will be impossible to continue providing Physical Therapy services. Indeed, their costs would increase if they were to "go it" alone.

One hospital, providing inpatient Physical Therapy—under arrangement, will no longer offer this service to their inpatients after September 30.

In one city, 20 Home Health Care patients received care, under contract, at $9.62 per day for a total cost of $13,082.28—the alternative, which this regulation will bring about, is the skilled nursing facility, with an average cost of $30.00 per day for a total cost of $40,440.00 for the same period.

$13,082.28—or—$40,440.00.

In another city, the contractual relationship between health care providers, suggests that for $102 a week, services can be provided which prevent a potential cost of $325.00 for long term care.

A difference of $223 a week per patient can be identified as the saving, if the program were to continue. The regulation—if allowed to stand, will destroy the present cost effective program.

Permit me to tell you of my own plight: Fifteen years ago, the Center I represent, entered into what continues to be a most successful agreement for patient care in the 620-bed Bridgeport Hospital.

In 1968, we opened a Million dollar Center, connected by tunnel to the hospital, continuing to provide services to hospital inpatients at less cost.

Our cost for contracted Physical Therapy to (Hospital) inpatients is $13.00 per treatment—rates elsewhere in hospitals in Connecticut vary from $15.00 to $25.00 per treatment.

Our rate is one of the lowest!—but because it is a contracted service, we find that now we can no longer continue serving the Medicare patient in the hospital. The Hospital advises it can not provide the service.

It would be an insurmountable problem!—the hospital would have to have its own department; space nor monies to embark on such a project are not available. To duplicate would be unreasonable: documentation would be an additional burden, and, would, also, be contrary to the efforts and edicts being sent down by the Federal government.

Now, Ladies and Gentlemen, what will this mean to Mrs. Edna Jones, a 65-year old female who has just come into the hospital after suffering a stroke. Without the service available to Mrs. Jones, her muscles will get tight and become deformed. She will be unaware of activity on the paralyzed side, and in one particular instance, Mrs. Jones—upon seeing the therapist for the first time, said—and I quote, "Why do you have only one eye?"

This indicates that her perception is effected as well. She will not learn to compensate for the loss of feeling on the paralyzed part of her body, and, indeed, will not even known whether she burns herself . . . sitting and standing will not be encouraged and bed sores may develop which in and or themselves require a medical cost of some $5,000 to cure. This will result in a much longer hospital stay at greater cost, and she will become depressed. This also will effect a discharge planning from the hospital, because, indeed, the home health agency will not be able to move in and further teach Mrs. Jones to understand the potential of the stroke that has destroyed parts of her body.

She will become totally dependent upon others, and, indeed, this encourages institutional care—at again, a far greater cost, both to the destruction of yet another life as well as to the program that originally was designed to provide and compensate for appropriate medical care for Mrs. Jones . . . and thus, in an unaware fashion, the regulations have circumscribed the objectives of the law that was designed to help pay for the appropriate services to the older disabled American.

Worthy of your attention is that in Connecticut a very sophisticated rate review for health care services has been in affect for several years, and the Commission on Hospital and Health Care is a most concerned body which has the authority to determine reasonable fees for all health care services.

Why, then, must we bypass that body, and have yet another version of reasonable cost compound the already over regulated health care field. Surely, in the states where such a body exists—there must be a way wherein their judgement can be respected. Their charge is to insure cost control, but consideration for the variability of the market, can be more appropriately measured.

All we ask is a respect for reasonable cost, based on years of pursuing cost effective techniques, utilizing professional skills to their utmost.

It should be said that the Social Security Administration is giving some consideration to granting an exception where it can be demonstrated that a hardship, and, indeed, termination of service, will result from the implementation of this regulation.

Given that, however, the exception route is long and tortuous to those of us whose future as a provider depends on the assurance of being paid for our services.

After the publication of the regulations in the Federal Register of February 7, one of our spokesmen alerted the Bureau of Health Insurance of our concern—indeed, our intermediary in Connecticut, Blue Cross, saw what was in the offing and expressed their concern to the Blue Cross Association.

And here we are, seven months later, with only a glimmer of hope that those we serve will not be further maimed by an insensitive regulation, which in some respect, violates the intent of the Medicare law that Congress, in its wisdom, passed.

The regulations must provide for the variables of performance . . .

The regulations must recognize the State Rating Setting Review Commission . . .

The regulations must provide reasonable cost rates for services performed . . .

The regulations must attend to patients needs and not the proliferation of paper work pastiche . . .

This prudent buyer regulation must not be allowed to stand, Honorable members of Congress, if once this erosion is allowed to set in, other services will be effected and it will be the beginning of the end of all those in the health care field—inferior care or no care will result, and that which I fear the most—regulations, in and of themselves, will reign supreme.

REQUEST OF RESTORATION OF HONOR TO JIM THORPE

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. GOODLING. Mr. Speaker, Jim Thorpe, a Sac and Fox Indian from Oklahoma and one of America's greatest all-around athletes, has a special place not only in the history of America but also in the history of Carlisle, a Pennslyvania town which I am truly proud to represent.

Carlisle is historical—it figured significantly in the French and Indian War, the American Revolution, and the Civil War. It is a town which bears the influence of George Washington and the genius of Benjamin Latrobe, an architect of our beautiful capitol buliding.

Carlisle is also collegiate—it is the home of Dickinson College, Dickinson Law School, and the U.S. Army War College. In the early 1900's it was also the home of the Carlisle Indian School where the great Jim Thorpe began his outstanding athletic career under the guidance of Glenn—Pop—Warner, one of America's greatest football coaches. As a football and track star at Carlisle, Jim Thorpe made this small Cumberland County school one of the most talked about in sports history. Thorpe's accomplishments in the 1911 and the 1912 football seasons earned him all-American status.

While attending Carlisle, Jim Thorpe decided to enter the 1912 Olympic Games in Stockholm, Sweden. He easily won both the pentathlon and the decathlon events. Later it was learned that he had played minor league professional baseball to help defray room and board costs at Carlisle. As a result he was humiliated and stripped of his amateur status as well as his honors and medals.

I feel that a serious wrong was done in Jim Thorpe's case. As a result, I am sponsoring a resolution that would restore Jim Thorpe's status as well as his honors—honors he so earnestly worked for which made Carlisle and America so very proud.

TWENTY-THREE-CENT DOLLAR

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. SYMMS. Mr. Speaker, it looks like Barron's weekly has done it again with another brilliant editorial. This week's issue has an editorial about the "Twenty-Three-Cent Dollar—What Four Decades of Inflation Have Wrought." This was written by the noted economist Henry Hablitt who is also the author of "Economics in One Lesson."

I commend it to my colleagues as an article which, though very brief, can give us a great deal of insight into the necessity for a sound fiscal and monetary policy if the free enterprise system, and, indeed, the freedom that those of us in Western civilization have enjoyed, is going to survive. The article follows:

TWENTY-THREE-CENT DOLLAR—WHAT FOUR DECADES OF INFLATION HAVE WROUGHT

This country abandoned the gold standard in 1933; some 42 years of inflation have followed. No sequence of events could underscore more plainly how indispensable that standard was for the maintenance of a sound currency. Yet this dramatic example of cause and effect has been almost universally forgotten. It is one of the strange ironies of our time that with the historic record before them, U.S. politicians and most economists have decided that the gold standard can safely be dropped in history's dust-bin.

Inflation set in immediately after the U.S. went off the gold standard in March of 1933. (It was further stimulated, of course, by devaluation the following January of the new irredeemable dollar to 59.06% of its former gold weight.) By 1934, the average of wholesale prices had increased 14% over 1933; by 1937, 31%. The inflationary trend (which, of course, at first was welcomed) persisted for decades, all through the years of the International Monetary Fund and the so-called gold-exchange-standard, until August of 1971. When even the poor excuse for a true gold standard was scrapped, the inflationary spiral began to pick up speed. Barely four years later, wholesale prices have risen by more than 55%. The net result is that consumer prices today stand 344% higher than in 1933. Compared with 1933, the American dollar commands a purchasing power of less than 23 cents.

This outcome, it is true, has been an indirect rather than direct consequence of the abandonment of the traditional gold standard. The purchasing power of the dollar would not have dropped so low if bank credit throughout those years had not been recklessly expanded and paper money recklessly issued. But once banks (or governments) are relieved of the need to maintain the constant convertibility of their notes on demand into gold, they will always yield to the temptation to issue more notes.

This time-tested truth was clearly recognized by classical economists more than a century and a half ago. In 1817, David Ricardo conceded that while paper money has no intrinsic value, its value in exchange can be kept as high as "an equal denomination of coin or of bullion in that coin"—if its quantity is strictly limited. "Experience, however," he went on to write, "shows that neither a state nor bank ever has had the unrestricted power of issuing paper money without abusing that power." Ricardo concluded: "In all states, therefore, the issue of paper money ought to be under some check and control; and none seems so proper for that purpose as that of subjecting the issuers of paper money to the obligation of paying their notes either in gold coin or bullion."

It would seem to follow inescapably that neither U.S. nor global inflation can be brought to a halt, and no national currency can be trusted as a store of value, unless and until governments have returned to a gold standard. That is why many opponents of inflation are making this reform their first demand. Here, however, we encounter a formidable—and perhaps unparalleled—difficulty. No nation on earth is on a full gold basis. There is universal mistrust of all currencies. In the circumstances, how can any government, even with the best will in the world, restore full gold convertibility?

Let us say that Country A, run by sound money men, decides to act on its own. The first consideration it must weigh is how it can allow gold convertibility—and at what rate—without immediately losing its store of gold either to its own or foreign citizens Private individuals and companies everywhere would rush into that currency, either to hold it as an investment or, more likely, to convert it into gold. If Country A were not immediately thrown off gold, such an inflow of funds would force up its foreign exchange rate, disrupt exports, stimulate imports, disorganize its balance of payments, and make its gold standard unpopular at home.

Suppose an effort were made to restore a "world" gold standard by simultaneous action within the IMF. This is, of course, hard to conceive, since that organization's officials have long been adamant foes of such a move. In fact, its ministerial Interim Committee recently agreed "to ensure that the role of gold in the international monetary system would be gradually reduced." And the Fund's threat to dump gold, in order to carry out this aim, has been large responsible for the recent dramatic drop in the market place of bullion. What the Fund wants, on the contrary, is to issue more of its own paper money—Special Drawing Rights (SDRs)—and use them as a "reserve" against which huge quantities of national paper monies can be printed.

Nevertheless, some eminent monetary economists have not given up hope that the gold standard can be restored through an international mechanism. M. Jacques Reuff pointed out last June that if central bank gold reserves were imply marked up to their "real" value (he cited the $170.50 an ounce used by France since January 9, 1975), gold reserves of the IMF's member countries would total $224 billion. "With such resources," he concluded, "it would be possible overnight and without any risk to re-establish the convertibility of the $200 or $300 billion which make up the total amount of Western liquidity."

But this proposal implicitly—and unrealistically—presupposes that restoration of gold convertibility would be accompanied by an overnight change in the ideology which national governments have pursued for the past generation. What would happen, on the contrary, is that virtually every country would go right on doing what comes naturally—printing paper money to finance welfare programs and other socialistic measures, running large deficits, and deliberately courting inflation. To be sure, in that case creditors, public and private alike, would soon start trying to convert their currency holdings into gold. But governments then would merely go off the gold standard once again.

What nearly everyone—including most of its advocates—seems to have lost sight of is that the gold standard is not an isolated gadget, but an integral part of a system of free enterprise and limited government, of good faith and law, of promise-keeping and sanctity of contract. It is this system—and the confidence to which it gave rise—that has been developed. It is this system that must be

Governments have broken faith too often.
slowly and painfully rebuilt.
The process began on a major scale with the outbreak of World War 1, Britain went off gold in 1914, and again in 1931. The U.S. went off gold not only in 1933 but also in 1971. In between—or since—nearly every government in the world has devalued its currency, sometimes scores of times, bothering less each time even to apologize for the swindle. As Secretary of the Treasury Simon reminded us only a few months ago: "The Articles of Agreement of the IMF now literally require every member to maintain a par value for its currency, and that solemn obligation is being violated by every member of the Fund."

In view of the long record of broken pledges, what faith can the world place in any new currency agreement among nations, any new fixing of "par values," let alone a fresh "restoration" of the gold standard? What is needed now is the assurance that a government, once it returns to a gold standard, will exercise even heroic restraint to stay there—that it will give up excessive welfare spending to stay on gold, rather than give up gold to stay with welfare spending. If the U.S. were to return to gold on any lesser basis, it would not be for long.

What government must do is to reverse this order. It must first reform. It must slash political welfare programs. It must balance the budget and keep it balanced. It must bring the issuance of additional paper money to nearly a complete halt. If it does these things for two or three years, it can then go back to a gold standard with a genuine prospect of maintaining it.

To spell out this program is to reveal how unlikely it is to be followed. But one crucial reform could be achieved overnight, if the advocates of a gold standard and the opponents of inflation were sufficiently determined to achieve it. This would be to induce the U.S. government and the courts not only to permit, but also to enforce, voluntary private contracts providing for payments in gold or in terms of gold value. Once this is done, the forces of the market would begin to provide a private domestic and international gold standard that would grow up side by side with fiat paper money, and start to pull the world out of mounting monetary chaos. Historically, after all, private gold money existed long before a government gold standard.

A reluctant conclusion that restoration of any kind of gold standard is a long way off is, of course, no reason for fearing that the free market price of gold will decline further than it has in recent months.. On the contrary, as the dollar price of gold tends to measure inversely the presumed value of the paper dollar, the high probability of continued, if not accelerating, inflation suggests that the long-run tendency of gold is upward. When the time comes, as it inevitably will, that the U.S., in order to maintain a viable dollar, feels compelled to return to a gold standard, the Treasury will have to reverse its short-sighted policy of selling off the nation's only store of value.

VOLUNTARY POLITICAL PARTICIPATION URGED

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CLAY. Mr. Speaker, the Hatch Act severely limits the extent to which

Federal employees may voluntarily participate in political activities. Prior to its enactment in 1939, the Senate established a special committee, chaired by Senator Morris Sheppard, to investigate charges that Federal relief moneys were being used improperly to influence Federal elections.

The committee considered the matter extensively. The committee met 31 times over 6 months. It considered hundreds of complaints, and conducted 119 field investigations of these complaints. Questionnaires were submitted to 361 senatorial candidates, 4,986 newspapers and periodicals, and 217 radio broadcasting stations. The questionnaires and returns were treated as public documents and were, therefore, open to examination by the press and other interested parties.

The committee considered voluntary political activity of Federal employees. In each case it found that such activity did not constitute grounds for criticism. Its report contained no finding that the effectiveness of the Federal work force was compromised in any way by voluntary political activity.

Mr. Speaker, H.R. 8617, the Federal Employees' Political Activities Act of 1975, provides greater protections to those campaign abuses of coercion and improper solicitation of political funds which were uncovered by the Sheppard committee. In the absence of conclusive evidence to the contrary, however, H.R. 8617 does not place any limitations upon voluntary political activities, so long as they are conducted separate and distinct from one's governmental responsibilities.

I trust that as my colleagues debate the merits of H.R. 8617, they will keep this important distinction in mind.

NEW RIVER

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. NEAL. Mr. Speaker, autumn is kindling its fires in the forests of the land. The green leaves are glowing and soon will burst into flame. The marsh grass is browning; the wild nuts are falling; and in the high meadows, the creeks and the rivulets run cold.

As we behold the wonders of this changing season, suddenly we become aware that nature is the only true artist. Our hearts are uplifted as we contemplate the beauty of this Earth and we are reminded that man, for all his artistic bent, is but a pale counterfeiter of the handiwork of God.

There is in my district a quiet place where nature has wrought a masterpiece. It is in the highlands of Ashe and Alleghany Counties, through which the New River and its tributaries flow. In all my wanderings, I have never gazed upon a scene more tranquil than this Valley of the New; nor have I ever met a people so obviously "at home." Here civilized man has lived in harmony with nature for more than 200 years. Even in these turbulent times essentially he is at peace with himself and with his neighbor because he learned, while still a subject of the crown, that nature yields most to him who loves nature best.

And so for generations he has plowed his fields and tended his flocks according to the ancient, unwritten tenets of the natural law—never taking from the land more than it was intended to give. The land is his inheritance, and he has wasted it not.

But that which he was unwilling to wreak upon the land is well within the corporate conscience of a giant of industry. Appalachian Power Co., a subsidiary of American Electric Power Co., proposes to dam the New River. It would impound the river's waters, flood its valleys, and drive its inhabitants into exile: all in the exigencies of industry to provide peak load demand electricity to the Midwest. The Federal Power Commission, more attuned to kilowatts than to common concerns, has agreed with APCo. and has granted it a license to commence construction of the Blue Ridge project. The bulldozers and steamshovels are poised. They await only a nod from the federal courts before they defile Mother Nature in the Valley of the New.

Mr. Speaker, in a very real sense the New River belongs to the Nation. So great is its geological and archeological significance that its fate cannot be termed a "local issue" unworthy of our gravest concern. By any authoritative geological accounting, it is among the oldest rivers in the world. It is acclaimed the oldest river in the Western Hemisphere, perhaps antedating The Nile. Dr. Raymond E. Janssen, emeritus professor of geology at Marshall University, says:

> There is no question that the New River is one of the oldest rivers in the world. It could be the oldest. I can't say it's older than The Nile because I don't know how old The Nile is.

Archeologically, it is proven to have been a migratory route for prehistoric man, who left behind in the sediment of its bottomlands those artifacts which mark the passing of nomads and primitive tribes. It is speculated, on the basis of this undeveloped evidence, that the earliest Americans traipsed the river's banks more than 10,000 years ago.

What a shame to seal forever such a treasure trove. What a waste to sacrifice such a river to burn the candle at the other end for 20 years or so, which is the expected useful life of the Blue Ridge project. What a waste, indeed, when the project would consume from our energy stockpile four units of energy for each three it would generate. What an obscenity to thumb our national nose at the very power which created and sustains us all.

It is within our power, Mr. Speaker, to spare the New River. It is fully qualified, according to the Department of the Interior, for designation as a component of the National Wild and Scenic Rivers System. I have introduced a bill to accomplish that purpose through a simple amendment to the National Wild and Scenic Rivers Act.

There is yet time, but barely, to keep the river flowing free.

VERN SOPER'S CONTRIBUTION TO OUR COUNTRY'S DEFENSE

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BALDUS. Mr. Speaker, today it is indeed a great honor and privilege to bring to the attention of Congress the work of Mr. Vern Soper for his public service in munitions procurement for defense.

Mr. Soper, president of National Presto Industries, Inc. of Eau Claire, Wis., is today receiving the Civilian Distinguished Service Award from the Department of the Army for high management and economy in the production and supply of munitions to our armed services. This meritorious distinction is rarely bestowed on a civilian.

National Presto Industries, Inc. has been one of the Nation's leading suppliers of 105-mm shells at costs that represent savings to our Nation's taxpayers in the millions of dollars. That fact alone stands as a higher tribute to Mr. Soper's ingenuity, management cooperation, and plain hard work than any small token of our appreciation can bestow in return.

In this Bicentennial period, it is proper that we remember with appreciation the faithful who work in service to our Nation's defense, without uniform, but with creativity, diligence, and skill.

SHOULD UNITED STATES GIVE UP THE PANAMA CANAL?

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. SIMON. Mr. Speaker, one of those who has provided leadership—sensible leadership—on the Panama Canal matter has been Senator Gale McGee of Wyoming. Wyoming's contributions to the Nation have been important in many ways, but none more important than what that State is providing the Nation through Senator Gale McGee on this Panama Canal matter.

Recently the U.S. News & World Report interviewed Senators McGee and Harry F. Byrd, Jr., on the Panama Canal matter. I believe the remarks on Senator McGee should be read by my colleagues and readers of the Congressional Record who may not have seen the magazine article, and I include it in the Record at this point:

Should United States Give Up the Panama Canal?

"CANAL IS NO LONGER AS IMPORTANT AS IT SEEMED EARLIER"

(Interview with Senator Gale McGee)

Q. Senator McGee, a new treaty is now being negotiated with Panama that would have the U.S. give up, at some future date, its right to control the Panama Canal in perpetuity. Should this country agree to that?

A. The real question is whether we can protect the Canal and keep access to it without a new agreement with Panama.

The Canal is probably the single most explosive, emotional factor in our Hemisphere affairs today. In these times of briefcast bombs, it's almost indefensible in a hostile situation.

In addition, our dependence on the Canal has changed considerably in the last few decades. It's no longer as important to our national security as it seemed in the earlier days of this century.

Today, the Canal is a relatively small item in all of our calculations. Nonetheless, it is a very large item in the calculations of our neighbors in the Hemisphere. Our access to the Canal can be assured only by stability in the Hemisphere. And that just isn't going to happen unless we can make some new accommodations with Panama.

Q. Are you saying it's no longer vital for the U.S. to retain assured access to the Canal?

A. The consequences of no-assured-access are far from disastrous. Defensewise, the Canal's importance to our Navy is relatively limited. We have a multiocean Navy—no longer just a two-ocean Navy.

Our whole concept of the Navy has changed with the aircraft carriers, most of which can't get through the Canal, and all of which would be worthless if we depended on the Canal.

The Canal can be closed by anybody that would deposit a small bomb in the dam that backs up Gatun Lake. It would take 2½ years, our engineers tell us, to re-establish operation of the Canal if the dam were ever closed by a simple bomb. We've had enough hard evidence of the ability of any group that's determined to bomb a given target.

Q. What about our commercial need for the Canal?

A. In terms of commerce, we're now the tenth-largest user. The nine larger users are all Latin-American countries. A number of our commercial vessels—the new oil tanker is an illustration of ships that are too big—changed the whole picture. We have many more ways now of expediting the movement of things in an emergency, particularly by air.

The point is: We're not out of business if the Canal were closed, because we have so restructured our commerce and our Navy.

Q. Some people talk about "a new Vietnam" if we don't give up the Canal. Do you foresee that?

A. Vietnam-type violence is not quite the dimension. The violence that should concern us is the violence of one explosion.

The littlest guy in the world can bust that dam.

Q. What should be in any treaty that the U.S. negotiates with Panama?

A. We ought to satisfy ourselves that there's nothing in it that would jeopardize the national security of the United States in any meaningful way.

It's important that we trim down our use and abuse of the simple word "sovereignty." The existing treaty gives the United States the right to act in the Canal Zone "as if it were sovereign."

I can't underscore sufficiently the psychological importance of that word in this day of national independence. It is a far more explosive factor than many things we would have considered in other years. The Canal was never ours in terms of sovereign right. It was a treaty arrangement with Panama.

Also, in a new treaty, the terms must allow us time to manage Canal operations with a sufficiently free hand until Panamanians are trained to such a degree that efficient operations can be maintained upon expiration of the treaty.

Q. How can we be sure that Panama will allow us access to the Canal if it gains ownership?

A. The treaty that is now being discussed would, in effect, leave the U.S. in control of the Canal until at least the year 2000. That would safeguard our operational responsibilities and defense prerogatives as in other areas of the world where we have base arrangements.

Q. Senator, some critics make this point: The U.S. has run the Canal as an international utility. Rates established in 1914 remained virtually unchanged until last year. What would prevent Panama in the future from raising rates exorbitantly and causing damage to other countries?

A. There's nothing that would completely prevent that—in Panama, Suez, or anywhere—except for the realities of the need for commerce.

For Panama to raise rates exorbitantly would be cutting off her nose to spite her face.

Q. There's been some hint that the Ford Administration may negotiate a treaty and then not send it to the Senate for ratification until after the 1976 elections. Would that be a wise policy?

A. There is a sense of urgency about this in the minds of almost all Latin-American governments, in terms of a rallying point around which they can repair in a spirit of new hope and a new era in the Hemisphere. It's important that we try to solidify the Hemisphere if we can.

Q. Should we study building another canal nearby?

A. I suspect the answer to that is "Yes."

Obviously there is a need for another canal.

The existing one is really out of date, and is going to become less usable in the future.

However, that possibility won't even be available to us in the absence of an updated treaty relationship with Panama over the present Canal.

NEED FOR BICENTENNIAL REEVALUATION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. YOUNG of Florida. Mr. Speaker, as we approach the 200th birthday of our great Nation, many Americans are taking a long, hard look at this country and at the values of today. Often, they do not like what they see, and they express a sincere desire to return to the basic and worthwhile values which our forefathers incorporated into our Constitution.

Recently I received a letter from Mrs. Barbara Meskil, of Pinellas Park, Fla., which clearly sets forth the problems which trouble so many Americans. I would like to share this letter with my colleagues because it is a good exposition of the contradictions which plague our society today, and of the desire of the American people to be allowed to do things for themselves. This emphasis on personal achievement and self-reliance is one of the most basic values in our society, and a key ingredient in making America great. I hope that we in the Congress will heed Mrs. Meskil and the many others who feel similarly, and as we approach our Bicentennial, work to reduce the role of Government and encourage the American people to express their own desires once again. Her letter follows:

PINELLAS PARK, FLA.,
September 5, 1975.

To Whom It May Concern:

This letter will probably end up filed in the wastebasket and most likely won't be referred to the proper party but nevertheless, I am getting my grievances off my chest.

I, and I am sure many other people, wonder when the majority in this country will get a break. Most of us are hard working honest people and yet we are the most abused lot. We pay our taxes and our bills as promptly as we can and it is us who put you fellows in power. We blue and white collar workers are the backbone of America and yet we are having more and more liberties taken away from us. More and more money is taken out of our meager pay checks to help the government either with their minority groups or foreign countries. The small business man has no chance at all.

And if this isn't enough, some in high places are robbing the tax payers for their own profit and gain. In Florida we have been prosecuting some of our criminal politicians and still they are acquitted with the help of smart lawyers and not only that, get big pensions. Maybe I'm wrong, but don't we elect these men to represent us and vote the way WE say and not the way they want to? Their jobs are not positions to fill their pockets. They have a duty to all of us who put them there. Even those who didn't.

My husband is out of work. He is a heavy equipment operator and that business in Florida is going further north. My salary as a legal secretary is the only income keeping us going. It may surprise some of you but there are a lot of us who don't want charity from the government. We want to do things ourselves.

In May I was involved in an auto accident when a drunk ran into the rear of my car. He was arrested for DWI and leaving the scene. The arresting officer did stop him a block away. I have been subpoenaed three times to appear in court and so far this man has never shown up. But I had to be there. Of course, I received my witness fee but this is small compared to spending the morning away from my job. What are they going to do with this law breaker? Is his lawyer getting him off? A witness had stopped to assist in keeping the offender until the proper authorities arrived. He, too, is inconvenienced by going there and wasting the day. He will never again be the good citizen doing his civic duty. I can't blame him. How can we teach our children that crime doesn't pay when it certainly does pay. We are told to save energy but how does our County schools save on gasoline busing children all over town.

We can't build anything, tear down anything or have anything on our own property without someone telling us how and what to do and how much it will cost. Why doesn't the government sometimes "bug off" and let people live their own lives. Governmental red tape, interference and bans on everything keeps us from doing anything productive and useful. We "silent" majority are the ones being discriminated against.

Wouldn't it be nice if on this bicentennial anniversary of our country we would reevaluate our Constitution and our great heritage and get back to the old values inborn in us by our forefathers. If not, maybe one of these days we will have the American people (the majority no doubt) take the law in their own hands.

Mighty fed up,

MRS. BARBARA MESKIL.

ON THE OCCASION OF PULASKI DAY 1975

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BIAGGI. Mr. Speaker, this past Sunday, I had the honor of attending the annual Pulaski Day Parade in New York City which marks the great Polish holiday of the same name.

On October 11, millions of Poles throughout the world will pay tribute to Count Casimir Pulaski, a nobleman who became one of the most distinguished leaders of the American Revolutionary Army. Of all the officers who took part in the American War of Independence, Count Pulaski is recognized as the most romantic and professionally the most prominent. Because of Pulaski's energies and talents, several of his military exploits were both heroic and successful.

Pulaski joined the Army in 1777, and under General Washington he not only became the first cavalry officer of the Republic, but he proved his military abilities to such an extent that he has often been called, the Father of the American Cavalry. His most noted accomplishment was his leadership of the successful siege of the strategic port city of Savannah. While this victory at Savannah resulted in his death, it contributed significantly to the freedom American's would later enjoy.

October 3 marked the 337th anniversary of the arrival of Polish immigrants to our country. Our Nation has felt the influence of the Polish American community not only in the past, but in all aspects of our modern day American society. Therefore, on Pulaski Day, we take time to pay tribute to the vast accomplishments and contributions made by the large Polish American community in the Nation. Thus, in keeping with the spirit of the upcoming Bicentennial celebration, I am pleased to announce that I intend to introduce legislation which would set aside a day in 1976 to honor the contributions made by Poles and other ethnic patriots to our early American history.

There are several other Poles who have made highly significant contributions during the American War of Independence. Among them is Tadeusz Andrzej Bonaventura Kosciuszko. Like Pulaski, Kosciuszko joined the Army in 1777.

It was under the direction of Kosciuszko that 2,500 workmen made West Point impregnable between 1778 and 1780. His work in the building of fortifications at West Point is recognized as the longest and most important of his undertakings in America because it denied the British the use of the Hudson River as a link between their forces on the seaboard and in Canada, while at the same time it insured a river crossing over which Continental Armies freighted essential supplies.

While at West Point, Kosciuszko planted a flower garden in a secluded spot among the rocks. To this day, the area southward of Battery Knox and under the walls of Cullum Hall, is still known as Kosciuszko's Garden. It has become a part of the lore of the Corps of Cadets.

Kosciuszko is also considered to be the founder of West Point for when it was first resolved to found a training school for young men of the Colonies, it was Kosciuszko who urged that it should be placed at West Point and suggested the exact location of where it now stands.

Pulaski and Kosciuszko were not the only Poles who made significant contributions to America's history when America found itself in a fight for independence. However, the contributions of these two men stand out distinctly. Therefore, as we approach our 200th anniversary celebration, I feel that it is only fitting that as a nation we take the time to pay special tribute to these two men who have made highly significant contributions to the growth and success of America. The Polish American community is an integral part of both our Nation's past history and future dreams. I salute my many Polish friends and extend to them my best wishes on Pulaski Day 1975.

IRRESPONSIBILITY AT THE WHITE HOUSE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. RANGEL. Mr. Speaker, it seems as though the parochial interests which the Senate minority leader expressed a couple of weeks ago with regard to aid to New York City are shared by our President. In a recent speech, the President made some remarks unbecoming of the Chief Executive of the Nation.

Unfortunately the President and many Members of Congress fail to understand one very simple fact. If New York City is allowed to suffer through this financial crisis alone and without any Federal assistance, it will not be too much longer before the towns and cities across the land suffer a budgetary crunch of a greater magnitude than that which New York City is currently experiencing.

In an editorial appearing in the New York Times of Friday last, the Times put the issue squarely. It urged the President to recognize that he does indeed have a responsibility to assist this city. The Times also asked the President not to engage in this type of political demagogery as the crisis worsens. I would hope my colleagues would consider this editorial closely, as we continue to deal with possible solutions to New York's problems. The editorial follows:

CHEAP SHOTS

Wherever he goes these days—whether in Yugoslavia or in Illinois—the President of the United States does not seem able to resist sniping at the City of New York. Perhaps he thinks his cheap shots at this premier American city make for good politics at home and abroad. In reality, they only betray his own incredible insensitivity to a potentially disastrous situation that could affect every city in this country.

In Skokie, Ill., Wednesday Mr. Ford told a gathering of small city mayors: "Your constituents wouldn't tolerate it if you ran your cities as badly as New York City has been run." Among the municipalities represented was the President's hometown of Grand Rapids, Mich., which has its own inglorious history of default.

In Omaha on the same day, Mr. Ford charged that New York State may have "compounded the problem" by stepping in to rescue the city from its financial woes. In rejecting a request for Federal aid last May, this same President advised Mayor Beame that "the proper place" to seek such support was "the State of New York."

It is time the President stopped treating the complex and grave problems of this city—and of other municipalities across the country—with such flippant hypocrisy; that he acknowledged the far-reaching self-help efforts that have been launched here by city and state officials; and that he understood his own responsibility to help find a solution to a crisis of unquestionable national dimensions, as Federal Reserve Chairman Arthur F. Burns finally recognized in testimony before a House committee yesterday.

MORAL REAWAKENING

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CONLAN. Mr. Speaker, millions of Americans throughout our country are working to uphold moral standards and start a moral reawakening in every community.

I am often asked what we can do to restore decency, honesty, and hard work as a guiding force in society. My response is that all of us as individuals must recommit ourselves to the spiritual values that are the heritage of the Judaic-Christian world. And we must all do as much as we can to bolster standards of good behavior in our own families and communities, remembering that nothing has invalidated the hard-earned moral wisdom of the ages.

Another way to improve the moral and spiritual fiber of our Nation is to recognize and fight the antisocial and immoral attitudes and behavior around us that are insidiously eroding our free society.

Paul Harvey, the popular and highly regarded radio and television commentator, recently outlined what he would do if it was his goal to engulf the world in moral anarchy. I would like to include his commentary in the RECORD at this point:

IF I WERE THE DEVIL . . .

(By Paul Harvey)

If I were the prince of darkness, I would want to engulf the whole earth in darkness.

I'd have a third of its real estate and four-fifths of its population, but I would not be happy until I had seized the ripest apple on the tree. So, I should set about, however, necessary, to take over the United States.

I would begin with a campaign of whisper. With the wisdom of a serpent, I would whisper, "The Bible is a myth." I would convince them that "man created God," instead of the other way around. I'd whisper that "what is bad is good and what is good is square."

In the ears of the young married I would whisper that work is debasing, that cocktail parties are good for you. I would caution them not to be extreme in religion, in patriotism, in moral conduct.

And to the old I would teach to pray, to say after me "Our father which are in Washington. . . ."

Then I'd get organized. I'd educate authors in how to make lurid literature exciting, so that anything else would appear dull and uninteresting. I'd threaten TV with dirtier movies and vice-versa. I'd peddle narcotics to whom I could. I'd sell alcohol to ladies and gentlemen of distinction. I'd tranquilize the rest with pills.

If I were the devil I would encourage schools to refine young intellects, but neglect to discipline emotions; let those run wild. I'd designate an atheist to front for me before the Highest Courts and I'd get preachers to say, "She's right."

I'd infiltrate unions and urge more loafing, less work. Idle hands usually work for me. With flattery and promises of power, I would get the courts to vote against God in favor of pornography.

Thus I would evict God from the courthouse, from the schoolhouse, then from the House of Congress. Then in His own churches, I'd substitute psychology for religion and deify science. That way men would become smart enough to control them.

If I were Satan, I'd make the symbol of Easter an egg . . . and the symbol of Christmas a bottle. . . .

If I were the devil, I'd take from those who have and give to those who wanted, until I had killed the incentive of the ambitious. Then my police state would force everybody back to work.

Then I could separate families, putting children in unicamps.

If I were Satan, I'd just keep on doing what I am doing and the whole world would go to hell as sure as the devil.

PROTESTS DIRECTED AT SPAIN OVER EXECUTIONS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CONYERS. Mr. Speaker, there is a crisis of legitimacy and creditability in American foreign policy. And this has never been more glaring than today. Compare the following cases. On the one hand, we intervene to destabilize an elected government in Chile, saying we do so to preserve democracy. We continue to support the dictators who managed it, though they have been described the most brutal and violent in recent history. Then there is the case of Portugal. After 45 years of ignoring the repression of human, political, and civil rights during the Salazar-Caetano regimes, our Government suddenly is concerned with the status of those rights now that the new government chooses to move leftwards.

On the other hand, there is Spain. Today, as most of the world recoils in outrage over the political executions there last Saturday, there is still no sign of U.S. displeasure. Mass demonstrations were staged in most of the cities in Western Europe; ambassadors were recalled by their governments to Britain, France, East and West Germany, Belgium, Norway, Denmark, Portugal, and Poland. The Pope decried the executions and the Swedish government pledged to support the Spanish underground. Yet the United States remains mute.

One Spanish newspaper, Ya, observed the other day that Spain's only companion left in the jungle of international relations is the United States. Have we strayed so far from those principles of freedom and liberty that we constantly recite that in the name of national security—which translated, means maintaining our foreign bases—we are ready to support any kind of regime, no matter how repressive. This seems to be the only conclusion one can draw.

But while the Government stands mute, I am gratified that some of my constituents are shocked and not yet so politically pragmatic that they are ready to condone any acts, no matter how ruthless or unconscionable, in the name of expediency. I refer my colleagues to the article in the Washington Post of Monday, September 29, entitled "Protests Directed at Spain":

PROTESTS DIRECTED AT SPAIN

The regime of Generalissimo Francisco Franco found itself in deepening isolation yesterday amid swelling protests within Spain and throughout Europe against the execution Saturday of five guerrillas.

Swedish Prime Minister Olof Palme said that his Social Democratic Party would donate $46,000 to Spanish opposition groups to help end the rule of "satanic murderers": Mexican President Luis Echeverria called for the expulsion of Spain from the United Nations and imposition of an economic blockade; and Pope Paul VI, speaking at the canonization of a Spanish saint, said that the joy of the occasion "might have been fuller if these days had not been darkened by the events we are all aware of."

An official Spanish delegation boycotted the canonization ceremony—the first time Madrid has not been represented at such an occasion—to express the Franco government's displeasure at the Pope's public appeal for clemency for the five guerrillas.

Spanish sources said the Italian government had told Madrid that it could not guarantee the safety of the delegation in view of the widespread protest that the executions have aroused.

But the archbishop of Madrid, Vicente Cardinal Enrique y Tarancon celebrated the canonization Mass with the Pope and the primate of Peru.

Madrid also called home its ambassador to the Vatican, traditionally the most prestigious post in the Spanish diplomatic service, as well as its envoys to the Netherlands, Norway, West Germany and Portugal. Among the countries recalling their ambassadors to Spain were Sweden, Belgium, Britain, the Netherlands, East and West Germany, Portugal, France, Norway and Poland.

Not all the protests were so diplomatic: Fires, in which Dutch authorities refused to rule out arson as a possibility, damaged the Spanish embassy in The Hague and the home of the sister of the Dutch ambassador to Spain: in Ankara, a stick of dynamite was thrown into the garden of the residence of the Spanish ambassador to Turkey; a time bomb exploded under the locomotive of a Spanish Madrid-to-Paris express train; and demonstrations in Paris turned into riots.

French Interior Minister Michel Poniatowski said yesterday that 127 people had been taken in for questioning and 57 arrested following the demonstrations in which the windows of more than a hundred stores in the Latin Quarter and along the fashionable Champs Elysees had been smashed.

Meanwhile, in Spain's Basque country, police fired on demonstrators protesting the executions, and wounded six persons. The demonstrators had been marching behind a Basque flag, which is not allowed to be displayed in Spain. Two of those executed were Basque separatists, while the others were from the Marxist-oriented Revolutionary Front for Patriotic Action. All were convicted of killing policemen.

The first mass protest outside the Basque country occurred in Madrid, where 2,000 persons attended the noon Mass at the cathedral to pray for the souls of the executed men. Dozens were reported arrested.

In Barcelona, sources said, nearly 3,000 people tried to attend burial services for one of the Basques, Juan Paredes Manot, who had faced the firing squad without a blindfold and singing the Basque national anthem.

Riot police kept the crowd at bay and allowed only 300 to enter the cemetery, which is near the woods where Paredes was shot. Those who entered the cemetery had to surrender their identity cards, and security police said they could be picked up later at the police station.

Basque sources said that wide-scale strikes and demonstrations are planned for today and Tuesday.

Madrid newspapers made no mention of the Pope's speech Saturday, in which he said that he regretted that his repeated appeals for clemency had gone unheeded. Journalists said publication of the speech might be interpreted as an expression of sympathy with the terrorists, punishable under security statutes.

Meanwhile, the Catholic newspaper Ya said that the United States is shielding the Franco government at a time of crisis in Spain's relations with Western Europe, and pointed to the current negotiations over U.S. use of bases in Spain as a symbol of "Washington's omnipotent support."

"Thus," the newspaper said, "the government has a companion . . . and does not have to travel alone in the jungle of international relations."

EXAMPLE PUBLIC OFFICIALS SET

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. GRASSLEY. Mr. Speaker, I recently received a letter from a youth in Oak Park, Ill., who seems to have a great deal more appreciation for the examples public officials can set than many of my colleagues here in the House. When the matter of repealing the recently authorized pay raise for Congressmen and Senators reaches the floor of the House, I trust that all those who voted for the increase originally will take note of what this young man has to say:

Hon. CHARLES GRASSLEY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN GRASSLEY: I was pleased to learn that you have introduced a bill to nullify the Congressional pay raise. I don't think that it's fair for Congress to a cost of living increase, especially when the average American is struggling to make ends meet because of inflation, brought on by Congressional over-spending.

As a fifteen year old, I have seen the results of deficit budgets and unwise spending boomerang on the over-spenders, especially in the local school systems of Oak Park and River Forest. The people on these school boards are, for the most part, amateurs who look to our Legislature and the Congress for guidance. This is one reason why Congress should over-come its greed by passing your bill, and others like it, and get this country back on solid ground again. Thank you for listening.

Sincerely yours,

MICHAEL MURPHY.

TRADE WITH CUBA?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BINGHAM. Mr. Speaker, the Subcommittee on International Trade and Commerce and the Subcommittee on International Organizations have been conducting joint hearings for several months on the question of resuming U.S. trade with Cuba and related issues. Those hearings ended September 23, 1975, with a second appearance before the subcommittees of Assistant Secretary William D. Rogers. The full transcript of the hearings and documents submitted by witnesses and interested parties will be published and available shortly.

An interesting review of the issue of trade with Cuba appeared September 22, 1975, in Barron's. While I do not agree with all of the opinions reported in the article, it does provide a well-balanced review of the problems and possibilities of renewed trade between Cuba and the United States. It points out, in particular, that much confusion exists in the business community as well as in the Congress and among the public regarding the meaning and likely impact of removing the embargo we have imposed against Cuba since 1962. One of the primary purposes of the hearings conducted by the subcommittees is an attempt to reduce this confusion and permit decisions to be made on this question based upon clear and complete information.

Mr. Speaker, the Barron's article by Shirley Scheibla, entitled "Trade With Cuba? So Far There Has Been More Talk Than Action," follows:

TRADE WITH CUBA? SO FAR THERE HAS BEEN MORE TALK THAN ACTION

(By Shirley Scheibla)

WASHINGTON, D.C.—The Ford Administration dropped a bombshell during the August Congressional recess when it announced a partial relaxation of the embargo on trade with Castro's Cuba. Henceforth, this country will allow foreign subsidiaries of American corporations to trade with Cuba. Moreover, the U.S. no longer will deny foreign aid to countries which allow their ships or planes to carry goods to and from Cuba. Down the drain is the U.S. prohibition on bunkering ships which trade with the Red outpost in the Caribbean. Moreover, at U.S. prompting, the embargo by the Organization of American States has come to an end.

Tomorrow William D. Rogers, Assistant Secretary of State for Inter-American Affairs, will testify before two subcommittees of the House International Relations Committee to answer a flood of questions concerning the move. If he follows the State Department line, as explained to Barron's, he will say that the Department favors retaining what's left of the embargo as a bargaining tool and that the action regarding foreign subsidiaries was an effort to ease friction with third countries. Some of the latter have claimed that by controlling the exports of U.S. subsidiaries, Washington has intruded upon their sovereignty.

BITS AND PIECES

However, it is difficult to see how the August action will meet such complaints since foreign subsidiaries still will need U.S. licenses for exports to Cuba. Rogers is likely to say that no more than 20% of the subsidiaries' output may be American-made. (Confusion on this point now abounds in industry.) But this will be hedged to give the Administration the chance to make up its mind case-by-case. Regulations, according to a State Department spokesman, will be issued in "bits and pieces."

The relaxation, indeed, may cause more headaches than it resolves. Organized labor, for instance, is bound to be unhappy with a policy which allows products of foreign—but not U.S.—employes of American corporations to go to Cuba. (Prior to relaxation, the United Auto Workers advocated ending the embargo. The AFL–CIO, headed by anti-Communist George Meany, will take up the matter at its biennial meeting in San Francisco on October 2.)

U.S. businessmen are as confused as Congress. If American directors of foreign subsidiaries violate the State Department edict, they will be subject to severe criminal penalties, including imprisonment, in this country. Yet they sometimes fail to constitute a majority on a board and thus cannot control what the subsidiary does. The word they've had so far from Washington is that they will escape prosecution here if they cast their votes in accord with the new U.S. policy. (No written regulations have yet been issued, except for bunkering ships, and the original announcement on August 21 contained only bare outlines.)

Broader questions concerning the relaxation are whether it will cause the embargo to crumble before the U.S. can win concessions from Cuba, and whether Congress will allow it to stand. Some Senators believe that since Congress approved the embargo, Congress alone can relax or end it.

As the foregoing suggests, resumption of normal trade relations with Cuba is apt to be a complicated and controversial affair. Tomorrow is the last day of joint hearings by the Subcommittee on International Trade and Commerce and the Subcommittee on International Organizations of the House Committee on International Relations on the Bingham Bill to end the embargo. Rep. Stephen J. Solarz (R., N.Y.), who is in favor of the bill, has just returned from a trip to Cuba on behalf of the first subcommittee and also will testify.

In the upper chamber, Senator Edward Kennedy (D., Mass.) has introduced a bill which would end the trade ban. It has been amended five times by Senator Harry F. Byrd, Jr. (Ind., Va.), who, among other things, would require Cuba first to give compensation for expropriated American property and to free American prisoners.

Senator James Abourezk (D., S.D.) went to Cuba on his own during the August recess. Ten days ago he tried to introduce an amendment to the State Department authorization bill which would have ended the ban on exports to Cuba (but not imports from it). His action caused such an uproar that Senator Abourezk ended up withdrawing his amendment, but only after Senator John J. Sparkman (D., Ala.) assured him he will ask the Foreign Relations Committee, which he chairs, to hold hearings soon.

Word from Senator Abourezk, Rep. Solarz and other recent Congressional visitors to Cuba is that it desperately needs American products, notably auto parts and drugs. But the general impression is that without most favored nation (MFN) tariff treatment and credits, Cuba's weak economy would not be able to sustain a large volume of direct trade with this country.

According to Arthur T. Downey, deputy assistant secretary of commerce, Cuba has about two million tons of sugar a year available for sale in the world market; theoretically, it all could go to the U.S. But if Cuba sends any sugar here without settling claims of American plantation owners, according to Downey, the shipments could be attached by court order. He adds that the $4.4 billion Cuban debt to the Soviets, which stipulates repayment in kind, will preempt a part of Cuban production.

SOVIET-CUBAN DEAL

Downey says that Cuban nickel exports also would be subject to seizure here. Until Fidel Castro came to power, the U.S. had been developing a nickel industry in Cuba. By 1959, the U.S. had poured $93 million into a huge nickel plant in Nicaro. The U.S. also gave Freeport Sulphur Co. a guarantee on sales of nearly $250 million worth of nickel and cobalt from its plant at Moa Bay in Oriente Province, which was getting ready to go into production in 1959.

According to Downey, Cuba's annual nickel production is 35,000 tons, about half of which went to the Soviet Union in 1972. The Soviets and Cuba signed a protocol in 1974 for a $600 million program to reconstruct facilities at Nicaro and Moa Bay and to build a new nickel complex at Punta Gorda. The aim is to increase Cuba's annual nickel output to 65,000 tons by 1980.

The U.S. has a long history of fiascos in trading with Cuba under Castro. Although his so-called land reform in the summer of 1959 amounted to confiscation of American-owned sugar plantations (Barron's, August 24, 1959), the U.S. let stand the 1959 Cuban sugar quota of over three million tons, under which the Latin American nation supplied one-third of U.S. sugar consumption.

The U.S. did not get around to eliminating the quota until 1961. By 1962, confiscation had become an inescapable fact. A decade later the U.S. Foreign Claims Settlement Commission certified 5,911 claims by U.S. citizens and corporations totaling $1.8 billion, plus 6% per year, against Cuba for expropriation of property without compensation.

The 10 largest claims certified were for Cuban Electric Co., a part of Ebasco (now a division of Boise Cascade), for $267.6 million; ITT, $130.7 million; North American Sugar Industries (now a part of Borden), $108.95 million; Moa Bay Mining Co., $88.3 million; United Fruit Sugar Co. (United Brands), $85.1 million; West Indies Sugar Co., $84.9 million; Amstar (formerly American Sugar Refining Co.), $81 million; Standard Oil of New Jersey, $71.6 million; Bangor Punta, $53.4 million; and Texaco, $50 million. (For details, see Barron's, January 22, 1973.) The figures exclude the $93 million Nicaro nickel plant owned by the U.S. government.

JOINT RESOLUTION

In 1962, the U.S. embargoed trade with Cuba. That same year, Congress passed a joint resolution, which stated that the U.S. is determined to prevent Cuban subversion in this hemisphere, as well as any externally supported military capability endangering the U.S. security. It also resolved to work with OAS and freedom-loving Cubans "to support the aspirations of the Cuban people for self-determination."

Two years later, a two-thirds majority of OAS voted to embargo trade with Cuba. But in recent years, several OAS countries have ignored the ban—now lifted—and failed to draw U.S. rebuke. To cite an example, the late

Juan Peron of Argentina (an OAS member) threatened to nationalize subsidiaries of General Motors, Ford and Chrysler in his country unless the U.S. permitted them to export to Cuba. The U.S. complied.

Now Argentina has offered Cuba trade credits of $200 million a year for six years, according to Commerce's Downey. He also reports recent formation of a new shipping firm which includes Cuba as well as Colombia, Costa Rica, Jamaica, Mexico, Nicaragua, Panama and Venezuela. Known as Flota Mercant Del Carib, it is to have initial capitalization of $30 million and five vessels.

The U.S. also has run into trouble north of the border involving trade with Cuba. The Toronto subsidiary of Litton Industries last year cancelled a deal to sell Castro half a million dollars worth of desks, chairs and filing cabinets because of the U.S. embargo. On December 24, 1974, The New York Times reported: "Officials in Ottawa predicted that this new application of the American law across the border, which Canadian nationalists see as economic imperialism, would add further strain to this country's relations with the U.S., which have already suffered in recent weeks from disputes about trade in both oil and beef."

CONSTRAINED BY EMBARGO

The U.S. State Department wanted to be free to handle such problems as it saw fit, but felt constrained by the OAS embargo, since State did not want the U.S. put in the position of violating an international agreement. Thus, OAS had U.S. encouragement last November when it took a vote on ending its embargo. However, it failed to get the necessary two-thirds majority. Subsequently, the U.S. supported a change in the OAS voting requirement for a simple majority. In July, the OAS voted to end the embargo.

Prior to the OAS action, Senator Kennedy announced that he would introduce a bill to end the ban on trade with Cuba. The measure also would authorize U.S. foreign aid to Cuba. In May, Senator Byrd introduced five amendments to the Kennedy bill. In essence, they state that the U.S. should not end the embargo until Cuba has offered acceptable compensation for expropriated American property, renounced its alliance with the Soviet Union, ordered military men, intelligence agents and naval vessels from Cuba and its territorial waters and ceased intervention in the affairs of any nation in this hemisphere. The amendments also prohibit giving up the U.S. Naval Base at Guantanamo Bay without Congressional approval.

The State Department waited until the Congressional recess to drop its bombshell. On August 21, it announced that foreign subsidiaries of U.S. firms may trade with Cuba, subject to specific licenses and "regulations concerning U.S. origin, parts, components, strategic goods and technology." State also said: "We are initiating steps to modify regulations which deny bunkering in the United States to third country ships engaged in the Cuba trade. We will also seek legislation to eliminate similar restrictions on Title I, PL 480 food sales to third countries."

On August 27, the National Association of Manufacturers wrote Rauer H. Meyer, director of the Commerce Department's Office of Export Administration, complaining that the announcement is "causing a disruption of the normal U.S. parent company—foreign subsidiary supply relationship. . . . If the U.S. components are required in the finished product and if authorization for export of these components is denied, then the total transaction may be blocked and the U.S. government is indirectly controlling trade between a friendly third country and Cuba.

QUID PRO QUO

"Alternatively, if other sources of supply of components can be arranged, parent subsidiary relationships are unnecessarily distorted. Thus, the new U.S. policy on trade with Cuba is seriously deficient and should be modified or corrected as soon as possible. . . . We urge that published regulations be issued as soon as possible. . . . Early publication . . . will materially assist U.S. firms in making their marketing decisions."

As matters stand, some State Department officials admit privately that the U.S. will have trouble keeping the embargo from falling apart until the U.S. can wrest some quid pro quo from Cuba. Besides the seized property, Cuba holds eight Americans prisoners. There are hundreds more Americans whom the U.S. would like to have the right to leave Cuba if they choose.

The Bingham bill seems to have a good chance for passage in the House. But its companion measure, Senator Kennedy's bill, is bound to run into trouble in the Senate. On August 1, Senator William E. Brock (R., Tenn.), on behalf of himself and 10 other Senators, introduced Senate Resolution 230. It is the sense of the Senate, says the Resolution, that before the U.S. resumes economic or diplomatic relations with Cuba, the latter must allow free emigration and inspection of prisons, abide by international law in dealing with hijackers, acknowledge claims for confiscated American property, cease illegal terrorist activities in Puerto Rico and accept the principles set down in the OAS charter, including the principle of non-intervention.

President of Cuba, Osvaldo Dorticos, made clear what he thinks of the last point in a speech in Havana to the International Conference on Solidarity with the Independence of Puerto Rico Broadcast September 8. "The Cuban Revolutionary Government cannot escape involvement in the Puerto Rican cause and our unyielding duty of solidarity with it as a controversial bilateral issue between the United States and Cuba. . . . Puerto Rico is a Latin American nation subjugated to colonial domination and is not a domestic problem of the United States," he declared.

Dorticos also stressed "the need for close unity between Puerto Ricans and the working class and progressive and democratic forces in the United States for the liberation of Puerto Rico and, at the same time, development of the democratic and revolutionary struggle in the United States itself."

On September 11, Senator Richard Stone (D., Fla.) told the Upper Chamber: "The concept that the leadership down there (in Cuba) has stopped exporting its revolution is rather ludicrous when the just-deposed prime minister of Portugal, after traveling back and forth to Cuba, acknowledged that Castro is his spiritual leader. . . ."

The Senator added that he was putting his colleagues on notice that they may expect a thorough airing of all the issues, "fact by fact, abuse by abuse, torture by torture, and inhumanity by inhumanity."

FURTHER EDITORIAL SUPPORT OF JACK ECKERD

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. YOUNG of Florida. Mr. Speaker, last week I informed my colleagues about an attack by the Americans for Democratic Action on Mr. Jack Eckerd, who is being considered for nomination to head the General Services Administration.

I would like to add to my remarks of last week an additional editorial comment on the ADA-Eckerd situation. In the September 25 issue of Condominium Life, published in St. Petersburg, Fla., Mr. R. Elvil King stated the following in his column, "In My Judgement":

> The Americans for Democratic Action are behaving with their usual irrationality in their opposition to Jack Eckerd's appointment to a high governmental post. Their opposition is based on Eckerd's use of a newspaper ad in his recent campaign for the Senate in which he listed his background in comparison with his opponents. Education, business experience, area of residence, etc. were mentioned, including religion. I see no more wrong with that than with a reference to his opponent's politics or sporting preference. But then, the ADA comes off a bit fuzzy most of the time.

LOS ANGELES ENERGY FAIR

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BELL. Mr. Speaker, in view of the Nation's deep concern about energy and all of the attendant problems, I would like you to know about a project that is under way in my home State of California.

America's first energy fair will be staged at the Los Angeles Convention Center on April 30, May 1 and 2 of 1976. This energy fair will accentuate all kinds of alternative energies and energy conservation technologies. What makes the energy fair unique is that it is directed toward the consumer and not just the scientific community.

The shortage of conventional energies and increased costs have heightened consumer interest in alternative energies and conservation. The consumer is concerned about today and tomorrow—for himself and his children. He reads about alternative energies but has little idea what they really are, how they work or what is available.

The consumer hears on all sides that he must conserve energy but, other than turning out lights, he is confused about how energy can be conserved, both in the home and in industry. He knows what the word "recycling" means, but has little understanding of the overall significance.

The consumer wants mass rapid transit, smaller cars, and technologies to conserve energy and lessen air and water pollution. He wants to know what progress is being made to meet the needs of his changing life style.

The energy fair, in attracting companies in the forefront of development and application of energy technologies, will bring the much-needed answers to the public, and thus serve to educate.

In that the fair will attract knowledgeable industry and institutional investors, it will help the new, the smaller energy businesses. And it will give the large corporations an opportunity to show the public what they are doing to help solve the energy problem. As many as 100,000 persons are expected to visit the energy fair during its 3-day run.

There will be many special attractions, such as top-flight stars in the entertainment field—Academy Award winning director and producer Robert E. Wise is a member of the Board of Energy Fair, Inc. There will be a great debate on nuclear power, with prominent and respected scientists representing both sides, and a nationally known moderator. There will be contests for students of various age levels, through essays and inventions, with top scientists as judges; a senior citizens event; special scientific demonstrations that the public can understand.

In addition, scientific and technological papers on new and impending developments in energy will be presented in a room away from the hubbub of the exhibit hall.

Six distinguished Californians comprise the energy fair advisory committee. They are: the Honorable Tom Bradley, mayor of Los Angeles; the Honorable James A. Hayes, chairman, board of supervisors of Los Angeles County and member of the Project Independence task force; Richard Maullin, chairman of the Energy Resources Conservation and Development Commission of the State of California; Joseph R. Rensch, president of the Pacific Lighting Corp.; Scott Franklin, vice president of the Los Angeles County Federation of Labor, AFL–CIO and president of the Los Angeles County Firefighters; and Dr. Irving Bengelsdorf, director of science communication, California Institute of Technology.

Officers of the Board of Energy Fair, Inc., are: Shirley Solomon, president; Robert Myers, vice president; Donald May, secretary; and Victor Bossen, treasurer.

This type of public event is a major undertaking, but is most appropriate and worthwhile. I wish to commend Energy Fair, Inc.

POSITION ON H.R. 9576

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. GRASSLEY. Mr. Speaker, in anticipation of the House vote today on the bill H.R. 9576, legislation to terminate the GI bill, my office was contacted by many of the Nation's leading veterans organizations. Among the groups supporting the passage of this bill were the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and the Amvets.

I was pleased and proud to see that these fine organizations have maintained the good old-fashioned commonsense which saw them through our country's struggles to maintain freedom. Unfortunately, it is commonsense sorely lacking by many Members of this Congress. These organizations have remembered that when the purpose for a Government program has ended, so should the program.

The GI bill was instituted to provide for the effective rehabilitation of those who fought the Nation's wars. To allow those who had their lives interrupted by their country, often without their consent, to "catch up on lost time," when they returned to civilian clothes. Today our country is no longer at war, nor is our country drafting young men into the Armed Forces. The purpose behind the GI bill has expired, and now, as our veterans groups so unselfishly recognize, it is time for the GI bill to expire.

Our veterans groups have set an example in their support of this legislation which Congress would do well to follow in the future when examining the continuation of other programs whose time has passed.

H.R. 4865

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. DERWINSKI. Mr. Speaker, I rise to briefly comment on H.R. 4865 as passed by the House yesterday and can assure my colleagues that the passage of this bill will result in a needed clarification of the congressional franking laws.

The Congressional Franking Act of 1973, which was enacted as Public Law 93–91, constituted the first major revision of franking law in nearly 200 years, and for the first time the type of mail matter that was permitted and prohibited under the frank was specifically spelled out. This law has been in effect for nearly 2 years, and as the ranking Republican on the House Commission on Congressional Mailing Standards, I can report that the law has worked well and is decidedly in the public interest.

This so-called Franking Commission is directed by the law to issue advisory opinions to Members of the House on the frankability of proposed mailings, to issue regulations governing the use of the frank, and to review and decide upon complaints charging violation of the law.

I believe that the Commission's advisory services have been of considerable assistance to Members of the House and have helped forestall unintended violations of the frank.

The Franking Commission has issued a book of regulations and guidelines which has been distributed to all Members' offices. I urge all of my colleagues to see that their staffs are made aware of these regulations. I also suggest that Members avail themselves of the advisory services provided by the Commission through its staff in room 309, Cannon House Office Building.

The legislation before us, H.R. 4865, would revise the franking law as it applies to the franking privilege of Members who have left office. The existing law, unfortunately, does not distinguish between the authority to send franked mail for an incumbent Member or a former Member of Congress. We believe such a distinction is important, and therefore this legislation would authorize a limited category of mail to be sent under the frank of former Members for the 90-day period following the date on which they leave office. Such mail would be limited to matter on official business relating to the closing of the Member's office.

Under this legislation, the Franking Commission would be authorized to issue appropriate rules and regulations which it considers necessary to carry out the intent of the bill.

Mr. Speaker, I believe this is a proper change in the franking law and was pleased by the House action.

STAR REPORTS COMPUTER CHAOS AT SOCIAL SECURITY ADMINISTRATION

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. ROSE. Mr. Speaker, as chairman of the Ad Hoc Subcommittee on Computers, and with a long-time interest in computers as a positive tool in Government, I would like to call to the attention of my colleagues a series of investigative articles written by John Fialka, staff writer on the Washington Star.

He has uncovered a tangled web of confusion and ineptitude within the Social Security Administration—SSA—and its new Federal welfare program, called supplemental security income—SSI. Within its first 18 months of operation, SSI has admitted overpaying its clients $403,789,830.74, roughly $403.7 million; and this is only a partial estimate based on about 60 percent of all cases handled by SSI. Exactly how much SSI has cost taxpayers in overpayments, duplicate payments and payments to ineligible clients is still not known. In addition, social security caseworkers have discovered an additional $35 million worth of cases in which SSI has underpaid its clients.

SSI STARTS OFF ON THE WRONG FOOT

Social Security's parent agency, HEW, conceived SSI as a simplification of the Nation's welfare system. It would merge the 1,149 State and local systems into a central, federalized, and completely automated welfare system. Social Security's huge computer bank, its years of computer experience, and its unbesmirched reputation as one of the Government's most efficient agencies lent an aura of success to the new operation. The aged, blind, and disabled people who qualified would be sent a gold check in the mail every month, eliminating complications and embarrassing trips to local welfare agencies. The checks come from the Federal Treasury, averaging $157 for singles and $236 for couples; regular social security retirement benefit checks, which are green, would come from a trust fund maintained by deductions from workers' pay.

SSI's idealistic objectives and its hopes of success were tainted from the beginning by last-minute changes and by competing factions which tried to use SSI for their own ends. For HEW, SSI served as a vehicle to tighten its control over SSA, which considered itself an elite, sacrosanct organization. Within HEW, rivalry between bureaus resulted in overlapping, contradictory memos and orders about SSI which were sent to staff workers in the branch offices of Social Security that would actually perform the interviews and fill out the forms.

Because of the avalanche of conflicting instructions, staff training materials were hopelessly inadequate, described by Fialka's sources as "a joke," and "funny if they were not so tragic." For HEW Secretary Weinberger and the Nixon administration, SSI was an exercise in "lean" bureaucracy; by stages, the initial estimate of 30,000 employees for SSI was cut to 15,000. This cut in staff meant that it was impossible to inform all of the potential recipients in the Nation of their eligibility. An even worse result of understaffing was that social security did not have time to "interface," or connect, its regular retirement beneficiary files with the files of SSI recipients. Such an interface still has not been made, would save a substantial amount of money, since regular social security payments reduce SSI checks.

Congress further complicated the situation at the last minute by deciding to "grandfather" those people on State and local welfare roles who would get more. It decreed that social security should incorporate the old State and local laws into the new system; the States would then be required to supplement the Federal money with amounts determined by social security computers and included in the monthly SSI checks. The 33 participating States would be billed later by social security. Hours before SSI was launched on January 1, 1974, Congress also decided that new rules were to be applied to 167,000 people who had come onto local welfare roles since July 1973.

As if all this were not enough, the States contributed to the debacle. California vacillated about joining the Federal system for months; at the last minute, it chose to throw its complex State welfare laws and 518,000 recipients onto the shaky SSI bandwagon.

Instead of delaying SSI until the computer system could be tested, Weinberger's pressure and SSA's elitism prevailed. Jay Eisen, a student of SSI's development and counsel to a committee of the California's State Legislature that is studying the problem, said:

> You remember those early missiles, the ones that got two or three feet off the pad and crashed? That was SSI. (W.S., 8/15/75–A–10).

SSI'S ERROR RATE

During the first half of this year, SSI's error rate was 23 percent, and there is evidence that the error rate is getting worse. Agency officials attempted to counter a miasma of unpleasant facts by subtracting underpayments from overpayments, and coming up with a considerably smaller error rate. But even SSI's own experts do not believe this procedure is valid, because once an underpayment is discovered, SSA has to make up the difference, and it is impossible to collect all of the overpaid money.

In a letter to the Star, Social Security Commissioner James B. Cardwell stated:

> On a case basis, the SSI overall error rate is at least comparable to the rate experienced by the states as a whole when they managed the program. On the other hand, the rate exceeds both our original and ultimate objectives for SSI. (W.S., 8/16/75–A–5).

Cardwell went on to say that—

> Given the complexities that have been built into the program, we doubt that we will ever achieve a dollar error rate below 2 or three percent. (W.S., 8/16/75–A–5).

THE STATES FIGHT BACK

When SSI began operations in January 1974, 33 States were participating in the Federal program. The average State increment to the gold SSI checks was supposed to be about $70.

Apparently, in too many cases, the State welfare people gave data sheets on each case to the social security keypunch operators in Woodlawn, Md., who consistently got the numbers wrong—if the data sheet read $60, it would be construed as $600 or even $700. The errors were reported to social security, but they were never corrected, for whatever reason; when various States asked SSI to stop payment on all exorbitant checks, they were told that it could not be done. Aged and disabled people all over the country found bonanzas in their mailboxes, many to the tune of a thousand dollars or more.

According to Deborah Davies of the State department of public welfare in Pennsylvania, 90 percent of that State's 8,100 supplementary were overpaid; she says that the Federal Government owes Pennsylvania at least $4 million in erroneous payments.

Jerold A. Prod of the California department of benefit payments believes that money going to people in California who are completely ineligible for SSI will probably reach $25 million in 1975. California, which represents about 125 percent of SSI's national caseload, charged SSA with overspending $179 million in that State, with about $96 million worth of California's own supplementary money. Each month, social security sends California a computer tape of payments made the month before; the only problem is, Prod asserts, the tapes never match the State records they were taken from. He says the State is not given enough information to track needs and payment levels. Prod said:

> In California, there's no doubt about the fact that we'd have been better off under the old system . . . I've got a state legislature here and I can't tell them what's happening to the money. (W.S., 8/18/75–A–8).

As a solution, California is refusing to pay in full the bill sent by social security each month; according to social security records, California now owes $80.45 million. Thirty other States that joined SSI are presently withholding money until they get explanations and better service. Social security countered with a threat to withdraw funds from other State programs if the States did not pay up.

SSA's practice of overpaying welfare recipients and then billing the States for it has prompted an audit of the situation by HEW under the surveillance of a team of State auditors. The results so far are generally in the States' favor. New York's commissioner of social services, Stephen Berger, seemed to speak for the States:

> It was very difficult to find out what their (SSA's) numbers related to. Now we're finding out that they're not related to anything. (W.S., 8/19/75–A–6).

SSI STRAINS ENTIRE SSA BUREAUCRACY

The chaos within SSI and the continuing struggle to administer it has strained the entire bureaucracy of social security, causing errors to infiltrate other programs. Because SSI is connected with State-managed medicaid programs, a vast number of ineligibles are now receiving medicaid. How much all this is costing the taxpayer is anybody's guess.

In July, some 600,000 to 700,000 overpayment notices were sent to greencheck recipients, informing them that unless they requested a hearing in the matter, Social Security would deduct the money from future checks. To handle the expected hearings, Social Security developed an interview technique called the personal conference that employees will use with dissatisfied recipients. A spokesman for Social Security noted that these regular greencheck overpayments are easier to collect than SSI cases, whose recipients can usually prove that repayment would be a hardship.

One of the Social Security organizations under particular strain now is the Bureau of Hearings and Appeals—BHA. BHA handles clients who believe their claim to benefits has been unfairly denied. BHA is faced with a huge backlog of cases; it now takes an average denial case 8 months to reach a hearing, and at that point almost 50 percent of the denials are reversed.

In this never-ending tragedy of errors, it was also discovered that HEW had overpaid between 2,000 and 3,000 of its own employees. HEW will attempt to tackle this problem on a case-by-case basis, interviewing all the employees involved. Some of the errors date back to 1968, and could involve amounts in excess of $5,000 to $15,000. Some of these expensive mistakes were traced to computer programing, others were contributed by personnel workers.

Because SSI is extremely overloaded and has a backlog of lost cases, there is some concern over the possibility that the system is vulnerable to fraudulent abuse, giving employees that opportunity to write cashable checks for large amounts. The system allows district offices to punch cases into the computer in Woodlawn, and enter queries; it was designed for a daily workload of 21,600 queries, but it now handles over 100,000 per day. The agency is looking into a "software" system that would prevent computer abuse during off hours. Protecting the computer from the inside during office hours is a problem that as yet has no solution.

LEGAL STEPS

In late August, a class action suit was brought against SSI by a group of legal services attorneys who charged that their clients had had their SSI payments reduced, suspended, or terminated without notice or explanation. The change usually was due to an attempt by Social Security to recover overpayments. Chief Judge William B. Jones ruled that from now on, all changes must be preceded by a notice sent 30 days in advance, explaining the reason for the change and describing legal processes available to fight repayment on the basis of hardship. The judge also ordered Social Security to send notices to all 4.2 million recipients informing them of their right to a written explanation and/or hearing.

In 1970, in the court case of Goldberg against Kelly, the Supreme Court ruled that the Government could not reduce welfare benefits without providing the recipient with a hearing. When SSI regulations were drawn up, Social Security created three exemptions to this decision. The agency exempted changes in other Government payments, such as regular social security retirement benefits or VA payments; they also exempted cases involving clerical or mechanical error and cases where the recipient admitted overpayment and voluntarily returned the check. Judge Jones struck down all three exemptions, noting that in his opinion, Social Security officials and lawyers "manifested some confusion" over the issues. The judge seemed moved by the condition of the dozen or so plaintiffs in the class action, who were left without money to live on after the cursory and often erroneous SSI check reductions.

SSI problems also continue to surface on Capitol Hill. Senator Claiborne Pell, Democrat of Rhode Island, realized that 70 percent of his staff's contact with constituents revolved around social security and SSI. Pell sent a questionnaire to his constituents and received 10,000 replies—he then drafted the Social Recipients Fairness Act of 1975. This bill requires that nondisability cases reach a hearing within 90 days; if no decision is reached by then, the individual will receive payment. It also limits Social Security's recovery of overpayments by stipulating that no more than 25 percent can be taken from an individual's future checks because of prior overpayments.

Due to complaints by other House Members, the House Ways and Means Committee as well as the Senate Finance Committee under Chairman Russell Long are conducting full-scale investigations into the social security problem. A third SSA study is being carried out by GAO.

Mary M. Schmidt, a GS-10, was a former claims representative for SSA. In an article written for the Star, she says:

> Words cannot convey the uproar that broke out when SSI arrived and made a circus of a once elite bureau. To say we were not prepared is too mild. The errors we encountered were beyond belief. (W.S., 8/24/75-E-3).

What has kept Social Security from collapsing under all its tribulations is vast amounts of overtime. Overtime has been estimated by one source at 8 percent, at a cost of around $50 million or $60 million. Mary Schmidt noted:

> Social security was a full- and over-time job before SSI came along. When it did, our Social Security workload had to be pushed aside. (W.S., 8/24/75-E-3).

Last spring, Social Security suffered an epidemic of retirements at the executive level; some of these retirements are known to be connected to SSI failures and the resulting stress placed on managers throughout the agency. About her resignation, Schmidt said:

> I could no longer tolerate the regulations changing every day, the rip-offs by welfare cheaters and the slow starvation of helpless poor, and the ever-growing sense of disgust. (W.S., 8/24/75-E-3).

As the computer people at Woodlawn suffer untold frustrations, agonies are being experienced by caseworkers at local agencies, who are confronted by recipients and have a more grassroots perspective on problems. As one office manager in Illinois put it:

> The whole thing is still going downhill. They're just now getting a handle on how badly things have been screwed up from the beginning. (W.S., 8/20/75-A-6).

Throughout the disaster, the upper officials of SSA have repeatedly defended their handling of the program, and persisted in perpetuating the old image of Social Security as the elite, most efficient agency in the Federal Government.

This is a perfect example of the misuse of technology, and I hope that my colleagues in the House will consider, carefully, the implications of using this technology without proper planning. Computers can speed our flow of information and make our jobs easier. They can also cause us headaches that will plague us every day. Let us be considerate and respectful of the technology and our own abilities and inabilities to use it effectively.

SUBCOMMITTEE ON CRIME TO CONCLUDE HEARINGS ON FEDERAL FIREARMS LEGISLATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the Committee on the Judiciary will conclude its hearings on Federal firearms legislation with its 24th meeting on Thursday, October 9.

The subcommittee will hear the Honorable John Murphy, a Congressman from New York; Nelson T. Shields III, the new executive director of the National Council to Control Handguns, accompanied by James S. Campbell, general counsel; and Charles T. Morgan, director, Washington Office, American Civil Liberties Union.

This hearing brings to a close 8 months of study and deliberation, during which over 200 witnesses from all parts of the country have delivered nearly 4,000 transcript pages of testimony.

The hearing will begin at 10 a.m. in room 2247, Rayburn House Office Building. Those who wish to testify or submit a statement for the subcommittee's record should contact the Committee on the Judiciary, 2137 Rayburn House Office Building, Washington, D.C. 20515.

PRIDE AND CHALLENGE IN THE AMERICAN EXAMPLE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. FRASER. Mr. Speaker, it is a matter both of great pride and great challenge for Americans to know that other countries look to us for leadership in the fulfillment of democratic aspirations. We should be proud that our example is one that others consider to be worth following. And we should feel challenged to exemplify freedom and the basic rights of man in all our actions.

At a luncheon in New York last week given by Secretary of State Kissinger for Latin American Foreign Ministers, I was fortunate to have heard the remarks of the Foreign Minister of Costa Rica, Dr. Gonzalo J. Facio. His words demonstrate the extent to which some nations value the example set by our Founding Fathers. The challenge to Americans was clear when he said:

> The study of your history during these two centuries of independence gives me faith that the United States shall provide persistent support to the men of this Continent who yearn to carve out a true democracy, where social progress is maintained in fruitful economic development, that facilitates the cultural advance of our people.
>
> What I trust then, in this Bicentennial year, is that the United States will lead the American States, and the rest of the underdeveloped nations of the world, into a great adventure of the spirit, a great international partnership with joint responsibilities and mutual obligations.

Mr. Speaker, we must all work to make the United States worthy of this great trust.

I ask that the full text of Foreign Minister Facio's remarks be printed in the Record at this point:

REMARKS OF DR. GONZALO J. FACIO, THE MINISTER OF FOREIGN RELATIONS OF COSTA RICA

Secretary Kissinger: Colleagues, ladies and gentlemen: In the name of my colleagues from Latin America and of the Heads of Missions here present, I thank you, Dr. Kissinger, for this invitation.

It has given us the opportunity to gather for an interchange of ideas, and especially, to listen to one of the bright speeches that the Secretary of State always produces when he deals with interamerican issues.

You have made, Mr. Secretary, very important suggestions, which invite us to meditate. Nevertheless, as we are meeting now in the year of the Bicentennial celebrations, let me deviate from a direct commentary of your speech. I would like to take this opportunity to express some thoughts that a new and recent reading of the Declaration of Independence has brought forth. Because there is no doubt that the importance of this great document, transcends the events that took place in the historic 4th of July of 1776.

THE BASIC RIGHTS OF MAN

In writing the Declaration, the Founding Fathers reasserted their believes in the basic liberties and rights of men. Their ability to transcend and universalize its origin, enabled them to bring forth the first nation in the world to embody the concept of human rights in the life and laws of a society.

Influenced by the philosophers of the Enlightment, specially of John Locke, the

Founding Fathers were driven to reason that the rights to life, to liberty, and the pursuit of happiness, were the patrimony of all mankind, and not only of the English citizens.

It is important to point out in this respect that John Locke spoke about the right of "Life, Liberty and Property," while Jefferson, feeling the sentiments of his people, thought it more appropriate to speak about the rights of "Life, Liberty and the Pursuit of Happiness."

The substitution of the right of property for the right to pursue happiness gave the Declaration its truly revolutionary impulse.

A REVOLUTIONARY DOCUMENT

It may be affirmed that the Declaration of Independence is far more revolutionary in its philosophical conception, than most of the so-called documents produced by the radicals of the left, because it has equipped modern political thought with ideas to build a society where men could be both free and happy.

This thrust for a better life, which the Declaration of Independence called the *pursuit of happiness*, is the fabric of the worldwide Revolution of Rising Expectations, a revolutionary surge that overshadows all other factors in the political life of the Latin American Republics and of the rest of the people of the Third World.

Those of us who follow the teachings of the Declaration of Independence and that stand for the reform of our obsolete social structures, have been fighting to carry on this Revolution of Rising Expectations within the constitutional process of democracy. In this endeavor, we naturally have asked for the wholehearted cooperation of the United States. Not only because your great country has illuminated the road of revolutionary democracy for its own people, but because it is clear to us, that unless the abysmal difference that now exists between the standards of living of the industrialized and the underdeveloped areas, be radically diminished, there shall be no real understanding among us. As Aristotle said: "Lasting friendship only flourishes among equals."

The real challenge, then, that radical movements present to the democratic ones, is that of offering their peoples a workable alternative to totalitarian revolution. An alternative that, being revolutionary in the sense that it has to break with economic and social structures that impede progress, shall, at the same time, preserve the values inherent to human dignity, which finds full expression only in an atmosphere of freedom, as that envisioned 199 years ago by the framers of the Declaration of Independence.

FREEDOM, THE VITAL DIMENSION

The technical problems of economic and social development that confront the people of the underdeveloped areas, have absorbed so much of the time of our governments and citizens, that the most vital dimension of this enterprise has tended to be overlooked. This dimension is freedom, respect for the rights of the individual, effective practice of democracy, as the drafters of the Declaration of Independence so clearly foresaw it.

We risk failure if we continue to forget what is the ultimate goal of our Revolution. It is a movement against the scourge of hunger, disease and illiteracy. But this is only a means to attain a higher goal: that of achieving for the majority of our peoples the right to be heard and to be respected, and to become genuinely integrated into the life of their nation which now they merely inhabit, but which is not really theirs.

A FIGHTING FAITH

Through this Century, free society has been overdefensive, demoralized by the infection of anxiety, staggering under the body blows of facism and communism. Free society will survive only if enough people believe deeply enough in its principles to die for it. Freedom must become, in Oliver Wendell Holmes' phrase "a fighting faith."

During the War of Independence, freedom was a fighting faith which produced a "large resolute breed of men". It acquired its dynamism from communion in action. The exercise of democracy has quickened the sense of the value of the individual. And, in that exercise, the individual found a just and fruitful relation to the community.

We require today exactly such rededication to complete democratic ends, so that the exercise of democracy can bring about a reconciliation between the individual and the community, a revival elan of democracy, a resurgence of the democratic faith such as the one that inspired the Declaration of Independence.

ADVENTURE OF THE SPIRIT

The study of your history during these two centuries of Independence, gives me faith that the United States shall provide persistent support to the men of this Continent who yearn to carve out a true democracy, where social progress is maintained in fruitful economic development that facilitates the cultural advance of our people.

What I trust then, in this Bicentennial year, is that the United States will lead the American States, and the rest of the underdeveloped nations of the World, into a great adventure of the spirit, a great international partnership with joint responsibilities and mutual obligations.

RED CROSS CITATION FOR MRS. MARGARET CARROLL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. DERWINSKI. Mr. Speaker, I call the special attention of the Members to the meritorious action of one of my constituents, Mrs. Margaret Carroll of Palos Park, Ill. Mrs. Carroll was recently presented the certificate of merit by the Mid-American Red Cross for her skillful first aid treatment in saving the life of a victim of knife slashing.

The certificate of merit is the highest award given by the American National Red Cross to a person who saves or sustains a life by using skills and knowledge learned in a volunteer training program offered by the Red Cross in first aid, small craft, or water safety. There are approximately 20 people in the country each year that are so honored with this award.

In Mrs. Carroll's case, she entered a coffee shop on April 29, 1974, and found that a man had been attacked and was bleeding severely from knife wounds. The victim's carotid artery and jugular vein had been severed, causing a loss in blood pressure and consciousness. Mrs. Carroll at once went to assist and controlled the bleeding by direct pressure. When an ambulance arrived, she accompanied the victim to a hospital and assisted the physician in the emergency room. The attending physician, Dr. Peter Jansons, stated that Mrs. Carroll's use of her skills and knowledge had saved the life of 23-year-old Edward Swanson.

Mrs. Carroll is a registered nurse and currently a member of the staff of the emergency room at St. Francis Hospital, Blue Island, Ill. It is obvious that her quick actions on behalf of another human being in distress exemplifies not only her expertise and dedication to her profession but also extreme selfless concern to help her fellow man.

Mrs. Carroll is certainly well deserving of this citation.

VETERANS READJUSTMENT ASSISTANCE AMENDMENTS DESERVED MORE STUDY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. FRASER. Mr. Speaker, on October 6, 1975, the House passed H.R. 9576, amendments to the Veterans' Readjustment Assistance Act. Although I agree with a number of the provisions in that bill, I joined a minority of my colleagues in voting against its passage. I feel that an explanation of my vote is warranted.

H.R. 9576 included two provisions of major importance: A 9-month extension of GI bill education benefits and a cutoff of eligibility for education benefits for persons entering the armed services after December 31, 1975. I agreed in principle with the extension. I have grave misgivings concerning the wisdom of the proposed cutoff.

Earlier this session I introduced legislation—H.R. 4066—which would increase GI bill education benefits from 36 to 45 months. I feel that such an extension would go a long way toward putting the Vietnam era veteran on an equal footing with recipients of World War II GI bill education benefits. In addition to granting veterans with full entitlement an increase in benefits, H.R. 4066 also would provide a commensurate increase for those veterans who, because of injuries or other legitimate reasons, served less than the 18 months required for full entitlement. H.R. 9576 did not provide for equitable treatment for these veterans.

But of even greater importance than the shortcomings I saw in this section of the bill were the serious questions I had concerning the discontinuance of the GI bill education program.

The Veterans' Administration with the support of several veterans organizations has argued that the GI bill is no longer a veterans benefit but rather acts as an incentive for individuals to enter the volunteer armed services. This being the case, postservice education benefits for armed service personnel should be funded by the Department of Defense rather than by the Veterans' Administration.

This may be a valid argument. It deserves careful consideration. And it is precisely for this reason, the need for a more complete study and discussion of the issues, that I voted against the passage of the veterans' readjustment assistance amendments as presented.

Questions as to the Defense Department's intentions and authority in this area should be answered. The effect of a cutoff of benefits on the economy should be considered.

There may be good reasons for a cutoff or interdepartmental transfer of the costs of the education program. But I feel that whatever these reasons may be, they should be aired fully and considered on their merits. Including both an extension of benefits and a discontinuance of benefits in the same legislation threatens the validity and usefulness of the vehicle upon which the legislative body depends—that of free and open debate of the individual issues under consideration.

THE 1966 BACK PAY ACT

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. KETCHUM. Mr. Speaker, yesterday the House of Representatives passed H.R. 7976, a bill which I had the privilege to introduce. It resolves a serious inequity in the present law governing the civil service system by restoring to Federal employees who have been wrongfully fired and consequently rehired all the annual leave they would have earned during the period of separation.

The 1966 Back Pay Act makes a Federal employee who has been wrongfully fired and consequently rehired "whole" in almost every respect. In other words, losses in pay and benefits sustained because of the wrongful action are returned to him. Under the terms of this act, Federal employees receive their back pay, including credit for in-grade increases and general pay raises which they would normally have received. The act also authorizes adjustments in other benefits such as retirement credits for the affected period. However, the one benefit which is not fully restored to the employee is his annual leave. An individual is only allowed credit for the maximum amount of leave permitted under law, which is 30 days. Since it usually takes an employee years to win his case, the amount of leave he would accumulate in that time is bound to exceed the 30-day limit.

The employee who wins his job back receives his pay and all of his other benefits. If the intent of the 1966 act is to entitle him to the same status he would have had if the erroneous personnel action had not been taken, then let him be restored in every respect. I see no reason why an exception should be made in the case of annual leave.

In 1973, Congress passed the Restoration of Leave Act, Public Law 93-181, whereby a Federal employee who loses annual leave because of administrative error, illness or exigencies of the service, is entitled to have his leave restored. Further, the law allows annual leave lost under these conditions to be carried over regardless of the 30-day limitation.

In preparing regulations to implement Public Law 93-181, the Civil Service Commission considered the question of whether leave could be restored when it was lost due to an unjustified or unwarranted personnel action. However, the Commission determined that there was no legal basis to cover such actions under the administrative error concept, particularly since the law did not amend the backpay provisions which limit restoration of leave to the 30-day maximum. My bill very simply amends the 1966 Back Pay Act to allow full restoration of leave.

When leave is lost through an erroneous personnel action, which is not the fault of the employee, it is unfair to make him pay a penalty for the Government's mistake. I commend my colleagues in the House of Representatives for lending their support to a bill which will make the civil service system a better and fairer one.

HARD MONEY HAS FALLEN ON HARD TIMES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the following article by Prof. James Green of the University of Georgia gives a graphic illustration of how inflation caused by Government deficit spending "absorbs and consumes the very substance of productive economic activity and confiscates our savings."

In particular I would like to call it to the attention of those who are screaming about "compassion" for the victims of their very own inflationary deficit spending policies and calling for more of the same—which means, further confiscation of their victims savings and further devaluation of their victims income.

Professor Green's comments, which appeared in the October 28, 1975, Sunday edition of the Atlanta Journal and the Atlanta Constitution, follow:

HARD MONEY HAS FALLEN ON HARD TIMES

(By James L. Green)

We are being had. Fiat money is at the root of double-digit inflationary pressures, our reduced purchasing power and our precarious financial future security.

Lenin once said: "The best way to destroy the capitalistic system is to debauch the currency." We seem hell bent on proving Lenin right.

Fiat money is paper money decreed by the government to be legal tender. It is not backed by gold or silver, nor is it even necessarily redeemable in coin. Silver coins are no longer silver. Currency is backed by the credit of the Federal Reserve and the U.S. government. Demand deposits are private banks' "promises to pay."

Where is our old tradition of "hard money?" Apparently it fled the coop with the Great American Eagle which has lost much of its clout in world money markets.

The 1940 dollar was worth 58 cents in 1967, 42 cents in 1970 and approximates 25 cents today. From 1970 through June 1975, the cost of living rose 44.3 percentage points. Your dollar lost another 15 cents in purchasing power. Where does this put the working man who is striving to take care of his future and to exercise a bit of independence?

In a non-inflationary economy, a working man could, even with family responsibilities, save $1,000 a year. Most of us have done this in the past. Over a 45-year work life, this would, with compound interest accumulating at 6 percent, create a nest egg of $230,000.

Upon retirement, this would yield an income of $13,800, even without touching the principal as long as the man should live.

It is well past time that we recognize that hyperdeficits of governments, hyper-borrowing by private corporations, small business firms and households create hyper inflation. When inflation reached 6 percent in 1970, it effectively canceled out the interest income that was adding to our earned purchasing power. Our savings, in constant dollars, was reduced in terms of purchasing power to the original $45,000 saved.

With a rising inflation rate from 1970 through 1974, $45,000 was reduced further to a purchasing power of $29,250. This brings us back to the reality of a retirement income of $146 per month—a far cry from the $1,150 we could have expected in a non-inflated, stable economy. This represents a loss to each of us trying to provide for our financial future security of $1,000 per month.

In clear and open fact, unless we prevail upon our representatives in the Congress to bring inflation and high taxes, that do not directly contribute to beneficial production, under immediate control, everything we have will be wiped out.

Deficit spending is not simply a temporary shortage of funds that can be covered by a short-term loan at the bank. Deficit spending is more than a money phenomenon alone. Deficit spending adsorbs and consumes the very substance of productive economic activity and confiscates our savings. No amount of newly created money—though it be tons and tons of currency—can take the place of the real goods and services that are consumed by governments and that we are forced to forgo.

We can now anticipate a federal deficit in fiscal 1975 and fiscal 1976 that will exceed $125 billion—in just two years. This is far in excess of savings that will accrue. Hence, more than our savings will be confiscated. Inflation is the most devastating and inequitable tax foisted upon us by our federal government's policies and actions. Some politicians tell us that government gives the people "what they ask for and demand." Is inflation-induced depression, unemployment and confiscation of your savings what you really want?

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. MAZZOLI. Mr. Speaker, due to congressional business in my home district I was unavoidably absent from the House on Friday, October 3, 1975, when rollcall votes 587 and 588 took place.

Had I been present, I would have cast my votes as follows:

On rollcall vote No. 587, Mr. SYMMS' amendment to H.R. 8841 requiring the concurrence of the Secretary of Agriculture in certain actions of the Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act, I would have voted, "no."

On rollcall vote No. 588, Mr. BROWN's amendment extending the Federal Insecticide, Fungicide, and Rodenticide Act for 1 year, I would have voted, "no."

SOUTH KOREA—SQUARELY IN THE MIDDLE

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. MYERS of Indiana. Mr. Speaker, as a follow-up to my recent visit to the Republic of South Korea, I want to share with my colleagues a short article written by Los Angeles based journalist Jim Bishop. Mr. Bishop is a recognized authority on the Far East. This report is part of a series written while visiting Korea and distributed to more than 2,000 U.S. newspapers through the North American Newspaper Alliance:

SOUTH KOREA—SQUARELY IN THE MIDDLE

(By Jim Bishop)

The obstinate and inspiring little nation of South Korea is casting long shadows over the future of the whole world.

From a military and strategical viewpoint, South Korea commands an even more critical position than any Mideast country.

South Korea is where it all comes together in the Far East. She's the central bubble in the boiling pot that contains her perpetual front line enemy North Korea, the U.S.S.R., Communist China, the Republic on China on Taiwan, Japan, Hong Kong, sagging Southeast Asia and the Philippines.

How does South Korea feel about her neighbors? Particularly the two Communist giants, mainland China who came south to the 38th parallel less than 25 years ago and the U.S.S.R. whose port city of Vladivastok is less than ninety miles north of North Korea.

North Korea: On a one on one basis, South Korea's industrial might backed up by her top trained ROK army and U.S. air and ground strength can handle anything North Korea can send south.

After the debacle of Vietnam, South Korea shook. Would the U.S. stand firm to its 25 year commitment to the ROK nation? South Korea's confidence wasn't helped by South Koreans being told in Saigon to come to the U.S. embassy so they could be helicoptered out. No helicopter came.

Concurrently with South Korea's uneasiness, President Kim, II Sung of North Korea, known for his unpredictability and home-grown type of Communism, pressured even more along the DMZ. Massed artillery and rockets that bracket Seoul were moved in despite the protests of UN, U.S. and ROK leaders. The trickle of infiltrators and saboteurs was turned into a southward flow.

Then President Ford and U.S. Secretary of Defense Schlesinger came out with flat uncompromising statements that the U.S. would stick by its commitments.

Sudden stability settled on South Korea. North Korea backed off snarling but not shooting.

North Korea does not want to fight U.S. troops. Red China and U.S.S.R. do not want the unstably directed North Koreans to fight Americans. Result: a stalemate along the 38th parallel. Breathing time for South Korea towards the period, five years off, when ROK President Park says South Korea can stand on her own without American aid.

Mainland China: A South Korean (and American) nightmare is China again crossing the Yalu River. But Korea-watchers feel China has enough internal problems plus pressure from the U.S.S.R. to keep Red China at home for the foreseeable future.

The U.S.S.R.: In the same category as mainland China. A stand off between the two giants prevents North Korea from getting direct aid from Communist armed forces. But the flow of materiel continues. New MIGs, rockets, missiles, tanks, ships all force the ROKs to keep up.

Japan: South Korea is perfectly agreeable to guard Japan's flank and to provide outside security for Japan's long series of pacifistic governments. But South Korea wishes profoundly that Japan would spend effort in controlling the tiny but terrifying Red Army that has left its stamp in slaughter, hijackings and hostages from Lod Airport in Israel the U.S. Embassy in Belgium. Even more sensitive to assassination plots since the killing of ROK President Park's wife a year ago, South Korea wants no breeding ground for assassins an hour's jet from Korea.

The U.S. would like to see more Japanese armed troops carrying the share of the Far East defense. The South Koreans, after centuries under Japanese domination, want Japan to wipe out the Red Army but not build of its own.

Taiwan: The South Koreans and free Chinese on Taiwan understand and support each other in every way. Both are violently anti-Communist. Both have grown up for 30 years under the fear of invasion by vastly superior enemies. Both are staunch allies of the U.S.

The Philippines: South Korea is profoundly disturbed, as is Taiwan, at the sniffing around of mainland China for Philippine bases. South Korea has no respect or confidence in the Philippines standing firm against a Communist takeover either from inside or outside.

The UN: South Korea's leaders look at the UN with the puzzled amazement of Alice peering through the Looking Glass. "We were kept out of the UN by the Security Council. I went to a map and couldn't even find three of the countries who voted against us," a member of the South Korean Assembly says.

Thailand: Next Southeast Asian country to go under the Communist surge.

Vietnam and Cambodia: "It will never happen here," a Korean general says. "We are a new nation. Every South Korean is against Communism. There will be no 'strategical' retreats in South Korean and our troops won't disappear into the hills. We're here to stay."

Anyone who has seen a South Korean soldier snap to a back breaking attention, present arms and shout, "pil-sung!" will agree. Pil-sung means "we will do it!" or in another meaning, "victory!"

Either way, South Koreans think it applies to their nation.

THE NEED FOR HANDGUN CONTROL

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. MIKVA. Mr. Speaker, I would like to draw the attention of my colleagues to an editorial by Richard Bjorklund which recently appeared in the Lerner newspapers, a chain of independent, community newspapers serving the Chicago area. Mr. Bjorklund expresses the frustrations felt by many who view handgun control as one of the most important issues facing the Nation. I encourage my colleagues to read Mr. Bjorklund's editorial, which I would like to insert at this point:

IT'S TIME TO TAKE THE GUNS FROM CRIMINALS, CRAZIES

(By Richard Bjorklund)

A sincerely concerned North Side banker asked, "Can't we get gun control after these two assassination attempts on President Ford?"

"Probably not," came the answer, "because gun nuts and the National Rifle Assn. have blocked gun control successfully in the past, even after the gun killings of John and Robert Kennedy, Martin Luther King Jr., and a host of American leaders, including Abraham Lincoln."

While the banker's plea sounds reasonable, the United States is a country whose gun policy is controlled by crazies and the National Rifle Assn., which has about one million members.

Consider that more than 80 per cent of Americans favor gun control, but that their wishes are overridden in Congress and in state legislatures by the 20 per cent who make up two gun-crazy factions in the country.

Lunatics and criminals don't want gun control because such laws would control their guns. National Rifle Assn. members don't want gun control because such laws would prevent them from keeping weapons they claim they need to protect themselves from criminals and lunatics.

That means that most of us are caught between two armed camps, threatened with death and injury by crazies of the left and crazies of the right.

If citizens and legislators didn't learn the necessity of gun control from successful assassinations and thousands of gun murders committed in this country each year, why would they change because two fanatics tried unsuccessfully to kill President Ford with guns?

The finality of a lethal gunshot has never been understood by cowardly thickheads who say they have a right and an obligation to keep guns in their homes "to protect my family." How often we hear of people killed or maimed by guns kept for "protection" and how seldom we hear of cases in which such guns have served to deter, detain or dismember a prowler.

Clearly, the continued blocking of gun-control legislation is a mark of a sick, controlled society following a fearful and fearsome minority who keep guns to protect themselves and who keep guns to deliberately kill others.

In order to take down this gun-oriented syndrome, there are some steps toward gun control that ought to be taken now:

Rescind the rule that off-duty policemen carry their guns. Decent policemen don't want to carry guns off duty, but drunken policemen do and are often involved in senseless tavern shootings.

Take guns away from untrained, careless security guards who stupidly wave guns even when they're unloading money in crowded business districts. If policemen and military policemen don't walk around with weapons waving, why should that privilege be accorded to marginal types hired by security services?

Offer a bounty for turned-in weapons, as Baltimore did with considerable success. Every weapon turned in and melted down makes society safer.

Stop providing federal ammunition to the National Rifle Assn. and other gun-nut groups. Taxpayers should not pay to support the mania for guns.

Finally, it will take concerted efforts by the concerned banker and all like-minded people to overcome the determined minority of criminals and gun nuts.

People sincerely concerned about guns should offer resolutions in their civic and fraternal groups to counter the organized lobbying of the National Rifle Assn.

Legislators, weak-kneed in the face of pressure, should be convinced by lobbying by the 80 per cent of us who have our full senses that guns should be taken away from street gangs, rapists, robbers, murderers and gun-crazy people who disregard the safety of society.

TRIBUTE TO MICHAEL DE SILVESTRO—A FRIEND OF AMERICAN LABOR FOR 50 YEARS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BIAGGI. Mr. Speaker, on Saturday night, October 11, I will have the distinct honor and privilege to sit on the dais at a dinner honoring a personal friend and a friend of all American labor, Michael De Silvestro. Mr. De Silvestro presently holds the position of secretary-treasurer of the International Brotherhood of Painters and Allied Trades, and has announced his plans to retire, effective January 1, 1976.

Mike's retirement will mark the end of an impressive and productive career in service to American labor. His career has spanned almost 50 years, most of which were spent with the International Brotherhood of Painters and Allied Trades. He has held his present position as secretary-treasurer for the past 4 years, and in this capacity is in charge of the fiscal matters of the 210,000 member union.

Mike's longevity of service to the International Brotherhood of Painters and Allied Trades is based on a number of factors. Without question, the two most important are his unending quest to work on the behalf of the American worker, and his personal traits of integrity and loyalty which have earned him the respect and acclaim of not only the members of his union, but others in the American labor movement as well.

New York City, which has had a history of producing labor leaders, is proud to hail Mike De Silvestro as a native son. Born in the Lower East Side of Manhattan, Mike learned early that survival was based on the ability to meet all challenges. Mike has had many in his life, and has faced each one successfully.

Mike De Silvestro began his career in labor with his initiation into local 874 of the International Brotherhood of Painters and Allied Trades in 1926. Within the short period of 6 years, Mike was elected financial secretary of the local. From this position, he embarked on a career in administrative service to the union which has lasted 44 years.

Mike served with distinction in other capacities as well, including business representative and secretary-treasurer of district council 9 which serves New York and New England. From 1952 to 1971, Mike served as general vice president of the third district of the International Brotherhood of Painters and Allied Trades. While holding these various positions, Mike was responsible for many innovations which enhanced both district 3 and the international union as a whole.

He was rewarded in 1971 for his outstanding career of service, when he was unanimously elected general secretary-treasurer by the general executive board of the International Brotherhood of Painters and Allied Trades. At their recent general convention, he was unanimously reelected secretary-treasurer.

Surely, one of the major groups contributing to this Nation's strength is comprised of its working men and women. These people rely on their officials to effectively represent their interests. The members of the International Brotherhood of Painters and Allied Trades are indeed fortunate to have had such a man as Michael De Silvestro to work for them.

Mike's dedication and service to labor only begins with his work in the international brotherhood. An ardent trade unionist, Mike served on the Governor's Labor Advisory Board under the former Gov. Nelson Rockefeller. In addition, he has given his support and efforts to a number of worthwhile social and civic endeavors. Particularly admirable, is his work to raise funds for boys clubs across this Nation.

On Saturday night I, and hundreds of others will salute Mike De Silvestro. The assemblage will constitute but a fraction of the many friends and associates Mike has accumulated in his more than 50 years of devotion to the labor movement. We will all be there to salute an extraordinary man, unselfish and totally dedicated to improving the quality of life for the worker in this Nation.

On October 11, I will salute a very dear and personal friend. My association with Mike goes back many years, during which time we have shared an excellent working relationship and friendship. The quality of loyalty he possesses, has not only made him successful in his career, but has also made Mike an exceptional and important friend.

The retirement of Michael De Silvestro marks the end of an important half century of work with American labor. He has accomplished much and is deserving of a peaceful retirement. I know his wife Jean and his two children Francine and B. Michael are looking forward to their extra time with Mike. Yet his retirement will be sadly felt by his beloved International Brotherhood of Painters and Allied Trades as well as the American labor movement. I am sure they will join with me in extending to Mike the very best wishes for a meaningful and healthy retirement.

ELECTION FUND MAY BE SHORT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. FRENZEL. Mr. Speaker, last Saturday's Washington Star carried an interesting article by Mr. Warren Weaver, Jr., of the New York Times News Service, indicating that there may not be enough cash in the checkoff fund to pay the full election campaign subsidies mandated in the Election Reform Act of 1974.

There is in the checkoff account now about $62 million which has been accumulated in checkoffs over the past 3 years. The Treasury estimates that another $40 to $50 million will be accumulated in 1976. The total available for the 1976 elections will be something over $100 million.

The amount of $44 million has to be reserved for the nominating conventions and the expenses of major party candidates in the general election. That will leave about $60 million for all primary candidates who qualify and for third party or independent candidates in the general election. With the hoards of would-be Presidents announcing their candidacies, there is strong doubt as to whether each of these candidates will be able to get the matching funds promised them under the 1974 law.

With the fund in such perilous condition, I believe it is unwise to be considering legislation to provide public financing for Members of Congress too. It would certainly seem to be the wiser course to see how the 1976 election work out and find out whether there is going to be any checkoff fund left. The Washington Star article follows:

Checkoff Fund Gets Into Bind

(By Warren Weaver Jr.)

The Treasury Department might not have enough cash in a special account next year to pay full campaign subsidies to all the 1976 presidential candidates eligible to receive this new political benefit.

According to the Federal Election Commission, there is now $62 million in the special account to finance these subsidies, the product of dollar checkoffs by taxpayers over the last three years.

The Treasury anticipated that another $40 million to $50 million will go into the account as a result of tax returns filed April 15, for a total of $100 million to $110 million available for all federal contributions to the political campaign.

But this fund could be strained or exhausted because so any candidates have decided to compete in the presidential primaries.

Any candidate raising $5,000 in each of 20 states in contributions of $250 and less becomes eligible to receive up to $5 million in federal matching payments to help finance his primary campaign.

But the Treasury must also be able to provide $20 million each for the general election expenses of the Republican and Democratic nominees and $2 million each for the cost of the two major party conventions, or a total of $44 million.

Subtracting this from a total fund of, say, $105 million, including 1976 receipts, leaves $61 million for primary payments to candidates. At present, eight Democrats and one Republican have announced their candidacy; two more Democrats are certain additions, and one Republican is a strong possibility.

This would make 12 candidates. If all qualify for subsidies and raise the full amount for matching, they could claim $60 million from the fund, leaving it virtually bankrupt.

The situation is actually more serious than this, because the new campaign law includes a cost-of-living adjustment, keying the spending ceilings and the size of the federal subsidies to the consumer price index, with 1974 as the base year.

Authorities now estimate the percentage increase in the price index during 1975 will be at least 8 percent. As a result, the 1976 potential primary subsidy would rise from $60 million to $64.8 million. The payment for the two major party general election campaigns would rise from $40 million to $43.2 million.

The new campaign law anticipates the possibility that there will not be enough money in the Treasury fund to provide full primary matching for all candidates; each would then receive a pro rata share of what there is.

Not all of the potential presidential contenders may be able to qualify for matching funds. Seven currently claim to have raised the necessary amount, and election commission auditors are now examining their books to test those claims.

They are President Ford, Sens. Henry M. Jackson of Washington and Lloyd M. Bentsen of Texas, Rep. Morris K. Udall of Arizona, Gov. George C. Wallace of Alabama, former Gov. Jimmy Carter of Georgia and Sargent Shriver, the 1972 Democratic vice-presidential nominee.

Wallace has not decided whether to accept partial federal financing for his primary campaign. If he rejects it, the situation would be eased.

Democrats who have announced but who have not yet reached the qualifying goal are former Sen. Fred Harris of Oklahoma, former Gov. Terry Sanford of North Carolina and Gov. Milton J. Shapp of Pennsylvania. Sen. Birch Bayh of Indiana is expected to announce when he has raised enough money to qualify.

Former Gov. Ronald Reagan of California has not yet announced whether he will challenge Ford for the Republican nomination, but his backers confidently predict he will and anticipate little trouble in obtaining enough contributions to qualify.

THE UNHEALTHY SIDE OF THE NATIONAL HEALTH SERVICE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CRANE. Mr. Speaker, it is ironic indeed that at the very moment when many Americans are seriously considering the substitution of some form of nationalized medicine for our traditional private practice system that thoughtful doctors and patients in Great Britain, which has lived under socialized medicine for some time, are considering options which are precisely the opposite.

The fact is that socialized medicine in England has produced a dramatic shortage of hospital beds and facilities, long waiting lists for necessary treatment, and tremendous budget deficits. It is hardly a system worthy of emulation.

The very patients about whom American advocates of nationalized medicine are so concerned—the poor, the old, the infirm—are the very ones who suffer the worst treatment in England.

Writing in the London Daily Telegraph, Dr. Anthony Partridge, formerly a general practitioner in the National Health Service and now in the hospital service, notes that:

> If I were permitted just one reform in the National Health Service, it would be the abolition of the method of paying the general practitioner by capitation fee because this is so cruel to the really sick or old patient, who tends to be unwanted and is often neglected by this system. These are the very patients who need all the energy, skill, and kindness which is possible to give. But, sadly, they don't often get it. They are frightened and inarticulate, and terrified to complain in case their scanty service gets worse.

Dr. Partridge advocates a return to freedom. He writes that:

> Dukes, dustmen, charwomen and chairmen, should all be private patients. The doctors should only be paid by the patients for work they do. The Government's financial support should be by insurance, refunding a proportion of the costs to the patient on a means test. . . .

If freedom were restored to British medicine, Dr. Partridge notes:

> Sick patients would be well looked after, and become important patients. Good doctoring would be rewarded. Bad and lazy doctors would have to work again. . . . Government costs would drop enormously. . . . One standard of medical care for everyone—the best—would surely be appreciated by Socialists and Conservatives alike.

I wish to share Anthony Partridge's thoughtful analysis. "The Unhealthy Side of the N.H.S.," as it appeared in the London Daily Telegraph of May 3, 1972, with my colleagues and insert it into the RECORD at this time:

THE UNHEALTHY SIDE OF THE NHS

(By Anthony Partridge)

If I were permitted just one reform in the National Health Service, it would be the abolition of the method of paying the general practitioner by capitation fee because this is so cruel to the really sick or old patient, who tends to be unwanted and is often neglected by this system. These are the very patients who need all the energy, skill and kindness which is possible to give. But, sadly, they don't often get it. They are frightened and inarticulate, and terrified to complain in case their scanty service gets worse.

Doctors are ordinary people. There are some extremely nice doctors and some dreadful ones; but most are decent people who have to make a living. I know it is not done to wash dirty medical linen in public. But I think it is necessary and well overdue; and I apologise to the many good doctors who are destroying themselves trying hard to make this capitation system work. They are trapped by the system and I am not getting at them: only at the system. The system forces many of these ordinary doctors to do bad work. They thus join the really bad doctors who prosper under the system by avoiding sick patients, ducking visits by telephone consultations, and referring all the work to the hospital.

General practitioners for most part of their income are paid £1·40 a patient a year gross. This is the capitation fee; and it has to cover expenses such as cars, telephone, and so on. They are permitted a maximum number of 3,500. This number can be "managed" but certainly not cared for. In recent years there has been a salary element added, which still does not help the sick patient.

It is quite impossible to do the work. The bad doctor does not do good work on the first 1,000 and then bad work on the next 2,500. He does bad work on them all. Here is a common description of how it is done. He sits at his desk with a fountain pen in his hand—his only necessary instrument—with his eyes down; he rarely raises them until the end of the surgery. I call it medical bingo. As the patient comes through the door he asks: "What's the matter?" The patient says: "I've got a cough." Remedy—cough mixture, antibiotics and come back in a week. But no examination. The bad doctor's finger is on the buzzer for the next patient. Patients file through at about three-minute intervals.

Under the capitation system a doctor prefers not to take on a new, sick, time-consuming patient. To make it personal: suppose you live on the coast, and your old mother is discharged from a London hospital with advanced and incurable cancer. She comes to you to spend her last few months of life, and you ask your doctor to take her on his list. He has got to look after her for £1.40 gross, supply his car, visit her night and day—transfuse hope and comfort into her, and he may well have over 3,000 patients—so this patient is not wanted.

He will probably offer suitable condolences and make the point that she needs great care and kindness; but he regrets that with his huge commitments he is unable to give her the necessary help, and suggests you try doctor so-and-so who has a smaller list. You may take her medical card from doctor to doctor in vain.

Another evil of the capitation system is that, because there is no reward for good service, the bad doctor over-prescribes. He gives potent and dangerous medicines to undiagnosed patients he has not examined. He gives large quantities at a time, in order to stop the patient coming back for months. Worse, these consultations are often done over the phone to avoid a visit.

For repeat medicines, many doctors leave ready signed prescription forms which their receptionists fill in. Huge quantities of medicaments are prescribed, in place of a proper examination, by way of a peace-offering to patients who have waited weeks for an appointment for a three-minute consultation. This practice often leads to disaster.

Why should an intelligent patient have confidence in a doctor who has neither looked, listened nor examined him? Good medical practice takes time and a considered diagnosis cannot be made in three minutes.

UNECONOMICAL QUALITY

In a small practice of about 1,500 patients a doctor can give a good service. But he does not make a living. So there it is: good service, no living; bad service, good living.

In economic language, there is no consumer control. Doctors are getting thin on the ground, with big lists; they are independent because they are well paid by the Government. Patients dare not complain, because perhaps no other doctor will take them on; and they realise that sick patients are a loss to the doctor.

Contrast private practice, where a patient is paying 25p or £5. The patient is always listened to and examined. The doctor then speaks from strength and the patient believes in him. The patient is reassured that he has not got cancer, tuberculosis or some other medical disaster and does not require expensive drugs as a *placebo*. Further, the patient gets consistent personal care.

And now to remedies. Dukes, dustmen, charwomen and chairmen, should all be private patients.

The doctors should only be paid by the patients for work they do. The Government's financial support should be by insurance, refunding a proportion of the costs to the patient on a means test. (Dirty word I know, but wait . . .) The Government's share of the bill could be assessed by a system similar to the income tax code number—a means test which has been accepted politically by all. The really low income brackets could have 100 per cent refunds; or, in this poor group, the doctor could bill the State direct. Certain named chronic illnesses might deserve special treatment. The surtax payer might get 15 per cent refund or nil. In this rich, compassionate country, everyone should have the dignity of being wanted as first-class citizens when they are sick. To have two standards of medical care is wrong.

It must be agreed that there is no perfect way of paying doctors. All systems have some objections, but none can be as objectionable as the capitation system. This system is very convenient for the health authorities. They have worked it in part since 1911 and in full since 1948; administratively it is easy. Administrators are the power behind the scene and they will earbash successive Conservative and Labour politicians to keep the system going. They will defend it with convincing argument, forgetting the human side.

The only way to restructure this Health Service is a massive outcry from the well patients. All of us. The sick are too frightened and inarticulate. The medical profession, to its disgrace, has not done it in 24 years, though it must know it is bad.

And now, to sum up the benefits which would follow in the NHS by getting rid of the capitation system and replacing it with some kind of State British United Provident Association.

1. Sick patients would be well looked after, and become important patients.

2. Good doctoring would be rewarded.

3. Bad and lazy doctors would have to work again.

4. A lot of the general practice workload which is being done by the hospitals would return to general practice.

5. Hospitals would be able to concentrate on the more serious problems, because they would no longer be cluttered up with general practice work.

6. More personal, less group, care for the patient.

7. More job satisfaction, which would do a lot to stem the emigration of 500 doctors a year.

8. Government costs could drop enormously leaving the much needed money for developing other NHS "Cinderellas," such as mental hospitals. Why? Because: drug bills would drop as patients would be examined again and not herded through, placated with pills and patients would protect the Government's bill cost for care as they would be paying a fraction of it—Consumer control!

9. One standard of medical care for everyone—the best—would surely be appreciated by Socialists and Conservatives alike. Is this a political issue?

CANADA, THE THIRD WORLD AND THE LAW OF THE SEA

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. EDGAR. Mr. Speaker, the law of the sea is one of the most important policy areas in which the United States is involved. One of my constituents, Dr. John J. Logue of Villanova University, has gone into this issue very deeply.

I think Members will be interested in the text of a lecture which Dr. Logue gave to the Society for International Development in Ottawa on March 11 of this year. It is entitled, "Canada, The Third World and the Law of the Sea." During the same Ottawa visit he gave shorter versions of the same talk to members of the Canadian Parliament and to a national audience on a Canadian Broadcasting Corporation television program.

I should like to add that Dr. Logue is director of Villanova University's World Order Research Institute and that in the summer of 1974 he served as chairman of the nongovernmental organization observers at the Caracas session of United Nations Conference on the Law of the Sea. He has lectured on the law of the sea in 11 countries on four continents. Dr. Logue believes that the national interest of the United States—and of Canada—is best served by adopting an approach to the law of the sea which stresses international cooperation and the strengthening of international institutions.

The text of the lecture follows:

CANADA, THE THIRD WORLD AND THE LAW OF THE SEA*

(By John J. Logue)

It is a great pleasure and privilege to come back to Canada in order to give a second lecture on the Law of the Sea. It is a special pleasure to accept the invitation of the Society for International Development to speak on the subject of "Canada, the Third World and the Law of the Sea." Since my last visit, in February of 1974, I have spoken on the law of the sea in eleven countries on four continents and had, last summer, the honor of serving as chairman of the non-governmental organization observers at the Caracas session of the United Nations Conference on the Law of the Sea.

When I spoke at Queens University last year I said I believed that the thousands or billions of dollars of ocean mineral wealth could and should provide "a trillion dollar opportunity" to promote Third World development, to promote peace and to promote ecological sanity. A year later I still believe that a substantial part of that wealth can and should be regarded as "the common heritage of mankind" and become a major force for the kind of economic and social progress to which your society is devoted.

You have asked me to comment on Canadian ocean policy. I am afraid I am going to say some things that some Canadians may not like to hear. I can only plead—with Edmund Burke—that the best way I can demonstrate my admiration and affection for Canada—a nation which has made so many contributions to the cause of peace—is to tell you what I really feel. Let me stress that I speak only for myself. I am not and never have been a member of the U.S. delegation. Indeed in my own country the few people who know me—or know of me—know that I am a severe critic of U.S. ocean policy. I have criticized that policy in my book *The Fate of the Oceans*, in articles, in lectures, in testimony before Congressional committees and in public and private exchange with my country's ocean policy makers.

In my trips abroad I was frank with my audiences and I will try to be frank with you. In the Norwegian Stortinget last May I told a group of parliamentarians that I thought Norway should agree that the international community should get a substantial share of the offshore oil she now claims as her exclusive property. In August, at the end of the Caracas Session, I told a press conference that while I thought it very appropriate for the delegates to celebrate, as they did, Simon Bolivar the Liberator I wished they had also celebrated Bolivar the Unifier. For in my judgment Bolivar the Unifier would have deplored the nationalistic tendency of the Caracas Session.

In Britain's House of Commons last November I told a committee of parliamentarians I believed Britain ought to contribute some of the revenues from North Sea oil to a world common heritage fund. As you know all—or almost all—of that oil is in waters less than 200 meters deep. And in January of this year I told the Indian Society of International Law—and high government officials—that I hoped India, a poor nation blessed with a very long coastline—would lead a movement away from the exclusive economic zone and help revive the idea of the common heritage. Needless to say such a policy would require some sacrifice on the part of India.

The central thing I want to say to you this evening is that I believe Canada is the most influential force for nationalism in the current negotiations for a law of the sea treaty. And the basic message I want to leave with you is that I hope Canadians will take a closer look at their country's ocean policy and ask themselves whether this ocean nationalism is not a radical departure from Canada's great tradition of internationalism. And it is my hope that your great prime minister will reexamine Canadian law of the sea policy and then direct it into channels which would more adequately reflect his own deep concern for peace, for justice and for Third World development.

What I want to say to you was said much better by a poet. T. S. Eliot said somewhere—and surely it is one of the most cynical observations on record—that there is only one thing worse in life than not to realize your dreams—and that is to realize them! Fortunately what Eliot said is not always true. But sometimes it is true. Personally I feel that it will be true of Canada if her ocean policy makers realize their dreams.

For years now Canadian diplomats have been working for a new law of the sea, a law of the sea which would give coastal states the overwhelming share of ocean resources. That dream is almost a reality. The Law of the Sea Conference may soon agree that all of the twenty thousand billion dollars of oil and gas within 200 miles of coastal states belongs to these coastal states. And coastal states will probably get all—or most—of the fish off their shores. Should this happen, Canada can claim a large share of the credit—and, of course, an immense share of the wealth. But I believe Canada will come to regret, deeply regret, that policy for it will make it much harder to build development, to fight pollution and to build peace.

Your diplomats have helped persuade Third World states that law of the sea policies which will bring great rewards to Canada will, by some unexplained logic, be wonderful policies for the Third World. In the short run those policies are good for Canada, the second largest country in the world, a nation with tremendous wealth off its shores. But they are bad, very bad, for most of the Third World. For those policies are helping to kill the promising idea that a substantial portion of ocean mineral wealth will be treated as "the common heritage of mankind." And only through the common heritage idea can most Third World countries hope to get any meaningful share in "the real ocean mineral wealth," i.e. the wealth within 200 miles of shore.

Somehow—but Canadian diplomats do not and cannot explain how—200 mile exclusive economic zones (and exclusive economic zones which go far behind 200 miles) are supposed to be good for all states, even land-locked states, shelf-locked states, steep shelf states and short coastline states. As with Adam Smith's laissez-faire economic system the beneficence of this 200-mile EEZ must be taken on faith. It cannot stand close scrutiny. And so one hopes that Third World leaders, who have seen the ideology of laissez-faire economics for what it is, a disguise for the interest of the "have" classes, will see the arguments for the EEZ for what they are: a disguise for the interest of a few geographically fortunate states, many of them already very rich.

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*This article is an edited version of the lecture which Dr. Logue gave to Canada's Society for International Development in Ottawa on March 11, 1975. He gave shorter versions of the same lecture to a breakfast meeting of 25 Canadian parliamentarians in the House of Commons and to a seminar at Carleton University. He also spoke on Canadian Broadcasting Corporation's TV program "Viewpoint" and on CBC Radio's "As It Happens." Dr. Logue is Director of Villanova University's World Order Research Institute.

There were many obstacles in the path of coastal states as they worked to have international law sanction their immense claims beyond the traditional three-mile territorial sea. Traditional international law held that the resources of the sea belonged to no one, were res nullius. But, especially after World War II, coastal states began to grab those resources. As you know, President Truman's famous 1945 Continental Shelf Proclamation was one of the earliest and most influential of those grabs. Most states were a bit apologetic about their grabs and so they justified them at considerable length, citing arguments legal, historical, geological, moral and what have you. The special contribution of Canada's diplomats, or so it seems to me, was not their arguments in favor of particular cases of unilateralism but their arguments in favor of unilateralism itself. As Ambassador Beesley said in 1972: "We do not consider that either the multilateral approach or the unilateral approach should be allowed to predominate on the international scene."

And whenever a regional gathering of diplomats passed a multilateral declaration which would give coastal states exclusive sovereignty over resources one could count on Canada to praise that declaration as "historic." Perhaps one of you can tell me of an occasion when Canada's diplomats expressed regret at an extension of claims by coastal states. I do not know of one such occasion.

Eloquent spokesmen—such as Ambassador Pardo of Malta—argued that a common heritage approach to seabed resources could have made a tremendous contribution to Third World development. In 1967 he estimated that by 1975, this year, ocean wealth could provide as much as six billion dollars a year for international community purposes. And last May he told the Committee on External Affairs and National Defense of your House of Commons that six billion dollars had been a conservative estimate since he thought the common heritage area should begin twelve miles from shore.

How has Canada responded to Dr. Pardo's call for restraint?

To answer that question let me quote from an unusually frank speech which Canada's Minister for the Environment and Fisheries made in the House of Commons on March 4, 1974. In a celebration of Canadian unilateralism the Honorable Jack Davis said:

> We are pushing our limits seaward, pushing them to the edge of the continental shelf, to the continental margin, to the margin including the slope. We are extending our resource base and adding to it by between one-quarter and one-third. We are adding immensely to the total area of land and sea for which Canada is responsible. Our area in acreage terms is being increased by forty percent over little more than a decade.

He went on:

> This is a remarkable accomplishment. It is remarkable when one realizes that Canada in its land mass is the second largest country in the world. The extension of our area of responsibility to forty percent is a great achievement. Our continental shelf is immense. We have the world's biggest continental shelf. We are taking over these great resources, making them ours from the management point of view and, indeed, an ownership point of view, with very little effort and very little attention.
>
> . . . Here is where the action is in terms of the extension of our boundaries; here is where we are increasing our resource base fantastically and in a remarkably short period of time.

Mr. David isn't only celebrating past seizures. He is heralding future ones:

> When our limits are extended to the edge of the continental shelf we shall, physically and economically, be forty percent larger than we are now . . .

He goes on:

> We must push out our limits, especially our resources and development limits, limits connected with fisheries, oil and gas . . .

It is not surprising that ocean nationalism, including Canadian ocean nationalism, has made Dr. Pardo a very disillusioned man. In the summer of 1973 he said that the common heritage would soon be limited to "a few fish and some seaweed." More recently he has described the struggle for ocean resources in the following way:

> The situation now is like sharks smelling blood in the water; they go crazy, attacking the carcass, tear it to pieces—and kill each other; all at the same time. The states are trying to swallow the carcass of ocean space beyond national jurisdiction and, in the process, are very likely to inflict serious injury on themselves.

In my view Canada's law of the sea policy contradicts Canada's great and well-deserved reputation for internationalism. All over the world Canada has been known and respected for its support of international efforts to keep the peace, for its generous assistance to developing nations. That internationalism reflects Canada's understanding that she—and every other nation—has a strong interest in assisting, as Prime Minister Trudeau recently put it, "the two-thirds of the peoples of the world who are steadily falling farther and farther behind in the struggle for a decent standard of living."

Indeed Canada's reputation for internationalism has made it difficult for other nations—including Third World nations—to understand that the 200-mile EEZ is a moral monstrosity which, in its overall effect, rewards the "haves" and improverishes the "have nots." What I have said about Canada is equally true, in my view, of Norway and Australia. They too have great and well-deserved reputations for supporting international efforts of many kinds. And so there has been a reluctance to believe the truth: that all three nations are pursuing very nationalistic law of the sea policies.

It is interesting to speculate as to what the Third World might have thought of the exclusive economic zone if the United States and the Soviet Union had been early and loud supporters of that policy. I believe that the Third World nations would have seen what many of them are just beginning to see, namely that the 200-mile EEZ is great for the superpowers, great for South Africa, beloved by Exxon, exceedingly profitable for Canada, Australia and Norway but very bad for most Third World countries.

Let me stress that I am not talking about sharing fish resources. I am talking about sharing mineral resources. I think there is much to be said for a 200-mile fishing zone under the administration of the coastal state, with or without regional agreements. However there should be, in my judgment, provision for other nations taking some of the catch if the coastal state does not or cannot harvest the maximum sustainable yield. We must distinguish—practically and conceptually—the fish resources within 200 miles from the mineral resources within 200 miles. The problems are quite different.

Fish can and do swim away. They are affected by pollution. It is easy for a distant-water fishing nation to violate international fishing regulations unless the coastal state has the authority and the means to enforce those regulations. The situation is quite different with minerals. The oil and gas, the really valuable minerals, don't move around like fish and they aren't affected by pollution. And keeping foreign rigs out of the waters off your coast is the simplest thing in the world. Rigs are so easy to sabotage that no bank in the world would lend a company the money, perhaps $180,000,000, to put a rig in a place where it had no legal claim to be. Let me add that including fishing revenues in the common heritage would be far too complex since there are so many individuals concerned. Including oil and gas would be relatively simple.

I want to make clear that, as to minerals, I would urge that the coastal state have complete responsibility for administering their exploitation. It would decide whether, by whom, under what conditions and how much oil and gas would be exploited. The coastal state would, of course, get the major share of the revenues from that exploitation. While Ambassador Pardo suggested that the international community get all the revenues beginning 12 miles from shore I would agree with those who urge a maximum international share of twenty percent. However I agree with Pardo that "international sharing" should begin at 12 miles rather than at the very discriminatory 200-meter depth line. There should be contributions from the North Sea, the Gulf of Mexico and the Persian Gulf as well as from the open ocean. After all, the overwhelming proportion of ocean wealth exploitable in the near future is within 200 miles of shore.

I want to stress that I favor a 200-mile economic zone but I am opposed to the idea of an exclusive economic zone. I support the concept of a 200-mile "mixed economic zone" (MEZ) in which the coastal state would be required to contribute a proportion of the revenues from its mineral exploitation within the zone to a World Common Heritage Fund, according to a scale which would be incorporated in treaty articles. The contribution required would be proportional to the per capita income of the coastal state and, of course, to its seabed revenues. States would get assistance from the Fund in inverse proportion to their per capita income.

Let me conclude by saying that I hope Canadians will rethink their ocean policy and ask whether it really represents what Canada wants in this increasingly interdependent world. I hope that Canadians will decide that they can better serve their ideals—and their long-term interests—by leading a movement to revive the common heritage principle and all the bright promise it implies: peace, development and ecological sanity. Such a policy would be more in the Canadian tradition, in the tradition of Lester Pearson and Pierre Trudeau, than Canada's present law of the sea policy.

GOVERNMENT RATIONING OF HEALTH CARE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. McDONALD of Georgia. Mr. Speaker, advocates of a free market in health care have said for years that Government involvement in medicine means Government control over people's health. Indeed this is the very goal of proposals for nationalizing the health-care field. Medical services are not "free," they are provided by highly skilled professionals who have invested tremendous amounts of time, effort and money in developing their skills. So when the Government declares that health care is to be "free," it means that those who provide it are to be enslaved. How else can Government guarantee it is to be available except to coerce the providers?

But they are not the only ones to be coerced, the Government also has a few things in store for the recipients of its "free" services. Everyone who pays taxes will have to pay for the Government medicine—whether they like it or not and whether they get any "free" care or not. And as costs begin soaring out of sight, the Government declares it must "control" them. This is precisely what has happened under the Government medicare and medicaid programs: to allegedly control costs, the Government is setting up professional standards review organizations which will have authority not only to set such things as doctors fees but also to review hospital admissions and "standardize" treatment.

"Free" medicine for the elderly is leading directly to Government rationing of health care to the older citizens of our country. And this is precisely what is in store for everyone under any of the various forms of national health insurance. Nothing is more costly than "free" Government medicine, in terms of both money and health.

The following article by Harry Schwartz from the New York Times of September 16, 1975, explains how Government rationing of medical care is fast approaching.

MEDICAL CARE: "RATIONING" OF SERVICES SEEN

(By Harry Schwartz)

"Vice President Rockefeller has created a ministorm by asserting that government cannot afford to give everyone first class medical care. Mr. Rockefeller's critics feel particularly betrayed because as governor of New York he was an outspoken advocate of national health insurance and a decade ago sponsored the most generous state Medicaid law in the nation.

"The Vice President's critics seem unaware that his present position almost echoes the official stand of the British Labor Government toward the demands on the National Health Service, Britain's generation-old 'free'—that is, tax-supported medical system.

"The Wilson Government's position was put this way earlier this year by Dr. David Owen, the man directly in charge of the National Health Service: 'The health service is a rationed service. There will never be a government or a country that has enough resources to meet all the demands any nation will make on a national health service.'

"Last month the editor of the respected British magazine, New Scientist, gave this description of the bitter reality behind Dr. Owen's words: 'The plight of Britain's Health Service conflicts desperately with the avowedly utopian ideals of its founders. Yet the myth persists—the myth that the NHS not only can but does offer a high and unvarying level of medical care to all members of the community. For most of us, it is only when we join a year-long hospital waiting list, or have to take an injured child to a hospital casualty department on Saturday afternoon, that we realize just how threadbare and starved financially the service really is.'

"But even before Dr. Owen or Mr. Rockefeller had spoken, many medical economists realized that 'free medical care'—that paid for by the government rather than the recipient—is a bottomless pit. No society can supply all the medical care consumers could want and that doctors, hospitals and others might provide if there were no limits on resources. Potential demand for 'free' medical care is infinite; human resources are finite and there is severe competition for these resources from many quarters.

"This conclusion is a bitter one, especially for those Americans captured by the idea that the 'right to health care' necessitates 'free' medical care for all. Efforts to escape the conclusion range from those who see salvation in more emphasis on health education and prevention to those who think it's all the fault of greedy entrepreneurs like those exposed in the nursing home industry and finally those who think the need for rationing can be averted by getting more efficiency through reorganizing the medical system.

"Unfortunately in this increasingly permissive United States there is little evidence that health education has done very much to curb such sources of disease as smoking, promiscuity, alcoholism and drug abuse. The British don't have any Bernard Bergmans but they find demand for 'free' health care outstrips their resources. Moreover, Washington's efforts these past two years to push health maintenance organizations as a cheaper form of medical care have had rather disappointing results so far for those who pushed this solution.

"There can, of course, be economies and improvements in American medicine but there is growing realization among American health care specialists that the gains from these sources are unlikely to avoid the need for hard, even tragic, choices, if medical care is made 'free' for all. A major culprit is medical progress, the advanced technology that permits today's medicine to do so much more than was ever possible for seriously sick people, but at an ever increasing cost with no end in sight.

"The other day a New Jersey father petitioned a court to allow him to have doctors disconnect a respirator that has kept his comatose daughter alive since last April. The father's lawyer said the suit was necessary because the law has never addressed the question of 'When is enough enough?' in the use of complex and expensive modern medical technology.

"When and if we have 'free' medical care the problem will be solved very quick by bureaucratic fiat as part of the rationing system that will inevitably accompany any national health insurance scheme. The machinery for imposing this rationing is already being put into place by the recently enacted laws requiring national planning of medical facilities and imposing utilization controls through the Professional Standards Review Organizations now being formed nationwide. These mechanisms will permit government officials a few years from now to dole out all the national health insurance medical care the budget will allow, a very much smaller amount than the patients of that time will want."

PLUG THE LOOPHOLES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BONKER. Mr. Speaker, as the House Ways and Means Committee takes up the issue of tax reform, it is well to remember that thousands of wealthy individuals and corporations are not paying their fair share in taxes to the Federal Government. This fact is underscored by information supplied by the Internal Revenue Service and the Securities and Exchange Commission that in 1973, 24 millionnaires escaped paying any Federal taxes. At the same time, 15 major oil companies paid far less in Federal income tax than in royalties to foreign countries.

It is no secret that the American public is fed up with this appalling revelation and demand immediate tax reform. A recent opinion poll in my district revealed that over 93 percent supported tax reform and a closing of tax loopholes. Any attempt to enact an effective tax reform measure will, of course, be met with strong opposition from the corporations and millionnaires who personally enjoy paying little or no income tax.

Recently an editorial appeared in the Longview Daily News which highlights this appalling fact. The editorial takes issue with the Democratic Party's victory of 1974 with its pledge of less unfair Federal taxation and its apparent failure to produce any significant reforms. While I agree that tax reform is a top priority, the editorial may be a bit unfair in that the House Ways and Means Committee is currently holding hearings and working on legislation to produce a meaningful tax reform package.

Mr. Speaker, since this is an issue of current interest, I insert the following editorial in the RECORD at this time:

PLUG THE HOLES

Our Federal tax system isn't an open book in which the little guy, the man-in-the-street, or your common man wins. Rather, it is a Sargasso Sea of entangled, special provisions which, if properly navigated by tax lawyers, leads the wealthy into the wide harbors of legal tax avoidance.

These provisions—ranging from assorted tax shelters to depreciation adjustments—are the result of the politics of special interest lobbying. In many cases, they have little or nothing to do with rational economic needs, corporate or national.

Witness the report issued by Rep. Charles A. Vanik, D-Ohio. Drawing from data supplied by the Internal Revenue Service and the Securities and Exchange Commission, Vanik revealed that in 1973 24 millionaires (seven of them earned about $2.5 million apiece) escaped paying federal taxes. In addition, he said there were "54 individuals with adjusted gross incomes of between half-a-million and one million dollars who paid no federal income tax."

Furthermore, Vanik listed the "approximate effective tax rates" paid in 1974 by 15 major oil companies (including Texaco, Mobil and Union of California. "It is appalling to note," he reported, "they paid $9,554,112,000 to foreign countries but only reported $1,309,136,000 in U.S. federal income taxes." In short, the U.S. oil multinationals paid foreign governments about eight times as much tax as they paid their own government.

With the massive Democratic win last November, it was eagerly predicted that at long last the less than fair federal tax system would be wheeled in to face radical congressional surgery. Nothing of the kind happened. Election night vows were soon forgotten; brave reforms died or languish in Senate and House Committees.

The issue of federal tax reform has been somewhat obscured by the daily presence of inflation and the smarting round of local tax bites. But it will again loom large in the 1976 presidential race. And it should. Far too much tax revenue is being lost through far too many unwarranted advantages. Candidates who walk quietly around this issue deserve to have votes withheld from their bids to capture the White House. It is a deduction they will fully understand.

PUBLIC INTRUSION INTO PRIVATE LIVES

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BADILLO. Mr. Speaker, last week, during hearings on the FBI by the Subcommittee on Civil and Constitutional Rights of the Judiciary Committee, of which I am a member, we learned that the FBI has for years been initiating investigative files on people from what they refer to as "soft" data—unsubstantiated reports from informants, or other law enforcement officials. For example, one instance that was cited by Comptroller General Staats during the hearing was the opening of files on two teen-aged high school students simply because they had attended the trial of black militants.

I am not beyond being shocked at the numbing revelations we have been bombarded with over the past months, reports of illegal invasions of individual privacy taken with a total disregard, or, rather, contempt, for the Constitution and the good faith of the people who live under it. And, although it is certainly not a matter to be taken lightly, Art Buchwald's column from Sunday's Washington Post does, with chilling simplicity, go right to the heart of the matter:

"We Have To Destroy Your Rights in Order To Protect Them"

(By Art Buchwald)

I came home the other night from work, and I saw a man sitting on my stoop steaming open my mail.

"Hey, what the heck are you doing?" I demanded.

He took out his wallet and flashed a card. "I'm from the CIA. I'm just checking to see if you're getting many letters from the Iron Curtain countries."

"You're not supposed to open people's mail," I said. "That's illegal."

He looked at me and said, "Sometimes in this business you have to do illegal things to save a legal democratic form of government. We have to know who is planning to overthrow our institutions. We don't like it. But the other side is playing hardball."

"But what's that got to do with my mail? And why are you steaming open a letter from my mother-in-law?"

"How do we know it's from your mother-in-law?"

"It says so right on the envelope," I protested.

"Aha, you say it's from your mother-in-law, but we know the other side always corresponds with its agents through a mother-in-law."

"But you're violating my constitutional rights," I protested.

"If it weren't for us and our vigilance you wouldn't have any constitutional rights. Just how long would this country's form of government last if we didn't violate the law in the name of national security?"

Just then a man walked up to the house carrying a ladder.

"Who the hell are you?" I said angrily.

He took out his wallet and showed it to me. "FBI," he said.

"What took you so long?" I asked him. "Listen, I want you to arrest this man for opening up my mail."

"I can't do that," he said, setting up his ladder so it would reach the second-story bedroom window.

"Why not?"

"I was sent here to break into your house and find out if you're trying to overthrow the government by force."

"Do you have a search warrant?" I asked.

"Nope, that's why I have to break into your house. Hand me that black bag with my burglar's tools in it, please."

"Who gave you the legal right to break into my house?"

"It's not exactly a legal right. You could call it a precedent. J. Edgar Hoover, may he rest in peace, decided the law was too soft on revolutionaries. So in order to preserve the justice system in this country, which the Commies and Fascists would take away from us, he authorized us to break into people's homes."

"But you're supposed to uphold the law, not break it."

He replied as he started to climb the ladder with his black bag, "We can never have law and order in this country if federal enforcement agencies have to obey all the laws. Now if you'll excuse me, I have work to do."

I turned to the CIA man who was steaming open my junk mail.

"That," I said, "I don't mind you doing."

At that moment a U.S. Army staff car drove up, and a colonel with the insignia of the medical corps got out.

"Hi, there," he said, sticking out his hand. "We're conducting a little experiment in the neighborhood, and we were wondering if you would mind helping your country."

"What do you want me to do?" I asked.

"Just eat one of these sugar cubes."

"What's on it?" I asked suspiciously.

"Oh, we can't tell you that. It would ruin the experiment. But I assure you, the knowledge we gain from you eating this sugar cube will help us defend this great nation of ours from all enemies, domestic and foreign."

"If I eat your sugar cube, will you get the CIA to stop reading my mail and the FBI to stop breaking into my house?"

The colonel smiled. "Possibly. But then again after you eat the sugar cube, you might not really care."

200-MILE FISHING ZONE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BONKER. Mr. Speaker, the House tomorrow will be voting on H.R. 200, a bill to extend our fishing zone to 200 nautical miles. The House Committee on Merchant Marine and Fisheries, of which I am a member, has conducted extensive hearings on this subject. The bill was reported out of committee with a substantial vote and is now pending before the House Rules Committee. Meanwhile, the House International Relations Committee recently held oversight hearings to determine the effects of this bill on our international agreements.

Mr. Speaker, the Subcommittee on Fish and Wildlife and Conservation heard from State Department officials and others concerning the Law of the Sea Conference and possible ramifications of unilateral action to extend our fishing zone to 200 miles. Most Members remained unconvinced that the United States or the Law of the Sea Conference would suffer any ill effects if we took this action at this time. In fact, the concensus was that establishment of a 200-mile limit now would, in effect, encourage the Conference to take multilateral action as soon as possible.

The Seattle Post-Intelligencer, in a recent editorial, called for affirmative action on the 200-mile concept presently before Congress. It stated, and I agree, that the United States will be in a stronger bargaining position when dealing with other fishing nations—particularly the Russians—in coming to some kind of agreement on future fishing treaties. The editorial correctly points out that the 200-mile law would automatically be terminated if an acceptable international agreement is reached. And finally, the Seattle P–I asserts that delay will only increase foreign fleet fishing close to the U.S. coastline at a time when our resources are being rapidly depleted.

I believe that it is time for Congress to take action on this important bill and, if necessary, override a possible Presidential veto. The International Relations Committee may issue a separate report on the possible implications of unilateral action by the United States, however one-half day's hearing on this subject does not compare with the 3 weeks of hearings held by the House Merchant Marine Committee earlier. It is my hope that the House will act quickly and affirmatively in behalf of this measure.

Mr. Speaker, I insert the Seattle P–I editorial in the Record at this time:

Two-Hundred-Mile Limit Needed To Protect Fisheries

A bill to extend U.S. off-shore fisheries management to 200 nautical miles is expected to win approval from the Senate Commerce Committee this week.

Sponsored by Sen. Warren G. Magnuson, committee chairman, the bill is designed to protect 25 different stocks of fish—including the Northwest salmon—now threatened with serious depletion. The committee's bill is identical to one which passed the Senate last year by a vote of 68 to 27.

The State Department has made no bones over its view that this unilateral action by the U.S. is, in the words of Sec. Henry Kissinger, "extremely dangerous . . . except as a last resort."

But so far, the administration has not announced whether the President will veto a 200-mile limit if it should win approval in both houses of Congress.

At the White House Conference held here Sept. 4, the President said:

"I believe in the 200-mile concept. The Law of the Sea Conference has been working on an international treaty agreement . . . Congress will wait and see if we can't get an international agreement."

Meanwhile, Sen. Magnuson, supported by most fishermen on both the East and West Coasts, has said that there is world consensus for a 200-mile limit. More importantly, approval by Congress may be the only way to break the deadlock which has been holding back the Law of the Sea Conference from making any real progress.

The U.S. will be in a stronger bargaining position when dealing with other fishing nations—particularly the Russians—in coming to some kind of agreement on future fish treaties. Approval of the 200-mile limit need not wait for the conference to resolve clashes over control of minerals and new source of energy from the sea.

Should the Congress approve the 200-mile limit, the law would automatically terminate if an acceptable international agreement is reached. But for now, delay only helps the foreign fleets fishing close to the U.S. coastline.

"While the diplomats are talking and worrying about manganese nodules and the archipelago theory, our fishing resources continue to be over fished" Senator Magnuson said just before the Commerce Committee was to meet. "The only thing the Law of the Sea Conference was able to agree on when it met in Geneva was to adjourn and meet in New York in March."

For those who believe in the 200-mile concept, approval by the Commerce Committee is proof that the nation is willing to do something about the economic hardship suffered by American fishermen.

Even though off-shore control will not solve all of the problems facing fishermen indeed it is not a panacea—it is a first step in protecting remarkable, but finite, resource.

SCIENCE MUSEUMS—AN EXCITING ADVENTURE FOR ALL

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BRADEMAS. Mr. Speaker, on Saturday, September 27, 1975, the Subcommittee on Select Education, which I have the honor to chair, continued its hearings on title II of H.R. 7216, the Museum Services Act, at the Kimbell Art Museum in Fort Worth, Tex.

Mr. Speaker, when many people think of museums, they tend to think of art museums yet there are other forms of museums which are also exciting and significant.

I speak particularly of science and technology centers, which have proliferated in the United States in the last few years.

Mr. Speaker, science and technology centers have as their goal exposing their visitors to the wonders of science and technology.

On September 9, 1975, the New York Times published two articles dealing with science museums: "Both Young and Old Learning by Doing," by Rita Reif, and another entitled, "Science Museums, Springing to Life, Lodestones for Enthusiastic Public."

Because I think it important that we look at different types of museums in this country, I insert these two articles in the RECORD:

SCIENCE MUSEUMS, SPRINGING TO LIFE, LODESTONES FOR ENTHUSIASTIC PUBLIC ACCENT PARTICIPATION IN PROLIFERATING CENTERS

A revolution is taking place in the presentation of science to the public, young and old. While it is manifest in science centers from Singapore to London, Munich, Prague and Warsaw, it is most dramatically evident at the Exploratorium in San Francisco.

It has not only produced a huge center in Toronto but also a proliferation of small regional ones, some built around a large barn or estate mansion. Their common denominator is in their efforts to expose visitors to science through participation.

They have set themselves apart from research-oriented museums built to house great collections, such as the monumental American Museum of Natural History in New York City. While such institutions play an important educational role, the new science centers place special emphasis on their involvement in the teaching programs of local school systems and even universities.

The Association of Science-Technology Centers, based in Washington, D.C., now has 56 members and associated centers, a quarter of which have been created in the past decade.

A recent tour of some of them has shown many trying to combine art and showmanship with exposure to basic scientific principles. The goal is to make learning about such things a joyous experience—to excite rather than awe.

AIR OF PLAYFULNESS

As Dr. Frank Oppenheimer, founder and director of the Exploratorium puts it, he has sought to create "an atmosphere of playfulness" there, as well as exhibits that, in their perceptual tricks, are literally mind-boggling.

Authoritarian control of visitors is anathema. "Our one firm rule," he has said, "prohibits riding a bicycle among the exhibits."

The temptation to do so would be strong, for the exhibits are scattered in seemingly chaotic manner about the vast floor of the Palace of Arts and Science near the San Francisco waterfront. The cavernous building housed the Panama-Pacific Exposition of 1915, built to celebrate the opening of the Panama Canal and the city's reconstruction, following the 1906 earthquake.

Like his brother, the late Dr. J. Robert Oppenheimer, Dr. Frank Oppenheimer is a physicist, and various aspects of physics—particularly of optics—are displayed in the Exploratorium. One comes away, as well, with a new feeling for the fallibility of human perception.

For example one of the red-jacketed "explainers" who dot the floor will drop a penny into a cavity. The viewers see it fall and then appear suspended in space. Little fingers reaching out to grab it find only emptiness. The image has been projected upward by parabolic mirrors.

One scans a rotating disk on which there is a spiral pattern. The inward spiraling line "sucks" one's mind into an illusion that its center is receding. Then, when one looks away at stationary objects, they all seem to be closing in.

In the morning the explainers are college students or graduates. In the afternoon they are high school students. A cow's eye is dissected every half hour. A crayfish nerve is mounted to demonstrate its electrical behavior to more advanced students.

For a small fee and an advanced booking, visitors can enter the "tactile gallery." Its avowed purpose is to heighten awareness of "the neglected sense of touch."

In total darkness, enclosed by fabric tunnels of various textures, one crawls, wiggles, climbs and slides through a maze, traversing surfaces that are rough, smooth, nubbly, finally sliding into a pit filled with granules.

PLEAS FOR AN ENCORE

The children typically plead for an encore.

While museums, in the last century, evolved as repositories for definitive collections, to be gazed at and admired, they were born of educational motives reminiscent of those responsible for the growing number of science centers. When Elias Ashmole founded Britain's first public museum at Oxford University in 1680, he gave as his rationale:

"Because the knowledge of Nature is very necessarie to humaine life, health and the conveniences thereof . . ." The resulting Ashmolean Museum, designed by Christopher Wren, still exists at Oxford.

Early in this century, the Deutsches Museum in Munich set the pace for the more ambitious such institutions. It was developed with heavy support from German industrialists, and this was reflected in its emphasis on mechanics and industrial processes.

When Julius Rosenwald, head of Sears, Roebuck & Co., visited Munich in 1911, his 8-year-old son was so enthralled by the museum that Rosenwald eventually undertook to sponsor the construction of a similar institution in Chicago.

Like the Exploratorium, the resulting Museum of Science and Industry was—and is—housed in a grand, but insubstantial palace built for a world's fair, in this case the World's Columbian Exposition of 1893. Today, with more than three million visitors a year (three times those for the Deutches Museum), it is among the most popular museums in the world.

Its original director was Waldemar B. Kaempffert, who had quit his job as science writer for The New York Times but later returned as the newspaper's science editor.

SIMULATED COAL MINE

Like its model in Munich, the museum has leaned heavily on industry for its exhibits. Today the products of General Motors, International Harvester and the Bell System figure prominently in the exhibits. Its most famous feature is the simulated coal mine, which one reaches by descent in a typical mine cage to find live "miners" at work.

The museum management is aware of criticism leveled at the commercial nature of its larger exhibits. The newer, smaller additions, such as those on medicine and health, are free of such a taint. Another, on mathematics, sponsored unobtrusively by the International Business Machines Corporation has been rated "excellent" by Dr. David Davies, editor of the authoritative British journal Nature.

Almost identical versions of this exhibit are at the California Museum of Science and Industry in Los Angeles and the Pacific Science Center in Seattle.

As with the Chicago museum, industrial self-promotion is evident in a number of the Los Angeles exhibits. The Seattle center is a survivor of the World's Fair held there several years ago. Efforts to salvage a similar institution from the World's Fair held in New York City's Flushing Meadow in 1964–1965 resulted only in the modest Hall of Science that stands there today.

While the huge American Museum of Natural History on Central Park West is collections oriented, it has assumed increasingly heavy educational responsibility. However, as at the National Museum of History and Technology, operated by the Smithsonian Institution in Washington, D.C., the visitor is asked to look rather than participate.

NO REFERENCE COLLECTIONS

By contrast Boston's Museum of Science has no reference collections and is far more typical of the new generation of science centers. When Dr. Davies took over as editor of Nature in London, following a stint as research scientist in the Boston area, he reviewed the museum as one might a theatrical performance.

He paid special tribute to Bradford Washburn, its director. "Washburn has been successful at persuading the corporate donors to pay without visible returns," he wrote. "The museum is mercifully free of brand-name exhibits . . ." Mr. Washburn, he added, "has an incredible flair for what appeals to the young, and above all what makes them feel at home."

Liberal use is made of volunteer guides and the museum, is mindful of the cultural gulf that must be bridged, as Dr. Davies put it, "when a busload of inner city poor debouches into the arms of a potentially loving phalanx of suburban moms with their biology degrees and their worthy aims." Every effort is made to avoid anything that smacks of classroom discipline.

The favorite exhibit of Dr. Davies and many other visitors is a large hot-air balloon that rides up and down on a vertical wire. On the gound floor it rests over a flame. When the air inside becomes hot enough, it rises past a balcony and hangs aloft until the air cools and it sinks again.

"MOST UN-MUSEUMLIKE"

The museum is an "ashmed compromise" between teaching and entertainment. Whatever it is, Dr. Davies commented, the museum "is full of joy, and the most un-museumlike museum I have yet seen."

On a much larger scale is the Toronto Science Center, with about 1.2 million visitors a year—exceeded on this continent only by the Chicago and Los Angeles museums. The center, only five years old, is brilliantly representative of the new approach.

There are numerous "hands on" (as opposed to the traditional "hands off") exhibits, demonstrating basic principles of science and technology. In contrast to other centers, there are also sophisticated research tools for the benefit of more advanced students.

These include an electron microscope, spectrophotometers, a mass spectrograph, a nuclear magnetic resonance spectroscope and a computerized X-ray diffractometer. The electron microscope, with 500,000-fold magnification, is demonstrated once an hour with television display of its field of view.

Most of the exhibits, like those at the Exploratorium, were built at the center, rather than by industry. With an annual operating budget of about $4-million, roughly 15 per cent of the exhibits can be replaced each year. This feature, typical of the new centers, enables them to follow changing popular concerns and exploit new exhibition methods.

With its relatively ample budget, the Toronto center has a slick, finished look compared to that of the Exploratorium which, in the words of Dr. J. Tuzo Wilson, head of the Toronto center, is operated "on a shoestring." Scientific and academic visitors have given both institutions reviews comparable to the one accorded the Boston museum by Dr. Davies.

The idea that involvement—participation in the experience of discovery—ignites a youthful interest in science is being exploited at a number of other centers.

A community science education program organized by the Franklin Institute in Philadelphia is entitled "Do-It." Its initial series of experiments have been offered in printed form on packages of cupcakes and in newspapers. Other experiments have been developed for television presentation.

At the Lawrence Hall of Science, overlooking the University of California at Berkeley, children release toy balloons carrying stamped, return-addressed post cards to learn regional wind patterns. The cards have been returned from as far away as Lake Tahoe on the Nevada border, Fort Bragg to the north and Bakesfield to the south.

A NEW TYPE OF PLANETARIUM

The center reports "the world's first participatory planetarium," although others are now following suit. Visitors within its small dome find, projected on its horizon, the ring of giant stones at Stonehenge. They are asked, using the facilities of the projector, to deduce why the stones were set up in that pattern.

Since the projector can depict where, in the distant past, the sun, moon, planets and stars rose and set at critical times of the year, the visitors soon guess which celetial events the stones marked.

Through a large battery of computer terminals visitors can vie with the computer in strategic games, attempt a simulated landing on another planet or gamble on the stock market.

Less obvious than the appearance of such large urban institutions has been the proliferation of rural and suburban museums and centers. Typical of these in the metropolitan area are the Garvies Point Museum in Nassau County, the Hudson River Museum in Yonkers, N.Y., the Bruce Museum in Greenwich, Conn., and the Stamford Museum and Nature Center, also in Connecticut.

An example of the many new rural centers is the Squam Lakes Science Center in Holderness, N.H. There youngsters are exposed to a certain amount of basic science and a number of live specimens of the local fauna (including such relatively little known and endangered mammals as the fisher), a functioning sawmill and smithy.

In the last decade scientists have become alarmed at the manifestations of hostility to science by those who rebelled against polluting, ugly and tawdry uses of technology as well as its military applications. The newly created centers are trying, with considerable success, to demonstrate that in science there is also beauty and joy.

BOTH YOUNG AND OLD LEARNING BY DOING

(By Rita Reif)

Science and technology centers, by catering less to passive viewers and more to those who want to be involved in learning by doing, may well be the fastest growing segment of the museum field.

Once Sputnik and the Russian space effort had aroused intense public interest in science education in this country in the late nineteen fifties, museums emphasizing the physical and life sciences proliferated swiftly.

Since 1960, 17 such science and technology centers have opened from New York to Seattle, from Toronto to Mexico City. And three more are scheduled to commence operations—in Amarillo, Tex., Baltimore and Richmond—in time to welcome visitors to Bicentennial exhibits. Five others are in the blueprint stage and expansion programs are under way at a dozen existing institutions. In Indianapolis, for instance, the Children Museum's new $5.5-million building will be dedicated in the fall of 1976. That structure will enlarge the museum's facilities seven times to 210,000 square feet.

SURGE IN ATTENDANCE

The surge in attendance at these institutions has helped make science museums—including those specializing in natural history—far and away the most popular in the country. According to the National Endowment of the Arts' 1972 museum survey, covering 1,821 institutions of all types, 38 per cent of all reported visits were to science museums, 24 per cent were to history museums and 14 per cent to art museums.

Significantly, the number of science museums covered in this study was a mere 16 per cent of the total surveyed, while art museums accounted for 19 per cent and history museums 37 per cent. (Attendance at the remaining 28 per cent of the institutions surveyed, including art-history and other facilities, accounted for the rest, or 24 per cent of all museum visits.)

And the numbers flocking to 25 science-technology centers continued to rocket, soaring 44 per cent in 1973 to 14.4 million visits. The Association of Science-Technology Centers which polled these specialized museums in a study funded by the National Science Foundation, has found that 45 per cent of science-center visitors are of college age or are older, refuting the view that they are primarily for children.

Adults represent an even larger share of visitors to Chicago's Museum of Science and Industry, Victor J. Danilov, the director, reported recently. At that city's top tourist attraction, a museum second in attendance only to the Metropolitan Museum of Art, children comprise 50 per cent of the millions filing annually through its 14 acres of exhibits. Attendance rose from 3.2 million in 1973 to 3.5 million last year and it is expected to be up another 10 per cent this year, Dr. Danilov said.

"The whole focus of learning by doing, by interacting with museum exhibitions, is a modern concept," Joel N. Bloom, director of Philadelphia's Franklin Institute, asserted. "Initially there was a lot of interest in gadgetry and industry supplied the hardware".

The sort of commercialism that resulted, still causes critics to accuse some museums of "renting space" to industrial giants. However, thanks in part to Federal funding and to what Mr. Bloom calls "a basic maturation of the museum profession," industrial donors support programs and exhibitions free for the most part of what had smacked of advertising messages.

FUNDING INCREASE

Actually, a few science centers are receiving proportionately higher subsidies this year than a year ago. Robert Reiley, director of the Hall of Science of the City of New York, reports that funds to the Flushing institution from the New York State Council of the Arts, are up 140 per cent, going from $20,000 in 1974, to $48,000 this year.

Nevertheless, in spite of their popularity, some of the science museums are feeling a severe financial pinch. "We outdraw everything in Boston but the Red Sox," said Bradford Washburn, director of Boston's Museum of Science. But, as popular as is this museum, the recession has brought staff cuts and other financial stresses. "We've lopped a couple of hundred thousand from our operating budget," he said.

Mr. Washburn cautions that unless matters ease and tax-exempt gifts are permitted, or the major private foundations begin to make significant grants to science centers (which he said, they have never done), or there is a phenomenal surge in attendance, the situation for many science museums may reach the critical stage.

Of major concern to science museums is the assistance provided by the Association of Science and Technology Centers, a fledgling organization that came into being in late 1973. Based in Washington, D.C., it serves as a clearing house of information on methods, goals and accounting procedures, as well as arranging for traveling exhibits. The association now numbers 56 American and foreign science museums as members.

REPRESENTATIVE BROCK ADAMS' COMMENTS ON RAILROAD REORGANIZATION AND THE USRA "FINAL SYSTEM PLAN" FOR THE NORTHEAST-MIDWEST REGION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. FLORIO. Mr. Speaker, as some of us know and as more should, the legislative clock is running on the final system plan for the reorganization of the bankrupt rail system in the Northeast-Midwest region of our country, as prepared by the U.S. Railway Association and filed with this Congress on last July 26.

Under the Regional Rail Reorganization Act of 1973, which gave USRA the foregoing mandate, we have 60 legislative days within which to consider and, should we so decide, to disapprove the plan. This is so because, under the act, absent a disapproval resolution from either House it would automatically go into effect at the end of those 60 days, which time—based at least on our present recess schedule—would expire about November 9.

However, in order to implement the plan—in the successful implementation of which there is a clear national interest—certain amendments to the basic act are necessary, principally in the area of how to finance ConRail, the projected new, private and for-profit rail company which is to rise out of the ashes of the bankrupt system. Subcommittees of the Commerce Committees in both this and the other body are presently considering both the plan and the suggested amendments along with what appears to be rapidly developing as a broad omnibus type railroad bill to attack the apparent "railroad problem" on a wider front than that posed by the bankruptcy of the Penn Central and six smaller railroads in the Northeastern quadrant of the Nation.

In short, Mr. Speaker, what is developing here—and thus far without a great deal of attention having been given it—is one of the larger legislative challenges and initiatives of this session, if not of this Congress.

The USRA final system plan is complex and controversial—and it could hardly have been otherwise considering the complex and controversial issues with which that Agency had to deal. Most of us who, like myself, have had a more active interest in the problem and its solution that Members from outside the affected region, see much that is good and acceptable in the plan as well as certain matters about which we retain reservations. Most of us, similarly, will probably wish to wait and see what else is to be in any omnibus bill, besides the implementing amendments associated with the plan, before coming to a final decision as to what position we will take upon it.

But, clearly, we need—and we need, now—to better inform ourselves about what may be coming down the legislative road. To meet such a need we generally turn to colleagues whom we respect, and who we know to have a background of interest in as well as understanding of the basic problem with which we will be dealing. In this context, then, I know of no colleague better capable of providing us with some direction than my distinguished friend, BROCK ADAMS, of Washington State, who was very instrumental in drafting and securing the enactment of the Regional Rail Reorganization Act of 1973, who is a high-ranking member of the House Commerce Committee, and who is also now chairman of the House Budget Committee. Accordingly, when I ran across the following copy of a speech he had made before the American Paper Institute, in Maine, on September 15, wherein he commented at length upon the rail problem and the USRA final system plan, I thought it essential to bring it in this fashion to the attention of all of us, as I now do:

THE FUTURE OF U.S. RAIL TRANSPORTATION: ARE WE HEADED FOR NATIONALIZATION?

(Speech by Congressman BROCK ADAMS)

I. INTRODUCTION

You have scheduled a very timely meeting to discuss the future of U.S. Rail Transportation. I am happy to meet with representatives of an industry which, as a major customer for rail service, provides a very important component of the traffic base of the railroads. I know that your industry has an important stake in the success of Conrail and the restructured rail system in the East. The large lumber and paper companies played an active and responsible role in the development and passage of the Regional Rail Reorganization Act (RRRA).

Today, I would like to discuss with you my position on the results of the planning process legislated in the RRRA and the Final System Plan developed by the United States Railway Association (USRA), pursuant to that process (which is now being considered by the Congress). I will also report on potential legislation which is necessary to make the Northeast and the entire railroad industry viable as a part of our private enterprise system.

The theme of this panel, "The Future of U.S. Rail Transportation—Are We Headed for Nationalization?"—is, of course, directed to the question of whether or not we want a government-owned railroad system. In my opinion, the deeper question involved is: Will we end up with a government-owned railroad system, whether we want it or not? There is so much talk these days about the dangerous possibility of nationalization that I sometimes worry that we are talking ourselves into believing we cannot maintain a private system and, therefore, that failure becomes a self-fulfilling prophesy.

In answer to the first question, I believe I can speak for most of us in the House of Representatives who are involved in transportation matters and say, first, we do not want the government to own the railroads. Second, most of us still believe we can make a private enterprise solution to the Northeast problem work and also maintain a privately-owned and operated railroad industry.

In my opinion, if nationalization comes, it will be forced upon us by the Administration's and the industry's failure to take the necessary steps to forestall further financial deterioration of the industry. They have put too much blame for our problems on the strawman of excessive regulation. All of us in government should now be working to:

First, correct the inability of the rail industry to raise the capital it needs to refinance its debt and to maintain its plant;

Second, help the rail industry rationalize and make more efficient its operations so it can be more efficient and make a profit; and

Third, make our government relationship to transportation more intermodal and less balkanized.

If these measures are not taken, the government will be forced to take over parts of the railroad industry to keep the trains and the country running. The railroads are an indispensable part of our industrial society. They are not just a free market business which can be allowed to rise or fall in the marketplace. Other business entities, such as yours, are directly dependent on the railroads' continuing service so as to maintain vital services, such as food and fuel, in major metropolitan area. This has been the federal government's continuing dilemma.

Because railroads have these many aspects of a public utility, we have not been able to allow them simply to cease operation if the laws of economies force them into hopeless unprofitability.

Having stated this, I want to make it clear why I consider that nationalization is the worst of all possible worlds.

II. NATIONALIZATION OF RAILROADS IS BAD FOR GOVERNMENTS

Just as the little bear in the famous comic strip used to say, "Honey is good for bears," my theme is that nationalization of railroads is bad for governments. Some proponents of nationalization have argued that there would be financial and other public benefits from public ownership and operation of railroads. My experience as an elected official dealing with railroad legislation is that this is a delusion. Nationalization of the Northeast railroads alone would require the taxpayers to spend millions to acquire rundown properties which would then need to be rehabilitated at a cost of more than $2 billion in order to run an operation which has regularly sustained operating losses of millions of dollars per year. That describes what the government would receive from nationalizing the Northeast railroads. However, recent world-wide figures on government operations indicate that nearly every nationally-owned railroad in the world (Switzerland may be an exception) operates its railroad system at a substantial loss, even on relatively well maintained properties.

This is why the essential purpose of the Regional Rail Reorganization Act was to avoid government ownership, to leave the properties in the hands of the creditors through a reorganization, and to permit a traditional income-based reorganization with specific federal assistance to make the reorganization viable.

In my opinion, the RRRA should now be coupled with another bill to revitalize generally the whole rail industry and fill in any gaps missing in the Northeat solution. The Congress passed the RRRA *not* to promote eventual nationalization, but to offer a solution when the private sector could not develop its own. It was, therefore, strange to me in recent months to hear so much talk within the Administration about "controlled transfer" of the bankrupt properties to profitable railroads. Such a solution to the problem was not attainable in 1973, and certainly is less so in the recession year of 1975. I can assure you that had any railroad or any other group come forward with a proposal to acquire and operate the Northeast system, they would have been given Congress' enthusiastic blessing.

III. RIGIDITY, REGULATION, AND REALITY

Before placing the RRRA and its child Conrail in a generally overall rail revitalization context, I want to touch briefly on the issue: "What is the Problem in the Railroad Industry."

Frankly, I have regretted having to spend so much time and energy fighting the argument that deregulation will solve the problems of the rail industry. The transportation industry is regulated because the entire nation is dependent upon an efficient, fair and available system of transport to survive. I do not defend the present process of the regulatory agencies. I am well aware that often regulatory agencies become more interested in the industry they regulate than in those they were designed to protect.

We have already spent too much time on this issue and on the demand that certain regulatory reforms take place before any other items can be considered. Deregulation is a large strawman which conceals, as its hard inner pole, the basic flaws that must be corrected to maintain a vital railroad system.

I have indicated my willingness in the RRRA to cut through many regulations. I have no objection to using the financial leverage created in this and future railroad legislation to promote regulatory reform to establish a more rational system through mergers and more flexible rate-making procedures. These could reduce regulatory lag and improve competition.

The major problems that must be addressed, however, go far beyond this. For example:

We have often had rigid rejection by the railroad industry of any change in their method of operation.

The regulatory agencies have treated railroads as a monopoly long after other modes took away the bulk of their business. The agencies have often blocked mergers or required two rail links in areas where intermodal competition make both fail.

The lack of a unified transportation policy has granted grossly disparate financial assistance to competitive modes—for example, the interstate highway and waterway systems. I will touch on this more, later.

I have no objection to the government assisting the development of each mode of transportation, but it must be done in an even-handed and rational manner. Otherwise, we will surely have an imbalance that can cause an industry to lose its competitiveness. This has already been recognized by the other modes, and last session, we developed an intermodal bill which could lead to an intermodal system where truck, barge and railroad would be treated and regulated as one system rather than separable components. Since the railroads have resisted government right-of-way assistance similar to the government's policy of building rights-of-way for truck, barge and plane, the railroads' market share of intercity freight since World War II has gone from a lordly 75% in 1929 to 65.3% in 1947 and to 38.6% in 1974. Paradoxically, while their market share has declined, ton miles actually carried in a steadily expanding economy have nearly doubled. The result has been aptly called a "profitless prosperity." In 1974, a year in which the railroads hauled more ton miles of freight than ever before in history, the rate of return on investment for the industry as a whole was only 3.45%.

IV. CONRAIL IN CONTEXT

Having discussed the position in which we find ourselves, I want to indicate my views on the RRRA and Conrail.

The RRRA offered a middle way between an unavailable pure private sector solution and the morass of nationalization. Looking at the implementation of the Act over the past year and a half, I believe it has worked well. The USRA has done a remarkable job in assembling and putting into coherent form the mass of data required for a rational plan to complete this huge multi-railroad merger. The Rail Service Planning Office of the ICC has ensured that the public was given opportunity to be heard. It also helped to develop much useful corrective information about branch lines.

This public planning process is a far cry from the bad old days when major railroad decisions were made on J. P. Morgan's yacht.

First and foremost, I think that the Final System Plan should become effective and not be vetoed by the Congress. We can no longer delay the creation of a new railroad enterprise and leave railroad service to limp along under the supervision of trustees whose main concern is the settlement of an estate, not the management of a railroad. Nor can we keep making huge federal payments to meet ever-mounting operating losses. Creation of Conrail will bring new and vigorous management to the railroads, allow the lengthy task of rehabilitation to begin at the earliest possible date, and assure that federal money is going into a rational system. I would say to those, fortunately few, who urge the defeat of the plan: Don't shoot the piano player—he's the only one in town.

To urge acceptance of the plan does not mean that Congress should or must adopt all of the legislative changes recommended by USRA in toto. The Final System Plan, as submitted to Congress, is not self-executing and economic conditions have changed. Therefore, changes should be made in the financing provisions made available under the present RRRA. Certain other amendments will also be required before USDA's plan for Conrail can work as planned. It is to these recommendations that Congress should turn its attention within the next two months, with the hope that action can be completed before the date when the Final System Plan becomes effective, on or about November 9. The Congress is now carefully reviewing the recommendations of the USRA for legislation needed to carry out the Final System Plan in hearings which have begun in the House and Senate.

A. Financial Problems

In reviewing the Plan, we should carefully study the validity of the pro forma projections for revenues and expenses prepared by USRA. Congress gave the USRA a very difficult task—to make railroads losing in excess of $200 million a year profitable. USRA has projected that Conrail will become profitable in 1979—a remarkable accomplishment in three years. The ICC in its critique has pointed out with some scepticism that the USRA projects a return, before taxes, on capital investment of more than 14% after 1980. These projections are based on various optimistic assumptions as to compensation for passenger service, car utilization, equipment needs, and expected revenue and traffic increases. Since legislators are not in the railroad operating business, we should let other expert speakers cover this topic and debate whether a silk purse will have been created from a sow's ear. Then we in Congress must take this expert advice, balance it, and try to be certain that the purse is not made of synthetic material.

The projected earnings are crucial to a decision as to the financing. Three questions concern me about the financing of Conrail:

(1) Is the financing of $1.8 billion, with a contingency fund of $250 million, going to be adequate for the job? This determination rests in great part on the validity of the earnings projections.

(2) Is the form of the financing appropriate? The schedule of redemptions of the preferred stock and debentures and the payments of interest and dividends set forth on p. 94 of the Final System Plan indicates that the government will receive back a total of $7.54 billion on a total investment of $1.8 billion.

It has been suggested by the ICC that these payback requirements impose an onerous, self-defeating burden on Conrail, and that the government should consider foregoing or postponing payment of dividends of interest for a considerable period of time.

I favor the preferred stock approach to the front end financing of Conrail. In fact, a similar provision was contained in section 218 of H.R. 9069, which was the Northeast railroad bill I introduced in 1973, parts of which were later incorporated into the present law. I question whether the government, which is investing to preserve rail service in the public interest, is in the same position as a private lender in requiring a substantial return on investment. While the government should receive a senior claim on the assets of the new enterprise in the event of collapse and should expect eventual repayment, I am not sure it should impose a large drain on earnings to pay a return on the funds appropriated. Federal dollars have, of course, helped to build the right of way infrastructure of the trucking and barge industry without expecting a return on the investment in terms of actual income. I think we might apply the same standard here, especially on roadbed and track rehabilitation.

(3) What are the total costs to the government? While the Final System Plan spells out in considerable detail the need for $1.8 billion, there are other potential costs that are not quite clear. For example, if Amtrak buys the Northeast Corridor or is authorized to buy additional passenger service corridors, these acquisition costs will increase the Federal subsidy to Amtrak. The USRA projects that passenger service contracts, both commuter and intercity, will be renegotiated to compensate Conrail fully and that this will add $1.65 billion to revenues over the 10-year period. If Conrail is successful in renegotiating these contracts, the federal government will pay some of this increase in the form of mass transit subsidies or payments to Amtrak, this should be included in the total financial analysis.

(4) Finally, the solvent railroads insist they must be indemnified against future court judgments that their payments for lines acquired were too low. If this indemnification is required by the Congress, what is the potential liability of the government?

B. Operational Problems

We will also want to look at the system structure. I had originally favored a "Big Conrail," as I am not persuaded that rail-to-rail competition is that vital if it would threaten the profitability of Conrail since intermodal competition seems more than "adequate" in the Northeast. However, the system as proposed does seem to create a Conrail large enough to be viable, and I agree at this time that rail competition into New England and the Middle Atlantic States should continue through the Chessie's acquisition of the Erie-Lackawanna and the other extensions suggested, such as those of the Delaware & Hudson. If these acquisitions are not completed, I believe we must go ahead with the reorganization and use the alternative single Conrail suggested by the Plan.

I am willing to let the branch line problem work its way along using the subsidy sections until we see if there are any severe dislocations. If there are, I think we should try to deal with them on a case-by-case basis.

Overall, the operating structure looks rational to me, and I think we should start with it.

IV. RAILROAD REVITALIZATION

In considering the Final System Plan and the future of Conrail, it would be a mistake for the Congress to think that its only job is to make sure that Conrail works and to leave the rest of the railroad industry alone. We cannot just draw a line around the sixteen-state region dealt with by the RRRA and ignore the rest of the conutry. If the railroad industry continues a downhill slide, it will inevitably take Conrail with it, and vice versa.

It should be pointed out here that for several years now, those of us in Congress who are concerned with transportation have been warning that the state of the railroad industry as a whole is not good. For four years in the House we worked on the Surface Transportation Act, which finally passed the House by a large vote in December of last year, only to die in the Senate. The fact that the Congress has had to grapple continually with the cash problems of the Penn Central over the past four years has helped to focus public attention on the financial problems of the entire rail industry. However, it has diverted much of our energies from the national problems. It has taken time for the public to realize that the railroads are no longer the money-making empires of fat cats and robber barons, which they were for a hundred years prior to the end of World War II. In those days, they owned a transportation monoply and could dictate transportation policy amongst themselves.

In considering the problems of the railroads, the Congress and the public must not think that we are being asked to bail out another private enterprise failure. The rail problems of today are the product of thirty years of government action in the field of tansportation, action which has not been guided by a transportation policy or a coherent plan aimed at developing a total transportation system. Rather, we have concentrated our efforts on first one mode and then another. Our transportation policy has been directed on the "squeaky wheel" principle—the wheel that makes the most noise gets the oil. The need for coherent transportation policy, and what that policy should be, will be the subject of another speech. However, the lack of such a policy certainly contributed to the collapse of rail service in the Northeast, and, unless one is developed, the entire industry will be undermined.

The first problem the federal government must address is that the low rate of return on investment has almost denied the equity market to the railroads for many years. In recent years, this has spread to the debt market, so there has been very litle debt financing outside of equipment trust certificates. Yet within the next ten years, the railroads must turn over a large amount of fixed debt. By 1984, nearly $5.35 billion in railroad debt will mature, more than 60% of the 1973 debt load. Much of this debt will have to turned over at much higher interest costs unless we lower interest costs or the purchase of new equipment at sharply inflated prices.

It is quite clear that the financial squeeze on the railroads will increase and bring more railroads to the peril point. It is equally clear that, if we are to avoid nationalization, the government must be a source of needed capital for fixed plant investment. Also, the railroad legislation on which the Congress is now working must contain financial aid programs going beyond simple loan guarantees.

I think it important that we not kid ourselves. A quick patch job on the Northeast railroads is not the end of the problem, nor is deregulation or work rule changes. Before we write off railroading as a lost cause, we should keep in mind that there are profitable railroads, operating under the same constraints of regulation, work rules, and economic circumstances as are the bankrupts. Even in New England (over whose gateways some railroaders would place a sign that said, "Leave all hope, ye who enter here," and the Delaware and Hudson continues to break even, the B & M foresees a successful reorganization, and the Bangor and Aroostook and the Maine Central continue to be profitable. In the Southern and Western regions, major railroads earn returns on net investment substantially above the industry average and pay a good return to their stockholders.

There is no reason to conclude that railroading, despite its difficulties, must be inherently unprofitable or that a government investment would be money down a rathole. A government investment now would be far cheaper in the long run than the staggering costs of nationalization. And a government investment which ensured the viability within the private sector of the railroads would not only bring public benefits, but would be returned in cash.

V. AN OMNIBUS BILL

It is my belief that legislation for both implementation of the Final System Plan and the revitalization of the industry should be considered as part of an omnibus railroad bill which would include financial assistance for railroads as well as some regulatory reforms.

The Administration has said that regulatory reforms are a prerequisite to its support of substantial financial assistance to Conrail. While I reject any effort to hold an enterprise as vital as Conrail hostage to regulatory reforms, I see no reason why the Congress would not enact regulatory reforms similar to those pased by the House in the Surface Transportation Act of last year. I am pleased that both the House and Senate Transportation Subcommittees are developing omnibus bills and that hearings are going forward this month. The prospects are good for Congressional action on an overall railroad bill during this session.

A. Regulatory Reforms

I would suggest some of the following items: A 7% no-suspend zone for rate increases, restrictions on rate bureau actions affecting single line rates, a requirement that all traffic move at variable costs or above with a uniform system of accounting to determine variable costs, and an ICC determination of adequate revenue levels. These proposals are incorporated in my bill, H.R. 6351, The Railroad Improvement Act of 1975. They are similar to the provisions regarding railroads included in the Surface Transportation Act as passed by the House last year.

It has been argued by the ICC that it has already dealt with rate bureaus in Ex Parte 297 and established a no-suspend zone in Ex Parte 314. I see no reason why we should not reinforce the ICC's determinations by statute. I think that the ICC consideration of merger applications should be speeded-up, but I do not see the wisdom of completely ending public participation in the consideration of railroad restructuring.

B. Financial Assistance

For the past four years, I have worked for a program of loan guarantees for railroads. It seems to me now that loan guarantees alone will not do the job. Some railroads could not even afford the additional debt burden of even a cheap loan or could not meet the criteria for reasonable assurances that the loan be repayed.

The USRA has suggested that the government assist Conrail by taking a preferred stock position. It seems to me that a principle similar to this might be extended to other railroads. The Administration has suggested that the interest rates on loans could be subsidized. Perhaps a lien of last resort for the government is proper. A financial program containing these four mechanisms might give the DOT needed flexibility in dealing with differing financial needs of the various railroads.

C. Unified Trust Fund

It has been suggested by many that to pay for this program we establish a railroad trust fund. While I would prefer a unified transportation trust fund for all modes, this does not now seem politically possible. The key question in establishing a rail trust fund is how it will be funded. A fuel tax or a waybill tax has been suggested. Clearly the establishment of a railroad trust fund will require close cooperation between the House Commerce, Public Works and Ways and Means Committees. The trust fund could serve as the means of financing Conrail as well as assisting other railroads. Sentiment for such a fund is strong, but it will not be easy to achieve.

VI. CONCLUSION

As you can see, the Transportation Subcommittee has its work cut out for it over the next two months. I think that the USRA has given us a good plan to work with and some carefully thought-out legislative recommendations. I also think that the Regional Rail Reorganization Act has worked well. Our hearings and debate over the next few months will continue the public process of preserving rail service in the Northeast which that Act began.

A great jurist, Learned Hand, once said, "Justice, I think, is the tolerable accommodation of the conflicting interests of society. . . ." I think good legislation meets the same definition. As a sponsor of the Regional Rail Reorganization Act, I think it has brought about a "tolerable accommodation of the conflicting interests of society." Now the task before us is to make sure that the plan which has been produced is given the means to work, and that the railroad industry as a whole is revitalized.

BALANCED BUDGETS WOULD HAVE AVOIDED THE CRISIS IN NEW YORK CITY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. KEMP. Mr. Speaker, a self-imposed requirement that the city operate each fiscal year without spending money it did not raise in taxes would have kept New York City from now being on the verge of fiscal chaos and bankruptcy. This is no less true for those other cities which have mortgaged the future by running up billions in bills which will have to be paid. And, for State governments. And, for the Federal Government.

Government spending—and the raising of revenue requisite to that spending—has a limit beyond which it invites either the collapse of the economic strength of a nation or the loss of economic and political freedom, or both.

Government must realize that it cannot indefinitely continue to take a larger percent of national income without destroying the people's ability to support themselves and their families, their incentive to work, and even their patriotism.

Government in this country—at all levels—has failed to hold the line sufficiently on spending. Governments have indebted themselves to the combined level of trillions of dollars. And, every dollar of that debt will have to be paid by ourselves, our children, and our children's children, for the crisis in New York City has shown conclusively that there comes a point in time when a government cannot simply refinance its indebtedness. New York City has reached that point. Others could follow—unless we adopt new policies.

The answer is not indiscriminately bailing out these governments. To do that would be to reward governments which have spent too much, which have eroded their tax bases, which have refused to institute fiscal constraints, which have given in to every special interest group without regard for the general welfare, and which have failed to eliminate waste and bring efficiency to their operations. And, that reward to failure would be at the expense of those governments which have been fiscally responsible, and all of it would be at the expense of the taxpayers. To reward those governments that failed would destroy the incentive to continue fiscal responsibility by those who have done so in the past.

Before any assistance is given to these failing governments, an absolute requirement of future fiscal responsibility must therefore, first be obtained.

I was concerned about this problem long before New York City entered its present fiscal crisis and have been involved in offering policies to avoid courting chaos.

Consistent with that involvement, I testified this afternoon before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary in support of proposed constitutional amendments to require a balanced budget and/or revenue and expenditure limitations.

This testimony is very relevant to the crisis in New York City—and the potential crisis throughout the Nation—and I offer it, therefore, to the careful attention and scrutiny of all my colleagues.

The testimony follows:

Statement of the Honorable Jack Kemp Before the Subcommittee on Constitutional Amendments, Senate Committee on the Judiciary

Mr. Chairman and Members of the Subcommittee: This Subcommittee is to be commended for holding these important hearings on proposed Amendments to the Constitution which would require balanced Federal budgets.

These hearings will help both Members and the people in whose trust we exercise our responsibilities to understand more fully the consequences of deficit public spending over a sustained period of time.

Proposals to amend the Constitution are to be thoughtfully weighed. That in the past 186 years, only twenty-six Amendments have been both passed by the Congress and ratified by three-fourths of the State legislatures is proof of the gravity with which these proposals are considered. The Constitution should be amended only when there is need to remedy a flaw in the institutional mechanics of how the Nation is governed. In my opinion, the proposed Amendments under consideration here today qualify for such consideration.

I believe they qualify for at least three reasons.

First, Federal expenditures exceeding Federal revenue year after year—and even in prosperous, "boom" years—indicates the inability of the majority within the Congress, the branch of government charged with the Constitutional responsibilities for both raising revenue and appropriating funds for programs, to exercise sufficient, voluntary self-restraint. When voluntary restraint has been inadequate, mandatory restraint in the form of a Constitutional Amendment is an appropriate remedy.

Secondly, the substantial growth in Federal deficits—deficits in 38 of the past 45 fiscal years and an increase in total Federal indebtedness of $207 billion since 1960—has had an adverse impact upon our economy, weakening it through the inflation fostered by the too rapid expansion of money supply which accompanies monetizing the deficit and through the shifting of crucially needed investment capital away from the private sector and into the Federal treasury, both of which were principal causes of the current recession.

Thirdly, the substantial growth of government expenditures in relation to the total income of the people has been at the expense of the people and the private sector not only in economic terms but also in terms of their liberty, for as an ever-increasing share of private earnings are taken from the people to pay the bills of government, the exercise of freedom is endangered through a narrowing of alternative choices for economic conduct.

It is for these reasons—and I will return to them in a moment—that I have been active in the House on these issues. I have introduced joint resolutions and bills to accomplish objectives reflected through S.J. Res. 55, the joint resolution introduced by Senators Curtis, Hruska, Fannin, Goldwater, Laxalt, McClure, Scott of Virginia, Thurmond, and Garn, and S.J. Res. 93, the similar joint resolution introduced by Senators Talmadge, Helms, Nunn, and Thurmond. I am informed by the Congressional Research Service that approximately 100 Members of the House have sponsored measures to require a balanced budget either in proposed statutory or Constitutional Amendment form.

In the 93d Congress, I introduced H.J. Res. 816, a joint resolution proposing a Constitutional Amendment to provide a limit, established in relation to national income, on both Federal revenue and expenditures, a consequence of which would have been mandatory balanced Federal budgets except in times of Congressionally declared national emergencies. Later in the 93d Congress, I introduced a series of bills, culminating in H.R. 17032, to reestablish the fiscal integrity of the Government and its monetary policy through the establishment of controls with respect to its revenues and budget outlays, the issuance of money, and the preparation of the budget. These measures to enact the Fiscal Integrity Act were cosponsored by over 40 Members of the House. The proposed Act has been reintroduced, with amendments, in the 94th Congress, most recently as H.R. 8582, and those measures have nearly 60 House cosponsors.

The purpose of these measures, as is the purpose of the Senate joint resolutions, is to bring spending more in line with revenue, and, inasmuch as Congress will be much more reluctant to finance expenditures from tax and other revenue than it has been from deficits, to slow the growth of government in relation to the total economy.

Let me return, therefore, to the three reasons why I believe the balanced budget and revenue/expenditure limitation approach has to soon be the law of the land, either through statute or Constitutional Amendment.

THE LACK OF ADEQUATE CONGRESSIONAL RESTRAINT

The Congress has tried for nearly 200 years to control overall, total Federal spending by controlling the overall level of appropriations as each individual appropriations bill came to the Floor. These efforts—commendable though they may be and successful though some may have been—simply have not worked. The figures are proof of this failure.

The Federal budget for fiscal year 1976 is projected now at $367 billion, some $83 billion over the budget year before last. In 1940, by contrast, our Federal budget was $10 billion.

It took this country 185 years to get to an annual Federal spending level of $100 billion, but it took only 9 more years to double that to the $200 billion level, and then only 4 more years to reach the $300 billion annual level.

The mushrooming national public debt has reached $500 billion—half a trillion. It took us over 150 years after 1789 to reach the $200 billion debt mark, then less than 20 years to double it to $400 billion, and then only 10 more years to add another $100 billion. But the rise in the debt quickens not decelerates. The deficit for fiscal year 1976 alone is now projected officially at about $69 billion; many believe that is is a very conservative projection.

The average amount of taxes the Federal Government will have to collect from every man, woman, and child in the Nation to meet expenses this year is $1,750—or $7,000 for the average family of four. In 1940 it was $77 per person—or $308 for that family of four. Of course, because deficit financing is a principal source of financing Federal programs today, the Federal Government will actually collect in taxes an average of about $1,415 for every man, woman, and child in the Nation—or $5,660 for the family of four. The remainder will be taken from them, of course, in decreased purchasing power—inflation arising from monetizing the deficit.

Look at the bureaucracy which this spending sustains. Between 1789 and 1974. the population of our country multiplied by 60 times.

The bureaucracy multiplied by 8,170 times. Between 1930 and 1974, while the population grew 71 percent, the bureacracy grew by 462 percent. In 1930, 1 of every 204 people was employed by the Federal Government; today, it is 1 of every 77. And, in our work force of about 85 million, 1 of every 6.5 employees is on a Government payroll of one form or another—Federal, State, or local.

Look at the controls over our lives—and our economy—which this funding and this bureaucracy sustain. The United States Code Annotated, the basic compilation of Congressionally enacted statutes, now totals more than 55,000 pages. The Code of Federal Regulations—consisting of the regulations which carry those statutes into effect and which also have the full force of law—totals hundreds of thousands of pages. The Internal Revenue Code of 1954—the tax laws under which we all live—is now nearly 1,900 pages long, and the regulations which carry those tax laws into effect constitute another 4,500 pages. In addition, one is governed by the rulings and regulations of a myriad of Federal agencies, bureaus, departments, commissions, administrations, offices, and boards, as well as the rulings of our vast court network. We have come a long way since Moses brought the Ten Commandments—only ten rules to govern our lives—down from the Mount.

The effect on the people's freedom—by narrowing substantially the range of alternative choices of action available to the people—ought to be obvious.

Does one have economic freedom when one gives up over 40 percent of earnings to government?

Does one have economic freedom when one involuntarily surrenders purchasing power because of Government-created inflation?

Does one have economic freedom when one cannot plan his or her own future—for education, for business, for children, for retirement—because Government's policies are so unpredictable and so corrosive of his or her livelihood?

Does one have economic freedom when one cannot obtain a loan—for a small personal need or a massive corporate capital investment need—because Government has drained the Nation's capital money markets and in so doing created record-high rates of interest?

Does one have economic freedom when one cannot buy a product or pay a freely negotiated price for it because of shortages created by Government controls and because of those controls?

Does one have economic freedom when one cannot find a job because of what Government action has done to this economy?

All of these questions relate to the growth of government in relation to the economy and to the people. The growth of government has been at their expense.

Government spending—and the raising of revenue requisite to that spending—has a limit beyond which it invites either the collapse of the economic strength of a nation or the loss of economic and political freedom, or both.

Government must realize that it cannot indefinitely continue to take a larger percent of national income without destroying the people's ability to support themselves and their families, their incentive to work, and even their patriotism.

The figures which I have just recited attest to the failure of the Congress to hold the line on spending, or, in the alternative, to have the political fortitude to raise sufficient revenue through taxes to match that spending.

I, for one, prefer to hold the line on spending because I believe the level of spending is too high. The Budget Reform Act does not set forth requirements sufficient to meet this challenge either, for its ceilings are neither mandatory nor prospective.

In my opinion, the reason these efforts to control spending have not worked is that the temptations to spend are numerous and there is no constraint on the amount to be spent.

We have for too long tried to control the size of Government, in relation to the total economy, by controlling spending. We should have been trying to control that size by controlling the level of revenue.

This was and is the wrong way to go about it, because it is generally easier to control a problem at its source. The source, here, is the level of revenue raised by the Government from which programs are then funded. As long as the Government can cover overspending its tax revenues by borrowing or printing new money, it will over-spend.

When an institution knows that it will have a known amount of dollars with which to work, it typically devises a means of spending those dollars. The problem is that with no spending limitation, Congress overspends revenue—so government can capture a greater percent of gross national product than the tax code permits. Parkinson's Law, thus, holds that spending rises to meet income.

I have hypothesized a corollary to Parkinson's Law which I first expressed in November 1973 and which, I believe, more accurately describes the tendencies of the Congress: Present spending rises to exceed present income in expectation that future increases in income will cover that spending.

When an institution operates from those premises—and the Congress has operated from them for years—it means an ever-increasing deficit. As a result, dollars are taken from citizens through other means than the tax system.

The Fiscal Integrity Act addresses itself to this problem by establishing for each fiscal year a revenue and budget outlays limit for the Federal Government. No appropriation could be made in excess of the revenue and budget outlays limit for a fiscal year, except in cases of national emergencies declared by two-thirds of the Members present and voting in both Houses.

How would the limit work?

The revenue and budget outlays limit for each fiscal year shall be the amount derived by multiplying the estimated aggregate national income for such fiscal year by a "Federal revenue factor." Thus, from the first year of the operation of this provision, a ceiling in relation to national income is established on Government revenue and spending. As the economy grows, new dollars would be available for existing or new programs, but a greater percentage of the people's income would not be available.

One should note that a cut in outlays is accompanied by a cut in revenue—and vice versa—so that cutting revenue will not result in creating more of a deficit—as is now the danger—and cutting outlays should result in a cut in taxes, although a surplus would be automatically applied to the Federal debt with no carry-over to a succeeding fiscal year of any surplus permitted.

As to safeguards to protect the integrity of the Act, the resolution to suspend the limitation in time of national emergency would not only have to be passed by a two-thirds vote, but the suspension would apply only to the extent of meeting expenditures occasioned by the specific emergency and would apply only with respect to the fiscal year in which passed. If the suspension is to be continued beyond that fiscal year, the Congress must pass a new resolution allowing it. A vague, general, "times are tough" emergency resolution would not be allowable.

It should also be made clear that the power of the House Committee on Ways and Means and the Senate Committee on Finance with respect to tax reform is not impaired by this bill. Within the overall revenue limitation, those committees can carry out any degree of tax reform—increase certain taxes, reducing others—eliminating old taxes, imposing new ones—deemed necessary. Of course, the revenue limitation applies not only to taxes, but also to excises, imports, and duties, and the power of the Committees with respect to those would remain within this new framework. The only limitation upon the Committees is that the total revenue collection not exceed that percentage established in relation to aggregate national income for that period.

Expenditures would include all costs to the Federal Government, including off-budget items, transfer payments, etc.

I believe the revenue/expenditure limitation approach to be preferable to simply requiring a balanced budget, because if the Congress decided to match greatly increased expenditures with greatly increased revenue, that would still be permissible in the case of only requiring a balanced budget, even if the percentage of Federal revenue borne to national income rose to 40, 50, or 60-percent.

I believe the Constitutional Amendment approach, as embodied in S.J. Res. 55 and S.J. Res. 93, is preferable, however, to the statutory approach of the Fiscal Integrity Act, for the statutory mandate would be overcome simply by the enactment of a subsequent, contradictory statute. We must realize, however, the formidable task before us in getting the necessary ratification of three-fourths of our State legislatures. The problems we would encounter would be exactly the same as those encountered in California during the debate on Proposition I in 1973. The proposed State Constitutional Amendment to set a revenue/expenditure limit for the State government was defeated, in very large measure, by opposition from county, municipal, and other units of local government. They argued, effectively enough to persuade the voters, that since no limit on the growth of government and its services had been set, that future growth would not only still occur as to overall government but that it would be at the expense of the local units of government. In other words, because State revenue/expenditures could not grow, local governments' revenues/expenditures would mushroom. This was quickly called the "pass down" thesis, and it was an effective argument.

In the case of a Federal Constitutional Amendment, the same arguments would be raised, the only change being the levels of government involved, i.e., since the Federal Government could not grow in relation to the economy and since the "national attitude" would remain supportive of growth in government services, the future growth of government would be "passed down" to the State and local levels. That alone is not to be deplored, for there are many of us who still believe government is best when it is closest to the people; thus, a growth in State government is better than a growth in the Federal Government, and a growth in local government is better than a growth in State government.

Nonetheless, our ultimate objective is a holding down of the size of government in relation to the total economy. This can be done only when the rate of all government growth is slowed, then trimmed. Perhaps the way to remedy this is to give the State and local governments a guarantee against the "pass down" by setting forth a proposed Constitutional Amendment to limit the growth of all government in relation to aggregate national income. It would certainly be an effective way to put into one camp or the other those with divergent points of view as to the role of government in relation to the individual. We would see quickly whether some of those who advocate individual freedom yet support more and more government programming of our lives would resolve in favor of individual freedom.

THE EFFECTS OF DEFICITS

Deficits have been the genesis of most of our economic troubles. Inflation, shortage of capital, recession, unemployment, declining productivity, and shortages of goods have the same basic genesis—deficit public spending.

Inflation and the crowding out of capital markets are the two immediate consequences of deficit public spending.

If a government's expenditures are in excess of its revenues from taxation, it has a deficit in its budget. The deficit must then be financed by borrowing. The Government has two sources from which it can borrow. It can borrow from the private sector of the economy and it can borrow from the Federal Reserve System.

When the Government finances its deficits by borrowing from the Federal Reserve, the U.S. Treasury prints bonds which it sells to the Federal Reserve. The Federal Reserve pays for the bonds by creating new money. This transaction increases the supply of money relative to the supply of goods. Total expenditures increase relative to the supply of goods, thus forcing the average of all prices to rise. This is inflation, and inflation, the erosion of consumer confidence occasioned by it, and attempts to control it through devices other than reducing the deficits, such as wage, price and profit controls, bring forth shortages, then unemployment. Recession is a consequence almost unavoidable.

When the Government finances its deficits, on the other hand, by borrowing from the private sector, the U.S. Treasury prints bonds which are sold to commercial banks, private individuals, and business firms. In this case no new money is created. However, private investments decrease by the amount the Government's expenditures increase, leaving total expenditures unchanged but shifting decisionmaking and resources from the private to the public sector. In order to buy the Government's bonds, the private sector must reduce either its current consumption or its current investment. Private individuals might decide to consume less and buy more Government bonds, or to buy Government bonds instead of corporate bonds, stocks, and savings certificates. Banks which buy the bonds are left with less to lend to private industry. A shortage of the investment capital required to assure both job opportunities and higher productivity in the private sector results. Industry does not then have sufficient capital for replacement of outmoded equipment, an expansion of total equipment, or renovation or expansion of the physical plant.

Jobs are jeopardized on a broad basis—in the industries supplying the equipment, in the construction industry, in the industrial plants themselves, in the industries to which goods now not produced would have been supplied. Again, recession is a consequence almost unavoidable.

We must also keep in mind that the extent to which private capital is transferred out of investment and into consumption is understated by the dollar size of the Government's deficit, because the borrowings of the off-budget agencies are not even included. Furthermore, in addition to the private capital formation which is pre-empted by Government borrowing, an enormous amount of private capital has been destroyed by the Government's inflationary policy. Profits have been overstated—and, thus, overtaxed. The decline in the market value of the stocks listed on the New York Stock Exchange is directly related to the uncertainty caused by inflation. The decline in the stock market has prevented firms from raising capital through new stock issues. Thus, the negative impact of the Government's deficit on private capital formation is greater than the size of the deficit might suggest.

Against this background of economic realities, I cannot see how anyone can persist in the argument that public deficits create jobs. Yet, if there is any one common denominator of what the majority within the Congress has sought to do in recent months to help the economy recover from the recession, it has been the premise that deficits create jobs.

If deficits create jobs, then why is our country in the economic condition in which it now finds itself? From 1969 to 1974, the Federal debt went up from $382 billion to $504 billion, a $122 billion and a 32-percent increase. What happened in the jobs market? Did employment rise either commensurately or at all?

The fact is that it was unemployment—not employment—which rose with the deficits. It rose from 3.4-percent in 1969 to an average 5.3-percent in 1974. It now stands at 8-plus percent.

For further discussions on this point, I call the Committee's attention to the Remarks of Senator Proxmire on August 22, 1974, at pages 29969–29972 of the Congressional Record, entitled "Reducing Swollen Federal Spending Will Not Increase Unemployment," and to PUBLIC EMPLOYMENT PROGRAMS, by Alan Fechter, a senior economist with The Urban Institute, published by The American Enterprise Institute for Public Policy Research, May 1975.

Mr. Chairman, there are many technical questions to be answered by this Subcommittee and by the adherents to the balanced budget and revenue/expenditure limitation approaches, but these hearings are the important first step to bringing heightened national attention to the proposed solutions to deficit financing and government growth, and, again, I commend the Subcommittee for having taken that step.

RULES REQUEST CUTOFF DATE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, today the chairman of the House Committee on Rules announced that the committee will accept no further requests for rules this session after Monday, November 3, except for procedural matters or legislation of an emergency nature as determined by the Speaker.

Mr. Speaker, I concur in this rules request deadline both from the standpoint of what we are attempting to achieve under the new budget procedure and for the sake of an orderly legislative process during the waning days of a session. However, I would like to caution that this should not be interpreted by the leadership as a license to abuse either the "procedural" or "emergency" escape clauses of this notice, and thereby load the calendar with new matters at the end of this session.

What I have in mind, Mr. Speaker, is a procedural device used by the majority leadership in the last session, and rammed through the Rules Committee and the House over Republican opposition, which permitted bills to be brought up under suspension of the rules from December 4, 1974, until the end of the session on December 20. As things now stand, clause 1 of House rule XXVII already permits bills to be brought up under suspension the last 6 days of a session. The special rule requested by the leadership extended that period by about a week.

I also have in mind another procedural device utilized by the majority leadership toward the end of the last session. On December 16, 1974, the majority leader called up under suspension House Resolution 1509 which would have waived the 3-day rule on conference reports as well as the 1-day rule on reports from the Committee on Rules. That resolution failed to receive the requisite two-thirds vote under suspension. And so, 2 days later, a similar resolution was brought out of the Rules Committee, minus the 1-day waiver on Rules Committee reports. What the rule did was to waive clause 2 of House rule XXVIII which is the 3-day availability requirement for conference reports. Technically, such a special resolution should not have been necessary at that time since that same clause already provides for an automatic waiver of the 3-day rule during the last 6 days of a session, and we were just 2 days away from adjournment.

So, why the special waiver? Whether by design or otherwise, the special resolution from the Rules Committee, in waiving clause 2 for the remainder of the session, automatically waived another provision of that clause which requires that, even when the 3-day rule is waived during the last 6 days of a session, conference reports may not be considered "unless copies of the report and accompanying statement are then available on the floor."

Mr. Speaker, even though I supported the special rule in the Rules Committee and on the floor, I frankly do not think I was aware that it not only permitted waiving the 3-day rule, but also made it possible to consider conference reports which were not available to Members on the floor. The reason I raise this matter now is that the gentleman from California (Mr. John L. Burton) recently testified in the Rules Committee for his House Resolution 741 which would require that conference reports be available to Members on the floor at least 2 hours prior to their consideration. While the Rules Committee has postponed action on this resolution for 5 weeks, we did make it clear that we could still provide such safeguards, whenever necessary, by stipulating in any rule which waives a 3-day rule, that copies must still be available at least 2 hours prior to their consideration.

In conclusion, Mr. Speaker, it is my intention to oppose any "procedural" request by the majority leadership to either extend the number of suspension days at the end of the session or the period during which conference reports may be considered without the 3-day availability requirement. In any event, recognizing that Republicans are outgunned 16 to 5 on the Rules Committee, I shall insist, when 3-day waivers are requested and copies of the materials are not yet available, that the 2-hour availability requirement be included in such a rule. Finally, I am certain that our distinguished chairman will scupulously adhere to the rule he has laid down on exceptions that they must be "of a real emergency nature." There has been a tendency in this session to tack the word "emergency" onto almost every bill we have considered. We cannot permit this in the final rush to recess simply to facilitate the processing of garbage.

VETO OF H.R. 4222

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. HOWE. Mr. Speaker, I am pleased to cast my vote today to override President Ford's veto of H.R. 4222, the National School Lunch and Child Nutrition Act amendments. The President has stated the proposal set forth by Congress is $1.2 billion over this budget request but what he does not realize is that his original budget request for school lunch had severely cut present programs by some $600 million. Therefore, any increases made by the Congress would of course seem well above administration recommendations.

I recognize that our budget is operating under a huge deficit and I am disturbed that the school lunch program funding is so high, but I also believe if cuts in the budget are to be made, this is not the place to make them. Given current economic problems, many families are just not able to provide an adequate diet for their children and the lunch received at school, for many children, is often the best meal received all day.

These efforts directed at making sure improved nutrition is provided is as basic a need for all children and as important as a part of our educational system as anything taught in the classroom. It is vital to us all.

When the National School Lunch and Child Nutrition Act was first voted on by the Congress, it passed in the House of Representatives by a vote of 335 to 59 and in the Senate by a vote of 81 to 8.

The first conference report on the bill was unanimously recommitted by the Senate before it came to a vote in the House on the grounds that the cost of the bill exceeded the budget target outlay established by Congress earlier this year.

However, the President, so as not to break a "near perfect" record, again has vetoed beneficial legislation for what he terms budgetary reasons. As our distinguished colleague, Mr. O'Neill has pointed out, Mr. Ford has, in 3 months, "passed the veto record of all his Republican colleagues since the turn of the century."

It continues to remain both a mystery and a decided contradiction to support expanded foreign assistance and veto legislation to aid health, housing, employment, and now food for the people here in our own country.

The bill, as sent to the President, made the school breakfast program permanent; extended special summer food programs; provided for supplemental feeding of expectant mothers, infants, and young children in low-income families; provided free and reduced-price lunches for some children whose parents are unemployed; and expanded breakfast and lunch programs to such child-care institutions as orphanages and homes for the mentally retarded.

Of course, as mentioned before, Mr. Ford's major complaint centers on his own budgetary priorities but he also objects to the fact that it would extend nutrition subsidies to children he believes are not in need of assistance.

However, it is interesting to note the President's contradiction of his own views. In a proclamation issued less than a month ago on National School Lunch Week, he praised the program as an example of the cooperation between Federal, State, and local governments. Now it seems Mr. Ford is opting for a "block grant" proposal which would limit the present program to only those children whose families fall below current poverty levels and would eliminate school nutrition assistance for all children as is presently provided.

In contrast, what we in the Congress have done with this legislation is basically to extend programs already in existence and provide assistance to children whose families are either unemployed or those who fall within a reasonable limit of established poverty levels.

Presently, a free lunch is provided for all students whose families earn $5,010 a year or less. A provision is also included for State school boards to extend a free lunch to children whose family income level is 25 percent above that level, and most States have used this guideline. This provision remains the same and continues the Federal commitment to school lunch and child nutrition programs for all children. It also expands this commitment to mandate the use of the current optional program of reduced-price lunches. Statistics show that only 3 percent of the lunches served last year were served at a reduced price. Under the conference agreement, State educational agencies will be required to establish income guidelines for reduced-price lunches at 95 percent—instead of the present 75 percent—above established poverty levels.

The bill continues this concept to require poverty guidelines to be raised to more current levels since there is now a 12- to 24-month time lag in the yearly update of these guidelines. The benefit, of course, to such an update is to insure that all eligible children will qualify and not be excluded due to a time factor in determining poverty indices.

There had been debate here in the Congress concerning the provision for unemployed families which deserves clarification. Simply because a family is unemployed does not insure either a free or reduced-price lunch for their children. Provisions and guidelines remain the same in this instance as for all others—a family's income must be within poverty level guidelines for assistance under this act.

The free or reduced-price lunch is not the only program which has been extended by this act. The school breakfast program authorization is extended on a permanent basis because many children do not receive adequate nutrition from the one meal served at school each day; residential institutions who were unable to afford proper meal service in the past will be authorized to receive Federal food services; and day-care centers, preschools and Head Start programs will also use this program to serve meals and snacks through funding to all eligible centers.

This Congress has not acted irresponsibly by overriding the President's veto. We must answer directly to people in our districts who cannot understand why their Government does not answer their needs. Educators and parents alike in my own district have repeatedly indicated that children who are hungry have greater difficulty in grasping educational concepts. The Federal Government must continue to work in partnership with State and local governments to see a quality education is available to all children and to insure the nutrition needs of these children are met as well.

PUBLIC EMPLOYEES' COLLECTIVE BARGAINING

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. MINETA. Mr. Speaker, the eruption of strikes and work slowdowns by various public employee unions across the country in the past several months has resulted in widespread public concern and anxiety. Cities, counties, school districts, and other public agencies have been paralyzed and important public services have been interrupted, in some cases for several weeks.

Tragically, too many political figures and major elements of the press have reacted to the situation by suggesting punitive, rather than preventative, action. Demands that striking employees be fired, suspended, or disciplined in other ways reveal an unfortunate lack of understanding of labor-management relations and a susceptibility to political expediency and grandstanding.

It is my hope that Members of Congress will not fall victim to the hysteria; but, instead, will seek to pass legislation which will minimize the likelihood of public employee strikes and which will guarantee a more systematic approach to labor-management relations in the public sector.

We must pass a Federal statute which recognizes the basic right of all employees to function under a contract which has been arrived at through the collective bargaining process.

As I view the situation from the perspective of one who previously served as a city councilman and mayor of a major city, and as one who now serves in the Congress, I believe a Federal collective bargaining statute for public employees should include the following:

A provision for exclusive representation whereby an organization is elected—through open, democratic procedures—to represent the interests of an agency's employees.

A provision which establishes organizational security in the form of an agency shop or service fee concept.

A provision which guarantees a mutually agreed to, binding contract with enforcement provided through grievance arbitration.

Provisions designed to break an impasse in negotiations, including fact-finding and mediation, with appropriate cooling off periods.

The right to strike for employees in nonemergency services.

In order to assure that the public does not suffer unnecessary work stoppages, I would also like to see a bargaining statute which incorporates—as options to the strike—mediation/arbitration and last-offer arbitration.

Until we finally adopt a strong measure in the area of public employer/employee relations, we can be assured of continued turmoil and further interruptions of service. Simplistic proposals to fire striking employees, if executed, would only mean more confrontations and strikes of greater intensity.

I believe the most responsible approach we can take at this time is to enact into law a comprehensive, effective collective-bargaining statute.

SECTION-BY-SECTION ANALYSIS OF FIFRA

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. OTTINGER. Mr. Speaker, the House is scheduled this Wednesday to conclude its consideration of amendments to the Federal Insecticide, Fungicide, and Rodenticide Act—FIFRA—and vote on a final bill. As many Members already know, this bill—H.R. 8841—contains a number of controversial provisions which would weaken EPA's control over pesticides. In order for the Members to be more fully informed about this bill, I would like to submit for the RECORD a section-by-section analysis of H.R. 8841 which has been prepared by the Environmental Study Conference, of which I serve as chairman:

SECTION-BY-SECTION ANALYSIS

Sections 1 and 2: EPA would be required to give the Department of Agriculture 60 days notice prior to proposing any pesticide regulation or issuing a notice of intent to cancel the registration of any pesticide or change its classification.

The notification requirement in effect would apply to regular and emergency suspension orders—immediate bans of all or various uses of pesticides found to pose "imminent hazards"—because, under FIFRA, suspension orders cannot be issued prior to issuing notices of intent to cancel. (EPA, once it determines an imminent hazard, can use suspension in order to act swiftly, pending completion of the lengthy adjudicatory proceedings in the cancellation process and a final decision.)

The department would have 30 days in which to comment on such actions, and EPA would have to publish the department's comments and EPA responses in the Federal Register along with its regulation or notice.

In cases of final regulations, the time periods would be cut to 30 and 15 days and the department's comments would have to be published only at its request.

In addition to the notification and comment requirement, EPA would be required to analyze impacts on the agricultural economy prior to issuing notices of intent.

Sections 1 and 2, according to the committee report, meet criticism that EPA has not been taking sufficient account of the impact of its decisions on the agricultural economy.

The report notes that the proposal by Reps. Poage (D-Tex.) and Wampler (R-Va.) to give Agriculture veto power over EPA was rejected because it would have seriously impaired the ability of government to function and because of fears it would be defeated on the floor.

EPA and environmentalists oppose sections 1 and 2 for a variety of reasons:

First, they note that since the notification requirement would apply to suspension orders, it would hold up actions needed to be taken immediately in "imminent hazard" situations.

Second, they point out that EPA already fully considers agricultural impacts. The Act currently requires EPA to use a complex, lengthy, checks-and-balances adjudicatory process in cancellation and classification proceedings to ensure adequate consideration of agricultural interests. In addition, the interagency review process already requires EPA to consult formally wtih the Department throughout the regulation development process, and to submit written responses to department objections. And the Agriculture Department, they note, has taken full advantage of these opportunities.

The additional notification and comment requirements, they argue, would only create more bureaucratic red tape. A final problem with the requirements is that they also apply to nonagricultural pesticides used by industry, households, and institutions, which account for more than half the registered pesticides.

Third, environmental groups, in particular, argue that the notification and comment requirements also would give agricultural interests an unfair advantage in the regulatory process at the expense of the public interest. The department would be given an unprecedented opportunity to influence EPA decisions long before the public is aware of them, which would be contrary to recent Congressional actions to open up the government regulatory process to public scrutiny.

And, finally, both EPA and the public interest groups point out that the required analysis of the impact on the agricultural economy is an unnecessary duplication of effort. The law already requires EPA to take into account the economic and social, as well as environmental, costs and benefits in determining an "unreasonable adverse effect," which is the prerequisite to cancellation. In addition, EPA considers agricultural impacts in its environmental and economic impact statements on major regulatory actions.

At a more general level, EPA argues that it has been carrying out the Act in a reasonable, even-handed manner. The agency points out that it has initiated broad action against only nine of the over 1,200 active ingredients now registered. Of those nine, EPA has cancelled finally only three—DDT, Aldrin, and Dieldrin—and then only after years of deliberations in which everyone was heard from. In the case of the Aldrin/Dieldrin decision, EPA was taken to court, but the court found the decision to be supported by substantial evidence.

Section 3: This section would extend FIFRA for one year, until September 30, 1976, at the Administration's recommended funding level of almost $48 million.

Section 4: This section would extend for one year the Act's 1976 deadline for promulgating regulations, its 1976 deadline for registering and reclassifying all pesticides registered under the 1947 law, its 1975 deadline for states to submit applicator certification plans, and its 1976 deadline for certifying applicators.

The one-year extensions are necessary, according to the committee report, because delays encountered to date in carrying out the Act make it unlikely that the original target dates can be met and because the extensions will give EPA the time needed to develop sound programs.

EPA supports the one-year extensions for the regulation and registration deadlines, but opposes them for the certification programs. For the state plan submittal deadline, EPA feels a six-month extension would be adequate. For the applicator certification deadline, EPA feels that an extension at this time would slow the considerable momentum toward implementation of certification programs. EPA notes that many states also oppose the extension.

Section 5: Under this section, farmers and other private applicators, could use "restricted use" (very highly toxic) pesticides by signing self-certification forms in which they would affirm their ability to use the pesticides safely. While EPA could require the self-certification form to contain adequate information and affirmations, it could not require any formal training or testing programs unless a state proposed such programs.

Under the 1972 law, there must be a second-party determination of competence in order for a farmer to be certified to use restricted pesticides. Certification is usually done by the states.

However, the committee feels the present certification requirements represent an unnecessary and time consuming burden on the farmer. According to the report, this section would eliminate increasing bureaucracy and needless red tape and would make the farmer more aware of the dangers of restricted use pesticides.

EPA strongly objects to this provision, arguing that it may force the agency to ban dangerous pesticides which otherwise could be used, because it would be unable to assure that farmers and other private applicators are qualified to use such pesticides without injuring themselves, the general public, and the environment. EPA notes that only a few negligent or inexperienced persons cause most misuse and overuse. Certification is necessary so as not to deprive the vast majority of responsible farmers of highly effective pesticides. This section, however, removes even the most minimal demonstration of competence, according to the agency.

Environmentalists also oppose self-certification for these and other reasons.

They argue that existing certification programs involve only a few hours of time and do not place an undue burden on farmers in view of the threats to public health and the environment from misuse and overuse. Self-certification, they note, is the equivalent of permitting drivers of automobiles to license themselves. It rests on at least two false assumptions—that pesticides are not now being misused or overused very much and that states and the federal government have the resources to find and investigate violations.

Section 6: Under this section, EPA would have to provide the House and Senate Agriculture Committees with proposed and final regulations at the same time as the Agriculture Department.

This section, according to the committee report, would help make EPA aware of the impact of its pesticides programs on the agricultural economy, would improve liaison and communication between EPA and the committees on problems in carrying out the Act, and would give the committees the opportunity to bring their concerns to EPA's attention before the agency takes regulatory action.

EPA feels the section is unnecessary because it says it plans to notify and consult with the committees on all significant pesticides actions anyway.

Environmentalists oppose the section for the same reasons they oppose the requirements for notifying the Agriculture Department. They feel it would give the Agriculture Committees an opportunity to put pressure on EPA long before the public has its chance to comment. It also could lead to unprecedented Congressional involvement in the implementation of legislation, they say.

Section 7: Each lot of an agricultural commodity or product arriving in the U.S. would have to be examined if produced in a country permitting the use of pesticides banned in the U.S. and could not be brought into the country if it contained residues of such pesticides in excess of allowable tolerances. EPA could conduct these examinations itself, or it could delegate its responsibility to USDA for inspection of meat or poultry products and to the Food and Drug Administration for other food products.

According to the committee report, this section is aimed at protecting public health from imported commodities contaminated with banned pesticides, not at equalizing the costs of production between the U.S. and foreign countries.

The report notes that FDA estimates it would cost about $136 million annually to comply with this section. The Agriculture Department opposes the section on the grounds that it would have "serious adverse impacts on our international trade in agricultural commodities."

EPA has not taken a position on this section, except to say that it would oppose taking on the inspection requirements without additional appropriations and that it has serious misgivings about doing so in view of existing FDA involvement.

Section 8: EPA would be required by this section to give the same advance notification and comment opportunities as the Agriculture Department would have to a seven-member independent panel made up of scientists and health experts nominated by the National Institute of Health and the National Science Foundation.

This section is designed to strengthen input of the scientific community into EPA pesticides decision-making processes, according to the committee report. It was prompted by criticism that EPA's decisions sometimes do not reflect the opinion of its scientific staff.

EPA's position is that the section is unnecessary in view of all the scientific input EPA already gets from hearings, from present scientific advisory bodies and from present scientific staff. EPA also notes that it has recently set up a more broadly based Pesticide Advisory Committee to further strengthen scientific input. This advisory committee includes specialists in environmental health, medicine, and other scientific disciplines, as well as representatives of industry, farm organizations, other pesticide user organizations, and public interest organizations.

As a practical matter, EPA adds, it would be impossible for the panel to complete a meaningful review of complex scientific questions within the 30-day time limit for comment.

Section 9: In determining whether emergency conditions justify granting federal or state agencies specific exemptions from pesticides regulations, EPA would be required to consult with the Agriculture Department and the governor of that state. EPA has not taken any position on this section. Environmentalists say it is necessary because such consultation already is provided for in the Act.

Section 10: This section would redefine pesticides covered by FIFRA to exclude animal drugs and feeds currently regulated by FDA. The committee report says the section is designed to correct a jurisdictional problem between EPA and FDA. Neither EPA nor environmental groups have taken a position on this section.

Section 11: EPA could issue experimental use permits under this section to research agencies or educational institutions for experimentation with banned pesticides. According to the committee report, this section is aimed at making it clear that EPA has the authority to issue such experimental use permits. EPA has not taken a position on this section. Environmental groups feel it is unnecessary because such action already is provided for by the Act.

BACKGROUND

Congress passed the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) in 1947 in recognition of the need to regulate the large number of synthetic organic pesticides which were coming onto the market and which were being promoted for use in unprecedented quantities.

Under FIFRA, products were to be registered by the Agriculture Department prior to sale. To qualify for registration, a pesticide was to be safe and effective when used as directed. The department had the authority to "cancel" the registration of pesticides failing to meet registration requirements.

However, the law still had a number of limitations. One of the most significant was that it included no controls over the use or users of pesticides.

In carrying out the 1947 law, the department built up a dismal record, despite growing evidence of the threats posed by pesticides to human health and the environment.

According to a 1969 Government Operations Committee Report (H. Rept. 91-637), the department "failed almost completely" to carry out the Act. Among other things, the committee found that the department almost never took enforcement actions despite evidence of repeated violations, and had never stopped the sale of dangerous pesticides, and had registered numerous pesticides over the objections of federal public health agencies.

Finally, in 1970, President Nixon established the Environmental Protection Agency and transferred to it responsibility for FIFRA in order to separate pesticides regulation from the department's role of promoting agricultural production.

In 1972, Congress amended FIFRA in the Federal Environmental Pesticide Control Act, which is also commonly referred to as FIFRA.

In its report on the legislation, the House Agriculture Committee said it:

"Found the greatest need for revision of existing laws to be in the area of strengthening regulatory control on the use and users of pesticides; speeding up the procedures for barring pesticides found to be undesirable, streamlining procedures for making valuable new measures, procedures, and materials broadly available; strengthening enforcement procedures to protect against misuse of these biologically effective materials; and creating an administrative and legal framework under which continued research can produce more knowledge about better ways to use existing pesticides as well as developing alternative materials and methods of pest control . . ."

Key elements in the new scheme were regulation of pesticide uses according to degree of hazard and regulation of applicators of the more hazardous pesticides.

The regulation of pesticides according to degree of hazard involves classifying them into "general" or "restricted use" categories. General use pesticides are those which can be used safely by the general public. Restricted use pesticides are those which are so potentially harmful to health and environment that they should be used only by applicators certified qualified to use them properly and safely.

The restricted use classification coupled with the certification requirement was seen as necessary to permit the continued use of hazardous pesticides needed in agriculture while at the same time protecting public health and environment.

The restricted use concept and certification requirement were adopted in lieu of the two major alternatives for achieving the same degree of protection—banning the more hazardous pesticides and/or greatly increasing federal and state enforcement capability.

It is clear from the Act's legislative history that applicator certification requires a second-party determination of the applicator's competence to use a restricted pesticide.

As the House Agriculture Committee Report put it, "The educational process entailed by certification provides an opportunity not only to greatly diminish the possibility of injury to persons but also injury to the environment from both misuse and, more importantly, overuse."

At the time Congress was considering the 1972 law, testing and training were supported by the U.S. Department of Agriculture, the American Farm Bureau Federation, the Farmers Union, and the National Association of State Departments of Agriculture as essential elements in the Act's comprehensive regulatory scheme.

The 1972 Act also gave EPA authority to issue suspension orders—immediate bans on various or all uses of pesticides found to pose imminent hazards, pending completion of the cancellation process and a final decision. Cancellation involves lengthy adjudicatory proceedings before a product can be banned. The ban on DDT, for example, came after more than five years of cancellation proceedings. Suspension orders allow immediate action, but cannot be issued under FIFRA unless a notice of intent to cancel also has been issued.

EPA also was authorized to change pesticide classifications by following the same basic procedures involved in cancellation proceedings.

Since passage of the 1972 Act, EPA has come under increasing attack. Environmentalists have accused the agency of sometimes moving too slowly to protect the public health, while agricultural interests have charged that EPA has acted arbitrarily and precipitously and has ignored the impact of its actions on agricultural production and farmers.

When the Act came up for reauthorization this year, the agricultural interests began pushing several amendments to cut back on EPA's authority. The House Agriculture Committee held a series of hearings in May and began marking up legislation in June. However, it became clear that the committee could not complete action by the time the Act expired June 30, and, as a result, it reported out a simple 90-day extension to give it time to resolve the many controversies surrounding the Act. The extension was signed into law July 2 (PL 94-51).

The committee resumed markup on amendments to the Act in late July. Just as the markups began, an amendment surfaced that gained the support of a majority of committee members. Drafted by the Farm Bureau and sponsored by Reps. Poage (D-Tex.) and Wampler (R-Va.), the amendment would have given the Department of Agriculture veto power over EPA pesticides actions. The amendment was strongly opposed by EPA, environmentalists, and other public interest groups on the grounds that, in view of the department's past record on pesticides, it would bring the federal pesticide control effort to a standstill.

The August recess delayed the committee's deliberations until early September. During the recess, growing concern over the Poage-Wampler amendment's chances of clearing the House floor led to development of a compromise proposal requiring EPA to give Agriculture advance notice of pesticides actions and to publish the department's comments and the agency's responses. The compromise, sponsored by Rep. Vigorito (D-Pa.), cleared the committee by a 23 to 18 vote.

The committee also approved a number of other amendments, many of them designed to weaken the Act (See Section-by-Section Analysis), and finally reported out the bill on September 19.

SENATOR PASTORE RETIRING

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CONTE. Mr. Speaker, there is a gentleman who serves in the other body, representing the State of Rhode Island, whom it has been my pleasure and privilege to know for the 17 years I have been in the Congress.

We share a common background as sons of Italian immigrant parents and our thoughts and views coincide on many issues. I learned yesterday that the gentleman, Senator JOHN O. PASTORE, will not seek another term in office. The Senate will be vastly diminished by his departure.

Although small in stature, JOHN PASTORE has never come up short on ability or concern for his constituents or this Nation. He is a big man in the Senate and has been a forceful voice in both State and Federal Government for four decades. He is much beloved by his people, the citizens of Rhode Island, who know he wields considerable clout on their behalf and on behalf of their small State in Federal governmental circles.

I grew to know and admire this statesmanlike gentleman from our work together in Appropriations Conference Committees.

An article that appeared in today's Boston Globe on the Senator highlights one aspect of JOHN PASTORE's character that has always impressed me, and that is his unfailing ability to get to the "jugular vein" in attacking an issue.

Many times we sat in conference debating back and forth, back and forth points of contention. The Senator would admonish the participants to stop talking and compromise. "Give a little in the House and give a little in the Senate," he would advise. His cogent comments got the discussion back on point and his view usually prevailed.

Although I regret his decision not to

seek another term in office, I can understand his desire to devote time to his lovely family. At this time, I would like to insert in the Record the article on Senator John O. Pastore, to which I referred, from the Boston Globe, October 7, 1975:

Pastore Retiring but His Mark Will Remain

(By Andrew F. Blake)

The son of an immigrant tailor, Sen. John O. Pastore (D–R.I.) may be remembered to the outside world as a man of short physical stature but with a booming voice.

Pastore, who announced yesterday he would not seek re-election when his term expires in January 1977, is one of the most powerful men in the Senate.

His influence ranges from the type of programming on network television to Federal money allotted to New England and whether more nuclear weapons should be built.

He regards his work toward the nuclear test ban treaty and the non-proliferation of nuclear arms as highlights in his 42 years of public office, 25 of them in the U.S. Senate. Those who have worked with him in Washington know him as a man with an extraordinary talent to go directly to the heart of an issue.

One congressional aide said Pastore would often interrupt what obviously had the makings of a long-winded report by a researcher and say, "Now look, this is what's at stake here, isn't it," and he would have the issue in several short sentences.

An aide from the Rhode Island delegation, who asked not to be identified, described Pastore as "a man with incredibly good political antennae."

"Pastore knew, long before the people who had 20 bright young lawyers working for them, where an issue was going, when to jump on it and when to get off," said the aide.

One of his greatest contributions to the Senate, said another congressional aide, was his ability to make others see through their emotion and resolve the issue through compromise.

When long-winded debates on the Senate floor led to flaring tempers, the 5-foot-4 Pastore would rise on the floor, his voice booming. "Gentlemen. This," he would admonish, is ridiculous. Either take a vote or set a later date to do it, but stop the rhetorical silliness," he would say, and usually they did just that.

Pastore was born on St. Patrick's Day in Providence in 1907. After his father died nine years later, Pastore, one of five children, helped his mother by working as a delivery boy.

He had hoped to become a doctor, and after high school he had been accepted at Harvard University and Brown University, but a lack of money ended the dream.

In a way, his children have fulfilled that dream. His son, John Jr., is a cardiologist at St. Elizabeth's Hospital. A daughter, Frances, is married to a doctor, and his other daughter, Louise, is a nurse.

When he received his law degree in 1931, Pastore soon discovered the Depression was no time for a lawyer to make a living.

Four years later he was elected at age 27, as the youngest member of the Rhode Island Legislature. A few years later he became an assistant attorney general, was elected lieutenant governor and then Rhode Island governor before becoming in 1950 the first Italian-American member of the U.S. Senate.

As chairman of the Commerce subcommittee on communications, he was responsible for the football game antiblackout ban and has been a force in reducing violence on television.

But his voice will be lost, more importantly to New Englanders, when he leaves the Appropriations Committee. He is the only Democrat from the Northeast on the body that holds the Federal purse strings.

HEALTH CARE IN RURAL AMERICA

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. CARTER. Mr. Speaker, assuring rural Americans access to health care is an extremely important, yet difficult, problem which defies simple solutions or any single approach. Not only do rural areas lack a sufficient supply of health manpower, but the need for health care is especially acute in these areas which tend to contain proportionally fewer people of working age, but more of the elderly, and in areas of concentrated poverty, more children. The health care needs of citizens in rural America need and deserve our attention as we, in the Congress, develop and consider health legislation.

In addition, the private sector can also play a significant role. Today, I am pleased to bring to the attention of my distinguished colleagues, the outstanding efforts of the Robert Wood Johnson Foundation in addressing this problem, through its establishment of the Rural Practice Project, a $14 million national program. I commend the foundation for its action, and I am inserting a copy of the press release describing the foundation's project for the benefit of the other Members:

The Robert Wood Johnson Foundation News Release

Princeton, N.J., September 30, 1975.—The Robert Wood Johnson Foundation announced today the establishment of a $14 million national program designed to assist teams of selected physicians and administrators set up approximately 25 community-based medical practices in rural areas throughout the United States.

In announcing the program—named the Rural Practice Project—Foundation President Dr. David Rogers said:

"The key challenges for the teams of physicians and administrators selected to participate in the Rural Practice Project are twofold. First, they must develop medical practice models that meet the health needs of the communities they serve at a price the people can afford. Second, they must devise and build into these practices the means to overcome professional isolation and other problems that have made careers in rural practice increasingly unattractive to young doctors and other health professionals."

The physician-administrator teams, together with other supporting health personnel, will develop practices focused on the community's overall health needs, as well as the general medical needs of individual patients. These practices will be designed to become financially self-sustaining after a start-up period covered by the Foundation's grant support.

The School of Medicine of the University of North Carolina at Chapel Hill has been selected to administer the Rural Practice Project for the Foundation under terms of a five-year grant of $2 million. The project and its central staff at Chapel Hill are directed by Dr. Donald L. Madison, a Senior Program Consultant of the Foundation and an Associate Professor in the Department of Family Medicine at the University of North Carolina School of Medicine.

Dr. Rogers noted that in recent years the physician population in rural areas of the United States has diminished at a rate far exceeding the decline in the overall rural population. And the ratio of physicians to population in rural counties is less than half what it is in metropolitan counties. In parts of the south—Georgia, South Carolina, Alabama, and Mississippi—the situation is even more acute for rural counties: 28 doctors per 100,000 people, compared to the overall national average of 156 per 100,000.

"It should be made clear, however," continued Dr. Rogers, "that the purpose of this program is not simply to recruit physicians to work in rural areas. Nor do we believe that greater numbers of physicians alone will solve the problem. Rather, the program represents a search for new approaches to the problem of health care access in rural America."

Dr. Madison said the first task of the Rural Practice Project will be to recruit teams composed of an administrator and from one to three primary care physicians (practitioners of family medicine or internists and pediatricians) with demonstrated leadership capacity who can select communities interested in participating and help develop non-profit community organizations eligible to receive Foundation funds.

The Foundation grants will then be made to these organizations to cover the start-up costs of the group practices during the estimated three to four years needed to become self-supporting. In making these awards every effort will be made to distribute the funds throughout the United States, giving priority to areas with the greatest need for improved access to health care.

The communities and surrounding areas chosen for the model practices must each have between 6,000 and 20,000 population, and be experiencing a severe shortage of physicians. In addition, the area must be truly rural in terms of distance from large commercial centers. The practices, however, will establish linkages with nearby hospitals and academic health centers for consultation and referral.

"We believe increasing numbers of young professionals would be attracted by the quality of life rural America offers if only they could see more examples of how modern practices, responsive to community needs, can be organized and successfully adapted to that environment," Dr. Madison said.

"One of the primary tasks of the Rural Practice Project," he added, "will be to assist these models, encourage this interest, and assemble and provide information to those who might benefit from our experience."

A National Advisory Board of 17 men and women of recognized achievement in a variety of rural-related fields has been formed to oversee administration of the project. Chairperson of the Board is Dr. Leighton Cluff, Professor and Chairperson of the Department of Medicine, University of Florida College of Medicine.

Members of the Board will assist in evaluating qualifications of potential participants and in reviewing grant applications. The Advisory Board is also responsible for making recommendations to the Foundation for the awarding of grants under the project.

A. PARKS RASIN, JR., 1912–1975

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BAUMAN. Mr. Speaker, recently the citizens of Kent County, Md. and of our entire State lost a good and able leader in the death of A. Parks Rasin, Jr. of Chestertown.

Only those who live in small towns and rural America can fully appreciate the stature gained during a lifetime in his community by a man such as Parks Rasin. I first met Parks nearly 20 years ago when I was introduced to him by my predecessor in the House, the late Congressman Ted Miller. I can well recall during the ensuing years many times going to Mr. Rasin to seek his advice on political and other matters. His thoughts were always graciously given and most valuable.

In fact, only a few short weeks before his untimely passing, he was a guest in my home and as usual we were talking politics.

Indeed, Parks Rasin was in many ways "Mr. Republican" of the Kent County and Eastern Shore Republican Party. He served two terms as a Republican State's attorney in his home county and last year he had taken a large part in electing a Republican county government for the first time since 1916.

But politics was not Mr. Rasin's only area of achievement. He served with great distinction as a member of the bar of the State of Maryland and as the president of the Kent County Bar Association. He was active in many areas of the legal profession and was one of the most respected attorneys in our State. His other activities extended into banking, business, and service in a number of civil organizations.

Mr. Speaker, I am sure all Members will understand when I say that a good friend and a true American has left us. Mrs. Bauman joins me in extending to his wife and family our sincere condolences. I include at this point in my remarks an article from the Kent County News regarding Mr. Rasin:

ATTORNEY, BANKER, POLITICAL LEADER,
A. PARKS RASIN, JR., IS DEAD AT 63

A. Parks Rasin, Jr., prominent attorney, political leader and president of The Peoples Bank of Kent County, died Friday evening at the Kent and Queen Anne's Hospital after a brief illness. He was 63.

Funeral services were held yesterday at Emmanuel Episcopal Church, Chestertown.

A 1932 graduate of Washington College, Parks Rasin continued his education at the University of Maryland School of Law in Baltimore. He was admitted to the Maryland Bar in 1941. His practice, however, was interrupted by World War II. He slugged it out under General Mark Clark's 5th Army in the Italian campaign, beginning at Mt. Cassino and on up through "the boot" with the 338th Infantry Regiment (the old-timers) of the 85th Custer Division.

He returned to Kent County and was elected and served as State's Attorney from 1946 to 1954. For the next 21 years he was the chairman of the Republican State Central Committee for Kent County. He also chaired the First Congressional District Republican Committee. In 1960 he was delegate to the Republican National Convention in Chicago.

A past president of the Kent County Bar Association, he was also active in the affairs of the Maryland Bar Association. For the past five years he had been a member of the Governor's Study Commission to Review the Workmen's Compensation Law.

Mr. Rasin was actively engaged in his law practice with his son, Alex P. Rasin, III, at the time of his death.

Elected president of The Peoples Bank of Chestertown, which is now known as The Peoples Bank of Kent County, in 1957, he was influential in that bank's move from a small location to its important location on Spring Avenue.

He was also currently serving on the board of directors of the Chestertown Electric Light and Power Company and the Harford Mutual Insurance Company.

He is a past president of the Chestertown Rotary Club. He was Post Commander of the Frank M. Jarman American Legion Post No. 36 in 1956. He was also a member of Chester Lodge 115 of the Ancient and Accepted Masons of Maryland.

Mr. Rasin was active in a number of civic organizations, including the Kent County Chamber of Commerce. He had served on the boards of the Kent and Queen Anne's Hospital, the Chestertown Volunteer Fire Company and the Chester River Yacht and Country Club.

He is survived by his wife, the former Henrietta Bowen, his mother, Mrs. A. Parks Rasin, Sr., one son, Alexander P. Rasin, III, all of Chestertown, a daughter Mrs. Martha Rasin Bolling of Alexandria, Virginia, two sisters, Mrs. Peter G. Meek of Ridgewood, New Jersey, and Mrs. T. R. Bachmann of New York City, and a grandchild.

Pallbearers were David O. V. Barroll, Alday M. Clements, Olin S. Davis, Jr., Dr. Harry W. Fallowfield, Samuel L. Heck, Elmer E. Horsey, Earl H. Pinder and Bartus O. Vickers.

Honorary Pallbearers were the Honorable Harry E. Clark, the Honorable George B. Rasin, Jr., the Honorable James A. Wise, Richard Carvell, J. Thomas Clerk, Jr., J. Hanson Cochran, C. David Haacke, L. Kenly Jenkins, Roland T. Larrimore, C. E. Prince, George Thomas Robinson, George F. Scheeler and the directors of the Peoples Bank of Kent County.

FRANCIS FRANCOIS TESTIFIES ON BILLS TO REGULATE LOBBYING

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mrs. SPELLMAN. Mr. Speaker, Mr. Francis Francois, Chairman, County Council, Prince Georges County, Md., testified on behalf of the National Association of Counties before the Subcommittee on Administrative Law and Governmental Relations, Committee on the Judiciary, on bills to regulate lobbying. I would like to share his remarks with my colleagues:

STATEMENT BY FRANCIS FRANCOIS, CHAIRMAN, COUNTY COUNCIL, PRINCE GEORGE'S COUNTY

Mr. Chairman, I am Francis Francois, Chairman of the Prince George's County Council. I am here today representing the National Association of Counties (NACo), on whose Board of Directors I serve. NACo is the only national organization representing county governments. Our membership spans the spectrum of urban, surburban and rural counties which have joined together for the common purpose of strengthening county governments to meet the needs of all Americans.

I would like to record the National Association of Counties' concurrence with the statement of Governor Noel on behalf of the National Governors' Conference that state, county and city officials support the public disclosure of lobbying activities. However, we do not believe that either county officials or their employees, whether hired by a single county or a group of counties should be considered in a different category from other public officials at the federal level who are exempted from the act by the fact of their public employment.

We are deeply concerned that the laws being considered by Congress to improve the present regulation of lobbying would not exempt our employees who have been hired by public bodies joining together in an association whose costs are paid for by public funds. We feel that in a federal system the states and their local subdivisions have a right and a duty to join together to insure that their needs and views will be heard by the various branches of the federal government.

We feel it is important that those representing special interests make full disclosure of their activities because those of us in the public sector are not always fully informed about their activities that impact on public programs. The National Association of Counties, National League of Cities and United States Conference of Mayors felt the issue of our exemption as public officials to be of such importance that we sought and received a declaratory judgment (*Bradley* v. *Saxbe* 338 F. Supp. 53 (D.D.C. 1974)) that our full time officers and employees are exempt from registration under the Federal Regulation of Lobbying Act so long as such person engages in lobbying undertaken solely on the authorization of a public official acting in his official capacity and such person receives his sole compensation and expenses for lobbying activity directly or indirectly from public funds contributed by cities, counties or municipalities. We would like Judge Gesell's judgment made a part of the record and are submitting it with our statement.

In order for the Congress to understand the work of the National Association of Counties and its employees, I would like to describe the operation, financing and policy-making processes of our organization. It is not possible or practical for each of the 3,101 counties in this country to have their own representative in Washington to help elected officials to understand what federal legislative or administrative actions mean to county governments. Therefore, in 1935 counties joined together and pooled their resources to form a national organization to represent all counties in Washington before federal, administrative and Congressional bodies. Today more than 1,400 counties are members of the association.

By virtue of a county's membership, all its elected and appointed officials become participants in an organization dedicated to improving county government; serving as the national spokesman for county government; acting as a liaison between the nation's counties and other levels of government; and achieving public understanding of the role of counties in the federal system. Meeting in annual and special meetings the membership acts on policy questions and chooses the Association's Board of Directors. The Association is funded by public funds appropriated by each member county on the basis of population. Policy is determined by a system of weighted voting also based on population. The county determines which of its elected or appointed officials shall cast its votes.

As representatives of the voting membership, the Board of Directors, including Officers, serves as the policy-making arm of the Association. In that role and sitting as the Resolutions Committee, the Board receives policy recommendations from the respective steering committees and, upon approval, submits such recommendations to a vote by the general membership.

Interim policy decisions arising between annual NACo meetings may be made by the Board of Directors, but such policy is subject to revision at the next annual meeting. The Board of Directors also has the responsibility for the general supervision, management and control of the Association, including approval of the Association budget and selection of the Executive Director. The Officers (President, four Vice Presidents and the Fiscal Officer) and Directors (48 at large plus representatives from each affiliate and regional district) are elected for one year terms by the member counties at the annual NACo meeting.

NACo steering committees, under the direction of the President and membership, are responsible for assisting in the formulation and execution of policy as contained in the American County Platform. They carefully study federal, state and local issues in their respective subject areas and recommend policy for consideration by the membership. The membership is the final policy determining unit of the Association. Once policy is approved, the steering committees assume the major responsibility for supporting it at the local, state, and national levels.

In helping formulate policy, the steering committees conduct research into common county problems; explore issues through discussions and debates at NACo conferences and other committee meetings; counsel and consult with nationally recognized experts on government problems; foster similar inquiries at the state association level; draft proposed policy statements for action by the voting delegates; and support the committee policy recommendations on the floor of the convention.

In helping implement policy, steering committee members support the American County Platform in their own counties; promote the Platform in their state associations and before the state legislature; and support the Platform at the national level by providing information at the request of the Congress and federal Administrative agencies.

In his decision, Judge Gesell described the situation faced by local governments today:

"The involvement of cities, counties and municipalities in the day-to-day work of the Congress is of increasing and continuing importance. The Court must recognize that the voice of the cities, counties and municipalities in federal legislation will not adequately be heard unless through cooperative mechanisms such as plantiff organizations they pool their limited finances for the purpose of bringing to the attention of Congress their proper official concerns on matters of public policy."

The impact of federal actions on counties cannot be underestimated. Approximately 22 percent of state and local budgets come from federal aid. The federal impact on counties is so great that some counties have full time employees in Washington to keep county officials informed about federal actions. Our understanding of the legislation before your committee is that those employed by a single county would not be required to register, but that employees hired by counties joining together in a national association would be subject to the provisions of the Act. Since all of these employees are paid for by publicly appropriated funds under the direction of public officials, we cannot see any difference between employees of a group of counties and employees of a single county who represent county interests before Congress and administrative agencies. This seems to discriminate against small and less affluent counties who must look to a NACo employee for assistance and representation.

I would like to emphasize the fact that all of the National Association of Counties operations, deliberations and policies are open to the public, press and Congress. Our policies are printed in the American County Platform, which I described earlier. All actions and positions of the association are carefully described in our weekly newspaper County News. Over 30,000 copies are distributed nationally, including 1,000 copies to Capitol Hill. The NACo budget is printed and distributed in the newspaper. We have no objection to disclosure of our operations and policies.

We think that the members of Congress would agree on the need for more intergovernmental contact by public officials and their staffs at the federal, state and local levels. A great deal of time of our NACo employees is spent in answering inquiries from Congressmen and federal agencies concerning county problems in administering and implementing federal laws.

In his decision concerning the existing Lobbying Act, Judge Gesell made a clear distinction between special interest groups and those groups representing public officials:

"Here there can be no doubt that all officers and employees of the plaintiff organizations are engaged in lobbying solely for what may properly be stated to be the 'public weal' as conceived by those in Government they represent who are themselves officials responsible solely to the public and acting in their official capacities. The narrow interpretation of the Act should be maintained to assure its constitutionality. Significantly, the legislative history reveals the definition of 'organization' was intended to apply to 'business, professional and philanthropic organizations,' not to organizations of public officials and their agents."

We hope the Congress will recognize that difference also.

STATEMENTS OF CANDIDACY

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. WIRTH. Mr. Speaker, today our distinguished colleague from Michigan, DONALD W. RIEGLE, announced his candidacy for the U.S. Senate. I believe the statement in which Mr. RIEGLE declared his candidacy merits our attention and I include it in its entirety in the RECORD of today's proceedings:

STATEMENT OF CANDIDACY FOR THE U.S. SENATE NOMINATION IN THE DEMOCRATIC PARTY PRIMARY ELECTION

(By Congressman DONALD W. RIEGLE, JR.)

Nine years ago here in Flint, on a morning like this one, we began a citizens campaign for Congress—where our goal was to try to put government back into the hands of the people.

I pledged at that time, that if elected, I would be hard-working, progressive in my views, independent minded and committed to the purpose of representing all the people, regardless of party or viewpoint. We have kept that pledge, and I renew it today.

We have traveled many miles together over these nine years; they have been years of trauma, struggle and upheaval. These years have tested us all—our endurance, our compassion, our sense of direction, our will to press ahead.

For the past decade we have had one national crisis after another. From the terrible crisis of the Vietnam War we moved into the crisis of Nixon/Agnew and Watergate. Now we find ourselves in a new crisis centering on our economy and energy. As a people caught up in an unending period of crises, we have not been able to turn and reflect and focus our attention on developing a sound longer-run strategy for our country. And this has taken a terrible toll on our national spirit—it has drained something from all of us.

It is not surprising that we now find our country drifting in a sea of cross-currents. Many people feel helpless; they have come to increasingly doubt our institutions, our political system, even our traditional values. If these attitudes continue, our entire nation will ultimately be splintered into pieces; we will end up as a divided people, moving off in separate directions because we lack unifying purposes and common goals. That would be a tragedy for America and the world.

We must not let this happen. As a nation we have drifted too long—it is time for us to pull ourselves together, to work with one another in behalf of new national goals that make sense and are equitable. I believe we can chart a new course for America—one that will truly serve the interests of all our people.

I have a deep and unshakable faith in the basic goodness and creative strength of my countrymen—I believe we can surmount our problems—I believe our system can be made to work with equity and vitality. I believe we can and must regain control over our own destiny—and the way to accomplish this is by breathing new life into our self-government process.

So today, with a sense of great hope about what I believe we can accomplish together, I am announcing my candidacy for the United States Senate.

My decision to run is based on the belief that we *can* change things for the better—that we need not be human pawns helplessly victimized by forces beyond our control.

We can and must take charge of our own destiny. There is an urgent need to break out of the national mood of apathy and cynicism and alienation that has been poisoning our political process.

I run because my conscience compels me to do everything I can to try to change things for the better. I know that if I can be elected Senator, I can do much more to help people—both here in Michigan and across our country.

During his 18 years of Senate service, Phil Hart has set a standard of excellence that will be difficult to match. Of his many special qualities, perhaps the finest is his independence of mind—his willingness to speak his true feelings openly and honestly regardless of the political consequences. To me, he is an authentic example of a "people's senator"—and as such, he leaves very large shoes for others to try to fill.

One reason I am seeking the Democratic Senate nomination, is that I want to see Phil Hart's example of independent thinking carried forward.

During my 9 years in Congress, I have not side-stepped the tough issues—in fact I have faced them directly, and have taken clear-cut and outspoken positions—whether on the Vietnam War, human rights, Nixon and Agnew, secrecy and deception in government, Congressional reform, or one's own party affiliation.

I would hope that my own past record of independent thinking—and my willingness to stand alone, if necessary, on matters of conscience—are factors that people will consider when evaluating my candidacy.

I was first elected to Congress at age 28 and will have served ten years in the House of Representatives when I complete this term. This past ten years of active on-the-job experience has taught me much about the congressional system—how to get things done—the barriers that prevent things from getting done—which congressional reforms are most needed—who the most progressive colleagues are to work with in trying to change national direction.

I am old enough to have learned my way around Washington and young enough to fight hard and long for what is best for Michigan and America.

I have written a book about the Congress—and I believe my understanding of its interworkings would enable me to be effective, early, as a new member of the Senate.

Of the current 100 Senators, several are people I previously served with in the House—and our working relationships are well established.

As one who has long fought to change the seniority system in Congress with respect to committee chairmanship, it is a fact of life that length of service, particularly in the Senate, enables one to accomplish more—both for your state and the country. If I were to be elected to the Senate at age 38—I believe that over the years, assuming I were worthy of reelection, that I could do much serious and sustained work on our national problems, and I would strive to give Michigan the kind of progressive voice in national affairs that Phil Hart established over the 18 years of his service in the Senate.

Another area of my congressional background that I believe voters may wish to consider, is the fact that I have, for nine years, served on Congressional committees dealing directly with American foreign policy. While America's main problems today are in the area of domestic policy, we still live in a shrinking and dangerous world, and we are intimately tied to the rest of the world with a number of vital inter-relationships.

My nine years of concentrated front-line experience in all serious foreign policy issues—the Middle East—the Greek/Turkish conflict over Cyprus—Western Europe—the East-West relativeship—Southeast Asia—The Third World—has, I believe, enabled me to become a Congressional specialist on foreign policy matters. I believe this background and experience is particularly important in the U.S. Senate.

While I will invest all the energy and driving force in this campaign that I can muster, it is clear to me that we face a long, tough up-hill fight. And while I start out behind in this race—if what we stand for makes sense and is fair—then I am confident the people will help us close the gap. I believe I can win—and I am running to win.

If I become the Democratic nominee, I believe I would be a strong and successful candidate for the Democratic party in the general election.

It is not clear at this time what other candidates may later enter the race for the Democratic Senate nomination. While I would be happy if no others were to enter the race, I will nevertheless welcome all who come forward—and I wish to say here and now that whatever the primary field, my campaign will be directed toward issues and not toward my primary opponents. And while I will work to win the primary nomination, if the voters should decide otherwise, I would support and work to help elect the Democratic nominee.

So we will be taking this campaign directly to the people. I intend to talk with people face to face—all across this state—from dawn til dark—day after day after day. I want to hear every viewpoint—I want to be a Senator of all the people—from the inner-city of Detroit to Iron Mountain—from Grand Rapids across to Port Huron and all points in between.

From today forward, every citizen is personally invited to join in this campaign; and the campaign will belong equally to every person who takes part in it. While I will be the main spokesman for this candidacy, there will be thousands of other volunteer spokesmen and spokeswomen across our state also speaking for it. What binds us together is a shared set of values and ideals—a belief that we share the responsibility for finding new answers that can work and a new vision of our country that is worthy of our faith and finest efforts.

The people in Michigan who know me best are my own constituents from the Flint area. And so I will be asking people from the Flint/Genesee County area—union members, businessmen, retirees, students, teachers and others of all ages and backgrounds to travel to other parts of the state as campaign volunteers to represent our candidacy and seek support on a citizen to citizen basis.

This campaign will center on the urgent human issues facing our people. I have very strong feelings about the things that are wrong in America today, and I will be offering many specific ideas that I believe can get our country pulled together again and moving forward.

As to specific end goals, I am dedicated to equal justice and opportunity—to more and better jobs—a safe and clean environment—a decent standard of living for every citizen—good medical care people can afford—high quality education for our children—and economic security in old age.

These are goals I believe America can and must accomplish—not decades in the future—but now—for this generation of Americans. We have the resources and vision to do these things—but not until we change our priorities and methods.

As a nation we must do better. I believe the greatest threat to America is rooted in inequality and broken dreams, of people who have been left out or find themselves locked in place on a treadmill—and these people number in the tens of millions. Americans are patient and long suffering if their burdens are equal, if their sacrifices are for just causes, and they are dealt with openly and honestly. But for too long the burdens have been unequal—our government has not been truthful or responsive—and too many politicians have learned to side-step issues in order to save their own skins.

I am running as a fighter for constructive change—for equity—for common sense answers that work. Too many Americans have been dealt out of the game through no fault of their own—I intend to do everything I can to see that everyone is dealt back into the game and that the rules are kept fair.

I want to see real economic justice here in America. It means ending this recession—and getting people back to work—it means managing our national economic policies in a way that can stop the run-away inflation. As one with professional training in finance and economics, I am convinced that we are suffering from gross economic mismanagement at the federal government level. Much of my campaign will center on steps we must take to end unemployment and inflation. Our goal must be to put people back to work and also achieve a relatively stable price level. Rather than waste time trying to assign blame for past policy mistakes. I feel we should concentrate our efforts on finding the new economic answers that are so desperately needed.

So we have much work to do, and we must be sure that no one in America is denied the chance to contribute his or her best effort. I want every single American to have a fair fighting chance to develop his or her own unique potential. If even one person is denied the chance to grow and thrive, then we all lose something. And with opportunity comes responsibility; I strongly believe that every able-bodied person available for work—must be offered a meaningful job—and I believe everyone able to work, should work. All of us can contribute something—and most of us can do more—be more productive—for ourselves, and our families and our country. In times of national hardship we each must do more for the common good—and yet it will not happen if our system is unfair—if some are allowed to benefit at the expense of others—if there are two sets of rules, an easy set for the well-connected and a tough set for everyone else.

We must put an end to double standards, to rip-offs, to economic and social injustice. I believe we can and will become more productive, if people are convinced the system is fair—but it will have to be demonstrably fair before people will willingly reinvest their faith and best effort.

Another question that must be raised concerns the type of Congressional service that should exist between an elected representative and his constituents.

During my nine years in Congress I have prided myself on building a close, working relationship with my constituents. I believe in shirtsleeve, working representation on a face-to-face basis. So it is my practice to come home often to listen to what people have to say—to hold regular office hours in shopping centers so that people can reach me directly about individual problems or issues—to send regular newsletters and questionnaires which discuss the issues and seek the opinions of people—to maintain an active district office with professional staff people out in the community helping to solve problems.

This is the same kind of full-time Congressional service I want to give to the State of Michigan.

Also I believe Michigan, as a state, has unique problems which require special attention and special remedies. As a state largely dependent on the automobile industry—I feel a special responsibility to seek national policies that can assist our major industry—policies that can benefit both auto workers and auto management, and yet are consistent with the broad national interest. As one who has long been involved in matters relating to the automobile industry, as a Senator from Michigan I would endeavor to become the most informed national spokesman on the crucial issues affecting the future of the automobile industry. I care deeply about the future of our state, and I want to be sure our interests are fully understood and effectively represented.

Campaign announcement statements by their very nature tend to set forth a broad overview of a candidate's qualifications, purposes and philosophy. Usually, few specific program ideas are put forward. This campaign will be different in many ways, and so today I want to briefly mention 11 different ideas, among others, that I will be putting forward in detail during this campaign.

These new ideas include:

1. *A major new national energy strategy to keep gasoline prices and fuel oil prices from sky rocketing higher and higher.* These ever-increasing prices will not only threaten the economic recovery we urgently need, but it will price gasoline and fuel oil out of reach of many people who can't afford to pay the price. This is wrong—and exactly the kind of hard-nosed, heartless commercial policy that is convincing people by the millions that the "system" really doesn't care about them.

Instead, we should try to break the OPEC cartel, and reinforce our energy development, diversification and conservation efforts with war-time seriousness. Primary reliance on price rationing of gasoline and fuel oil in our society today is neither equitable, nor in my judgment strategically sound.

2. *A new federal budget tool called "zero-base budgeting"* which would require existing government agencies to periodically demonstrate that they are still useful and actually worth the federal budget money they seek. It's time to cut the fat out of a bloated federal government—and this is the way to find it.

3. *A "federalization" of the Unemployment Compensation Program*—with creation of a national insurance pool designed to help those states, like Michigan, with special unemployment problems that exceed individual state resources. This is essential to Michigan's economic future—otherwise we may face a permanent job shortage here in Michigan.

4. A special effort to promote *immediate*

job creation in the private sector (rather than the public sector), with greater emphasis on self-liquidating public works construction projects carried out at the local and state level.

5. A top priority will be *an income maintenance program for senior citizens* that will insure an adequate living standard for every elderly person in America. This would be outside Social Security, funded by general revenues and would provide needed basic income on a case-by-case basis. I believe the greatest tragedy in America today is the economic hardship and deprivation facing elderly people.

6. New federal investment and tax policies which will insure an increased flow of needed capital into strategic industries with severe capacity bottlenecks, i.e. steel and energy.

7. Special tax incentives and tax reductions for smaller scale, family managed farms—aimed at insuring the survival of small farms.

8. A domestic Marshall plan to revitalize America's major urban centers—federally supported but not federally directed or managed.

9. A major overhaul of our criminal justice system—with greater concentration on serious crime, faster processing of cases, major prison reform, tougher penalties for crimes involving physical violence.

10. A massive developmental push in the direction of renewable energy sources—especially solar power.

11. Greater federal government encouragement of non-government scientific research and development. One proper function of collective national effort is to facilitate and accelerate scientific breakthroughs. Continued technological advancement is essential to the preservation of our living standard.

These are some of the new ideas we will be discussing in the Senate campaign we begin today.

Let me again invite every citizen across the state to join this campaign—I welcome and need your ideas, energy and shared commitment.

So today we begin a new journey together and the stakes are high for everyone.

In 1960, John Kennedy said this: "With a good conscience our only sure reward, and history the final judge of our deeds, let us go forth to lead the land we love—asking His blessing, and His help, but knowing that here on earth, God's work must truly be our own."

Let us go and do the best we can!

Thank you.

THE FOUNDERS OF ISRAEL—IN MEMORIAM

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. SCHEUER. Mr. Speaker, Alexander Schlesinger is a survivor of the Hitler death camps of Auschwitz and Birkenau and German slave camps in Russia. He played an important role in the "Underground Railroad" leading to the redemption of many Jews. Romanian-born Schlesinger brought to America a vow that these tragedies would never occur again, and a determination to assist all his brothers left behind. "If God shall grant that I will survive the death camps, then I will devote myself to the cause of human dignity and religious freedom for all people," is the sacred pledge that Alex then made.

In 1958 he initiated the efforts of freedom for Jews living behind the Iron Curtain under the ancient Mosaic call, "Let my people go." In November 1963, he organized and sponsored the first mass protest rally at the Flatbush Park Jewish Center in Brooklyn to dramatize the plight of Soviet Jewry. His efforts began to draw world attention to the unfortunate condition of Soviet Jewry and to the Russian denial of fundamental human rights to its inhabitants.

In 1965, with the help of our colleague Congressman JOHN MURPHY, and in the company of 150 members of the Flatbush Park Jewish Center and its spiritual leader Rabbi David Halpern, Alex Schlesinger presented President Lyndon B. Johnson with a plaque and a petition that requested that any trade agreements with the Soviet Union be conditioned upon the U.S.S.R. agreement to grant the basic human rights of emigration and freedom of religion to its people. This document was also signed by the Zionist Cultural Society of Mill Basin, the Student Struggle for Soviet Jewry, and the American League for Russian Jews.

Mr. Schlesinger's interests and towering leadership activities cover the full spectrum of organizations dedicated to strengthening the spiritual identities of American Jews and giving aid to the State of Israel.

He is demonstrably a man of his word who believes in the fulfillment of a sacred vow.

Alex Schlesinger is the founder and chairman of the Zionist Cultural Society of Brooklyn, N.Y. He delivered this stirring address on the occasion of the Memorial Tribute to the Founders of Israel:

ADDRESS BY ALEX SCHLESINGER

"Honored Rabbi Halpern, Congressman Scheuer, community leaders, members of the Flatbush Park Jewish Center and of the Zionist Cultural Society, ladies and gentlemen of the wider Brooklyn community, dear friends.

I acknowledge and pay tribute to the Flatbush Park Jewish Center in Brooklyn, N.Y. that has been the home of the Zionist Cultural Society since its inception. The Zionist Cultural Society, the organization that sponsored the first Protest Rally in behalf of Soviet Jewry in 1963, at a time when such protest was unknown—a form of protest and crying-out that has today become the norm throughout the world and has saved hundreds of thousands of Jewish lives instituted a most significant program some years ago to set aside a Sabbath day to honor the memories of the three giants of modern Jewish history—who by their perception of world events, their understanding of history and their brilliance as leaders helped found the State of Israel—Chaim N. Bialik, Dr. Theodore Herzl and Zev Jabotinsky.

I would speak to you at this time of Zev Jabotinsky—Our liturgy speaks of the indestructibility of the Jewish people. SHOMER YISRAEL—Guardian of Israel preserve the Remnant of Israel, let not Israel perish, who say: "Hear, O Israel". Zev Jabotinsky was the willing and able instrument of this Rabbinic promise.

Jabotinsky Rebel, Statesman, Fighter, Prophet, Poet, Orator, Linguist, Soldier, Zionist, Idealist, Hebraist, Philosopher, Author, and Man of Vision. With how many aspects of this versatile man are we acquainted?

It is already thirty-five years since Jabotinsky died so suddenly and so tragically. It was tragic for us who heard about it in the extermination camps in eastern Europe, in the inhuman labor camps in the frozen North of Siberia or in the dark forests of Poland. The German beasts made sure to announce over the loudspeaker, with great fanfare and great delight, the sudden death of the uncrowned Jewish King, Zev Vladimir Jabotinsky.

They knew that the news of Jabotinsky's demise would cause deep mourning among their Jewish captives and add to their despair and isolation, to their helplessness and resignation to their bitter fate. . . .

Even those who were his political opponents felt the loss of the leader, of their father, their master and their would be deliverer.

Thirty-five years have passed and we, his disciples and spiritual children, still feel the loss of Jabotinsky's death: It is a personal loss with which we cannot make peace.

Happenings each day make us realize the presence of Jabotinsky's ideas and the relevance of his teachings, in which we find answers to, and commentaries on, our present day problems and plights.

Open any of the twenty volumes of his writings and read an article he wrote 40 years ago, or an address he delivered 45 years ago, and you will be astonished at how timely it is. How prophetic his words were; how true and clear his vision!

We are beset with serious problems: Our enemies are becoming more daring and stronger: Some of our so-called friends are vaccilating or losing heart: Some of our youth is weakening and pursuing false G-ds and foreign toras, some of our so-called intellectuals are being duped, and joining, knowingly or unknowingly, our enemy, threatening our very existence and endangering our future as a sovereign, free people.

In days of despair, in hours of desperation and moments of helplessness and fear, we miss the prophetic words of Jabotinsky to reawaken us with faith in the eternity of our people and the justice of our cause and ultimate realization of our ideals!

Almost everyone, friend or foe, acknowledges that Jabotinsky was one of the true prophets of our time.

Let us briefly review some of Jabotinsky's statements that proved to be true, ideas that were realized, visions that became fact.

The Creation of the State: How well we remember that Zionist leaders, some of whom later became leaders of the State, mocked Jabotinsky for his "Don Quixote war" for the creation of a Jewish state!

The Jewish Army: How well we remember how they ridiculed Jabotinsky for preaching Jewish self-defense and urged the creation of a Jewish Army. Jabotinsky was called a "Sabrerattling wooden Soldier" a dangerous militarist, by those who later became the great patriots of Zahal, the Israel defense forces, then later they claimed to have been the creators of the Jewish Army that brought such glorious victories to the newly-created Israeli Army!

The Israeli Navy: Jabotinsky was not only the founder of the Jewish Legion in 1917, the first Jewish military unit since the Bar Kochba Revolt, as well as the Haganah in 1920—both forerunners of Zahal; but, he also was one of the pioneers of the Israeli Navy.

In 1929 Jabotinsky founded the first Jewish Marine school in Civitavecescia, Italy, training Jewish Naval officers, most of whom later became the founding cadre of the Israeli Navy. If time permitted, I could enumerate all the historic firsts, in thought and deed, that Jabotinsky initiated or declared, to prove that he was, after Herzl, the founder of the Jewish state and the architect of Jewish sovereignty.

There are two types of historic personalities. One is the opportunist, who is shrewd and crafty, building a political machine that publicizes his name and credits great deeds to him. A myth is created around a "great man", creating an aura of divine gifts and glory by people whose vested interests lie in aggrandizing the name of the popular hero of his time.

On the other hand, there is also a type, a really great man who is ahead of his time; and not the favorite of his contemporaries. The establishment is interested in not allowing his gaining favor with the masses, so they condone anything that blackens his name; since they do not recognize his accomplishments and want to deny him a place in history.

Jabotinsky was one of the second type of statesmen. He was before his time, and his greatness was not recognized by some of his contemporaries, the opportunists and his political foes.

But history can be brutal, as justice and truth sometimes are.

We hardly note the glory of a giant tree; we do not appreciate the majesty of high mountains if we are close to them. Proximity dwarfs the object: closeness denies us the understanding of greatness.

The further we move away from the time and locale of the artificially-created alleged greatness of the opportunists and politicians, the more we lose sight of their alleged greatness. The further we retreat into history from the times and deeds of the really great man, however, the greater he rises in our admiration and appreciation.

I have said that history can be a brutal judge—it can judge the great and small figures of the past. The great one—the really great one—is eventually recognized by history.

When Chaim Weizman heard about Jabotinsky's sudden death, he eulogized him as a man of vision and integrity, adding: We differed on many things. History will be the judge of which of us was right.

We, the disciples of Jabotinsky, are not afraid of the judgment of history. We already see signs of what history's verdict will be. Jabotinsky's place in the pantheon of the great Jews of all times is assured. The further we move from the time and place of Zev Jabotinsky—the more we see his greatness and majesty.

I would conclude with this prophetic warning from Zev Jabotinsky delivered in Warsaw, Tisha B'av 1938.

". . . it is already three years that I am calling upon you, Polish Jewry, who are the crown of world Jewry. I continue to warn you incessantly that a catastrophe is coming closer. I became grey and old in these years, my heart bleeds, that you, dear brothers and sisters, do not see the volcano which will soon begin to spit its all consuming lava. I see that you are not seeing this because you are immersed and sunk in your daily worries. Today, however, I demand from you trust. You were convinced already that my prognoses have already proven to be right. If you think differently then drive me out of your midst! However, if you do believe me, then listen to me in this 12th hour: In the name of God! Let anyone of you save himself as long as there is still time. And time there is very little.

". . . and what else I would like to say to you in this day of Tisha B'av: whoever of you will escape from the catastrophe, he or she will live to see the exalted moment of a great Jewish wedding: the rebirth and the rise of a Jewish state. I don't know if I will be privileged to see it; my son will! I believe in this as I am sure that tomorrow morning the sun will rise." I believe this with perfect faith. Ani maamin be-emuna sh'leima.

FEDERAL ASSISTANCE FOR NEW YORK

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 7, 1975

Mr. BADILLO. Mr. Speaker, as the crisis in New York shows only small signs of even stabilizing, it becomes increasingly apparent that the Federal Government, fighting every inch of the way, will eventually have to provide some form of assistance for New York if other municipalities across the country are to survive. We daily read articles about other areas that are on the edge of financial difficulty, and it is well to reinforce the idea that a domestic "domino effect" is not an impossibility.

On Sunday, October 5, two articles appeared in the financial section of the New York Times dealing with the question of Federal assistance to New York, and the necessity of immediate action. It is interesting to note, in Mr. Seller's article, that there is historic precedent for Federal inaction in aiding geographic areas in financial difficulty: "After the Civil War," he writes, "credit was not made readily available to a prostrate and bankrupt South. The consequences of "punishing" an offending region are still with us to this day. Federal assistance should be severely subscribed and limited to circumstances where local and State resources are clearly inadequate for the job, but the credit door must not be slammed shut on any State or local government." I recommend those words to those among my colleagues and the administration who still believe that New York's problems are not theirs:

A PLAN FOR FEDERAL AID TO STATES AND CITIES: GOVERNOR'S AUTHORITY WOULD BE ASSERTED

(By Wallace O. Sellers)

Immediate Federal action should be taken to resolve the New York City-New York State credit crisis. If steps are taken promptly, they could perhaps be limited; if action does not take place until the brink of default is reached, whatever is done will have to be more extensive. Action will obviously become necessary at some point, and should be taken now before the entire credit market is more adversely affected. Congress must now understand that only the Federal Government has the capacity to do the job.

Assistance could be structured in such a way as to minimize the very legitimate concerns of those who oppose Federal aid. It could be in the form of a short-term direct loan to the state under very stringent budgetary and repayment conditions.

The recent problems of New York City have resulted not just in higher interest costs for every municipal borrower in the country, but also in the municipal bond market that is a direct peril to this nation's economic health. Each day, a different city or state agency comes under the attack of market uncertainty. In almost all cases fundamental credit-worthiness and actual financial condition are not problems. Yet some borrowers are closed off from credit altogether and others must pay interest rates entirely out of proportion to actual risk rates from which future taxpayers will suffer needlessly. In some cases the loss of market access could in itself trigger default where none should have occurred.

This situation will persist and grow worse if nothing is done to correct the problem. Even if no default actually occurs, the crisis environment will continue until the public has been convinced that the problem has been solved. A real solution could take years. Unless the impact of the municipal credit crisis is resolved, the recovery of the United States economy from its severe slump could be delayed or perhaps even aborted, and our nation faced with an even deeper recession than before.

The point has been frequently made that New York City created its own mess. To a large extent this is true. There has been and there is still appalling waste and inefficiency. Improvements have been made only grudgingly. But every single local government and state has some stake in maintaining the credit line of the nation's main business, communications and financial center.

The failure of the Federal Government to assume responsibility for all welfare costs has been a significant contributor to New York City problems. After all, it is under the requirements of the Federal system that the city must accept and support all of the needy who wish to flock to New York from anywhere in the U.S. Furthermore, it should be remembered that there is not only a direct welfare cost that the city must bear, but also the presence of a significant number of poverty level residents means that the city must absorb higher costs for education and other services. The very least that would be reasonable would be a total federalization of welfare—cost as well as general availability.

One would also have to fault the New York State legislature for the way in which it has encouraged the City to borrow in previous years rather than to permit it to seek other solutions, such as an increase in taxes on commuters.

The consequences of these various contributory factors have a possible historic precedent.

After the Civil War, credit was not made readily available to a prostrate and bankrupt South. The consequences of "punishing" an offending region are still with us to this day. Federal assistance should be severely subscribed and limited to circumstances where local and state resources are clearly inadequate for the job, but the credit door must not be slammed shut on any state or local government.

On Aug. 8, the New York State government, at great political risk to all involved, assumed many of the liabilities of New York City.

The state will now be responsible for: managing the city's fiscal affairs; acting as the city's immediate creditor; providing for structural reorganization of the city's budget; and, perhaps most important, assuming the political repercussions which will surely follow the harsh measures which must be taken to solve the city's problems. Knowledgeable observers of state government were amazed at the speed at which one of the most complicated legislative acts in history was passed into law.

However, it is obvious that the state alone does not have the credit resources to provide emergency funding for the huge amount of city short-term debt. The state's own public authorities must also enter the market during this same period and their reception recently has been poor. Plainly, the city's fiscal crisis has entered a new phase; we now have a state crisis.

The two reasonable pre-conditions for Federal assistance, then, have now been met. These are, first, a change in the attitude of the city administration toward budgetary reform and, second, total state commitment to the city. The Federal Government's responsibility to maintain orderly markets is absolutely clear.

It is also generally accepted that the Federal Government has a central role in directing economic recovery during periods of recession. During the 1930's, when local governments throughout the country had been shut out of the credit market, the Reconstruction Finance Corporation acted as creditor of last resort. The corporation's history illustrates how to achieve success and also evoid the mistakes associated with that agency. Essentially this is to deal with an emergency, such as a credit crisis, but using a temporary solution. Whatever shape the eventual solution is to take it should not be institutionalized into a semi-permanent structure involving a redundant bureaucracy.

Congress should establish a corporation, with a statutory time limit, authorized to make loans directly to state governments. Such loans should be made only upon determination that a financial emergency exists within the state that is beyond the financial and credit resources of the state.

Guidelines could be established that specify conditions under which such loans could be made for a temporary period—perhaps five years. It should be required that a state bring its troubled municipality or authority under direct control. A formal plan of long-term financial reform should also be adequate to assure solvency and time to work out a solution, but not so great that the pressures for reform would be removed.

The program would avoid any tax-fairness problem that might arise from having the U.S. Government guarantee a tax-exempt municipal bond. There are, of course, other alternatives, one of which could be a special legislation to permit the Federal Financing Bank, through which various government agencies market their debt, to purchase a state issue in a period of financial crisis.

In advocating direct loans to state governments to solve their credit emergencies, one would have to warn against direct loans or guarantees to municipal governments. Local government is a state responsibility and state governments need to act responsibly if the Federal system is to endure. The states have a vital role to perform, and states acting on their own behalf should be supported by Federal emergency credit when a financial emergency develops that is beyond their resources to solve and that, if not resolved, endangers the economic health of the nation.

If adequate Federal support is made promptly available to New York State and New York City, it might very well never be needed. If help is not forthcoming the consequences to the entire nation will indeed be very serious.

U.S. Aid to City Advocated

(By Thomas E. Mullaney)

In conversations with businessmen, financiers, economists and politicians in the last few weeks, it is apparent that few of them have generated great enthusiasm over the obvious resurgence of the American economy from the recession's deep trough last spring.

The depressing behavior of the financial markets in August and September—with stock prices dropping to a six-month low and bond yields pushing nervously upward after a brighter performance earlier in the summer—bespeaks similar sentiments on Wall Street and the Main Streets of the nation, notwithstanding last week's late rally in both markets.

Treasury Secretary William E. Simon, in his talk before the Economic Club of New York two weeks ago, adhered to his belief that the economic recovery promised to be vigorous and healthy but conceded that its durability depended on some policy changes.

"The markets," he said, "are indeed 'telling us something' today—they are telling us that the underlying foundations of our economy are not as strong as they should be, that our financial system is more vulnerable than it should be, and that we ought to waste no time in putting our economic house in order."

What everyone bemoans is the obvious absence of confidence on the part of the public. Without such optimism on business and financial prospects and satisfaction with Washington's handling of economic affairs, many analysts wonder how vigorous and lasting the current economic snapback will be.

It is not difficult to find the reasons for consumer and investor malaise. They are rooted principally in the premature return of high interest rates, renewed inflationary pressures, high unemployment, the explosive rise in Government and private debt, international tensions of all sorts and concern over Washington's management of fiscal and monetary policy, the energy issue and many other matters.

While the current data on industrial production, personal income, business sales and inventory trends, foreign trade and the position of the dollar may be encouraging, the public perception of improvement is not clear. Neither is there any firm conviction that everything will get better later.

There may be a deeper reason for much of the public discomfiture that is not readily recognized in many quarters. It is the financial squeeze that exists in so many states, cities and other municipalities that prevents the undertaking or expansion of programs and services that constituents desire and expect. The fiscal problems of New York are a prime example. And, in that case, the lack of understanding has been monumental.

Until now, the New York problem seemed remote, unique and not worthy of concern in many parts of the country (particularly in Washington) and among many elements of society. But, finally, the gravity of the New York situation and its possible implications appear to be gaining recognition beyond the banks of the Hudson River.

Arthus F. Burns, chairman of the Federal Reserve Board, seemed to indicate a sense of growing concern last week when he said a default on its debts by the nation's largest city could have a wide impact on the national economy. And Senator William Proxmire, chairman of the Senate Banking Committee promised to direct the committee's attention to the New York situation in the coming week, when hearings start on a bill for Federal guarantees.

There has been a considerable division of opinion among business and political authorities on the likely consequences of any default by New York City in its financial obligations by December. And there certainly has been no overwhelming tide of public opinion advocating Federal intervention to try to prevent such an occurrence.

Instead, there has been finger-pointing. The prevailing view was that New York created its own problem with profligate spending in excess of its income and should work out its own salvation. Moreover, it was widely felt that there would be no major or rippling effect from any default in New York and that the precedent of direct, specific aid to New York by the Federal Government would open the door to similar demands from other large cities.

Now, however, as New York City's financial crisis seems to be deepening—even though some positive steps have been taken to cut expenditures and provide additional funds through state-created facilities to the peril of New York State's own good credit standing—the drift of unconcern elsewhere may be ending. And, in the opinion of an increasing number of analysts in various realms of society, it should be.

Indeed, the public may be ahead of the politicians in that view. A nationwide survey at the end of August by the Decision Research Corporation of Wellesley, Mass., for the Gannett News Service found that 51 per cent of 1,000 adults interviewed nationally supported Federal intervention unconditionally for New York City, with an additional 5 per cent favoring Federal aid if controls were placed on the use of the money.

Many New York businessmen, bankers and politicians have been warning of the dangers inherent in a city financial default—the impact on the financial markets, the difficulties it would create for other municipalities in trying to sell bond issues, upward pressures on interest rates, the financial strains on many banks and other businesses, and an unmeasured toll on public, investor and business psychology.

Gabriel Hauge, chairman of the Manufacturers Hanover Trust Company and a renowned economist, commented recently: "We don't know what the consequences of a New York City default would be, and we don't want to learn by experience."

Now, other businessmen are joining in that chorus. "At the proper point, the Federal Government has got to participate in the New York crisis and do some bridge financing," George D. Woods, former president of the World Bank and a leading financier, said the other day. "New programs will have to be voted by the New York City Council and implemented by the Mayor, but it will take some number of years to accomplish real progress.

"Some things have been done already here, but there must be a Federal loan bridge until more things can be done. And there will have to be revision in the responsibility for welfare payments."

Robert Cushman, president of the Norton Company of Worcester, Mass., a manufacturer of abrasives, is also in the camp of businessmen who believe the Federal Government must come to the aid of the nation's largest city.

"It might be possible for the Government to make a loan to New York City, which would be of a certain duration and give them time to straighten out their finances," he suggested.

"The Federal Government and New York State and New York City have to get together. They simply cannot let the city go under. You can enforce discipline for the future. In a way, it's like handling children—you train them, you may put restraints on them, but you don't let them drown."

A two-tier approach was advocated by Edward M. Duffy of Buffalo, chairman of the Marine Midland Banks, who saw national consequences from the New York City problems.

For the short term, he urged that Federal money be made available "under very stringent and specific conditions" to states that have cities in trouble, with the states responsible for imposing appropriate fiscal disciplines. For the long run, he advocated new financing mechanisms, "such as a Federal guarantee of taxable municipal borrowings or a nationwide insurance program for municipal issues."

John T. Connor, chairman of the Allied Chemical Corporation and former Secretary of Commerce in the Johnson Administration, said the Federal Government had to assure a responsibility for appropriate action in the New York case—an emergency action "rather than something built into ongoing legislation." He recommended specific legislation in which the Federal Government guaranteed the obligation of New York City for a fixed period of time and under fixed circumstances, with obligations imposed on city and state officials to get back on a sound fiscal basis in the near future.

Some of those who have been advocating a Federal response to New York problems have been recalling the aid given to the Franklin National Bank, Lockheed and the Penn Central Railroad after its bankruptcy as well as all the talk about trying to save the W. T. Grant Company before its bankruptcy filing last week. If Federal aid could be accorded private companies, the critics ask, why not for the nation's largest city and the center of so much commercial activity?

Eugene Birnbaum, chief economist for the First National Bank of Chicago, said some facility was needed on the domestic scene similar to the one that existed under the International Monetary Fund for handling governmental financial problems.

Whatever the route, many observers agree the time has come for Washington's intervention with a rescue effort for the nation's largest city—to serve the city's own great needs and to spread greater confidence throughout the nation. Bringing New York from the eye of the storm would improve psychology in many areas.

"The time has come for Washington to stop the political brinkmanship and all the baloney about the New York situation and help rescue it," one businessman said.

SENATE—*Wednesday, October 8, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God and Father, who has placed us here and given us work to do, give us grace we pray Thee, to do it as ever in Thy sight. Deliver us from coldness of heart which is not attuned to Thee, and from the perverseness which will not accept Thy help or will not trust in Thy love. Suffer us not to live to ourselves alone, but, like the Master, to be "men for others." Whether our task be humble or we carry the burdens of responsible office, may we have grace simply to offer our best to Thee. So may we be truly Thine, and in toil or rest, in hardship or comfort, in sorrow or in joy, may we be growing more like the Lord of all life, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 8, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. JOHN GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, October 7, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

U.S. ARMY, NAVY, AND MARINE CORPS BICENTENNIAL COMMEMORATION MEDALS

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5708.

The Acting President pro tempore laid before the Senate H.R. 5708, an act to provide for the striking of medals in commemoration of the bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be considered as having been read twice.

Without objection, the Senate will proceed to its consideration.

The bill was considered, ordered to a third reading, read the third time, and passed.

BOUNDARIES OF THE BRISTOL CLIFFS WILDERNESS AREA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 405, S. 2308.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2308) to provide for the modification of the boundaries of the Bristol Cliffs Wilderness Area.

THE ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, Bristol Cliffs Wilderness Area, which had been reported from the Committee on Agriculture and Forestry with amendments as follows:

On page 2, line 11, after the comma, strike "and";

On page 2, line 13, insert "'Bristol Cliffs Wilderness Area-Revised', and shall be known as the";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of modifying the boundaries of the Bristol Cliffs Wilderness, section 3 of the Act of January 3, 1975 (88 Stat. 2097), is amended as follows:

(a) Paragraph (10) of section 3(a) is deleted and paragraphs (11) through (15) of section 3(a) are respectively renumbered as paragraphs (10) through (14).

(b) Section 3(b) is revised to read:

"(b) In furtherance of the purposes of the Wilderness Act, the following lands are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System:

"(1) certain lands in the Chattahoochee and Cherokee National Forests, Georgia and Tennessee, which comprise about thirty-four thousand five hundred acres, are generally depicted on a map dated April 1973, entitled 'Cohutta Wilderness Area-Proposed', and shall be known as the Cohutta Wilderness.

"(2) certain lands in the Green Mountain National Forest, Vermont, which comprise about three thousand seven hundred and seventy-five acres, are generally depicted on a map dated October 1975, entitled 'Bristol Cliffs Wilderness Area-Revised', and shall be known as the Bristol Cliffs Wilderness.".

SEC. 2. Upon enactment of this Act, the provisions of the Act of January 3, 1975 (88 Stat. 2096) and the Wilderness Act (78 Stat. 890) shall not be applicable to any lands previously designated as the Bristol Cliffs Wilderness that are not contained within the boundaries of the Bristol Cliffs Wilderness as depicted on the map described in section 1(b) of this Act.

Mr. LEAHY. Mr. President, I rise today to report to the Senate on behalf of the Committee on Agriculture and Forestry, S. 2308, a bill to modify the boundaries of the Bristol Cliffs Wilderness in Vermont from about 6,500 acres to about 3,775 acres, and to include only those lands which are owned by the U.S. Forest Service.

The purpose of this legislation is to correct a grievous wrong which was committed upon those persons owning land within the wilderness area.

Following the enactment on January 3, 1975, of Public Law 93–622, commonly known as the Eastern Wilderness Act, the resident landowners in the Bristol Cliffs Wilderness Area vigorously and effectively showed that they had not been given any opportunity to advise their Government on the potential local and personal effect of the establishment of the wilderness area.

The closest public hearing on the matter was held by the Senate Interior Committee in New Hampshire.

No hearings were held on the action taken in the public law.

Landowners within Bristol Cliffs were informed for the first time in March of 1975—3 months after the law was enacted—that their privately owned property was included in the wilderness, and that the use of their land was restricted.

When the landowners received this notification, they were virtually unanimous in two respects:

They favored establishment of a wilderness on the federally held land; but they objected to having their private land included.

Private homes occupy some of the property to be included in the wilderness. Most of these are not vacation homes, but full-time residences for inhabitants of Bristol, Vt.

With the exception of two parcels of land, the privately held acreage runs along the eastern, southern, and western boundaries of the wilderness.

In August, I went to the Bristol Cliffs area, along with my colleagues Senator STAFFORD and Congressman JEFFORDS. There we listened to the concerns of the people.

As a result of this meeting, Senator STAFFORD and I introduced S. 2308, and on September 28 and 29, the Subcommittee on Environment, Soil Conservation, and Forestry held hearings on the bill at Holly Hall in Bristol, Vt.

More than 30 witnesses testified during the 2 days, and many other residents of the community were present.

Virtually without exception the witnesses testified in favor of the bill and the idea that the private lands should be excluded from the wilderness.

Even a witness from the Wilderness Society testified that the permanent residences probably should not have been included within the boundary of the wilderness.

I do not feel that this bill should be considered a precedent for the wholesale exclusion of private lands from other wilderness areas.

I support the wilderness system because I know the need for wilderness areas, especially in our heavily populated areas of the East where the space is rapidly disappearing where one may go for recreation or to find solitude from the fast pace of 20th-century life.

I know how important wilderness is today. It will be that much more important in the future for my children and others who will be living most of their lives in the 21st century.

This bill deals with a situation that is wholly local in nature.

However, I do feel that in the future, wilderness areas should be established only where there are full and open hearings at or as close to the site as possible.

That is a precedent I hope this legislation establishes.

Further, the introduction, the reporting, or the passage of a law has no effect whatsoever on existing law and its operation until the new law is enacted.

Thus the terms of the Eastern Wilderness Act are still applicable.

The Forest Service retains its priority opportunity to acquire land from willing sellers.

The owners of private land can continue to reside on their land for private residential or agricultural use, undisturbed.

They can also improve their land, cut wood for their own use, operate a sugar bush as a part of their farm, improve their residences and barns as well as their roads.

The restrictions against commercialization of private land still apply.

So long as the present law exists an owner who undertakes commercial activities other than agriculture, such as commercial timber cutting, or nonresidential type development would run the risk that his land would be subject to acquisition by condemnation.

However, the people of Vermont, and particularly the landowners in this area are law abiding citizens and while we are in the process of correcting the situation I am confident that the landowners will proceed in accord with the law.

However, full and unencumbered use of their property is important to these people.

The Forest Service can aid immeasurably by proceeding under its authority, and with the priorities that the Wilderness Act creates, to enter into options to purchase from willing sellers.

I have had assurances from the Forest Service that they will make every effort to make fair offers and enter into options to purchase with willing sellers.

The bill before us treats only one issue.

The problem created by the creation of a special Federal area in a manner that encompasses and restricts private lands in a situation where the private landowners were not adequately consulted in advance.

Since 1911, under the Weeks law, which created the eastern national forests, the Forest Service has had the authority to purchase land within the proclaimed boundaries of the national forest.

It has acquired most of the lands that it operates under the willing buyer-willing seller concept.

This bill returns the boundaries for the Bristol Cliffs Wilderness Area to the perimeter of the core of national forest lands.

The existence of the eastern wilderness authority for acquisition creates a priority to purchase inholdings and contiguous lands within the Bristol Cliffs Wilderness Boundary.

The enactment of this bill, revising the boundaries, will return the acquisition authority to the regular and lower priority.

The need for the bill occurs because in the process of enactment of the Eastern Wilderness Act there was no consultation with the people directly affected.

There are now willing sellers within the Bristol Cliffs Area, and I trust that the U.S. Forest Service will move forward aggressively to acquire these lands on a priority basis as this bill makes its way through the legislative process.

Mr. President, I ask unanimous consent that my statement at the beginning of last month's hearings at Holly Hall in Bristol be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR PATRICK LEAHY

This hearing of the Subcommittee on Environment, Soil Conservation and Forestry of the Senate Committee on Agriculture and Forestry is to receive testimony on S. 2308.

Senator Robert Stafford and I introduced this legislation September 9 to revise the boundaries of the Bristol Cliffs Wilderness area.

This legislation is our response to the meeting held last month, in this hall, between the Bristol Cliffs Landowners' Association and the Vermont Congressional delegation.

A single thought dominated that meeting.

The 1974 Eastern Wilderness Act became law in early January.

The property owners first learned of this statute two months later in March by certified letter.

It was then that they were told that their lands were Wilderness lands and that their private use of their lands was restricted.

The constant theme of the August meeting was that the landowners had no opportunity to voice their views on this federal legislation which now touched their lives so directly.

This should not be.

A citizen must have the opportunity to have a say on a matter which affects him.

This is the tradition of our Vermont town meetings.

It is the basis of our democracy.

This cannot and will not happen again.

Legislation concerning Eastern Wilderness areas falls within the jurisdiction of the Senate Agriculture Committee and within the jurisdiction of this Subcommittee.

I am a member of both the Committee and the Subcommittee.

I shall make sure, by future legislation, that proper Forest Service notification is required for all owners of private lands within any projected Wilderness area while the legislation is pending before the Congress.

In addition, there shall be an opportunity for local hearings so that the Congress may have the views of those whose daily lives must fit within the requirements of the Wilderness statute.

The Bristol Cliffs property owners, at that meeting and in their letters, say clearly and emphatically that they are not opposed to Wilderness nor to the concept it embodies.

Senator Stafford and I support the Wilderness system and the concept it embodies.

I could support the 1974 Eastern Wilderness Act if I were assured that proper notification were provided the affected property owners and that these individuals had been given an opportunity to testify before the 93d Congress.

Opposition to the inclusion of the private lands within this Wilderness area cannot be characterized as opposition to the goals of any environmentalist who wants to preserve our fast-dwindling undeveloped areas.

These natural areas are a necessary part of modern society.

The opposition comes strictly by the way it was done by the Congress.

The property owners say they have been treated unjustly.

They have asked that the boundaries of the Wilderness be returned to the core holding of the Green Mountain National Forest.

This represents the area the agency originally set aside as a Backwoods area.

This is one area specifically discussed and reviewed at a public session held by the Forest Service in December, 1971.

It is the only session of record in which the residents of Bristol and Addison County had any say in Forest Service policy for their immediate area.

Although S. 2308 returns the Wilderness

boundaries to the Backwoods area, it retains the stricter management policies of the Eastern Wilderness Act.

The Bristol Cliffs Area is not removed from the Wilderness system.

The land acquisition policy of the Forest Service, constrained by limited funds, places the purchase of Wilderness area lands as a priority.

Other purchases fall within the Forest Service's general acquisition program.

I considered a possible amendment to S. 2308 to accommodate those of you who want to sell your private lands to the Forest Service for the Bristol Cliffs Wilderness area, but not under the present conditions.

The provision would have directed the Forest Service to continue its policy of priority purchase of lands—on a willing-buyer/willing-seller basis—within the Bristol Cliffs area.

The provision, however, would be a major substantive change to the Wilderness Act and just does not belong with this legislation which is drawn specifically to meet a limited local problem.

This should be considered by the Congress when it reviews future Eastern Wilderness legislation.

I intend to see that this is done.

There is one last matter which must be addressed.

There are those who say that S. 2308 is setting a wrong precedent for our Wilderness system by removing lands already included from an established Wilderness area.

There shall be a precedent set.

It shall be a precedent that the Congress has the will and can respond immediately to correct a wrong it has done.

This is the purpose of S. 2308.

This is why we are here at Holly Hall in Bristol tonight.

This evening hearing is an unusual hearing scheduled to provide the opportunity for the working property owner to testify.

It has been scheduled as a result of the interest and cooperation of Senator Herman Talmadge, the Senate Agriculture Committee Chairman, who is following this legislation and is supporting the Vermont Congressional Delegation in this matter.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, I would like to take this opportunity to express my personal gratitude to my colleague from Vermont (Mr. LEAHY) for the excellent way in which he has handled this legislation which is of particular importance to both of us and to our State.

I yield back the remainder of my time.

Mr. LEAHY. Mr. President, I appreciate the comments of my distinguished senior colleague, and I wish to state that the legislation was legislation introduced by him. I had the honor to be a cosponsor of the legislation.

This was a case, as in so many cases, where the Senators from Vermont have demonstrated that we are able to work closely together. What I was able to do was only because of the strong support of my distinguished senior colleague.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the acting minority leader seek recognition?

Mr. GRIFFIN. No, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from South Carolina (Mr. THURMOND) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection is so ordered.

Mr. GRIFFIN. Mr. President, a special order has been entered for me. I ask unanimous consent that, if the Senator from South Carolina desires to use any part of my time, I yield that time to him; otherwise, I yield it back.

The ACTING PRESIDENT pro tempore. Without objection, is is so ordered.

RETIREMENT OF COL. JOHN T. CARLTON, EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. THURMOND. Mr. President, on October 1 Col. John T. Carlton, known to most of us as "Jake," concluded a highly successful 18-year tenure as executive director of the Reserve Officers Association.

Prior to taking over at ROA in 1957, he spent a number of years as an employee of the Senate. In fact, upon my arrival here in 1955 he was one of the first staff members to drop by and offer a welcome to Washington. At that time he also rendered valuable assistance to my staff relative to the customs and entitlements of operations as a U.S. Senator.

Because of the high regard that many Members of Congress hold for Colonel Carlton it seemed appropriate to make some remarks relative to his considerable contributions to this Nation. In this connection, I have alerted some of his friends here in the Senate who will be joining me in this well-deserved recognition.

While it will be my purpose to trace his career, his splendid job as executive director of ROA needs to be especially highlighted. As a former president of ROA, I can state with firsthand knowledge that his contributions through this excellent organization have been vital in helping assure and preserve a strong national defense posture for this country.

While most of us are aware of these contributions, some members whose service here dates back to the early 1950's first remember him as an able Senate staff assistant.

Colonel Carlton first served in the Senate as Administrative Assistant to Senator George Smathers of Florida. Later he joined the staff of the late beloved Senator Walter F. George of Georgia who was President pro tempore of the Senate and chairman of the Committee on Foreign Relations. During this period he also served on the staff of a special Senate committee assigned in 1956 to study the foreign aid program. As a result of that assignment he spent considerable time in six countries of Southeast Asia, providing for the Senate information which was enlightening and helpful.

His informal manner and warm personality endeared him to all of us, both members of the Senate and those staff members with whom he was associated. Following this service in the Senate, he began his career as the top staff director of the ROA.

To understand the training and background Colonel Carlton brought to his work in ROA it is necessary to look at his early life. A product of Georgia farmlife, he graduated from the University of Georgia, and was commissioned through the Reserve officers training program. During World War II, he served overseas in Hawaii and Okinawa, and was awarded the Legion of Merit by the Army in recognition of his exemplary service during that period.

After World War II Colonel Carlton left his native Georgia and came to Washington where he has spent the last 30 years. Some of us first knew him as a newsman and we respected him for the truth and integrity of his reporting. As a Washington correspondent he achieved distinction among his own colleagues in the press galleries by being elected a member of the Standing Committee of Correspondents. Though reluctant to leave the field of journalism which he loved so well, it was from this career that he entered service in the Senate.

In the summer of 1957 Colonel Carlton began his work as national executive director of the ROA. In this position he has made countless friends throughout the country. As a former national president of ROA I know the high regard in which he is held by the membership which under his leadership has grown from 60,000 to over 100,000.

Colonel Carlton has represented well, not only the Reserves, but the cause of national security generally. He has had a key role in developing an effective relationship between the Active services and the Reserves in the program which is known as the total force policy. Through this policy high cost active duty personnel strength levels can be kept at economic numbers in peacetime but rapidly supplemented by low cost reservists in the event of a national emergency.

Colonel Carlton has appeared scores of times before the committees of Congress on subjects relating to national security. He has won the respect of the chairmen and members of these committees and their staff members by the calmness of his presentations, the resolution of his conviction, and the certainty on the part of his listeners that he is sincere as well as knowledgeable.

Many of us are aware that the Reserve Officers Association is a leader among those organizations which support Congress in meeting its constitutional obligation to insure national security. He has been in the forefront of many Capitol Hill policy contests to preserve our national strength as a means to continued peace and freedom.

A capstone of his career was the dynamic role he played in bringing to reality the Minuteman Memorial Building at First and Constitution Avenue. This structure symbolizes the acceptance by every citizen of our Nation to share the burdens of national defense, as well as the fruits of freedom. A handsome 5-story limestone building, this structure represents a dream of Colonel Carlton who mobilized more than 40,000 Reserve officers in a voluntary fundraising campaign to erect this great monument.

Many of us have had the privilege to visit this beautiful and historic building, the fifth floor of which is a reception hall known as the "Congressional Hall of Honor." This hall is dedicated to those members of Congress who throughout our history have served in the Armed Forces in wartime, as well as in statecraft in peacetime.

It was Colonel Carlton's devotion to the ideals of the Senate, which he served with honor, which led him and his governing body to establish this tribute, to those who, from George Washington to this day, had the privilege of serving their nation in a time of challenge by an aggressor.

In conclusion, I take note of the recent establishment in Savannah, Ga., of the Col. John T. "Jake" Carlton Chapter of the Reserve Officers Association. It is appropriate that a chapter bearing Colonel Carlton's name has been established in his home State. Further, I have recently learned that Colonel Carlton holds an honorary degree, doctor of laws, from Grays Harbor College in Washington State.

There are many in this body who know Jake Carlton personally. I am sure there is not one in this group who does not wish him well in the days ahead. For myself, I know that he has a great deal to offer to the service of his Nation in the years ahead and I am sure that this service will be freely given.

In conclusion, Mr. President, I ask unanimous consent that an article entitled, "John T. 'Jake' Carlton—A Remarkable Career" which appeared in the November issue of The Officer magazine be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

JOHN T. "JAKE" CARLTON—A REMARKABLE CAREER

It is not easy to pin-point the qualities which made John T. Carlton such a successful Executive Director of the Reserve Officers Association through a third of its existence.

He has energy, energy which has not diminished since young Carlton worked on his parents' farm in Georgia. (Jake still owns the farmhouse.)

He has a fabulous recall—a recall of his reading of Defense-related matters and of biography and philosophy, a recall of what happened in ROA and when, and, of course, that amazing recall of names and faces evidenced when he introduces every distinguished guest at a big ROA function.

His reading and his newspaper background have given him a mastery of the English language and a facility in speech and writing. He was writing speeches for Senator Smathers in the '50s; he was still writing speeches for Congressional and ROA leaders in 1974.

All these are important. But especially important is that Carlton always has had awareness of both the past and the future. One who does not look back is condemned to repeat his own and others' mistakes; one who does not look ahead can accomplish little.

HORSEMAN AND AVIATOR

It's typical of John T. Carlton that when he was graduated from the University of Georgia, his Reserve commission was in the horse cavalry, and he taught equitation as a lieutenant in the old Citizens Military Training Camps. But later he also qualified for private aircraft pilot's license!

The reason Jake chose Georgia U. was simple. It had an ROTC unit. So on graduation in 1931, Jake:

Immediately began an active Reserve career which continued until he completed 30 years' service in 1961.

Immediately joined ROA and has continued membership ever since. He's a life member and holds membership in chapters in Georgia, Florida and Virginia.

Called to extended active duty in May 1941, then Major Carlton served briefly in HQ, Army Services of Supply. In September he joined the staff of Gen. Simon B. Buckner in Alaska, then went to Hawaii and the Ryukyus with Buckner's Tenth Army, participating in the Okinawa invasion. A series of Reserve assignments followed the war. Carlton wears the Legion of Merit for his Alaska service; he has the Army's Certificate of Distinction for his work in the mobilization assignment of Deputy Director of Defense Public Information.

ACTIVE NEWS CAREER

Before going on active duty, Carlton worked on newspapers in Atlanta. He achieved distinction on the Atlanta Journal staff as the principal reporter in a crusade to reform the police department. The campaign resulted in overturning the then city political machine and led Carlton to many other civic improvement activities and his recognition as an authority on the city, its institutions and traditions.

After the war he was Washington correspondent for several newspapers, including the Miami Daily News. That's where he met Senator Smathers, a fellow member of Coral Gables ROA Chapter, and he joined the Senator's staff as administrative assistant and press aide.

In 1955 he took a like post with Senator George of Georgia, and then he worked for several months as a special staff assistant on the Senate Foreign Relations Committee. His studies of the foreign aid program took him to Southeast Asia, an area he was to return to as ROA's executive director.

Jake Carlton thus brought to ROA Headquarters in July 1957 an extensive knowledge of how Congress works and of the legislators and staff who make it work.

Even before he joined the staff he was working with it on various legislative matters on the Hill. When the ROPA Bill, called by ROA the Reservists' Magna Carta, was before the Senate, he worked to make his staff colleagues and the members of the Senate understand its implications and to attain its passage. In a like manner, in 1948, he had been a key member of the ROA committee working with the Congress which obtained passage of the Reserve Retirement legislation.

Almost simultaneously with his taking office as ROA Executive Director he was thrown into the trauma of the massive military force reductions of 1957, and it was his effective appearance before the Senate Armed Services Committee that gained acceptance of the "Readjustment Pay Act," under which Reservists involuntarily released gained a breathing spell to adjust themselves to civilian life.

MANY ACCOMPLISHMENTS RECORDED

The next problems were not of RIFs but of callups: Berlin and Cuban Missile. Both created trauma and work for Carlton and his staff.

During that period, ROA played a big part in obtaining statutory four-year terms for the Joint Chiefs of Staff, whom Defense Secretary McNamara had been limiting to two-year terms to keep them toeing his line.

In 1963, when Mr. McNamara sent his no-raise pay-raise bill to Congress, ROA joined with other organizations to get some meaningful raises and to obtain a recomputation of retired pay (the first since 1958) and enactment of the present COL pay-raise system. Another Carlton campaign helped win the day.

The attempt to merge Army Guard and Army Reserve began in 1964 and culminated three years later in establishing floors on Reserve strengths and enactment of the Reserve "Bill of Rights."

THE IMPOSSIBLE JUST TOOK LONGER

The fight wasn't easy. ROA was told that if it tried to block the merger, McNamara would "squash it like a bug." A meeting of 35 generals to plot strategy turned up only three willing to join the fight.

The merger was blocked. An unsquashed ROA voted at its Convention to confer a Distinguished Service Citation on Carlton, who declined on the basis that members of the staff should not be so honored for performance of duty. That did not keep eight past presidents from giving Jake a beautiful plaque at the 1967 Convention, "in grateful recognition of his diligence, fidelity and exemplary performance of invaluable service."

During the same period ROA was trying to build a headquarters of its own. It was told it couldn't raise a quarter of a million, let alone a million and a quarter. Nor was its prestigious Capitol Hill site available. Jake solved the latter. As for the money, sure enough it ran out in 1967, shortly before the Washington Birthday dedication. Jake wrote a letter which brought in a quarter of a million in three weeks.

SPARS IMPRESSED, GRATEFUL

The single year 1967 also saw Carlton playing a big part in enactment of the Army Nurse Corps, Women's Army Corps and SPAR Acts. The SPARS were impressed when, with all their witnesses ready for a Senate hearing, no Senator was available to hear them testify. Carlton got one from another committee hearing, and there was an audible gasp when, testimony taken, the Senator turned to Jake and asked, "Is it all right if I go back now?"

The SPARS made him an Honorary SPAR on 25 November 1967, with a plaque which, in addition to citing the more customary virtues, praised Jake for his "personal magnetism" and his "savoir faire."

In 1970, ROA took up the succesful fight to preserve the Coast Guard Selected Reserve and also obtained an increase in Servicemen's Group Life Insurance from $10,000 to $15,000 and its extension to Reserves while they drilled.

More recently, Carlton has been leading ROA in opposition to Reserve cutbacks.

And, along the 18 years, have been such achievements as increasing membership by half, developing an outstanding insurance program, and—stemming from Jake's friendship with every President starting with Truman, and with Congressional and Defense leaders—a growth of the Mid-Winter from small meetings to banquets filling the largest Washington hotel halls with hundreds of distinguished leaders.

CARLTON STATES PLANS

An example of Jake's stature occurred early in September when at a meeting of military oriented associations in the President's Cabinet Room President Ford seated Jake beside him (in the Secretary of Defense's chair). The "Ad Hoc" committee also paid tribute, electing Carlton a member for life.

The President asked Carlton what he planned to do.

It was a good question. To the President, Carlton replied: "Keep working for you, Mr. President." To *The Officer* Jake replied: Keep living in the Washington area; keep active in ROA, including attending the Georgia convention next spring; visit old Defense greats and personal friends like former Sen. Margaret Chase Smith in Maine and former Rep. Carl Vinson in Georgia.

Also there now will be more time with his wife, Louise, who has been a tower of strength during busy years (and a hard worker in ROAL as well), their three daughters, the grandson, now entering medical school, and the granddaughter, now a graduate student of anthropology.

Mr. THURMOND. I am pleased to yield now to the able and distinguished Senator from Mississippi, the chairman of the Armed Services Committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that any time remaining to the distinguished Senator from South Carolina and the distinguished Senator from Michigan be allocated to the distinguished Senator from Mississippi.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STENNIS. I thank the Senator very much.

Mr. President, it is a privilege for me to join with my colleagues as we pay tribute to this remarkable man and true friend, Col. John T. Carlton, on the occasion of his retirement as executive director of the Reserve Officers Association.

To me, over the years, while he has not done a great deal for me from day to day, he has certainly given me some excellent counsel, and I know that he has done the same for many others who have been sharing his responsibilities. He was always a man of judgment, depth, considerable caution, but still of very solid ideas.

Colonel Carlton is known throughout the Nation, and particularly on Capitol Hill, for his long and staunch advocacy of a strong national defense. He has always expressed the belief that our national security is dependent upon adequate numbers of military personnel and modern weapon systems.

He has played important roles during his 18 years as executive director of ROA, both as an adviser to Members of Congress and also in testimony before the committees charged with maintenance of a strong defense.

In particular, he is recognized as a man of integrity. This element of his character, coupled with his ability as an administrator and leader, have made him an effective spokesman for our Reserve forces in particular, and a strong national defense in general.

A key aspect of Colonel Carlton's effectiveness can be found in his capacity to write and speak exceptionally well. While many advocate a sound position on national defense, the ability to express that viewpoint through the printed and spoken word often determines the effectiveness of that person. I have always found his opinion well founded in fact. He is not one to be persuaded by emotion or the pressure of the times. A man of experience is essential when the going gets rough. Colonel Carlton is such a man.

As I say, Mr. President, I join with my colleagues with some pride in paying tribute to this man for his service, which I think has been a very special service. Those of us in the Senate will continue to look to Colonel Carlton for his counsel. I am sure he will have the same measure of success in his future undertakings as in the past. Certainly all of us respect him greatly and wish him well, now and in the years ahead.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I take this opportunity to join Senator THURMOND in his remarks on the occasion of the retirement of Col. John T. Carlton from his position as executive director of the Reserve Officers Association, a post which he held for some 18 years.

During the course of his ROA career Jake Carlton has made that organization a focal point in the case of defense and Reserve preparedness. Under his leadership the membership and strength of ROA have been increased substantially—providing the country's corps of citizen soldiers a strong voice in the Nation's Capital. Few persons outside the Congress and the executive branch have contributed as much of themselves in the cause of national security as he has as an Army officer in World War II through his distinguished career as head of the ROA.

I join with many others in expressing my congratulations to Colonel Carlton for a job well done and to wish for him a pleasant and rewarding retirement. His leadership ability and great capacity to get things done will be missed by all who maintain a sincere interest in the defense of our country.

Mr. TALMADGE. Mr. President, I am very glad to have this opportunity today to join my colleagues in the Senate in honoring Col. John T. Carlton on his retirement as executive director of the Reserve Officers Association of the United States.

Colonel Carlton, known by his many friends and associates as "Jake," has been a good friend of mine for almost 40 years. Colonel Carlton is a native Georgian, and we are very proud of his hard work and outstanding leadership in directing the affairs of the Reserve Officers Association for the past 18 years. Colonel Carlton is credited, and I believe justly so, with building the Reserve Officers Association into the splendid organization it is today. I know his services will be greatly missed by his colleagues there.

Colonel Carlton is a respected friend of many Members of the U.S. Senate. He served as administrative assistant to Senator George Smathers of Florida and administrative assistant to the late Senator Walter F. George of Georgia, whom I succeeded on his retirement.

Prior to entering public service, Colonel Carlton had a distinguished career in journalism. He is very proud of his editorship of the Red and Black, the University of Georgia student newspaper, which launched him into the newspaper profession. He wrote political news for the Atlanta Journal, became that paper's State Capitol reporter, and subsequently served as Washington correspondent for the Cox newspapers.

I highly value the friendship Colonel Carlton and I have had over the years, and I salute him for a job well done at the ROA and in everything he has undertaken in his long and distinguished career. I wish for him every success and happiness in his retirement.

Mr. NUNN. Mr. President, no person has been more centrally involved in the growth of the Reserve Officers Association in the past 18 years than my good friend Col. John T. Carlton who announced his retirement on September 30, 1975. Under his leadership, the ROA was molded into the highly effective and respected organization it is today. Jake's ability, his forthrightness, and devotion to the ROA have brought him the immense admiration of the entire ROA membership.

When he assumed the position of ROA executive director in 1957, he brought with him a widely diverse background of experience.

His military career began in 1931 when, after graduating from the University of Georgia, he was commissioned a second lieutenant in the U.S. Army Reserve. At the outbreak of World War II he was transferred to Washington to serve in the Headquarters of the U.S. Army Services and Supply. He later served 2 years in Alaska during which time he was promoted to lieutenant colonel. From Alaska, he went to Hawaii where he served on the staff of General Buckner, the commander of the 10th Army who led the assault on the Ryukyu Islands. Jake served on Okinawa until the end of the war in the fall of 1945.

Jake Carlton remained active in the Army Reserve during the postwar years and participated actively in many organizations which were working to form the modern Reserve program in existence today.

For many years he enjoyed an eminent reputation as a journalist for the Atlanta newspapers. During the immediate post-World War II period, he served as Washington correspondent for the Atlanta newspapers. Jake was known for his accurate, complete, and highly professional reporting.

In 1950, he came to Capitol Hill where he served as administrative assistant to Florida's Senator George Smathers. Five years later he joined the staff of the late Senator Walter F. George as administrative assistant and then for several months, he served as a special staff member of the Senate Committee on Foreign Relations.

All Georgians are justifiably proud of the distinguished career of this Walton County native. The membership of the ROA will miss his capable leadership. As Jake retires, I would like to join my colleagues in paying tribute to his devotion and wishing him every happiness in his retirement.

Mr. DOLE. Mr. President, I would like to be identified with the remarks made by Senator THURMOND regarding the excellent leadership of Col. John T. Carlton.

Colonel Carlton has supported national defense policies which are well conceived and soundly balanced. He has given evenhanded leadership to all military Reserve programs and enjoys the confidence and trust of thousands of Reserve officers throughout the Nation.

During his tenure, the ROA built a splendid headquarters home directly across Constitution Avenue from the Senate Office Building and because of his fiscal conservation, I believe the mortgage is almost ready for burning.

I am very pleased to extend cordial best wishes and congratulations to Colonel Carlton.

Mr. CANNON. Mr. President, we who serve in the Senate are well aware of the ROA Minuteman Memorial Building across the street from the Senate Office Buildings on First and Constitution Avenue SE.

During my earlier days in the Senate, that corner was occupied by an old red brick tenement apartment building. To say that the new structure has improved the area is an understatement. It is indeed a magnificent structure in extremely good taste—but I wonder how many recognize that its mentor the man who made its erection possible is Col. John L. Carlton, affectionately known as Jake to his many friends.

Jake has served for the past 18 years as executive director of the Reserve Officers Association and is now retiring. His outstanding contributions to national defense are well known and his leadership was largely instrumental in the drive to construct the Minuteman Memorial Building.

Prior to his work in ROA, he worked as a newspaperman and served as administrative assistant to Senators George Smathers and Walter George as well as on the staff of the Senate Committee on Foreign Relations. Hence, it can be seen that he has had wide experience in Government service and his departure from the Hill shall be noticed. I am sure I am not alone in wishing him the best in whatever endeavor he chooses to follow and to say bon voyage on his retirement.

Mr. MOSS. Mr. President, the retirement of Col. John T. Carlton marks the end of an outstanding career of one of the country's finest citizen-soldiers. A man who wore many hats during his lifetime—newspaperman, senatorial assistant, soldier—Jake Carlton contributed greatly to the national defense. His leadership as executive director of the Reserve Officers Association will long be remembered by those who knew or came in contact with him.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I yield back the time of the Senator from West Virginia.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, if there is no objection, I should like to make a few remarks on a nongermane subject, the proposed grain agreement with the Soviet Union.

CONGRESSIONAL REVIEW OF GRAIN AGREEMENTS—S. 2492

Mr. STEVENSON. Mr. President, today I am introducing legislation to require that any long-term grain agreement between the United States and another country be submitted to the Congress for review before becoming effective. The purpose of this bill is to insure that any such agreement receives adequate public scrutiny, is consistent with U.S. interests at home and abroad, and has the support of the Congress and the American people.

Several weeks ago the President hurriedly dispatched his representatives to Moscow to negotiate a long-term grain agreement with the Soviet Union. Such unprecedented action was the outgrowth of concern about a possible repeat of the 1972 grain deals, when massive, secret, Soviet purchases of U.S. grain depleted U.S. reserves and sent food prices spiraling.

Reports indicate that the Soviet Union is heading for another massive crop failure. The Soviets have already purchased 10 million tons of U.S. grain this year; they have terminated grain exports to their satellites in Eastern Europe; and there are indications that they may need up to an additional 20 million tons from the United States this year. If estimates of Soviet needs this year are accurate, total Soviet demand for U.S. grain could go as high as one and a half times the level in 1972.

At present, we have little information on what kind of agreement the administration is seeking. Reports indicate that a Soviet commitment to minimum purchases of 5 million tons per year over a 5-year period is likely. But we are in the dark as to what is contemplated regarding such matters as the future disclosure of Soviet crop information and buying intentions; what happens if U.S. crops are inadequate to fulfill Soviet demands; what commitments the Soviet Union will make with respect to maintaining reserves; whether the Soviet Union will be free to resell purchases from the United States to other countries; what, if any, price terms the agreement will contain; whether a grain agreement will be tied to an oil agreement; and what effect an agreement with the Soviet Union will have on our grain commitments to Japan.

A United States-Soviet grain agreement is worth pursuing. Unregulated Soviet access to American grain markets is destabilizing in the extreme. Soviet grain needs are unpredictable and vary widely from year to year. While the Soviet Union imported 19 million tons of U.S. grain in 1972, U.S. exports to the Soviet Union fell to less than 10 percent of 1972 levels in 1974.

Massive purchases can send inflationary shocks throughout the economy as they did after the 1972 grain deal when grain prices rapidly doubled and retail food prices rose by 20 percent. They create grave uncertainty for our friends and allies abroad who are justifiably concerned about the continued availability of supplies for their own needs. And they impose severe strains on poorer countries who have little latitude for meeting increased food import bills.

The principal beneficiaries of the present system are the speculators and the Soviet Union—the speculators, because they can take advantage of the wide swings in price; the Soviet Union, because of its ability to buy in secret when prices are low without obligation to help support prices when food is in surplus. And while some American farmers may benefit from swings in farm prices, the bulk of them do not, since they neither have the capacity nor the inclination to engage in speculative transactions. Eventually, food-induced inflation erodes their incomes as costs of production escalate and the prop of Soviet demand collapses.

While a grain agreement may help solve these problems, there is no certainty that it will. Whether it will or not depends entirely on what it contains. As the predominant supplier of the world's food, the United States can and should insist on terms which reflect its superior bargaining position. American dominance in world agriculture is overwhelming. It exceeds the dominance enjoyed by any of the OPEC oil producers over oil. Fifty percent of the wheat, 60 percent of the corn, and 80 percent of the soybeans available in world markets come from the United States. By contrast, the world's largest exporter of oil, Saudi Arabia, accounts for only 25 percent of the world market for oil. The world, in short, lives on American food more than it runs on OPEC oil.

It, therefore, behooves us to pursue an agreement with the Soviet Union which smooths out short-term instability in demand without surrendering essential U.S. flexibility, encourages the Soviet Union to share the burden of developing and maintaining world food reserves, encourages maximum production and fair returns for the U.S. farmer, permits the United States to fulfill commitments to its friends, allies and the poor countries, and allows the United States to regain control over its most vital resource—food—and assert the world leadership which its preeminent agricultural position makes possible.

Whether the agreement which is now being negotiated with the Soviet Union will aid or impair the attainment of these objectives remains to be seen. The proposed 5-year duration raises questions. Will a U.S. commitment to deliver a specified quantity of agricultural products to the Soviet Union over a 5-year period impair its ability to meet its obligations elsewhere in the event of shortfalls? The United States understanding regarding grain purchases by Japan is for a 3-year period only. What about the apparent absence of a requirement for disclosure of Soviet crop projections and buying intentions? Is greater predictability possible when such basic information is kept secret? Uncertain, too, is the question of whether the proposed agreement will apply to the current year, and if not, whether the United States can supply 50 percent more grain to the Soviet Union this year than it did in 1972 without causing severe inflationary problems and impairing our ability to meet the needs of traditional customers.

It may be that there are satisfactory answers to these and other questions. But the point here—and the point of the bill which I am introducing today—is that they are too important not to be subjected to the closest scrutiny. At present, however, there is no arrangement for congressional scrutiny or approval of any agreement which the administration may reach with the Soviet Union. As has happened all too often in the past, we will be presented with a fait accompli which we are powerless to affect, despite its potentially far-reaching consequences for all concerned. On a matter which vitally affects American farmers, consumers, and U.S. relations with other nations of the world, it is essential that the Congress have an opportunity to be heard.

The bill which I am introducing today would provide that opportunity. It would amend the Export Administration Act to provide that any agreement or understanding of more than a year's duration with another nation regarding the export of U.S. agricultural commodities may not take effect until it has been submitted to the Congress for a period of 90 days. During that time, either body of Congress would have an opportunity to review and disapprove the agreement, if warranted, by passage of a resolution of disapproval. The procedures for disapproval would be similar to those applicable to congressional disapproval of certain actions under the Trade Act of 1974.

My proposal in no way prejudges the anticipated Soviet agreement—and indeed it would not apply at all if the agreement is for less than 1 year. On the contrary, by supplying a mechanism for congressional participation, it should increase congressional willingness to withhold judgment for now until all the details are known. And by insuring that Congress will have the final voice on a matter of this importance, it will enhance the viability of any agreement which ensues.

Mr. President, I send the bill to the desk and ask for its appropriate referral.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2492

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export Administration Act of 1969 is amended by inserting immediately after section 4A thereof the following new section:

"REVIEW OF CERTAIN AGREEMENTS

"SEC. 4B. (a) Notwithstanding any other provision of law, any agreement between the United States and any other country which would be effective for more than one year and which provides for the export from the United States of any agricultural commodity shall become effective only—

"(1) after the expiration of the first period of 90 days of continuous session of the Congress after the date on which a copy of such agreement is transmitted to the Senate and the House of Representatives, respectively, by the President of the United States, and

"(2) if, during such 90 day period, neither the Senate nor the House of Representatives passes a resolution expressing disapproval of such agreement.

"(b) Subsections (c) through (f) are enacted by Congress—

"(i) as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by subsection (c); and they supersede other rules only to the extent that they are inconsistent therewith; and

"(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(c) For the purpose of this subsection—

"(1) 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the disapproves the agreement between the United States and regarding the export of United States agricultural commodities transmitted by the President on , 19 .', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; and

"(2) continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the 90-day period referred to in subsection (a). If an agreement is transmitted under this paragraph during any Congress and the last session of such Congress adjourns sine die before the expiration of 90 calendar days of continuous session (or an agreement is so transmitted after the last session of the Congress adjourns sine die), the agreement shall be deemed to have been retransmitted on the first day of the succeeding Congress and the 90-day period referred to in subsection (a) shall commence on the day after such first day.

"(d) (1) If the Committee to which a resolution under this section has been referred has not reported it at the end of 30 calendar days after its introduction, it is in order to move either to discharge the Committee from further consideration of the resolution or to discharge the Committee from further consideration of any other resolution with respect to the agreement which has been referred to the Committee.

"(2) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the Committee has reported a resolution with respect to the same agreement) and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(3) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the Committee be made with respect to any other resolution with respect to the same transaction.

"(e) (1) When the Committee has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(2) Debate on the resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(f) (1) Motions to postpone, made with respect to the discharge from Committee, or the consideration of such a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

"(2) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such a resolution shall be decided without debate."

The ACTING PRESIDENT pro tempore. The time for morning business has expired.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the morning hour be extended for an additional 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. I thank the minority whip.

PRESIDENT FORD'S $100 BILLION ENERGY PLAN

Mr. KENNEDY. Mr. President, President Ford recently announced his intention to send Congress legislation to create an energy independence authority. According to the proposal, the new authority would provide American industry with $100 billion in financing, as a means to advance the administration's declared goal of achieving American energy independence in the next 10 years.

I have serious reservations about this project. My intention in these remarks this morning is to raise several issues that should be taken into account by the administration as it develops the details of the legislation to be submitted to Congress to implement this proposal.

The troubling standoff that has developed between Congress and the President over energy policy is largely a product of the administration's adamant refusal to give serious consideration to the many congressional alternatives that have been put forward to the President's strategy of higher energy prices as the linchpin of U.S. energy policy. Too often, instead of accepting Congress as an equal partner in developing a comprehensive and feasible energy strategy, the White House has adopted an uncompromising posture, attacking Congress for not accepting the President's position.

I do not suggest that Congress is of a single mind on the energy question. But a clear majority of the House and Senate has long accepted the fact that energy is a highly complex series of issues that cannot be resolved simply by raising prices. Sensible and fair policies must be devised to change the ways by which this Nation produces and consumes its energy. At the same time, these policies must be implemented in a way that does not jeopardize our larger goals of economic recovery, protection of the environment, and the enhancement of our relations with other nations.

The administration's refusal to negotiate or compromise with Congress on this point has left the energy debate in deadlock. Accord has been impossible, because the two branches of Government have been approaching the energy problem from totally different directions.

Now the President is further compounding the frictions over energy policy by proposing a massive new program that will be vastly expensive for the Nation. On the basis of the preliminary description of the proposed Energy Independence Agency, I am concerned that, once again, Congress and the administration are heading down separate and diverging energy paths. The energy question is too critical for America's future to allow this situation to continue.

In my view, there are at least six troubling aspects of the President's proposal:

First. The basic question of energy sufficiency against total energy independence.

I am deeply concerned that the White House plan signals a return to the discredited concept of "Project Independence," by which the Nation would attempt a massive and self-defeating "go-it-alone" policy of producing all the energy we consume. In his September 22 speech announcing the energy independence authority, President Ford noted that the new authority "is designed to achieve what many regard as impossible—energy independence by 1985."

The fact is that most knowledgeable observers realistically see this goal as not only "impossible," but also unwise, since the struggle to achieve energy independence could well cripple the effort to meet our Nation's many other needs, and foster the illusion that we can withdraw from the global economy in other areas as well.

The proper longrun goal is energy sufficiency, not energy independence. The United States needs to reach two basic objectives in its energy policy toward the outside world: We must guard against the threat of a further Arab oil embargo. And we must seek a lower world price of oil as part of a more rational international pricing structure, one not totally dependent on the decisions of the OPEC cartel.

Yet, it is not clear that the President's approach will help us to achieve either of these objectives. There are other measures that could do a better job of providing energy security and lowering prices, at less cost to American workers, American industry, and American consumers. Both the House and Senate, for example, have now adopted a strategic petroleum reserve and oil stockpiling program, which can give us a high degree of protection against a future oil embargo.

There is, in short, no justification for an isolationist policy that seeks total energy independence, rather than a balance between greater domestic energy efforts and more effective U.S. involvement in the global energy economy—goals that can be achieved without twisting the American economy out of shape.

The national debate over energy has moved well beyond the early but unwise attraction to the concept of independence. It would be a serious mistake at this time to revert to such a concept. The result might well be to leave the Nation musclebound over energy in the future, isolated from critical efforts to restructure the world economy, and drained too deeply of vital industry and resources in other domestic areas.

Second. We need a modest, not massive, program to support high-risk, socially productive energy projects.

The need for the President's massive program has not been established. The administration proposal is based on the premise that pumping a vast sum of Federal money into domestic energy development can achieve the Nation's longrun goals. But the President has not clarified how the money will be used. More likely, a sudden, unplanned commitment to vast additional outlays will be a serious waste of the taxpayers' money.

A close examination of these questions is all the more necessary because of President Ford's recent attacks on big government and his insistence on massive Federal budget cuts as a condition of his tax reduction proposals.

My reservation here does not necessarily mean that some form of expanded Government role—particularly in the areas of research and development—is not a desirable part of a comprehensive and balanced energy program. There is a clear need for Government assistance to those high-risk energy projects which may offer a correspondingly high payoff to the economy and society.

But we already are funding a $2 billion a year research program in the new Energy Research and Development Administration. Any program that goes beyond this effort while our knowledge of costs and benefits is so limited surely must be far more modest than the $100 billion proposal advanced by the President, far more open to congressional oversight, and with far more explicit safeguards. In addition, an acceptable plan must be more closely related to existing programs, and the additional expenditures must be justified in terms of their contribution toward reaching the Nation's basic goals, not only in energy, but in other areas as well.

Third. The plan may jeopardize other important sectors of the economy.

A serious flaw in the White House plan is its single-minded concern with energy, to the neglect of other important areas of the economy. There is a serious risk that nonenergy sectors will suffer in two ways:

First, the inevitable result of Government subsidy of a higher cost energy industry will be increases in the production costs of every industry: These higher costs for energy, in turn, may seriously reduce the competitiveness of American industry.

Second, spending an additional $100 billion on energy is likely to create a sharp drain on capital toward energy and away from other sectors of the economy.

In the past, the Ford administration has vigorously resisted large budget deficits because of their effect on capital markets, a phenomenon that is termed "crowding out." Where is that administration concern today? Large new expenditures on energy projects threaten to crowd out every other sector. What sectors will feel the greatest pinch? Housing? Health? Education? Crime control? What sacrifices will be required, in exchange for the vastly expanded energy sector that is proposed to be created? Until these questions are answered satisfactorily, a program on this scale should not go forward.

Fourth. The plan provides unnecessary subsidies for big business.

One of the elementary contradictions

in the proposal is the contrast between the President's expression of fidelity to the free enterprise system, and his proposal to insulate some of the largest profitmaking enterprises in the Nation from the normal risks of doing business. Under the plan, the Nation will be using public money to subsidize energy development projects. In turn, these projects are likely to bring unnecessarily high profits to private energy corporations—almost inevitably the major oil companies under the administration plan—without any evidence that these rich profits can be justified by benefits in other ways to the American economy and the American people.

Moreover, as the bulk of the public subsidy will go to some of the Nation's largest companies, it is likely that the subsidy will result in even more restricted competition in the energy industry—at a time when it is quite clear that greater competition, not less, is essential for the integrity of our free enterprise system.

Fifth. The promise of new jobs is illusory.

In his San Francisco speech, the President held out the promise of more jobs if his program is accepted. I maintain that this promise is illusory. For every job created in an energy-related industry, an equal or greater number of jobs may well be lost elsewhere in the economy. The higher cost of energy, coupled with the reduced availability of credit to other industries may lead to cutbacks in production and to reductions in employment. The net result of the White House plan may, therefore, be to leave us with a sharply higher cost of living, but without any compensating increase in the number of jobs available to the work force of America.

Sixth. The specific subsidy program for electric power generation is unjustified.

In his announcement of the energy plan, the President expressed concern over the cancellation or postponement of the construction of large numbers of nuclear and coal-based electric powerplants during the past year. In his proposal, he called for a major effort to build 350 new powerplants by 1985.

But the President failed to note two important reasons for the recent cancellations:

First, utilities had difficulty in raising capital during the credit crunch that occurred in 1974 because of the policy of excessive monetary restraint imposed by the Federal Reserve Board. Credit has eased considerably since then. The prime rate, which reached 12 percent in August 1974, now stands at 8 percent.

Second, many utilities canceled new orders because of the sharp decline in the demand for electric power. As a result, utilities are faced today with a great deal of excess capacity. As long as this slack capacity exists, a new subsidy to encourage expansion in electric power generating capacity—especially one that ignores reduced interest rates—could be an extremely wasteful and unproductive use of Federal dollars.

Seventh. The proposal contemplates a serious lack of congressional budget oversight.

As the proposal has been described, it appears that Congress would exercise little, if any, oversight over the operation of the energy independence authority. The authority's funding would not be subject to the congressional budget or appropriations process. This "off-budget" aspect of the proposal would, in effect, provide the administration with a gigantic blank check to fund a wide range of energy projects, and would mislead the public as to the true costs of the program. Congress has learned the hard lesson that blank checks granted to the executive branch are the source of future trouble. The budget reforms already enacted go far toward ending the reign of off-budget agencies outside the congressional oversight process. It would be a serious mistake to try to turn back the clock on those reforms. I and many others in Congress will vigorously oppose any plan that exempts the administration's decisions in the energy field from Senate and House oversight and accountability.

In sum, it is from these perspectives that President Ford's proposal for an energy independence authority must be judged. As it stands, the proposal appears unwise, ill-conceived and unacceptable. It is my hope that these basic and fundamental concerns and reservations I have expressed will be taken into account in the legislation that the administration sends to Congress. If they are, it may be possible to shift this looming new confrontation over energy policy into more productive channels of compromise, accommodation, and advantage to the Nation.

Again, Mr. President, I thank the minority whip for his kindness in extending the morning hour to accommodate these remarks.

Mr. GRIFFIN. Mr. President, I ask unanimous consent to proceed for 5 minutes notwithstanding that I was recognized earlier.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, "Give-'em-hell" Harry Truman ran against what he called a do-nothing Congress. Judging by statements of the distinguished Senator from Massachusetts and others in opposition to almost every initiative taken by this President of the United States, it is becoming quite obvious that President Ford will have to run next year against not only a do-nothing but an obstructionist Congress.

From time to time, we hear from the other side of the aisle the call for an imaginative approach on the part of the executive branch to deal with various problems. This President has put forth an imaginative program to achieve the goal of energy independence. A great deal of financing will be required to achieve that goal but, as I understand the proposal outlined by President Ford, he contemplates Government guarantees for private loans—not Government grants or handouts.

I want to register my sharp difference with the Senator from Massachusetts when he suggests that energy independence cannot be achieved. It was not so very many years ago when the United States was independent energywise; indeed, we were an exporter of energy. There are many in our country, in and out of the executive branch and in and out of Congress, who believe that this country is still resourceful enough, strong enough, and imaginative enough to achieve energy independence once again.

So, I respond by saying I am disappointed that, to almost every initiative put forth by this administration, the Democratic Congress seems to respond by saying, "No it can't be done; or, no, we will not do it." At the same time, we see few real alternatives put forth by those who are saying no.

To some extent, we have already seen that kind of a Democratic response to the President's initiative in proposing a tax cut, coupled with a spending reduction. For my part, I hope we will not continue to hear that kind of response, because the American people believe, with the President, that Congress is, or should be, capable of cutting back on the projected growth of Federal spending.

The American people stand with the President in believing that it would be better for them, and the country, if they could have a little bit more to say about where their hard-earned dollars are going.

So, I believe we can achieve energy independence, and I believe we can hold the line on Federal spending. If this Congress does not want to do so, then I can only hope that the American people will take note of that fact when it comes time to vote next November.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I ask unanimous consent to proceed for 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Five minutes remain for morning business.

Mr. KENNEDY. Mr. President, I think the record speaks for itself. The American people know where the obstructionist role really lies in our Government. We have an executive who has vetoed more laws passed by Congress in the year and a half he has been President than any President in the history of this country. Yesterday, Congress overrode his latest veto in an extremely important area, the school lunch program.

We should ask ourselves, Mr. President, what is the real purpose of the veto power in the Constitution? Any review of the constitutional history, Mr. President, will show that the veto power, according to the Founding Fathers, was provided for two very specific reasons: First, to prevent congressional action attacking the powers of the Presidency itself; second, to prevent action by Congress attacking the basic and fundamental system of constitutional government.

But over the period of the last year and a half, the President, merely because he disagrees with Congress on policy issues, has vetoed congressional action on 39 different measures. Congress has overridden these vetoes on seven important occasions. On the other 32, the President has successfully obstructed the will of Congress by his excessive use of the veto power.

We will let the American people decide on the validity of the initiatives by Congress in these important areas, such as child nutrition, health care, education, and employment.

Also Mr. President, I would not wish to let pass the remarks of my friend and colleague, the minority whip, on the energy program, without also mentioning there are very serious concerns about the whole program even within the administration's own family. These concerns have been expressed, I understand, by the Secretary of the Treasury, Mr. Simon, and by the Chairman of the Council of Economic Advisers, Mr. Greenspan. They appear to share my concern on many of the important matters that I have raised today.

The point and purpose of raising these concerns today, Mr. President, is so that in the development of the forthcoming legislation, the administration will be on notice that it must develop a sensible program, capable of answering the concerns not only within the administration's own family, but also of those of us in Congress who are going to be asked to appropriate the moneys for this effort.

The ACTING PRESIDENT pro tempore. The Senator's 3 minutes have expired.

Mr. KENNEDY. I yield myself another minute.

So, Mr. President, I think we ought to put these concerns into some perspective, and insist that answers be provided.

Finally, it is interesting to hear the President talk about the tax cut program. It is interesting that the tax cuts will go into effect prior to the 1976 election, but the expenditure cuts will come after the election. We will have a chance, over the period of the next year, to talk about whether the package makes sense in economic terms. But we can see already that it might make sense in political terms.

Mr. President, I yield back what time I have remaining.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

APPROVAL OF BILL

A message from the President of the United States announced that he had approved and signed the enrolled bill (S. 2230) to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

PROPOSED "AVIATION ACT OF 1975"—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Commerce:

To the Congress of the United States:

As part of my program to strengthen the Nation's economy through greater reliance on competition in the marketplace, I announced earlier this year my intention to send to the Congress a comprehensive program for the reform of transportation regulation. In May, I sent to Congress the Railroad Revitalization Act aimed at rebuilding a healthy, progressive rail system for the Nation. Today I am pleased to submit the Aviation Act of 1975 which will provide similar improvements in the regulatory environment of our airlines. To complete the package, I will soon be forwarding similar legislation for the reform of regulation governing the motor carrier industry.

The result of the regulatory reform measures proposed in this legislation will have a direct and beneficial impact on the American consumer. Countless Americans use air travel on a regular basis in connection with their jobs and leisure activities. But for many Americans, air travel has become a luxury too expensive to afford. In part, today's high costs of air transportation are attributable to inflation and the rising cost of fuel and labor. But they are also the result of long years of excessive economic regulation.

In 1938, when the Congress authorized the creation of the Civil Aeronautics Board, there was a belief that some form of government intervention was needed to protect the infant airline industry. Accordingly, the Board was instructed to regulate this industry in order to promote its growth and development. Entry into the industry was strictly controlled. Even those airlines who were allowed entry into the industry were rigorously controlled with respect to what markets they could serve and fares were regulated. Real competition was intentionally dampened.

In the almost four decades since economic regulation of airlines was established, this industry has grown tremendously. It can no longer be called an infant. Consequently, protective government regulation established to serve the particular needs of a new industry has outlived its original purpose. The rigidly controlled regulatory structure now serves to stifle competition, increase cost to travelers, makes the industry less efficient than it could be and denies large segments of the American public access to lower cost air transportation. A number of studies have indicated that the cost of air transportation to American consumers is far higher than necessary as a result of overregulation.

The overriding objective of the proposed legislation is to ensure that we have the most efficient airline system in the world providing the American public with the best possible service at the lowest possible cost. We must make sure that the industry responds to natural market forces and to consumer demands rather than to artificial constraints set out by government. This legislation would replace the present promotional and protectionist regulatory system with one which serves the needs of the public by allowing the naturally competitive nature of the industry to operate. It provides the airline industry increased flexibility to adjust prices to meet market demands. And it will make it substantially easier for firms who wish and are able to provide airline services to do so. These measures will be introduced gradually to permit the industry to adjust to a new regulatory environment. Government will continue to set rigid safety and financial standards for the airlines. But the focus of the new regulatory scheme will be to protect consumer interests, rather than those of the industry.

I urge the Congress to give careful and speedy attention to these measures so that the over 200 million passengers who use our airlines every year are given the benefits of greater competition that will flow from regulatory reform of this industry.

GERALD R. FORD.

THE WHITE HOUSE, *October 8, 1975.*

MESSAGES FROM THE HOUSE

At 10:45 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House recedes from its disagreement to the amendment of the Senate numbered 8 to the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and concurs therein with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1427. An act for the relief of Marta Lidia Corletto Padro;

H.R. 1507. An act for the relief of Marisa Marzano;

H.R. 1558. An act for the relief of Dr. Gernot M. R. Winkler;

H.R. 2118. An act for the relief of Cheryl Lynn V. Camacho;

H.R. 2110. An act for the relief of Joyce Ann Farrior and Sarah E. Farrior;

H.R. 2502. An act for the relief of Peter Olav Mesikepp;

H.R. 2776. An act for the relief of Candido Badua;

H.R. 3372. An act for the relief of Tze Tsun Li;

H.R. 3815. An act for the relief of Joseph J. Andrews;

H.R. 3817. An act for the relief of the Arizona Daily Sun and Williams News;

H.R. 4825. An act for the relief of MSgt. George C. Lee, U.S. Air Force;

H.R. 4829. An act for the relief of Leah Maureen Anderson;

H.R. 4939. An act for the relief of Manuel Bonotan;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 6512. An act for the relief of certain postmasters charged with postal deficiencies;

H.R. 7494. An act for the relief of Luigi Santaniello; and

H.R. 9500. An act to stabilize labor-management relations in the construction industry, and for other purposes.

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 7642. An act to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists, and for nuclear-qualified officers who extend their period of active duty;

H.R. 8550. An act to amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within one year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor's annuity, and for other purposes; and

H.R. 9968. An act to amend section 103 of the Internal Revenue Code of 1954 with respect to certain obligations used to provide irrigation facilities.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 824. An act to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes;

S. 1327. An act to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes;

S. 1549. An act to amend the Federal Rules of Evidence, and for other purposes; and

H.R. 5952. An act to amend the Water Resources Planning Act (79 Stat. 244), as amended.

The enrolled bills were subsequently signed by the President pro tempore.

At 2:20 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has agreed to the concurrent resolution (H. Con. Res. 424) providing for an adjournment of Congress from October 10 until October 20, 1975, in which it requests the concurrence of the Senate.

At 4 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House agrees to the amendments of the Senate to the bill (H.R. 6151) to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center.

At 5:30 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House disagrees to the amendments of the Senate to the bill (H.R. 5727) to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. KASTENMEIER, Mr. DANIELSON, Mr. DRINAN, Mr. BADILLO, Mr. PATTISON of New York, Mr. RAILSBACK, and Mr. WIGGINS were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The enrolled bill was subsequently signed by the Preisdent pro tempore (Mr. EASTLAND).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following letters, which were referred as indicated:

REPORT BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting, pursuant to law, the second semiannual report concerning the effectiveness of passenger screening procedures (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to amend the Endangered Species Act of 1973 (with accompanying papers); to the Committee on Commerce.

REPORT BY THE DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior transmitting, pursuant to law, a report of the Fish and Wildlife Service on the administration of the Marine Mammal Protection Act of 1972 (with an accompanying report); to the Committee on Commerce.

REPORT BY THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

A letter from the Administrator of Energy Research and Development, transmitting, pursuant to law, a report entitled "Disposal of Foreign Excess Property" for the period July 1, 1974 through January 18, 1975 (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE GENERAL SERVICES ADMINISTRATION

A letter from the Assistant Director for General Services transmitting, pursuant to law, a report concerning the disposal of foreign excess property (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on the disposal of excess property in foreign countries for the fiscal year 1975 (with an accompanying report); to the Committee on Government Operations.

PROPOSED REGULATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a proposed rulemaking for the college work-study program (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT BY THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report with respect to the recommendations contained in the report entitled "America's Educationally Neglected—A Progress Report on Compensatory Education" (with an accompanying report); to the Committee on Labor and Public Welfare.

PROPOSED REGULATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law a copy of a proposed rulemaking for the national direct student loan program (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1922. A bill to amend the Act of July 7, 1970 (84 Stat. 409), to authorize appropriations to the Secretary of the Interior without reference to the agencies involved (Rept. No. 94–417).

By Mr. TUNNEY, from the Committee on Commerce, with amendments:

S. 811. A bill to amend the Horse Protection Act of 1970 to better effectuate its purposes (Rept, No, 94–418).

By Mr. MORGAN, from the Committee on Banking, Housing and Urban Affairs:

S. 2498. An original bill to amend the Small Business Act to provide assistance for small business export activities, to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes (Rept. No. 94–420).

By Mr. HUGH SCOTT, from the Committee on the Judiciary, without amendment:

S.J. Res. 99. A joint resolution to authorize and request the President to issue a proclamation designating January 4, 1976, as "Haym Salomon Day" (Rept. No. 94–421).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

S. 2350. A bill to amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council (Rept. No. 94–423).

REPORT OF THE COMMITTEE ON THE BUDGET ENTITLED "IMPLEMENTATION OF NEW CONGRESSIONAL BUDGET PROCEDURES FOR FISCAL YEAR 1976"—REPT. NO. 94–422

Mr. MUSKIE, from the Committee on the Budget, submitted a report entitled "Implementation of New Congressional Budget Procedures for Fiscal Year 1976." pursuant to section 906 of the Congressional Budget and Impoundment Control Act of 1974, which was ordered to be printed.

REPORT OF THE JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS ON CONGRESS AND MASS COMMUNICATIONS—(REPT NO. 94–419)

Mr. METCALF, from the Joint Committee on Congressional Operations, submitted a report on Congress and Mass Communications, entitled "A Clear Message to the People," which, together with additional views, was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

William G. Rosenberg, of Michigan, to be an Assistant Administrator of the Federal Energy Administration.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Ralph G. Thompson, of Oklahoma, to be U.S. district judge for the western district of Oklahoma.

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

Thomas S. Kleppe, of North Dakota, to be Secretary of the Interior (Exec. Rept. No. 94–7).

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 1427. An act for the relief of Marta Lidia Corletto Padro;

H.R. 1507. An act for the relief of Marisa Marzano;

H.R. 1558. An act for the relief of Dr. Gernot M. R. Winkler;

H.R. 2118. An act for the relief of Cheryl Lynn V. Camacho;

H.R. 2502. An act for the relief of Peter Olav Mesikepp;

H.R. 2776. An act for the relief of Candido Badua;

H.R. 3372. An act for the relief of Tze Tsun Li;

H.R. 3815. An act for the relief of Joseph J. Andrews;

H.R. 3817. An act for the relief of the Arizona Daily Sun and Williams News;

H.R. 4825. An act for the relief of M/Sgt. George C. Lee, U.S. Air Force;

H.R. 4829. An act for the relief of Leah Maureen Anderson;

H.R. 4939. An act for the relief of Manuel Bonotan;

H.R. 6156. An act for the relief of Walma T. Thompson;

H.R. 6512. An act for the relief of certain postmasters charged with postal deficiencies; and

H.R. 7494. An act for the relief of Luigi Santaniello; to the Committee on the Judiciary.

H.R. 2110. An act for the relief of Joyce Ann Farrior and Sarah E. Farrior; to the Committee on Finance.

H.R. 9500. An act to stabilize labor-management relations in the construction industry, and for other purposes; to the Committee on Labor and Public Welfare.

H.R. 7642. An act to amend chapter 5, title 37, United States Code, to extend the special pay provisions for veterinarians and optometrists, and for nuclear-qualified officers who extend their period of active duty; to the Committee on Armed Services.

H.R. 8550. An act to amend chapter 83 of title 5, United States Code, to grant an annuitant the right to elect within 1 year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor's annuity, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9968. An act to amend section 103 of the Internal Revenue Code of 1954 with respect to certain obligations used to provide irrigation facilities; to the Committee on Finance.

REFERRAL OF H.R. 9005 TO THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. HUMPHREY. Mr. President, I wish to modify a previous unanimous-consent order approved October 2, 1975.

I ask unanimous consent that H.R. 9005, which has been favorably reported by the Committee on Foreign Relations, be referred to the Committee on Agriculture and Forestry for that committee's consideration of title II and section 311 of H.R. 9005.

It was not possible to deal with the bill within the previously established October 11 deadline. Therefore, we are removing this date with the understanding that the Committee on Agriculture and Forestry will move as expeditiously as possible in its consideration of H.R. 9005.

Mr. President, H.R. 9005 is an act to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, October 8, 1975, he presented to the President of the United States for his approval the following bills:

S. 824. An act to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes.

S. 1327. An act to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes.

S. 1549. An act to amend the Federal Rules of Evidence, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. STEVENSON:

S. 2492. A bill to amend the Export Administration Act of 1969 in order to subject agricultural export agreements to congressional review. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. ABOUREZK (for himself and Mr. McGovern):

S. 2493. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Pollock-Herreid unit, South Dakota pumping division, Pick-Sloan Missouri Basin program, South Dakota, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

S. 2494. A bill to amend the Consumer Product Safety Act to prohibit the Consumer Product Safety Commission from issuing any rule or order that restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, to authorize new appropriations, and for other purposes. Referred to the Committee on Commerce.

By Mr. HARTKE:

S. 2495. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles. Referred to the Committee on Finance.

By Mr. FONG:

S. 2496. A bill to amend the Internal Revenue Code of 1954 to provide that certain limited miscellaneous contributions may be taken into account for purposes of determining whether a private foundation has met the minimum distribution requirements of section 4942 of such Code. Referred to the Committee on Finance.

By Mr. MONDALE:

S. 2497. A bill to amend the Higher Education Act of 1965 to encourage the establishment of lifetime learning programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MORGAN, from the Committee on Banking, Housing and Urban Affairs:

S. 2498. A bil to amend the Small Business Act to provide assistance for small business export activities, to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes. Placed on the calendar.

By Mr. INOUYE:

S. 2499. A bill to amend the Federal Water Pollution Control Act relating to the discharge of pollutants into open ocean waters. Referred to the Committee on Public Works.

By Mr. EAGLETON:

S. 2500. A bill to amend title XIX of the Social Security Act to require that, effective July 1, 1976, payment, under State plans approved under such title, for home health services shall be made on a reasonable cost-related basis. Referred to the Committee on Finance.

By Mr. BENTSEN:

S. 2501. A bill to amend the Act establishing the Big Thicket National Preserve to provide for the acquisition of property. Referred to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

S. 2502. A bill to reform electric utility rate regulation, to provide for more effective planning of bulk power facilities, to assure reliability of bulk power supplies, to strengthen State electric utility regulatory agencies, and to establish the Federal Energy Commission. Referred jointly, by unanimous consent, to the Committee on Commerce and the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOSS:

S. 2494. A bill to amend the Consumer Product Safety Act to prohibit the Consumer Product Safety Commission from issuing any rule or order that restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, to authorize new appropriations, and for other purposes. Referred to the Committee on Commerce.

Mr. MOSS. Mr. President, I introduce today legislation to amend the Consumer Product Safety Act to prohibit the Consumer Product Safety Commission from issuing any rule or order that restricts the manufacture or sale of firearms,

firearms ammunition, or components of firearms ammunition, and to authorize appropriations through fiscal year 1977. This legislation would authorize $51 million for the fiscal year ending June 30, 1976; $14 million for the transitional quarter ending September 30, 1976; and $55 million for the fiscal year ending September 30, 1977, to implement the programs of the Consumer Product Safety Commission. Additionally, the legislation would prohibit the Consumer Product Safety Commission from making any rule or issuing any order which restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, including black powder or gunpowder for firearms.

These two provisions are identical to ones which the Senate approved in S. 644 on July 18, 1975. Companion legislation has been stalled on the floor of the House of Representatives for several months. I believe it to be crucial that the Congress limit the jurisdiction of the Consumer Product Safety Commission with respect to firearms, firearms ammunition, or components of firearms ammunition as soon as possible. Additionally, our authorization for the Consumer Product Safety Act should have been approved over 4 months ago according to the timetable spelled out in the Congressional Budget Act.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Product Safety Commission Authorization Act of 1975".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 2. Paragraphs (1), (2), and (3) of section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a)) are amended to read as follows:

"(1) $51,000,000 for the fiscal year ending June 30, 1976;

"(2) $14,000,000 for the transitional quarter ending September 30, 1976; and

"(3) $55,000,000 for the fiscal year ending September 30, 1977.".

LIMITATIONS ON JURISDICTION

SEC. 3. Section 3(a)(1) of the Consumer Product Safety Act (15 U.S.C. 2052(a)(1)) is amended (A) by inserting "other" before "limitations" in the last sentence thereof and (B) by inserting before such sentence the following: "Except for the regulation under this Act or the Federal Hazardous Substances Act of fireworks devices or any substance intended for use as a component of any such device, the Commission shall have no authority under the functions transferred pursuant to section 30 of this Act to regulate any product or article described in subparagraph (E) of this paragraph, or described, without regard to quantity, in section 845(a)(5) of title 18 of the United States Code. The Consumer Product Safety Commission shall make no ruling or order that restricts the manufacture or sale of firearms, firearms ammunition, or components of firearms ammunition, including black powder or gunpowder for firearms.".

By Mr. HARTKE:

S. 2495. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles. Referred to the Committee on Finance.

REPEAL OF EXCISE TAX ON TRUCKS, BUSES, AND TRACTORS

Mr. HARTKE. Mr. President, today I am introducing a bill to repeal the 10 percent Federal excise tax on trucks, buses, and tractors, and the 8 percent excise tax on parts and accessories for these vehicles.

The corresponding excise tax on automobiles was repealed in 1971. This resulted in a significant stimulus to automobile sales and created thousands of jobs in that vital industry. A similar boost is now desperately needed in the truck, bus, and tractor production industries. The depression in output and employment in these industries is far worse than in the automobile industry as a whole, and much worse than other industries. Sales of trucks are at a virtual standstill. In the truck trailer industry production is down 76 percent and employment is down 65 percent compared to last year.

Elimination of the Federal excise tax on these vehicles would reduce their prices and stimulate sales and employment. Most of these vehicles are extremely expensive. A heavy duty truck tractor for instance, can cost over $30,000. A 10 percent Federal excise tax applied to such an expenditure, especially when one realizes that many of these vehicles are purchased by the fleet, has a significant impact on sales volume. Repeal of the tax would reduce prices and lift sales and employment.

Repeal of this tax would also help fight inflation. The price of trucks and buses is presently increasing, at least in part, due to the expense of meeting federally mandated safety standards.

For example, the braking equipment now required on air-braked trucks and trailers will add approximately $750 to the price of a tandem axle trailer and $100 to the price of a highway tractor. These price increases are occurring at a time of serious depression in the truck industry, and repeal of the Federal excise tax would help mitigate their unfortunate effects.

The revenue from the excise tax on vehicles and parts is dedicated to the Highway Trust Fund. In 1963, the combined revenue production of the excise taxes was $484 million out of total revenue of $5.9 billion in the Highway Trust Fund, or 8.2 percent of trust fund receipts. I have always been very supportive of the Highway Trust Fund and preserving its integrity, but at a time when the President is advocating using half of Federal gasoline tax receipts for general fund revenue, it would not seem too expensive to repeal the unnecessary and economically counterproductive excise tax on trucks, buses, tractors, and parts.

My sponsorship of this bill is consonant with my general opposition to excise taxes. I sponsored the bills which removed the Federal excise taxes on musical instruments, household appliances, radios, televisions, phonographs, and records. In addition, I was a strong supporter of the legislation which removed excise taxes on automobiles and telephone calls. Because I oppose excise taxes in general, and particularly the excise tax on trucks, buses, tractors, and parts, and because the economics of this legislation seem so timely, I am introducing this bill and call on my colleagues in the Senate to support it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Vehicle Tax Repeal Act of 1975".

SEC. 2. (a) Part I of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to manufacturers excise taxes on motor vehicles) is hereby repealed.

(b) The table of parts for subchapter A of chapter 32 of such Code is amended by striking out the item relating to part I.

SEC. 3. (a)(1) Subsection (b) of section 4216 of such Code (relating to definition of price) is amended—

(A) by striking out paragraph (5);

(B) by redesignating paragraph (6) as paragraph (5); and

(C) by striking out "(1), (3), and (5)" in paragraph (5) (as so redesignated) and inserting in lieu thereof "(1) and (3)".

(2) Subsection (g) of such section 4216 is hereby repealed.

(b) Section 4218 of such Code (relating to use by manufacturer or importer considered sale) is amended—

(1) by striking out subsection (c) and by redesignating subsections (d) and (e) as subsections (c) and (d), respectively;

(2) by striking out "(b), (c), or (d)" in subsection (a) and inserting in lieu thereof "(b) or (c)"; and

(3) by striking out "(d)" in subsection (b) and inserting in lieu thereof "(c)".

(c)(1) Subsection (c) of section 4221 of such Code (relating to certain tax-free sales) is amended by striking out "4063(a) (6) or (7), 4063(b), 4083, or 4093" and inserting in lieu thereof "4083 or 4093".

(2) Paragraph (6) of subsection (d) of such section 4221 is amended—

(A) by striking out "(other than an article referred to in subparagraph (B))" in subparagraph (A);

(B) by inserting "or" at the end of subparagraph (A);

(C) by striking out subparagraph (B);

(D) by redesignating subparagraph (C) as subparagraph (B); and

(E) by striking out the last sentence.

(3) Paragraph (5) of subsection (e) of such section 4221 is hereby repealed.

(d)(1) Paragraph (2) of section 6412(a) of such Code (relating to floor stocks refunds) is amended—

(A) by striking out "4601(a)(1),"; and

(B) by striking out "TRUCKS AND BUSES, TIRES" in the paragraph heading and inserting in lieu thereof "TIRES".

(2) Section 6412(c) of such Code is amended by striking out "4601, 4071," and inserting in lieu thereof "4071".

(e)(1) Paragraph (2) of subsection (b) of section 6416 of such Code (relating to certain taxes on sales and services) is amended—

(A) by striking out subparagraphs (K), (R), and (S);

(B) by redesignating subparagraphs (L) and (M) as subparagraphs (K) and (L), respectively; and

(C) by striking out the semicolon at the end of subparagraph (L) (as so redesignated) and inserting in lieu thereof a period.

(2) Paragraph (3) of such subsection (b) is amended—

(A) by striking out "(B), (C), or (E)" in subparagraph (A) and inserting in lieu thereof "(C) or (E)";

(B) by striking out subparagraph (B); and

(C) by striking out "subparagraphs (A) and (B)" in the last sentence and inserting in lieu thereof "subparagraph (A)".

(3) Subsection (g) of such section 6416 is hereby repealed.

SEC. 4. (a) Paragraph (3) of section 409 (c) of the Highway Revenue Act of 1956 is amended—

(1) by striking out "4061(b) (tax on parts and accessories for trucks, buses, etc.)," in subparagraph (A); and

(2) by striking out subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) Paragraph (4) of section 409(f) of such Act is amended by striking out subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(c) Section 409(f) of such Act is amended by adding at the end thereof the following new paragraph:

"(8) 1975 FLOOR STOCKS REFUNDS.—The Secretary of the Treasury shall pay from time to time from the Trust Fund into the general fund of the Treasury amounts equivalent to the amount of the refunds made under subsections (b), (c), and (d) of section 5 of the Motor Vehicle Tax Repeal Act of 1975 in respect to articles with respect to which a tax was imposed under subsection (a) or (b) of section 4061 of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of such Act).".

SEC. 5. (a) The amendments made by sections 2 and 3 of this Act shall apply with respect to sales after the date of the enactment of this Act. The amendments made by section 4 of this Act shall take effect on the date of the enactment of this Act.

(b)(1) Where, before the day after the date of the enactment of this Act, any article on which a tax was imposed by subsection (a) or (b) of section 4061 of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of this Act) has been sold by the manufacturer, producer, or importer and on the day after the date of the enactment of this Act is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of the article, if—

(A) claim for such credit or refund is filed with the Secretary of the Treasury or his delegate before the first day of the 10th calendar month beginning after the day after the date of the enactment of this Act based upon a request submitted to the manufacturer, producer, or importer before the first day of the 7th calendar month beginning after the day after the date of the enactment of this Act by the dealer who held the article in respect of which the credit or refund is claimed; and

(B) on or before the first day of such 10th calendar month reimbursement has been made to the dealer by the manufacturer, producer, or importer in an amount equal to the tax paid on the article or written consent has been obtained from the dealer to allowance of the credit or refund.

(2) No manufacturer, producer, or importer shall be entitled to credit or refund under paragraph (1) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed by the Secretary of the Treasury or his delegate under this subsection.

(3) All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4061 of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of this Act) shall, insofar as applicable and not inconsistent with paragraphs (1) and (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(c)(1) Except as provided by paragraph (2), where on or after January 1, 1975, and on or before the date of the enactment of this Act, any article on which a tax was imposed by subsection (a) or (b) of section 4061 of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of this Act) has been sold to an ultimate consumer, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer of such article an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of such article.

(2) No manufacturer, producer, or importer shall be entitled to a credit or refund under paragraph (1) with respect to an article unless—

(A) he has in his possession such evidence of the sale of the article to an ultimate purchaser, and of the reimbursement of the tax to such purchaser, as may be required by regulations prescribed by the Secretary of the Treasury or his delegate under this subsection;

(B) claim for such credit or refund is filed with the Secretary of the Treasury or his delegate before the first day of the 10th calendar month beginning after the day after the date of the enactment of this Act based upon information submitted to the manufacturer, producer, or importer before the first day of the 7th calendar month beginning after the day after the date of the enactment of this Act by the person who sold the article (in respect of which the credit or refund is claimed) to the ultimate purchaser; and

(C) on or before the first day of such 10th calendar month reimbursement has been made to the ultimate purchaser in an amount equal to the tax paid on the article.

(3) All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4061 of the Internal Revenue Code of 1954 shall, insofar as applicable and not inconsistent with paragraph (1) or (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayment of the tax.

(d) Any tax paid by reason of section 4218 of the Internal Revenue Code of 1954 (relating to use by manufacturer or importer considered sale) shall be deemed to be an overpayment of such tax with respect to any article which was subject to the tax imposed by subsection (a) or (b) of section 4061 of such Code (as in effect on the day before the date of the enactment of this Act) if tax were imposed on such article by reason of such section 4218 on or after January 1, 1975.

(e) For purposes of this section—

(1) The term "dealer" includes a wholesaler, jobber, distributor, or retailer.

(2) An article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to him has been made), and if, for purposes of consumption, title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

By Mr. FONG:

S. 2496. A bill to amend the Internal Revenue Code of 1954 to provide that certain limited miscellaneous contributions may be taken into account for purposes of determining whether a private foundation has met the minimum distribution requirements of section 4942 of such Code. Referred to the Committee on Finance.

Mr. FONG. Mr. President, I introduce, for appropriate reference, a bill to broaden the qualifying distributions available to private foundations.

Section 4942 of the Internal Revenue Code of 1954, added by Public Law 94-172, title I, section 101(b), December 30, 1969 (83 Stat. 502), imposes a 15-percent tax on the undistributed income of a private foundation remaining undistributed at the beginning of a taxable year, subject to certain very limited exceptions.

If this undistributed income is not distributed within a period of 90 days after the mailing of a notice of deficiency, known as the "correction period," a 100-percent tax is imposed on the undistributed amount remaining at such time.

Distribution of income is thus essential for private foundations if they are to avoid confiscatory taxation.

Under section 4942(g) of the Internal Revenue Code of 1954, qualifying distributions are, in essence, limited to: First, amounts paid to accomplish one or more purposes described in section 170 (c)(2)(B); that is, amounts paid for religious, charitable, scientific, library, or educational purposes or for the prevention of cruelty to children or animals; second, amounts set aside, subject to terms and conditions set by the Secretary of the Treasury, for a specific project within one or more religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals and paid out for that specific project within 5 years; and finally, third, contributions to a section 501(c)(3) organization; that is, contributions to corporations, community chests, funds or foundations organized and operated exclusively for religious, charitable, scientific, testing for public safety, library, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholders or individual, no substantial part of whose activity is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or intervene in any political campaign on behalf of any candidate for public office.

My bill, as I indicated, would broaden the type of disbursements which would be deemed "qualifying distributions."

We have many, many worthwhile activities, such as local unorganized group athletic meets, social get-togethers of unorganized groups of youngsters, teenagers and the aged, and many other similar activities to which foundations should make some contributions but to which they do not do so today as the contributing foundation would not be able to count that contribution as a "qualifying distribution."

My bill would make it possible for a foundation to contribute up to $200 in a taxable year to such groups for worthwhile social, athletic, educational, or scientific purposes as the foundation could count this amount as a "qualifying distribution" under section 4942 of the Internal Revenue Code of 1954, so long as the purpose and use of the contribution is in keeping with the laws and public policy of the United States and the State or political subdivision in which the activity is carried out.

This would cover, for example, such worthwhile activities as a group of citizens giving a Christmas party for an orphanage or needy children, a trophy to be awarded the winning unorganized volleyball, baseball, swimming, canoe racing, or archery team which competes for a prize, equipment for unincorporated barefoot football teams and other unincorporated leagues interested in sports, or awarding of a trophy for outstanding scholarship or community service. These, of course, are not the only distributions which would be qualifying distributions, but are illustrative of a broad concept covering many such worthwhile endeavors, but which have been held by the Internal Revenue Service now not to be "qualifying distributions."

This small contribution would enable many worthwhile activities to be carried out at the local level.

And, in fact, there would, in my opinion, be no loss of revenue to the Government as the foundations are not ordinarily taxed at this time since they, by and large, now make only "qualifying distributions."

A worthwhile purpose would be served by enabling foundations to make this small $200 contribution toward activities of groups which are now not receiving any funds because such contributions would not be deemed "qualifying distributions" under our present law, and this would be accomplished at no real revenue loss to the Government.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4942(g) of the Internal Revenue Code of 1954 (relating to definition of qualifying distribution) is amended by adding at the end thereof the following new paragraph:

"(4) MISCELLANEOUS CONTRIBUTIONS.—

"(A) For purposes of this section, the term 'qualifying distribution' includes amounts contributed during the taxable year to an unincorporated association or other organization for the purpose of defraying the expense of any activity undertaken by that association or organization.

"(B) This paragraph does not apply to—

"(i) any amount in excess of $200 contributed during the taxable year to any single association or organization, or

"(ii) any amount contributed to defray the expense of any activity which involves a violation of the law or public policy of the United States, or of the State (or political subdivision thereof) in which the activity is carried out.".

(b) The amendment made by subsection (a) applies to taxable years beginning after the date of enactment of this Act, with respect to contributions made after such date.

By Mr. MONDALE:

S. 2497. A bill to amend the Higher Education Act of 1965 to encourage the establishment of lifetime learning programs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

LIFETIME LEARNING

Mr. MONDALE. Mr. President, I am very pleased to have the privilege today of introducing the "Lifetime Learning Act," which is designed to meet the changing educational needs of Americans at all stages of life.

In the past our educational programs have focused primarily on the young. We have considered education to be a preparation for life more than a tool for continuing development and enrichment. In these times of rapid change and swiftly advancing technology, this narrow view of educational potential is being questioned and challenged. In my home State of Minnesota, for example, a group of dedicated and creative individuals have been working to establish what they call the "Minnesota Learning Society." The Learning Society, which has received both State and national recognition, would draw on a variety of educational resources throughout the community in an effort to provide meaningful learning experiences to people of all ages, social and economic backgrounds, and educational levels.

The legislation I am introducing today would support and encourage these and other efforts to expand educational opportunity for a wide variety of individuals. There are many groups in our society who could receive particular benefit from a new focus on lifetime learning.

Senior citizens, for example, have often been excluded from the academic community in the past. They would be offered exciting new alternatives through participation in educational programs. In a society with a population of 23 million over the age of 65, and increasing life expectancy, the significance of providing productive options for the elderly cannot be overestimated.

Another group which would benefit immensely from greater emphasis on continuing, whole-life education is women. Although they comprise 39 percent of the labor force, women are still concentrated in lower paying, less prestigious jobs. The Civil Rights Act and other anti-job discrimination legislation can never be truly effective until we offer women the training and educational background necessary for advancement in the work force. Many women whose education or career have been interrupted by marriage and child rearing, are, whether by necessity or by choice, returning to the work force. Because of limited or out-of-date skills, they often find themselves poorly equipped to launch a new career. Lifetime learning programs could provide them with the training or retraining needed for reentry into the job market.

Third, lifetime learning programs could help solve the unemployment and underemployment problems of millions of Americans. These programs could provide training, which would assist the unemployed in securing jobs; as well as retraining for those whose education has prepared them for fields in which there are an excess of trained personnel. This lateral mobility would not only help the individuals involved, but would help to meet the fast changing demands for expertise in our society.

Finally, lifetime learning programs could offer much-needed assistance to the growing number of part-time students in this country. According to an American Council on Education report, the number of part-time postsecondary students increased 20.4 percent between 1969 and 1972, while the increase in full-time students was only 8.8 percent. The National Advisory Council on Extension and Continuing Education reported last year that since 1971 the number of part-time students in higher education institutions has exceeded the number of full-time students. Despite this increase, educational programs in too many cases fail to meet the special needs of the part-time student. Often educational expenses are proportionately higher for part-time students than for full-time.

And although the majority of part-time students are working adults, classroom techniques and materials are still frequently geared to younger students. Similarly, course selection for part-time students who attend night classes are more limited than for day-time students, and Federal student assistance programs are still strongly biased in favor of full-time enrollees.

Lifetime learning can offer great opportunities in human terms, but there are also pragmatic reasons for encouraging this movement. For the first time in many years we seem to have educational resources—teachers, dormitories, laboratories which are not being fully used. According to a recent National Institute of Education report, for example—

> Community colleges have resources and are looking for both financial and philosophical reasons, to serve new groups.

Such resources could be used to meet a variety of diversified educational needs.

While these needs are already being recognized and addressed by a number of promising projects throughout the country, we need to coordinate these efforts and learn from our broad national experience in this field.

At the State University of New York, for example, courses are offered free of charge to students over 60, and on some of the campuses dormitory space is being occupied by elderly enrollees. Special noncredit courses are also being offered to senior citizens at greatly reduced fees.

The Minnesota Learning Society has also been active in education for the elderly. This movement, headed by Dan Ferber, former vice president and dean of Gustavus Adolphus College, includes a consortium of several education institutions whose activities are as follows:

The University of Minnesota is training a corps of personnel in geriatrics and adult education for older persons.

Mankato State College has trained volunteers to identify older people in the community and—in cooperation with other community resources—help provide them with services and activities they seek.

The College of St. Benedict is moving older adults right into dormitories with younger students.

The St. Paul Area Technical Vocational Institute is training geriatric assistants for work in nursing homes.

The North Hennepin Community College has a "seniors on campus" program.

The Minneapolis Public Schools have provided facilities and helped organize 33 clubs providing education and other programs for senior citizens.

The New England Center for Continuing Education has developed a regional approach for coordinating lifetime learning programs of New England's six land-grant universities. Among other things, it has provided program support to a task force which has initiated efforts including the cooperative development of nonresidential programs; research into the characteristics of existing nontraditional programs; exploration of cooperative relationships with television broadcasters; and planning of initial steps toward increasing awareness and understanding of nontraditional postsecondary education by faculty and administrators.

Community colleges are being recognized more and more as effective vehicles for meeting a wide variety of educational needs. The College of Marin in Kentfield, Calif., in addition to its regular courses, has established the "Emeritus College" especially designed for students 55 and older. In addition to being eligible for all the resources of Marin College, Emeritus students are provided with special courses for older adults. Among other benefits, Emeritus students are entitled to reduced basic fees for all classes listed in the adult education schedule; reduced admission to concerts and lectures, and parking permits at half price.

I am extremely impressed by these efforts, as I am by the growing interest of a broad and respected segment of the education community in lifetime learning. Numerous reports and studies are being prepared and circulated in the field, including a study into educational entitlements—educational subsidies for students of all ages—by Norman Kurland of the State University of New York; research into recurrent education by Warren Ziegler sponsored by the Syracuse University Research Corp.; a paper exploring the use of community-based guidance programs to put students in touch with available educational resources, by Nancy Schlossberg, director of the Office of Women in Higher Education of the American Council of Education; and a commentary on community colleges and the educational needs of older adults by Joseph M. Stetar, director of continuing education at the State University College at Buffalo, to mention only a few.

These important research projects along with a wide variety of similar efforts will provide a valuable input into the development of the legislation I am introducing today. The "Lifetime Learning Act," which I hope to incorporate into the Education Amendments of 1975, now under consideration by the Education Subcommittee, would seek to provide new educational options in the following ways:

By coordinating eixsting efforts in the area of lifetime learning by all Federal agencies;

Providing support for training teachers to work with adults; curriculum development; conversion of facilities to accommodate adults; and development and dissemination of television, cassettes, and other media appropriate for adult education;

Conducting a study of the existing barriers to lifetime learning and how they might be eliminated;

Evaluating existing programs—including methods of financing—in this country and abroad and determining whether they can be used as models.

As the famous philosopher, John Dewey, once said:

> Education is not preparation for life. It is life itself.

This legislation represents a modest attempt to establish a major national commitment toward this important goal.

I am introducing this bill as an amendment to title I of the Higher Education Act. It is my intention, however, to further explore with my colleagues and with experts in the field the best administrative vehicle for this new Federal initiative; and to make such adjustments as may be necessary to coordinate this new program with existing efforts and with any new proposals recommended by the Senate Education Subcommittee. I ask unanimous consent that the Lifetime Learning Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2497

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lifetime Learning Act".

SEC. 2. (a) Title I of the Higher Education Act of 1965 is amended by inserting

"PART A—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS"

immediately before the section heading of section 101, by striking out "this title" whenever it appears in sections 101 through 113 and inserting in lieu thereof "this part", and by adding at the end of such title the following new part:

"PART B—LIFETIME LEARNING

"STATEMENT OF FINDINGS AND PURPOSE

"SEC. 151. (a) The Congress recognizes—

"(1) the impact of accelerating social and technological change on the duration and quality of life,

"(2) the increasing opportunities for continued personal, vocational and professional development, and

"(3) the growing interest of governmental agencies, educational institutions, labor, business and industry to provide formal and informal education to assist individuals to meet the changing demands of life.

(b) It is the purpose of this part to establish an office of lifetime learning programs in the Office of Education in order to encourage the initiation and expansion of such programs.

"APPROPRIATIONS AUTHORIZED

"SEC. 152. For the purpose of carrying out the provisions of this part there are authorized to be appropriated $10 million for the fiscal year 1976, $2.5 million for the period beginning July 1, 1976 and ending September 30, 1976, $20 million for the fiscal year 1977 and for each of the four succeeding fiscal years.

"DEFINITION OF LIFETIME LEARNING PROGRAM

"SEC. 153. For the purpose of this part 'lifetime learning' means any program, project, activity, or service designed to meet the changing educational needs of Americans throughout their lives, and includes, but is not limited to, adult basic education, postsecondary education, continuing education or remedial education special educational programs for groups or for individuals with special needs, job training programs and preretirement and post retirement training, and education programs for the elderly.

"OFFICE OF LIFETIME LEARNING

"SEC. 154. The Commissioner shall establish within the Office of Education an Office of Lifetime Learning to be administered by a Director appointed by the President.

"LIFETIME LEARNING PROGRAM

"SEC. 155. (a) The Commissioner, through the Office of Lifetime Learning, is authorized to—

"(1) identify, collect, and make available to the public information regarding existing lifetime learning programs carried out or assisted by any department or agency of the Federal Government,

"(2) evaluate existing domestic and foreign lifetime learning programs in order to determine whether such programs can be used for a national lifetime learning program model,

"(3) conduct a study of existing barriers to lifetime learning and how such barriers may be eliminated,

"(4) make grants to and enter into contracts with public agencies and non-profit private organizations for projects to establish, assist or expand lifetime learning programs, including

"(A) research and development activities,

"(B) support for training teachers to conduct lifetime learning programs,

"(C) development of curricula appropriate to the needs of any such program,

"(D) conversion of facilities to serve adult participants in any such program,

"(E) development of techniques for guidance and counseling of adult participants in any such program,

"(F) development and dissemination of media materials appropriate to adult participants in any such program, and

"(G) assessment of the role of gerontology in related fields to identify educational needs and goals of elderly participants in any such program.

"(b) The Commissioner is authorized and directed after each fiscal year to prepare and submit to the President and to the Congress a report setting forth the programs assisted under this part, together with such recommendations as he deems appropriate. The Commissioner shall make the report required by this subsection available to all interested groups and individuals.

"LIFETIME LEARNING REPORT

"SEC. 156. The Commissioner shall prepare and submit to the Congress not later than January 1, 1979, a report to be known as the Lifetime Learning Report, containing a summary of activities and accomplishments under this part during the period prior to the fiscal year 1979, including the number and nature of grants made and contracts entered into pursuant to clause 4 of section 155 (a), together with such recommendations for the development of and assistance to a national lifetime learning program model, including recommendations for legislation, as he deems necessary and appropriate. The report required by this section shall also include information with respect to the status of lifetime learning in the United States, the number and types of lifetime learning programs being carried out, and the needs of Americans for lifetime learning programs."

(b) The title of title I of such Act is amended to read as follows:

"TITLE I—COMMUNITY SERVICE CONTINUING LIFETIME LEARNING PROGRAMS".

By Mr. MORGAN:

S. 2498. A bill to amend the Small Business Act to provide assistance for small business export activities, to transfer certain disaster relief functions of the Small Business Administration to other Federal agencies, to establish a National Commission on Small Business in America, and for other purposes. Placed on the calendar.

Mr. MORGAN. Mr. President, the committee bill (S. 2498) has four main focal points.

First, it would establish within the Small Business Administration—SBA—an Office of Export Development, to be headed by an Assistant Administrator, with adequate staff, to help provide, assist, encourage, and further the interests of small business in the export market. Second, the bill would provide an alternative and more economical means of helping small business enterprises to obtain the equipment needed to meet Government pollution control standards. Third, the bill would establish a National Commission on Small Business. The Commission would have the charge of making a comprehensive and coordinated study of all factors affecting small business, and to make a report to the Congress on its findings and legislative recommendations. And, fourth, the committee bill would amend and perfect several provisions of the Small Business and Small Business Investment Company Acts to make these acts more useful and viable into today's economy and marketplace.

Mr. President, I ask unanimous consent that a section-by-section analysis of S. 2498 be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SHORT TITLE

Section 101. Cites title I as the Small Business Export Development Act.

SMALL BUSINESS EXPORT DEVELOPMENT PROGRAM

Section 102(a). Amends Sec. 8 of the Small Business Act by adding a new subsection (f)(1) to establish an Office of Export Development in the SBA to provide information and assistance to small businesses which have an export potential.

Section 102(b). Amends Sec. 5316(11) of Title V. USC, to provide an additional Association Administrator position in the SBA.

TRANSFER OF DISASTER RELIEF AUTHORITY

Section 103. Transfers all functions and authority of SBA with respect to disaster loans under Sec. 7 of Small Business Act for repair, rehabilitation, or replacement of real or personal property (other than real or personal property owned by business concerns) to the Department of HUD.

POLLUTION CONTROL

Section 104(a). Amends Sec. 403 of Small Business Investment Act of 1958 to increase the funds available for the lease guarantee program from $10 million to $25 million.

Section 104(b). Adds a new Section to Part A of Title IV of the SBIC Act to establish a program to make it possible for small business to finance the leasing of pollution control equipment through the sale of tax-exempt industrial revenue bonds.

SMALL BUSINESS INVESTMENT COMPANY LEVERAGE

Section 105(a)(b)(c). Amends Sec. 303(b)(1) of the SBIC Act of 1958 to increase the amount which regular SBIC's may borrow from the government from 200 to 300 percent of private capital.

Amend Sec. 303(b)(2) of such Act to increase the amount of "venture capital" SBIC's may borrow from government from 300 to 400 percent of private capital.

And eliminates the maximum leverage ceilings for all SBIC's.

SMALL BUSINESS INVESTMENT COMPANY GUARANTEES

Section 106. Repeals the last sentences of Sec. 305(b) of the SBIC Act to permit SBIC's to guarantee 100 percent of the borrowings of small business concerns.

LICENSING OF NONCORPORATE SMALL BUSINESS INVESTMENT COMPANIES

Section 107 (a) and (b). Amends Sec. 301 (a) and (b) of the SBIC Act to permit SBIC's to be unincorporated entities.

REPEAL OF 50 PERCENT LIMITATION ON BANK INVESTMENT

Section 108. Amends Sec. 302(b) of the SBIC Act to permit banks to own 100 percent of an SBIC's voting common stock.

LOANS FOR PLANT REQUISITION

Section 109(a). Amends Sec. 502 of the SBIC Act to provide SBA loans to local development companies for the acquisition of existing plant facilities.

Section 109(b). Amends Sec. 7(a)(4)(c) of the Small Business Act to increase the maturity from 15 to 20 years on SBA loans for acquisition and construction of plant facilities.

ECONOMIC OPPORTUNITY LOANS

Section 110. Amends Sec. 7(i)(1) of the Small Business Act to increase the maximum amount of economic opportunity loans from $50,000 to $100,000.

LOCAL DEVELOPMENT COMPANY LOAN LIMIT

Section 111. Amends Sec. 502(3) of the SBIC Act of 1958 to increase the maximum amount of the local development company loan from $350,000 to $500,000.

REGULAR BUSINESS LOAN LIMIT

Section 112. Amends Sec. 7(a)(4)(A) of the Small Business Act to increase the maximum amount of regular SBA loans from $350,000 to $500,000.

TITLE II

NATIONAL COMMISSION ON SMALL BUSINESS IN AMERICA

SHORT TITLE

Section 201. Cites Title II as the "National Commission on Small Business in America Act."

Section 201–209. Establishes a National Commission on Small Business in America to make a comprehensive and coordinated study of all the factors affecting small businesses and to make reports and legislative recommendations to the Congress. Authorizes the President to appoint an eleven member Commission; 4 individuals affiliated with small business, 3 individuals affiliated with venture capital firms, SBIC's, commercial banks, investment banking firms, 3 individuals who have expertise in taxes, regulatory, legal and economic matters, at least one of whom is from the academic community, and one individual from the public at large. Requires the Commission Chairperson and Executive Director to be advised and consented upon by the Senate. Authorizes the employment of such staff as necessary and prescribes compensation for such Commission members and staff. Authorizes sum to be appropriated to carry out Commission's functions and duties.

By Mr. INOUYE:

S. 2499. A bill to amend the Federal Water Pollution Control Act relating to the discharge of pollutants into open ocean waters. Referred to the Commtitee on Public Works.

Mr. INOUYE. Mr. President, today I am introducing legislation to amend the Federal Water Pollution Control Act, Public Law 92–500, to specifically exempt Hawaii and the other Pacific Basin Islands from the current secondary sewage requirements.

Last March 18, 1974, the Subcommittee on Environmental Pollution, Senate Committee on Public Works, held extensive hearings in Honolulu on this very matter. It is the overwhelming consensus of my constituents in Hawaii in both the private and public sectors that this current technological requirement is neither necessary, nor even beneficial for our unique ecological environment.

Unfortunately, however, under our current law, it is not possible for the Administrator of the Environmental Protection Agency to grant an exemption regardless of the merits of the State's case.

Accordingly, today I am introducing this bill to provide the Administrator with this necessary flexibility. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301 of the Federal Water Pollution Control Act (33 U.S.C. 1311) is amended by adding at the end thereof the following new subsection:

"(g) (1) The Administrator may modify the requirements of subsection (b)(1) (B) and (C) of this section for any publicly owned treatment works discharging into open ocean waters upon application and proof satisfactory to the Administrator that compliance with such requirements is inappropriate. In determining whether to grant a modification, the Administrator shall consider the social, economic, and environmental costs involved in developing the designated treatment procedure.

"(2) For purposes of this subsection, the term 'open ocean waters' means those waters immediately contiguous to Hawaii, Guam, American Samoa, and the Trust Territory of the Pacific Islands."

By Mr. EAGLETON:

S. 2500. A bill to amend title XIX of the Social Security Act to require that, effective July 1, 1976, payment, under State plans approved under such title, for home health services shall be made on a reasonable cost related basis. Referred to the Committee on Finance.

MEDICAID AND HOME HEALTH SERVICES

Mr. EAGLETON. Mr. President, I am today reintroducing legislation to require that payment for home health services under State medicaid plans be made on a reasonable cost related basis.

Under the medicare program, reimbursement for home health services is made on the basis of the lesser of reasonable costs or customary charges.

However, under the various State medicaid programs the States are free to determine the basis for their payments to home health agencies subject only to the condition that those payments not be in excess of medicare's reasonable charges.

While some States do make medicaid payments for home health services on the same reasonable cost basis recognized by medicare, other States have reimbursement rates much lower than, and sometimes completely unrelated to, the cost of providing the service.

In testimony in 1973 before a subcommittee of the Senate Special Committee on Aging, Dr. Charles C. Edwards, Assistant Secretary for Health of the Department of Health, Education, and Welfare identified inadequate reimbursement as one of the factors that has kept home health care from becoming a viable alternative to institutional care for medicaid recipients:

> Low rates of reimbursement in some States also discourage the wider provision of home health care services. Medicare pays either cost or charges, whichever is less. But under some State Title XIX programs, the negotiated rate with the home health agency may be less than half the actual cost of providing the service.

In addition, a GAO report on "Home Health Care Benefits Under Medicare and Medicaid" issued in July 1974 concluded that one of the reasons that medicaid home health benefits have not achieved their potential has been the inadequate payment rates for home health care in some States.

Where such low reimbursement rates occur, some home health agencies may decline to participate in the medicaid program and those that do participate may be forced to limit the numbers of medicaid patients they can accept.

Mr. President, there is virtually unanimous agreement that home health services are an essential component of a comprehensive health care system and that the availability of these services is a prerequisite to the appropriate use of other health resources such as hospitals and nursing home.

If home health agencies, most of which are operated by local government units or nonprofit groups, are to become and remain a viable health resource, it is imperative that they be reimbursed for the cost of the services they provide.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902(a)(13) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (D) thereof,

(2) by inserting "and" after the semicolon at the end of clause (E) thereof, and

(3) by adding after clause (E) thereof the following new clause:

"(F) effective July 1, 1976, for payment of home health services provided under the plan on a reasonable cost related basis, as determined in accordance with methods and standards which shall be developed by the State on the basis of cost-finding methods approved and verified by the Secretary;".

By Mr. BENTSEN:

S. 2501. A bill to amend the act establishing the Big Thicket National Preserve to provide for the acquisition of property. Referred to the Committee on Interior and Insular Affairs.

Mr. BENTSEN. Mr. President, I am introducing today legislation which would insure the immediate acquisition of land for the Big Thicket National Preserve.

My reason is that thousands of acres which Congress legislated for preservation are currently being impaired by development and timber cutting. On even greater acreages the timber has been sold for future cutting. These sales require the timber to be cut within prescribed periods and the cutting deadlines for various tracts are falling due each month.

Regrettably, immediate acquisition of land for the park was not provided for in the bill which was approved by Congress on October 11, 1974. Since that time boundaries for the park have been established but only $2 million has been requested by the administration for fiscal year 1976 to acquire land for the park. The request was made with full knowledge that large areas of the Big Thicket are still threatened by timber cutting and development which would make them useless for park purposes. In effect, while we delay the Big Thicket continues to disappear, and a large part of a priceless natural heritage for Texas and the country continues to fall to the ax and the bulldozer.

My legislation would vest title immediately in the National Park Service thus preventing any further cutting or development. The Park Service would pay the owners of land and their timber the reasonable market value, plus interest at 6 percent per year as soon as funds are appropriated by Congress. The act passed by Congress on October 11, 1974 establishing the Big Thicket National Preserve already provides that such acquisitions should be within 6 years.

The reason we cannot await the usual process of paying for park lands as we go is simple. The money is not yet available because so many other national park projects stand ahead of the Big Thicket. My bill will not change the order of payment. It will merely vest title immediately for later payment in due order.

My bill has an added advantage—it cuts off escalation of prices of land speculation.

My bill will benefit not only the Nation, but also the landowners. In the first place, the owners will be relieved of further tax payments from date of enactment. In the second place, they will be paid not only but also reasonable interest for the delay in payment.

the reasonable mafket value of their land

My legislation is similar to the proposal for immediate vesting of title which I supported when the Senate considered and approved the authorization bill. I believed that this feature to be important at that time and I believed it to be even more essential today.

Mr. President, I am proud to mention that not all the landowners are selling their timber. Several large timber companies have given pledges not to harvest their timber on lands destined for inclusion of the Big Thicket National Preserve. Many small landowners are not selling their timber. But unfortunately there are too many who, for various reasons are selling or cutting their woodlands. They will continue to have a legal right to do this until my legislation is enacted.

Under present plans it will be at least another 6 years before acquisition of land for the park is complete. In that time, it is highly likely that significant parts of the 84,550 acres designed for the park will be lost due to development. In that time it is equally likely that a park I felt to be too small at 84,550 acres will be even smaller due to the loss of important acreage. I intend to give this acquisition proposal my strongest backing here in the Senate and I hope that in conjunction with the efforts of Congressman Eckhardt, Pickle, and Wilson in the House that there will be quick congressional action on this issue before more of this spectacular area is lost forever.

By Mr. MOSS:

S. 2502. A bill to reform electric utility rate regulation, to provide for more effective planning of bulk power facilities, to assure reliability of bulk power supplies, to strengthen State electric utility regulatory agencies, and to establish the Federal Energy Commission. Referred jointly, by unanimous consent, to the Committee on Commerce and the Committee on Government Operations.

Mr. MOSS. Mr. President, I send to the desk a comprehensive measure for electric utility reform regulation, and I ask unanimous consent that it be referred jointly to the Committee on Commerce and the Committee on Government Operations.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MOSS. Mr. President, the antiquated system of electric utility regulation has been neglected by the Congress for decades. But the regulatory process can no longer be ignored. Soaring electric bills anger consumers, and the regulatory process offers little or no protection. Yet utilities worry about the adequacy of their revenues. Electricity is no longer cheap, and increasingly, powerplants are unreliable and consumers pay for huge investments that stand idle. The higher costs of electricity are due in large part to skyrocketing fuel costs, but equipment failures and cost overruns in new construction are also contributing to the problem.

Rates that encourage growth persist in an era when public policy demands conservation. Yet consumers are greeted with higher rates as a reward for cutting back on the use of electricity. Regulatory reform must include new ways of pricing electricity which encourage and reward consumers who save. The rate schedules for electricity at present do not reflect the cost of service and are inequitable and promotional. This bill mandates rate designs for conservation and outlaws purely promotional rates. The Nation can no longer continue a promotional policy for any form of energy, much less electrical power, the most capital-intensive and fastest growing form.

Electricity can be generated from a variety of energy sources. Primarily because of its flexibility and promotional pricing, the generation of electricity doubled every 10 years during the past 40. And for nearly 20 years its price remained relatively low. With the energy crisis, that has all changed. The Nation can no longer afford the lavish use of electricity. We need an adequate supply to meet consumer needs with maximum efficiency. We must eliminate rate structures which promote the use of electricity through declining block rates without relation to costs. We must also change rates that provide no incentives for using electricity at off-peak times, rather than peak demand times. These wasteful and inefficient practices must be discontinued.

The utilities recognize they are in trouble. They complain about their exorbitant financial problems and have convinced the President that they need federal help. This bill would provide loan guarantee assistance for interties, pollution control equipment, and peak load metering equipment. Additionally, the bill is intended to strengthen regulatory authorities by providing financial assistance for staffing and for consumer services.

The brownouts of electricity, which began in the 1960's indicated to many for the first time that the reliability of electric powerplants is highly questionable. A report by the Federal Energy Administration entitled "A Report on Improving the Productivity of Electric Power Plants" has revealed that generating units are forced out of service by breakdowns more than 15 percent of the time, and they operate at less than a 60-percent capacity factor. The report also found that the utility industry could save significant amounts of capital and fuel by improving the availability of major generating units and increasing the capacity factor of generating units. Reliability is gaged by the frequency of power interruption and this bill addresses this by requiring national reliability standards for electric utility systems and for major equipment of the utilities.

In response to these problems, the President introduced legislation earlier this year to save the electric utility industry from its alleged financial crisis. Hearings were held on the proposal in April. The administration's bill is primarily a financial package which was severely criticized at the hearings as being highly inflationary and unnecessary. Both the White House and the National Association of Regulatory Utility Commissioners estimated that the President's program would add another 20 percent to utility customer costs. In light of the recent financial gains by the utilities, both the President's bill and his endorsement in June of a utility aid proposal by the Labor Management Advisory Committee, which is designed to ease the questionable financial problems of utilities, seem inappropriate.

After extensive consultation and drafting by members and staffs of the Senate and House Commerce Committees, I am introducing today in the Senate the Electric Utility Regulatory Reform Act, and Congressman DINGELL, chairman of the House Commerce Subcommittee on Energy and Power, and others in the House are introducing the same bill. It is a comprehensive regulatory reform package for electric utilities. It requires cost-of-service peak-load pricing. The bill also provides for lifeline rates for a subsistence level of electricity until peak-load pricing is instituted, creates incentives for minimizing the need for new electric generating and transmission capacity, requires long-range planning for bulk power facilities, provides a one-step Federal siting mechanism for bulk power facilities, institutes a program to insure reliable electric power service, promotes residential consumer representation before utility regulatory authorities, provides financial assistance to strengthen those regulatory authorities, and consolidates energy regulatory functions in one commission.

Title I provides a statement of purpose for the bill and lists definitions of terms used throughout the bill.

Title II reforms the regulation of electricity utility rates, requiring cost-of-service peak-load pricing. It prohibits declining block rate pricing and requires lifeline rates until peak-load pricing is implemented. It also abolishes fuel adjustment clauses, but does not permit commissions to suspend rate applications for more than 5 months. Title II also abolishes promotional advertising by utilities, and promotes decentralized energy systems.

Title III provides for more effective planning of bulk power construction and supply plans for the ensuing 10 years. Title III also requires the interconnection and wheeling of power and provides for a one-step Federal mechanism for Federal siting approval.

Title IV of the bill provides for national reliability standards for electric powerplants and major equipment. Each utility is required to develop and implement a quality control program to assure the reliability of its plants and major equipment. Each utility must also establish a program to increase the availability of its generation units. Additionally, the chairman of the new energy regulatory Commission would be authorized to order needed interties; and loan guarantees would be available for interties, pollution control equipment, and peak-load metering.

Title V establishes an Office of State Regulatory Authority Assistance in the new Commission—established by title VI—for the purpose of strengthening State regulatory authorities through technical assistance, grants for staffing, grants for consumer services, and grants for innovative rate structures. Title VI establishes the Federal Energy Commission which consolidates various energy regulatory functions in this one commission, including the transfer of current functions of the Federal Power Commission.

I ask unanimous consent that a brief summary of the bill be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF ELECTRIC UTILITY REGULATORY REFORM ACT

TITLE II—UTILITY RATE REFORM

Title II of the bill contains provisions applicable to all electric utilities (including utilities whose rates are presently regulated by State commissions) requiring that such utilities implement peak-load pricing, and prohibiting declining block rates and unjustified differences in rates to different classes of consumers. Until these requirements are implemented, utilities must provide to residential consumers a rate for a subsistence quantity of electricity (the minimum amount necessary for lighting, cooking, and food refrigeration) equal to or less than the lowest rate provided any other customer of the utility. Electric utilities are precluded from treating as operating expenses costs of political, institutional, or promotional advertising. Likewise fines and civil penalties may not be treated as operating expenses. Regulatory authorities may not exclude costs of pollution control equipment from a utility's rate base. Fuel adjustment clauses are prohibited, but regulatory authorities may not suspend application of new rate schedules for more than five months. The Commission would be authorized to phase out use of electric resistance heating in new buildings under certain circumstances. The Federal Energy Commission (established under title VI of the bill) may grant variances for a limited period from any requirement of title II if it determines in an adjudicatory hearing that the variance will carry out the purposes of the bill or is necessary to avoid serious economic hardship.

State regulatory authorities which presently have jurisdiction over electric utility rates would enforce the requirements of title II as they apply to utilities within their jurisdictions. Judicial review of State utility commissions' determinations would continue to be conducted in State courts, subject to review on certiorari by the Supreme Court of the United States. Federal agencies having ratemaking authority with respect to electric utilities would enforce the standards of title II in the ordinary course of their ratemaking activities.

Title II would take effect two years after date of enactment.

TITLE III—UTILITY PLANNING AND SITING REFORM

Electric utilities are required annually to prepare long-range plans for their bulk power supply facilities, construction of which will commence during the ensuing ten years. Tentative sites for construction of such facilities must be identified in the plan within five years before commencement of construction. The plan must be filed with appropriate regulatory authorities and must be made available to the public. Regional planning councils (consisting of regulatory authorities with ratemaking authority over utilities in the region) must review the plans filed with them and prepare State and regional plans which are based on the plans submitted by the utilities. The Commission is directed to establish annually a target rate for maximum electric energy growth for each regional power pool. Provision is made for sharing among utilities of new generating and transmission capacity. Utilities owning transmission lines must give other utilities access to transmission capacity by means of wheeling, displacement transactions, or other exchanges.

Coordination of Federal procedures for approving new bulk power facilities is required.

TITLE IV—RELIABILITY AND FINANCIAL AID TO UTILITIES

The Commission is required to prescribe reliability standards for electric utility systems and major equipment used by electric utilities. The Commission is authorized to require interconnection of utility systems, and to certify eligibility of utilities to obtain loan guarantee assistance to construct interties. Loan guarantee assistance is also available for pollution control equipment and for peak-load metering equipment.

Loan guarantees would be issued by the Commission upon a finding that other adequate financing is not available. Guarantees may not exceed 90 percent of the loan. No utility may receive loan guarantees in excess of $200 million, and an overall limit on outstanding guarantees of $2 billion is imposed. In addition, loan guarantees are subject to the appropriations process.

TITLE V—FINANCIAL ASSISTANCE TO STATE REGULATORY AUTHORITIES

Title V authorizes grants to State regulatory authorities to improve staff, to establish offices of consumer services, and to encourage rate structure innovation. The Commission is directed to provide staff assistance to State regulatory authorities. Appropriations of $48 million per fiscal year are authorized.

TITLE VI—FEDERAL ELECTRIC POWER REGULATORY COMMISSION

Title VI establishes a new Federal Electric Power Regulatory Commission, which would be independent of the President, and which would carry out the new Federal functions under the bill, plus all existing functions of the Federal Power Commission and of the Federal Energy Administration. The Federal Power Commission would be terminated.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 363

At the request of Mr. Metcalf, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 363, to restore the independence of certain regulatory commissions of the Federal Government.

S. 811

At the request of Mr. Tunney, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 811, the Horse Protection Act Amendments of 1975.

S. 1173

At the request of Mr. Curtis, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 1173, to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes.

S. 2250

At the request of Mr. Mondale, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 2250, the Family Research Act of 1975.

S. 2258

At the request of Mr. Brock, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 2258, a bill to establish a method whereby the Congress may assure a more effective use of tax dollars.

S. 2327

At the request of Mr. Proxmire, the Senator from Delaware (Mr. Biden), the Senator from New York (Mr. Buckley), the Senator from Massachusetts (Mr. Brooke), the Senator from California (Mr. Cranston), the Senator from Arizona (Mr. Fannin), the Senator from Kentucky (Mr. Ford), the Senators from Wyoming (Mr. McGee and Mr. Hansen), the Senator from North Carolina (Mr. Helms), the Senator from New Hampshire (Mr. McIntyre), the Senator from Georgia (Mr. Nunn), the Senator from Oregon (Mr. Packwood), the Senator from Alabama (Mr. Sparkman), the Senator from Florida (Mr. Stone), and the Senator from Texas (Mr. Tower) were added as cosponsors of S. 2327, the Real Estate Settlement Procedures Act Amendments.

S. 2364

At the request of Mr. Mondale, the Senator from Wisconsin (Mr. Nelson), the Senator from Montana (Mr. Mansfield), the Senator from Montana (Mr. Metcalf), and the Senator from South Dakota (Mr. Abourezk) were added as cosponsors of S. 2364, a bill to authorize the President to implement a system of priority allocation of Canadian crude oil to American refiners.

S. 2371

At the request of Mr. Metcalf, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 2371, a bill to provide for the regulation of mining activity within, and to repeal the application of mining laws to, areas of the National Park System, and for other purposes.

S. 2394

At the request of Mr. Mondale, the Senator from California (Mr. Tunney), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 2394, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the estate tax exemption, to provide that certain farm land included in the gross estate be valued according to its use as farm land, and for other purposes.

S. 2426

At the request of Mr. Dole, the Senator from South Carolina (Mr. Thurmond) and the Senator from California (Mr. Tunney) were added as cosponsors of S. 2426, a bill to establish a reduced rate of postage for letters sealed against inspection mailed by private citizens.

S. 2451

At the request of Mr. Dole, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of S. 2451, a bill to amend the food stamp program.

SENATE RESOLUTION 269

At the request of Mr. Tunney, the Senator from New Hampshire (Mr. McIntyre) was added as a cosponsor of Senate Resolution 269, relating to grain exports to the Soviet Union.

SENATE RESOLUTIONS 277, 278, and 279—SUBMISSION OF THREE RESOLUTIONS DISAPPROVING DEFERRAL OF CERTAIN BUDGET AUTHORITY

Mr. ABOUREZK (for himself, Mr. Cranston, Mr. Hartke, Mr. Huddleston, Mr. Humphrey, Mr. Kennedy, Mr. McGovern, and Mr. Tunney) submitted the following resolutions which were referred jointly, pursuant to the order of January 30, 1975, as indicated:

Senate Resolution 277, disapproving the deferral of certain budget authority relating to rural water and waste disposal grants; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, and the Committee on Public Works:

S. Res. 277

Resolved, That the Senate disapproves the proposed deferral of budget authority for rural water and waste disposal grants, which deferral (D76–31A) was set forth in the special message transmitted by the President to the Congress on October 3, 1975, under section 1013 of the Impoundment Control Act of 1974.

Senate Resolution 278, disapproving the deferral of certain budget authority relating to rural housing for domestic farm labor grants; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, and the Committee on Banking, Housing and Urban Affairs:

S. Res. 278

Resolved, That the Senate disapproves the proposed deferral of budget authority for rural water and waste disposal grants, which deferral (D76–32A) was set forth in the special message transmitted by the President to the Congress on October 3, 1975, under section 1013 of the Impoundment Control Act of 1974.

Senate Resolution 279, disapproving the deferral of certain budget authority relating to mutual and self-help housing grants; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, and the Committee on Banking, Housing and Urban Affairs:

S. Res. 279

Resolved, That the Senate disapproves the proposed deferral of budget authority for mutual and self-helping housing grants, which deferral (D76–33A) was set forth in the special message transmitted by the President to the Congress on October 3, 1975, under section 1013 of the Impoundment Control Act of 1974.

Mr. ABOUREZK. Mr. President, on behalf of myself and other Senators, I am submitting three resolutions to disapprove of certain budget deferrals. On September 17 of this year, this resolution was first introduced to disapprove of these deferrals—deferrals of Farmers Home Administration programs in the field of water and sewer grants, farm labor housing and self-help housing. Since that time the President has sent another message to Congress extending these same deferrals into the second quarter of the fiscal year. Since, under section 1017 of the Impoundment Control Act, amendment of disapproval resolutions is not in order, it becomes necessary to introduce new resolutions to deal with these revised deferrals. That is the reason for the three new resolutions we are putting in today. The purpose remains the same as it was 3 weeks ago—to tell the administration that they should stop misusing the deferral procedure on these programs; that they should accept the fact that Congress has made its decision to continue these programs at increased funding levels.

SENATE RESOLUTION 280—SUBMISSION OF A RESOLUTION RELATING CERTAIN TRADE ARRANGEMENTS WITH THE PEOPLE'S REPUBLIC OF CHINA

(Referred to the Committee on Foreign Relations.)

Mr. STONE submitted the following resolution:

S. Res. 280

Whereas the People's Republic of China has become one of the largest potential markets for American grain exports; and

Whereas the United States has exported over $1.2 billion in agricultural supplies to China in 1973 and 1974 and $328 million through July, 1975; and

Whereas the continuing need for agricultural commodities by the People's Republic of China offers significant potential for American agricultural sales, reflected in the fact that 81.2% of all United States' exports to China in 1974 were agricultural products; and

Whereas the People's Republic of China has begun an intensive effort to increase both onshore and offshore oil production for export and is presently estimated to be exporting approximately 160,000 barrels per day: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should, upon visiting the People's Republic of China, use his good offices to pursue the possibility of entering into an arrangement under which the United States would supply grain and other agricultural products to China at a fair price and, in return, receive from China oil and energy products at a fair price, that is at a price less than the price artificially established by the Organization of Petroleum Exporting Countries.

Mr. STONE. Mr. President, in mid-November, President Ford is expected to visit the People's Republic of China. During his visit he will be meeting with the leaders of this most populous nation on Earth and will be discussing in general, matters of mutual concern to both the United States and China. Certainly, foreign relations in general and foreign trade specifically, will be one of those items on his agenda.

I am today submitting a resolution expressing the sense of the Senate that the President should, upon visiting the People's Republic of China, pursue the possibility of entering into an arrangement for the exchange of agricultural products from the United States for oil and other energy products from China. The People's Republic of China has become one of the largest potential markets for American grain exports. The joint economic committee of the Congress aptly points out in its recently released study entitled, "China: A Reassessment of the Economy" that of the total amount of exports of all American exports to China in 1974, $664 million or 81.2 percent consisted of agricultural products shipments of the leading agricultural commodities, including: wheat, $234 million; cotton, $185.9 million; soybeans, $138.2 million; and corn, $95.7 million.

At the same time it has been increasingly obvious that the People's Republic of China has begun an intensive effort to increase both onshore and offshore oil production for export and is presently estimated to be exporting approximately 160,000 barrels per day. China is now estimated to be the 13th largest oil-producing nation in the world and, as the most recent issue of Foreign Policy magazine, fall 1975, points out in a series of articles, the Chinese merely by drawing only on its onshores reserves appears likely to reach the current production level of Saudi Arabia by 1988. Chinese preparation for offshore oil development is speedily intensifying. It seems quite possible that by 1985 China may have the capacity to export 200 million tons of oil each year. I repeat, this figure does not take into account the possibility of offshore production.

Mr. President, the purpose of my resolution is to urge President Ford to use his good offices to pursue the possibility of entering into an arrangement with the Chinese under which we would continue to furnish those agricultural commodities with which our land is blessed, in some relationship for the oil and other energy products with which the Chinese are becoming increasingly supplied at prices less than those arbitrarily fixed by the OPEC cartel.

Now that it appears the administration has accepted a bargaining approach that would seek Soviet oil and gas at a reasonable price in some relationship to the sale to them of our grains, I think it is time to encourage the administration to negotiate this way with other nations as well.

Reciprocal benefits should be the goal of our foreign trade policy. As long as we have agricultural products needed by the Soviet Union and China, we should receive the energy products we need in return. With trade agreements of this kind, we should receive real benefits from our trade with other nations and reduce the anger our citizens express against one-sided concessions being the hallmark of our foreign economic policy.

I have written a letter to the President urging that he undertake negotiating these arrangements on his trip this fall and have a response from the White House. I ask unanimous consent that the letters be printed in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., October 3, 1975.

The President,
The White House,
Washington, D.C.

Dear Mr. President: On July 11 and again on September 4, I urged Secretary Butz and your Administration to pursue the possible use of our shipment of grains to the Soviet Union to obtain from the Soviet Union oil and gas at a favorable price. I am most gratified that your Administration, and you personally, are pursuing this policy and I commend you for it.

I note that shortly you plan to visit Mainland China, and it occurs to me that similar circumstances obtain with regard to China's need for our grain and China's tremendous reserves of oil and gas. May I respectfully suggest that on your visit to China you pursue the possibility there, as well, of a long-term arrangement whereby we will supply grain to China and China will supply oil and gas at a favorable price to us.

Very sincerely yours,
Richard (Dick) Stone.

The White House,
Washington, D.C., October 6, 1975.

Hon. Richard (Dick) Stone,
U.S. Senate
Washington, D.C.

Dear Senator: Thank you for your October 3 letter to the President suggesting that he endeavor to work out with the People's Republic of China long-term agreements on the exchange of oil and gas for United States grain.

Please be assured that I shall call your letter promptly to the President's attention. I know he will appreciate your making this suggestion to him.

With kind regards,
Sincerely,
William T. Kendall,
Deputy Assistant to the President.

SENATE RESOLUTION 281—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. HATHAWAY submitted the following resolution:

S. Res. 281

Resolved, That the rules of the Senate are amended by inserting at the end of rule XXIX the following new section:

"Sec. 5. Each committee of the Senate, within thirty days after the initial publication by the executive branch of a proposed new or revised rule, regulation, or standard pursuant to a statute primarily within the jurisdiction of the committee, and within thirty days of the publication of any such new or revised rule, regulation, or standard in its final form, shall make a report to the Senate thereon and shall include in such report (a) the text of any such rule, regulation, or standard, or part thereof, which the committee determines to be outside the scope of the legislative mandate contained in the statute; (b) a description of the manner in which the rule, regulation, or standard exceeds the scope of such mandate; and (c) recommendations to the Senate as to an appropriate course of action with regard to such rule, regulation, or standard, including but not limited to issuance of a statement to the appropriate executive branch on behalf of the committee; enactment of a Senate resolution or concurrent resolution expressing disapproval of the rule, regulation, or standard; enactment of an amendment to the appropriate statute; or the bringing of a lawsuit by the committee on behalf of the United States. The failure of a committee to report that any rule, regulation, or standard, or part thereof, is outside the scope of its legislative mandate shall not be construed as an approval of such rule, regulation, or standard. There shall be created an office of Special Counsel to the Senate for the purpose of receiving, compiling, and publishing such reports and recommendations, and assisting the Senate and its committees in putting into effect such recommendations.".

Mr. HATHAWAY. Mr. President, I am submitting a resolution today to amend the Senate rules to require committees to report when any new or revised rule, regulation, or standard exceeds the scope of its legislative mandate. Each committee would be required to report within 30 days of initial or final promulgation of rules, regulations, and standards based on laws primarily within its jurisdiction. Committees would also be required to recommend appropriate Senate action in opposition to the new or revised rule, including issuance of a formal statement on behalf of the committee, enacting a resolution expressing disapproval of the rule, amending the law itself, or filing suit to overturn the regulation. A special counsel's office would be set up to assist the committees in compiling their reports and processing their recommendations.

I am urging the strong support of my colleagues for this resolution because I believe it is time Congress took a closer look at the way the bureaucracy administers the laws we enact. Too many times in my 11 years as a Member of the House and Senate, I have observed the intent of Congress thwarted, misinterpreted, or ignored by administration regulation-writers. We must begin to develop our own legislative tools to deal with this problem.

It is not without considerable study and deliberation that my proposal takes the form of an amendment to the Senate rules rather than the creation of an outright legislative veto, as some have proposed.

I must confess that the legislative veto, which might allow one or both Houses of Congress to disapprove all or part of any regulation within 30 or 60 or 90 days, has an easy appeal to it. Indeed, provisions creating such vetoes in specific situations now abound in much greater detail than one would imagine. Twenty such provisions were enacted in the 93d Congress alone.

The provisions are found in laws controlling situations as diverse as military arms sales, equal education opportunity for women, Federal pay comparability, public access to Presidential tape recordings and other materials, regional rail reorganization and Federal election campaigns.

I am convinced that in certain specific situations Congress must have the greater protection of its legislative prerogative that can be provided by such a veto. However, I am not yet convinced that a useful end will be served by setting into motion a wholesale regulation rejection apparatus at this time.

Not only do serious constitutional questions exist concerning the principle of separation of powers, but I also question whether any one formula for such a veto can be said at this time to be the correct one. Should Congress have 30 or 60 or 90 days to act to disapprove a regulation? By simple resolution or joint resolution or concurrent resolution? By one House or both? By a majority or two-thirds? And what should be the procedural process for such a veto? Since every regulation would be subject to such a veto, might it possibly be open to abuse when someone wants to obstruct the activities of the House or Senate?

I am not maintaining that these questions are unanswerable—only that we must think long and carefully before we attempt to answer them. It may well be that Congress needs an outright legislative veto over all administration promulgations. But first, I believe we must determine the scope of the problem by amending our rules to require committees to highlight for the Senate those regulations and standards which exceed the scope of the legislative mandate.

I do not think the introduction of such a process will unduly burden our committees. We have only recently voted ourselves hundreds of new committee staff positions, at a cost to the taxpayers of over $3.5 million a year, and this is one valuable way those additional staffers can earn their keep.

I urge my colleagues to join me in the speedy acceptance of this amendment to the rules. The longer we wait to bring some sense and order to the Government, the more unwieldly and uncontrollable the bureacracy will become.

AMENDMENTS SUBMITTED FOR PRINTING

EARLY-WARNING SYSTEM IN SINAI—SENATE JOINT RESOLUTION 138

AMENDMENT NO. 961

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the joint resolution (S.J. Res. 138) to implement the U.S. proposal for the early-warning system in Sinai.

NATURAL GAS EMERGENCY ACT OF 1975—S. 2310

AMENDMENT NO. 962

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON submitted an amendment intended to be proposed by him to amendment No. 919 proposed to the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

AMENDMENT NO. 963

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. Hollings, and Mr. Philip A. Hart) submitted an amendment intended to be proposed by them jointly to amendment No. 919 proposed to the bill (S. 2310), supra.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 817

At the request of Mr. Mondale, the Senator from Massachusetts (Mr. Kennedy) and the Senator from South Dakota (Mr. Abourezk) were added as cosponsors of amendment No. 817, intended to be proposed to the bill (S. 1695) to create an American Bicentennial photography and film project.

ANNOUNCEMENT OF HEARINGS

Mr. MOSS. Mr. President, on October 23 and November 4, 1975, the Senate Committee on Aeronautical and Space Sciences will hold hearings on NASA's aircraft fuel efficiency technology plan.

On September 10, 1975, the committee held a hearing to receive and examine NASA's Aircraft Fuel Conservation Technology Task Force report at which time the report was formally released. The purpose of the hearings on October 23 and November 4 is to determine the aviation community's views on NASA's proposed plan. In addition, ERDA and FEA will also testify. The witnesses for October 23 will be representatives from Pratt & Whitney Aircraft, the Boeing Co., the Aerospace Industries Association of America, and the American Institute of Aeronautics and Astronautics.

The committee invites interested parties to submit statements to be considered for inclusion in the hearing record. The hearings will commence at 9:30 a.m. each day in room 235 of the Russell Senate Office Building.

NOTICE OF HEARING

Mr. METCALF. Mr. President, I wish to inform Senators and all interested persons that the Subcommittee on Minerals, Materials and Fuels has scheduled hearings on November 4 and 5, 1975, on S. 62, a bill to establish university coal research laboratories and to establish energy resource fellowships. The hearings will begin at 10 a.m. on each day in room 3110, Dirksen Senate Office Building.

Testifying on November 4 will be representatives of the Bureau of Mines and the Federal Energy Research and Development Administration. Spokesmen for the coal industry, coal mine workers union, and various universities will be heard on November 5. Anyone wishing further information may call D. Michael Harvey, deputy chief counsel of the committee, at 224-1076.

ADDITIONAL STATEMENTS

METHANOL: THE CLEAN SYNTHETIC FUEL THAT IS ALREADY HERE

Mr. CRANSTON. Mr. President, I want to call to the attention of the Senate a very informative article which appears in the current edition of Fortune magazine. This article, entitled "The Clean Synthetic Fuel That's Already Here," discusses in some detail the great potential of methanol as a future fuel—and one which has practical applications today.

Methanol is an amazingly versatile fuel. It is easily transported by pipeline, truck, railway, or barge and can be stored easily and safely near the point of use. Nearly every energy-using device in the Nation can be adapted to use methanol. It can be used as a replacement for gasoline or as a blend with gasoline to stretch our limited supplies, although there are some minor technological obstacles to this application. It is the most practical alternative that we have at hand today to substitute for increasingly scarce and expensive petroleum and natural gas.

The major drawback to using methanol now is cost. Because it has only half the Btu content of an equivalent amount of gasoline, it takes twice as much, for example, to power an automobile. And whereas the surplus methanol of several years ago found it selling retail for about 12 cents a gallon, the oversupply has now turned to shortage and the price has climbed to a recent level of 38 cents retail.

Moreover, the rising cost of coal—likely to be the primary source for producing methanol in the near future—and the huge capital costs of building new synthetic fuel plants has raised concern among some methanol enthusiasts that it may not be economically competitive with existing liquid fuels.

Nevertheless, Mr. President, I am convinced that methanol can make an important contribution to solving our energy problem. One very attractive attribute about methanol is that it can be produced from waste—from garbage, from lumber waste products, and from other things which we now have no use for. In the near future, however, coal is likely to be the primary source for producing methanol.

Since methanol is the only liquid fuel that can be made now from coal, it would be a wise investment for the Federal Government to underwrite the first big methanol-from-coal plant, at least to some extent. This would help to prove the technology, spur the private sector into action, provide the Government with an opportunity for data-gathering, and create a new source of supply for the growing interest in methanol.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Fortune magazine, September 1975]

THE CLEAN SYNTHETIC FUEL THAT'S ALREADY HERE

(By Edmund Faltermayer)

Amind the great search for new kinds of energy, the nation is largely overlooking a low-polluting fuel that can be produced from plentiful domestic resources with no further technological advances by anyone. It is the same liquid that warms hors d'oeuvres in chafing dishes, that powered Hitler's V–2 rockets, and that boosts the speed of racing cars at the Indianapolis 500. It is the fuel that in 1922—during earlier worries about a world petroleum shortage—was hailed by inventor Alexander Graham Bell as "beautifully clean and efficient." It is called alcohol.

Nature and industry have created hundreds of alcohols, each with a different arrangement of carbon, hydrogen, and oxygen atoms. Most are far too expensive for consideration as fuels, including ethanol, the basic ingredient of alcoholic beverages. The only way to make ethanol without using oil or natural gas is by costly fermentation methods. The one alcohol that has a real chance is methanol, or methyl alcohol, which has the simplest molecule (CH_3OH) and is the cheapest to make. Though few Americans realize it, methanol is just about the only liquid fuel that we already know how to synthesize from coal at a price consumers might be willing to pay. Indeed, it may offer the only hope of meeting the goal, set forth last January by President Ford, of replacing a million barrels of imported oil a day with synthetic fuels by 1985.

A clear, almost odorless liquid, methanol is the same lethal "wood alcohol" that was once a byproduct of charcoal production. The U.S. already produces 1.2 billion gallons of methanol a year. It is now used mainly in making the glue that holds plywood layers together and in manufacturing a host of well-known plastics, synthetic fibers, and drugs. But the steadily growing annual output, while large for the chemical industry, is the energy equivalent of only two days' gasoline consumption. The present output is made entirely from natural gas, long the cheapest feedstock but now in dwindling supply. To relieve the energy shortage, methanol would have to be produced in far larger volume from more abundant sources.

Some of those feedstocks are all about us. Methanol is one of the logical fuels to make from such renewable sources of energy as forest and farm wastes—a fact that has commended it to the editors of the Last Whole Earth Catalog and anyone else concerned about our heavy dependence on mined fuels. In Maine a group of industrial and land-development companies and a new venture called Maine Wood Fuel Corp. are both studying the feasibility of making gas or methanol from wood chips and from the branches and brush left behind by timber cutting. Methanol can also be produced from garbage. The city of Seattle is seriously considering building an $82-million plant to manufacture methanol from the municipal refuse that now must be hauled to increasingly distant landfills.

Waste wood and garbage, as well as plant stalks and manure from agricultural operations, represent a lot of potential fuel. By some estimates, enough energy could be "grown" out there to keep all the country's cars and trucks running. But coal is still abundant in the U.S., and it can be delivered in big tonnages to methanol plants scaled up to a maximum efficiency. So coal would probably be the main source for a long time to come.

To produce methanol, all these materials are first converted under high temperature into a so-called synthesis gas composed of carbon monoxide and hydrogen—the same medium-BTU gas that was long used in homes until it was displaced by cheaper natural gas. While some of the techniques for gasifying wood and trash are comparatively new, systems for turning coal into manufactured gas can be ordered right out of catalogues. Once the synthesis gas is produced, it is a comparatively simple matter to pass it over a catalyst to form methanol, using new techniques developed over the past decade and used around the world.

WHEREVER THE FLAME HAS TO BE CLEAN

Methanol is an amazingly versatile fuel. It travels well by pipeline, railway, barge, or conventional tank truck, and unlike electricity or gas, it can be stored easily and safely near the point of use. It is a stable liquid at atmospheric temperature and pressure, unlike hydrogen, another much discussed "fuel of tomorrow," which requires thick-walled pressure tanks or expensive refrigeration. It is less explosive than gasoline—though it is also a bit more toxic.

Nearly every energy-using device in the nation could be adapted to burn methanol. Factories that now use natural gas in operations requiring a very clean flame (e.g., baking and glass annealing) could quickly switch to the new fuel by substituting pumps and nozzles for burners. Though great controversy rages over the benefits of adding methanol to gasoline as a fuel extender, nobody in Detroit questions that autos can run on straight alcohol, and run better in many respects than they do now. For less than $200, two Stanford University graduate students five years ago modified a Gremlin car to run on methanol. The car scored the lowest emissions of any liquid-fueled vehicle in the 1970 Clean Car Race.

Methanol not only works in conventional automobile motors, but may offer advantages in such promising variants as the stratified-charge engine, or in radically different power plants such as turbines and fuel cells. It might also be the most convenient fuel for motor vehicles in a future age of abundant new energy sources. Harnessed heat from the sun, the earth's interior, or fusion reactors could well be used to produce methanol from water plus coal or limestone.

Methanol has only two drawbacks, one minor and one that could prove formidable. A gallon of methanol contains only half as much energy, expressed in British thermal units, as a gallon of gasoline; to travel the same distance, therefore, a car would have to carry twice as much fuel in an enlarged tank. But, on the average, this would add only 2 percent to a car's weight, e.g., the equivalent of an extra seventy-pound youngster in a two-ton family sedan.

The important obstacle—at least for now—is methanol's price. Three years ago, that seemed like the least of the problems. Chemical companies, beset by temporary overcapacity, were selling methanol made from natural gas for about 12 cents a gallon, retail. Since then, oversupply has turned to shortage and the price has climbed to a recent level of 38 cents.

THE NEW MATH OF NEW FUELS

The rising cost of coal and the ballooning capital cost of erecting new synthetic-fuel plants of any kind have damped the hopes of some enthusiasts that methanol made from domestic coal could compete commercially with gasoline. Indeed, those swollen capital costs are just as serious a problem for this country as OPEC price increases. Current estimates of the price of coal-derived methanol, which vary considerably by company and rise almost monthly, average about 35 cents a gallon at the plant. That price, which corresponds to 70 cents for gasoline at the refinery, may not look so unattractive a few years from now when conventional fuels may be much costlier. But so long as gasoline remains cheaper—recently about 35 cents at the refinery plus another 20 cents or so equally divided between distribution costs and taxes—methanol cannot make it unless the government provides an economic incentive for a switch. One way would be to boost federal gasoline taxes sharply—which Congress seems exceedingly reluctant to do—while keeping methanol tax-free.

But every other liquid-fuel substitute for petroleum is beset with even more serious problems. Shale-oil products, for example, might prove cheaper than methanol. But large-scale development of western shale deposits is barred, at least for now, by such difficulties as the disposal and revegetation of staggering amounts of tailings. The only proved systems for converting coal to synthetic oil and gasoline, such as the one being expanded in South Africa, are outmoded and probably more expensive than making methanol.

Cheaper ways of liquefying coal, now under development in the U.S., represent the only other alternative to methanol on the horizon. In these new processes coal would be converted directly from a solid to a petroleum-like liquid without the gasification step. But the U.S. will probably not be ready to start building the first full-sized coal-liquefaction plants for five more years. And by that time the economic advantage of the new processes may be canceled out by further inflation in construction costs.

This seems a likely development to the

officials at Continental Oil Co., which produces as much coal as oil. They are deeply interested in both methanol and liquefaction, and they believe the latter will eventually produce a fuel 15 to 20 percent cheaper than methanol, as measured in equivalent-energy terms in constant 1975 dollars. The catch is that liquefaction plants will be built with construction dollars of the 1980's, while methanol plants can be started right now. "Because of inflation," says Vice President James E. Landers of Conoco Coal Development Co., a subsidiary, "new technology will never make obsolete a methanol plant built today."

Conoco's own figures show how inflation has already worsened the whole arithmetic of energy conversion. Less than two years ago, the company was telling security analysts that methanol made from western coal could be sold profitably for about 11 cents a gallon. Since then that figure has been doubled to 22 cents, i.e., the equivalent of 44 cents for gasoline at the refinery. Still, this is no worse than the recent effects of inflation on synthetic natural gas and electricity. Even now, Conoco figures, methanol would cost no more, BTU for BTU, than synthetic natural gas. And it would cost less than electricity from a new generating plant using the same amount of coal.

TESTING IT OUT IN PENNSYLVANIA

The surest way to find out what methanol would cost is to build a plant and get some operating experience. UGI Corp., a gas and electric company in eastern Pennsylvania, is seriously considering doing so. UGI has an ingenious plan to build a plant big enough to enjoy economies of scale at minimum risk. The facility, to cost about $300 million, would probably be built in Pennsylvania or Ohio and would convert local bituminous coal into 250 million gallons of methanol a year, enough to increase total U.S. production by about a fifth.

Instead of trying to break into the energy market with the plant's entire output, UGI would sell most of the methanol to the growing chemical market, possibly to chemical companies that would be invited to participate in the venture. The remaining 20 percent of the output would be used in special energy markets where a premium fuel makes economic sense.

The federal government might be asked for some kind of subsidy, perhaps underwriting losses if the market price fell below production costs, perhaps guaranteeing the bonds sold to finance construction. In any event, the nation's first big coal-to-methanol plant could get going for a small fraction of the governmental money now being poured into some other forms of energy development.

UGI harbors no illusions that the methanol would be cheap. To ascertain production costs, it has, among other things, paid more than $300,000—a large outlay for a small utility—for engineering and economic studies. Depending on the degree of debt financing and the return on equity desired, the methanol would have to be priced at somewhere between 24 cents and more than 50 cents a gallon. Up to the middle of that price range, at least, methanol might have a pretty good chance in the chemical market.

Charles A. Stokes, a Princeton, New Jersey, consultant who is one of the architects of the UGI proposal, sees ample chemical demand for methanol made from coal, which could increase as new uses are found. "We already know how to make acetic acid from methanol," he says, adding that "my next big project" is to turn methanol into ethylene, one of the most versatile and widely used chemicals now made from oil and natural gas. Stokes points out, coal-derived methanol can indirectly alleviate the energy shortage.

STOCKPILING DURING THE SUMMER

UGI has made elaborate studies of how it might sell methanol as fuel. Some of it could be delivered by truck to factories that are short of natural gas or oil. But most would be converted to gas to meet heavy winter demand. In recent years, gas companies have begun supplementing their winter supplies with synthetic natural gas (SNG) made from naphtha. But the Federal Energy Administration is now reluctant to allocate any more naphtha, a petroleum derivative, to SNG plants. UGI proposes to store methanol during the warm months and convert it to SNG during the cold months. Methanol, of course, is a more expensive feedstock than naphtha. But the cost of the SNG would be about the same because a gasification plant built to run on methanol would be only two-thirds as expensive as one designed for naphtha.

Methanol might find a niche in other specialized energy markets. It has great promise, for example, as a peaking fuel for electric utilities. Roughly a third of a typical electric company's capacity operates only a few hours a day when demand is highest. Much of the peaking capacity consists of rows of gas turbines that cost only a fraction as much per kilowatt of capacity as base-load units. They consume only a tiny percentage of all the fuel used to make electricity. Accordingly, an expensive fuel burned in them has a negligible effect on overall electric rates charged to customers.

MORE EFFICIENCY FOR TURBINES

Methanol just happens to be a good turbine fuel. "We love it around here," says an official of the Electric Power Research Institute, the electric industry's new research group. Despite qualms about methanol's cost, the institute is funding some research on new ways to make it and also hopes to conduct an extended test at an electric-generating station.

Other tests have already proved encouraging. In a turbine at Florida Power Corp., which had been running on No. 2 oil, the emissions of nitrogen oxides (NO_x) dropped an astounding 74 percent when methanol was substituted. This is noteworthy because existing turbines are unable to meet the federal government's proposed emission standards for NO_x with any conventional fuel, even natural gas. When methanol was burned at Florida Power, carbon monoxide emissions rose considerably, but were still comfortably below federal limits for that pollutant. The test was carried out last December by AMAX, a leading coal producer interested in making methanol, and United Technologies (formerly called United Aircraft).

Turbines also run more efficiently on methanol, though precise data are lacking. It is true that roughly twice as many gallons of methanol must be burned to provide the same number of BTU's as oil. But a turbine burning methanol generates up to 6 percent more power per million BTU's. By redesigning the turbine to fit the characteristics of methanol, that advantage could be raised further. The inlet temperatures of today's turbines are deliberately held several hundred degrees below optimum to minimize damage to turbine blades from trace metals in fuel oil.

Price is the only thing keeping methanol out of the utility market, which is potentially eight times as big as present methanol production. Electric-power companies are in no mood these days to pay more for anything. Even at $15 a barrel, oil is still only half as expensive, in energy-equivalent terms, as methanol at 40 cents a gallon. So in the absence of a federal policy to encourage synthetic fuels, the utilities are spurning proposals from coal companies that they sign up for a long-term supply of methanol to be made in new conversion plants. Still, utility executives give some strong hints that their attitude might change. Says Harold Deloney, who heads the fuel-buying subsidiary of Middle South Utilities: "Every time they raise the oil import duty, the gap between oil and methanol gets narrower."

THE ALCOHOLIC AUTOMOBILE

The most exciting role for methanol, involving an even bigger energy market, would be to power autos and trucks. Many energy experts scoff at the idea, arguing that if petroleum becomes scarce, the nation could shift home heating and industrial processes to electricity made with coal or nuclear power, leaving plenty of gasoline for motor vehicles. But political pressures, particularly from consumers who are loath to replace oil furnaces good for half a century or more, might block such a shift. Cars, on the other hand, have a comparatively short life. Virtually all the 100 million vehicles now on U.S. roads will be scrapped over the next decade, and cars designed to run on a new fuel could be phased in quickly. And rather than risk a future shortage, many drivers might be willing to pay a lot more than they do now for a motor fuel they could always be sure of getting.

As a first step, many methanol enthusiasts advocate adding alcohol to gasoline as an extender. An addition of 10 percent methanol to gasoline would, on the face of it, save 5 percent of present consumption, or about 300,000 barrels a day of imported petroleum. Most oil companies greet the idea icily, warning of new marketing complications and other problems. Yet Atlantic Richfield already blends up to 7 percent alcohol into its gasoline without any complaints from customers. (The alcohol in this case is teritary butyl alcohol, a byproduct from a chemical operation that would be too expensive if produced separately as a fuel.)

Blending has stirred a lot of recent interest in Europe. Last spring Volkswagen announced that it will test methanol-gasoline blends in forty-five of its cars and minibuses over the next two years, with the West German government putting up most of the funds for the study. The Swedish government and Volvo plan to test both blended and straight methanol in 300 vehicles.

Some researchers consider methanol a wonder-worker when added to gasoline. Thomas B. Reed of M.I.T.'s Lincoln Laboratories, one of the country's most outspoken methanol advocates, cites the results that he and his colleagues achieved with a 1969 Toyota. With a mixture containing 15 percent methanol, the Toyota got 5 percent more miles per gallon even though the addition of methanol had the effect of cutting the total number of BTU's reaching the engine. A number of tests have also shown that the addition of methanol can significantly reduce auto exhaust emissions.

But studies by some oil companies, notably Exxon, depict methanol as a veritable contaminant that neither improves fuel economy nor brings a big enough reduction in emissions to justify the problems encountered in adding it. The slightest addition of water causes methanol to separate from most gasolines and sink to the bottom of a car's tank, feeding straight methanol to an engine tuned for a blend. This can cause either starting difficulties or stalling.

There is no doubt that methanol brings fewer benefits in American cars of recent vintage than it does in pre-1970 cars, which were tuned rich, i.e., set for a relatively high ratio of gasoline to air for quick pickup. In the older cars the fuel savings and lower emissions may be mainly due not to any magic in the methanol itself, but to the "leaning" effect of blending in a fuel that has only half as many BTU's per gallon.

On the other hand, a recent test drive of 1974 and 1975 Chevrolets by the author of this article revealed none of the "drivability" problems emphasized in those oil-company studies. The only noticeable exception, in cars running on 10 percent methanol at the Energy Research and Development Administration's research center in Bartlesville, Oklahoma, was a somewhat hesitant response when the cars were accelerated gently from a stopped position. Minor changes in carburetor design could easily take care of that. "Our drivers generally see little difference in drivability up to 10 percent methanol," says Richard W. Hurn, who is in charge of the ERDA tests. "But you run into problems between 10 and 15 percent."

There may be better ways to put methanol on the highways. Under a government contract, Mobil Oil Corp. is building a pilot plant to make a good grade of gasoline from methanol. Some BTU's are lost in the conversion, so it takes 2.4 gallons of methanol to make one gallon of gasoline. If a gallon of methanol cost, say, 35 cents, a gallon of gasoline made from methanol might cost $1.

THE CASE FOR GOING STRAIGHT

Within a few years, it might also make a lot of sense to burn methanol straight in vehicles adapted to take full advantage of its superior characteristics. To begin with, methanol performs well over a much wider range of fuel-air ratios than gasoline does. Racing cars run very rich and gulp large amounts of methanol for the distance covered. But regular passenger cars could run on an ultra-lean fuel-air ratio, equivalent to one that would cause gasoline engines to misfire (see chart on page 148). The extreme leaning can reduce all three major pollutants from car exhausts—an impossibility in ordinary gasoline-powered cars. A methanol car also runs cooler, further reducing one pollutant, oxides of nitrogen.

Merely by running leaner and cooler, test engines have already scored noteworthy energy savings on straight methanol. On a dynamometer test stand at Conoco, a Ford engine consumed from 15 to 26 percent fewer BTU's per horsepower-hour with methanol than it did with gasoline. And that engine did not even take advantage of still another feature of methanol, its high octane rating. In recent years the compression ratio in cars has been lowered to about 8 to 1, partly so cars can use unleaded gasoline without knocking. With straight methanol, the compression ratio can be boosted to 11 or 12 to 1.

This has been tried on a single-cylinder research engine at Exxon's research laboratories in Linden, New Jersey. The combination of leaner operation and a higher compression ratio, an Exxon study says, produced energy economies ranging from 26 to 45 percent. If the same savings could be realized in a multicylinder engine, methanol cars might not have to carry twice as many gallons of fuel after all. Instead, they might manage with only 50 to 75 percent more.

In return for carrying extra fuel, the future motorist who buys the first methanol-powered car on his block would enjoy several benefits. He would probably save several hundred dollars in maintenance costs over the life of his car, which would run cleaner without the buildup of carbon deposits. Several hundred dollars' worth of antipollution devices needed to meet the federal government's 1978 emission standards—including some that Detroit is having trouble developing—might also be missing from the car, since they might not be needed. And the owner could stop worrying about OPEC.

To bring out a methanol car, Detroit would have to make some changes, all of them minor. Since methanol tends to eat away at such materials as aluminum, magnesium, and the terneplate coating on gasoline tanks, substitute materials would have to be used in the fuel system. Because it takes more heat to vaporize methanol than gasoline, fuel entering the engine might have to be preheated. Volkswagen has adapted test cars to run on straight methanol by heating the intake manifold with exhaust gases. A small amount of gasoline or some other easily vaporized fuel is also injected to get the engines started. Another special problem, the tendency of methanol cars to produce objectionable formaldehyde odors in their exhaust, can be dealt with by adding water to the fuel, at a small reduction in fuel economy. The one problem that might take a few years' engineering work is the sluggish acceleration of some methanol cars.

"WHY DOES IT SMELL SO BAD?"

All the test cars running today exhibit some of these problems because they are one-shot modifications done on shoestring research budgets. Ronald Welker, a parking-meter reader in California's Santa Clara County, complains about the time it takes to start the methanol-powered 1972 Valiant that he drives on his rounds under a test being carried out by the University of Santa Clara. "Sometimes it takes ten minutes," he says, even though the car has a system for injecting propane during cold starts. During starting, he adds, the car gives off strong formaldehyde odors. "My buddies all say, 'If that's such a pollution-free fuel, why does it smell so bad?' " The car also is less peppy on the freeways, Welker adds, though another driver found no such sluggishness.

The sluggish response, most researchers agree, is due to the inadequate vaporization of methanol in carburetors designed to handle gasoline, as well as the uneven distribution of fuel to the engine's various cylinders. The solution may lie in fuel injection, increasingly used in imported cars, or in some promising new developments such as "superatomization." When broken down into extremely small droplets through such devices as the "Dresserator" under development by Dresser Industries, methanol flows evenly like a gas.

To burn methanol now, some skeptics argue, is to eat cake when there is still plenty of bread. Much of the bread, however, belongs to OPEC, and our only hope of getting OPEC oil at a tolerable price is to demonstrate a readiness to adopt substitutes. Since methanol is the only liquid fuel that can be made from coal now, it would not be terribly daring for the federal government to underwrite the first big plant to some extent, especially since the risks are comparatively small. If the OPEC cartel collapsed or big new oil reserves were discovered, growing chemical demand probably could absorb the methanol output. Or the plant could be converted to making synthetic natural gas, since all the elaborate coal-handling facilities and the "front-end" gasification components could be used for making SNG. Says Eric Reichl, president of Conoco's coal-development subsidiary: "Eighty-five percent of the system is the same."

GETTING READY FOR THE POST-PETROLEUM ERA

For a few million dollars a year, the government could also help gather some of the additional data needed before the country could sensibly begin a large-scale shift to methanol. More vehicle tests should be conducted, involving fleets running on blends and on straight alcohol. The logical test vehicles for straight methanol are taxis, postal trucks, or police cars that are fueled and serviced from central garages, where their performance can be closely monitored. Though air pollution appears to be a minor problem, some research on the atmospheric effects of large-scale methanol use would be a wise precaution. Somewhat more needs to be known, too, about the possible health hazards of methanol fumes in poorly ventilated garages.

None of this research would represent a waste of funds, for the world must get ready for a post-petroleum fuel in any case. With oil supplies probably limited and no more Persian Gulfs likely to be found, the only question is whether we start using new fuels five years from now or a few decades later.

HEW HEARING AID REPORT PROMISES IMPROVEMENT

Mr. PERCY. Mr. President, after almost a year and a half, the task force on hearing aids created by former Secretary Caspar Weinberger of the Department of Health, Education, and Welfare has finally issued its report on the problems in the hearing aid industry.

As you know, I have been disappointed with the delays in the task force's deliberations. Initially, in May 1974, the task force was given 90 days to come up with a report.

Be that as it may, the final report is, in many respects, a courageous effort to upgrade the professionalism of hearing aid dealers, improve licensing laws for these dealers, and lower the price of these hearing instruments for the millions who use them in the United States.

The task force members, who come from several different agencies within HEW, are to be commended for their declaration that "the welfare of the person who is handicapped by a hearing impairment is of greater importance than are the rights of the seller to close a sale." So believing, the task force recommended a 30-day trial period for all hearing aid purchasers and recommended that all hearing aid advertisements warn that many persons with a hearing loss "will not receive any significant benefit from a hearing aid." The task force also recommended that hearing aids be labeled with advice that the purchaser should first obtain a medical evaluation of his hearing impairment before buying an aid.

While I agree with those views on misrepresentation of hearing aids, I am somewhat concerned about the task force's double standard with regard to medical clearance for hearing aid purchasers. The task force recommends that anyone under 18 be forbidden from buying an aid unless a physician first indicates in writing that there are no medical reasons why the person should not be fitted with a hearing aid. However, anyone over 18 can simply sign a waiver saying he has been advised to see a doctor by the dealer but declines to do so. With that simple procedure, the hearing-impaired person over 18 can purchase an aid without seeing any medical professional.

This suggests to me that the task force believes that anyone over 18 has better medical sense than anyone under 18 and would not fall prey to the blandishments of a smooth-talking salesman. In effect, the task force proposes to create two classes of people—those under 18 who are better protected by being required to see a physician first, and those over 18 whom the task force would excuse from such protection. I believe that everyone in the United States should be afforded the same medical protections before spending a substantial sum for a hearing instrument. Only age has been taken into account by the task force, not educational or language disadvantages, consumer sophistication, or any other factor.

Moreover, I am disappointed that the task force has weakened its medical clearance proposal by requiring that the physician assert only that there is no medical pathology present. I believe that an affirmative medical recommendation that a person can benefit from a hearing aid is far preferable to a physician merely signing a piece of paper saying that there is no reason why a person should not be fitted with a hearing aid. Surely, a medical professional can be trusted to declare whether his patient is in need of a hearing aid.

In other respects, the task force report is a significant achievement.

It affirms that present State hearing aid dealer licensing laws have done little to eliminate the all-too-common misevaluation and misfitting of hearing aids. It calls on HEW to exert a positive influence in developing model licensing laws for the States which would improve the performance of dealers and upgrade their education.

Most noteworthy in the report is its recommendation that the price of the hearing aid be separated from the cost of servicing the device. The task force found that the high cost of hearing aids "has become a formidable barrier to the receipt of quality hearing aid health service." By so recommending, the task force has gone far beyond the Federal Trade Commission, which recently issued proposed regulations with regard to the hearing aid industry, but which neglected the all-important matter of price.

I also wish to commend the task force for its strong position in favor of establishing performance standards for hearing aids as well as its long overdue recommendation that additional research be devoted to hearing aid technology.

Mr. President, at my request, the Permanent Subcommittee on Investigations has undertaken a preliminary inquiry into abuses and frauds associated with the hearing aid industry. Within the next few weeks a staff study of hearing aid dealer licensing laws and the manner in which the licensing boards operate will be made public.

This report should focus additional attention on the regulation of hearing aid dealers in the licensing States.

In addition, this study will examine the dealer training program available through the national dealers' group, the National Hearing Aid Society, as well as other relevant factors in the hearing aid delivery system in the United States.

I believe that this subcommittee staff report, coupled with the task force report from HEW, should serve to speed up the Federal effort to guarantee that the hearing aid delivery system be professionalized and that the cost of the hearing aid device be reduced.

Mr. President, I ask that the task force report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FINAL REPORT TO THE SECRETARY ON HEARING AID HEALTH CARE

MANAGEMENT SUMMARY

At the request of the Secretary of the Department of Health, Education, and Welfare (DHEW), Dr. Charles C. Edwards, the former Assistant Secretary for Health, directed that an Intradepartmental Task Force be assembled to undertake a 90-day study of hearing aid health care issues.

Specifically, the Task Force was charged by the Secretary to conduct the following activities:

Examine the issues related to the delivery of quality hearing aid health services as described in the Retired Professional Action Group report "Paying Through the Ear—A Report on Hearing Health Care Problems" and the Senate Hearings on "Hearing Aids and the Older American."

Determine the role Departmental authorities and resources should play in remedying problems in the hearing aid health delivery system.

Recommend a feasible course of action to the Secretary.

Organization of the report

For each of the six problem areas studied by the Task Force, the report contains: (1) a statement of the problem which describes the nature of the problem and encompasses the findings and conclusions reached by the Task Force, and (2) recommendations to the Secretary for remedying or diminishing the problem. The report also contains: (1) A Management Summary which highlights the recommendations found in the report, (2) an Introduction which describes the background which led to the formation of the Task Force and the procedures followed by the Task Force in its deliberations, (3) a description of the Task Force's perceptions of the health problems encountered by the hearing impaired, and (4) Appendices.

Final task force recommendations representation

The Task Force affirms that the welfare of the person who is handicapped by a hearing impairment is of greater importance than are the rights of the seller to close a sale for a hearing aid. Further, the Task Force recognizes that current audiological tests alone cannot insure that a given hearing aid will meet all of the individual's requirements. Therefore, the Task Force concludes that the buyer must have an opportunity to assess the necessity and the appropriateness of a hearing aid by using the device for a trial period. The final recommendations are intended to remedy or eliminate misrepresentation problems associated with the sale of a hearing aid:

1. The Department of Health, Education, and Welfare should support the essential rules of the proposed Federal Trade Regulation Rules on the Hearing Aid Industry. These essential rules require:

a. That there should be a trial period for individuals purchasing a hearing aid device for which a nominal fee may be required.

b. That within this trial period a hearing aid may be returned to the seller, if the individual finds that he cannot make satisfactory use of the device.

c. The following material fact must be disclosed in any hearing aid advertisement which makes a performance claim:

Many persons with a hearing loss will not receive any significant benefit from a hearing aid.

2. All Department of Health, Education, and Welfare regulations and guidelines related to the purchase of hearing aids for recipients of Federal aid or beneficiaries of Federal programs should require that aids be purchased only on the basis of a trial period of not longer than thirty days.

3. The Food and Drug Administration should develop, promulgate, and enforce hearing aid labeling regulations.

4. Hearing aid labeling should disclose the following material facts:

a. A hearing aid will not restore normal hearing.

b. A hearing aid will not prevent or improve organic conditions resulting in a hearing impairment.

5. Hearing aid labeling should disclose the following caution statement:

Caution: Before purchasing a hearing aid, a medical evaluation of your hearing impairment should be obtained from a physician specializing in diseases of the ear (or from a duly licensed physician if no ear specialist is available in the community), and an audiological evaluation from a clinical audiologist.

Misevaluation and misfitting

1. The Food and Drug Administration should propose a regulation to require that there is a medical clearance before an individual is sold a hearing aid. The regulation should contain the following provisions:

a. A hearing aid shall not be sold to any person (particularly a person less than 18 years of age) unless that person has received a medical examination within the preceding six months from a physician specializing in diseases of the ear (or from a duly licensed physician if no such ear specialist is in the community). A person purchasing a hearing aid must present to the seller a written statement from the examining physician certifying that there are no medical reasons why the person should not be fitted with a hearing aid. A copy of the written statement from the examining physician will be retained in the office of the seller for a period of three years.

b. Any person 18 years of age or older (or parent or guardian) purchasing a hearing aid shall have the opportunity to sign a waiver to the mandatory medical clearance requirement. The waiver should read:

I have been advised by (seller's name) that my best interest would be served if I had a medical examination by a physician specializing in diseases of the ear (or by a duly licensed physician if no such ear specialist is available in the community) before I purchase a hearing aid. I voluntarily sign this waiver which indicates that I do not wish a medical examination prior to purchasing a hearing aid.

The waiver provision shall be read and explained to the purchaser orally or in the predominant method of communication used during the sale.

c. Whenever any of the following conditions are found to exist, either on the basis of information furnished by a prospective hearing aid purchaser or from observation, a hearing aid shall not be sold without the written approval of a physician specializing in diseases of the ear (or by a duly licensed physician if no such ear specialist is available in the community) and no waiver will be allowed:

(1) Visible congenital or traumatic deformity of the ear.

(2) History of active drainage from the ear within the previous 90 days.

(3) History of sudden or rapidly progressive hearing loss within the previous 90 days.

(4) Acute or chronic dizziness.

(5) Unilateral hearing loss of sudden or recent onset within the previous 90 days.

(6) Audiometric air-bone gap equal to or greater than 15 dB (ANSI) at 500 Hz, and 2000 Hz.

(7) Visible evidence of cerumen accumulation or a foreign body in the ear canal.

2. The appropriate Department of Health, Education, and Welfare agencies should encourage and sponsor continuing education and training programs for hearing aid specialists, clinical audiologists, and physicians to improve the quality of hearing health care.

3. Under the National Health Planning and Research Development Act of 1974, the Health Systems Agencies and the State Health Planning and Development Agencies, as they design long-range plans for community resource development and allocation, should include hearing aid health care as one of the program elements to be examined. Par-

ticular attention should be directed at providing comprehensive hearing health services to underserved areas and neglected population groups in the Country. Departmental guidelines for health planning should formalize these considerations.

4. The Department of Health, Education, and Welfare should develop and recommend to the States enactment of model legislation for the licensure or registration of hearing aid specialists.

5. The Task Force recognizes that a mandatory requirement for an audiological evaluation by a clinical audiologist before a hearing aid can be sold to any user would not be feasible at this time. However, the Task Force believes that such a requirement is feasible for those persons whose age or physical and/or mental condition requires that they be given special care.

The Task Force recommends that any model registration/licensing bill for hearing aid specialists include guidelines which establish when the services of a clinical audiologist shall be required. The Task Force specifically recommends that an evaluation by a clinical audiologist be required for children and for persons who have speech and language disorders and for persons who are in specialized care facilities.

Lack of standards

1. The Food and Drug Administration should enlist the assistance of appropriate organizations in the development of performance standards for hearing aids.

2. The Food and Drug Administration should conduct and support investigations and studies relative to the development or revision of standards and compliance tests used to measure the performance of hearing aids.

Inadequate hearing health care education

The Secretary should direct the Department of Health, Education, and Welfare Intradepartmental Health Education Panel to develop plans for a National public education program for hearing health care.

The plans should be drawn up in collaboration with the appropriate HEW agencies such as Center for Disease Control's Bureau of Education, other appropriate agencies of the Public Health Service, the Administration on Aging, the Rehabilitation Services Administration, the Office of Education's Bureau of Education for the Handicapped, and those organizations in the private and professional sector concerned with hearing health education. The purpose of the program should be to provide information that will assist the public to obtain appropriate and high quality hearing health care.

High costs

1. The cost of hearing evaluation tests and other hearing aid services should be separated from the cost of the device. A requirement for an itemized bill should be included in model legislation for the licensure or registration of hearing aid specialists.

2. The Secretary should consider the desirability and cost implications of coverage of comprehensive hearing health services to include the purchase of hearing aids, under all existing Health, Education, and Welfare programs. Such a study should include the feasibility of reducing these costs, and examine alternative purchasing systems.

3. The Secretary should consider the desirability and cost implications of covering hearing aid health care under any proposed National Health Insurance Program. The coverage should apply to all individuals.

Need for research

1. The Secretary should direct the appropriate research agencies within the Department of Health, Education, and Welfare and encourage those outside the Department, to establish a cooperative research program for the development of new and improved sensory aids for the deaf and the hearing impaired.

The research program should include improved evaluation technologies, basic research on the auditory system, perceptual learning, and the special needs of hearing impaired children. In addition, attention should be given to research on the hearing health care delivery system. This should include cost experimentation studies; further determination of the prevalence of hearing impairment and medically related hearing disorders; study of the patterns of assessment in various practice settings; and the development of models for alternative delivery systems.

2. An interdisciplinary forum with representation from all groups within the hearing aid health delivery system, including physicians, audiologists, hearing aid specialists, manufacturers, and consumer groups, should be established to identify hearing aid research priorities.

I. INTRODUCTION

"Still one thing more, fellow citizens—a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement . . . . this is the sum of good government, and this is necessary to close the circle of our felicities."—Thomas Jefferson from First Inaugural Address. March 4, 1801.

In October 1973, the Retired Professional Action Group (RPAG), a non-profit consumer advocacy group, undertook a detailed study of the hearing aid delivery system and published its findings in a report entitled, "Paying Through the Ear: A Report on Hearing Health Care Problems." At approximately the same time that this Report first appeared, the Subcommittee on Consumer Interests of the Elderly of the Special Committee on Aging, United States Senate, held open hearings on the subject, "Hearing Aids and the Older Americans." As in the RPAG Report, these hearings focused on problems associated with the delivery of quality hearing aid health care.

Subsequent to these events, Dr. Charles Edwards, the former Assistant Secretary for Health, recommended to Secretary Weinberger that an Intradepartmental Task Force be established to examine the problem associated with the delivery of quality hearing aid health services. Secretary Weinberger concurred with the recommendation and asked Dr. Edwards to organize the Intradepartmental Task Force on Hearing Aids.

Specifically, the Task Force was charged by the Secretary with undertaking the following activities:

1. Examine the issues related to the delivery of quality hearing aid health services as described in the RPAG Report and the Senate hearings on "Hearing Aids and the Older American."

2. Determine the role departmental authorities and resources should play in remedying problems in the hearing aid health care delivery system.

3. Recommend a feasible course of action to the Secretary.

Task force representation

Dr. Edwards, Assistant Secretary for Health, designated Mr. David M. Link, Acting Director of the newly created Bureau of Medical Devices and Diagnostic Products (BMDDP), Food and Drug Administration, to be Chairman of the Task Force. Mr. Link, in turn, designated Mr. Edward J. McDonnell, Special Assistant, BMDDP, FDA, to be Executive Secretary of the Task Force.

The Task Force was made up of the following agency representatives: David M. Link, Acting Director, Bureau of Medical Devices and Diagnostic Products, Food and Drug Administration.

L. Deno Reed, Sc.D., Research Scientist, Rehabilitation Services Administration, Office of Human Development.

Ernest Hairston, Education Program Specialist, Division of Media Services, Captioned Films and Telecommunications Branch, Bureau of Education for the Handicapped, Office of Education.

Frank B. Withrow, Ph.D., Special Assistant to the Deputy Commissioner, Bureau of Education for the Handicapped, Office of Education.

Albert Post, Medical Services Section, and James Hannon, Medical Services Section, Division of Provider and Medical Services Policy, Office of Program Policy, Bureau of Health Insurance, Social Security Administration.

Donald P. Carmody, Director, Division of Health Protection, Office of Policy Development and Planning, Office of the Assistant Secretary for Health.

Laurel Carson, Health Policy Analyst, Division of Health Protection, Office of Policy Development and Planning, Office of the Assistant Secretary for Health.

Donald Harrington, Ph.D., Chief, Speech and Hearing Section, Division of Clinical Services, Bureau of Community Health Services Administration.

Eldon Eagles, M.D., Deputy Director, National Institute of Neurological and Communicative Disorders and Stroke, National Institutes of Health.

Muriel F. Shurr, Senior Program Analyst, Administration on Aging, Office of Human Development.

John A. Nash, Jr., Dr. P.H., Supervisory, Medical Care Administration Specialist, Medical Services Administration, Social and Rehabilitation Service.

TASK FORCE DELIBERATIONS

The first meeting of the Task Force was held on May 16, 1974. This meeting focused on identifying and defining the purpose, goals, and objectives of the Task Force Study. In order to facilitate the discussion and study of the issues associated with hearing aid health care, representatives from the Bureau of Medical Devices and Diagnostic Products divided the issues as presented in the RPAG Study and the Senate Hearings on "Hearing Aids and the Older American" into the following five principal problem areas:

1. Misrepresentation to include:
high pressure sales force,
misleading promotional material,
home and mail order sales.
inadequate labeling.

2. Misdiagnosing and Misprescribing to include:
inadequate dealer training,
poor calibration of test equipment,
inadequate test environment,
inadequate fitting.

3. Lack of Hearing Aid Standards to include:
poor performance,
poor quality,
poor reliability.

4. Inadequate Hearing Health Care Education to include:
fragmentation of effort,
myths and misinformation,
poor distribution of materials.

5. High Costs to include:
inadequate distribution mechanism
low volume sales.

Dividing hearing aid health care issues into these five problem areas provided the Task Force with a framework for examining the apparent problems in greater detail. The Chairman asked each Task Force member to identify what resources and authorities their agency could bring to bear on these five problem areas. This approach recognized that hearing health care problems extended beyond individual agency organizational lines, and that no single agency was in a position to remedy all of the abuses referenced in resource material before the Task Force.

At subsequent meetings, the five original problem areas were changed somewhat to better reflect what the Task Force felt were the major hearing aid problem areas. The final grouping of problem areas around which this report is organized is as follows:

1. Misrepresentation,

2. Misevaluation and Misfitting,
3. Lack of Standards,
4. Inadequate Hearing Health Care Education,
5. High Costs,
6. Need for Research.

All of these problem areas represent barriers to the receipt of quality hearing aid health care services. The Task Force concentrated its efforts on developing feasible recommendations where Departmental authorities and resources would be useful in eliminating these barriers.

After studying the RPAG Report, the Senate Hearings, and other resource material submitted by interested parties, and taking testimony from individuals and organizations having a special knowledge of the hearing aid health delivery system, the Task Force prepared a Preliminary Report entitled "A Report on Hearing Aid Health Care." (Appendix A)

This preliminary Report was circulated among various agencies within the Department of Health, Education, and Welfare that were concerned with hearing aid health care for review and comment. Following Agency comment, the Task Force reconvened to formulate a set of supplementary recommendations which amended, and in some cases, rescinded the original proposals contained within the Preliminary Report. The resulting supplementary recommendations were considered to be more reflective of Departmental consensus and subsequently were published in a document entitled "Supplementary Report on Hearing Aid Health Care." (Appendix B)

The Preliminary and Supplementary Reports were submitted to the Secretary for his review. Because of the importance of the issues on the hearing impaired population, the Secretary concluded that no action should be taken until the public had an opportunity to comment on the recommendations found in both reports. On October 23, 1974, copies of these reports as well as related background material were displayed for public review in the Office of the Hearing Clerk, Food and Drug Administratioin. Interested persons were invited to file written comments with the Hearing Clerk on or before December 30, 1974.

Almost 5,000 written responses were registered with the Hearing Clerk and forwarded to the Bureau of Medical Devices and Diagnostic Products (BMDDP), FDA, for review. In an effort to organize the opinions contained within such a voluminous response, BMDDP staff devised a classification process whereby each letter was categorized according to group affiliation and reaction to the recommendations presented in the Preliminary and Supplementary Task Force Reports. Comments were received from all of the groups comprising the delivery systems (consumers, consumer groups, health professionals, dealers, dealer associations, speech and hearing centers, physicians, educational centers, manufacturers, etc.). In general, the comments objected to the propósal in the Preliminary Report to require a prescription from a physician specializing in diseases of the ear or from an audiologist before a hearing aid could be sold. The comments indicated that more feasible alternatives than those proposed by the Task Force could be developed to enhance the quality of hearing aid health care. The comments, summarized according to group affiliation, are found in Appendix C.

During the comment period, consumer groups, health professionals and various industry trade associations requested that the period for public comment be extended so that all interested parties would have sufficient time in which to express their views to the Secretary. The Secretary agreed to this request and the time for filing comments on the Reports was extended until February 24, 1975. The Task Force also held a public hearing on May 7, 1975, to allow interested persons to testify before the Task Force. Testimony was presented by representatives of the Hearing Aid Industry Conference (HAIC), the Greater Philadelphia Hearing Aid Guild (GPHAG), the National Hearing Aid Society (NHAS), the American Speech and Hearing Association (ASHA), the Retired Professional Action Group (RPAG), the American Council of Otolaryngology (ACO), as well as several manufacturers and consumer interest groups. A transcript of the public hearing may be found appended to this Report as Appendix D.

Following the period for public comment and the public hearing, the Task Force considered the many proposals made by interested persons and organizations for improving the present hearing aid health delivery systems and prepared its final recommendations. The principal change in the recommendations is that a medical clearance requirement, with a waiver provision, is substituted for the earlier recommendation calling for a mandatory prescription by a physician or an audiologist before a hearing aid can be bought. The final recommendation does not require the physician to evaluate hearing loss or to recommend a certain kind of hearing aid. The purpose of the present recommendation is to assure that all medically treatable conditions which may affect hearing are identified and treated before a hearing aid is purchased. Further, it is not expected that a medical clearance will by itself solve problems of unethical business practices. Such matters are best dealt with through the enforcement power of the Federal Trade Commission and by State and local regulatory processes.

It should be emphasized that the Task Force recommendations on medical clearance are not intended to replace existing National standards for screening and diagnosis established by Federal agencies. Such requirements by Federal and State governments regarding reimbursement for hearing aids are established to maintain high quality hearing health services and to assure the proper use of public funds. By contrast, the Task Force is making recommendations which affect the rights of the entire population of the country who may need a hearing aid, and most of whom will receive no reimbursement from public funds. In addition, many people expressed concern that requiring all persons to be screened and diagnosed by an otolaryngologist and an audiologist before they purchased a hearing aid would overburden the delivery system; present additional, unnecessary obstacles to many who might otherwise benefit from using a hearing aid; and possibly increase the total cost.

The Task Force recognizes and appreciates the role of the hearing aid specialist as an essential element of the hearing health care team. The various services (e.g., fitting an aid, pre- and post-aid counseling, and repairs) provided by these specialists are regarded by many of the hard-of-hearing as indispensable to their welfare. The Task Force is encouraged by the actions of the hearing aid specialists to develop comprehensive competency requirements for the selection, fitting, and counseling of the hearing impaired. These actions are indications that hearing aid specialists recognize the need to adapt and modernize their role to the continually evolving concepts of professional hearing aid fitting.

II. SCOPE OF THE PROBLEM

"I am just as deaf as I am blind. The problems of deafness are deeper and more complex, if not more important, than those of blindness. Deafness is a much worse misfortune. For it means the loss of the most vital stimulus—the sound of the voice that brings language, sets thoughts astir, and keeps us in the intellectual company of man."—Helen Keller.

A 1971 National Health Survey Report indicated that there were an estimated 14.5 million persons with hearing impairments in the United States. The Hearing Aid Industry (HAIC), an industrial trade association, currently estimates that over 10 million hearing impaired persons have not received medical attention to determine what steps can be taken to improve their ability to hear. These statistics on the dimension of the problem continue to highlight the need for a comprehensive and sustained attack on hearing loss—one of the Nation's most prevalent handicaps.

The complexity and variety of the causes of hearing impairment frequently obscure the fact that hearing is a variable that fluctuates with physical, mental, and emotional conditions. Individuals with hearing impairment face formidable psychosocial problems. These problems manifest themselves in many ways: under-involvement in the mainstream of community life; limited socializing with fellow citizens; alienation from neighbors, employers, and fellow employees; and under-employment. Deteriorating job performance, and gradual withdrawal from family and society are two of the more obvious results of gradual and progressive hearing loss.

The number of individuals with partial hearing loss is far greater than those who suffer from total hearing loss. Accurate statistics as to the exact size of the hearing impairment problem are difficult to obtain.

The elderly are especially susceptible to hearing loss problems. According to a 1971 statement of the Bureau of Vital Statistics, over 5.5 million Americans with hearing impairments are in the 65-plus age group. This amounts to more than 28 percent of that total age group population who are afflicted with some type of hearing loss.

Many of the symptoms of hearing loss in the elderly are similar to those symptoms which may be incorrectly interpreted as senility. Since social workers, psychologists, and rehabilitation counselors often lack experience with hearing impaired persons, they may not always be able to discern between the true manifestation of senility and those symptoms which have an otological basis.

The Administration on Aging sponsored a number of projects which yielded interesting facts regarding hearing impairment.[1] Hearing loss appears to be sex as well as age-related. Men have more than 10 percent higher rate of hearing loss than do women. Hearing impairments are nine times more prevalent in men past 60 years of age than for those in the 20–30 age bracket. These facts seem to suggest that high-frequency hearing loss among men may be associated with exposure to industrial noises, therefore accounting for the higher percentage of hearing impairment.

Hearing impairment may be more debilitating to a person than other types of sensory losses. Personality, speech production, and language development may be significantly affected through such a loss. These factors highlight the importance of counseling to insure adequate hearing aid services for the hard-of-hearing.

The problems of the hearing impaired are clearly multi-dimensional. Projects sponsored by the Administration on Aging indicates that even though elderly persons may be aware of a hearing deficit, they tend not to seek help until the impairment becomes acute. Only a small percentage of elderly persons with hearing loss use a hearing aid; and those who do use hearing aids are often negligent in the maintenance of these devices. Finally, the availability of hearing aids and services varies in local communities from no services to extensive programs and facilities. These resources are generally less accessible to the poor than the affluent.

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[1] Dorothy G. Jackson, "Aging & Deafness: A Review," *PRWAD Annual*, 1973, pp. 203–214.

Elderly deaf people are usually the hardest to reach of any group in the community, and once contacted, are also the most difficult with which to work. The elderly deaf have difficulty conducting daily routine duties such as using the telephone or hearing a knock at the door. Moreover, they are not likely to go of their own volition to a social agency to request help. Frequently, they do not even know of the existence of such an agency or, for that matter, of the services provided.

Often, an individual with a hearing impairment can benefit from the use of a hearing aid. The hearing aid industry estimates that there are slightly more than 7.5 million potential candidates for hearing aid use, at least half of whom are over sixty-five. Unfortunately, hearing aids are sometimes dispensed to individuals who may not benefit from the use of the device. Some individuals are sold the wrong type of hearing aid; but, most tragic of all, some individuals with remedial ear disease go undiagnosed, trying one hearing aid after another, until they reach the point where the disease is no longer remediable.

Hearing impairment is a major public health problem requiring competent professional attention. Unfortunately, few hearing impaired people receive medical or other professional attention prior to the purchase of a hearing aid. A complete hearing aid evaluation includes the intake and interpretation of relevant case history information, the performance of basic pure-tone testing and speech audiometry, the interpretation of results, the counseling of the hearing impaired, and the determination of the need for a hearing aid. Available hearing aid industry statistics indicate that approximately 70 percent of the people who buy hearing aids go to a dealer first rather than to a physician specializing in diseases of the ear, an audiologist, or to someone trained and supervised by these health professionals.

The communication and psychosocial disorders resulting from a hearing loss are multi-dimensional problems, affecting both the total health and social well-being of the hearing impaired individual. Clearly, there is a need to pursue a comprehensive and vigorous attack on hearing loss. This report focuses on the problems associated with the delivery of quality hearing aid services to the hard-of-hearing. The issues and recommendations presented in this report deserve close attention and study by the government officials charged with reviewing its contents; the problems of the hearing impaired deserve no less.

III. MISREPRESENTATION

Statement of the problem

The Task Force defined hearing aid misrepresentation as any false or misleading statements made in the advertising, promotion, labeling or sale of the hearing aid device to the patient.

Both the RPAG Report and the Senate Hearings list numerous instances of false advertising and misleading promotional practices associated with the sale of hearing aids. Some of the abuses cited include instances of high pressure door-to-door sales, misrepresentation of the expected benefits from wearing a hearing aid, and misleading statements about "technological innovations."

The Federal Trade Commission (FTC) is currently engaged in a number of activities aimed at eliminating misrepresentation in the hearing aid delivery system. In March 1975 FTC filed complaints against six major hearing aid manufacturers alleging that they had engaged in false advertising, with supplying false advertising materials to their dealers and retailers, and with other unfair and deceptive acts and practices in violation of Section 5 and 12 of the FTC Act. Among various other practices, all six complaints charged the respondents with falsely representing in their advertising that they merchandise a hearing aid which is a new invention or involves new model features or new engineering or scientific concepts; that their hearing aids will be beneficial to persons with a hearing loss, regardless of the type or extent of loss; and that their hearing aids will enable persons with a hearing loss to distinguish or understand speech sounds in noisy or group situations. In addition, all respondents were charged with having made advertising claims without any reasonable basis for doing so, and failing to disclose the fact that many persons will not receive any significant benefit from the use of a hearing aid.

FTC recently proposed a Trade Regulation Rule for the Hearing Aid Industry. Briefly, the proposed Rule contains the following provisions:

1. A buyer has the right to cancel the purchase of a hearing aid within 30 days after delivery and pay only certain limited cancellation charges for a 30-day rental, including any custom ear mold delivered, and a 30-day supply of batteries.

2. A seller has the right to grant buyer more extensive rights than those mentioned in the Trade Regulation Rule.

3. Manufacturers are required to disclose the following material fact in any advertisement which makes a performance claim for a hearing aid:

Many persons with a hearing loss will not receive any significant benefit from any hearing aid.

4. Certain selling techniques are prohibited.

5. Certain representations concerning hearing aids are prohibited.

The Food and Drug Administration also is investigating the possible misrepresentation or misbranding of hearing aids. The Food, Drug, and Cosmetic Act defines a device as "instruments, apparatus, and contrivances, including their components, parts, and accessories intended (1) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease of the body of man or other animals; or (2) to affect the structure or any function of the body of man or other animals." Hearing aids fall within the definition of a device and are subject to the adulteration and misbranding sections of the Food, Drug, and Cosmetic Act.

FDA currently is reviewing all hearing aid labeling to determine if it is in compliance with the general provisions of the Federal Food, Drug, and Cosmetic Act. This review is directed at technical and performance claims made on the label such as statements indicating gain, maximum power output, harmonic distortion, battery voltage variation, and repair information. A medical review is also underway to determine if any false or misleading medical claims are made for the device.

Section 502(f) of the Act states that a device shall be deemed to be misbranded unless its labeling bears "adequate directions for use," i.e., that directions for the safe and effective use of the product are provided on the labeling. Regulation 1.106 (a) spells out the basic requirements for proper labeling of an over-the-counter device under the provision "adequate directions for use." This regulation requires that the labeling of the device provide "directions under which the layman can use a device safely and for the purposes for which it is intended." The directions may be inadequate if they do not contain a statement as to all conditions, purposes, or uses for which the device is prescribed, recommended, or suggested. Adequate cautionary statements necessary to the safe use of the device also must appear in the labeling.

A September 1974 report on the Hearing Aid Label Review, developed by the Bureau of Medical Devices and Diagnostic Products, and based upon a review of product labels collected during inspection of hearing aid manufacturers, concluded that hearing aid labeling is inadequate and in many cases, misleading.

Numerous false and misleading statements were found such as: "You hear naturally," "Ideal for nerve deafness," "How you can solve your hearing problem immediately." In addition, important warning or precautionary statements often were absent. Precise otologic indications for use as well as warnings against use in those pathological conditions where a hearing aid may be dangerous to health, also were absent.

Recommendations—Misrepresentation

The Task Force affirms that the welfare of the person who is handicapped by a hearing impairment is of greater importance than are the rights of the seller to close a sale for a hearing aid. Further, the Task Force recognizes that current audiological tests alone cannot insure that a given hearing aid will meet all of the individual's requirements.

Therefore, the Task Force concludes that the buyer must have an opportunity to assess the necessity and the appropriateness of a hearing aid by using the device for a trial period. The final recommendations are intended to remedy or eliminate misrepresentation problems associated with the sale of a hearing aid:

1. The Department of Health, Education, and Welfare should support the essential rules of the proposed Federal Trade Regulation Rules on the Hearing Aid Industry. These essential rules require:

a. That there should be a trial period for individuals purchasing a hearing aid device for which a nominal fee may be required.

b. That within this trial period a hearing aid may be returned to the seller, if the individual finds that he cannot make satisfactory use of the device.

c. The following material fact must be disclosed in any hearing aid advertisement which makes a performance claim: Many persons with a hearing loss will not receive any significant benefit from a hearing aid.

2. All Department of Health, Education, and Welfare regulations and guidelines related to the purchase of hearing aids for recipients of Federal aid or beneficiaries of Federal programs should require that aids be purchased only on the basis of a trial period of not longer than thirty days.

3. The Food and Drug Administration should develop, promulgate, and enforce hearing aid labeling regulations.

4. Hearing aid labeling should disclose the following material facts:

a. A hearing aid will not restore normal hearing.

b. A hearing aid will not prevent or improve organic conditions resulting in a hearing impairment.

5. Hearing aid labeling should disclose the following caution statement:

Caution: Before purchasing a hearing aid, a medical evaluation of your hearing impairment should be obtained from a physician specializing in diseases of the ear (or from a duly licensed physician if no ear specialist is available in the community), and an audiological evaluation from a clinical audiologist.

IV. MISEVALUATION AND MISFITTING

Statement of the problem

Misevaluation of a patient's need for a hearing aid and the subsequent sale of a hearing aid device which is ineffective, and possibly unsafe for its intended use, are major problems in the present hearing aid delivery system. The problem of misevaluation and misfitting may be the result of a number of factors, including lack of medical attention to otologic disorders which appear as hearing impairments; lack of competent evaluation by the dealer of the need for a hearing aid; and, in some cases, dishonesty by dealers for financial gain.

While exact figures are not available on how often patients are advised to buy a hearing aid which will be of no benefit in correcting hearing impairment, the Task Force has reviewed surveys and studies by the Retired Professional Action Group (RPAG) and other consumer interest groups which indicate that some hearing aid dealers have recommended hearing aids for patients who did not need them. Studies undertaken in Minneapolis, New York City, Baltimore, and Detroit indicate that patients were sold hearing aids when they actually needed other kinds of treatment.[2]

The New York City and Baltimore surveys noted that in over 40 percent of the cases studied, dealers recommended the purchase of a hearing aid when hearing health professionals had determined that the patient could not benefit from the use of such a device.

The hearing aid delivery system

The physician, the clinical audiologist, and the hearing aid dealer, all have important functions in the hearing health care delivery system. Every hearing impaired person should have both an otologic and audiologic evaluation before purchasing a hearing aid.

The physician is the only participant in the delivery system who can assess the symptoms of deafness in the context of the total medical condition of the patient, who is qualified to make a medical diagnosis, and who can prescribe treatment. While a general practitioner can evaluate the overall state of health of the patient, a physician specializing in diseases of the ear has special training in evaluating and treating conditions of the auditory system.

The clinical audiologist, in turn, may perform and interpret precise audiologic tests using a sophisticated battery of hearing tests to determine whether a patient will benefit from a hearing aid. In addition to audiological assessment, the clinical audiologist may engage in a variety of activities such as guidance, counselling, and the development or remediation of communication skills for the auditorily handicapped.

The hearing aid dealer provides the final element of the hearing aid delivery system. If a given hearing loss requires amplification, the dealer may provide the patient with the hearing aid, undertake fitting and service of the aid, and provide the patient with instructions, encouragement, and support to insure that the new hearing aid will be fully utilized.

Training

One of the barriers to proper evaluation and fitting of hearing aids is the lack of adequately trained hearing aid dealers. Of the estimated 15,000 hearing aid dealers in the United States, only about 2,200 have received certification by their association, the National Hearing Aid Society, through a 20-week home study course. This course and final examination do not include any evaluation of the dealer's practical skills in testing and fitting hearing aids nor of the dealer's ability to communicate with and counsel the hearing impaired.

The American Speech and Hearing Association (ASHA) has established minimum professional standards for clinical audiologists which include (a) earning a Master's degree, or its equivalent, in audiology including 300 hours of supervised clinical experience and 60 hours of related course work; (b) completing an additional year of full-time supervised clinical internship in audiology; and (c) passing a national examination in audiology, which is administered by the Educational Testing Service, Princeton, New Jersey. Both the academic and clinical experience required for the recommendation, selection and use of hearing aids are integral parts of the audiology training program.

Federal regulatory action as a solution to misevaluation and misfitting

A barrier to the proper evaluation of a hearing impairment is the lack of medical attention to conditions and disorders which may be associated with loss of hearing. The Task Force recognizes that the etiology of a hearing impairment is such that the lay person cannot differentiate, diagnose, evaluate, and treat hearing loss without medical intervention. The untimely substitution of an unnecessary or partially necessary hearing aid for primary medical or surgical treatment would either delay or deprive the hearing impaired person from receiving appropriate medical care. This delay or deprivation could be hazardous and unsafe to the patient. The Food and Drug Administration under the labeling authority of the Food, Drug, and Cosmetic Act, and the regulations promulgated thereunder, could restrict the sale of a hearing aid to those individuals who receive a medical evaluation.

It is the judgment of the Task Force that medical clearance should be a mandatory requirement in certain cases before an individual may be sold a hearing aid. If a person is less than 18 years of age or exhibits certain physical signs which indicate possible medical disorders causing the hearing impairment, he or she should be required to obtain clearance by a physician specializing in diseases of the ear prior to the purchase of an aid. Although physicians specializing in diseases of the ear have the medical training necessary to properly evaluate diseases of the auditory system, medical clearance may be obtained from a general practitioner if no such specialist is available within the community of the prospective buyer. An adult who does not exhibit signs of medical disorders should have the opportunity to sign a waiver of the mandatory medical clearance requirement.

Recommendations, misevaluation, and misfitting

1. The Food and Drug Administration should propose a regulation to require that there is a medical clearance before an individual is sold a hearing aid. The regulation should contain the following provisions:

a. A hearing aid shall not be sold to any person (particularly a person less than 18 years of age) unless that person has received a medical examination within the preceding six months from a physician specializing in diseases of the ear (or from a duly licensed physician if no such ear specialist is in the community). A person purchasing a hearing aid must present to the seller a written statement from the examining physician certifying that there are no medical reasons why the person should not be fitted with a hearing aid. A copy of the written statement from the examining physician will be retained in the office of the seller for a period of three years.

b. Any person 18 years of age or older (or parent or guardian) purchasing a hearing aid shall have the opportunity to sign a waiver to the mandatory clearance requirement. The waiver should read:

I have been advised by (seller's name) that my best interest would be served if I had a medical examination by a physician specializing in diseases of the ear (or by a duly licensed physician if no such ear specialist is available in the community) before I purchase a hearing aid. I voluntarily sign this waiver which indicates that I do not wish a medical examination prior to purchasing a hearing aid.

The waiver provision shall be read and explained to the purchaser orally or in the predominant method of communication used during the sale.

c. Whenever any of the following conditions are found to exist, either on the basis of information furnished by a prospective hearing aid purchaser or from observation, a hearing aid shall not be sold without the written approval of a physician specializing in diseases of the ear (or by a duly licensed physician if no such ear specialist is available in the community) and no waiver will be allowed:

(1) Visible congenital or traumatic deformity of the ear.

(2) History of active drainage from the ear within the previous 90 days.

(3) History of sudden or rapidly progressive hearing loss within the previous 90 days.

(4) Acute or chronic dizziness.

(5) Unilateral hearing loss of sudden or recent onset within the previous 90 days.

(6) Audiometric air-bone gap equal to or greater than 15 dB (ANSI) at 500 Hz, 1000 Hz, and 2000 Hz.

(7) Visible evidence of cerumen accumulation or a foreign body in the ear canal.

2. The appropriate Department of Health, Education, and Welfare agencies should encourage and sponsor continuing education and training programs for hearing aid specialists, clinical audiologists, and physicians to improve the quality of hearing health care.

3 Under the National Health Planning and Research Development Act of 1974, the Health Systems Agencies and the State Health Planning and Development Agencies, as they design long-range plans for community resource development and allocation, should include hearing aid health care as one of the program elements to be examined. Particular attention should be directed at providing comprehensive hearing health services to underserved areas and neglected population groups in the Country. Departmental guidelines for health planning should formalize these considerations.

Licensure as a solution to misevaluation and misfitting

Presently, 39 States have licensing laws that legally define the role and responsibility of hearing aid dealers and provide sanctions against incompetence or unethical conduct.

Most of these State licensing requirements have not eliminated misevaluation and misfitting of hearing aids. Only a few of these require the use of minimal testing procedures and audiological screening equipment, even though certain testing procedures are recognized as basic to proper hearing loss evaluation, and most States do not have provisions requiring the calibration of test instruments on a regular basis. Although the effectiveness of a licensure requirement depends upon the regulatory programs developed to assure compliance with the Act, few States have developed effective mechanisms to assure compliance with the State licensing requirements that now exist.

Minnesota licensing bill

The State of Minnesota passed a licensing bill in May of 1973 which stated: "No hearing aid shall be sold by a person in this State, except upon the prescription or other written and signed recommendation of an authorized person who is neither employed by, or in a business relationship with, a seller of hearing aids." The term "authorized person" includes an audiologist, otolaryngologist, otologist, or a licensed medical doctor. Eventually the licensing act was amended to permit adults who are under 60 years of age and considered to be legally competent to be exempted from this provision if they sign a waiver acknowledging that they have been provided a copy of the law, and that the law has been read aloud to them by the hearing aid salesman. The law also specifies certain medical conditions which, if detected by the dealer, require that a patient consult with a medical doctor or otologist prior to receiving a hearing aid. There are no waivers to the medical referral requirement.

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[2] For a more detailed presentation of these studies, refer to:

a. *Minneapolis Study:* Congressional Record-Senate, July 18, 1974.

b. *New York City Study:* Congressional Record-Senate, June 11, 1974, pp. 18696–18700.

c. *Baltimore Study:* RPAG Report, "Paying Through the Ear—A Report on Hearing Health Care Problems," Private Citizens, Inc. 1973, Chapter I, p. 5.

d. *Detroit Study:* Congressional Record-Senate, July 18, 1974, pp. 23954–23957.

Proposed Pennsylvania State law

An example of another licensing/registration bill is the Proposed Pennsylvania State Law Regarding the Fitting and Selling of Hearing Aids (see Appendix E). This proposed bill is noteworthy because the Greater Philadelphia Hearing Aid Guild, the Retired Professional Action Group, and other hearing health professionals worked together to draft the provisions of this legislation. The Proposed Bill is intended to assure consumer protection for the hearing impaired by requiring the following:

a. Mandatory medical clearance for the first hearing aid fitting unless the hearing aid buyer signs a waiver.

b. Mandatory medical clearance whenever any of the seven otological conditions or signs are observed with no waiver.

c. Minimum competency standards for hearing aid specialists.

d. Procedures for processing consumer complaints.

e. Ethical business practices for hearing aid specialists.

f. Penalties for violating the Bill.

There are at least three other model licensing acts intended to guide States in the development of licensing legislation. The first model was developed by the Federal Trade Commission in 1967 and was published by the Council on State Governments. The second model was promoted by the National Hearing Aid Society and the Hearing Aid Industry Conference. The third model was proposed by the Retired Professional Action Group (RPAG) in their report, "Paying Through the Ear: A Report on Hearing Health Care Problems."

Federal Trade Commission model

The Federal Trade Commission model represents general practices in licensure and was based on the Oregon State Registration Act which was the single precedent at that time. Sections of the FTC model have been adopted in subsequent model bills without significant change.

NHAS and HAIC model

The National Hearing Aid Society and the Hearing Aid Industry Conference have supported a model licensing bill for hearing aid dealers designed to improve overall performance in the fitting and marketing of hearing aids.

This model has been used by the State dealers' associations in securing licensure legislation. According to both industry and RPAG, the licensure requirements adopted in 39 States closely approximate this model.

Some of these licensing bills include recently adopted medical criteria which require the hearing aid specialist to refer a person to a physician when certain medical problems are observed by the hearing aid specialist.

RPAG model

The RPAG model bill requires the registration of any person engaged in the fitting and selling of hearing aids. It would establish higher qualifications for such persons, penalties against unethical or improper conduct by such persons, and educational opportunities for persons desiring to become hearing aid specialists.

The model bills vary in their treatment of such issues as: the definition of the practice of fitting and selling; the definition of audiologist and dealer; exclusionary clauses; criteria for referral; licensing procedure; training qualifications; itemizations of costs; the grounds for suspension, membership requirements, and the role of the licensure board.

The Task Force agrees that a strong licensing or registration act with adequate enforcement authority would promote improved quality assurance practices in the hearing aid health care delivery system. The Task Force believes that DHEW can—and should—exert a positive influence on the adoption of strong State licensing or registration requirements to improve the overall performance, fitting and marketing of hearing aids, by developing and advocating a model State law.

4. The Department of Health, Education, and Welfare should develop and recommend to the States enactment of model legislation for the licensure or registration of hearing aid specialists.

5. The Task Force recommends that any model registration/licensing bill for hearing aid specialists include guidelines which establish when the services of a clinical audiologist shall be required. The Task Force specifically recommends that an evaluation by a clinical audiologist be required for children and for persons who have speech and language disorders and for persons who are in specialized care facilities.

V. LACK OF STANDARDS

Statement of the problem

The RPAG Report stated that ". . . unevenness of product quality is a serious problem in the hearing aid industry. One aid may differ substantially in performance from an aid of the identical model and brand." [3] The RPAG Report cited a New York League of the Hard-of-Hearing Report which stated that about 50 percent of the aids that they tested did not work in accordance with the manufacturers' specification sheets.[4]

Today, there is no uniform industry-wide standard of acceptable quality and performance for hearing aid devices. The American National Standards Institute's (ANSI's) "Methods for Measurement of Electro-acoustical Characteristics of Hearing Aids" are only guides, describing practical methods for determining the physical performance characteristics of hearing aids.

The Task Force believes that the voluntary standards community composed of industry representatives, hearing health professionals, Government personnel, and consumers should work together to accelerate the development of a performance standard for hearing aids. At present, a uniform set of methods for testing hearing aid performance has not been recognized in a standard by the hearing aid industry.

The purpose of the standard would be to provide certain general requirements for hearing aids, to define a uniform set of tests for hearing aids, to establish maximum permissible tolerances on the manufacturers' stated values for specific fundamental hearing aid characteristics, and to provide a standard format for reporting data.

It is felt that the development and application of hearing aid performance standards would be effective in reducing the wide variations found in the performance of some hearing aids, and in improving their overall quality and reliability. Hearing aid manufacturers and audiologists, in recognition of the need for a performance standard for hearing aids, are working towards the development of an acceptable standard.

The Canadian Government has developed a standard for hearing aids which has been effective in minimizing the variations of expected hearing aid performance. This standard was developed by the Canadian Government Specifications Board for Hearing Aid Standards. The standards include minimum performance requirements for the following:

1. Regularity of response across the frequency range.
2. Amount of amplification at each frequency.
3. Amount of distortion at each frequency.
4. Maximum power output.
5. Breadth of the range of frequencies.

The Canadian Government Standard for hearing aids is an important quality assurance component of the government-subsidized hearing aid delivery system in Saskatchewan.

The Task Force believes that a standard, which will provide for certain minimum requirements, is sorely needed. In seeking guidance as to the elements which should be included in the development of a hearing aid standard, the Task Force has reviewed a list of requirements that the Food and Drug Administration considers appropriate. This list includes the following:

I. Performance Requirements—
1. Saturation Output Curve.
2. Frequency Response Curve.
3. Average Saturation Output.
4. Average Full-on Gain.
5. Useful Gain.
6. Frequency Range.
7. Total Harmonic Distortion.
8. Equivalent Input Noise.
9. Battery Current Drain.
10. Induction Coil Sensitivity.
11. Input-Output Curve.
12. Attack and Release Times.

II. Physical Requirements—
1. Plugs and Cords—IEC 90.
2. Batteries.

III. Environmental Requirements—
1. Temperature.
2. Humidity.
3. Shock.
4. Vibration.

IV. Construction Requirements—
1. Materials.
2. Protective Treatment.
3. Metals.
4. Markings.
5. Workmanship and Manufacturing Practices.
6. Spare Parts.

V. Packaging Requirements.

VI. Documentation Requirements—
1. User Instruction Brochure.
2. Technical Data.
3. Cautions.

VII. Test Procedures (for Performance, Physical and Environmental Requirements)—
1. American National Standards Institute.
2. National Bureau of Standards/Veterans Administration.
3. Military Standards.
4. Other—as required.

The Task Force feels that this list of requirements is an acceptable basis for developing a hearing aid standard. If the voluntary standards community is unable to reach an agreement on a suitable acceptable standard, the Task Force believes that FDA should undertake this task on an in-house basis. Based on the experience of the Veterans Administration's specification on hearing aids, and the National Bureau of Standards' Test Protocols for measuring the performance of hearing aids, the Task Force feels that the "state of art" is such that the development of a hearing aid standard would be a feasible and highly desirable undertaking.

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[3] RPAG, "Paying Through the Ear—A Report on Hearing Health Care Problems," Chapter II, p. 6.

[4] *Ibid*, Chapter II, p. 7.

Recommendations—lack of standards

1. The Food and Drug Administration should enlist the assistance of appropriate organizations in the development of performance standards for hearing aids.

2. The Food and Drug Administration should conduct and support investigations and studies relative to the development or revision of standards and compliance tests used to measure the performance of hearing aids.

VI. INADEQUATE HEARING HEALTH CARE EDUCATION

Under the rubric of public health education, the types of activities which can be advocated are quite diversified. The problem with such advocations is that they often amount to little more than broad, unfocused platitudes that, once made, please almost everyone, but usually accomplish nothing of sufficient scope.

If the Department is to develop an effective educational program designed to disseminate information to a large percentage of the target population, safeguards must be taken against making recommendations that would require unavailable resources for their implementation. Rather, a proposal should be developed that involves well-delineated activities whose probability of acquiring the necessary resources, and of achieving the desired end, is relatively high. If such an intervention is well defined, there will be little question as to its goals and purpose. In contrast, if a broad approach is adopted, there is the inherent possibility within such a design that little will be accomplished.

Statement of the problem

The crucial question that must be asked when contemplating educational intervention is, "What does the target population need to know?" This can only be answered by first identifying and defining the major health care problems which are experienced by the target population.

The Task Force believes that two of the problems existing for the hearing impaired population are:

1. Many people who could benefit from a hearing aid device simply don't have one.

2. Many people who purchase hearing aid devices don't need them.

What information, then, can be distributed to this population that might ameliorate these problems? If people who suspect that they have a hearing loss were to have an audiologic evaluation and be prescribed a hearing aid by properly trained professionals, the Task Force believes that this would result in a marked reduction in the above two problems.

Since resources for a nationwide public education campaign will be somewhat limited, and since the frequency of hearing impairments is highest in the population 65 and over, the Task Force feels that any educational intervention should be targeted at the 65-plus population. The Task Force feels that this educational intervention should attempt to disseminate information which would encourage the hearing impaired to seek appropriate and quality hearing health care.

An Example of a Nationwide Educational Intervention

The following is a specific suggestion designed to provide the elderly with the necessary information to avoid the misrepresentation, misevaluation, and misfitting problems associated with the use of hearing aids.

Since this educational intervention will be directed towards reaching those individuals within the 65-plus age group who may have a hearing impairment, the question arises as to "What method will carry the message to the greatest number of these people?"

The Task Force feels that a possible solution to this question would be to conduct a mailing campaign directed to all individuals 65 years of age and older. The message to be distributed would be simple and essentially convey the idea that the consumer should purchase a hearing aid device only when he or she can benefit from the device, and that, to insure this, the consumer should have his or her hearing tested by a qualified professional (i.e., an audiologist, otolaryngologist or otologist). An address list of the elderly registered with the Social Security Administration might be used to facilitate contacting the target population. The Social Security Administration has in the past cooperated with various health education programs by mailing material with Social Security checks.

A basic axiom in health education is that the information provided should motivate the patient to seek the proper health care. The message to be mailed to the elderly should contain the telephone numbers and addresses of the facilities where such services are available.

A television program

There are, of course, other reasons in addition to the lack of information that account for people not seeking the appropriate hearing health care. Some of these barriers include:[5]

The cost of a hearing aid.

The social or personal stigma of "deafness," which is related to the failure to recognize the need for help.

The absence of widespread institutional advance on government and other public health sources.

Persistent reports that most hearing impairment cannot be helped.

Confusion about how to go about getting help.

Lack of trust in hearing aid dealers and/or corrective surgery.

Fear of surgery or fear of discovery of a major health problem.

Obstinacy in interpersonal dispute with family members or close associates about the need for help.

The Task Force believes that these issues and others, can be adequately addressed on a national basis by a special television program.

If the materials mailed to the 65-plus population were to include a message that a television program dealing with hearing health care would be broadcast at a certain time, it would be possible to maximize the exposure of the target population having access to this media of communication. This television program could use captions similar to those which are used in the "ABC Captioned News" program.

The Task Force could add greater detail to this specific proposal. One could discuss how the mailed message might be packaged to maximize the probability of the recipient's reading it, the costs associated with the implementation of the total program, or the various logistical details that would be involved. However, all details can be refined once approval has been obtained for this or any similar proposal.

Recommendation—Inadequate hearing health care education

The Secretary should direct the Department of Health, Education, and Welfare Intradepartmental Health Education Panel to develop plans for a National public education program for hearing health care.

The plans should be drawn up in collaboration with the appropriate DHEW agencies such as Center for Disease Control's Bureau of Education, other appropriate agencies of the Public Health Service, the Administration on Aging, the Rehabilitation Services Administration, the Office of Education's Bureau of Education for the Handicapped, and those organizations in the private and professional sector concerned with hearing health education. The purpose of the program should be to provide information that will assist the public to obtain appropriate and high quality hearing health care.

VII. HIGH COSTS

Statement of the problem

Every hard-of-hearing person with a medically or surgically irreversible hearing problem, who is hindered in one or more of his daily activities, is entitled to a careful exploration of the potential benefit to wearing a hearing aid. Unfortunately, the high cost of hearing aids has become a formidable barrier to the receipt of quality hearing aid health services.

Marketing and distribution

The Federal Trade Commission (FTC) has investigated and challenged certain marketing and distribution practices within the hearing aid delivery system which increase costs to the consumer.

There are about 50 manufacturers who sell hearing aids domestically. Four of the largest manufacturers are said to account for 50 per cent of the dollar value of shipments in 1970 and the eight largest manufacturers to account for approximately 70 percent of such shipments. The hearing aid industry's distribution system is based primarily on direct sales to selected dealers, with wholesalers rarely used in the distributional process.

In response to numerous complaints from consumers about high prices of hearing aids and from dealers about certain alleged business practices, the Federal Trade Commission initiated a broad investigation of the competitive practices in the distribution and sale of hearing aids. This investigation culminated with the issuance of complaints against five of the largest hearing aid manufacturers challenging certain alleged distribution practices.

The complaints contained alleged violations such as restraint of trade, maintaining a system of exclusive territories, and intimidation and coercion of dealers to handle only their own brand of hearing aids to the exclusion of competing brands. According to FTC, where these situations existed, a particular dealer in the user's locality had a practical monopoly on the sale of hearing aids, intra-brand competition was eliminated, and retail prices were increased to cover the overhead of low business volumes. FTC's objectives have been to eliminate the alleged coercion and intimidation of dealers, to inject additional inter-brand and intra-brand competition into the marketing system, and to help smaller manufacturers and potential new entrants gain outlets for their hearing aids. While complaints against two firms are still pending, three of the manufacturers have agreed to consent orders.

Unbundling costs

Using data contained in the RPAG Report and the Senate Hearings on "Hearing Aids and the Older American," the Task Force has considered the advisability of separating the cost of hearing aid services from the cost of the device. The Task Force has examined reports on the manufacturers' and the dealers' costs contained in the RPAG Report. Cost estimates for the component parts of a hearing aid, such as magnetic microphone, magnetic receiver, transistors, resistors, capacitors, etc., average approximately $20. The remaining parts cost approximately $10, thus bringing the total for all parts to about $30. When labor, advertising, and promotion costs are added, the total costs approximately $75 for the average hearing aid. The manufacturer then sells the hearing aid to the dealer at a price slightly less than twice his cost; hence, the dealer pays between $80 and $140 for the aid. The retail markup for the hearing aid is approximately two and one-half times the wholesale price, thus bringing the retail price to $350. According to the data compiled in the RPAG Report,[6] the average price range of most hearing aids on the market in 1972 was from $300 to $450. The following table on the range of prices for behind the ear aids indicates that most of the hearing aid prices are marked up 200 to 300 percent.

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[5] "A Partnership in Better Hearing," a proposal submitted to the Task Force by the Hearing Aid Industry Conference (HAIC), Aug. 13, 1974.

RANGE OF PRICES FOR BEHIND THE EAR AIDS (1972)[1]

	Lowest priced model		Highest priced model	
	Manufacturers' suggested retail price	Manufacturers' wholesale price to dealers	Manufacturers' suggested retail price	Manufacturers' wholesale price to dealers
Beltone[2]	$379.00	$115.50	$449.00	$155.00
Danavox	239.00	69.00	399.50	124.50
Fidelity	229.00	99.00	399.50	189.00
Marco	249.50	73.95	379.50	120.95
Norelco	309.00	105.00	370.00	127.00
Oticon	239.50	79.00	397.00	119.00
Qualitone	219.50	57.50	379.50	119.50
Sonotone	350.00	124.00	389.00	149.00
Vicon	249.00	90.00	399.00	110.00
Zenith	195.00	79.00	365.00	125.00

[1] Prices do not include Cros or Bi-Cros model aids.

[2] Beltone does not suggest prices. It has been suggested that retail price is calculated on multiple in excess of 3 times the wholesale price.

The hearing aid industry maintains that the price charged by the dealer to the consumer is a fair one, considering the cost and services involved. Included in these services and costs are the following items:[7]

Trade-in allowances
Discount off the price of an audiological workup
Discounts to professionals
Office salaries
Advertising
Free service calls to rest homes, hospitals, or private homes
Time spent in counseling, instruction, and fitting
Loss on bad debts
Mailing supplies and postage for returning repairs in and out of guarantee
Office furniture
Fixture and equipment
Instrument inventory
Operating supplies
Public relations expense
Battery inventory
Contributions
Automobile expense
Telephone expense
Training expense for educational programs
Local, State, and Federal taxes
Cost of licensing fees

The Task Force believes that the cost of hearing aid health care should be unbundled, i.e., the cost for services should be separated from the cost of the device, and a "fee-for-service" marketing system should be developed which would permit the consumer to pay only for those services he needs. The Task Force has reviewed examples of distribution systems where hearing aid specialists have reduced the retail price of hearing aids by providing sales and maintenance service only, and providing services only to persons referred to them by physicians and audiologists. The concept of "unbundling" or separating the cost of hearing aid services from the cost of the device does not imply that all costs would be reduced; however, the consumer would incur only those costs associated with the services desired by the consumer. It would also permit the consumer to obtain separate hearing tests and other products and services at any preferred distribution point.

Government subsidization

The cost to the hearing impaired person is often a formidable barrier to the purchase of a hearing aid—particularly for the elderly on fixed incomes. One way of relieving this burden is for the government to assist the elderly in paying part of the cost for the hearing aid.

The Task Force believes that DHEW should reassess the desirability and costs of purchasing hearing aids for the elderly. Present Medicare statutes expressly prohibit the Social Security Administration from paying for hearing aid health services; Congressional action would be required for these services to be covered by public funds. Various Governmental programs such as Medicaid, Rehabilitation Services Administration, and Veterans Administration now pay for hearing aid health care services for certain beneficiaries.

Presently before Congress there are a number of proposals for a National Health Insurance Program. If a National Health Insurance Program is adopted, the Task Force believes that consideration should be given to subsidizing the cost of hearing aid health services.

Recommendations

High Costs

1. The cost of hearing evaluation tests and other hearing aid services should be separated from the cost of the device. A requirement for an itemized bill should be included in model legislation for the licensure or registration of hearing aid specialists.

2. The Secretary should consider the desirability and cost implications of coverage of comprehensive hearing health services to include the purchase of hearing aids, under all existing Department of Health, Education, and Welfare programs. Such a study should include the feasibility of reducing these costs and examine alternative purchasing systems.

3. The Secretary should consider the desirability and cost implications of covering hearing aid health care under any proposed National Health Insurance Program. The coverage should apply to all individuals.

VIII. NEED FOR RESEARCH

Statement of the problem

In examining hearing aid research needs, the Task Force relied on the report of the NAS–NRC Committee on Hearing, Bioacoustics, and Biomechanics, Working Group 65, entitled "Directions for Research to Improve Hearing Aids and Services for the Hearing Impaired." This working group was assembled at the request of the National Institute of Neurological and Communicative Disorders and Stroke to outline a research program which might lead to the development of significantly improved hearing aids for the deaf. The Task Force believes that this Report is just as timely today as when it was published four years ago.

The NAS–NRC Working Group identified the following four factors as indicative of a need for hearing aid health research:

a. The major demand for hearing aids now comes from persons with sensori-neural hearing losses whereas, previously, the major demand was from persons with conductive loss. Thus, there is a need to develop improved aids for sensori-neural impairments.

b. Speech research has made significant gains in the past three decades, both in substantive knowledge and in methods of investigation. The major achievements have been a more detailed knowledge of the acoustic cues for speech, the use of synthetic speech as a research tool, and the analysis of speech reception skills by the analysis of confusions.

c. While the relation of this basic knowledge about acoustic cues to overall language competence[8] remains somewhat mysterious, our understanding of language competence and its acquisition has improved sufficiently to suggest research and applications with regard to the integration of sensory aids into educational programs for the hearing impaired children.

d. Developments in electrical engineering, particularly digital techniques for the storage and manipulation of speech wave forms and the stimulation of environmental conditions (noise and reverberation) as well as other developments, such as the integrated circuit, provide new possibilities for the design and evaluation of sensory aids for the deaf. Also, mathematical techniques for signal analysis, detection, and recognition have advanced significantly in the past three decades.

These four factors convinced the NAS–NRC Working Groups that fruitful research leading to significant improvements in hearing aids for persons with sensori-neural hearing loss could be undertaken.

The Working Group pointed out some major problems associated with the performance of hearing aids, in particular the degradation of hearing aid performance due to noisy and reverberant environments. The elimination of this problem was given a high priority status. Straightforward studies of transducers and amplifiers, as well as more complicated investigations of frequency response, non-linear gain characteristics, directional microphone systems, and binaural aids were strongly suggested. Such studies could result in a substantial improvement in speech reception by persons with sensorineural hearing losses. The Working Group emphasized the need for research and development of improved techniques for the evaluation of hearing aids. The implementation of digital techniques for simulation of hearing aids in environmental conditions, as well as for the storage, manipulation, and programming of test materials, offers much promise in the clinic and laboratory. The need for other methods that allow for patient and engineering evaluation of hearing aids and actual use was also recognized.

Basic research on the characteristics of the impaired auditory system was also emphasized in the NAS–NRC Report. Improved knowledge in this area was thought to be essential for the rational design and improvement of hearing aids.

Investigations of perceptual learning were also recognized as especially relevant, since auditory learning and learning to lip read are essential skills for the hearing impaired. Both basic research and applied research oriented towards educational programs and the measurement of progress in such programs were identified as potential study areas.

Research related to the hearing impaired infant or child was recognized as a research priority. Here, it is the problem of early diagnosis, hearing aid selection, and methods of stimulating language development that present the greatest problems. Animal and human studies on the effects of early auditory deprivation were suggested so that the importance of congenital deafness might be better understood.

Finally, studies of the distribution of existing services to the hearing impaired population were identified as a research need. Methods to improve contact between the hearing impaired and specialists trained to serve them need much additional thought and evaluation.

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[6] RPAG, "Paying Through the Ear—A Report on Hearing Health Care Problems," Chapter V, p. 4.

[7] Senate Hearings, "Hearing Aids and the Older American," pp. 66–67.

[8] Language competence refers to an underlying knowledge and grasp of language, often intuitive, and is to be distinguished from language performance.

The Working Group suggested that hearing specialists make specific efforts to contact those especially concerned with the elderly for purposes of educating the elderly regarding the environmental, social, and audiological factors so important for speech communication. Difficulty in speech reception was identified as the most common problem among the aged and, undoubtedly, contributes significantly to their sense of "isolation." Gerontologists may not be fully aware of the relationship of noise, reverberation, opportunity for lip reading (often unrecognized by the patient), and other audiological factors to the speech-reception abilities of the hearing impaired senior citizen.

The foregoing material is a brief summary of the findings of NAS–NRC Working Group 65 which clearly demonstrates the need for an expanded research program to develop and improve sensory aids for the deaf.

The Task Force believes that research efforts to develop and improve sensory aids have been hindered by the lack of cooperation between the health professionals involved in hearing health care. Interdisciplinary forums of hearing health care professionals could assist in the identification of research priorities. An alliance of hearing health care professionals would also provide greater visibility to hearing aid research needs. As a consequence, the possibility of government-supported hearing aid research would be enhanced.

In addition to the research priorities outlined by the NAS/NRC Working Group, research is needed on various aspects of the hearing health care delivery system. Among the studies that should be undertaken in this area are cost experimentation studies; further determination of the prevalence of hearing impairments and of medically-related hearing problems; study of the patterns of assessment of hearing impairments in various practice settings; and studies of alternative delivery models.

Recommendations—Need for research

1. The Secretary should direct the appropriate research agencies within the Department of Health, Education, and Welfare and encourage those outside the Department, to establish a cooperative research program for the development of new and improved sensory aids for the deaf and the hearing impaired. The research program should include improved evaluation technologies, basic research on the auditory system, perceptual learning, and the special needs of hearing impaired children. In addition, attention should be given to research on the hearing health care delivery system. This should include cost experimentation studies; further determination of the prevalence of hearing impairment and medically-related hearing disorders; study of the patterns of assessment in various practice settings; and the development of models for alternative delivery systems.

2. An interdisciplinary forum with representation from all groups within the hearing aid health delivery system, including physicians, audiologists, hearing aid specialists, manufacturers, and consumer groups, should be established to identify hearing aid research priorities.

EFFECT OF FEDERAL POLICY ON MINING INDUSTRY

Mr. FANNIN. Mr. President, last Wednesday I had printed in the RECORD an excellent speech made by Dr. Jack W. Carlson, Assistant Secretary for Energy and Minerals, U.S. Department of the Interior. He pointed out that we are inviting economic disaster by locking up the mineral resources on our Federal lands.

Pat Murphy, editor of the Arizona Republic editorial pages, was in San Francisco to hear Dr. Carlson's speech, and understood the full consequences of what is happening. In his column last Wednesday, Mr. Murphy noted what the impact of our Federal policy has been and will be on Arizona and the mining industry in our State.

Mr. President, it is bad enough that the unwise energy policies dictated by Congress have allowed our Nation to fall victim to the whims of the oil-producing countries. Now, through our own nearsighted actions, we are on the verge of putting ourselves at the mercy of the other mineral-rich countries. It is somewhat like a man letting his family starve because he does not want to withdraw some of his abundant savings from the bank.

Mr. President, the column from the Republic helps to explain what has occurred, and I ask unanimous consent that it be printed in the RECORD for the benefit of my colleagues.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

U.S. COURTING ECONOMIC DISASTER, MINERS TOLD

(By Pat Murphy)

SAN FRANCISCO.—Americans paying more for their gasoline and enjoying driving less are all too familiar with why they are at the mercy of foreign oil producers.

It was a series of those subtle environmental, tax and pricing policies which discouraged domestic oil production, and transformed the nation from an exporter to an importer. The Organization of Petroleum Exporting Countries was waiting, willingly, to profit handsomely from America's maladroitness.

This time, it's the minerals industry.

The same pattern is being imposed on the producers of domestic metals. The result is that production is almost prohibitive because of costs, and overseas producers are in the wings with more attractive prices. Arizona copper, for example, sells for 63 cents a pound, while world copper is now at 55 cents.

But Washington has refined its methods, and has come up with a new strategy which makes the dilemma of oil producers look insignificant.

"Withdrawal" is the new catchword in Washington, and it doesn't mean post-addiction symptoms of a hophead.

Withdrawal, simply, is the policy of declaring federal lands off limits to mineral and fuel production.

The 6,000 miners and their spouses attending the annual American Mining Congress meeting here were shocked to learn from a federal official that in only seven years, Washington has sealed off 87 per cent of all federal land from mineral production.

Dr. Jack Carlson, of the Department of Interior, told the stunned miners that this represents 500 million acres—equivalent to most of the country east of the Mississippi.

Worse, federal land is where most of America's remaining mineral riches lie, and Dr. Carlson cited the obvious—that if mineral-rich federal lands are off limits, then America must turn to foreign copper, iron and bauxite cartels for its supplies.

Here we go again. Clearly, Carlson was angry. He sees the United States inviting not only economic disaster, but exposing itself to dangerous strategic manipulation by foreign governments.

As he sees it, short-sighted environmental impulses have overcome Washington's economic judgment. The 500 million acres withdrawn from mineral production are being set aside for single uses—national parks, monuments, wilderness areas—instead of multiple uses as expressly provided in the Mining and Minerals Policy Act of 1970.

"The search for environmental quality was never intended by most adversaries to be a means of locking out our mineral resources," Carlson told the miners.

Instead, he sees federal lands being used first, to provide national mineral needs, then reclaimed for public recreational purposes.

The impact of this new withdrawal policy will be felt most painfully in the West where (a) most federal lands are located and (b) most of the mineral riches are found.

Arizona is a case in point. Nearly 85 per cent of the state is under some type of federal ownership or control.

If Washington hasn't driven the mineral producers to the wall with costly environmental production systems, it surely will finish the job by simply taking away the last available lands for mineral production.

Imagine the look on Congress' collective face if the nation wakes up some day to find itself buying copper at a quadruple price from some Arab nation.

KEN SCHLOSSBERG ON FOOD STAMPS

Mr. McGOVERN. Mr. President, the Agriculture Committee is currently holding hearings on the food stamp program, which I regard as the most effective social program of the last decade. There are useful reforms which will strengthen and streamline the food stamp system, but we must be on guard against any attempt to subvert the program.

I have no fear that this will occur as long as we make our decisions on the basis of the facts. Recently, Kenneth Schlossberg, the able former staff director of the Select Committee on Nutrition and Human Needs, which I chair, contributed an informative and incisive article on food stamps to the New York Times Sunday magazine. The article is a first-rate discussion of the purposes and impact of the program. I believe every Senator should read it before voting on any changes in the food stamp program and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FUNNY MONEY IS SERIOUS

(By Kenneth Schlossberg)

A few years ago, to deal with the nation's so-called "welfare mess," President Nixon proposed a Family Assistance Plan that provided a guaranteed income for the nation's poor. It offered cash grants to establish an income floor for the jobless and, for the first time, cash supplements for millions of working families whose incomes fall below or just above the poverty line. Many welfare reformers considered this income-supplement provision crucial, for it seemed the only hope for families caught in the familiar welfare trap—since welfare benefits decline as a family begins to earn its own income, the head of a family receiving substantial welfare benefits can see no advantage in getting off welfare by taking a low-paying job.

To the dismay of reformers, FAP ran afoul of a cantankerous Senate. Liberals felt it offered too little; conservatives felt it offered too much. Yet in retrospect, the defeat seems somewhat ironic. For as FAP failed, another social program, food stamps, began to gather strength. Food stamps are coupons ("funny money") that can only be exchanged for food items at grocery stores—the purchaser cannot even use them to buy paper towels or soap. While Congress would not approve straight cash grants to the poor, it did approve the idea of "fighting hunger" with food stamps. And it has continued to approve, even as the value of food stamps available annually to a family of four with almost no income has risen to $1,994—far outstripping the original FAP assistance level of $1,600—and even though food stamps are available to low-income working families as well as the jobless poor.

The result has been that the food-stamp program designed to fight malnutrition among the destitute is also turning into an income-supplement program, with minimal nutritional impact, for the working poor—the very function FAP's income-supplement provisions were intended to fulfill. No one is sure if food stamps are helping poor families break out of the welfare trap, but there is no question that as the recession has deepened and unemployment has soared, food stamps are supplementing incomes on a scale that has grown to astonishing—some would say alarming—proportions.

Between November and June, the number of Americans using food stamps climbed from 15 million to nearly 20 million. Government statisticians estimate that for every one percentage point increase in unemployment, an additional 500,000 to 750,000 persons use food stamps. Yet the stamps are increasingly popular with the low-income employed as well. Before the recent growth, the majority of families on food stamps were also on welfare of one kind or another. Now, for the first time, working families outnumber welfare families 55 per cent to 45 per cent.

As a social assistance program, food stamps are today second only to Social Security in magnitude and constitute a significant factor in the Federal budget and the nation's food economy. The Federal cost of the program this year will run about $6-billion. Food-stamp users will invest another $6-billion in stamps. The total investment of $12-billion means that food producers, processors, and retailers also have an important stake in the program.

These costs are enough to give the Federal Office of Management and Budget the shakes. But there may be more. There are probably another 20 million Americans who are legally eligible for food stamps but, for one reason or another, are passing them up, and the Agriculture Department is under two Federal court orders to recruit those missing 20 million, and to increase the amount of food stamps guaranteed to each family.

Because of their cost implications, food stamps have become the most controversial social program in the country. Late last year, before participation exploded, President Ford proposed a hefty cut in food-stamp benefits. Because of its particular provisions, the proposal would have hit hardest at elderly families, a special group in our society with political support disproportionate to their numbers. The heavily Democratic Congress, in its first action, resoundingly rejected the President's recommendation.

But that was only the beginning of what looks like a long struggle. The President has gained strength since then. He has recently appointed a special Food Stamp Task Force, under the aegis of the Domestic Council, to come up quickly with legislative proposals to halt the growth of food stamps and, if possible, even reduce the program's size. Treasury Secretary William E. Simon recently attacked the program as "a haven for the chiselers and rip-off artists," while the Republican Congressional leadership singled out the program for criticism in their recently released Legislative Agenda, charging that it has "bypassed the real intent of Congress to provide help only for the needy."

Under today's food-stamp program, only a few families—those with incomes of less than $30 a month—receive their stamps free. The rest pay something for stamps that can be exchanged for a larger amount's worth of food. A family that has been declared eligible receives a special card that it takes to a bank or post office in order to buy stamps.

A family of four with income at the top of the basic food-stamp eligibility scale of $6,480 a year pays $1,656 for its $1,944 "allotment" of stamps, for a "bonus" of $288, or $24 a month. As income declines, a family pays less and receives a higher bonus. A family earning $3,000 annually would pay $852 to purchase its $1,944 worth of stamps, for a bonus of $1,092.

Federal programs to feed the poor began in the nineteen-thirties and usually involved the distribution of farm surpluses. In fact, the purpose of the first programs was to raise farm incomes more than it was to improve the nutrition of the poor. In 1961, President Kennedy, who had had a depressing close-up view of the surplus-foods program during the West Virginia primary, issued his first executive order, which established pilot food-stamps programs in West Virginia and six other states.

This pilot program was rather puny, providing, on the average, $64 in stamps monthly for a mother and three children, for which the family paid $34 out of an income of $70. But even this minimal program was strongly opposed by Congressional conservatives who felt the surplus-foods program better served the interests of farmers.

The inadequacies of this pilot program shocked Senator Robert Kennedy when he visited the Mississippi Delta in April of 1967. Kennedy happened upon a two-year old child, almost naked, sitting on the floor of a dank shack. The child was rubbing several grains of rice round and round on the floor. Despite five minutes of talking, caressing, tickling and poking, the Senator could evoke no response from the child. The child's mother said they were subsisting on rice and biscuits, adding that she had no money to buy food stamps.

When Kennedy left the shack, he said: "I've seen bad things in West Virginia, but I've never seen anything like this in the United States."

This visit initiated a sustained effort to make food stamps and hunger a national issue, but despite Kennedy's concern, it was not easy going at first. Conservatives in Congress threw up a stone wall against any major food stamp reform. Agriculture Secretary Orville Freeman was reluctant to engage in a fight with the powerful Southerners who controlled the agriculture committees, for fear of risking their support for basic farm programs. President Johnson was suspicious of anything connected with Kennedy, the more so when it implied criticism of his own antipoverty effort. Besides, he was bogged down in the Vietnam war and had little flexibility for further domestic spending.

It wasn't until the Nixon Administration took office that the food-stamp issue really began to move. In April of 1968, a Citizens Board of Inquiry into Hunger and Malnutrition had issued a report, "Hunger, U.S.A.," stating they had found "chronic hunger and malnutrition" in every part of the country, estimating that 10 million Americans were suffering, and indicting the Agriculture Department and the food-stamp program for failing to alleviate the problem. A month later, CBS television broadcast a documentary, "Hunger in America," backing up the printed charges with film of an emaciated infant dying of malnutrition in a hospital ward.

This publicity barrage outraged House Agriculture Committee Chairman Bob Poage, a conservative Texas Democrat approaching his seventies. He wrote public-health officers all over the country, demanding to know if they were seeing hunger and malnutrition. The chairman of the House Appropriations Subcommittee on Agriculture, Jamie Whitten, a Mississippi Democrat, sent F.B.I. agents to interview everyone connected with the two hunger reports in hopes of finding fraud.

But two days after the Nixon Administration took office in 1969, the dispute was settled, at least on a scientific basis. Dr. Arnold Schaefer, director of the Department of Health, Education, and Welfare's National Nutrition Survey, took the stand before the newly created Senate Select Committee on Nutrition and Human Needs, chaired by George McGovern, testifying that the survey had uncovered "malnutrition comparable to that found in less developed countries," and that malnutrition had caused some children to lag six months to two-and-a-half years behind normal growth.

Southerners and conservatives in Congress continued to resist the antihunger campaign, though, until one of their own, Senator Ernest "Fritz" Hollings, the handsome and eloquent Democrat from South Carolina, also sat down before McGovern and, in a moving *mea culpa*, admitted: "There is hunger in South Carolina." In large part, it was Hollings' owning up to hunger at home and wanting to do something about it that would enable food stamps to succeed in Congress after FAP had failed.

Secretary of Agriculture Clifford Hardin, meanwhile, had been pushing for a Nixon initiative on food stamps. He had run into competition from Presidential Counselor Daniel Patrick Moynihan and H.E.W. Secretary Robert Finch, who were promoting FAP. President Nixon had decided he couldn't handle both ideas within his new budget, so he opted for FAP. But Hardin was invited to testify on May 6 by McGovern, who was in receipt of the Secretary's own far-reaching plan for food-stamp reform. The day before he was scheduled to appear, Hardin made a last ditch, personal plea to Nixon. Nixon changed his mind, giving Hardin the go ahead, and the next day delivered a speech calling for a greatly expanded and reformed food-stamp program. In the back of his mind, though, the President expected food stamps to phase into FAP down the road.

Following the White House Conference on Food, Nutrition and Health in December of 1969, the President announced new national eligibility guidelines and new purchase-price and allotment schedules for food stamps. In January of 1971, Congress passed a number of food-stamp amendments sponsored for the most part by McGovern, ratifying the President's actions and specifying in the preamble to the act that every food-stamp recipient was entitled to a "nutritionally adequate diet." This was a significant change from the previous preamble, which said only that food stamps should "more nearly" assist families to obtain an adequate diet.

It was during and after this time, a period when FAP had become the focus of intense debate, that the food-stamp program began to take root and grow. By the end of 1970, four million persons were on the program's rolls. A year later, that figure had more than doubled. In the next two years, participation rose to 11 million, then 12 million.

A major breakthrough took place in 1973, during a Senate-House Conference Committee on farm legislation to which a few food-program amendments had been attached. Among the food amendments was a Senate proposal to update food-stamp benefits semi-annually, commensurate with rising food prices, and to require the surplus-food distribution program, still feeding three million persons, to provide a nutritionally adequate diet.

The conferees readily agreed to the first amendment. But when they came to the second, Poage, head of the House side, began sputtering. "Hold on, now," he said. "We have a food-stamp amendment to do that very thing. I just don't see why we need two of these programs. We ought to have one or the other, but not both." Whereupon somebody explained that the only way to do that would be to make the food-stamp program mandatory nationwide, replacing surplus foods altogether. To the surprise of all, Poage, arch-opponent of feeding the poor, replied: "Well, then why don't we just do that?" It is of such accidents of fate that great social legislation is made.

By itself, the "Poage amendment" raised food-stamp participation to 15 million persons between the fall of 1973 and 1974. Switching Puerto Rico from surplus foods to food stamps added 1.9 million persons—about 80 per cent of the island's population. Food stamps are now worth more to Puerto Rico than all other Federal benefits combined.

In addition to all the other legislative changes since 1969, Poage's move set the stage for the food-stamp boom that began last November: the influx of the five million, mostly nonwelfare, working families. This group, including some with incomes well above what is ordinarily considered the poverty level, is fueling controversy over the program, for it is blurring the line between food stamps as guaranteed food income for the poor, and food stamps as an income supplement for hard-pressed working families.

The ability of the program to cross the line from an investment in better nutrition to an income supplement is the result of its unique design. "The whole driving force in the food-stamp program," says Paul O'Neill, deputy director of O.M.B., "is the existing law and regulations that specify entitlement."

What O'Neill means is that unlike any other current public assistance program, there is no arbitrary upper limit on income eligibility for food stamps. To calculate the amount of food stamps a family may receive, the Agriculture Department begins by figuring out how much money it will take a family to purchase enough food to permit it to follow a special "economy" diet plan. The department then uses this "allotment" figure to establish the level of income at which a family becomes eligible to receive food stamps. The allotment figure, the department believes, should not exceed 30 per cent of a family's income, since the family needs the other basic per cent to cover other basic needs such as housing, utilities, clothes, medical and transportation expenses. A family becomes eligible for food stamps when it can show an income so low that the allotment level exceeds 30 per cent of it.

The purchase price—the actual amount a family will have to pay for its allotment of food stamps—varies according to income and family size. The average purchase price is 24 per cent of the family's income.

For many years, the basic eligibility level approximated the official poverty line, but as food prices rose sharply, so did the food-stamp allotment level, reflecting the automatic escalator in the law and the current cost of a minimally adequate diet. The allotment level is now $162 a month for a family of four, an amount that establishes the eligibility figure at $6,480, substantially above the latest official poverty line of about $5,000.

Actual gross incomes of some families using food stamps, however, may well exceed that basic $6,480 figure, because of a complicated series of deductions, not unlike the system of itemized deductions people may use in calculating their income for tax purposes. These deductions from gross income include state and Federal taxes, Social Security payments and union dues, medical fees over $10 a month, tuition and mandatory education expenses, alimony, child-support and unusual expenses associated with disasters, and any housing cost exceeding 30 per cent of the family's income *after* it has been reduced by other deductions. A family with more than $1,500 in assets cannot qualify for food stamps (the limit is $3,000 for a family with an extra older person) but the applicant does not have to include the value of a house and lot, a car used for work and household and personal belongings.

The theoretical implications of this income-eligibility system are a favorite subject of food-stamp critics. Last May, for example, Senator Herman Talmadge, chairman of the Senate Agriculture and Forestry Committee, found that his morning edition of The Atlanta Constitution featured a front-page photo of food stamps and an open letter beginning:

"Dear Sen. Talmadge: I just wanted to let you know how your Food Stamp program is coming along and to thank you for trying to help me and my family. I went down to the welfare office the other day and asked to sign up. I told the welfare lady I had a gross income of more than $400 a week, a $40,000 house, a three-acre lot, two late-model automobiles, and a wife and three children, one of whom will soon be going off to college. She asked me if I owned a boat or an airplane; I told her no because I didn't think anybody who owned a boat or an airplane could qualify for food stamps. She said that wasn't true. A lot of people who own boats and even a few who have airplanes can get food stamps. Anyway, we figured out all my deductions: Taxes, loan payments, work-related travel expenses, doctor bills, etc. And she said I could qualify for $180 worth of food stamps each month at a cost of $140." The open letter was signed by Bill Shipp, executive city editor.

While this ploy hit its mark—Talmadge now says of stamps: "People who need it, aren't getting it. Those who don't need it, are"—it was also misleading. On Shipp's income, $20,000 a year, he would need monthly deductions of more than $1,100 to bring his gross income down far enough to qualify. Under the assets rule, his second late-model car should have knocked him out immediately. And the caseworker who said that loan payments are deductible, while boats and airplanes don't count, should go back and read the rules. (If Bill Shipp had been serious and taken the stamps under false pretenses, he would have been liable for a $5,000 fine or five years in jail.)

A more reasonable example would be a four-person family with an after-tax income of $7,200 a year or $700 a month, well over the eligibility ceiling of $6,480 a year or $540 a month. On a monthly basis, this family might be permitted to deduct $20 in medical expenses and, since the wife works part-time, $100 in child-care expenses. This would reduce their net monthly income to $580. Then, under the "shelter allowance" provision of the law, the family could deduct any amount of housing costs that exceeded $174 or 30 per cent of $580. Since their rent, utility and telephone expenses were $250, they could take a shelter allowance deduction of $76, for a final net income of $504. At that level, under the purchase-price formulas, they would be entitled to purchase their $162 monthly allotment of food stamps for $130, for a benefit of $32.

Nevertheless, there is an element of truth to Bill Shipp's complaint. Some relatively high-income families are able to use food stamps because of the deductions. Though these families may be few in number out of the millions in the program, exceptions always tend to draw more attention than the rule. Concern about this abuse, combined with general dissatisfaction with the administration of the program—a complex, six-page application form and thousands of people waiting in long lines—led the Senate Agriculture Committee to request a comprehensive report from the Agriculture Department, focusing on recommendations to streamline program management and screen out high-income abuse.

The department's report, issued on July 1, debunked the theory that large numbers of high-income people are using food stamps. The report stated that "participants tend to be the poorest of the poor. Highest rates of participation are shown by the extremely needy whose annual cash income was less than $3,000. For example, in four-member households participation in the $2,500–$3,500 income range amounts to approximately 65 per cent of the U.S. total, and the participation rate drops steadily to 2 per cent in the $9,000–$10,000 range." The report showed that 77 per cent of the families using food stamps had incomes of less than $5,000 after taxes and before using the deductions. These figures are supported by an earlier study, "Food Stamps and Nutrition," published by the conservative American Enterprise Institute, that found 66.8 per cent of food-stamp families concentrated in the $1,000–$3,000 range.

The department's report also reconfirmed the fact that the food-stamp program is remarkably free of fraud. In the first nine months of 1974, 355 persons were found guilty of fraud totaling $322,625. Administrative errors—honest mistakes either by caseworkers or applicants in filling out the forms—resulted in excess bonus coupons worth about $3.8 million being issued to 17,480 persons during fiscal 1974. Subsequent studies have shown that as the program has grown, the percentage of honest errors has grown, but this is more a problem of quality control than fraud per se.

The report also showed, however, that 13 per cent, about 2.6 million, of all food-stamp users came from households with incomes of $7,000 or more a year. In addition, the data indicated that at every family size, the higher the income, the higher the average deductions tended to be. Families of four with net income at the maximum level claimed about $2,400 in deductions annually, giving them gross incomes of $8,880.

As the department copes with critics worried about the program's growth, however, it also has to cope with those who are pushing to expand it even more. Several years ago, a New York antipoverty legal service program called Food Research and Action Center brought suit against Agriculture Secretary Earl Butz for failing to fulfill the legal requirement that the food-stamp allotment provide "a nutritionally adequate diet." The Agriculture Department annually issues three recommended diet plans—low-cost, moderate and liberal—and devises the special economy plan upon which the food-stamp allotment is based. The liberal plan, for wealthy families, allows for the very best cuts of meat, fresh fruits and vegetables year-round, and assumes plenty of waste as well. The moderate plan, for comfortable middle-class families, approximates the liberal plan in variety but on less than a gourmet standard. The low-cost plan, aimed at working families who need to stretch their budgets, calls for larger amounts of bread and cereals, and substitutes hamburger for steak. The economy plan, estimated to cost 20 per cent to 25 per cent less than the low-cost, is heavier yet in bread and cereals, allowing the minimum in protein and absolutely no waste. The Agriculture Department's own nutritionists have warned that the economy plan should be used only on an "emergency basis," and that over an extended period of time, only one out of every 10 families could be adequately nourished using it.

There is, of course, no requirement that food-stamp users buy particular kinds of foods. There are frequent but undocumented charges that people using food stamps waste them on soft drinks and potato chips, leading to occasional legislative attempts to mandate that the stamps be used only for nutritious foods. The Agriculture Department is in the process of letting a multimillion dollar contract to study what food-stamp users do buy and whether they are ending up with an adequate diet.

While the Department is studying, however, the U.S. Court of Appeals, District of Columbia, has already acted. On June 12, in the FRAC suit, it found against the Secretary, stating that the economy plan failed to provide millions of food-stamp families with the legally prescribed opportunity to purchase a nutritionally adequate diet. The court ordered him to issue a more adequate allotment schedule. "For a family that needs a loaf of bread," the court said, "the offer of a slice is poor comfort."

The ramifications of this decision could be enormous. If, for example, the low-cost plan were substituted for the economy, the food-stamp allotment could shoot up to $190 a month, raising the basic eligibility limit to $7,500 and annual program costs to $7.5-billion. The decision has sharpened the fundamental questions about the food-stamp program, causing both the Administration and the Congress to search hard for possible answers.

McGovern is leading the search for the Democrats and liberals in Congress. He has introduced legislation to simplify the food-stamp application process, and he also proposed, in response to inflation and recession, to raise the food-stamp allotment level by 10 percent while dropping the maximum purchase price to no more than 25 per cent.

In a curious political alliance, Bob Dole, the conservative Kansas Republican, picked up the simplified application amendment and led a successful fight for it through the Senate Agriculture Committee and on the Senate floor. The amendment ran into heavy opposition in the House Agriculture Committee, where members feared abuse, especially by college students, and limited its use only to areas where food-stamp officials specifically requested the new authority.

Tom Foley, chairman of the House committee and a middle-of-the-road Democrat from the state of Washington, is moving very cautiously on the food-stamp issue, sensing it could be dynamite. John Kramer, a special counsel to Foley, predicts: "On any expansive issue, the committee will be tough. The committee will be for more benefits for the needy, but they want to make sure it is for the needy."

This is the avowed purpose, and more, of Congressional conservatives, led by Republicans Bob Michel of Illinois and James Buckley of New York, who have launched a serious effort, not just to focus benefits on the needy, but to alter the fundamental character of the food-stamp program as an income supplement to low-income working families. Introducing the National Food Stamp Reform Act, Senator Buckley said: "Shocking Federal regulations have turned a worthy and humane food-stamp program into an administrative nightmare and a public rip-off. They contain more loopholes than a moth-eaten fishnet. Able-bodied persons who do not wish to work can get food stamps. Persons who quit their jobs without good reason can get food stamps. Minor children can get food stamps without parental consent or control. The owner of jewelry, furs and luxury appliances can get food stamps. There is literally no limit to the ways the taxpaying public can be exploited through the food-stamp program."

The Michel-Buckley bill, drafted for them by David Swoap, a former director of welfare for Ronald Reagan, would fix the maximum allowable income for food stamps at the $5,000 poverty line. It would permit no deductions, except $25 per month for an elderly person, to bring a higher gross income down to that limit. It would count the value of other assistance programs, such as housing or school lunches, as part of a family's income. In addition, the value of a house over $25,000, a car over $1,200 and the cash value of a life-insurance policy would be included in the definition of assets. College students and striking workers, for the most part, would be barred from the program. For those remaining, the allotment level would be raised from economy diet to low-cost diet.

Swoap estimates that this bill would reduce food-stamp participation by at least 31 percent, to between 13 million and 14 million persons. It is drawing a lot of attention because it goes to the heart of the question of whether food stamps should be permitted to continue serving as a substitute for a guaranteed-minimum-income program.

This is the question facing the man in charge of the President's Food Stamp Task Force, Jack Veneman, a moderate California Republican who formerly served as a top aide to Robert Finch at H.E.W. during FAP's finest—and worst—hours. He personally believes that any changes in the food-stamp program should be consistent with any future guaranteed-income plan that would continue to provide assistance to low-income working families. But Veneman is walking a political tightrope. The Michel-Buckley bill, with its sharp and rigid eligibility cutoff, violates this concept, but it represents the thinking of the Reagan wing of the Republican party, which the President is courting to insure his nomination.

Nevertheless, Veneman is considering an innovation that could transform food stamps into even more of an income-supplement program—a partial cash-out. Under this proposal, a family would simply receive its bonus allotment in stamps, retaining its purchase-price money for additional food or anything else it saw fit. It is estimated that such a change would encourage millions of families, who prefer now to hold onto all their cash, to accept the stamps. It would also, of course, diminish the impact of the program as an antihunger tool, though Veneman doesn't see that as a serious consideration where working families are concerned. "The time has come to be honest." he says. "For people to think that food stamps have a nutritional impact for families above $5,000—it is not true."

Proponents of major reform of the nation's welfare system are watching this developing debate with both interest and concern. They admire the way food stamps have stepped in to fill the gap left by FAP as a supplement to low-income working families. But they are concerned that as food stamps grow and become institutionalized, along with other assistance programs such as housing supplements and health insurance, they will become an inseparable bar to more reform and a guaranteed income.

"If you don't reform the welfare system now," says William Morrill, H.E.W. Assistant Secretary for Planning and Evaluation, "time is not on your side. Pretty soon we'll find we can't afford to reform because it will disadvantage too many people. Take food stamps. We are making income transfers to people at some very high levels. As Charley Schultze [budget office director under President Johnson] says, 'If you think taking something away from the poor is hard, try taking it away from the middle class.' "

Richard Nathan, who headed the Nixon FAP Task Force and is currently a senior fellow at the Brookings Institution in Washington, takes a less gloomy view. "The whole business of the 'welfare mess' is overstated," he says, with refreshing candor, since he was a leading overstater a few years back. "With food stamps, Supplemental Security Income and Aid to Families with Dependent Children, we do have a logical set of welfare programs." An effective guaranteed income plan, he believes, would have to cost at least $16-million over current welfare spending. Without investing that much, he says, you can't have an adequate basic-payment level for the poor or decent supplements for working families.

This additional cost can be covered only by additional revenues from a growing economy, tax reform or a combination of both. The last major political figure, McGovern, to propose a sweeping guaranteed-income plan, combined with tax reform to finance it, was hooted off stage. Financially and philosophically, such a plan still seems to represent a giant step for our society. It may not be a step we will be prepared to take for years to come.

If that is the case, then we must make do with the next best thing. That appears to be food stamps. As an antihunger aid for the poor and an income-supplement for working families, food stamps are fulfilling an important function in America today.

THE UNITED NATIONS

Mr. GARN. Mr. President, today's news reports indicate that the United States has caused some consternation in the United Nations, and that some of the so-called Third World nations are up in arms over statements made by the representatives of the United States to that body.

Briefly recapitulating the action, Mr. Idi Amin, President of Uganda, addressed the U.N. last week, calling for the extinction of the State of Israel, and making similar intemperate remarks. An American journalist referred to Mr. Amin as a "racist murderer," and Daniel Patrick Moynihan, U.S. Ambassador to the U.N., subsequently quoted the journalist in a manner indicating substantial agreement with his appraisal.

Mr. Moynihan's remarks provoked some heated comments in the General Assembly, to which Mr. Clarence Mitchell, our delegate, replied in terms making clear the similarity between Idi Amin and Adolph Hilter. And there it stands.

When newsmen informed Mr. Moynihan that his remarks had provoked protests in the U.N., he asked how the American people felt about it.

Mr. President, this American person likes it just fine.

For too long we have indulged the United Nations, allowing dictators the world over to criticize the democratic processes of the United States. And we have even paid for it.

The time has come to begin treating the members of the United Nations as grownup, responsible states, capable of recognizing their own shortcomings and cleaning their own houses. Before Mr. Moynihan was appointed, he indicated that he would proceed in this direction, and I am happy to see that he is living up to expectations. He and Mr. Mitchell have my entire support in this matter.

POLLSTERS REPORT OF FOREIGN POLICY

Mr. SPARKMAN. Mr. President, on September 10, the Foreign Relations Committee inaugurated an important series of hearings in which we intend to clearly detail for the public foreign policy choices this Nation faces for the next decade.

Eight leading public opinion researchers discussed public perceptions of major foreign policy issues at the opening session.

The Foreign Relations Committee has received numerous requests for information concerning that hearing, particularly from Members of Congress.

The committee staff, with assistance from Dr. Joel Woldman, of the Library of Congress, Foreign Affairs Division, Congressional Research Service, has prepared a summary of the major points made by the pollsters.

I ask unanimous consent that the summary, plus excerpts from testimony submitted by the witnesses and the opening statements be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Public Opinion and U.S. Foreign Policy

OPENING STATEMENT BY SENATOR JOHN SPARKMAN

The Foreign Relations Committee today initiates a series of educational hearings on the broad range of challenges and choices likely to be encountered in American foreign policy during the remaining years of this decade and perhaps into the 1980's. To the best of our ability, the hearings will be conducted as a non-partisan and educational contribution to the nation's bicentennial observations.

As the nation approaches its third century and passes beyond the post-World War II and Vietnam eras, it seems both appropriate and necessary for the American people to re-examine our country's foreign policy goals while also reaffirming the traditional values of our constitutional democracy. More specifically, we expect to study such fundamental problems as national security, the interdependence of nations, the increasing problem of world resources, the public's perception of foreign policy, and the mechanics and procedures of foreign policy formation. We would hope in the course of this undertaking to discern something of the nations' concept of itself and of its proper role, obligations and aspirations in the world. The Committee hopes too, through these proceedings, to serve as both a forum and a catalyst—a forum for the study of foreign policy options and a catalyst for the encouragement of probing foreign policy discussions across the nation.

It is expected that these wide-ranging hearings will continue at the rate of 2 or 3 a month from today until the celebration next summer of the nation's bicentennial. We begin today with a study of popular perceptions of foreign policy, drawing for this purpose upon the expert knowledge of some of the nation's most distinguished analysts of public opinion. In the next scheduled hearing, on October 8, the Committee will receive testimony from Secretary of State Kissinger and Secretary of Defense Schlesinger on the broad theme of American goals and values in the world. Soon thereafter we will hear testimony by the Secretaries of the Treasury, Agriculture and Commerce on the problems relating to the supply of and access of global resources. In the next phase, probably in November and December, the Committee will receive testimony on these same themes from distinguished and knowledgeable individuals from outside of government.

The guiding principle in all of this will be the furtherance of dispassionate public discussion and national self-examination during the bicentennial period.

The hearing with which we begin today is perhaps unique in the sense that its purpose is to bring the thoughts of the American public to the knowledge of the Committee rather than the reverse. We are interested in public opinion as to foreign policy issues currently in the news, but we are even more interested in discerning the attitudes of the American people on the larger issues of our nation's goals and values. With this extraordinary assignment, we have convened today a panel of many of the nation's most distinguished public opinion analysts:

1. George Gallup, Jr. American Institute of Public Opinion

2. Louis Harris, Louis Harris & Associates

3. Albert E. Sindlinger, Sindlinger & Co.

4. Burns Roper, The Roper Organization

5. Mervin Field, Field Research Corp.

6. Daniel Yankelovich, Daniel Yankelovich, Inc.

7. Robert Coursen, Minneapolis Star-Tribune

2. William Watts, Potomac Associates

STATEMENT BY SENATOR CLIFFORD P. CASE

Nations as well as individuals can benefit by standing aside from the rush of their current activities to examine where they have been and where they might be going.

Too often, our national policies have suffered from a lack of long-range planning and thought. All too often we seem to be carried away with the momentum of day-to-day problems.

Thus it is appropriate that we engage in some national introspection as our nation begins celebrating its 200th anniversary.

It is a fortunate coincidence that these series of hearings come while we are in somewhat of a transition stage in our foreign policy.

Our long involvement in Vietnam has ended. We are considering the next steps in the search for peace in the Middle East.

This is an appropriate time for the Senate Foreign Relations Committee to examine, hear and discuss divergent views on our long-range goals and policies.

For too long, going back to at least the early days of World War II, the formation of our foreign policy has been left largely in the hands of only one branch of government—the Executive.

But Congress has an important role in helping voters to make known their concerns and to guide the Executive Branch in its conduct of foreign policy.

A democracy such as ours cannot hope to successfully carry out for any length of time a foreign policy which does not have firm domestic roots.

With that in mind, I welcome the observations of our panel of public opinion experts.

SUMMARY OF TESTIMONY

Most of the panel of U.S. public opinion experts agreed that the dominant public attitude on foreign affairs was internationalist, rather than isolationist; Americans were not interested in a return to the "fortress America" isolationism of the 1930s. At the same time, there was a difference of opinion as to the exact nature of contemporary "internationalism". Daniel Yankelovich characterized it as "a mood of caution, pragmatism, skepticism, and selectivity." To William Watts, it was a "new internationalism" different from the anti-communist, collective security-oriented internationalism of the cold war, especially in its conviction that many of America's domestic problems cannot be resolved in splendid isolation, but only through cooperative action with others.

PUBLIC INTEREST

Burns Roper, unlike his colleagues, felt that the public was "almost oblivious to foreign problems and foreign issues, and is instead intensely preoccupied with things domestic". He cited as evidence for this conclusion the results of polls in which 54% cited "too much commitment to other nations in the world" as a cause of America's problems today, and demonstrated a low level of interest in international news events. He also interpreted certain public attitudes as the expression of a poor grasp of basic economics, especially of the concept of international interdependence. Roper voiced the hope that educational hearings, such as the present series, might be useful in informing the American people on a continuing basis as to the importance of international relations in terms of their everyday lives, and to make them aware of the concept of interdependence and "how vital it is to their well being".

NEW VIEWS

Nearly all the experts cited the experience of Vietnam and possibly the oil embargo international and Watergate domestically as the primary influences in shaping the new ways in which the American people view the national interest and the place of the United States in the world today.

As George Gallup, Jr. pointed out, American public opinion currently holds that "the public and Congress should have greater influence on U.S. foreign policy." A large majority of Americans favor approval by Congress before a President can again commit U.S. armed forces to military action; as many as one-third would also favor a requirement that such a decision be put to a national vote before final action. Moreover, about half the public (and a majority of young adults) have concluded that the use of force as an instrument of national policy should not only be re-examined, but discarded. They are disturbed at what Louis Harris calls "the old way of cementing foreign policy mainly with military power and the export of military weaponry".

STRONGER CONGRESSIONAL ROLE

As a result of both the Vietnam war and the centralization of power and decision-making revealed by the Watergate investigations, the public now apparently wishes the Congress to take a stronger part in overseeing the activities of the Executive Branch. According to Mervin Field, the positive impression which the open Watergate hearings had upon many citizens also has foreign affairs implications. The public may not attend or closely follow these hearings, but they feel more secure knowing their elected representatives in the Congress review the foreign affairs activities of the Executive; they want things to be open and have an abiding faith that some good will come from their process.

Although the Field Research Organization's California Poll is restricted to residents of that state, the views of Californians on the impact of public opinion on the making of foreign policy appear to be shared by substantial numbers of their fellow Americans Field indicated. A large majority of Californians (65%) believe the voters should have more say on foreign policy than they do now. They no longer consider foreign policy the exclusive province of the President and his State Department experts. Moreover, a majority (54%) feels that Congress, rather than the President, should have the strongest voice in foreign policy. Largely as a result of the Vietnam experience, the public is reappraising its earlier tendency to accept presidential initiatives without question. The requirement which the Executive itself imposed of Congressional approval for the involvement of U.S. technicians in the Sinai early warning system as a crucial element in the interim Israeli-Egyptian peace agreement probably is a clear recognition of the new public mood.

TRUST IN PRESIDENT

Similarly, Daniel Yankelovich found on the basis of national surveys carried out by his firm, that there had been some erosion in the virtually automatic public support for presidential initiatives in foreign affairs. Although many people will still back presidential foreign policy initiatives irrespective of their own reservations, uncritical trust in the president's judgment is gone. The assumption that in matters of foreign policy the president surely knows what he is doing and is surely pursuing the national interest has been deeply shaken. Yankelovich concludes that "in the future, patterns of public support on foreign policy are more likely to resemble those on domestic policy, where the majority does not always assume superior presidential knowledge, wisdom, and pursuit of the national interest."

GOING TO WAR

The American people would be extremely wary of involvement in another Vietnam-type guerrilla war. Harris found that large majorities (67% and above, depending on the specific question) opposed the commitment of American lives to the defense of corrupt governments in civil, internal conflicts abroad; a 3 to 1 majority viewed the Thieu regime in Saigon as such a government.

At the same time, this does not mean the American people would not fight another war if they felt it was necessary.

By 51–32%, Harris found that a majority still feel that "sometimes U.S. will have to back governments we don't like because a communist takeover would be worse", while an even more substantial 62–20% believe that "aggressors who would take over our smaller allies can be stopped by us." In the specific case of South Korea, Harris found that most Americans were willing to honor our treaty commitment" to defend that country in the event of an attack from North Korea, despite serious reservations about the lack of freedom in South Korea and the believed corruptness of its current leadership." The public would, however, draw the line at conventional arms, and appear unwilling to keep the commitment to South Korean defense with nuclear weaponry.

William Watts indicated, however, that recent surveys by his Potomac Associates and the Institute for International Social Research revealed that somewhat less than a majority (48%) favored defense by the U.S. of its major European allies in the event of a European attack, while a slightly smaller percentage (42%) supported a similar response to an attack on Japan by the Soviet Union or Communist China.

The United States should come to the defense of its major European allies with military force if any of them are attacked by Soviet Russia.

1972	Percent
Agree	52
Disagree	32
Don't know	16

1974	Percent
Agree	48
Disagree	34
Don't know	18

1975	Percent
Agree	48
Disagree	34
Don't know	18

The United States should come to the defense of Japan with military force if it is attacked by Soviet Russia or Communist China.

1972	Percent
Agree	43
Disagree	40
Don't know	17

1974	Percent
Agree	37
Disagree	42
Don't know	21

1975	Percent
Agree	42
Disagree	39
Don't know	19

Watts explains this change in attitudes by comparing data on the larger issue of internationalism vs. isolationism that was collected by the Institute for International Social Research in 1964 and 1968 with the results of similar polls conducted by his own group in 1972, 1974, and mid-1975. The following Potomac Associates table summarizes these findings.

INTERNATIONALIST/ISOLATIONIST TRENDS 1964–75[1]

	1964	1968	1972	1974	1975
Completely internationalist	30	25	13	7	8
Predominantly internationalist	35	34	41	35	37
Total internationalists	65	59	54	42	45
Mixed	27	32	33	35	35
Total isolationists	8	8	13	23	20
Predominantly isolationist	5	6	10	20	18
Completely isolationist	3	3	3	3	2

[1] The figures for 1964 and 1968 are derived from responses to 5 statements concerning the general posture the United States should assume in world affairs. The figures for 1972, 1974, and 1975 reflect responses to the same set of 5 statements, as well as 2 new statements regarding possible U.S. military intervention in defense of allies.

According to Louis Harris, "the old notion of achieving peace by simply building a network of so-called free world alliances which would stand firmly together to resist any and all forms of aggression, this central concept to emerge from World War II, is no longer the center piece of foreign policy, as most Americans see it."

Although 65% feel that the People's Republic of China is still an essentially hostile power and roughly the same number do not fully trust Soviet protestations of peace, a solid 2 to 1 majority now feels that a growing peace between this country and the communist superpowers is possible and attainable.

The easing of tensions between ourselves and the USSR and China is given a high priority by the American public. In the same vein, Robert Coursen of the Minnesota Poll quoted the results of a survey done after the Nixon trip to China which showed a majority believing that the United States had gained more from the visit than it had given up. A recent Roper survey conducted prior to U.S. lifting of the trade embargo indicates that more Americans would recognize Cuba than would continue to boycott her. Harris sees this kind of opinion trend as the reason why Secretary of State Kissinger receives continuing high marks for his efforts toward detente.

At the same time, a deep suspicion of Soviet motives persists among the public at large. Roper found a little over one-third saw detente as a two-way street, while just under a third felt Russia had gotten the better of the bargain. People favor cooperation with the Soviet Union, but believe that if we drop our guard even a little bit, the Russians are ready to "put one over on us". Yankelovich has characterized the public's attitude in this regard as "Detente, yes; damn fools, no."

CONSUMER CONFIDENCE

Albert Sindlinger, drawing on his studies of U.S. consumer confidence, saw a public attitude of "belligerent isolationism" resulting from domestic economic malaise. Reading the public mood as one of "complete mistrust" of big business, big labor, and big government, Sindlinger appeared to feel that the confidence of the consumer would not improve until the government took the necessary steps to manage an economic recovery. This would, in turn, have a beneficial impact on U.S. foreign policy and relations with other countries. Because of the dominant role of the U.S. economy in an interdependent global economy, the international situation of the United States would also improve, according to Sindlinger.

INTERDEPENDENCE

According to Gallup, Watts, Harris, and Yankelovich, however, the public is indeed aware of the economically interdependent relationship which the United States has with the rest of the world. Harris referred to data which he had gathered at the end of 1974 which showed the percentage of the public which grasped the concept of interdependence, and, specifically, of U.S. dependence on the rest of the world for gasoline and oil (94%), for markets and selling manufacturing products (85%), for raw materials for manufacturing (83%), for manufactured goods (74%), and for food supplies (85%). Conversely, the survey revealed that the public thinks that the rest of the world is even more dependent on the United States.

HUMANITY AND GENEROSITY

Along with the concept of interdependence, the American people express a sense of humanity and generosity in their attitude toward humanitarian assistance to needy foreign peoples. In addition to their dissatisfaction with military and economic assistance to corrupt authoritarian regimes, they are also willing to see us extend a much more helping hand to the rest of the world than we have done. Harris found that, by 68–23%, a significant majority has expressed their willingness to "cut out all unnecessary use of fertilizer at home, including uses of fertilizer to beautify our lawns, so that more fertilizer would be available to other countries to help improve their agricultural crops, and to avoid starvation." An even greater majority (74–23%) are willing to go without meat one day a week to send more food abroad to help nations with their food shortages. While 52–38% favor foreign economic aid in general (contrary to the prevailing view), support would rise to 79–13% if guarantees could be given that such aid would actually reach the people for whom it is intended.

PRIORITIES

Nevertheless, the 1974 survey by Potomac Associates did show growing support for isolationist, rather than internationalist positions over the past decade. When Americans were asked in 1964 to express their level of worry and concern about a broad range of domestic and international issues, the top five items all related to international affairs and defense. Ten years later, in 1974, the first international subject—keeping our military and defense forces strong—showed up seventeenth in a list of thirty. Issues such as energy self-sufficiency, coping with crime and drugs, and improving our educational system topped the list. Unlike the Harris survey, the Potomac Associates study indicated that Americans were also least prepared to spend more federal tax dollars for international purposes—defense, economic aid, the United Nations, military assistance, and maintaining U.S. foreign military bases.

THE COST OF BEING NO. 1

Recent survey research by Potomac Associates, as well as other opinion sampling, shows that "Americans no longer place the same weight they once did on being number one, presidential exhortations to the contrary notwithstanding." "According to William Watts," the overall price and frustration in Southeast Asia surely helped weaken support for this aim; preeminence, Americans concluded, wasn't worth that staggering cost. Nor do the American people evaluate threats from abroad as they did only a decade ago, as the following Potomac Associates table demonstrates:

CONCERN WITH INTERNATIONAL THREATS*

	Composite scores		Shift, 1964–74 (points)
	1964	1974	
The danger of war	90	66	−24
The threat of communism	86	69	−17
Keeping our military and defense forces strong	83	74	−9
Maintaining respect for the United States abroad	81	73	−8
Soviet Union	75	65	−10
Communist China	74	63	−11
Maintaining close relations with our allies	68	72	+4

*Based on a range from a minimum of zero to a maximum of 100. For a full explanation of this scoring, see Potomac Associates, "State of the Nation, 1974."

More recent surveys in 1975, however, revealed a modest, but potentially important reversal of the steady erosion of internationalist sentiment between 1964 and 1974. Over the past year, the movement has shifted slightly in the opposite direction. If this trend continues in future surveys, Watts felt that 1974 may be looked upon in the future as a turning point in American opinion:

SUMMARY

In summary, the witnesses indicated Americans now realize they can no longer be the world's policeman. Although conscious of continuing responsibilities, they no longer are willing to pay the price which maintenance of such a role demands. Defining the new role which the United States should play in the world in the coming decade will be the heart of both U.S. foreign policy and the national debate which will guide it.

EXCERPTS—GEORGE GALLUP, JR.

Thank you for the opportunity to report to you on the current state of public opinion regarding U.S. foreign policy.

The current hearings are most timely, because, as survey evidence indicates, the public remains confused about foreign policy, feels they are left in the dark on many key matters, and wants to play a greater role in structuring American foreign policy.

Survey evidence that Americans remain essentially internationalist in outlook is seen from the fact that:

1. We support U.S. participation in dealing with critical global problems such as hunger and over-population. We apparently feel it is our duty—as a rich and powerful nation—to help less fortunate peoples, even countries unfriendly to the U.S.

2. Americans support "international organization" for mutual cooperation. Few of us want to get out of the U.N. (only 11 percent in the latest survey), although most of us have reservations about the effectiveness of this world body and favor certain basic changes in the present structure. Paul Perry, President of the Gallup Organization, wrote this about the public's support for the U.N.: "The community of nations in a forum seems to most Americans to be far superior to the fighting arena. The public's long support of the U.N. is one of the strongest evidences we have that the people of the U.S. want an orderly world, are not aggressively-minded, are not aggressively nationalistic, and are therefore likely to favor a policy of patience and forbearance in international affairs".

3. Historically we have supported "summitry", although we are perhaps a litttle more skeptical today than we have been about the effectivenss of these high level meetings.

Currently the central focus of U.S. foreign policy is detente.

Specifically, what do the American people call for—what changes would they like to see made in U.S. foreign policy? Following are four proposals which are consistent with public opinion at this time:

1. *The American public and Congress should have greater influence on U.S. foreign policy.*

While a strong case can be made that public opinion historically has played an important role in terms of U.S. foreign policy, many Americans—particularly the better-educated segment—would like our leaders and politicians to pay still closer heed to public opinion.

Our surveys have shown the public in favor of limiting the war-making powers of the President, and giving Congress a greater say in determining foreign policy. For example, a 1973 survey found the public, by an overwhelming majority, in favor of congressional sanction of further military action in Southeast Asia.

Although a large majority of Americans favor approval by Congress before a President can commit U.S. armed forces to military action, six in 10 persons think Congress should not be required to obtain the approval of the people by means of a national vote.

Yet it is of interest that as many as one-third would favor such a procedure. Furthermore, among young adults, as many would favor as oppose a national referendum on going to war.

Leaders should, we believe, study public opinion assiduously. Certainly the public has a right to be heard, because it is the people who must do the paying and the dying. They have a right to be consulted about the ends sought, and a responsibility at the same time to form judgments as to the success or failure of the means employed to reach these ends.

But is public opinion a good guide to foreign policy? Ample evidence can be provided to show that the public has often been ahead of its leaders when decisions were being made about military involvement. For example, the public seemed to sense far ahead of our military leaders that it would be difficult to win the kind of war that was fought in Vietnam. Only a few months after the Bay of Tonkin incident in 1964, many citizens were predicting "another Korea".

2. *The use of force as a foundation of U.S. foreign policy should be re-examined.* About half the public—and in fact, a majority of young adults—have come to the belief that war is an outmoded way of settling differences between nations.

3. *The U.S. public asks for candor and openness from their political and military leaders on foreign policy matters.*

Both the Johnson and Nixon administrations suffered giant-sized credibility gaps on the conduct of the Vietnam war. Thus the Ford administration will likely be dealing with an increased level of skepticism on the part of the public regarding the conduct of foreign policy.

4. *The U.S. government should devote a great deal more effort and money to the propaganda war—the "war of ideas".*

Over the years the American people have consistently favored greater efforts to tell our side of the story around the world. Today, we appear to be losing badly in the "war of ideas". It could be maintained that the most important struggle in the remainder of this decade will be the struggle to win the minds of men and women throughout the world.

Yet in dealing with world problems we are often inclined to think only in terms of armed forces or in terms of money. Impressive efforts have, of course, been made by the Voice of America, but the outlay of money for such programs has been tiny compared to the amount spent, for example, on defense.

The American people are keenly aware that our image abroad is poor—in fact, survey evidence indicates that it is at perhaps the lowest point ever recorded. Our image has been badly sullied during the last decade. Factors responsible have been chiefly: (1) the Vietnam war, (2) race relations in the U.S., (3) crime and lawlessness, (4) assassinations, (5) Watergate, and (6) recent developments related to the CIA.

EXCERPTS—LOUIS HARRIS

Mr. Chairman, Members of the Foreign Relations Committee, we live in strange and different times in which the old ground rules are being torn up and when things in the future are never likely to be the same.

First, one of the prevailing myths must be put to rest. There is a popular notion that world affairs are a remote area of concern to a public that is largely apathetic about the subject. Yet, the evidence clearly shows that in the last three Presidential elections, the decisive element on the minds of the electorate has been foreign policy considerations.

But there are other and more routine ways in which foreign policy infringes on domestic politics and the American people are well aware of these. Majorities of the public recognize that U.S. foreign policy has a major impact on the following areas: Gasoline prices here at home, the value of the dollar abroad, food prices here and abroad, the adequacy of our supplies of raw materials for our domestic production, our rate of unemployment at home, and the interest rates on money. A substantial 76% feel that foreign policy decisions this government makes impact in a major way on how well our overall economy is faring. Three quarters or more of the people believe the U.S. is highly dependent on the rest of the world for our energy and other key resources and products. By nearly every measure, our surveys of public opinion can also put to bed another myth: that America has gone isolationist, wants to turn its back on the rest of the world, and give up on its international responsibilities. By 66–24%, the public rejects the notion that we ought to stay out of world affairs, scarcely changed from the 68–25% majority who felt that way at the end of World War II in 1947.

To the contrary, the public lays down quite clear and even urgent new ground rules and priorities which it would like to see this country follow in the creation and execution of its foreign policy. As I think will become abundantly clear, the American people are prepared to take giant strides toward international participation, well beyond what their leaders have asked. In foreign policy, as on most domestic issues, the problem is not one of a leadership trying to get a reluctant flock of followers to consent to necessary foreign policy measures, but rather one of a people deeply traumatized by the Vietnam experience, who have now become far more selective and articulate about what they are willing to see their government stand for.

The public in this country wants the kind of leadership which is committed to easing these tensions between ourselves and the communist superpowers. That is why Secretary of State Kissinger receives continuing high marks for his efforts from the people. Even at the point of his resignation from office, a remarkable 61% gave Richard Nixon high marks on his handling of relations with Russia and China.

Thus, it comes as no surprise that at the top of the list of priorities for American foreign policy in the judgment of the people themselves is "working for peace in the world." This is cited by 83% as being "very important." And by 60–37%, our government is given high marks in this area. Three areas of self-interest also rank high: defending our own country (the government is rated 71–24% positive here); securing adequate supplies of energy (the government gets a 58–38% negative rating); and protecting the jobs of American workers, important to 74% and rated negatively by 58–35%.

But the next four top priorities in foreign policy are highly significant: a substantial 67% feel it is very important for us to foster cooperation with other nations to solve such common problems as food, inflation, and energy; 64% give efforts to control world-wide inflation a high priority; 64% also say that achieving world-wide arms control is a high priority; and 61% cite combatting world hunger as a top national priority, an area in which our own people give us negative marks of 54–41%.

Much further down the list are such familiar objectives as containing communism, maintaining a balance of power among nations, strengthening the UN, protecting American business interests abroad, strengthening countries friendly to us, defending our allies' security, protecting weaker nations against aggression, and promoting development of capitalism abroad. One item that ranked low on the list is worth dwelling on: no more than 28% of the public gives a top priority to helping bring a democratic form of government to other nations. This does not mean that we do not welcome other countries finding freedom and enjoying democratic forms. But it does mean that our people do not believe that our mission should be to cast the rest of the world in the American image. We are by no means convinced that other peoples and other countries have to be a mirror of American democracy in order to find their ultimate salvation. This finding is important, for it means that as a people we are prepared to live with a kind of pluralism in the world.

Thus, a rather clear cut set of ground rules on foreign policy begin to emerge from the intensive and continuing studies of American public opinion we have conducted. Here are some of the parameters of consent that ought to be noted well:

By 60–25%, a majority endorse the idea of trading with communist nations.

By 58–20%, a substantial majority support the policy of "backing socialist governments that respect the basic political rights of their people."

By a narrower margin, a plurality of 41–32% feel our country is justified "to recognize democratic left-wing governments when they come to power."

And by a close 45–41%, a plurality also supports our "backing governments which believe in free enterprise but not in democracy."

The clear message from the American people on foreign policy is this. Recently, we asked a cross section of the public what made Americans great in the past and then what could make us great in the next 10 years. On foreign policy, we found that in the past, the public thought our ability to defend ourselves militarily was an important part of what made us great. But, in the future, the public lays far less stress on our military prowess. Instead, our ability to help negotiate peace between nations and our generosity in helping to solve the problems of survival for the world's peoples are given a much higher priority.

The keynote of the new and emerging American foreign policy as far as public opinion is concerned is a sense of humanity and a sense of generosity. Our people have come to believe that it is a mistake for us to back corrupt and repressive governments, no matter how beneficial the military advantages might be in such arrangements. They are also willing to see us extend a much more helping hand of humanitarian assistance to the rest of the world than has been our wont. It is significant that, by 64–14%, a thumping majority feels that this country is less respected in the world than it was 10 years ago. The central reasons for this, people believe, stem back to Watergate, our role in Vietnam, our interference in the internal affairs of other nations, and our lack of compassion for humanitarian objectives.

Leadership which has the courage to ask the public here in this country to make sacrifices to help the lot of people around the world, which believes that a sense of genuine morality should guide our foreign policy, which goes beyond the simple balance of power considerations in choosing our allies will find a responsive public out there. Of that I am sure. And I know no legacy of which we can be more proud as we enter our 200th year since our founding than that.

Excerpts—Albert E. Sindlinger

The opportunity to express myself before your committee on the very vital issue of America's future foreign policy from the consumers' point of view—is most valued. This will tie into the purpose of today's subject—*Public Perceptions Of Foreign Policy*.

As these hearings start—we are all in the midst of the first worldwide recession since the end of World War II—which by the way—was the only way we got out of The Great Depression.

With worldwide instant electronic communications, everyone knows about not only their own problems—but also everybody else's—at the same time.

As I measure the U.S. consumer daily—he/she is fully informed on more things than most uniformed people think, and I include Congress.

During the past 140 weeks—which is two years and seven months from January 11, 1973—which was the date for the greatest political-economic blunder in the then 197th year history of the United States—the U.S. consumers—the 147 million adults, 18 years and older who reside within the 67,212,000 households which we sample daily within the 48 contiguous states have moved from

Bewilderment;
To frustration;
To, anger and to confusion, and
To complete distrust.

Not only do they distrust business—they now distrust big-labor—big-government—and, now their own state and local governments are gaining on the distrust treatment.

The major cry I measure is—nobody seems to know what they are doing, and the consumers do not believe much of what he is being told by those who should know.

For the past thirty months over and over—I have privately warned members of Congress and government about our growing economic problems—some on this committee knows the concern I have been reporting.

Now that we are talking in public—this is to inform you that during the past eight weeks—all of our Consumer Confidence parameters are falling sharply again—the U.S. consumers are now shellshocked over rising prices—and are mad.

They have been mad before—but not this mad.

At this moment, we have complete consensus on one thing:

50% hope the economy will get better.
50% pray that it will.
That's 100%.

From where I view the economy—as long as the solution is to hope and pray—things will get a lot worse before they get better—and, I too—hope, we can contain the jobless numbers that are going to build up between now and year end.

Our foreign friends and former enemies are desperately looking to the United States—for us to get our economic mess cleared up—so we can pull them out of their economic mess.

The years 1974 and 1975 have represented a new ball game—one in which international affairs have been almost completely ignored by consumers because of totally debilitating effects of inflation. But, I would show how these inflationary fears are a major source of trouble in formulating a publicly approved foreign policy.

Today's hearings are on the subject of—Public Perceptions of Foreign Policy.

Through history—the number one perception of foreign policy—for the United States—and for the foreign policy of every other nation in the world—or for even every tribe—is MONEY and taxes on this money.

The roots for all wars are money or taxes—200 years ago it was a tax on tea.

History records that when a nation gets all messed up over the use and value of its money—where inflation takes over—or, when a nation can't work out its own economic mess—such a mess is solved temporarily with a war.

Unfortunately, the atomic bomb has ruled out war as a solution to economic problems—so for this one—we are just going to have to sit down and work it out—whether we like it or not.

Excerpts—Burns Roper

I regard myself as an internationalist and would like to think of people, not only in this country but in all countries, as being internationalists. Hence, it is with no personal pleasure that I report that the public is definitely not internationalist in its outlook and attitudes. The American public is preoccupied with domestic concerns, particularly domestic economic concerns. I avoid characterizing the American public as isolationist, for I don't believe their international thinking and concerns are deep enough or vivid enough to qualify as actively isolationist. Rather the public is almost oblivious to foreign problems and foreign issues, and is instead intensely preoccupied with things domestic.

Let me cite just a few of the many examples we have of this non-international, domestically focused orientation. When we asked a cross section of the adult U.S. public not quite a year ago what they regarded as the causes of America's problems today, 54% said "too much commitment to other nations in the world," making it the third most frequently named cause of the 12 items asked about. By contrast, only 5%—one-tenth as many—cited "too little interest in other nations in the world" as a cause of this nations problems, making it the least often named of the 12 items.

The public's greatest inconsistencies are probably shown in the area of foreign trade and multinationals. As an example, while a majority of people would discourage U.S. companies from operating abroad because of presumed job loss, a majority would favor overseas operations of U.S. companies in order to insure U.S. world trade leadership, even at the cost of a loss in U.S. jobs. Confusing? Inconsistent? Yes. But a vivid example of the public's lack of understanding of both the international scene and fundamental economics.

And while the public would encourage U.S. companies to operate abroad so as to maintain U.S. world trade leadership—even at a cost in jobs—a majority also feels that U.S. companies should pay full U.S. taxes in addition to foreign taxes rather than receive a U.S. tax credit for foreign taxes paid. Compete with foreign companies to maintain trade leadership, but make it difficult for that competition to be successful.

In May of this year we asked if people felt the CIA should conduct sabotage and encourage the overthrow of unfriendly governments in addition to espionage, or should limit its activities to intelligence gathering only. By a 3 to 1 margin the public said: intelligence gathering only. This may be a further indication of the public's international naivete and unconcern. However, I believe it is an expression of the public's basically moral outlook.

Now, if I may, Id like to turn to a concept rather than specific issues and problems. We have heard a good deal recently in intellectual, international circles about "interdependence," a concept I fully subscribe to. What is the public's understanding and acceptance of the concept of interdependence? Some, including one opinion researcher, have held the public is both aware and accepting of interdependence.

I would submit that the data I have cited suggests something less than a familiarity with and an acceptance of the concept of interdependence. Moreover, I would speculate that if we were to ask the public whether it feels the United States is "completely self-sufficient, nearly self-sufficient, somewhat dependent on other countries, largely dependent on other countries, or wholly dependent on other countries," a majority would say either completely self-sufficient, or nearly self-sufficient. And if we were to ask could the United States be self-sufficient, or nearly self-sufficient, the majority would be even larger.

Subconsciously, the average American thinks that Maxwell House makes coffee, not Brazil; bananas grow on trees and are sold in the A&P, not that they come from Central America. I don't mean that people don't know if made to stop and think. I mean they don't stop to think; they take for granted. In support of this speculation, I would remind you that, *when asked,* a majority of Americans think we could get along without serious problems if *all* oil imports were ended. If that is not an assumption of self-sufficiency then I don't know what is.

If I have sounded as though I am scornful of the American public, let me *forcefully* say I am not. Given reasonable information, I have the highest confidence in the basic judgment, the good sense, and the inherent decency of our nation's people. They have frequently been ahead of their leaders in their perceptions, values and judgments.

There are, however, *two* areas in which I believe the information, the knowledge of the American public is woefully inadequate. One is in the area of basic economics, the other is in the area of international affairs—and specifically interdependence.

I commend your commitee for holding this series of hearings. I would further suggest that this committee could perform an invaluable service if it would undertake to inform the American people, on a broad and continuing basis, as to the importance of international relations in terms of their everyday lives, to make them aware of the concept of interdependence and how vital it is to their well being, as well as that of the rest of the world. The American public is smart. It will make the right judgments if it has the facts.

EXCERPTS—MERVIN FIELD

Foreign policy has traditionally been considered the exclusive province of the President and his State Department experts. This is a completely outmoded view if the California public's opinions are any indicator of the national mood.

It is too early to tell yet, but the findings of public opinion strongly suggests that the public is reappraising its earlier tendency to accept without question any presidential initiatives in foreign policy. If so, Gerald Ford and his successors are likely to find that they have a much less free hand in world affairs than their predecessors were given.

Most Californians understand that the U.S. needs the support of other countries as much as they need ours. While there is a lot of sentimental attachment to George Washington's advice to avoid foreign entanglements, very few people today are willing to have the U.S. go it alone in true isolationist fashion.

Nevertheless, there is not much support for openhanded internationalism, either. Most Californians today take a very pragmatic view of foreign commitments. They are willing to support our goals and aims in the world struggle, but they are reluctant to share U.S. standards of living without any regard for political beliefs.

A majority of Californians believe that U.S. economic and military power ought to be used in any way necessary, short of war, to protect and preserve the high standard of living we have achieved.

Self-sufficiency in oil and other energy is a high priority objective with Californians. They feel it should be pursued even at the possible expense of a temporary lowering of U.S. living standards.

Republicans and Democrats are in close agreement on virtually all of these issues. Foreign policy is not a partisan issue in California.

THE FINDINGS

When The California Poll completed its survey of a scientifically selected sample of 1,006 California adults and tabulated their responses to a series of questions about foreign policy issues, the findings showed first of all a large majority think the public should have a greater voice in deciding foreign policy matters:

Between the Presidency and Congress, the California public feels the Congress should have more to say than the President:

The picture that emerges from the current survey is one of a public that is dissatisfied with the way American foreign policy has worked out (very few Californians believe either the President or Congress has done a "good job" of handling foreign affairs), and that it is disposed to make itself heard more clearly in the future. As an "instrument of the people", Congress is seen as needing more voice in foreign affairs, while presidential power to make foreign commitments would be downgraded if the public had its way.

QUESTIONS AND TABULATIONS OF DATA ON APPRAISAL OF PRESIDENT/CONGRESS ROLE AND PERFORMANCE ON FOREIGN AFFAIRS

[In percent]

	Total	Democrats	Republicans	Others
Do you feel that the voters of this country should have more say, less say, or about as much say as they do now, about foreign policy?				
More say	65	71	56	59
Less say	5	2	10	8
About same amount	25	22	31	13
No opinion	5	5	3	20
Who do you believe should have the strongest voice in foreign policy—the President, or Congress?				
President	28	20	42	16
Congress	54	63	44	48
Both equal	12	14	9	12
No opinion	6	4	5	24
In respect to handling foreign affairs, do you think that President Ford is doing a good job, a fair job, or a poor job?				
Good job	23	17	35	13
Fair job	48	53	42	34
Poor job	23	26	17	26
No opinion	7	4	7	27
Do you feel that Congress is doing a good job, a fair job, or a poor job of handling foreign affairs?				
Good job	12	15	8	6
Fair job	44	48	40	39
Poor job	33	27	43	30
No opinion	11	10	10	25

Note: Figures may not add to 100 percent due to rounding.

EXCERPTS—DANIEL YANKELOVICH

In my statement I would like to call attention to three changes in the outlook of the American public that may have far reaching consequences for the conduct of American foreign policy. These are changes that have gradually taken shape over the past year or two, contrasting sharply with public attitudes that prevailed in the 1950's and 1960's.

We have found some erosion in the virtually automatic public support for presidential initiatives in foreign affairs. In the past, large majorities of the public swung behind the president whenever he committed the country in a foreign policy action—whether or not people agreed with the action.

Our interpretation of public opinion surveys is that the public has most decidedly *not* grown isolationist; it has, however, grown more cautious and more insistent that our foreign involvements be judged by more stringent criteria of how they meet (or fail to meet) American interests. The public is preoccupied with the problems of the domestic economy.

While Americans are much less ready than in the past to support certain types of foreign involvement, the current mood of caution, pragmatism, skepticism, and selectivity is far from isolationist. More than 7 out of 10 Americans believe that we need foreign trade for our own economic well being, and that we need friends and allies for our military security.

A cold war mentality no longer dominates the public outlook. Fewer than three out of ten people reject close cooperation with the Soviet Union and the People's Republic of China. A majority are willing to see us recognize Communist Cuba. But at the same time, one should not underestimate the depth of skepticism and suspicion of Soviet motives that exist among the public at large. People favor cooperation with the Soviet Union in the interests of securing world peace, but the public believes that if we drop our guard even a little bit, the Soviet Union is all too ready to "put one over on us." The public's slogan might well be: "Détente, yes; damn fools, no."

In brief, then, the current American mood is mistrustful—even of the president and the Congress; preoccupied with our domestic needs, the scarcity of resources to meet them and wary of any foreign policy moves that drain off resources; fundamentally accepting of interdependence in the sense of recognizing the need for friends, allies and trading partners; and provisionally ready to cooperate with the communists—but fearful that we will wind up on the short end of the bargain.

EXCERPTS—ROBERT COURSEN

One of the important questions before the country is exactly what role the American people should have relative to United States foreign policy.

Back in March 1963, the Minnesota Poll found almost unanimous acceptance of this statement: "In order to have an effective foreign policy, the United States must have the general confidence and backing of its people." Ninety five percent of the Minnesotans we interviewed in March 1963 said they agreed with that statement. Only four percent disagreed and one percent were undecided.

I think we still would have near total consensus on that question today. Our government cannot carry out foreign affairs without the general support of the people. The proposition carries the implication that the people should be well informed and that their opinions be taken into account by the policy makers.

I believe these signs of growing disenchantment with the U.N. reflect the feelings of the Nation as a whole, as well as of Minnesotans. Our experience is that regional opinion consistently parallels the national mood on a variety of different issues. The exception to the rule comes if there is some ingredient about the issue that would affect the regional population in a special way.

One of the most dramatic examples of change in public opinion is found in how people reacted to the Vietnam war. In 1965 nearly eight out of 10 Minnesotans held to the belief that the United States was taking part in a worthwhile cause in Vietnam.

But what if the Vietnam war had ended in 1965? Suppose that North Vietnam had been turned back and that South Vietnam was established as a viable nation. We know for a certainty that people would have said United States involvement was worthwhile because they already told us that in 1965. They probably would have praised the saving of Vietnamese from oppression and felt that the victory demonstrated that Communists cannot muscle in wherever they want to. The opinion that the United States should mind its own business would have been just a trace on our opinion meters. It was only by living through a frustrating decade of war that so many people drew the conclusion that we should mind our own business.

In Summary, these are some points that seem to emerge from our experience:

1. The public opinion poll is an invaluable source for historical records. Unless there is some factor at work, the regional poll provides good clues on how Americans generally react to foreign policy issues.

2. People's opinions can change markedly over time, as was the case for reactions to the United Nations, to having the People's Republic of China join the United Nations, and to the Vietnam war.

3. Our Vietnam experience indicates that some lessons have to be learned the hard way.

4. Looking to the future may be a means of achieving consensus on present foreign policy.

5. Almost unanimously, the people think they themselves are an important part of an effective foreign policy. People-to-people contacts have been a good means of increasing citizen awareness. Writing letters is fine for those who like that medium. But a more dynamic mechanism of involvement is needed to insure that Americans learn about foreign affairs and have some role in the policy formation process.

EXCERPTS—WILLIAM WATTS

Over the past decade, according to joint findings of Potomac Associates and the Institute for International Social Research, we as a people have undergone a gradual, but truly profound change in our sense of priorities.

In 1964, when Americans were asked to express the level of their worry and concern about a broad range of domestic and international issues, the top five items all related to international affairs or defense: keeping our country out of war; combating world communism; keeping our military defense strong; controlling the use of nuclear weapons; and maintaining respect for the United States in other countries. Only in sixth place did a domestic problem surface: maintaining law and order.

By 1974 the first subject of an international or defense character—again, keeping our military and defense forces strong—showed up in seventeenth place in a list of thirty. (Vietnam was not included in the 1974 survey, since we were naive enough to think that this problem had been largely resolved.) Ahead of this item stood an array related to the economy, crime and corruption, the environment, and a variety of other domestic social issues.

This vast turnabout found further reflection, our studies show, in the relative willingness of Americans to spend federal tax dollars to cope with various domestic and international problems. Once again the emphasis was strongly on items here at home. At the top of the list in 1974 was developing greater self-sufficiency in energy supplies, followed by such things as dealing with crime and drugs, improving the educational system, coping with environmental degradation, and (well down the list) helping the disadvantaged—the poor, the unemployed, and black Americans.

What were those areas to which we were least prepared to devote more dollars? Total spending for defense and military purposes. Economic aid and loans to less developed countries. Contributing to the work of the United Nations. Maintaining U.S. military bases throughout the world. Providing military aid to some of our allies. In a ranking of 23 major national issues, these numbered nineteen, twenty, twenty-one, twenty-two, and twenty-three.

By now, in the public's mind, foreign assistance of all kinds loses badly in the competition with domestic programs for our tax dollars. The nearly automatic willingness of Americans to support such foreign aid efforts as the enormously successful Marshall Plan in the aftermath of World War II has dissipated in the face of the far more complex and subtle issues of 1975 and beyond. As Miriam Camps has written, many Americans seem to be asking "Why should the poor in the rich nations help the rich in the poor nations?"

Over the past year, as our August 1975 data illustrate, there has been a modest but nonetheless significant reversal in several of these earlier trends. Our new findings suggest a slight shift back toward a more internationalist, less isolationist point of view.

Clearly, there has been a change of national focus. Central to this change is the dramatically shifted context here at home. Many of the issues now paramount in our thinking were felt but dimly a decade and more ago—particularly such areas as the environment, energy, and even drugs and crime. The economy and economic security, while always a concern for many, have now become a source of almost universal concern.

Beyond that, our perception of the world has changed. The international arena no longer appears to hold the same threats of the cold war years. The world, furthermore, is more recalcitrant to American will and power. We don't seem as able to get our way anymore in dealing with foreign issues; if we must cope with demons, they might as well be our own.

Yet, it would be irresponsible to conclude from all this that we are in the midst of a retreat into "Fortress America." The American people still accept the fact that we have a major role to play in this world. They want security, but at a reasonable price, and most certainly not at the expense of what they feel are extraneous and ultimately futile acts of intervention. Americans are telling their leaders, to paraphrase one of Mr. Kissinger's recent urgings, to worry less about being selectively reliable, and more about being reliably selective.

There is also, one can argue, a growing awareness that many of our domestic problems cannot be seen in isolation, that the best hope for their resolution lies in cooperative action with others. The noticeable shift over the past year we discussed in the preceding pages certainly could be explained by movement of public opinion in this direction, and suggests that the urgings of our leadership that we must strive for greater global interdependence have not fallen on deaf ears. (Support for "Project Independence" in energy makes clear, however, that there are limits beyond which we are not willing to go in leaving ourselves dependent on others.)

If the magnitude of the change ought not to be overdrawn, it remains impressive nonetheless. Should future soundings of the public mood confirm the hypothesis that 1974 was indeed a turning point, this new assessment of the international arena will be seen as a key symptom. Vietnam, Watergate, the immediate impact of the energy crisis, double-digit inflation—all of these, coupled with other emerging domestic pressures we noted, pushed isolationist and unilateralist sentiment to a high point. As some of these issues ease or fade into the background, we may now be gaining a new, more realistic perspective.

LOBBYING ACT OF 1975

Mr. PERCY. Mr. President, although we have taken notable strides in recent years to open up the processes of Government with the Freedom of Information and Privacy Acts and by opening more committee meetings to the public, the vast area of special interest lobbying remains hidden by a veil of secrecy. Under the 1946 lobbying law, many of the most active lobbyists avoid registration through technicalities, contacts other than those made directly with a Member of Congress are not covered, and enforcement has been weak at best.

The purpose of the Lobbying Act of 1975 and its predecessors is not to regulate lobbying, as lobbyists often perform extremely useful functions which serve the public interest. They are a source of expert information and detailed analysis, and provide an effective medium for representation. Moreover, competition among factions is not only healthy in a democratic society, but was envisioned by the Founding Fathers as an integral part of our form of Government. We seek only to bring this competition into the light of day.

The Lobbying Act of 1975 resolves many of the problems which were encountered with earlier drafts, including my own, and is an important step toward insuring full public disclosure of lobbying activities without imposing undue burdens on any of the participants. I am pleased to lend my support to the bill, and I am especially pleased to learn that Senators KENNEDY and STAFFORD and Senators MUSKIE and JAVITS, who are the principal sponsors of two of the earlier Senate lobbying bills, have also agreed to be cosponsors. I am confident that the Government Operations Committee, under the able leadership of Chairman RIBICOFF, will reach a consensus on a workable and effective lobbying disclosure bill.

THE CHILD NUTRITION VETO

Mr. McGOVERN. Mr. President, as the sponsor of the child nutrition bill, I was especially delighted when the Congress voted overwhelmingly yesterday to override the President's veto.

Today I was appalled to discover that the President apparently opposed the bill, because he believes that it includes a provision which it in fact does not.

According to a wire service report in this morning's Washington Post, Mr. Ford commented on the override:

> I honestly don't think that the taxpayers as a whole should subsidize free lunches for children of families that have $9,500 a year.

Mr. President, the bill provides no such free lunches. It provides no free lunches to any child from a family above the poverty level. It does provide a reduced-price—not a free, but a reduced-price—lunch for children from working families above the poverty level. Those children will pay 20 cents for that lunch.

Mr. President, I can only assume that a veto message was prepared in the Office of Management and Budget and the President signed it without understanding the contents of the bill. That is an incredibly irresponsible way to deal with the nutritional health of tens of millions of our children. I only hope that other Presidential vetoes, which Congress has sustained by narrow margins, are not based on a similar ignorance of the contents of the legislation. Constitutionally the President obviohsly has the right to disagree with the legislative branch. But at least when he vetoes something, he should veto what we passed, not what he mistakenly assumes we passed. At least he could read the bill before rejecting it.

Mr. President I ask unanimous consent that the article in this morning's Washington Post which reports both the President's erroneous conception and the correct provisions of the child nutrition bill be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HILL OVERRIDES FORD'S VETO OF NUTRITION BILL

(By Richard L. Lyons)

The House and Senate enacted on Tuesday a $2.75 billion child nutrition bill that President Ford vetoed four days earlier as too costly.

(It was the seventh time in the 14-month Ford presidency that the heavily Democratic Congress mustered the two-thirds vote needed to override a presidential veto.

(In all, Ford has vetoed 39 bills, 12 this year.

(In House, the tally was a lopsided 297 to 18 against the President a massive 120 votes more than two-thirds.

(In the Senate, the vote was 79 to 13, 17 more than two-thirds.

(In Knoxville, Tenn., Ford said the override: "I honestly don't think that the taxpayers as a whole should subsidize free lunches for children of families that have $9,500 a year.")

The issue dividing Congress and the President was Mr. Ford's contention that the bill would expand federal subsidies to aid families that don't need them.

The bill to extend the school lunch and other child and maternal nutrition programs would cost $2.7 billion this year, or $1.2 billion more than the President wanted.

In his veto message Mr. Ford was especially critical of a provision in the bill that authorized reduced-cost school lunches to children of families with incomes of up to $9,970 a year. This is 95 per cent above the poverty income level of $5,010 for a family of four. Present law cuts off families from lunch subsidies at an income level of $8,767, which is 75 per cent above the poverty line.

Rep. Carl Perkins (D-Ky.), urging a vote to override, said 25 million children ate subsidized school lunches this past school year. Forty per cent of them were from families below the poverty level, he said. The number of children and mothers taking part in other federally aided food programs, such as school breakfasts and day-care center meals, is much smaller but the percentage of them falling within the poverty category is much larger.

Rep. Albert H. Quie (R-Minn.), senior Republican on the House Education Committee, which handles the bill, also urged the House to override. He called the measure fiscally responsible, saying the bill's cost was only $216 million more than that needed to extend programs at existing levels.

This was Mr. Ford's 39th veto in 14 months of office. Democratic leaders said this made him the most veto-prone Republican President of the 20th century. Next on the list, they said, was Herbert Hoover, who vetoed 37 bills during a four-year term, half of it with a Democratic House.

Before yesterday's vote the Democratic Congress had overridden six of Mr. Ford's vetoes, which Democrats said is also a record for a Republican President in this century. But Democrats failed this year in attempts to override vetoes of five major bills dealing with jobs, housing, strip mining and farm and oil prices.

Among other things, the nutrition measure would make the government's school breakfast program permanent and more widespread; order schools to offer reduced price lunches to children from lower-middle-class families; authorize $1 million in nutritional education grants; fund meals for day-care centers and preschools, and more than double the funds for a program feeding poor pregnant women, new mothers and their infants.

Backers of the nutrition bill said Mr. Ford's assertion that the bill was $1.2 billion above his budget was not correct. They said the figure quoted by the President represented the estimated savings to the government under Mr. Ford's proposal to scrap all existing school lunch programs and replace them with a block grant approach aimed only at the most poverty-stricken Americans.

Mr. Ford's program was never introduced in Congress because he never found a sponsor for it. Congressmen said this was because the President's plan would have jeopardized the school lunch program.

BALANCED FEDERAL BUDGET SUPPORTED

Mr. FANNIN. Mr. President, people across this Nation are becoming acutely aware of the fact that excessive Federal spending is the single greatest cause of the terrible inflation we have experienced in recent years.

A grassroots campaign to bring about enactment of a constitutional amendment requiring a balanced Federal budget is underway. This effort began, I understand, in Georgia, and was initiated in Arizona this past summer by the Yuma Chamber of Commerce.

The latest to join in this movement is the Wickenburg Chamber of Commerce.

Mr. President, although I have sponsored or cosponsored such a resolution for quite a few years, the actions which are taking part in Arizona are spontaneous. I certainly am pleased that the people are becoming acquainted with the economic facts and are indicating their strong support for proposals such as Senate Joint Resolution 55 which would require a balanced Federal budget except in time of national emergency.

Mr. President, I ask unanimous consent that the news release put out by the Wickenburg Chamber of Commerce and their resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WICKENBURG CHAMBER OF COMMERCE SEEKS SPENDING LID ON FEDS

On 22 September, the Wickenburg Chamber of Commerce Board of Directors gave its unanimous support to a national effort to enact an amendment to the Constitution which would prohibit the U.S. Congress from spending more money that it takes in any fiscal year.

Known as the "Georgia Plan" and initiated in Arizona by the Yuma Chamber of Commerce, the resolution asks the Chambers to develop and distribute petitions soliciting local citizen support for the resolution.

Copies of the resolution and completed petitions will be sent to President Ford, Senators Paul Fannin and Barry Goldwater, and Representative Sam Steiger. Copies will go to the National Chamber of Commerce and Arizona Chambers to seek broad support for the Constitutional amendment.

Chamber president Gerald A. Diddy promised a vigorous campaign to tell national leadership that the people of this area want positive action to stop the inflationary affects of deficit spending and revive faith in our freedom and integrity as part of the Bicentennial celebration.

RESOLUTION

Whereas, There is currently a need in these United States to find a practical method for the Administration and Congress to stop spending more money than we take in by taxation, and

Whereas, Thirty-two states have solved this problem by enacting laws which make it mandatory to balance spending and income, and

Whereas, Maryland, Texas, North Dakota, and Virginia have approved resolutions calling for a Constitutional Convention to consider an amendment prohibiting deficit spending, and

Whereas, S.J. Resolution 93 introduced into the 94th Congress essentially proposes an amendment to the Constitution of the United States prohibiting aggregate expenditures of the Federal Government, to exceed the net amount of its revenue in any fiscal year, except in case of a declared national emergency, and

Whereas, The Wickenburg Chamber of Commerce is committed and dedicated to sound, fiscal budgeting by all government agencies,

Be it therefore resolved, That the Board of Directors hereby directs the President to appoint a Task Force of this Chamber of Commerce to gather petitions, encourage Arizona Chambers of Commerce and other business and other civic groups who might support this action and relay their findings to the President of the United States, to members of Congress, and to the President of the Chamber of Commerce of the United States, urging adoption and ratification at the earliest possible moment. The Board further recommends that appropriate steps be taken to encourage the Arizona State Legislature to adopt a resolution similar to that of the four states mentioned above.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by unanimous vote of the Board of Directors of the Wickenburg Chamber of Commerce on 22 September 1975.

Gerald Diddy,
President.

LAW OF THE SEAS NEGOTIATIONS

Mr. McGEE. Mr. President, as is all too often the case, some of the more historic endeavors of mankind receive little or no attention. This is true of the media and on the part of those of us in Congress responsible for making decisions which, in the long term, are vital to the protection of our national interests.

This is particularly true of negotiations associated with the Law of the Seas Conference. Therefore, it is especially significant that one of our colleagues has taken it upon himself to assure the issues associated with the Law of the Seas negotiations are carefully spelled out and that public attention is focused on the issue. I am referring to the efforts of my friend and colleague, the junior Senator from Alaska (Mr. Gravel). During hearings before the House International Relations Committee, Senator Gravel offered testimony which, in my estimation, is the most important contribution, thus far, to the discussion of the issues associated with the Law of the Seas Conference.

I want to take this opportunity to pay special tribute to Senator Gravel for his unflagging efforts on this issue and I would urge my colleagues to give very careful consideration to the substance of his remarks.

I ask unanimous consent that the text of Senator Gravel's testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

The Sleeper of the Century

(By Mike Gravel)

A great but quiet revolution is underway among the governments of the world. For the first time in history, nations are planning to cede real authority to an international institution. I am speaking of the Law of the Sea negotiations, which may extend international sovereignty to two-third's of the earth's surface. This may very well be a milestone in world history as important as the advent of feudalism and nationalism.

Throughout the history of manking, social and cultural change has followed on the heels of technological advancement. The advent of man's ability to use atomic and hydrogen bombs brought the people of this world face to face with the possibility that all human life could be destroyed. The awesomeness of this technological power has bred a fear that our social and political institutions may not be able to adapt rapidly enough to protect us from our scientific advancements. We have thus grown up in the "Atomic Age", living under the constant threat of "doomsday". We have grown up for the first time fully realizing the possibility that man may not survive on this planet.

How ironic it is, then, that in the midst of one of the most remarkable revolutions of all time—the coming of meaningful international cooperation—little real interest has been generated in this or any other nation. In fact, our media have all but ignored this remarkable event.

The Law of the Sea Conference, organized under the auspices of the United Nations, is preciously close to completing a final charter for the oceans. The great promise that international law—rather than military or economic might—will finally govern the code of conduct on the oceans is being fulfilled. Tribunals and courts of arbitration—rather than gunboats and bombers—will settle disputes between all parties, private or public, weak or powerful. The very promising prospect of success in 1976 of the Law of the Sea Conference should warrant making it the top priority on the agenda of each and every nation on this planet.

The success of this Conference can be the harbinger of a new world order that would include disarmament, economic justice, and the hope that some degree of international sovereignty will extend over the last one-third of the earth's surface.

There comes a time in the course of all serious deliberations when timing is critical. That point has now been reached with respect to the Law of the Sea Conference. Unfortunately, forces that could frustrate the Conference are becoming stronger. Therefore, those who support international cooperation must strongly press for successful completion of the Law of the Sea agreement now, or see this tremendous prospect wither and hold only the interest of academics and political dilettantes.

The Law of the Sea Conference is particularly vulnerable to the often capricious whims of the big world powers. Any one of the major powers could disrupt the very complex and sophisticated negotiations now underway. Any major power that chose to act unilaterally—on fishing, on deep-sea mining or any other important area—would trigger similar actions by other nations. The oceans would continue to be the victim in a contest between national interests.

At the moment, I must say with no great pride that one of the major threats to the promise of international sovereignty over the oceans comes from the United States. Some U.S. mining and fishery interests in our country have no faith in the success of the Law of the Sea Conference. They feel that the assertion of national power is the only way to protect their economic interests. Though this feeling is by no means universal—many in the mining and fishery communities are strong advocates of international action—it is strong enough to threaten the success of the Law of the Sea Conference.

Some U.S. mining interests are frustrated and impatient over the tediousness of negotiations. They have the technology to exploit the vast mineral resources of the deep seas and bring them to worldwide markets. They also have a strong belief in an economic system that permits them to do just that, whenever and wherever they please. They also suspect the motives of those nations involved in the Law of the Sea negotiations which might suffer economic dislocations from competition in the copper, manganese and other mineral markets as a result of widespread deep-sea mining. Consequently, these mining interests regard with deep suspicion proposals for international, rather than private, development of ocean mineral resources. They also do not understand why the underdeveloped world distrusts both the "free enterprise system" and its chief actor, the multinational corporation.

These domestic economic interests must realize that as a nation, we are no longer prepared to use our military might to protect the extension of their economic influence. They must realize that international rather than national sovereignty over the "common heritage of mankind" and internationally sanctioned access to ocean minerals is the only order that is capable of providing a stable investment environment.

I believe that patience and well-placed pressure, not unilateral action, will best bring about a successful conclusion to the Law of the Sea negotiations.

In our efforts to secure mining rights to the ocean sea-bed, we should demonstrate to the underdeveloped world—from whom we must secure agreement on this point—that the multinational corporation is one of the most efficient economic units yet created. As such, it is capable of bringing together the capital, technology and management needed to bridge the growing gap between the rich nations and the poor. We can demonstrate, if we have the patience, that the riches of the oceans will not simply be carved up by the rich nations, for the rich nations, but will be primarily used to the benefit of those most in need.

The fisheries aspect of this discussion is considerably more difficult because we have suffered from decades of global mismanagement. The economic imperative of grabbing the most fish, the quickest, has been the unwritten law of the sea. Those nations who saw the danger of eliminating a renewable resource made sincere efforts at conservation. However, these efforts were often futile, frustrated by the international anarchy that characterized the fishing conduct on the oceans. Bilateral and regional negotiations have, at best, simply slowed the rapid depletion of world fish resources.

As a result of this global mismanagement, many nations sought solution in the concept of a 200 mile zone. It was first proposed by the underdeveloped world at the first law of the sea meetings. Their proposal for a 200 mile economic zone was at first strongly resisted by most of the industrialized nations, especially the United States, the Soviet Union, many European countries and Japan.

However, at the Conference in Caracas during the summer of 1974, the United States and other industrialized nations were persuaded to accept the idea of a 200 mile economic zone. Forces in the senate in order to "lock-in" the United States government to this concept, secured passage in the fall of 1974 of a bill asserting a 200 mile economic zone.

The wisdom of such a strategy was vindicated in the Spring of 1975 at the meeting of the Law of the Sea Conference in Geneva. The concept of a 200 mile zone became the assumed point of departure in our fisheries negotiations.

The great success of the Conference itself was in producing a single negotiating text for the Law of the Sea. This text, which includes an article giving the host country complete control over their anadromous fish stocks, represents an 80% consensus on the issues before the Conference, a consensus which has brought us preciously close to a final international agreement.

However, there still remains among the proponents great confusion as to the proper vehicle—national or international sovereignty—with which to implement the 200 mile concept and protect the ocean fish resources. A lack of faith in the deliberations and a lack of appreciation of the success already realized by the conference fuels this confusion. In fisheries, no less than in mining, a real solution can only be found through international action.

Unfortunately, this confusion has caused the Congress to focus on national action rather than on the remaining issues to be resolved at the Law of the Sea Conference, most notably deep-sea mining. In going on record for the 200 mile concept, the House of Representatives may further pressure international negotiators to get a sound oceans' treaty. However if the Senate acts again, transforming the house bill into law, we will have charted our course toward unilateralism, undermining the Conference, undermining a real solution to our fisheries problem and undermining any real hope of world sovereignty.

There are many liabilities associated with unilateral action. It most certainly will result in many disputes between the United States and nations fishing off our coasts who would challenge our action as contrary to international law. It will also create a whole host of new international disputes as other nations react and take similar unilateral steps threatening a wide range of U.S. interests.

In Alaska with respect to fisheries, foreign vessels would probably increase their catch of salmon as other species within the 200 mile limit are denied them. In fact a unilateral 200 mile limit would not protect more than 60% of our economic fishery. We would have control of Pollock, flounder, and other species primarily fished by other nations. This would force us to set in motion a whole new wave of bilateral negotiations deflecting our negotiators, and scientists attention from the law of the sea to this new difficulty. We would now have to focus our attention on swapping the fish we control for the fish that is beyond our control or we would have to change the economic nature of our fishery in Alaska. 80% of our salmon are beyond 200 miles at any one time, and as such are hostage to any unilateral action we might take.

Obviously enforcement costs would skyrocket as foreign interests would intensify their efforts to get as much fish as possible before being driven from the 200 mile zone.

Commercial warfare would result as trade and import barriers are created by many countries in the hope of enhancing the economic benefits of their fishery.

All of this would delay, frustrate and probably doom any chance of completing a sound and workable international agreement.

It is a certainty that the underdeveloped nations will follow our lead and declare a 200 mile zone, particularly since they originated the concept as a means of protecting themselves from industrialized nations. Since agreement by these nations is the key to the resolution of remaining law of the sea issues, our action would remove any incentive they would have to negotiate a final treaty since they will have secured their long-sought goal of the 200 mile zone. This action would additionally guarantee a delay—who knows how long—of final Law of the Sea Agreement.

Canadian Prime Minister Trudeau noted recently that "Canadians at large should realize that we have very large stakes indeed in the Law of the Sea agreement and we would be fools to give up those stakes by action that would be purely a temporary, paper success." In this light, we in the United States should understand "the current negotiations may thus be the world's last chance." As Secretary Kissinger warned: "Unilateral claims to fishing zones and territorial seas extending from 50 to 200 miles have already resulted in seizures of fishing vessels and constant disputes over rights to ocean space. The breakdown of the current negotiations, a failure to reach a legal consensus, will lead to unrestrained military and commercial rivalry and mounting political turmoil."

Unilateral action is not only a threat to successful international action, it is clearly counter-productive to that goal. Congressional action is a tactic to pressure other nations to act on a solution. It is not the solution. We should clearly make this distinction.

I deeply believe that a Law of the Sea Treaty rather than any unilateral action is more advantageous to all our interests and particularly those fishing interests in my home—Alaska.

An international oceans treaty promises to secure agreement on the whole range of maritime issues. This linkage between the various issues provides the single greatest impetus and incentive for nations to reach agreement and is primarily responsible for the increasing international recognition that such agreement is vitally necessary.

There is very little appreciation that with respect to fisheries, the gains in negotiations are already immense. There is a broad consensus on the fisheries text which not only declares a 200 mile economic zone, but also secures host country control over anadromous species of fish, based on the rule of maximum sustainable yield. This conservation and full utilization principle is right in line with our nation's interests and poses no problem in its interpretation or practice.

Host countries will also have the power to license foreign fishing vessels within the 200 mile zone if they choose not to harvest the fish themselves. On the other hand, if host nations want to expand their fleets and harvest fish they customarily have not, they can take all the fish up to the maximum sustainable yield.

Similarly we would control our salmon stocks and other anadromous fish species wherever they are in the oceans, with the right to expand the catch up to the maximum sustainable yield.

A key benefit to an International Law of the Sea agreement, not realizable through unilateral action, is the rehabilitation of our fish stocks. An international agreement will permit serious efforts at rebuilding our depleted and regionally extinct fish stocks. It makes little sense to make the needed capital investments for stocking our streams with salmon when foreign fishing activity will not permit them to return for harvest or propagation. An international agreement would assure us the benefits of such investment. In fact, extinct salmon runs on the east coast could be reestablished.

Probably the most important benefit from an international agreement is the legal framework that will be set up to handle all maritime disputes, including fisheries questions. All disputes would be mandatorily settled before an oceans court.

In considering an agreement with the great breadth of the Law of the Sea, it would be well to remember Thomas Jefferson's observation that, while the majority protects itself by its numbers, the minority can only protect itself by law.

The same Jeffersonian wisdom applies equally well to the underdeveloped world. The militarily weak and the economically poor can only be protected by law. In a world where the oceans are ruled by no law, they will be governed by the powerful. In a world without an oceans' charter, they will be governed by the world's wealthy.

I well understand the suspicions of the poor nations—history has not been kind to them. Similarly I understand the frustration of my own constituency—for decades of bilateral efforts have only been witness to the continued rape of our fish resources.

Yet the greatest irony of all would be for us to vent our frustration and suspicions by impeding, if not blocking, international efforts to conclude a law for the seas, an agreement that when concluded will secure for all minorities, the weak and the poor, the economic and political justice under law they could never secure before.

It is important to keep in mind that the Law of the Sea Conference is the largest convocation in the history of humankind and that the problems at issue are the most complex ever to be dealt with. In comparison to many Congressional legislative efforts, the conference is proceeding at a rapid pace.

This conference can be successfully concluded next year if sufficient pressure and efforts are put forward by all parties. I hope my country will not only continue its fine efforts, but that the President and Secretary of State of the United States will make it their highest priority and that Congress will hold off unilateral action pending the outcome of another year's deliberations. Hopefully, other nations, recognizing the great benefits to the human race of both international and cooperative sovereignty over our oceans, will join in making the completion of the negotiations their first priority and making 1976 the year of the seas.

EYEGLASS PRICE ADVERTISING RESTRAINTS

Mr. PERCY. Mr. President, I would like to call attention to several significant articles concerning state restraints on eyeglass price advertising.

First is an editorial published in the September 11, 1975 edition of the Washington Post, describing the need to eliminate Government controls which inflate prices paid by consumers.

The second is an exceptionally well-researched article which appeared in the October 1, 1975 issue of Newsday, a daily newspaper published in Long Island, N.Y. It is written by Mr. Henry Gilgoff, Newsday consumer writer, and covers in depth the pros and cons of eyeglass price advertising restraints, such as those in effect in New York State. The story also includes a timely consumer's guide to the purchasing of prescription glasses.

The third is an editorial published on September 22, 1975 in the Des Moines Register. It points out that in Iowa there is little price advertising, because of trade association codes and practices, even though eyeglass price advertising is technically permitted by law.

The fourth is a front-page story printed in the September 15, 1975 issue of the American Optometric Association News, the official publication of that association. It is an objective and balanced account of my correspondence with the Federal Trade Commission on eyeglass price advertising restraints. The article reflects the constructive and thoughtful comments I have received from leaders of the optometric industry.

Next is an article which appeared in the New York Times of September 10, 1975, written by Ms. Frances Cerra, one of the Nation's foremost consumer affairs reporters. The story describes the efforts—all unsuccessful—to eliminate anti-advertising restraints for eyeglass prices in New Jersey, New York, and Connecticut.

Following that is an editorial which appeared in the September 9, 1975 edition of the Palm Beach, Fla., Post. The editorial points out that the major victims of inflated eyeglass prices are the elderly on fixed incomes.

I am also including a commentary from the Oklahoma Publisher, Oklahoma City, Okla. The editorial notes that it is a "phoney argument" to say that price advertising of eyeglasses will lead to mass merchandising of shoddy goods.

Finally, I call attention to a recent editorial from the Beaumont, Tex., Enterprise, informing its readership that the Federal Trade Commission may widen its investigation of eyeglass advertising restraints to include related consumer concerns.

I ask unanimous consent that all of this material that I have referred to above be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Viewing Eyeglass Regulation

President Ford has been raising some good questions lately about government overregulation. He has called on the chairmen of the federal regulatory agencies to examine their policies—especially those policies that might operate to drive up the marketplace prices for consumers. While this strikes us as a promising exercise, it ought to be kept in mind that not all the higher prices are caused by too much control from Washington. For example, Sen. Charles H. Percy (R-Ill.) has called attention to the policies of state governments concerning eyeglasses. Although abuses in optometry are not among the major throbs in the fiscal headaches the nation currently endures, the revelations of Sen. Percy suggest that it is not always enough merely to leave regulation to individual states rather than to Washington agencies.

In calling on the Federal Trade Commission to annul state laws that forbid price advertising of lenses and frames, Sen. Percy detailed a few significant price differences. The frame that costs $30 in Oklahoma City can cost as little as $11 in Wichita Falls, Tex.; Oklahoma forbids price advertising, Texas does not. In Florida, lenses and frames sell for as much as 25 per cent more than in Alabama. The former state does not permit advertising, the latter does. A clear pattern exists. Sen. Percy noted that "in purely human terms, the surcharge caused by these anti-competitive restrictions on price advertising on the books in 36 states have forced the indigent, the elderly, and many middle-income Americans to wear outdated and ineffectual glasses, sometimes with scratched or broken lenses. Too many just can't afford the high prices charged today for lenses and frames."

The American Optometric Association has a different vision from Sen. Percy's. It prefers to look no further than the individual states for regulation. It is not hard to understand the association's position, since so many states agree to restrict advertising. What is needed is an effort by the FTC to investigate the abuses that Sen. Percy has detailed. The commission recently involved itself in much the same way in rules concerning advertising of prescription drugs. So a precedent exists. And with some 100 million Americans wearing corrective lenses, the commission is guaranteed a concerned constituency.

Eyeglass Shopping: A Frustrating Task

(By Henry Gilgoff)

Consumers in the market for eyeglasses work under some handicaps—price advertising is banned in New York, as it is in many states, and objective product information is scarce.

The controversy over state regulations that ban price advertising has reached national proportions, and the Federal Trade Commission announced last week that it is probing the issue. While debate continues on that point, though, customers face more immediate problems, such as deciding between metal or plastic frames, glass or plastic lenses, standard eyeglasses or contact lenses.

The questions and issues revolving around eyeglasses have sweeping application in this country. Roughly half the population wear some type of corrective lenses. By the age of 50, four out of five Americans wear glasses or contact lenses. And it has been estimated that the eyeglasses industry made more than $2 billion in sales in the 1974 fiscal year.

Outlets for corrective lenses include large corporate chains, optometrists who own their own businesses, and an occasional ophthalmologist who dispenses eyeglasses.

Optometrists are licensed in New York State to prescribe eyeglasses; opthalmologists are medical doctors who treat eye diseases. If you suspect that a medical disorder is at the root of your eye problem, an ophthalmologist is the specialist to visit. The president of the Long Island Ophthalmological Society, Dr. Edward L. Seretan, said that a red, irritated eye, for example, might indicate the need for medical attention. Seretan estimated that a routine exam, ending in a prescription for a pair of eyeglasses, would cost between $25 to $40 on Long Island.

A consumer who chose to go to an optometrist who is self-employed and who may or may not dispense glasses probably would pay up to $25 for a routine exam, according to one optometrist. At a chain operation, the exam charge probably would be a third or less of that figure.

The difference between the latter two exams is a matter of dispute. One optometrist said that the typical chain exam goes too quickly. "The length of time for that kind of exam is hardly enough to count the eyes," said Alden N. Haffner, dean of the State College of Optometry, in Manhattan, a unit of the State University. "The only reason the chains give examinations is so that they can sell the glasses," he said. Arnold Goodman, an optometrist and vice president of the Sterling Optical Co. chain, said that examinations at his company are sufficient and that eyeglasses would not be recommended unless necessary.

One part of the eyeglass purchase is the selection of frames. A teacher at the State College of Optometry said that plastic frames generally are "more serviceable, capable of enduring more abuse without getting out of adjustment" than metal frames. William C. Folsom, an assistant professor at the school, said that plastic is more resilient than metal, and is threatened less by perspiration or corrosive elements in the environment.

It is true, Folsom said, that plastic frames can "dry out and snap." But he said that proper care of the frames should minimize that problem. Then, though, there is cost to consider. The prices of both metal and plastic frame cover a wide range, but the average price for metal frames was $25 at one large retail operation, while the average for plastic frames were just about half that.

While style is not likely to vanish as a marketing factor, Folsom and his colleagues at the school say that, with the popularity of the oversize frame, fashion has gone overboard. The lens required by the oversize frame can add so much weight as to cause discomfort. And some dispensers might take a dangerous short cut, changing the structure of the lens to make it lighter, but in a way that might also lead to visual distortion. And the oversize frame may cost more, too.

Another decision involves the type of lens—should it be plastic or glass? Plastic is lighter than glass. One retailer said that plastic is more impact-resistant, though there are federal standards for impact resistance that both types of lenses must meet. (Consumers who chose glass can get extra strong lenses at extra cost, but experts agreed that there generally is no need to incur that expense.)

Plastic lenses have some disadvantages, though. For one thing, they scratch more easily. For another, they cost more. At one retailer, the range of prices for lenses for single-vision glasses (as opposed, for example, to lenses made for people who need bifocals) was $14.75 to $21.75, depending on the prescription. Prices for similar plastic lenses ranged from $19 to $35.

The prime benefit of contact lenses is cosmetic; one of the main disadvantages is cost. There are two kinds of contact lenses: soft and hard. Soft lenses are supposed to be more comfortable, according to an official of the Food and Drug Administration. But soft lenses, he said, also must be cleansed more thoroughly. In fact, soft lenses are regulated as a drug. Diana Byrne, a consumer safety officer for the FDA, said that "bacteria can grow in the eye unless proper sterilization is kept up with soft lenses." Only two companies, Bausch & Lomb and Soft Lenses Ins., currently sell soft lenses approved for use in improvement of vision rather than for therapeutic purposes.

Another distinction between soft and hard lenses is price, as indicated by a spot check of three retailers. Hard contact lenses ranged from $125 to $175; the price of soft lenses ranged from $225 to $300. And some people may find contact lenses uncomfortable or too much work. Some retailers offer plans to provide partial or full refunds within specified periods of time.

As that small sampling indicates, comparison shopping can be profitable. But such comparisons are not easy to make. One problem is the New York State ban on price advertising. Sen. Charles H. Percy (R.-Ill.) has charged that such bans diminish competition and result in "consumers paying from 25 to 100 per cent more for eyeglasses." Haffner, the dean of the State College of Optometry, argues that price advertising without government standards on quality can mislead the consumer about whether a bargain really is a better buy or just an inferior product.

In New York, the advertising ban prevents a retailer from promoting the eyeglass specials that sometimes are offered. But the state prohibition extends beyond pricing. While Hillman Kohan Vision Center, a chain of eyeglass retailers, can advertise certain services, it cannot advertise in this state that it offers a written guarantee. As one component of the guarantee (which does not apply to contact lenses) any lens broken within a year of purchase will be replaced free of charge. But consumers should ask what a company will do to stand behind its product.

To avoid problems after purchase, consumers should inspect their glasses before walking away from the store. Look at the screws, make sure that nothing is loose. Take care that you get a good fit. If you have a complaint, make it then and there. Ask to see the variety of cases for your eyeglasses. The store is likely to have one for the customer looking for an attractive case. But there may be another, less appealing case that offers more protection for customers who are rough on their glasses.

And don't forget to save the sales slips. The cost of eyeglasses is tax deductible.

Eye Exams

Age grouping, frequency of checks, and comments:

Children to college, annual, these are the formative years, with increasing demands placed on the eyes. Change in eyeglass prescription at each exam is fairly common.

College to 34, once every three years, demands on vision relatively stable during this period. There is something less than 50–50 chance that eyeglass prescription will change with each exam.

35 to 60, every two years, effects of long term diminution of vision become apparent; incidence of eye diseases such as glaucoma increases. Change in eyeglass prescription at each exam more likely than in previous age grouping.

Above 60, annual, threat of damage to eyes as a result of diseases at high point; awareness of changes in vision diminishes. About even chance that exam will result in change in eyeglass prescription.

William C. Folsom, a teacher at the State Optometry College, offered these rough guidelines, emphasizing that individual needs may differ.

Advertising Eyeglasses

Senator Charles H. Percy (Rep., Ill.) has requested federal action to lift state laws barring advertising for eyeglasses and contact lenses. He said the laws have forced consumers to pay 25 to 100 per cent more for glasses and contacts.

Thirty-six states have laws forbidding advertising by optometrists and opticians. Percy has asked the Federal Trade Commission (FTC) to write regulations that would override the state laws.

Iowa does not have an anti-advertising law. But little price advertising is done, and Iowans who wear spectacles may not fare much better than residents of states with prohibitive laws.

The ethical code of the Iowa Optometric Association rules out advertising that implies the practitioner has "professional superiority" or "lower fees." An association officer said optometrists would not object to advertising the "cost of materials" but would oppose listing fees for professional services.

The Iowa Ophthalmic Dispensers, Inc., does not forbid price advertising, but a former association officer said most opticians do not advertise because "there are many different grades of merchandise available." He added that most price advertising is done by chain and discount firms.

Percy pointed out that costs for identical or similar lenses and frames varied from as little as $6 to as much as $46 more in states forbidding advertising than in states without restrictions.

Half the population wears glasses or contacts. Percy argued that the high costs resulting from "anti-competitive restrictions" have been detrimental to the poor, indigents and many in the middle class.

J. Harold Bailey, executive director of the American Optometric Association, said the organization takes the view that "regulation of eyeglass advertising is an area that belongs in state government and is not the kind of thing the federal government should be involved with."

Percy's view is that federal action is needed because lobbying by optometric groups has frustrated state efforts to remove price advertising restrictions.

Anti-advertising policies, whether fixed by state laws or association rules, impede competition. That fact alone lends substance to Percy's appeal for federal action.

AOA Says Information Wrong; Percy Urges Federal Action On Laws Banning Eyewear Price Ads

St. Louis, Mo.—Sen. Charles H. Percy (R-IL), who has made national headlines this past week by alleging consumer gouging by optometrists in 36 states where eyewear retail price advertising is prohibited, has drawn a quick response from the AOA through the news media and contact with the Senator's office.

Urging federal pre-emption of state laws which prohibit retail price advertising of eyeglasses, Sen. Percy, in a Sept. 4 letter to the Federal Trade Commission chief Lewis Engeman, wrote, "These arbitrary state laws have resulted in consumers paying from 25 to 100 percent more for eyeglasses."

In his letter, which was entered into the Congressional Record on Sept. 10, Percy noted that the FTC this summer proposed new rules which would pre-empt similar state and local laws which bar advertising for prescription drugs.

"I believe that the underlying problem is the same and that, therefore, the FTC action should apply with similar force and effect to price advertising restrictions of lenses," he wrote.

Sen. Percy said an investigation by his staff supported the earlier study of a Washington University economist, Lee Benham, which contended that the ban on eyewear advertising resulted in a wide difference in the cost of eyeglasses between those states that permit advertising and those that prohibit it. As one example, Sen. Percy, noted, the same frame that cost $30 in Oklahoma City cost $11 in Wichita Falls, Texas where advertising is permitted.

The AOA, however, which has analyzed the now celebrated Benham report which first appeared in 1972 says the Benham study fails to uphold the premise that price advertising of eyeglasses serves to hold down costs to consumers.

According to the AOA statistician, Farrell Aron, the methodology used in the Benham study—conducted in 1963—is highly questionable. Benham's study relied heavily on data from North Carolina which as the author admits "had other laws which would tend to raise prices." If the North Carolina sample were dropped, Aron points out, the results would point to little if any difference between states that permit advertising and those that do not.

The AOA position on the matter as reported in the Sept. 10 New York Times is that laws governing health care, in all of its aspects, are state's rights matters and should remain so.

Noting the "bait-and-switch" mechanics of commercial practices in the 14 states that permit price advertising of eyeglasses, J. Harold Bailey, the association's executive director is quoted in the Times as saying, however, that "he would not oppose advertising if complete information on the brand, model number of frames, and so on were given to consumers."

Sen. Percy's response to the AOA position on state rights as delivered to him by an Illinois AOA member and Percy confidant, however, was that federal action was needed because efforts in various states to remove price ad restriction has been frustrated by the powerful lobbying of local optometric associations.

While the FTC Commissioner has not responded to Sen. Percy urgings, the AOA is gearing up to further make known its position on the matter.

An actuarial survey, five months in the making, has been mailed to 1,000 optometrists nationwide. The results of the survey, among other things, will further refute the Benham study, Bailey says, in urging optometrists to return the questionnaire as soon as possible.

Percy Assails Ban on Opticians' Ads

(By Frances Cerra)

In 36 states, including New York, New Jersey and Connecticut, the prices of eyeglasses and contact lenses may not be advertised. As a result, consumers are paying 25 to 100 percent more than they should be, Senator Charles H. Percy charged in a recent letter to the Federal Trade Commission.

According to the Senator, in Arizona, where price advertising is permitted, lenses and frames can be purchased for as little as $16.50, while in California, where no advertising is permitted, the lowest price for similar, but not necessarily identical items—is $22. One frame that sold for $32 in Baton Rouge, which likewise prohibits advertising, could be purchased for $18.90 across the Sabine River in Texas, a state that allows limited advertising by opticians, but not optometrists. These figures come primarily from a pioneering study done by Lee Benham, professor of economics at Washington University.

Opticians make or sell glasses and optometrists examine the eyes and prescribe corrective lenses.

"In purely human terms, the surcharges caused by these anticompetitive restrictions . . . have forced the indigent, the elderly, . . . and ineffectual glasses, sometimes with scratched or broken lenses," wrote Mr. Percy, a Republican from Illinois. He requested that the commission ban all price ad restrictions, and thus annul all existing restrictive state laws. The commission proposed a similar ban last June with regard to restrictions on the advertising of prescription drugs. The commission has not yet responded to Mr. Percy, but his proposal is being studied, according to a spokesman.

J. Harold Bailey, executive director of the American Optometric Association, said that "the problem with price advertising is that frames and lenses come in so many variations."

"What would happen would be that some unscrupulous operators would advertise their lowest-price models, and then talk customers up." He conceded that this would be bait-and-switch advertising, which is unlawful, and said he would not oppose advertising that gave complete information on the brand and model number of the frames, and so on.

Mr. Bailey added that "our eyeglass advertising is an area that belongs in state government and is not the kind of thing the Federal Government should be involved with."

However, a spokesman for Senator Percy said that Federal action was needed because efforts in various states to remove price restrictions had been frustrated by the powerful lobbying of local optometric associations.

Such an effort has taken place since May in New Jersey. The New Jersey Division of Consumers has been campaigning for a law to allow price advertising since it conducted a survey that found the same lenses and frames selling for $27 in one store and $58 in another. On Monday the Assembly Committee on Commerce, Industry and Professions voted the bill down, and a spokesman for the division is pessimistic about future efforts.

In Connecticut, a similar bill was introduced, but died in committee, while in New York a bill that had originally allowed price advertising, but was amended to permit "lawful advertising," was vetoed by the Governor as unclear.

Eyeglass Gougers

Florida consumers, who have been getting clobbered since 1949 by a state law that bans the advertising of eyeglasses and contact lenses, can take heart in national focus thrown on this problem by Sen. Charles Percy (R-Ill.).

Sen. Percy has discovered the same thing that state Rep. Gene Campbell of West Palm Beach discovered in his unsuccessful bid to remove this law from Florida's books. And that is the terrible gouging being handed consumers by an industry that doesn't have to worry about competition in what we call a free enterprise system. Rep. Jack Poorbaugh (R-Jupiter)—a name worth remembering at election time—was one of the subcommittee members who made sure Florida consumers would continue taking this estimated $10 million bath.

Decrying "arbitrary state laws" that result in consumers paying 25 to 100 per cent more for eyeglasses, Sen. Percy calls on the Federal Trade Commission (FTC) to annul the advertising bans in Florida and 35 other states. He believes that if the FTC can propose to strike down laws barring advertising of prescription drugs, it surely can do the same for prescription lenses. Consumers certainly can hope so. The FTC couldn't find a better cause. This massive ripoff has lasted long enough.

Sen. Percy points out that the lens and frame industry has annual sales of $3 billion and that the average price markup is 300 to 500 per cent at both manufacturers' and retailers' levels. Getting specific, Sen. Percy says a black plastic frame which costs the retailer $2.50 is regularly sold for up to $18 and a wire frame costing $5 goes for $30. To get a better handle on this raw deal for consumers, consider that half the population, or 100 million Americans, wear corrective lenses.

The major victims of this advertising ban that prevents competition and lower costs are the elderly who are trying to beat increasing inflation on their fixed incomes. Some with deteriorating eyesight worsen their conditions because they can't afford the cost of eyeglasses. Others use magnifying glasses for close work to avoid a new financial burden. In some areas, the elderly are being asked to will their glasses to other senior citizens who can't afford prescription lenses. The situation is a shame, if not a crime, in a country that owes its citizens at least an opportunity for satisfactory eye care at reasonable prices.

Sen. Percy ought to keep this problem in the public spotlight, and be encouraged in his efforts, until the FTC, Congress, the states, the courts or some responsible arm reaches out to right this wrong on advertising restrictions. An industry literally is stealing the people blind.

PERCY CALLS FOR EYEGLASS ADS

Sen. Charles H. Percy (R-Ill.) has joined the eyeglass ad battle. Early this month he urged the Federal Trade Commission to strike down laws in 36 states which prohibit advertising prices for eyeglass lenses and frames.

"These arbitrary state laws have resulted in consumers paying from 25% to 100% more for eyeglasses," the former Bell & Howell chief executive officer said. "When state laws price quality optical care out of the reach of so many who need corrective lenses for use on the highway, in the factory, in recreational areas and at home, those laws should be swept aside."

Amen!

Last month OPA Directors endorsed a Right to Read project now under funding consideration by the Oklahoma Department of Libraries. If the experiment gets the money, a 13 week 2-column state and national news summary set in 12-point type will be sent Oklahoma weeklies to be published as a free public service. Funding would be for production expenses. John Hinkle, who is trying to pull the project together, says 18% of reading age Oklahomans can't see well enough to read.

Part of the blame for many having sight handicaps is because eyeglass prices are high and remain so because a state law keeps the public from knowing where lower prices can be obtained. Percy says such laws permit artificially high prices forcing many poor and middle-income Americans to wear glasses with scratched and broken lenses.

SB 261 is still in a state senate committee. Sen Ernest Martin kept it from being voted on last session. SB 261 would repeal the law forbidding opticians, optometrists and others from advertising glasses. As the session adjourned senate leadership moved SB 261 to the powerful Rules Committee. From there it is to be returned to the floor for vote by the full senate.

Any delay will be a further abuse of the best interest of the public and people's right to see.

But those who profit from the present arrangement will try to equate high prices with high quality eye care. It's a phoney argument, one they cannot prove and calculated to put the burden of proof on the advocates of a free enterprise market. Surprisingly, some newspaper editors have even fallen for the "high prices, high quality" fabrication. The military services, welfare department and others which furnish eyeglasses do not pay anywhere near the exorbitant prices charged the public in Oklahoma and in 35 other states where similar legislation is on the books.

Senators who yield to political friendships generated mainly by optometrists are going to have to answer to an aroused public. The public is getting a lesson in economics: Prohibit advertising, particularly price advertising, and the public gets ripped off. The public must be protected from the price gouger by knowing comparison prices. If someone wants to buy cheaper glasses that is their right. If others get a thrill and reassurance from paying the highest price obtainable then that's their business, too.

Optometrists are squirming, doubling their dues for the legislative battle which lies ahead. Some ophthalmologists with secret investments in optical shops will also oppose the restoration of free enterprise in the eyeglass market.

The FTC, as Percy urges, should attack such state laws in federal courts.

Meanwhile, the OPA, the American Association of Retired Persons, their members and the public await reconvening of the Oklahoma Legislature to rectify a 22-year-old mistake. The ad revenue is insignificant. The cost to the public in poorer eyesight has been with us 22 years too long.

LAWS RESTRICT BARGAIN-HUNTING

Try to buy a pair of eyeglass frames in Oklahoma and it may cost you $30. Cross the Red River into Texas, however, and you probably could obtain the identical frame for as little as $11.

Why the discrepancy? Sen. Charles Percy, R-Ill., contends the difference is advertising eyeglass prices. In Oklahoma such advertising is forbidden. In Texas, it's not.

And now the Federal Trade Commission (FTC) is launching its own study of whether bans and restrictions on eyeglass advertising tend to inflate prices. Specifically, the investigation will center on whether segments of the eyeglass industry are violating federal antitrust laws by failing to disclose the cost of eyeglasses and contact lenses.

About 110 million Americans wear corrective lenses and buy 52 million pairs of glasses each year. The annual sales of the eyeglass industry amounts to $2.4 billion.

Thirty-six states now restrict eyeglass price advertising.

The eyeglass probe is the latest in a series of antitrust studies and moves by the FTC. The agency already has proposed overriding all state laws and professional practices which restrain advertising of prescription drug prices. And only last month, the commission advocated broad trade rules that would alter the pricing practices of many of the nation's 22,000 funeral homes.

An FTC source said the commission ultimately may bring its antitrust powers to bear on price-advertising restrictions affecting lawyers, veterinarians, dentists, physicians and other professionals.

We have yet to hear any sound reasons why consumers shouldn't be able to shop around for bargains in most of these areas just as they do for groceries, clothes and other goods and services.

THE OZONE PROBLEM

Mr. GARY HART. Mr. President, within the course of this past year, a number of distinguished scientists have warned that the release of fluorocarbons into the atmosphere may be depleting the ozone layer which shields our Earth from the harmful effects of excessive ultraviolet radiation from the Sun.

The evidence supporting this hypothesis has continued to grow, and today the problem of continued ozone depletion in the stratosphere is one of concern, not only to me and many of my colleagues in the Congress, but also to millions of people both here in the United States and abroad.

My good friend, the distinguished Senator from New Hampshire, Mr. McINTYRE, has recently addressed this pressing issue in a speech before the New England Natural Food and Farming Association, and in a bill entitled the "Ozone Protection Act of 1975."

In recognition of his outstanding efforts toward resolving the ozone depletion problem and its consequent threat to man and the environment, I ask unanimous consent that the texts of both Senator McINTYRE's address and the bill be printed in the RECORD here as a part of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE OZONE PROBLEM: A TIMETABLE FOR ACTION

Members of the New England Natural Food and Farming Association, guests and friends: Your letter of invitation suggested I discuss the ozone depletion theory and I welcome the opportunity.

There are quite a few people in this country who like to think that this scare about aerosols is a big joke. In fact, it may well be the preposterous specter of a world threatened by aerosol spray cans . . . that accounts for the failure of this subject to capture the public attention.

It strains our imagination to believe—as has been predicted by reputable scientists—that those innocent appearing spray cans will be a contributing cause to an increase of 30,000 skin cancer cases by 1990.

Now before I really get into this subject, I want to emphasize that there has been a lot of mis-information about the ozone depletion theory. For example, aerosol sprays are not the only cause of the problem. Moreover, only 50 to 60 percent of the aerosols used in this country use the chemical compounds believed to be causing harm to the ozone layer.

The substance in question is the propellant used to emit the contents of the aerosol can. This substance is called . . . chlorofluoromethanes. That's as hard to say as it is to spell so I'm going to stick with the more popularly known word, fluorocarbons. That's the generic term for any number of chemical compounds containing fluorine and carbon.

It is these unique chemicals which have suddenly been discovered by modern science to possess Dr. Jekyll and Mr. Hyde characteristics.

On the one hand, fluorocarbons are a wonder of science. They won't burn. They don't smell. They liquefy under slight pressure. They are not dissolved by water or absorbed by plants or soil. And most important of all—at least for purposes of our discussion—fluorocarbons resist decomposition by environmental influences.

It is this latter property that has caused such a furor. Because, the stability that makes fluorocarbons so valuable as a propellant in aerosol spray cans, also makes them the suspected culprit in destruction of the earth's protective shield of ozone.

But before we explore the complex reasons for ozone destruction—and the warnings that it could result in 30,000 new cases of skin cancer each year—let's look at the benefits of fluorocarbons. They affect our lives every day in hundreds of ways.

Since their development in the 1930's as a replacement for ice blocks and the toxic and corrosive ammonia and sulfurdioxide, fluorocarbons have become the mainstay of the refrigerant industry.

In turn, the computer industry and a wide range of electronic equipment depend on closely controlled thermal conditions. They must have air conditioning equipment to reduce temperatures and humidity. Without air conditioning there would be failure of electronic equipment serving industries that run the gamut from car factories to pharmaceuticals and plastics.

In addition, fluorocarbons—often known by the DuPont trade name of Freon—are widely used in a host of other products. For example, the air conditioners in homes or cars, refrigerators and freeezrs. As a blowing agent in making styrofoam coffee cups or insulation for houses, boats or railroad cars. As stuffing for chairs or cushions or to make plastic furniture. Fluorocarbons are in fire extinguishers and cleaning fluids and solvents to clean electronic equipment. And, of course, as a propellant in billions of aerosol units on the shelves of stores around the world. We use fluorocarbons in aerosols by the millions of pounds for everything from cookware sprays to hair spray, deodorants, medicines, waxes and polishes.

In short, my friends, we are talking about billions and billions of dollars of industry that is dependent on this remarkable, man-made agent that scientists now warn may be causing the slow destruction of our environment.

And now you're going to hear what I call the Buck Rogers part of the fluorocarbon story. You are going to hear from a pragmatic New England Yankee about the Mr. Hyde side of your friendly fluorocarbon molecule.

Those of you who know me well know that I won't be found sponsoring every bill that comes along. I cherish my independence and I stick to basics. This is one Senator who doesn't mind being called a skinflint when it comes to boondoggle legislation.

So suddenly, here I am, telling you that I am convinced Congress must pass legislation to study the ozone layer some 10 to 25 miles above the earth.

Why? Because a number of our nation's most prominent scientists now fear that fluorocarbons—developed as man's ally—may in fact be partially destroying the protective layer of ozone which shields earth from an overdose of ultraviolet radiation.

Such an overdose could have enormous implications for life on earth.

Let me emphasize that this is no Chicken Little hypothesis dreamed up by some crazy professor seeking a headline. This is a subject presently under active study by the National Academy of Sciences, prestigious university researchers, government researchers, government agencies, the Congress and the White House.

The evidence is thus far preliminary. But the initial findings—which are being substantiated increasingly by scientists taking measurements in the stratosphere—indicate that the theory proves true.

The evidence indicates the Ozone layer is being depleted and that the culprit is the very same fluorocarbons emitted from your aerosol deodorant or my bug spray, and, to a lesser extent, fluorocarbons released from discarded refrigerators, freezers and air conditioners.

The question, of course, is what are we going to do about it?

Well I wouldn't be here if I didn't have what I think is a practical answer to that question. But first, let me tell you a little more about the problem and its "timebomb" quality.

I say "timebomb" because the count down is already under way and there is no way to stop it. If the scientists are correct, there already may be enough fluorocarbon material loose in the environment to cause serious depletion of the ozone layer—even if all discharges were stopped today.

(Pause.)

Cancer. It's a nasty word. It's an emotional subject and I don't like to raise it here. But cancer is part of what we're talking about when we talk about the dangers inherent in a depletion of the ozone layer.

Now I'm sure you recall from school days that ozone is a very efficient screen of ultraviolet radiation. Naturally, any significant decrease in the average ozone level would result in an increase in the cumulative exposure to ultraviolet radiation. This is of great importance—both biological and agricultural.

In fact, Dr. F. Sherwood Rowland of the Department of Chemistry at the University of California warns that fluorocarbons are already causing a 1 percent average depletion in the ozone shield. Dr. Rowland—who was one of the first to raise the alarm about ozone destruction—further notes that the depletion would increase to 2 percent even if there was an immediate halt to fluorocarbon emissions, and that depletion would climb to 3 to 6 percent in the 1980's, depending on whether usage continues to decrease as it has in the past.

According to Dr. Rowland, calculations indicate that a 5 percent average depletion in the ozone layer will cause about a ten percent increase in the incidence of skin cancer.

I want to emphasize, however, that skin cancer is readily treated—but this does not minimize its danger or discomfort. Incredibly, what may be at stake is more than skin cancer—if that isn't bad enough. After all, humans could shun the sun and wear protective covering and creams.

But, if the predictions are correct, we are contemplating an impact on our entire environment which defies description. There have been warnings of potential disruption of the food chain and global weather conditions. We are—as one Harvard University scientist put it—talking about people, animals, plants, the entire system impacted in a way which we cannot predict with certainty.

Now at this point, I think it would be helpful to return very briefly to what has brought us to these dire warnings.

We are talking about the unique properties of fluorocarbons—designed by man to be inert, stable—a miracle of science in the laboratory and manufacturing plant. Yet its stability is also evil property. For the scientists say it is rising—ever so slowly—so that emissions released 10, 15 or 20 years ago are just now reaching the lower stratosphere 10 to 15 miles above the earth.

It is at that elevation when fluorocarbons—which do not interact with the environment at lower elevations—come under the influence of ultraviolet radiation. The scientists believe the gases are broken down into free chlorine atoms which then decrease gradually the average concentration of ozone by means of catalytic chain reactions.

The extent of destruction of ozone—which normally absorbs ultraviolet radiation—is a matter of some dispute. Industry spokesmen also caution that all sources of chlorine atoms in the stratosphere must be assessed before the final judgment is in on fluorocarbons.

Dr. Raymond L. McCarthy, technical director and laboratory manager for the Freon Products Division of the Dupont Company, has testified to Congress that industry is now sponsoring considerable research into the kinds and quantities of chlorine-containing compounds which migrate into the stratosphere.

As might be expected, Dr. McCarthy also told a Congressional subcommittee that—quote—"The chlorine-ozone hypothesis is at this time purely speculative with no concrete evidence having been developed to support it."—end quote.

But Dr. McCarthy also stated that:

"Industry will be happy to participate with government agencies in a comprehensive experimental program to examine the chlorine-ozone theory and if creditable scientific data developed in this experimental program show that any chlorofluorocarbons cannot be used without a threat to health, DuPont will stop production of these compounds." End quote.

Naturally, I welcome this forthright statement. But I told you earlier that I'm a pragmatist and I'm here to tell you that the fluorocarbon industry and its related industries are desperately doing all in their power to delay ANY regulatory action by government.

Second, the Congress is doing what it always seems to do when faced with a really hard problem. It's reacting instead of acting with perspective. And, a plan is badly needed to take some action to defuse this timebomb. Now let me make this very clear. The lobbyists may very well succeed in stopping any forward looking legislation unless you—and thousands of others across this nation—get the word out to members of the House and Senate that *you want action*.

Do you know that the state of Oregon has already enacted a ban on the use of aerosol products containing fluorocarbons. It goes into effect in March of 1977. I've been told that similar measures are being proposed in state legislatures and city councils all across the country. There are even some who seek an immediate ban to all fluorocarbons.

Quite frankly, I feel this is a mistake. We need action at the Federal level or we could have a chaotic, crazy-quilt pattern of laws which would be a nightmare for businessmen and consumers alike.

Moreover, we need a coordinated examination of every aspect of the problem, an examination which uses the expertise of the Federal agencies. In this way, we can help set up a mechanism that could place restrictions on use of fluorocarbons. Very shortly I will outline what I believe is a workable and reasonable proposal to achieve those objectives. And I'll tell you how that bastion of fuzzy thinking—the Manchester Union Leader—reacted to my plan with its usual hysteria.

First, settle back and consider the following statistics. You'll find some astounding, others just beyond comprehension. And I think they will help to give some perspective to the incredibly complex nature of the problem.

For example, production of fluorocarbon 11 and fluorocarbon 12—in the United States alone—has increased from 175 million pounds in 1958 to over 1 billion pounds a year today, with sales value of $400 million to $450 million.

World production totals 2.3 billion pounds annually with foreign markets expanding more rapidly than the U.S. growth rate of 10 percent per year.

Roughly half the 1 billion pounds of fluorocarbons produced in this country goes into aerosol cans for use as propellant.

Nobody seems to know for sure, but at least 1.5 billion aerosols and probably more than 2 billion aerosols manufactured in 1973 contained fluorocarbons.

According to a Commerce Department study, shipments in the U.S. or air conditioning and refrigeration equipment . . . domestic and commercial . . . using fluorocarbon refrigerants totaled nearly 174 million between 1964 and the end of 1973.

The study says a conservative estimate of the replacement value of that equipment—which is all dependent on fluorocarbons—exceeds $50 billion.

According to industry figures, an estimated one million workers with an annual payroll ranging into the billions of dollars are employed in U.S. industries dependent on fluorocarbon production at plants located in hundreds of communities.

Finally, some 4,500 workers are directly employed in fluorocarbon manufacture, sales and research by six major manufacturers with an annual payroll of $4.5 million. The plants, equipment and support services are worth millions more.

I could go on with more statistics, but I think you get the picture. Yes, there is great concern about the environment and the future impact of a man-made chemical. But we are also talking about jobs and payrolls and vitally needed electronic equipment and essential refrigeration capacity.

When dealing with such a complex mix of priorities, I think you'll agree with me that we don't need quick, easy answers. We need a systematic plan that will protect our environment for ours and future generations.

We can neither afford to ignore the warnings nor can we afford to simply ban immediately all fluorocarbons or all aerosols.

Now I know some of you believe I've called for a flat out ban on fluorocarbons. It's easy to get that impression from the incorrect, outrageously slanted and vitriolic editorial published June 7 by the Manchester Union Leader.

Now William Loeb, as you know, does not care much for ecologists. He wants everyone to think of ecologists as anti-business kooks with long hair who smoke pot and munch organic vegetables bought with food stamps.

When I announced my proposed legislation to deal with the ozone problem, he was quick to react, saying that I was . . . and I quote from the editorial . . . "as usual, firing from the hip—this time against the aerosol packaging industry. You know, the wild-eyed ecologists have decided that every time we use an aerosol spray of any kind we are bringing about the imminent doom of mankind." End of quote.

Typical Loeb hysteria, I suppose. But I think it also shows just how far out of touch he is with what is really happening in this country.

Ironically, the editorial appeared shortly before a Federal task force released a report prepared by 14 government agencies after studying the ozone depletion theory for many months.

Their conclusion was that the theory is, and I quote . . . "legitimate cause for concern." End quote.

The task force also concluded—in its 109-page report—that unless new scientific evidence is found to remove the cause for concern, fluorocarbons should be restricted to replacement of fluids in existing refrigeration and air conditioning equipment . . . and to closed recycled systems or other uses not involving release to the atmosphere. In short, they would ban use of fluorocarbons in aerosol sprays beginning January 1, 1978.

Now that report came out this summer and it was back in April that I detailed to the Senate many of the reasons you've just heard for a legislative approach which will:

1. Provide for in depth, full-scale analysis of ozone depletion by the National Academy of Sciences and the National Aeronautics and Space Administration.

2. Provide—two years after enactment—for a ban on sale and manufacture of aerosol spray containers which discharge fluorocarbons unless the research proves the chemicals harmless to health, safety and the environment.

3. Provide industry with time to develop alternate propellants should the currently used fluorocarbons be proven harmful.

Under this legislation, a manufacturer would have full opportunity for public hearing and appeal for a waiver of the ban if he could prove that discharge of fluorocarbons would not pose a significant risk to public health, safety or the environment.

The ban could be imposed after consideration by the Administrator of the Environmental Protection Agency of 12-month-long studies of the ozone depletion theory by the National Aeronautics and Space Administration and the National Academy of Sciences.

The N-A-S study would probe the impact of fluorocarbons on ozone, but it would also include information on safe substitutes for fluorocarbons and methods to recover and recycle the chemicals from such products as refrigerators and air conditioners which are already in use.

In addition, the EPA Administrator would report to Congress—within 15 months of enactment of the bill—on recommendations for fluorocarbon emission levels from sources other than aerosol sprays.

This legislative approach, which I co-sponsored along with Republican Senator Clifford Case of New Jersey, now has more than a dozen additional sponsors in the Senate.

But I must report to you that it is in great peril. The House Commerce Committee is in the process of adopting a weaker version and the Senate Subcommittee on Environmental Pollution has shown little interest thus far.

You can help by resolving today to write the members of that Subcommittee and its Chairman, Senator Edmund S. Muskie of Maine, to urge adoption of S. 1336 as part of the Clean Air Act amendments.

At this stage, we have a unique opportunity to ask ourselves what we want to see happen in our state, our nation, our world.

But we must use the time wisely, to structure a systematic method of research and analysis so that future generations can say they like what is happening in their world.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

Section 1. This Act may be cited as the "Ozone Protection Act of 1975".

AMENDMENT OF CLEAN AIR ACT

Sec. 2. Title 1 of the Clean Air Act (42 U.S.C. 1857 and following) is amended by adding at the end thereof the following new subtitle:

"Subtitle B—Ozone Protection

"FINDINGS

"Sec. 150. (a) The Congress finds, on the basis of presently available information, that—

"(1) discharge of chlorofluoromethane into the indoor or outdoor ambient air threatens to reduce the concentration of ozone in the stratosphere,

"(2) ozone reduction is likely to lead to increased incidence of solar ultraviolet radiation at the surface of the Earth,

"(3) increased incidence of solar ultraviolet radiation may cause increased rates of disease in humans (including increased rates of skin cancer), threaten important food crops, and otherwise damage the natural environment,

"(4) the release of chlorofluoromethane may pose a danger to the public health, safety, and welfare, and

"(5) unless research proves the safety of chlorofluoromethane, continued use of chlorofluoromethane compounds in aerosol spray containers should not be permitted.

"(b) For purposes of this subtitle the term 'chlorofluoromethane' means the chemical compounds $CFCl_3$ and CF_2Cl_2 and such other chlorinated fluorocarbon compounds as the Administrator determines by rule may threaten to contribute to reductions in the concentration of ozone in the stratosphere.

"STUDIES AND REPORTS

"Sec. 151. (a) National Academy of Sciences Study.—The Administrator shall undertake to contract with the National Academy of Sciences to study, and prepare a report, concerning the nature and likelihood of potential effects (direct and indirect) on public health and the environment of the discharge of chlorofluoromethane into the ambient air. Such report shall also include information on the availability of (1) methods to recover and recycle chlorofluoromethane from products which have been sold to the ultimate consumer, (2) methods of preventing the escape of chlorofluoromethane into the ambient air in various uses, and (3) safe substitutes for chlorofluoromethane in various uses. Such report shall be transmitted to Congress not later than one year after the date of enactment of this subtitle.

"(b) National Aeronautics and Space Administration Report.—Within twelve months of the date of the enactment of this subtitle, the Administrator of the National Aeronautics and Space Administration shall report to the Congress and to the Administrator on the evidence then available concerning the nature and likelihood of potential effects (direct and indirect) on public health and the environment of the discharge of chlorofluoromethane into the ambient air.

"RECOMMENDED STANDARDS

"Sec. 152. Not later than fifteen months after enactment of this subtitle, the Administrator shall report to the Congress on recommendations for control of chlorofluoromethane discharges into the ambient air from sources other than aerosol spray containers. Such report shall include recommended standards to limit such emissions from major sources (other than aerosol spray containers) to the maximum extent which the Administrator determines will be feasible (taking into account the cost of achieving such limitation), and recommended effective dates for such standards.

"WAIVER AUTHORITY

"Sec. 153. If the Administrator finds, after—

"(1) consideration of the reports under section 151,

"(2) consultation with appropriate Federal agencies and scientific entities, and

"(3) opportunity for public hearing,

that no significant risk to the public health, safety, or environment is, or may be posed, or contributed to, by the discharge of chlorofluoromethane compounds (or any class thereof) into the ambient air from aerosol spray containers, then he or she may, by rule, waive the prohibition of section 154 in whole or in part.

"ENFORCEMENT

"Sec. 154. (a) Prohibiting.—Except as provided in section 153, it shall be unlawful for any person to manufacture, sell, deliver for introduction into commerce, or oger for sale any aerosol spray container which in normal operation discharges chlorofluoromethane into the ambient air, more than two years after the date of enactment of this subtitle.

"(b) Sanctions—

"(1) The Administrator may apply to any United States district court in the judicial district in which the person alleged to be engaged in conduct prohibited by subsection

(a) is located or conducts business to obtain a temporary restraining order, a preliminary or permanent injunction, and other appropriate equitable relief to restrain any act prohibited by subsection (a).

"(2) Any person engaged in conduct prohibited by subsection (a) may be subject to a civil penalty of not more than $10,000 per day of violation in the discretion of the district court.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 155. (a) National Academy of Sciences Study.—For the purpose of sections 151(a) and 152, there are authorized to be appropriated to the Administrator, $500,000 for the fiscal year ending June 30, 1975, $1,500,000 for the fiscal year ending June 30, 1976, $250,000 for the fiscal period ending September 30, 1976, and $500,000 for the fiscal year ending September 30, 1977.

"(b) National Aeronautics and Space Administration Study.—For the purpose of section 151(b), there are authorized to be appropriated to the Administrator of the National Aeronautics and Space Administration, $1,000,000 for the fiscal year ending June 30, 1975, $1,000,000 for the fiscal year ending June 30, 1976, $250,000 for the fiscal period ending September 30, 1976, and $750,000 for the fiscal year ending September 30, 1977.

"(c) For the purpose of carrying out other provisions of this subtitle, there are authorized to be appropriated to the Administrator such sums as may be necessary for the fiscal years ending June 30, 1975, June 30, 1976, September 30, 1977, and for the fiscal period ending September 30, 1976."

CONFORMING AMENDMENT

Sec. 3. Title 1 of the Clean Air Act (42 U.S.C. 1857 and following) is amended by inserting immediately before section 101 the following:

"Subtitle A—Air Quality and Emission Limitations".

SOLAR ENERGY

Mr. BROOKE. Mr. President, this morning I testified before the Senate Select Committee on Small Business regarding the important role the New England region can and should play in the development of solar energy technology to help the Nation resolve its energy crisis. I ask unanimous consent that the full text of my remarks be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

TESTIMONY OF SENATOR EDWARD W. BROOKE BEFORE THE SENATE SELECT COMMITTEE ON SMALL BUSINESS

Mr. Chairman, I appreciate the opportunity to testify on small business opportunities in the growing solar energy industry. For New England, this hearing serves a number of valuable purposes.

First, it will highlight New England's strong and diversified small business community, which can make significant contributions to the nation through the expansion and commercialization of solar energy technology. Second, it will underscore the fact that New Englanders must have access to new sources of energy, like solar power, if we are to reduce the enormous bills we pay for fossil fuel energy. And third, these hearings can and should generate a network of region-wide contacts among the many small firms which have complementary interests in the development of solar energy.

Clearly solar energy will play a critical role in meeting our future energy needs. This year Congress has appropriated $140 million for the Energy Research and Development Administration's solar programs. And while I think this effort is long overdue, I welcome its beginning and look forward to helping add all the R&D funding our scientific and technical community can absorb in the coming years.

The range of research efforts will be broad and varied. There will be funds to develop components and total systems that can heat and cool single family, multi-family, commercial and institutional buildings. There will also be experiments with ocean thermal equipment, wind energy technologies, agricultural uses of solar power, and the use of 'biomass', or living cells, for storing and transmitting the energy of the sun.

This diversity offers opportunities tailored to the special genius of New England firms. Our small business community, which constitutes 97% of our firms, thrives on creative diversification.

In Massachusetts, we are particularly proud of the sophisticated R&D community that grew up first in our "golden semi-circle" along Route 128 and then later spread to what we call our "platinum belt" along the new Route 495. This network of businesses has tremendous assets to offer the government's solar research program. For fifteen years, these firms have been famous for taking scientific advances from the academic communities in our region and turning them into practical, commercial applications.

For example, under government-funded research grants, Massachusetts firms have pioneered the development of radar, the laser, advanced photographic science and, of course, the well-known component systems of the Apollo space program.

But even more important, our small businesses have the knack and the wherewithal to turn seminal inventions into a wide range of products which can be used in both regional and national markets. An outstanding example is the computer time-sharing systems pioneered at MIT which were expanded upon and marketed by numerous small Cambridge firms. And now the Boston Yellow Pages directory lists 20 firms which deal in software and specialized business variations upon the original time-sharing system.

Another historic success has been the development of sophisticated, medium priced hi-fi equipment by pioneers in the field of acoustics. A dozen competing firms which manufacture equipment to project and reflect hi-fi sound were born around Boston in ten short years. They are still related to a number of large firms which deal in acoustical research applications. Like the emerging field of solar energy, the audio field had a mass market which had never been developed until ingenious inventors began capitalizing on R&D efforts. I am certain we can once again seize upon an irresistible economic opportunity to generate important technical achievements.

Mr. Chairman, the science of using solar energy needs our small businesses. Dozens, perhaps hundreds, of creative, practical ideas are called for. These include a wide variety of components, transmission and storage techniques, and even analytic models that can be combined and recombined into working systems.

Our businesses are well suited for the organized specialization that will be in demand. It is important to realize that our past record of achievement did not depend solely on the resources within each firm. Indeed, the very structure of our R&D small business community is an asset in itself. Many firms were born to take full advantage of an idea that came for a parent company. Many are joined together in cooperative efforts on related scientific advances.

Of course, the other part of the solar R&D picture is that our New England economy must find commercially viable alternatives to the imported oil our businesses are forced to use as basic fuel. Nothing would so improve the health of our entire business community as the reduction of our overall regional fuel bill. If we could stop paying 60% more than the national average for energy, if we could compete with those regions whose industries burn natural gas at ⅓ the cost of our oil, private enterprise, small and large, would be operating in a new climate for growth.

Solar energy could someday take over as much as ⅔ of our energy load. Our dependence on electric utility power for which we pay more than half again as much as the national average, or on the imported oil which is used for 80% of our industrial needs, could virtually vanish.

Many visionary businesspeople have already seen these opportunities. Mr. Chairman, you have helped the forward-looking leadership of the New England Fuel Institute set up solar demonstrations in New Hampshire homes. The New England Electric System is offering low price hot water solar installations to its customers. And I am sure many more can and will follow this lead.

However, the market will be fully developed only after the new federal effort establishes the most economically competitive technologies. This committee and the witnesses here today will have vital roles to play in translating technical skills, efficient business organization, and a voracious market into a rich solar energy industry.

Of course, those of us here today must all perform our traditional duties. Businesses in our region must be fully informed about federal opportunities, and the staffs of their elected representatives must help them get through the inevitable bureaucratic hurdles. Firms must put everything they have into competing for contracts and private markets. But I would suggest that we New Englanders also create a new structure to support private efforts in the solar field. We need to pool general regional information about available skills, products and markets. We need to provide an easy reference system for existing knowledge in the solar field. I believe that a regional Solar Resource Center could be set up to provide all private enterprises with a solar information base which would strengthen our regional economy without interfering with the tough competition that is essential to a growing industry.

In fact, we have the beginning of a New England Solar Resource Center in a broad-based Task Force which is being coordinated under the auspices of the New England Regional Council. Its purpose is to assist applicants for the ERDA Solar Energy Research Institute. Concerned members of Congress, including the distinguished Chairman, have worked with businesses, representatives of academic institutions, state officials, and consumer groups to get that Research Institute, and a good part of the $50 million a year it will spend into New England.

However, this coalition can establish powerful resources to be used in pursuit of further solar energy investment. I would recommend that members of this committee, and the businesses represented by witnesses today, join with the New England Council for the express purpose of establishing a useful clearinghouse and information center on solar energy industry opportunities. I expect to continue to lend my personal support to this regional effort. But I would take special pleasure in working to direct federal resources, both financial and technical, into an organization which could serve all of the region's small business scientific community.

U.N. SANCTIONS AGAINST RHODESIA

Mr. McGEE. Mr. President, on September 25, the House of Representatives failed in efforts to return the United States to compliance with United Nations sanctions against Rhodesia.

In analyzing the House action, I believe it is particularly important to consider points raised by columnist Anthony Lewis in an article appearing in the September 29 New York Times. They are most appropriate and well defined.

In addition, having been heavily involved in repeal efforts over the past 3 years, I was somewhat surprised that Congress could still succumb to hackneyed and discredited arguments which have little or no factual basis.

Mr. President, in light of the serious ramifications the House action poses for our economic and political interests in Africa, I ask unanimous consent that the Lewis column and testimony I submitted to the International Organizations House International Relations Committee earlier this year, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

For Which We Stand

(By Anthony Lewis)

BOSTON, September 28.—The House of Representatives has been reformed: So we read earlier this year. New members have driven the dinosaurs from power and brought a spirit of reason into that once cynical place. The House can at last play its rightful part in making national policy.

Anyone who believes that should look at the Congressional Record for last Thursday, Sept. 25. The House that day debated a bill to repeal an existing law, the so-called Byrd Amendment, that requires the United States to buy Rhodesian chrome in violation of United Nations sanctions. The repeal bill lost, 209 to 187.

It was a debate out of what we might have thought was some primitive past. Xenophobia and racism were the inarticulate premises, distortion and bluster the method. The subject was not one to make headlines, but the level of the argument—the contempt level—told much about the state of the House.

Rhodesia is not a very complicated place to understand. It has a population of 270,000 whites and 5,700,000 black Africans. The tiny white minority has total power. The blacks are barred by law from most of the country's fertile land; few can vote; black workers, earn many times less than white. Ian Smith, the Prime Minister who declared Rhodesia independent of Britain 10 years ago, has repeatedly said that the majority will not be allowed to rule "in my lifetime."

A principal opponent of the House bill was Rep. John H. Dent, Democrat of Pennsylvania. He had made a trip to Rhodesia, and he offered his colleagues these profundities:

"His (Ian Smith's) avowed purpose, and we can read this in their constitution if we want to read it, is to educate the blacks in Rhodesia to take over Rhodesia as a government. . . . Is there any person in this room that believes we can have one-man, one-vote, with equality of any kind, when they practice polygamy? . . . It is the only African country before the revolution in that country that as a part of its economy every black gets paid the same wage as a white."

Rhodesian lobbyists were matched in skill by those for American companies eager to use cheap Rhodesian chrome. The United States has a large chrome stockpile; the Ford Administration had endorsed the bill as consistent with the national security. But the debate was larded with the lobbyists' argument that we would be imperiled if we relied on the main alternative source of chrome, the Soviet Union. Rep. Steven D. Symms, Republican of Idaho, added that the bill would cost American workers "between 2,027,000 to 16,700,000 man-hours as thousands of employes are laid off in the steel industry."

Such arguments would be funny if they had not been made on the winning side of the debate—and if the effects were not likely to be so serious.

It is fair enough to denounce the follies of the United Nations. But we are committed by treaty to observe Security Council resolutions, which after all we have a chance to veto. It will be a little more awkward, from here on, for Pat Moynihan to lecture other U.N. members about their contempt for law and international comity. It is true that awful things have happened in Burundi and Uganda and elsewhere without U.N. sanctions, and true also that sanctions rarely work. But it does not follow that we should stand apart when, for once, the world can agree to do something about a discrete evil. And sanctions are gradually beginning to exert effective pressure for peaceful change in Rhodesia.

The irony is that helping Ian Smith to hold out a little longer will only increase the likelihood of violent change—and damage to Western interests in Rhodesia, in chrome ore and everything else. The South African Government sees that and is desperately trying to arrange a transition to majority rule in Rhodesia. It is more enlightened, more sensible, than the U.S. House of Representatives.

It was especially painful to see some of the names voting Nay on that bill. There were some of the Southerners who were so effective in the Judiciary Committee's impeachment inquiry last year—James Mann, Walter Flowers, Ray Thornton, Caldwell Butler—and two of the Northern Republicans, Hamilton Fish Jr. and Robert McClory, And two senior New York Democrats, Samuel S. Stratton and James J. Delaney. And a Democrat particularly respected as a lawyer, Richardson Preyer of North Carolina, who in his speech against the bill sounded embarrassed.

Of course the House is not to be judged alone for such a performance. It speaks for the country. Did it reflect us fairly? Is that what we have become after six years of foreign-policy leadership obsessed by power, indifferent to humanity, without scruple of bombs or lives? Or what pressures lead a good man like Richardson Preyer to vote that way?

We should not meddle in another country's affairs, said one Congressman, sounding like Henry Kissinger. But we do meddle, by force and conspiracy. The question is when and how we should express the old American ideals, which still matter to many people in the world.

Testimony of Senator Gale McGee Before the International Organizations Subcommittee of the House Committee on Foreign Affairs

With unprecedented change sweeping all of Southern Africa, it has never been more imperative than now for the Congress to place the United States back into compliance with United Nations sanctions against Rhodesia.

The arguments which persuaded the Senate, in December 1973, to repeal overwhelmingly (by a vote of 54–37) a provision of law allowing the United States to violate sanctions unilaterally remain as valid as before. Yet, the sense of urgency is even greater. New dimensions have been added to the equation which have turned an untenable position for the United States into one fraught with disaster for our national interests.

The collapse of Portugal's African empire hastened an inevitable sequence of events in Southern Africa. The new government wasted little time in placing Portugal into compliance with U.N. sanctions for the first time since the sanctions went into effect in 1967. With Portugal's recognition of the independence of Mozambique, the Republic of South Africa moved swiftly to establish détente with her black African neighbors. Recognizing the dangerous liability posed by continued support for Rhodesia, South African Prime Minister John Vorster began pressing the Ian Smith government to arrive at an equitable settlement with the black African majority (who comprise 95 percent of the population of Rhodesia) of the break-away British colony. Thus, with the granting of independence to Mozambique, Portuguese compliance with U.N. sanctions, and the Republic of South African withdrawal of support for the Smith government, the United States has become singularly isolated within the international community on this issue and has become the only symbolic ally of the Rhodesian regime of Ian Smith in the entire world.

The arguments presented by industry lobbyists, representing a handful of U.S. business concerns, in support of continued violation of the sanctions span a wide spectrum and obscure the real issues involved in this foreign policy disaster for our nation. They include the economic necessity to gain access to Rhodesian chrome, reliance upon the Soviet Union (a potential enemy) for a strategic material, covert violations of sanctions by other nations, trans-shipment of Rhodesian chrome through the Soviet Union to the United States, and price-gouging by the Soviets in an effort to take advantage of the sanctions. Most of these arguments have been refuted on a factual basis. In fact, it became clear that the Congress, in many instances, has been deluged with misrepresentations and mis-statement of facts in order that legislation placing us in violation of an international obligation would be enacted. The factual refutation of these industry arguments, among other factors which I will discuss later in my testimony, led the Senate to reverse overwhelmingly its original decision of four years ago. Rather than discussing these arguments in detail, I ask that my statement before the African Affairs Subcommittee of the Senate Foreign Relations Committee on September 6, 1973, in opening hearings on legislation to place the United States back into compliance with U.N. sanctions and the statement of my distinguished colleague, Senator HUBERT HUMPHREY, appearing in the CONGRESSIONAL RECORD of October 10, 1973, be made a part of today's proceedings.

In essence, the Congress has succumbed to pressures from a very narrow sector of our business community whose only concern is profit at the expense of our much broader national interest. I might add at this point that one of the original lobbyists on this issue was Foote Mineral Company, who has since bowed out of the campaign to keep the sanctions violation in force. Union Carbide, another corporation whose lobbyists support the sanctions violation, did not even request the opportunity to testify in these hearings. Finally, I am also aware that support among Stainless Steel producers for continued sanctions violations has diminished in recent months, leaving just a handful of corporations to carry on the battle.

Yet, the corporate involvement in the Rhodesian chrome question raises some very fundamental questions in the conduct of our foreign relations. On October 25, 1973, I had the opportunity to address the International Development and Management Institute's

Washington Policy Conference on the question of "How U.S. Corporations Could Win Support for Their Viewpoint in Washington and with the American People."

At that time, I noted that if the business community believed there was a lack of understanding in the U.S. Congress regarding their viewpoint; conversely, there was a lack of appreciation on the part of corporations as to what considerations make up a Congressional decision on a given issue.

Citing Congressional efforts to place the United States back into compliance with U.N. sanctions against Rhodesia as a perfect case in point, I pointed to the corporate involvement in this issue as being the primary instrument in our violation of sanctions. A handful of corporations has placed the United States in the position of being the only nation in the world to agree first to compliance with sanctions, and then to violate them unilaterally and formally.

I told the participants in the Washington Policy Conference if they were really concerned over finding means to improve the corporate image in the United States, then they should begin policing their own ranks. I maintain that the U.S. corporate community cannot, or should not, condone such episodes. Our image as a nation has been tarnished by this incident, a fact for which the corporate community should have a special appreciation. The corporate community in general, and the multinational corporations in particular, have failed to humanize their institutions to a degree in which individuals can view them as effective vehicles for social, cultural, economic, and human progress in both the industrialized and developing worlds.

It is due to such incidents as Rhodesian chrome that the corporate community as a whole suffers from the abuses of a few.

What lobbyists for the Stainless Steel Industries fail to perceive is that the future economic viability of this country is inextricably tied to what our relations with black Africa and the rest of the developing world will be. The United States, with only six percent of the world's population, consumes 40 percent of the world's resources. We require access to the vast, rich, unexploited natural resources of sub-Sahara Africa and to potential export markets on that continent if we are to maintain our position as a major economic power in the world. Thus, this nation's foreign policy has to become more sensitive to the needs and aspirations of the developing world if our own well-being is to be maintained.

Therefore, it was with considerable interest that I read an article appearing in the September 1973 publication of "The World Today" magazine. The article, entitled "Britain and Rhodesia: The Economic Background to Sanctions," pointed out how much more farsighted both the British Government and British business interests are in their approach to the question of Rhodesia. This is not without a solid foundation.

For example, the authors of the article, two postgraduate students at Oxford University, made the following observations of British business attitudes on the Rhodesian sanctions question:

It must be emphasized that Rhodesia is only one of a number of underdeveloped countries in the area and, with few exceptions, British companies would be willing to lose their interests there to safeguard the lusher pastures to the north. For it is in black Africa that the future must lie. Reserves of labour and resources have hardly been touched and the larger population concentrations provide ample opportunity for local market expansion on the basis of the surplus from the mineral and agricultural sectors. In addition, the strategic importance of many of Africa's commodities and the likelihood of new large mineral deposits made it essential to maintain British interests in the area. The growing Nigerian oil industry, which now provides 10 percent of the UK's consumption (together with the possibility of large reserves elsewhere) adds a sense of urgency to this conclusion.

This argument now seems to be widely accepted by British industry, at least for the long run.

The authors in their conclusion also noted the following:

Both sections of this article have led to the same conclusion; there is no economic case for the removal of sanctions in advance of a settlement that is acceptable to African opinion. At first sight the maintenance of sanctions appears an unattractive option, but to lift them would produce few gains. British companies would regain contact with their subsidiaries, but this is unlikely to affect the overall profitability, and the trade links lost to the sanctions-breakers will be hard to re-establish. Besides, Rhodesia's elaborate system of capital and trade controls could not be dismantled overnight. Rapid trade liberalization would damage the manufacturing sector and allow the excess liquidity in the economy to spill over into inflation. The country has a considerable outstanding debt commitment—estimated at R$221 m., plus R$99 m. interest and debt arrears—to which must be added the profits of UK firms awaiting to be remitted. Rhodesian funds in London are less than a tenth of this sum.

On the other hand, a solution labelled as a 'sell-out' by black Africa would inevitably have harmful consequences. The goodwill generated by the Pearce Report and the Government's careful overtures to Nigeria would be thrown away. It is impossible to cost the resulting retaliation, but British investors are well aware of the possibilities. There may be some nationalization, although inroads have already been made into British capital by the more radical governments and dependence on foreign skills and technology is likely to remain. More important perhaps will be the effect on new investment and trade. As a member of the EEC, Britain is now in a good position to establish an economic presence in the Associate States (of black Africa).

Crucial contacts would be denied to her at little cost to the country concerned. Trade flows could be diverted, particularly when governments are a major buyer. The stake in Rhodesia is simply not worth a loss of this order, and there would be no compensation gains elsewhere south of the Zambezi. Britain cannot afford to be squeezed out of profitable new markets.

This is a particularly important aspect of the Rhodesian sanctions question. Right now, U. S. private investment in Southern Rhodesia is estimated to be $57 million. In black Africa, our private investment is estimated to be over $3.5 billion.

The British business community readily recognizes the disparity of this economic relationship and has adjusted in order to avoid long-range disastrous consequences. This is something the U.S. business community has not recognized and, as a consequence, seriously jeopardizes both their interest and our own broader and much more vital national interests.

There are many lessons we can learn from the manner in which both the British Government and British business community have approached the Rhodesian question. They have recognized the shifting political and economic forces in the international community today. They realize the balance of economic power is increasingly shifting to the developing world. They have adjusted to this reality, an adjustment that some of our own business leaders have not made and which many in the Congress have not recognized as having to be made.

Since the issue of access to natural resources and markets is vital to this nation, I would ask that the article, published in the Congressional Record on December 14, 1973, and two other statements I made on these subjects appearing in the Congressional Record on September 24, 1973, and October 2, 1973, be made a part of the record of this hearing.

The international ramifications of our continued violation of the sanctions have already been felt. There is definitely a cause-and-effect relationship between our unilateral violation of a treaty commitment and the increasing difficulties this nation is experiencing in international forums, such as the United Nations, on issues of vital importance to our nation. As our Ambassador to the United Nations, John Scali, has observed on a number of occasions, of all the issues facing the United States within the United Nations, the continued violation of sanctions poses us the most difficulty. The Ambassador has further noted:

Quite frankly, if we are not to encounter major setbacks on items of much greater concern to our country than Rhodesian chrome, we must have many of those 41 African votes. At the moment, the feeling of many African governments is that if the United States is going to take a position detrimental to their interests on an item of so little concern to us but of great importance to them, they will do the same to us when they get the opportunity.

Ambassador Scali's prophetic remarks became a reality with the 29th General Assembly of the United Nations. If we continue to persist in the cavalier treatment of the developing nations of Africa, Asia and Latin America—and our violation of U.N. sanctions is one of the most blatant examples of such an attitude—then we can expect to be treated in the same manner by other nations.

Before concluding my remarks, I want to urge the Subcommittee to support the amendment to H.R. 1287, which was proposed by the United Steelworkers of America and at least one Stainless Steel producer, Eastmet Corporation of Baltimore, Maryland. The amendment would deny entry of any specialty steel mill product which contained Rhodesian chrome. All foreign steel producers who exported to the U.S. would have to certify that no Rhodesian chrome was contained in the imported product. If such a violation was found, under the amendment, the foreign producer would be banned from any importation into the U.S. for the duration of the embargo. I support the proposed amendment. It would be a positive force in strengthening international compliance and enforcement of the sanctions. In addition, once the United States returned to compliance with the sanctions, such an amendment would give our Government a stronger hand in seeking adherence to the U.N. embargo against Rhodesia. While I cannot speak for my colleagues in the Senate who support H.R. 1287, I can assure the Subcommittee that I will strongly support such an amendment when the repeal legislation comes to the Senate.

In concluding my statement, I want to re-emphasize the United States has a much greater stake and much broader national interest in fostering better relations with the black African nations who are in violation of sanctions. There is to be found a wealth in natural resources and markets of unlimited potential for U.S. exports, both of which are vital to our quality of life. While once cannot deny the immorality of our position vis-a-vis sanctions against Rhodesia, what was the idealism of the 1960's has become the enlightened pragmatism of the 1970's and beyond. We had better not ignore one simple basic fact which is surfacing as a new international economic order is being fashioned—our relations with the developing nations of the world must reflect equality and mutual respect. If it does not, then it will be the

United States who suffers because the developing nations have alternatives available to them on a scale much greater than in the past.

I am hopeful the House follows the lead of the Senate in December 1973, and will rectify a mistake which has caused this nation severe difficulties in the conduct of our foreign policy. A return to U.N. sanctions against Rhodesia is a small price to pay for relations with the black African nations upon whose goodwill and understanding we will be increasingly dependent.

ADDRESS TO THE BOARD OF GOVERNORS OF THE WORLD BANK BY ROBERT S. McNAMARA

Mr. PERCY. Mr. President, I would like to bring to the attention of my colleagues the speech given last month by Robert S. McNamara, President of the World Bank Group, to the annual meeting of the Bank's Board of Governors. The President's speech each year is a report on poverty in the world and the progress we are making as a world community in alleviating it.

Past annual speeches have outlined the scope of the problem that confines 1 billion individuals on this Earth to a destitute life and have charted a course with a ray of hope. But this year's speech by President McNamara should send a cold chill down our spines. Mr. McNamara effectively highlights a group of events which have combined to threaten the economic progress made by the poor in the past as well as to limit any hope for their future under present conditions. World-wide inflation, the exploitative rise in the cost of oil, the deterioration in the terms of trade in tropical products, and the prolonged recession in the industrial countries have combined to rob the poor of past gains and forestall any growth in the future.

If conditions do not radically improve, the "development decade of the 1970's" for 1 billion people will mean a per capita increase in real income of $3—an increase from an annual income of $105 to $108. Comparable figures for the developed world are $3,100 in 1970 and $4,000 in 1980.

In the past, Mr. President, we in the developing countries always assuaged our guilt over the disparities in the distribution of world income by pointing to our aid programs and the progress being made in many less developed countries. Economic events of the past year have now punctured this fantasy. The gap between rich and poor is not closing. It is slowly but perceptibly widening. In a world of growing interdependence and shrinking distances how long can we withstand these disparities? As the wealthiest nation on this Earth we have the most to lose and the most to give. How we use or do not use our economic power to aid the poor will define the world we live in, the type of people we are, and the prospects for our own future. We have the blessing of choice. Those who live in absolute poverty know the word only in theory. It is my sincere hope that the nations of the industrialized world will more fully commit themselves to the cause of humanity and support the efforts of the World Bank as well as other aid and economic programs for the destitute poor who share this globe with us.

Mr. President, I ask unanimous consent that Mr. McNamara's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS TO THE BOARD OF GOVERNORS

(By Robert S. McNamara, President, World Bank Group)

I. INTRODUCTION

Last year within this forum I outlined the problems imposed upon the developing countries by worldwide inflation, deterioration in their terms of trade, and stagnation in their export markets. In the intervening months these threats to development have not abated. They have grown more ominous.

I would like, then, today to explore with you the developing countries' urgent need for increased flows of foreign exchange—both from exports and from external capital—to help offset these adverse forces.

The one billion people of the low-income nations have become the principal victims of the current economic turbulence. They did not cause it. By themselves they cannot change it. And they have little margin to adjust to it. Granted all they can and must do to work out their own problems, they desperately need additional external assistance.

Many of the middle-income countries as well are facing a foreign exchange crisis. In the long run this can be met only by more exports. In the short run, they too need greater access to external capital.

This, then, is the most immediate and pressing problem in the global development scene.

But underlying this emergency situation—and partially obscured by it—lies the more fundamental problem of poverty itself, and the need to shape an effective strategy to deal with it. That is the second issue I want to discuss with you today.

What is required is a strategy that will attack absolute poverty and substantially reduce income inequities, not merely through programs of welfare, or simply through redistribution of already inadequate national wealth, but rather through measures designed specifically to increase the productivity of the poor.

Two years ago in Nairobi I outlined the elements of such an attack on poverty as it exists in the countryside. We chose the rural areas as the initial target for an intensified World Bank effort because it is there that the vast concentrations of the absolute poor—some 700 million individuals—in fact live.

But poverty degrades life for hundreds of millions in the slums of the cities as well. Though their total numbers are smaller than those in the countryside, their rate of increase—through migration—is greater. In certain areas of the developing world their deteriorating conditions have already begun seriously to strain the fabric of their societies. The Bank is giving increased attention to this issue, and we believe we are ready now to undertake a far more comprehensive effort to help governments deal with it.

In summary, then, what I propose to do this morning is this:

Analyze the immediate problem of increased foreign exchange requirements in the developing world, and indicate what the OECD nations, the capital-surplus OPEC countries, and the World Bank itself can do to help meet this need;

Report on the progress the Bank is making in its implementation of a strategy to reduce poverty in the rural areas;

And outline a program for an integrated approach to attack poverty in the cities.

Let me begin with the problem of foreign exchange requirements.

II. FOREIGN EXCHANGE REQUIREMENTS IN THE DEVELOPING COUNTRIES

For most of the developing countries the past year has been a period of painful accommodation to a global economic disequilibrium.

At least four principal factors—all of them interrelated—have combined to threaten their future growth prospects:

Persistent worldwide inflation;

The surge in the cost of petroleum;

The deterioration in their terms of trade;

And the prolonged recession in the OECD countries.

Inflation always exacts greater penalties from the poor than from the rich, and most of the developing countries have been faced with major increases in the prices of critical imports, particularly manufactured goods, foodgrains, and fertilizer.

The unprecedented rise in the cost of oil has been especially difficult for them to deal with since they have relatively little capability for a rapid conversion to other sources of energy, and only an insignificant margin for consumer conservation.

But though inflation has raised the cost of most of what the developing countries must import, it has failed to sustain the high prices of many of their exports. Last year the prices of their imports rose by 40%, but their export prices increased only 27%. This year inflation will add at least another 6% to the cost of their imports, but very little to the price of their exports. The result has been a substantial deterioration in their terms of trade, making it increasingly more difficult for them to pay for what they need.

Finally, not only have their export prices failed to keep pace with import costs, but in many cases their export volume has stagnated or even declined as the recession has grown more serious in the industrialized countries. The OECD nations are the chief markets of the developing countries, and normally absorb 75% of their total exports. As the recession has deepened, demand for these exports has declined.

Given these four factors—persistent inflation, the high cost of petroleum, deterioration in their terms of trade, and prolonged recession in the developed nations—the oil-importing developing countries find themselves confronted with an array of unanticipated obstacles to achieving even minimal development objectives in the remaining years of the decade. Indeed, in many respects, the outlook now appears worse than it did twelve months ago.

For the poorest countries—those with per capita incomes of less than $200—the situation is particularly grave.

In 1974, per capita incomes of the one billion people living in these nations declined an average .5%. For the hundreds of millions of them already severely deprived, it meant hunger, illness, and an erosion of hope.

This year the outlook is for a further weakening of these economies, and the per capita incomes of the one billion people are likely to fall again.

The middle-income developing countries—those with per capita incomes of $200 and above—have not felt the full impact of the deterioration of the world economy until this year. Last year, due to a series of emergency measures—including the drawing down of reserves, the expansion of short-term debt, and the postponement of long-term development programs—they managed to maintain average GDP growth per capita of 3.9%.

This year, however, the growth of GDP is expected to be less than the growth of population and their per capita incomes are projected to decline by more than 1%. Moreover, their trade deficit will exceed 3% of their gross national product—twice as large as it had been in the late 1960s.

The event of the past two years have in effect swept away the progress these countries had made in deducing their dependence on external capital.

The 1976–1980 foreign exchange requirements of the oil-importing developing countries ought, then, to be viewed as composed of two principal elements: a declining transitional component, needed until export earnings can grow to offset higher import costs, and the more traditional external capital supplement to domestic savings, equivalent to about 1.5 to 2% of their GNP.

GROWTH RATES AND RELATED CAPITAL FLOWS

To better grasp the capital requirements of the developing countries over the next five years, it is useful to examine alternative levels of capital flows and resulting rates of growth of per capita income. Two such projections are set out below.[1]

In each of these examples, growth rates are linked to "capital flows." The flows represent the amounts of foreign exchange required in the short run, over and above currently projected export earnings. In the longer run, of course, most of these foreign exchange needs, if they are to be met at all, must come from higher export earnings.

There is much the developing countries themselves can do to create a more favorable climate for export expansion. All too often their policies of subsidized capital, overvalued exchange rates, and excessive regulation discourage entrepreneurial incentive to sell abroad. Their own efforts to remove these self-imposed roadblocks to greater export earnings are essential if their full trade potential is to be realized.

But it will take time for these fundamental policy changes to become fully effective, and that is why in the short run the "capital flows" in the projections are representative of the amounts of external capital required to support the alternative growth rates.

The first set of data, labeled Case I, assumes substantial growth in capital flows in nominal terms between 1975 and 1980, but no increase in real terms. It assumes also that the industrialized countries will make a relatively rapid recovery from the current recession. Should that turnaround be delayed, the projected rates of growth of per capita income in the developing countries would of course be lower, or the external capital requirements higher.

These Case I growth rates—especially for the low-income countries—are far below the targets of the Second Development Decade, and, on average, provide barely perceptible increases in per capita incomes for the poorer countries. As this is a wholly unacceptable prospect, we have estimated—in Case II—what the additional capital requirements would be to raise income growth for the oil-importing developing countries to the Second Development Decade targets, at least for the remaining years of the decade. These requirements are substantial, even though the growth rate for the decade as a whole would still be far below the target level.

In both Case I and Case II, the principal increases in capital would have to be supplied on concessional terms, and the bulk of this assistance would have to come from the OECD countries. It is not difficult to understand why.

ANNUAL GDP GROWTH RATES, PER CAPITA, IN OIL-IMPORTING DEVELOPING COUNTRIES AND RELATED CAPITAL FLOWS IN BILLIONS OF CURRENT DOLLARS

	Average 1969–73	1974	1975	Average 1976–80 Case I	Average 1976–80 Case II
Growth rates:					
Low-income countries [1] (percent)	0.5	−0.5	−0.7	1.2	3.2
Middle-income countries [1] (percent)	4.5	3.9	−1.2	2.8	3.8
Capital flows:					
Net official capital	$7.9	$15.0	$19.8	$24.0	$35.2
Private capital	7.5	19.4	22.9	25.4	26.5
Total	15.4	34.4	42.7	49.4	61.7
ODA as percent donor GNP:					
OECD	.34	.33	.32	.29	[2].48
OPEC	0	1.41	2.57	1.56	1.56

[1] The population of the low-income developing countries totals 1,000,000,000 and of the middle-income developing countries, 725,000,000. Here, as throughout these remarks, the statistics do not include those nations which are not members of the bank.

[2] For ODA to average 0.48 percent of GNP during the 5-years 1976–80 would require that it reach at least 0.70 percent in 1980.

Even to achieve the wholly inadequate levels of economic activity of 1975, the developing countries have had to borrow large sums from the private capital markets. They will have to continue to do so in the future. But there are limits to credit-worthiness and these make it unlikely that they will be able to borrow significantly more in real terms, over the next five years, than they are doing now.

That is the reason many of the developing countries, and particularly the poorer ones, will have to depend so heavily on concessional aid for the additional capital. And if these Official Flows are to grow, it is likely that most of the growth must come from the OECD nations.

In 1974, the capital-surplus OPEC countries supplied about one-sixth of the concessional assistance (ODA) made available to the developing countries. This year their disbursements for ODA have been rising further and could reach an estimated $4.5 billion. This would represent about 3% of their GNP, and 10% of their current balance of payments surplus.

But it is unlikely that the OPEC countries can maintain this level of aid throughout the decade. They are themselves developing countries and the source of their capacity to make aid available is not the size and strength of their combined GNP—which is only a small fraction of that of the OECD countries—nor even of their GNP per capita, which on average is also substantially less, but rather the levels of their surplus trade balances.

By 1980, it is estimated that only a few of the OPEC countries will have current accounts still in substantial surplus. The others, which have provided about half the group's aid commitments over the past two years, are likely to reduce their level of aid as their imports rise and their trade surpluses diminish.

The OECD nations will be in the strongest position to assist the developing countries, and particularly the poorest among them, to achieve at least minimally acceptable rates of per capita income growth in the years immediately ahead.

To illustrate the problems of the developing countries in another way, consider the decade of the 1970s as a whole, and compare the economic progress—actual and projected—of three groups of people: the one billion people of the poorest developing countries; the 725 million people of the middle-income developing countries; and the 675 million people of the developing nations.

INCOME AND INVESTMENT LEVELS 1970–80 FOR DEVELOPED AND DEVELOPING COUNTRIES [1]

[Money in 1970 dollars]

Country group	1975 population (in millions)	GNP per capita 1970	GNP per capita 1980	GNP growth rate per capita p.a.	Estimated investment per capita p.a. Dom. Svg.	Estimated investment per capita p.a. Ext. Cap. Inflow	Estimated investment per capita p.a. Total
I. Low-income countries (under $200 per capita p.a.)	1,000	$105	$108	0.2	$14	$2	$16
II. Middle-income countries (over $200 per capita p.a.)	725	410	540	2.8	75	10	85
III. OECD countries	675	3,100	4,000	2.6	850	−15	835

[1] Excludes centrally planned economies and OPEC. Assumes case I rates of growth for the developing countries 1976–80.

As the table makes clear, the Second Development Decade would result in virtually no progress at all for the one billion people in the low-income countries and would mean that both they and the 725 million in the other developing nations would be growing relatively poorer when compared to the people of the developed countries.

To raise the growth rates of the developing nations to the level of Case II for the remainder of the decade would not require Official Development Assistance in 1980 to exceed the United Nations target of .7% of GNP. And that target could be reached were the developed countries willing to dedicate to ODA a minor fraction—no more than 2%—of the incremental wealth which they can expect to receive in the second half of the decade as their economies recover from the recession.

In contrast, as the table on page 39 shows, today the developed nations are contributing less than half of that goal—only .33% of GNP. Moreover, many of these nations, under present policies, are failing to increase their concessionary aid commitments by amounts sufficient both to offset inflation and to reflect their rising real incomes. Unless such policies are changed, ODA during the remainder of the decade, relative to GNP, will continue to fall, declining to perhaps .28% by 1980. It is essential, therefore, that the developed nations reexamine their concessionary aid programs. As government revenues and national incomes rise in the years ahead, ODA in relation to GNP should first be returned to former levels, and then later move toward the .7% target.

In view of the critical need of the developing countries for additional capital, I want to turn now to what the World Bank itself can do.

The World Bank program

As events have unfolded this past year and the capital crisis engulfing our developing member countries became more apparent, we resolved that the Bank must take a number of steps to help meet that crisis.

The first step was to expand the overall level of our lending program.

We propose to expand it both in nominal and in real terms to the maximum level consistent with our capital structure, the availability of funds, and the creditworthiness of our borrowers.

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[1] The projections simply illustrate rough orders of magnitude. They serve as a guide to appropriate policy decisions. No claim is made for the precision of the forecasts themselves. But we believe they indicate the severity of the economic problems confronting the developing countries, and they point to ways in which the rest of the world can assist their efforts to cope with them.

As inflation has persisted, the dollar volume of our loan commitments has necessarily increased. The average dollar amount of each loan has gone up in order to insure that our borrowers will in fact be receiving over the years of the loan's disbursement amounts sufficient to meet the rising costs of the project.

The following table illustrates how inflation has affected the real value of our lending operations.

Amount required to finance equivalent of $100 million commitment in fiscal year 1965 [2]

[In millions]

Fiscal year 1965	$100
Fiscal year 1970	141
Fiscal year 1975	228
Fiscal year 1980	300

By 1980, it will require $3 of commitments to accomplish what $1 did in FY65, and more than $2 to equal $1 in FY70.

But in addition to expanding our lending program in nominal terms by an amount that will fully offset the effects of inflation, we propose also to expand the real transfer of resources represented by that program in order to meet as far as we can the critical capital shortage which has such corrosive effects on the growth rates of our developing member countries.

To meet both objectives, we increased in FY75 the Bank Group's new financial commitments to $6 billion, compared to $4.5 billion in FY74. I have proposed $7 billion for FY76 and the total for the five-year period FY76–80 should approximate $40 billion. Such a level of new commitments would constitute, in real terms, a 58% increase over the previous five years, FY71–75, and a 153% increase over the preceding period, FY66–70.

Though this represents the largest program of financial and technical assistance to developing countries ever undertaken by a single agency, it of course still falls far short of meeting the full scope of the capital needs of those countries.

WORLD BANK GROUP LENDING: ACTUAL AND PROPOSED, IN CURRENT AND CONSTANT DOLLARS

[In billions of dollars]

Fiscal years	Current dollars	Fiscal year 1975 dollars
1966–70	7.5	14.2
1971–75	19.9	22.8
1976–80	42.0	35.6

As an interim measure, therefore, to help our lower-income member countries in their efforts to obtain additional resources for development, we have proposed, and the Executive Directors have approved, the formation of a new lending facility within the Bank—the so-called Third Window—which will provide funds at a concessional interest rate midway between that of Bank loans and IDA credits.

The purpose of the Third Window is to make available additional development assistance on terms suited to the limited ability of the developing countries to service additional debt, and with longer maturities than that currently being provided by emergency mechanisms such as the IMF Oil Facility.

We plan to begin this intermediate-term lending within a few weeks, with an initial level of operations of $500 million—which we hope to expand to $1 billion. To subsidize the interest rate of these new funds, we have been seeking contributions from a number of our OECD and OPEC member governments. Twelve have already indicated they intend to support the plan.

The Third Window facility is at best only an emergency measure. It can supplement, but in no way substitute for our IDA operations.

And because the capital requirements of our poorer member countries have now reached such a critical degree of urgency, it is imperative that we begin before the end of this year serious negotiations for a substantially increased IDA Replenishment.

IDA IV funds will be fully committed by June 30, 1977. In order to provide our member governments with adequate time to secure legislative approval—and to avoid the procedural delays which in the end penalize not the Association, but the poor countries all of us are trying to help—it is essential that our member governments move decisively and generously to negotiate, approve, and bring into being an IDA V Replenishment appropriate to the unprecedented needs it is designed to serve.

The new replenishment must be established at a level sufficient both to fully offset the effects of inflation, and to provide an appropriate measure of real growth. It should be supported by its traditional donors, and by those additional countries which, since the last replenishment, have benefited from major increases in their national incomes and foreign exchange reserves.

Finally, within the next few years, the need will arise to review the capital structure of the Bank and the International Finance Corporation.

I have presented to the Executive Directors a proposal for a Selective Increase in the Bank's subscribed capital and in paid-in capital. The proposal, which parallels the proposed increases in IMF quotas—and which should be acted upon as soon as the Fund takes a decision—makes provision for additional increases in the capital subscription of OPEC countries to reflect their increased economic and financial strength and their growing importance as a source of loan capital to the Bank.

The catalytic role of IFC in mobilizing additional private investment in the developing countries takes on even greater importance in a period of capital shortage, and we are exploring ways to increase its resources as well.

Although the Selective Increase for the Bank will significantly strengthen its ability to continue its role as a major source of development finance, the impact of inflation on the nominal amounts of our operations will make it mandatory to consider a General Increase in IBRD subscribed capital in the course of the next few years. The Articles of Agreement of the Bank provide that loans outstanding and disbursed shall not exceed the equivalent of unimpaired subscribed capital, reserves, and surplus. This provision would force us, at the proposed level of lending, to cease making loans in the early 1980s. To permit adequate time for the necessary legislative action, we must start soon to discuss an appropriate solution to this situation.

The Bank's entire lending program, and its future plans, clearly must be derived from the nature and scale of the problem that confronts the developing countries.

A major element of that problem consists of a desperate need for external capital for high-priority development investment that can enhance the living standards of nearly two billion people.

Let me summarize, then, the nature of that problem as I have outlined it thus far. Essentially it is this:

The developing nations are confronting a foreign exchange crisis. It is a crisis compounded of all the turbulent economic events of the past two or three years, and the cumulative effect will be to bring the economic progress of many of these nations virtually to a halt unless corrective action is taken. It is clear that at such a time additional efforts to mobilize internal resources and greater efficiency in the use of these resources become critically important and the governments of the developing countries must give high priority to these actions. The fact remains, however, that they desperately need additional imports to get their economies moving again. And the foreign exchange to finance those imports can only come from greater official and private external flows, and increased export earnings. The Bank itself must contribute to the expansion of the external capital flows and we intend to do so.

But despite all of this—despite the urgency for all of us to focus our attention on this emergency, and to take every step we can to try to deal with it—we cannot allow this to diminish our concern with the central issue of development which underlies the present situation: the necessity of creating an effective strategy to deal with the fundamental problem of poverty itself.

Let me turn to that consideration now.

III. ABSOLUTE POVERTY AND THE REDUCTION OF INEQUALITY

Three years ago I began a discussion with you of the critcial relationship of poverty and economic growth. I pointed out that this problem in the developing world can be summed up very succinctly: roughly half the population are neither contributing significantly to economic growth nor sharing equitably in its benefits. These are the poor. Within most developing societies they form a huge group at the lower end of the income spectrum, receiving only a fraction of what the middle and upper-income groups do.

Some 900 million of these individuals subsist on incomes of less than $75 a year in an environment of squalor, hunger, and hopelessness. They are the absolute poor, living in situations so deprived as to be below any rational definition of human decency. Absolute poverty is a condition of life so limited by illiteracy, malnutrition, disease, high infant-mortality, and low life-expectancy as to deny its victims the very potential of the genes with which they are born. In effect, it is life at the margin of existence.

In addition to the absolute poor there are what I have termed the relative poor. These are individuals with incomes somewhat above the absolute poverty level, but still far below their national average. Because of the distortion in income distribution—a distortion which in most developing countries far exceeds that of the industrialized nations—they too have been bypassed by economic progress.

The heaviest concentration of absolute poverty is in Asia. India, Pakistan, Bangladesh, and Indonesia are particularly afflicted. One out of every two individuals there is enmeshed in it.

In Africa, most countries are plagued with both absolute and relative poverty. Not only are per capita incomes meager on average, but often highly skewed as well.

In Latin America, many countries enjoy higher per capita incomes, with only about one individual in six at Asian or African levels of absolute poverty. But income distribution throughout the region is marred by serious inequality, and relative poverty is widespread and severe.

Analysis of income data makes it clear that policies aimed at diminishing income inequalities through direct redistribution of wealth will not be sufficient to end indigence. That is not to say that adjustments in this direction are not desirable on the grounds of equity, but no degree of egalitarianism alone will solve the root problem of poverty. What is required are policies that will enhance the productivity of the poor.

The truth is that throughout the developing world—in the countryside and cities alike—there is a huge and largely untapped potential to reduce absolute and relative poverty, and to increase economic growth, by directly assisting the poor to become more productive.

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[2] Allowing for price changes during the disbursement period.

Two years ago in Nairobi I outlined a strategy for moving against poverty in the countryside. In the interim we have accelerated our efforts to implement that strategy, and I would like to report to you on that now.

IV. REDUCING POVERTY IN THE RURAL AREAS

We chose the rural areas to begin an assault on poverty because the overwhelming majority of the absolute poor are there. As I pointed out, the poverty problem in the countryside revolves primarily around the low productivity of the millions of small subsistence farms. Despite the growth of the GNP in most developing countries, the increase in output of these small family holdings over the past decade has been so low as to be virtually imperceptible.

The scale of the problem is immense. More than 100 million families—some 700 million individuals—are involved. The size of the average holding is not only small, but often fragmented. More than 50 million of these families are farming less than one hectare.

You will recall the objective we recommended that the international development community adopt: to take the steps necessary to increase production on these farms so that by 1985 their output will be growing at an average rate of 5% per year.[3]

Clearly no simple formula exists to move forward so complex an objective as rural development. It is the interplay and mutual reinforcement of a coordinated array of national policies that is required. To help shape effective action, the Bank over the past two years has researched and published a series of policy papers that range over a broad spectrum of issues. These include major statements on Rural Development, Agricultural Credit, Land Reform, Education, and Health.

But we have not merely elaborated policy. We have moved ahead with an expanded lending program in rural development and we now lend more in this sector than in any other. This is a clear change in emphasis: 50% of all rural-development lending in the history of the Bank has occurred in the last year. We expect to commit $7 billion more in this field over the next five years, and we estimate that these new projects will bring financial benefits to approximately 100 million individuals.

Projects have been devised which combine components from several different sectors—road, electricity, water, education, family planning, and nutrition—and which integrate these with agricultural inputs into a development package to be applied to an entire region.

Typical of such new-style projects are the following:

A package of four loans, totalling $86 million, designed to increase the crop production and incomes of subsistence farmers in Nigeria, with the benefits reaching some 2 million individuals. The projects include financing of feeder roads, medium-sized earth dams, water reservoirs, village service centers, seed multiplication farms, training facilities, swampland conversion to rice paddies, and extension, credit, and marketing services. The estimated rate of economic return is 25%.

Two credits totalling $44 million for dairy development in India designed to increase the cash incomes and living standards of some 400,000 households—2.2 million individuals—the majority of whom currently have holdings less than two hectares, or are landless. The projects are expected to boost milk production by 760,000 tons a year, substantially improving nutrition, creating 14,000 new jobs, and yielding a return of 30%.

A $21 million loan for rural development in Thailand designed to benefit 400,000 low-income farm families—two and a half million individuals. The project will include specialized agricultural extension services, rural electrification, village water supply, access roads, and small-scale irrigation, and yield 16%.

One of the most innovative of the rural development projects is a $10 million credit to assist the Tanzanian government to bolster the productivity and living standards of farm families in the Kigoma region where per capita incomes are among the lowest in the world. The project will channel economic and social services to 250,000 individuals in 135 newly-established villages, substantially improving their crop production and doubling their incomes. It will include a credit and marketing system; primary schools, health centers, and improved water supply; clearing the area of the tsetse fly; regional radio-telephone communications; and a program of adaptive agricultural research. Should the project succeed—and we believe it will—it could serve as a model for new settlements elsewhere.

Though the new rural development projects are innovative, they are designed to provide a substantial economic rate of return at a low investment per individual served so that they can be readily extended to additional areas as additional resources become available.

Overcoming obstacles

But the closer we get to the core of the problem of poverty in the countryside, the more difficult, complicated, and time-consuming the task becomes. Let me take a moment, then, to describe some of the principal roadblocks we are encountering, and how we propose to deal with them.

One is the issue of appropriate technology. The agricultural methods of the wealthy nations in the temperate zone are frequently unsuited to the environment of many developing countries, where poor farmers are often struggling to subsist on semi-arid, or marginal land. There is a critical need for new agricultural technologies tailored to these conditions. The Bank helps to meet this need through its chairmanship of the Consultative Group for International Agricultural Research, and its shared financing of ten specialized international research institutes around the world, including one specifically for the semi-arid tropics.

In addition to the research work of the international institutes themselves, much more needs to be done by individual governments. The Bank has, therefore, recently agreed to help finance government efforts to consolidate and intensify specialized agricultural research in Indonesia and Malaysia. We anticipate an increasing number of such requests.

One technique we are making increasing use of is satellite remote sensing imagery in the survey and evaluation of potential land and water resources. This new tool is proving valuable in many aspects of project planning, and we are helping a number of our member countries to utilize it—Indonesia, India, Bangladesh, Nepal, and Kenya, among others.

Another problem is the pricing and subsidy policies some governments impose on the rural sector that tend to discourage additional food production. These policies are usually imposed to provide cheap food for the cities. But if prices are kept artificially low in relation to costs, farmers have no incentive to expand production. This is especially true of small farmers who simply have no margin for risk.

What many of us sometimes forget is that just because a man is poor does not mean that he is naive. The truth is that millions of small farmers—even without elaborate inputs—could increase their productivity measurably if they could be given but one simple assurance: that at harvest time they would be able to sell their additional production at a rewarding price.

Moreover, the small farmer is almost always discriminated against by public institutions that tend to favor the larger and more prosperous producers. It is the larger farmer who typically enjoys easy access to public credit, research, water allocations, and scarce supplies of petroleum, pesticides, and fertilizer. And it is the smaller farmer who is left to wait endlessly for the public services he needs far more urgently, but only too rarely receives.

The Bank is intensifying its dialogue with member governments to come to grips with these issues of pricing policy, and to assure more responsive public services specifically shaped to the needs of the poor. There are some signs of movement in this direction, but as yet not nearly enough.

Still another roadblock in implementing complex rural operations is the scarcity of trained technicians. That is why we often include training components in our projects. But much more needs to be done to expand the supply of such personnel, and we are gearing more of our education projects to that end.

Finally, all of us—at every level—have a great deal more to learn about the motivational patterns and behavioral responses of the poor in shifting from traditional subsistence agriculture to cash-crop production. Both the technical and social variables in such a transition are complex. To deal with them effectively calls for continuing feedback and evaluation, sensitivity and respect for indigenous values, and a healthy measure of humility.

Let me, then, conclude this section by summing up the principal points I have made. They are these.

There are some 700 million individuals locked into absolute poverty in the rural areas of the developing world. Their degree of deprivation is so extreme as to be an insult to human dignity—to theirs, because as human beings they deserve better; and to ours, because all of us have had it in our power to do more to help them, and have not.

Two years ago I outlined a strategy for reducing absolute poverty in the countryside. It focuses on the more than one hundred million small subsistence farmers, and their families. And what it proposes is not traditional welfare, but sound investment to assist them to become more productive.

It is a strategy that can succeed. It requires of governments political decisiveness, new policies, and a reallocation of resources. But it can return immense dividends. We in the Bank are developing a whole new program of integrated rural development projects to assist governments. They are projects that package together innovative economic and social components specifically designed to help transform poverty into productivity. We have a long way to go, but the early evidence is clear: it works.

It works because it is an approach that provides the poor with what they really want most of all: a chance to build a better life, through their own efforts, for themselves and their children.

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[3] Such an increase in productivity is necessary not only to advance the well-being of the 100 million small farmers, but also to help assure that global food requirements will be met. Though I will not deal specifically with the food problem in my remarks today, I do want to emphasize the Bank's concern with this issue. Following the World Food Conference last year in Rome, the Bank, in association with the FAO and the UNDP, established the Consultative Group on Food Production and Investment in Developing Countries.

It is an approach that works in the countryside. And it is an approach that we believe can work in the cities as well. I want to turn to a consideration of that now.

V. REDUCING POVERTY IN THE CITIES

We began the assault on poverty in the rural areas because that is where most of the absolute poor currently are. But they live in the cities of the developing world as well. Roughly 200 million are there now. More are coming, and coming soon.

The Bank has been giving increased attention to this issue. It is immensely complex—even more so than the problem of poverty in the countryside. But we believe we are ready now to initiate a much more comprehensive effort to assist governments to reduce urban poverty. What I would like to do today is, first, discuss the scope of the problem; second, analyze its underlying causes; and third, suggest a strategy to deal with it.

The scope of the problem

To understand urban poverty in the developing world one must first understand what is happening to the cities themselves. They are growing at a rate unprecedented in history. Twenty-five years ago there were 16 cities in the developing countries with populations of one million or more. Today there are over 60. Twenty-five years from now there will be more than 200.

How has this happened? Fundamentally, of course, it is a function of population growth. But it is more than just that. For though the total population in the developing world is increasing by about 2.5% a year, the urban population is growing at nearly twice that rate. Half the urban growth is due to natural increase, and half is due to migration from the countryside.

What this means is that some 400 million additional people have been absorbed into cities, through birth and migration, in a single generation—something wholly without parallel. In contrast, the developed world urbanized at a leisurely and less pressured pace at a time when its national populations were growing very slowly, at only about half a percent per year.

Latin America is already 60% urbanized, and Asia and Africa about 25%. But by the end of the century, three out of every four Latin Americans will live in a city, and one out of every three Africans and Asians.

Thus, at current trends, over the next 25 years the urban areas will have to absorb another 1.1 billion people, almost all of them poor, in addition to their present population of 700 million.

Life for the urban poor today is unspeakably grim. Though they spend up to 80% of their income on food, they typically suffer from serious malnutrition. It is estimated that half the urban population of India is undernourished. Up to 15% of the children who die in Latin American cities, and up to 25% of those who die in African cities, are needless victims of malnutrition.

Now what do these figures imply?

They make it certain that the cities of the developing world are going to find it incredibly difficult to provide employment, and minimally decent living conditions, for the hundreds of millions of new entrants into urban economies which are already severely strained.

An even more ominous implication is what the penalties for failure may be. Historically, violence and civil upheaval are more common in cities than in the countryside. Frustrations that fester among the urban poor are readily exploited by political extremists. If cities do not begin to deal more constructively with poverty, poverty may well begin to deal more destructively with cities.

It is not a problem that favors political delay.

The underlying causes of urban poverty

To comprehend the pathology of poverty in the cities, one must begin with an analysis of the employment opportunities of the poor.

Employment in the urban areas of the developing world is a function of an economic dualism that is widespread. Two sectors coexist side by side. One is the organized, modern, formal sector, characterized by capital-intensive technology, relatively high wages, large-scale operations, and corporate and governmental organization.

The other is the unorganized, traditional, informal sector—economic units with the reverse characteristics: labor-intensive, small-scale operations, using traditional methods, and providing modest earnings to the individual or family owner.

In the modern sector, wages are usually protected by labor legislation and trade union activity; in the informal sector, there is easier entry, but less job security and lower earnings.

Though jobs in the modern sector may be more desirable, as a practical matter they are often beyond the reach of the poor. They require literacy, experience, and a level of training the poor find it difficult to acquire; and in a labor-surplus market, employers can afford to insist on exceptional qualifications.

Even more important, the growth of employment in modern manufacturing and distribution lags considerably behind both the growth of its output, and the growth of the urban labor pool: output has increased 5 to 10% per year, but employment rose only 3 to 4%, while the labor pool was growing at a rate of 4 to 5%.

Though it is true that as the formal sector expands it tends to generate some indirect employment in the informal sector, it can also eliminate jobs there on an alarming scale. At the cost of $100,000, for example, a corporation may set up a plastic footwear plant, with only 40 employees, that can displace 5,000 traditional shoemakers and their suppliers.

High population growth rates, and massive migration to the cities, have swollen the urban labor pool. But the capital-intensive nature of the modern sector has kept openings for additional workers down. In some developing countries, manufacturing techniques have already become so mechanized that an investment of $50,000 to $70,000 is often required to create a single new job.

Given, then, the limited potential of the formal sector in most developing countries to absorb labor, it is not surprising that the informal sector is a critical component in urban employment. It provides, for example, nearly half of all the jobs in Lima, more than half in Bombay and Jakarta; and over two-thirds in Belo Horizonte.

And yet, the fact is that governments tend to view the informal sector with little enthusiasm. They consider it backward, inefficient, and a painful reminder of a less sophisticated past.

It is true that economies of scale are important in some activities. But it is not true that all small-scale enterprises are uneconomic. They can frequently operate at acceptable cost levels when costs of labor and capital are measured correctly, and when production operations are broken up into individual processes and products. In the production of many types of food, clothing, and furniture, and in construction, transportation, assembly, packaging, repairing, and service activities, small units can compete effectively.

But government prejudice against the informal sector frequently gets translated into public policies which give undue advantages to big firms; unrealistically low exchange rates for capital imports, special tax exemptions, high minimum wages, underpriced public utilities, and subsidized interest rates. All of these measures favor the large and capital-intensive firm over the small enterprise, and have the net effect of reducing the employment opportunities of the poor.

These discriminations against the poor are compounded by limited access to public services. There are heavy biases in the design, location, pricing, and delivery of such services.

Though most cities, for example, have expensive modern hospitals, the poor usually do not have access to them. They are largely reserved for the rich minority, even though the privileged have less incidence of illness than the poor. Nor is it surprising that the poor are so often ill, considering the squalor in which they must live. Frequently they have no public water supply or sewerage services whatever. And they often have to pay up to 20 times more for water supplied by street vendors than do middle and upper-income families, for water piped by the city into their homes.

But if the poor are denied equitable access to water, sanitation, and health, they fare equally badly with education. Many of their children receive no formal education at all simply because they live beyond a feasible distance to the nearest school. Thus, though half the total population of the capital of one African country lives in the slum areas, all of the schools, with one exception, are located elsewhere in the city. The result is that the primary school enrollment is only 36% in the poor areas, but 90% throughout the rest of the capital.

Children of the urban poor, although often in the majority, very seldom reach secondary school, much less a university, despite the fact that public expenditure per student for secondary and higher education is up 20 times the expenditure on primary education. This means that education—in theory a powerful force in equalizing opportunity—in fact often reinforces, rather than reduces, existing economic disparities.

In a typical Latin American city, for example, workers with primary education earn 37% more than workers without education, and workers with secondary and higher education earn 40% more than workers with only primary schooling. Denying adequate education to the urban poor, then, is simply synonymous with denying them opportunities for earning higher incomes.

Public transport is another vital service the poor are often without. Their incomes are so low they can rarely afford it. And even if they could afford it, it often does not exist in the peripheral areas of the city where they generally must live.

While the wealthy drive their cars, and the moderate-income workers ride the bus, the poor walk to work—frequently as much as two hours each way. Such distances are a penalty both to their energy and to their earnings. And as the cities grow larger, so their commuting grows longer. Studies indicate that in a city of a million, the poor's average journey to work is three miles; in a city of five million, seven miles.

In city after city of the developing world, the streets are growing congested with private automobiles, and the city councils are pouring over blueprints for elaborate subways or expressways. But little if any of this heavy investment will ever benefit the poor. It will only drain away resources that might be used to help them become more productive.

The deprivation suffered by the poor is nowhere more visible than in the matter of housing. Even the most hardened and unsentimental observer from the developed world is shocked by the squalid slums and ramshackle shantytowns that ring the periphery of every major city. The favelas, the bustees, the bidonvilles have become almost the central symbol of the poverty that pervades two-thirds of the globe. It is the image that is seared into the memory of every visitor.

But there is one thing worse than living in a slum or a squatter settlement—and that is having one's slum or settlement bulldozed away by a government which has no shelter of any sort whatever to offer in its place. When that happens—and it happens often—there remains only the pavement itself, or some rocky hillside or parched plain, where the poor can once again begin to build out of packing crates and signboards and scraps of sheetmetal and cardboard a tiny hovel in which to house their families.

Squatter settlements by definition—and by city ordinance—are illegal. Even the word squatter itself is vaguely obscene, as if somehow being penniless, landless, and homeless were deliberate sins against the canons of proper etiquette. But it is not squatters that are obsecne. It is the economic circumstances that make squatter settlements necessary that are obscene.

This, then, is the profile of poverty in the cities, It is not the profile of an insignificant minority, nor of a miscellaneous collection of unfortunates, nor of a fringe group of nonconformists—but of 200 million human beings whose aspirations are identical to your and mine: to lead a productive life, to provide for those they love, and to try to build a better future for their children.

They differ from us in only two respects: in the inhuman burden of their problems; and in the unjust disparity of opportunity they have to solve them. It is development's task to reduce that disparity. Let me, then, suggest at least the broad outlines of a strategy to deal with urban poverty.

A strategy to reduce urban poverty

Though the dynamics of poverty in the cities differ substantially from those in the countryside, the key to dealing with them both is fundamentally the same. What is required are policies and actions that will assist the poor to increase their productivity. Primarily this calls for measures that will remove barriers to their earning opportunities, and improve their access to public services.

The following are essential steps governments should consider in any comprehensive program:

Increase earning opportunities in the informal sector;

Create more jobs in the modern sector;

Provide equitable access to public utilities, transport, education, and health services;

And establish realistic housing policies.

The fundamental consideration underlying such a program is the reassessment of the role of the cities in the development process. Let me begin with that, and then turn to the others in sequence.

The role of cities in the development process

We need to remind ourselves what the role of cities in development really is.

Cities are, of course, many things, but essentially they are an instrument for providing their inhabitants—all their habitants—with a more productive life. They are not primarily collections of elaborate architecture, or of city planners' theories perpetuated in stone. Even less should they be thought of as sanctuaries of the privileged, who wish to put a decent distance between themselves and the masses of the rural poor.

Urban poverty can be cured nowhere in the world unless cities are thought of as absorptive mechanisms for promoting productive employment for all those who need and seek it. In the past 25 years in the developing countries some 200 to 300 million individuals have benefited at least marginally by migration, and since even at their unacceptably low levels of income they have been more productively employed in the cities than they would have been had they remained in the rural areas, the national economy itself has benefited.

This is not to make a case for wholesale migration from the rural areas. It is only to recognize that poverty will persist in the cities until governments determine to increase their capacity not simply to absorb the poor, but to promote their productivity by providing the employment opportunities, the infrastructure, and the services necessary for that purpose.

Now specifically how is this to be done? Our understanding of so complex an issue is limited, but at least it is possible, on the basis of what we do know, to identify policies and actions that could have a significant impact on the problem. The Bank's approach in the urban sector will be different from the strategy we are following in rural areas, although the basic objectives are the same.

The Bank's rural development strategy is focused on the small farmer. The main thrust is to provide the organizational structure and financial resources to increase the supply of essential inputs and raise the productivity of a specific target group. In the urban sector we will retain the emphasis on productivity. But we need a more flexible and diversified approach to match the greater diversity in the nature of the urban environment, the difficulty in identifying a readily accessible target group, and the variety of opportunities arising from the complex linkages in modern economic activity.

Any realistic strategy must place emphasis on increasing the earning opportunities of the poor in the informal sector.

INCREASING EARNING OPPORTUNITIES IN THE INFORMAL SECTOR

The employment problem in urban areas is not simply "jobs" in the conventional sense but rather the level of productivity and earnings. There is relatively little open unemployment among the urban poor. Without some kind of a job, they simply cannot eat. But they are often prevented from increasing their earnings by a combination of market forces, institutional arrangements, and public policies which confer privileges on the large, well-established firms and which penalize the informal sector.

Governments must take steps to moderate the bias in favor of large-scale, capital-intensive production, and turn their attention more positively to small producers, not only in manufacturing but also in transport, construction, commerce, and other service sectors.

The informal sector offers the most immediate opportunities of greater productivity for the urban poor. It already, of course, provides the livelihood for the vast majority, and though its earnings are considerably less than those in the formal sector, its flexibility and ease of entry are an important asset. What is required is that government policy support it, without attempting. to standardize it.

The informal sector's great virtue is its responsiveness to opportunity, its high degree of resourcefulness, and its entrepreneurial originality. The understandable enthusiasm of governments to "modernize" their economies must be restrained in their dealings with the informal sector. The point is not to try to transform it into the formal sector, but to support it without undue insistence on regulating it.

There are a number of ways in which governments can assist the small producer and the self-employed.

They can, for example, assure access to credit facilities on reasonable terms. The informal sector usually has very limited access to government banking and credit services. It must rely largely on the urban moneylender, who, like his village counterpart, is responsive but usurious. What are needed are improved banking policies that will make adequate capital available.

This can be done through rediscounting commercial bank loans to small-scale enterprises by central banks; by government guarantees to cover additional risks in informal-sector loans; and by new specialized institutions designed specifically to finance small enterprises. Like the small farmer, the urban informal-sector businessman is usually starved for credit. He does not need it in large amounts, nor does he need it at unrealistically low interest rates. But he needs it without excessive bureaucratic obstruction, and he needs it without procedural delay.

Further, governments can promote mutually beneficial relationships between the informal and formal sectors by reserving land for small enterprises in the vicinity of industrial developments. One effective technique is to establish industrial estates which will provide space neither exclusively to large nor to small industries, but which will deliberately situate firms of all sizes in close proximity, specifically to encourage economic linkages between them.

Since small enterprises individually have only very limited purchasing and marketing capacity, governments can promote cooperative facilities to lower their costs and increase their efficiency. At the national, regional and municipal levels, government agencies, as well as banks and private firms, can offer technical assistance to the small entrepreneur, analogous to the extension services for small farmers.

Finally, governments can help the informal sector to flourish by the removal of onerous and often outdated licensing and regulatory controls.

Taken together, the removal of biases favoring the modern sector, and the special assistance to the informal sector, can substantially improve the earning opportunities of the urban poor in the informal sector.

Creating more jobs in the modern sector

But the strengthening of the informal sector need not prevent the continued growth of the larger enterprises. On the contrary, special efforts must be made in many countries to turn their manufacturing enterprises away from the relatively small markets associated with import substitution, and toward the much larger opportunities flowing from export promotion. Korea, Taiwan, Mexico and Brazil, which achieved 15 to 20% annual growth in their manufactured exports in the late 1960s and early 1970s, clearly demonstrated the feasibility of bolstering manufacturing employment with this policy.

Further, the gradual reduction, and the ultimate elimination, of capital subsidies to the modern sector, as has been done in Hong Kong and Singapore, can make both production and service activites significantly more labor-intensive. Even in relatively automated modern factories, substantial labor-capital substitution possibilities exist in such activities as materials handling, packaging, intrafractory transport. When producers have to pay realistic prices for capital, they not only explore more labor-intensive solutions for each process and product, but tend to use the plant's capacity more intensively, thus creating more jobs per unit of capital.

The first element, then, in the strategy to increase the productivity of the urban poor is to remove barriers to their earning opportunities. The second is to provide them with essential public services at standards they can afford.

Assuring access to public services

About one-third of the population in most of the cities of the developing world lives in slums that are either wholly without or very inadequately served by public water, sewerage, transport, education, and housing. These conditions have a seriously detrimental effect on the health, productivity, and incomes of the poor.

The urban poor are frequently denied access to public services, not because they don't exist, but because they have been designed or located largely for middle and upper-income city dwellers, and are simply beyond the reach of the less privileged.

The whole question of "standards" of urban services works to the disadvantage of the urban poor for they are often written with middle-class or upper-income orientations, and have little relevance to the situation the poor find themselves in.

Standards are important, but they must be formulated to meet realistic and attainable objectives. If the needs of the poor are to be met within a reasonable time span, public utilities and social services will have to be provided at costs which they can afford to pay.

Water and sewerage services

The single most important factor in improving the health environment of the poor is to provide clean water and adequate sewerage. A commonly used standard calls for cities to supply 200 liters of water per person per day. Many cities in the developing world simply cannot afford to do that. That is understandable. What is not understandable is that instead of lowering the standard to fit their resources, some cities pipe 200 liters per person per day to individual houses in the affluent and middle-class neighborhoods, but leave 60% of the population—the poor on the periphery of the city—without any piped water at all. The result frequently is endemic cholera among the poor, because they must depend on unclean water from other sources.

Often, all that low-income families can afford are standpipes, but this form of water supply, together with technical assistance in improving sanitation facilities, can have an immensely beneficial impact on their health.

Health and education services

Essential health and education services for the poor are also seriously deficient in most of the cities of the developing world. Health care, for example, is frequently confined to modern and expensive hospitals, when what is needed are small clinics located in areas of the city where most health problems begin: in the slums and squatter settlements. Indeed the whole orientation of health care should emphasize low-cost preventive medicine rather than high-cost curative care. The poor are often ill—and their children often die—but the causes are almost always diseases that could have been readily prevented by a more sanitary environment and simple preventive measures.

Inexpensive health delivery systems can be designed around community-based health workers who can provide the poor with a broad spectrum of simple and effective services: immunization, health and nutrition education, and family-planning advice.

The same principle applies to education. What is required are small, inexpensive, and informal basic education units, located in accessible areas, and designed to serve minimum learning needs of both children and adults: literacy and elementary arithmetic, child care, vocational advice, and the knowledge necessary for responsible civic participation.

Transportation

The poor must also be within reach of employment possibilities. This means transport facilities which they can afford. Usually the urban transport available is either too expensive, or does not serve the areas in which the poor live. It is clear that most cities would benefit substantially from a radical reallocation of their transport systems away from domination by the private automobile, and in the direction of public transport that can move large numbers of passengers at low unit costs.

What is needed is a healthy pluralism in transport: buses, jitneys, taxis, motor rickshaws, pedicabs, bicycle paths—whatever is cost-effective and appropriate to the distances involved.

Establishing Realistic Housing Policies

City governments often congratulate themselves on their subsidized blocks of low-income housing, and the physical structures are frequently impressive. What is depressing is that the so-called low-income housing is almost always too expensive for the poor. Surveys indicate that up to 70% of the poor cannot afford even the cheapest housing produced by public agencies.

Slums and squatter settlements are the inevitable result. Authorities typically strongly disapprove of them: they are illegal, they are unsightly, and they are unsanitary. But too often cities have failed to find any solution—short of demolition—to deal with them. The fact is that the upgrading of existing squatter settlements can be a low-cost and practical approach to low-income shelter. Upgrading legalizes the settlement, provides secure tenure, and supplies minimum infrastructure: water, roads, storm drainage, security lighting, and rubbish collection. Education and other community facilities can generally be added.

One of the most interesting features of squatter settlements is that though they are inhabited by the very poor, there is a very strong sense of saving among the residents. Out of their minuscule earnings, they save every cent they can. Their great ambition is to have a better home for their families. But they are prudent men and women: they are unwilling to invest their savings in home improvement until they have tenure. That is why squatter settlements are often so ramshackle. Once upgraded projects provide legal tenure, the poor are not only willing to spend on home improvement, but do so with enthusiasm, and remarkable transformations often take place.

The housing that can be provided by upgrading existing slums and squatter settlements is of course limited. A somewhat more costly, but still practical, alternative is the "sites and services" approach. It can provide the framework for improved housing for vast numbers of the poor, particularly if it is planned with adequate lead time.

The city provides a suitable area of new land, grades and levels it, and furnishes it with essential infrastructure: access roads, drainage, water sewerage, and electricity. The land is divided into small plots and is leased or sold to the poor, who are supplied with simple house plans, and a low-cost loan with which to purchase inexpensive building materials. The actual construction is made the responsibility of the poor, who build their houses themselves.

And as communities are more than just housing, sites and services projects include schools, health clinics, community halls, day-care centers, and some provision for creating jobs: land, for example, set aside for the establishment of an appropriate small-scale industry.

Sites and services projects, then, stimulate self-help, and make it possible for the poor to house themselves in a viable, cohesive community with a minimum of public expenditure.

But though this is a highly desirable approach, it often suffers from two constraints: the understandable economic constraint of the availability of the land, infrastructure, and building materials; and the less understandable institutional constraint of regulations governing tenure, building codes, and zoning restrictions.

The determination of appropriate standards is critical for the poor family's ability to acquire housing. If, for example, standards relating to land use, floor space, durability of materials, quality of finish, and utilities were modified to meet low-income household budgets, it should be possible for some 80% of the population in the cities of the developing world to afford much improved shelter with no subsidy at all.

It is also important that reasonable user charges and taxes should be levied on the middle and upper-income consumers of city services of all kinds—housing, utilities, education, health facilities, transport, and others—to generate surpluses which can be used to expand coverage of these services, and give the poor a more equitable opportunity to benefit from them.

These, then, are some of the measures that governments should ponder as they confront the growing pressures of urbanization. For the next decade or two—indeed for as far forward as anyone can realistically plan—the urban problem will be a poverty problem.

The urban poor are not simply a statistical inconvenience to planners, a disturbing reminder of what might be possible if they would somehow just go away, a continually disappointing factor in budget allocations because of their chronic inability to pay taxes. That is not what urban poverty is about.

The urban poor are hundreds of millions of human beings who live in cities, but do not really share the good and productive life of cities. Their deprivations exclude them.

It is within the power of governments to change that.

We in the Bank can help, and we propose to do so in the future on a scale far greater than that of the past.

Any serious effort in solving the problems of urban development will clearly involve a number of sensitive and difficult political choices. Those of course, are for governments to make, not for the Bank. Moreover, the Bank's own lending can finance only a very small proportion of the necessary investments in productive facilities and supporting urban services.

The Bank, however, can play a significant role in pointing out the extent to which governments' present policies, practices, and investment allocations are seriously biased against the poor. And the Bank can expand and redirect its own investments in urban areas to insure that they result in increased earning opportunities and more adequate services for the poor in both the modern and traditional sectors. This will be a major objective of our five-year program for the years FY76–80.

In future years, I will report to you on our progress in helping to achieve the objective of assuring minimum standards of decency for the nearly two billion people who will be living in the cities of the developing world by the end of this century.

VI. SUMMARY AND CONCLUSIONS

Let me now summarize and conclude the central points I have made this morning.

If we survey the global development scene today, it is clear that most of our developing member countries are caught up in a critical situation. The consequences of the continuing world-wide inflation, the sudden surge in the cost of oil, the deterioration of their terms of trade, and the prolonged recession in their export markets have combined to endanger their economic future. The net effect of these external forces has been to reduce their prospective rates of economic growth, while increasing their foreign exchange requirements.

And it is the very poorest countries, countries that collectively contain a billion human beings, which face the bleakest prospects—the prospects of virtually no increase at all in their desperately low per capita incomes for the rest of the decade.

It is important to comprehend what this stagnation really means in the life of an average individual in a poor country. It does not mean inconvenience, or a minor sacrifice of comfort, or the simple postponement of a consumer satisfaction.

It means struggling to survive at the very margin of life itself.

Statistically, the stagnation means that for a billion people, per capita incomes, in constant prices, will grow from $105 in 1970 to $108 in 1980. The comparable figures for the peoples of the developed world are $3,100 in 1970 to $4,000 in 1980.

Over an entire decade, a $3 increase versus a $900 increase.

The 725 million human beings in the middle-income developing countries are also facing a far more difficult situation than we anticipated a year ago. Unless the foreign exchange available to them can be substantially increased, their per capita incomes too will inch forward at a wholly unacceptable pace.

Are those in the developed world going to conclude that they cannot find it within their collective capacity to make a modestly greater effort to help save several hundred million people from a degree of deprivation beyond the power of any set of statistics even remotely to convey?

I cannot believe so.

I cannot believe so because what is involved for the developed nations is not the diminution of their alreary towering standard of life. All that is required in order to assist these peoples so immensely less privileged is a simple willingness to dedicate a tiny percentage of the additional wealth that will accrue to the developed nations over the next five years.

As for the World Bank, we should at the minimum increase our lending programs not only fully to offset price inflation, but also to increase the flow of capital in real terms, particularly to our poorest member countries. And that is what we propose to do.

Preliminary negotiations for the next replenishment of the International Development Association should start within a few weeks. It is, of course, one of the principal multilateral means available to assist the poorest nations.

It is an instrument that has proved its value through hundreds of carefully designed projects that represent a realistic, toughminded, unsentimental approach to development.

Whatever other debates there may have been throughout the development community, there never has been serious disagreement over either the principle or the record of the International Development Association.

But even with a generous IDA replenishment, and even with a realistic effort by the governments of the developed world, as well as by those of the capital-surplus OPEC countries, to appropriate sufficient funds for the other forms of Official Development Assistance—even after all this has been done—it is clear that these official flows of external capital, as well as increased private flows, will not be enough to ward off the crisis the developing countries are now confronting.

It is imperative that they generate additional capital both through greater domestic savings, and through expanded export earnings. Both will be difficult. For with such low per capita incomes, only arduous sacrifice can produce significantly greater savings. And though there is an impressive potential for greater export earnings, both the developing and developed countries will have to take major steps to accomplish it.

The current foreign exchange crisis, then, in the developing world—and particularly in the poorest countries—must command the attention of us all. It is an emergency situation. And it requires emergency measures.

But beyond this immediate emergency lies another more profound problem. And in our concern for immediate measures, we must not let our longer-range objective be obscured.

That objective is the central task of development itself; the reduction—and ultimately the elimination—of absolute poverty.

Poverty is a word that has largely lost its power to convey reality. At least that is true among most of those who have never known it in its most abject form.

But if we have not personally endured it—if most of the affluent world has never experienced it—there are 900 million individuals alive today, more than 40% of the total population of our developing member countries, who not only know it, but their wretched circumstances are living examples of it.

Most of the absolute poor live in the rural areas. And two years ago, in Nairobi, we outlined a strategy—and launched a program within the Bank—designed to reduce that poverty. It is based on the fundamental proposition that the only feasible way to deal with poverty is to help the poor become more productive.

It is a task, of course, primarily for the governments of these countries. The Bank can only assist. But we have evolved a whole new series of multisectored projects to help those governments which are committed to the goals of rural development, and our early experience confirms our initial conviction: it is an approach that can succeed.

But poverty pervades not only the countryside, but the urban centers of the developing world as well. There, the numbers of the poor are smaller. But the natural increase within the cities, combined with the rapid rate of migration from the rural areas, guarantees that the problem will grow to mammoth proportions in the next two decades, if governments do not begin to take appropriate measures to deal with it.

I have tried to suggest today a number of those measures.

We in the Bank are resolved to help our member governments in every feasible way we can to come to grips with the problem.

In the end, cities exist as an expression of man's attempt to achieve his potential.

It is poverty that pollutes that promise. It is development's task to restore it.

FLOW OF OFFICIAL DEVELOPMENT ASSISTANCE FROM DEVELOPMENT ASSISTANCE COMMITTEE MEMBERS MEASURED AS A PERCENTAGE OF GROSS NATIONAL PRODUCT [1]

	1960	1965	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980 Case I
Australia	0.38	0.53	0.59	0.53	0.59	0.44	0.55	0.55	0.56	0.57			
Austria		.11	.07	.07	.09	.15	.18	.16	.16	.16			
Belgium	.88	.60	.46	.50	.55	.51	.49	.55	.57	.59			
Canada	.19	.19	.42	.42	.47	.43	.50	.51	.56	.59			
Denmark	.09	.13	.38	.43	.45	.48	.54	.57	.61	.64			
Finland [2]		.02	.07	.12	.15	.16	.18	.20	.22	.23			
France	1.38	.76	.66	.66	.67	.58	.60	.60	.61	.61			
Germany	.31	.40	.32	.34	.31	.32	.37	.35	.33	.31			
Italy	.22	.10	.16	.18	.09	.14	.14	.14	.14	.13			
Japan	.24	.27	.23	.23	.21	.25	.25	.23	.22	.21			
Netherlands	.31	.36	.61	.58	.67	.54	.62	.72	.76	.76			
New Zealand [3]			.23	.23	.25	.27	.30	.36	.41	.47			
Norway	.11	.16	.32	.33	.43	.42	.57	.61	.65	.69			
Sweden	.05	.19	.38	.44	.48	.56	.72	.75	.78	.81			
Switzerland	.04	.09	.15	.12	.21	.16	.14	.15	.15	.15			
United Kingdom	.56	.47	.37	.41	.39	.34	.38	.33	.30	.30			
United States [4]	.53	.49	.31	.32	.29	.23	.25	.23	.20	.17			
Grand totals:													
ODA ($b-nominal prices)	4.6	5.9	6.8	7.7	8.5	9.4	11.3	12.2	13.5	15.0	16.6	18.6	20.7
ODA ($b-constant 1975 prices)	10.3	12.3	12.6	13.2	13.4	11.5	12.7	12.2	12.3	12.6	12.9	13.4	14.0
GNP ($t-nominal prices)	.9	1.3	2.0	2.2	2.6	3.1	3.4	3.8	4.4	5.0	5.7	6.4	7.3
ODA as percent of GNP	.52	.44	.34	.35	.33	.30	.33	.32	.31	.30	.29	.29	.28
ODA deflator [5]	.45	.48	.54	.58	.64	.81	.89	1.00	1.10	1.19	1.29	1.38	1.48

[1] Figures for 1974 and earlier years are based on actual data. The projections for 1975–80 are based on OECD and World Bank estimates of growth of GNP, on information on budget appropriations for aid, and on aid policy statements made by governments. Because of the relatively long period of time required to translate legislative authorizations into commitments and later into disbursements, it is possible to project today, with reasonable accuracy, ODA flows (which by definition represent disbursements) by country through 1977 and in total through 1980.

[2] Finland became a member of DAC in January 1975.

[3] New Zealand became a member of DAC in 1973. ODA figures for New Zealand are not available for 1960 and 1965.

[4] In 1949, at the beginning of the Marshall Plan, U.S. Official Development Assistance amounted to 2.79 percent of GNP.

[5] Includes the effect of parity changes. Figures through 1973 are based on DAC figures (Statistics for 1973 and Earlier Years). Projected deflators for 1974–80 are the same as those for GNP.

ROY STRYKER

Mr. MONDALE. Mr. President, I would like to bring to the attention of my colleagues the death of an American who played a vital role in creating the visual history of this country. His name was Roy Stryker, and he was the inspiration and genius behind the memorable photographs taken of this country and its people during the 1930's. Mr. Stryker died Saturday at the age of 82. During a recent hearing on the proposed Bicentennial photographic and film project, we were constantly reminded of Mr. Stryker's contribution as the organizer of the similar Farm Security Administration photography effort.

As Chief of the Historical Section of the Farm Security Administration, Mr. Stryker was assigned to document the accomplishments of certain Government programs designed to help the rural poor out of the depths of the Great Depression. The result, a brilliantly directed photographic portrait of our country during the 1930's, was an incomparable historic achievement America will never forget.

Under Mr. Stryker's perceptive tutelage a number of now-famous photographers, including Walker Evans, Dorothea Lange, Ben Shahn, and Arthur Rothstein, produced a collection of some 130,000 prints now in the Library of Congress. Many appeared in the 1955 "Family of Man" exhibit at the Museum of Modern Art and in his most recent publication, "In This Proud Land," written in collaboration with Nancy Wood.

The photographs and the books, exhibits and collections which grew out of them are a priceless national resource and an inspiration to all of us. They are helping millions of Americans—present and future—to have access to a period they did not live through but which left its mark on all of us. I ask unanimous consent that a New York Times article on Mr. Stryker be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From The New York Times, Oct. 1, 1975]

Roy Stryker, 82, Who Directed Photo Study of Depression, Dies

Roy E. Stryker, who as chief of the historical section of the Farm Security Administration from 1935 to 1943 directed the photographers who documented America during the Depression, died Saturday in Grand Junction, Colo., where he had been living. His age was 82.

Mr. Stryker's photographers, many of whom won later fame with picture magazines, produced a collection of 130,000 prints now in the Library of Congress. A selection was exhibited here in 1962 at the Museum of Modern Art, and many appeared there in the 1955 "Family of Man" exhibit arranged by Edward Steichen.

Last year, Mr. Stryker collaborated with Nancy Wood in the publication of "In This Proud Land," illustrated with 200 of the Farm Security Administration photographs, selected, he wrote, "not on the basis of the artistic merit of a picture but on the basis of what each one represents to me in terms of intent."

Reviewing it in The New York Times Book Review, Hilton Kramer noted Mr. Stryker's role in the great archive "created under his authority by such stellar figures as Dorothea Lange, Carl Mydans, Ben Shahn, Arthur Rothstein and Mr. [Walker] Evans." The reviewer noted that "time alters our view" of great documentary photographs, as a sharply defined esthetic character becomes more important than the original "human" appeal.

Born in Great Bend, Kan., Mr. Stryker grew up in Montrose, Colo., served in the infantry in World War I and graduated in 1924 from Columbia University, where he remained as an economics instructor. He collaborated with Prof. Rexford G. Tugwell on a textbook, "American Economic Life," which included hundreds of photographs as illustrations.

When President Franklin D. Roosevelt appointed Professor Tugwell to head the Farm Security Administration, his Columbia colleague joined him in Washington to develop the photographic documentation of the problems the New Deal was seeking to relieve.

A tribute to Mr. Stryker's leadership by some of the photographers nearly three decades later, appearing in Popular Photography, called him a great teacher and a demanding taskmaster, with a sense of mission. He was impatient with pictures based on ignorance and misunderstanding, insisting that the photographer learn all about his subject before approaching the assignment.

Mr. Stryker headed similar documentary projects for the Office of War Information, the Standard Oil Company (New Jersey), the University of Pittsburgh Photo Library, the Technical Cooperation Administration and the Jones & Laughlin Steel Company. Later he was an independent consultant.

Surviving are a daughter, Phyllis Wilson of Grand Junction, and two granddaughters.

PLASTIC BEVERAGE CONTAINERS

Mr. HATFIELD. Mr. President, on July 7, I included in a floor statement an article from Conservation News, a publication of the National Wildlife Federation, relating to the use of plastic beverage containers.

Mr. F. D. Wharton, Jr., of Monsanto, later replied to the issues raised in the article I referred to, and he has provided me with a copy of his letter to Mr. Thomas Kimball, executive secretary of the National Wildlife Federation.

In view of the fact that I included the earlier article in the Record, I ask unanimous consent that Mr. Wharton's reply be printed in the Record.

There being no objection, the reply was ordered to be printed in the Record, as follows:

Monsanto,
St. Louis, Mo., August 6, 1975.

Mr. Thomas Kimball,
Executive Secretary, National Wildlife Federation, Washington, D.C.

Dear Mr. Kimball: The article, "Lopac: A Plastic Bottle Forever," by Ann Shalowitz which appeared in the June 15, 1975, issue of Conservation News contains statements which are incorrect and innuendos which we feel are unfair.

We have made every effort to provide the National Wildlife Federation with factual material relating to our Cycle-Safe® (Lopac® was used during the R & D stage of the project) bottles beginning in November 1974 when we pointed out a misrepresentation concerning our bottle which appeared in Conservation News. Since then, we have held telephone discussions with Ms. Shalowitz and provided published data and material.

To identify areas of disagreement with the most recent article; incorrect or incomplete statements:

The first paragraph referring to plastic beverage bottles ends with the phrase, "which are neither refillable nor returnable."

Cycle-Safe bottles are returnable to Monsanto, the manufacturer; and as a returned bottle for recycle, embodies both energy and material conservation.

The third paragraph quotes the debatable conclusion drawn by the FDA draft EIS that plastic beverage containers, "will hasten the trend to throwaway containers, etc., etc."

This represents a conclusion drawn by FDA without supportive data. The article ignored the relevant conclusion by FDA that, "nonrefillable plastic bottles are no worse than other competing nonreturnable container types (steel, aluminum and glass), in regard to solid waste disposal and litter production, are better with respect to energy consumption, and have a distinct safety advantage." (Draft EIS, Page 79, VIII CONCLUSIONS.)

Paragraph seven referring to recycling of plastic bottles states Monsanto estimates it will take two to three years "optimization" during which time millions of pounds of the bottles will be sold and energy wasted.

Monsanto's reference to "optimization" related to developing a refillable bottle, not optimizing the recycle process. Our recycling effort began with the introduction of Cycle-Safe containers in Providence in July of this year. The program there, directed by a resident manager, involves media promotion, regularly scheduled pickups at twenty-one major shopping centers where Cycle-Safe bottles are received and paid for and an agreement with Ecology Action for Rhode Island to accept Cycle-Safe containers at their thirteen centers for which Monsanto will pay them $250 per ton (our current reclaim value).

Paragraph 8 refers to the Cycle-Safe container being the result of feeding requirements for a "synthetic container . . . into a computer"; and quotes Dr. Odum, a discussant at the Monsanto sponsored Symposium as being critical of this approach.

The statement does not represent the facts, although this was Dr. Odum's conclusion. Dr. Odum then proceeded to criticize the conclusion he erroneously drew. The material and its application as a container was the result of inventions by Monsanto scientists. The computer was used to simplify, refine and explore cause-effect relationships in developing a commercial container.

M. F. X. Gigliotti, Director of R & D for the Cycle-Safe container program stated at the Symposium that a total approach was employed in developing the Lopac (now Cycle-Safe) container, which included evaluation and rejection of then existent polymers, and development of a new material that met the established criteria—all this "guided step by step by computer analysis." He again referred to computer analysis in relation to pressure vessel design engineering.

(Symposium Proceedings, Page 16) Much of the paper by Professor Fred McGarry (Symposium Proceedings, Pages 44–56), dealt with the use of a computer program in design of pressure vessels. But nowhere was it said or implied that Monsanto's Cycle-Safe container was designed by computer.

It is disconcerting, to say the least, that Ms. Shalowitz devoted over three paragraphs of a thirteen paragraph article to the comments of one of the discussants at the Symposium and ignored the sixteen other speakers, comments from the audience, etc. Indeed, the impression received is that the author searched out statements that, out of context, would be damaging to Monsanto's product.

Monsanto has made, we believe, a pioneering effort to develop a superior product, evaluate its environmental impact, take steps to minimize or eliminate adverse effects and provide data developed internally and by independent scientists to the scientific community and the public at large, detailing the studies and their results, allowing the basis for our conclusions to be examined critically by those qualified to judge. Dr. Gordon McCallum, a consultant to your organization, attended the Monsanto Symposium; and without prior communication with him, I suggest you ask him, if, in his opinion, the article treated the Symposium fairly.

Conservation News is a respected publication and one accepted as being authoritative by the general public. Consequently, it is important that articles should be accurate and issues presented in a balanced manner. The article, "Lopac: A Plastic Bottle Forever," is neither accurate nor balanced. Monsanto has provided the National Wildlife Federation with material which could have been used to produce an accurate fair appraisal of the impact of nonrefillable polymeric beverage containers. We assure you of our continuing willingness to provide data and any assistance your organization desires and needs to enable you to develop factual articles on beverage containers.

We feel the treatment accorded us in the June 15 article was biased; we know it contained inaccuracies.

Sincerely,

F. D. Wharton, Jr.,
Manager, Environmental Affairs,
Container Business Group.

SHOULD CONGRESS INCREASE ITS ANALYTICAL CAPABILITY?

Mr. HUMPHREY. Mr. President, more and more attention has been focused on Congress decision-making process and the information needed to serve Congress in this role. Last year, I requested Congress' Office of Technology Assessment to assess the information systems and sources used by Congress to make food, agriculture, and nutrition policy decisions. As a part of this assessment, I recently chaired hearings on the accuracy and timeliness of food information systems. These hearings, plus the OTA staff work and a study by the OTA Food Advisory Committee—chaired by Dr. Clifton Wharton, Jr., president of Michigan State University—present some definite findings.

The OTA food group will, in their final report, present the pros and cons of various options that Congress might wish to pursue. One of these is the need for Congress to increase its analytical capacity. While this need may be clear, the method of implementing such a recommendation is not clear. For example, should "increased analytical competence" include an increase in professional staff, and if so, where should this staff be located and who should give it direction?

In this regard, I would like to share the opinion and ideas of Dr. Stephen Horn, president of California State University, Long Beach, which appeared in the September/October issue of the Bulletin of the American Society for Information Science. Dr. Horn comments—

> Congress suffers from its failure to have an orderly means by which to process that information in an analytical way which will be useful to its purposes.

As a decisionmaker, Congress needs better method to sort through and analyze data.

While I do not necessarily agree with some of Dr. Horn's conclusions, I do share his concern for improving the system whereby Congress gets timely, relevant, and useful information.

Mr. President, I ask unanimous consent that Dr. Horn's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[The Congress and Information Science:
Robert L. Chartrand]

Legislative Perspective Amid Information Overload

(Note.—This month's guest columnist is Stephen Horn, President of California State University, Long Beach. Dr. Horn was a Senior Fellow of the Brookings Institution during the late 1960's when he authored Unused Power: The Work of the Senate Committee on Appropriations (1970). He has served on several Government advisory committees.)

Congress does not suffer from a lack of information. Thousands of volumes of hearings and reports continually pour from the presses of the Government Printing Office. Rather, Congress suffers from its failure to have an orderly means by which to process that information in an analytical way which will be useful to its purposes.

In the case of appropriations subcommittees in both houses where the basic decisions on the levels of agency spending are decided, there is also a lack of perspective. Most of these committees obtain their information from one source—the Executive Branch or the agency seeking the funds. Witnesses at hearings, whether they represent a Government agency or a private group, are almost always advocates of the agency's spending proposals. When knowledgeable outsiders testify, they are all too often the hand-picked members of various advisory committees who have a stake in a continued high level of spending or a particular type of spending. The close relationship of these witnesses with, and their funding dependency on, the agency executives provide a convenient way for the career civil service to "end-run" the budgetary and policy directives of the Office of Management and Budget.

In a representative system there should be an opportunity to present accurate and relevant information so that those who have the responsibility for deciding issues of public policy can weigh particular alternatives and their consequences before a decision is reached. There should also be ample opportunity for those with diverse beliefs to express their views. The work of Congressional committees and their subgroups is more critically judged by the always-present legislative peers than by the distant political constituents. Therefore, it is essential that a clearer statement of the premises for action be made so that those who pass judgment on the work of the committee or who look to the committee for legislative intent will know the basis for a particular decision.

Congress lacks institutionalized "naysayers" who are regularly available to provide a "legislative" or "societal" perspective different from that of the politically elected and appointed "executive" and the long-serving career "bureaucracy." With rare exception committee professionals are preoccupied with daily operations to the exclusion of the time and resources needed to make long-term studies and in-depth analyses of existing programs or emerging policy. Special investigations are provided only sporadically and then are too often limited to the "glamour" issues rather than conducted on the mundane daily affairs of government. The minority party has been perennially deprived of sufficient staff even to keep abreast of daily requests for information let alone undertake more serious studies. The General Accounting Office has only recently developed a long restrained (by certain key members in Congress!) program-analysis capability, but even its well-established audit and investigative work has been largely ignored by many Congressional committees.

WHAT IS TO BE DONE?

The last Congress took a major step to overcome some of the disadvantages of its fragmented review process. That step was the establishment of a Congressional Budget Office (CBO) and a budget committee for each house. The efforts by these new committees to hold integrating hearings which will provide an overview and perspective on the Executive Budget is a start. However, whether the potential of either the committees or the CBO is realized will depend upon the type of individuals recruited for the key staff positions. If they are simply partisans who are only seeking another flank from which to assault executive initiatives or lack of initiatives, the new institutions will surely fall and be discounted within the Congress as well as within the Executive Branch and with the public generally. If, on the other hand, a professional staff is recruited (e.g., similar to that of the Legislative Analyst in the California Legislature), then there is an opportunity for a continuing impact as members of both parties look to the CBO for guidance, and competing professionals within the Executive learn to view the legislative analyses and recommendations with respect.

However, there are several other institutionalized steps that might also be taken to position the Congress so that its members—who are themselves political professionals subject in varying degrees to the changing electoral winds—could go about their work with a higher degree of confidence. One is the establishment of a permanent committee on investigations in each chamber. The membership of such a committee could be equally divided between the political parties except for the chairman who would belong to the political party *not* in control of the Presidency. (The investigation of Teapot Dome in a Republican Administration was headed by a Democrat in a Republican Senate.) Such a committee could pursue the in-depth, long-term studies now missing from the budget-review process.

One of the most successful Congressional attempts at the coordination and oversight of policy in the period following the Second World War has been the work of the Joint Committee on Atomic Energy. This committee—made up of members from both houses with the chairmanship rotating between the ranking majority party member from each chamber—has dealt with matters vital to the national security in a responsible manner. It has undertaken initiatives and maintained a degree of oversight achieved by few, if any, of the other "little legislatures" within the Congress. Its organization provided an opportunity for diverse views within the Congress to be integrated and contrasted, reviewed, and consolidated in relation to those of the Executive. The work of the Joint Committee was enhanced by a dedicated professional staff.

Contrast the work of the Joint Committee with the fragmentation which occurs when at least nine separate committees in the Senate alone will hear the energy proposals during the 94th Congress. Or contrast the effectiveness of the Joint Committee with the fragmented work product coming from the diffuse subcommittees of the House and Senate Committees on Appropriations. What else could one expect when a single Executive Budget is divided into 14 or more separate bills among as many subcommittees within each appropriation committee? At a minimum, each house of the Congress should organize its appropriations review by consolidating the more than dozen subcommittees into five more broadly based groups: Agricultural and National Resources, General Government, Human Resources, National Security, and Science and Technology. Either the new budget committees or the long-established appropriations committees in each house should also create special subcommittees which can review those functions such as research and development and civil rights enforcement which cut across major purpose programs.

A CONGRESSIONAL INSTITUTE

Although the Congressional Budget Office provides an opportunity for Congress to avail itself of expert staff resources, there is also a need for an institution similar to the

RAND Corporation located near and working for the Congress, but not of the Congress. In an institution such as Congress, which is dominated by sensitive practitioners of personal and political power, it is difficult to provide the environment in which an independent, professional staff can flourish. Despite the high level of professionalism on several Congressional majority and minority staffs, there is always an unspoken relationship between principal staff members and committee chairman, ranking minority member, or a particular coalition. There are some taboo subjects which are not studied by legislative staffs because to do so would mean that the results might be attributed to the legislators serving on a particular committee—and that is one more hazard they do not need to provide their opponents for the next campaign.

A Congressional Institute located on Capitol Hill, funded by Congress and also permitted to obtain a private endowment, could bring together distinguished economists, political scientists, statisticians, and other highly qualified professionals specializing in program formulation and analysis. Its services both self-generated and requested—could be used by legislators and committees much as the United States Air Force has benefited from the analytic studies conducted by the RAND Corporation over the years. This and other endeavors that have been suggested would go far to provide a "legislative" perspective in processing the mass of data which daily confronts those who labor in the Congressional process.

TRIBUTES TO GUY L. SMITH, JR. AND BERT VINCENT

Mr. BAKER. Mr. President, two outstanding Tennessee newsmen, Guy L. Smith, former editor of the Knoxville Journal, and Bert Vincent, a columnist for the Knoxville News-Sentinel, on Saturday, October 27, were inducted into the Tennessee Newspaper Hall of Fame. It was my pleasure to be at the ceremony, sponsored by the University of Tennessee, College of Communication, and the Tennessee Press Association, to hear the stirring tributes bestowed upon these two distinguished newsmen by Steve Humphrey, who served as managing editor of the Journal and Guy Smith's right-hand man for many years, and Walter Pulliam, editor of the Harriman (Tenn.) Today's News and longtime personal friend and associate of Bert Vincent. I ask unanimous consent that their comments be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TRIBUTE TO GUY LINCOLN SMITH, JR.

(By Steve Humphrey)

If I had had the opportunity to talk with my old editor, Guy Lincoln Smith, Jr., before making this brief speech, I know what he would have advised me: "Humphrey, don't make it a production."

He was a "Yea, Yea" and a "Nay, Nay" man, who disliked pomposity, frumpery, geegaws and frothy rhetoric. Something like a century and a quarter ago William Gannaway bristled in a moment of indignation: "Hypocrisy—thou brat of hell—how I hate thee." I don't believe Guy Lincoln Smith ever used the word "brat" in an editorial, but he once put into these words his contempt for a strutting adversary: "It will never be of any great service to the community because it will be busy with one hand patting its back, and with the other holding a halo over its head."

We are not here today to mourn him, but to recognize his talents. His achievements as a newspaperman and as an editor require no elaboration; they are incorporated into the history of this city, the State and the Nation. I should speak of him as a human being.

Stern of appearance and often gruff in conversation, he had a deep compassion for the weak and the unfortunate. A teetotaler, he insisted upon giving employees addicted to alcohol every opportunity to shake the habit. He was helpless before women who wept. "I can't stand their tears," he said. He had a clientele of bedraggled unfortunates who made regular visits to his office, for the handouts they know he would give them. In a more practical, business sense, he labored to see that Knoxville Journal employees received regular raises, health and hospitalization insurance and a pension plan.

When he prepared some notes for his obituary in 1962—he was scheduled to enter a hospital for surgery and as a newspaper man he knew the importance of having such stories ready—his sense of humor flashed out in this sentence: "I am a member in splendid standing of the Tennessee Sons of Revolution . . . and a member of the spiritual fountainhead of the community, the Cherokee Country Club." He acknowledged that as chairman of the Republican State Executive Committee it "was charged . . . I ruled the party organization with an iron hand and there is some basis for the charge." But after one meeting in Nashville of the committee he chuckled all the way home because Fred Travis of the Chattanooga Times Nashville bureau said to him: "Mr. Chairman, I noticed that you were wearing velvet gloves today when you were driving the steam roller."

He was an educated man, a graduate of Princeton University, and this background was obvious in his conversation and his writings. "He was the most brilliant and the best educated editor in the South," Warren Webster, chairman of the Knox County Republican Executive Committee, has said of him. It is my private conviction that in the course of a number of political differences between the two men, each contributed considerably to the practical education of the other. Guy Lincoln Smith had the background, the manner and the bearing of the patrician, but he also knew keenly the pain of financial loss. "I got awfully tired of eating beans," he recalled in later years, after a long and wearying struggle of meeting the debts he had incurred.

Guy Lincoln Smith was a most persuasive man. Joe Hatcher of the Nashville Tennessean, a seasoned reporter who saw him through many campaigns, rated him as a "newspaperman's newspaperman and . . . a master politican." The comment reminds me of an extraordinary feat by my old editor. In 1952 he boarded the plane of General Dwight D. Eisenhower at Memphis, and on the flight to Knoxville he convinced the Republican nominee for President that when he spoke at Knoxville he should temper his description of the Tennessee Valley Authority as "creeping Socialism." Many of you will recall that The Knoxville Journal had fought Eisenhower's nomination with every resource available.

Harve Rogers, the Knoxville contractor who is the region's greatest gift to the cause of free enterprise, in Baptist Hospital when Mr. Smith was operated on, went to the editor's room to visit him. Harve said he had heard people say such mean things about Mr. Smith that he had to see what a man that mean looked like. There was an element of jealousy involved because Harve thought he was the meanest man in town.

When Guy Lincoln Smith was hired by publisher Roy N. Lotspeich as editor of The Journal in 1937, Henry Page, business manager of The Journal, had taken Smith to the Lotspeich home, now Confederate Hall, and after the agreement had been made, he asked Smith to wait a few moments while he returned to Mr. Lotspeich to take up another matter. Year later, when Page was employed elsewhere, he told Smith the reason for his return. The persuasive new editor had induced Mr. Lotspeich to pay him a salary that was greater than Page was making, and Page went back to insist upon an immediate adjustment of scale.

Popularity was never his objective, either in the newspaper field or in politics. "I like to swim against the current," he told me once when the going was rather rough. It was something of an echo of old Parson Brownlow, who made it an axiom to "ask no quarter of foes . . . and supplicate no favor of friends."

Yet he made friends across party lines. He and the late Lester Denton, a member of the Democratic State Executive Committee, used to upbraid each other ferociously when they met on Gay Street, with little appreciable effect on each other. One day they found out they were both enthusiastic about Black Angus cattle. After that, when they met, they talked about these cattle, and settled into a pleasant relationship.

In the latter years of Smith's life he and the late Senator Estes Kefauver, with whom he had been a classmate in his first college year at the University of Tennessee, revived a friendship. I sometimes reminded him that two decades earlier he had described the senator as "lacking the ethics of a bird dog," but I don't think he appreciated it, for he would look at me with a pained expression and complain: "Humphrey, can't you ever forget?"

When he was in St. Mary's Hospital as a medical patient and able to receive friends his room was so filled with visitors that his urologist, Dr. M. W. Howard, quipped that, "It's the first time in history the doctor had to stand in line to see his patient."

The impression has persisted that he was always blunt, not given to subtlety of language. I submit a memorandum he sent me in 1963, after we had had a difference about my going on a special trip. I had been sulky and petulant, refusing to go, and I assure you I have considerable talent in this field. The memorandum:

"SFH: If I knew a contrarier damn fool to send on this trip, I would make the suggestion. As it is, I still think you are the man. GLS"

The going gets a little tougher now, as I submit another memorandum, this one as he sent me my first pension check, upon my retirement in 1968:

"STEVEN: Your pension, old boy, and may God go with you. GLS"

I hold that it was by the dispensation of a kind and gracious Providence that for more than two decades I was permitted to be his right hand man. I would rather have worked under him and with him, than any of the splendid, talented and brilliant newspapermen I have known.

TRIBUTE TO BERT VINCENT

(By Walter Pulliam)

I am deeply honored that Mrs. Vincent asked me to induct her late husband, Bert Vincent, into the Tennessee Newspaper Hall of Fame.

Many here, including President Morris Simon and Loye Miller, who hired Bert on The Knoxville News-Sentinel, could do as good a job, if not better. They both knew Bert as well as I.

But Bert was my friend, as he was the friend of hundreds of thousands throughout East Tennessee, Southwest Virginia, and Eastern Kentucky where his "Strolling" column in The Knoxville News-Sentinel was read more religiously each day than even the Bible.

Bert visited me in Harriman not long before his death in 1969.

We recalled then how our desks were side by side in The Knoxville News-Sentinel newsroom in the 1930s.

We recalled how many a jar of 17-year locusts, black-widow spiders, horned toads, paw-paws, and the like—yes, even potatoes that looked like Mussolini—items that readers brought into Bert ended up on my desk or in my desk drawers, instead of Bert's.

I had to be careful when I came in each morning. I might have been spider-bitten, or snake-bitten.

Also overflowing onto my desk and other desks in The News-Sentinel office, were fan letters that piled high each day on Bert's desk. No movie star could have gotten more fan letters than Bert.

Three lines in Bert's "Strolling" in the spring of 1940 about a dogwood legend brought more than 15,000 letters by actual count!

Truly, there has never been a Tennessee newspaperman more in tune with his readers—more popular with his readers—than Bert Vincent, the newspaperman we honor here today.

I shall not call Bert today a journalist. Bert disliked that term. He told me so.

Bert was a newspaperMAN. And therein lies his greatness.

Born in Edmondson County in west Central Kentucky . . . at Bee Spring on Rube's Creek . . . Bert was the seventh of 12 Vincent children. Actually there were 14, because Bert's parents took in two homeless children to raise with their own.

Bert's name originally was Berthell Vincent, but when he went to school at Bowling Green, in the next county, his teacher misread his name and called him "Bertie."

Young Berthell promptly dropped the "hell" out of his name and thereafter was simply "Bert Vincent."

Bert's interest in newspapering began at 19.

He wanted to be Governor of Kentucky, and he felt to become Governor of Kentucky one had to be either a lawyer or a newspaperman. He preferred the latter.

As a 19-year-old he bought himself a weekly newspaper—The Leichfield, Kentucky, Gazette—paying $1 down and pledging the remaining $4999 in notes. He ran The Gazette six months before turning it back to its former owner and giving up his political aspirations to become governor.

Bert's life thereafter strayed in many directions but always back to newspapering.

After World War I, although inexperienced and not even able to type, he inveigled a reporter's job on the prestigious Kansas City Star. Shortly thereafter, he saw an ad for a city editor for the Jackson, Tennessee, Sun. He applied, sold himself, and got the job. He left the Sun to become a political reporter for The Nashville Tennessean, leaving there to work on sundry newspapers in Illinois and Indiana, finally ending up on The Evansville, Indiana, Press, a Scripps-Howard newspaper.

After two and a half years at Evansville, during which he covered a prison break in which three were killed and also the hanging of two men in public, Bert went to The Newspaper Enterprise Association syndicate in Cleveland and then to The Cleveland Press, another Scripps-Howard newspaper. In Cleveland, he is credited with starting the currently popular custom of picking the ten best news stories each year.

It was 1929, the year the Stock Market fell, that Bert ended up in Knoxville.

Loye W. Miller, who had been with the Evansville Press, was then managing editor of The Knoxville News-Sentinel. Loye hired Bert, and Bert settled down to becoming an East Tennessean.

He wrote obits, covered the police beat, old General Hospital, and the late Judge Bob Williams' colorful City Court. His "Strolling" column, which he started in the mid-1930s was, at first, a compilation of little known human interest items he ran across on these beats . . . little happenings to ordinary people . . . doings that wouldn't rate a page one headline . . . oddities . . stories of pathos . . humorous things that happened to people . . items which gave the ordinary man and woman on Market Square or Gay Street or in the back hollows of East Tennessee's hills an identity with the newspaper and a sense of importance they did not perhaps have during those depression days of the 1930s.

Bert's "Strolling" became so popular that other Scripps-Howard newspapers—and other newspapers, too—started similar "Strolling" columns.

Bert was taken to Washington to write a national "Strolling" column.

But Bert didn't like Washington. He didn't care for the sophistication of Capitol life, for all the sham and stuff-shirts he encountered.

Bert liked the hills of East Tennessee, the hill people, the ordinary East Tennessean who had "no put on."

Bert came back to Knoxville.

Ernie Pyle, then news editor of the Washington Daily News, the Scripps-Howard newspaper in Washington, was chosen to write the "Strolling" national column.

So, in a sense, Bert's "Strolling" was the beginning of Ernie Pyle's national column which was so popular during World War II.

Many accolades have come to Bert.

Many of them are listed in the brochure handed you as you entered.

Bert was a great humanitarian. Through him personally and through his column, help came to thousands in need over the years that Bert wrote his "Strolling."

Chapels and hospital additions have been named for him. Last year the beautiful new "Bert Vincent Library" was dedicated at Lincoln Memorial University. Throughout his writing, funds were raised for the Levi Memorial Hospital at Hot Springs, Arkansas, the Green Valley Hospital at Greenville, the Knoxville Animal Shelter, and for a chapel at the Knox County Home for the Poor.

Bert originated the Ramp Festival at Cosby, and President Truman came down to it at Bert's invitation.

Reader's of Bert's "Strolling" cross three generations . . . readers that held Bert in such esteem many of them actually named their babies after him.

I came to see him today: As he came into the News-Sentinel office after a day of strolling, he would wrap adhesive plaster around his fingers before he typed, take off his shoes and put his stockinged feet into either his lower desk drawer or the office waste basket. He always wore his slough hat when typing. He liked bright colored clothes. He was truly as colorful, both in clothes and in personality, as the people he wrote about.

Today, as we induct Bert Vincent to the highest honor that can befall a Tennessee newspaperman—the Tennessee Newspaper Hall of Fame—let us remember him as a friend . . . a friend to all . . . the man at the top and also the man down on his luck.

Let us remember, above all, that "Stroller" Bert Vincent made the ordinary guy in the street or on the farm a part of the newspaper he read.

This was the genius of Bert Vincent.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it is interesting to note that almost 30 years ago the United States lobbied very hard for the Genocide Convention and also played a major role in the writing of it. What saddens me, though, is that despite our initial good intentions, the Senate of the United States has failed to ratify the Genocide Convention.

Today, 30 years later, we still do not officially feel that genocide is a repugnant and heinous crime which should be dealt with under the scrutiny of international law.

Every U.S. administration since 1949 has expressed support for ratification of this treaty. On June 16, 1949, President Truman transmitted the following message to the Senate in urging speedy action:

> By the leading part the United States has taken in the United Nations in producing an effective international legal instrument outlawing the world-shocking crime of genocide, we have established before the world our firm and clear policy toward that crime. By giving its advice and consent to my ratification of this convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.

Political as well as social interest groups have overwhelmingly supported the legislation. Prior to the adoption of the genocide convention, 166 organizations, representing a quarter of a billion people all over the world, appealed to the United Nations to outlaw mass murder.

Likewise, in the United States, scores of American organizations have appealed to the Senate to ratify the convention. Among these diverse organizations are the AFL–CIO, UAW, National Council of Churches, National Catholic Conference for Interracial Justice, Synagogue Council of America, American Civil Liberties Union, National Association for the Advancement of Colored People, Leadership Conference on Civil Rights, General Federation of Women's Clubs, and the American Association of University Women.

In conclusion, I feel it would be truly representative of the American people if we acted in favor of ratification of the Genocide Convention.

A TRIBUTE TO STEPHEN WEXLER

Mr. MONDALE. Mr. President, it was with a great deal of personal sadness that I learned of the tragic death this past week of an individual I deeply respected. I am speaking of Steve Wexler, a man with whom I have worked very closely over recent years. I have admired him for his tremendous talents and creativity, his outstanding devotion to his work and to this country and his efforts to insure that the educational ideals that this country stands for become a reality for all citizens. He was a friend to many of us in Congress.

Over the past several years, I have been privileged to have worked with Steve on a number of education issues. His efforts and initiatives in this field have had a profound impact on the quality, kinds and availability of education programs in the United States, not to mention his substantial contributions to the establishment of the Federal Government's role in the arts and humanities.

From 1966, when he began his Senate career, Steve played a major role in creating and strengthening the major education legislation of the mid- and late-1960's. His record of accomplishments, his expertise and his perseverance in his field cannot be overlooked. As majority counsel for the Senate Subcommittee on Education, Steve was extensively involved in the development of all areas of education, including elementary education, secondary education, vocational education, post secondary education, student aid and education of the elderly, to name just a few. So many of his efforts to improve and expand educational programs have benefited every one of us and our children, and will benefit their children for years to come.

But, among this record of endless contributions and dedication to his work and to the education of the American people, I must add a personal note about Steve. All of us who knew him cannot help but remember his uncanny wit, his cheerful manner, and his incredible talent for one-line humor which on many occasions left each one of us a little happier. And, Steve was that rare type of man who, in spite of his tremendous responsibilities, his phenomenal abilities and accomplishments and the admiration and respect he inspired in us all, never ceased to be warm and responsive, sincere and genuine.

Mr. President, all of us, especially those of us who have had the honor of personally knowing and working with Steve Wexler, deeply mourn this tragic loss of a very fine man who has been a leader in the field of education, an inspiration to so many, and a friend to us all.

THE F-18

Mr. TUNNEY. Mr. President, on May 2 this year, the Navy selected as its lightweight fighter a design submitted by the McDonnell Douglas-Northrop team and designated its new plane the F-18. In the intervening 5 months, there have been numerous charges and countercharges, many lacking any basis in fact.

As the House acted last week on the defense appropriations bill, and since Senate action is expected soon, it is important that these charges be answered now so the program can progress without further delay.

Three principal charges have been made concerning the Navy's selection of the F-18. The first to surface was that the Navy had violated a congressional mandate stated in the conference report for Appropriations Act for fiscal year 1975. That report stated:

> The conferees support the need for a lower cost alternative fighter to complement the F-14A and replace F-4 and A-7 aircraft; however, the conferees direct that the development for this aircraft make maximum use of the Air Force Lightweight Fighter and Air Combat Fighter technology and hardware. . . . Adaptation of the selected Air Force Air Combat Fighter to be capable of carrier operations if the prerequisite for use of the funds provided. . . . Future funding is to be contingent upon the capability of the Navy to produce a derivative of the selected Air Force Air Combat Fighter design.

I think that it is clear from subsequent actions that the Navy did, in good faith, follow the spirit of that congressional mandate.

Last March, the Deputy Secretary of Defense, William Clements, wrote to the chairmen of both the House and Senate Appropriations Committees to propose that the Navy continue its evaluations of the competing design entries and that if neither design were found acceptable, the competition would be ended, but if any or all of the designs were found acceptable, the Navy would make its recommendation. Mr. Clements asked for congressional concurrence, and on March 13 and March 17, the two chairmen replied and stated no objection to the Navy's plan. I ask unanimous consent that copies of these letters be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TUNNEY. Mr. President, thus, the competition continued, with the approval of the Appropriations Committees chairmen, and that competition resulted in the Navy's choice of the F-18. In a lengthy report to which I shall refer in more detail in a moment, the Comptroller General states—

> It is our considered opinion that the Navy's actions were not contrary to statute or public policy and that the selection was fair and impartial and in accordance with the established selection criteria.

The second charge raised was that the McDonnell Douglas-Northrop design, now the F-18, was not a legitimate entry in that substantial changes were made in moving from the original competitor, the FY-17 to the FY-18. This charge was the subject of a contract protest filed by the losing contractor, LTV Aerospace Corp., with the General Accounting Office which resulted in the report to which I have made reference above. That charge is quite simply answered. On page 38 of that GAO report, the Comptroller General concludes—

> For the various reasons discussed above, we have concluded that the Navy's actions were not illegal or improper and that therefore the protest must be denied.

The third charge, and this has been one of the most difficult to refute, until now, is that the F-18 is not really a lower cost alternative and complement to the Navy's F-14, and that what we really need are more F-14's which will ultimately cost less and perform better. This charge, which has received widespread media coverage, resulted from what the media called an OMB memo which detailed the possibility that the F-18 was indeed not a low-cost complement to the F-14 and that buying more F-14's was the better choice. Despite the Navy's pointed denials which they went to great lengths to substantiate, the OMB report kept popping up as the revealed word.

That charge has been laid to rest by my California colleague, Congressman CHARLES WILSON. He wrote to the Director of the Office of Management and Budget, James Lynn, and asked for verification of the statements attributed to his agency. Mr. Lynn replied that—

> The paper was an early initial draft of an internal working paper generated as part of a preliminary staff level dialogue between OMB and OSD on the 1977 budget. The paper did not then, nor does it now, represent official OMB policy.

Mr. President, I ask unanimous consent that those two letters also be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I hope that these facts will alleviate the need for further recriminations over the Navy's selection of the F-18. The Navy wants the F-18, it was properly selected, and it will save money while meeting its mission. I urge speedy approval of the Navy's appropriations requests so that the program can continue in an orderly manner.

EXHIBIT 1

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., March 7, 1975.

Hon. GEORGE MAHON,
Chairman, Committee on Appropriations, House of Representatives.

DEAR MR. CHAIRMAN: I am writing to inform you of the current status of the Navy's evaluation of proposals for its Air Combat Fighter (NACF). Pursuant to your letter of November 20, 1974 approximately $12,000,000 of the $20,000,000 appropriated for this effort was applied toward the development of derivative NACF designs by both of the original Air Force ACF competitors. At the time of the Air Force ACF selection last month the Navy's own evaluation was still in its early stages. In view of the considerable investment already made toward the design of derivative aircraft by the two contractors, we have instructed the Navy to complete its evaluation of both firms' proposals in a fully competitive atmosphere.

The Navy expects to present the results of its evaluation in early May. If none of the proposed designs can satisfy the solicitation criteria we will terminate the present competition and perform further trade off analysis of stated requirements in an attempt to meet the desired goal of a lower cost alternative fighter-attack aircraft for Navy use. If any or all of the derivative designs are acceptable the Navy will likewise recommend its choice.

Should an acceptable design be found it will be necessary to use the remainder of the present appropriation to contract with the selected firm to refine its design and sustain its engineering effort pending formal program approval to undertake full scale development in FY 1976. I believe this is a prudent course of action whichever firm is selected and I would appreciate your concurrence. We will also advise you should the evaluation disclose a need to revise our current budget figure for this aircraft in light of the considerable redirection which has overtaken its original submission.

Sincerely,

W. P. Clements, Jr.

House of Representatives,
Committee on Appropriations,
Washington, D.C., March 13, 1975.
Hon. William P. Clements, Jr.
Deputy Secretary of Defense,
Washington, D.C.

Dear Mr. Secretary: This is to acknowledge your letter of March 7th with regard to the plans of the Department of the Navy to evaluate competitive designs of the Navy's Air Combat Fighter.

You state that the Navy expects to complete its evaluation in early May and that if an acceptable design is found, the Navy will use the remainder of the present appropriation, approximately $8,000,000, to contract with the selected firm for design and engineering effort.

I have no objection to the approach you have set forth. However, the Subcommittee on Defense Appropriations expects to carefully review the FY 1976 funding requests and I could not comment on possible Committee action on the FY 1976 request that time.

Sincerely,

George Mahon,
Chairman.

U.S. Senate,
Committee on Appropriations,
Washington, D.C., March 17, 1975.
Hon. W. P. Clements, Jr.
Deputy Secretary of Defense,
Washington, D.C.

Dear Mr. Secretary: This is in response to your letter of March 7, 1975, concerning the Department of the Navy's evaluation of the proposal for a Navy Air Combat Fighter.

The Navy plans to complete the evaluation within the next few weeks and either terminate the competition or conduct further tradeoff analysis. If one of the designs is selected, I understand that the remainder of the funds appropriated for the Navy Air Combat Fighter study will be used to refine the selected design.

The Committee has no objection to your plans for expending the amount appropriated in fiscal year 1975. I understand that you will notify the Committee of a final selection in May so that the Committee will have the necessary information during consideration of the fiscal year 1976 request for the Navy Air Combat Fighter.

With kind regards, I am

Sincerely,

John L. McClellan,
Chairman.

House of Representatives,
Washington, D.C., September 19, 1975.
Mr. James T. Lynn,
Director, Office of Management and Budget,
Executive Office Building, Washington, D.C.

Dear Mr. Lynn: I enclose a copy of a report now widely circulated among members of Congress and reputed to be an "OMB memo."

I would be grateful if you could document the validity of this report. Does it represent official OMB policy at this time? If not, I would appreciate a letter to that effect at the earliest possible date, preferably via telecopier. I impress upon you the urgency of this request.

Thank you for your assistance.

Very truly yours,

Charles H. Wilson.

Office of Management and Budget,
Washington, D.C., September 26, 1975.
Hon. Charles H. Wilson,
House of Representatives,
Washington, D.C.

Dear Mr. Wilson: This is in reference to your letter of September 18, 1975, inquiring as to the validity of a widely circulated paper on the F-18 and its alternatives. The paper which you describe as the "OMB memo" of June 16, 1975, was an early initial draft of an internal working paper generated as part of a preliminary staff level dialogue between OMB and OSD on the 1977 budget. The paper did not then, nor does it now, represent official OMB policy.

Sincerely yours,

James T. Lynn,
Director.

INTERVIEW WITH DONALD RUMSFELD

Mr. BROCK. Mr. President, it appears to have become customary in Congress to attack the Federal Establishment in sweeping and denunciatory language. I have joined myself in pointing out some of the most prominent blemishes on the Federal face; I hope I have, however, been successful in distinguishing between those persons who devote themselves to public service and the small minority that has allowed itself to use the system in a corrupt manner.

One individual who best exemplifies the term "public servant" is Donald Rumsfeld. I am certain many others in this body are aware of his public service here and abroad. Too little mention has been made, however, of his intense personal faith in the strengths of our country. This man, who now sits at the right hand of the President, recently participated in an interview on a public broadcasting network.

I was sincerely impressed with his observations on how stable the electorate has been and continues to be, despite the shock waves surging across the country in the face of the resignation of a President and the tragedy of Vietnam. Mr. Rumsfeld has identified the glue that holds this together: the consent to be governed, and behind that the basic element of trust.

The waffling of the Congress, the failure to fill the policy gap in so many areas, has held up orderly government. As Mr. Rumsfeld recognizes, we cannot afford 100 different foreign policies anymore than we can afford 435 energy policies. It is for that reason, as well as for the reason of the personality of Mr. Ford himself, that public trust gravitates back toward the President.

I would like to share this most significant analysis with others to judge a public servant in whom I think we can all take great pride.

Mr. President, I ask unanimous consent that the full text of this interview be printed in the Record.

There being no objection, the interview was ordered to be printed in the Record, as follows:

Interview With Donald Rumsfeld

Heffner. I'm Richard Heffner, your host on the "Open Mind." Donald Rumsfeld is Assistant to the President of the United States, was my guest on the last "Open Mind" program, and is back with us again today. Mr. Rumsfeld, I'd like to begin today's program by referring to a speech that you made at Wake Forest College on June 7, 1975. I was very much impressed with your beginning—you said—and with the ending too, and the middle, too. (Laughter) You said that in 1954 you'd heard a speech that had a profound effect upon you and you didn't in the course of your speech itself indicate who delivered that speech. Who did?

Rumsfeld. Actually, it was Adlai Stevenson, the former governor of the state of Illinois who was, at that point, between his two Presidential campaigns. And it was, as you mentioned, in 1954. He was in a very reflective mood. He had not been back to Princeton, where he had graduated, for many years, and he came back and spoke to our senior banquet, shortly before graduation. It was a very special speech and it was brilliantly delivered. Very thoughtful and, as I indicated, something that did have a profound effect on me.

Heffner. What was the nature of its content that had that effect?

Rumsfeld. One of the events of that period was the McCarthy hearings which was really one of the major televised congressional things in history. It was a time when there was a good deal of mistrust in the country. Governor Stevenson's talk—his visit with graduating seniors—was used, essentially, to talk about the nature of the American political system—about the importance of individual citizen action and involvement in that process. As I recall he said something to the effect that our country had made a magnificent gamble and decided that the people should have an opportunity to help guide and direct the course of our country. And that was a magnificent gamble. It was a gamble in the sense that it presumes that free people will be able, given sufficient information, to make correct judgments. It presumes further that trust—that fundamental glue that assists in communications—because without trust there is no communication, there is no leadership by consent as opposed to command—that that trust will exist. It presumes that good people will involve themselves in the affairs of government either as principal, active participants or as supporters or defenders or correctors of those who are in public life. He said it considerable more eloquently than I have.

Heffner. You say, "given sufficient information the people can govern themselves." I don't mean constantly to strike a negative note but there have been those who have felt that in our own times it was almost impossible for the average citizen to have the kind of information that would be considered sufficient for him to govern himself. To vote appropriately. How do you respond to that? In the twenty-one years that have elapsed since you heard Governor Stevenson, I wonder whether we haven't . . .

Rumsfeld. Has it been that long?

Heffner. It's been that long. I'm sorry—for myself and for you. (Laughter) Hasn't our society been so much more complicated that the possibility of being well informed has diminished considerably?

Rumsfeld. No, indeed. Just the reverse is the case. The means of communication today are so far superior to twenty-one years ago. Now, it's true that this is not any more ancient Greece where the constituency could sit on a hillside and discuss and debate the affairs of the city-state. We talk of future shock—the compression of events—the glut of information—but, you know, the human being's an amazing mechanism. People are able to adjust to things and I don't question for a minute but that as the technological changes have occurred, as television has come upon us, as the velocity of world events has accelerated, I don't question for a second but that there may be periods where people might lose their bearings. Where it's more difficult than in other times. But people adjust. Their tolerance level changes and they find that they can sift and sort. And it's not necessary for each citizen two hundred and thirteen million in this nation of ours—to have all information on all subjects so that they could act in each other's stead in government on all decisions. What is essential is that there be a rough sense of direction, that there be a point where a correction can be made—as we do have every two years when a majority of all of the members of the House and a third of the Senators are elected and where a President is elected every four years, or re-elected—there has to be a . . . in our country to govern successfully, people have to have a sense of the American people. Successful public leaders. They have to be in communication with them and they have to prove themselves and be measured against what they say and what they do. So that I think that despite the changes we've seen in the world, despite the changes that we'll see—probably at an accelerated rate in the coming twenty-one years—my estimate is that our system of government does work. That that magnificent gamble is a good gamble and that, in fact, we'll find that human beings can adjust and can continue to adjust and fulfill that role of public responsibility which they have.

Heffner. You said, too, that the other quality that Governor Stevenson referred to was trust. And when I was reading your speeches I noted you . . . before the program . . . you said "But what struck me," and you were talking about his speech, "and what remains in my mind was the importance of trust in the American system." Then I asked you whether you mean trust in the American system or whether you meant the importance of the element of trust of believability in our system.

Rumsfeld. And, without question, I meant the element of trust in the sense of believability. If you have a system that suggests that the people can play a role and if you have a system where leaders lead not by command but by consent, by agreement, that means they lead by persuasion, communication. And without trust there is no communication.

If a person disbelieves, they don't listen. They don't want to listen. And I think that when one thinks of graduating seniors today—or thinks of any of us—we've gone through some pretty startling events in the last ten or fifteen years. in the lifetime of these students that are now graduating. We've had a President assassinated in office. We've had one candidate for President wounded and another killed. We've had a President who wasn't able to run for re-election. We've had a President who, for the first time in our history, resigned. We've seen inflation and recession. War. There's been some very unusual events and we've—I think all would agree—we've also lived through a period where, for one reason or another, the reservoir of trust has drained somewhat.

You know if you're in a sailboat and you turn the rudder and you're not moving, the sailboat doesn't turn. It just stays there. You need steerage way to steer the sailboat—for the rudder to work. Trust is like that for our society. If everyone's going off in their own direction and doing their own thing, or doing nothing is their own thing, nothing happens in our society because although we believe in the individual as the real source of creativity in our society we know that for really great things to be achieved it requires that people work together and the only way that they can work together is if, in fact, there is a leadership and a followership that comes from communication, that comes from trust, that comes from ascent. That is to say that cooperation and cohesion voluntarily achieved is, in fact, the thing that has enabled our country to do some perfectly splendid things.

Heffner. There seem to be a great many people in the last decade who have felt that that ascent literally has come from on top to below and that what you had was communications downward and a somewhat high degree of carelessness about literally what the people felt or what they wanted or what they meant—if indeed there was any consensus that you could identify as what they wanted or meant—do you feel that there is some sense of reversing that today. Is there some means by which we can reverse it?

Rumsfeld. Well, I was out of the country for two years and when I came back I was struck by the fact that the leadership structure of our society seemed to have flattened somewhat. That there weren't groupings of people working towards common goals. That there was a sense of anti-institutionalism, an anti-leadership, an anti-politician, an anti-union, or anti-school, or anti-church feeling. This is disturbing. It tends to confirm what you're suggesting. That for one reason or another people were mistrustful or not willing to be a part of something bigger than themselves. Not willing to submerge their own views into something that had the support and cooperation of a great many more people. I see it changing. Personally I think there's probably nothing more frustrating than freedom that's purposeless. Freedom is a very special thing and when one doesn't have it they tend to value it greater than when they do have it. But it's not a very special thing if it's for nothing and that freedom that we have as individuals I think is purposeless unless we begin to recognize that it's through groupings of people and institutions, and working with others that something important can be accomplished.

Heffner. And you see the role of leadership providing that purposefulness?

Rumsfeld. Well I guess I think the first thing that has to be done—and I personally believe that it is now being done—is to refill that reservoir of trust. I don't think you have steerage way without that because unless you can communicate and be believed and have people have a sense that that is in fact where you are and what you are and who you are as a political figure or as a leader in a family or a company or in a union, there isn't any followership, there isn't any cooperation, there isn't any communication back and forth so that the direction can be voluntarily agreed upon by more than one person. We see a microcosm of this, I think, in the United States Congress today. Now, as a former congressman I don't want to sound critical of that institution because I think it's a great institution. But the fact of the matter is it truly represents the country and in its most recent period it's reflected something of what I've just described. That is to say 435 members of the House and 100 members of the Senate tending to each go off and do their own thing. Well, that's not good enough. Simply because a person has a mimeograph machine doesn't mean we need 535 economic policies or 435 energy policies or 100 foreign policies—one to suit each Senator. In fact we need one foreign policy for the country. And that means that there has to be compromise, there has to be adjustment, there has to be a movement toward some common principle and, at some point, we will see some jelling of the leadership structure in the House and the Senate and we will, I think, probably see it at a point where we also see it in the country.

Heffner. How do you analyze the comments that some people make—aside from dismissing them—I trust you won't—but how would you analyze the comments that some people make that the trust that you ask for, that you find so necessary as the glue that keeps the democratic society together, that it is not possible any longer, at a time when the very media that you've spoken about, that provide us presumably with so much information have it, or see it, as part of their task to present the whole story. The whole story being that which makes it so much more difficult for us to have and to keep idealized images of leaders. How can you have the trust when on the one hand we have an information industry or an information input that constantly is demeaning to the presentation of all the information. Our capacity to admire a leader, our capacity to have trust. Is it really possible? I wonder what your analysis of that comment that so many people make these days is. We've moved away from the possibility of having trust in those images because idealized images are necessary.

Rumsfeld. Well, if one follows what you're saying—and I've heard as you're suggesting—it is a theory that's common today—but if one followed it to its logical extreme, it would suggest that free people can no longer participate in governing themselves. That something's happened to our life and that it's not possible for human beings to adjust to this new situation. Now I just reject that. There's not a doubt in my mind but that the people of this country will be able to begin to sift out from the glut of information—from the editorializing, the interpretive comment, the negatives, the pluses—sift through it and make relative judgments. Now they may alter their view as to what a leader is. It may be something less than perfection. It may be more like a real human being. But it will be relative. It will be, "Is this person a better leader than that person?" It's a relative judgment as opposed to, "Is this person perfect." Indeed, we're not perfect. We're human beings—those of us in government, those of us in leadership positions and every person in the country's in a leadership position—as well as a followership position. So, people begin to measure it from their own life. And they will do that. They'll know that in some instances they are a good father or a good mother or a good friend or a good foreman.

In some instances they may have made bad judgments. But that doesn't make them evil people. It means that they will alter their expectations. And expectations will be not for the man on the White Horse who knows everything, who I simply want to wait for him to tell me where to go and what to do and what to think. But, rather, it will be an expectation that's more realistic, maybe. More adjusted to what, in fact, exists in our society. And yet the reason it will occur is because the people at some point will say it's not acceptable to have everybody running off into separate directions. It's not acceptable to have every Senator thinking he can conduct the foreign policy of our country. We've got to have one national energy policy. It's not acceptable for 535 members of the House and Senate to tear around each thinking the; can have their own. Meaning we have no policy for our country. They will reject that at some point. And that is to say they will reject it because they know that it's ineffective, i's purposeless and, in fact, they will say, "This may not be perfect, but it makes more sense than something else." I believe that.

Heffner. In your address at Wake Forest, though, you indicate that there are several dangers. You never denied the danger, and

I admired that. And one of the dangers, of course, is the possibility that the substitute for the many, many, many disparate voices being heard will be one voice—and not the voice of all the people, not consensus, if that's a word we can use again, but rather the voice of a man on horseback. And I wonder where it is written, in your estimation, we'll come out of it with a sense of coming together rather than a sense of identifying an individual and turning to him because it would seem that the history of the world is the history of men on horseback galloping on the scene at a very time such as our own.

RUMSFELD. Well I did mention that in my remarks because particularly having watched the European political scene and having listened to discussions there about people who are so frustrated with the rates of inflation in Europe, which are considerably higher than ours, who are so frustrated with the confusion, the strikes, the disarray that many of those countries find themselves in that people do start saying that what we need is a strong leadership. What we need is authoritarian leadership. What we need is someone to take a hold of this thing. Now you take that to an extreme and you end up with an authoritarian system that means that in exchange for that benefit of order you pay a penalty. And the penalty you pay is freedom. And that's a penalty we won't pay in this country. Why do I say what I say.

HEFFNER. I was just going to ask you. I'm glad you asked yourself.

RUMSFELD. I say it because we've seen 200 years of history in our country and more. As I go around the country I find people who are dissatisfied with where the pendulum is at the moment but they're not looking for violent swings either to the left or to the right. Yes, there's a bit of despair, there's some mistrust. There is a sense of "things didn't quite work out." That is not necessarily a bad thing that the people feel that way because to the extent people participate in this process they can make good judgments and poor judgments. And to the extent things might not have worked out perfectly for us in every instance it's alright for us to reflect on our past judgments and to try to improve them in the future. But I don't think that this country will make that kind of a violent turn to the left or to the right.

HEFFNER. What are the evidences that you have of a resurgence of this glue. Of this trust. Of the quality of trust and belief in ourselves and in our leaders. Where do you see it?

RUMSFELD. I suppose partly it's faith in the people in this country that I know and respect and partly it's faith in the system that we have. It may be imperfect but, as Churchill said, it's better than any other that's ever been tried. And partly it's microscopic pieces of evidence. George Shultze, the former Secretary of the Treasury was in Washington a number of weeks ago for the unveiling of his portrait as Secretary of the Treasury. It was a very small affair, mostly family and friends. He said something that struck me. He said, very simply, that this President of ours is trusted because he trusts people. And there's something true about that. You come to find in life what you go out to expect to find. And a person such as President Ford is, who does trust people, does find that that trust is reciprocated. If a person approaches life in a different way—and I'm not saying this to praise him—I think it's just happenstance that he happens to have that quality—it may be developed, it may be environmentally created—but the fact of the matter is he happens to be President and I think it's fortunate that he is.

He does trust people. And people can tell that. And they respond to that. I believe that at some point that will begin to be seen and felt. I think also after people go on a bit of a binge and mistrust everything that's kind of a—without mooring lines—they then say, "Well that isn't so all-fired great anyway and I think I'll maybe go back and maybe trust something." So you begin to see pieces of it throughout the society. I could cite other little things but I don't know that they'd be any more persuasive. Maybe history will have to prove me right or wrong.

HEFFNER. Well, it does bring back for us the question that again you raised in your speech, the question of the search for scapegoats when we can turn to trust as you've suggested. But we can turn to scapegoats and we can turn to men on horseback. And I gather your assumption is neither of those.

RUMSFELD. I think we'll do some of the first two. We will possibly muse about the advantage of having strong leadership and then shy away from that—too strong leadership. We may very well—people in this country—may go through that process of saying, "It was their fault." But, in fact, all of us, I think, to the extent things aren't perfect, recognize that it's very difficult to pinpoint blame only on others. That each of us has a responsibility. One of the things Adlai Stevenson said in his speech in 1954 was "If a good man in public life is attacked unfairly and others fail to defend him, good people won't go into public life because they won't be willing to tolerate the guerrilla warfare of life unless others will assist them, support them, defend them when they're right, criticize them when they're wrong, be helpful and be a part of it." Because it's not enough to be that alone. I think that that begins to come.

HEFFNER. You smiled so benignly when you referred to Stevenson's comments, because I gather to you it means people will support those who have been unfairly attacked and that those who watch what has happened will continue to enter public life.

RUMSFELD. I think they will.

HEFFNER. Alright. But perhaps in our own time we've seen how difficult it is not to be attacked. And we've seen and heard of a number of instances in which people have withdrawn from public life because the kitchen has gotten too hot. Now, it might be well to remember with great admiration what Adlai Stevenson said, "Unless this happens . . . there will be a refusal of good men to enter politics." Perhaps in our own time we've seen the result—not of that as a contrary to fact statement—but of a factual statement—that the heat is too great. Again, the adversary press question. President Ford hasn't experienced it to the extent, certainly, that President Nixon did or that Lyndon Johnson did. What happens to men who find that with media that bring instant information instantly everywhere—that everyone is fair game. Do you think you can . . . do you personally feel that in your own life situation you can take that kind of heat—want to take that kind of heat?

RUMSFELD. I can't say as I enjoy it. No. I mean when I'm attacked unfairly—and I admit that I get praised inaccurately as well as blamed inaccurately—I supposed in life you have to take the good with the bad—but I don't like it. Maybe what happens to us is that we develop the ability to go on and get a little tougher skin and recognize that's just the environment we're functioning in. It is a critical period. People are critical. They do look at each person and examine them under the microscope. And they find imperfections because we're human beings. But I don't know that that necessarily means that our system can't work. I think it is working and I think that it's going to be working better in the coming period.

HEFFNER. The warning that Stevenson gave in 1954—do you think that what has happened since that time has indicated the wisdom of that warning in terms of the growing pace, the acceleration of the attacks upon public figures. Not in the McCarthy sense, necessarily but just that you're all fair game.

RUMSFELD. I think it's like many lessons. When you're dealing with human beings and groups of human beings many of the lessons that need to be learned are never learned finally. They have to continuously be learned. And my sense of it is that his comments had a high degree of validity in 1954. In many respects they're equally valid today for this generation and I think they may very well be valid twenty years from now albeit it in a different way.

HEFFNER. So your concerns are not quite that great when you thrust into the future twenty years.

RUMSFELD. We'll make it.

HEFFNER. We'll make it. Thank you very, very much for joining me today and helping us interpret the ways in which we can make it. Donald Rumsfeld, Assistant to the President of the United States has been right in the midst—in the heat of all of the political and public and informational chaos of our times. I do appreciate your having joined us today, Mr. Rumsfeld. Thank you very much and thanks, too, to the ladies and gentlemen in the audience. I hope that you'll join us again on the "Open Mind." Meanwhile, as an old friend used to say, "Good night, and good luck."

RUMSFELD. Thank you very much.

THE ARMY'S DRUG EXPERIMENTATION PROGRAM

Mr. BENTSEN. Mr. President, I want to express my deep concern and dismay over the drug and chemical experimentation which the Department of the Army and other defense and intelligence agencies have conducted during the past two decades. Only July 18 of this year, the Army acknowledged that it had given LSD and other hallucinogenic drugs to some 550 soldiers and 900 civilians in an attempt to learn their effects on human beings.

Thousands of other individuals were tested with chemical and biological agents. Since then, we have learned that drug experimentation was also conducted by the Air Force, the Navy, and the CIA and that, though the total remains imprecise, several thousand individuals were tested.

The initial basis for these experiments apparently was to determine whether hallucinogens could be used to break captives under interrogation or render entire armies helpless while in the field. Each department involved wanted to learn more about those drugs, and in their haste, the health, safety, and well-being of many of those tested apparently were often jeopardized.

Though investigations continue, the information obtained to date suggests that not all of the individuals tested were volunteers and that some were not even told what they were given. Extremely lax supervision marked some of the experiments. Many of those tested were not even given followup examinations to determine whether the drugs had inflicted physical or emotional damage.

I am confident that the several committees investigating this matter will not cease their efforts until the full story is known. I am most concerned, however, that each of the agencies which conducted these experiments make every effort to promptly locate, inform, and if necessary, treat the subjects of these experiments. Certainly, elemental decency, concern for the fate of those tested, and compassionate medical practice require that individuals who were tested without their knowledge or consent be informed of what has happened, that any emotional or physical harm be determined, and that treatment, where necessary, be prescribed and provided.

I understand that the Department of the Army is already working with the Surgeon General's Office to undertake this effort and that several Army staff members have at last been assigned full time to this important task. I urge the Army and the other agencies involved to acknowledge full responsibility for the experiments which it conducted or authorized others to undertake and that it promptly contact all those who participated, either knowingly or unknowingly, in the experiments.

Mr. President, I fear that in many instances, the human beings who were the subjects of these experiments may have experienced temporary or permanent physical or emotional harm or had episodes of abnormal behavior which, for them, are totally inexplicable. They and their families deserve to have the record set straight and any uncertainty resolved.

Again, Mr. President, I urge the Army to acknowledge its responsibility in this matter and to promptly contact all of the individuals who were tested.

HOSPITALS AND STATE RATE CONTROLS

Mr. FANNIN. Mr. President, the increasing interest in regulating the health care system to either control costs or achieve changes in the health care delivery system itself raises serious questions about the role of government, Federal or State, in managing our health care system. Obviously, government must play some role because of its enormous investment, but there is and must be a limit to that role. Finding the proper balance between protecting the government's interest in health care expenditures and preserving the capacity of hospitals and other health care facilities to manage their affairs without excessive regulation is difficult to determine. As an example, the most recent issues of the Review, published by the American Federation of Investor-Owned Hospitals, devoted considerable space to the issue of State rate regulation. Because of the interest by many in Congress in determining the rightful role of government in regulating our health care system this discussion should prove invaluable.

Mr. President, I ask unanimous consent to have printed in the RECORD these articles on State rate controls.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

STATE RATE CONTROLS: DO WE REALLY NEED ANOTHER LAYER OF REGULATION?

State regulation of hospital rates is an enigma.

By dictionary definition, an enigma is something that is hard to understand or explain.

Even some staunch supporters of rate control will admit that this is a logical description to apply to the often illogical universe of regulation.

Hospital rate regulation usually takes two forms in a state—rate setting or rate review. You will get a lot of argument trying to say that the two are one and the same. But, there is general agreement on the end result of both systems—control.

State rate control is stitched together now in a crazy-quilt style across the country. There is no set pattern, and the experience of states that have a mandatory system varies widely.

In reality, no existing state rate setting or rate review agency can control hospital rates for all patients at this point because Medicare has not agreed to participate in any program. In other words, Medicare has not yet consented to be bound by the decisions of any state commission or agency anywhere in the country.

State commissions or agencies which set hospital rates for other patients—such as Blue Cross, Medicaid, or private—exist only in a handful of states.

State rate control legislation, in one form or another, was introduced in nearly 20 state legislatures this year—and it has not been passed in any of them. Particularly significant have been defeats in Florida, Oregon and Illinois, where the legislation was heavily supported by the governors.

A recent survey by the American Hospital Association shows that hospital rate control in some form has been enacted in 11 states. There are voluntary review programs in six states. Blue Cross is sponsoring prospective payment programs in nine states.

Behind this capsule summary of rate control activity lies a bedlam of crosscurrents. For example, one of the most heated legislative battles is under way in Pennsylvania, where the Hospital Association of Pennsylvania—which once supported state rate control—is leading the opposition.

SWITCH IN SYSTEMS

In an interesting twist of events, some of the first states to establish rate regulation programs have changed their systems. Massachusetts, for example, has gone from a five-member, part-time commission to a three-member, full-time commission with expanded authority. New Jersey has switched from a flexible system with strong counsel by providers to a rigid mandatory system dominated by state officials.

There have been court tests of some of the systems. A classic example—and probably the most publicized—is Maryland, where a Baltimore County circuit judge, Kenneth C. Proctor, described the rate approval guidelines established by the State Health Services Cost Review Commission as "the largest chunk of gobbledygook it has been my displeasure to read during forty-two years at the bar and on the bench."

Maryland supporters of rate control say that the judge's criticism involves the language of the guidelines and not the principle of review. Calling the 52 pages of guidelines "replete with gobbledygook," Judge Proctor said, in his official opinion, that this "illustrates what happens when a computer prepares rules and regulations."

The "gobbledygook" description helped give birth to publication by the New Jersey Hospital Association of a widely-distributed booklet, appropriately titled, Son of Gobbledegook. (It should be noted here for sake of clarification that the judge and the publication use different spellings—gobbledygook and gobbledegook—both of which are dictionary correct and mean the same—"unclear, often verbose, usually bureaucratic jargon.")

The Son of Gobbledegook was so named because the same independent consulting firm researched and recommended the controversial systems used in both Maryland and New Jersey. The publication questions the reason and wisdom of many aspects of the system, which became effective in New Jersey in 1975.

BALL'S OBSERVATION

In January, 1974, Robert M. Ball, who served for years as commissioner of the Social Security Administration, presented a paper, "Backdrop to the Regulation of Health Care," at the Conference On Regulation in the Health Industry. It was sponsored by the Institute of Medicine of the National Academy of Sciences where Ball is now a scholar-in-residence.

Ball said:

"In rate regulation it is necessary, of course, to take responsibility for controlling much more than the rate alone. As soon as one goes beyond the type of control the federal government has been exercising over rate increase and sets the basic rates by institution or class of institutions, the rate setting agency is soon dealing with issues of quality of service, the availability of service, the subsidy of services that do not pay their own way and control over-growth and duplication of services."

Ball's comment amplifies one of the problems that rate control commissions are running into as they delve deeper into the intricate machinery of hospital operations.

In preparation for this theme issue on State Rate Regulation, the Investor-Owned Hospital Review did considerable research, and interviewed supporters and opponents of hospital rate regulation across the country.

The range of feelings on the issue runs the full gamut of confusion, conflict, controversy, wide differences of opinion and deep-rooted fears of economic chaos resulting from ill-planned or ill-timed regulation.

Many of those questioned in the research effort—including some die-hard opponents of regulation in general—concede the possible inevitability of some type of controls over hospital costs—and that it will be up to the hospitals and hospital associations in the individual states to press hard for the most equitable system.

There seems to be general agreement that some cost control provisions will be written into National Health Insurance legislation.

There is disagreement whether a hospital in itself is a public utility and can be accorded the sanctions provided to services such as power, transportation, etc.

State rate regulation is the subject of much study in the various states.

CONCERN EXPRESSED

Here is an example of the concern: President Arvid B. Brekke, president of the Colorado Hospital Association, wrote in a recent issue of the association's Newsletter:

"As we consider the pros and cons of rate review, let us keep in mind that an alternative to our providing some leadership impetus in the rate review mechanism ourselves, is to have another bureaucratic blanket laid onto us.

"As quoted by columnist James Kilpatrick, 'the bureaucratic rules and regulations which are blanketing us are needless, wasteful, suffocating, solicitous, petty regulations that leach the blood from our national life.' We are in a period of time where we are in the midst of a struggle with the federal bureaucracy. Our unified efforts to take other courses of action may discourage some of that continual growth of the bureaucracy."

In this same vein, President Ford said recently, "One of the goals that I have set for myself as president is to cut big government down to size. I want to put an end to the mountain of paperwork and the quicksand of regulation which big government makes every American businessman cope with."

The burden of government regulation in general—federal, state and otherwise—is coming into sharper focus, especially in view of the shackles that it is placing on the nation's economy.

Some economists, such as the distinguished Milton Friedman of the University of Chicago (who was interviewed by the Investor-Owned Hospital Review for this theme issue) advocates the abolition of all government regulation and opening the door to a free, competitive market system.

Then, at the other end of the spectrum, there are leading health economists such as Stuart Altman, deputy Assistant Secretary for Planning and Evaluation/Health for the Department of HEW. He said in an interview for this issue of the magazine that he favored state regulation of hospital rates with the federal government establishing the guidelines and monitoring the system.

THE FAH POSITION

The Federation of American Hospitals, the national association of investor-owned hospitals, is "totally opposed to state rate setting of hospital charges."

In a recent position paper, the Federation stated:

"The primary reason for the high costs of hospital care is the high cost of labor in an industry which is labor intensive (payroll is approximately 60 percent of total expenses). Other factors include the increased demand for quality and volume of services, new technology, a decrease in the average length of a hospital stay producing greater intensity of per diem services, higher costs of borrowing capital, soaring malpractice insurance premiums, and the costs of meeting Life Safety Code requirements.

"Despite these cost-escalating factors, we believe the nation's hospitals can hold the line on inflation given the proper incentives for sound innovative management. To do this, retroactive cost reimbursement must be replaced by prospective reimbursement. This issue is discussed in connection with Medicare amendments.

"We believe the prospective hospital rates should be negotiated between hospitals and insurance carriers locally under federal guidelines. Since the system of free enterprise is at work in the health delivery system, competition and innovation can be instilled into the system provided that the proper mechanism—prospective reimbursement—is used.

"Adopting a system of state rate regulation would result in public utility type protection for inefficient, stagnant and costly operations. In addition, the state bureaucracy would be forced to develop sophisticated expertise in review and monitoring hospital financial transactions virtually overnight.

"Considering the great health needs with which this nation is faced, we believe that it would be far more productive to encourage greater risk sharing and competition in the health care delivery system."

THE AHA POSITION

The American Hospital Association believes that it is "very important" that the rate regulation system be lodged at the state level rather than the federal level, according to Paul Earle, AHA vice president.

Noting that the AHA has revised its position on state rate regulation in recent years, Earle told the Investor-Owned Hopistal Review:

"Previously, the AHA advocated a system of rate regulation that amounted to creating independent state health commissions in every state to regulate, among other things, rates charged by hospitals. Basically, the concept was to have a budget review system for rate regulation through this independent commission concept. We have made some adjustments in that policy in the past few years.

"The AHA's revised policy is this: We believe that several approaches or combination of approaches should be tried. We still believe that all control systems should be lodged at the state rather than the federal level—whether it is planning, utilization, rate control, etc.

"On the rate regulation question, we are now advocating maximum flexibility in the way that states design and implement systems. We favor different approaches such as the formula and target rate systems and negotiated systems with Blue Cross, for example. We believe that it would be beneficial for states to provide alternative systems or a combination of systems. In light of the experience of various states in recent years, there is no perfect system. There must be flexibility and experimentation."

VARIOUS VIEWPOINTS

The State Rate Control Section spotlighted in this issue presents reports of rate setting and rate review activities in a cross-section of states—each in varying stages of development—plus comments and opinions from health care leaders and economists (from both inside and outside the industry). The concluding article of the theme section features a conversation with a regulator—Andrew Nighswander, a member of the full-time Massachusetts Rate Setting Commission.

REGULATION ADVOCATE: STUART ALTMAN TELLS WHY HE IS FOR

Stuart H. Altman, Ph. D., a leading economist in the U.S. Department of Health, Education and Welfare, favors state regulation of hospital rates with the federal government establishing the guidelines and monitoring the system.

Altman, Deputy Assistant Secretary for Planning and Evaluation/Health for the HEW, believes that the states should have a vital financial role in the success of the system.

He said, however, that he would not favor state control if the federal government became the only source of funds because "then, the pressure for the states to spend money—and therefore obtain more money—would overplay any concern that they may have for rising health care costs."

"In my viewpoint," he noted, "the federal government does have an important role to play as an overall establisher of federal guidelines—to insure that there is some uniformity throughout the country and to monitor the various systems to assure that they do, in fact, what they are intended to do."

He suggested the possibility of establishing a series of classifications of hospitals within a state and developing a rate reguation system based upon a formula within that classification. Then, he said, each hospital within that grouping would have to live with the rates established by the formula.

Altman also expressed these viewpoints in a recent interview with the Investor-Owned Hospital Review:

Rate control provisions will be written into National Health Insurance legislation.

He does not want to see rate control mechanisms that would guarantee the preservation of all hospitals regardless of changes in need and utilization.

Various states are making encouraging progress toward the regulation of hospital rates.

Rate control controversies such as those in Maryland and New Jersey are "healthy" because they will prove "legally or otherwise what government can or cannot do . . . and, hopefully, these disputes will tell us something about the viability of those particular kinds of rate control systems."

Politics is necessary in rate regulations because "we have taken health care out of the marketplace and have made it a political decision."

Health care, as an industry, is dependent upon regulation.

Individual hospitals themselves cannot contain costs—how much is spent on health care is a "societal decision."

Altman has developed a distinguished career as a health economist. After obtaining his bachelor's degree from City College of New York in 1959, he received his master's degree in 1961 and his Ph.D. degree in 1964, both from the University of California at Los Angeles.

He launched his professional career as a labor economist with the Federal Reserve Board in 1962. He served as an economic consultant and manpower economist in the Office of the Assistant Secretary of Defense from 1964 to 1966. He was visiting assistant professor at the University of Illinois' Institute of Labor and Industrial Relations during the spring of 1966.

Altman joined the Brown University faculty as an assistant professor of economics in the fall of 1966, and he was named an associate professor in 1968.

Prior to being appointed to his present position with the HEW, he was director of health studies for the Urban Institute of Washington, D.C., a private research organization.

While holding his HEW position, he also served as deputy administrator in the Office of Health of the Cost of Living Council from March, 1973, until the Econimic Stabilization Program ended in April, 1974. He had a major role in writing the regulations for the Program's Phase IV.

Here are Atlman's comments during the question-and-answer session with the Investor-Owned Hospital Review:

STATE REGULATION

Q. What is your viewpoint on state regulation of hospital rates?

A. I have long supported the idea that (a) we need some form of change in our hospital remibursement system; (b) this change should be along the lines of a prospectively established budget system, and (c) the most appropriate locus for doing this is at the state level. So, on all three grounds, I am supportive of the growing trend toward state review of hospital rates.

Q. What role do you believe the federal government should play in the regulation of hospital rates?

A. I am concerned that the rate reviewer have an important reason for being in the game, so to speak. I believe that if those reviewing the rates do not have any stake in the outcome, it could lead to excessive rates. Unfortunately, in the health care industry, the capacity to spend money is sort of limitless, and you need the tug-of-war, which, on the one hand, involves the desire to provide everyone with everything, and, on the other hand, recognizes that our capacity to buy everything is limited.

Since the federal government is a major purchaser of health care—and hospital care, in particular—it must have an important role in rate setting activities. This could be done in a number of ways, of course. For example, the federal government could act as an overall establisher of guidelines and could monitor the system to see that the states do more than just lip service and actually fulfill their commitments. Looking at the long-term, if a state fails, then the federal government would have to do the job, possibly under National Health Insurance.

My preference, of course, is that the states do the job—and I believe that they should have a vital financial role in the success of the operation. I would not support state activity if it turns out that the federal government becomes the only scource of funds. Then, the pressure for the states to spend money—and, therefore, obtain more money—would overplay any concern that they may have for rising health care costs.

So, in my viewpoint, the federal government does have an important role to play as an overall establisher of federal guidelines—to insure that there is some uniformity throughout the country and to monitor the various systems to assure that they do, in fact, what they are intended to do.

NATIONAL HEALTH INSURANCE

Q. Do you believe then that National Health Insurance legislation will contain rate regulation provisions or guidelines?

A. I believe that rate regulation provisions must be included in National Health Insurance. We really don't have a real market in health systems. We just have dollars flow out. Insurance has a lot of advantages for an individual, but our existing health insurance system creates no incentives for concern about spending on the part of the providers—although there are claims that it does. There is just too much room for spending money without any real, effective limitations. National Health Insurance would just make it worse—for a good cause, however.

It is important to protect people against financial hardship. Nevertheless, there should be some kind of controls under National Insurance. I am hopeful, however, that they would be along the lines that I have mentioned previoulsy—federal guidelines and state administration. The states should have the flexibility to do a variety of different things under these guidelines. I am convinced that we do not know just one way to get the job done at this time. So, there are many advantages in allowing states the flexibility to try more than one approach to rate control.

Q. You were quoted as saying in a recent speech that "we must find ways to control hospital costs; we don't want to do it on an item-by-item cost basis." Were you alluding to the possibility of global—or universal—controls?

A. I did not mean global controls. My concern is that the regulator is placed in the position of second guessing the hospital administrator on every item in the institution's budget I would rather see a series of classifications of hospitals within states with a formula attached to those classes. Then, each hospital in that grouping would have to live with the increases or rates established by the formula. This would prevent massive amounts of reviews and counter-reviews. The federal or state government just doesn't have the capacity to do this. I could see elements of a massive bureaucracy tripping over each other.

The federal government could establish the variables that go into the formula, but they should be flexible enough to accommodate local variations in the cost of providing health care. The states, however, should set up the formula and the classifications within the individual state.

RATE SETTING/REVIEW

Q. In your opinion, what is the difference between rate setting and rate review?

A. That is a good question. Frankly, I don't know. I have never really gotten into that debate. Now that I have been asked, I guess that I can offer this distinction. In rate review, the hospital establishes the rate, and the reviewer determines whether it is acceptable. In rate setting, the rate is established by the authority. So, in reality, what I am advocating is more in the form of rate setting than rate review.

Q. In this same light, is a hospital a public utility?

A. Is a hospital a public utility? My answer is—no. Is hospital care a type of public utility? My answer is—maybe. Each individual hospital, however, is clearly not a public utility. A public utility requires that a function must be provided—and the entity must be protected. Each individual hospital does not need to exist—nor should it be protected. There may be unnecessary hospitals. Changes and shifts in population may make certain hospitals redundant. One of the things that I fear most is that a rate setting activity may guarantee the preservation of all hospitals. I am not saying that rate setting should be a method to close hospitals. If utilization patterns in an area change, then the hospital should not be allowed to stay in existence just simply because it has been there. It is possible to do this, however, by guaranteeing the hospital higher reimbursement for fewer people.

I recognize that public utility in reference to hospitals is a very loaded term. Many in the health care industry want hospitals to be called a public utility in the belief that it would guarantee continued operations. I usually choose not to use the term—one way or another.

PROGRESS BY STATES

Q. What is your viewpoint of the progress that states are making toward regulation of hospital rates?

A. Frankly, I am encouraged. I believe the problem is awesome. Our latest figures bear out how really difficult it is. Nevertheless, the activities in the various states encourages me. I believe that most of them are adopting a very realistic approach. They are trying different methods, and some very intelligent people seem to be working hard in the various states. It is a slow process, but, as I said, the trend is encouraging.

Q. How do you feel about the controversy involving hospital rate controls in some of the states—Maryland and New Jersey, for example?

A. I believe that this also is very encouraging, especially from the point of view that several approaches are being developed. Obviously, there is not going to be general agreement on every approach. Therefore, there is bound to be groups that don't agree with the activity. Legal suits have become a very popular pastime of the health profession. This is a complete turn around from an almost total reluctance to become involved in litigation with the government to a willingness to sue the government at the drop of a hat. I am neither for this—nor against it. I believe very strongly in our system of government. I do not believe that the government should have dictatorial powers. I do believe in judicial review of what the government does. I do wonder sometimes if review is not being misused—but I support it.

I believe that the controversies in Maryland and New Jersey, for example, are healthy in the sense that they will prove legally or otherwise what government can and cannot do. Also, these disputes hopefully will tell us something about the viability of those particular kinds of rate control systems.

Issues—such as hospital rate control—have become so full of tension that any change from the existing pattern is bound to be met with much opposition and even legal or legislative action.

Q. At this point, do you see any major flaws in current state rate control systems?

A. I don't want to second guess these systems because the record really isn't in at this time. The systems are too new to be clear as to what is a good system and what is a bad system. We have each of them under fairly close and careful evaluation. I personally want to withhold any judgment until we have more facts and figures on the progress of the various systems.

VOLUNTARY CONTROL

Q. What is your opinion of voluntary hospital rate control?

A. I would like to believe in voluntarism, but, in the case of hospital rate controls, there can be a conflict in terms. I believe that voluntary controls are impossible for very long simply because of human nature being what it is and the way systems are made. If it is too easy for the marriage to end, you then run the risk of seeking accommodations and not facing the tougher issues. On the other hand, I am very mindful of arbitrary and unilateral acts on the part of either government or individuals. Therefore, I believe that there should be negotiations between the various parties. But I am not so sure that this should be of a nature whereby the parties could leave the conference table if they so desire. Collective bargaining just doesn't work that way. Ultimately, they will have to reach a contract whereby the individuals are willing to work, and the employer is willing to pay them. Unfortunately, some of the voluntary systems are set up in such a way that, if the providers leave the negotiations, the payers still are obligated to pay. This, of course, does not mean that some of these voluntary systems have not worked better than no system. In my opinion, having no system is so bad that almost any system is preferable to not having one.

Q. What in your viewpoint of a system where prospective rates would be negotiated at the local level by hospitals and qualified insurance carriers within each state under federal guidelines—and no government control?

A. Under such a system, what incentive does the insurance company really have to be tough with the hospital? It also poses the problem of limited market constraints. I believe that there should be involvement on the part of the government. This could be in the form of tighter regulation of the insurance company's rates so that the company can bargain better.

POLITICAL INFLUENCE

Q. Can political influence be kept out of the hospital rate control process?

A. The answer is no—and I don't think that it should be. Ultimately, it is really our society that must determine in some way how much should be spent on health care, and, in my opinion, that is a political call. The idea that we will pay whatever we need is just a meaningless phrase because the capacity to spend is almost unlimited. We could have a hospital on every street—or a doctor in every household. We could allow people to buy health care in the same way that they purchase shoes or other goods, but we have chosen not to do that. We have chosen to establish insurance—to subsidize insurance—provide special considerations—and push for National Health Insurance.

So, we have taken health care out of the marketplace and have made it a political decision. To say that rate setting is not political is meaningless. I am not an advocate of politics all the time—but, in this case, I believe that it is inevitable.

If you mean political influence based upon special favors, then naturally I am not in favor of that. I do favor politics in the sense that it is a communal decision.

ROLE OF REGULATORS

Q. What do you believe should be the role of the regulators—the people in the regulatory agencies? Generally, what is their attitude toward their jobs?

A. The ones that I know are conscientious, hard-working and intelligent. They usually deal with problems that mortal man has difficulty handling. They are not always as educated and knowledgeable as they should be in their particular field because, many times, the regulations started up from nowhere. Thus, there was no educated base of individuals from which to choose.

By necessity, the people in the regulatory agency are usually younger than their counterparts on the provider side. They are not as well paid. By and large, they have the public's best interests at heart although they may not always interpret the regulations the right way.

Q. Do you believe that we are becoming an overregulated society? Do you believe that public opinion is growing against increasing regulations by the state and federal governments?

A. Public opinion is a funny thing. It speaks of two minds. There are the business executives, for example, who, at the drop of a penny, will launch into massive rhetoric about government regulation and express grave concerns about foreign competition in the marketplace. Regulation is like competition. If you are a consumer, you favor it. If you are a producer, you are against it.

Take the doctors, for example. They are very concerned about overregulation. Yet, they demand that the state regulate to make certain who can or can't be a physician.

As an industry, the very existence of the health care system is dependent upon regulation. You don't hear of anyone wanting to do away with regulations that protect them.

My comments should not be construed to mean that I am not concerned about overregulation. I usually am a little dubious when the question of overregulation is raised because people usually are concerned about the particular kind of regulation that hurts them. You rarely hear them talking about all the regulations that help them.

CONTAINING COSTS

Q. In your viewpoints, what can hospitals do to contain costs voluntarily?

A. It is very difficult for hospitals to do it independently. They really have to work together. The forces that succeed are very difficult for an individual hospital or individuals within the hospital to control. Most people believe in what they do and because of this, they feel that the public can be served better by spending more money on their product—be it military, be it education, be it health.

Health providers—hospitals and doctors—believe in what they are doing. Yet, they do not always put priorities in their proper perspective. The point is that I believe providers are incapable of making the kind of decisions that society has to make on how much money to spend for the product. Personally, I don't know how much to spend. I believe that it must be a societal decision—and that is where it becomes a political call.

Regulation Foe: Milton Friedman Tells Why He Is Against

DISTINGUISHED RECORD

The status of Milton Friedman, Ph.D. as one of the nation's leading economists is reflected by an imposing list of academic and professional credentials, including honorary degrees from 10 colleges and universities.

He currently is the Paul Snowden Russell Distinguished Service Professor of Economics at the University of Chicago; a member of the research staff of the National Bureau of Economic Research, and a columnist and contributing editor of *Newsweek*. He also writes for the *Wall Street Journal* and is the author of several books and other publications.

He is outspoken and controversial—and a staunch advocate of an unfettered competitive market for the American economy.

Friedman obtained his undergraduate degree from Rutgers University in 1932, his master's degree from the University of Chicago in 1933 and his Ph.D. degree from Columbia University in 1946.

Since launching his academic career as a part-time lecturer at Columbia University in 1937, he has taught or lectured at some of the world's leading Colleges of Business Administration. He joined the University of Chicago faculty in 1946 as associate professor of economics and became a full professor in 1948. He was a visiting Fulbright Lecturer at Cambridge University in England in the 1950s.

Milton Friedman, Ph.D., one of the country's most distinguished economists, is an arch foe of government regulation of industry.

He has long advocated deregulation of the American economy.

He is a staunch believer in the premise that a free, competitive market system is the best "regulator" of them all.

But, as a realist, he has doubts that any such phenomenon can be accomplished under current or foreseeable circumstances.

He notes, however, that there has been "some widening disillusionment over what can be accomplished through governmental regulation—but I would not be too optimistic, at the moment, that very much will come of it."

Friedman—the Paul Snowden Russell Distinguished Service Professor of Economics at the University of Chicago—fears that mounting government regulation may lead eventually to the demise of the American free enterprise system as we know it.

In a recent conversation with the Investor-Owned Hospital Review, the renowned, and often controversial, economist described the free enterprise system as "a very much hobbled and tied up giant."

He hastened to add, however, that "it is still a giant—but it is becoming increasingly strangled by controls and regulations."

SYSTEM DECLINING

"As of the moment, it is a fair assessment to say that the system is in a declining stage," he said. "It is not dead yet. It is not even fatally wounded—but it is on its way to being so."

Friedman believes that the largest contributors to its eventual demise may be those who are loudest in praise of the system.

"The businessmen who preach that they want free enterprise are really not in favor of it in the true sense," he said. "So many are in favor of free enterprise for everybody—but they want special government privileges, subsidies and assistance for themselves.

"Mobil Oil has just provided a dramatic example of what I am talking about. The company places full-page newspaper advertisements praising free enterprise—and then writes a letter to every congressman urging that they continue the control of oil prices."

Friedman did not spare the health care industry in his criticism of big business attitudes.

He favors for the health care industry what he advocates for the other segments of the economy:

1. No regulation.
2. No subsidies.
3. No licensure.

He criticized what he described as "the monopolistic power of the medical profession." He said that, in his opinion, "this power did not allow hospitals to be private, competitive enterprises."

"I am opposed, on the one hand, to government regulation of hospital rates—or anything else. But, I am opposed, on the other hand, to the way in which the hospital industry has been conducted as a subsidiary of a monopolistic medical organization—the American Medical Association."

"INDEPENDENT OUTSIDER"

Describing himself as "an independent outsider" as far as the health care industry is concerned, Friedman suggested that "the only long-run, effective cure is to eliminate the licensure of physicians and hospitals." He conceded, however, that such an idea "has no more chance than a snowball in hell."

Friedman said that he favored more doctor-owned hospitals "operating on a strictly proprietary and competitive basis—organizations such as the Mayo Clinic in Rochester, Minnesota."

The outspoken economist admitted that, in expressing his thoughts on the state of the health care industry, he had treaded "into a very complicated and controversial area—but there is no point in oversimplifying things."

"To say that government regulation of rates is bad—which it is—is not to say that the elimination of such regulation would leave a desirable system," he added.

Friedman expressed fears that proliferation of government regulation would lead to "complete state socialized and operated medicine."

"Take a look at the situation in Great Britain," he said. "It has reached a point where it has been proposed that the small remnant of private practice be restricted by prohibiting the use of hospitals under the national health scheme for private patients. Also, there are proposals to make it illegal to construct private hospitals."

PERSONAL VIEWPOINT

Friedman said that the health care industry—like other segments of the economy—"wants to have its cake and eat it, too."

"The hospital industry, for example, would like to have subsidies from the government. It also would like to have government restricting competition—but it does not want government to regulate rates.

"So, I would say to the hospital industry, if you want to be consistent, you should (1) oppose the regulation rates; (2) oppose the licensure of hospitals; (3) oppose subsidies, and (4) favor a purely competitive system for both hospitals and physicians.

Friedman's position on deregulation of the American economy was defined most recently in an article in Harper's Magazine (September 1975).

The article, "Why Regulation Fails," written by Peter Schuck, director of the Washington office of Consumers Union, covers a wide range of fact and opinion relating to the title. Friedman is depicted as the leader of critics who represent an opposite end of the spectrum of regulatory reform since they seek abolition of regulation and the institution of a free, competitive market.

Overregulation: Former "Price Czar" Expresses Fear

The nation's "price czar" during Phase II of the Economic Stabilization Program (ESP) fears that overregulation by government may cause the American free enterprise system to lose its identity eventually.

C. Jackson Grayson, Jr., Ph. D., dean of the School of Business Administration at Southern Methodist University and chairman of the ESP's Price Commission in the early 1970s, told the Investor-Owned Hospital Review:

"We are becoming an overregulated society. Some government regulation is needed and desirable. But, we have carried it to an extreme. We have so many regulations administered at great costs which hamper the ability of the private sector to respond. Also, competition is limited. This is a factor that destroys one of the tenets of the free enterprise system and also reduces productivity.

"Overregulation is inflationary—and it is tending to push us toward a different kind of economic society. We are headed in the same path (although much further behind) that Britain has followed over a period of years.

"More and more government regulations are being established—all in the name of social good. I am afraid that unless we reverse this trend we will wind up with such an amount of public control that we won't be able to call it a private, free enterprise system any longer."

"DE FACTO SOCIALISM"

Grayson believes that the American economic system is heading toward a "de facto kind of socialism."

"In socialism," he explained, "the government owns the private property. In our case, I believe that the property will be left in the hands of private ownership but there will be so much public regulation that, in effect, the control will be taken away from the private sector. This is not an inevitability forecast. We can turn the economy if we change the things we are doing now."

Grayson describes the public's attitude toward government regulation "a paradox."

"On the one hand," he explained, "the public really doesn't want to lose the free enterprise system, but, on the other hand, they are neglecting the system and permitting this to occur. Many people believe that business is making too much profit. Yet, they misunderstand the price system and its function. This is to say that they don't want any price increases, even those that are essential in a free enterprise economy. Many believe that big companies are using excessive market power, and, in the same breath, they contend that the government cannot operate very effectively. Yet, the thrust is that we are allowing the government, by slow processes, to become the operator of the system."

Grayson sees both good and adverse effects resulting from the Economic Stabilization Program.

SHOCK EFFECT

He explained:

"It provided a kind of shock effect for industry in that it made businessmen examine the wage-price spiral and practices that were not productive, and it caused them to start thinking of ways to cut costs. This was beneficial to almost every sector—health, steel, universities, etc.

"It also pointed out to the public the amount of costs and conditions that the health care industry cannot control. All of the costs connected with operating a hospital gained some visibility. It did slow down the price spiral for a while and, in this way, helped reduce some of the pressures for moving immediately toward a more controlled health industry.

"On the other hand, price controls make some operations absolutely impossible. They reduce quality and the amount of care, and they limit the flexibility of people to decide for themselves where to place their resources."

Grayson says he favors leaving all hospital rates unregulated.

"It is my opinion that regulation is going the wrong way for the health industry—and others. I believe that we should allow the health industry to operate as we do private enterprise. Look at the growing for-profit, investor-owned segment of the industry. Here you can find profit as the bottom line measure of how efficiently and effectively health care is being delivered.

"We know that if we don't do something to control health care costs, there is the danger of increased regulation, almost to the point of socialization. Personnel within the health system can come up with more ideas on how to do this than any outside regulators ever could.

"The more we can do at the local level, the better off we will be. It is my belief that hospital rates should be set by market competition, and not by regulation. Hospitals can compete with each other for efficiency of care and cost of care."

Grayson is pursuing a busy career as a professor, dean, manager, director, consultant, economist and lecturer after his stint as the first peacetime controller of prices in the United States. One of his current tasks is trying to establish an Institute of Health Care Management with academic emphasis on the private sector of the industry.

Grayson holds degrees from Tulane University, University of Pennsylvania and Harvard Business School. He was dean and professor of the School of Business Administration at Tulane University before accepting a similar position with SMU at Dallas in 1968. He is on the board of directors of several large corporations.

BLUE CROSS VIEW: CONTROL FACILITIES AND SERVICES

Blue Cross believes that neither state nor federal regulation of hospital rates would serve the public interest, according to Bernard R. Tresnowski, senior vice president-federal programs of the Blue Cross Association.

Tresnowski told the Investor-Owned Hospital Review:

"It is Blue Cross' point of view that physical plant capacity and scope of services are the key determinants of operating costs, and thus facilities and services must be controlled if operating costs are to be contained.

"Rate regulation assumes that providers are poorly managing their use of manpower, supplies and other resources. It assumes that significant savings can be realized by limiting rates and threby forcing managers to produce approximately the same product with—and for—less.

"If there is to be rate regulation, then regulate facilities and services—that is, the capital investment which is the determinant of operating costs. Don't regulate rates after the facilities are there. You run the risk of forcing providers into a lesser rate. Then, they begin to use up capital—and when this happens, we face the question of quality.

"Blue Cross also is concerned that if, in certain circumstances, rate regulation is captured by the industry, then it runs the potential of not serving the community. Prices would be inflated without the rigors associated with the condition."

Tresnowski emphasized that Blue Cross would support the kind of structure that would provide "effective planning at the local level, with regulation of capital decisions at the state level and with reimbursement arrangements being the product of negotiations between those who pay for care and those who provide it."

REGULATE CAPACITY

Can hospital rates be established by market competition rather than by regulatory agencies?

Tresnowski said, "You don't have a pure market so, therefore, you cannot depend upon it to establish the rates. On the other hand, I don't believe that rate regulation is the only alternative. Regulate capacity, and then you allow the purchaser to negotiate with the provider.

"The purpose of the reimbursement arrangement is to provide for the full financial requirement of the hospital and also to stimulate incentive for efficiency. If the purchaser is negotiating the rate, he is going to be especially sensitive to the quality aspect.

"If you have an independent agency setting the rate, it is going to squeeze because it is not in immediate representation and it doesn't have an immediate constituency to be concerned about other than the public at large, in a general sense.

"A purchaser such as Blue Cross is negotiating with several objectives in mind. It does want the provider to be more efficient and, it will provide the incentives to achieve this. It also is concerned for the quality of care that is being rendered to its subscriber. We are very sensitive about this in a negotiation."

Tresnowski recalled that Blue Cross favored the approach proposed in 1974 congressional legislation which would have required the Secretary of HEW to offer all hospitals one or more prospective rate systems as an alternative to cost reimbursement. The prospective rate arrangement between the provider and the payer, as proposed in the bill, would evolve at the local level.

"In other words," Tresnowski said, "the proposal was to authorize the Secretary of HEW to approve these local arrangements for purposes of payment under Titles XXVIII and XIX. It would have taken advantage of what had transpired at the local level with certain criteria that was acceptable to the Secretary."

SETTING THE CRITERIA

In the event of rate regulation, Tresnowski said, the federal government's role should be "to set the criteria for what constitutes acceptable rate setting procedure and to authorize a variety of approaches as long as they meet the general criteria.

"In other words," he explained, "the policy would be established by the federal government, but the application of that policy would be variable, based on local circumstances."

Tresnowski sees a distinction between rate setting and rate review.

"Rate setting, in my opinion, is just what it means," he explained. "An agency of government would set the rates. Rate review, on the other hand, is literally a review of rates—sort of a reflection of the community point of view as to how the rates were proposed.

"For example, if Blue Cross and hospitals negotiate a reimbursement arrangement and the rates derived therefrom could be sent to a governmental or nongovernmental agency for evaluation to assure that they are in the public interest.

"Therefore, I believe that the distinction is this—rate setting is an absolute responsibility of an agency of government whereas rate review is a review and an advisory to the result of other types of rate setting activities such as negotiations."

QUASI PUBLIC UTILITY

He believes that a hospital does not meet the test of a public utility, such as power, transportation, etc. "although I am not quite sure what that test is since I am not a lawyer."

"I would say, however, that a hospital possibly could qualify as a quasi public utility. In that sense, you could support a notion that capacity regulation is appropriate. By that I mean certification of need, licensure, etc. There are certain kinds of regulatory forces that are appropriate in the hospital industry."

Tresnowski emphasized that Blue Cross' position "is that at the moment, there is no one best way to conduct rate setting, rate review or reimbursement that would be universally applicable across the country.

"We are impressed with these arrangements as they evolve out of the local characteristics," he said. "But, our comments about Indiana, for example, may not be applicable for—say—New York State or another area.

"The Indiana rate review process (which is voluntary under the administration of the Blue Cross Rate Review Committee) is peculiar to Indiana in the sense that it evolved at a time when Blue Cross was a major financier of care. In serving the public interest, Blue Cross encouraged hospitals to engage in a process of review in the development of their rates.

"On the other hand, Rhode Island has another form—prospective rate setting whereby Blue Cross again is the pivotal point. New York State, where Blue Cross is the principal administrative agency, is involved in prospective rate setting using a formula application.

"So each type of arrangement has merit based upon the evolution of the local community. All of them are being studied and evaluated carefully to determine if there are some common characteristics that may be universally applicable. But no decisions have been made, and, in the meantime, we are extremely cautious about affirming one over the other."

Tresnowski has been associated with the

Blue Cross Association since 1967. He was Medicare Coordinator until 1969 when he was named senior-vice president-federal programs. He holds degrees from the University of Michigan and University of Pittsburgh.

He has served in administrative capacities at the Albert Einstein Medical Center at Philadelphia and St. Joseph Mercy Hospital at Pontiac, Michigan. He also was a research associate at the Bureau of Hospital Administration at the University of Michigan.

The States: Rate Control Survey Analyzed

The whole field of hospital rate control is in a state of flux now because it is new and complex, and most programs have taken the approach of trying to stem the rising tide of charge increases.

This is the observation of Lawrence S. Lewin, president of Lewin & Associates, Inc., a Washington-based management consulting and public policy research firm, which made a nationwide study of state and regional health regulations, including state rate control, for the Department of Health, Education and Welfare.

Lewin—who once served as vice chairman of a Department of HEW Task Force on Medicaid and Related Programs—directed the 1974 study which surveyed and analyzed the various regulations. His firm is currently conducting a similar analysis of health regulation in Canada under the direction of Jack Needleman.

The firm also is engaged in studies of comprehensive health planning and certificate of need, and it has provided technical assistance to several states in the area of rate review for hospital and nursing home reimbursement.

Lewin also is conducting a comparative analysis of investor-owned and non-profit hospitals for Blue Cross. It is scheduled for completion this fall.

Lewin told the Investor-Owned Hospital Review that the 1974 survey of the 50 states showed "a trend of increasing adoption of rate review by the states."

PERSONAL ANALYSIS

In an interview based upon his personal analysis of the study, he said:

"More and more states are responding positively to the problem of increasing costs, and there is a tendency toward broader rate review coverage—not just Medicaid or Blue Cross—but all programs.

"The state-by-state study indicates a concern over the apparent inability of the hospital industry to regulate itself, especially from the standpoint of containing costs in a period of expanded financing through Medicare, Medicaid—and eventually National Health Insurance.

"It is my personal opinion that soon a very large proportion of health care expenditures in the United States will be made in those states where some form of rate review has been adopted voluntarily by the state without any federal prodding.

"Establishment of rate review voluntarily by state certainly has its advantages. For example, it will provide a series of natural experiments whereby individual states can come up with their own solutions. This would provide the opportunity to study different approaches in a natural environment rather than an experimental environment."

He conceded, however, that some states would wait for the federal government to work out a plan that would be applicable to all states.

Lewin, who holds a master's degree from the Harvard Business School and is a graduate of Princeton University's Woodrow Wilson School of Public and International Affairs, acknowledges that some states are taking very complex approaches in controlling hospital rates "because there are no objective and acceptable standards as to what costs should be."

"I think that Maryland is a good example of a very complex, line-by-line kind of rate review," he said. "Other states have attempted to use formulas.

"It should be noted, however, that states are becoming involved in rate review for different reasons—and this affects the way in which they structure regulation. Some states have approached rate review as a classic economic regulation problem where the goal is to protect the public. Other states have approached this issue as a way of protecting their own financial positions, and, as a result, they have programs which are focused on state purchases.

"Thus, the varying perspectives on what each state is trying to control and the state's priorities in imposing rate review affect the way in which the states address the problem of how stringently they are going to conduct review and, to some extent, how arbitrary they can be."

POLITICALLY SPEAKING

Lewin expressed the viewpoint that states which regulated only a portion of the total hospital revenues—Medicaid, for example—"probably are able to be more stringent and get away with it politically."

"My point here," he said, "is that states which assume responsibility for all hospital revenues are likely to establish an approach that is more balanced and responsive to total hospital needs than states that are setting only a portion of the rates."

Lewin said the HEW study indicated that "most rate review programs are based on the assumption that the nature of the few incentives, and, indeed, many disincentives toward efficient performance."

"This premise," he explained, "is derived principally from the fact that reimbursement traditionally is on a cost-plus basis. Therefore, most programs that we call rate review have taken the form of prospective reimbursement where the attempt is clearly made to place the provider in a position of some risk. In this system, the provider knows what his costs ought to be for the next year, and if he overshoots his budget, then it is his problem.

"Obviously, the key to this type of system is to make certain that the prospective rate is set on an achievable basis, but is one that reflects efficient performance. This, of course, is easier said than done. Nevertheless, the intent is clearly to create incentives for more efficient performance on the part of hospital administrators."

RESOURCE ALLOCATIONS

Lewin said another important point "based on our findings is that some states are using the rate review process as a way of influencing resource allocations." This, he noted, is a means of approaching the overbedding problem, which certificate of need is trying to solve.

"In my opinion, the advantage that rate review has over certificate of need in the overbedding problem is that it is able to deal with existing excess capacity. This is done by those states which set rates using target occupancy."

Lewin believes that many states may follow Rhode Island's example of rate control, which is based on a "Maxi-Cap System."

"In many respects, Rhode Island has one of the most interesting systems," he said. "It works this way. The state will negotiate a maximum number of dollars that will be spent on hospital care within the state—basically for Medicare, Medicaid, Blue Cross and federal employees benefits. Then, it is up to Blue Cross to negotiate individual contracts with hospitals—and the aggregate cannot exceed that ceiling.

"In effect, Rhode Island is saying—here is how much we are willing to spend on hospital care. Now, it is up to Blue Cross and the hospitals to negotiate and figure out among themselves who is going to get it. The important point is that in setting the maximum, resource allocation decisions must be made."

SYSTEMS TESTED

Lewin concedes that the state of art as far as rate control is concerned "is still being tested and experiences, such as Rhode Island, will bear watching."

He says the question is often raised—Should the states or the federal government be responsible for state rate review?

"It should be pointed out that much of the early experimentation in rate review was done by Blue Cross," he explained. "More recent experimentation has been done by the states. The response has been uneven because some states have been more aggressive than others."

Commenting on the controversy that has arisen over the rate control systems in some states (especially Maryland and New Jersey where there has been litigation), Lewin said:

"I believe states are realizing that rate review is a complex process and requires more in the way of resources than many originally had anticipated. Also, some states are looking for an exception-type formula base review program rather than a line-by-line program. I am not sure whether this is a clear trend, but it is one that I would predict.

"New Jersey, for example, has moved from what was essentially a line-by-line review by the hospital association to an exception-type formula basis by the state. The reason that New Jersey changed its system was due simply to a lot of political pressure generated by the report, Bureaucratic Malpractice: Hospital Regulation in New Jersey (compiled by the Center for Analysis of Public Issues at Princeton, New Jersey)."

HOSPTALS' ATTITUDE

Lewin was asked in the interview—What did you find to be the attitude of individual hospitals toward state rate control?

"Most hospital administrators seem to be scared," he said, with qualification. "I think they feel that they already are under tremendous pressure—and that more pressure is not likely to yield lower costs or a slower rate of increase in costs.

"I believe it should be emphasized at this point that hospital administrators feel very much caught between pressures to keep costs down from both the public and government, on the one hand, and yet, on the other hand, they are vulnerable to the demands of labor unions and physicians.

"The unions want wages raised, and the hospitals don't have direct control over many things that the physicians do such as ordering tests and deciding when the patient leaves the hospital. If a hospital does take steps to try to influence or control physicians' behavior, then they run the risk of the physicians' going to other hospitals. In reality, hospitals really serve the doctors and, therefore, in order to be able to maintain themselves economically, they must keep physicians satisfied. If physicians don't feel any incentive to contain costs and the hospital begins to pressure them, then, understandably, the physicians will seek the path of least resistance."

Lewin said, however, that many "experienced and sophisticated" administrators were recognizing that some form of public rate review is inevitable, and "they are looking to rate review as a sanction or means of legitimizing rate increases. They feel that the state could be positioned in such a way that it would be politically accountable."

"Some hospital administrators feel that rate review, in some respects, has strengthened their hand in negotiating with boards and physicians when it comes to putting together the hospital's capital and operating budgets. Many physicians remain relatively untouched by rate review, and they are often surprised when they find out what hospital services cost.

"So, in many respects, the hospital administrator is caught in a squeeze, especially in those areas where he is forced to compete for admissions because of overbedding or low occupancy."

COST REPORT

Lewin cited from the 1974 report the estimated cost of rate review:

"The direct agency costs of rate review will be in the range of $1,000 to $3,000 per institution. It might be as high as $6,000. The cost to an institution may reasonably be estimated as approximately equal to the costs to the review agency.

"On the basis of these estimates, total national costs of review for reviewers and institutions of just hospital rates would be not more than $84 million, or .2 percent of the total annual cost of hospital care in the U.S. It is more likely that review would cost approximately $42 million or .1 percent of total hospital expenses."

The Estimating Procedure Section of the report noted, "Most review systems spent between $400 and $2,500 per year per institution. The variation in costs reflects difficulties in measuring review costs and differences in the operation of the programs.

"The areas of differences among systems include (1) basic review system used, i.e., budget review, charge increase review or application of an inflation factor to historical costs; (2) the intensity with which analysis is undertaken; (3) the administrative structure of regulation (for example, whether review is done by a panel of commissioners, volunteer committees or organization staff); (4) the mix of hospitals and less financially complex nursing facilities, and (5) basic salary levels from region to region.

"Because of the number of factors which influence the cost per institution and the small number of cases analyzed, it is not possible to isolate and estimate the effect of any one of these functions on the costs of review."

THE CANADIAN REVIEW

Lewin said that his firm's forthcoming report on rate review in Canada would be an interesting insight into the health care industry of that country.

"The original, open-ended financing that characterizes the Canadian National Health Insurance System is becoming a fiscal burden on both the federal and provincial governments," he said. "So, now these governments are seeking ways to place a ceiling on total expenditures for hospital care.

"Canadians have taken different approaches to controlling hospital expenditures, which vary from global budgets to line-by-line review. This also should be noted. In Canada, as government plays a greater role in approving what costs are going to be reimbursed, it gradually becomes an unwilling participant with labor at the wage negotiating table. Hospital workers and other classes of workers, on the one hand, and hospital administrators, on the other hand, are looking over their shoulders at government to see what the government rate control agency is going to approve."

BUDGET PRIORITIES SURVEY

Mr. CHILES. Mr. President, I would like to share with my colleagues the results of a survey of national budget priorities. This broad survey method has been instrumental in obtaining the attitudes of the people I represent in terms of dollar priorities.

The survey was intended to find which national needs are most important; which are being served well: which require more attention; and what adjustments should be made to serve the public's needs with the public's money.

The results of this year's survey reflect some distinctive changes in the attitudes of the people of Florida.

The respondents ranked law enforcement and justice as the top priority for spending in fiscal year 1976. This particular category is a new one in the President's budget, having been separated from the category of general government of which it was a part last year.

Another significant change in priorities is in the area of national defense. This category was ranked in the bottom half of priorities in 1974, but in 1975, national defense is ranked in the top half.

On the whole, most government-oriented activities are held in low esteem. The attitude has been expressed that there is too much government involvement from the Federal level to the local and State level. The priority areas that tend to be oriented or administered locally or by the State generally received higher priority rankings.

The general attitude reflected in this year's survey is to cut the budget and to get away from deficit spending. A better comparison between last year's results as opposed to this year's results is shown in the following table.

Mr. President, I ask unanimous consent for the survey results to be printed in the RECORD along with a comparison of the 1974 and 1975 survey results.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL BUDGET PRIORITIES, MAILING RESULTS

SPENDING LEVELS FOR EACH MAJOR CATEGORY (BASED ON APPROXIMATELY 4,000 RESPONSES)

[In percent]

	More	Less	Same
National defense: Statewide	25	42	33
North	36	30	34
Central	21	46	33
South	16	54	30
International affairs: Statewide	4	71	25
North	4	71	25
Central	4	71	25
South	4	72	24
General science, space, and technology: Statewide	19	36	45
North	17	40	43
Central	20	33	47
South	18	36	46
Natural resources, environment, and energy: Statewide	38	20	42
North	37	23	40
Central	37	20	43
South	41	17	42
Agriculture: Statewide	21	25	54
North	25	25	50
Central	19	24	57
South	16	29	55
Commerce and transportation: Statewide	14	46	40
North	10	50	40
Central	14	46	40
South	18	43	39
Community and regional development: Statewide	12	46	42
North	10	47	43
Central	12	46	42
South	13	46	41
Education, manpower, and social services: Statewide	26	36	35
North	23	44	33
Central	27	37	36
South	29	35	36
Health: Statewide	27	30	43
North	26	31	43
Central	24	32	44
South	32	26	42
Income security: Statewide	17	47	36
North	17	48	35
Central	16	48	36
South	16	45	39
Veterans benefits and services: Statewide	19	22	59
North	21	22	57
Central	17	24	59
South	20	20	60
Law enforcement and justice: Statewide	46	9	45
North	50	8	42
Central	41	9	50
South	48	9	43
General government: Statewide	3	54	43
North	3	53	44
Central	5	52	43
South	1	56	43
Revenue sharing and general purpose fiscal assistance: Statewide	7	46	47
North	7	48	45
Central	7	43	50
South	8	47	45

Florida's positive spending priorities

Spend more on:	*Percent of respondees*
Law enforcement and justice	46
Natural resources, environment, and energy	38
Health	27
Education, manpower and social services	26
National defense	25
Agriculture	21
Veterans benefits and services	19
General science, space, and technology	19
Income security	17
Commerce and transportation	14
Community and regional development	12
Revenue sharing and general purpose fiscal assistance	7
International affairs	4
General government	3

Florida's negative spending priorities

Spend less on:	*Percent of respondents*
International affairs	71
General government	54
Commerce and transportation	47
Income security	46
Community and regional development	46
Revenue sharing and general purpose fiscal assistance	46
National defense	42
Education, manpower, and social services	39
General science, space, and technology	36
Health	30
Agriculture	25
Veterans benefits and services	22
National resources, environment, and energy	20
Law enforcement and justice	9

[In percent]

	More		Less		Same		Change in more from 1974–75
	1974	1975	1974	1975	1974	1975	
National defense:							
Statewide	17	25	55	42	28	33	+8
North	23	36	53	30	24	34	+13
Central	16	21	49	46	35	33	+5
South	16	16	60	54	24	30	0
International affairs:							
Statewide	5	4	64	71	31	25	−1
North	6	4	57	71	37	25	−2
Central	7	4	65	71	28	25	−3
South	3	4	67	72	30	24	+1
General science, space and technology:							
Statewide	14	19	46	36	40	45	+5
North	16	17	42	40	42	43	+1
Central	16	20	41	33	43	47	+4
South	12	18	51	36	37	46	+6
Natural resources, environment and energy:							
Statewide	37	38	23	20	40	42	+1
North	41	37	30	23	29	40	−4
Central	33	37	22	20	45	43	+4
South	39	41	21	17	40	42	+2
Agriculture:							
Statewide	23	21	38	25	39	54	−2
North	27	25	38	25	35	50	−2
Central	23	19	35	24	42	57	−4
South	20	16	40	29	40	55	−4
Commerce and transportation:							
Statewide	23	14	37	46	40	40	−9
North	21	10	36	50	43	40	−11
Central	23	14	35	46	42	40	−9
South	24	18	38	43	38	39	−6
Community and regional development:							
Statewide	23	12	43	46	34	42	−11
North	26	10	41	47	33	43	−16
Central	19	12	42	46	39	42	−7
South	24	13	44	46	32	41	−11
Education, manpower and social services:							
Statewide	31	26	32	39	37	35	−5
North	30	23	35	44	35	33	−7
Central	28	27	30	37	42	36	−1
South	33	29	33	35	34	36	−4
Health:							
Statewide	35	27	27	30	38	43	−8
North	30	26	28	31	42	43	−4
Central	36	24	25	32	39	44	−12
South	37	32	28	26	35	42	−5
Income security:							
Statewide	17	17	46	47	37	36	0
North	17	17	49	48	34	35	0
Central	17	16	48	48	35	36	−1
South	18	16	43	45	39	39	−2
Veterans benefits and services:							
Statewide	28	19	15	22	57	59	−9
North	28	21	16	22	56	57	−7
Central	29	17	14	24	57	59	−12
South	27	20	15	20	58	60	−7
General government:							
Statewide	5	3	52	54	43	43	−2
North	3	3	50	53	47	44	0
Central	5	5	50	52	45	43	0
South	5	1	54	56	41	43	−4

Note: There are no comparative data for the new functional categories: (1) law enforcement and justice and (2) revenue sharing and general purpose fiscal assistance.

PROBLEMS REMAIN IN SCHOOL LUNCH PROGRAM

Mr. PERCY. Mr. President, the Congress has successfully overridden the President's veto of H.R. 4222, the National School Lunch and Child Nutrition Act Amendments of 1975. I voted with the majority on this issue and I am pleased that the bill was enacted into law.

Nonetheless, I am concerned that this legislation will do little to solve many of the problems which now beset our school lunch programs. Several months ago, the Chicago Daily News published two articles by Vera Chatz which highlighted several of these problems: The variation in quality and attractiveness of lunches from lunchroom to lunchroom and the food waste; the inevitable costs which result and dislocations at the local level of operating a program; the potential for abuse of the free and reduced-price lunch program by ineligible households; failure to avoid discrimination between recipients of free and reduced-price lunches and those who pay full price; and the sale of competitive foods in or near school cafeterias.

Now that the Congress has renewed its commitment to these programs I hope that both the legislative and executive branches will be able to address these problems. I for one will continue to do what I can to improve the performances of these programs.

I ask unanimous consent that the two-part series by Vera Chatz on the school-lunch program be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SCHOOL LUNCHES: THE $3 BILLION FREE MEAL

(By Vera Chatz)

As more and more women are joining the work force, a long-time American institution is disappearing. The quiet, leisurely lunch at home with the children is going the way of the one-room schoolhouse, and school districts are finding themselves besieged by cries for lunchroom facilities, hot-lunch programs, places to eat sack lunches, any kind of lunch program.

The need exists for all income groups. As one Glencoe mother puts it, "You would think that kids here come home to a maid and a hot lunch, but it just isn't so. More often than not, they come home to nothing and nobody."

Coupled with the needs of working mothers are state and federal commitments to feed free lunches to needy children. So everywhere in the Chicago area, as well as in the rest of the state and in most of the country, schools are finding themselves in the business of mass feeding. The three Rs have been augmented by a fourth R—recipes.

On the surface, the business of feeding lunch to school children doesn't seem too complex. But that smooth surface is deceptive. Underneath it lie layers of federal, state, county and local laws, budget, personnel costs, equipment costs and menu planning.

Nationally the cost of the federally subsidized hot-lunch program amounts to $3 billion annually. In Chicago, the logistics of feeding an average of 283,000 federally subsidized nutritionally balanced Type A meals daily vie with those of the Normandy landing. Lists of purveyors are drawn up, monthly forms must be filled out by luncheon managers, employes must be hired, equipment must be purchased or repaired, lunchroom supervisors must inspect the facilities, menus are planned on a monthly basis.

But superseding all the bureaucracy, the questions concerning educators, parents, nutritionists and children alike are, "What is junior getting for his lunch money or his lunch ticket? What are school lunches really like?"

To get the answers, I ate a few school lunches. I talked to educators, children, parents and the people who run school-lunch programs countywide, citywide and districtwide. I found that there is no one answer, because there is no one school lunch. Even though menu planning may be done on a districtwide basis (as is true in Chicago and other districts) meals may run as wide a range as Maxim's to McDonald's.

Each school cook will give the menu her own special touch. Junior may eat every last green bean on his plate, or he may chuck the entire well-planned, nutritionally balanced, eye-appealing tray into an already overflowing garbage container. He pays his ticket and he takes his choice.

Schools got into the lunch business at a time when most women still accepted peanut butter and jelly at noon as foreordained. Congress established the school-lunch program in 1946, setting up federal subsidies and providing commodities for serving balanced Type A lunches, which had to be priced and served as a unit. The National School Lunch Act of 1946 made school lunches a "measure of national security" designed to "safeguard the health and nutrition of the nation's children" and to "encourage domestic consumption of nutritious agricultural commodities and other food."

After World War II, testimony given before congressional committees has established that the equivalent of 10 divisions of men had been rejected for the draft because of problems that could be traced to nutritional deficiencies. Federally subsidized school lunches were designed to counteract such deficiencies as well as to dispose of agricultural surpluses.

The Federal Government has been providing subsidies and commodities for Type A lunches since 1946, and the state of Illinois' lunch program even predates the federal lunch program. In fact, a 1921 Department of Interior Bulletin stated that "Chicago has the most intensive lunch system in America."

"Illinois' lunch program didn't come about because someone waved a magic wand," says Robert Ohlzen, a director of the school-fund section of the Illinois Office of Education. "The Chicago Board of Education began its program in 1910."

But in spite of these early beginnings, many school districts in Illinois did not exactly fall over one another to establish hot-lunch programs. The reasons underlying their lack of haste are understandable. For one thing, the federal government didn't offer to subsidize the purchase of lunchroom or kitchen equipment or to pay for lunchroom personnel. Since the cost of a walk-in freezer today is approximately $5,000, one can sympathize with decisions to spend money on books rather than butter. And even if the district were to equip a lunchroom, who would work in it? Who would supervise the children?

In 1939, the State of Illinois thrust itself further into the school-lunch picture. The legislature decreed that every needy child in the state must receive a free lunch. State subsidies were established for food and equipment, and school districts that had never allowed a brown bag onto their premises suddenly found themselves in the business of mass feeding. The mandate was not always accepted cheerfully; some principals, teachers and school boards were extremely unhappy with the dislocations caused by converting rooms into lunchrooms, doing away with lunchtime "enrichment" programs and using teachers as lunchroom supervisors.

The federal government, prompted by testimony such as that of Sen. Charles Percy that there were "nearly 200,000 hungry children, malnourished children in Chicago alone," also took additional action.

On May 14, 1970, it became federal law that every needy child had to be served a free or reduced-price school lunch. This law applied to every school that received federal funds for child nutrition programs.

When it became the law that every needy child must be fed a free lunch, a "needy" child had to be defined. Under Public Law 91–248, a needy child is one who comes from a poverty-level household. Nobody has to furnish a legal document to prove need; all that is required is a personal statement by a parent or head of the household for the child to become eligible for a free or reduced-rate lunch.

In Illinois, each school district is responsible for sending out a letter informing all parents of the availability of this program. An application form for participation in the program is sent to every family in the state. Eligibility for the free-lunch program, or for a reduced-rate lunch whose price cannot exceed 20 cents, is based on income and on the number of children in the family. Legislation recently passed by the U.S. House of Representatives would extend the free-lunch program to children of the unemployed and would raise the maximum income allowed for qualifying for reduced-price lunches.

Public Law 91–248 also provided that there should be no "overt identification of any such (needy) child by special tokens or tickets, announced or published lists of names, or other means." However, the State of Illinois suggests that students be given either tokens, tickets or cash payments for weekly purchases of lunches. Both Chicago and Evanston use lunch tickets; in Chicago all children pay with these tickets, but the number of punches on the ticket denote whether the meal is free, sold at a reduced rate or paid at full price. In Evanston a paying child may either buy a book of tickets or pay cash for his lunch.

Since free lunches are underwritten by a 15-cents-per-lunch state subsidy as well as by federal subsidies (11¾ cents for all Type A lunches plus 52½ cents for free lunches only) it is necessary that schools keep track of how many free meals are given out so that they can be reimbursed by the appropriate agencies. This creates a classic Catch-22 situation—you're not supposed to identify the "needy" children, but you have to keep track of who they are.

In schools where all children receive free lunches, there's no identification problem. Nor, of course, is there any problem in those schools in which no one receives a free lunch. But in those schools in between, there seems little question that the children know exactly who receives a free lunch. "If I want to buy lunch, I just go and buy somebody's ticket from them," one Evanston 8th-grader told me. "I make an offer of 35 or 40 cents, and that's cheaper than my having to pay 55 cents." What about the child who sells him the ticket? What does he eat? "Well," comes the answer, "he'll buy an ice cream bar and some potato chips."

Rosalin Nathan, director of milk and lunch programs for Cook County, feels that such practices could be eliminated only if every child were fed a free Type A lunch, regardless of need. For the instant that a double standard of payment exists, some child is going to figure out an angle.

School districts that have had to go into the business of feeding needy children have had to think about feeding the others as well. After all, the spirit of the federal law would be violated if only the needy were fed and the others went home for lunch.

Since there is no law that tells a school district precisely how and to whom it should serve lunch, each district has made its own adaptations. Of the 143 school districts in Cook County, 78 districts participate in the national school-lunch program, serving Type A lunches and milk. Forty-six schools have special milk programs and participate in the Illinois free-lunch program. The remaining 19 county school districts do not file for reimbursements, but they have complied with state guidelines and affirm that they are offering free lunches.

Actual practices vary from district to district as well as within districts. In Evanston, hot-lunch programs have been in effect in all 21 elementary and junior high schools since 1968, a radical departure from the previous "no-lunch" policy. "That's the way we interpret the law," said food director Marie Miske. "We feel that every child should have access to a hot lunch."

In Winnetka, a federally subsidized Type A school lunch is provided for children in Grades 5 through 8; there are no needy children presently in the district. The district applied for the 11.75-cent federal lunch reimbursement five years ago when, according to business manager Gene Kucharski, the district was running a deficit of $10,000 to $20,000 in its hot lunch program.

Some school districts, such as Maine Township District 63, simply provide a room staffed by volunteers to which children can bring sack lunches.

Highland Park District III has no school-lunch program whatsoever, although a survey of parents' wishes in regard to school-lunch programs is currently being tabulated. According to Donald Jenkins, superintendent of District III, each family of every needy child in the district is sent 50 cents per child per school day. The money is sent monthly.

The city of Chicago runs the gamut from schools that serve Type A lunches with optional extras to schools that have no lunch program at all. Of the city's 617 elementary schools, 272 have kitchens in which hot lunches are prepared. Forty schools have no lunch programs.

According to Cain Jones, director of the bureau of lunchrooms for Chicago's Board of Education, principals at these schools have not voiced a need for a lunch program. In between lie schools that serve "Nutra-pak" sack lunches, schools that serve prepackaged meals that can be heated and schools whose food is delivered from neighboring high schools (all of which have lunchroom facilities). Some Chicago school children eat at neighboring schools.

School Lunches: A Menu for Waste?

(By Vera Chatz)

Nationally, billions of tax dollars are spent annually on school lunches that run the gamut from delicious, eye-appealing and nutritious to just plain inedible.

While school districts are obligated by state and federal law to feed needy children, they are given wide latitude on the question of just what to feed those children and any others who eat lunch at school.

Many Chicago-area schools have elected to participate in the Type A federally subsidized school lunch program. If a school district agrees to participate in this federal program, the government pays an 11¾-cent subsidy toward the cost of each Type A school lunch. Enrollment in the program also allows the school district to purchase surplus commodities from the federal government at low prices. Without these subsidies and the access to government surpluses, it would be impossible to provide nutritious meals within a 40-to-60 cent price range.

In order for a school district to participate in the federal program, each Type A lunch must include:

Two ounces of lean meat, poultry, fish, cheese or eggs, to be served in a main dish or in one other menu item.

A ¾-cup (6-ounce) serving consisting of two or more vegetables or fruit, or both. Full-strength fruit or vegetable juice can be used to meet two ounces of this requirement.

One slice whole-grain or enriched bread, or a serving of cornbread, biscuits, muffins, etc., made of whole-grain or enriched meal or flour.

One teaspoon butter or fortified margarine.

One-half pint fluid milk.

But how can that be, you're wondering. Little Susie is always telling you that she has a bologna sandwich, hot pretzel, potato chips and ice cream cone for lunch! Don't accuse little Susie of fantasizing. That may be precisely what she's eating.

In some districts, children don't want to eat Type A meals. In high schools with open campuses, the school lunchroom vies with McDonald's, Burger King, etc., for the students' favors. So alternatives or supplements to Type A lunches are offered. Some school districts have never chosen to participate in the federal subsidy program, and they serve no Type A lunches, but they may offer so-called "junk foods" either to supplement the sack lunch that the child may bring to school or to serve as his total lunch.

"I think the intent of the federal school lunch program is to provide one-third of the child's daily nutritional needs," said Mrs. Rosalie Nathan, director of milk and lunch programs for Cook County. "A good school-lunch program won't have an a la carte line. The ideal situation would be a choice between two Type A lunches."

Insofar as high school students are concerned, Cain Jones, Chicago school lunchroom director, disagrees with the philosophy of serving only Type A lunches. "If we didn't give them a la carte services," he said, "high schoolers wouldn't even come into the lunchroom."

Interestingly enough, the competitive food regulations for 1974 set out by the Illinois office of the superintendent of public instruction say all elementary schools that participate in the national school-lunch programs are to prohibit the sale of competitive foods (candy, potato chips, carbonated beverages, etc.) to students during regular meal periods. As for junior and senior high schools, the state encourages these schools to do their own regulating of the sale of competitive foods, but profits from these items must accrue to the nonprofit school-lunch program account. (And that, children, is why you can't hold your taffy-apple sale in the lunchroom to raise money for the 8th-grade trip to Washington.)

One area that leaves a lot of room for individual interpretation is the new federal stipulation that every child who receives a free lunch may receive two half-pints of milk. To comply with this regulation, Evanston lunchroom workers offer two milks to children as they go through the line. Those who want two can take them, or they can get one and come back for a second.

However, at Chicago's Byrd School, where all 600 children receive a free lunch, I saw no one either request or be offered a second container of milk. "They can have it if they want it," a lunchroom supervisor told me, "but they don't want it. They don't even finish what they have."

Where do school districts get their food? Some of it comes from government surpluses; a list of such surpluses is provided monthly, and the district may order these foods at reduced prices. Lunch program administrators voice concern about future meat supplies, pointing out that this year's large supplies were brought about because the government purchased cattle to shore up beef prices. Since it doesn't appear likely that this action will be repeated, beef for school lunches will probably be in much shorter supply next year.

The price of milk has risen enormously, and President Ford has requested an extra $5 million for the school milk program.

Other than the food it receives from the federal government, Chicago does its buying districtwide for most items, but schools purchase their own fresh fruits and vegetables directly from purveyors with whom the Board of Education contracts. According to the annual contract (as of Feb. 1, 1975) for the bureau of purchases, the rates for some schools run 10 per cent above the purveyor's cost while other schools must pay as much as 30 percent above cost. Delivery costs were said to account for the wide price spread.

School-lunch programs must pay for themselves; they are not to be paid for out of a district's educational fund. Prices for Type A lunches vary from district to district—55 cents appears to be the top rate for elementary schools, and 65 cents for high schools. Because of its bulk purchases and the large percentage of subsidies, Chicago feeds its paying students for 40 cents.

There is no countywide method for buying commodities, although it seems that school districts, expecially the smaller ones, would benefit from bulk purchasing. I was told that such a method has never been considered.

As the cost of foodstuffs rises, the school districts find themselves in the same position as housewives with a budget to balance. "We don't know if we'll get any government food next year," said Evanston's food director, Mrs. Marie Miske. "We may be getting money instead of commodities. Gelatin has gone up in price 400 per cent. And the cost of paper and plastic has risen enormously. Because of the cost of sugar, this is the first year that we haven't been able to provide desserts with every meal."

Because of mounting deficits brought about by rising costs, some school districts have been forced to abandon their lunch programs. Skokie School District 73½ abandoned its Type A lunch program last January. "They're planning to come back into the program," said Mrs. Nathan, "but they want to raise the price of Type A lunches to 60 cents."

Some help may be around the corner; federal legislation is now pending that would subsidize the hot lunch program for every U.S. pupil by 5 cents. If this legislation is passed, along with the extension of free lunches to children of unemployed and raises in the maximum income allowable for qualifying for reduced-price lunches, an additional $125 million federal contribution would be added to the hot-lunch program.

Chicago's Jones worries that the Ford administration eventually may scrap the food-subsidy program entirely in favor of block grants to states. If this were to come about, he fears that the school lunch program would have to compete for funds against such needs as those of senior citizens and of the unemployed. "They talk about block grants, but they don't ever say anything about nutrition," he complains.

At the time of the President's budget recommendations, a plan was put forth that would, proponents said, trim $800 million from the estimated $2.3 billion cost of federal school feeding programs. In doing this, subsidies for lunches other than money for the needy would be eliminated and administration of the funds would be given to the states. It now appears that the issue, at least during this congressional session, has faded.

The amount of waste varies from school to school with the meal served and with the atmosphere in which the meal is eaten. One suburban lunchroom worker reported to me that he had weighed 53 pounds of waste foodstuffs for a single meal at a school feeding 300 students. Yet at Chicago's Byrd and Ogden Elementary schools I saw little waste.

This may be because at "Closed campus" Chicago schools no one leaves the premises and teachers eat with their classes. This limits the opportunity for such practices as pouring milk over one's sandwich, throwing green peas across the room and dumping an entire uneaten meal in the garbage. Many teachers, however, rebel at doing lunch duty.

How well the school lunch program works in any given school depends on a whole interrelationship of factors. In December, 1969, Dr. Bruno Bettelheim pointed out some of those factors in an address to the Children's Foundation:

"We have to understand that the school food programs, as desirable as they are, were imposed on schools which were both physically and psychologically ill prepared to take on this additional task.

"All too many new tasks have been assigned by law, or by community expectations to the schools, with very scant regard to whether it is possible to put more and more burdens on the teacher's back and still make it possible for her to function adequately.

"Nowhere has it been explained to teachers why and how the food program could help them in their teaching . . . How it is not good nutrition per se, but being fed pleasantly in class by the teacher—as opposed to food being thrown at him in the lunchroom—that helps a child to learn in class, particularly from the teacher who feeds him."

Bettelheim's position may seem overly idealistic, but it does certainly appear that the atmosphere in which the meal is eaten is of great importance. Food seems to go down best in a peaceful, supportive setting. The fewer students in a lunchroom at any given time, the greater seems to me to be the rate of food consumption.

One of the worst examples I saw of waste was in a school where a multipurpose room with foldup equipment was used as a lunch room. As the last group of children was eating, tables were already being wiped and folded away to get the room ready for the next period's class. Show me the adult who could clean his plate in a setting like that!

Six years after Dr. Bettelheim's remarks, Cain Jones echoes his sentiments. "We've got to sell educators on lunch programs," says Jones. "We have to make them realize that food is as important as education. They say, 'I'm not a waitress; I'm not a food-service person.' The end result of their efforts is supposed to be an educated person; you can't get educated on an empty stomach."

MIGRANT LABOR HOUSING PROVISIONS OF THE AGRICULTURE APPROPRIATONS BILL

Mr. TUNNEY. Mr. President, I was very sorry to learn that the conferees on the Agriculture appropriations bill decided not to accept the Senate's amendment increasing funds for migrant labor housing which I offered along with 12 of my colleagues. It is just a temporary setback for all of the people who have worked to improve this program over the years, but it is a tragic delay for those most affected, the thousands of migrant laborers in America who are living in woefully substandard housing.

As has been the case in each of the last several years, the administration once again did not budget any funds for this program, but for the first time, the House appropriated funds, $6 million and $1.5 million for fiscal year 1976 and the transition quarter respectively. Moreover, the Senate Appropriations Committee, through the efforts of the chairman of the Agriculture Subcommittee, Senator McGee, increased those figures to $7.5 million and $1.875 million respectively.

While I applaud that action in overruling the President, I did not feel that those spending levels were commensurate with the magnitude of the problem. The Farmers Home Administration admits that unfunded applications for fiscal year 1975 alone amounted to $25 million. In addition a 1972 FmHA report found that in 400 counties across the Nation, a total of 130,000 migrant labor housing units were needed.

My amendment sought to increase the funding level for fiscal year 1976 to $12,000,000 and to $3,000,000 for the transition quarter. I sincerely believe that such an increase was justified in light of the seriousness and immediacy of the problem. However, during the course of debate on my amendment, I agreed to a compromise with the committee members in hopes of assuring the passage of at least a scaled-down increase for the program. Thus, the Senate agreed to appropriate $9,750,000 for the fiscal year 1976 and $2.5 million for the transition quarter. This amount was endorsed by the committee, and also by the Senate Budget Committee, and yet, the conferees reverted to the original Senate Appropriations Committee figures of $7.5 million and $1.875 million.

While it appears that nothing more can be done this year, I wish to place my colleagues on notice that I intend to pursue this issue even more vigorously next year.

As I said during the debate on my amendment,

> If there were a quotient to measure human suffering, America's farm laborers would be at or near the top . . . I urgently solicit the support of the Senate to help make a significant difference in the lives of perhaps the most neglected segment of our society.

I hope that in the future each of you will join those of us who fought to make a difference this year.

THE EFFECT OF DEATH TAXES ON FARM ESTATES

Mr. TOWER. Mr. President, in 1962, the average value of farm production assets was approximately $47,500. In the next 10 years, this figure more than doubled to $102,000. The effect of this trend on the estates of deceased farm owners, given the present limitations on estate tax exemptions, is obvious. With the lack of liquidity of most farm estates, the problem of both paying estate taxes on a farm estate and saving the farm becomes increasingly severe.

A study by the Economic Research Service of the Department of Agriculture in 1973 estimated that combined State and Federal death taxes on an irrigated high plains cotton farm in Texas average $91,818, or 19.8 percent of total farm capital.

Mr. President, this study, which has been supported by later research into the impact of estate taxes on the agricultural sector, points out the seriousness of our present tax structure. Mr. W. Fred Woods, the USDA agricultural economist who completed the study in 1973, concludes that—

> Today, the available evidence suggests that estate and inheritance taxes do pose an increasing problem for typical farm estates. While not yet a serious problem for most types of farms, the rapid increase in farm capital, viewed with the progressive nature and other features of the present federal estate tax, makes the potential seriousness of the problem obvious.

This conclusion, Mr. President, made in 1973, has proved to be truer today, and the problem faced by many families in Texas is how to save the farm that has been part of their lives for decades.

The problem is not one of assisting a few families who are adversely affected by the tax laws of the Nation—all of us, in one way or another, are adversely affected by some tax or other. The problem, as I see it, is whether the present estate tax structure fulfills the purpose it was intended to fulfill, and whether there are overriding policy concerns which necessitate a change in the present structure.

The answer to the first question is both yes and no. Death taxes, historically, are intended to prevent the massive accumulation of wealth within a family which can be passed on, increased by the next generation, and passed on again, in terms of the agricultural sector, the present laws are even more efficient than when they were enacted in 1942.

In another sense, however, the present law is increasingly ineffective, because of the growth of corporate farm ownership, which avoids the problem of death taxes on the inheritance of farm estates. It is on the farmer who does not avail himself of corporate structuring that the estate tax falls most heavily, so that while the accumulation of wealth is prevented on the one hand, it is untouched on the other.

There is a second reason that one might conclude that the present estate tax structure does not fulfill the intent of Congress when the law was enacted, and that is the impact of inflation on the personal exemption provided in the law. In 1942, $60,000 was a sizable exemption. Today, the equivalent of $60,000 in real dollars would be closer to $240,000. That is, a personal exemption of that size today would protect the same percentage of an estate which was protected by a $60,000 estate in 1942.

My colleague, Mr. Curtis, the esteemed Senator from Nebraska, has introduced legislation which would correct the problem cited above, and which would have the effect of implementing more fully a policy which I believe my colleagues here would agree is urgently in need of implementing.

This policy of which I speak is that this country, more than ever, should commit itself to the preservation of agricultural resources, be they natural or capital. It is this policy of maintaining our agricultural resources at maximum productive levels that I believe is of such overriding importance as to require adoption of S. 1173, Senator Curtis' bill.

Even if there were no evidence that inflation has negated the effect of the personal estate tax exemption, there are, I believe, ample reasons why we should adopt changes in the present structure to maintain and protect the farms which pass from generation to generation.

The first reason is purely economic. The greatest industry in this country is agriculture. Our agricultural exports are the biggest single factor in preventing a deficit trade balance.

Second, from the standpoint of the food needs of other countries, it is incumbent on us to maintain full production, and to maintain full production requires keeping farms from becoming housing subdivisions.

Third, from a social standpoint, there is a need to protect the lifestyles of families who seek to remain in farming, in a rural environment, and who are threatened with loss of all or a portion of an estate in order to pay estate taxes on that property.

I believe that Senator Curtis' bill, S. 1173, will accomplish goals which are consistent with the needs of our country, and I fully endorse and support this piece of legislation. I think it is something we need right now. I have asked Senator Curtis to add my name as a cosponsor to S. 1173, and he has been kind enough to do so. I want no one to mistake the position of Texas on this issue. We think this bill is right, we think it is needed, and we are willing to work for its passage. I hope the Senate will agree.

OPPOSITION TO THE ARAB BOYCOTT

Mr. TUNNEY. Mr. President, since October 1973 we have witnessed a dramatic transformation of the structure of world economic relations. The more than fivefold increase in the price of oil has caused the oil-producing countries to amass an enormous amount of surplus revenues—$60 billion during 1974 and an estimated additional $40 to $45 billion for 1975. Much of this accumulation is in the hands of Arab countries which cannot only use this wealth as a tool to foster the well-being of their peoples but as a tool to further their aims in their ongoing dispute with Israel.

The Arab boycott which was established nearly 30 years ago, prior even to the establishment of Israel, remained largely ineffective for a long time. However, the availability of vast funds for purchase of goods and services for domestic consumption and for investment abroad has furbished the boycott as a tool of economic warfare against the State of Israel. Last winter we saw how the Arab nations intend to use that tool. Kuwait International Investment Co. asked Merrill Lynch to exclude several boycotted Jewish financial institutions from the underwriting of two major bond issues—one for Volvo of Sweden and one for the Government of Mexico. In this instance Merrill Lynch had the stamina to refuse to give in to such demands and the bond issues went ahead without the Kuwaitis. Merrill Lynch is to be commended for such firmness. Indications are that others have not been so firm.

U.S. exports to the Arab nations rose by 80 percent from $1.9 billion in 1973 to $3.4 billion in 1974. At the same time that the volume of trade has been rising, the number of companies reporting boycott requests has actually dropped. Indeed fewer than 20 firms regularly file with the Commerce Department the required quarterly reports on the receipt of boycott requests. This is indicative of the persuasive potential of the emerging Arab market. There is no question that this potential combined with the restrictive nature of the Arab boycott itself will warp the pattern of world trade and investment in a way which is inimical to the well-being of the world economy and its peoples and is discordant with U.S. policy of fostering free trade and investment.

There is another element which is even more disquieting. There have been reports that American firms have been blacklisted by the Arab boycott office merely because the principals of these firms have, in their private capacity, and not as corporate officials, supported the cause of Israel or because they happen to be Jewish. For example, Fortune magazine recently reported that Revlon, Bulova, Hartz Mountain, and Bergdorf Goodman may have been blacklisted because of the private support of their principals for the State of Israel—Fortune, July 1975, page 168. There have been other allegations of religious discrimination in connection with the Arab boycott. Such activities are anathema to the American way of life and to the strivings of the American people. That two agencies of the U.S. Government—the Departments of Commerce and State—should forward trade opportunities to the business community with the inclusion of boycott restrictions is particularly reprehensible. I commend Senator Humphrey for his firm statement in the Congressional Record for September 30 on the activities of these two agencies and on the boycott, and I am in complete agreement.

Amendment 24 to S. 425 would allow the President to prohibit the acquisition of more than 5 percent of the stock of any U.S. company by foreign investor who has forced or attempted to force other firms to boycott an American business because of its dealings with Israel or with any other nation with whom the U.S. has diplomatic relations. In addition it would permit the courts to order the divestiture and to revoke or suspend the voting rights of any foreign investor who has beneficial ownership of 5 percent or more of a U.S. firm and uses that control to enforce the Arab boycott. We cannot allow American firms to be the tools of policies to which we are firmly opposed. Amendment 24 will prevent this from occurring and provide redress in the unfortunate instance in which it does occur. I wholeheartedly support the enactment of this legislation.

I ask unanimous consent that an editorial in the Los Angeles Times of September 30 be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Boycotting Israel—and U.S. Policy

American policy, stated in law, specifically opposes restrictive trade practices or boycotts imposed by foreign countries against other countries friendly to the United States. U.S. law also forbids secondary boycotts.

Congress thinks there may be violations in both of these areas of law in the way the Arab boycott of Israel impinges on American business activity. It is seeking information to shed light on these matters, but its search has run head on into a roadblock erected by the Ford Administration.

Evidence has come to light that the Commerce Department—contrary to explicit policy—has on occasion cooperated with the Arab boycott of Israel by transmitting to American businessmen requests for information that would support the boycott, and possibly adversely affect other U.S. businesses.

The department admits that this has happened, but says that no useful purpose would be served if it refused to act as a channel for Arab-boycott information. The contradiction between policy and practice seems self-evident, to everyone except the Commerce Department.

In an effort to find out just what's going on, the House Commerce Committee has subpoenaed from the department the list of all American companies that have been asked to support the Arab boycott. Commerce Secretary Rogers C. B. Morton has refused to comply with the subpoena, citing an opinion by Atty. Gen. Edward H. Levi that the confidentiality of the information requested is protected by law.

Rep. John E. Moss (D-Calif.), chairman of the commerce subcommittee immediately involved in the confrontation, doesn't agree. He correctly argues that the questions here are whether U.S. law is being upheld and whether the executive branch can withhold from Congress information necessary to determining if and how well laws enacted by Congress are being enforced.

The answer to the second question is clear: Congress must have the information it has asked for. When it gets it, we will know the answer to the first question of how well U.S. laws are being enforced.

CHAMPUS FUNDS CUT FROM DEFENSE APPROPRIATIONS

Mr. INOUYE. Mr. President, in a few weeks the U.S. Senate will be debating and voting on the biggest of all the appropriations bill, that for the Department of Defense. The Defense appropriations bill for fiscal year 1976 and the transition period calls for spending at the level of $112 billion. The House of Representatives, as you know, acted to cut the bill by $7.5 billion. The bill for the Department of Defense as it stands provides for the procurement of sophisticated weaponry, aircraft, tanks, guns, and for the maintenance of our Armed Forces at the level of approximately 2,156,203 men and women. But the House acted to cut one item in one program and I believe this action was unjustified. It is a small item both in its size—it represents only one line in section 752 of title I of the bill—and in terms of money, a small amount is involved. Nonetheless, it is a very important item.

It has been said that the strength of our armed services rest on its morale. But if the men and women of our country serving in uniform are suffering from marital difficulties or domestic troubles, then their morale will be at its lowest ebb.

The action by the House to cut CHAMPUS funds for the services of pastoral counselors—chaplains with psychiatric training—and family and child counselors, and marital counselors was ill taken and is not justifiable.

First of all, it would not take a great deal of money to provide these necessary services to the men and women in the armed services and to their families. Second, the House action was not justified as a cost-savings measure. Men and women in the military and their families would only be forced to seek out the more expensive treatment of psychiatrists. This would result in a much higher cost to the U.S. Government than the restoration of funds to the CHAMPUS program for this purpose.

So as you, my distinguished colleagues, examine the current Defense appropriations bill, I hope that you will not forget this small item amid the aircraft carriers, airplanes, guns, other weapons, and commissaries. It is a small matter but it is a very important and necessary item if we are to maintain our Armed Forces in a state of general readiness.

NATIONAL PARK SERVICE'S POLICY ON IN-PARK CONCESSIONS

Mr. GARN. Mr. President, in recent weeks a number of us have raised questions about the National Park Service's national policy on in-park concessions for overnight accommodations and other facilities. The questions have been raised most forcefully in the State of Utah, but we believe that they are of national interest as well. There is scarcely a Member of this body whose constituents will not be affected if a national policy is adopted eliminating park concessions.

In that connection, Mr. Don Hummel, chairman of the Conference of National Park Concessioners, testified at a recent hearing in Salt Lake City on the general question. In my view, he has reflected exactly the congressional intent in this matter, and I ask unanimous consent that his statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Master Plan Hearing for Zion National Park

My name is Don Hummel. I am Chairman of the Conference of National Park Concessioners, an association of concessioners holding contracts to provide visitor services to National Parks and other areas administered by the National Park Service.

Starting with the Yellowstone Act of March 1, 1872 and reconfirmed in every act since, Congress has provided that the private sector should furnish visitor services in the National Parks.

In Public Law 89-249, it was stated in these words, "The Secretary of the Interior shall take such action as may be appropriate to encourage and enable private persons and corporations (hereinafter referred to as concessioners) to provide and operate facilities which he deems desirable for the accommodation of visitors in areas administered by the National Park Service."

This Act was passed by the Congress in 1965 with the support of the Department of the Interior and the National Park Service to enable the concessioner to get money to provide the facilities desired by visitors to enable them to use and enjoy their National Parks.

In the debate the author of the Act, the Honorable Morris K. Udall, on the floor of the House of Representatives, used these words, and I quote: "On the one hand we want to preserve all the scenic and natural wonders for posterity and for ourselves. On the other hand, we want to make them reasonably accessible to visitors, and provide services when they get there. We need more and more hotels, we need restaurants, we need campgrounds, etc."

Mr. Aspinal, the Chairman of the Interior and Insular Affairs Committee and floor manager of the Bill, said it this way: "Our only aim is to make needed services available for a public which is demanding to be served."

Do you see anything in these words or in the Act which would call for the removal of visitor facilities? Yet this Act has been quoted by the Park Service as authority for today's action.

While the Park Service denies that there is a policy of elimination of visitor facilities, I refer you to their Management Policies Manual adopted in 1975. Section VIII—2, I quote: "If adequate facilities exist or can be developed by private enterprise to serve the park visitors' needs for commercial services outside of park boundaries, such facilities shall not be provided within park areas."

Two of the devices being used to bring about a reduction or elimination of visitor facilities are the Master Plan and the Environmental Impact Statements. I have examined twelve Master Plans for National Parks and every one of them call for the reduction or elimination of some visitor facilities. I would interpret this as the implementation of a general policy of removal of visitor facilities.

Now let's examine the proposed Master Plan and Environmental Statement for Zion. Here is a prime example of how these instruments can be used to implement a policy of exclusion. You simply endorse development that fits your concept of Park use and you condemn development that is contrary to your objectives.

The Zion plan is a classic of contradictions and vague generalities. Page 7 of the Plan calls for removal of 83 cabins that can provide overnight lodging for 372 people a night. This development occupies only twelve acres of the Park's 147,000 acres. This, according to the Plan on Page 50, is an intrusive development and therefore should be removed.

On the other hand, development of ten picnic sites and limited camping is approved with the statement that this development will disturb less than 25 acres of land. In other words, we approve development on 25 acres of land to serve ten picnickers and limited camping, but providing lodging for an overnight experience for 372 people a night on 12 acres of land is objectionable.

The master planners really had to strain to show that facilities would be available outside the Park if you remove the facilities inside the Park. They faced some real problems. Water is a problem. In fact, there is the Congressional Act of May 28, 1928 permitting the diversion of water from the Park to enable the community of Springdale to get water. This is now to be solved by Springdale, but with Park Service cooperation. No solution is proposed except cooperation.

submit that the water will still have to come from the Park as it does now and when the Act of 1928 was passed. This is now proposed as a solution. This is a typical bureaucratic approach; if it is someone else's problem, it is not a problem.

Sewage is a problem. On Page 50 of Environmental Statement the sewage problem will be solved by the simple expedient of removing the concession facilities and there will be no sewage to be disposed of in the Park.

The problem is also to be transferred to Springdale. On Page 65 it says that Springdale has no sewage system except septic tanks, but that this will be solved by a plan to be completed in July, 1975.

We now have a plan but no solution, but why worry—the problem is outside the Park and its no longer the Park's problem. This is Master Planning at its bureaucratic best!

Those of us connected with the National Park Service know that one of the objectives of the Service is to improve the quality of the experience for the Park visitor. This is treated in Zion's master plan in grandiose phrases. On page 12, I quote: "The elimination of the Park's concessioner-operated overnight facilities will allow Zion personnel to implement a more meaningful concept of personalized visitor services." What these services are and how they are to be accomplished is not divulged, nor does the report disclose why overnight facilities in the Park interfere with this meaningful experience.

I submit that taking away the opportunity to spend a night in the Park—the opportunity to experience a sunrise or a sunset on the multi-colored Zion canyon walls—or to observe the stars on a clear Utah night from the Valley is to limit—not enhance—the Park experience. Remove these lodging facilities and you deny this experience to the elderly; the handicapped, or the visitor who is not a camper.

I believe that it is clear that Congress intended to make these Parks available for the use and enjoyment of the people; and the people are entitled to those facilities they need to make the Park available for their use and enjoyment—not what the bureaucrats think they should have, but what they want.

To determine what visitors want, the Stanford Research Institute, a non-profit organization of impeccable repute, was engaged to professionally survey Park visitors on the question of elimination of overnight facilities in the Parks. The results are interesting and I am pleased to release them for your information and Park Service guidance.

The Stanford Research Institute explained the problem in these words. I quote: "There has been concern in recent years about possible negative impacts of visitor facilities on the natural environment of the Parks. At the same time there has been concern that the removal of facilities from the Parks would deprive some people of the experience of overnighting in the Park, and that time spent getting into and out of the Park from facilities located outside the Park boundaries could make the Park experience less enjoyable."

Here are some of the questions and responses:

Question: Do you favor or oppose the removal of some or all hotel and lodge facilities from the Park?

75.1 percent of the Park visitors opposed the removal of all lodging facilities and 62.6 percent opposed the reduction of lodging facilities.

Those favoring the removal of some hotel and lodge facilities were primarily under 20 to the 29 year age group. The largest group in opposition to removal were in the 50 or older and represented 86.5 percent of that age group.

Individual comments ranged from: "We would not expand present facilities to—there are not enough—need to expand—don't like to camp—older people need them—older facilities should be kept and upgraded."

A preliminary mail survey of visitors who used concession lodging facilities, 77.2 percent opposed the removal of any of the facilities, with 4.5 uncertain as to their position.

Question: Do you favor or oppose the removal of some established campgrounds from National Parks?

The majority of the visitors were opposed to removal of campgrounds from the National Parks. 89.9 percent opposed removal of all campgrounds and 83.7 percent opposed reduction of campground sites.

In the case of Park visitors who stayed in the hotels or lodges and did not use the campgrounds, 72.8 percent still opposed the reduction of campgrounds. Of those visitors, 87.5 percent opposed removal of all campgrounds. 50 percent of the 7 percent who favored removal of some campgrounds were in the 20 to 29 year age group.

Comments on campgrounds included: "Build more—Don't add more—I don't think there are enough places to camp—Don't change it—Need more campgrounds—Don't have enough and, if there was no camping in the Park people would miss out on evenings and mornings; the most beautiful times." These are just a few of the comments by the Park visitor on this question of removal of overnight facilities.

Zion is being made the guinea pig for those who advocate the reduction of Park use by reducing visitor facilities. This is not because Zion is different from other Parks, but because the government owns the facilities and feels that by removal it can dictate the terms of Park use. The decision made here today may in large measure determine whether our National Parks were preserved to be used and enjoyed by all of the people, or are to be reserved for the elitest few. It will in a measure determine whether Congress sets Park policy or whether the use of our National Parks will fluctuate with the attitude of the bureaucracy.

You can help make that decision by supporting your elected officials in their opposition to the removal of the facilities from Zion National Park.

GOVERNMENT PAPERWORK: THE OTHER SIDE OF THE MONSTER

Mr. MOSS. Mr. President, the Federal agencies balked when the Congress passed the Freedom of Information Act in 1966. They screamed when they began to feel the pinch of FOIA requests under the liberalizing 1974 amendments. You had better believe that worse is yet to come, now that citizens are guaranteed access to personal data by the Privacy Act which became effective September 27.

In my opinion the agencies' complaints, their delays in complying with requests, and what Senator KENNEDY described as their "sue me to get it" attitude represent more than a passion for secrecy. They reflect agencies' inability to cope with the incomprehensible volume of Government records, their endless propensity to proliferate paperwork, their failure to institute efficient recordkeeping systems, and their neglect to dispose of documents that have outlived their usefulness. It took months just to compile lists of records systems containing personal data, as required by the Privacy Act. And the result exceeded informed predictions more than tenfold—a staggering total of nearly 8,000 separate records systems. By the time I accumulated all of the Federal Registers identifying and describing them, the pile was nearly a foot deep.

Mr. President, last week I described the frustration of citizens in supplying information the Government demands; and I introduced a bill, S. 2443, to cut back that excessive burden. The other side of the coin is the frustration of citizens in obtaining from the Government information to which they have a right—and the cost and inefficiency of Government records management generally. Last year the U.S. Government spent in excess of $18 billion to produce, handle, and store official papers, almost as much as its expenditures on health care services and programs. Seven million cubic feet of records were produced in 1972 alone. Nothing moves in Government, it seems, without generating more correspondence, reports, memorandums, directives, forms—more paper.

Last March I reintroduced a bill, the Records Management Act, to bring this problem under some control. The legislation would strengthen the role of the National Archives and Records Service under the Federal Records Act of 1950. NARS, through the Administrator of GSA, would have authority to compel agency chiefs, subject to appeal, to follow measures that will improve methods of creating, using, maintaining, and disposing of public records. The Administrator would report the finding of each agency investigation, the nature of his recommendations, and the adequacy of agency staffing to the Congress, the Office of Management and Budget, and the GAO.

Since 1964 officials of NARS have inspected and evaluated every major agency and department and found that remarkably few do even a tolerable job of controlling paperwork. Of 33 agencies examined prior to 1971, an average of 27 failed to meet NARS standards in each of 21 categories from filing systems to office copying procedures. Only one was judged to have adequate records management staff.

No one knows precisely the savings that can be achieved by effective records management. The experience of NARS, however, is that most agencies can reduce their paperwork costs by 10 percent. Even a 1-percent reduction, Government-wide, would amount to $180 million. Mr. President, the time for enactment of the Federal Records Management Act is long overdue.

PROPOSED WHEAT-OIL AGREEMENT WITH SOVIET UNION

Mr. HRUSKA. Mr. President, I was greatly pleased that the Senate took quick action by passing Senate Resolution 269, a resolution calling upon the President of the United States, during the negotiations on a multiyear purchase of American grain by the Soviet Union, to attempt to reach a short-term agreement whereby the Soviet Union would sell oil to this Nation at a price reflecting the high value the United States places on its grain resources.

It was a pleasure for this Senator to

join in the vote which approved this measure.

Mr. President, the resolution helps put into proper perspective the great importance of America's farm community. This recognition has been far too long in coming. For despite their many contributions, the farmers of this nation have not received fair treatment.

Let us look at the record.

The Government asked our farmers to produce all-out in 1975. They responded magnificently. According to the latest figures supplied by the Department of Agriculture, wheat production is up 19 percent over last year, corn production is up 22 percent.

In return for this increased output, farmers have seen their costs rise and their prices fall. The price paid to the farmer for wheat is between $1 and $1.25 less per bushel now than it was at the same time last year.

Despite this, there has been irresponsible talk in several quarters that higher food prices were being caused by higher wheat prices. The reasons for higher food prices do not include the American farmer.

In 1974 agricultural products accounted for a net contribution of almost $12 billion to our balance of payments. Without this support from our agricultural sector, the dollar would be at disastrously low levels on the world financial markets. A weakened dollar means even higher prices to the consumer for goods which must be brought abroad, including oil.

Mr. President, these facts clearly show that the farmer has served America well. It is time that these efforts be rewarded in the marketplace. Fair treatment for the farmer includes his right to receive the highest prices the world market is willing to pay.

With the OPEC price of oil now around $11.51 per barrel, it makes good sense to negotiate with the Soviet Union for its oil in return for our agricultural products. We should be able to strike a good bargain. The Soviet Union needs our grain and we have use for its oil.

At the same time, however, we should realize that the Soviet Union can probably send us at most 300,000 barrels per day. Even at $11.51 per barrel this oil is far less than our grain in value. We do not want to jeopardize the benefits of a steady, long-term agreement on grain by insisting on oil the Soviet Union cannot send us.

Nevertheless, every bit of oil helps and even a small amount can be enough to mean the difference between sufficient supplies and a shortage. Furthermore, Mr. President, the OPEC nations recently announced an increase in the price of oil much less than it otherwise would have been because of the slack demand on world markets. Oil from the Soviet Union in return for our grain, even on a modest scale, can help put further pressure on the cartel.

It is one thing for the OPEC countries to raise price; it is quite another for them to make that higher price stick in the face of falling world demand and greater oil output by non-OPEC nations. It would be altogether fitting if the tremendous productive capability of our Nation's farmers provides the necessary additional means to break the power of the oil cartel.

For the very reason that the price of oil may fall while the price of wheat may rise in future years, it is good that the resolution calls upon the President to reach only a short-term agreement for oil. A long-term agreement could very well find us locked into a bad bargain if the price of oil falls.

Mr. President, it is my hope that the goals of this resolution will soon become reality.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

OFFICE OF THE DIRECTOR DEFENSE
SECURITY ASSISTANCE AGENCY,
AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE),
OASD/ISA.

Washington, D.C., October 6, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 76–12A and 12B, concerning the Department of the Army proposed alternative Letters of Offer to Italy for 155mm Self-propelled Howitzers less weapons, mounts, fire control and communication equipment. The estimated costs are $31.3 and $36.2 million, respectively. Shortly after this letter is delivered to your office, this information will be made available to the news media.

Sincerely,

H.M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, and Deputy Assistant Secretary (ISA), Assistance.

TRANSMITTAL No. 76–12A

Notice of Proposed Issuance of Letter of Offer, Pursuant to Section 36(b) of the Foreign Military Sales Act, as amended.

a. Prospective Purchaser: Italy.

b. Total Estimated Value: $31.3 million.

c. Description of Articles or Services Offered: 108 155mm, medium, self-propelled Howitzer (M109A1B) less weapons, mounts, fire control and communications equipment.

d. Military Department: Army.

e. Date Report Delivered to Congress: October 6, 1975.

TRANSMITTAL No. 76–12B

Notice of Proposed Issuance of Letter of Offer, Pursuant to Section 36(b) of the Foreign Military Sales Act, as amended.

a. Prospective Purchaser: Italy.

b. Total Estimated Value: $36.2 million.

c. Description of Articles or Services Offered: 125 155mm, medium, self-propelled Howitzer (M109A1B) less weapons, mounts, fire control and communications equipment.

d. Military Department: Army.

e. Date Report Delivered to Congress: October 6, 1975.

JEROME S. ADLERMAN

Mr. JAVITS. Mr. President, the recent passing of Jerome S. Adlerman, the former chief counsel to the Senate Permanent Subcommittee on Investigations, marked the end of a long and distinguished career in public service. Mr. Adlerman spent almost 25 years in Washington beginning with his service as counsel to the Senate War Investigating Committee under William P. Rogers. Later as an assistant to the late Robert F. Kennedy he participated in many of the important investigations of our subcommittee during the 1950's into improper activities in the labor-management field.

During the early years of World War II he served with distinction in the Department of Justice and in the immediate postwar period was chief of the prosecutions section of the U.S. Army war crimes group in Germany, which gathered evidence in medical experiment cases in concentration camps.

A graduate of my own alma mater, New York University Law School, Jerry Adlerman was a respected and effective counsel to Senator MCCLELLAN who was then chairman of the subcommittee. He was also a valued and energetic aide to all members of the subcommittee on both sides of the aisle. His long career and dedicated service to our subcommittee and to his country was marked by a singular commitment to the highest professionalism. He will be sorely missed.

MINNESOTA MILK PRODUCTION CONTINUES TO PLUMMET DOWNWARD

Mr. HUMPHREY. Mr. President, I wish to bring to your attention a recent release by the Minnesota Department of Agriculture pointing out that milk production in Minnesota this past August was 54.8 million gallons which is the lowest volume for that month in 15 years.

This decrease represented a 14.5-percent decline from the Minnesota July volume. And in comparison to last August, production of milk was down by 4.4 million gallons or 7.5 percent.

For the first 8 months of 1975, milk production is estimated at 553.2 million gallons which is the lowest level for that period since 1953. Also average milk production per cow in Minnesota was down by 7 percent in comparison to August 1974 which reflects the forced cutback in feed rations for our dairy herds.

Mr. President, I have been trying to remedy this situation for some time. In the last session of Congress both the Senate and the House passed legislation which would have set milk support levels at 85 percent of parity with a quarterly adjustment of prices paid to farmers. As a part of the emergency farm bill, the milk price support levels were set at 80 percent of parity, and again with a quarterly adjustment of the prices paid to farmers. Unfortunately, the President vetoed both of these bills.

The Senate recently passed my Senate Joint Resolution 121 which would establish the quarterly adjustment of prices paid to farmers under the existing legislation. I am hopeful that the House will also see fit to pass this bill.

In part because of this action, the Secretary of Agriculture recently announced that the milk support level would be raised to $7.71 per hundredweight from the existing $7.24 per hundredweight level.

This increase will be helpful to our farmers, but already over 5,000 dairy farmers have been driven out of production in our State of Minnesota alone during the past 2 years. Many have concluded that they have little hope to make a reasonable profit, and they have either liquidated or sharply reduced their herds.

We will need to look very carefully at the situation facing our dairy farmers and the need for further legislative remedy. I hope that the administration will now be more alert than it has been in the past to the cost-price squeeze confronting our dairy farmers.

Mr. President, I ask unanimous consent that this statement by the Minnesota Department of Agriculture be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of the Minnesota Department of Agriculture

Minnesota's dairy industry made the nation's biggest cutback in August milk production and the 54.8-million gallons was the lowest volume for that month in 15 years, Agriculture Commissioner Jon Wefald reported today.

August milk production dropped by 9.3-million gallons or 14.5% below Minnesota's July volume. Compared to last August, this year's milk production was down 4.4-million gallons or 7.5%.

Minnesota's milk output for the first eight months of 1975 is estimated at 553.2-million gallons. That is the lowest total for the same period since 1953, and represents the loss of 26.4-million gallons compared to the January-August period last year.

Dairy farmers in Minnesota receive one of the lowest average prices for milk in the nation. Minnesota's mid-August price average for farm milk was 66 cents a gallon, compared to the national average of 73 cents or a disparity of 9%.

Average milk production per cow in Minnesota during August was 62.5 gallons. That was down 4.6 gallons or 7% compared to August, 1974, and reflected the forced cutback in feeding rations for dairy herds. It was the lowest average production for August since 1971.

Although the August inventory of 877,000 milk cows was a new all-time low for the month for Minnesota, it also was the first times since December, 1961, that the state's dairy farmers have made a monthly increase in their herds. The August total was 2,000 more cows than had been estimated in July, which remains the overall all-time low inventory for Minnesota.

Texas dairymen made the nation's second largest cutback in August milk production, by 1.8-million gallons, compared to Minnesota's 4.4-million gallons cut. Neighboring Wisconsin, the leading dairy state, upped August milk output by 2% to 131.7-million gallons. Nationally, August milk production was 828.4-million gallons, down only one per cent from that month in 1974.

CAN MR. FORD BREAK THE RULES?

Mr. BROCK. Mr. President, I recently read an article by Meg Greenfield which originally appeared in Newsweek, and was reprinted in the Washington Post. I found the article very interesting and well considered. It clearly points out, correctly, the dilemma which Congress and the President face today. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Can Mr. Ford Break the Rules?

President Ford has been saying he intends to cut back the tangled growth of federal rules and regulations that are choking so many worthy enterprises in American life. I wish him well. I don't think he has a hope of succeeding.

This gloomy appraisal begins with the fact that the compulsive formulation of conflicting, irrelevant and unworkable rules is far from being an exclusive aberration of the federal government. It may reach its finest flower there, but the competition at all levels of American life is intense enough to suggest that what we are dealing with here is a national way of doing things.

Shortly before the President told a recent White House conference, for example, that it had taken 45,000 pages of small print just to list the federal rules and regulations promulgated last year, Governor Brown of California was making a similar point about conditions in his state: he compared the several hundred thousand words it had taken the authors of the Old Testament to say what they had to about acceptable human behavior with the 5 million words it had taken the state-federal welfare establishment to spell out the rules for receiving public assistance in California.

In municipal affairs, things are hardly different. Only very small children do not know that police, fire, health and housing department corruption in many big cities rests in part on payoffs made against official threats to enforce a welter of city regulations that are archaic and immobilizing. And in labor-union life, the threat of invoking the fine print is equally ominous: "working to rules" means more or less ceasing to work at all. It is worth noting that the U.S. Senate, which harbors some of the most outspoken critics of all this, can itself only get down to business in the morning by selectively suspending its rules.

Plainly Ford is up against something more complicated than a mere encrustation of old federal regulatory and bureaucratic orders that are working against new needs—as, for example, the ICC rule that obliged some truckers to take out-of-the-way routes during last year's gasoline shortage. For one thing, the increasing federal role in practically everyone's affairs continues to create a strange combination of opportunity and obligation on the part of federal agencies to establish rules of conduct.

To cite a case, Congress has enacted legislation permitting married couples to deduct a given sum from their taxes for the cost of child care that permits both parents to work. Fine. Only the IRS—understandably—wants no cheating, no writing off of maids and the rest. So it has felt obliged to formulate rules and guidelines governing—yes—the amount of house cleaning the deducted baby-sitter may perpetrate. Tomorrow's headline all but writes itself: Sitter Charged With Excessive Vacuuming/Employer Claims Work Related Cleanup/Child Jailed.

Still, much more than a mere enlargement of the federal capacity to busybody seems to me to be involved here. I think there is a dynamic at work among both federal government officials *and* the affected public that puts a premium on framing impossible new rules and preserving impossible old ones. It begins with a desirable goal or public policy, moves on to a bureaucratic decision to transfer the onus of enforcement from individuals to ostensibly fair and immutable pages of written rules and builds up a body of regulation that acquires a political, symbolic and legal life of its own. The result may be awful, but you can bet that at least six citizens' groups, two federal judges and 30 senators will be ready to come between the agency and any attempt to revise ("weaken," "gut") such rules.

We had an example of how the thing works in Washington recently when some university chancellors challenged a set of conditions HEW was trying to impose on them as the price of receiving federal contracts. The agreement they had been asked to sign concerned their schools' taking "affirmative action" to overcome racial, ethnic and sexual discrimination in employment practices. The document itself, however, did not mandate action that would have directly resulted in making their practices more fair. Rather, it required them to make up to an estimated 100,000 separate statistical analyses concerning their employees at a cost of several hundred thousand dollars—and report the findings back to HEW. It was the nearest thing to an insane government publication that I have ever read.

What made this episode especially interesting to me was that in the course of looking into it I could not find a single official who was responsible for the document who had anything good to say about it. It appeared to be a product of assorted political, interagency, legal and citizen-group pressures. Nor was there anyone who could readily turn it off: five days elapsed between the stated commitment of the Secretaries of HEW and Labor to revise the government's demands and their ability to do so. Finally, even among the various rights groups who had been pushing for tougher government action, there was widespread acknowledgment that this approach had very little to do with overcoming discrimination.

Why do the bureaucrats do it in the first place? I think I know. When I try to imagine how HEW or any other government agency would deal with Solomon's most familiar administrative challenge, I come up with two different conclusions that have one thing in common. Either they would invoke federal regulation CR (03X–14) and actually cut the baby in half or his contending mothers, under regulation DL–9B (15), would still be filing documents before an interagency proceeding when he had reached the age of 43. But either way, the government officials in question would have avoided judgment, responsibility, the burden of using their wits and a particular kind of trouble. By formulating endless rules, we put the problem on "automatic," and there are very few officials in this town who are willing to take the heat that goes with trying to make common-sense rulings—instead of just more rules.

And why do the rest of us go along? Probably because we have an abiding fear of discretionary government and a misplaced belief in the capacity of written regulations to ensure fairness and to prevent our officeholders from treating us in capricious or tyrannical ways. Now the regulations themselves have become tyrannical, but this comes at a moment when government officials are feeling anything but audacious and when the public is awash in suspicions concerning both their competence and good faith.

So I don't think the President is going to get very far with his admirable intentions. The bureaucrats don't have the guts to substitute good judgment for bad rules. And the rest of us don't have the confidence—either in them or in each other—to make the bureaucrats try.

SENATOR HATHAWAY ON ALCOHOLISM AND DRUG ABUSE

Mr. MUSKIE. Mr. President, my colleague and friend, Senator Hathaway, earlier this year was named chairman of the Senate Labor Committee's Subcommittee on Alcoholism and Narcotics. This subcommittee has an awesome responsibility in developing programs which adequately respond to the terrible problems associated with alcoholism and drug abuse. I note with pride that Senator Hathaway's first two public statements regarding his intention to meet that responsibility were made in our home State of Maine, addressing the Maine Addiction Professionals Association in Bangor and the Task Force for Responsible Decisions About Drinking of the Education Commission of the States in Boothbay Harbor. In both cases, Senator Hathaway made forceful statements regarding the prevention and treatment of alcoholism and drug abuse. I commend them to my colleagues so they might know that Senate leadership in this area has passed from our truly dedicated former colleague, Senator Harold Hughes, into the strong legislative hands of our colleague from Maine.

Mr. President, I ask unanimous consent that the two speeches by Senator Hathaway be printed in the Record.

There being no objection, the speeches were ordered to be printed in the Record, as follows:

Maine Addiction Professionals

Alcoholic beverages and concerns about their effects have been a part of American life for as long as there has been an American life. Debate over issues of temperance raged from the moment our founding fathers set foot on American soil.

The Massachusetts Bay Colony, for example, forbade excessive drinking at an extremely early date. Of course, "excess" was defined as "more than half a pint of whiskey at one time." But those who persisted in what the law called "the swinish sin of drunkenness" were variously fined, whipped, thrown into stocks, or sentenced to wear a big red "D" around their necks. Connecticut assessed anybody found drunk in a private dwelling 20 shillings and fined the host 10 shillings. New Hampshire posted the name of drunkards. The Plymouth Colony took away their right to vote, and General James Oglethorpe, who founded the Colony of Georgia, became, in 1733, the first governor to banish spirits altogether.

Three weeks later the residents of South Carolina invented bootlegging.

Even in those early years there was a great public policy ambivalence over alcohol.

One life insurance company of the time, for example, actually increased its premiums by 10 percent for the abstainer, whom it considered "thin and watery, and mentally cranked, in that he repudiated the good creatures of God as found in alcoholic drinks."

George Washington was so publicly pious on the subject that an early teetotaler's society, the "Washingtonians," was named after him. Nevertheless, in the first three months of his Presidency, Washington spent almost one fourth of his household budget—some 750 pounds—for liquor. Washington also violated an early Virginia campaign law in one local election when he distributed among the voters of his county 160 gallons of beer, wine, cider, punch and rum. He won by a vote of 310 to 15.

He later wrote to his campaign manager, saying "I hope no exception was taken to any that voted against me, but all were alike treated, and all had enough."

Then there was John Adams, who once claimed that for the "last 53 years of his life, I've been fired with a zeal, amounting to enthusiasm, against ardent spirits, the multiplication of taverns, retailers, dramshops and tippling houses . . ."—but who had an invariable habit of downing a large tankard of hard cider every morning before breakfast.

All this is by way of saying that alcohol has been a part of American life for a very long time. What is new, then, about our current federal efforts in the field? Why are we entitled to consider them exciting and perhaps even revolutionary? I think the answer is that we recognize and accept a number of concepts today that were never previously accepted by most observers. We now accept that alcoholism is a disease, like any other—a disease that can be cured and even prevented. We now accept, without casting moral aspersions, that alcoholics and alcohol abusers can be restored to healthy, productive lives just like the person who has been afflicted with pneumonia—and that significant federal funds can be committed to that process. And finally, we have come to accept the premise that the two-thirds of adult Americans who drink can be aided whether they are alcohol abusers or not—and that they can be educated in how to avoid burdening themselves, their families and society with the potential costs associated with this drug they have chosen to use.

While our alcoholic history dates back centuries, then, our modern approach to alcohol dates back just a few short years. The first real breakthrough probably occurred with a number of court decisions in the mid nineteen-sixties. In these cases, Federal and state courts held that alcoholism is an illness, and that a homeless alcoholic could not avoid being drunk in public and therefore could not be punished solely on the basis of his public intoxication. In the famous 1968 case of Powell vs. Texas, the U.S. Supreme Court agreed with that theory, finding that such punishment would violate the Constitutional prohibition against "cruel and unusual punishment."

The court in the Powell case wanted to know what else could be done for alcoholic people. But when they examined the alternatives, it was to conclude unanimously (and angrily) that no facilities, procedures or legislative responses then available were adequate—at a time when Americans were already being landed on the moon!

By then, a number of commissions studying the problem had begun to recommend the substitution of a public health approach for the typical criminal approach. Even the American Bar Association and the American Medical Association, neither of them noted for being in the vanguard of change, collaborated on a "Joint Statement of Principles Concerning Alcoholism". In it, they urged the adoption of comprehensive new legislation in which alcoholism would be viewed as an illness, rather than a criminal offense.

The federal government responded to the Supreme Court by passing the Alcoholic Rehabilitation Act of 1968, the first law dealing specifically with the treatment of alcoholism on a national basis.

Congress declared that treating alcoholism as a health problem "permits early detection and prevention of alcoholism and effective treatment and rehabilitation, relieves police and other law enforcement agencies of an inappropriate burden that impedes their important work, and better serves the interests of the public." In 1970, this federal initiative in the field was substantially expanded with the enaction of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, and the establishment of the National Institute of Alcoholism and Alcohol Abuse.

With the creation of the National Institute, America entered still another era in its approach to this problem: the era of accomplishments.

Federal funding of programs for prevention, treatment, research, training and other elements of the alcoholism problem went from a mere $17 million in 1971 to over $200 million the last fiscal year; and state, local and private occupational efforts have grown in the same way. There has been a ten-fold increase, for example, in the creation of outreach programs by business to assist employees. Over half of the states, including Maine, have now passed statutes identifying alcoholism as in illness and making it a health, rather than a criminal, issue.

Information and education efforts, including those generated by the Alcohol and Drug Abuse Education Act, have come into being in many different formats.

Increased treatment success, and decreases in costly use of in-patient hospital care, have been generated as a result of increased knowledge and more sophisticated utilization of resources.

But these and other recent gains have not obscured the fact that the job has only begun.

For one thing, the scope of the problem itself shows no real evidence of having abated in the course of the last few years. Alcohol remains far and away the most heavily abused drug in our culture.

The number of alcoholics or alcohol abusers has edged over 9 million, including nearly 10 percent of the work force. The direct and indirect drain on our economy is estimated to be $25 billion a year. And alcohol is still found to be directly related to half of all traffic fatalities and over 40 percent of all non-traffic arrests in the country.

In medical terms, the picture is equally bleak. The incidence of death from cirrhosis of the liver, a statistic which is highly correlated with the incidence of alcoholism, is escalating wildly in the United States. Experts agree that there has been a marked increase in the use and abuse of alcohol among young people, especially teenagers. In fact, a recent random household survey showed that alcohol problems tend to be most severe in the youngest age groups—a fact that may have a grave effect on our highway death toll as age restrictions on the consumption of alcoholic beverages are relaxed.

What must be our goals and challenges for the future, in the face of this unhappy picture?

For one thing, this is no time to relax our federal financial support for the National Institute and the programs it funds. Yet this Administration has proposed cutting back alcoholism funding by more than $50 million dollars for the current fiscal year! As I said when I appeared before the Senate Appropriations Committee on this issue, "the quality of a society may be measured in terms of its attention to its least fortunate members. If judged by this criterion, our society, in terms of the proposed budget for fiscal year 1976, would not be looked upon favorably." I and a majority of my colleagues in Congress intend to oppose these cutbacks, and to try to achieve increased fiscal support for alcoholism programs to the maximum extent possible.

However, we are beyond the state in our nation's history where the best solution to a social problem is simply to throw money at it. Whatever the level of funding for alcoholism and alcohol abuse programs, there are other goals we must keep in mind regarding the way we want that money to be spent.

We must now adopt a cohesive set of goals simultaneously in a number of areas. Those include:

Solving all the needs of alcoholic individuals—including their health, welfare, vocational and social needs;

Reaching out to find and treat the so-called "non-public" alcoholic or alcohol abuser, since only 3 to 5 percent of all alcoholics fall into the category of "public inebriate" and fewer than 10 percent of alcoholics are receiving the treatment they need;

Fostering widespread prevention efforts aimed at reducing the number of future alcoholics, by educating people who drink so they will not develop drinking problems, or getting to others before their problems become severe (recent figures show that the average client of treatment programs today has more than 14 years of heavy drinking under his belt);

Changing our societal values regarding alcohol, including the way we all perceive and communicate facts and myths about the use and abuse of this drug, and getting the media to cooperate in changing the way it presents (and glamorizes or laughs at) the consumption of alcohol;

Promoting the increased cooperation of physicians and hospitals in both identifying and treating the health problem of alcoholism and alcohol abuse, including the assurance of patient confidentiality, the restructuring of health insurance to include alcohol related problems, and rectification of the sad fact that fewer than half the nation's hospitals will even admit patients whose primary diagnosis is alcoholism;

Paying more attention to the needs of specific groups of potential users, such as teenagers, and recognizing and effectively treating other groups among alcohol abusers, such as those with poly-drug problems;

Bringing together all the various constituencies now associated with the problem, so that they might learn from one another's experience.

And finally, training more alcoholism workers—paraprofessionals as well as professionals—in all aspects of prevention and treatment of the problems surrounding alcohol and its abuse.

We must oversee the development of a comprehensive approach to this problem; one that includes education, laws and customs, economic and the relationship between alcohol and other health problems and concerns.

At the federal level, we expect to have a unique opportunity to pursue this approach in the weeks and months ahead; I have secured personal commitments to that effect from the new Secretary of Health, Education and Welfare (David Mathews), and the new Director of the Alcohol, Drug Abuse and Mental Health Administration (James Isbistek); and I fully expect to secure a similar commitment from the person chosen to be the new Director of the National Alcoholism Institute.

My subcommittee expects to review and update the 1970 Alcoholism Act and its 1974 amendments in the course of this coming year, and we are going to seek to construct a big picture.

I expect the positive help of those individuals, of my colleagues—and I hope we can expect help from you, the men and women who are dedicating yourselves to this field.

ECS TASK FORCE ON ALCOHOLISM

I'm pleased my schedule allows me to be here today, if only to speak informally for a few minutes at the beginning of your meeting.

You asked me to talk this afternoon about goals and priorities for my subcommitee, but I don't think I'll try to do that in the limited time available today. You already have a brief outline of my previous thoughts in this area, taken from statements made as recently as three weeks ago. Since I intend to continue to educate myself by visiting treatment programs in a number of states in the weeks ahead, I can't add anything to that outline at this time.

Instead, I want to urge you to relate the subject of responsibile decisions about alcohol to two phenomena that currently perplex our decisionmakers:

(1) our drastically changing ideas about health policy; and

(2) the information or stimulus overload that may well be shortcircuiting the educational process for young people growing up today.

With regard to health policy, we are all observing with alarm the gradual bankruptcy of our current systems—and the potentially traumatic attempts to create new ones.

Doctor's strikes and the malpractice controversy are only small symptoms of the increasing disruptions we can expect in this field.

A much larger problem is the hopelessly unequal distribution of services and facilities. On the one hand, we can't provide even minimally adequate health services to large segments of our urban rural poor. On the other hand, we are told that in many parts of the country we have a surplus of hospital beds.

Comprehensive health planning and delivery systems are virtually non-existent in most parts of the country. Some health services are needlessly duplicated in areas where others are totally lacking. No one knows if less expensive non-medical care or careful preventive policies might solve problems currently thought to require a complete hospital-oriented approach.

New laws have been passed to try at least partially to remedy this situation, but no one yet knows whether, or in which aspects of health policy, they will be effective.

Meanwhile, the great debate continues over national health insurance. So far in that crucial process, economics, philosophy and rhetoric seems to prevail over hard thinking about health.

But Congress will ultimately come to some conclusions on this issue, and you simply cannot discuss the prevention of alcohol abuse without taking that into consideration.

The second point you need to keep firmly in mind is the drastic change taking place in the educative process itself. No longer is it easy to point to any one factor in a child's life as the principal "educator", or to any informational or emotional force as the principal instiller of values.

Nor is this the "fault" of any one element in modern American society.

Children are bombarded with confusing new input from many diverse sources today.

With increasing violence among their peers, easier availability of drugs (including alcohol), teachers more openly expressing demands and grievances of their own, and society up in arms over swirling, emotionally charged issues like busing to achieve desegregation, schools are no longer the comfortable educating or socializing institutions they have traditionally been in the past.

In addition, our mass media have begun to come of age as a potent force in the formative process, for better or (most likely) for worse. And while arguments rage over the educative effects of sophisticated commercial "messages," or of televised violence or sex, or examples of aberrant behavior, the industry notes that for the first time in history the average American home now has a T.V. set on for more than seven hours a day.

Finally, we have launched into an era of confusing public charges and counter-charges regarding a galaxy of substances, objects and ideas which may or may not be harmful—an era in which over-simplification has become the order of the day.

Take hand guns—on the one hand, they are sources of evil and should be outlawed; on the other hand, if they are outlawed, only outlaws will be able to get them.

Easy catchwords on both sides of this issue obscure important and difficult decisions about violence, law enforcement, and so on. But the easy catchwords are what the child most readily assimilates. To see the effects, you need only witness the pitiful spectacle of youngsters mimicking their parents on the front lines of the busing controversy, or for that matter, on the real front lines of open warfare in Northern Ireland, shouting slogans they don't even understand. Multiply the effects by a limitless variety of other issues and arguments a child confronts daily: about aerosol sprays, sleeping pills, automobile emissions, abortion, pornography. The list is virtually endless. And it is into this alarming and confusing morass of ideas and warnings and tendencies and beliefs that you people would inject some thoughts about the subject of responsible decisions about alcohol.

I have noticed in the last few months that some people concerned with alcoholism would view their problems in a sort of splendid isolation. But quite simply, the world doesn't permit that anymore.

I don't envy you your task. I agree that alcoholism is one of our important health and social problems. But you will succeed in developing policies to deal with alcholism only if you approach it with an open mind within its wider societal context.

In closng, I would like to offer a few specific suggestions for the work you will be doing in the course of the next few days.

With regard to health policy, try to develop a firm handle on where education about alcohol will fit into some wider national health policy system. Bear in mind that not all the proposals currently before Congress give a significant role to preventive health policies in general, or alcoholism education and early identification in particular.

Use this opportunity to examine the various proposals and come up with recommendations that will ensure that your actual substantive suggestions about alcohol can be incorporated into whichever scheme Congress adopts. Note with particularity the specific health consequences of not using alcohol, of using alcohol, and of abusing alcohol.

In addition, it stands to reason that no suggestions will be incorporated if they are vague and rhetorical. Be specific, and start out by developing a complete definition of what you mean by prevention of alcohol abuse. What particular "responsible decisions" do you want to encourage? Not to drink alcohol at all? To drink responsibly if you do? Spell it out, and note the social, economic and health consequences of each decision, and delineate the best methods of encouraging it.

Next, in addition to examining new methods for influencing decisions about alcohol, pay careful attention to the messages that are already being sent and received in the marketplace of ideas. Take a tough look at the mass media, and the images it presents.

If alcohol is the most heavily abused drug in America, then television is our number one pusher. Consider methods of tracking media-induced images about alcohol directly, and about chemical dependency in general. And make sure you devise means of changing those images as an integral part of any program to educate the public about alcohol.

And finally, I strongly urge you to share your assessments and suggestions with me as you proceed. Don't wait for the production of a final report to communicate with me or my subcommittee staff. We expect very soon to begin serious consideration of the alcoholism authorizing legislation.

Don't make the mistake too many other task forces make in ignoring national legislative timeables. A good rough draft or set of working papers this month can be far more valuable than a finished product next June.

Good luck with your efforts—and keep your eyes and your minds open about the entire social context into which responsible decisions about alcohol must fit.

HEW TESTIMONY ON DAY CARE STAFFING REQUIREMENTS

Mr. FANNIN. Mr. President, the Senate Finance Committee opened hearings today on the issue of enforcement of the mandated day care center staffing requirements established under Public Law 93–647, the Social Services Amendments of 1974. These requirements are meeting a great deal of resistance in many States and as a result, Congress is considering legislation to deal with this problem. Among the bills which the Finance Committee is considering is S. 2466, which I introduced on behalf of the administration. This legislation is designed to maximize flexibility in implementing day care center staffing requirements while eliminating the 100-percent penalty clause for failure to comply. Because of my sponsorship of the administration's proposal it is appropriate to have printed in the Record the testimony of the administration so that my colleagues might have the chance to review it. In my opinion, this statement represents a good common sense approach to this problem and I commend the administration for its desire to resolve this difficult problem in a most reasonable way. Mr. President, I ask unanimous consent to have printed in the Record a statement by Assistant Secretary Stephen Kurzman which was presented before the Finance Committee.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Stephen Kurzman, Assistant Secretary for Legislation, Department of Health, Education, and Welfare

As the Committee knows, the Social Services Amendments of 1974—creating a new Title XX of the Social Security Act—expressly forbid any Federal reimbursement for any day care which is not delivered in conformity with a modified version of the 1968 Federal Interagency Day Care Requirements (FIDCR).

The law requires that, effective October 1, the Department has no choice but to cut off all Federal reimbursement for any individual day care provider found not to be in compliance with these standards.

These requirements, initially drawn up in 1968 by the Department and the then-Office of Economic Opportunity pursuant to Section 522(d) of the Economic Opportunity Act, establish staffing ratios for day care provided in centers as well as in family day care settings.

Since their inception, these standards have evoked controversy among child care professionals and service providers, with shades of opinion ranging across a broad spectrum. There are those who believe that these standards are not strict enough and thus deny children in day care the opportunity to receive effective, quality, safe and productive services.

And there are those who believe that these standards are far too rigid, are not demonstrably effective, and, if fully enforced, would be counterproductive in that the cost of full compliance would price day care out of the market for significant numbers of the working parents for whom day care services are made available.

While we share the Congress' concern that any federally-aided day care services be of as good quality and of as reasonable cost as possible, the Department has long believed that the 1968 FIDCR standards should be re-examined to determine whether they are the most appropriate means to those ends. Thus we argued in 1972, when they were written into the Economic Opportunity Amendments, and again prior to enactment of Title XX last year, that these standards should not be incorporated into the law, but instead be left open to regulatory amendment following a reasoned study of their effectiveness, appropriateness and cost.

The Congress chose to meet us part way in Title XX, mandating that the States comply with a slightly modified version of the 1968 standards between October 1, 1975, and July 1, 1977, and directing that the Department conduct a study of the appropriateness of the standards and propose whatever changes that study might indicate to be advisable. Such changes, however, may not be implemented until 90 days after the results of the study are transmitted to the Congress, making the earliest possible date for any changes April 1, 1977, or 18 months after the effective date of Title XX.

Pending the outcome of the study, the sole areas of discretion open to the Secretary with respect to the FIDCR standards under Title XX are as follows:

1. Educational service requirements embodied in the FIDCR are recommended, rather than mandated, to the States;
2. Staffing standards for school age children could be revised; and,
3. Staffing standards for children under 3 years of age—not detailed in the FIDCR standards—would be specified via regulation.

As you know, the Secretary has exercised this limited discretionary authority to the maximum extent possible, and the Department has begun to organize the exhaustive appropriateness study authorized under the statute.

Specifically, with respect to children aged six weeks to 36 months, the Department's regulations provide for a staffing ratio of four children to one adult, or one fewer child per adult than the law mandates for children aged 36 months to four years. As you know, these pre-school age groups have been the focus of greatest concern among the States and day care providers.

Despite the limited modification of the FIDCR standards permited under the statute, it is apparent that the immediate enforcement of these standards in the manner established under Title XX could lead to wholesale cutbacks in day care services or to major increases in State costs for those services.

This could result because, as noted earlier, the Department now has no choice under Title XX but to terminate all Federal reimbursement for any day care not found to be in conformity with the FIDCR standards.

Under previous law, a State's failure to enforce these standards was regarded primarily as evidence of the State's non-compliance with Federal law and regulations. As such, the issue, like other program issues, was subject to Federal-State negotiations aimed at orderly improvement in the State's performance. In extreme cases, this process could ultimately lead to a cutoff of all Federal reimbursement to the State for the program in question.

Based on estimates incorporated in the State's social services plans which go into effect October 1, the States hope to provide day care for up to 1.3 million children during the first year of operation under Title XX at a total cost of nearly $800 million. The Federal share of this amount would be approximately $600 million. While we have no way of accurately estimating the proportion of day care services which will not fully meet the FIDCR standards, a number of States have indicated to us and to Members of Congress that they fear substantial service cutbacks or greatly increased State costs to make up for loss of Federal reimbursement.

Options open to the Department in this area are extremely limited, as I have noted. We have gone as far as possible, given the restraints of the law, to balance the need to ensure quality of day care services with the need to stretch the Federal day care dollar to help as many families as possible.

We are therefore asking Congress to enact the legislation proposed by the Department that will enable the Federal government to enforce the 1968 standards in such a way as to avert sudden cutbacks in services or major new economic burdens on the States at the same time we are examining the appropriateness of those standards. We believe our proposal more satisfactorily addresses these problems than the proposals now before the Congress.

One option open to the Congress is to change the standards now by statute, either by writing a wholly new set of rules or by adopting for all States the standards now written into the statute of a particular State. Several bills to this effect have been introduced, one of which S. 2336, would, for example, require a staffing ratio of 1 to 12 for children aged 3 to 4 years as contrasted with the 1 to 5 ratio now in effect under Title XX.

We strongly oppose any such measure because we do not believe that either the Department or the Congress has sufficient data—at this time—to decide once and for all what day care staffing ratios and related standards would be most appropriate. Indeed, it was this very uncertainty that led study of the FIDCR standards under Title XX.

Moreover, we strongly believe, as I noted earlier, that detailed day care standards should not be written into the law, but should instead be left to the Department's regulatory discretion so that adjustments may be made promptly whenever new data and changing conditions indicate that changes would be appropriate.

A second option open to the Congress is embodied in S. 2425, the bill introduced by Chairman Long and Senator Mondale under which:

$500 million annually would be added to the $2.5 billion now available under Title XX, with the new funds—at an 80 percent matching rate—distributed among the States on a population basis, but earmarked for day care services to help States meet the costs of full compliance with the 1968 FIDCR standards;

States would be mandated to use some of these additional funds to encourage the hiring of welfare recipients and low-income persons as day care workers. States could use a portion of the new funds to pay up to 80 percent of the first $5,000 in wages for such persons, with the 20 percent tax credit authorized under the Internal Revenue Code making up the balance for such workers employed by profit-making day care providers. A new mechanism providing a direct 20 percent payment from the Federal treasury could be used to make up the balance for such workers hired by non-profit and public day care providers.

We strongly oppose this bill on a number of grounds, which I will outline here as briefly as possible:

First, its cost—$500 million in new Federal spending at a time when the Administration and the Congress should be doing everything within their power to reduce, rather than expand, the Federal budget.

Because of the lack of adequate information, some of which may be elicited by the study, we have no assurance that additional Federal funds are needed to resolve the problem of upgrading standards, nor that additional funds will be substantially used. Nor would these new dollars necessarily resolve the problem the bill seeks to address since the $500 million would be apportioned among the States on a population basis, rather than targeted to States whose day care standards are at greatest variance with the Federal rules. Thus, for certain States which have chosen in the past to meet or approximate the Federal standards, these new day care funds—at an 80 percent match rate—could be simply substituted for funds now being expended on day care, with the latter funds shifted over to some other service area. At the same time, States which have in the past failed to bring their day care standards up to or near the Federal rules would be, in effect, rewarded with extra Federal funds to make up for funds they previously chose not to devote to this priority.

It is important to note here that under Title XX, any State may, if it chooses to address this priority, use whatever portion of its Title XX funds it needs to help maintain day care staffing ratios at the federally required levels. For those among the 20 States and the District of Columbia which now plan to spend all of their Title XX allotments this year but which have not yet fully complied with the 1968 standards, this might mean a reduction in some other service area priority. But for those 24 States which have not yet committed all of their Title XX allotment, there will be Federal dollars available to devote to improving day care services, if they so choose.

To illustrate, note that of the 18 States represented on this Committee, seven have indicated via their Title XX State plans that they do not intend to use all of the Federal services funds available to them. Thus those seven alone—Arizona, Georgia, Indiana, Kansas, Louisiana, Tennessee and Virginia—will have a combined total of $129 million in uncommitted Title XX funds this year, or more than one-fourth of the $500 million this bill would provide to all 50 States to help them upgrade their day care services.

All told, the 24 States which have not yet committed all of their Title XX funds have available an estimated $314 million in Federal support which could be used to upgrade day care standards if they so choose. That amount is more than 60 percent of the new money this bill would authorize.

It should also be noted here that for the 26 States and the District of Columbia which do plan to expend all of their Title XX allotments, the Long-Mondale bill would be, in effect, a means to break through the $2.5 billion annual Federal services ceiling set in 1972. Those States would share a combined added allotment of $318 million, or 20 percent more than they are allocated under Title XX. For the 11 of those States represented on this Committee, the increase would total $76.3 million.

And finally, with respect to our objections to the fiscal aspects of this bill, it should be noted that California, New York and Connecticut alone would receive a combined $99.9 million in additional Title XX allotments—nearly one-fifth of the total—and yet these States are high among the leaders in already meeting, or very nearly meeting the 1968 Federal day care standards.

Our *second* major objection is that the introduction of the earmarked funds concept into the Title XX program would represent a 180-degree deviation from the course established under Title XX when it was enacted last fall. In the two years of deliberations leading up to Title XX, the States, the service providers, the Congress and the Department reached a historic compromise on the most basic issue of where the responsibility for social services program planning, resource allocation and priority-settling should rest. And that was with the States, not with the Federal government. To earmark one-sixth of all Title XX funds for a specific service would at once subvert that concept and open the door to great pressures for similar earmarks—and similarly enriched matching rates—for other specific services.

Third, enactment of the Long-Mondale bill would mean the expenditure of $500 million to underwrite the enforcement of a set of standards which both the Congress and the Administration have agreed are in need of extensive study as to their appropriateness, effectiveness and cost. While this bill would not terminate the study of the standards authorized under Title XX, the obvious implication of a commitment of $500 million yearly to underwrite full implementation of the 1968 rules would be that the Congress has made an all but final judgment that the 1968 standards are indeed appropriate.

Fourth, we understand from the Treasury Department that the provision of a 20 percent tax credit to public and private nonprofit day care agencies is a new form of "back door" financing that would not be subject to the annual appropriations process. This new device would undermine the integrity of the budget process provided for under the Congressional Budget Reform and Impoundment Control Act. It would introduce the undesirable precedent of making payments to these tax-exempt entities in the form of "tax refunds" and could open a wholly new avenue of subsidies to tax exempt providers over and above their present tax-exempt status without scrutiny within the formal annual budget process.

Moreover, the proposal assumes that the use of the existing tax credit by proprietary providers and the proposed new direct Treasury payment to voluntary and public agencies to help underwrite the salaries of former welfare recipients would generate an instant pool of low-income employees for day care centers and family day care homes.

We believe this assumption is overly optimistic, judging by the experience to date with the similarly structured Work Incentive program tax credit and with the new 20 percent tax credit for non-WIN recipients that was added earlier this year.

While we defer to the Treasury Department for more complete analysis of this issue as it relates to the Long-Mondale bill, we note that for the 1973 tax year, preliminary figures compiled by the Internal Revenue Service indicate that less than $100 million in credits were claimed under the WIN mechanism, with most claims coming from large manufacturing corporations. And while it is too early to predict the precise impact of the new tax credit mechanism incorporated in the Tax Reduction Act of 1975, the Internal Revenue Service is estimating that only $2 million will be claimed by employers this year.

Fifth, this bill, following a three-month suspension of the penalty provisions of Title XX, would once again put the Department in the position of having no option but to terminate all payments to any day care providers found not to be in full compliance with the 1968 FIDCR standards as modified under Title XX. Even assuming that the infusion of new funds earmarked for day care would make a measurable difference in the States' ability to come into full compliance with those standards, it is unrealistic to assume that all centers would achieve this goal overnight, or that all centers could continually maintain those standards regardless of changes in the economy, the availability of appropriate staff, and other conditions which affect the operation of any service program. Under this bill, the Secretary would have no discretion to ameliorate or suspend that penalty even if a State or a day care center were otherwise making a good faith effort to comply.

Sixth, and finally, enactment of this complex proposal would create an onerous administrative burden on day care providers, the States, the Department and the Internal Revenue Service—again, a violation of spirit and intent of Title XX under which the States were given great flexibility and freedom to operate service programs without undue interference from Washington. These burdens would result from the earmarking of one-sixth of all Title XX funds, the enriched matching rate for those funds, the complex intermingling of a portion of Title XX funds with the tax credit and the direct payment mechanism authorized for non-private day care providers, and the need to ensure that any individuals hired to staff day care centers as a result of the tax credit or the direct payment will not be displacing workers already on the job.

Rather than write new standards into the law or authorize an additional $500 million to underwrite the enforcement of the 1968 standards which are now under intense study, we urge the Congress to act instead on the Administration's proposal—S. 2466—as introduced at our request by Senator Fannin.

Under this proposal, the thrust of the Title XX enforcement provisions would be changed in such a way as to make it possible for the Department and the States to work together over the coming year to at once upgrade day care services and arrive at a reasoned consensus on new standards for those services.

This could be achieved if the Congress were to act favorably on the Administration's proposal to amend Title XX as follows:

1. To remove the provisions expressly denying Federal reimbursement to any day care provider not fully in compliance with the 1968 FIDCR standards as modified in the statute;

2. To make it clear that those States whose day care services are not provided in accord with those standards, whether because of lax enforcement in the past or because of lesser standards written into State law, must immediately begin good faith efforts to upgrade day care services by bringing staffing ratios closer to the 1968 FIDCR standards on a reasonable timetable;

3. To give the Secretary of HEW author-

ity to reduce total Federal reimbursement for all Title XX services by three percent whenever he determines that a State is failing to make a good faith effort to upgrade its day care services in a way acceptable to the Department; and,

4. To mandate that in no instance will Federal reimbursement be available for day care provided in centers or family day care homes which fail to conform with applicable fire and life safety standards established by the jurisdictions in which they operate.

What we are suggesting is a realistic, enforceable penalty provision strong enough to encourage the States to work with the Department to upgrade day care services in an orderly way and on a reasonable timetable. This provision would parallel the penalty provisions of Title XX establishing the States' obligations to report on their administration of all social services programs funded under the Act and to certify that they are not using Title XX funds to replace State and local services expenditures. Under those provisions, the Secretary may, after a reasonable notice and opportunity for a hearing to the State, withhold all Title XX funding to the State or withhold 3 percent of that funding for violation of either of these mandates.

Should the Congress adopt the concept I have outlined here, the new provisions could be made coterminous with implementation of any changes in the FIDCR standards which may be indicated following the appropriateness study.

Given the authority outlined here, the Department could at once avert a possible shutdown of significant amounts of day care services and work effectively with those States not now meeting or reasonably approximating the FIDCR standards to upgrade their day care services. With the new authority to exact a three percent penalty against total Title XX funding, we trust that the States will cooperate effectively and willingly in this area.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

NATURAL GAS EMERGENCY ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 2310, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Illinois (Mr. STEVENSON) is recognized.

Mr. STEVENSON. Mr. President, the so-called Pearson-Bentsen amendment has been described as a decontrol, or a gradual decontrol, amendment. In fact, it is not. Of the two, the amendment which provides for decontrol of natural gas prices—by that I mean deregulation by the Federal Power Commission—is the substitute amendment offered by myself, the distinguished Senator from South Carolina (Mr. HOLLINGS), the distinguished Senator from Utah (Mr. MOSS), and others.

The Pearson-Bentsen amendment decontrols onshore production of natural gas with the result that prices of that gas would rise to levels higher than those established by OPEC for oil.

It, in effect, substitutes OPEC regulation of domestic wellhead prices for U.S. regulation and offshore it perpetuates FPC regulation.

In the case of the offshore production, the Pearson-Bentsen amendment establishes four new standards for regulation by the FPC of wellhead natural gas prices.

Those standards are new. They are without meaning in the law, without meaning in the rules and precedents of the Federal Power Commission or Federal case law and, Mr. President, they are inconsistent.

The first of these standards requires the Federal Power Commission to consider prospective costs attributable to the exploration, development, production, gathering and sale of natural gas. But all the costs of production for natural gas are not prospective. Leasehold costs, for example, bonuses paid for the acquisition of the lease and amortization are not prospective costs. They are historical or current costs.

These standards require the Federal Power Commission to establish rates necessary to encourage optimum levels of exploration for natural gas, its development, production, maintenance of reserves, and rates to promote sound conservation practices in natural gas consumption.

Both of those standards require increased prices. But the fourth standard, Mr. President, requires the FPC to protect consumers of natural gas from higher prices. That standard requires the lower rates at the wellhead to be established by the Federal Power Commission.

Mr. President, in rejecting the Fannin amendment—and by a large majority—the Senate emphatically rejected decontrol so-called, OPEC control in fact, of wellhead natural gas prices in the United States.

That is precisely what the Pearson-Bentsen does in the case of the onshore production of natural gas. It continues OPEC, it establishes OPEC regulation through so-called decontrol, the proposition already rejected by the Senate in its rejection of the Fannin amendment.

In the case of the offshore production, this amendment does the one thing which even more people, Members of this body, are agreed should not be done, and that is to perpetuate FPC control over wellhead prices.

By this amendment, with new standards that will require definition and application over the course of many years in regulatory proceedings before the FPC and in litigation in the courts with the result that price uncertainty will continue, and as a result of such uncertainty producers will continue, as they have in the past as a result of uncertainty, to curtail production, to withhold it, and also to go slow on the development of leases.

So the effect of this amendment is to cause inflation through increased prices of natural gas.

The price of natural gas, as acknowledged by the Chairman of the Federal Power Commission, Mr. Zarb, the Federal Energy Administration, and others, without some ceiling would rise, an on-the-spot basis, immediately to $3 per mcf.

The highest certificated price for natural gas in interstate commerce now is only 52 cents. That is a sixfold increase, and that, Mr. President, is just the beginning.

In the unregulated intrastate market, the price of natural gas, on an on-the-spot basis, has already reached as high as $2. The average price now in that unregulated market is $1.30 per mcf.

When the pent-up demand for natural gas in some 45 consuming States is added to the demand of the 5 producing States, which has already caused the price of $1.30, it does not take a genius to realize the price can rise far higher. It will probably rise to levels in excess of the $3 level predicted by the Chairman of the Federal Power Commission.

So he and others, including many of the advocates of decontrol, support some protection for the economy, some ceiling to prevent these prices from going out of sight.

In the case of natural gas, the price would rise to levels higher than the OPEC price for oil because of the critically short supply of natural gas. The interstate price would rise immediately some 600 percent. The intrastate price would at least double immediately.

That would be only a beginning. The results according to the analyses of the Senate Budget Committee—and those analyses are supported by other studies, including studies of the Joint Economic Committee—are inflation, recession, rising unemployment, an overall increase in the price level by the end of 1977 of at least 2.2 percent, an increase in the unemployment rolls, just as a result of the Pearson-Bentsen amendment, of at least 650,000 people, and a resumption of recession.

Mr. President, the only justification for an OPEC price for natural gas or for oil advanced by the proponents of decontrol is a greater supply of natural gas and oil. It is contended that the high price will produce substantially increased supplies of both.

The proponents of OPEC control do not tell us how high the price will go. They do not pretend to know, although some, including Members of this body yesterday, conceded that the price of natural gas probably would go as high as $3 per mcf, perhaps higher, and oil as high as $17. They claim that whatever the price and whatever the consequences we have to pay it in order to produce more energy and independence of foreign sources of oil.

That, Mr. President, brings me to the supreme irony in this débate. With one exception which I will come to, all of the studies of which we are aware, including those of the Federal Energy Administration, concluded, that beyond the prices established in this amendment which I and others have offered as a substitute for the Pearson-Bentsen amendment, you do not get more oil and gas. You get an extremely high-priced energy industry. You get windfall profits. But the country does not get more oil and gas.

A study conducted for the Environmental Protection Agency, issued in May 1975, entitled "The Estimated Recovery Potential of Conventional Source Domestic Crude Oil," concludes that beyond a price of $9 for new oil, the increases in production are marginal.

The Federal Energy Administration in a report issued July 1, 1975, reached the same conclusion with respect to oil at a price of $12.50 per barrel.

The Federal Energy Administration, supporting decontrol, so called, has concluded in its own studies that beyond a price of $5.25 per barrel the supplies of oil and gas are not increased significantly. To the extent they are increased, virtually all of the increase can be attributed to new tertiary recovery in old oil fields. For an increase from $5.25 per barrel to $12.50 per barrel, production increases from 8,544,000 barrels per day to 9,975,000 barrels per day by 1985, of which 92 percent is attributable to new tertiary recovery in old oil fields.

Mr. President, the amendment that I and others have offered as a substitute for the so-called Pearson-Bentsen amendment establishes an exemption from price controls for new tertiary recovery. It exempts all the high cost production for oil and also for natural gas.

This amendment creates the incentives where they are needed, and it does not create them where they are not needed. It permits an unregulated OPEC price as a means of encouraging, of making possible, the high cost of the production, but not such a price where it simply is not needed. The reason is the necessity to strike a balance between the real needs of the industry, the capital, and all the resources with which to expand production on the one hand, and, on the other, the need to protect the economy from what has already become the primary cause of inflation and recession: The high price of energy.

If we do not succeed, an economy already battered will be hit by a quantum jump in energy cost greater than any it has experienced so far.

I mentioned a moment ago a 2.2 percent add-on for the overall rate of inflation by the end of 1977. That is the result just from the Pearson-Bentsen amendment. It does not include the result of uncontrolled or OPEC controlled oil prices which follows when the Emergency Allocation Act expires in the middle of November unless we act.

Mr. President, there is only one other point that I know of that has been made. It is also argued, and this is a related point, that the high price of energy is necessary in order to relieve the United States of dependence on undependable and expensive foreign sources of oil. That is an objective with which none of us can quarrel.

Mr. President, the Senate Budget Committee in its report, based among other things upon analyses by Data Resources and the Wharton School of Business, has considered the effects of several energy policy options on energy independence.

(Mr. NUNN assumed the Chair as Presiding Officer at this point.)

One of those options is an administration 39-month decontrol option, including a $11.50 ceiling price for new oil. That option leaves the United States dependent on foreign sources of oil, according to this study, for 7.7 million barrels a day by the end of 1974. It compared a 66-month $9 ceiling for new oil option, and concluded that that option would leave the United States dependent on foreign sources of oil, by the end of 1975, for 7.9 million barrels of oil a day. In other words, Mr. President, for that difference between $9 and $11.50, the United States is relieved of dependence on foreign sources for only 200,000 barrels of oil a day, an insignificant difference, but a difference for which we would pay heavily in inflation, recession, and rising unemployment.

It cannot be argued that the OPEC price is necessary for that purpose. It cannot be argued that the OPEC price for domestic oil and gas is necessary in order to generate all of the capital requirements of the energy industry. The Joint Economic Committee has gone into that subject, and at great length.

It has been argued that the massive funding required for the energy industry requires higher oil prices and more generous tax policies for oil companies. Those conclusions, Mr. President, are not based on facts. They are not based on any complete analysis of this industry.

First, the capital needs of the electric utilities have to be separated from those of the oil companies. A comprehensive study of energy capital requirements from 1971 to 1985 shows an estimated 53 percent of the projected total requirement of $679 billion is needed by the electric utilities. Only some $225 billion is projected for oil production, processing, and marketing, including natural gas.

These two sectors should be considered separately because the utilities face problems of regulation, legal obstacles, debt financing, and other problems that are unique, that are not faced by the primary fuel industries. Also, many of the investment projections have been presented as cumulative estimates for many years, often stated in prices which include generous assumptions, very conservative assumptions about future inflation. To be made comprehensive, such projections should be restated in terms of the annual growth rates of reinvestment required to meet them.

Also, Mr. President, it is fallacious to suppose that investment in this rapidly growing industry must all be financed internally through retained profits and capital recovery allowances. This is a sector experiencing rapid growth and above average earnings. It is in a good position to obtain new equity and borrowing capital. Contrary to some of the statements which have been made about the oil industry, the return on stockholder equity is high. One of the problems with some of the comparative analyses is that they fail to take into account unique tax and accounting procedures for this industry which, as in the case of intangible writeoffs for drilling costs, tend to artificially depress earnings. But even without making allowances for unique accounting procedures and the unique characteristics of this industry, even comparing apples and oranges, it is a highly profitable industry.

The return on stockholders' equity of the 20 largest oil companies in 1973 was 15 percent, and 19 percent in 1974, higher than the average generally for industry in the United States. The rates of return declined in 1975 with a downturn in business activity generally, but with decontrol and an OPEC price increase of $1.50—we have already experienced $1.35 of that increase—the rate of return would increase by 85 percent in 1976 over the present levels in 1975.

So, Mr. President, it is simply wrong to say, as some have, that this is not a profitable industry, or that the rate of return in this industry is lower than for other industries. It is simply not true. If decontrol were to go through, not only would the rate of return to the oil industry increase by some 85 percent in 1976 over 1975 levels, but in relation to other industries it would grow still more, because they would be the victims of an energy-induced recession. Some industries, more energy-intensive than others, would suffer more than others. The airlines industry, for example, which in the first 6 months of this year sustained an operating loss of a quarter of a bilion dollars, would face increased operating costs of about $1 billion.

That industry would be the victim of many bankruptcies, even greater operating losses, losses for all of the major carriers. About one-fourth of the airlines fleet would have to be grounded. Personnel would have to be laid off. Rather evidently the rate of return, already low in that industry, would be lower, far lower in relation to the rate of return in the oil industry. That industry is not typical. But in varying degrees, all industries would suffer as a result of so-called decontrol of oil and natural gas.

By the end of 1976, real GNP would be reduced by $28 billion, $51 billion in current dollars; housing starts would be reduced by 280,000 units, automobile sales reduced by 950,000 units, the recession would resume and so would double digit inflation, without, Mr. President, as I have indicated, any significantly increased supply of either oil or natural gas.

It is also argued that those high prices are necessary in order to reduce the consumption of energy. Mr. President, I am not one to scoff at that argument. The demand for energy is highly inelastic. Theoretically, the elasticity occurs for the short term in connection with the price of gasoline. It is a highly theoretical assumption. We have no evidence to indicate that gasoline consumption has decreased significantly over the short term by an increase in the price. When it did go down, it went down during the embargo, not as a result of price, but as a result of motorists' inconvenience. Life styles, driving habits changed then not because of price but because of the lines at the gasoline stations.

The demand for energy in industry, fuel oil in homes, natural gas, the manufacture of fertilizer and petrochemicals, home heating and cooking is highly inelastic, at least for the short-term, and until we develop more efficient modes of transportation, more efficient energy, efficient housing and make the other changes which over time could significantly reduce the consumption of energy.

Mr. President, energy consumption would be reduced, it would be reduced as it has been already, by declining industrial activity. That is the only way these high prices would decrease energy consumption, by causing a recession, and that in fact is what the OPEC price has already done. The demand for energy leveled off because industrial activity declined. Decontrol would reduce real gross national product by $26 billion in 1976, wiping out every tax concession already granted by the Congress, and, yes, energy consumption would decline, and that is how, by causing recession.

Mr. President, that is an expensive means of achieving that objective, and it is an unnecessary means. There are means with which to bring about energy conservation without bringing about recession. One means is simply to mandate the increased automobile efficiency. An increase of almost 100 percent could be mandated, its technologically and economically possible, by 1985? But that certain means of significantly decreasing consumption of energy in the United States is a means which this administration opposes.

Mr. President, the study of energy capital requirements in the United States for 1971 to 1985 which was conducted by Hass, Mitchell, and Stone, concluded that:

> There is no apparent justification for arguing that the petroleum industry needs to generate the necessary funds internally by charging higher prices or obtaining additional tax relief.

After disposing of some of the myths and misunderstandings, distinguishing between the oil companies and the electrical utilities, projecting annual growth rates of real investment necessary in this industry, the oil industry, analyzing retained profits in an industry experiencing rapid growth, this firm concluded that the oil industry could borrow $1 billion for each $2.5 billion increase in equity without affecting the average debt equity ratio of 0.4 back in 1974. That is a low ratio.

In 1974 that ratio would have supported roughly $3.4 billion of new borrowing by the domestic industry.

This same study evaluated the forecast of investment requirements for oil and gas made by the National Petroleum Council, the Chase-Manhattan Bank, Bankers Trust, and First National City Bank, and the estimates of those institutions of investment needs in 1970 prices for the years 1972 through 1985. The estimates ranged from $187 billion for the Chase Manhattan to $215 billion estimated by the more ambitious National Petroleum Council. Accepting these estimates, breaking them down into annual components, this firm concluded that the upper end of the range could be reached in annual installments rising to some $11 billion in 1974, growing thereafter at a compound rate of about 7 percent through 1985. The National Petroleum Council's most ambitious objective would require investments in 1970 dollars, rising to $11.4 billion in 1974, growing at 7.5 percent through 1985, as opposed to 7 percent.

Since then, the Chase Manhattan Bank has raised its estimates of needed investments, mainly in oil field exploration and development, by $55 billion. That places that bank's maximum estimate on a comparable basis at $252 billion, using 1970 dollars, for development of about 20 million barrels per day of crude oil production capacity by 1985.

Achievement of this higher investment level would require growth from the same 1974 level at 8.5 percent per year. Assuming that the average cost of investment goods in the petroleum industry went up by 40 percent, the 1974 levels of investment in 1970 dollars would translate to slightly less than $16 billion in 1974 prices. Preliminary estimates of 1974 dollar investments in the U.S. petroleum sector are as high as $1 billion higher than this amount.

Thus, without decontrol, real investments in 1974 are far ahead of the schedule necessary to meet national investment goals and a future growth of real investment of 7 percent to 8.5 percent compounded annually.

Mr. President, these growth rates for 1976 would mean an increase in domestic investment spending by $1.2 billion to $1.4 billion, and that would comprise only one-sixth of the after-tax windfall profits which are projected if oil is decontrolled and the OPEC price increases, as it already has. Hence, oil price decontrol is not needed to finance oil investment requirements.

Mr. President, I have a couple of more modifications of amendment No. 948, which I will send to the desk. I ask unanimous consent that the amendment not only be modified in accordance with these modifications but also that there be a star print of this modified amendment, printed for the benefit of Members, and that the printer be instructed to expedite the printing of this star print.

Mr. FANNIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

RECESS UNTIL 12 NOON

Mr. STEVENSON. Mr. President, I move that the Senate stand in recess until 12 noon.

The PRESIDING OFFICER. With what proviso?

Mr. STEVENSON. With the proviso that the Senator from Illinois retain the floor when the Senate resumes at 12 o'clock.

The motion was agreed to, and at 10:46 a.m. the Senate recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CLARK).

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The PRESIDING OFFICER. In accordance with the previous order, the Senator from Illinois (Mr. STEVENSON) is recognized.

Mr. BENTSEN. Mr. President, will the Senator from Illinois yield for a question?

Mr. STEVENSON. Yes, Mr. President; I yield for a question.

Mr. BENTSEN. Would the Senator from Illinois advise the Senator from Texas if those of us who are opposing the amendment of the Senator from Illinois will have a chance to speak as to our views prior to the vote that the Senator from Texas and others agreed to on an up-and-down measure?

Mr. STEVENSON. Yes; by all means. Any Member of this body is entitled to and welcome to express his views, as far as I am concerned, as long as the spirit, if not the letter, of that agreement is entered into—in other words, that no motions take place before the hour of 3.

Mr. BENTSEN. No; the Senator from Texas has no such purpose. The Senator from Texas would like to explain his opposition to the amendment of the Senator from Illinois and would also like to know, having agreed to an up-or-down vote on the amendment of the Senator from Illinois, if the Senator from Illinois will extend the same courtesy to the Senator from Kansas and the Senator from Texas, to have an up-or-down vote on their amendment at a reasonable point in time so we can satisfy these problems and try to alleviate some of these shortages.

Mr. STEVENSON. Before agreeing to a time for a vote on the so-called Pearson-Bentsen amendment and perfecting amendments to that amendment, of which there are going to be many, should the Stevenson amendment not prevail, I shall have to consult with others, including the Senator from Texas and the Senator from Kansas. At the present time, I am not certain in my own mind how long it could reasonably be assumed it would take to act on all of the perfecting amendments, which in those circumstances could be anticipated as amendments to the Pearson-Bentsen substitute.

Our purpose is not to be dilatory and, that being the case, I am certain it will be possible to enter into such an agreement, but I could not tell the Senator when or how long now.

Mr. BENTSEN. The Senator from Texas will say that the amendment of the Senator from Illinois is a very substantive amendment, dealing with the short term and long term, and it is my understanding that it is not subject to amendment thereafter, if it is adopted; is that correct?

Mr. STEVENSON. That is my understanding.

Mr. BENTSEN. So, with that kind of feeling, we have agreed with the Senator that the period of time he allowed for debate to permit an expression of the views of the Members of the Senate and that a vote should be held and held this afternoon. Would not a comparable period of time for an amendment of equal substance be reasonable?

Mr. STEVENSON. Well, a comparable period of time would put us over and beyond the October recess I have been disappointed because I have been holding the floor down here almost alone since this debate began, several days ago. The Senator from Texas has not been here, the Senater from Kansas has not been here most of the time. He was not here at all on Monday. I have had nobody with whom to discuss this amendment or any of these——

Mr. BENTSEN. If the Senator from Illinois has been——

Mr. STEVENSON. The Senator from Illinois has not yielded.

Mr. BENTSEN. The Senator from Illinois has not been——

Mr. STEVENSON. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. STEVENSON. I have, in the course of all these days, been here, along with the Senator from Utah (Mr. Moss), and also the Senator from South Carolina (Mr. Hollings), quite prepared to engage with other Members in coloquy and debate. So far, I have had only one such occasion. That was with the Senator from Alaska (Mr. Gravel).

Certainly, there should not be as much time as has already elapsed on the so-called Stevenson amendment, but there should be sufficient time to permit the Members, those so inclined, to debate. So far, there has been no inclination on the part of any opponent of this amendment, except for one, whom I have just mentioned, to debate.

Mr. BENTSEN. Will the Senator yield?

Mr. STEVENSON. I say to the Senator from Texas that the amount of time required would depend heavily on the seriousness with which the opponents of this amendment and the proponents of the so-called Pearson-Bentsen amendment want to debate.

Mr. BENTSEN. Will the Senator from Illinois also grant that the Senator from Texas spent a substantial amount of time on the floor debating his amendment, the Pearson-Bentsen amendment, and discussing the problems of extending the mismanagement of regulation to the unregulated States and the stifling of the drilling that would take place? If, as the Senator from Illinois states, he has held the floor for several days, is he now prepared to let the Senator from Texas express his views on the issues?

Mr. STEVENSON. Yes, as I just stated, I certainly am. In fact, Mr. President, if I may have the attention of the Senator from Utah, I would be quite prepared to agree to a division of the time between now and the vote at 3 o'clock so that both sides may have an equal opportunity to express their views and, hopefully, and for almost the first chance, an opportunity to debate this issue. The vote is scheduled for 3 o'clock. I believe there is another vote scheduled for 2:30.

A parliamentary inquiry, Mr. President: Is there an order now providing for a division of the time on either of these amendments scheduled for votes at 3 and before?

The PRESIDING OFFICER. The only provision for time on any amendment to this bill is approximately between 2:15 and 2:30 on amendment No. 954, which is the Abourezk-Hart amendment. The vote on the amendment of the Senator from Illinois would come immediately following that vote. A vote is now scheduled for 2 o'clock on the nomination of Mr. Silbert as U.S. attorney. Another vote is scheduled at 2:30 on the Abourezk-Hart amendment No. 954, to be followed immediately by a vote on the amendment of the Senator from Illinois. At 3 o'clock, under the previous order, the Senate will proceed to Senate Resolution 275.

Mr. STEVENSON. Mr. President, I do not believe it would be appropriate to enter a unanimous-consent agreement without consulting with some of the others who are interested in these other votes. In order to have an opportunity to do so, so some of the time could be divided and both sides be afforded an opportunity to discuss this amendment, I suggest the absence of a quorum and ask unanimous consent that I not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that I may be permitted to yield not to exceed 15 minutes to the distinguished Senator from Texas (Mr. Bentsen) for the purpose of a statement, and without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, I would like to include in that request that I be given 15 minutes in which to call up my amendment, and 15 minutes to discuss it, following the Senator from Texas, and giving Senator Stevenson his right to the floor after that is finished.

The PRESIDING OFFICER. Is that a part of the request of the Senator from Illinois?

Mr. STEVENSON. I so modify my request. I ask unanimous consent that I do so without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BENTSEN. I thank the distinguished Senator from Illinois, but I think it is indicative of the way it is done. The Senator from Illinois has been holding the floor for several days, and when I asked for time to debate he graciously allocates to me 15 minutes as long as he understands he still controls the floor. That is not the way these debates normally take place.

I believe the concern here is that if the proponents of Pearson-Bentsen amendment have a chance to fully express their views again, the Stevenson amendment just will not stand up. So what we have seen in the last few days is a filibuster by the proponents of "emergency" gas legislation trying to prevent a vote from occurring on their own emergency legislation. That is what we have seen thus far.

My friends, we have agreed to give them an up or down vote on the Stevenson amendment, a substantive amendment. We have given them substantial time to discuss it. That is all we ask for the Pearson-Bentsen amendment.

We had a vote on whether or not the Pearson-Bentsen amendment should be tabled, and the majority of the Senate stated it should not be tabled and that it should be discussed. Certainly the inference is that the Senate then should be allowed to vote on our measure.

If there is an emergency—and I believe there is—it is resolved in the Pearson-Bentsen amendment. It has provisions for 180 day emergency sales, and it also has a permanent resolution on the problem of deregulation. It says that you shall not bring down on the heads of those States that are producing oil and gas the mismanagement, the overregulation that has led to the stifling of production in this country; that has led to our having to depend on a small group of Middle East states, that has led our economic policy and our foreign policy to be brought to its knees by a small group of Middle East sheiks. It just does not have to be that way, my friends. We have an answer to the problem here.

Last week we heard nothing but calls of emergency from our opposition, but this week the tune has changed. What have not changed, Mr. President, are the endless obstacles that have been thrown into the way of serious deliberation. We have seen the Senate impeded in the hopes that no vote on the Pearson-Bentsen proposal will occur before the recess. We have seen an absolute disregard for those who will be without natural gas this winter if legislation is not passed in the near future.

We have adequate natural gas in Texas. It can be made available, and be made available now, because some of our intrastate pipelines have enough to share.

Both in Louisiana and in Oklahoma there is gas ready to go into interstate pipelines. But do you think they are going to sell it if you are talking about regulation, if you are saying to them that they have to sell it for less than the cost of replacement?

The proponents of regulation talk about costs of acquisition; that they are going to reimburse the intrastate pipelines for the costs of acquisition of their gas. Are they talking about any profit motive in it at all? Is not the pipeline entitled to a profit? Are they talking about acquisition of the long-term gas which they bought at a low price mixed with their new gas, and then having to replace it at higher cost?

We have some friends who understand something about the textile industry but who know very little about the oil and gas industry. Yet they are trying to tell the people of these oil- and gas-producing States how it should be done.

I understand where the political popularity is in this kind of a situation. It is to tell them you are going to give them a low price, and then when you cannot deliver the gas blame the oil companies. I know how low oil companies are in the public opinion polls today, but I am tired of the rhetoric and so is the public of this country. They are not looking for a congressional plan or a Presidential plan. They are looking for a national energy plan to take care of the problems of this country and to see that we do not have hundreds of thousands of additional people pulled out of work this winter, because of shortages of gas.

I cannot help but remember the story of the man who wanted to buy a bunch of bananas. He went down to that corner grocery store and he said, "How much is that bunch of bananas?" The grocery man said, "It is 90 cents."

The man said, "It is outrageous, it is an obscene profit." He said, "I can buy that same bunch of bananas in the middle of the block from Mr. Smith for 60 cents."

And the grocery man said, "Why don't you go buy them from Mr. Smith?" The man said, "Because Mr. Smith is out of bananas."

The grocery man said, "Let me tell you something, when I am out of bananas I sell the same bunch for 40 cents."

It is going to be very little comfort for the people this winter when producers and pipelines will not sell the gas, when they will not put it in the interstate pipelines and refuse to subject themselves to something that is labeled as temporary legislation, emergency legislation, when they know it will be permanent legislation.

My friends, the Senator from Kansas and I have agreed time and time again for votes on proposals by the proponents of regulation. We want deliberation. But the proponents of regulation have gone to an extreme to stop a vote on our proposal, which is no more extensive, no more far-reaching, than the proposal of the distinguished Senator from Illinois. The citizens of Ohio, of North Carolina, and New Jersey deserve better than that.

Mr. President, this country of ours deserves better. It is time we face up to the harsh realities of this energy situation.

I sometimes believe our constituents understand that better than we. They can spot useless rhetoric.

I have followed some of the speeches on the floor, and I cannot help but remember an old story they used to tell back in the law practice. They said if you have got the law with you you talk to the judge. If you have got the facts with you you speak to the jury. And if you have neither you turn and you speak to the crowd. How many speeches I have heard like that on this debate on the floor of the U.S. Senate, political speeches for political purposes.

I do not believe the American people are that naive to put up with that kind of conduct much longer.

The Senator from Kansas and I have a workable proposal. The Federal Power Commission, the Federal Energy Administration, the interstate pipelines, and the natural gas distributors, the people who have the responsibility of delivering it to the homes, are all of the opinion that the Pearson-Bentsen measure is the most workable.

They realize there will be a cost impact. Let us take a look at what that cost impact is. If you go to the ultimate consumer in the home in New England 17 percent of that cost is attributable to the cost at the wellhead. The remaining costs are transportation, management, and fixed costs. What happens when the pipeline is only two-thirds full and finally only half full because of the shortages and because you have stifled the discovery of oil and gas in this country? Who pays the extra costs of transportation? The people who are still receiving the remaining balance of gas in the pipe. It is just like a situation on an airline. If, instead of having a 100 percent capacity utilized by passengers, the airlines have only 50 percent, what do they finally have to do? They have to increase the cost for every passenger or that airline goes broke. And so it will be with the additional costs borne by natural gas consumers.

We are talking about an increase of cost per year to a home of $7; $7 to have that gas, to have it available. The cost to consumers who have to go to alternative sources of fuel is as high as $60.

Even my good friend, the Senator from Utah, admits that controls on oil should be phased out over 5 years and that gas should follow it. The Pearson-Bentsen proposal, Mr. President, takes an even longer period to phase out controls on gas. We call for deregulation of new gas, but on old gas we talk about it being deregulated as those contracts expire.

So we are talking about new gas in the pipeline of 5 to 10 percent a year.

I was talking to the distinguished Senator from Ohio (Mr. GLENN) the other day. He was speaking of a man who came in, an independent oil and gas producer, who laid all of his books of accounts out on his desk and said: "Senator, the price in the interstate system is 52 cents an mcf. Here is a developed field near Forth Worth, Tex. All I have to do is continue to drill wells that I know are going to produce, because it is a developed field, but my cost, the bottom line is 76 cents an mcf. Do you think I can sell it for 52 cents?"

Of course not. Remember, this is a developed field, not a wildcat, not a high-risk operation, not a problem of bringing in some little pocket of gas here that may cost $1.50 or $1.70 to bring in.

He said: "I will turn it over to the newspapers and let you look at the numbers."

These are the kinds of problems we see. But let me make a point again, as we made it over and over, the natural gas market is different from the oil market. Under the Pearson-Bentsen proposal, the price of the deregulated new gas will be rolled in with the price of existing gas supplies under long-term contracts.

This means that even the last consumer to hook up is going to have the benefit of the cheap, old gas in the pipeline. That is phased deregulation, not total, immediate deregulation.

In addition, Mr. President, we have heard countless cries that the Pearson-Bentsen amendment will simply put our petroleum pricing policies under the Arabs, under those Mideast countries. But OPEC, Mr. President, is a fact of life, one that I have been warning about for at least 5 years. I have been warning that we should be developing self-sufficiency in this country. We are paying the price for it now. But we must encourage domestic, not foreign, production. To the extent that we encourage that domestic production, the less we are dependent on the Middle East and the more we keep the jobs here at home.

Mr. President, it cannot be stated too often that the Hollings-Stevenson amendment No. 948 will not effectively bring gas to deficit pipelines this winter. The emergency provisions of the Stevenson-Hollings measure are so drafted that producers will be unwilling to sell gas, because of their concern and fear of being linked up in a permanent manner with an interstate pipeline and being subject to continued Federal regulation.

Under the Pearson-Bentsen measure, it is clear that the producers, under any 180-day sale made by them, are exempt from Federal Power Commission jurisdiction, except for the reporting requirements, the most important of which are the pricing and abandonment authority of the Commission. Under amendment No. 948, it appears that the producers may not be exempt from Federal Power Commission abandonment authority and thereby run the risk of being forever tied to unacceptable Federal regulation.

The intrastate pipelines will be unwilling to sell gas under the emergency provisions of amendment No. 948, because of the uncertainty as to price and the risk of Federal regulation.

It is unclear who will determine the intrastate pipeline's acquisition cost and how that determination will be made. It is likewise unclear who will determine what is a reasonable charge to be made for transportation.

The Pearson-Bentsen proposal has no such pitfalls.

During the week of September 22, the Subcommittee on Energy and Power of the House Committee on Interstate and Foreign Commerce held 4 days of hearings on potential natural gas shortages and curtailments. Producers, pipelines, distributors, State officials, and consumers of natural gas were nearly unanimous in expressing the belief that the approach, such as that proposed in amendment No. 948, simply cannot operate to provide any real relief to the natural gas crisis this winter.

All amendment No. 948 can hope to accomplish, therefore, is to reallocate our existing natural gas shortage by imposing further Government regulation which, no doubt, will be subject to protracted litigation.

Mr. President, that is not what we need. What we need is a workable solution that will produce gas. That is why a vote against amendment No. 948 is imperative.

More misguided regulation will just call for more lost jobs, dislocation, and traumatic energy cost increases to those who cannot win the regulator's protection through the political process.

If we delay this decision any longer, we will go from winter to winter, crisis to crisis, as we observe even more bitter fights over an ever-decreasing pie.

That does not have to be. We will find

that these producers will not go out and drill these marginal fields, these small pockets of reserves, unless they feel a free market system is going to be available to them.

The PRESIDING OFFICER (Mr. CLARK). The Senator's 15 minutes have expired. The Senator from South Dakota was to be recognized under the unanimous-consent agreement.

Mr. STEVENSON. Mr. President, again without losing my right to the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois has the floor.

Mr. STEVENSON. Mr. President, I ask unanimous consent that I be permitted to yield the floor to the Senator from Oklahoma for 5 minutes for a statement and that, after the expiration of that 5 minutes, the time revert to the Senator from South Dakota for 15 minutes as previously ordered, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. PEARSON. Mr. President, I wonder if the Senator would yield me 3 minutes?

I do not know who has the time. Does the Senator from South Dakota have the floor at the termination of the Senator from Oklahoma?

Mr. STEVENSON. Yes.

Well, under a previous order, the Senator——

Mr. PEARSON. Then I will address that inquiry to the Senator from South Dakota.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

The Chair hears none, and it is so ordered.

The Senator from Oklahoma.

Mr. BARTLETT. I yield 3 minutes to the Senator from Kansas.

Mr. PEARSON. I thank the Senator.

I want to reiterate, perhaps once again in a repetitious way, because we have been over these things so many times, that there are very much two sides to this whole pricing concept, and this whole alarm and concern about prices going sky high. The dynamics of the industry are such that there is, by virtue of the distribution system and the production system, built into this a mechanism, as indicated by the letter from Mr. Zarb, which I believe has been distributed to all Senators by this hour and which is a part of the RECORD of these hearings.

The concern is expressed, and properly so, for the residential user. The end user is the housewife, the small family paying this enormous bill for natural gas.

The truth of the matter is, and do not hold me to these percentages though I will make it precise in the RECORD—I do not have notes here—the residential owner, Mr. President, constitutes about 20 or 22 percent of the users of natural gas; industry uses about 47 percent; utilities use 17 percent, and commerce and commercial users use much more. So the residential, the end user, is only about 20-some percent, a small 20-some percent, of the total users.

Another fact which is very, very important is that the contracts under the Pearson-Bentsen amendment continue. The old contracts go on. They expire at a rate of 5 to 10 percent, or about 7 percent, each year. The new gas prices at a higher level rolls in at that point. So it is the blend price that we talk about, which gives the kind of low figures that Mr. Zarb discussed in his letter in responding to me.

In addition to that, I do not think many people understand that two-thirds of all the gas goes into the interstate system. One-third is left in the intrastate system. But out of that two-thirds of the total gas volume going into the interstate system, about 20 percent comes from offshore. That is the phased deregulation. That is where the great new gas production and distribution will come from in the years ahead. That is part of this bill that is phased in under a new criterion. One simply cannot make the case, and it is relied upon very heavily by those who fear this kind of a new concept, this middle road, for some sort of an incentive to go ahead and to provide for new supplies of natural gas, those that we have, some 17 to 35 years left, counting the gas that comes from Alaska in the years ahead. We cannot solve this problem by imports as we do in the case of oil. Only about 5 percent of all the gas that we use in this country comes by virtue of imports. Those are mainly from Canada. The price there rises to $1.62 per thousand cubic feet. It will be cut out and phased out in the years ahead. The great problem today is incentive, to go forward with new supplies of natural gas and to do it in a way that we do not jeopardize the economy of the residential users and the small user.

I thank the Senator from Oklahoma.

Mr. BARTLETT. I appreciate the statement by the Senator from Kansas.

I think, first, we ought to look at a very significant point. There is a way to go that has worked, and that is the intrastate system. The Pearson-Bentsen proposal brings this about immediately for new gas onshore and within 5 years offshore.

The intrastate system has produced expanding reserves for those producing States. The interstate system, a price controlled system which has operated for 21 years, has failed. How do the Members of this body feel they can set a price that is going to bring about additional reserves to take care of the greatly expanding needs of this country for more and more gas?

One other point I would like to make is that for some reason some people believe that the free market or the uncontrolled market for gas throughout the Nation is a ripoff for the producing States. I think they could not be further from the truth. We have a free market now in the producing States and we have had a continually rising price. Fortunately, with that we have had rising reserves. So we have an excess at the present time.

But at the same time, when we place the entire demand of the whole country on the producing States of this Nation, obviously the price is going to go up. We are not in a shortage position in the State of Oklahoma as many of the States are. Obviously, if they want it, and I believe they will want this extra gas that will be found, they will be pushing the price up further. The price will also go up for those of us in the producing States. We are not going to have the increases of reserves that we have enjoyed for the last several years.

We are going to be sharing what we have but we will be doing it at an uncontrolled price and not a continuation of the price controls which have resulted in legalized thievery which goes on today and will continue, even under all the bills, until all the contracts under the Federal Power Commission control would expire.

What is fair, I would ask anyone here, about the contracts which still require those in Oklahoma to sell their gas at a price way under the going market price? There are contracts that demand sale in interstate commerce which this bill would continue even after they expire, to be sold at 8 cents per thousand when the going price is closer to $1.75. I do not see the Senators in this body asking that kind of sacrifice on the part of other citizens of the country, but for some reason just those who happen to own gas, natural gas royalties, and natural gas production.

So I feel very strongly, Mr. President, that we need to defeat the proposal by the distinguished Senator from Illinois. We need to defeat the proposal by the distinguished Senator from South Dakota.

I would like later to make some remarks about the divestiture matter.

I feel we should accept the proposal by the Senator from Texas and the Senator from Kansas.

Mr. President, all the counterproductive and negative aspects of the S. 2310 "emergency" approach to the natural gas problem are magnified and made permanent with this Stevenson amendment. This amendment has broad and grave implications.

It would for the first time extend price controls to the intrastate gas market both for the short term and for the long term. By so doing, it would take away the system, the free market, that allowed the intrastate market for natural gas to respond quickly to alleviate a developing natural gas shortage in the producing States. Such a tactic obviously has serious implications for the producing States. But its effect on all the States is equally bad. Who will bail out the entire country from gas shortages in the future?

The proponents of this amendment look to the supplies of natural gas in the producing States as the solution to the natural gas problems in their States. The thing that needs to be done, they say, is to pass legislation which would not only take away the gas from the producing States but also take it at a controlled price. However, when all this intrastate gas has been consumed, how will it be possible to replace it with new supplies? Producers will not be exploring as much as before because the price is controlled and, in some instances, rolled back. The inevitable result is a shortage for everyone.

The pricing provisions in this amendment also take a new approach to regulation. At least, under the existing FPC cost-based procedures adjustments in new natural gas prices can be made administratively as conditions change. The FPC's rates never reflected complete and current costs of exploring for, developing, and producing natural gas; its cost-based methodology was defective in nearly every respect; but at least it was possible to reevaluate the situation periodically and set new rates as necessary.

If this amendment is passed, Congress will have been presumptuous enough to say that it can permanently and properly set a price for natural gas that will elicit adequate supplies. The price, once established, can be adjusted only for national inflation, not inflation in the oil field, or because of severe shortages, and can be changed only for the special circumstances enumerated in the amendment and only if one House of Congress does not disapprove of the new special price once submitted by either the FPC or the President. Such a procedure, in a practical sense, guarantees that the natural gas prices established by the procedures in this amendment will be with us for a long time. The people of the United States will suffer because there is no way such a pricing procedure can be responsive to the supply/demand situation for natural gas. The intrastate market will be gone, and no one will have enough gas. Regulation of natural gas moves from the FPC to the Congress.

What the bill does to natural gas pricing it also does to crude oil pricing. Everything I have said above applies equally to the crude oil situation. The bill rolls back new oil prices to $9 per barrel and permanently fixes this price. Certain exemptions are permitted from this price, but these are limited greatly. The bill also permanently establishes a $5.25 per barrel price for old oil which will never phase out unless the natural decline rate of a field is less than 1.67 percent per month. Controls on crude oil will be with us for a long time. It will not be possible to change these controlled prices. Domestic supplies of crude oil will consequently be reduced. Regulation of crude oil moves from the FEA to the Congress.

The complexity of the crude oil regulatory system under this amendment is greatly increased. It establishes at least five tiers of pricing for crude oil in the United States. [Imported crude, new domestic crude, old domestic crude, exempt crude and "special price" crude.] No entitlements program can be designed to handle this. The distortions in the marketplace caused by the Emergency Petroleum Allocation Act will be minuscule compared to the situation with this amendment.

Further, it is unwise for Congress to attempt to combine crude oil and natural gas pricing at this time. Crude oil pricing has been discussed at length in other forums and, currently, bills dealing with crude oil pricing are in conference. We risk a solution to the natural gas problem if crude oil pricing is included in the legislation dealing with natural gas.

I have talked at length about S. 2310. The message I tried to give to my colleagues representing consuming States without adequate supplies of natural gas was that S. 2310 would not work. Title II of this amendment is essentially similar to S. 2310 and hence has the same basic problems.

The producing states have no intention of allowing their gas to be taken under the terms and conditions in this amendment. Producers in the producing States would be reluctant to sell any gas to a distressed pipeline if this bill becomes law. Intrastate pipeline companies who have contracted for gas supplies but who do not need the gas immediately to meet current demand would refuse to sell any gas to curtailed pipelines. It has been estimated that 200 to 250 billion cubic feet of gas which is currently under contract could be made available from intrastate sources to the interstate pipelines. Passage of this amendment will preclude this from happening. Proponents of the legislation would be making the natural gas shortages in their States worse not only this winter but for every winter in future years. They would be creating greater unemployment and adding to inflation.

I reemphasize, the producing States have no intention of allowing gas to be taken under the terms and conditions in this amendment. My colleagues should be under no illusion. The fight for intrastate gas will be waged long after any legislation of this type might be passed.

Other aspects of the emergency provisions in title I make it impossible for any gas to reach distressed pipelines this winter.

The boiler fuel prohibition section in this bill is nothing more than legalized thievery. I would like one of the proponents of these provisions to explain to me why it is fair to create a shortage in one part of the country in order to solve one in another part. The concept of "sharing a shortage" has great popularity. But in this case, the utilities and consumers in Oklahoma have enough gas because they were willing to pay for it. This is much more than most interstate buyers have done in the past and are still doing.

The boiler fuel prohibition section in this amendment cannot supply gas to interstate pipelines this winter because my State, and States like my State, will resist strongly in the courts and also because it involves insurmountable administrative problems. Before prohibition orders can become effective there must be concurrent action by the FEA, the EPA, and the FPC and no conflict with State implementation plans for environmental quality. Therefore, from a practical standpoint alone, gas will not be available this winter because of these boiler fuel provisions.

The provisions which would require gas production at the maximum efficient rate of production have similar administrative snags and may very well be unconstitutional. There is great misunderstanding in this distinguished body about MER. It is a technical term which describes one property of an oil or gas reservoir. It has little relation to economics, depletion stage of a reservoir, producing well conditions, and production facility capacity. Setting of a MER for a field is a very complicated process which involves detailed reservoir analysis. But more importantly, since the MER bears little relation to a reservoir's ability to produce, it is frequently an unachievable number. These provisions would appear to require the Department of Interior decisions for private operators and to require expenditures on wells and equipment which would not be prudent from an economic standpoint. If this is the case, it is clearly the taking of property without compensation and would be unconstitutional. Obviously, such actions by Government would be challenged in court and, therefore, would have little, if any, effect on gas supplies this winter.

I do not believe there is an oil operator in the business of producing oil and gas who would not be willing to develop a field to the maximum economic extent. If we desire more gas production from existing fields, all that needs to be done is to deregulate the price of natural gas. Then it will be economic to drill new wells, install facilities, or even to produce the field under a new operating strategy, all of which could result in more gas production. The Government does not need to require production of MER, even if MER were meaningful in this sense; it just needs to provide the incentives which will make production of gas at higher rates economically feasible.

I also object to the philosophical implication of the MER provisions for several reasons. For the onshore areas, the States have been in the business of setting MER's for years. Although demand prorationing occurred in the past, it is not done now. Nevertheless, it is presumptuous for Congress to believe that the Interior Department can do a better job than the States can do or have done. I question a public policy that would require greater Federal involvement in a function that has been properly performed by the States.

Further, MER by definition means the highest production rate at which a reservior can produce without reducing ultimate recovery. Production at a rate less than MER then will yield an ultimate recovery approximately the same as producing at a higher rate. I do not believe anyone here would believe that the domestic crude oil and natural gas shortages are going to improve significantly over the short and mid-term. Thus, what we are doing by requiring production at the MER is merely accelerating production. In other words, we are choosing a policy that makes worse the shortages which will exist 5 or 10 years from now in order to improve the situation today. We are borrowing from our children, and they will pay for our indiscretions.

In addition, if we mandate production at MER and it requires a marginally economic expenditure by a producer, we are requiring the use of capital which could otherwise be employed in the search for new energy supplies, not just the accelerated production of those supplies we have now.

This amendment to S. 2310 embodies all the negative aspects of S. 2310 plus adds some new ones of its own. If S. 2310 was a nonsolution to the natural gas problem, this amendment is worse. It freezes in perpetuity a regulatory system which cannot possibly work. It attempts to solve a serious shortage problem by taking gas from one area and giving it to another. Human beings naturally resist the taking process.

This Congress has an innate ability to pass legislation providing incentives for actions it deems desirable. But in the case of oil and gas, Congress frequently chooses a course of disincentives. But I submit to my colleagues that legislation which provides incentives, incentives of the uncontrolled market, is much more desirable and will work so much better.

The Pearson-Bentsen amendment is such an approach to the natural gas problem.

Under the 180-day emergency exemption procedure, intrastate pipelines and producers would be more than willing to make gas available to curtailed pipelines. They will resist S. 2310, or this amendment, through every legal means available to them.

The long-term pricing provisions in the Pearson-Bentsen amendment provide producers with the maximum incentive to search for and develop new gas supplies. At the same time, it provides a gradual means of increasing capital availability to producers so that they will be able to extend the search to new areas. As long as existing gas remains controlled indefinitely, producers will be selling a product at less than its replacement cost. Such a situation can only result in an inadequate supply of natural gas in the future.

Yet, under the Pearson-Bentsen amendment, consumers are protected from abrupt price increases.

The price of gas from offshore areas will remain under FPC control for 5 years. Onshore, interstate pipelines will again be able to compete for new gas supplies. This will help their supply situation immensely and alleviate economic chaos in the distressed States.

Since new gas is decontrolled, consumers only pay for the new gas that is found. The higher price of this gas is rolled in with the old gas in existing contracts which remain under FPC control. Thus, the tremendous volume of old gas under contract provides a form of price ceiling which mitigates any immediate abrupt impact on consumers.

Further, the wellhead price of natural gas is only 20 percent of the total bill to consumers. This further dampens the cost impact on consumers.

Passage of the Pearson-Bentsen amendment will contribute greatly to the solution of the natural gas shortage. Passage of the Stevenson amendment will hamper and prevent a solution, a solution not only for natural gas, but for propane, for fertilizer, and for all other products dependent on adequate supplies of natural gas.

Mr. President, I thank the distinguished Senator from Illinois for yielding.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota (Mr. Abourezk) is to be recognized for 15 minutes.

AMENDMENT NO. 954

Mr. ABOUREZK. Mr. President, I call up amendment No. 954.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. Abourezk) proposes an amendment No. 954 to the Pearson-Bentsen amendment No. 919.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, add the following title:

TITLE III—PROMOTION OF ENERGY INDUSTRY COMPETITION

Sec. 301. The provisions of title II shall not become effective with respect to any major producer, major refiner, transporter, or natural gas distributor, as defined in section 302 of title III until the Federal Trade Commission determines that such producer, refiner, transporter, or distributor is in compliance with the provisions of this title.

DEFINITIONS

Sec. 302. As used in this title—

(a) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(b) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(c) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between any State and foreign nation;

(d) "energy resource" means petroleum, natural gas, tar sands, or oil shale;

(e) "marketing asset" means any asset used in the distribution or marketing of a refined product or natural gas;

(f) "transportation asset" means any asset used in the transportation by pipeline, or gathering line of an energy resource or refined product;

(g) "refinery asset" means any asset used in the refining of an energy resource;

(h) "production asset" means any asset used in the exploration for, development of, or production of an energy resource;

(i) "major producer" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, produces within the United States thirty-six million five thousand barrels (forty-two United States gallons each) of crude petroleum and natural gas liquids;

(j) "major refiner" means any person which, during the calendar year 1974 or in any subsequent calendar year, alone or with affiliates, refines within the United States one hundred and eighty-two million five hundred thousand barrels (forty-two United States gallons each) of product;

(k) "transporter" means any person which transports an energy resource or refined product by pipeline in interstate commerce;

(l) "natural gas distributor" means any person who delivers natural gas to other persons for use and not for resale;

(m) "person" means an individual or a corporation, partnership, joint-stock company, business trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated; and

(n) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands.

UNLAWFUL RETENTION

Sec. 303. (a) Notwithstanding any other provision of law, five years after enactment of this title, it shall be unlawful—

(1) for any major producer to own, or control any interest, direct, indirect, or through an affiliate, in any refinery, transportation, or marketing asset;

(2) for any major refiner to own or control any interest, direct, indirect, or through an affiliate, in any production or transportation asset;

(3) for any transporter to own or control any interest, direct, indirect, or through an affiliate, in any production, refinery, or marketing asset; and

(4) for any natural gas distributor to own or control any interest direct or indirect or through an affiliate in any production asset.

(b) For the purpose of this section "control" means direct or indirect legal or beneficial interest in or power or influence over another person, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing arrangements.

REPORTS

Sec. 304. Each person who on or after the date of enactment of this title owns or controls any assets prohibited by section 303 and any other person designated by the Federal Trade Commission shall, within one hundred and twenty days and at such other times as the Commission may designate, file with the Commission such information and reports about such assets as the Commission may request.

ENFORCEMENT

Sec. 305. (a) The Federal Trade Commission, in accordance with the rules, regulations, or orders it deems appropriate to carry out the purposes of this title, shall require each person covered by section 303 to submit within one year of the date of enactment of this title a plan or plans for divestment of prohibited assets. If, after notice and opportunity for hearings, the Commission shall find the plan, as submitted or as modified by Commission order, necessary or appropriate to effectuate the provisions of this title and fair and equitable to affected persons, the Commission shall approve the plan by order and shall take all necessary actions to enforce the plan: *Provided*, That no plan shall be approved which will not substantially accomplish divestment not later than five years from the date of enactment of this title.

(b) The Federal Trade Commission shall institute suits in the district courts of the United States requesting the issuance of such relief as is appropriate to assure compliance with this title, including orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willfull failure to comply with lawful Commission orders.

(c) In carrying out the provisions of this title, the Federal Trade Commission is authorized to utilize all powers conferred upon it, and all sanctions associated therewith, by other provisions of law.

PENALTIES

Sec. 306. (a) Any person who knowingly or willfully violates any provision of this title shall, upon conviction, be punished, in the case of an individual, by a fine not to exceed $500,000 or by imprisonment for a period not to exceed ten years, or both, or in the case of a corporation or other entity, by a fine not to exceed $5,000,000 or by suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. A violation by a corporation or other entity shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation or entity who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part, or who shall have omitted to authorize, order, or do any acts which would terminate, prevent, or correct conduct violative of this title. Failure to obey any order of a court pursuant to this title shall be punishable by such court as a contempt of court.

(b) Any person who violates a lawful order of the Federal Trade Commission issued pursuant to this title shall forfeit and pay to the United States for each violation a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

Mr. ABOUREZK. Mr. President, I want to modify the amendment slightly. On the first page, on line 3, following the word "provisions" insert "of sections 203, 205, and 206."

The PRESIDING OFFICER. Did the Senator ask unanimous consent to modify the amendment?

Mr. ABOUREZK. It is my understanding I do not need unanimous consent unless the yeas and nays have been called for. Am I correct on that?

The PRESIDING OFFICER. Because of a time certain that is set on this vote, it is the Chair's judgment that unanimous consent would be required.

Mr. ABOUREZK. I ask unanimous consent that the amendment be modified in that respect and also one other respect:

On page 4, line 5, strike the words "5 years" and the words "enactment of this title" and insert following the word "after" on line 5 "December 31, 1980."

Mr. PEARSON. Mr. President, reserving the right to object, is the Senator from South Dakota amending the so-called Hart-Abourezk-Nelson amendment?

Mr. ABOUREZK. Yes.

Mr. PEARSON. And he is making no other amendment to any other matter pending?

Mr. ABOUREZK. No other. In fact, they are technical modifications.

Mr. PEARSON. They are technical in nature?

Mr. ABOUREZK. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. There is a change of date. I guess that goes beyond a technical modification.

Mr. MOSS. Reserving the right to object, what does the change of date do? Does it extend the time?

Mr. ABOUREZK. Where it originally said "Notwithstanding any other provision of law, 5 years after enactment" it changes that to "December 31, 1980." That is the only change. The other is just specifying the sections which will be amended. I am sending that to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. MOSS. I have no objection.

Mr. BARTLETT. Mr. President, reserving the right to object, I ask the distinguished Senator, would he refer to exactly where that is in his amendment?

The PRESIDING OFFICER. The clerk will state the modifications.

The legislative clerk read as follows:

On page 1, line 3, after the word "provisions" insert "of sections 203, 205, and 206".

On page 4, line 5, strike the words "enactment of this title" and insert "December 31, 1980".

Mr. BARTLETT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ABOUREZK. Mr. President, on behalf of myself and Senators PHILIP A. HART, GARY HART, NELSON, and others, I call up amendment No. 954, to restrict major oil companies to one phase of the oil and gas business—producing, transporting, or refining and marketing.

First, though, I would like to talk briefly about the history of this amendment. Requiring the biggest integrated oil and gas companies to divest is not something we just thought up. The issue has been alive for many years in the Antitrust Subcommittee in the form proposed, and it has been around in its broader version—as industrial reorganization—for a dozen years.

Senator HART of Michigan, as chairman of the Antitrust Subcommittee, tackled the forbidding problem of distortion in our economy as far back as 1965. The oil industry was a particular focus. Several volumes of testimony, analysis, and documentation directly address the effects of vertical integration on competition.

I know that if our good friend and respected colleague had not been ill, he would have been here throughout the critical debate on natural gas, and he would have helped us to understand more clearly the choices we now face. If he had been available, he would have been addressing us on this issue right now. I think we should all realize how closely Senator PHILIP A. HART is identified both with the concept of divestiture, and with the crucial connection between healthy competition and deregulation, as expressed in this amendment.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. ABOUREZK. When I finish my statement, I will be happy to yield.

Senator PHILIP A. HART has built an unparalleled record whose main thrust is that the oil and gas industry is no longer workably competitive. In the absence of such competition, the Pearson-Bentsen proposal to end natural gas price regulation will turn over to the oil and gas giants the power to control supply and price. But the Pearson-Bentsen proposal coupled with vertical divestiture will show whether competitive market can work in the interests of the people.

The OPEC cartel should have taught us what market domination by a few firms does to price and supply. There is no reason—and I repeat—there is no reason to believe that the deregulation proposed in Pearson-Bentsen will bring the American people the gas supplies they need. Short supplies mean high prices. Most of us do not believe that deregulation of the industry in its present form will really improve the supply picture—and even some of the supporters of the bill have their doubts.

The leading oil and gas companies have both the capacity and the will to keep us on tight gas rations. Since 1969, they have systematically underreported their new reserves, limited development, and shut-in capacity. Their success in bending the Congress to their desires will only encourage them to continue to limit supplies.

I also wanted to mention hearings on this issue before the Interior Committee. They have published several volumes on competition specifically with regard to natural gas and oil. Most recently, in testimony on extending the price controls on oil, it was clear that controls remained necessary because there is no free market in oil. Without government controls the marketers and independent refines fear continued control by the major oil companies. I believe that the gentleman from Idaho (Mr. McCLURE) was quite struck by this fact. He asked one businessman to repeat his statement that he preferred Government controls to the thought of a decontrolled market dominated and manipulated by the oil majors. It upsets our cherished myths to hear that businesmen want controls.

This amendment also has been endorsed by farm groups, labor groups, consumer groups—and the independent oil dealers and retailers who know intimately the dangers they face in a market where limited supplies are doled out by the major companies according to their own grand design. The municipal gas companies tell us that they have no hope of bargaining with their suppliers for the best price. They have all they can do to get any gas.

It once seemed to legislators that the best way to achieve the public good was through the encouragement and protection of private interests, but that is no longer the case. Private interests have grown larger and more powerful than Government itself in many instances. The community of interest that has evolved between the regulators and the regulated excludes the people. If I share their disillusion with regulation, it is because regulation has worked to guarantee and enlarge the interests of the corporations, not because I believe in deregulation. The trend toward "deregulation" and "decontrol" is spearheaded by the President, and supported by the industry's threats of shortage and practice of curtailment. Widespread public disaffection with bureaucracy and redtape complete the picture. Deregulation of a noncompetitive industry will simply finalize the exclusion of the general public from the fruits of our economy. The special nature of the marketplace is that it allows the public to vote for or against something with their dollars. When an essential commodity like natural gas is at issue, the public cannot refuse to buy regardless of the expense. Their vote is nullified, and the corporations operate independently of the public interest. As we all know quite well, those corporations then begin to use the Government wholly for their own purposes and take away the last popular recourse that might have kept abuses in check.

We no longer have any idea what it costs to produce gas or oil. The President is proposing to give $100 billion of our tax money to the industry whose 20 largest firms control $200 billion annually in sales. I begin to think that the reason we cannot break up the big oil companies is that they are the only ones with accounting departments large enough to cope with infusions of hundreds of billions of dollars.

The Joint Economic Committee recently pointed out that energy industry costs have risen largely because "higher revenues were used by oil companies to outbid each other for limited supplies, labor, and equipment." The high cost of energy has created a high-cost energy industry, not a streamlined, efficient industry led by disciplined and public-spirited men. Instead, we have a demanding and unwieldly industry led by manipulative men who command six-figure salaries and offer million-dollar bribes as a matter of accepted business practice.

Is this what we hope to rely on to provide us with adequate supplies of natural gas at the lowest possible price? The situation appears to be that we license corporations to collect money from the people, and they produce oil and gas more or less as a favor to us.

I dare say that if we broke the entire oil and gas industry into thousands of relatively small entities, there would be a surge of activity in the fields by independent entrepreneurs before you could say "Federal Energy Corporation."

Bigness is a sacred cow. But we are not even threatening bigness in the oil and gas industry. Despite the claims of others, we are not proposing to break up the oil industry. Our amendment requires divestiture only by the 18 or 20 largest companies. It gives them the option of remaining integrated and scaling down their over-all size. It would change the structure of the industry only to the extent that Exxon would be the biggest producer, refiner, or transporter, but not all three. That this measure is labeled by the industry as radical shows how much clout the oil industry has in the halls of Government, and what disrepute competition has fallen into.

I cannot stress too strongly that the vertical divestiture of the largest oil companies, as proposed in Amendment No. 954, only gives all of the oil companies a fighting chance to succeed or fail at the business. And it gives the public a fighting chance to get back in the marketplace on an equal footing.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. ABOUREZK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 3 minutes remaining.

Mr. ABOUREZK. I am happy to yield to the Senator from Oklahoma.

Mr. BARTLETT. The Senator mentioned at the beginning of his remarks that there have been hearings on divestiture in Congress and particularly in the Committee on Interior and Insular Affairs.

Have there been hearings in the subcommittee of the Committee on the Judiciary that is chaired by the distinguished Senator from Michigan (Mr. PHILIP A. HART)?

Mr. ABOUREZK. Yes. There have been hundreds of pages of hearing testimony produced in the Antitrust Subcommittee. I do not have it right at my fingertips, but I have an indexing of those hearings, consisting of the pages, the days they were held, and witnesses. I will be happy to furnish them to the Senator from Oklahoma.

Mr. BARTLETT. If the Senator will yield further, have the distinguished members of that committee seen fit to report out any legislation on divestiture to the entire committee.

Mr. ABOUREZK. Not as yet, no.

Mr. BARTLETT. Has the full Committee of Judiciary considered any matter on divestiture along the lines that the distinguished Senator has been talking?

Mr. ABOUREZK. Not since I have been on the committee.

Mr. BARTLETT. If the Senator will yield further, it seems to me that the Senator makes no case for the divestiture being in the best interests of the people of this country, and he makes no case that there will be more oil found or that the cost of that oil that is found, refined, marketed, and sold will be reduced.

For example, the market shares of the independent marketers has climbed from 19.8 percent in 1968 to over 29 percent in 1974; as far as the majors share of domestic refining capacity, it has decreased from 73.2 percent in 1968 to 70.2 in 1975.

On power concentrations, there is no argument that the Senator made to show, of the four largest or eight largest firms of a particular industry, that the oil industry is out of line.

So will the Senator tell me just what improvements are going to result from his legislation, if it becomes the law of the land.

Mr. ABOUREZK. I suspect perhaps the biggest improvement would be, if the drilling function is separated from refining and pipelining, which this amendment seeks to do, the Senator would no longer see major oil companies, which control all those phases of energy production, and he would no longer see them in a position to withhold supplies in order to gouge higher prices out of the public.

That is probably a basic aspect of classic economics. If we have competition, which the Senator from Oklahoma ostensibly espouses, if we have real competition, which is what we are seeking to obtain in the oil industry, then that, theoretically—and I think it would probably work very well that way—would require people to go out and search for more oil, under the feeling that they would have a market for that oil at a price somewhere near their cost that would give them an adequate profit.

So, if the Senator really believes in competition, as he says he does, and the President believes in it, as he says he does, I suspect the Senator would want to support this amendment very strongly and ought to be speaking for it.

Mr. BARTLETT. If the Senator will yield——

Mr. ABOUREZK. Conversely—if the Senator will let me finish——

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. ABOUREZK. No, I will not because I want to finish the question.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Illinois.

Mr. STEVENSON. Mr. President, I ask unanimous consent that I be permitted to yield 5 additional minutes to the Senator from South Dakota without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. If I might finish this point, then I will be happy to yield back. As I said, if the Senator believes in competition, if he believes in free enterprise, as he says he does, he would support this amendment. But, on the other hand, if he believes in giving the oil industry all of the economic power that it wants and if he believes that he wants to give the oil industry all of the profits that the oil industry wants, then he should be against this amendment.

My guess is that he believes that the oil industry ought to be entitled to do what it wants to for the American public, and that is probably why he is opposing this amendment.

Mr. BARTLETT. If the Senator will yield, to advise him of how I do believe, I do not just believe ostensibly, but I believe wholeheartedly and fully with competition. I also have a knowledge of the oil industry, particularly the drilling industry which is more important for bringing on new reserves of energy.

Mr. ABOUREZK. I wonder if I might ask, if the Senator believes in competition why he does not believe in fostering competition through this method?

Mr. BARTLETT. Let me develop this point, in the drilling business, as the Senator knows, over 80 percent of new production found is found by the independent.

Mr. ABOUREZK. It is found on leases and reserves owned by the major oil companies.

Mr. BARTLETT. There is obviously competition. We are talking about competition to bring on additional reserves. Let me mention one other point to the Senator.

Mr. ABOUREZK. If I could break in a minute, that is not competition. Competition does not exist when the independents are at the mercy of the major oil companies. That is exactly what they are. They are drilling oil on their lands, on their reserves, and on their leases, because, as the Senator knows, the 20 top oil companies control 94 percent of all the oil reserves domestically in this country.

Mr. BARTLETT. If the Senator will yield, I think the proof of that is very cogent because I do not know of one independent oil company which favors this amendment.

The Senator made the statement about profitability being indicative of lack of competition among the majors. Let me just say this: The long-term profitability record of the oil industry is not one to indicate that the companies have any market power whatsoever, because, in this regard, let me quote from testimony by Professor Erickson of North Carolina State University before the Special Subcommittee on Integrated Oil Operations. It is very short.

> Profitability is an important indicator of the existence and exercise of monopoly power. The record of long-run profitability in the petroleum industry indicates that the firms in this industry do not enjoy substantial, systematic market power. This index of effective competition yields positive results whether the comparison is to all U.S. manufacturing, Moody's 125 industries, Moody's 24 public utilities, or a group of industrial firms known to possess market power.

So indeed, if the petroleum industry has colluded to reduce supplies and raise prices, it has been ineffective at doing it.

Mr. ABOUREZK. Mr. President, I am now prepared to yield back to the Senator from Illinois under the order.

The PRESIDING OFFICER. Time is yielded back.

The Senator from Illinois is recognized.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the time remaining for debate on amendment No. 948 be equally divided between myself and the distinguished Senator from Kansas (Mr. PEARSON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEARSON. How much time remains for debate on this amendment?

The PRESIDING OFFICER. According to the previous order, the Senate is to turn at 1:30 p.m. to the nomination of Mr. Earl Silbert. So, there are now 16 minutes to each side.

Mr. PEARSON. I thank the Chair.

Mr. BARTLETT. Mr. President, will the Senator from Kansas yield me 2 minutes?

Mr. PEARSON. I yield the Senator from Oklahoma 2 minutes.

Mr. BARTLETT. Mr. President, divestiture of the vertically integrated oil companies would be a tragic mistake for this Congress to make. This country is still rebounding from the 1973 OPEC embargo and the quadrupling of crude oil prices. We currently import 40 percent of the crude oil consumed.

We face increasing curtailments of natural gas in future years. Adequate supplies of energy and an efficient and smooth running system to supply that energy are the life blood of this Nation's economy. Divestiture of the integrated oil companies is an action not to be taken hastily. Its ramifications must be considered fully because we are risking disruption of the entire economy of the United States.

I recognize that some of my colleagues believe that divestiture of the oil industry would enhance competition and be in the public interest. This might be true if the oil industry were not effectively competitive. But the proponents of this amendment have no proof that the industry is noncompetitive. In fact the preponderance of evidence is to the contrary—that the oil industry is competitive.

First, concentration figures of the oil industry show that it is much less concentrated than most other industries. To show this, I am attaching to this statement tables I and II showing four-firm and eight-firm concentrated ratios for the petroleum industry and for many other industries respectively. I ask unanimous consent that they be included in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Table I

Senator BARTLETT. Mr. Chairman, I would like to submit this for the record. This is data on concentration. In petroleum production: 4 firms constitute 27 percent of the industry, 8 firms 43 percent. Natural gas: 4 firms 25 percent, 8 firms 43 percent. Refining: 4 firms 33 percent; 8 firms, I believe it is 57 percent; 20 firms 84 percent. Marketing: 4 firms 30 percent, 8 firms 53 percent, and 20 firms 77 percent. Does it not appear from this information that the power concentration of industry in the oil industry is less than many of the major industries of this country?

	Percent
Oil production:	
4 firms	27
8 firms	43
Natural gas:	
4 firms	25
8 firms	43
Refining:	
4 firms	33
8 firms	57
20 firms	84
Marketing of gasoline:	
4 firms	30
8 firms	53
20 firms	77

SOURCE.—Hearings, Subcommittee on Integrated Oil Operations, "Market Performance and Competition in the Petroleum Industry," part 1, p. 90.

TABLE II.—*Manufacturing industries in which 4-firm concentration ratios exceeded 60 percent in 1966*

SIC code	Industry	*Concentration ratios* *4-firm*	*8-firm*
3717	Motor vehicles	79	83
	Steel:		
33121	Coke oven and blast furnace	68	76
33122	Steel ingot and semifinished shapes	70	84
33124	Hot rolled bars, shapes, etc.	63	74
33126	Steel pipe and tubes	61	---
3571	Computing and related machines	63	78
3721	Aircraft	67	88
3011	Tires and inner tubes	71	90
3861	Photographic equipment	67	79
3352	Aluminum rolling	65	78
2111	Cigarettes	81	100
3411	Metal cans	71	83
2841	Soap and other detergents	72	80
2824	Organic fibers	85	95
3632	Household refrigerators	72	93
2032	Canned specialties	63	79
3661	Telephone apparatus	94	97
2141	Tobacco stemming	69	91
3694	Engine electrical equipment	72	81
2052	Biscuit crackers	59	68
2647	Sanitary paper products	64	80
3612	Transformers	66	80
2087	Flavorings	63	71
3633	Household laundry equipment	79	95
3229	Pressed and blown glass products	72	85
2823	Cellulose man-made fibers	85	100
3511	Steam engines and turbines	87	98
3672	Cathode ray tubes	89	---
2812	Alkalies and chlorine	63	88
2046	Corn milling	67	90
2043	Cereal preparations	87	---
3741	Locomotives	98	99
3211	Flat glass	96	99
3691	Storage batteries	60	80
2816	Inorganic pigments	64	83
2063	Beet sugar	68	97
2813	Industrial gases	72	---
3572	Typewriters	79	---
3313	Electrometallurgical	74	---
	Comparative note: Petroleum refining (1972)	32	58

SOURCE.—Hearings, Subcommittee on Integrated Oil Operations, "Market Performance and Competition in the Petroleum Industry," pt. 1, p. 103.

Mr. BARTLETT. Second, the long-term profitability record of the oil industry is not one to indicate that the companies have any market power whatsoever. In this regard, I quote from the testimony of Prof. Edward Erickson, of North Carolina State University before the special Subcommittee on Integrated Oil Operations:

> Profitability is an important indicator of the existence and exercise of monopoly power. The record of long-run profitability in the petroleum industry indicates that the firms in this industry do not enjoy substantial, systematic market power. This index of effective competition yields positive results whether the comparison is to all U.S. manufacturing, Moody's 125 industrials, Moody's 24 public utilities, or a group of industrial firms known to possess market power.

Indeed if the petroleum industry has colluded to reduce supplies and raise prices, it has been very ineffective at it.

Third, figures comparing the market shares over time of independent marketers and refiners bear out the fact that competition exists in the petroleum industry and that independent firms can enter the market place and compete effectively.

The market shares of the independent marketers has climbed from 10.8 percent in 1968 to over 29 percent in 1974. The FEA has recently developed some data for me which show that the majors' share of domestic refining capacity has decreased from 73.2 percent in 1968 to 70.2 percent in 1975. Both the independent marketer and the independent refiner appear to be thriving over the long run.

There are many more facts available which indicate the existence of effective competition in the oil industry. For the Congress to pass legislation requiring divestiture based on someone's idealistic idea of what ought to be when most of the factual data available proves the existence of effective competition is a course of action not in the public interest.

It appears that the proponents of this legislation are attempting to justify it by the 1974 profits of the companies in the oil industry and by the possibility of deregulation of natural gas and crude oil prices. Such action would be extremely unwise because we should not base long-term proposals on short-term occurrences. Oil industry profits in 1975 have been significantly below 1974 levels. If crude oil and natural gas prices are decontrolled immediately, which I doubt that they will be, some adjustments may have to be made by the various firms and segments of the oil industry. But the possibility of having to go through short-term economic bends is no justification for divestitures proposal which would have the far-reaching effects of this one.

There are some major questions which must be answered by the proponents of this legislation before it should even be considered by this body.

First. At a time when this Nation has a critical shortage of energy supplies, what will divestiture do to the ability of firms in the petroleum industry to rise capital which can be used in the search for new energy sources. Certainly the capital markets would be more willing to supply capital to the financially strong firms which now exist.

Second. What will divestiture of the integrated firms in the petroleum industry do to the value of stock of the millions of Americans who own these firms. What effect will it have on the entire stock market?

Third. What will divestiture do to the supply of energy to all facets of the U.S. economy? What will happen to the thousands of independent marketers who depend on the integrated oil companies for their products? Will energy supplies be available to all users who need them at the time the supplies are needed?

Fourth. How much will divestiture increase consumer costs? The integrated structure of the firms in the petroleum industry developed because of greater efficiency and economics of scale, in order to reduce costs, and to not duplicate human, technical, managerial, and physical efforts.

Fifth. What will happen to the research effort of the integrated firms? They are financially capable of supporting this effort now. Will they be after divestiture? Frequently, the R. & D. organizations of the integrated firms serves more than one functional department. This whole structure would be destroyed.

Sixth. Will divestiture affect the ability of our firms to compete in foreign commerce? We still import 40 percent of the petroleum used in the Nation. My guess is that divestiture would severely impact the security of this supply.

I do not believe the proponents of this legislation have the answers to these and the many other important questions on the effect of divestiture. Before, this action is taken, we should be sure of the results.

Effective and workable competition does exist in the petroleum industry. The firms are big because they have to be. The business of supplying energy to the Nation is a big business. But just because the firms are large does not mean that competition is nonexistent. If effective competition does exist, then divestiture would be a severe mistake. It will cost consumers dearly. It will disrupt the economy and our entire financial system.

Passage of divestiture legislation at this time when the facts are not in should not be done. If we do divest the vertically integrated oil companies and we find that it is a mistake, it will be impossible to put the industry back together. I am convinced that it would be a mistake. I urge my colleagues to vote against this amendment so that the legislation can be properly considered in committee and by all of us.

Mr. President, I make the point that vertical intergration has provided the opportunity for companies large and small, mostly large to reduce the risks that they have to have large——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. PEARSON. I yield the Senator 2 additional minutes.

Mr. BARTLETT. It gives the opportunity to share the risks and also to provide savings to the consumer, because they are not just looking for one branch or part of their operations to bring on a meaningful and significant return of capital. If each of the component parts of a major oil company, under its separate management, would have to have a return on capital that was considered to be average, then this would have been larger totally for the major oil companies than has been the case. But it has been because of the integrated operations that a large company has had an opportunity to pass on savings and to be more competitive with other companies.

I think we will be making a big mistake if we just arbitrarily decide that we do not like those companies being involved in the various component parts of the business which they know well and, somehow, turn this over to others who perhaps have had no experience in these areas and carry on a disjointed operation.

The distinguished Senator from South Dakota has offered no evidence to show why this would be an improvement, why it would find more oil or more gas, or why it would do this and deliver the oil and gas to the consumer at a reduced price. He has not shown that the vertical integration has proved to be anticompetitive. He has not shown that it has proved to be an extra cost to the consumer. As he has said, we have had lengthy hearings on this subject; and my conclusion, after being in attendance at 10 of them, on a subcommittee of the Committee on Interior and Insular Affairs, is that the bulk of the testimony showed that divestiture would be a big mistake.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

If neither side yields time, the time will be divided equally.

Mr. HUMPHREY. Mr. President, I should like to speak in favor of the Stevenson amendment. I do not know whether I need to have a concession of time or whether I can speak in my own right.

The PRESIDING OFFICER. The Senator would have to speak on the time of the Senator from Illinois.

Mr. HUMPHREY. Would the Senator yield me 3 or 4 minutes?

Mr. STEVENSON. I yield 5 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I just want to state for the RECORD, because that is apparently all it amounts to— we do not have too many of our colleagues present at this time when a very important piece of legislation is being debated—I want to state my belief that the Stevenson amendment, while it may have some shortcomings, is the most suitable and acceptable proposal we have had before us, particularly in light of the fact that the Pearson-Bentsen language has been added to this bill, and the fact that the emergency provisions of the bill have been superseded by the Pearson-Bentsen amendment.

The Stevenson proposal deals with both the emergency and the long run. Therefore, I believe that it offers the American people a very basic part of an overall energy policy.

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PEARSON. The Pearson-Bentsen proposal does include an emergency provision and a long-term provision.

Mr. HUMPHREY. But it is for complete decontrol. I feel that the Stevenson proposal has merit, which I shall describe, that goes beyond that which already has been accepted into this bill by the Pearson-Bentsen amendment.

It is my judgment that the people expect us to get away from this confrontation that has persisted between the legislative and executive branches and, hopefully, to arrive at an energy policy, particularly on the pricing of energy, that is sensible and reasonable.

The simple truth is that we are not going back to the price of oil and gas as it was before the OPEC nations raised the price through their cartel. It is about time that we grew up and came to face the facts. I know the politics of it is that you can get up here and beat your breast and say that oil prices have gone through the roof and that sort of thing, and that, somehow or other, they ought to come back to $2 a barrel. They will not do so, any more than the price of wheat is going to come down again to a dollar a bushel, or any more than the price of coffee will come down to what it was in 1950. Commodity prices have changed, just as wages have changed, just as taxes have changed, and we have to recognize that.

Our job is to see to it that there is no exploitation by domestic producers, that there is no excessive pricing, and our job is to see to it that there is an adequate supply of energy. It does not do any good to argue all this if we are not going to get the fuel that is needed.

In my part of the country, in the State of Minnesota, by 1981, unless the Canadians are willing to change their policy, or unless we can get a new pipeline coming up from the South, and unless we can find new sources of natural gas, we are going to be an energy desert, an energy wasteland. We have no place to turn, unless we can find a way to bring in oil and gas from our domestic sources.

The Canadians have made it very clear to us that by 1981, their oil exports will be cut off—the show will be over—and all the refineries in my part of the country are dependent upon Canadian crude for most of their supply.

The amendment proposed by the Senator from Illinois—and I am proud to be a cosponsor of the amendment, together with Senator Hollings, Senator Moss, and others—lowers the excessively high OPEC prices of new domestic oil and gives us a reasonable balance in pricing. It also would lower the price of intrastate gas. It would set a price of about $9, as I recall, on new oil. Over the next 5 years, it would permit a phasing-out of the so-called two-price system for old and new oil, and over a 5-year period, over 60 months, the old domestic oil could go up to $9 a barrel.

At least, initially, the amendment, would lower average fuel prices to consumers. This reduction would be offset gradually through a rising interstate gas price and the elimination of old oil, but fuel prices under the Stevenson plan would always be substantially lower than under the Pearson-Bentsen alternative. The Stevenson amendment would channel cheap natural gas from old contracts to residential and commercial users.

The administration itself has claimed that immediate oil price decontrol would cut consumption by only 3 percent by 1977 and boost production by 1 percent. This tiny step toward energy independence would cost the American consumers close to $30 billion per year, assuming complete tariff removal. Natural gas, completely decontrolled, would increase the consumer cost still more for a similary tiny result.

The PRESIDING OFFICER (Mr. Durkin). The Senator's 5 minutes have expired.

Mr. HUMPHREY. Mr. President, will the Senator yield me 1 additional minute?

Mr. STEVENSON. I yield.

Mr. HUMPHREY. Most of the benefits can be had with the Stevenson compromise plan at little or no net cost to the consumers and the economy. Senator Stevenson, after 2 years of work—I believe I am correct—working with Senator Hollings and others in this body, has devised a plan that will eliminate an arbitrary situation in which oil consumers pay much higher prices than gas consumers, in which gas consumers in producing States pay higher prices than those in nonproducing States, and in which industrial users in nonproducing States soon will be out of business completely if they depend on natural gas supplies.

The amendment offered by Senator Stevenson, Senator Hollings, and myself, and others will permit us to offer the President a consistent policy on both oil and gas prices which will be recognized to be more fair and equitable than any policy of complete decontrol. I think it stands a good chance of passage in the House of Representatives. Simply put, it is the only chance we have. If we do not pass this one, we can just throw in the towel.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PEARSON. Mr. President, I yield myself 2 minutes, because I want to comment on one matter discussed by the distinguished Senator from Minnesota.

He talked about the northern tier of States in his part of the country and their reliance upon imported crude. The same really prevails for natural gas, also.

In remarks made earlier this morning, I indicated that we cannot really solve our problem, our shortages of natural gas, by imports. Only about 5 percent of the natural gas coming into this country is imported gas. I might say that is coming in now at about $1.62 per Mcf. But that 5 percent is very, very vital for the northern tier of States. When that is phased out, and I think it is going to be phased out in the years ahead, although no formal announcement has been made, we are going to have a very serious problem. That is why, in addition to a real concern about prices for natural gas, we have a great concern about more production, more supplies of natural gas. That is the thrust of our amendment.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STEVENSON. Mr. President, I yield myself 5 minutes.

Mr. President, the debate about natural gas pricing has gone on for a quarter of a century, the debate over the pricing of oil for more than 2 years, since the end of the era of cheap oil. In all of that time, the Government has failed to act. It has failed, except for the Emergency Allocation Act which is nothing more than that, an emergency act, to attack the primary cause of inflation and recession, OPEC-controlled domestic wellhead prices. Only now, and for the first time, are the committees of Congress, Members on both sides of the Hill, coming together to support a comprehensive policy for the pricing of natural gas and oil in the United States.

The Senator from Minnesota is also the chairman of the Joint Economic Committee. The studies of that committee have quantified the effects of high energy prices on the economy. They have projected what would happen if oil costs are decontrolled. Other committees—the Committee on the Budget, the Committee on Interior, the Committee on Commerce—have conducted similar studies and come to similar conclusions. That conclusion, Mr. President, is that there must be a ceiling on domestic wellhead prices for natural gas and oil, at a comparable level, in order to protect the United States from more inflation, more recession, rising unemployment, and at a level which provides the industry with all of the necessary resources and incentives with which to expand the production of oil and gas.

This amendment, as the Senator from Minnesota indicated, establishes such a ceiling. Over a period of 5 years, it would establish a single-tier, simple, easily administered ceiling to protect the economy against the extortionate pricing of domestic wellhead prices by the foreign production of oil.

The proposal by Senators Pearson and Bentsen, ironically, proposes a continuation of controls. That amendment is advertised as a decontrol amendment, but, Mr. President, the genius of this amendment is that it combines the worst of both worlds. It combines OPEC control of onshore natural gas prices with continued FPC regulation of offshore natural gas prices, and it does nothing with respect to oil. The result, according to estimates of the Committee on the Budget, would, by the end of 1977, be a 2.2-percent increase in the overall price level, an addition of some 650,000 souls to the ranks of the unemployed, and recession. The result is no increased supply of natural gas or oil and the continuation of FPC regulation offshore. New standards to be applied to the wellhead price for natural gas would require protracted regulatory proceedings and litigation, and continue the uncertainty about price which has encouraged producers to curtail production and withhold the development of leases.

Mr. President, beyond a certain point, a price produces inflation, recession, and unemployment, and it does not produce gas or oil which simply does not exist, or it produces marginal increases which are extremely expensive. Beyond the price levels established in this amendment, a higher price produces no significantly increased supplies of either natural gas or oil. That conclusion is borne out by Federal Energy Administration studies, studies conducted by and on behalf of the Environmental Protection Agency. The only exception is for a high cost recovery.

The Federal Energy Administration has reported that a $12.50 price for a barrel of oil produces no more oil than a $5.25 barrel price, except for new tertiary recovery from old oil fields. That is where 92 percent of the small increase would be—new tertiary recovery from old oil fields.

Mr. President, the amendment which I have offered with the Senator from Minnesota and the Senator from Utah (Mr. Moss), with Mr. Hollings, and others, permits a higher price for new tertiary recovery. It exempts such high-cost production from the ceiling. It provides the incentive where it is needed and not where it is not needed, so the result of this amendment is increased supply. Its result is an end to FPC regulation, with all of the uncertainty that it entails. Its result is price certainty, and, at a level that provides all of the resources, incentive that are necessary to increase production, and without prices which produce double digit inflation, recession, and more unemployment.

Mr. President, I reserve the remainder of my time so that other supporters of this amendment who may want to will have an opportunity to say a few words.

Mr. PEARSON. Mr. President, I yield myself 5 minutes. We are largely speaking for the record. This matter has been thrashed about until I think we have passed the point of education and are nearing the point of frustration.

I simply wish to say that, of course, I urge my colleagues to go against the so-called Stevenson amendment. I do so because it proposes an administratively unworkable short-term scheme which would establish multiple area price ceilings on both interstate and intrastate natural gas, which would be subject to extensive litigation; because it proposes permanent price ceilings on both new and old crude oil, which is a separate subject matter currently being addressed in other legislation and currently the subject of a conference; because it proposes permanent price ceilings on both interstate and intrastate natural gas, which will only serve to perpetuate our natural gas supply problem; and because it provides for injection of the Congress into oil and gas pricing decisions, thereby further compounding an already complicated, burdensome, and ineffective regulatory scheme.

Mr. President, in contrast, the amendment that the Senator from Texas and I propose provides a workable and effective provision for 180-day emergency exemptions from the Natural Gas Act designed to induce a substantial supply of natural gas to the interstate market at a minimal cost to the consumer.

Deregulation of onshore new natural gas wellhead prices and phased deregulation of offshore new natural gas wellhead prices to assure increased supplies of natural gas at reasonable prices for consumers.

An assurance of natural-gas supplies for essential agricultural purposes.

The principal distinction between the short-term provisions of the Pearson-Bentsen amendment No. 919 and the Stevenson-Hollings-Moss amendment No. 948 is that the former is a proven, effective solution, whereas the latter is unworkable. Amendment No. 919 imposes no price ceiling on natural gas; amendment No. 948, on the other hand, imposes area price ceilings—an approach which the Federal Power Commission—FPC—has abandoned as unworkable—and extends controls of the FPC into the intrastate market. It should be noted that even though amendment No. 919 imposes no price ceilings, the Chairman of the Federal Power Commission has stated that "the price impact on consumers would be de minimus."

As for the long-term, amendment No. 919 is directed at the specific issue of the natural gas supply problem, whereas amendment No. 948 mandates permanent price controls on both oil and gas, and it even provides for direct involvement of the Congress in setting oil and gas prices. Yet, there is no rational link between the price of natural gas to the price of oil in amendment No. 948.

Mr. President, on and on we go showing the distinctions between these two proposals before us today. By and large, the dialog heretofore and the debate we have had represent a polarization of the Congress upon some very broad concepts, almost philosophical in nature which, by their very impact upon our economy, are essential problems we must face and should have faced years ago.

We argue and debate on measures of regulation and deregulation. We propose, we think, the Senator from Texas and I, we have found a middle way of phased deregulation primarily for the great new supplies of gas that are coming on for use by American industry and American consumers.

Amendment No. 919 does not get into oil pricing, which, as noted, is the subject of other legislative action, and which gives rise to issues different from those affecting natural gas.

Amendment No. 919, unlike amendment No. 948, does not impose any cumbersome governmental regulatory scheme. It simply provides for the immediate decontrol of onshore "new" natural gas at the wellhead, and a phaseout of the controls of "new" natural gas produced from offshore Federal lands, subject only to a national ceiling for rates and charges to be established by the FPC pursuant to specific criteria. This control on "new" gas from offshore Federal lands would expire December 31, 1980.

Amendment No. 919 is designed to increase the production of natural gas and its sale to interstate markets. It does so by using the market mechanism, but it does not eliminate necessary Federal regulation, except to the extent that such regulation represents an impediment to increasing the supply of natural gas.

Before the vote today on the pending amendment No. 948, I wish to make sure that there is no misunderstanding whatsoever concerning the effect of amendment No. 919 upon the ultimate cost to the consumer.

Certainly, amendment No. 919, providing as it does for deregulation at the wellhead of "new" natural gas, will have some cost impact. But, this will not be excessive. It will be cushioned over a number of years by several factors.

This cushioning effect on the cost impact to the consumer will result because of—

First, the nature of the natural-gas market with only about 5 to 10 percent of the "old" natural gas contracts expiring each year;

Second, the phaseout of offshore wellhead price regulation;

Third, the fact that the wellhead price to be deregulated accounts for less than one-fifth of the price at the burner tip; and

Fourth, the fact that the lower price of the "old" natural gas, which represents the greater volume of production, will be rolled in with the increased price of the "new" natural gas.

In support of this contention, I invite your attention to the following statement of the Chairman of the Federal Power Commission expressed in a letter of October 3, 1975, to me:

> As it is anticipated that the greater volume of future gas supplies will be acquired from the offshore Federal domain, the phaseout of regulation in section 208 will moderate the impact of the price paid for offshore gas supplies upon the total price paid by the consumer. Second, the deregulation of onshore supplies and the allowance of the prevailing market price will also be moderated by the fact that all new gas supplies whether from the onshore or offshore area will be rolled in with the price of existing gas supplies, which is currently approximately 35 cents per thousand cubic feet.

As further evidence in support of this contention, I would also invite your attention to the following statement contained in a letter to me of October 6 from Administrator Zarb of the Federal Energy Administration:

> In considering the effect of higher wellhead gas prices on the consumer, one must remember that already committed old natural gas, at an average price of 30¢ per Mcf, will comprise approximately 92% of the interstate volume in 1977. Therefore, the difference in new natural gas prices anticipated by Amendment Number 919 over 948 will increase the average residential consumer's monthly heating bill in 1977 by approximately $0.70, in 1980 by approximately $1.00, and in 1985 by approximately $1.75. That increase is more than offset by an approximate increased annual production of at least 200 Bcf in 1977, 300 Bcf in 1980, and more than 2000 Bcf in 1985 as well as an approximate decreased demand of 600 Bcf in 1977, 750 Bcf in 1980, and 2500 Bcf in 1985, attributable to Amendment Number 919 in comparison to Amendment Number 948.
>
> When you further consider the cost of higher priced alternative fuels to compensate for the increase in supply and decrease in demand caused by Amendment Number 919, FEA concludes that Amendment Number 919 is actually less costly than Amendment 948 to the consumers in the long run.

I, therefore, urge you not to be misled by any rash allegation that amendment No. 919 will result in excessive cost to the consumer.

Quite the contrary, amendment No. 919 proposes gradual deregulation to avoid any such cost impact upon the consumer. And, such gradual deregulation is absolutely essential, unless the Congress is prepared to accept the consequences of perpetual shortages of natural gas, including higher unemployment and increased consumer costs for high-priced substitutes for natural gas.

I, therefore, urge you to vote against amendment No. 948.

Mr. STEVENSON. Mr. President, how much time now remains on this amendment?

The PRESIDING OFFICER. The Senator has 4 minutes yielded to him by the Senator from Kansas.

Mr. PEARSON. Mr. President, I yield to the Senator from Illinois such time as he needs.

Mr. STEVENSON. I thank the Senator from Kansas for his generosity.

As he has indicated, the subject has been discussed at great length, and it is not my desire in 4 minutes to try to repeat the arguments which have been made, and have been made at great length, except for one which has not been made except briefly by the Senator from Minnesota.

If not this, what? After 25 years on natural gas, more than 2 years on oil, Mr. President, there is nothing else. It is probable that the conference committee, of which I am a member, that is considering oil pricing in addition to other subjects, will produce a report which, in turn, will produce another veto, and even if that is not the case it will deal not at all with natural gas.

If the Pearson amendment prevails, and the amendment which I have offered as a substitute does not, then we are advised it goes nowhere in the other body, and after all those years we are back where we began on natural gas.

If, on the other hand, Mr. President, this amendment is adopted as a substitute for the amendment offered by my distinguished colleague from Kansas, it will not be subject to amendment. The Senate will have acted, and will have acted wisely, on emergency provisions for natural gas, longer term provisions for oil and for natural gas. The Senate is in a position then for the first time in all of those years to do its duty, to enact, and to enact quickly, a coherent, a balanced energy pricing policy for the Nation. It will be in a position, and only by adopting this amendment, to act before time runs out, and I remind my colleagues that time runs out, the Emergency Allocation Act expires on November 15.

The Senate and the other body gave themselves until that time to enact a comprehensive energy program. Now, Mr. President, they have the opportunity to do so, and if they do not, there will be nothing else.

EXECUTIVE SESSION

NOMINATION OF EARL J. SILBERT TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER. Under the previous order, the hour of 1:30 having arrived, the Senate will proceed to executive session to consider the nomination of Mr. Earl J. Silbert to be U.S. Attorney for the District of Columbia. The clerk will report.

The assistant legislative clerk read the nomination of Earl J. Silbert, of the District of Columbia, to be U.S. Attorney for the District of Columbia.

The PRESIDING OFFICER. What is the will of the Senate?

The Senator from Colorado.

Mr. GARY HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARY HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. GARY HART. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. GARY HART. Mr. President, I ask unanimous consent that I be enabled to make remarks on amendment No. 954 to the matter pending before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. GARY HART. Mr. President, the Senator from Colorado, the Senator from South Dakota, and the other sponsors and cosponsors, have introduced an amendment to the legislation which would deregulate natural gas.

In brief, this amendment is for the purpose of divesting the major oil and gas companies in our country. On its surface, it seems like a drastic measure, and on the surface it has been subjected to a great deal of public misinterpretation by those who feel their interests are in jeopardy.

What would this amendment do, Mr. President? It would do nothing more than to require that any company in the oil and gas industry in this country which does business over a certain volume, as defined in the amendment itself, would be prohibited after a 5-year period from engaging in more than one of the following elements of that industry: Exploration and production, transportation or refining, and marketing.

It is, in fact, a classic piece of divestiture legislation.

What is the purpose of the sponsors of this bill? The purpose, Mr. President, is nothing more than to reintroduce principles of free enterprise and a free marketplace into the oil industry of this country and, if I may say so, into international oil production.

Many people feel, as the Senator from Colorado said yesterday, that the OPEC cartel could not have been formed, nor could it operate against the best interests of the United States of America, without some kind of cooperation by the companies that do business abroad, but which are chartered under the laws of the States of the United States.

Mr. President, that is a very serious suggestion, but what it does imply is that those companies which are so-called major oil and gas producers in the United States have interests which go beyond the interests of the United States, those being the classic profit interests.

That is not bad and, in fact, the Senator from Colorado thinks that is good. But when the profit interest goes beyond what is in the best interests of this country and when that profit interest is used in such a way as to cartelize or monopolize the oil and gas industry here in this country, then I think it is the duty of the elected officials of this country, and particularly the Congress of the United States, to take a hard look at what kind of power exists in those corporate board rooms to permit those actions to be taken.

Mr. President, I think this country can go one of two ways.

We can continue Government controls and Government regulations across the board, and the energy field is a classic example of that; when the principles of free marketplace do not apply, then to protect the public interest and the people of this country the Government is called upon to act, and that is what the Government has done.

The President of the United States said that we have to take oil price controls off and he favors deregulation of natural gas in this country, saying that he wants the principles of the free marketplace and the so-called free enterprise to operate here.

That would be fine if there was a free marketplace in oil and gas, but there is not. I for one feel it would be a serious mistake for the Congress of the United States, or any other elected officials, to take the price control mechanism out of the hands of the public officials and put it in the hands of a few private individuals that represent only their own interests and their own profit motive.

As I have indicated, that interest and motive may not always coincide with the best interests of this country.

Mr. President, if we had a free marketplace, if we had true free enterprise in the petroleum business, then I think the people of this body would vote overwhelmingly to take off Government regulations and Government controls. But it is a farce and it is utter hypocrisy for people to stand on the floor of this institution day after day and proclaim themselves to be advocates of the free enterprise, of the free marketplace system, to get the Government out of this business or that business, when that business itself, or industry itself, is so monopolized or dominated by a handful of corporate executives that there is no free enterprise nor principles of the marketplace working.

If the President of the United States and his economic advisers believed what they say they believe about free enterprise and the free marketplace, then the President of the United States would be a sponsor of the legislation we are promoting on the floor of the Senate here today.

Why is it, Mr. President, that there has never been a vote on the floor of the U.S. Senate, as far as the Senator from Colorado can tell, on the question of whether there is monopoly in the oil and gas industry?

For one reason, it has been because that industry is too powerful and in the past when we did not have campaign financing laws—such as we now have reforms that have been put in in the last couple of years in American politics—that power was expressed in contributions to campaigns; and legislation, because of that power, could be bottled up in committee and kept there for years and literally decades.

What has happened over those decades when that power has been expressed through campaign contributions and arm-twisting back in the various States? A record, of about 40,000 pages, 23 volumes, of people testifying year after year after year to the fact that there is not free enterprise in the petroleum marketplace today or any other day over the last 40 or 50 years.

There are a handful of independent refiners, a handful of independent marketers and retailers, that represent the only element of free enterprise in the petroleum marketplace and I think they ought to be applauded and encouraged, and I think, furthermore, that it is the job of the Congress of the United States to see that they are not swallowed up like many other companies before them.

So I think it is excessive to say that there is no competition in that industry. There is a limited amount, and it is represented by this handful of companies at various levels.

But they themselves testified year after year—many of them are supporting this amendment—that they are constantly squeezed, and that they have their backs to the wall in carrying out their operations.

As independents, they have to use one of the major pipelines to transmit their product. They have to take it from the pipeline of one of the major producers. If they are independent retailers they have to get the refined product from a major oil pipeline or refinery.

So at some point or other in this highly concentrated and integrated industry, that handful of independents is at the subservience and mercy of those dominating, giant companies.

Mr. President, it has been suggested that we need a great deal of capital to find oil and gas for the needs of this country in the future. I agree with that. We do not find oil and gas, particularly in terms of what we will have to find in the future, without spending some money. But the argument we hear is that the only money available is available to Exxon, Texaco, Mobil, and the rest of them.

Mr. President, I do not think that the divestiture amendment, which is a conservative, free enterprise proposal presently before the Senate, would in any way prevent the elements of the industry which would result from this divestiture from accumulating the capital they are going to need to build increased refinery capacity, to find by exploration and drilling new oil fields and gas fields, or to develop the kind of retail outlets necessary to provide that product to the American consumer.

If those units of the industry were going to the capital market and the financing market for smaller blocks of financing than each of their elements would be requiring, then I think the tremendous amounts of capital that these companies are talking about for their entire range of vertically integrated operations would not be required. Investors would be able to see the risks of the particular ventures they were investing in, whether it was exploration, production, refining or marketing. I think the people of this country would be willing to invest, whether individuals or institutional investors, in one or more of those elements.

Mr. President, the facts clearly demonstrate that over the past 10 or 15 years in the history of divestitures of the major concentrated industries, that the stockholders, by and large, have not suffered. If it is a sound industry on its own merits, the value of the shares of the individual units resulting from the divestiture spinoffs has almost always exceeded the value of the individual share in the parent company.

Every argument that can be made supports this measure.

Mr. President, there is very little that has been said in opposition to this proposal, except in the reception rooms and in the lobbies of the Congress and the State legislatures across this country by those who represent this handful of dominant companies in the petroleum marketplace. I think those arguments ought to be presented to the American people, instead of the American people subsidizing through the tax laws, as they have in the past, the paid advertisements that these companies have placed in the newspapers and on the television sets of this country to convince the people that we need Exxon, we need Texaco, we need Mobil, and we need these giant companies to fulfill our energy needs. I think that, if the truth were told in the Chamber of the Senate, very few Senators could vote against this kind of measure.

I do not know what the case is against it. I have not heard any arguments in the last several days why this measure should not be adopted. It has been suggested by spokesmen for the oil industry that we have to take time, that this is too drastic, that we cannot take this kind of step without deliberation and consideration.

Mr. President, I have already cited the fact that this measure has been under deliberation in the committees of the Congress for the last 10, 15, or more years. So I think the deliberation has been there. What has not been there is resolution. I believe the Senate has a golden opportunity to make a major turn in business in this country; to liberate one of the major industries in this country from the dominant control of a handful of people; to reinstitute real, genuine free enterprise and competitive practices which will benefit not only the companies that result from this divestiture but benefit the American consumer, and ultimately benefit the whole economy of this country, and perhaps the whole world.

Mr. President, unless we face up to the fact that there is more and more concentration in the key industries in this country, and face up to the fact that the only protection against that dominant concentration of wealth and power in the hands of a few, not only in oil but in many other industries, we are never going to be able to solve the problem of ever-increasing Government.

The Senator from Colorado, for one, will not vote for the proposals to deregulate and dismantle the Federal bureaucracy until there is, on the other side, a divestiture plan and proposal for each of these concentrated and monopolizing industries that will in fact permit the principles of the free marketplace to substitute for that regulation and provide for the protection of the public interest.

We will have big Government so long as we have these gigantic corporations we have talked about.

It is farcical and nonsensical to talk about deregulating and taking apart a Government structure which was largely built in response to that kind of concentrated wealth and power on the private side. They must go hand in hand. I think it is wrong for anybody, particularly the advocates of the so-called free enterprise system, to suggest we take apart the Federal Government and reduce it to rubble without first providing anything to protect the public interest against these giant corporations such as we have seen in the oil marketplace.

Mr. President, I think the U.S. Senate today has as great an opportunity as it has ever had to redirect the course of this country away from increasing concentrated power in the public and the private sectors. I do not know when we will have a better chance. I cannot think of any other measure than amendment No. 954 to steer the country away from the ever-increasing spirals of bigness on the public and private sides.

If the majority of the Members of the Senate would vote for this measure, not only would it benefit the consumers and the people we are here elected to represent, I think we would have struck a blow for true free enterprise, the kind that some people talk about almost daily in the Chamber of the Senate. Yet when they have an opportunity to vote for it, they almost never do. That is what is at stake in this amendment that will be voted on in the next few minutes, Mr. President.

I hope my colleagues will look very carefully at the record that the Senator from Michigan (Mr. PHILIP A. HART) has made in his subcommittee to which I have been referring in my remarks here today and yesterday. That record clearly demonstrates that if one is in fact an advocate of free enterprise today, he has no choice but to vote in favor of this amendment.

Mr. PASTORE. Will the Senator yield?

Mr. GARY HART. I yield to the Senator from Rhode Island.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1976—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of further conference on H.R. 8121 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DURKIN). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of further conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, having met, after further full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 2, 1975, at page 31510.

The PRESIDING OFFICER. The question is on agreeing to the report.

The conference report was agreed to.

Mr. PASTORE. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate No. 8.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. PASTORE. I yield.

Mr. WILLIAM L. SCOTT. Has this been cleared with the minority? I have been asked to protect the floor from this side.

Mr. PASTORE. The minority representative is right here in the Chamber.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HRUSKA. It is my understanding that the report of the conference committee on the subject at hand has been approved by the other body and the request now is that the Senate concur in a most delicate, most sensitive subject, but which I thought was dealt with very, very well.

The substance of the argument, or perhaps one of the leading themes, was that this was neither the time nor the place to deal with the Panama Canal, in an Appropriations Committee bill. Yet there was an effort made to express the sentiments, the wishes, the reasoning, and so on, on the part of the several contending parties.

In view of the developments as they have occurred, I want to subscribe to the request of the chairman of our subcommittee that the conference report be approved.

The PRESIDING OFFICER. The clerk will report the amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the bill (H.R. 8121) entitled "An Act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes"; and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property and defense of the Panama Canal.

Mr. PASTORE. Mr. President, the conferees have worked hard to arrive at compromise language regarding the Panama Canal. This language is intended to protect the President's constitutional prerogative to negotiate a treaty while still making known the sense of Congress that the vital interests of the United States must be protected in any new treaty. I urge the Members to support this compromise.

For purposes of clarification, I would also point out that it was the intent of the conferees in the previous conference report that each Federal cochairman of the various regional commissions be allowed to employ two additional persons to assist in the management of the expanded program. Also, the $2 million earmarked for the Mountain Plains school at the request of the distinguished majority leader (Mr. MANSFIELD), should be allocated as soon as possible in order to assure the continuity of this valuable program.

Again, I thank the distinguished Senator from Nebraska (Mr. HRUSKA) for his assistance and support during the conference.

Mr. President, I am convinced that the enactment of this legislation and the release of the funds to accomplish the purposes as set out in the bill—especially in the area of antirecessionary employment programs and law enforcement and juvenile delinquency prevention programs—will bring this Nation one step closer to the goal of providing a job for each citizen who is willing and able to work in an environment of increased public safety.

Mr. President, I renew my motion that the Senate concur in the amendment of the House to the amendment of the Senate No. 8.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

EXECUTIVE SESSION

The PRESIDING OFFICER. The Senate will return to executive session.

NOMINATION OF EARL SILBERT TO BE U.S. ATTORNEY FOR THE DISTRICT OF COLUMBIA

Mr. ABOUREZK. Mr. President, I understand that we have only 10 more minutes in which to debate the Silbert nomination. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ABOUREZK. Mr. President, the nomination of Earl Silbert to be U.S. attorney for the District of Columbia has the dubious distinction of being the longest pending nomination before the Senate. One cannot deny that in fairness to the nominee, a decision one way or the other should be made. And it could have been made had the administration and Mr. Silbert provided the Judiciary Committee with pertinent information bearing directly upon the manner in which the nominee discharged his responsibilities during the Watergate investigation and trial. I refer specifically to the September 1972 prosecutive memorandum, in which Mr. Silbert outlined for Henry Petersen his prosecution strategy; and a full transcript of the April 26, 1973, conversation between President Nixon and Haldeman in which Haldeman states:

He [Silbert] was limiting the investigation.

The members of the Judiciary Committee who attempted to resolve serious questions of conduct on the part of Mr. Silbert were accused of exercising "hindsight with a vengeance." But, is it really an exercise of hindsight I will not recount here all the conflicts which Senator TUNNEY has detailed in his statement. I commend this statement to you and hope that each Senator will take the time to read it prior to voting.

When I was appointed to the Judiciary Committee earlier this year, I knew very little about the details of the controversy in the committee surrounding the Silbert nomination. Indeed, until I reviewed the entire record of the nomination and sat through the latest round of hearings, held last May 20, I was prepared to vote to confirm Mr. Silbert. But I can no longer do so.

In reviewing the record I came upon what I consider to be a serious discrepancy in the testimony between Mr. Petersen and Mr. Silbert. Until that conflict is resolved, I am not now prepared to vote to confirm Mr. Silbert. I refer specifically to the discrepancy between Mr. Silbert and Mr. Petersen regarding the photographs of Dr. Fielding's office which the CIA had delivered to the Justice Department prior to the Watergate trial. Mr. Silbert insists that he never saw interior photographs of the Fielding break-in. Mr. Petersen testified that he showed everything he received from the CIA to Silbert.

In an effort to resolve the conflict, I had a private meeting with Donald Campbell, one of Mr. Silbert's principal assistants during the Watergate investigation and trial. Although Mr. Campbell was most cooperative, he could not explain the discrepancy in testimony over the photographs and reiterated his previous statement to the committee that he only recalled seeing exterior photographs. He then added that had the CIA delivered the interior photographs as well, it "would have made a big difference" in the Prosecutor's investigation.

I instructed my staff to pursue the matter with the CIA to see if perhaps the interior shots had not been delivered to the Justice Department. John S. Warner, the present General Counsel of the CIA, and Lawrence Houston, the former General Counsel, were interviewed over the phone by my staff. Both men were personally involved in the transfer of information from the CIA to the Justice Department during the Watergate investigation. Then on June 26, 1975, and July 7, 1975, my staff met with J. Edwin Dietel, Assistant General Counsel of the CIA, at CIA headquarters in Langley to review the Agency's records pertaining to the information delivered to the Justice Department specifically for the Prosecutors.

From all available information, we were able to establish that by December 21, 1972, the prosecutors knew of the photographs; that on January 3, 1973, the CIA had delivered to Henry Petersen Xerox copies of the 10 photographs they had developed for Hunt; that Mr. Petersen had seen interior photographs in the packet, as acknowledged during his testimony on June 20, 1974; and that when the Justice Department made its disclosure to Judge Byrne in the Ellsberg case, the affidavit Petersen forwarded with the same 10 pictures stated that the photographs had been found in the Criminal Division's files in the Justice Department. These facts establish a continuous chain of custody by the Justice Department of the interior as well as the exterior photographs.

At this point, I determined that the best way to pursue the matter was for the committee to call both Silbert and

Petersen back to be questioned under oath on this matter.

On July 14, I wrote the Chairman of the Judiciary Committee, requesting that both gentleman be recalled before the committee. However, due to the chairman's illness, the matter could not be taken up prior to the August recess. When the committee finally did consider my request, it was voted down by a 6-to-5 margin.

Quite frankly, I was surprised and dismayed that although almost half of the committee members present and voting wanted to reopen the hearing, we were not permitted to pursue this conflict in testimony. Given the support for the motion, it obviously was not a frivolous request. And I can assure you that I did not make it simply to delay this nomination. You will recall that I reviewed the record compiled by the committee before I became a member, I took part in the only hearing conducted since becoming a member, and I attempted to resolve the issue without involving the committee. When I had gone as far as I could informally, I requested that the hearings be reopened. But, also bear in mind the nature of my request. I offered to chair the hearing, to schedule it at the earliest possible date, to limit it to about one hour, and to call no other witnesses than Silbert, his assistants, and Petersen.

Speaking out against my request, the ranking minority member, Mr. HRUSKA, conceded that a conflict in testimony existed, but he added that he never knew a case where there were not conflicts in testimony. Therefore, he concluded that since, in his opinion, the conflict would not be resolved by reopening the hearings, the committee should not try. I could not disagree more. I have never heard of a case where a conflict in testimony was permitted to stand without any effort to resolve the difference. I am certain that my distinguished colleague recognizes that the Senate will not have faithfully pursued its obligation in this nomination if it does not address obvious questions of veracity.

Furthermore, what is the purpose of the confirmation process if conflicting information brought out during a confirmation hearing, is not pursued.

The whole confirmation process is rendered meaningless.

Central to this whole debate is the significance of the internal photographs. Permit me to explain why I believe them to be so significant. First, Silbert was preparing to prosecute Hunt and Liddy for burglary of the DNC. Seeing photos of the interior of Dr. Fielding's office should have raised suspicions of a burglary, or at a minimum questions as to what Hunt and Liddy were doing there. Even Mr. Campbell conceded the importance of interior photos when he told me that had the prosecutors seen internal shots it "would have made a big difference."

Second, bear in mind the circumstances under which the pictures were taken and developed—facts known to Silbert at the time he initially reviewed the photographs. These were not innocent photographs developed by the corner drug store and found among Hunt's possessions. The pictures were delivered to the Justice Department by the CIA. They were taken by Hunt with a concealed camera provided by the CIA. A CIA agent had met Hunt upon his return from California at Dulles airport at 6:30 in the morning to "pick up the film." The Agency had developed the film and delivered the prints and negatives to Hunt later that same day and retained copies for the Agency's files. And finally, this was not the only support that the CIA was providing Hunt. Given the heavy involvement of the CIA with Hunt and the clandestine circumstances under which the pictures were taken, how could Silbert have attached so little significance to the photographs? Could Hunt and Liddy really have been on an enterprise of their own with so much CIA support?

Yet during his testimony Silbert was at a loss to explain why he did not check out even the photographs he admitted seeing. Had he requested the FBI to conduct a quick check of Dr. Fielding's name, car license number, or Fielding's apartment address, all readily available from those pictures, he probably could have confirmed his "suspicion of a higher and broader conspiracy" which he maintains he could not prove before trial. In all likelihood he would have learned of the plumbers' operations and cracked Krogh's, Young's, and possibly even Colson's stories prior to the trial. At that point, Ehrlichman's involvement would have become readily apparent and the path would have led to the highest levels in the White House and most likely directly to the President.

In all fairness to Mr. Silbert, I endeavored to determine whether he had in fact seen all the photographs or if some were withheld from him. But I was precluded from pursuing this matter with the only people who are in a position to shed any light on the conflict—Mr. Petersen, Mr. Silbert, Mr. Campbell, and Mr. Glanzer. As a result, I can only assume that, on the basis of the information the committee has received thus far, Mr. Silbert was shown the photos and elected to do nothing with the information.

One must then ask why. Why would an experienced prosecutor react in such a way? In my opinion, there are only two possible answers. Either it was done through negligence, in which case one must question Silbert's competence; or it was done intentionally. If the latter is true, regardless of his motives in restricting his investigation, Mr. Silbert's actions cannot be excused or condoned, and under no circumstances should he be confirmed for the position of U.S. attorney for the District of Columbia.

Reluctantly, I have concluded that I cannot vote to confirm Mr. Silbert on the basis of an incomplete record. Indeed, I think that it would be difficult for any Member of the Senate to vote to confirm a man for a position of trust knowing that questions about his conduct bearing directly on his fitness for the position remain unanswered. Consequently, I am compelled to vote against Mr. Silbert.

At this point I ask unanimous consent to have printed in the RECORD my letter to Senator EASTLAND; a copy of the delivery receipt from the CIA; my letter to the Justice Department requesting access to the prosecutive memorandum; Mr. Petersen's affidavit in the Ellsberg case; and excerpts from Mr. Petersen's and Mr. Silbert's testimony before the Judiciary Committee bearing directly on the photographs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., July 14, 1975.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing you concerning the Earl Silbert nomination and what I consider to be serious discrepancies raised by the documents which Senator Tunney placed on the Record at the last executive meeting. After carefully reviewing this material, I had a private meeting with Mr. Campbell, a member of Mr. Silbert's Watergate prosecution team, in an effort to resolve some of the conflicts. Although Mr. Campbell was most cooperative, a major discrepancy remains. I refer to the conflict in testimony between Mr. Petersen and Mr. Silbert as to whether the prosecutors were shown all of the 10 photographs Hunt and Liddy took of their reconnaissance break-in of Dr. Fielding's office.

As you will recall, in an effort to gather information on Daniel Ellsberg, Hunt and Liddy made a preliminary break-in at Dr. Fielding's office on August 26, 1971. With a concealed camera provided them by the CIA, they took pictures of the interior of the office, the exterior of the building, Dr. Fielding's car and his residence. According to CIA records, on August 27, 1971, one of its agents met Hunt at the airport, retrieved the camera, developed the roll of film, and delivered 10 prints together with their negatives to Hunt that afternoon. Xerox copies of the photographs were retained in the Technical Services Division of CIA, and copies of the 10 Xerox prints were delivered to Henry Petersen on January 3, 1973.

During testimony before the Committee, Mr. Petersen acknowledged having seen both the interior and exterior photographs and indicated that he had reviewed the entire packet of material he received from the CIA with Mr. Silbert (p 504, Silbert hearings, Part 2). However, both Mr. Silbert and Mr. Campbell maintain that there were no interior photographs in the CIA packet of material (May 20, 1975 Silbert hearings, at p. 37, 38). Mr. Campbell further indicated to me at our meeting that had they seen interior photographs, it would have "made a big difference".

Obviously, possession of the interior photos would have been significant to the prosecutor's investigation for several reasons. First, the FBI had spent $100,000 in an unsuccessful investigation to establish what Hunt was doing in California. These photographs would have shed considerable light on his activities in California. Secondly, pictures of the outside of an office building, doorway and interior of an office, all developed by the CIA would tend to raise suspicion of a burglary in an experienced prosecutor, particularly if he had the individuals in those photographs under investigation for burglary. The photos of a "Dr. Fielding" parking space sign, Dr. Fielding's license plate number, and residence address all provide obvious leads, investigation of which would have involved a minimal effort. In his testimony before the Committee, Mr. Petersen was at a loss to explain why no FBI check of Dr. Fielding's name was made (p. 510, Silbert Hearings, Part 2).

Yet before speculating on what significance should have attached to the photographs, in all fairness to Mr. Silbert, it is first necessary to establish whether he had in fact seen all the photographs. Mr. Silbert and Mr. Campbell insist they never saw interior shots. However, Mr. Petersen testified he showed everything to the prosecutors. I directed my staff to try to determine if perhaps the interior photographs were not included in the material the CIA had given the Justice Department. After consultation with CIA officials, we were able to determine that 10 photographs were delivered to Henry Petersen on January 3, 1973, receipt attached, that the material was never returned to the CIA, and when the submission of the photographs was finally made to Judge Byrne in the Ellsberg case in May 1973, the material came from the Criminal Division files, not the CIA. All 10 photographs were delivered to Judge Byrne, including the interior photographs. (Exhibit 57, page 22385, Ellsberg Trial Transcript.) This fact appears to establish a continuous chain of custody by the Justice Department of the interior photographs. A direct conflict, therefore, results between the testimony of Mr. Silbert and Mr. Petersen regarding the interior photos.

At this point, I cannot in good conscience vote to confirm Mr. Silbert. Nor am I prepared to vote against his nomination. Indeed, until this conflict in testimony is resolved, I do not see how a just decision can be made on this nominee. Inasmuch as the conflicting testimony were made under oath, I would request that at a minimum Mr. Silbert, Mr. Campbell and Mr. Petersen be recalled before the committee to be further questioned under oath on this matter. Please be assured that it is not my intention to delay this nomination any longer than is absolutely necessary. However, in view of the seriousness with which I view this matter, I believe that a short delay is essential.

With every good wish for your complete and speedy recovery.

Sincerely,

JAMES ABOUREZK,
Chairman, Subcommittee on Separation of Powers.

Enclosure.

RECEIPT FROM THE CIA

Personally hand carried and delivered to Mr. Henry E. Petersen, Assistant Attorney General, Criminal Division, Department of Justice, an envelope containing xerox copies of 10 pictures.

ANTHONY E. GOLDIN.

Date: Jan. 3, 1973.

SEPTEMBER 22, 1975.

Mr. HAROLD R. TYLER,
Deputy Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. TYLER: I am writing to request your assistance in obtaining certain material necessary for the Judiciary Committee to complete its deliberations on the nomination of Earl Silbert to be United States Attorney for the District of Columbia.

As you are no doubt aware, numerous requests have been made for the September 1972 pretrial prosecutive memorandum during the 18 months that this nomination has been pending. Now that all of the appeals of the original seven Watergate defendants have been exhausted, the previously stated reason for withholding this document no longer exists. Therefore, I join my colleagues on the Judiciary Committee in requesting that the memorandum be furnished the Committee for its use in deciding on the nominee.

Additionally, I would also request that the Committee be furnished a transcript of the April 26, 1973, conversation between Richard Nixon and H. R. Haldeman, in which they discuss Mr. Silbert's investigation of the Watergate burglary and cover-up. Given the debate over the portion of the transcript that has been made public, it would appear to me that a full transcript is essential in order to place the comments in their proper context.

Your cooperation in forwarding the above mentioned material would greatly assist the committee in reaching an equitable decision on this nomination.

Sincerely,

JAMES ABOUREZK,
Chairman, Subcommittee on Separation of Powers.

SILBERT NOMINATION HEARINGS

(Part, 11, pages 504, 505, 510–511)

Mr. PETERSEN. I do not know how specific I can be. We had the first interrogation of the CIA people sometime around September, or thereabouts, and they came over with a written submission—sometime in October—that Mr. Silbert and I subsequently went over; and Mr. Silbert, in his preparation, wanted several questions answered by the CIA and they undertook to answer them. The second response was in connection with that. I do remember asking him if they had any identification with respect to the photographs. They did not know any more than what was reflected. Then they were made available to Mr. Silbert.

Senator TUNNEY. Why did they send these particular documents to you?

Mr. PETERSEN. I do not know.

When we got the documents, Mr. Silbert and I went over them and could not figure out what they were. We did not see any relationship.

Senator TUNNEY. Why did they come in?

Mr. PETERSEN. To the best of my recollection, these were submitted because one, Hunt had gotten some photographic equipment from them and asked them to develop negatives. And I guess we asked them about them and therefore they delivered them.

Senator TUNNEY. I want to make sure I understand why it was you even bothered to look at them if you had no idea what they were and why they were sent.

Mr. PETERSEN. I did not mean to say we had no idea why they were sent. We were trying to figure out what they had done for Liddy. That was the point of our question on the CIA; and what they had done for Liddy, they had furnished him with some photography equipment. It also came out, I think, in the questioning of the CIA people, that they had developed some film for him. Perhaps we asked them for it; I do not recall.

In any event, they came in with the second submission and we looked at them and could not understand what they were and could not see—and did not seem to us to have any relation to the Watergate investigation at all. We puzzled over them because we were trying to figure out Liddy's motivation.

Senator TUNNEY. Just looking through these documents, the pictures, starting with the first picture, there is a picture of a car in front of a building.

That did not mean anything to you?

Mr. PETERSEN. No.

Senator TUNNEY. Then taking a look at the second one, there is an office, and inside of the office, a desk, a chair.

That did not mean anything to you?

Mr. PETERSEN. Right.

Senator TUNNEY. The third one, it looks like there is a couch, a chair.

That did not mean anything?

Mr. PETERSEN. No.

Senator TUNNEY. The next one is a picture of a man, biting a cigar, near a stationery store of some kind.

Is that Mr. Liddy?

Mr. PETERSEN. Yes.

Senator TUNNEY. The next picture is three windows of a building.

And that did not mean anything?

Mr. PETERSEN. No.

Senator TUNNEY. The next one is an address: 11928. It says, "The Brentwood."

And that address did not mean anything to you?

Mr. PETERSEN. No.

Senator TUNNEY. Then there is another picture of two automobiles standing out in front of a store—apparently the same store that Mr. Liddy had been standing in front of, biting his cigar.

And then the next picture is a car in a parking lot.

Is that Mr. Liddy again, biting a cigar?

Mr. PETERSEN. That isn't very distinct; it might well be.

Senator TUNNEY. The next picture is of two cars; above one says, "Reserved for Dr. Fielding," and one says, "Reserved for Dr. Rothenberg".

That did not mean anything?

Mr. PETERSEN. No, we did not relate any of that.

Senator TUNNEY. You had never heard of Dr. Fielding?

Mr. PETERSEN. No, sir.

* * * * *

Senator TUNNEY. How many times did you and Mr. Silbert discuss these documents that came over from the CIA?

Mr. PETERSEN. I think only once.

Senator TUNNEY. How long did the conversation last?

Mr. PETERSEN. I really could not tell you. My guess is that we were going over the submission of the CIA. My recollection is that after discussion he took the documents back with him.

Senator TUNNEY. Who saw the documents first?

Mr. PETERSEN. I guess I saw them first, because they were delivered to the Justice Department.

Senator TUNNEY. Then did you give them to Mr. Silbert to review?

Mr. PETERSEN. Yes, that is right.

Senator TUNNEY. Mr. Silbert then brought them back to you?

Mr. PETERSEN. At some time, yes.

SILBERT NOMINATION HEARINGS

(Part 1, Pages 130–132)

Senator HART. At some point you got a call from Mr. Petersen indicating that he had a package of material from the CIA related to Hunt and Liddy.

I understand he told you there was no need for you to see it and that it simply revealed no information relevant to the break-in.

Is that a fair summary?

Mr. SILBERT. That is correct.

Senator HART. What happened after that?

Mr. SILBERT. I indicated to Mr. Petersen that notwithstanding the CIA, which appeared to be the CIA concern about leaks, that it was vitally important that I see that material, and he agreed, and I went over and examined that material, and I don't believe it related only to Hunt and Liddy, I think there were a number of responses or questions encompassing more than just Hunt and Liddy. It related to the other defendants.

And then he gave me, Mr. Petersen gave me the packet of materials and I took them back to the U.S. attorney's office and reviewed them very carefully with Mr. Glanzer and Mr. Campbell after having first reviewed them, of course, with Mr. Petersen. After that I went back and had some more questions and Mr. Petersen and I had a meeting with Mr. Colby and Mr. Warner.

* * * * *

Senator HART. The materials that we are talking about that the CIA had given Mr. Petersen and which you later saw, these materials included the photos, Xeroxes of the photos of Liddy in front of the office of Daniel Ellsburg's psychiatrist, Dr. Fielding, and other photos of him in California; is that not correct?

Mr. Silbert. Yes. At the time I didn't observe the Dr. Fielding's aspect. My focus was on Liddy standing in front of some office, a photo supply store or reproduction store.

Senator Hart. Well, the explanation given to you by Mr. Colby and Mr. Warner of those photos; is this a result of the assistance the agency had been asked to give Mr. Hunt by Mr. Ehrlichman?

Mr. Silbert. Well, so far as the photos were concerned, I don't recall it being that specific of tying the photos directly into Mr. Ehrlichman. My question to them had really been directed to who gave the initial authorization for you to give them assistance, not directed to any specific, say, photograph or document, but the general fact of assistance, and that is when Mr. Erlichman's name came up.

* * * * *

Senator Hart. Weren't you curious in looking at the photos of Liddy in California as to why the CIA would have given assistance to a man who had many months before left the Agency?

Mr. Silbert. Certainly. I remember poring over those photos with Mr. Petersen and we just couldn't figure out, just based on what those photos were. I took the whole packet, including the photographs, back and showed them to Mr. Glanzer and Mr. Campbell and again we went over them and tried to figure out what was going on.

We had known, Senator, and we spent a considerable portion of our investigation trying to determine what was going on in this sense. We had airplane records and hotel reservations of Edward Warren and George Leonard in California and a lot of our inquiry to the White House witnesses, such as Mr. Krogh, Mr. Young, and Mr. Colson, was trying to find out what the purpose of this travel was, why they would be using the names of Ed Warren and George Leonard. Basically our inquiries proved nonproductive and in fact we received at least some perjurious testimony, as one of the indictments returned by the Special Prosecutor in this regard has demonstrated.

So, you asked were we curious or were we trying to find out about it? The answer is yes. We asked the CIA. The CIA told us they claimed not to know, they claimed not to know the purpose the Ed Warren and George Leonard phony identifications had been given.

WATERGATE HEARINGS

(Book 9, pages 3622–3623)

Mr. Dash. May I show you a copy of a memorandum dated December 5, 1972, and attached to it are Xerox copies of photographs and see if these are the records that you did receive?

Mr. Petersen. I recognize one which is a picture of Mr. Liddy in front of a stationery store which has the sign on the window "Xerox Copies While You Wait." I recognize that one. I recognize another one in which there is an address 11923 on the building, a car outside. I recognize another one in which there is written in on it—two automobiles—reserved Dr. Fielding, reserved Dr. Rothberg.

Mr. Dash. Actually what you did receive were Xeroxes of photographs, not photographs themselves?

Mr. Petersen. That is right.

Mr. Dash. And do they appear something like these Xeroxes I have shown you?

Mr. Petersen. Those I have mentioned to you; yes, sir.

Mr. Dash. When you received these, was there any indication to you as to what investigation these drafts related to?

Mr. Petersen. No, we were investigating, of course, activities of Hunt and Liddy out in California, trying to figure out why, what its relationship to Wategate was, and Silbert and I sat down and went over these documents and we couldn't relate them to anything. Later we asked CIA, I guess, and they didn't have any descriptive data or negatives or actual photographs or anything that would assist us.

SILBERT NOMINATION

(Hearing of May 20, 1975, pages 35–38)

Senator Tunney. Well, I have here some copies of the photograph. They are already in the hearing record. We might as well place them in again.

And this is a memorandum for the record. It is TSD photographs. Do you have a copy of that?

Mr. Silbert. I have seen it.

Senator Tunney. You have seen them?

The memorandum on the front says that one of the photographs shows the Bassit's barbershop, the yellow pages of the Beverly Hills telephone directory lists. One of the photographs shows a shop named "Mediterranena." One of the photographs shows the Postal Instant Press. One of the photographs shows the Beverly Towers East. At least one photograph shows a Volvo automobile with California license plates numbered 377 CUJ, in a reserved space for Dr. Fielding. This is in reference to Beverly Hills, the auto tags.

Did you make any connection when you saw this memorandum from the CIA as to the relationship that Hunt might have with Ellsberg, or Dr. Fielding, or Dr. Fielding's relationship with Ellsberg?

Mr. Silbert. I never knew who Dr. Fielding was, or heard the name, until late April of 1973, so I made absolutely no association or connection with Dr. Fielding. The only picture I recall was Liddy standing there with a pipe, in front of a photo reproduction shop, with that sickening smile on his face. That is all I remember seeing, Senator.

Senator Tunney. You did not, of course, investigate the Dr. Fielding connection that Hunt might have had, or Liddy might have had?

Mr. Silbert. No; no, absolutely——

Senator Tunney. Why not?

Mr. Silbert. Why not?

Senator Tunney. Yes.

Mr. Silbert. There was no basis to, in my opinion, absolutely none.

Senator Tunney. Why not?

Mr. Silbert. Because there was no reason to suspect. Dr. Fielding was a name. Dr. Rothenberg—I think there is another parking place there—Dr. Rothenberg was a name. There was no connection to the Watergate case, one way or the other.

We brought that photograph back to our office, or I did, showed it to Mr. Campbell, I showed it to Mr. Glanzer, the documents were shown to the case agent in charge of the FBI investigation to determine whether there was anything there that was worth following up other than Liddy taking a picture of himself in front of a photographic shop.

And our conclusion was based on the investigation that had already been conducted. And, as I said before, I can't tell you how many man-hours, how many phone calls, how many leads had been followed out, that there was nothing worthwhile here.

Certainly, Senator, there was no suspicion, if I may say this, of any association with a crime. Because, for heaven sakes, if a person is going to commit a crime and conceal his identity, the last thing any person with half a brain does is to leave a photograph of himself standing in front of the site or the vicinity of the crime.

So, to suspect directly or indirectly that that had any association, direct or indirect, with any criminal activity—and that is all we were investigating, Senator, was criminal activity—I suggest to you, sir, has no basis in fact, merit, or anything else whatsoever.

* * * * *

Mr. Tunney. Now, does one of those photographs indicate a ransacking or a burglary having taken place?

Mr. Silbert. I do not recall seeing those pictures. I have told you what I recall seeing. They were either one or two photographs and the one that sticks out in his mind is the one of Liddy standing in front of that photo shop and I think there is another shot, as I recall, of a parking place, I think, with a car with California license plates on it.

I do not recall seeing, until May of 1973, any photographs of the interior of a building indicating that a ransacking had occurred. Ehrlichman did testify as you so indicated and all I can say with respect to that is either he is lying or those people that gave him the information were lying. But we never knew about that Ellsberg break-in until such time as Dean made that statement to us on April 15th, 1973.

Senator Tunney. But what I am curious to know is: I have a copy, which was presented to the Watergate Committee, a copy of the transmission from the CIA. It contains some pictures of some interiors. These are poor reproductions. I have seen the originals. They were available last year at your confirmation hearing. And you say that you never saw those photographs?

Mr. Silbert. I do not recall seeing those photographs. I have told you what I recall seeing, Senator. The two photographs I've tried to describe to you.

Senator Tunney. You do not deny that they were part of the package, do you?

Mr. Silbert. I don't think they were part of the package that was given to me, because I do not recall seeing them, and I think I would have recalled seeing them, Senator, if I had.

I only recall two pictures.

[Exhibit No. 93]

AFFIDAVIT

City of Washington, District of Columbia, ss.

I, Henry E. Petersen, being first duly sworn, state:

1. I am an Assistant Attorney General, United States Department of Justice, in charge of the Criminal Division. Since March 26, 1973, and only since that time, I have had the primary supervisory responsibility for the Department of Justice in connection with the case of *United States* v. *Anthony Joseph Russo, Jr., et al.*, No. 9373–WNB–CD, now on trial in the Central District of California.

2. I have had no information regarding an alleged unlawful entry on or about September 3, 1971, by persons then connected with the Government into the office of Daniel Ellsberg's psychiatrist until *April 16, 1973,* when an allegation contained in a memorandum from Earl J. Silbert, Principal Assistant, United States Attorney's Office, Washington, D.C., was submitted to me.

3. I am unaware of any information received by the Department of Justice in connection with its investigation of the unauthorized disclosure of the Pentagon Papers and in the case of *United States* v. *Anthony Joseph Russo, Jr., et al.* which came, or could have come from the alleged burglary by E. Howard Hunt, G. Gordon Liddy and others of the office of Daniel Ellsberg's psychiatrist, Dr. Lewis Fielding.

4. The xerox copies of photographs of what apparently are exterior shots of the building and parking lot in which Dr. Fielding's office is located were first delivered to the Criminal Division of the Department of Justice in about October of 1972 by the Central Intelligence Agency in connection with requests made by the prosecutive staff of the so-called Watergate case for background information pertaining to certain of the defendants in that case, including E. Howard Hunt. The significance of these xerox copies

of photographs to the then-unknown alleged break-in of Dr. Fielding's office was, of course, not then realized, since I had no knowledge whatsoever of the Department of Justice file in the Pentagon Papers case until that matter was transferred to the Criminal Division as a result of the abolition of the Internal Security Division March 26, 1973 and the significance did not thereafter become apparent until a check was made of the CIA material in the Criminal Division on or about May 3, 1973, in connection with the case of *United States* v. *Anthony Joseph Russo, Jr., et al.* as a result of the Government disclosure of the memorandum of April 16, 1973, to me.

HENRY E. PETERSEN,
Assistant Attorney General,
Criminal Division.

Mr. ABOUREZK. I yield the remainder of my time to my colleague on the Judiciary Committee, the Senator from California (Mr. TUNNEY), but before so I wish to state that I am in opposition to the nomination of Mr. Silbert.

My decision to vote against the nomination was made within the last 2 weeks, based primarily upon one major factor, and that is that in an effort to try to resolve all of the conflicts in testimony, I have attempted to recall Mr. Silbert and Mr. Henry Peterson to the stand, to be sworn under oath to provide testimony so far as a conflict between the two of them is concerned. I was unable to do so because Mr. Silbert's supporters in the committee denied me the right to have those hearings, and I honestly did not know whether Mr. Silbert participated in a coverup in deliberately limiting the Watergate investigation, or not.

I therefore do not wish to render the nomination and confirmation process meaningless by voting in the affirmative, and as a consequence I am compelled to vote against the nomination, and urge my colleagues to do likewise.

I yield the remainder of my time to the distinguished Senator from California.

Mr. TUNNEY. I thank the distinguished Senator from South Dakota for giving me the remainder of the time.

I would just like to say that the work which the Senator from South Carolina has done in the Judiciary Committee on this matter, in my view, was outstanding, and showed a considerable amount of courage.

I recognize that it is now very easy to say that we ought to forget all about the Watergate affair, inasmuch as the matter has been before the courts in many instances; we had the original seven who were tried, we had another five who were tried and convicted, and people would like very much just to forget that there was any such thing as Watergate.

Unfortunately, the nomination of Earl Silbert returns us once again to that very dismal period of American history, because Earl Silbert was the one who happened to be in charge of the investigation that was conducted after the general break-in and prior to the time that the original Watergate seven were tried.

Earl Silbert now is being held out to the country as the person who did such an outstanding job in conducting that investigation that he deserves to be promoted.

I have nothing against Earl Silbert as a person. I have no vendetta against him as an individual. But I do not think that a man who did such a poor job in charge of the investigation of Watergate in 1972 and the early part of 1973 ought to be awarded a gold star, promoted, and made the U.S. Attorney.

I think it is clear, when you look at the record—and I shall read just a couple of points; I do not have much time—that Earl Silbert knew an awful lot more about the various connections of other Government officials than the original information prior to the time of the trial, than the public was let in on during the trial, or than the public had any ability to find out about, considering the statements that were being made by Mr. Kleindienst, who was then the Attorney General of the United States, and by others in the administration, that no one else was involved in the break-in other than that original misbegotten group of seven who were caught in the vicinity of the Watergate.

I would just like to quote from Silbert's closing statement at the trial of the first group of Watergate defendants, the first seven, on January 24, 1973:

> And who was the boss? Who was the boss that night?
>
> The boss, the defendant Liddy, the man in charge, the money man, the supervisor, the organizer, the administrator?
>
> That was Mr. Liddy, organizing and directing this enterprise right from the start. . . .
>
> Money talks and the defendant Liddy had lots of money to make that money talk, didn't he? And Mr. McCord was handing it out. Hundred dollar bills. One after the other.
>
> The only kind of payment. Fresh new hundred dollar bills from the money man, Mr. Liddy, the boss, the supervisor.

It is clear that what Mr. Silbert was trying to convey to the jury, and as well to the American people, because this trial was well publicized, was the fact that Liddy, McCord, Hunt, and the Cubans were the only ones who were involved, and that Liddy was the big boss.

Now just listen to what Mr. Silbert knew prior to September 15, 1972, and prior to the trial which took place in January of 1973.

These are things that Silbert knew:

First. There was $600,000 in cash on hand in the committee offices.

Second. Bernard Barker, one of the five burglars caught inside the Watergate, had in his bank account $114,000 of "campaign contributions" for CREEP. Four of the five burglars arrested inside the Watergate had 50 $100 bills traced directly from this account.

Third. Jeb Magruder, the man second in charge to John Mitchell at CREEP, had asked Hugh Sloan, the assistant campaign treasurer at CREEP, to pay G. Gordon Liddy $199,000 in cash. Sloan balked and went to Maurice Stans, the campaign treasurer, for direction. Stans went to Mitchell, who okayed the payment, and told Sloan to pay out the money. Sloan asked what the payment was for and Stans gave his famous reply: "I don't want to know and you don't want to know."

Fourth. Sloan told the prosecutors that Magruder and Frederick C. La Rue had both tried to persuade him to commit perjury and to minimize that $199,000 figure.

These are things that he knew prior to September 15, 1972, and yet he goes into that trial and says that Liddy was the only one, was the big boss, that he was the one that was in charge.

I might also point out that it is at this time, in the latter part of 1972, that Attorney General Kleindienst was coming up with his famous statements. On September 15, 1972, Kleindienst said:

> I can say categorically no one of responsibility in the White House or in the campaign committee had any knowledge of the alleged Watergate bugging.

Did we hear anything from Mr. Silbert? No, we heard nothing.

Then we heard, on September 17, the following statement from Mr. Peterson:

> The investigation has been conducted under my supervision. In no instance has there been any limitation of any kind by anyone on the conduct of the investigation.
>
> Indeed, the investigation by both the F.B.I. and the grand jury has been among the most exhaustive and far reaching in my 25 years in the Department of Justice.

Mr. HRUSKA. Mr. President, will the Senator yield for a brief question?

Mr. TUNNEY. Well, we have 2 minutes. I yield for 30 seconds.

Mr. HRUSKA. All I need is a few seconds.

Is it not true that under the terms of the unanimous-consent agreement there will be a vote on this issue at 2 o'clock?

Mr. TUNNEY. That is correct.

Mr. HRUSKA. And that the Senator from Nebraska has not had any time or opportunity to rebut as well as he can some of the charges that are made by either the Senator from South Dakota or the Senator from California?

Mr. TUNNEY. I will have to take the Senator's word, because I just got to the floor just a few moments ago.

Mr. HRUSKA. Mr. President, I would like to briefly supplement my preliminary remarks of yesterday in support of the confirmation of Mr. Silbert as U.S. attorney for the District of Columbia, which appear at page 31957 of the CONGRESSIONAL RECORD of October 7.

Last week, the Committee on the Judiciary voted overwhelmingly to report this nomination to the Senate with the recommendation that it be confirmed. This action was taken with only two dissenting votes among its 15 members.

The committee's action was advisedly taken, Mr. President. Extensive hearings were held on the nomination and a voluminous record compiled. This Senator participated extensively in the testimony which was adduced. Hearings were held on 10 separate days—April 23, 24, 30, May 1, June 18, 19, 20, 24 and 26, 1974; and May 20, 1975. They are printed in three volumes consisting of 834 pages.

The determination of the Committee on the Judiciary was reached upon the basis of the record established during these hearings. The testimony and documents received during the hearings dealt extensively with the professional and the personal qualifications of the nominee, with his performance in office and his long years of service with the Department of Justice. The record clearly establishes that Mr. Silbert is extremely well qualified to be U.S. attorney for the District of Columbia.

Opposition expressed on the floor to the nomination does not include any suggestion that the nominee was unethical or dishonest. Nor has there been any contention that he is not professionally qualified and proven for the position.

Rather, the few critics of this nomination indicate that their reservations are based upon Silbert's handling of the Watergate investigation.

There are a few who today suggest with the marvelous advantage of total hindsight that it is difficult to understand why it took Mr. Silbert as long as it did, some 10 months, to develop a criminal case against higherups in the White House. It is additionally suggested that it took him an excessive amount of time to uncover incidents of criminal activity perpetrated by some of the original defendants, particularly in the Ellsberg-Fielding break-in.

Mr. President, such Monday morning quarterbacking is simply unfair. These criticisms were thoroughly explored in the hearings. The 10 days of hearings and 834 pages of testimony and written submissions proved that Mr. Silbert did not limit the investigations, that he was extremely aggressive in his handling of the case.

Within 10 months of the Watergate break-in on June 17, 1972, Mr. Silbert accomplished, among others, the following: First, he obtained solid convictions, upheld on appeal, against the original seven Watergate defendants—Hunt, McCord, Liddy and the four Cubans, second, he discovered and uncovered the Watergate coverup, formulated a comprehensive prosecutive theory, and obtained hard information from Dean and Magruder against Ehrlichman, Haldeman, Mitchell and others as to their participation in the Watergate coverup, third, he discovered the Ellsberg-Fielding burglary which was disclosed to Judge Bryne and eventually led to the dismissal of the Ellsberg case, and fourth, he obtained the agreement of Magruder and offer of LaRue to plead guilty after evidence of their guilt had been developed. The guilty plea offer for Dean, which was subsequently entered with the approval of the Special Prosecutor, was made by Silbert.

The record clearly indicates further, Mr. President, that following a painstaking investigation against the most difficult odds, Mr. Silbert had developed the substantial portion of the evidence against higherups in the White House involved in the Watergate matter and was on the brink of bringing these individuals to justice at the time the Office of Special Prosecutor was established.

Let us consider, Mr. President, that there is no one who is more familiar with the Watergate prosecution and trials than the then Chief Judge of the District Court of the District of Columbia, the Honorable John Sirica. In January of 1974, it was Judge Sirica who as chief judge in making the appointment of Mr. Silbert on behalf of the U.S. District Court to succeed Mr. Harold Titus, recently resigned district attorney, stated it was a "happy occasion" and that he and all the other judges considered Mr. Silbert "well qualified" to be U.S. attorney. Here are the judges speaking officially and with approbation on Silbert's qualifications and his selection as U.S. attorney by way of court appointment. It is before these judges that he practiced. It is before these judges that he demonstrated his very outstanding efforts in enforcing the law in the court room to the best of his abilities.

Under his leadership, the U.S. attorney's office for the District of Columbia, in fiscal 1975, obtained its highest conviction rate in felony cases—88.4 percent—and its lowest dismissal rate by far—7.5 percent—since the collection of statistics in that office began in 1958.

Mr. Silbert has enjoyed the endorsement of the special prosecutors who have served in that office, Mr. Archibald Cox, Mr. Leon Jaworski, Mr. Henry Ruth, and the trial prosecutor, Mr. James Neal, whose initial duty in the Special Prosecutor's office was to evaluate Mr. Silbert's work. Mr. Neal stated that Mr. Silbert's performance was both "capable and honest."

Endorsements were also received by the two Washington lawyers, highly respected and well know, to wit: President of the District of Columbia Bar, Daniel Rezneck, and civil rights attorney Joseph Rauh.

The directors of the District of Columbia and Montgomery County Public Defenders Service, the director of the District of Columbia Bail Agency, and the previous director of the Washington Civil Liberties Union office also endorsed Silbert's nomination.

Likewise, both of the District of Columbia bar associations strongly supported Silbert's nomination and confirmation. The black lawyers of the District of Columbia, organized as the Washington Bar Association, stated they "strongly" supported Mr. Silbert because he prosecutes "even handedly" without respect to persons or social classes.

The nominee's community work and his role as a private citizen will stand the closest of scrutiny and very substantial praise and commendation.

All of these facts were known when the Judiciary Committee reported this nomination and are disclosed in the record in very complete fashion and style.

It is my earnest hope that the Senate will accord a resounding and overwhelming vote in favor of this confirmation. It will signify an endorsement of a fearless, well-qualified and highly respected professional. His continued service will redound the benefit of the District of Columbia, the United States itself, and for the administration of justice for all of our citizenry.

Mr. President, I ask unanimous consent to have printed in the RECORD several exhibits, 13 in number, in support of my statement in behalf of Mr. Silbert.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPENDIX A

SWEARING-IN CEREMONY OF EARL SILBERT AS U.S. ATTORNEY FOR THE DISTRICT OF COLUMBIA BY THE HONORABLE CHIEF JUDGE JOHN J. SIRICA AND THE HONORABLE GEORGE L. HART AND THE HONORABLE WILLIAM B. JONES

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

WEDNESDAY, JANUARY 2, 1974.

Judge SIRICA. Before we start I would like to say for the benefit particularly of those who are not acquainted with Judge Hart and Judge Jones, we are fortunate in having with us two of my valued friends and colleagues on the bench on this happy occasion.

This session has been called to administer the oath of office as United States Attorney for the District of Columbia to Mr. Earl Silbert.

The Honorable Harold H. Titus, Jr., formerly the United States Attorney, resigned that post effective December 31, 1973, thereby creating a vacancy which to date remains unfilled. Under the provisions of Title 28 United States Code, Section 546, the District Court for a district in which the office of United States Attorney becomes vacant, may appoint a United States Attorney on an interim basis.

Whenever such vacancies have occurred here in the past, this district court has acted to fill the post so that the important work of the United States Attorney's office might proceed without interruption pending a permanent appointment by the President and confirmation by the Senate. The Court traditionally selects the principal Assistant United States Attorney in these circumstances provided he is qualified to serve.

Upon learning of Mr. Titus' resignation, the active district judges of our court were contacted by telephone, some by me and others by Judge George Hart, relative to filling the vacancy thus created, and finding Principal Assistant Silbert well qualified, the judges voted unanimously for his selection. Mr. Silbert has accepted the position as Interim United States Attorney and will serve in that capacity pending a permanent appointment by the President.

Earl J. Silbert is a native of Boston, Massachusetts. He received the Bachelor of Arts degree in 1957 from Harvard College, graduating Magna Cum Laude in History and having been selected as a member of Phi Beta Kappa in recognition of his exceptional academic record. He received his law degree from Harvard Law School in 1960 graduating cum laude. Mr. Silbert was admitted to the Bar in Massachusetts in 1960 and to the District of Columbia Bar in 1963. Beginning in 1960 for approximately four years, Mr. Silbert worked at the Tax Division of the Department of Justice. For five years beginning in 1964, he served as an Assistant United States Attorney for the District of Columbia working in each of the General Sessions, Special Proceedings, Grand Jury, and Criminal Trial sections of that office. In 1969, he joined the Office of the Deputy Attorney General as an attorney advisor, and in 1970 returned to the United States Attorney's Office here as Executive Assistant. Thereafter, in January, 1972, Mr. Silbert was selected Principal Assistant United States Attorney for the District of Columbia in which capacity he acted as the alter ego of the United States Attorney in all matters. He has been active in programs assisting the YWCA, and from 1962 to 1965 served as vice president, general counsel and executive vice president of the Metropolitan Athletic Educational and Cultural Association in the District of Columbia for Underprivileged Children. He is the co-author of "Criminal Laws and Procedures—The D.C. Court Reform and Criminal Procedures Act of 1970", published in the American Law Review.

Mr. Silbert, are you prepared to take the oath at this time?

Mr. SILBERT. Yes, I am, Your Honor.

Judge SIRICA. Will you step forward. Raise your right hand and put your other hand on the bible please, and repeat after me:

I, Earl J. Silbert—do solemnly swear—that I will support and defend the Constitution of the United States—against all enemies foreign and domestic—that I will bear true faith and allegiance to the same—that I take this obligation freely—without any mental reservation—or purpose of evasion—and that I will well and faithfully discharge—the duties of the office—on which I am about to enter—so help me God.

Thank you. And congratulations.

Does either one of you want to say anything at this time? Judge Hart?

Judge HART. Briefly. It has been my privilege to work with Mr. Silbert for several years on many complex matters. I always found him to be most able and most reliable and most cooperative. I congratulate you, Mr. Silbert.

Mr. SILBERT. Thank you very much, Judge Hart.

Judge SIRICA. Judge Jones?

Judge JONES. I too join with all members of the Court and being very pleased that Mr. Silbert will be our Acting United States Attorney.

We know from his prior conduct and effective assistance to the Court and to the public that he will continue in that.

Mr. SILBERT. Thank you, Judge Jones.

Judge SIRICA. Mr. Marshal, you may adjourn the court.

[Adjourned at 12:10 p.m.]

CERTIFICATE

It is certified the foregoing is the official transcript of proceedings indicated.

NICHOLAS SOKAL,
Official Reporter.

APPENDIX B

[From the Washington Star-News, Friday, Jan. 17, 1975]

ITEM 20: SILBERT'S NOMINATION

The nomination of Earl J. Silbert to be U.S. attorney for the District of Columbia is floating toward Capitol Hill once again—for the third time, to be precise. His initial selection by then-President Nixon in January 1974 was resubmitted by President Ford after he took office; but the nomination was asphyxiated in the Senate Judiciary Committee by what was, in our view, unsubstantial criticism for an alleged lack of vigor in closing the Watergate noose.

No convincing arguments were made then, or have been advanced since, that Silbert was other than thorough in his part of the pursuit of the five bumbling burglars and the subsequent indictments of the crew plus E. Howard Hunt Jr. and G. Gordon Liddy. The momentum developed by the initial team of government lawyers that included Silbert eventually carried the investigation all the way into the Oval Office.

One of the two senators who most adamantly opposed Silbert during the committee hearings last fall has retired, Sam Ervin of North Carolina. However, Senator John Tunney of California, it appears, can be expected to remain unreceptive to Silbert's nomination, maintaining his view that the young prosecutor was not as "diligent or independent" in his Watergate sleuthing as he should have been.

We would urge Tunney to ameliorate his opposition for a number of reasons. Silbert, with experience in the Justice Department and the local criminal justice system since 1960, is intimately familiar with the problems that come with the territory. He has demonstrated a tenacity, a realism, and also a progressive instinct in his more than a year as interim U.S. attorney here. He has received unanimous backing by the District Court bench. His Watergate work has been praised by both former Special Prosecutors, Archibald Cox and Leon Jaworski, and by James Neal, the federal prosecutor in the Mitchell-Haldeman-Ehrlichman trial.

Beyond that, Tunney's further opposition to Silbert's confirmation would constitute an inequity to the people of the District of Columbia who need and deserve a man of Silbert's proven competence. We hope that the miasma of Watergate has sufficiently dissipated that the Judiciary Committee will look at Silbert's commendable record and confirm him expeditiously.

APPENDIX C

[From The Washington Star]

SILBERT'S PROMOTION

Earl J. Silbert should be feeling pretty good these days, even though his future is indefinite. Seldom if ever has anyone been accorded a more praiseful reception, as an appointee to the U.S. Attorney's position here, than he received last week from leaders of the District's legal community. His appointment, of course, is on an interim basis, made by judges of the U.S. District Court and not the President, but those expressions of support at his swearing-in seem a good recommendation for permanent status.

The most impressive words, by far, came from Chief Judge John J. Sirica, who recited Silbert's qualifications at length and called the ceremony a "happy occasion." Some other judges who had joined in the unanimous selection expressed the same sentiments, as did legal figures outside the judiciary. And certainly no one can question Silbert's preparation for the job, through his long service in the Justice Department and U.S. attorney's office, added to a distinguished educational background.

Nonetheless, the possibility of criticism exists: Some members of Congress may grumble that Silbert, as the first chief Watergate prosecutor, failed to pursue the White House connections in that affair with sufficient zeal. And quite possibly the White House, anticipating this sort of objection in a Senate confirmation proceeding, has been overly cautious on the appointment. But having allowed the District judges to take the lead in filling this important office, President Nixon still can name Silbert as his choice, too, and this seems in order. For Silbert's performance in the early Watergate prosecutions certainly was not discreditable, nor did he fail to cooperate later with the special Watergate prosecutor's office which succeeded him.

Most importantly for the District, though, he knows law enforcement here from top to bottom, and had a primary role in drafting the D.C. Crime Act of 1970. Since then, as principal assistant to U.S. Attorney Harold Titus Jr. (who resigned last week because of poor health) he has gained much respect for efficiently implementing that act. From all indications, Silbert has the vigor and innovative ideas that are needed to build upon Titus' solid record, to keep on improving the administration of justice. And if this is to be made a safer and better city, that job must be done exceedingly well.

APPENDIX D

WATERGATE SPECIAL PROSECUTION FORCE, U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., May 7, 1974.

Hon. ROMAN L. HRUSKA,
U.S. Senate, Committee on the Judiciary,
Washington, D.C.

DEAR SENATOR HRUSKA: This is to reply to your letter of this date asking for my office's evaluation of the Watergate investigation conducted by Mr. Earl J. Silbert, whose nomination for the position of United States Attorney for the District of Columbia is now pending before the Senate.

I have earlier responded to a letter from another member of the Judiciary Committee inquiring whether in the investigation conducted by this office into the Watergate matter we had discovered any evidence of bad faith or malfeasance by Mr. Silbert during his involvement in the investigation. I replied that we had no evidence of any such conduct. Beyond the responses I gave to the earlier inquiry, it is the opinion of the members of my staff who are most familiar with this matter that the handling of this case by Mr. Silbert and his colleagues prior to the appointment of a Special Prosecutor was professional and fair. That assessment is in accordance with my understanding of the facts and circumstances that have been developed to date. Because I am not personally familiar with Mr. Silbert's labors in this matter, I must necessarily rely on the appraisals of staff members informed on this subject, in whose judgment I have full confidence.

I appreciate the opportunity to bring this assessment to your attention.

Sincerely,

LEON JAWORSKI,
Special Prosecutor.

APPENDIX E

NEAL & HARWELL,
Nashville, Tenn., February 20, 1974.

Re. Earl J. Silbert, Nomination for United States Attorney for the District of Columbia.

Hon. BIRCH BAYH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAYH: This letter is in response to a request for information on the above subject and specifically for information concerning the activities of Earl J. Silbert as the attorney in charge of the investigation of the break-in into the Democratic National Committee Headquarters at the Watergate office complex in June of 1972.

I joined Mr. Archibald Cox in late May, 1973, a few days after he took office as the special prosecutor in charge of the Watergate Special Prosecution Force. Among Mr. Cox's early concerns was the status of the ongoing investigation then being conducted by Earl Silbert, Seymour Glanzer, and Donald Campbell. Mr. Cox assigned me the job of reviewing the investigation and apprising him both on its current status and the manner in which it had been handled. I spent several weeks reviewing the written record of the investigation and in conferences with prosecuting attorneys.

Speaking directly to your inquiry, I concluded that Mr. Silbert and the other attorneys working on the case were capable and honest. I expressed this opinion to Mr. Cox, and it has not changed in the intervening months.

Sincerely,

JAMES F. NEAL.

APPENDIX F

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., June 29, 1973.

EARL J. SILBERT, Esq.,
Principal Assistant U.S. Attorney,
Washington, D.C.

DEAR EARL: I have the letter in which you again express your desire to be relieved of responsibility for the Watergate case so that you can return to your normal duties in the office of the United States Attorney. I cannot in fairness refuse your request. I understand you will be leaving immediately, but I hope that you will be available for questions, consultation and assistance from time to time.

Seymour, Don and you acted in a highly creditable fashion in acceding to my request that you put the interests of the Watergate investigation ahead of your own wishes and give us the benefit of your knowledge and experience during a period of transition. Your help has been invaluable. Without it we would be weeks behind. Even now the loss of your assistance may slow us down somewhat, but not enough to justify my overruling your own wishes.

Perhaps I may add in closing that I realize this has not been an easy time for you. I am aware of various criticisms of your earlier conduct of the investigation and prosecution of seven defendants. Lawyers often differ on questions of judgment, and there are points on which my judgment might have varied from yours. Thus far in the investigation however, none of us has seen anything to show that you did not pursue your professional duties according to your honest judgment and in complete good faith.

With all good wishes.

Sincerely,

ARCHIBALD COX,
Special Prosecutor.

APPENDIX G

[From the New York Times, Wednesday, May 29, 1974]

IN DEFENSE OF SILBERT: A LOOK AT THE RECORD

(By Daniel A. Rezneck)

WASHINGTON.—Normally, the nomination of Earl J. Silbert to be United States Attorney for the District of Columbia would be a matter of only local interest. But inasmuch as Mr. Silbert was head of the original Watergate prosecution team before the opportunity of Archibald Cox as special prosecutor, his nomination has been caught up in the intense controversy surrounding every aspect of the Watergate affair.

The Senate Judiciary Committee is now holding extensive hearings on the Silbert nomination, but caution is one thing and guilt by association is quite another. The actions or lack of action of high Administration officials in no way reflect on their thousands of subordinates. To argue otherwise is to smear honest and capable individuals with the broad brush of guilt by inadvertent association.

Those of us in the Washington legal community who know Mr. Silbert and his work consider him to be an outstanding attorney, a vigorous prosecutor, and a person of integrity. He deserves to be judged on his own record as the first prosecutor in the Watergate case.

Two principal criticisms have been directed against his record. The first is that perhaps he had hoped to suggest that the Watergate burglars were only blackmailers out for private gain. This is demonstrably inaccurate, as a look at the trial transcript would have shown, Mr. Silbert in his opening statement discussed the burglars' motive as follows: "What were the motives behind this conduct? What are the reasons for their activities? What was their motivations?" He answered: "Obviously it was a political motive, (a) political campaign. The operation was directed against the Democratic party." In his closing argument Mr. Silbert again argued that the burglary and wiretapping were to obtain "information about Senator McGovern's planned campaign, the Democratic National Committee's planned campaign."

It has been suggested that Mr. Silbert failed to investigate the relationship of Herbert W. Kalmbach, the President's personal attorney, to Donald H. Segretti, the "dirty-trickster" of the Republican campaign. This is also wrong for on the very day that Mr. Silbert questioned Mr. Segretti and learned from him that he had been recruited by Dwight L. Chapin and Gordon Strachan, both on the White House staff, and had been paid by Mr. Kalmbach, Mr. Silbert directed the F.B.I. to conduct interviews of Mr. Kalmbach, Mr. Chapin and Mr. Strachan.

Even more significant than the errors of the critics of the Silbert nomination are the points they overlook. Here are some statements from persons in a position to know the facts:

Archibald Cox, first special prosecutor, in a letter to Mr. Silbert: "None of us has seen anything to show that you did not pursue your professional duties according to your honest judgment and in complete good faith."

Leon Jaworski, special prosecutor, to Senator Roman Hruska of the Senate Judiciary Committee: "It is the opinion of the members of my staff who are most familiar with this matter that the handling of this case by Mr. Silbert and his colleagues prior to the appointment of a special prosecutor was professional and fair."

Chief Judge John J. Sirica, on administering the oath to Mr. Silbert as interim United States Attorney by appointment of the United States District Court: "Finding principal assistant Silbert well qualified, the judges voted unanimously for his selection."

Joseph L. Rauh, Jr., a leader of the Washington bar and well-known for his courage in defending unpopular clients in civil rights and civil liberties cases, has written of Mr. Silbert and his colleagues: "Their job was to obtain convictions of the defendants before the court and this they did with a skill and thoroughness born of extensive prosecutorial experience."

Lawrence Speiser, former director of the American Civil Liberties Union's Washington office, has written to the Senate Judiciary Committee about Mr. Silbert: "There are bound to be differences of opinion on how any case should be handled. However, I do not believe that his handling of the case reflected anything other than a conscientious and sincere effort. . . . In short, I believe Mr. Silbert to be an attorney of honesty, integrity, and ability who is eminently qualified to be the United States Attorney for the District of Columbia."

Let me rest my case with a few quotations from those who had reason to know best how vigorously Mr. Silbert and his colleagues pressed their investigation. These are excerpts from the White House transcripts. The speakers are "P" (the President) and "H" (H. R. Haldeman):

1.

After Jeb Stuart Magruder's meeting with Mr. Silbert:

"H. It is a ——— good prosecuting lawyer like Silbert to get a key witness to tumble, but——

P. Immediately?

H. Sure, they've got the facts—they may not be able to prove them but they've got them."

* * * * *

"P. You see what's happened, the prosecutor has been pretty clever. They got Magruder."

2.

"P. These guys are crowding in—Silbert and the rest—they aren't taking any program."

3.

After Gordon Strachan's appearance before the Watergate grand jury:

"P. He said that Strachan just got the hell beat out of him.

H. He did. He was absolutely astonished. He came out of there and he said it was just beyond belief."

* * * * *

H. I think we're in a terrible—these guys are working in a most bloodthirsty way."

4.

The President meets with John J. Wilson, attorney for Mr. Haldeman and John D. Ehrlichman:

"W. Now, we are old prosecutors, Mr. President.

P. Good.

And we think that this is not a case, according to our standards. This is not an indictable case against Bob. On the other hand, bear in mind that we have got a group of zealots—uh, particularly in Seymour Glanzer who is a fire-eating prosecutor, and uh—these zealots always shoot for the top."

None of these materials is secret, but the critics of the Silbert nomination do not mention them. I do not question their good faith or doubt that they have made honest mistakes. I only wish that they were willing to accord the same good faith to Mr. Silbert.

[From the Washington Post, Saturday, June 2, 1973]

IN PRAISE OF THE PROSECUTION TEAM

(By Joseph L. Rauh, Jr.[1])

The panic inside the Nixon administration over the Watergate Affair is not too difficult to understand. What is far less comprehensible is the apparent hysteria which seems to drive so many on the other side (I guess I should say "our side") to accept uncritically any myth about Watergate that somehow becomes current.

One need only cite in this connection the twin mythology that defies Judge John Sirica and denigrates the Watergate prosecutors. Thus, a liberal columnist, one of the nation's most thoughtful and brilliant, wants to build a monument to Sirica opposite the Justice Department on Pennsylvania Avenue and both the New Republic and the top official in the American Civil Liberties Union in the Nation's Capital want to dispense with the services of the Silbert-Glanzer prosecution team without any hearing or other consideration of their work to date. If, as I believe, someone should protest these inverted positions and speak up for the outstanding public service performed by Earl Silbert, Seymour Glanzer and Donald Campbell, the fact that the first two are good friends of our family could hardly justify craven silence in the face of general public acceptance of this twin mythology.

Both myths appear to stem from the trial of the Watergate Seven and the judge's thinly veiled attacks on the prosecution there. Yet most of those who have joined in these pro and con warhoops have never taken the trouble to study any of the transcript of the trial. Everyone, including dedicated civil libertarians, was so busy enjoying the administration's discomfiture over the Watergate affair, that the unfairness of the trial conducted by Sirica went quite unnoticed.

The American Bar Association has set forth the trial judge's obligation very clearly: "The only purpose of a criminal trial is to determine whether the prosecution has established the guilt of the accused as required by law, and the trial judge should not allow the proceedings to be used for any other purpose." Sirica did not allow the proceedings to be used; he used them himself for the obvious "other purpose" of getting at persons not on trial.

It seems ironic that those most opposed to Mr. Nixon's lifetime espousal of ends justifying means should now make a hero of a judge who practiced this formula to the detriment of a fair trial for the Watergate Seven. Indeed, Sirica was quite frank about all this with statements during the trial such as "I could care less about what happens to this case on appeal . . ." and "I could care less what the Court of Appeals does, if this case ever gets up there."

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[1] Mr. Rauh is former national chairman of Americans for Democratic Action and is now a practicing attorney in Washington.

A few examples from the transcript should illuminate this point:

Sirica interrupted attorney Henry R. Rothblatt's opening statement on behalf of defendants Bernard Barker, Eugenio Martinez, Frank Sturgis and Virgilio Gonzalez with this obviously prejudicial statement:

"Of course the jury is going to want to know why the men went in there. Let's get down to the details and find out why they went in there if you have some evidence as to that. That is one of the crucial issues in the case. Who paid them. Did they get any money to go in there. Was it purely for political espionage. What was the purpose?

"Let us find out if we can what your defense is in this case. It is as simple as that.

"All right. Counsel proceed. Proceed."

Mr. ROTHBLATT. I will do my best.

The COURT. "Proceed. Don't let me tell you again. Proceed."

When Rothblatt subsequently withdrew from the case in opposition to guilty pleas by his clients, Sirica assigned a near-90-year-old attorney (albeit one of Washington's most distinguished attorneys of an earlier generation) to represent them, and he stood by helplessly while Sirica interrogated these defendants on matters totally irrelevant to the acceptance of their pleas of guilty.

Sirica questioned Hugh Sloan concerning the persons who verified Jeb Stuart Magruder's authority to direct payments to defendant G. Gordon Liddy and then read the testimony to the jury despite its lack of relevance to the indictment and despite its obviously hearsey nature.

Sirica read to the jury a bench conference during which Liddy's attorney indicated that the testimony "would inure to the detriment of my client," causing Liddy's attorney to state that he could "no longer feel free in my own mind to raise legal arguments at the bench without the fear that they will later be read to the jury."

Silbert's prosecution team quite properly and quite admirably resisted Sirica's invitation to use the trial for purposes other than establishing the guilt of the accused and bore the judge's and the press' criticism in the silence appropriate to the situation. Their job was to obtain convictions of the defendants before the court and this they did with a skill and thoroughness born of extensive prosecutorial experience. Indeed, they had obviously determined their strategy with respect to the higher-ups long prior to obtaining the initial indictments, namely, (a) indict and convict the Watergate Seven, (b) take them before the grand jury with immunity from further prosecution and (c) utilize the information thus obtained to break the case. There is in that strategy, of course, something of a parallel to the way in which the Senate committee is proceeding.

With the help of Sirica's severe sentencing pronouncements (permissible under a recent decision of the Second Circuit Court of Appeals), the Watergate case has now been broken up to and including the Haldeman-Ehrlichman-Mitchell-Dean level. U.S. Attorney Titus' statement last week leaves no doubt that the prosecution team has a substantially completed case of "massive obstruction" of justice in the cover-up of both the Watergate and Ellsberg burglaries and possibly more. One witness, identified as Deputy Campaign Director Magruder, has already agreed to plead guilty and testify against his former associates and press reports indicate others are in the process of following suit. The forthcoming "comprehensive indictment" referred to by Titus and the testimony of coconspirators in support of that indictment are thus virtually assured.

Despite their success in breaking the case, once it was clear that Elliot Richardson would be confirmed and Archibald Cox named as special prosecutor, the prosecution team quite correctly offered to resign in order to give Cox the complete freedom of action he required. When Cox asked the prosecution team to stay on so that "there be no break or delay in the investigation," they quite rightly agreed to do so. How long they are kept on the job is now, of course, Cox's responsibility. But one can at least venture the hope that the Silbert team's long prosecutorial experience in general and their special expertise on this case in particular will not be lost to the "massive obstruction" of justice case soon to be tried against the top administration officials.

Cox had a tremendous job ahead and much that is important to our democracy rides with him. He has the burden of somehow providing a forum for a fair trial of the defendants in the face of Senate hearings, civil suits and a general public assumption of guilt. He alone can handle the question of how to deal with the President's possible involvement. He alone can do the liaison work with the Senate committee and a possible House committee of inquiry. He alone can determine how much farther than the massive obstruction of justice case already developed the special prosecutor's staff is to go. With all these and no doubt other things remaining to be done, it would be a tragedy if the services of the Silbert team were now lost to the upcoming prosecution.

APPENDIX H

PUBLIC DEFENDER SERVICE,
FOR THE DISTRICT OF COLUMBIA,
Washington, D.C., April 16, 1974.

Hon. JAMES O. EASTLAND,
U.S. Senate, Chairman, Senate Judiciary Committee, Washington, D.C.

DEAR SENATOR EASTLAND: I write to recommend for confirmation Earl J. Silbert, who has been nominated for the position of United States Attorney for the District of Columbia.

Mr. Silbert and I have known each other since approximately 1965, when we served together as Assistant United States Attorneys in the District. Approximately five years ago, while Mr. Silbert continued to serve in the Department of Justice, I was appointed to the Public Defender Service for the District of Columbia, first as the agency's deputy director between 1969–72, and since 1972 as its director. Throughout my nearly ten years of association with Mr. Silbert, partly as a colleague in the same office and partly as a professional adversary, I have developed a high regard for his legal ability and integrity.

As you no doubt appreciate, prosecutors and defenders some times disagree on a wide variety of issues, and Mr. Silbert and I occasionally have had differing views on a number of subjects. There have been several instances, moreover, where we opposed each other in court proceedings. But our debates and court cases have only heightened my respect for his capabilities, and have led me to conclude that Mr. Silbert is an extremely able, articulate, dedicated and intelligent prosecutor.

If I can be of further assistance concerning Mr. Silbert's nomination as United States Attorney, please do not hesitate to let me know.

Sincerely,

NORMAN LEFSTEIN,
Director.

STATE OF MARYLAND,
OFFICE OF THE PUBLIC DEFENDER,
Rockville, Md., April 24, 1974.

Re Appointment of Earl J. Silbert as U.S. Attorney for the District of Columbia.

Hon. JAMES O. EASTLAND,
Chairman, Senate Judiciary Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR EASTLAND: I have had the great pleasure of knowing Earl J. Silbert, both as a fellow prosecutor and as a personal friend, for approximately eight years. I was Assistant U.S. Attorney for the District of Columbia from January 1966 through August 1966.

As you can see from the above letterhead, I am now serving in an entirely different capacity than that of a prosecutor, having chief responsibility for all indigent criminal defense work in Montgomery County, Maryland.

It is in both of these capacities, as well as a lawyer and citizen of this community that I write to you urging that there could not be any finer man found than Mr. Silbert as U.S. Attorney for the District of Columbia. Mr. Silbert is a man of impeccable integrity, deep compassion and high intelligence. I have seen prosecutors in the past who have been too harsh in their judgments of their fellow man as well as those who really were too fuzzy minded in their own identity crisis to function well as a prosecutor. Mr. Silbert is neither of these.

He has exhibited, on all occasions since the time that I have first met him, an even handed compassionate but firm attitude toward his job and toward his community. He has unflagging energy and willingness to work long and hard hours as a public servant and has done so on virtually every day that he has ever served in the U.S. Attorney's Office and elsewhere. He has never exhibited a concern for his personal gain from any situation in which I have seen him involved, but rather has uniformly been concerned with seeing that justice was done.

I consider Earl Silbert to be one of the finest men that I have ever been privileged to know and I think it would be a great loss to the District of Columbia if your Committee failed to recommend him for this nomination.

On speaking with Mr. Peter Stockett this afternoon (Wednesday, April 24) he indicated that it might be possible that I testify in person on Mr. Silbert's behalf. I would be delighted to do so and I would consider it a great privilege to be able to appear before your Committee. If you could have someone notify me as to the Committee's desires on this point I would greatly appreciate it.

Sincerely,

J. JAMES MCKENNA,
District Public Defender.

DISTRICT OF COLUMBIA BAIL AGENCY,
Washington, D.C., April 29, 1974.

Hon. JAMES O. EASTLAND,
U.S. Senate, Committee on the Judiciary, Washington, D.C.

DEAR MR. CHAIRMAN: It is indeed a privilege to be able to commend to your favorable attention Earl J. Silbert who is being considered for confirmation as the United States Attorney for the District of Columbia.

I have known Mr. Silbert since my own entry into the Criminal Justice System of the District of Columbia in 1963. As an Assistant United States Attorney he has always demonstrated the highest level of legal competence tempered with the common sense and understanding so necessary for this office.

As a staff attorney of the District of Columbia Legal Aid Agency and as its Deputy Director and Director, I had many opportunities to observe first hand his skill in the courtroom. I also was able to sense his competence as an administrator as we participated in various Judicial Conference and Bar Association Committees. In my opinion, Mr. Silbert possesses an unique combination of talents suited to the position of United States Attorney for the District of Columbia for which he is under consideration. I heartily endorse his candidacy.

BRUCE D. BEAUDIN,
Director.

WASHINGTON, D.C., *May 1, 1974*.
Re Earl J. Silbert.
Senator PHILIP HART,
Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR HART: I am writing concerning the nomination of Earl J. Silbert for United States Attorney for the District of Columbia. I was for eleven years the Director of the Washington office of the American Civil Liberties Union. However, the views I express are entirely my own, since neither I nor anyone else, is authorized to present the views of the ACLU regarding Mr. Silbert's nomination.

We were both for a time on the Criminal Law Committee of the District of Columbia Bar Association. There were a number of discussions of that committee in which we both participated concerning proposed changes in the criminal laws affecting the District of Columbia as part of the District of Columbia Court Reorganization Act. During these discussions Mr. Silbert and I were often on opposite sides on such issues as the preventive detention and no-knock warrant provisions of the proposed law. I thoroughly disagree with the positions advanced by Mr. Silbert, but nevertheless found that he presented his point of view with great legal ability, honesty and intelligence (albeit not persuasively—at least to me).

I am aware that there has been some public criticism concerning Mr. Silbert's handling of the Watergate burglary prosecutions. In retrospect, the prosecution might have been handled differently; there are bound to be differences of opinion on how any case should be handled. However, I do not believe that his handling of the case reflected anything other than a conscientious and sincere effort. My conclusion is also buttressed by the fact that with Mr. Silbert on the prosecution team, was Seymour Glanzer, for whom I have a very high regard.

In short, I believe Mr. Silbert to be an attorney of honesty, integrity, and ability who is eminently qualified to be the United States Attorney for the District of Columbia.

Sincerely yours,
LAWRENCE SPEISER,
Attorney at law.

APPENDIX I

THE BAR ASSOCIATION
OF THE DISTRICT OF COLUMBIA,
Washington, D.C., December 11, 1974.
Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR EASTLAND: The Board of Directors of The Bar Association of the District of Columbia at a meeting on December 6, 1974 adopted a resolution in support of the nomination and confirmation of Earl J. Silbert as United States Attorney for the District of Columbia.

The Bar Association is a voluntary organization of some 4300 attorneys in the Metropolitan Washington area. The majority of our members are engaged in the active practice of law before the local District and Federal courts, and have an intimate personal knowledge of the operation of the judicial system in the District of Columbia.

We believe that Mr. Silbert's varied and outstanding service in the Justice Department and in the office of the U.S. Attorney for the District of Columbia fully qualifies him to be confirmed as United States Attorney.

We urge that you and your fellow members of the Senate Judiciary Committee take early action to confirm the nomination of Mr. Silbert. At your request, we would be pleased to have a representative of the Bar Association testify before your committee on behalf of his confirmation.

Sincerely yours,
LAWRENCE E. CARR, Jr.,
President.

APPENDIX J

THE WASHINGTON
BAR ASSOCIATION, INC.,
Washington, D.C., May 14, 1974.
Hon. JAMES O. EASTLAND,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR EASTLAND: The Board of Directors of the Washington Bar Association has authorized me to communicate the fact of the Association's support for the nomination of Earl J. Silbert as United States Attorney for the District of Columbia: Accordingly, the Association strongly urges the Senate Judiciary Committee to vote this Nomination out favorably for action by the full Senate.

The Association's support is grounded on the fact that we feel the nomination of Mr. Silbert by the President is in the best interest of the Washington Community and this said Nomination will allow the administration of Justice to operate smoothly and consistent with constitutional due process. Needless to say, Mr. Silbert's long years of service in the Office of United States at all levels as one of its Assistants, has given him a special interest in and familiarity with all the peculiar problems of law enforcement in the delicate balance between the Executive and the Courts. This sensibility on his part is all the more important in view of the D.C. Home Rule Law about to become operative. We have found him at all times to be a dedicated public servant, prosecuting even handedly, without respect to persons or social classes.

Very truly yours,
JOHN MCDANIEL,
President.

APPENDIX K

AMERICAN CIVIL LIBERTIES UNION
OF THE NATIONAL CAPITAL AREA,
Washington, D.C., November 27, 1974.
Mr. JOSEPH L. RAUH, Jr.
Washington, D.C.

DEAR JOE: Many thanks for your Edgerton Dinner reservations. I look forward to seeing you at the dinner, and to the pleasure of meeting Mrs. Rauh.

In response to your note, the only campaign being conducted against Earl Silbert is by Chuck Morgan, who was barred by the ACLU from testifying against Silbert as an ACLU spokesman, on grounds of long-established ACLU policy against commenting on the qualifications of either elected or appointed officials.

Morgan then sought permission to testify against Silbert as an individual, promising (a) that he would testify only if called upon by the Senate Subcommittee to do so, since it would be failing in his duty as a citizen to refuse such a call; and (b) that he would make a strong disclaimer of any ACLU endorsement of or participation in his action. This permission was granted by the ACLU National Board.

In fact, as the transcript of Morgan's testimony makes clear, he was *not* called upon to testify. He volunteered, and then made a statement over two and a half hours long. He did indeed make a disclaimer as to ACLU involvement in his testimony, but in my opinion, this was worthless, since his identification as the ACLU Legislative Director is so well established that it is impossible for the public to distinguish between his ACLU positions and his private views.

I, and most of the ACLU people I know are appalled by the identification of ACLU with a private vendetta. In our National Capital Area affiliate there is near unanimity that Morgan's testimony is harmful to ACLU and we must work to prevent a repetition of the incident.

I do hope that if the opportunity arises, you will inform people that Morgan was not speaking officially for ACLU, and that ACLU continues to reject partisan evaluation of elected or appointed officials.

With kindest regards,
Sincerely yours,
FLORENCE B. ISBELL,
Executive Director.

APPENDIX L

[U.S. District Court for the District of Columbia, Criminal No. 1827-72]

United States of America *v.* George Gordon Liddy, et al

TRANSCRIPT OF PROCEEDINGS, WEDNESDAY, JANUARY 10, 1973

(Nicholas Sokal, official reporter)

[Excerpt from pages 93-94]

Now, if Your Honor please, though there are two separate counts of burglary with which Mr. Hunt is indicted and while we think they are valid counts, it is our conclusion that he cannot get consecutive sentences if convicted by a Jury of those two counts.

Therefore, he was pleading to a maximum or possible 25 years of a maximum possible 35 years. There are other conditions. So far as we are concerned, this was tantamount as I say, Your Honor, to plea to the indictment. We felt we could not refuse it.

Secondly, I might say that we had other conditions that we lay down. First of all, that there was to be no agreement. It was to be understood by Mr. Hunt as to the sentence that the Government would recommend to Your Honor and we advised his Counsel that we intend to exercise our right of allocation.

Secondly, we advised Counsel for the Defendant Hunt that we would not accept any plea unless the Government had a chance to present to Your Honor a detailed statement of the evidence so that all would know the facts that had been uncovered by the investigation in this case.

And third, if the Court would please, we made it perfectly plain that it was the intention of this office if the plea were accepted and once Your Honor had imposed sentence on Mr. Hunt, that we would seek to have him called before the Grand Jury to inquire as to what knowledge he has, if any, as to the involvement of others in the so-called Watergate case.

The COURT. We will take a fifteen minute recess.

[Whereupon, at 3:00 p.m., the above-entitled matter was recessed.]

TRANSCRIPT OF PROCEEDINGS, THURSDAY, JANUARY 11, 1973

[Excerpt from pages 116-117]

The COURT. Now, in your own words, I would like you to tell me from the beginning just how you got into this conspiracy, what you did, various things that you did so I can decide whether or not you are knowingly and intentionally entering this plea voluntarily with full knowledge of possible consequences.

Mr. BITTMAN. Your Honor, could I make a short comment before Mr. Hunt responds to that question?

The COURT. Yes.

Mr. BITTMAN. Mr. Silbert indicated to me some time ago that under the authority of the Kelley case, decided in the Fifth Circuit by the Fifth Circuit, it was Mr. Silbert's intention to bring all of these Defendants before a Grand Jury subsequent to their sentencing so certainly Mr. Hunt will be required to appear before that Grand Jury.

In view of that, Your Honor, and in further view of the fact that there is a possibility that what Mr. Hunt will be required to state to Your Honor if he responds to your question, he may prejudice the other Defendants in your eyes at the outset of the trial, perhaps Your Honor would not want Mr. Hunt to respond to that question.

The COURT. You see, I don't want Mr. Hunt coming back some day, or you, with some kind of a suggestion that he didn't understand the elements of the offense, the questions weren't clearly explained to him, or anything like that which happens frequently as you know in criminal cases.

Do you waive your right to express what you know about this case? In other words, I will shorten this by taking your counsel's suggestion that you are going before the Grand Jury. I don't know what questions you will be asked, so if you are thoroughly familiar with all of the elements of each count of the indictment under which you are charged and that you admit that you have committed those elements of the offense, you know what they are, then we can probably save a little time.

Defendant HUNT. Yes. Your Honor.

The COURT. Now, as to the possible penalties in this case—I am not indicating at this time because I don't know myself what sentence I will impose in this case, or sentences, do you understand?

APPENDIX

JULY 23, 1975.

Hon. JOHN V. TUNNEY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TUNNEY: By letter to me of July 10, 1975 you requested that this office supply you with portions of a transcript of a conversation between Richard M. Nixon and H. R. Haldeman which took place on April 26, 1973. While I recognize the importance of the task now being performed by the Senate Judiciary Committee, I regret that I cannot make this material available. This tape was made available to the Special Prosecutor's Office pursuant to a subpoena. In upholding that subpoena, the Supreme Court made clear that it was overruling the President's claim of executive privilege only with respect to use of the recordings in the trial of *United States* v. *Mitchell*. Furthermore, since this tape was not played in any trial, orders issued by Judge Sirica in *United States* v. *Mitchell* and by Judge Richey in *Nixon* v. *Sampson et al* would bar our release of the transcript to anyone.

In your letter you also renewed your request for access to the September, 1972 memorandum prepared by Earl Silbert concerning the Watergate break-in case. Because until recently the convictions obtained in that case were on appeal we previously have declined to make that memorandum available. Now that those appeals are complete I believe it would not be inappropriate to make the memorandum available to you. Nevertheless, because we believe that access to such memoranda should be limited to those whose reviewing it is essential, we are providing access to Senators only. It is also our understanding that this material may be used in connection with Committee consideration of Mr. Silbert's nomination, but will not be publicly disseminated or quoted. We will contact you in order to make arrangements for accomplishing this.

In making this memorandum available, I think it proper to express my general concern over individuals outside the Department of Justice reviewing this type of document. Such memoranda frequently contain raw data about numerous citizens. Also, in many cases they contain subjective judgments about individuals that would be inappropriate for a prosecutor to make public. In this instance certain statements of this type have been deleted where they do not affect the meaning of the memorandum. Also, a prosecutor in writing such a memorandum is usually exploring and discussing many options and possibilities and offering tentative judgments about events at which he, of course, was not present. This consideration makes it important that individual sentences not be given undue emphasis.

The concerns expressed above are particularly true as to Mr. Silbert's September, 1972 memorandum which reflects judgments necessarily made less than three months after the Watergate break-in. That memorandum summarizes the evidence then available to the United States Attorneys Office concerning the break-in, expresses the concerns that Mr. Silbert felt about certain important questions he felt remained unanswered and offered options for continuing the investigation to attempt to resolve these issues and determine whether others were involved in the break-in. As of this early date, however, what was unknown, of course, was the existence of the secret and organized conspiracy to prevent him from obtaining this additional evidence. It is this broader conspiracy, involving many more individuals than have ever been implicated in the Watergate break-in then being investigated, which led to the indictment and conviction of numerous high level officials of the White House and the Committee to Re-elect the President.

You have in the past also requested access to a memorandum prepared by Mr. Silbert shortly after the appointment of Mr. Cox. I regret that this document cannot be made available to you also. Not only are cases it discusses now on appeal, but it contains so many subjective evaluations about a large number of people that to release it would be a gross abuse on my part of individual rights of privacy which it is important that we all respect. This memorandum which is eighty-seven pages long is a detailed document reflecting a full and rapidly progressing investigation into the Watergate break-in, all aspects of the Watergate cover-up and the break-in at the office of Dr. Fielding. I think it fair to say that this memorandum outlines in detail the evidence relating to these events, offers a complete exposition of theories of prosecution and analyses the culpability and credibility of the various individuals eventually convicted.

Sincerely,

HENRY RUTH, Jr.,
Special Prosecutor.

Mr. TUNNEY. Mr. President, it is 1 year since Richard Nixon resigned in disgrace from the Presidency, after doing more harm to this Nation's spirit and faith in Government than any other person in this century. Most of us would like to forget the scandals, the abuses of power, the corruption of the past several years but reminders are all about us: a President and Vice President who, between them, received not one vote for the offices they hold, congressional committees investigating illegal activities by our intelligence community, arguments over ownership of Presidential tapes and documents. Perhaps most significant is an intangible sign: the Nation's faith in Government seems to have fallen to an all-time low. I do not consider myself a doom-sayer, but as far as our national spirit and faith in our institutions is concerned, the Bicentennial could not come at a better time.

It is imperative that anyone who contributed to this tremendous hoax, this contemptuous scorn toward a trusting public, be kept out of any position of responsibility. Not only can these people not be trusted with the serious responsibilities of power, but promoting them will only reinforce public cynicism, which is as high as I have ever seen it. After studying the testimony before this committee I am convinced that Earl Silbert is a person who significantly contributed to this public hoax, and I oppose his nomination with all the outrage I feel at what Nixon, Haldeman, and Mitchell have done to this country. In my statement I want to detail Silbert's role in this situation, the information available to him, and the posture of his investigation. This is not the situation of a prosecutor who was deprived of information and found his investigation stymied at every turn; rather, Earl Silbert was intimidated, whether by ambition or by fear, from pursuing the duty entrusted to him as Chief Prosecutor in the Watergate incident.

I. WHAT THE PUBLIC WAS TOLD

Let me first set the time frame. On June 17, 1972 five men[1] were apprehended inside the Democratic National Committee headquarters. Two others, E. Howard Hunt and G. Gordon Liddy, were arrested shortly thereafter. On June 19, 1972 Assistant U.S. Attorney Earl J. Silbert was placed in charge of the investigation, to give oral reports on a daily basis to Henry Petersen, Assistant Attorney General, Criminal Division.[2] Indictments were returned against the seven arrested individuals 3 months later, on September 15, 1972. Trial was commenced on January 8, 1973, and concluded on January 30. The Presidential election, of course, took place on November 7, 1972.

You will recall Ron Ziegler's statement on June 19, 1972 that the White House considered this incident as "a third-rate burglary." The administration adhered to this view throughout the 1972 election campaign, all the way until April 1973. Seven people hired by the Committee to Re-Elect the President—CREEP—were "off on an enterprise of their own," and neither the White House nor CREEP was involved in any way.

Self-serving statements by those involved in a Presidential campaign are understandable—though not forgivable—but you will recall that other voices of responsibility spoke to a public that wanted to believe no Government officials were involved. That branch of Government charged with enforcing the laws, the Department of Justice, soon joined the "third-rate burglary chorus." On September 27, 1972, then Attorney General Richard Kleindienst stated:

> I can say categorically no one of responsibility in the White House or in the campaign committee had any knowledge of the alleged Watergate bugging.[3]

Seven days earlier a story in the New York Times included the following:

> "The seven men indicted in connection with the break-in apparently acted without the orders of their superiors," Attorney General Richard G. Kleindienst said in New York last night, according to the Associated Press.
>
> "I believe the seven persons indicted by the grand jury gave the orders for the raid in the plush Watergate hotel and office complex in Washington, D.C.," Mr. Kleindienst said.

Footnotes at end of article.

> "Contrary to claims by Democrats that Republican officials are involved, an intensive investigation by the Justice Department has turned up no evidence that anyone else is involved," Mr. Kleindienst said on a Dick Cavett program taped for broadcast over WABC-TV.[4]

Kleindienst made these statements "around the country"[5] after consulting with Petersen,[6] and after studying Silbert's pretrial prosecution memorandum of September 13, 1972.[7] There is no record anywhere of either Petersen or Silbert making any attempt to modify this "categorical" statement. Indeed, Petersen on September 17, 1972 issued the following statement:

> The investigation has been conducted under my supervision. In no instance has there been any limitation of any kind by anyone on the conduct of the investigation.
>
> Indeed, the investigation by both the F.B.I. and the grand jury has been among the most exhaustive and far reaching in my 25 years in the Department of Justice.
>
> The F.B.I. investigation was carried out by 333 agents operating from 51 field offices in the United States and in four foreign capitals. They developed 1,897 leads, they conducted 1,551 interviews and expended a total of 14,098 manhours.
>
> The grand jury held sessions for 125 hours over a period of 35 days. These jurors were scrupulously conscientious and thorough in their examination of some 50 witnesses. All aspects of the alleged break-in and bugging were studied in detail, including questions about the source and distribution of any funds relating to the incident, and the jurors were vigorous in their own questioning of witnesses.
>
> As the trial goes forward, the thoroughness of the grand jury investigation will become apparent.[8]

This, then, is the impression the Justice and the White House were giving to the Nation, deliberately, from September 1972 on, until April 1973 when John Dean threatened to "blow the lid" off the cover-up. Some, though, may say that Silbert, despite being the chief prosecutor in the case, was not responsible for the statements of either Kleindienst or Petersen. I strongly disagree. First, Kleindienst and Petersen based their information on Silbert, who was in daily contact with Petersen.[9] Second, if Silbert disagreed with these statements, he should have come forward, either to Kleindienst or Petersen, or to the press, and set straight these misrepresentations to the public, particularly in the middle of a presidential campaign. All the evidence, however, indicates Silbert concurred with these assessments. Here are some quotations from Silbert's closing statement at the first Watergate trial, on Jan. 24, 1973.

> And who was the boss? Who was the boss that night?
>
> The boss, the defendant Liddy, the man in charge, the money man, the supervisor, the organizer, the administrator?
>
> That was Mr. Liddy, organizing and directing this enterprise right from the start. . . .
>
> Money talks and the defendant Liddy had lots of money to make that money talk didn't he? And Mr. McCord was handing it out. Hundred dollar bills. One after the other.
>
> The only kind of payment. Fresh new hundred dollar bills from the money man, Mr. Liddy, the boss, the supervisor.
>
> That is pretty good eating isn't it. Eight persons for $236.00. That is pretty good eating isn't it. All on the money the cash money that was flowing into Mr. Liddy's hands and just floating out.
>
> You don't have to explain things to the boss because the boss is right there. When the boss isn't there, then you got to account for it, and that boss is Liddy.
>
> (T)he logs have been given to the boss of the operation, Mr. Liddy. . . .
>
> . . . He had been authorized to engage in certain activities, and you heard from Mr. Magruder and Mr. Porter what the purpose was.
>
> But he wasn't content to follow out what he was supposed to do. He had to divert it. He had to turn it. And he and Mr. Hunt while they had that two hundred and thirty thousand, that was a lot of money, they lived high, wide and handsome, didn't they?
>
> That is not bad pay is it?
>
> . . . And who does the evidence show had a lot of that money? The defendant McCord.
>
> He and Liddy were off on an enterprise of their own. Diverting that money for their own uses.

In short, Silbert can hardly disclaim responsibility for the statements made by the Department of Justice in the fall of 1972 or that he himself made during the trial.

II. MISTAKE OR DECEPTION: WHAT DID SILBERT KNOW?

If Silbert had no information that the Watergate burglary was simply one operation in a massive campaign of political sabotage directed by the White House and by CREEP, then his statement to the jury and his tacit endorsement of the Kleindienst statement would be understandable and even excusable. But I would like to list some of the information in Silbert's possession before September 15, 1972, the day the indictment was returned.

First. There was $600,000 in cash on hand in the committee offices.[10]

Second. Bernard Barker, one of the five burglars caught inside the Watergate, had in his bank account $114,000 of "campaign contributions" for CREEP. Four of the five burglars arrested inside the Watergate had 50 $100 bills traced directly from this account.[11]

Third, Jeb Magruder, the man second in charge to John Mitchell at CREEP, had asked Hugh Sloan, the assistant campaign treasurer at CREEP, to pay G. Gordon Liddy $199,000 in cash. Sloan balked and went to Maurice Stans, the campaign treasurer, for direction. Stans went to Mitchell, who okayed the payment, and told Sloan to pay out the money. Sloan asked what the payment was for and Stans gave his famous reply: "I don't want to know and you don't want to know."[12]

Fourth. Sloan told the prosecutors that Magruder and Frederick C. La Rue had both tried to persuade him to commit perjury and to minimize that $199,000 figure.[13]

Fifth. Liddy was the CREEP general counsel, McCord the chief CREEP security officer, and Hunt had an office in the White House itself. The prosecutors were also told of Hunt's continued involvement with the CIA.[14]

Sixth. Alfred C. Baldwin III, an ex-FBI agent named as a coconspirator in the indictment, had overheard—through illegal wiretapping—200 separate conversations at the Democratic National Committee — DNC — headquarters and had delivered at least one package of transcripts to the CREEP officers.[15]

Seventh. Liddy, Mardian, and La Rue had all engaged in a massive document shredding at the Committee to Re-Elect right after the burglars were arrested.[16]

Eighth. Committee lawyers insisted on sitting in on all FBI interviews with committee employees, an extraordinary request to say the least. Even more extraordinary, Silbert and Titus[17] acquiesced.[18]

Ninth. Phone records showed that Hunt made repeated calls to Donald Segretti, whom the prosecutors knew was engaging in illegal campaign activities and whom the prosecutors knew was being paid by the President's personal lawyer, Herbert Kalmbach. Indeed, Silbert called Segretti before the grand jury but on instructions from Dean and Petersen steered away from questions about Kalmbach. A curious grand juror asked about the matter anyhow. Silbert nevertheless continued to refer to the man who paid Segretti as "Mr. K."[19]

Tenth. The prosecutors were repeatedly made aware that the White House feared a full investigation. Ehrlichman called Petersen, for example, and told him to stop harassing Stans about the disbursing of cash funds. White House counsel John Dean was constantly seeking information about the case. In fact, referring to the summer of 1972, Kleindienst told Nixon in the oval office.

> The conduct of everybody over here, Mr. President, really created great suspicions in the minds of Silbert and Petersen, you know.[20]

Eleventh. Peter Wolf, an attorney in Washington, D.C., filed an affidavit with the D.C. court on April 19, 1971, stating:

> Late in the sumer of 1972 I received a telephone call from a client I had represented in court in certain matters. He inquired whether he was in danger of violating any law if he had hidden in his possession approximately eight cardboard cartons containing, among other things, the contents of E. Howard Hunt's desk in the White House before the F.B.I. got there, including plans to "bug" the Watergate. During that same telephone conversation, in response to my urging that he turn over these documents to people conducting investigations of the Watergate matter, my client indicated a possible willingness to do so and authorized me to ascertain the possibility of obtaining compensation to offset any potential harm to him. I did undertake such investigatory steps and it was necessary, of course, to relate to several people the communication of facts my client had made to me.
>
> Very shortly after this first telephone conversation, I telephoned Principal Assistant U.S. Attorney Earl J. Silbert and told him these facts and received an opinion from him that he did not think my client was committing any crime. We both specifically discussed in this context possible violation of 22 D.C. Code Sec. 703 (1967). In the light of the law and facts known to me, it is my judgment my client has done nothing unlawful in any way. The fact remains, however, that some of the information related above could be used as links in a chain which might tend to incriminate him.
>
> As time progressed, additional facts became known to me through my client and were made known to other people for the purposes aforesaid. These included the facts

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Footnotes at end of article.

> that my client worked for the Committee for Re-Election of the President, that he had been asked to pick up the cartons at the Executive Office Building on the Sunday after the Watergate break-in, that a pass would be waiting for him at the guard entrance, that no questions would be asked when the cartons were removed from the building, and none were.
>
> My attempts to have my client disclose the documents he said were in his possession before the November 1972 elections were to no avail. Shortly after the electon my client informed me that the materials were no longer in his possession, had been turned back over to the Committee for Re-Election of the President shortly before the election, and that some of the materials in my client's possession had apparently included the contributions' lists turned over by the Committee in the litigation instituted by Common Cause.
>
> I have been urging my client to cooperate voluntarily with any Grand Jury or Congressional investigations, but without results. (emphasis added)."

Silbert made no attempt to obtain these documents. He says he "does not recall" such comments by Mr. Wolf, yet Attorney Wolf has filed a sworn affidavit supporting his account.[21]

These are not facts Silbert should have known or could have known during the investigation. Silbert had actual knowledge of all of the above prior to September 15, 1972, yet was still willing to say in his closing argument that:

> Liddy (was) organizing and directing this enterprise right from the start and that he (McCord) and Liddy were off on an enterprise of their own.

And he let stand without a word of correction or protest Kleindienst's statement that

> I can say categorically no one of responsibility in the White House or in the campaign committee had any knowledge" of the alleged Watergate bugging.

By fostering these impressions, at the very least Silbert was guilty of deceiving the public on a very important matter: unlawful activities at the Presidential campaign level. For this alone, I would strongly oppose his nomination. But the prosecutors also restricted their investigation dramatically, at a time when a thorough investigation was imperative.

We have already mentioned the Peter Wolf incident, in which Wolf said Silbert failed to obtain materials from Howard Hunt's White House desk that contained plans to bug the DNC headquarters. We have also seen how attempts were made to keep from the Grand Jury the scope of Segretti's illegal activities, and his payments from "Mr. K." Neither Stans, Krogh, Young, nor Colson was called before the Grand Jury because of embarrassment to the administration, and neither Stans nor Mitchell was called as a witness at the trial to explain who authorized payments to Liddy. CREEP lawyers were permitted to sit in on all interviews with CREEP personnel. And, as I shall discuss below, the prosecutors shied away from investigating any CIA involvement in Watergate and related matters.

Again, if Silbert had been lied to so completely that he could not have suspected a wider, higher conspiracy, or if he had no evidence of such a conspiracy, I would not criticize him for misleading the public or for saying with seeming sincereity in his closing argument that "McCord and Liddy were off on an enterprise of their own." But think of what he knew. Think of what was in the newspapers at that time.

October 10, 1972, Washington Post:

> F.B.I. agents have established that the Watergate bugging incident stemmed from a massive campaign of political spying and sabotage conducted on behalf of President Nixon's re-election and directed by officials of the White House and the Committee for the Re-election of the President.
>
> The activities, according to information in F.B.I. and Department of Justice files, were aimed at all the major Democratic presidential contenders and—since 1971—represented a basic survey of the Nixon re-election effort.

October 15, 1972, Washington Post:

> President Nixon's appointments secretary and an ex-White House aide indicted in the Watergate bugging case both served as 'contacts' in a spying and sabotage operation against the Democrats, The Washington Post has been told.

October 25, 1972, Washington Post:

> H. R. Haldeman, President Nixon's White House chief of staff, was one of five high-ranking presidential associates authorized to approve payments from a secret Nixon campaign cash fund, according to federal investigators and accounts of sworn testimony before the Watergate grand jury.
>
> The secret fund, which at times totaled $700,000, was uncovered during the F.B.I.'s Watergate bugging investigation. It financed an apparently unprecedented spying and sabotage campaign against Democratic presidential candidates that—as a basic element of the Nixon re-election strategy—was conceived by high presidential aides, according to investigators.

January 24, 1973, Washington Post:

> Testimony in the Watergate bugging trial yesterday indicated that G. Gordon Liddy, described by prosecutors as the 'boss' of the bugging of Democratic headquarters, had, in fact, been reporting to other persons.
>
> Answering questions from Chief Judge John J. Sirica, former Nixon campaign treasurer Hugh W. Sloan Jr. recalled a brief conversation with Liddy on the morning of June 17, only a few hours after police had arrested five men inside the Watergate.
>
> Sloan quoted Liddy, who was then finance counsel for the Committee for the Re-Election of the President, as saying to him in a hall at committee headquarters:
>
> "My boys were caught last night. I made a mistake by using someone from here, which I told them I would never do. I'm afraid I'll lose my job."

So, we have all this evidence, these newspaper articles in the most widely read newspaper in Washington, and yet a dainty investigation, a conviction of the five original burglars and two accomplices arrested shortly thereafter, and statements like "Liddy organized and directed this from the start." One's natural curiosity inevitably asks, "Why the timidity?" It is always difficult to explain behavior with any degree of confidence, of course, but I think the prosecutors were simply intimidated from pushing too hard. Silbert was the principal assistant in the U.S. Attorney's Office and had narrowly missed being appointed the U.S. Attorney at a surprisingly young age. Harold Titus, the U.S. attorney, was about to retire. Barring any disaster, Silbert was virtually certain to succeed Titus as U.S. attorney, with perhaps a Federal judgeship somewhere down the line. A thorough investigation would not sit well with the administration, and with the election taking place less than 5 months after the break-in, even a thorough investigation would not prevent Nixon from winning reelection. Moreover, as we have seen, the White House was not reluctant to apply pressure. Given Silbert's professional situation, there simply was no percentage in conducting a thorough, broad investigation.

III. A TIMID INVESTIGATION

I would like to elaborate on the intimidations a bit. We have seen how he failed to call witnesses before the grand jury, how he narrowed his accusations and indictment, how he steered clear from other illegal activities in the Presidential campaign. Perhaps the clearest example of Silbert's timidity was his failure to pursue the office burglary of Lewis Fielding, Daniel Ellsberg's psychiatrist. On January 3, 1973 Silbert was presented with 10 Xerox photographs of the exterior of an office building, a hallway, and an interior office. Silbert by his own admission remembers "poring over" the documents. At that time, Silbert knew the following:[22]

First. The pictures were taken from a camera furnished to Hunt by the CIA on August 25, 1971 and returned 2 days later.

Second. The CIA had also supplied Hunt and an unidentified associate—whom we now know was Liddy—phony identification but declined Hunt's request for a backstop address and phone contact.

Third. Two days after supplying Hunt the camera, CIA agents met Hunt at the airport, took possession of the camera and the undeveloped roll of film, and later that day presented Hunt with developed prints and the film.

Fourth. A CIA memo to the FBI on the same subject had identified the building as possibly the Rand Corp.[23]

Fifth. The person who authorized the CIA to supply Hunt the camera and other materials was White House adviser John Ehrlichman.

Now Silbert professed "some" suspicions of a higher conspiracy and says he instructed the FBI to conduct a $100,000 investigation of Hunt's activities in California in 1971. He knew—quite well, I might add—that Hunt at that time, August 1971, was working in the White House primarily investigating Daniel Ellsberg's leaking of the Pentagon papers.[24] The FBI search of Hunt's office turned up numerous documents relating to Ellsberg, including a thorough 28-page chronology of the duplication and release of the Pentagon papers that includes 107 references to the Rand Corp. There were several references to Ellsberg's participation in psychoanalysis, phone records of Ellsberg calling Lewis Fielding, psychiatrist, from his hotel room, and two FBI memos concluding that Daniel Ells-

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Footnotes at end of article.

berg's psychiatrist was Dr. Lewis Fielding.[25]

What connections can we reasonably expect Silbert to have made? At the very least, with photographs taken under such clandestine circumstances involving the CIA, phony identification, backstop addresses, phone contacts, a concealed camera, and hurried development of film, these photographs should have suggested a surreptitious entry or casing for a burglary. And with the prosecutors already charging Hunt and Liddy for a burglary in the District of Columbia involving so many intelligence figures the possibility that these pictures involved another burglary should have been at the very forefront of their thinking. Yet Silbert never even requested an FBI investigation of the photographs. At the very least, they should have had someone follow up on the names and addresses identified in the pictures. Had they followed this lead, we all know they would have discovered the burglary of Dr. Fielding's office.

But I would have expected them to go even further. They knew that Hunt's primary responsibility at that time was investigating Daniel Ellsberg and the release of the Pentagon Papers. Here is Hunt in California, identified at a place the CIA thinks is the Rand Corp. Anyone who read the contents of Hunt's safe, saw the 107 references to Rand Corp. in the 28-page chronology, had participated in several meetings in preparation of 19- and 6-page briefs on the contents of Hunt's safe, and was familiar with Hunt's White House responsibilities would have to suspect that those pictures had something to do with Ellsberg. Are the connections really all that hard to make?

Silbert has two responses here: First, he says he never saw the contents of Hunt's safe, that he turned over the responsibility for those materials to his assistant, Donald Campbell; second, he does ont recall seeing interior pictures.

Considering his first explanation, is it plausible that Silbert would have no knowledge of the contents in Hunt's safe, even if he delegated this responsibility to Campbell? I have placed in the Record and distributed to all of you the major contents of the safe. The 28-page chronology contains extremely intimate information about Ellsberg. Anyone reading it would wonder how Hunt obtained this information. It is inconceivable to me that Campbell would not give a full explanation to Silbert of the safe's contents, particularly when the prosecutors spent 3 hours with White House counsel trying to find some items missing from the safe. It is only slightly less conceivable that Silbert, after ordering a $100,000 investigation of Hunt's activities in California, would not look at these materials himself, particularly if Campbell did describe the contents in the safe. But even if we accept the notion that Silbert never saw these documents and never received a report from Campbell, does that absolve him of all responsibility? As chief prosecutor in the case, does he not have some responsibility for the actions or mistakes of his handpicked subordinates?

But let us set aside Campbell's—and Silbert's—failure to connect the pictures of Dr. Fielding's office building, Dr. Fielding's car, and a sign marked "Reserved for Dr. Fielding" with the contents of Hunt's safe. Forget even that the CIA mentioned the term "Rand Corp." as the possible site of the pictures and the connection to be drawn there with the 107 references in the chronology and Hunt's known investigation of Ellsberg and the Pentagon Papers. The fact remains that Silbert was presented with and by his own testimony pored over pictures taken under circumstances that should have suggested to anyone, particularly a prosecutor of 12 years' experience, a surreptitious entry. Silbert and Campbell both deny seeing interior photographs. Campbell told Senator Abourezk that if he had seen interior photographs, it would have made a big difference.

And well it should have, particularly in light of the suspicious circumstances under which the photos were taken: CIA involvement, phony identification, backstop addresses, et cetera. Even Campbell, then, acknowledges that interior photographs would have raised suspicions of a burglary and necessitated further investigation. Looking at the pictures, one could hardly conclude otherwise.

Is it possible that Silbert could not have seen interior photos? We have a receipt from the CIA that by January 3, 1973, a CIA employee delivered 10 Xerox photographs to Henry Petersen.[26] The 10 Xerox photographs were turned over to Judge Byrne and made part of the record in the Ellsberg-Russo case.[27] And Petersen's affidavit transmitting the photographs states that the material came from the Criminal Division files.[28] Thus, from all accounts, the 10 Xerox photographs were received by Petersen from the CIA, placed in the Criminal Division files, and turned over to Judge Byrne almost 4 months later.

How, then, could Silbert not have seen interior photographs? Petersen indicates seeing interior photographs.[29] He also indicates that showing Silbert the entire packet:

> When we got the documents, Mr. Silbert and I went over them and could not figure out what they were.[30]

It is difficult to imagine that Petersen would not turn over the interior photos to Silbert. Indeed, the more one thinks about it and reads the testimony, the less likely it is that Petersen would conceal anything like this from Silbert.

Silbert

> Remembers poring over those photos with Mr. Petersen and we just couldn't figure out, just based on what those photos were. I took the whole packet, including the photographs, back and showed them to Mr. Glanzer and Mr. Campbell and again we went over them and tried to figure out what was going on.[31]

This serious conflict in testimony between Petersen and Silbert remains. Senator Abourezk and I had hoped to resolve it at a brief hearing but his motion for a 1-hour hearing was rejected by the Judiciary Committee by a 6 to 5 vote. So we are left with a situation where by most accounts Silbert was presented with photographs of an illegal entry under very suspicious circumstances, but Silbert denying he ever saw the crucial photographs.

Despite his vague recollections, the overwhelming weight of the evidence indicates that Silbert did see interior photographs and failed to investigate this lead. If he had investigated, he would have discovered the burglary of Dr. Fielding's office, and would have linked Hunt and Liddy to yet another unlawful entry. He also would have discovered the illegal operations of the Plumber's Unit that much earlier and would have prevented the Government and Ellsberg from engaging in a futile expenditure of time and money. In this situation, the prosecutors' timid posture wrought injuries not only upon the public generally but also a defendant in a very emotional, draining criminal trial.

IV. OTHER QUESTIONABLE CONDUCT

There is other conduct by the Prosecutors I find disturbing, though I would classify it differently from shying away from a thorough investigation of Watergate. One is Silbert's deliberate misrepresentation to Judge Sirica that kept all mention of the CIA out of the Watergate trial. I have set this out fully in the hearing record at page 85 of part 3, and I would urge my colleagues to study that memorandum.

Second is the insensitivity of entitling partisan memoranda to the Judiciary Committee as prepared by the U.S. Attorneys' Office. Does Mr. Silbert, the Acting Head of the U.S. Attorneys' Office in District of Columbia, really wish to convey the impression that the office is officially involving itself in a nomination and officially supporting the present nominee? I hope he would not want a law enforcement office to assume such a posture. I do not know why this was done, I can only assume it was a stupid error and that in the future Mr. Silbert will discharge responsibilities in any public endeavor with more sensitivity.

Third, in a memorandum submitted to the committee, Silbert quotes selected portions of transcripts of certain White House tapes which he describes as President Nixon and his top advisors discussing the prosecutors' "aggressive conduct." Nowhere do I see Nixon, Haldeman or Ehrlichman praising or fearing Silbert as "aggressive." Moreover, here are some portions of the transcripts that Silbert neglected to include in his memorandum:

> First. April 15 conversation—the same date he refers to in his memorandum):
>
> Nixon. So what would you do? He'd [the special supervising prosecutor] came in and learn the whole case?
>
> Kleindienst. Yeah—What he would really do— he'd keep Silbert, Titus and Petersen in place and as they progress with the case instead of having the ultimate prosecutor responsibility in mind he'd do that in this function in that way. . . .
>
> Nixon. I can sure get that down, [the name of Kleindienst's recommended special supervising prosecutor] but I'm going to get that U.S. Attorney in one way or another. . . .
>
> Haldeman. In other words, he [the special supervising prosecutor] is above Silbert rather than replacing Silbert?
>
> Nixon. Oh no, Silbert runs the case and thats all. But he [the special supervising prosecutor] is just in there for the purpose

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Footnotes at end of article.

> of examining all this to see that the indictments cover everybody.
>
> Haldeman. Uh, huh. Well that does protect you a lot, because if they don't indict some of us then you have a cover up problem. If you have that guy, then you have a basis— . . .

Second. Then there is the April 26, 1973 conversation between Nixon and Haldeman.

> Haldeman. Of course it may be hard to answer at some point, why didn't you bring in a Special Prosecutor into the White House and the Special Investigator—of into the (unintelligible) Special Prosecutor. Why didn't you keep it to all the people who were there?
>
> Nixon. Why didn't I or why didn't I?
>
> Haldeman. Well, why didn't you?
>
> Nixon. I discussed it with people. They, uh, uh—Kleindienst of course suggested the Special Prosecutor (unintelligible) but I discussed it and, uh, did not bring in a Special Prosecutor because the prosecution team satisfied me that they were doing their job. Uh, it did take months for them to get, to know, to where—
>
> Haldeman. Get at them.
>
> Nixon. Right. In other words, I had faith in the prosecution team. That is really—that is the reason as you know. (one or two lines eliminated)
>
> Nixon. Right. I considered the Special Prosecutor. I considered the Presidential Commission. I considered, you know, three judges, etcetra and so on. And, uh, I decided against it due to the fact that I satisfied myself that the so-and-so was doing the job, and, uh, of course on the, uh.
>
> Haldeman. That's it—you prob. Well, see how they are going to undermine that though by saying Silbert was covering up, earlier, earlier.
>
> Nixon. (unintelligible) He may have been.
>
> Haldeman. He was limiting the investigation.

Third. The next day, April 27, 1973, there is this exchange between Petersen and Nixon:

> Nixon. He's [Dean's lawyer] leaking to the press that they are going to try the President, huh? (unintelligible)
>
> Petersen. Other areas, but what those areas are, we don't know. Now, Silbert said, "Stop." So, he didn't let them go on. He said, "why get into that?" Ah—
>
> Nixon. It's not this case. Go ahead. (unintelligible). . . .
>
> Petersen. They said, "Tying in the President." not in the Watergate but in other areas and the prosecutor said, "Stop! We don't want to get in this. We don't want to discuss this."
>
> Nixon. (unintelligible). . . .

These transcripts suggest the White House hardly viewed the prosecutors as aggressive, but rather as timid and flinching, which is exactly as someone in the White House should have perceived them throughout this investigation.

Fourth, the prosecutors placed on the stand a witness, Jeb Magruder, whom they strongly suspected of lying.[22] As Judge Sirica instructed the watergate jury,

> When the Government, or any other party, calls a witness to the stand, they in effect represent to the jury and to me and to the counsel for defendants that they vouch for the credibility of that witness.

And yet, having strongly supsected that Magruder had lied before the grand jury and might lie to the trial jury, the prosecutors nevertheless called Magruder to the stand and used his testimony to convict the defendants.

The Magruder matter brings me to another point: the resistance I have faced in obtaining some important documents with this nomination. I have made repeated requests from the Justice Department for Silbert's September 13, 1972, pretrial prosecutive memorandum. This document could be very helpful in shedding light on Silbert's suspicions after 3 months of investigating, and also on his calling as a material witness a person he strongly suspected of lying. I thought the committee would have no trouble obtaining that document; we had, after all, obtained a similar document in the Kleindienst-ITT hearings. But all my requests, formal and informal, have been denied, for no apparent reason. All the criminal appeals have been exhausted, so no defendant could possibly be prejudiced. The decision of the Special Prosecutor not to investigate the Justice Department's role in the Watergate coverup has always disturbed me, and this refusal to turn over Silbert's prosecutive memorandum to a committee exercising its constitutional responsibilities only reinforces my fears.

Second, I have seen portions of an April 26, 1973, White House tape transcript, in which Haldeman and Nixon discuss Silbert's "limiting his investigation." That tape and transcript are in possession of the Special Prosecutor's office. On several different occasions I requested copies of the relevant segment of the transcript, in order to make them part of the committee record. White House attorneys refused to allow the Special Prosecutor's office to furnish me these transcripts.

Third, Silbert kept a diary or a journal from August 1972 on. Senator Bayh requested access to the diary notes, with the hope that the committee could gain some insight into Silbert's thinking during the investigation and trial. At the time of the request, April 1974, the Special Prosecutor and Justice Department objected, because of "pending investigations" and "pending trials." Well, all appeals of the original Watergate defendants have now been exhausted. No person covered in these notes is a subject of a "pending investigation" or a "pending trial." I repeated Senator Bayh's original request for these diary notes and was turned down, again for no justifiable reason.

All of these materials—the pretrial prosecutive memorandum, the April 26, 1973, transcript, and the prosecutor's diary notes—would be extremely useful to the committee and to the Senate in passing on this nominee. We are entitled to these materials in exercising our constitutional responsibilities. Yet all requests have been refused. I frankly do not see how we can even consider this nominee until we obtain these materials.

V. SHOULD SILBERT'S CONDUCT OF THE WATERGATE INVESTIGATION PREVENT HIS CONFIRMATION AS U.S. ATTORNEY FOR THE DISTRICT OF COLUMBIA?

I would like to stop here and summarize for a moment, if I may. We have discussed the importance of a thorough investigation of the Watergate incident. We have seen that the public was told, not only by the administration but by the Justice Department and the chief prosecutor himself, that there was no evidence that anyone else was involved in the Watergate incident, and that the Watergate burglary was merely seven men going "off on an enterprise of their own, diverting that money for their own uses." We have seen that Silbert had actual knowledge of facts that should have convinced him there was, indeed, higher involvement than these seven men, and that Watergate was but one incident in a whole scheme of sabotage coming out of the White House and CREEP. We have seen that as early as October 1972 the newspapers were filled with stories of this massive sabotage campaign. We have seen how the prosecutors were remarkably uncurious investigating this incident, at a time when nothing less than a vigorous investigation could satisfy the public trust. And we have seen the prosecutors shy away from areas that would have led them to still further unlawful activities. Gentlemen, this man blew the Watergate investigation, he ducked his responsibilities at a crucial moment in time. I cannot endorse him, and I ask you to refuse to do so as well.

I have heard two arguments in behalf of confirming the nominee. First is his alleged endorsement by the District of Columbia Bar, the Special Prosecutor's Office, and the District court judges. The second is that we are judging him too harshly.

Let me say first of all that I tend to put limited weight on endorsements, particularly when so much testimony of actual conduct has been presented. Just as the American Bar Association has no veto power over judicial nominations, so I do not think the Special Prosecutor's office or the District of Columbia Bar Association should have final say over whom this committee appoints as U.S. Attorney for any district.

Second, just how strong are these endorsements? Indeed, are they even endorsements? On February 25, 1974, Special Prosecutor Leon Jaworski stated in a letter to Senator Hart:

> I can advise you that, on the basis of the investigation conducted thus far, I am not aware of any evidence that indicates that in his handling of the Watergate prosecution and subsequent investigation, Mr. Silbert engaged in misfeasance, malfeasance, or bad faith.

This is hardly a "ringing endorsement."

Archibald Cox stated to Mr. Silbert in a letter accepting Silbert's resignation on June 29, 1973:

> Perhaps I may add in closing that I realize this has not been an easy time for you. I am aware of various criticisms of your earlier conduct of the investigation and prosecution of seven defendants. Lawyers often differ on questions of judgement and there are points on which my judgement might have varied from yours. Thus far in the investigation, however, none of us has seen anything to show that you did not pursue your professional duties according to your honest judgment and in complete good faith.

Again I would question whether this language rises to the level of an overwhelming endorsement.

Footnotes at end of article.

As far as the endorsement of the District of Columbia District Court, and particularly Judge Sirica, I think some important clarification is needed. Judge Sirica never endorsed this man to be U.S. attorney. I called Judge Sirica last Friday to find out just what his position was on the Silbert nomination. During the first Watergate trial, Judge Sirica had been very active in questioning witnesses, repeatedly expressing his frustration that the facts were not coming out. Here are some statements he made at the time:

> I was hoping that we would get answers to all of them [referring to important questions surrounding the trial.] I don't know if we did or not. Maybe one or two.

The court asked about "these $100 bills that were floating around like coupons."

Barker replied that he did not know where they had come from. The others nodded. He said:

> I got the money in the mail in a blank envelope. THE COURT: "Well, I'm sorry. I don't believe you."

At a hearing setting bond for Liddy and McCord 3 days after the verdict, Judge Sirica stated:

> I have not been satisfied, and I am still not satisfied that all the pertinent facts that might be available—I say might be available—have been produced before an American jury.

He went on to discuss the prosecutors' failure to bring out the purposes of the $199,000 payment to Liddy:

> I don't think we should sit up here like nincompoops. I'll put it this way—I have great doubts that Mr. Sloan has told us the entire truth in this case. I will say it now and I indicated that during the trial.
>
> I felt that neither of you—government or defense—asked Mr. Sloan any questions. I had a right to question him to see that all the facts were brought out.
>
> Everyone knows that there's going to be a congressional investigation in this case. I would frankly hope, not only as a judge but as a citizen of a great country and one of millions of Americans who are looking for certain answers, I would hope that the Senate committee is granted the power by a broad enough resolution to try to get to the bottom of what happened in this case. I hope so. That is all I have to say.

On Friday, September 26, Judge Sirica told me in adamant terms he has taken no public position on the Silbert nomination, and that his position on the bench precluded him from doing so. He also explained the judges' appointing Silbert to be acting U.S. attorney. Harold Titus resigned on December 31, 1973. The district court is responsible for appointing an interim head of the office until the President and the Senate select a permanent U.S. attorney. Silbert had been Titus' principal assistant for 2 years, and the District Court, according to Judge Sirica, traditionally selects the principal assistant to run the office during the interim period. Cautious about the situation, Judge Sirica called Senator Ervin to see if he had any objections to the Court appointing Silbert as acting U.S. attorney for the interim period. Sam Dash, chief counsel for the Watergate Committee, returned the call. He told Judge Sirica that as a Senator, Ervin could not take a position on an interim appointment; that was the function of the Court. At that time Ervin also said he would oppose Silbert if the President nominated him for the permanent position. Sirica made clear that he was speaking only about an interim appointment, and he and Ervin operated on that understanding.

Let me just include a brief statement Judge Sirica made at the time Silbert was sworn in as acting U.S. attorney:

> Whenever such vacancies have occurred here in the past, this district court has acted to fill the post so that the important work of the Unied States Attorney's office might proceed without interruption pending a permanent appointment by the President and confirmation by the Seate. The Court traditionally selects the principal Assistant United States Attorney in these circumstances provided he is qualified to serve.

Finally, as far as endorsements are concerned, Sam Ervin knew more about the Watergate investigation than any other person in this Senate. I would like to read for a moment his comments on the April 26, 1973 taped conversation between Nixon and Haldeman in which Haldeman assures Nixon that Silbert "was limiting the investigation."

> Haldeman's statement is perfectly consistent with the fact that Silbert obeyed Petersen's injunction in August 1972 in interrogating Donald Segretti about the White House and Kalmbach, an interrogation which would have taken him directly into the White House at that early date; the ignoring by the Department of Justice of the picture which the CIA brought to it several weeks before the trial of the original seven defendants—whose use would have revealed the burglary of Dr. Fielding's office by the White House Plumbers' and the statements Silbert made at the beginning and end of the trial of the original seven Watergate burglars that they were on a lark of their own rather than obeying the orders of the officers of the Committee to Re-Elect the President, who had given Liddy $199,000 in cash out of the President's campaign funds. As you will recall, this information was conveyed to Silbert according to Magruder's testimony before the trial of the original seven."

As far as recommendations are concerned, Sam Ervin's opinion on the Watergate investigation carries more weight than any other I know.

But consider the evidence itself. I think it is all too clear that the prosecutors were intimidated, that they were at Haldeman put it "limiting the investigation." And I think they participated in an incredible deception upon the public. Silbert's responsibility was clear: to investigate these incidents fully, to make an all-out effort for the truth. And with so many people publicly asserting that the breakin was but one incident in a whole pattern of activities, Silbert was under an additional responsibility to protect the reputation of the Department of Justice, indeed of justice itself in this country, by pursuing every possible lead.

The second objection, of harsh, self-righteous judgment on my part, is understandable. I have asked myself many times with this nominee, "Am I being unfair?" We all recognize the problems of pushing too hard against those in power. Silbert was confronted by a "do not make waves" situation. In a milieu of ambition and accommodation, Silbert's responses were understandable, almost natural. Many U.S. attorneys investigating the Democratic administrations may not have pressed any more vigorously, with so much of their personal career on the line.

But what should be the appropriate standard in deciding whether to confirm him? I remind my colleagues that we are deciding whether Silbert should be appointed as U.S. attorney for the District of Columbia, not whether he should be sent to jail or excommunicated from an organization. Should our standard be what we could reasonably expect from a U.S. attorney with understandable career ambitions in a political town? Or rather as the ABA Code of Ethics puts it, "the duty to seek impartial justice?" Ultimately it is people's faith in the system of justice that determines whether we can and will have justice. Prosecutors are the one group above all that we cannot have saying "I don't want to know and you don't want to know." The fact that many other people in the same town in comparable circumstances might not have pushed as hard does not matter. We do not tell people to prosecute vigorously but try not to step on any toes. If he was going to shy away from offending higher-ups, he should not have prosecuted the case.

Judges have incredible power over people's lives, and the decision to bestow that power to a nominee must be made with caution and wisdom. The same principles apply for U.S. attorney nominees: Do they merit the responsibility and power that society is giving them? These concerns apply even more heavily to the U.S. attorney for the District of Columbia, whose decisions so often have political ramifications. In light of his response to the pressures during the Watergate investigation, I would answer that question negatively, and strongly, in the case of Earl Silbert.

And, of course, there are the symbolic aspects of confirming Silbert. By confirming Silbert, the Senate is saying that it approves the manner in which the Watergate trial and investigation were handled. Do we really want to assent to such a judgment? Perhaps even worse, confirmation would be interpreted by many, and not unreasonably I might add, as a sign that prosecutors who do not vigorously investigate political officials can expect to be rewarded.

For all of these reasons, I would strongly urge my colleagues to reject the nomination of Earl Silbert to be U.S. attorney for the District of Columbia.

FOOTNOTES

[1] James W. McCord, Jr., Bernard L. Barker, Eugenio Martinez, Frank A. Sturgis, and Virgirlo Gonzalez.

[2] Silbert Hearings, p. 387.

[3] Los Angeles Times, Sept. 27, 1972; Silbert Hearings, p. 324.

[4] New York Times, Sept. 20, 1972; Silbert Hearings, p. 325.

[5] Silbert Hearings, p. 324.

[6] Silbert Hearings, p. 382.

[7] Silbert Hearings, p. 478; Vol. 3 of Silbert Hearings, p. 143–151.

[8] New York Times, Sept. 17, 1972; Silbert Hearings, p. 416.

[9] Silbert Hearings, p. 387.

[10] Silbert Hearings, p. 304.

[11] Silbert Hearings, pp. 304, 318.

[12] Watergate Hearings, p. 539.

[13] Silbert Hearings, pp. 99–102, 318, 373; Watergate Hearings, pp. 542–543, 548, 549, 552, 581–583.

[14] Hearings before House Armed Services Committee Inquiry into the Alleged Involvement of the Central Intelligence Agency in the Watergate and Ellsberg matters, p. 1078.

[15] Silbert Hearings, pp. 143, 417.

[16] Washington Post, Sept. 20, 1972.

[17] Harold Titus, U.S. Attorney for the District of Columbia.

[18] Silbert Hearings, pp. 177–178.

[19] Watergate Hearings, pp. 4047–4049.

[20] Silbert Hearings, p. 352.

[21] Silbert Hearings pp. 21, 144–145.

[22] See Attachment A.

[23] Silbert Hearings, p. 446, 489.

[24] Silbert Hearings, part 3, pp. 17, 20, 31, 33.

[25] See Silbert Hearings part 3, pp. 85–110.

[26] See Attachment B.

[27] Exhibit 57, p. 22385, Ellsberg-Russo Transcript.

[28] Watergate Hearings, pp. 2285, 2652–2653.

[29] Silbert Hearings, pp. 504–506.

[30] Silbert Hearings, p. 504.

[31] Silbert Hearings, p. 130.

[32] Silbert Hearings, p. 188.

ATTACHMENT "A"

QUESTION. h. More details are desired about the tape recorder and the miniature camera which apparently Hunt had secured from the Agency sometime in August 1971.

ANSWER. All the details about the tape recorder are contained in item g. On 25 August 1971 Mr. Hunt was furnished with a commercial Tessina camera disguised in a tobacco pouch. At Mr. Hunt's request, an unidentified associate was also given support material and documents. These items were provided to him on the understanding that they were required in connection with his official duties. The Agency is not aware of the purpose for which these items were intended or used. The Agency refused a request to assist actively by providing a backstopped address and phone contact. On 27 August 1971 Mr. Hunt, on arrival from California, returned the concealed Tessina camera as unsuitable for his use. He requested that a roll of undeveloped film be developed for him immediately. He was met later the same day and given the developed prints and film. At this point the Agency determined that Mr. Hunt's requests for Agency support had escalated to an unacceptable level, and no further Agency contact with or assistance to Mr. Hunt of any sort occurred after August 1971.

ATTACHMENT "B"

Personally hand carried and delivered to Mr. Henry E. Petersen, Assistant Attorney General, Criminal Division, Department of Justice, an envelope containing xerox copies of 10 pictures.

ANTHONY E. GOLDIN.

Date: Jan. 3, 1973.

The PRESIDING OFFICER (Mr. HATFIELD). Under the previous order, the hour of 2 p.m. having arrived, the question is, Will the Senate advise and consent to the nomination of Earl J. Silbert, of the District of Columbia, to be U.S. attorney for the District of Columbia?

Mr. TUNNEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from Michigan (Mr. HART) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

The result was announced—yeas 84, nays 12, as follows:

[Rollcall Vote No. 430 Ex.]

YEAS—84

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Church
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—12

Abourezk
Byrd, Robert C.
Clark
Cranston
Durkin
Gravel
Hart, Gary W.
Hathaway
Jackson
Muskie
Schweiker
Tunney

NOT VOTING—4

Bayh
Goldwater
Hart, Philip A.
Mathias

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will return to legislative session.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The PRESIDING OFFICER. Under the previous order, the time between now and 2:30 will be equally divided between the Senator from Colorado (Mr. GARY HART) and the Senator from Kansas (Mr. PEARSON) with a vote to occur at 2:30 on the Abourezk-Hart amendment No. 954.

Mr. GARY HART. Mr. President, I ask unanimous consent that the distinguished Senator from Colorado (Mr. HASKELL) and the distinguished Senator from Oregon (Mr. PACKWOOD) be added as cosponsors to this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARY HART. Mr. President, this is one of those troubling measures that the Senate is occasionally called upon to deliberate and vote upon. It is troubling for two reasons: One, many of our colleagues campaigned on the platform that they were in favor of more competition in the oil industry. Those people who campaigned on that platform will have a chance to cast their vote this afternoon.

On the other hand, many people campaigned on a platform of free enterprise. If the people who campaigned on a platform of free enterprise really believe in what they campaigned for, if they believe what they say on the floor of the Senate almost every day, they now have a chance to cast a vote for free enterprise.

Mr. President, I think there will be nothing more nor less at issue before the U.S. Senate, in about 8 minutes, than the future of free enterprise in this country. The question before the U.S. Senate is: Will there be more Government regulation and big business or less Government regulation and free enterprise? We cannot have it both ways. There will not be a dismantling of the Federal regulatory process with concentration of the oil industry——

Mr. STONE. Mr. President, may we have order so we may hear the Senator from Colorado?

The PRESIDING OFFICER. The Senator will suspend.

The Senate is not in order. Will the Senators either retire to the cloakroom for their conversations or please take their seats and extend the courtesy of their attention to the Senator from Colorado?

The Senate is in order. The Senator from Colorado may proceed.

Mr. GARY HART. Mr. President, if our colleagues on the floor of the U.S. Senate believe what they say about protecting free enterprise, and if they believe what many have said about concentrated power in the oil industry, they will have an opportunity in the next few moments to cost a vote for those beliefs. The record has been made. The record exceeds 40,000 pages. It exceeds 23 volumes. The distinguished Senator from the State of Michigan is largely responsible for making that record. Senator HART, year after year, has presented the case in his own Subcommittee on Antitrust for the fact that there is, both through vertical integration and sharing and swapping arrangements among the dominant oil companies, overconcentration and monopolization of the marketplace in petroleum. We have an opportunity here today to end that monopolization.

Mr. BARTLETT. Will the Senator yield?

Mr. GARY HART. Mr. President, I ask all Senators who believe in free enterprise to vote for this amendment, because that is exactly what the amendment stands for.

The balance of the time, I yield to my colleague, the Senator from South Dakota (Mr. ABOUREZK).

Mr. ABOUREZK. I yield 1 minute to the Senator from Colorado (Mr. HASKELL).

Mr. HASKELL. I wish to add my endorsement for this measure. Two attorneys General, one under President Eisenhower, the other under President Johnson, recommended the divesture of all pipeline and other transportation facilities from the major oil companies, pointing out the immense anticompetitive leverage which can be used by the ownership of transportation facilities. Extensive hearings in my Subcommittee on Interior have illustrated the anticompetitive aspect of a number in both production and refining.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Kansas has 5 minutes remaining.

Mr. PEARSON. I yield to the Senator from Illinois 5 minutes.

Mr. PERCY. Mr. President, I yield 2 minutes to the Senator from Alaska (Mr. GRAVEL).

Mr. GRAVEL. Mr. President, briefly, I think everybody agrees at heart with this amendment. What we want to do is protect the consumers. But I think we should get a lot more facts before we make a judgment as to how best to do that. Vertical integration may well give the best possible deal to the consumer, because if an oil company does not take any profit at the retail level, does not take any profit at the refinery level, and only takes profit at the production level, then the consumer is getting the lowest possible price. If we force divesture, we are requiring that middlemen come in and own the refineries and charge a profit, own the transportation systems and charge a profit, own the other systems and charge a profit. This, on the surface, will give more competition, but it will give a higher price to the consumer.

The danger of vertical integration is not vertical integration itself, because that may be the most efficient way of doing it. The danger arises after vertical integration, when they have the advantage to put the independents out of business. They may then charge an exorbitant price and rip off the consumer. That is the point where we should focus our attention—after they have vertical integration, are they truly being competitive, and is the consumer getting the best price?

I submit that this amendment has no background data to support it. I called the only committee that did any work in this area, and they have collected no data at all on the point I am raising. I called the Committee on Antitrust, and all they have is testimony from independents who say they cannot get any oil, because the majors are not taking any profit on their own refining.

I hope the Senate will hold off action on this subject. I am drafting a letter to Secretary Simon, asking him to point out what is the profit in all facets of vertical integration. Then we can make a judgment if that profit is to the benefit or detriment of the consumer. Then we can do something to give the consumer competition if that is required.

The PRESIDING OFFICER. The Senator from Illinois has 2 minutes remaining.

Mr. ABOUREZK. I ask the Senator to give me 30 seconds.

Mr. PERCY. I shall yield on the Senator's time.

The PRESIDING OFFICER. The Senator from Illinois is the only Senator who has time remaining.

Mr. PERCY. With 3 minutes, I have no time. Does the Senator from South Dakota have any time remaining?

Mr. ABOUREZK. I have no time.

Mr. PERCY. I yield him 15 seconds.

Mr. ABOUREZK. One of the principal sponsors of this bill, the distinguished Senator from Michigan (Mr. PHILIP A. HART) has brought himself out of the hospital and down here to make this vote, because it is historic for him, the first time this measure has been voted on the floor of the Senate. I just want to announce that he is here.

Mr. PERCY. I say to the Senator we have an additional 5 minutes, and there are 2½ minutes on each side. Because of the importance of these amendments, I do not want to deprive the Senator of the time for argument.

Mr. PASTORE. Why not make it 10 minutes, 5 minutes to each side, and let us hear a little of this discussion?

Mr. PERCY. I ask unanimous consent that there be 10 minutes allotted, 5 minutes to a side.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. ABOUREZK. The only thing I wanted to announce is, I want to give 2 minutes to Senator PACKWOOD of Oregon.

Mr. PACKWOOD. Mr. President, I rise to support the amendment. I think the best analogy that we have, at least legislative analogy, in our history, is what we have done with the national banks. Years ago, with the McFadden Act, we passed a law that said banks cannot branch interstate, that it was dangerous to have that concentration of power in more than one State.

Under the Bank Holding Company Act we have said that not only must banks be confined to one State, they have to be confined to banking or something closely related to banking, because it was too dangerous to have too great a concentration of economic power.

Last Friday night I heard the Vice President speak in Portland, Oreg., and I will quote what he said:

> I do not vouch for the accuracy exactly one way or the other, but in response to a question about divestiture—

Mr. NELSON. Mr. President, may we have order so that we can hear the Senator.

Mr. PACKWOOD. The Vice President said:

> When Grandfather's company was broken up——

The PRESIDING OFFICER. The Senator will suspend. Will the Senators please take their seats? The Senate is now in order.

The Senator may proceed.

Mr. PACKWOOD. He said:

> When Grandfather's company was broken up——

which, of course, was Standard Oil of New Jersey—

> It was broken into eleven components each of which today is bigger than the original Standard Oil of New Jersey.

So I do not think we have to be frightened by the specter of breaking up the large oil companies into such small components so that they cannot compete or get financing.

I think to have oil companies as large as they are, owning most of the coal in this country, one of the principal suppliers of nuclear materials for generating electricity, and the high bidders of geothermal land, is too great a concentration of power.

Mr. ABOUREZK. Mr. President, we are being asked today to vote on the Bentsen-Pearson deregulation of natural gas amendment.

The vertical divestiture amendment that is being proposed by a number of my colleagues and myself today is the only rational way to resolve the problem of natural gas price and supply. In all conscience, we cannot tell our constituents we are returning control of natural gas to a competitive market when no such market exists.

Without vertical divestiture we are turning control over to an enormously powerful industry whose ability to strangle supplies has brought us to this very difficult moment today.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. Mr. President, I yield 5 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I oppose the Hart-Abourezk amendment on the ground that it applies a rigid rule of vertical divestiture for all oil and natural gas companies above a certain size.

This amendment has been widely debated in committees of the Senate, both in the Judiciary and Interior Committees. It has never been reported by a committee, and I hope that we could have a committee analysis of this before we are required to vote on it.

A more flexible proposal, giving some discretion to the courts to order divestiture in certain cases, would be desirable as a means of limiting the oligopolistic structure of the petroleum and natural gas industry but, at the same time, not adversely affecting investor confidence in these industries.

These industries have a tremendous need for capital, and I hope, in the wisdom of the Senate, we will now move ahead, and I am pleased that we are being asked to vote up or down on the issues now at long last so that we can remove the uncertainty that exists, because it is the uncertainty that has deprived these industries of much of the capital that they require.

In the remainder of my comments I want to address them to the amendment offered by my distinguished colleague from Illinois to the amendment, the natural gas amendment, offered by Senator PEARSON.

Mr. President, for the past several days the Senate has been considering the amendment in the nature of a substitute of my colleague from Illinois to the Pearson natural gas amendment. The amendment now under consideration would establish a comprehensive price ceiling for both and natural gas.

The Stevenson amendment is motivated by an understandable desire to keep petroleum and natural gas prices as low as possible consistent with not hampering the search for new sources of supply that we so desperately need. The price of "new" domestic oil would be rolled back to $9 per barrel and for a period of 5 years the only increases permitted would reflect the rate of inflation. The price ceiling on "old" domestic oil would be increased gradually over a 5-year period until the price of "old" oil reached the $9 figure. On the question of natural gas, a single ceiling price would be established for all "new" natural gas, based on the average natural gas price in the intrastate market from August to November of 1975. The amendment provides that this price could in no case exceed $1.30 per thousand cubic feet. As in the case of oil, price increases would be allowed only to reflect the rate of inflation in the country.

While I recognize the value of certain aspects of the Stevenson amendment. I have concluded that its enactment would not be in the long run interest of the United States in its search for relative independence in the energy area. Mandating oil and gas prices at any level is unwise. This is just another example of trying to repeal the law of supply and demand.

Mr. President, we tried that repeal in this body when we put a price freeze on meat prices, and we did that with a disastrous effect that did not last just the relatively few months of the price freeze but carried forward for many years into the disruptions felt in that market.

We have a destabilizing element in the whole field of energy today with our inability to come to grips with this matter, and I feel that the Stevenson amendment would add further disincentives to the very kind of exploration and development that we need.

It is precisely this type of price regulation in the interstate natural gas market that has led to the present situation of a serious shortage of gas supplies in the interstate market and a relative surplus in some intrastate markets. By attempting to place all natural gas, interstate as well as intrastate, under Federal price controls, we risk creating even more severe shortages in the future. No one in this Chamber knows whether $1.30 Mcf is the "equilibrium price" for natural gas. Nor does any Senator know whether $9 is the "equilibrium price" for oil in this country. What we do know is that eventually prices for both of these precious fuels must be deregulated so that a sufficient amount of investment capital will flow into the search for and production of these fuels. We also know that a congressionally mandated price established today is likely to last and last and last and not be adjusted as new economic conditions develop.

Mr. President, I should also note that I am one of the original cosponsors of legislation introduced in the Senate by Senator PACKWOOD to gradually eliminate price controls on domestic oil. This phased oil decontrol bill, S. 2417, would remove price controls over a 36-month period and would insure that approximately 60 percent of the resulting price increase would occur during the third year of decontrol. This schedule is designed to avoid disrupting the fragile economic recovery now underway. As I have stated many times in the past, I feel that gradually decontrolling oil prices is by far the best way to eliminate the complicated matrix of Government regulations and allocations procedures in the oil industry. It also would provide an incentive for increased production and a stable environment for new energy-related investment. Furthermore, phased decontrol will encourage us all to be more selective in our energy consumption patterns without generating rapid and devastating consumer price increases.

I have also cosponsored the original legislation introduced by Senator PEARSON which would immediately deregulate the price of "new" natural gas produced onshore and would gradually deregulate the price of "new" natural gas produced offshore over a 5-year period. The Pearson deregulation proposal undoubtedly will mean higher prices for natural gas in the short run. But by eliminating layer upon layer of Federal Power Commission—FPC—regulations and price controls, it may be possible for our production of natural gas to begin to climb once again after a decade of accelerating decline.

Mr. President, because I believe that the Pearson amendment adopts the most effective policy for maintaining American self-sufficiency in natural gas, I will oppose the substitute amendment being offered by my colleague from Illinois. Now is the time for us to pass emergency legislation which would allow for the allocation of our extremely short supplies this winter, but at the same time to face squarely the long-term problem of declining natural gas production.

If we yield to the temptation of only considering emergency legislation, as has been advocated by many, we will surely be faced with an ever shorter supply situation next year, just before the Presidential elections. As a practical matter, I am sure that such a delay would result in extension upon extension of emergency legislation and exacerbated natural gas supplies shortages. We must not continue the costly "do nothing" policy on energy. We need to take the responsible, perhaps unpopular, steps now to avert much more serious consequences later.

Mr. President, I urge the Senate to reject the Stevenson substitute amendment to the Pearson phased deregulation amendment. But I also urge it to act decisively now—once and for all.

ADDITIONAL STATEMENTS SUBMITTED ON ABOUREZK AMENDMENT NO. 954

Mr. EAGLETON. Mr. President, I sympathize with the objectives of the pending amendments and fully share the view that if we are going to have deregulation of oil and gas prices, then we must take steps to assure there is competition within the industry.

The amendment before us, however, is unprecedented in its scope, requiring industry divestiture on a scale without parallel in this Nation's history. Frankly, that concerns me. Is it practical to think that such a massive disposal of assets can take place in a period of 5 years? What organizations outside of the major oil companies themselves would have the capital necessary to take over the relinquished operations? What would be the impact on our ability to produce and distribute petroleum in the critical years ahead?

These are some of the serious questions that trouble me and I do not believe we should embark on such an intricate undertaking until we have better answers than those I have seen. Clearly, there is widespread resentment at the power of the major oil companies and there is public support for the idea of breaking their stranglehold on our energy future. But I think we have to be sure of what we are doing. We have to be certain that the American people are actually going to benefit from the divestiture and that the integrated operations we break up are not replaced by a less productive, less efficient system.

Because I am not satisfied that these fundamental questions have been thoroughly explored and answered and because I am convinced that there are less extreme ways of accomplishing the objective, I feel compelled to vote against the amendment.

Mr. ROTH. Mr. President, today I will vote against amendment 954 to S. 2310. The amendment would require the breakup of America's major, vertically integrated energy companies within 5 years. I wanted my colleagues to know the basis of my vote on this important measure.

Mr. President, the subject of this amendment could have very far-reaching impacts on our economy at a time when steps are being taken to promote economic recovery, encourage capital formation, stabilize business conditions and create jobs. I believe it is essential that full and open competition be promoted and fostered in American business consistent with maintaining the free enterprise system which has made this country the strongest in the world. Where concentration and integration of control of large sectors of the economy have eliminated effective competition and curtailed economic growth, steps must be considered which protect interests of consumers, prevent severe competitive disadvantage and restore free market conditions.

However, I do not favor action being taken on a legislative step of this magnitude in conjunction with a bill primarily designed to bring emergency natural gas relief to regions of critically short supply in the next few months. This issue deserves close scrutiny on its own merits by the Congress and must not be attached and rushed through on an emergency measure before all sides are fully explored. Inclusion of this amendment would almost guarantee that a natural gas emergency bill will not be enacted in time to relieve this year's shortages.

I understand that separate legislation addressed to the integration and structure of major domestic energy companies is under review by the Judiciary Committee and I believe deliberative consideration of the issue should be undertaken by the committee before action is taken by the Congress.

Mr. DOLE. Mr. President, although I am generally supportive of efforts to improve competition within the private sector, I am forced to oppose the so-called Hart amendment.

As a supporter of phased decontrol of crude oil and natural gas prices, I recognize the need for improved competition in the marketplace to act as a regulator and to keep prices from getting out of hand. I also recognize the potential that exists within a vertically integrated industry for monopolistic practices and believe that this issue needs to be thoroughly examined coincidental with decontrol. Yet in spite of protestations to the contrary by the amendment's sponsors, I believe this amendment is being hastily presented and needs further investigation.

The measure we are now considering is similar to the bill offered by my colleague from Indiana which has received 2 days of hearing within the Antitrust Subcommittee of the Judiciary Committee. Two additional days of hearings are scheduled later this month. Over the last decade, comprehensive hearings have been held on the general issue of concentration of economic power, but these hearings did not specifically focus on vertical integration within the energy industry nor did they relate to the impact of any specific divestiture program.

The legislation now before us would certainly resolve the vertical problem; but what other problems would it create? What would be its impact on domestic energy production and on domestic oil prices? I would venture to say that no one knows.

The legislation calls for the divestiture of transportation facilities by those who are involved in production or refining activities. This would call for an outside capital investment of over $9 billion within an industry that is already straining to raise an estimated $400 billion in capital over the next decade—and that must come from a private market burdened with a $70 billion Federal deficit financing problem this year alone.

Are all examples or vertical integration contrary to consumer interests? Would not some of the actions result in lost economics of scale and increased inefficiency which would in the end mean higher price? If so, how might these elements of the industry be preserved and the monopolistic tendencies thwarted.

These are but a few of the issues I would raise in conjunction with the amendment. The Senator from Kansas feels that it offers a simplistic solution to a very complex but popular issue. I feel we would be doing a grave injustice to American consumers if in their name we enacted this amendment without examining its long-term ramifications in much greater detail. I, therefore, would hope that we can continue to responsibly examine this issue in conjunction with decontrol and come up with a functional package that assures fair competition and replaces government controls as the regulator of our energy prices.

Mr. BAYH. Mr. President, I have determined to vote for this amendment which is similar to legislation that I authored previously and which is now pending in the Judiciary Subcommittee on Antitrust and Monopoly, of which I am a member.

As I said in introducing my legislation (S. 2387), which was cosponsored by the distinguished chairman of our subcommittee, Mr. HART of Michigan, and others, I am convinced that the domestic oil industry is lacking the competition that is essential to successful operation of a free market economy. I am sufficiently satisfied on this point that I believe the hearings which we have begun—and which we will continue and conclude on a timely basis in the Antitrust and Monopoly Subcommittee—will provide a compelling case for requiring divestiture by major, vertically integrated oil companies.

The pending amendment is directed toward this goal, and as one committed to that goal I will vote for the amendment. Should the amendment not be adopted I hope the attention brought to this issue by the current debate can be channeled in a constructive fashion to our ongoing efforts in the regular legislative process. Under no circumstances would it be correct for those who oppose this amendment to assume that today's vote—if the amendment is not adopted—is the final word on this important issue.

It is our clear intention to report legislation from the Antitrust and Monopoly Subcommittee and to work with our colleagues in the full Judiciary Committee to bring legislation requiring vertical divestiture to the floor on a timely basis. Rather than belabor this issue, I request unanimous consent to include in the RECORD following my remarks the full text of the statement I made when I introduced the Petroleum Industry Competition Act of 1975.

There is one important part of the pending amendment, Mr. President, that differs significantly from my legislation. This is the provision that would require interstate natural gas pipelines to divest themselves of interests in natural gas production. I did not include such a provision in my legislation for two reasons:

First, it is directed specifically at vertical integration in the oil industry.

Second, as long as we continue to regulate the price of natural gas sold in interstate commerce—and I hope we will do so for the foreseeable future—there is no need to require interstate gas pipelines to divest themselves of production. This is because the price they can charge for their gas would be set by Federal regulation and the presence of vertical integration could not result in unfair pricing or cost to the consumer.

However, should the proponents of natural gas deregulation prevail, the situation will be changed drastically. In that context, the need for vertical divestiture in the natural gas industry would be analogous to that which now exists in the oil industry. As one who has not conceded that natural gas deregulation is necessary or inevitable, I hope we can continue to resist the efforts of those who would free natural gas production from regulation and thus open the door for excessive pricing by noncompetitive domestic companies.

Mr. PHILIP A. HART. Mr. President, certainly, I can appreciate the need to approach gingerly the question of breaking the stranglehold a handful of companies have on our energy industry.

Included are 12 companies of the top 25 of Fortune's 500. Many are old, long-established companies. Exxon, for example, has existed for a century. Shell for 80 years.

As Anthony Sampson, editor of the London Observer, put it in his "How the Oil Companies Help the Arabs to Keep Prices High," in the September 22 New York magazine:

> They have become regarded as facts of life, like nations or mountains. The need for giant integrated companies has been held to be essential to security of supply; so the Exxon oil can be pumped into Exxon tankers to be carried through Exxon refineries to Exxon filling stations.

But these companies, in reality, are creatures of Government. Government gave the tax relief, the depletion allowance, the import quotas, the tariffs, so many of the restraints on competition which have allowed these companies to corner such impressive shares of the world market.

Their charters come from States—not the Almighty. And what the State gives, the State surely in the interest of the common good should be able to take away.

Certainly we have done it before—and with good results.

The Public Utility Holding Act of 1935 forced combination companies to divest themselves of either gas or electricity distribution facilities. Also required to be divested were all nonutility related assets—such as oil wells, bus companies, and coal mines.

The McKellar-Black Air Mail Act of 1934 required a number of firms to divest themselves of either air carriers or aircraft manufacturing facilities. General Motors, for example, was required to sell off its interests in Eastern, Western, United, and TWA.

The Hepburn Act of 1906 made railroads get out of the business of producing coal and other commodities.

The Glass-Stegall Act of 1932 forced financial institutions to rid themselves of either their commercial or investment banking activities.

Mr. President, while there is need for reasonableness and responsibility in considering this divestiture measure, there is no need for fear.

The disruption which would be caused by the divestiture required under this bill is vastly overstated by the industry. It is highly likely that the mechanism used would be spinoffs whereby the stock of the new entities simply is split up among the stockholders of the existing company. This would eliminate the need for going to the capital market for vast sums of money.

Also, a number of the companies already have organized themselves so that each facet of the company—production, transportation, and refining/marketing are quite separate from each other.

The problems that would be entailed with this divestiture are minor, truthfully, compared to the trouble that such a concentration of economic power in so few hands has and will continue to give this country.

May I end with one more quote from Mr. Sampson's article:

> Any move to break up or control the oil giants will, of course, be portrayed by the oilmen as an "assault on free enterprise" (to use the title of a recent pamphlet by Exxon, replying to Senator Jackson). No picture could be more misleading. The oil giants have never been examples of free enterprise. They were born out of a near monopoly, developed into a cartel, and eventually coalesced with another cartel, this one of sovereign states. In the patterns of bribery, they show the full dangers of excessive concentration of accountable wealth, operating not to encourage free enterprise but to frustrate it.

With that alternative, we should be willing to face even greater problems than divestiture will bring. For the rewards are worth it.

OIL WIELDS THE POWER OF A "PRIVATE"

Mr. McINTYRE. Mr. President, the petroleum industry is an incredibly complex industry, made all the more difficult to comprehend by the fact that it is the repository of virtually all information and all expertise about the industry.

This combination of closely held information and a monopoly of talent has had a great deal to do with the industry's success, success measured not only in dollar terms but in political influence.

Now this alone would give pause to any reasonable person tempted to urge a Government directed restructuring of the industry. And yet a number of us who consider ourselves realists and reasonable are making that very recommendation, Mr. President.

And we are doing it, we believe, in the best interests of the Nation and its people and not, as the industry would have the public believe, to punish success.

I am supporting divestiture legislation, because the record proves that the giants of the petroleum industry have used their considerable power to pursue their own profit interests at the expense of America's fundamental interests.

The power of the vertically integrated oil companies to control this energy resource from the well, through the pipelines to refineries, through pipelines to distributors, and on to the ultimate consumer is the power, Mr. President, of a "private" government, as our distinguished colleague from Utah, the Honorable FRANK MOSS, has pointed out, and it goes without saying that no other private industry—anywhere in the world—wields that kind of power.

It is truly ironic, Mr. President, that the success, the power, the pride, and the influence of this most private of industries has made a mockery of the free enterprise system.

For is there a vestigial doubt that the total grasp and control of every link of this industry's production and distribution chain by its dominant companies, acting alone or in common, has suppressed competition at every level?

As I remarked in recent testimony before the Antitrust and Monopoly Subcommittee, I became concerned about the lack of competition in the industry simply because of the most visible manifestations of monopoly power—the abuses in the marketing segment.

While marketing may have been the most competitive component of the industry at one time, in recent years we have seen the major oil companies attempt to squeeze independent marketing competition out of business.

In response to this, in 1972 I introduced the first divestiture bill in 30 years, a measure calling for divestiture of all marketing assets by the vertically integrated oil companies.

Since that time, my concern over the anticompetitive nature of the industry has broadened and deepened, Mr. President, and it is clear to me that the history of the past 45 years conclusively proves that monopoly power within the industry developed through crude oil control. And I have become personally convinced that Congress must focus its restructuring attention on crude oil production and the transportation of crude oil to refineries.

Mr. President, my colleagues will, I am sure, address the specifics in the legislation being proposed, so rather than be redundant, I would rather direct my remaining remarks to some general observations about growing support for the idea of divestiture legislation.

It is true, of course, that the petroleum industry has never been one of the most popular industries in America.

There is an inherent suspicion of bigness and power in middle America, and the size and influence of this particular industry have been a matter of concern here and elsewhere in the country for decades and decades.

But this concern has been like a low-grade fever that manifested itself in sporadic attempts at restrictive legislation, appearing infrequently among the welter of bills that redounded to the benefit of the industry, and in vague public utterings about monopoly, the depletion allowance, and the proliferation of oil millionaires.

I think it is safe to say that the industry's public image, which was never too good anyway, collapsed in the early days of the energy crisis, and despite the millions invested in institutional advertising in the press and on television that image has yet to regain its knees.

Has the public unfairly judged the petroleum industry, Mr. President? Or have the arrogant excesses of the industry undermined all the image-rebuilding efforts?

From the staggering profits rolled up by the oil companies after the 1973 Arab oil embargo, to the ensuing hike in utility bills, transportation expense, and fertilizer costs, right on down to the conscienceless increase in gasoline prices on the eve of this year's Fourth of July weekend, the industry has flouted its power and the consumer's helplessness with an arrogance and an ignorance that defies public understanding.

It is precisely that kind of arrogance and ignorance that prompted a respected columnist like Joseph Kraft to say:

> The oil companies, in their dumbness, have acted the way all conspiracy theorists always said they would.

But the most significant result of this latter year evidence of insensitive corporate greed is this, Mr. President: the American public is now focusing its concern about the power and the influence of the petroleum industry. The low-grade fever of resentment, the vague complaints about tax favoritism and oil barons, stayed low grade and vague as long as gasoline sold for 29 cents a gallon. But now the concern has escalated, and with that has come a broadening and a sharpening of public understanding about the real dimensions of the industry's power and influence and its overall effect on America's energy destiny.

Now, for the first time, a significant number of Americans know about the cozy relationship that finds the major oil companies closely linked to U.S. banks, that finds oil company directors sitting on the boards of the 11 largest banks. And now a significant number of Americans understand the hold the oil giants have on other sources of energy, know that Exxon, Gulf, Continental, and Standard of Ohio, for instance, have substantial coal holdings, that Union dominates the field of geothermal energy, that Exxon, Getty, and Gulf are powers in nuclear energy, and that Exxon, Gulf, Mobil, Shell, and Texaco are gathering control over solar energy. Many more Americans than before are conscious of the profit and tax picture of the industry. They know that board chairmen of the majors are paid salaries ranging from half a million to nearly $700,000 a year, that despite our closing the depletion allowance loophole millions still seep through other tax loopholes and into the company coffers, that the effective Federal tax rate paid by the majors still ranges as low as 1.6 percent, according to one very recent study.

And even that mysterious industry creature called vertical integration is now understood—at least in its effects—by a good many resentful Americans.

The people know that the energy crisis is real, Mr. President. The people understand the need for energy austerity. The people proved that they can and will conserve during the winter before last. The people do understand that energy will cost more in the years to come.

The people will do what must be done in the best interests of our future, Mr. President, but the people expect cooperation to be a two-way street. They deeply resent making energy use and cost sacrifices only to have the energy industry giants profit from their sacrifices.

What we are considering here today is nothing more than fair treatment for the American people. If the structure of the petroleum industry is such that the public does not benefit from the economies of bona fide competition, then it is our responsibility to change that structure so those benefits accrue.

The legislation we are considering is not collectivist legislation, Mr. President. It does not impose the Federal Government upon free enterprise. It makes the Federal Government the guarantor of competitive free enterprise by insisting that it be practiced by an industry that has been singularly insulated from genuine competition for far too many years.

Mr. JAVITS. Mr. President, the upcoming vote on the amendment by Senator ABOUREZK and others presents some very important and interesting issues that merit the detailed consideration of the Congress. The U.S. oil industry is one of our very, very largest, and with its size, both in the aggregate and by individual companies, it carries enormous weight as to the state of the U.S. economy.

The Supreme Court has made it clear in respect of the anti-trust laws that the very fact of bigness is not enough to break up these companies into smaller and more specifically directed components of energy production and supply by governmental fiat. There must be adequate proof as to the U.S. economy and supply of oil before such a drastic step—a step the consequences of which are unclear at best and totally unknown at worst—is taken by this Congress.

Mr. President, I regret that it is being called up before we have the benefit of a Senate committee report and a hearing record. The Senate Antitrust and Monopoly Subcommittee has been studying this issue and I believe we should await its decisions on both the conceptual aspects of the amendment as well as the effects that divestiture would bring. I believe that the subcommittee, as well as the full Judiciary Committee, will give this legislation its full conideration and thus give to each of us the benefit of the study that is so necessary to our deliberations.

We are entering a decade when there is greater need for investment in energy resources than ever before in history. Some say we may need up to $1 trillion in energy and related investment over the coming decade if we are to become substantially energy independent.

I believe such energy independence is a priority item for this Nation, and we must pursue it to the fullest extent. Yet we really do not know what effect divestiture would have on investment. Surely divestiture at this critical time would have the effect of delaying some plans for increased oil and gas development and alternative sources to research and development.

Additionally, we do not have any information on what, if any, price effects divestiture would yield. Would the price of energy, already much too high by the action of the OPEC cartel, rise still further by the loss of any economies of scale?

Finally, there are a great many other questions as to the international effects that divestiture legislation would bring. Would we drive refiners out of the country so that they can combine their operations with production and transportation elsewhere? Might we increase the chances that another Middle East embargo would be effective because the oil industry could not redirect its transportation patterns to counter some of the embargo's ill effects? Again, I do not know the answers to these questions, and a short Senate debate is not sufficient when one considers the importance of the issues involved.

Mr. President, although I vote against this amendment, I do so for the reasons stated, and not because I have arrived at any underlying judgment as to the merits of divestiture or the best methods of achieving competition in the oil industry. As we are given the opportunity to consider this question deliberately.

Mr. STONE. Mr. President, I shall vote in opposition to the amendment to the Pearson-Bentsen amendment, offered by Senators ABOUREZK of South Dakota and HART of Colorado which proposes a divestiture of integrated petroleum companies. I feel compelled to vote against this proposal not because I am in opposition to the proposal itself, but simply because I do not believe this is an appropriate time for the Senate to make a decision about this important matter.

The Abourezk-Hart amendment is essentially the same legislation already introduced and presently under consideration by the Senate Judiciary Subcommittee on Antitrust and Monopoly. It is my understanding that this subcommittee has already conducted numerous hearings on this proposal and is preparing to report the bill to the full committee.

It is my opinion, Mr. President, that the Judiciary Subcommittee on Antitrust and Monopoly and the full Judiciary Committee should have an opportunity to mark up this bill and report it to the Senate before the full Senate attempts to make a decision on this complicated and serious issue. I urge the Judiciary Committee to make a decision on the pending legislation as soon as possible so that the Senate will have an opportunity to debate this matter.

In addition, Mr. President, I believe that it would be unfortunate for the Senate to attempt to decide the issue of divestiture in connection with already complicated gas deregulation proposals. The Senate is having enough difficulty reaching agreement on gas pricing policy. It seems to me a practical impossibility to make a decision at the same time on divestiture of petroleum companies.

I commend my colleagues who have offered this amendment for their insistence that the Senate give its attention to this matter. It is important and deserving of our careful consideration.

Mr. HANSEN. Mr. President, one of the surest ways I can think of to guarantee higher gasoline, heating oil, propane and all other oil product prices is to break up the major integrated oil companies.

The amendment before the Senate today, if approved, would assure continued and growing reliance on the OPEC countries and higher and higher oil prices as our own domestic supplies dwindle and the OPEC cartel decides how much more we must pay.

Mr. President, I cannot imagine the Senate seriously considering this amendment under any circumstances, but especially under this procedure which has ignored the committee process and similar legislation now pending before the Senate Subcommittee on Antitrust.

I testified before that committee recently and in view of the colloquy of yesterday between two of the sponsors of this amendment, under a rather unusual procedure, I ask unanimous consent to include my testimony in the RECORD of the debate on this amendment, and I also ask unanimous consent that the statement of the distinguished ranking minority member of the Antitrust Subcommittee (Mr. HRUSKA) also be printed in the RECORD, together with an editorial from the October 6 issue of the Oil and Gas Journal, "Divestiture Is No Solution to U.S. Energy Problems."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CLIFFORD P. HANSEN

I would like to comment briefly on these proceedings and the circumstances that led up to them, as I perceive these circumstances.

According to the press release announcing these hearings, the stated purpose is, and I quote, ". . . to consider bills aimed at increasing competition in the petroleum industry by breaking up the vertical integration of major oil companies."

The press release goes on to develop the allegation that there is an unsatisfactory level of competition in the oil industry by stating that American oil companies are, first, underpinning the effectiveness of the OPEC cartel; second, are noncompetitive; third, have concentrated economic power, and, finally, have "unhealthy symptoms."

Now, these are conclusionary statements. The prisoner in the dock, according to these statements, has been found guilty. The purpose of these proceedings, it is clear, is to pass sentence.

The press release goes on to refer to 40,000 pages of testimony in previous years.

The implication is, "We have studied this issue. Now is the time to act."

Let's look at that more closely. A large part of that 40,000 pages was devoted to information, analyses, data, and expert opinion that said that there *is* ample competition in the petroleum industry. A large part of the 40,000 pages said that the concept of vertical *integration is not harmful* to competition but *is beneficial*, to it, and that the concentration levels of the petroleum industry, far from being an indicator of noncompetitiveness, show that there is plenty of competition.

For example, the press release says that the twenty largest oil companies control more than 75 percent of all domestic production, refining and marketing of petroleum.

That's an interesting fact and constitutes a ringing denial of their very conclusion of overconcentration in the oil business.

Leaving aside for the moment the error in logic involved in taking producing, refining and sales statistics to an adding machine and then labeling the totals with the perjurative word, "control," . . . leaving that aside, let me say that I would feel more comfortable about a large part of American industry if their concentration levels were as *low* as those in the petroleum industry, as low as twenty companies comprising 75 percent of the business.

The real fact is that the level of concentration in the petroleum industry, for whatever that statistic is worth as an indicator of competition, is *below the average* for *all* of American industry.

So the subcommittee appears to be in the position of a sentencing judge, although the jury has not brought in a verdict.

I want to advise the subcommittee clearly of where I stand: I do not accept as fact the statement that the petroleum industry has "unhealthy symptoms"—whatever they are—or that it is essentially noncompetitive.

I want to hear the evidence. I don't want vague allegations. I don't want to hear a long list of complaints from those who are really suing for less competition under the guise of promoting more competition.

I hope that witnesses will be asked how they expect to find more oil in the future by splitting integrated companies—the big ones and the not so big ones alike—in four or more pieces.

I want to hear witnesses explain how the public will be better served at the filling station, at lower prices, if we have four Exxons, or four Texacos, or four Amocos instead of one each. I want to hear them explain how we are going to get free of OPEC by having four Chevrons, four Murphys, or four Phillips.

I want to make sure that some of the groups who are going to appear here in support of this legislation don't have the *wrong idea* of what kind of an oil industry we would have if these bills became law.

I suspect that some of them haven't thought the matter through and do not realize that those major company geologists and refinery engineers and marketing people that they claim are too tough to compete with won't go away if these bills are passed. I suspect that some of them haven't realized that the power of knowledge accumulated through decades of research, the power of a national brand name, the power of national advertising and a national sales organization . . . all of these will still be there. I suspect that some of them think that all the integrated companies, if divestiture is law, will throw up their hands, dump their refineries and marketing properties at distress prices and flee to the oil fields, never to be heard of again. I suspect that won't happen. It is our duty to probe the proponents of this legislation to make sure that they understand this, that they understand that the changes the bills would bring might not provide a remedy to their complaints. Indeed they might have quite different effects.

In closing, let me point out that the legislation being considered by this subcommittee represents a radical departure from traditional concepts about the way our economy should operate. Because legislation is radical does not necessarily mean it is wrong. It does mean, however, that a great burden of care rests on those proposing it to ensure that the results will justify the enormous disruptions that would occur in the American petroleum industry. The proponents must also be sure that there are benefits which would outweigh the restrictions placed on the rights of American citizens to conduct business.

These are weighty responsibilities. These are difficult times, and the American people want action. But they want action that works. They are not interested in radical dismemberment of one of the most highly skilled and important industries in our economy merely to satisfy someone's ideological notions of how things ought to be.

If it can be shown that the American people will have more petroleum and cheaper petroleum for the long haul as well as the short run, then perhaps this legislation should be considered. If, however, we are merely using the petroleum industry as a scapegoat for the economic ills affecting the nation in general and for the energy crisis in particular, then we would be doing a disservice to the American people.

Opening Statement by Senator Roman L. Hruska

Mr. Chairman, on July 1, 1964, this Subcommittee embarked on a three year schedule of hearings on concentration of economic power and 11 years later we are embarking on another hearing of these so-called concentrated industries. It involves very little that is new and that has not been discussed in previous hearings in the Oil Industry before this Subcommittee.

After volume upon volume of testimony before this Subcommittee and other Committees in the Congress, no case has been made that concentration exists in the oil industry. Instead, quite the contrary has repeatedly been shown.

Indisputable facts show the following:

	Percent
Oil production:	
Four firms	27
Eight firms	43
Natural gas:	
Four firms	25
Eight firms	43
Refining:	
Four firms	33
Eight firms	57
Marketing of gasoline:	
Four firms	30
Eight firms	53

Also, recent statistics show that the number one oil company in production had only 10.7 percent; in refining had only 8.7 percent; in retail gasoline marketing had only 8 percent; and in interstate petroleum pipelines had only 7 percent.

These statistics can hardly be compared with the so-called oligopoly industries which have more than 80 percent of the market shared by four companies or less.

Aside from purely statistical data, a few excerpts from the testimony of renowned economists will substantiate the point. Professor of Economics, Dr. Edward Erickson told the Integrated Oil Subcommittee that:

"In our own view bigness is unfortunately confused with monopoly power. This confusion clouds the consideration of rational policy responses to the current energy crisis . . . We do hope we can convincingly illustrate with hard facts some of the reasons why the U.S. petroleum industry is effectively competitive."

Dr. Paul McCracken said:

"The empirical evidence does not, in fact, support the view that competitive forces are waning. If anything, the evidence indicates that the economy has become more competitive."

He quoted Dr. Morris Adelman's study:

"that the odds are better than even that there has actually been some decline in concentration."

And Dr. Harold Demesciz told us:

"There never have been systematic and convincing theoretical or empirical demonstrations that oligopolistic structured industries contribute to unemployment, inflation, inefficiency, of underutilization of capacity. Nor has it been shown that oligopolistic industries undermine monetary and fiscal policy. At best they are myths; at worst they are nonsense."

But the clincher comes from a critic of the major integrated oil companies before our Subcommittee. Mr. Charles Siess, President of APCO, and an independent company, said:

"competitiveness is enhanced by the efficiencies APCO develops because it is integrated—because it owns production, transportation, refining and marketing facilities whch when well managed are more efficient than separately operated components.

I am not convinced that the remedy is to be found in requiring either majors or independents, vertically integrated companies to divest themselves of their production components."

The Oil Industry is composed of inter-relative and sensitive facets which have been brought out in much detail in our previous hearings, from 1969—during the Oil Import Quota hearings; the Gasoline Marketing hearings, the Integrated Oil hearings, the Natural Gas hearings and several oil divestiture hearings.

If we are going to get into the field of changes because some people believe an industry is bad, then what kind of a change should be made?

We had better heed the testimony of many people—including experts of the caliber of Dr. Fred Weston, Dr. Eugene Rostow, Dr. Paul McCracken.

Dr. Donald Turner, whose book—co-authored by Dr. Carl Kaysen—raised a theory of possible divestitures, pointed out the absolute necessity and the vitality of the proposition that if there is going to be any relief designed to increase competition, we must have something that is of promise and of greater likelihood to yield substantial economic gain.

Mr. Chairman, can you destroy and deactivate the present system and put something else there, without showing that there will be a high probability that the new creature will work, and that it will work better than the old creature. The benefits must clearly predominate if there is going to be a change because you cannot unscramble an egg nor can you unscramble an integrated oil industry that has been divided into four separate parts—production, refining, pipelining-transporting, and marketing.

And if you break up the integrated oil industry in America or any oligopoly industry in America, how can this nation prevent international industries from flourishing in all parts of the world.

We have testimony on that also, by Professor Fred Weston, not too long ago when he stated:

"Recent developments, including the encouragement of mergers by foreign governments, have resulted in increases in the size of foreign firms compared to those in the United States. The growth rates of the largest foreign firms during the past five years have been roughly double the growth rates of the largest U.S. firms. There has been roughly a 60 percent growth from 1966 through 1972 for the 100 largest U.S. firms versus 120 percent growth for the largest 100 foreign firms . . . If the growth rate in assets of the top 100 foreign firms continues to exceed the growth rate of the last five years, in four years the top 100 foreign firms would exceed the total assets of the largest 100 U.S. firms."

So the burden of proof is on the proponents. Before scrapping the present organization and structure, will the new proposal be assuredly better, will it work at all.

It has been said that by breaking up major integrated oil companies into separate facets of production, refining, pipelines, and marketing will restore competition. Will we restore competition?

What about price control of oil or natural gas where Congress is forcing by law and government by regulations, the use and the sale of gas within the States which produce it and deny it to other states, and the crunch is here, Mr. Chairman.

We had, in Sandusky, Ohio, businessmen who got so excited about the issue recently that they took out a full-page ad, saying "Write your Congressman. Low natural gas prices, to be sure, but no natural gas." And in Ohio, a great industrial state, industry is generally coming to a halt, a grinding halt, and that is a common situation!

Mr. Chairman, before closing my remarks, I hope that we will be objective during these hearings on the issue of profitability of the Oil Industry because much was said in 1974 about the so-called high profits. However, in the words of Treasury Secretary William Simon:

"Those profits resulted primarily from the disposal of inventory that had been bought at the 1973 prices, before the prices of foreign oil jumped to $14 per barrel, and were sold at the higher 1974 market price."

That was an unusual phenomenon as reflected in the reports of the 1st and 2nd quarter of 1975 profit statistics which show a remarkable drop in profits from the 1974 profit figures.

The truer approach to profit statistics is to consider the profit over a number of years. Exxon's testimony in January, 1975, reflected these figures over a 1967–1973 span as follows:

PERCENT RATE OF RETURN ON NET WORTH (STOCKHOLDERS' EQUITY)

	All manufacturing FNCB data	Petroleum industry FNCB data	Exxon Corp average net worth
1967	12.6	12.8	12.6
1968	13.3	13.1	13.3
1969	12.5	12.1	12.5
1970	10.1	10.9	12.4
1971	10.8	11.2	13.5
1972	12.1	10.8	12.8
1973	14.8	15.6	18.8
Total 1967–73 average	12.3	12.3	13.

In that seven year span the 12.3 percent rate of return on Net worth (Stockholders' Equity) for the Petroleum Industry equals that of the rate of return of all manufacturing at 12.3 percent, with three successive years of below level profits.

[From the Oil & Gas Journal, Oct. 6, 1975]

DIVESTITURE IS NO SOLUTION TO U.S. ENERGY PROBLEMS

A group of U.S. senators is pushing the breakup of big integrated companies as the best strategy for dealing with the energy crisis.

The result, according to sponsors of this legislation, will be greater competition. This is supposed to create greater incentives to expand supply as well as lower prices to the consumer.

But will that be the result? The best way to judge is to evaluate these proposals according to claims made for them by their sponsors.

Central to the demand for divesture is the conclusion that there is excessive concentration within the industry. Also, divestiture advocates contend, the big integrated companies cooperate rather than compete with each other to maximize profits and squeeze independent competitors.

If concentration is to be the test, the Federal Trade Commission reports that several other industries deserve scrutiny before oil and gas. In fact, what other industry can claim to have several thousand producers of its raw material, more than 100 manufacturers, and thousands of marketers of its products?

If competiion is to be the test, the best objective standard is price to the consumer. Until the fivefold increase in crude prices dictated by the OPEC cartel, fuel oil and gasoline prices in the U.S. lagged other commodities for over a decade.

If profits are the test, for most of the past decade oil companies have earned a lower rate of return on invested capital than industry in general. As to squeezing independents, the majors have suffered declines in their shares of the gasoline market for several years, and nonintegrated refiners have been adding consistently to their capacity in recent years.

The balance of the case for separating integrated firms into functional divisions rests on the supposed benefits; greater competition, access to raw material and product, and improved ability to finance new supplies and facilities.

It is well known that assets in one division are used to obtain better credit terms for capital to finance investments in another. The resulting lower interest rates reflect one of the objectives of integration: a balance in operations so that risks in one area are reduced by investments in another. The other side of that coin is that fragmentation into divisions will result in higher capital costs—and in higher prices to consumers—than the present structure.

It may be that improvements are in order to end abuses, real and potential, in the present competitive structure. There is merit to the idea of anticipating demands for change and dealing with real problems before Congress imposes a solution without regard to industry views and expertise. That is the laudable effort undertaken by Tom W. Sigler, marketing vice-president for Continental Oil Co.

But legislation pending before the Senate would do more to shelter some competitors than it would to promote competition. In the process, it would become more difficult for industry to do its job, leading to worse shortages and still higher prices.

In that light, divestiture becomes a fraud on the consuming public. It is a cure applied to a malady that doesn't exist.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Stevenson amendment which, I understand, will follow immediately the vote on the Hart-Abourezk amendment, be limited to 10 minutes. That would be 10 minutes for the Stevenson amendment and 15 minutes for the Abourezk amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, reserving the right to object, could we make it 15 minutes on each side?

Mr. MANSFIELD. This is the time on the vote.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. I am sorry, I did not hear the request.

The PRESIDING OFFICER. The request was for a limited time on the vote itself, on the rollcall vote, on the Stevenson amendment only of 10 minutes.

The Chair hears no objection, and it is so ordered.

Mr. ABOUREZK. Mr. President, do I have any time remaining on my side?

VOTE ON ABOUREZK AMENDMENT NO. 954

The PRESIDING OFFICER. The Senator's time has expired.

All time has expired. The question is on agreeing to the amendment (No. 954) of the Senator from South Dakota.

Mr. ABOUREZK. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. Mathias) is necessarily absent.

The result was announced—yeas 45, nays 54, as follows:

[Rollcall Vote No. 431 Leg.]

YEAS—45

Abourezk
Bayh
Biden
Brooke
Bumpers
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Durkin
Ford
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Jackson
Kennedy
Leahy
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Stafford
Stevenson
Tunney
Williams

NAYS—54

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Helms
Hruska
Huddleston
Javits
Johnston
Laxalt
Long
McClellan
McClure
McGee
Montoya
Morgan
Nunn
Pearson
Percy
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—1

Mathias

So the amendment (No. 954) was rejected.

ADDITIONAL STATEMENTS SUBMITTED ON STEVENSON AMENDMENT NO. 948

Mr. GLENN. Mr. President, I intend to vote for the Stevenson amendment No. 948 as modified. It is offered as a substitute for the Pearson-Bentsen amendment, which is in turn a substitute for a measure introduced by Senators Hollings, Talmadge, and myself. I continue to believe that our original measure is the best alternative. I have reservations about both the Stevenson and the Pearson-Bentsen amendments. My major concern is that both of these proposals attempt to attach long-term solutions to energy pricing problems onto short-term solutions designed to deal with this winter's emergency. I continue to believe that this strategy jeopardizes our emergency proposals by delaying their enactment beyond the time when they can do any good. Developments over the past few days have borne out this prediction; and I predict future developments will continue to bear it out.

As between Stevenson and Pearson-Bentsen, I prefer the first. Most significantly it includes as title II of the amendment, the very short-term provisions that are included in the Hollings-Glenn-Talmadge proposal. Approval by the Senate of Stevenson clearly would be more conducive to enactment of those short-term provisions than would adoption of Pearson-Bentsen.

If the Stevenson proposal prevails this afternoon, however, I intend to vote against it when it competes before this body with the Hollings-Glenn-Talmadge proposal. If Stevenson is substituted this afternoon for Pearson-Bentsen, the question will then be on the Pearson-Bentsen amendment, as amended. Mr. President, I sincerely hope we will resolve that question, if, and when, it is presented to us, against the Pearson-Bentsen amendment and in favor of our original short-term proposal.

Mr. ROTH. Mr. President, today, I shall vote against amendment No. 948 offered by Senators Stevenson, Hollings, and Moss to Senate bill S. 2310.

Because Delaware is one of the States most severely threatened by critical shortages of natural gas this winter, I thought it important that my colleagues understand the basis for my vote.

The most recent natural gas reports I have seen for Delaware indicate that statewide curtailments for the coming heating season, now just 1 month away could be as high as 45 to 50 percent. If shortages of this magnitude go unchecked, widespread plant closedowns and loss of hundreds of jobs could be expected.

Last year the situation was also critical and slowed down Delaware's recovery from the recession. Long-range forecasts for the 1976–77 winter and beyond are even more bleak.

This situation has caused me to consider all of the various natural gas proposals before the Senate not only on a short-term basis, but for future years as well. I have concluded that, while the Stevenson amendment has features needed in our emergency natural gas bill, it also has several key provisions which will not respond to the needs of my State and its citizens.

As an emergency measure, the Stevenson amendment fails to provide the workable framework of short-term solutions needed for implementation within the next month. Instead of a streamlined and simplified system, building on established and proven procedures, the Stevenson amendment relies on an unproven, complicated, and unprecedented maze of Federal regulations and controls. These will undoubtedly end up as roadblocks to getting natural gas into regions suffering from critical shortages. Chairman Nassikas of the FPC has stated that the Commission would not be able to comply with the bureaucratic machinery sought to be created by the Stevenson amendment. Without FPC compliance the whole network of priority pricing and distribution would break down, leaving States such as Delaware served by curtailed interstate pipelines with loads of Federal red tape, but no natural gas.

The Governors from the States facing the most severe shortages confirmed this analysis by their decision reached in last month's meeting with President Ford. Sixteen of the 17 leaders present, supported a simplified program designed to clear the way of obstacles to existing supply and distribution practices—not to a system of new and untried standards increasing Government intervention in the picture as contemplated in the Stevenson amendment.

As a long-term solution, the Stevenson amendment would enlarge and complicate the current system of natural gas controls, instead of gradually removing controls, as energy exports all over the country believe is necessary. Simply stated, the current system of price controls on natural gas and oil have stiffled the needed growth of energy resources in this country and have not served the interests of its citizens. Prices have not been held down as control advocates would promise, but have doubled in recent months because of increased reliance on foreign oil. Natural gas costs to heat homes and businesses are generally cheaper than alternate fuels, but now there is not enough gas to serve the needs of Americans even at 1970 levels and most areas have prohibitions on new constructions of homes and businesses using gas heat. This situation is not serving the best interests of Americans—yet the Stevenson amendment would extend controls still further bringing into the pictures areas previously uncontrolled. I believe these policies would frustrate not encourage development of new energy resources and offer no long-term solution to our energy crisis.

I favor a phased decontrol of domestic energy prices over an extended 3–6-year period. This will encourage the effective development of our nation's energy resources for the future and assure that the steps we have taken this far to get the economy back on its feet and create jobs are underpinned by a strong energy future.

The Stevenson amendment is not consistent with my views for long-range solutions to our nation's energy crisis and does not provide effective short-term solutions for our natural gas emergencies this winter.

SENATOR RANDOLPH SUPPORTS WELL-REASONED NATURAL GAS POLICIES

Mr. RANDOLPH. Mr. President, the United States only option in our long-term interest is energy self-sufficiency. This was the principal basis for the congressional program of economic recovery and energy sufficiency. When drafted in February of this year the congressional program declared that incentives must be instituted to fully exploit our country's natural gas potential, and I quote:

> The Federal Power Commission must be mandated to provide price certainty at levels high enough to reflect future costs and to eliminate regulatory delays, reducing any incentive to withhold gas because of the uncertainty over government pricing policy.
>
> The Congressional program therefore recommends measures to reform and simplify natural gas regulation, but continue interstate price controls on old natural gas, and establish a statutory formula ceiling that reflects costs of production. This should assure that the price is high enough to encourage maximum domestic production, but still below the OPEC cartel level.

The benefits to be derived from a greater reliance on domestic energy supplies will be felt by all segments of our society. Employment will increase. Individual incomes will rise. Profit opportunities will improve. Government revenues will grow. And our Nation will be more secure.

A national energy policy, which I advocated in 1959 and since in the Senate, must be dedicated to energy self-sufficiency. This will require promotion of the development of new domestic supplies of oil, of natural gas, and of coal. It also will require energy prices which reflect the csots of developing replacement supplies for reserves now being depleted.

These goals cannot be achieved under old or traditional policies. We need not accept extreme measures that would destroy the free enterprise on which we all depend.

Natural gas is a case in point. The regulation of natural gas prices by State regulatory commissions and by the Federal Power Commission must be more flexible. The initial premise of regulation was to protect the consumer from excessive prices. Instead, natural gas has been priced out of plentiful availability. Regulation has created a condition of scarcity. The long-term interests of the consumer have not been protected.

Beginning about 10 years ago there has been a steady decline in proven U.S. natural gas reserves. Commenting over 5 years ago on April 2, 1970, on natural gas reserves crisis FPC Chairman John N. Nassikas wrote——

> The primary, immediate task confronting the oil and gas industry and government policy makers is the development of a program for increasing exploration and development of the vast unexplored natural gas resource base of the lower 48 states and the offshore continental shelf . . . even an extensive and highly successful exploration program probably cannot meet the estimated full demand for gas beyond 1980. . . . The most promising supplementary sources of gas . . . are . . . (A) synthetic gas from coal, (B) LNG imports by ocean tanker, (C) Alaskan natural gas and (D) Canadian imports. . . . These supplementary gas sources (are not) mutually exclusive. To the contrary, each of these supplementary sources of gas will probably be needed if the anticipated growth in demand for gas is to be met. . . .

Almost 3 years later and over 2 years ago on January 16, 1973, I stated in this Chamber——

> The United States' domestic gas reserves have been declining at an alarming rate. . . . The immediate consequence is the widespread shortage currently being experienced as natural gas pipelines curtail their distributors, and, in turn, their customers, principally industries . . . the current situation has all the signs of an unprecedented natural gas shortage which may well strike in full force before solutions are found.

Even then it was clear that if new gas supplies were to be developed, prices would have to increase. However, as I noted almost 3 years ago——

> Economists are unable to tell us the price elasticity, or how much gas would be produced at a given higher price. The producers also cannot, or will not, indicate how much gas might be forthcoming at different price levels. An added factor contributing to natural gas shortages is that unregulated intrastate customers are able to outbid regulated interstate pipelines—thus diverting limited new supplies from existing interstate customers.

Many areas, such as West Virginia and the Midwest, were already experiencing shortages. At that time I declared that——

> Restoration of the balance between interstate and intrastate markets will help to provide equitable treatment of both national and regional customers. To accomplish this, however, it may be necessary to extend, in part, the Federal Power Commission's jurisdiction to so-called new intrastate gas sales as well as interstate gas sales.

Nevertheless, as a remedy I proposed that two actions be undertaken to promote new natural gas supplies to mitigate our dependence on oil and gas imports.

First. Provide for limited Federal decontrol of producer prices for new natural gas supplies under two comprehensive and complementary Federal initiatives;

As the quid pro quo for eliminating well-head price regulation as a determining factor in Federal Power Commission regulatory actions, extend all other jurisdictional indices, or criteria, other than price into intrastate natural gas producers sales; and

Second. Promulgate national guidelines for the curtailment of natural gas customers during periods of shortage, with authority for the Federal Power Commission to impose the established end-use priorities with regard to both direct and indirect sales.

These recommendations were offered in January 1973 because I believed that we were at the point where prices as determined by the marketplace no longer could be the sole determinant of the end-use of natural gas. In my judgment sufficient Federal authority was needed even then to prevent the diversion of gas from inferior uses to higher priority uses which are consistent with the total national as well as regional economic, environmental, and societal well-being.

One year earlier on January 8, 1972, the Federal Power Commission had proposed end-use priorities for natural gas deliveries during periods of curtailments. Under the proposed guidelines the highest priorities in curtailment actions were residential and small-volume customers. On the other hand, the use of natural gas as a boiler fuel by utilities was viewed by Federal Power Commission Chairman John N. Nassikas as a misapplication of this resource. It was Chairman Nassikas' expressed view that society would derive more benefits if natural gas were diverted from utilities and industries to domestic uses.

Subsequently, during colloquy with me on December 7, 1973, on Senator BUCKLEY's amendment No. 767 to S. 1283, the able Senator from Illinois (Mr. STEVENSON) stated:

> I think, as does the Senator from West Virginia, that some increases in the price of natural gas are justified at this point and necessary to provide not only the incentives but also the financial resources with which to conduct further exploration and development of natural gas resources.

On that occasion I voted for Senator BUCKLEY's proposal for the deregulation of natural gas, because I believed it was a realistic solution to our country's natural gas problems. Since then I have consistently supported efforts to deregulate natural gas, although I was concerned for the reality that petroleum prices would be determined by OPEC, an international cartel of producers.

In my judgment, interstate sales of natural gas should be allowed to seek a price level in the market place competitive with other forms of energy. I recognized that achievement of this objective would not necessarily require total deregulation. Rather, this could be accomplished by establishing a new national basis for Federal price regulation. Although I have consistently voted for deregulation, I also recognize that it would be feasible to achieve this same objective under realistic price regulation. Nevertheless under the amendment in its present form I believe more natural gas will be available to meet consumer needs were the Pearson-Bentsen measure adopted.

Without question economic incentives are needed to stimulate new natural gas supplies on a regional as well as national basis. The costs and capital needs associated with the exploration for and production of new energy supplies have increased substantially in recent years.

Under every natural gas proposal pending before the Senate the price of new natural gas at the wellhead would increase. The issue, is not whether to decontrol but by how much.

Amendment 948 as presently modified by the Senator from Illinois (Mr. STEVENSON) establishes an overall ceiling price for natural gas based on an oil-equivalency value. It also establishes oil price controls. On the other hand, the Pearson-Bentsen proposal for which it would substitute provides for total deregulation of natural gas prices over a 5-year period.

Now is the time for congressional action on natural gas deregulation. The Senate Commerce Committee began legislative hearings over 3 years ago. The Senate's National Fuels and Energy Policy Study, initiated by me in 1971, issued an option paper over 2 years ago.

American consumers, as well as our country's natural gas producers, have every right to expect the Congress to resolve this issue. The present uncertainty is costing our economy billions of dollars.

Mr. NELSON. Mr. President, the amendment before us is based upon years of intensive congressional hearings on the oil and gas industry. Years of hearings that have documented in detail the concentration that is maintained in the oil industry and the detrimental effects of this concentration. This is not a new problem. It has been with us for at least 40 years, but in the dramatically changed circumstances of the worldwide oil industry in the last 2 years, it has now become more important than ever before that we move to establish an increased degree of workable competition in the American oil and gas industry.

This amendment would achieve this desirable and indeed essential increase in workable competition among the top ranks of the largest oil and gas corporations through the most reasonable and efficient means available. It would accomplish the minimum restructuring that is necessary to achieve genuine workable competition in all phases of the industry. The actual divestitures that would be required under this amendment would directly affect about 16 of the largest oil and gas producing firms, who are counted among the largest multinational corporations operating in the world today. These are all corporations with assets ranging from $3 billion to more than $30 billion. The divestitures required would not break them up into small companies. In fact, if Exxon Corp.—which was the largest single private corporation in the world in 1974, as measured by sales volume—were required to divest itself of all its transporting, refining, and marketing facilities, and retained its crude oil exploration and production facilities alone, it would still be the largest privately owned oil corporation in the world.

Mr. President, there is no question but that this amendment will strengthen substantially the degree of workable competition in all phases of the oil industry. And in strengthening the degree of competitiveness of the oil industry, the industry as a whole will itself be strengthened, will be made more efficient, and more responsive to the genuine economic forces of demand and supply.

The real problem in the oil and gas industry is not the concentration in crude oil and gas production as such, or the concentration in pipeline transportation alone, or the concentration in refining and marketing in and of themselves—although concentrated control in the hands of a few firms is substantial in each of these phases of the industry. The 16 traditional majors, as a group, account for more than three-fourths of domestic crude oil production, three-fourths of refinery capacity, and about 70 percent of retail gasoline sales. In 1973 these same 16 firms controlled pipelines accounting for 92 percent of the crude oil flowing in interstate commerce.

The real problem of limited competition in the oil and gas industry, however, stems from the fact that these same major producers have integrated operations in all phases of the industry, and cooperate together in a variety of joint ventures in production and transportation. Through their joint control over transportation, integrated backward into the production end, and forward into their refinery and marketing operations, they maintain an inordinate and anticompetitive degree of control over the entire industry.

The amendment before us deals with this situation with a carefully selected fine cutting edge rather than with a blunderbuss approach. It would require the 16 largest major producing companies to divest themselves of their interests in transporting, refining, and marketing of gas and oil products. In this way, a genuine free market for crude oil will be created in the United States with access on equal terms to all refiners. The special regulations and protections that have been necessary in the last 2 years to preserve the independent refiners from virtual extinction—and which, though cumbersome, were essential protections to preserve any competitive pressure at all within the industry—will no longer be required. This amendment will enable us to replace Government regulation by free competition in the vital production and refining phases of the oil industry.

The second key provision of this amendment will require interstate pipeline companies in both oil and gas to fully divest themselves of any interest, either individually or in association, in the production of crude oil and natural gas. Out of some 106 interstate gas pipelines, 32 also reported production of natural gas in 1972. Seventeen of these were each producing more than 2 billion cubic feet of natural gas annually. Under this amendment, these interstate pipelines will serve as transporters of gas only. They will be for the first time true common carriers, accessible to all on equal terms.

Mr. President, a significant increase in the competitiveness of the U.S. oil and gas industry over the next few years, as would be accomplished by this amendment, will be of great value to the entire American public. Not only will it strengthen the oil and gas industry as such, but it will add important new strength and vitality—the vitality of competition—to the entire fabric of our essentially private enterprise economic system.

It will assure all business sectors who are users of petroleum products and natural gas, as well as all final consumers, that these vital products are being provided on competitive terms, and not under effectively monopolized control. It will help insure that the pricing of oil and gas products will bear an accurate and reasonable relationship to actual costs of production, rather than artificially maintained at monopoly levels unrelated to production costs.

For the first time, Mr. President, this amendment—providing for limited, carefully selected, key investitures within the oil and gas industry—will begin to make sense out of some of the fundamentally sound arguments for reduction and final elimination of governmental controls and regulation of oil and gas prices.

Government price controls make sense—and in fact may be a necessity for the protection of the public interest—in those economic markets where unregulated prices will otherwise be determined by the exercise, in many subtle ways, of concentrated economic power, rather than by the free interplay of truly competitive demand and supply forces.

If full, workable competition is established for the first time in all phases of the oil and gas industry—as this amendment will accomplish—then the arguments for Government deregulation of oil and gas prices also make sense.

The need for such a measure, if genuine competition is going to prevail within the oil and gas industry, has been fully and carefully documented for at least 30 years. It is time that we do what is necessary to establish true free competition for oil and gas. It is time that we begin to rely on truly competitive free enterprise in the oil and gas industry in preference to artificially maintained controls. Let us support free competition rather than control, whether this control be imposed through concentrated economic power in private hands, or through the public regulation over the industry whose basic rationale has always been to serve as a necessary offset to the concentration of private power that has existed.

This amendment opens the way to genuine free enterprise in oil and gas. It is time that we commit ourselves to a policy of support for competitive free enterprise in this vital sector of the economy—in preference both to domination by concentrated, integrated private economic power, as well as to the governmental regulations and control that the existence of such concentrated private economic power has called forth and justifies. These two essential aspects of a thoroughgoing policy of decontrol must go hand in hand. That is what this amendment provides.

Mr. MUSKIE. Mr. President, we in Congress have been accused of avoiding the energy crisis for an entire year now. What we have avoided, so far, is a disastrous second round of massive price increases before the economy and the public have recovered from the first round. Saving energy by telling 8 million people that they have no job to drive to is not the answer.

We must put in place a comprehensive and certain policy that will move the country toward energy independence without putting the economy through the wringer once again. What we seek is a policy that will hold energy prices down as long as possible. The Stevenson-Moss-Hollings amendment meets that goal because:

First. It rolls the price of new oil back, from $12 per barrel to $9. But putting this cap on new oil, the price is prevented from rising to the ever increasing price of imported oil.

Second. It does not permit a rapid increase in the price of the 60 percent of domestic production that is defined as old oil. Instead, the amendment phases in the redefinition of old oil over a 60-month period—corresponding to the natural decline rate of these old oil fields .

Third. It sets a price of $1.30 per thousand cubic feet for natural gas.

The Stevenson-Moss-Hollings amendment is superior to the Pearson-Bentsen amendment which is the alternative before the Senate. The Pearson-Bentsen amendment would let the price of onshore natural gas go as high as $3 per M ft^3 and leave the oil situation unresolved. The Senate must recognize that oil and natural gas are two inseparable parts of a common problem.

Therefore, I will vote for the Stevenson-Moss-Hollings amendment. Frankly, I am not sure that the $9 price for oil is the optimum. A lower price might provide all the incentives that are needed for production and conservation. The House bill, H.R. 7014, nominally sets a price of $7.50. But that bill has so many exceptions—for Alaskan oil, for oil produced by independents, and so on—that the average price is estimated to be higher than the $9 in the amendment before us.

The administration and the energy industry has continuously called for certain and comprehensive policy so that they could get on with the job of meeting the country's energy needs. The Stevenson-Moss-Hollings amendment is such a policy. We will see by today's vote whether it means a responsible compromise. If we pass this amendment, the Senate will have answered its critics.

Mr. ABOUREZK. Mr. President, the only comment I want to make about this vote is——

The PRESIDING OFFICER. There is no debate at this time. There is no time.

VOTE ON STEVENSON AMENDMENT NO. 948, AS MODIFIED

Under the previous order, the Senate will proceed to vote on the pending amendment by the Senator from Illinois (Mr. STEVENSON).

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will please be in order. The clerk will suspend. Senators will please take their seats.

The Senate is not in order. Will the Senators retire to the cloakrooms to carry on their conversations or take their seats?

The clerk will resume.

The second assistant legislative clerk resumed and concluded the call of the roll.

The result was announced—yeas 45, nays 55, as follows:

[Rollcall Vote No. 432 Leg.]

YEAS—45

Abourezk
Bayh
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Church
Clark
Cranston
Culver
Durkin
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Leahy
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Mondale
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Stevenson
Symington
Williams

NAYS—55

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Gravel
Griffin
Hansen
Hatfield
Helms
Hruska
Johnston
Laxalt
Long
Mathias
McClellan
McClure
McGee
Montoya
Morgan
Nunn
Packwood
Pearson
Percy
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Young

So Mr. STEVENSON's amendment, as modified, was rejected.

Mr. PEARSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate is not in order. Senators will please take their seats or retire to the cloakrooms. The Chair asks Senators to please take their seats and refrain from conversations on the floor. Conferences will please cease, and Senators will return to their seats.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Would it be in order to move to reconsider the vote by which the Abourezk-Hart amendment was rejected?

The PRESIDING OFFICER. That would not be in order at this time except by unanimous consent.

Mr. McCLURE. I ask unanimous consent that it be in order to make such a motion.

The PRESIDING OFFICER. Is there

objection; Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I so move.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ADDITIONAL STATEMENT SUBMITTED ON S. 2310

Mr. BIDEN. Mr. President, I rise today to implore this body to exercise rational judgment in seeking solutions to our national energy dilemma. I hope that my colleagues will not respond hastily and ill-advisedly to chastisements of the oil industry and the administration that we in Congress are not acting quickly enough to solve the energy crisis. We have, thus far, I believe acted responsibly in formulating policies that will ease this Nation from an era of energy shortages and excessive fuel prices without doing irreparable damage to our economic, environmental and social well-being.

To date, the Congress has endured frequent criticisms—dramatized by calendar ripping ceremonies and do-nothing invectives—that we have yet to formulate any energy policies that will encourage timely development of new supplies and reduce this Nation's reliance on foreign energy imports.

I would like, however, to examine the administration's record on this score.

Mr. President, soon after the oil embargo in the last quarter of 1973, the Department of the Interior announced, under Presidential directive, that leasing on the Outer Continental Shelf would be accelerated from a previously established goal of 3 million acres, to 10 million acres by 1975. This figure was almost equal to the total amount leased during the 20-year history of Outer Continental Shelf development. This policy was billed as one of the first major assaults on foreign import dependence, and was designed to lead America down the road to energy self-sufficiency.

The Department of the Interior proceeded to implement the 10 million acre leasing goal amidst protest from State and local governments, environmental organizations and many Members of Congress, including myself.

Subsequent investigation of the newly adopted accelerated leasing policy revealed that, as many of us had expected, it was an ill-conceived and unrealistic goal. One such study conducted by the General Accounting Office concluded that the proposal was:

First. Hastily conceived by Interior under pressures exerted by the presence of the energy crisis and fears that the newly formed Federal Energy Office would assume responsibility for the OCS leasing program;

Second. Developed with little input by the operating levels of the Bureau of Land Management and the U.S. Geological Survey and based on overly optimistic assumptions and inadequate data;

Third. Adopted by Interior policy officials despite opposition from program personnel in BLM and USGS; and

Fourth. Developed and adopted without considering environmental impacts, national-regional supply-and-demand needs, or alternatives to large scale expansion of OCS leasing.

Furthermore, comments on the Interior Department's draft environmental impact statement, which was prepared well after plans and time tables for carrying out the leasing program had been formulated, note that the Department still failed to adequately consider alternatives to the program—including improved energy conservation practices—the full extent of offshore and onshore impacts that would be generated, or the effect that various constraints such as shortages of drilling rigs, equipment, and skilled manpower might have on the OCS development goal.

Around the same time, Government estimates of recoverable and potential reserves on the OCS were revised significantly downward by the U.S. Geological Survey. In short, the OCS no longer holds the promise of energy self-sufficiency it was touted as yielding a year and a half ago.

In spite of these findings and even though the amount of acreage involved has been somewhat reduced, the Department is carrying out frontier area leasing procedures on a large scale, without any assurances that the benefits of the program will outweigh the economic and environmental costs in the foreseeable future.

This brings us to the next major panacea for the energy crisis offered by the administration.

President Ford's state of the Union message in the beginning of this year announced a goal of developing an equivalent of 1 million barrels per day of synthetic fuels from coal and oil shale by 1985. As with the accelerated OCS leasing program, the objectives of the synfuels development goal is to reduce American dependence on foreign energy sources.

However, a recently completed report by the synfuels interagency task force of the President's Energy Resources Council has concluded that:

> In the absence of Federal incentives and changes in regulatory policy with regard to synthetic gas or other policies creating a stable and favorable synthetic fuels investment environment, significant amounts of synthetic fuels are not likely to be produced in the United States by 1985.

Even with substantial Government provided incentives, the White House task force concludes that 350,000 barrels per day is a more realistic synthetic fuel goal for 1985. However, in order to achieve even this reduced objective the report recommends:

First. The combination of a Federally guaranteed loan for up to 50 percent of the construction cost plus a competitively bid price support for the development of oil shale, syncrude, and certain utility or industrial fuels;

Second. Competitively awarded Federal loan guarantees for up to 75 percent of the project cost to promote coal gasification; and

Third. Seventy-five percent Federal loan guarantees to encourage the production of liquids and gas from biomass.

The report concludes further, that if the world price of oil drops to $7 per barrel, the cost to the Federal Government of implementing the program would be $13 billion in undiscounted dollars. If the world price remains stable, the Federal Government cost would be $7 billion undiscounted dollars.

This cost appraisal pales in comparison to the environmental toll exacted by even the modified synfuels project goal. In the words of the Energy Resources Council report:

> The attainment of goals for synthetic fuels production by 1985 will require roads, mining, plant sites, waste disposal areas, utility and pipeline corridors, and other associated services, all of which would permanently alter land use.
>
> Development unavoidably destroys vegetation, removing land from its current use.
>
> In the Appalachian and eastern interior regions, agricultural and forest lands would be removed from their productive uses.
>
> Even many years after reclamation, the highest level of use will probably be only for pasture.

In western regions where land is used primarily for grazing and hunting—

> The destruction of soil profiles and depletion of water sources would make it difficult to restore land to its previous uses.
>
> The further loss of water rights will mean a permanent loss of irrigated cropland.
>
> Increased population would intensify recreational demand, causing deterioration of recreational land in the region. The loss of vegetation on development sites in combination with the introduction of many humans and heavy equipment will disrupt natural habitats, decreasing land available for wildlife communities.

Additional impacts cited by the report are:

Degradation of local air quality in all regions;

Adverse human health effects, including cancer resulting from long-term exposure to aromatic hydrocarbons and trace elements emitted from synthetic fuel plants;

Increases in sulfur dioxide, nitrogen oxides, trace elements, hydrocarbons and respirable particulates, even though emission controls are employed and air quality standards are enforced;

Reduction in water quality resulting from increased erosion, sedimentation, overtaxed sewage facilities, release of toxic waste to streams, and return of production water to stream channels.

Futhermore the projected socioeconomic impacts of the program are severe. The report notes that:

> The economic conditions of regions affected by development would change. During the construction phase, "boom town" conditions could create inflation and a shortage of necessary social services.
>
> Those not involved in the development-related expansion could be severely affected by inflation. The lack of social services would affect all.
>
> Health facilities and personnel probably would be over taxed . . . If the police departments were not expanded, increased crime could result. Fire departments may not be able to respond quickly enough to have proper equipment to adequately deal with fires. Schools may be overcrowded, with high student-to-teacher ratios and inadequate class-rooms.

Furthermore, the report emphasizes—

> The major unavoidable impacts would be the transformation of rural areas into urbanized areas and the development of previously undisturbed areas. Buildings, roads,

> utility corridors, waste disposal areas, etc. would displace or intrude upon the natural landscape.

Finally—

> Construction activities would inadvertently disturb or destroy sites of archeological, historical or paleontological value. Increased population would result in increased visitation and vandalism of sites.
>
> Visual impacts resulting from construction of rail lines, transmission lines, mine facilities, and industrial plants would also be unavoidable.

Mr. President, as awesome and awful as these projected impacts are, I believe the most frightening aspect of the Energy Resource Council's study is its conclusion that:

> The environmental impacts currently estimated to result from the 350,000 barrel per day, or from the first phase of a two-phase 1,000,000 barrel per day option, appear acceptable when considered in light of the environmental and economic information likely to be gained from the program.

Although the task force concluded that authority under the Energy Research and Development Act is sufficient to implement the proposed synfuels program, additional legislation to provide large scale financial authorizations for the project is soon to be introduced in the Congress.

Thus, the administration is proceeding with another crash energy independence program that promises to fall way short of its mark while sacrificing economic and environmental values.

Now, Mr. President, I would like to confront the ultimate administration response to the U.S. energy dilemma—the so-called free-market solution to our energy ills. Under this program the prices of domestic oil and natural gas would rise quickly to world market levels, the price set by the OPEC oil cartel.

The higher prices would promote energy conservation and stimulate the production of domestic oil and gas supplies and the development of alternative fuels. Foreign imports would be reduced and the United States would become energy self-sufficient. It all sounds too familiar.

Laying aside for a moment, the reasons why the accelerated OCS leasing and synfuels production goals have been modified, I would like to consider the objectives that deregulation of oil and gas prices are supposed to achieve.

First, the energy conservation objective. According to the administration, decontrolling oil prices under his proposed time frame will substantially curb consumer demand and thereby reduce imports by 515,000 barrels per day in 1978. No doubt there is some validity to this claim. On a worldwide scale, import demands by industrial nations have declined in response to OPEC oil price increases. I am sure that each of us has somewhat modified our energy consumption habits due to higher prices. However, one segment of our population is especially hard hit by this rather blunt and discriminatory conservation tool.

Mr. President, low-income families represent about 18 percent of our population. A report just published in December 1974 by the Office of Income Security Policy of HEW and the Office of Consumer Affairs/Special Impact within the FEA explored the economic impact of rising home heating costs on this sector of our society. It is important to note that only home-heating costs were considered by this report, and to remember that this segment of the population is also hardest hit by rising costs of other fuels, of food and the commodities affected by increased energy prices.

Mr. President, the conclusions of this study demonstrate that the one-fifth of our population with the lowest earning power is least responsible for frivolous uses of energy supplies. Yet this sector would be asked to bear the largest economic and social welfare impacts of increasing energy prices. The report found that:

Low-income families spend an average of more than 11 percent of their income on natural gas and electricity as compared to less than 2 percent for households with annual incomes over $16,000. Yet the poor consume only 56 percent as much electricity as the nonpoor and 82 percent as much natural gas.

Even though the poor consume less energy, they are penalized by a pricing structure which exacts high unit prices from customers using smaller amounts of energy. Because fuel consumption by these close to 5,000,000 low-income households is already narrowed to the most essential uses, they, unlike higher-income families, face utility shutoffs due to nonpayment rather than curtailment of nonessential uses as a result of higher energy costs.

The impact of rising costs are inequitably distributed due to climatic variations and the differences in the type of fuel used. For example, in warm cities such as Atlanta and Dallas where fuel prices are relatively low, home heating costs last year increased by $15.

On the other hand, in Boston, Baltimore, and Seattle, where the opposite circumstances exist, annual home heating costs increased by more than $75 for most residents. This last finding indicates that across the board tax rebates as proposed by the President to buffer the impacts of rising fuel costs on the poor, would distribute inequitably the benefits to be derived by any such program.

Mr. President, while low-income families would be hardest hit, the adverse impacts of the administration's proposed oil and gas pricing policies would extend throughout our economy. It would literally wreak havoc with this Nation's economic well-being, and provide the energy industry with excessive and unjustified profits at the American consumer's expense.

I have thus far, seen little evidence to indicate that higher prices resulting from the deregulation of gas and oil, as recommended by the President, would bring forth substantial new supplies in the near future.

In fact information revealed by the administration analysts suggests to me that the time within which we can expect new supplies of these resources to be produced would not be any shorter than under a longer term phased decontrol program.

One such indication is given in the FEA's Project Independence blueprint. According to the blueprint, it is not the shortage of capital that poses the greatest constraint on accelerated energy resource development. The report states that:

> Materials and equipment are fundamental to the development of energy resources. Current energy development is slowed by shortages of particular items and long lead times for certain categories of equipment.
>
> Although industry has traditionally responded in a timely manner to increased demand, there are certain capacity limitations that cannot be overcome in the short run:
>
> Drilling rigs ordered in 1974 cannot be delivered until the first quarter of 1977.
>
> Oil country tubular goods (OCTG) are in tight supply, reducing a potential 171 million feet that could have been drilled in 1974 to 160 million feet.
>
> Manufacturers of walking draglines are fully committed for deliveries through 1979.

In particular FEA listed nine items as posing potentially important constraints upon future energy development; these items are:

First. Drilling rigs for oil and gas exploration and production; second, fixed drilling platforms; third, mobile drilling platforms; fourth, oil country tubular goods; fifth, steel products; sixth, steel pipe and tubing; seventh, walking draglines; eighth, large steam turbine-generators; and ninth, construction of energy facilities.

Furthermore, a document published by the Bureau of Land Management listed oil industry responses to a request for comments on the "potential future of Outer Continental Shelf oil and gas leasing." I would ask that a table listing the industry's evaluation of constraints on the accelerated development of offshore oil and gas resources be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BIDEN. In summary, industry responses indicated that in the majority of areas considered, materials, equipment and labor shortages, in addition to the lack of adequate technology and various environmental factors, posed the severest constraints on future OCS development activities. Industry responses also indicated that it will generally take 2 to 8 years for initial production to commence in new sale areas after discovery of petroleum resources, and from 5 to 10 years for peak production. In some areas, the companies noted, the necessary time for peak production will be from 20 to 30 years.

As far as I can determine, Mr. President, the only hope for increased production of oil and gas resources is from the cost intensive secondary and tertiary recovery techniques. Under the amendment to the Natural Gas Act proposed by Senator STEVENSON, which I have cosponsored with several of my colleagues, a special price that will enable the oil industry to meet the costs of these expensive energy resource development technologies is provided to encourage the production of additional supplies. Thus, the President's oil decontrol and natural gas deregulation proposals can bring forward no more of these more expensive energy resources than will be produced under the Stevenson amendment.

Mr. President, I have taken the utmost care to use only Government studies as documentation of the point I want to make today. To date, the administration has offered this Nation no reasonable solution to the energy and economic problems we face. The programs put forth over the last 2 years have proven untenable and overambitious in scope and have promised to create further economic hardship at a time when the American people can stand it the least.

The administration has failed to face up to the hard facts that energy independence cannot be achieved overnight. If we are to emerge from our current crises without sacrificing the social, economic, and environmental well-being of the American people then we must pursue policies that are not shortsighted and discriminatory but provide some long-term assurances that severe economic and environmental dislocations will not recur at some future time. The Congress has set about the task of providing such policies.

Legislation recently passed by the Senate reaches the problems of: accelerating energy research and development, promoting energy conservation, developing national strategic reserves, providing stand-by energy authorities, increasing energy efficiency, providing for conversion to less scarce fuels, providing for rational development of Inter Continental Shelf oil and gas resources.

As I have stated previously, the private and public sectors of our society have demonstrated an ability to respond to changing energy values. Energy conservation achievements and conversion to less scarce fuels will accelerate in the future.

For example, a recent report by FEA's Office of Energy Conservation and Environment projects that an estimated 30 percent of our consumption could be eliminated without significantly affecting lifestyles or reducing industrial output, that is, by simply improving efficiency through cost-effective substitutions of labor, time, material, or capital.

It is technically, economically, and environmentally feasible, the report states, to reduce the energy consumption of new homes by over 35 percent and of new office buildings by over 65 percent. Further savings in the transportation sector can be expected as mass transportation services are improved and American automobile manufacturers develop fuel efficient cars.

In my own State of Delaware, General Motors Corp. is producing the Chevrolet Chevette, a compact car that the EPA has rated first among foreign and domestic cars in fuel economy. EPA reported overall 1976 model fuel efficiency improvements of 27.5 percent, 17.3 percent, and 16.4 percent for Ford, General Motors, and Chrysler corporations respectively.

These actions and trends that I have discussed promise to reap future benefits of decreasing reliance on foreign energy supplies, improving environmental quality and strengthening the American economy.

Mr. President, as we consider the amendment introduced by Senator STEVENSON and several of my colleagues, we have an opportunity to adopt a rational oil and gas pricing policy that will help further these objectives.

The outstanding feature of this proposal is its recognition that oil and natural gas, the most heavily consumed energy resources in this Nation, should be treated together under a rational pricing system.

This legislation will remove the pricing disparities between these two fuels by setting a ceiling price for new domestic crude oil and tie the price of natural gas to that ceiling on a Btu equivalency basis. The price of domestic oil now classified as old oil will be allowed to rise over the next 5 years to that ceiling price.

This price can be adjusted on a monthly basis in accordance with economic indicators, but in no case would any increase be allowed to exceed 5 cents per barrel a month. Special prices will be allowed for oil and natural gas produced by cost intensive methods.

The distinction between intrastate and interstate gas which has played such mischief in distribution of natural gas nationwide will be eliminated. These pricing mechanisms will allow the price of natural gas and oil to reach its true value and provide a rate of return to industry sufficient to stimulate the development of new natural gas and oil supplies.

Furthermore, these mechanisms will, once and for all, cut this Nation's energy pricing policies loose from the arbitrary actions of overseas nations who control the world price of crude.

The time span of 5 years in which these mechanisms take effect will enable our economy to accommodate the new prices gradually with a minimum of inflationary and unemployment impacts.

In conclusion, Mr. President, I would caution my colleagues against the administration's crash programs for energy independence. Their track record is poor. Program proposals made thus far, have promised to create more problems than they solve. I, therefore, urge my colleagues to cast a vote for rational and orderly development of the Nation's energy resources and for the preservation of social, environmental, and economic well-being by supporting the Stevenson amendment.

EXHIBIT I

REPORT ON THE RESPONSES RECEIVED IN REPLY TO THE REQUEST FOR COMMENTS ON POTENTIAL FUTURE OUTER CONTINENTAL SHELF OIL AND GAS LEASING

ATTACHMENT IV

TABLE OF RELATED FACTORS—(REFER TO PART III. E. DISCUSSION OF RELATED FACTORS)

OCS area	Years to initial production	Years to peak production	Entire area	Constraints
North Atlantic	3 to 8	5 to 10	25	Drilling equipment; tubular goods; personnel; capital; logistics; platform fabrications; litigation; heavy shipping area; fog.
Mid-Atlantic	do	do	18 to 25	Rigs; steel; personnel; capital; platform fabrications; logistics; litigation.
South Atlantic	do	do	15 to 25	Rigs; tubular goods; platforms; labor; capital; deepwater technology; hurricane storms.
Eastern Gulf of Mexico	3 to 4 (⅝)	6 to 8	4 to 6 minimum, 15 maximum.	Rigs; platforms; labor; capital; DOD warning areas; possible subsea completion requirements.
Central Gulf of Mexico	2 to 4	4 to 8		General material; possible subsea completion requirements.
Western Gulf of Mexico	do	5 to 8	10	Rigs; platforms; DOD warning areas; labor; possible subsea completion requirements.
Southern California borderland	3	8	10 to 15	Rigs; tubular goods; platforms; seismic activity; deepwater technology.
Santa Barbara Channel	2 to 4	5 to 8	12	Seismic activity; tubular goods; steel; subsea completion testings; deepwater technology.
Northern and Central California	3 to 4	5 to 7	10 to 20	Tubular goods; rigs; seismic activity.
Washington-Oregon	3 to 4 (6)	6 to 9	12 to 20	Deepwater technology; logistics; tubular goods; weather; seismic activity.
Cook Inlet	2 to 7	4 to 8	15 to 20	Remote supply sources; limited gas market; pipelines; shore facilities; litigation; trial activity; rigs; platforms; steel; personnel; capital; earthquake/ice.
Southern Aleutian Shelf	3 to 8	6 to 12	20 to 25	Rigs; platforms; capital; weather; limited gas market; remote supply sources; weather; earthquakes.
Gulf of Alaska	do	10.5	20	Rigs; platforms; steel; labor; capital; limited gas market; weather; sea/seismic; ligitation; remote supply sources.
Bristol Bay	do	10.5	23	Equipment; manpower; capital; remote market/supply sources; drilling time; ice; tidal activity; fog.
Bering Sea	3 to 10	10.7	25	Construction season; equipment; labor; remote supply sources; limited gas market; weather; ice; winds; technology.
Beaufort Sea	do	11.7	30	Ice; weather; limited passage; construction season; labor; equipment; remote markets, transportation costs; litigation.
Chukchi Sea	3 to 9	7 to 15	5 to 25	Labor; equipment; ice; weather; remote supply sources; construction season.

Mr. McGOVERN. Mr. President, in the past 2 years, the Congress and the administration have devoted more time to energy than to any other issue. Congress has passed 25 energy related bills and resolutions. The President has vetoed five of them. Sixteen more are currently under consideration. Literally hundreds have been introduced.

The energy debate has become cluttered with confusing technical jargon. But if we strip away the distortions and the doubletalk, the energy facts of life are not difficult to understand.

First, our economic system is totally dependent on fossil fuels. Every day, we consume nearly 17 million barrels of oil. Of this, more than a third must be imported. We use more oil than China, Japan, Britain, France, and West Germany combined. Our imports alone are nearly equal in volume to total consumption in the Soviet Union.

Second, as we are all painfully aware, the OPEC cartel has succeeded in raising the world market price for crude oil by 400 percent since 1973. This increase has shown up most obviously at the gas pump and in home heating bills. It has been less obvious, but just as damaging, in its effect on prices in the energy-intensive sectors of our economy. Agricultural chemical prices rose by 71.7 percent in 1974. Industrial chemicals went up by 83 percent, plastic resins by 97 percent, iron and steel by 38.1 percent. Beginning in the energy sector, real cost inflation rippled through the entire economy.

Third, while world oil prices have escalated, domestic oil and natural gas production has declined sharply. Oil production has dropped by 800,000 barrels a day since 1973. This winter, the Nation faces a serious natural gas shortage.

Most observers agree that by combining a higher level of domestic production with effective conservation measures and conversion to new energy sources, we could reduce our dependence on overseas oil producers substantially. Reduced American import dependence could seriously threaten OPEC by forcing the member States to choose between lower exports and the current price level. Clearly, the United States has the greatest potential leverage of all the importing countries in this area.

Although there has been a good deal of discussion about conservation and new energy sources, both Congress and the administration have been mainly concerned with sustaining and increasing domestic supply. There is little doubt that substantial oil and gas reserves remain to us. There is real disagreement as to how best to develop and use them.

According to the Ford administration and to supporters of the Pearson-Bentsen approach to natural gas, we can and should leave domestic energy to unfettered market forces. Price deregulation, they say, will free the energy industry from onerous Government interference. It will provide appropriate incentives for increased domestic production. Prices, we are told, will rise to reflect the true market value of the product.

If we could count on the market to sort out our energy supply problems in the classic manner, it would make good sense to permit the market to do so. If, however, the necessary conditions for a true free market do not exist, deregulation is folly. It will bring all the abuses of unrestrained monopoly power with none of the benefits of competition.

Supporters of deregulation are fond of using free enterprise rhetoric. But in fact, the industry they wish to deregulate is controlled by eight enormous corporations, four of them supergiants. All of these firms are multinational, all are vertically integrated. Increasingly, all are moving toward horizontal integration as well, acquiring the potential competition in related industries like coal and nuclear energy. Now, they control a majority of our known reserves in oil and natural gas. In addition, they are well situated to dominate development of our remaining reserves in frontier areas of Alaska and the Outer Continental Shelf.

The existence of these great monopolies raise fundamental questions about the very nature of our economy. Our tradition is deeply rooted in free enterprise, private ownership and competition. But we are facing a situation in which the price for the most essential input in virtually all our production will be set in the board room rather than in the marketplace. In effect, we are talking about permitting private interests to establish an economic dictatorship in this country.

Mr. President, when monopoly exists in key sectors, four choices confront a market economy. We can, as the administration proposes, surrender to monopoly demands. If we do so, we give up all but the pretense of being a free enterprise system.

Alternatively, we can regulate the industry. This is a clumsy and often inefficient approach, particularly when egregious loopholes like the interstate-intrastate distinction in natural gas make effective regulation nearly impossible.

Another choice, and one we should consider very seriously, is full or partial nationalization of the industry. Nationalization is a frightening word for many Americans, but when an essential industry is not competitive, even the most orthodox laissez-faire economist will not make a case for continuing the status quo. In such a situation, forceful Government action is essential to protect the integrity of the market.

In energy, I believe that there is a very good case for an expanded Federal role. Foreign purchasing, for example, might well be turned over to a Federal agency in order to avoid monopoly supply manipulation. Energy resources on Federal lands could be developed directly rather than via the current leasing arrangements. Instead of purchasing leases and controlling subsequent production, energy corporations could produce on contract to the Federal Government. This would end private control over production rates and reserve information. It would permit us, at long last, to develop a rational energy policy based on accurate information about the extent of reserves and the real costs of production.

The fourth route open to us is precisely the reverse of monopoly control on the one hand or nationalization on the other. It is tough and vigorous antitrust action aimed at restoring competition to the industry by forcing the vertically integrated corporations to break up.

Our divestiture amendment proposes to go in precisely that direction. If adopted, it will strike directly at the root cause of distortion and abuse in the energy market. It is probusiness legislation of the best kind.

This amendment reaffirms the traditional American belief that free market solutions are the best solutions. It is based on the principle that before we move to other kinds of solutions, we must give the free market a chance.

Mr. President, I have long been impressed by the passion and fire which many of my distinguished colleagues in this body bring to the defense of free enterprise principles. Now, they will have the chance to put those beliefs into action by supporting an attempt to restore economic liberty in our most important industry. I hope that we shall have broad support for this profoundly conservative measure that is so well designed to restore free enterprise competition in the energy field.

Mr. KENNEDY. Mr. President, the Congress is being asked to approve decontrol of oil prices and deregulation of natural gas. The chief beneficiaries of these policies are the major oil companies. The chief victims are the Nation's consumers.

I have supported divestment by the vertically integrated oil companies in the past, but it is essential that this issue be placed in the center stage of national decisionmaking at this time.

It is inadequate to examine the possibility of deregulation and decontrol of prices without examining at the same time the question of competition in the energy industry.

The lack of real competition within the oil and natural gas industry will ultimately mean that pricing decisions move from the Government to the board rooms of a structurally noncompetitive industry.

Therefore, I have joined with some 16 other Senators in sponsoring this amendment to force the divestiture of the major oil companies.

This measure is not the work of a few days or a few months. It is the product of a decade of investigation, inquiry, and hearings conducted by Senator PHIL HART as chairman of the Senate Antitrust Subcommittee.

The statistics compiled over the years show that the 16 major oil companies have some 72 percent of our domestic oil production, 75 percent of our refining capacity and account for about 70 percent of retail gasoline sales.

Controlling production, refining, transportation, and marketing, these major oil companies have enormous power to make decisions that affect the lives of families, the growth of businesses, and the future of inflation.

It should be recalled that the Federal Trade Commission staff report in 1973 stated:

> The industry operates much like a cartel with 15 to 20 integrated firms being the beneficiaries of much Federal and State policy. Thus, the Federal and State governments

> with the force of law do for the major companies that which would be illegal for the companies to do themselves. Further, the tax laws induce the major companies to seek high crude prices, which tend to increase crude profits and squeeze refinery profits to the detriment of, and exclusion of, independent refiners . . .

The report went on:

> The major firms seek to consolidate market power by various exclusionary tactics. These firms basically attempt to sharply limit the supply of crude available to independent refiners and refined products available to independent wholesalers and retailers. This is accomplished by minimizing the use of formal market sales and thus avoiding flows of product from within the majors' vertically integrated structure to the market. It is also accomplished through control of pipelines, exchange agreements, processing agreements, and price protection coupled with price wars. An elaborate network of devices to deny independents access to product has been erected. The resulting system endangers existing independents, makes new entry difficult or impossible, and yields serious economic losses to American consumers.

Let me emphasize the last phrase:

> Yields serious economic losses to American consumers.

Between 1972 and 1974, the profits of U.S. oil companies after taxes more than doubled. Revenues in the United States alone of only 10 major oil companies rose from $38.2 billion in 1973 to $60.1 billion in 1974—a 57-percent hike, according to a study of the staff of the energy subcommittee of the Joint Economic Committee.

American consumers supplied those revenues in the higher prices they paid at the pump, for home heating oil and other fuel.

The Library of Congress economics divisions compiled the increase in prices and the added revenues paid to the oil industry from the fourth quarter of 1973 through the second quarter of 1975. They found a total additional cost of $50.7 billion directly paid by American consumers.

How much could have been reduced with divestiture and a more competitive industry is obviously a speculative question. But one must suspect that had divestiture of the oil industry occurred in 1972, the end result well could have been substantial savings to consumers.

Nor is our concern limited to the influence of the majors on boosting prices. In the summer of 1973, the Antitrust Subcommittee held hearings on marketing practices of the major oil companies and their effect on competition in the oil industry.

What we heard then was that the major oil companies were cutting off traditional dealers from their needed supplies.

It was not only in the gasoline industry that we saw continual evidence of the major oil companies' ability to manipulate supply to their own benefit and to the detriment of the independents.

Robert Fawcett testified before the Antitrust Subcommittee on July 11, 1973, on behalf of the New England Fuel Institute which represents the independent home heating oil dealers in our part of the country.

He cited first the general concentration and greater control developed by the major oil companies over the supply of No. 2 fuel oil. In 1959, the majority of the volume of that oil coming into the Northeast came through some 21 independent deepwater terminals in New England. Today there are seven.

When Mr. Fawcett testified he noted:

> East coast independent deepwater terminal operators are currently facing a massive supply gap . . . they are being cut back or cut out by almost every one of their domestic refiner-suppliers . . .

This was the situation before the enactment of the mandatory allocation act which protected the independent sector of the industry from the supply cutbacks of the majors. Decontrol and an end to the allocation system will restore the majors to the position where they can whipsaw the independents out of existence.

This is their past history and there is no reason to suspect they will do anything different in the future.

As a short-term protection, mandatory allocation was an answer. But as a long-term answer, breaking up the vertically integrated nature of the major oil companies is the only solution.

The amendment before the Senate now will accomplish this goal. It will end the complex interrelationship of vertically integrated companies involved in a variety of joint ventures in leasing, production, and transportation. By divorcing production from refining, we will create a competitive market in crude oil in which large and small refiners will compete and in which the key barrier to new refinery construction—access to crude oil supplies—will no longer be a foregone conclusion as a result of the captive refinery outlets of the major producers.

The end result will be a welcome breeze of competition into the domestic oil industry, a breeze that carries substantial benefits to the consuming public.

I would hope that my colleagues would support this amendment.

DISAPPROVAL OF FEDERAL ELECTION COMMISSION REGULATIONS

The PRESIDING OFFICER (Mr. HATFIELD). Under the previous order, the hour of 3 p.m. having arrived, the Senate will proceed to the consideration of Senate Resolution 275, which the clerk will state.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 275) disapproving two regulations proposed by the Federal Election Commission.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The time for debate on the resolution is limited to 1 hour, to be equally divided between and controlled by the Senator from Nevada (Mr. CANNON) and the Senator from Oregon (Mr. HATFIELD).

The time on any amendment, debatable motion, appeal, or debatable point of order is limited to 20 minutes, with the exception of an amendment offered by the Senator from Iowa (Mr. CLARK), on which there is a 2-hour limitation.

Who yields time?

Mr. MANSFIELD. Mr. President, will the Senator from Nevada yield me 5 minutes?

Mr. CANNON. I yield 5 minutes to the majority leader.

TEMPORARY COMMISSION ON THE OPERATION OF THE SENATE: THE CULVER COMMISSION

Mr. MANSFIELD. Mr. President, on behalf of the Republican leader (Mr. HUGH SCOTT) and myself, I wish to announce at this time the names of the persons who, pursuant to Senate Resolution 227, will serve on the temporary Commission on the Operation of the Senate, better known as the "Culver Commission." The Senate will recall that this Commission was established by unanimous vote of the Senate late in July. It came about largely through the initiative and efforts of Senator CULVER of Iowa who foresaw, early in his Senate career, the need for a comprehensive and objective study of the way the Senate is organized and supported.

Under the establishing resolution the Commission will be composed of distinguished private citizens from different backgrounds who have, in common, a readiness to give the Senate the benefit of their time and experience. The Commission has been charged by a unanimous Senate with full authority to examine the functioning of Senators, officers, and staff in light of the constitutional responsibilities of the Senate in the areas of lawmaking, representation, and oversight. It will look into conflicts in the programing of business, problems of office layouts and facilities, information resources and the internal management and supporting staff structures of the Senate. The study will include an examination of the use of electronic and technical aids, accommodations for and coverage by the news media, workload, lobbying, pay and increments, office allowances, possible conflicts of interest and whatever other matters are pertinent to the effective operation of the Senate.

About the only subject not within the purview of the Commission is an examination of committee jurisdiction over subject matter. That is such a complex and monumental problem in itself as to require separate treatment.

The Commission will report its findings and recommendations to the Senate by September 30, 1976. What do we expect of the group? In brief, we expect them to tell us, with no holds barred, what we are doing badly or inadequately in operating the Senate and how we can do better; where we may need less and where we may need more. The Republican leader and I will give the Commission our full support and cooperation and we urge every member of the Senate, every committee and every staff employee to do the same. The work which the Commission is undertaking is intimately related to the Senate's institutional well-being and demeanor. We look forward to its findings and recommendations.

It gives us pleasure to announce the following names of the persons who will serve as Commissioners:

Willard L. Boyd, Jr., President, University of Iowa.

Archie Dykes, Chancellor, University of Kansas.

Robert P. Huefner, Director, Institute of Government, University of Utah.

Harold E. Hughes, former Governor of Iowa and former United States Senator.

Juanita Kreps, Vice President, Duke University.

Carl Sanders, former Governor of Georgia.

William Scott, partner, Peat, Marwick and Mitchell.

J. Mark Trice, former Secretary of the Senate and Secretary for the Majority and Minority.

Wilson W. Wyatt, former Mayor of Louisville, Kentucky and Housing Administrator, National Housing Agency.

Also serving on the Commission as provided for in the resolution as nonvoting members will be Francis R. Valeo, Secretary of the Senate, and Gerald W. Frank, administrative assistant to Senator Mark Hatfield.

I thank the Chair.

Mr. CULVER. Mr. President, I welcome this announcement by the majority and minority leaders of the formation of the Commission on the Operation of the Senate. I believe that the composition of its membership meets the heavy responsibilities and broad tasks which we have set for the Commission.

The adoption by the two-party caucuses and the full membership of the Senate of the resolution authorizing the establishment of the Commission marked a real milestone for this body. To appoint an outside citizen group to analyze and make direct recommendations to the Senate is unprecedented in congressional history. By its uniqueness and by the comprehensive assignment it has been given the Commission has an unusually creative mission.

Senator Mansfield and Senator Hugh Scott have admirably stated the assignment we are giving the Commission. We expect candor, close and disinterested scrutiny, and thoroughness. We do not want just a quick physical examination; we want a careful and probing study of the whole central nervous system of the Senate and its institutional well-being.

Mr. President, the creation of the Commission can be the prelude to a real self-renewal in this body. By subjecting our procedures and our performance to independent perspective and analysis the Senate can gain better control of its affairs and better anticipate the gathering host of institutional impediments in its operations.

As the author of the resolution which has led to the creation of the Commission I express my appreciation to the leadership and satisfaction that 11 outstanding Americans have consented to serve the Senate and thereby the public interest.

Mr. PEARSON. Mr. President, I am pleased that the Culver Commission on the Operation of the Senate has been announced, and am particularly pleased that the distinguished chancellor of the University of Kansas, Mr. Archie R. Dykes, has been named a member of that Commission. During his tenure at the university, Chancellor Dykes has demonstrated not only that he is an extremely able administrator, but also that he is an innovator and an individual who is capable of working with widely diverse groups in an effort to achieve understanding.

Chancellor Dykes' qualities will be particularly important to the Commission, as it studies potential improvements in the organization and operation of this body. Although we have been somewhat effective in the past, there is ample room for improvement.

When the Senate passed Senate Resolution 227, authorizing the Commission, on July 29, I emphasized my belief that if we are ever going to be capable of operating as a modern legislative body, we must be willing to discard outdated procedures and practices. I think the Senate owes Senator Culver an expression of thanks. Much of the criticism of the legislative branch, vis-a-vis the executive, results from our lack of internal reform. If we can work closely with this Commission, and are willing to give its recommendations serious consideration, I believe that we will be making major strides toward the internal reform which will serve us well in the future.

Mr. CLARK. Mr. President, I am pleased to have the announcement today by the distinguished majority leader, Mr. Mansfield, and the distinguished minority leader, Mr. Scott, that appointments have now been made to the Culver Commission and that this important work can now begin.

I wish to commend my colleague, Senator Culver, for his initiative in proposing that a commission be appointed to study the operation of the Senate and for his successful efforts in bringing that about.

Here in this great body, with all its traditions and its special responsibilities, it is all too easy to accept established ways as the only ways in which we might operate. Yet our country has grown enormously, and the work of the Senate has grown accordingly. Our staffs have expanded, to be sure, but there always seems more work to be done than can be accomplished effectively.

Where are we headed? How can we make the Senate more responsive to the needs of the country? How can we provide a strong counterbalance on Capitol Hill to the expertise and the staffing of the executive? How can we work more effectively with the House of Representatives? How can we reduce waste and trim costs?

These are questions that need answers, and the Commission on the Operation of the Senate has been given a charge to examine our operations so we can get those answers.

At a time when public confidence in the Congress is at an all-time low the Culver Commission offers the prospect of concrete proposals to make the Senate a more effective instrument for serving the needs of the American people.

I am pleased that establishment of this study commission had the unanimous approval of both the Democratic and Republican Party caucuses.

Looking at the list of its members, one can have confidence in the objective and nonpartisan character of the Commission. In that regard I am especially pleased to see two prominent Iowans among its members—former Senator Harold E. Hughes and William L. Boyd, Jr., president of the University of Iowa.

Mr. President, this is an important day in the history of the Senate. I hope and expect the Commission will be thoroughgoing and merciless in appraising our staffing, pay system, possible conflicts of interest, accommodations, information resources, scheduling problems, and other matters. I look forward to its report next September.

Mr. KENNEDY. Mr. President, it is a pleasure to take this opportunity to commend the distinguished junior Senator from Iowa (Mr. Culver) and the Senate leadership on the occasion of the announcement today of the appointment of the members of the "Culver Commission"—the Commission on the Operation of the Senate.

In recent years, we have seen increasingly sweeping efforts by the Senate to bring our operations into the modern world and to make this historic institution more relevant and more responsive to the needs of the citizens we serve. Among the most important reforms we have enacted are the Budget Reform Act, bringing order to the former chaos of the budget process, the Election Reform Act, cleansing the methods by which we finance our election campaigns, and the creation of the Office of Technology Assessment, as an arm of Congress to analyze the complex technological aspects of the issues we face.

Now, we are about to take another major step on the road to reform. The Senator from Iowa deserves great credit for conceiving the idea of this study commission, as a means to develop new and better approaches to the many different aspects of Senate functions, procedures, and operations.

The high caliber, extensive interests, and broad experience of the members named today is a clear indication that the Commission will make a rapid start in carrying out its mandate.

All of us look forward to the Commission's report to be submitted next year. My hope is that the report will form the basis of a thorough overhaul of our operations, so that the 95th Congress, which convenes in January 1977, will have a strong new mandate for change and positive reform.

Again, I congratulate Mr. Culver for his leadership in developing this commission. I am confident that its analysis and recommendations will serve us well, and make this institution more genuinely capable of fulfilling the high mission the Founding Fathers gave it in our constitutional system of Government.

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, and upon the joint recommendations of the majority and minority leaders of the Senate, pursuant to Senate Resolution 227, announces the following appointments to the Commission on the Operation of the Senate: Willard L. Boyd, Jr.; Archie Dykes; Robert P. Huefner; Harold E. Hughes; Juanita Kreps; Carl

Sanders; William Scott; J. Mark Trice; Wilson W. Wyatt; and as ex officio members, Francis R. Valeo and Gerald W. Frank.

DISAPPROVAL OF FEDERAL ELECTION COMMISSION REGULATIONS

The Senate continued with the consideration of the resolution (S. Res. 275) disapproving two regulations proposed by the Federal Election Commission.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is Senate Resolution 275.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

On Monday of this week, the Committee on Rules and Administration reported to the Senate an original resolution No. 275.

That resolution recommends the disapproval of two regulations proposed by the Federal Election Commission on the subject of office accounts of Federal officeholders.

The action taken by the Rules Committee was not taken lightly but only after careful study of the language of the regulations. A public hearing was held to receive testimony from Members of the Congress, from the Commission, and from other interested groups or individuals.

The committee endorses and supports the principle of public disclosure and strict limitations of campaign contributions and expenditures. In fact, as chairman of the committee, I have authored and fought for election law improvements for many years, and managed the present new law in the Chamber.

I have also introduced and carried the fight for the disclosure of all income, assets, liabilities, transactions in securities and commodities, and so forth. There is no doubt as to where I stand on these matters.

Moreover, Mr. President, I state now for the benefit of our colleagues that I do not have an office account. Any necessary expenses for travel to my home State of Nevada, over Senate allowances, are paid out of my pocket from personal funds.

But this proposal as proposed by the Election Commission goes far beyond the issue of office accounts.

While the proposed regulations would have little or no effect upon me or any campaign I might be entered in, I could not allow the supposed regulations to pass through the committee without informing the Senate in good conscience what I and a strong majority of the committee consider to be objectionable features of the regulations.

The proposal that first came to the Senate, Mr. President, was transmitted on July 30, 1975. It applied to all funds received or expended by an incumbent Federal officeholder for the purpose of supporting office activities.

It applied to the officeholder for the entire period of his term—6 years, 4 years, or 2 years.

Every penny spent, except from legislative appropriations and except for a franking account, will be counted against the incumbent's spending limitation for reelection.

It does not apply to any non-Federal officeholder, and this is one of the big deficiencies. A Governor, mayor, and so forth, would be exempt until he actually became a candidate for Federal office.

The proposal transmitted to the Senate on September 30, 1975, modified the original proposal as a result of a lot of objections that were raised.

It applies to an incumbent Senator during the last 2 years of his term, and to an incumbent Representative during the second year of his term or the last year of his term.

It does not apply to an incumbent President or Vice President.

It does not apply to a nonincumbent Federal officeholder.

It presumes that expenditures made from an office account during the first 4 years of a Senator's term and during the first year of a Representative's term are not political. This is a rebuttable presumption. The burden of proof is on the incumbent.

It presumes that expenditures made from office accounts during the last 2 years of a Senator's term and during the second year of a Representative's term are for political purposes and attributable to the spending limitation. This is a rebuttable presumption and the burden of proof rests on the incumbent.

It does not apply to a personal account of an incumbent unless expenditures from such an account are for political purposes; that is, to influence his nomination or election. This is a rebuttable presumption.

It applies to all funds contributed to an incumbent for his office account, subject again to the rebuttable presumptions.

It applies to all funds contributed to an incumbent for his office account, subject again to the rebuttable presumptions.

Since contributions to an office account are presumed to be used for political purposes during the last 2 years of a Senate term and to the second year of a House term, contributions or expenditures from such an office fund, exceeding $1,000 in any calendar year, would transform the office account into a political committee, subject to accounting, reporting, and auditing in the same manner as any other political committee.

Contributions to an office account which are subsequently used for political purposes could result in violations of the Internal Revenue Code, and/or the title 18 Criminal Code.

The language of section 439a of the Federal Election Act allows the Commission to prescribe rules to carry out the provisions of that "section." The section deals with disclosure of expenditures and receipts discussed in the section. Therefore, the Commission, in my judgment, probably exceeded its authority in attempting to prescribe the office account regulations in present form.

Mr. President, the committee has only two recourses. One is to do nothing, in which event the proposed regulations would become effective, or, in the alternative, to oppose the regulations by a resolution, such as we have proposed here, in which event the Commission would be required to go back and develop new regulations in light of the testimony presented to the committee and the objections that have been raised.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. CANNON. Yes. I yield to the Senator.

Mr. JOHNSTON. Apparently there is a change between the first FEC regulation and the second with respect to the source of the funds expended.

Do I understand now that this 2-year rule applies only to funds contributed to a Member or Member-elect of the Senate for the purpose of supporting the activities of a Member or Member-elect and not personal funds expended?

Mr. CANNON. No. The Senator is incorrect.

There is a memorandum being circulated in the Chamber that is absolutely contrary to the fact. It does apply to funds from a person's own individual account. Senator HATFIELD raised that question with the Commission. Senator BYRD raised that point to the Commission. The Commission testified that it does so apply, contrary to this memorandum that is being circulated.

It applies to personal funds as well as to office account funds for a Senator for the last 2 years of his term, making the presumption that any expenditure is for a political purpose a rebuttable presumption, with the burden on him, but it applies to a Member of the House for only the last year of his term. So it applies for 2 years to a Senator and for 1 year to a Member of the House. It does not apply at all to the President or the Vice President, and it does not apply to a prospective candidate.

So long as a man may be making the same types of expenditures, if he is a Governor or a big-city mayor or something of this sort, he is not covered under this provision or regulation, to make it completely equitable so far as the people are concerned who are running for precisely the same office.

Mr. JOHNSTON. Does this mean that if the Senator took money out of his pocket and sent his wife home and she happened to go to a tea where some eligible voters were, that would go against the spending required 2 years later?

Mr. CANNON. The presumption would be that that is for a political purpose, and it would count against the Senator during the last 2 years of his term, would count against the Senator's overall expenditure limitation for the particular campaign.

Mr. JOHNSTON. The Federal Election Commission has the authority, I take it, to govern people who are running for office. Somebody can be running against a Senator for 2 years, can he not, and not be covered by this ruling? Yet, the Senator is covered by the rule for 2 years for everything, such as his wife's expenses, extra staff expenditures, and travel to help him do his job. Is that correct?

Mr. CANNON. The Senator is absolutely correct.

Mr. JOHNSTON. Did the Federal Election Commission ever give any justification for treating House Members on a 1-year basis and Senators on a 2-year basis?

Mr. CANNON. They gave us answers but not justification. The answer was that until a person becomes a candidate, they really have no way of telling.

I made the suggestion that if they are going to apply the 2-year rule or if they are going to apply a 1-year rule—and I believe they should apply the rule—it should be uniform. It should be the same rule for a Member of the Senate as for a Member of the House, and it should be the same for any candidate—a person who has taken action to become a candidate under the provisions of the law. It spells out when a person becomes a candidate.

The rules should apply equally. There is no question that there should be some rules, but they should have equal application; and they do not have equal application under the proposed regulation.

Furthermore, as I stated in my opening remarks, I think they far exceeded every legal authority under the act, which says that they can provide the rules for disclosure. It does not give them the authority to do what they have attempted to do here.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, I associate myself with the remarks of the chairman concerning this very important issue.

In article I, sections 4 and 5, of the U.S. Constitution, Congress—and I underscore "Congress"—is given the authority to prescribe laws and regulations governing the election of Federal officeholders.

The Constitution also gives each House of Congress the authority to formulate rules governing its own proceedings. If we look at rule XXV of the Standing Rules of the Senate, the Senate Committee on Rules and Administration is given the responsibility of handling all matters relating to "the election of the President, Vice President, or Members of Congress; corrupt practices, contested elections; credentials and qualifications; Federal elections generally; Presidential succession."

The Committee on Rules and Administration, in fulfilling its responsibilities prescribed under the Constitution and the Standing Rules of the Senate, held on October 2, 1975, a hearing on the proposed regulations by the Federal Election Commission on office accounts.

It was at this hearing that the committee heard and received comments both in support of and in opposition to the proposed regulations.

Mr. President, I am very sorry that the material that is on the desk today is inaccurate as it relates to the hearings of that committee. Therefore, I hope that Senators will pay very careful attention to any of the quotations given from the hearings themselves.

Title XVIII, section 438(b), United States Code, provides that the Federal Election Commission may propose rules and regulations to carry out the provisions of the Federal election laws. While the Commission may propose, the final authority for approval or disapproval lies directly with the Congress of the United States.

Subsection 2 of this section specifically states:

> The Commission may not prescribe any rule or regulation which is disapproved under this paragraph.

That means the Congress of the United States.

When Congress adopted the Federal Election Campaign Amendment Act of 1974, it was very careful in spelling out the scope and the boundaries of the Commission's responsibilities. Congress specifically stated in this historic legislation creating the Commission that no rule or regulation offered by the Commission ever could become effective on any calendar day when both Houses of Congress are not in session. This very provision of the law firmly set forth the concept that it is Congress which will pass on the laws governing Federal elections and not the Commission.

I reemphasize the point that it is Congress, the elected representatives of the people, and not the Federal Election Commission which has the constitutional responsibility of formulating our election laws.

The Commission was created by Congress to serve as a watchdog, to make sure that all candidates for Federal offices adhered to and complied with those laws passed by Congress. The Federal Election Commission, however, was not created to change the intent of those laws passed by Congress or even to widen the scope of those laws.

Those of us who believe that both parts of the proposed regulation should be disapproved by the Senate are not saying that full disclosure of sources of office accounts should not be required.

In fact, the committee has stated that full disclosure of contributions to office accounts is a necessary ingredient in any set of regulations dealing with this matter. The proponents of disapproval are not saying that certain restrictions should not be placed on the type of expenditures accepted under the office accounts system. Quite the contrary. What we are saying is that any set of regulations should be applied to all political candidates and not just the incumbents.

From my experience as a sitting Governor, I know that I had certain advantage over my opponent who, in the 1966 Senatorial race in Oregon, was a Member of Congress, serving in the House of Representatives in Washington, D.C., while I was traveling throughout the State of Oregon, meeting the people of Oregon, as their Governor.

How does the Federal Election Commission propose to deal with this type of advantage? Are they going to tell a Governor of a sovereign State that he or she cannot travel the State and meet the citizens, especially if he or she is not an announced candidate for the U.S. Senate?

I believe that the Committee on Rules and Administration is saying to the Commission that if any regulations are going to be made, they must apply in a fair and equitable way to all Federal officeholders and to all candidates for Federal office.

In its report to the Senate, the Rules Committee "agrees that the purpose of the act and of rules and regulations promulgated under the act is to broaden, strengthen, and equalize the impact of the election law and implementation of the law."

Mr. President, I believe that the regulations submitted by the Federal Election Commission failed to accomplish this noble goal. If nothing else, they succeed in bringing about further inequality in our electoral system, a disease which many of us have been trying to cure for years.

While the committee has recommended to the Senate that the two proposed sets of regulations be disapproved, it has also outlined to the Senate and to the Commission guidelines for regulations which it feels are fair to the incumbent, but also equally fair to any challenger. Up to now, the fairness doctrine seems to be absent from any of the Federal Election Commission's regulations.

Mr. President, as a Senator without an office account—and I want to stress, I do not have an office account—and as a Senator who supported the passage of the Federal Election Campaign Act Amendments of 1974, I respectfully urge my colleagues to disapprove the Federal Election Commission's regulations. I believe such action by the Senate is in keeping with the intent and spirit of the Federal Election Campaign Act Amendments of 1974 and in keeping with the Constitution.

Finally, I hope that after the Senate disapproves of these regulations, the Federal Election Commission will reexamine its operating procedures, as well as give serious thought to resubmitting office account regulations to Congress, along the lines suggested by the Senate Committee on Rules.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I yield to the Senator from Rhode Island (Mr. PELL).

Mr. PELL. Mr. President, just as the chairman and the ranking minority member, nobody but I contribute to my office expenses. Nobody has ever contributed to my office expenses but myself. It has been Uncle Claiborne, not Uncle Sam or Uncle Contributor. Nevertheless, these expenditures are part of the normal course of carrying out my operation, and are expenditures that are allowed by the IRS as properly deductible. Now, apparently, they are considered political expenses, which means that the IRS and the Federal Election Commission have not gotten together. If it is political, then it should not be deductible. If it is deductible, then it should not be political.

It is ridiculous, the way these regulations are being interpreted. It sounds like motherhood. We are all for motherhood, but then we have to examine, what is motherhood?

For example, we can send an intern downtown with a communication that has to be delivered to a Government agency quickly, the same day. It might cost $1 to put him in a taxi, or $2, whatever it may be. Normally, that would be paid for out of an office account. Under these regulations, that would be considered a political expense. The intern's time, for which he is not paid, could be considered a contribution in kind, and that, too, could be deducted from the total amount of money one would have when next campaign time comes.

If one of one's own employees, an administrative assistant, for example, gave an intern $1 to go downtown and deliver a note, he would then be committing an illegal act because he would be giving a contribution toward his boss's campaign.

The question comes up of charity. Some of us have been accustomed to giving a certain amount of money to our own church, or to other churches. Naturally, as Senators, we get appeals from a much wider base—different parishes, different communities around the State. We may have to write a small check and contribute to these different organizations. As I understand these regulations, as they were interpreted by the Commission when they came before it, these charitable expenditures would be considered part of a political expense. Presumably, we could deduct it, though again I do not see how the IRS could permit us to deduct it if, at the same time, it is considered part of a political expense leading toward or coming off of the amount of money which we are credited for our total limitation.

When it comes to the question of presumption, the presumption is, presumably, that other expenditures are not political for the first 4 years of a Senator's term, but anybody who wishes to can say, "Gee, that contribution to Grace Church at such and such a day was really done for political reasons by Senator Jones, Senator HATFIELD, Senator CANNON, or Senator PELL," and it would require a ruling and an investigation and a whole procedure. This could happen and could happen ad nauseam.

Finally, when we get to the last 2 years, we are going to have to have not only whatever huge number of young, bright, intelligent, alert and hard-working lawyers the Commission has, we would have to quadruple the staff, because we are going to have to say, is this or that expense presumed to be against my account or my limitation, or not? We cannot do it afterward, because it is too late. We cannot write back to Grace Church a few months later, and say, "I would like that $10 back because I do not want it counted against my political expenditures."

This is the very kind of ridiculous situation we are getting into. The basic idea is right. Contributions by outside contributors should be made public, but I do not think personal expenditures should be handled that way.

In theory, I started out having helped create the Federal Election Commission, being chairman of the subcommittee that held the hearings, being rather proud of the election law reforms that our subcommittee and full committee proposed. I have come to see that the specific implementation of these thoughts goes far beyond anything that Congress had in mind.

Mr. CANNON. Mr. President, I yield myself 2 additional minutes.

The suggestion has been made by some, Mr. President, that these office account funds are secret accounts. I simply point out that the office accounts are authorized under rule XLII of the Standing Rules of the Senate, which provides for a full disclosure of contributions, both for political purposes and for the purpose of office accounts, and spells out precisely what those contributions can be used for.

In subsection 3, it says:

> Nothing in this rule shall preclude the use of contributions to defray expenses for travel to and from each Senator's own State; for printing and other expenses in connection with the mailing of speeches, newsletters, and reports to a Senate's constituents; for expenses of radio, television and news media methods of reporting to a Senator's constituents; for telephone, telegraph, postage and stationery expenses in excess of allowance; and for newspaper subscriptions from his home State.

That is a proper expenditure under the rule, and full disclosure must be made, contrary to some of the assertions that have been made.

I submit, Mr. President, that to have these presumptively charged against an individual's campaign expense for an unequal time, related to other campaigns or to other people who might be running against him, is completely inequitable and should not be approved in this fashion.

In addition, as I said earlier, the expenditures from an individual's own bank account, where he maintains no office account at all, as I do—I write checks for travel expenses, for postage, for things of this nature, for which I am not reimbursed. All of those would be chargeable to my overall campaign limit presumptively for a 2-year period prior to a new election coming up. But someone in my State running against me would not have that charged until he became a candidate, under the provisions of the act.

We spelled it out in the report, Mr. President:

> The Committee agrees that the purpose of the Act and of rules and regulations promulgated under the Act is to "broaden, strengthen, and equalize" the impact of the election law and implementation of the law.
>
> Since the revised regulation does not achieve those objectives—with emphasis on equality—the Committee does not accept the regulation in its present form.
>
> The Committee is reluctant to reject a considered proposal submitted by the Commission without furnishing some guidelines which may be of value in the drafting of a subsequent regulation.

I point out, Mr. President, that we did and we do furnish those guidelines.

> The Committee approved a motion to include in its report to the Senate recommendations as to certain provisions which could, if accepted by the Commission, "broaden, strengthen, and equalize" the impact of any regulations submitted by the Commission.
>
> A regulation on office accounts should apply to every Federal office-holder—President, Vice President, Senator and Representative in or Delegate or Resident Commissioner to the Congress of the United States, as set forth in definitions sections of the Act.
>
> Also, it should apply to every individual who becomes a candidate for nomination or election to Federal office.
>
> An individual, for purposes of any regulation, becomes a candidate for nomination for election or election to Federal office:
>
> 1. As of January 1st of the year in which any election is held in which he runs for nomination or election, or
> 2. When he publicly announces that he is a candidate for nomination or election, or
> 3. Has taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or
> 4. Has received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election to such office; . . .
>
> The Committee disapproves of the two submitted office account regulations but hopes that the Federal Election Commission will endeavor to draft a new proposal which will meet tests of fairness and equality, will be unequivocal in language, and enforceable in its application.
>
> The Committee commends the Commission for its sincere and industrious efforts to fulfill its duties under the Act, and fully appreciates the difficulties encountered in interpreting the niceties of a complex and comprehensive election law.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I send an amendment, a nonprinted amendment, to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Iowa (Mr. Clark) for himself and Mr. Cranston proposes an amendment on page ——, line ——, insert the following:
>
> On page 1, beginning with line 5 strike out through line 8.
>
> On page 1, line 9, strike out "Sec. 3" and insert in lieu thereof "Sec. 2."

The PRESIDING OFFICER. Is this the amendment on which there is a 2-hour time limitation agreement?

Mr. CLARK. That is correct.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I yield myself such time as I may need.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. CRANSTON. I ask unanimous consent that Roy Greenaway and Jan Mueller of my staff have the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that Robert Miller of my staff be allowed the privileges of the floor throughout the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, on behalf of Senator CRANSTON and myself I offer this amendment, and I would like to begin by complimenting the chairman of the Rules Committee on his outstanding record in the area of election reform. I had the pleasure of serving with him on the conference committee when this act was passed, and I felt he made every effort and, in most cases, a very successful effort, to pass a bill which had real meaning, a part of which we have under discussion here today or an extension of which, a regulation of which. So I compliment him on his record with regard to campaign reform, campaign finance reform. He fought very hard to keep the provisions of the Senate-passed measure on public financing of campaigns in the bill. He has a distinguished record in terms of disclosure of campaign contributions and related matters.

Now, Mr. President, in addressing myself to this question of the amendment before us, let me say that each Member so far has said he does not have an office account. It is my contention that if he does not have an office account this regulation will in no way affect him. That is the issue I would like to deal with first because there have been several statements here that this regulation will, in fact, include personal accounts and, although, I have other things to say, I think we ought to discuss this specific point first because it is a very different regulation if, indeed, it not only governs office accounts but one's own personal checking account as well.

I was under the impression that it does not include personal accounts, and so I called the Election Commission before I made up this memorandum that has been circulated, and just to double check again 3 or 4 minutes ago I called the Chief Counsel of the Election Commission, Mr. John Murphy, and I read this statement, which I shall read now, and give you his specific comments. The memorandum which I circulate says this:

> Personal expenditures which are not run through an office account, thereby commingling personal funds with excess campaign funds and outside contributions, are not covered by this regulation.

I asked for his specific comments, that is, of the General Counsel of the Election Commission to be quoted here, and he said this:

> That is a correct statement. If there is no money put in an office fund, it is not covered by this regulation.

Mr. HATFIELD. Mr. President, will the Senator yield at that point?

Mr. CLARK. Before I yield I would like to finish this point. It will take me about 30 seconds and then I will be happy to yield.

Mr. Murphy said there was some confusion on this on the occasion of the public hearing, and he cited the fact that during Congressman HAYS' testimony, Senator BYRD of West Virginia had asked some direct questions over Congressman HAYS' head about certain personal accounts, and that out of that discussion from back into the audience, when Mr. Curtis was speaking, he felt there were some things said that were not accurate.

So when he took the floor, when he was brought before the committee, he testified, and I would like to read from that testimony by Mr. John Murphy. This is Transcript of Proceedings, Committee on Rules and Administration, Regulations Proposed by the Federal Election Commission, October 2, 1975, page 130.

The question is from Mrs. Wides:

> Well, my understanding, two points here is that if these personal funds were contributed into an office account, then expenditures from that office account, including the personal funds, would count against the ceiling.
>
> But if the Senator did not put his own money, let us say, as we see, for a salary, for services rendered, if he simply spent those funds from his own private checking account they would not be subject to this regulation. If, in fact, he were to be doing campaign activities, an opponent could challenge him under the Act itself during any time during the six years but that was not specifically touched upon by this regulation.
>
> The Chairman.

referring to the Senator from Nevada—

> Mr. Curtis?

Mr. Curtis responds:

> Yes, Mr. Chairman, may I call on our General Counsel, Mr. Murphy, because I think that is accurate, her statement is accurate.
>
> Mr. MURPHY. That is correct.

Let me repeat that.

> Mr. MURPHY. That is correct.
>
> I am sorry that did not emerge as clearly as it might have in the earlier testimony.
>
> The regulation as revised is aimed at the use of office dodge—

and there is apparently a misstatement here—and then it continues:

> which in large part would be composed of contributions from outside or surplus campaign funds.
>
> It could be in any given case that a Senator would take what is personal income to him and put it in his account, but that is not required by the regulations.
>
> Expenditures made by a Senator—

Mr. Murphy continues:

> as in the cases offered by the Committee, come out of personal checking accounts, out of which one would also pay for groceries or the dentist or the doctor, as well as the taxicab fare downtown for somebody who works for you.

Now, there is more on the next page, but I think that is adequate to make the point.

I called, if I may just repeat, the general counsel and confirmed this again, and he referred me to his testimony which I just read to you. I think that establishes very clearly that personal accounts are in no way affected by this decision.

Before yielding I would just ask others here to address themselves to this point: Where, in the regulation itself, can one interpret personal accounts to be included?

Mr. HATFIELD, Mr. PELL, and Mr. JOHNSTON addressed the Chair.

Mr. CLARK. I think Senator HATFIELD asked first, and then Senator PELL.

Mr. HATFIELD. I thank the Senator because it does involve questions I asked the commissioners in the hearing.

I would like to say to the Senator I think he has really brought forth one of the most profound problems I have seen and felt in this whole program of rules and regulations. I do not think the commission knows which way it is going. I think there is so much confusion in the commission today that that is why these rules are so confused. Let me say, on page 31, where this question was first raised—I asked it of a commissioner who headed the task force—and let me emphasize it was not the general counsel, it was the commissioner himself who headed the task force, and I am going to quote from page 31:

> Senator HATFIELD. If the Senator would just yield to pursue that one step further.

I was asking Senator BYRD from West Virginia to yield, and then I went on to say—

> the Senator from West Virginia has indicated that he has a revolving fund, from which he takes money, and has expenditures, and gets vouchers and replenishes. I do not have that. I have but one account in the bank, that is my full family personal checking account, into which I place an honorarium, if I have given a speech, out of which I draw on the same checkbook that I write for the groceries, for the power and the lights, for the water, I write on that same account checks for the expenditures I have made, similar to the Senator from West Virginia.

Now, the presumption there again is political in the last 2 years, and then you have the right—

I questioned—

> ——to audit all my account, because I have not separated into a revolving fund, is that correct?
>
> Mr. TIERNAN. That would be correct, Senator.
>
> Senator HATFIELD. You have the right to audit how much I write a check for the drug store?
>
> Mr. TIERNAN. No, we do not have a right——
>
> Senator HATFIELD. It is in the same account.
>
> Mr. TIERNAN. If you do not segregate it, if you do not place it an office account——
>
> Senator HATFIELD. I do not segregate. So you would have to look at what I write for the drugstore each month, along with the grocery store, is that right?
>
> Mr. CURTIS. If you do not segregate, Senator, that is true. Clearly, this is the kind of thing you would segregate.
>
> Senator HATFIELD. If I do not segregate, that is true?
>
> Mr. CURTIS. Senator, we are, in other regulations, requiring all kinds of segregated funds in order to carry out the intent of this Act. And hopefully we will get this kind of cooperation, that you would segregate it.

At no point did any commissioner refute this. At no point in the whole hearing.

What the Senator received on the phone and the general counsel stated on other occasions, it may be his opinion, but I would like to emphasize most respectfully, the commissioner that headed the task force, the commissioners there to give testimony, and this is the testimony they gave, they not only indicated this was true, but they said, in effect, "We will follow up and expect you to set up separate accounts."

Separate accounts.

Consequently, it is not only the prima facie evidence of what they are saying we are going to have to do further to get into a separate account, but it gave illustration to the point they are going to consider my personal checking account, because I have no office account, that these rules and regulations govern my personal checking account.

I think that is irrefutable from the

standpoint of the evidence there, regardless of what they are talking about on the telephone now, and I would say respectfully that the basic example of this whole commission's operation is confusion.

They first came up with 6 years they would apply these to, and now they reduced it to 2 years.

I believe this commission has really demonstrated its incompetence in many ways, but, most especially, on this question of office accounts.

Mr. CLARK. I yield to the Senator from Rhode Island.

Mr. HATFIELD. I thank the Senator for yielding.

Mr. PELL. Directing my remarks on the same subject, I would like to read into the Record the exchange with Senator Byrd and the commission chairman:

> Senator Byrd. One is I am not sure I understand what an office account is under this regulation. I have no account in my office that is made up of contributions from anyone except myself. It is a checking acount. It is a sort of revolving fund, out of which I pay my airline tickets, and bills for newspaper subscriptions, et cetera, and then I of course sign a voucher to get repaid for the airplane tickets and newspaper subscriptions, and I put the money back into the revolving fund.
>
> That revolving fund will vary at times from perhaps $200 to $1,000, $1,200, $1,500. Now, is this an office account under the regulation?
>
> The Chairman. Chairman Curtis, would you like to respond to that?
>
> Mr. Curtis. Pardon me, do you want us to respond?
>
> Senator Byrd. I would like to have an answer.
>
> Mr. Curtis. Let me refer to Mr. Tiernan. Bob, do you want to respond to that?
>
> Mr. Tiernan. Under the regulations, in the last two years of a Senatorial term that would be considered expenditure of an office account, and you would have to include it in the report to the Commission, the amount of moneys that were put into the account, and the expenditures out of that account. Filing would be twice a year, May and October.
>
> Senator Byrd. So it would be an office account?
>
> Mr. Tiernan. Yes. The presumption would be that anything spent in the last 2 years of a 6-year term would be political.

Now let me come to Mr. Murphy, like a good lawyer, he is able to come down both sides of the issue and obfuscate it. I was reading earlier from Mr. Tiernan and now I am coming to Mr. Murphy. Reading along further than the Senator did earlier in the record, Senator Allen had an exchange with Mr. Murphy which I would like to read into the Record:

> Senator Allen. Yes, but suppose, convenience, so as not to commingle his household accounts with his office, he has a special office account to which he is the sole contributor. Are you going to make the distinction there?
>
> Mr. Murphy. If that account is used exclusively for the purposes of covering his activities as an office holder, that is covered by the regulation.
>
> Senator Allen. That is covered by the regulation?
>
> Mr. Murphy. Yes, sir.
>
> Senator Allen. Even though the funds are personal in both cases, one is covered and one is not; is that correct?
>
> Mr. Murphy. That is correct.

So, Mr. Murphy has apparently told the Senator one thing on the phone today and told our committee a separate thing when he appeared before us in the hearing.

Mr. CLARK. If I may address myself to the two points that have been raised, and first to Senator Hatfield.

The Senator is quite correct in his analysis. I happened to be present at the time, I remember the questions very clearly, and I remember the response.

Of course, when I called the General Counsel I asked specifically about that and, as I said earlier in my response, he granted that on the occasion when Mr. Hays was at the desk and the Commission was asked over his head that he felt they responded incorrectly and without referring appropriately to their materials. That is why, when he came back before the committee and was asked specifically about this, he took the occasion to straighten it out.

I am not referring now to a telephone conversation, I am referring specifically to the testimony that was given before the committee as to what the interpretation meant.

The General Counsel of the Federal Election Commission has stated very unequivocally, in the testimony which I have just read, that the personal accounts—personal accounts—are not covered by this regulation.

If there is some question in the minds of the Members as to whether that is true and if, as Senator Hatfield has indicated, it would take a Commissioner, himself or herself, to make that decision, then I think we ought to call a quorum and call Mr. Curtis—in fact, I have a note that says he is on the phone and is holding out in the cloakroom.

If we really want to find out what the Commissioner's position is, as well as the General Counsel's, it seems to me a couple of us ought to go out and ask him rather than turning down this most significant legislation in an effort not to find out the truth.

Mr. HATFIELD. Will the Senator yield?

Mr. CLARK. I do yield.

Mr. HATFIELD. Do I understand the Senator to say that the Commissioners were confused at the hearing, the General Counsel thought they were confused——

Mr. CLARK. That is correct.

Mr. HATFIELD (continuing). In the answers they gave?

Mr. CLARK. That is correct.

Mr. HATFIELD. So we have confusion on the part of the Commissioners and the General Counsel says one thing, the Commissioners say another thing. Now the Commissioners are waiting on the phone for us to ask further questions, after hearing testimony, if they are unconfused.

Mr. CLARK. Not unconfused.

Let me say that there is nothing which has confused the Members of this body any more than this regulation, and it lends itself to confusion.

Mr. JOHNSTON. Will the Senator yield?

Mr. HATFIELD. Will the Senator yield?

Mr. CLARK. Yes.

Mr. HATFIELD. I appreciate the Senator yielding. The Senator did ask a question a while ago and I did not respond. I would like to respond. It slipped my mind.

He asked where in the rules and regulations do we get this kind of interpretation.

As the Senator knows, whenever they mention a rule, law, regulation, we have a discussion or comments under Definitions.

I would like to refer to part 113, which is the office accounts, excess campaign funds, under Definitions.

Definition (b)—and I would like to emphasize these:

> (b) *Funds contributed.*—"Funds contributed" means all funds including but not limited to gifts, loans, advances, credits or deposits of money or any other thing of value, which are contributed for the purpose of supporting the activities of a holder of Federal office, except for funds appropriated by Congress.

Now, turn to page 2 under, again, Definitions, subsection (a) under Expenditures—Limitations:

> (a) All funds expended by or on behalf of a Member of the Senate from funds contributed to a Member or Member-elect of the Senate for the purpose of supporting a Member's or Member-elect's activities as a holder of Federal office, excluding funds expended pursuant to 39 U.S.C. § 3210, shall be presumed to be expenditures subject to the limitations of 18 U.S.C. §§ 608(a) and (c) during the two calendar years preceding the expiration of the Senator's term; provided that the limitations of 18 U.S.C. §§ 608(a) and (c) shall be presumed to be inapplicable to the expenditure of such funds at any other time during the Senator's term.

Those are both limitations and the funds contributed. I think when we consider that where we are talking about anything that is supporting the activities of a holder of a Federal office, we are talking about funds in general, funds that are related to those supporting activities.

If I give a speech and receive an honorarium and that honorarium goes, as it does, into my personal checking account and is reported on my IRS form and I pay a tax out of it, and out of that same checking account I write a check to pay for the Wednesday Club luncheon that meets with Republican Senators once a week—and we rotate as hosts of that luncheon—that can be an expenditure in the last 2 years, because it is supporting the activities of an officeholder. I think it is clear what we are into. We are into a can of worms.

Mr. CLARK. I think we are in a can of worms, but I do not think that either of these provisions can be clearly interpreted to mean personal accounts. The reason I think there is great room for confusion is this: First of all, there is no question that under the act every expenditure, whether it is personal, office account, or money that is raised, falls under the limitation if it is a political expenditure.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. CLARK. May I finish this point?

It falls under the expenditure limitation, whether we pass this regulation or not. What we do here is not going to change the basic law. We passed a bill which said that all political expenditures would be limited, and we set that up for each State.

All this regulation does is to say that money expended on an office account, whether that came from personal funds or other funds raised, would fall under the limitation if it were political. Even if we never pass this regulation, that is going to be true.

Mr. PACKWOOD. Will the Senator yield?

Mr. CLARK. I promised to yield to the Senator from Louisiana first.

Mr. President, how much time remains? How much time have I remaining?

The PRESIDING OFFICER (Mr. SCHWEIKER). The Senator has 20 minutes remaining.

Mr. CLARK. I thought I had an hour on the amendment.

The PRESIDING OFFICER. The Senator is correct. It is 40 minutes.

Mr. CLARK. I yield to the Senator from Louisiana.

Mr. JOHNSTON. I would suggest to the Senator that excess campaign funds are nowhere covered under this regulation. Am I correct?

Mr. CLARK. That is correct, unless it goes into an office account.

Mr. JOHNSTON. I would suggest that even if it goes into the office account, under the wording of 113.2(a), it is not covered because: "All funds expended by or on behalf of a Member of the Senate from funds contributed to a Member-elect of the Senate for the purpose of supporting a Member's or Member-elect's activities as a holder of Federal office."

Mr. CLARK. Is the Senator speaking of the act itself, or this regulation?

Mr. JOHNSTON. I am speaking of this regulation.

Mr. CLARK. I think the Senator is speaking from the act.

Mr. JOHNSTON. That is under attachment 1. That is the regulation, is it not, on page 14 of the report? This is in the report on page 14.

Mr. CLARK. Would the Senator state his question again? He is on page 14?

Mr. JOHNSTON. Right. Section 113.2 (a), which purportedly is the source of this problem.

It seems to me quite clear that the regulation does not cover excess campaign funds so one can do whatever they want with excess campaign funds.

Mr. CLARK. How does one interpret that from that sentence?

> All funds expended by or on behalf of a Member of the Senate from funds contributed to a Member or Member-elect of the Senate for the purpose of supporting a Member's or Member-elect's activities as a holder of Federal office, excluding funds expended pursuant to—

And so forth. That says all funds, not just campaign funds.

Mr. JOHNSTON. All funds expended from funds contributed for the purpose of supporting activities as holder of Federal office.

Mr. CLARK. Yes.

Mr. JOHNSTON. Excess campaign funds. Campaign funds were obviously not contributed for the purpose of supporting his activities as a holder of Federal office.

Mr. CLARK. Certainly they are being used that way.

Mr. JOHNSTON. These were funds contributed for the purpose of the campaign.

Mr. CLARK. Let me cite to the Senator from the basic law. I think a lot of the confusion is whether we are talking about the regulation or the law. The law, in section 439(a) specifically allows for that.

Mr. JOHNSTON. Absolutely.

Mr. CLARK. It says "use of contributed amounts for certain purposes," as the Senator has just said, clearly allowing for that.

I do not think there is any evidence that this regulation is aimed at excluding campaign funds from being——

Mr. JOHNSTON. The point I am making, and I think it is quite clear under this regulation, is this: You can spend whatever you want from excess campaign funds for the purpose of your activities as a holder of Federal office and it is not covered under the 4-year rule, the 2-year rule, or any other rule. It is just not covered. It is a hiatus.

Mr. CLARK. It is covered under the law.

Mr. JOHNSTON. The law provides that you can spend excess campaign funds for these purposes.

Mr. CLARK. Yes.

Mr. JOHNSTON. But the law does not put it under your primary or general election limitation.

Mr. CLARK. I would disagree with that, but I understand the Senator's point.

Mr. STEVENS. Will the Senator yield for a unanimous-consent request?

Mr. CLARK. I yield.

EXTENSION OF TIME FOR FILING COMMITTEE REPORT ON NOMINATION OF THOMAS S. KLEPPE

Mr. STEVENS. On behalf of the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN), I ask unanimous consent that the chairman of the Interior Committee have until midnight of this date to file a report on the nomination of Thomas S. Kleppe to be Secretary of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISAPPROVAL OF FEDERAL ELECTION COMMISSION REGULATIONS

The Senate continued with the consideration of the resolution (S. Res. 275) disapproving two regulations proposed by the Federal Election Commission.

Mr. JOHNSTON. Is it not true, if the Senator's interpretation is correct in this area where we have so much confusion, that a rich Senator can spend whatever he wants, if he has the money personally, for all of these purposes, and yet one who is not so wealthy is limited and must spend it out of his primary limitation? Does that discriminate against the Senator?

Mr. CLARK. Is the Senator speaking of the regulation or the law?

Mr. JOHNSTON. The regulation.

Mr. CLARK. The regulation treats the money exactly the same whether it is contributed personally, by a corporation, a labor union, or an individual. That is to say, if it is political it counts it as within the limitation, whatever the source.

Mr. JOHNSTON. What I mean is this: If he expends money personally, let us say, to send his wife back home or to send out Christmas cards, whatever, that does not count against any limitation; if he spent that same money for the same purpose from an office account, it is counted against his limitation in the primary.

Mr. CLARK. That certainly would not be the way I would interpret it, for this reason: Whether an account falls under the regulation, that is, within the office funds, or outside of it, if it is political it is going to be covered by the law. The fact that I may be wealthy and spend my private money to do political things does not exclude it from the expenditure limitation. If, on the other hand, that expenditure, sending my wife or whatever the expenditure is, is a non-political act, then it is not going to count whether you take it out of the office funds, your personal funds or some other funds.

Mr. JOHNSTON. It is presumed to be political.

Mr. CLARK. It is presumed to be political under the office account. But certainly one has the right to ask that it be considered as a nonpolitical activity and the same criteria would be applied whether he paid for that privately or out of the office account.

Mr. PACKWOOD. I wonder if I might follow up because I know exactly the point the Senator is driving at.

I have the same question the Senator from Louisiana has. I am not sure, but I will not vote with the Senator if I do not understand what this does.

First, the Senator says if there is no account there is no accounting, other than the normal political accounting when a person runs.

Mr. CLARK. That is correct.

Mr. PACKWOOD. So if one is independently wealthy and can afford to pay for his own expenses, he does not set up an office account. They cannot come crying into his home account, as Senator HATFIELD indicated.

Mr. CLARK. Unless it is political.

Mr. PACKWOOD. We are talking about the first 4 years.

Mr. CLARK. All right.

Mr. PACKWOOD. Who says it is political? Does the Federal Election Commission come and look at Senator HATFIELD's account and say, "We want to see what you have spent to see if there is anything political."

Mr. CLARK. Let us be very certain because it is easy to get confused. Are we talking about the law as we passed it or about the regulation?

Mr. PACKWOOD. I am talking about the regulation and especially the presumption. Let us start out first with the incumbent Senator who has no office account. He pays for all of his miscellaneous expenses personally. What is the presumption in the first 4 years?

Mr. CLARK. The presumption is that

that is not political. The presumption is that that is not political in the first 4 years.

Mr. PACKWOOD. All right, still no account. What is the presumption in the last 2 years where he is still paying for it personally?

Mr. CLARK. The presumption is that it is political, and then you have the right to ask that any of those expenditures which you believe not to be political be excluded from the limitation, and then obviously it will be for the judgment of the Commission. If we leave that judgment to each separate politician, we are going to be in very bad trouble.

Mr. CANNON. Mr. President, will the Senator yield very briefly?

Mr. PACKWOOD. I yield.

Mr. CANNON. The Senator just a little earlier said the personal account would be presumed nonpolitical.

Mr. CLARK. If not comingled.

Mr. CANNON. The Senator just answered that to the contrary.

Mr. CLARK. No. I will restate it——

Mr. PACKWOOD. If you have your own checking account.

Mr. CLARK. No office account.

Mr. PACKWOOD. If you have no office account?

Mr. CLARK. It is my contention that if you have no office account, this regulation cannot conceivably apply to it.

Mr. PACKWOOD. The presumption of political expense comes under the regulation, not under the law.

Mr. CLARK. That is correct.

Mr. PACKWOOD. Suppose you are sufficiently wealthy that you can afford to send your wife and children home and pay their transportation and lodging. The Senator is saying even in the last 2 years, when you send that wife and those children home, there is no presumption of political expense out of your political account?

Mr. CLARK. I think any expenditure, under the law——

Mr. PACKWOOD. No, no, no.

Mr. CLARK. Obviously if it is never comingled, if it is not in an office account——

Mr. PACKWOOD. Right.

Mr. CLARK. And it is spent for your private account——

Mr. PACKWOOD. Right.

Mr. CLARK. Then obviously it is not covered by this regulation. Then it falls under other criteria to determine whether it is or is not political under the act.

Mr. PACKWOOD. If it is not covered by the act as a political expense, then there is no presumption that it is a political expense, because the law does not presume that now.

Mr. CLARK. That is correct.

Mr. PACKWOOD. However, if you were not rich enough to be able to pay for your wife and children, and were forced to one of these office accounting systems to which people contribute, and incur the same kind of expense during the last 2 years, it is presumed political?

Mr. CLARK. I think that is correct, but my point would be that the same criteria would apply under the act or under the regulation.

Mr. PACKWOOD. Yes, but there is a world of difference. This is a criminal statute.

Mr. CLARK. That is right.

Mr. PACKWOOD. In the one case, that you do not have to have an office account, you are presumed not to have a political expense; and if you make a misjudgment, you can always say, "Gee, I did not consider it a political expense," and the presumption if you are rich enough is with you; but the presumption if you have an office account is against you.

Mr. CLARK. First of all, let us be clear that we are not talking about a criminal matter at all. We are talking about a political limitation.

Mr. PACKWOOD. No, no; I do not think so.

Mr. CLARK. The only thing that it does is count it under your limitation.

Mr. PACKWOOD. No.

Mr. CLARK. If you are brought under the terms of that by the Commission.

Mr. PACKWOOD. No, it says here that—I may, when I file my income tax, take all kinds of deductions, including taking the wife and children home, traveling around the State, and staying in motels, and I take it off of my income tax. It may be a crime, but the presumption is in my favor that it is not a political expenditure, and the Government has an obligation to prove the contrary. If I am poor enough to have an account, the presumption is that it is a political expense; so we are making a distinction between those who have independent wealth and those who cannot afford it.

Mr. CLARK. Mr. President, I would like to get to some other points in the course of my 40 minutes, if I may.

Several Senators addressed the Chair.

Mr. CLARK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 26 minutes remaining.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CLARK. I will yield another 6 minutes, any way Senators want to divide it. Then I am going to make my statement.

Mr. STEVENS. I would like to refer to the first 4 years of a senatorial term. In the first year, if I take my wife to a political convention in my State, and I am not a candidate, is that expenditure chargeable against my campaign limitation, if I pay it either out of an office account or as my own personal expense?

Mr. CLARK. Is it a political activity?

Mr. STEVENS. My conclusion is that this regulation says to me that after I am elected in November, if I go the following March to the Alaska State Republican Convention, and take my wife there—and that would cost me about $1,500—it would be a charge against the $100,000 limitation that would apply to my primary campaign time 5 years later, without regard to whether it comes out of contributed funds or my own funds.

Mr. CLARK. Let me say at the outset, obviously this regulation would not affect that decision one way or the other.

Mr. STEVENS. On the contrary——

Mr. CLARK. Because the expenditure limitation is written in the act, not in the regulation.

Mr. STEVENS. No, on the contrary, we put a $100,000 limitation on campaign expenditures under the act. This resolution says in the first 4 years it is deemed not to be a political expense, but it could be deemed to be one.

Mr. CLARK. Without this regulation it could be deemed to be one.

Mr. STEVENS. No, with this regulation it could be deemed to be one. There is no presumption under the law until I am a candidate. We say if you accept contributions or allow someone to accept them for you. This says I am a candidate if I use someone else's funds for personal purposes any time during my 4 years in the Senate. If I spend money for political purposes, under this regulation, any time in my 6 years it counts against my $100,000 limitation, and if I do not so report it, regardless of the presumption, I am guilty of a crime.

Mr. CLARK. You are not guilty of a crime.

Mr. STEVENS I advise the Senator to take a look at section 608: $25,000, or not more than 1 year, or both, for violating the terms of this act.

Mr. CLARK. I would not argue that you have violated the terms. You have misinterpreted. Whether in your judgment an expenditure is political or nonpolitical, if it is deemed to be political, it falls under a political contribution. Otherwise it would not.

Mr. STEVENS. If I spend $100,000 during 6 years, and do not credit this account in the first 5 years, I would be guilty of a crime.

Mr. CLARK. It is my judgment that this regulation would not be under that provision one way or the other.

I yield the remaining 3 minutes to the Senator from Kentucky.

Mr. FORD. Mr. President, I would make inquiry as to the applicability of this regulation to both incumbents and non-incumbents running for the same office.

Mr. CLARK. Yes.

Mr. FORD. We have an office fund, presumably, and are spending it during the 2 years prior to the election. That is presumed to be a political expense; that is true, is it not?

Mr. CLARK. Yes.

Mr. FORD. An opponent of ours who may be running just as hard or harder, and may have been running for a period even preceding the 2-year cut-off date, and may be doing precisely the things we are doing out of his own resources, conducting meetings, writing letters, having lunches, promoting himself as a candidate, although he is not at that time an announced or filed candidate, under this regulation, would it not be correct that even the two of us are spending for the same purposes essentially, my expenditures, not only for those purposes but for other purposes that are presumed to be political, would be charged against my allowance? His expenditures may be far greater, but even though they may be for the same purpose, they are not charged against his allowance.

Mr. CLARK. No, I would not accept that, and I will tell the Senator why. It is very clear under this act that a candidate becomes a candidate when he or she expends money for that purpose. It has nothing to do with the day of declaration of candidacy, nothing whatsoever. And that means that if at any point your opponent, 2 years, let us say, before election day, spends money for political purposes, all you have to do is go to the commission and make that charge. They have to investigate it. If they find it to be political, it falls under the limitation in exactly the same way as it applies to you.

Mr. FORD. But how do you define political? If a fellow just happens to go through town, and invites a group of friends to lunch with him? If he sends out greetings to them? If he makes himself available for civic club purposes? This is ridiculous, to suggest that anyone could ever pinpoint that as a specific political effort. Yet in his own mind, and for his purposes, it is directly related to his getting himself in a position to be a candidate, and in fact being a candidate.

Mr. CLARK. I say to the Senator the answer to that is exactly the same criterion would be applied in the Senator's case as in his case.

Mr. HUDDLESTON. Under this regulation?

Mr. CLARK. That is so because both have access to exactly the same commission.

If the Senator has any question about any expenditure he has made, all he has to do is go to the Commission and get a ruling. If he has any question about the Senator, he has to come to him.

Mr. HUDDLESTON. I think there is a vast difference.

Mr. CLARK. That is in the same way.

Mr. HUDDLESTON. Our case is presumed to be political.

Mr. CLARK. In the office account only.

Mr. HUDDLESTON. It is presumed to be political in the office account, whatever the expenditure is for.

Mr. CLARK. That is right.

Mr. HUDDLESTON. In his case the Senator would have to go to the Supreme Court to convince someone.

Mr. CLARK. No.

All the Senator has to do is ask the Commission to investigate it, and that is exactly the same criteria that will apply to him as applies to the other Senator.

Let us look. If I may continue my statement, I will be glad to take whatever time is remaining to answer questions.

Mr. PELL. Mr. President, will the Senator yield on our time?

Mr. CLARK. I will yield on the time of the Senator, certainly.

Mr. PELL. Mr. President, could I have 3 minutes?

Mr. CANNON. Yes.

I yield 3 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Nevada yields 3 minutes to the Senator from Rhode Island.

Mr. PELL. As I understand the distinction Mr. Murphy makes, it is if expenses come out of a personal account, which also includes groceries, medical bills, and personal expenses, then it would not count. Look what happened to our colleague, Senator Dodd, when he did have one account and was commingling. If for the sake of avoiding that happening, the Senator sets up a separate personal account to which no one contributes but he, then, as I understand it, that is different, and it would apply. Is that correct?

Mr. CLARK. That is correct.

Mr. PELL. This is a very fine distinction, and it seems to me it goes against his interest. I recall the case of Senator Dodd very well, indeed. One of the great problems there was commingling. Under the interpretation of the Senator and under Mr. Murphy's followup interpretation, he is saying we should have commingling and do it out of the same account, and then we do not have to report. That is ridiculous. I am sure the Senator agrees.

Mr. CLARK. He does not say the Senator does not have to report.

Mr. PELL. We do not have the same auditing procedure as if it is a separate account.

Mr. CLARK. What Mr. Murphy says and what the regulations say, in my judgment, is that if a Senator expends money, whether it is personal, if he puts it into an office account, when it comes from him solely, or whether it comes from him and others, or only from others, if it is sent for political reasons, it will fall under the limitation.

What is the alternative to that? It seems to me we have heard about the problem, and I think in any positive action there are certain problems. What is the alternative to that? The alternative is to say that every person who runs for public office is going to make his or her own judgment with unlimited funds in order to determine what is political or nonpolitical.

What I am saying is simply—and I am not expending under the regulation—that if that judgment is not going to be left to the Commission, that judgment and—am I answering on his time?

Mr. PELL. Yes. Make it short.

Mr. CLARK. All right, I will make it very short.

The PRESIDING OFFICER. The Senator is correct. He is answering on the time of the Senator from Rhode Island.

Mr. CLARK. I will make it very short.

What is the alternative to this? The alternative is that each of us is going to expend money under the law without any concept of what the Commission is going to rule later as to whether it is political or nonpolitical, so that every single expenditure that we make is subject to being challenged by our opponent and each time we are going to get a ruling and if the ruling is against us—when I say "us" I do not mean an incumbent; I mean a candidate—that means that we could be publicly embarrassed. This gives us an opportunity to know in advance that the presumption is on us and that we have to appeal, if it is nonpolitical, or not to fall under the limitation.

Mr. PELL. But to be specific, then, if the Senator has a personal account with all his expenses in it, and the same way Senator HATFIELD does, then what Mr. Murphy is saying, although his boss, the Commissioners, say the opposite, is that that would not be subject to the total regulation.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. CANNON. I yield the Senator from Rhode Island 2 additional minutes.

The PRESIDING OFFICER. The Senator from Rhode Island is yielded 2 additional minutes.

Mr. PELL. In the purview of the bill those expenses are presumably political. On the other hand, to avoid what happened to our colleague, the Senator from Connecticut, comingling funds in a separate account, if a Senator sets up a separate account, he is in worse shape.

Let us take a specific example. Many of us present American flags to our various constituents at home. I do not know how so many are flown over the Capitol, but they say they have flown that many over the Capitol.

Does the Senator mean to say that if he is presenting the flag to a school, it is political? Obviously, it is political. All our expenses are political. I would not dream of presenting American flags, distributing them the way I do, if I were not a Senator and did not hope to continue to be one.

The Senator is saying it is a legitimate deduction in the view of the IRS.

Does the Senator mean to say those should count against the limitation, depending which account they come out of?

Mr. CLARK. I do not think I should make a judgment for the Commission or the IRS as to whether it is a political decision. That would be up to the Senator, IRS, and the Commission.

The presumption would be in the last 2 years that is a political expenditure; if the Senator felt it was not, he would have the right to appeal that, not appeal it but to——

Mr. HATFIELD. Mr. President, will the Senator yield on my time?

Mr. CANNON. Yes.

Mr. HATFIELD. Will the Senator yield for one point?

Mr. PELL. Yes.

Mr. HATFIELD. If I understood the Senator, then, that presumption would be that if he sends the flag out, it is political, under a special office account, but it is under my circumstances, where I have only a personal checking account—when the Senator says the rules here do not apply to such an account—I can send the same flag out and it is not political?

Mr. CLARK. I would not say it is not political. It is not presumed to be.

Mr. HATFIELD. The presumption is that it is not.

Mr. CLARK. That is a very important distinction.

Mr. HATFIELD. Is it chargeable?

Mr. CLARK. Chargeable to whom?

Mr. HATFIELD. Is it chargeable to my limitation?

Mr. CLARK. If it is political, of course it is, whichever under the act it is, quite aside from this regulation.

Mr. HATFIELD. No. It is not chargeable under the act, and, under the interpretation of the Senator, this does not apply to the private checking account, it would not be chargeable either. It cannot be both.

Mr. CLARK. Does the Senator from Oregon mean that, if he makes a political expenditure out of his personal account, that is not subject under the act to a limitation?

Mr. HATFIELD. I am saying that it is an interpretation and the presumption the Senator said was it was not, that it was personal under a personal checking account.

Mr. CLARK. That is right.

Mr. HATFIELD. All right. Then the presumption is that same flag is nonpolitical.

Mr. CLARK. Only the presumption is the difference. Under the Commission, it is very clear that if it is a political expenditure, whether it is in the personal account or office account, it falls under the limitation. Otherwise, any of us could spend endlessly under the act and not have it fall under the limitation.

I yield to the Senator from Nevada.

Mr. HATFIELD. I only say it is very easy to have an academic exercise here and a discussion.

Mr. CLARK. It is not academic.

Mr. HATFIELD. But when it comes to the question of being fined $25,000 or serving time in jail, this all fades into very great insignificance, and that is exactly what we are dealing with here. With all this presumption business there is still the question that I can be wrong on an honest presumption and still end up in jail.

Mr. CLARK. I would certainly not interpret the law in that way.

Mr. CANNON. I thank the Senator for yielding to me, and I say to him I am sorry more of our colleagues have not been here to hear this discussion because I think he has made the best case in support of the position of the Committee on Rules and Administration for defeating the proposed regulations, than I could have hoped to have made, because he has pointed out not only the confusion of the commission but the confusion that exists right here in the Chamber with respect to the matter.

Mr. CLARK. I agree with that.

Mr. CANNON. Therefore, that bolsters the case exactly what the Committee on Rules and Administration has said to the commission:

> Well, reject these rules. We have set out some guidelines here. You go back to the drawing board and come up with some rules that are equitable in application across the board that will apply to Senators and Congressman alike, that will apply to prospective candidates alike, and make it apply to everyone, and we will go along with you.

The Senator a minute ago said what is the alternative, indicating that we had no alternative. We do have an alternative. We have stated that in the law because it reads as follows:

> As individual, for purposes of any regulation, becomes a candidate for nomination for election or election to federal office:
>
> 1. As of January 1st of the year in which any election is held in which he runs for nomination or election. . . .

So, that is one of the tests as to when a man becomes a candidate and, therefore, the presumption is that his expenditures at that time from that time forward would be political.

> 2. When he publicly announces that he is a candidate for nomination or election . . .

That means that he might publicly announce 6 months before, as the President has done now, and announce long before the election; therefore, he is a candidate and under the presumption will apply.

> 3. Has taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to federal office . . .

That means that under that provision, he would have gone ahead and filed under the State law, when he could file. So there are three alternatives.

The fourth—and this is most important—that he "has received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election to such office;"

Those are the four alternatives. I submit that those alternatives are far, far better than this nebulous situation that the commission is trying to get us into between personal accounts and office accounts and proves once more the inequity, as the Senator from Oregon has said, of the nonpresumption that it is from a personal account.

Mr. STEVENS. Mr. President, will the Senator yield, on my time?

Mr. CLARK. I yield.

Mr. STEVENS. I say to the Senator from Iowa that I have no outside income. I have never inherited any money. The money I spend is the money I earn. But I was fortunate enough that my campaign committee had money left over from the last election. Following that election, there was a gubernatorial election in my State, and my committee permitted me to use some of the money from that account, as is consistent with the law—it was a legal purpose—to spend to go to Alaska to assist in that campaign for the person I thought should be elected governor. Those were reported as being expenditures from that fund, transferred to me. I reported them, as a matter of fact, to the Senate, that I had taken a trip. I have no objection to disclosure.

But I ask this of the Senator: Why should it be that those expenditures, which are made for a legal purpose, should be—and they would have been—chargeable under either the first 4 years or the last 2 years, chargeable to my limitation of a hundred thousand dollars for a primary campaign in a State such as mine?

I was a part of the conference committee on this bill and the prior bill, and I know how we reached that limitation. The limitation of a hundred thousand dollars in a State such as mine is extremely low. We agreed to it because of the single member district States so far as the House Members are concerned.

I do not know of anyone who has spent less than $200,000 in campaigning successfully statewide in a primary in Alaska, in a contested campaign.

The impact of this rule would be that those expenditures would be rebuttable—I have no objection—but they could be chargeable against my limitation. If I failed to report them—using my interpretation of this law—and I showed that I actually spent $100,000, someone could say later, "Wait a minute. You spent those other funds for political purposes in that period of time; that was a political purpose. They should have been chargeable. You have exceeded your limitation." I would be subject to sanction, not only criminally but also by this body, for violating the law.

I do not know why those people who want to support this do not see the point that those of us who supported the passage of this act went to the commission and said they should look at the section that the Senator from Nevada just read. It is January 1 of the year of the election which is the basic presumption for candidacy for the expenditure limitation. They basically have violated the compromise we worked out after so long in the conference committee.

There is no chargeability for the amounts that are spent for a Senator in the radio gallery or the television gallery during the first 5 years. That was consistent with this provision. We consistently excluded the expenditures in the first 5 years of the term as being not expenditures for political purposes for the candidacy for the office one seeks. That is the difference in this regulation.

Mr. CLARK. It is not my interpretation, and I will tell the Senator why. It does not matter whether the Senator expends money for political purposes out of a campaign fund or out of the office fund. If it is political and the Senator fails to report it as political, then he is subject to the penalties of the law.

Mr. STEVENS. It is political in the sense that it is for the purpose of election to the office one seeks, not political in the sense that this regulation says.

Going to a national convention is political, under this regulation, even though it has nothing to do with one's candidacy 4 years later. Going to a State convention or having my wife go home to the garden club, if it is paid out of the fund I have left from the last election, would be political and would be chargeable against my campaign limitation, if it occurred in the last 2 years of my term.

Mr. CLARK. If the Senator did not successfully challenge it.

Mr. STEVENS. How am I to know that as I get down toward the limitation of a hundred thousand dollars? I am serious. It costs me $5,000 to charter a plane for 3 days. This is a very severe limitation on those from States of small population, with large areas. The Commission has done a very serious thing by not reaching the same conclusion we did in the conference committee, which says that the line should be drawn at January 1.

As a matter of fact, the Senator from Oregon points out that they have tried to supersede the law we passed by this regulation. That is the total gravamen of what they have done.

Mr. CLARK. It is my judgment that the example cited by the Senator from Alaska would apply equally whether he spent that money out of private funds or the office funds or campaign funds. If it is political, it is political, and it is going to be counted against the Senator's limitation. If it is not, then it is not; except that in the last 2 years, the presumption is that all the money spent out of this fund is political. But the Senator obviously and clearly has the right to submit the evidence that it is not political and to get the judgment of the commission.

Mr. STEVENS. We are going into a Presidential election year. If I decide to assist in the campaign, if I wish to support the man who is the President, and I use the funds left over from my last election, those are political expenditures, are they not?

Mr. CLARK. I do not know. That would be up to the Commission.

Mr. STEVENS. It is clearly within the terms of this regulation, but it is not for an office I seek. It is to help someone else.

Mr. CLARK. I see nothing in the regulation that says that if the Senator campaigns for someone else, it is specifically stated in this regulation that that applies as a political expenditure.

Mr. STEVENS. If they are from contributed funds, it certainly is.

Mr. CLARK. It does not matter where the funds come from, in terms of their expenditure. The expenditure limitation applies only to the expenditure, regardless of where the funds come from.

Mr. STEVENS. They term this as political if it is for political purposes in the broad, general sense, rather than for campaign purposes. We were passing a campaign expenditures law, not a political expenditures law, and that is the great difference in what they have done.

Mr. CLARK. Let me say one thing, and I will go back on my own time.

I read from the Federal Election Campaign law. A person becomes a candidate not when he or she declares the candidacy. Let us look at the definitions under chapter 14, section 431:

> (b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has—
>
> (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures....

One becomes a candidate, whether he is an incumbent or not, not in terms of whether he declares his candidacy but in terms of whether or not he has expended money.

Mr. President, if I may speak on my own time——

The PRESIDING OFFICER. The Senator has been speaking on his own time for the last couple of minutes.

Mr. CLARK. Mr. President, because I have been in the Chamber, I have not had an opportunity to talk to Chairman Curtis, but I had my assistant talk with him. Chairman Curtis indicates—if I may have the attention of the Presiding Officer—that a letter has been sent to Senator SCHWEIKER from the Federal Elections Commission Counsel this afternoon, stating "that personal accounts are not covered by this regulation." That is from Chairman Curtis. Obviously, I do not know whether it has been received, but I would like to have that on the record.

Mr. STEVENS. Mr. President, will the Senator yield, on my time?

Mr. CLARK. I yield.

Mr. STEVENS. I was there when the chairman testified, and I think it should be looked up. I appeared before the Commission, and I do not see how he can say that.

Section 113.2, "Expenditures Limitation," says:

> All funds expended by or on behalf of a member from funds contributed to a member or member elect, for the purpose of supporting a member or member-elect's activities, supporting activities for Federal office . . .

Under questioning, it is my memory that he said that included your own personal funds.

Mr. CLARK. That has been very well established. That has been quoted from the record. There is no question about that. I admit that. There is no question that that is what he testified, as I have said on two previous occasions.

The point is that, following that, a correction was made by the general counsel. I have a letter that I shall have printed in the RECORD that was just received by the Honorable RICHARD SCHWEIKER, U.S. Senate, dated October 8, signed by John G. Murphy, Jr., General Counsel, setting out precisely that point, that personal accounts are not included under regulations.

I ask unanimous consent to have that printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> FEDERAL ELECTION COMMISSION,
> *Washington, D.C., October 8, 1975.*
>
> Hon. RICHARD S. SCHWEIKER,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR SENATOR SCHWEIKER: In response to your telephone inquiry of this morning, this letter will confirm that the Federal Election Commission's proposed regulation on franking and office accounts, submitted to the President Pro Tempore of the Senate on September 30, 1975, and with respect to which hearings were held by the Senate Rules Committee on October 2, 1975, does not apply to personal expenditures made by an incumbent out of an account other than one which is used exclusively for purposes of supporting the activity of that officeholder.
>
> I underscore the concept that an office account or any account will fall within the coverage of this regulation *only* if it is used *exclusively* for purposes of supporting the incumbent's office-related activity. Accordingly, any account out of which personal expenditures were made for purposes in addition to the purpose of supporting office-related activity, would not be an account falling within the reach of the regulation.
>
> It is true, of course, that personal expenditures made by any candidate for federal office may be covered by the Act, but, unless these come out of an account related exclusively to office activity, they would be treated by the Commission on an ad hoc case-by-case basis and would not be the subject of the reporting requirement which this regulation establishes for the accounts I have described. If an incumbent has no office account whatever, any personal expenditure he or she may make would not be covered by this regulation, although it might be otherwise covered by the Act.
>
> I trust this communication will prove helpful to you. Please feel free to make whatever use of it you deem necessary.
>
> Sincerely yours,
> JOHN G. MURPHY, Jr.,
> *General Counsel.*

Mr. STEVENS. I say to my friend, if I am in the middle of a campaign and they are changing their regulations as fast as they are changing their interpretations, I am not going to be able to keep up with the Commission. I was in favor of the Commission, but I am beginning to think WAYNE HAYS was right when he urged the conference committee to exclude this Commission.

I have never seen any group that has vacillated, in public office, as much as this Commission has vacillated in terms of their own regulations.

Mr. CLARK. If I may go back on my own time, Mr. President, I wish to make this point: We have heard a great number of reasons here today about why this regulation cannot possibly work and why it is unfair. What does the Committee on Rules recommend in its place? They recommend exactly the same thing for 1 year. They are not saying that these regulations ought not to be applied. They are not saying that they are bad regulations. They are saying that they are good for 1 year, but not for 2 years. If the Commission takes the advice of the recommendation of the Committee on Rules, what they will say, in effect, is that is fine for 1 year, but it just does not apply and should not apply for 2 years.

It seems to me that if these regulations are that bad, if they are that unfair, if they subject every Member of this body to criminal penalties, if, indeed, it is as bad as we have heard, then I should like somebody on the Committee on Rules to explain to me why it is good for 1 year rather than for 2.

Mr. CANNON. Will the Senator yield?

Mr. CLARK. I yield.

Mr. CANNON. I am delighted to explain that. The Committee on Rules did not recommend precisely 1 year. They recommended when a man becomes a candidate, as defined in the law. We spelled it out precisely. We say that that ought to apply to everybody. It ought to apply to a Member of the House, to a Member of the Senate, to a nonincumbent, the President. Whenever they become candidates, under the definition of the law, that is when the presumption ought to apply. That is exactly what we are saying.

Mr. CLARK. Let me quote from the committee report.

Mr. CANNON. I read it a little while ago to the Senator.

Mr. CLARK. No. 1:

> As of January 1st of the year in which any election is held in which he runs for nomination or election, or—

One of the other four. If that does not mean it goes into effect on January 1 of the year of the election, I do not know what it does mean.

Mr. CANNON. The Senator is completely incorrect. One cannot read part of the paragraph and exclude the rest, particularly when it is the same sentence.

Mr. CLARK. Let me read the whole paragraph.

Mr. CANNON. This is part of the same sentence.

Mr. CLARK. It does not say exclusive of the second paragraph. Let me read it in the whole.

> An individual, for purposes of any regulation, becomes a candidate for nomination for election or election to Federal office:
>
> 1. As of January 1st of the year in which any election is held in which he runs for nomination or election, or

It does not say exclusive of—

> 2. When he publicly announces that he is a candidate for nomination or election, or
>
> 3. Has taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or
>
> 4. Has received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election to such office; . . .

However one might interpret it, whether it is January 1, as I do, or some other date, certainly, the Committee on Rules is recommending that what the Commission has established is a good idea if it only applies to a shorter period or a different period of time. That is what the recommendation is.

Mr. President, on July 31, the Federal Election Commission issued its first regulation on the administration of the Federal Election Campaign Act. That regulation provided that all funds received or expended by an incumbent or elected holder of Federal office for the purpose of supporting his or her activity as a holder of such office were to be considered contributions or expenditures under the act. This meant all expenditures from the office account of an incumbent Senator, Representative, President, or Vice President, during the officeholder's entire term of office would have been applied against the officerholder's expenditure limit during his or her next campaign.

Following the July 31 submission of this original regulation to Congress, the Commission received a substantial number of comments from Members of Congress and others. As a result, the Commission held public hearings on the regulation on September 16 and 17, and subsequently submitted a second revised regulation to Congress on September 30.

The new regulation narrows the time period during which office account expenditures are presumed to be political and are, therefore, applied against the spending ceiling imposed by the Federal Election Campaign Act. For incumbent Senators, only office account expenditures made during the last 2 years prior to an election are presumed to be made for the purpose of influencing an election and applied against candidate spending limits. For an incumbent Representative, a similar presumption is established during the last year prior to an election. It is important to recognize, however, that in either case, the presumption is rebuttable and evidence can be presented to the Commission to demonstrate that a particular office account expenditure made during the covered period is not in fact campaign related. If so ruled, the nonpolitical expenditure will not be counted against the candidate's limitation.

Briefly put, it is the purpose of the Commission's ruling to count political expenditures as political, and, therefore, under the spending limit. If the expenditure is not political, it will not fall under that limitation. In my judgment, what the regulation offers the incumbent Member of Congress, as well as all candidates for Federal office, is reasonable, practical guidelines for determining how office accounts can be treated during a politically volatile period preceding an election. Without such a regulation and its guidelines, each and every transaction out of an office account would be subject to a complaint procedure before the FEC. If we expected the Commission to give us a list of how each expenditure would be treated in advance, such a list would consume volumes and approach the ridiculous.

Our amendment would have the effect of allowing this second regulation to go into effect after the 30 legislative days have run. Senate Resolution 275 then would simply disapprove the original office account regulation—a necessary step, since the FEC has no mechanism for withdrawing regulations once they have been submitted to Congress.

Everyone realizes that what we do here will not change the meaning or coverage of the statute. The statute that we passed last year is on the books and the ultimate interpretation is now a matter for the courts.

Criticism of the FEC regulations has centered on the following points: first, it is claimed that the FEC does not have the authority to act in this area.

In my judgment, under section 439(a) of the 1974 act, the Commission is given the authority to regulate and establish guidelines for the use of such funds. Although some contend that this section only gives it the authority to prescribe guidelines for disclosure of the contributions and expenditures from privately funded office accounts, other sections of the law, especially those dealing with contribution and expenditure limits, compel the Commission to determine whether, in fact, the use of such funds is political in nature.

Second, it is said that the FEC regulation does not apply to nonincumbent challengers, as the Senator from Kentucky pointed out. Although the revised regulation only mentioned Senators and Representatives, the Commission has made it clear that the law covers all candidates for Federal office—the law, I say—covers all candidates for Federal office who, at the time of campaigning, might maintain a similar office account, not just congressional incumbents. For example, the Commission will treat contributions to and expenditures from an office account maintained by a challenger who is a State officeholder and becomes a candidate under the Federal Election Campaign Act in exactly the same manner in which it treats such contributions to or expenditures by incumbent Members of Congress. There is no effective difference in the way in which incumbents and nonincumbents would be treated under this regulation, except for the presumption.

Mr. STEVENS. Will the Senator yield?

Mr. CLARK. I will in just a couple of moments, when I finish.

Third, it is pointed out that this regulation does not apply to the President and the Vice President. The Commission has made it quite clear that it issued this regulation in response to requests from 22 Members of Congress for advisory opinions concerning the treatment of office accounts. It was therefore responding to the urgent need to establish guidelines in this area. The Commission has given assurances to the Committee on Rules that it will be issuing a similar regulation dealing with the President and the Vice President in the very near future. Therefore, to say that the President and the Vice President are not to be covered is in error.

Fourth, it is claimed that the proposed regulations would give the Commission the authority to regulate expenditures from the personal account of Congressmen, as I have said, and it is my judgment and the judgment of the commissioner in a letter received today by Senator SCHWEIKER, the judgment of the general counsel, as outlined in the testimony read here that, in fact, personal accounts are not covered.

Mr. President, we believe the Commission's amended regulation is a reasonable and practical way of carrying out the new law. In order for the Commission to effectively carry out its mandate, I believe Congress should not try to block any Commission decisions except when it is clear that the Commission has abused or overstepped its authority.

To overrule the independent Commission now would, in my judgment, set a very bad precedent.

I, therefore, urge the Senate to adopt this amendment and allow the revised regulation issued by the Federal Election Commission to go into effect.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. CLARK. I thank the Chair.

Mr. CANNON. Is the Senator prepared to yield back his time?

Mr. CLARK. I thought there was a question.

Mr. HUDDLESTON. Mr. President, will the Senator yield just for one comment?

Mr. CLARK. I yield.

Mr. HUDDLESTON. The difference in treatment the Senator conceded between an incumbent and nonincumbent merely boiled down to the presumption.

Mr. CLARK. Yes.

Mr. HUDDLESTON. I would suggest that reading that and the regulations a nonincumbent can in my State of Kentucky spend vast sums of money right up until 45 days, 55 days, before the election, which is our deadline for filing, and if he does nothing as far as announcing himself as a candidate, does nothing but travel the State of Kentucky attending all kinds of meetings, contacting people in every way you can contact people, exposing himself that up until that time not one single penny will be charged against his campaign.

Mr. CLARK. No, absolutely not, and let me say why. It is clear that this regulation that is before us today would not affect a nonincumbent. That is quite clear. But that in no way relieves him from the responsibility of the law that we passed last year. Now, when does he become a candidate? It has nothing to do with when he files and declares his candidacy.

Let me read to the Senator a definition of what a candidate is. Here is one of the qualifications, "received contributions or made expenditures."

If that candidate has received a contribution or made an expenditure in the judgment of the Commission, whether that was 1 year ago or 2 years ago or 3 years ago, then certainly they have the obligation under the law to require that that be included under the limitation.

Mr. HUDDLESTON. The point I make is that he may well not have received any contributions. He may be spending his own money, No. 1.

Mr. CLARK. I said expenditures.

Mr. HUDDLESTON. All right, let us get to the expenditures. There is no way, in my judgment, that you can prove that this type of activity he was doing was an expenditure for the purpose of running for that particular office. He can very well contend that he did not decide to be a candidate, he was in fact not a candidate, until that final 11th hour, 55 days before the election when he went down to the courthouse or to the State capitol and filed his papers.

Mr. CLARK. Yes, of course, he can.

Mr. HUDDLESTON. There is no way that that commission or anybody else can rule that he was, in fact, making political expenditures for the purpose of running for office.

Mr. CLARK. In my judgment, that is not the case. Certainly he can claim it. He can claim anything he wants to, but if, in the opinion of the commission, they can establish that any money was expended or collected that contributed to his campaign then clearly it is their judgment not his, and the same criterion must be applied to you as is applied to that candidate. It does not matter when he declared his candidacy.

Mr. HUDDLESTON. My case is presumed for 2 years.

Mr. CLARK. If it is out of an office account.

Mr. HUDDLESTON. For 2 years of expenditures I have made that goes against my——

Mr. CLARK. If it is out of an office account.

Mr. HUDDLESTON. If it were political.

Mr. CLARK. If it were political, it would be of the same criterion as he was.

Mr. HUDDLESTON. If what the Senator says is true, and if this commission has the authority to look back behind and act——

Mr. CLARK. Certainly.

Mr. HUDDLESTON. Look back behind the period when a man, in fact, and in some cases it might be very legitimate, he may not really have been a candidate until that last 11th hour——

Mr. CLARK. Yes.

Mr. HUDDLESTON. If you can look back beyond that without any determination as to time, all the way back, then I think we have opened a can of worms that will have us hogtied from now on, because who is to say what I did 5 years ago, 4 years ago, 3 years ago? Maybe at that time I thought I was a candidate and changed my mind.

Mr. CLARK. Then the Senator would not qualify if he never ran.

Mr. HUDDLESTON. Well, suppose I changed my mind again?

Mr. CLARK. Then it would apply.

Mr. HUDDLESTON. Then it would qualify?

Mr. CLARK. That is the only way you can do it and have a reasonable limitation. If there is no——

Mr. HUDDLESTON. The only way to do it is to pick a time when a person is a candidate, 1 year, or at such time as he announces, at such time as he files the necessary papers. When that happens it seems to me the same rules should be applied to everybody.

Mr. CLARK. Then, it seems to me that what the Senator is saying is if anyone can spend an unlimited amount of money right up until the time they file or declare their candidacy, that that ought not to count under the limitation. If you are a millionaire and spend $10 million until the last 45 days before the last filing date that should not fall within it.

Mr. HUDDLESTON. I am saying precisely that can happen now for a nonincumbent. It cannot happen for an incumbent.

The PRESIDING OFFICER. All time has expired.

Mr. CANNON. I yield 1 minute.

Mr. HUDDLESTON. Just 1 minute. I would not want the concerns I have expressed here relating to this specific regulation to indicate any lack of interest that I have in the campaign reform legislation we have, and which did pass. I was very much for it. I ran in 1972 under what was the law then, which was very difficult to run under, as the Senator from Iowa knows because he did, too, a law that went into effect while the campaign was, in fact, in progress, which made it even more difficult.

I recognize the difficulty that any candidate has in running under the kind of a campaign law that we have. But I am for it, I think we need it badly. I think basically it is a good law, but I think we have got to be very careful that the regulation under which candidates have to operate are clear, that they can be easily understood.

You cannot run a campaign and have a whole battery of lawyers every day trying to figure out whether every expenditure and every contribution falls within the law. It ought to be clear enough, and it can be that way, in my judgment, and I think the commission ought to be directed to go back and devise one that is fair.

I think our expenditures should be included during a reasonable period of time prior to an election, and it should apply also for the challenger, whether he is an incumbent or nonincumbent. But the English language is not that difficult that this Commission cannot devise a regulation that can be understood by the average candidate and his workers, and can be complied with. That is what I hope we can accomplish by sending this back to the Commission and giving them an opportunity to do that.

Mr. CANNON. Mr. President, if I may say to the Senator, that is precisely what the Rules Committee had in mind when we proposed this resolution of disapproval.

The PRESIDING OFFICER. The 1 minute of the Senator has expired.

Mr. CANNON. I yield myself 2 additional minutes.

When we came up with this proposal it was because, one, we wanted it to apply equally to every one, and this proposed rule does not apply equally to everyone. It has a different standard for an incumbent Senator than it has for an incumbent Congressman, than it has for a nonincumbent who is a challenger, and than it has for the President and the Vice President.

Now, those are the differences. They ought to all be made equal. They ought to have an equal cutoff point, whatever that cutoff point is. It does not have an equal cutoff point now.

We used the three provisions under the law that define when a person is a candidate so he would know, and we give the Commission the one added alternative, which said, "as of January 1 of the year in which an election is held," if he ran for it, to preclude the situation where a person held off and did not declare himself as being a candidate until March or April of that year. At least he would be deemed a candidate as of January 1.

We have spelled out the guidelines for it. We want them to come up with a rule that is equal in application to everybody who is concerned under this, and we want the people who are running to know where they stand, and that is precisely why the Rules Committee has recommended overwhelmingly that we disapprove these two resolutions and send them back with the instructions that are here in the report.

Mr. HUMPHREY. Will the Senator yield?

Mr. CANNON. Yes.

Mr. HUMPHREY. Do I understand that the amendment which is being proposed and the resolution which the committee has, all discussing the Federal Election Commission, relates to just office accounts?

Mr. CANNON. No, the Senator is not correct.

That argument has been made here, the record is very precise and clear. We do have a statement from the Senator now that the Counsel for the Commission has said that is not what they meant. Next week they may say they did not mean something else.

We have the testimony of the Chairman of the Commission and the Counsel of the Commission and of the head of the task force, all before the committee, saying it applies to individual accounts if one does certain things.

Mr. HUMPHREY. Let me ask a question, and by the way, I have not made up my mind on the amendment so I am just asking for information. Regrettably, I have not been able to be on the floor all the time.

Let us assume one does not have an office account.

Mr. CANNON. Right.

Mr. HUMPHREY. Let us assume what one is doing is writing it out of his personal account.

Who is going to examine the personal account?

Mr. CANNON. The Commission.

Mr. HUMPHREY. Does the Senator mean to tell me——

Mr. CANNON. The Commission has the authority to audit under this provision. They can audit it if one has it in his personal account.

Senator Hatfield brought that out in the record. Senator Byrd brought it out in the record.

Mr. HUMPHREY. So what the Senator is saying is that the Commission can ask for your bank account?

Mr. CANNON. Yes.

Mr. HUMPHREY. And all the canceled checks and find out how much money one gives his mother?

Mr. CANNON. Absolutely.

Mr. HUMPHREY. Or his best friend, or some or something else.

And it is being suggested that the commission can go through those checks snooping around for campaign expenditures from his own funds—not contributions by others—but from his own funds.

In this society, I just do not trust anybody on this basis.

I happen to have in my office an account called an office account. That office account has had numerous contributions made to it from my personal earnings. Personal checks from me, from my bank account, and deposited in the office account.

I have never had a contribution in that office account, but I use that office account to pay for office expenses.

When I first came back to the Senate after having been Vice President, I used up all the allowances which the Senate gave me by May of that year. From there on out, it was all on Hubert Humphrey. I spent my own money.

Now that, of course, was the first year I was back, but I continue to pay into that office account. Apparently, the way I should have done it, if these regulations go in, is not to have an office account but just a personal account.

Mr. CANNON. That is right.

Mr. HUMPHREY. That is just absolutely ludicrous.

Mr. CANNON. That is based on the new interpretation of the Commission.

I yield to the Senator from Oregon.

Mr. HATFIELD. May I respond to the Senator from Minnesota?

Mr. HUMPHREY. I am looking for information.

Mr. HATFIELD. May I quote the record of the hearings on page 31, because I expressed to the commission the same statement the Senator just now indicated to us. I said:

> The Senator from West Virginia has indicated that he has a revolving fund, from which he takes money, and has expenditures, and gets vouchers, and replenishes. I do not have that. I have but one account in the bank, that is my full family personal checking account, into which I place an honorarium, if I have given a speech, out of which I draw on the same checkbook that I write for the groceries, for the power and lights, for the water, I write on that same account checks for the expenditures that I have made, similar to that of the Senator from West Virginia.
>
> Now, the presumption there again is political in the last two years, and then you have the right to audit all my account, because I have not separated into a revolving fund, is that correct?
>
> Mr. Tiernan. That would be correct, Senator.
>
> Senator Hatfield. You have the right to audit how much I write a check for the drugstore?

Mr. HUMPHREY. I am glad the Senator mentioned that.

Mr. HATFIELD. My favorite druggist, I want him to know.

> Mr. Tiernan. No, we do not have a right——
>
> Senator Hatfield. It is in the same account.
>
> Mr. Tiernan. If you do not segregate it, if you do not place it in an office account——
>
> Senator Hatfield. I do not segregate. So you would have to look at what I write to the drugstore each month, along with the grocery store, is that right?
>
> Mr. Curtis. If you do not segregate, Senator, that is true.

Mr. HUMPHREY. All right, now let me give an example, telephone bills. Say one does not have an office account—

Mr. HATFIELD. I do not have one.

Mr. HUMPHREY. The Senator does not have one, but let us say one does have one.

Does that mean the commission can examine all the telephone bills—or payments from personal bank account of telephone bills on an exploratory mission in the hope of finding a political call.

Mr. HATFIELD. If that is their only way to find out which ones are political.

Mr. HUMPHREY. How do they know which are political when they do not know what one talked about?

Mr. HATFIELD. The presumption is in the last 2 years if the Senator called the Democratic State Chairman of Minnesota, it is political.

Mr. HUMPHREY. Why would one want to call him? He has resigned. [Laughter.]

But I am very serious about this. The way I look at it——

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. I make deposits into my personal account, I write a check for $2,000 to the Humphrey office account; we keep books; we have our records. I write another check for $5,000 to the Humphrey office account to pay additional office expenses, over and above official allowances.

Mr. HATFIELD. Yes.

Mr. HUMPHREY. When we send messages. For example, the American Legion fifth district is having a banquet honoring Fred Smith, so Hubert Humphrey sends a message. I cannot send that official, I have to send it on HH.

Mr. HATFIELD. That is his limitation.

Mr. HUMPHREY. That is paid out of my money.

Mr. HATFIELD. That is right.

I have earned it and put it into the account.

Now, somebody gets married; there is a friend and one wants to send out some flowers. Let us say it is the last 2 years. Is that political?

Mr. HATFIELD. Yes, the presumption is that——

Mr. HUMPHREY. That is ridiculous.

Mr. HATFIELD. That is ridiculous, and every Christmas card the Senator sent out in the last 2 years——

Mr. HUMPRHEY. That may be more political.

But let me just say, I think some of these regulations are an insult to our intelligence.

The other day I was asked to speak to a public forum by the Postmaster General. He said to me:

> The speaker we had, Senator, could not come. Will you please fill in?

I said, "I will come and make a try."

After the meeting someone called my office, and said, "We would like to send a contribution to some charity."

Well, I am interested in the mentally retarded. I am interested in Camp Courage and Camp Friendship—one for the physically handicapped—the other for the mentally retarded.

I said that that would be a pretty good idea; why not let them do it.

I am informed the Election Commission was called and they said it cannot be done. It would be income to Senator Humphrey.

What kind of nonsense is this?

Mr. HATFIELD. Will the Senator yield?

Mr. HUMPHREY. When we cannot help crippled children, cannot even help the mentally retarded and I did not tell them to send it in my name. They could send it in any Senator's name, or in the name of President Ford, as far as I am concerned. But we have so many cockeyed rules, because somebody got in trouble, that it becomes almost impossible to do anything.

Mr. CLARK. Will the Senator yield?

Mr. HATFIELD. This is not only true in the Senator's case where he anticipated this. I had a situation where a contribution had been made to a cancer research project at the University of Oregon Medical School, and where a contribution had been made to another organization. I had to write a letter to them the other day to ask them to please return it.

Mr. HUMPHREY. I had exactly the same thing.

It is so strange, it disqualifies us from such——

Mr. CLARK. Will the Senator yield so that I may state the other side?

The PRESIDING OFFICER. The Senator from Nevada has control of the time.

Mr. HUMPHREY. Let us have some more time.

Mr. CLARK. Will the Senator yield?

Mr. CANNON. I am sorry the Senator was not here earlier because we went over these absurdities earlier and we pointed out the inequities in the proposed rule.

We pointed out some of the absurd

situations that could arise, and I may say that the Senator from Iowa made my case better than I could have made it in trying to support his own amendment, the case for disapproving these regulations they have sent to us.

We have suggested they go back to the drawing boards and come up with something equitable and fair across the board. We do not want one person treated differently from any other. We want everybody to know where they stand and if they know where they stand as a candidate, when they become a candidate, under the definitions of the act, that is all that is required.

Mr. HUMPHREY. Mrs. Humphrey and I, every year, make a contribution to the Fraser School for the Mentally Retarded so people who cannot afford to send their children to that school can have a scholarship help.

We are going to make one this year, and I am up for election this year, is that political?

Mr. CANNON. The presumption would be that that is political.

Mr. HUMPHREY. Well, that is just sheer nonsense.

Mr. CLARK. It is not true, that is right.

Mr. HUMPHREY. I want to find out the story here.

Mr. CLARK. Will the Senator yield so he might hear the other side?

Mr. HUMPHREY. I want to be on the Senator's side.

Mr. CANNON. I yield 3 minutes to the Senator from Alaska.

Mr. STEVENS. Mr. President, the thing that bothers me is that those of us who are on the conference committee, in an abundance of caution, put in 439(a) to deal with the problem of contributed funds because some of us specifically remembered rule XLII and the provisions of rule XLII that permit us, as Members of the Senate, to use contributed funds for particular purposes.

We also stated that we could use these funds, even funds left over from a campaign, for the purpose of supporting appearance activities as a holder of Federal office.

That had no relationship, and there is not any reference there, to any expenditure limitations. We were talking about trying to find a way to be sure that these expenses were made public, if they were contributed funds; that we did have full disclosure, and that they were used for a lawful purpose. We stated specifically they may be used for any other lawful purpose. I call the attention of the Senator from Minnesota to the fact that he could use the funds for contributions to charity if he wanted to, and we specifically mentioned that.

Now the Commission takes that section and uses the authority that we gave them for making regulations to carry out the provisions of that section only, not referring to the expense limitation section, to read into law the concept that any expenditures we make from contributed funds in the last 2 years are presumed political. So the Senator's use of the funds for a lawful purpose in the last 2 years would be presumed to be political. I hasten to call the attention of the Senator to the fact that that means that they would not be deductible as a charitable contribution, if they were his moneys.

I would hasten to call his attention to the fact that in the first 4 years there is only a presumption that they are not political. If the people who wrote this are so screwed up in their interpretation of our intent, I would not trust them to decide whether or not the contribution to that fund was or was not political in the first 4 years of the Senator's office.

I think the great problem is they have decided that funds that are contributed to a holder of public office that are used, as we said, for activities as a holder of public office, are automatically political.

With due regard to my friend from Iowa, he has repeatedly said political as opposed to expenses of a holder of Federal office.

I say there is a difference. I say that when I go home or I send my wife home to a civic function which I should attend or she should attend because I am a holder of public office, it should not be presumed to be political even though it occurs the year before my seat is up for reelection.

We should be under the pressure of disclosure. Remember, none of us are arguing against disclosure. All of these contributed funds will be disclosed. The question is chargeability, and at the end of the chargeability question is: Are you going to be liable for a criminal penalty if your calculation of what your limitation is does not agree with what the Federal Election Commission computation of your expenditures in the same period of time is?

Being one, again, from a State that has a $100,000 limitation with a past history of expenditures far in excess of that, the travel expenses involved make the expenditure limitation a very small amount for a statewide contested primary. To charge anything that occurs before that year would be contrary to what we agreed to. I was a member of that conference, as I said. I would never have agreed to that limitation of $100,000.

The Senator from Nevada will remember in the last few minutes we reduced it $50,000 in order to meet the objections of the Members of the House. I did not object because again I thought in that period of time, as we wanted to reduce the cost of campaigning, that was legitimate. But to charge the expenditures of the first 5 years against that limitation for me as a holder of that Federal office, for those things that I do related to my activities as a holder of Federal office, and call them all political if they occur in the last 2 years, I think is an abuse of the discretion we extended to them.

We pleaded with them. Senator JOHNSTON and I went down there and pleaded with them to read the act, to look at our intent and to try to help us get a regulation that would fly. We went the last mile, I will tell the Senator from Iowa, to plead with them to give us something that we could come up here and support because there are some people in the Congress who still do not support the concept at all. Having supported the concept of the Commission I wanted to be able to do so. In good conscience, I cannot support what they are doing, and I would urge that this amendment be defeated.

Mr. CLARK. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CANNON. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, maybe this group would like to hear from someone who is not a candidate.

I quite agree. The law is absurd. We created a monster. It is our own fault. I said in the beginning that all we needed was to set a limit on spending; to have a full disclosure as to where one gets the money and how he spends the money. That would have been a two-page law that everybody would have understood.

We have a law now that even the people who wrote it do not understand.

I remember, I went to that conference and we were there for days and days and days and nobody understood what was in that bill. But at that time we were running like scared rats for some reason. I do not know why. We were running like scared rats. We thought the stronger we make it, the tougher we make it, the more the people would believe us. I do not think they believe us any more today than they did before we passed the law.

That is what we have.

I think if we want to resolve this problem, what we ought to do is change the law, simplify the law. Just say how much an individual can spend, have him disclose where he gets the money, and have him itemize every nickel that he spends. Have him do it 60 days before the election so that the people know, and prohibit him from collecting any money after that. If we do that, we have solved this problem. Maybe I simplified it, but, after all, simplicity in this body. [Laughter.] I dare not say it.

[Laughter.]

Mr. CANNON. Mr. President, I say to the Senator from Minnesota that the Senator is correct when he said that 439 (a) specifies that those funds can be used for any lawful purpose. Under rule XLII, which we adopted in the Senate, we require full disclosure of these funds.

The Senator from Rhode Island is absolutely right. This is really what we need, instead of getting involved in a big hassle about when a man becomes a candidate or when he does not become a candidate, or is it for a political purpose or is it for the purpose of his reelection.

Mr. HUMPHREY. Will the Senator yield?

Mr. CANNON. I yield.

Mr. HUMPHREY. I know my dear friend from Rhode Island has done what my wife thinks I ought to do. He has said he is not going to run. He is not a candidate. I remember when Harry Byrd, Sr., said that, too. He announced, and the late Bob Kerr gave a speech at Richmond that was so moving that Harry Byrd changed his mind.

[Laughter.]

Mr. PASTORE. The Senator should sit down because I do not want to change my mind.

Mr. HUMPHREY. May I ask the chairman of the committee if the Senator from Iowa could respond to the inquiry that I made?

Mr. CANNON. What was the inquiry? Which inquiry?

Mr. CLARK. Will the Senator from Nevada yield me 3 minutes?

Mr. CANNON. I yield 3 minutes.

Mr. CLARK. The question has been raised over and over again as to whether the Election Commission interprets the expenditures of a personal account to fall under the terms of this regulation. It was interesting in the reply that we heard one side of the testimony that was presented. The other side of the testimony that was presented was very clearly from the general counsel, John Murphy, that personal accounts do not fall under the terms of this regulation.

I have before me a letter from Mr. John G. Murphy, General Counsel of the Federal Election Commission, dated October 8 and addressed to the Honorable Richard Schweiker. Let me read a portion of it, in case there is still some doubt in someone's mind as to whether this regulation includes personal expenditures.

> In response to your telephone inquiry of this morning this letter will confirm the Federal Election Commission proposed regulation on franking and office accounts submitted to the President pro tempore of the Senate on September 30, 1975, and with respect to which hearings were held by the Senate Rules Committee on October 2, 1975, does not apply to personal expenditures made by an incumbent out of an account other than one which is used exclusively for purposes of supporting the activities of the office holder.

Now, if anything could be clearer than this statement from the General Counsel of the Federal Election Commission, I think it would be difficult to imagine. I yield the floor.

Mr. HATFIELD. Mr. President, will the Senator from Nevada yield to me?

Mr. CANNON. First, Mr. President, I might say that the Senator has indeed made my case. He has pointed out how confused the Commission is and how confused the Counsel of the Commission is as well, because we have read the testimony from the Counsel one way, we have a letter another way, we have had two members of the Commission testify before the committee in the hearings, and now we have a telephone conversation in which the Commissioner says he did not mean that.

I yield 1 minute to the Senator from Oregon.

Mr. HATFIELD. May I say to my good friend from Iowa, the law is very specific. It says the Commission shall render an advisory opinion in writing. It does not say anything about the General Counsel.

I say we have testimony before our committee that is totally contradictory to what the General Counsel is now saying.

Mr. CLARK. Mr. President, will the Senator yield on that point?

Mr. HATFIELD. I yield.

Mr. CLARK. If the Senator will allow me to look up the citation, the law specifically allows for the General Counsel to pass on such opinions. I will be happy to find that for the Senator.

Mr. HATFIELD. I would like to cite the law to which I have made reference. Section 437(f), in which it is stated that the Commission shall render the advisory opinions.

Mr. CLARK. I will be happy to supply that citation.

Mr. CANNON. Mr. President, I yield back the remainder of my time. Let us vote.

Several Senators. Vote.

VOTE ON MR. CLARK'S AMENDMENT

The PRESIDING OFFICER (Mr. Gary Hart). The question is on agreeing to the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate is not in order. The clerk will suspend until order is restored. Senators will please take their seats.

The clerk may proceed.

The rollcall was continued.

Mr. CLARK. Regular order, Mr. President. Regular order.

The rollcall was concluded.

Mr. HATFIELD. Regular order. Regular order, Mr. President.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), and the Senator from Indiana (Mr. Hartke) are necessarily absent.

I also announce that the Senator from Michigan (Mr. Philip A. Hart) is absent because of illness.

Mr. GRIFFIN: I announce that the Senator from Pennsylvania (Mr. Hugh Scott) is necessarily absent.

The result was announced—yeas 47, nays 48, as follows:

[Rollcall Vote No. 433 Leg.]

YEAS—47

Abourezk
Allen
Baker
Beall
Bentsen
Biden
Brock
Brooke
Bumpers
Burdick
Chiles
Church
Clark
Cranston
Culver
Durkin
Eagleton
Ford
Griffin
Hart, Gary W.
Haskell
Hathaway
Humphrey
Jackson
Kennedy
Leahy
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Pastore
Percy
Proxmire
Ribicoff
Roth
Schweiker
Stone
Symington
Tunney
Weicker

NAYS—48

Bartlett
Bellmon
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Glenn
Goldwater
Hansen
Hatfield
Helms
Hollings
Hruska
Huddleston
Inouye
Javits
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
McGee
Metcalf
Packwood
Pearson
Pell
Randolph
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Williams
Young

NOT VOTING—5

Bayh
Gravel
Hart, Philip A.
Hartke
Scott, Hugh

So Mr. Clark's amendment was rejected.

ADDITIONAL STATEMENTS SUBMITTED ON SENATE RESOLUTION 275

Mr. MUSKIE. Mr. President, I support the Federal Election Commission's revised regulation governing constituent communications accounts maintained by officeholders.

Contributions made for the purpose of enabling a Federal officeholder to communicate his views to his constituents will clearly be of some benefit to an incumbent's candidacy during a period immediately prior to an election. The same is true of contributions to nonincumbents who maintain similar accounts for the purpose of communicating his or her views.

The revised regulations proposed by the FEC would have expenditures made from such contributions applied against the campaign spending limits of incumbent candidates during the last 2 years of a Senator's term of office and during the last year of a House Member's term. The same could apply to nonincumbents seeking election to the Senate or House.

It is obviously difficult to define with any precision the period of time before an election that such expenditures would benefit a candidate, but I believe the proposed regulation in its revised form establishes a reasonable standard.

Regardless of the nature or purpose of constituent communications—and the proposed regulation does not address this issue—it is consistent with the language of the Federal Election Campaign Act that expenditures made for this purpose from contributions should be applied against the campaign expenditure limits set forth under the statute at some point prior to an election.

Nevertheless, I wish to make it clear that since passage of the act last year, I have had increasing reservations about the constitutionality and wisdom of fixing limits on the amount of money which any candidate for Federal office can expend on his campaign.

The right to communicate one's views to the voters, and the right of voters to make a choice among candidates based upon an informed judgment of what a candidate stands for, is basic to our democratic process. As a practical matter, exercising this right today requires access to expensive commercial communications media. Spending limits which restrict that access may, in my opinion, be inconsistent with the first amendment freedoms embodied in the Constitution.

This issue is presently before the courts and, as the Supreme Court indicated Monday, will be decided in the next few months.

Today, the only issue before the Senate is whether, under the language of the present statute, expenditures made from contributed funds by persons seeking election to Federal office should be applied against the statutory campaign spending limits during a reasonable period prior to an election.

On that narrow issue, I believe the

regulation proposed by the Federal Election Commission should become effective.

Mr. BELLMON. Mr. President, as a Member of the Senate, I never have maintained a so-called office account. In my opinion, contributions made to Members after their election are highly questionable and should not be allowed. The problem is that no matter how innocent the intent of the giver or recipient may be, so long as gifts of money are accepted there is always the possibility and frequently the suspicion that some special favor is expected of the elected official in return. However, if Federal law is going to permit "office accounts," it is imperative that the regulations governing their use be drafted in a proper manner with rigidly drawn guidelines. Because these regulations fail to meet this objective, I intend to vote with the Rules Committee to disapprove the regulations submitted on September 30, and for Senate Resolution 275.

Mr. President, I cast my vote in this manner in the hope that the Election Commission will tighten the regulations with the view of ending the practice of Members maintaining office accounts which are supplied by private gifts of money.

Although I fully support the idea of rigid regulations governing the campaign contributions and expenditures from any office accounts which may exist, the proposed regulations are too loosely drawn and create several problems which must be corrected.

First, the regulations provide that any expenditures made by a Senator during the last 2 years of his term creates a "rebuttable presumption" that these expenditures are made for political purposes. This presumption places the Member in an untenable position. Because the regulations do not clearly define what is or is not a political expenditure, a Senator could easily be forced countless times, on frivolous charges, to defend expenditures of his own money before the Federal Election Commission. According to the report filed by the Rules Committee—

> The Rebuttable presumptions possibility troubles the committee in that the judgment as to whether expenditures are political or not could be very difficult, subjective and without standards or guidelines for fairness and uniformity.

Clearly the regulations must be more tightly drawn defining what is or is not a political expenditure. For example, although a Member does not have an office account, regulations should allow personal expenditures for official purposes without the danger that these outlays could be interpreted to be political in nature.

My second objection with these regulations is that they apply solely to incumbents. A potential candidate for Federal office does not have to account for similar expenditures until he has formally announced. This double standard should be eliminated so that expenditures of both incumbents and nonincumbents are treated equally. The Rules Committee has stated that the regulation would be acceptable "if it were drafted in such form as to treat every Federal officeholder, non-Federal officeholder, and other potential candidates equally."

Mr. President, the regulations of the Election Commission will have a major and lasting affect upon our system of elections. The Senate must be alert that irreparable harm is not permitted. The regulations before us today are harmful to the election process and should be disapproved.

Mr. MORGAN. Mr. President, I intend to vote against Senate Resolution 275. This resolution disapproves regulations that are proposed by the Federal Election Commission. Under the regulations proposed by the FEC, those of us in the Senate would have to report receipts and expenditures from our office accounts in the same manner as political contributions and expenditures are required to be reported. In addition, the FEC, through the regulations concerned, is asking that expenditures made from the office account be counted against each Senator's quota for his next reelection effort.

I am voting against this resolution because I think the American people have a right to know about office accounts, where the money for the accounts comes from and where it goes. However, Mr. President, let me make it perfectly clear that with the present restrictions put on appropriated funds to be used for expenses necessary to holding the office of U.S. Senator, there is a necessity for an office account of this sort. We in the Senate fail to recognize reality when we try to live under outdated rules not allowing us to enjoy many of the necessities of running an office which are commonplace among business and industry and even most departments and agencies of the Federal Government.

I am not necessarily asking that more money be appropriated to be used for running our offices. However, I do believe that we should study the rules under which we are living concerning the use of appropriated money with the view toward revamping those rules to provide for expenditures which will bring us into the daylight of good office management and constituent assistance.

Mr. JAVITS. Mr. President, I must support the committee resolution disapproving the regulation proposed by the Federal Election Commission pertaining to office accounts of Federal officeholders. So that a more just regulation may be submitted.

Recently the Commission modified its regulation to provide that as regards Senators, expenditures will be presumed to be noncampaign related during the first 4 years of a Senate term and will be presumed to be campaign related and subject to the expenditure limitations of the law during the last 2 years of a term.

I believe that this regulation is unduly restrictive and will circumscribe the functioning of Members' offices in a way which will inhibit effective representation. In many cases Members have found it necessary to spend their own money on items such as staff travel, meetings and conferences with outside experts and establishment of task forces on legislative problems which do not neatly fit into the category of expenditures payable out of the allotment made to each Senator. Therefore, it may become necessary for Senators to establish office accounts which are not related to campaign activities but which will be used to pay for noncampaign activities not reimbursable out of a Senator's office allotment.

The question of disclosure is not involved there must and will be public disclosure. I believe that some restriction on the establishment of office accounts should be formulated by the Commission. However, a 2-year presumption does not seem reasonable since in the great majority of cases campaign activities do not really get started until the beginning of the election year when the choice of the parties becomes clearer. Thus I would support a 1-year ban but I cannot support a 2-year ban.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. CANNON. Mr. President, I am willing to yield back the remainder of my time. I yield back the remainder of my time, and I ask for third reading.

Mr. HATFIELD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agred to.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The PRESIDING OFFICER. The pending business is the amendment by the Senator from Kansas, in the nature of a substitute.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Massachusetts.

AMENDMENT NO. 963

Mr. KENNEDY. Mr. President, I understand that we are going to debate the Sinai resolution at the present time. I have a perfecting amendment on behalf of myself and the Senator from South Carolina (Mr. HOLLINGS) to the Pearson-Bentsen amendment to S. 2310. All I would like to do is submit it at the present time and have it considered when the leadership calls up this matter.

Therefore, I send to the desk an amendment on behalf of myself and the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Michigan (Mr. PHILIP A. HART) and ask that it be considered at the appropriate time. I call it up and make it the pending amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts, for himself and Mr. HOLLINGS, proposes an amendment to the amendment numbered 919.

The amendment is as follows:

AMENDMENT No. 963

On page 32, immediately below line 20, insert:

"TITLE III—ENERGY COMPANY DIVESTITURE

"SHORT TITLE

"SEC. 301. This title may be cited as the 'Energy Company Divestiture Act'.

"DEFINITIONS

"SEC. 302. For purposes of this subsection, the term—

"(1) 'petroleum products' means gasoline, kerosene, distillates (including number 2 fuel oil), residual fuel oil, liquefied petroleum gas (LPG), refined lubricating oil, or diesel fuel;

"(2) 'major market share' means that proportion of the market for petroleum or petroleum products, as determined by the Federal Trade Commission, which places any person among the largest 20 domestic producers of crude petroleum on January 1, 1975;

"(3) 'energy company' means any person engaged in the business of producing, refining, storing, transporting, distributing, selling, or otherwise furnishing energy, from whatever source derived, to the public, except that such term does not include any person directly or indirectly engaged in the production of crude petroleum products who possesses a major market share; and

"(4) 'asset' means any property, whether real or personal, and includes stock in any corporation, any evidence or indebtedness of any corporation, and any interest in a joint venture or partnership.

"ILLEGAL ACTIVITIES

"SEC. 303. (a) Effective three years after the date of enactment of this Act, it is unlawful for any person directly or indirectly engaged in the production of crude petroleum or petroleum products—

"(1) who possess a major market share to buy, acquire, hold, own, or control in any manner whatsoever any asset of any other energy company in the United States; or

"(2) to have and retain any officer or director who is an officer, director, or member, or who, as a stockholder, holds a controlling interest in any energy company in the United States.

"(b) No person who purchases, acquires, holds, owns, or controls any interest related to the production of petroleum and natural gas shall be deemed to be in violation of subsection (a) of this section solely because of the purchase, acquisition, holding, ownership, or control of the interest related to the production of natural gas.

"REPORTS

"SEC. 304. Each person who on or after the date of enactment of this title owns or controls any assets prohibited by section 303 and any other person designated by the Federal Trade Commission shall, within one hundred and twenty days and at such other times as the Commission may designate, file with the Commission such information and reports about such assets as the Commission may request.

"ENFORCEMENT

"SEC. 305. (a) The Federal Trade Commission, in accordance with the rules, regulations, or orders it deems appropriate to carry out the purposes of this title, shall require each person covered by section 303 to submit within one year of the date of enactment of this title a plan or plans for divestment of prohibited assets. If, after notice and opportunity for hearings, the Commission shall find the plan, as submitted or as modified by Commission order, necessary or appropriate to effectuate the provisions of this title and fair and equitable to affected persons, the Commission shall approve the plan by order and shall take all necessary actions to enforce the plan: *Provided*, That no plan shall be approved which will not substantially accomplish divestment not later than three years from the date of enactment of this title.

(b) The Federal Trade Commission shall institute suits in the district courts of the United States requesting the issuance of such relief as is appropriate to assure compliance with this title, including orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willful failure to comply with lawful Commission orders.

(c) In carrying out the provisions of this title, the Federal Trade Commission is authorized to utilize all powers conferred upon it, and all sanctions associated therewith, by other provisions of law.

"PENALTIES

"SEC. 306. (a) Any person who knowingly or wilfully violates any provision of this title shall, upon conviction, be punished, in the case of an individual, by a fine not to exceed $500,000 or by imprisonment for a period not to exceed ten years, or both, or in the case of a corporation or other entity, by a fine not to exceed $5,000,000 or by suspension of the right to do business in interstate commerce for a period not to exceed ten years, or both. A violation by a corporation or other entity shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation or entity who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part, or who shall have omitted to authorize, order, or do any acts which would terminate, prevent, or correct conduct violative of this title. Failure to obey any order of a court pursuant to this title shall be punishable by such court as a contempt of court.

(b) Any person who violates a lawful order of the Federal Trade Commission issued pursuant to this title shall forfeit and pay to the United States for each violation a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

Mr. KENNEDY. Mr. President, I have no intention of discussing or debating the amendment at this time. All I have done is to assure that it will be the pending matter when we take up the natural gas issue again.

SINAI EARLY-WARNING SYSTEM

Mr. MANSFIELD. Mr. President, in compliance with the will of the Senate, expressed on yesterday, I now call up Calendar No. 406, Senate Joint Resolution 138, and ask that the joint resolution be made the pending business and that the previously pending business be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 138) to implement the United States proposal for the early-warning system in Sinai.

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats.

Mr. MANSFIELD. Mr. President, for the information of the Senate, we will be in session at least until 9 o'clock tonight and perhaps later. As the Senator knows, we are faced with a time factor in the consideration of the pending business, which is the so-called Sinai settlement.

This afternoon, the joint leadership met with a number of Senators, not all of whom we would have liked to meet with, and at that time we discussed the possibility of a time limitation.

It was agreed informally, providing the rest of the Senate agrees to the formula, that there will be votes tonight, there will be votes tomorrow, there will be a reasonable time limitation on amendments, which will be expounded later, and it was agreed that the vote on final passage—again, the Senate concurring—will occur no later than 4 o'clock Friday afternoon.

At this time I call upon the assistant majority leader to propound a unanimous-consent request which I believe will fit in with what was discussed this afternoon.

ORDER FOR RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GLENN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. GLENN be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF SENATE JOINT RESOLUTION 138

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for the recognition of Mr. GLENN on tomorrow, the Senate resume consideration of Senate Joint Resolution 138.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL 8:45 A.M. FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the

Senate completes its business on tomorrow, it stand in recess until 8:45 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR CURTIS AND FOR CONSIDERATION OF S.J. RES. 138 ON FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Friday, Mr. Curtis be recognized for not to exceed 15 minutes, after which the Senate resume consideration of Senate Joint Resolution 138.

The PRESIDING OFFICER. Without objection, it is so ordered.

SINAI EARLY-WARNING SYSTEM

The Senate continued with the consideration of the joint resolution (S.J. Res. 138) to implement the U.S. proposal for the early-warning system in Sinai.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I am authorized to request the following agreement:

I ask unanimous consent that a vote occur on final passage of Senate Joint Resolution 138, with paragraph 3 of rule XII waived, no later than 4 p.m. on Friday; provided that there be a time limitation for debate thereon of 3 hours, 1½ hours to be under the control of Mr. Biden, 1½ hours to be under the control of Mr. Case; provided further that for each of the following named Senators, there be the following specified hours set aside for debate: For Mr. Harry F. Byrd, Jr., not to exceed 1 hour; for Mr. Biden, not to exceed 1 hour; for Mr. Abourezk, not to exceed 4 hours; for Mr. McClure, not to exceed one-half hour; for Mr. Helms, not to exceed one-half hour; for Mr. William L. Scott of Virginia, not to exceed 1 hour;

That on a motion to recommit by Mr. Abourezk, there be 1 hour allotted to Mr. Abourezk; that on specified amendments, the following Senators be recognized for the times stated: On an amendment by Mr. Mathias, he be allowed 1½ hours for his presentation; for Mr. McClure, not to exceed 1 hour; that on each of two Biden amendments, Mr. Biden be recognized for not to exceed 1 hour; that on an amendment by Mr. Abourezk, Mr. Abourezk be recognized for not to exceed 1 hour; that on an amendment by Mr. Haskell, Mr. Haskell be recognized for not to exceed 1 hour; that on each of three amendments by Mr. Clark, Mr. Clark be recognized for not to exceed 1 hour; provided further that time in opposition to each of these amendments be under the control of Mr. Case and that, in each instance, he have only one-half as much time as is allotted to the proponent of the amendment.

Mr. CASE. That would in no instance be less than a half hour.

Mr. ROBERT C. BYRD. That would in no instance be less than a half hour, where amendments are specified.

Mr. CASE. And on general debate——

Mr. ROBERT C. BYRD. One and a half hours for the Senator from New Jersey and 1½ hours for Mr. Biden.

Provided further that Mr. Helms may use his one-half hour for debate or he may use it in the alternative, for the offering of an amendment; provided also that Mr. William L. Scott may use his 1 hour either for debate or for the offering of an amendment; ordered further, Mr. President, that in accordance with the usual form, Senators in control of the time for general debate may yield therefrom to any Senator on any amendment, debatable motion, point of order, or appeal; provided further that time on any other amendment be limited to 30 minutes, to be equally divided and controlled in accordance with the usual form; and that time on any debatable motion or appeal be limited to 30 minutes, to be equally divided in accordance with the usual form; and that time on any point of order, if submitted to the Senate by the chair for discussion, be limited to 20 minutes, the time to be divided equally in accordance with the usual form.

Mr. HOLLINGS. Mr. President, please put me down there with an amendment for 1 hour.

Mr. ROBERT C. BYRD. Mr. President, I add the name of Mr. Hollings for 1 hour, under his control, on an amendment to be offered by him.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, I have an amendment which I intend to offer which will, in part, deal with the potential use of the U.S. military forces or equipment operated by U.S. military forces in the Sinai or, second, in assuring oil shipments for the State of Israel. The amendment would seek to prevent the use of American military forces and I want to make sure that this agreement includes a waiver of any rule of germaneness for that particular amendment.

Mr. ROBERT C. BYRD. Mr. President, if the amendment which the Senator is planning to offer is the amendment that is covered by the 1 hour specified in the agreement we have reached, his amendment would be in order, because it would have been specified in the argument.

Mr. ABOUREZK. I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Mr. President, I do not think the Senator mentioned what will happen to the time in opposition to amendments. It is understood that the manager—to wit, Senator Case—may parcel that out as he will, is that correct?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Second, the subject of motions to table was not covered. Is that reserved to any Senator? Any Senator may move to table an amendment and votes will come at the end of the time for debate on each amendment, is that correct?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. JAVITS. In other words, it will not all be saved up until the end.

Mr. ROBERT C. BYRD. The Senator is correct unless, by unanimous consent, the Senate decides otherwise.

Mr. JAVITS. I understand, but there is no such unanimous consent now?

Mr. ROBERT C. BYRD. There is not.

Mr. JAVITS. Next, as to the time reserved to each Member, is that Member required to use that time en bloc, or can he, as if there were a cloture, parcel it out to himself—5, 10, 15 minutes at a time?

Mr. ROBERT C. BYRD. He may do whatever he wishes with his time.

Mr. JAVITS. He has that allocation?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Finally, has the Senator computed, because it is much too quick for us—and I am entirely in favor of what he is seeking to accomplish—the fact that it leaves enough time for other Members to debate? I assume—and I hope the Senator will confirm this—that recognition continues up to the Chair, whatever may be the stipulated allocations of time, so that other Members may be recognized whenever the Chair chooses to recognize them, without having to feel preempted by those who have gotten these reservations of time?

Mr. ROBERT C. BYRD. Yes, it is not believed that all of the time allotted will be taken—this is subject to correction; I hastily tried to compute—I think something like 22 hours would be required. But two or three Senators have indicated that they will probably attempt to merge their amendments, in which case the time will be reduced significantly. Mr. Case has indicated that he and Mr. Humphrey will not likely use all the time in opposition in each instance. The same has been indicated by some of the Senators to whom specified time has been allotted for debate.

If the Senator will pardon me, I should like to ask unanimous consent that the time allotted to Mr. Case—and this is the direction that was given to me earlier—be equally shared by Mr. Humphrey.

Mr. CASE. Mr. Humphrey is the leader.

Mr. HUMPHREY. We shall work it out.

Mr. JAVITS. If the Senator will yield further.

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. The point of my inquiry is that other Members, including myself, who are deeply involved and have contributions to make to the debate, will be called upon to answer arguments made in the debate. All I want is the Senator's assurance that we shall operate that way here, and I am entirely agreeable, that there will be reasonable counting for the purpose of the expression by other Members, who may not have stipulated these particular allocations of time, to deal with the debate in a way which will be the most illuminating to the Senate.

Mr. ROBERT C. BYRD. Yes, I am sure there will be no problem in that regard. If the Senators who have amendments will be on hand and ready to call them up when the opportunity occurs. I think that it will be nearer to 25 hours if all the time allotted is used.

Mr. JAVITS. In view of that fact, may I ask one other question? The various times allotted, I assume, are given to Members to deal with amendments. Those same Members will not be allotted, therefore, the usual half-hour when they make an amendment?

Mr. ROBERT C. BYRD. Exactly.

Mr. JAVITS. In other words, the time is not cumulative. The Member has been allocated time in the unanimous consent to deal with an amendment. That is his time to deal with his case, or those to whom he wishes to yield, period. We do not add to that time as if there were an amendment presented and he has whatever time we are allowing.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. JAVITS. Are amendments to amendments provided for?

Mr. ROBERT C. BYRD. They are.

Mr. JAVITS. I thank my colleague. I think he has done a great job.

Mr. HASKELL. Mr. President, reserving the right to object, if I understand what the Majority Whip has said, certain Senators have amendments that may be merged. I certainly would want to reserve, on my behalf, if I merge my amendment with someone else's, my rights as stated by the assistant majority leader.

Mr. JAVITS. I understand.

Mr. ROBERT C. BYRD. The Senator from Colorado (Mr. HASKELL) would have 1 hour and may use that in any way he sees fit.

Mr. McGOVERN. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. McGOVERN. I have an amendment that I think will be accepted that probably can be disposed of in 20 or 30 minutes. Does the Senator's request accommodate an amendment such as that?

Mr. ROBERT C. BYRD. It does. It accommodates any Senator who wishes to offer an amendment, but the time limitation would be 15 minutes to a side. The Senator's name is not specified.

Mr. McGOVERN. I would like to request time to offer an amendment that could be handled in 30 minutes.

Mr. ROBERT C. BYRD. Fifteen minutes on each side?

Mr. McGOVERN. Fifteen minutes on each side.

Mr. ROBERT C. BYRD. That is covered by the agreement.

Mr. HUMPHREY. Mr. President, a clarifying question. When the time is yielded for an amendment to be offered by Mr. HASKELL, who has an hour, does the opposition, the floor manager of the bill, whoever is in charge, have equal time?

Mr. ROBERT C. BYRD. No, he has half as much time.

Mr. HUMPHREY. There is an hour on an amendment equally divided?

Mr. ROBERT C. BYRD. No. I confused the Senator. Let us take Mr. HASKELL. He has one hour on his amendment. The opposition would have 30 minutes, which would not come out of Mr. HASKELL's time.

Mr. HUMPHREY. All right. And that is the prevailing rule on all amendments?

Mr. ROBERT C. BYRD. Yes, on those specified.

Mr. HUMPHREY. That is the prevailing rule on all amendments announced.

Mr. ROBERT C. BYRD. That is correct. But on amendments not specified, a half hour equally divided.

Mr. HUMPHREY. That is the point.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. I did not understand from the way the request was posed, are we still going to vote at 4 o'clock?

Mr. ROBERT. C. BYRD. Not later than 4 o'clock. I anticipate the Senator's question. There are not 25 working hours between now and then, even if we run the Senate a long day tomorrow and late into the evening today. But we have had these agreements before, and I have seen them work out all right, and I am sure this one will.

Mr. CHILES. But the vote will occur at 4 o'clock?

Mr. ROBERT C. BYRD. Not later than 4 o'clock.

Mr. CHILES. Not later than 4.

Mr. ROBERT C. BYRD. Yes, Friday.

Mr. CHILES. Friday.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. JOHNSTON. May the Senators plan to leave town at 4 o'clock Friday?

Mr. ROBERT C. BYRD. I will have to have the distinguished majority leader respond to that.

Mr. MANSFIELD. We will do our best, but we are still working on the emergency gas bill legislation, and we will have to see how this comes out, but this has priority at this time.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. BIDEN. In the event amendments not announced thus far would come up prior to those amendments on which we have been granted time, and it turns out we are running up to 4 o'clock on Friday, and the Senators who have been allotted specific time have yet to have an opportunity, which is the controlling element of the unanimous-consent requirement, that there be a vote at 4——

Mr. ROBERT C. BYRD. That is.

Mr. BIDEN (continuing). Or the Senator's amendment?

Mr. ROBERT C. BYRD. 4 p.m. Friday is the controlling element.

Mr. BIDEN. Well, I am not sure that even though I suggested this be the procedure, I am not sure that I would be prepared to agree to that, and I am not sure that I would not object.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senator will not object. I am sure he will have an opportunity to propose his amendment.

The PRESIDING OFFICER. The Chair inquires of the Senator from West Virginia whether he did not intend in requiring these amendments, in framing the unanimous-consent agreement, that the usual form as to germaneness not apply.

Mr. ROBERT C. BYRD. I said nothing about that. That is up to the Senate. Senator ABOUREZK is protected in his specified amendment.

The PRESIDING OFFICER. Any amendment specified in the request would be protected.

Mr. ROBERT C. BYRD. Yes, yes.

Mr. GRIFFIN. Otherwise, amendments would have to be germane.

Mr. ROBERT C. BYRD. Well, I will have to include that in the request. I ask unanimous consent that the agreement be in the usual form.

Mr. JAVITS. Mr. President, if the Senator will yield on that, if an amendment is not germane, which is protected—and I thoroughly agree with that—may an amendment to that amendment also be protected as to germaneness as long as it is germane to the amendment which is pending?

Mr. ROBERT C. BYRD. That would follow as a matter of course.

Mr. JAVITS. I thank my colleague.

Mr. BIDEN. Reserving the right to object, I assume there will be a good faith effort to assure that we do not run into that situation whereby those granted time would be precluded because of every other Senator standing up.

Mr. CASE. You mean an honest effort.

Mr. BIDEN. Honest effort, and no binding commitment.

Mr. ROBERT C. BYRD. I would only hope that Senators who have the specified amendments would be on the floor and be ready to offer them and take advantage of the opportunity while the time is running, beginning tonight. In this way, those Senators will protect themselves.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

The text of the unanimous-consent agreement as subsequently reduced to writing is as follows:

Ordered, That during the further consideration of S.J. Res. 138, a joint resolution to implement the United States proposal for the early-warning system in Sinai, debate on any amendment, debatable motion or appeal (except as specified below) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, and debate on any point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution. Time for debate on the following amendments shall be as listed:

Abourezk—1 hour—also 1 hour on a motion to recommit.

Biden—2 amendments, 1 hour each.

Clark—3 amendments, 1 hour each.

Haskell—1 amendment, 1 hour.

Mathias—1 amendment, 1½ hours.

McClure—1 amendment, 1 hour.

In each case the time listed above is allotted to the proponent, and the Senator from New Jersey (Mr. Case) will have half as much time in each case under his control in opposition: Provided, That no amendment that is not germane to the provisions of the said resolution shall be received.

Ordered further, That on the question of agreeing to the said resolution, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from New Jersey (Mr. Case) and the Senator from Delaware (Mr. Biden): Provided, That the said Senators, or either of them, may, from the time under their control on agreeing to the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal or point of order.

Ordered further, That on the question of passage of the resolution, the following Senators shall have time as listed:

Abourezk—4 hours.
Biden—1 hour.
Byrd, of Va.—1 hour.
Helms—30 minutes.
McClure—30 minutes.
Scott, of Va.—1 hour.

Provided, That the Senator from North Carolina (Mr. Helms) and the Senator from Virginia (Mr. Scott) may use the time allotted to them either for debate on the resolution or for the purpose of offering an amendment.

Ordered further, That the vote on final passage of the resolution occur no later than 4:00 p.m. on Friday, October 10, 1975.

(The above agreement excludes the 1 hour specified on the Hollings amendment since action had already been taken thereon.)

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the majority leader.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, for the information of the Senate there very likely will be votes this evening, and it is anticipated that the vote which will take place between 9 and 10 o'clock will be that by the distinguished Senator from South Dakota (Mr. ABOUREZK) which will seek to recommit the bill back to the Committee on Foreign Relations. So all Senators are on notice that as far as the leadership is concerned and, in good faith, there will be an amendment offered tonight, and there will be votes.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. PASTORE. Will we have a vote on the Abourezk amendment tonight?

Mr. MANSFIELD. Tomorrow. He will lay it before the Senate, and it will be the pending business tomorrow. We want to get to it about 11 o'clock if all the time is used.

Mr. PASTORE. It really does not make any difference to me. My wife is in Rhode Island. (Laughter.) But I would like to ask is there going to be a vote tonight, and can we not get an understanding.

Mr. MANSFIELD. Yes, there will be votes. The Senator from Delaware has some amendments on which he is going to ask for the yeas and nays.

Mr. BIDEN. It is unlikely that that will be done. In the interest of saving time we tried to merge four amendments, those of the Senator from Illinois, the Senator from Colorado, the Senator from Iowa, and myself, and we are in the process of working out the language. I cannot guarantee that we will be able to bring that amendment up tonight. I think it would save everyone's time if we bring it up when we have a compromise.

Mr. MANSFIELD. We had better use the time, because, as the Senator from Delaware brought out so cogently, we have to use the time and be in good faith and honest with the membership, and the Senator from Colorado will bring up his amendment tonight and ask for a yea and nay vote. I believe the Senator from Iowa has an amendment, and the Senator from South Dakota has more than one amendment. So the intent is to have votes tonight and have amendments offered, and the distinguished Senator from South Carolina is now ready to offer his amendment.

Mr. CASE. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes.

Mr. CASE. Can we have an understanding that we will quit at 9 o'clock tonight?

Mr. MANSFIELD. Between 9 and 10. It all depends. Give us a little leeway, as close to 9 as possible.

Mr. PASTORE. Mr. President, if the majority leader will yield for a further inquiry, could we not get a commitment from the people who are suggesting amendments that they will come up for a vote tonight? Can we not get an understanding on it?

Mr. HOLLINGS. Oh, yes.

Mr. PASTORE. Will we have a vote on it?

Mr. MANSFIELD. Maybe we ought to have Senator MATHIAS over here, who has a very worthwhile amendment.

Does the Senator from Nebraska have an amendment?

Mr. CURTIS. No.

Mr. MANSFIELD. The Senator from Alabama has an amendment which he showed me. Will the Senator bring it up tonight?

Mr. ALLEN. Right away.

Mr. PASTORE. All right, as long as we vote.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. ABOUREZK. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. For what purpose?

Mr. ABOUREZK. Under the semiofficial agreement I am to lay down——

Mr. HUMPHREY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ABOUREZK. I am to lay down the motion to recommit tonight with the agreement, the understanding, that it will be debated tomorrow morning according to the agreed-upon time, and voted on at the end of the agreed-upon time, and I would like to know if it is all right with the Senator from Minnesota if I laid it down right now, with the unanimous-consent agreement that the debate on it start tomorrow morning.

Mr. HUMPHREY. Providing, Mr. President, it does not interfere with any other amendment in the intervening time.

Mr. ABOUREZK. That is fine.

The PRESIDING OFFICER. It would require a unanimous-consent agreement to permit other amendments to come in.

Mr. HUMPHREY. Mr. President, on that basis I ask unanimous consent that the Senator from South Dakota be able to lay down his amendment tonight, what is the purpose?

Mr. ABOUREZK. A motion to recommit.

Mr. HUMPHREY. A motion to recommit. I ask also that other amendments may be acted upon in the intervening period.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, may I propound the request?

The PRESIDING OFFICER. Will the Senator suspend until there is order?

Mr. HUMPHREY. May I add that it be the pending business when we return to the bill after considering the amendments that may be offered this evening.

Mr. ABOUREZK. If I could propound a request, I have in mind what the Senator would like to do. I ask unanimous consent that it be in order for me to lay down a motion to recommit this resolution at this time with the understanding that intervening business and amendments can be taken up between now and tomorrow morning at 9 o'clock or as soon as morning business is finished, whereupon the agreed-upon time for debate will take place and a vote will take place at the end of that time tomorrow morning.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no morning business tomorrow, but I think the Senate understands what the Senator has in mind.

Mr. HUMPHREY. There is a 15-minute order tomorrow morning.

Mr. ABOUREZK. As soon as special orders are concluded.

Mr. HUMPHREY. I have no objection.

The PRESIDING OFFICER. When the Senate resumes consideration. Is there objection? The Chair hears none, and it is so ordered.

Mr. ABOUREZK. I ask for the yeas and nays on that motion to recommit.

The PRESIDING OFFICER. The clerk will report the motion.

Mr. ABOUREZK. I do not have it in writing. I move to recommit this resolution, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the Abourezk motion to recommit.

The PRESIDING OFFICER. It is in order, and the request has been made. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I have an opening statement, and I intend to make it now. All Senators who wish to ask any questions may withhold them until the opening statement is made on behalf of the committee.

Mr. CASE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. CASE. Mr. President, I ask unanimous consent that my staff assistant and/or committee assistant be granted the privilege of the floor during the discussion of this matter.

The PRESIDING OFFICER (Mr. GARY HART). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield for the same request?

Mr. HUMPHREY. Yes.

Mr. JAVITS. Mr. President, I ask unanimous consent that Peter Lakeland of my staff be granted privilege of the floor during this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. BIDEN. Mr. President, I ask unanimous consent that Wes Barthelmes of my staff be granted privilege of the floor during this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I yield to the Senator from Rhode Island.

Mr. PELL. Mr. President, I ask unanimous consent that Richard Haass of my staff be granted privilege of the floor during the course of the debate on the Sinai matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Michael Copps of my staff be granted privilege of the floor during this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Bob Turner of my staff be granted privilege of the floor during this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Bill Jackson of my staff be granted privilege of the floor during this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I have been asked by the chairman of the committee (Mr. SPARKMAN) to present on behalf of the majority of the committee a statement in support of the so-called Sinai agreement.

Mr. President, I commend to the Senate the enactment of Senate Joint Resolution 138, a joint resolution authorizing the assignment of 200 American technicians to surveillance duty in the Sinai. The resolution was approved by the Foreign Relations Committee on October 7 by a vote of 14 to 2. The text is identical to that of House Joint Resolution 683 which was reported by the House International Relations Committee, October 6.

The core of the resolution is contained in article 1, which authorizes the President to "implement the United States proposal for an early warning system in Sinai." Although many might have preferred that this duty be assigned to United Nations personnel, it is clear that Egypt and Israel—especially Israel—greatly prefer to have American personnel. Indeed, the agreement would not have been approved by Israel but for the assignment of American personnel.

Accordingly, it is the collective judgment of the Foreign Relations Committee that it is in our national interest to assign these 200 technicians to the Sinai as a substantial step toward a general peace settlement in the Middle East.

The committee insisted, however, on certain safeguards. Under the U.S. proposal as submitted by the administration, it is specified—in article 8—that—

> The United States may withdraw its personnel only if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary.

As an additional safeguard and also as a means of preserving Congress' prerogative, article 1 of the committee resolution specifies that—

> United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary.

Mr. BUCKLEY. Will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. I yield to the Senator for the unanimous-consent request, but I ask it be shown as not interrupting my statement.

The PRESIDING OFFICER. The Senator from New York.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that William Schneider, of my staff, be granted privilege of the floor during the course of the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, most of the rest of the bill is self-explanatory and is in any case explained in detail in the committee report. I do, however, invite the attention of the Senate especially to section 5, which makes clear that the assignment of U.S. technicians to the Sinai does not in any way signify approval—or disapproval—by the Congress of any other agreements or understandings which may have been entered into by the executive branch.

I might add here that this particular limitation or provision was hotly debated in the Senate Committee on Foreign Relations. The limitation that I have specified; namely, that the assignment of U.S. technicians to the Sinai does not in any way signify approval or disapproval by the Congress of any other agreements or understandings, is an additional precaution that the committee thought was necessary.

As Members of the Senate are aware, the proposal to assign U.S. technicians was negotiated along with two memorandums of agreement between the United States and Israel, a statement of American assurances to Israel, and a statement of assurances to Egypt. Many of the provisions of these documents will come before Congress at a later date in the form of requests for appropriations or by other means.

I should note, however, that those items are not before the Congress in this resolution.

I wish to state to the Senate that the committee is satisfied that it has been apprised by the executive of all commitments binding on the United States, and I emphasize again that it is made clear in section 5 of the joint resolution that, in assigning American technicians to the Sinai, Congress is neither approving nor disapproving the related agreements.

So, Mr. President, we have now before us a resolution which relates very directly to the prospects of peace in the Middle East.

This resolution, which would give approval to the stationing of American technicians in the Sinai, is but another step in the tedious, difficult, and long process of bringing about what we hope will be a complete and full agreement for peace in that troubled area of the world.

The report of the committee, I believe, will be very helpful to all of our Members if it is studied, and studied carefully.

I want to add one other observation about the matter before us.

Senate Joint Resolution 138, as I have indicated, is identical to the House Joint Resolution 683. The identical nature of these resolutions is due to the view of the Committee on Foreign Relations, at least of the preponderant majority, that we should have prompt action in both the House and the Senate.

It appears that if we are going to get that prompt action, we will have to avoid the possibility of conference. If such conference were requested, final action on this resolution would go over until after the October 20 period.

Ordinarily, that would not be a troublesome matter, but the agreement that we are asked here to approve is in the form of a joint resolution for the assignment of American technicians, that approval will trigger all the other actions that are necessary between Egypt and Israel to fulfill the withdrawal of certain forces, the opening of the withdrawal of Israel from certain passes that are critical to this agreement, and also the matter of further negotiations in this critical area.

I cannot overemphasize the importance of trying to keep this resolution, Senate Joint Resolution 138, in the text that it comes to us here.

I know there are many good amendments that are in the offing. Many of them will have considerable merit. But it is my judgment that if we want to get action on the Sinai agreement, to bring together the Israelis and the Egyptians to finalize the arrangements in this agreement, the time factor is of critical importance. That means that we ought to avoid a conference between the House on any additional amendments on the part of the Senate, and it also means that during the course of this debate it may be necessary, as time goes on, to table certain motions or amendments, or, at least for those of us who are in support of Senate Joint Resolution 138, to encourage our colleagues not to add additional language to this particular proposal.

Mr. President, I yield the floor.

Mr. BIDEN. Mr. President?

Mr. ABOUREZK. Mr. President?

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ABOUREZK. Will the Senator from Delaware yield for a unanimous-consent request?

Mr. BIDEN. Yes; I yield for a unanimous-consent request.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that three members of my subcommittee staff be granted the privilege of the floor during the debate, consideration, and voting on this resolution and its amendments. Their names are Alan Chvotkin, Irene Margolis, and Glenn Feldman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I do have an opening statement in opposition to the joint resolution. I will try not to take very much of the hour and a half allotted to the bill in opposition time.

Mr. President, I would like to address myself first to some of the comments made by the distinguished Senator from Minnesota (Mr. HUMPHREY), who was one of the most eloquent spokesmen for this resolution in committee.

He points out that it is the feeling of the majority of the members of the committee that it is in the national interest of the United States of America that we move forward with this resolution as expeditiously as possible. He goes on to point out that there are safeguards built into the resolution which, in fact, would make everyone in the Senate less leery about any possible commitments. He says the bill is self-explanatory.

Then he goes on to point out section 5, which I would like to read:

> The authority contained in this joint resolution to implement the U.S. proposal for an early warning system in the Sinai does not signify approval of Congress of any other agreement, understanding, or commitment made by the executive branch.

That is supposed to be the main safeguard.

Then he goes on to urge that there be prompt action.

Mr. President, the constant refrain on the part of the administration's Dr. Kissinger and the supporters of this resolution has been that we must move promptly. Otherwise, we run the risk of war breaking out and being responsible for that occurring.

Mr. President, on occasion in committee I have been a fairly strident opponent of the resolution. I have offered several amendments in committee which failed, which I will offer again, which are in opposition to this resolution.

It might be read by some that my opposition is primarily to the placement of 200 technicians in the Sinai. I would respectfully suggest that the placement of the 200 technicians in the Sinai is not the issue at all. I personally have little concern about placing 200 technicians in the Sinai. I think the analogies to Vietnam and how we got involved there are inappropriate. I do not think it is the same situation.

But it should be understood by the Senate and the American people that once, in fact, the Congress votes to put into effect the placement of 200 technicians in the Sinai, by the administration's own admission and Dr. Kissinger's admission what will happen is that the administration, through Dr. Kissinger, will sign with Egypt and with Israel the Memorandum of Agreement that has been referred to time and again during the debate in committee and which has been published in the paper. Once these Memoranda of Agreement are signed they will have the full force and effect of an executive agreement and an executive agreement has the full force and effect of a treaty in international law and is domestically a binding national commitment.

That is the position of the administration, as I understand it.

Therefore, it should be understood that once we vote today, tomorrow or Friday at 4 o'clock to place 200 technicians in the Sinai, we are also voting to approve, through a backdoor measure, all of those agreements which have been initialed by this administration, the Government of Israel and the Government of Egypt. So we are not just voting on the 200 technicians; we are voting on much more than that.

My objection is not even that the provisions of the memoranda of agreement between Israel and the United States and Egypt and the United States should not be approved. I support many of the provisions. But this Senator's position is that it is totally inappropriate for us to vote into effect those provisions without having adequate extensive debate on the impact of the United States agreeing to those provisions, because the President plans on binding the United States of America with those provisions. But this Senator's position is that it is totally inappropriate for us to vote into effect those provisions without having adequate extensive debate on the impact of the United States agreeing to those provisions, because the President plans on binding the United States of America with those provisions.

It seems to me that when the American people, by way of debate on this issue, have not even been made aware of the ramifications of the provisions that, as of last Friday, for the first time have been officially published—and not even officially published, I guess; the committee declassified but there was some question as to whether we had a right to do that, though they have been printed in the paper time and again—the American people are going to, in effect, be having to accept a pig in a poke once we vote out these 200 technicians.

My colleagues should be aware of the fact that when, in fact, we vote out the 200 technicians, we are voting out all those particular provisions that have been referred to collectively as the memoranda of agreement with Israel and with Egypt. We are, in fact, eliminating the possibility of discussing whether or not they should be in treaty form and to what degree, if any, they are binding.

In addition to that, this Senator asked the administration, when discussing in closed session what was the binding effect of each of the provisions contained in the memoranda of agreement, if they would submit a legal memo to us delineating what they thought to be the extent of the binding commitment, if, in fact, any of the paragraphs were binding.

They did agree to do this. They, in fact, did submit such a legal memorandum to us. Mr. Monroe Leigh, the legal adviser of the State Department, forwarded it to us. We had it before us when Secretary Kissinger was appearing in open session, I believe on Monday.

But the unfortunate part is that the document, the legal memorandum to which I referred, was classified secret and confidential. So there was no way by which we could even question the administration in open session, or debate here in the Chamber of the Senate, whether or not the degree of binding effect that the administration feels each provision has does in fact have that binding effect, or whether it should have that binding effect.

So we are in the anomalous position of having disclosed to the press four documents which prior to that time had been considered classified, which may or may not bind the United States of America to far-reaching commitments in terms of dollars, potentially in terms of military force, and potentially in terms of diplomatic sanctions. We are not even able to discuss whether or not the administration has the right to bind us that way and, furthermore, whether or not their own interpretation of the agreements is an accurate one, or whether it should be what we agreed to.

So I hope that my colleagues—and it really is a false hope, because no one here is listening to it except the people who have already listened to it—will be aware of the fact that when they vote, if they do, to agree to this resolution, they are putting into full force and effect all of the provisions that are stated in the Memorandum of Agreement which exists between the United States and Israel and between the United States and Egypt.

Lastly, it should be noted that there are several documents which only the ranking Republican member and the chairman of the Committee on Foreign Relations have had an opportunity to see, to the best of my knowledge, which are still classified, and which the U.S. Senate as a whole has not even had an opportunity to be aware of.

The only appropriate analogy to Vietnam that I think exists is that we apparently have not learned one of the lessons. Everyone always stands up now and says, "If there is any one lesson to be learned from Vietnam, it is such and such."

Well, I am about to state what the true lesson of Vietnam should have been, and that is that the American people are not prepared to, are not willing to, and will not submit to extensive commitments to foreign countries without first being fully aware of what the commitments are, the implications of those commitments, and the degree to which the U.S. Government is bound by those commitments.

I respectfully suggest that when we vote out this resolution, the American people will once again be asked to in fact be bound by something the extent of which they do not know, and the implications of which they are not sure of, and all the talk about "open covenants openly arrived at" in fact will have little or no merit.

There are several amendments which I and other Senators will introduce concerning this resolution. The first one, which we are not going to call up now, but which I shall speak to very briefly, deals with the secrecy question, the question of whether or not we should declassify the legal memorandums that the State Department has sent up interpreting the binding effect of the Memorandum of Agreement. I hope that we will not——

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. BIDEN. Yes.

Mr. ABOUREZK. I would just like to ask a question on my time, Mr. President.

So far as that classified memorandum is concerned, does the Senator intend to offer an amendment to declassify that tonight?

Mr. BIDEN. No, I do not believe I will offer it tonight. We are trying to work out the exact language right now.

Mr. ABOUREZK. All right. I ask the Senator from Delaware this question: That memorandum was based upon secret documents that have heretofore not been declassified or made public; is that correct?

Mr. BIDEN. That is right.

Mr. ABOUREZK. All right. Since that memorandum was based upon classified material which is no longer classified, would it follow that the memorandum should automatically be declassified?

Mr. BIDEN. I would think that it should automatically be declassified, but the administration's position is that the reason why they had to keep it secret and confidential is because they refuse, to date, to admit that it has been declassified, that is, the four documents to which it refers. They continue to insist that they are still classified, that they should remain classified, therefore, the comments on classified documents have of necessity the requirement that they be classified. There are some members of the committee who have insisted and argued very eloquently that we had no right to declassify to begin with, and maybe in fact we did not declassify according to the rules, and, therefore, that maybe it is not declassified.

I am not sure whether I understand all that argument, but the point is that the press had the classified documents before we even took the action to declassify, which some suggest maybe we did not have the right to do to begin with, and, therefore, the documents may still be classified.

If the Senator from South Dakota can follow that and understand the logic of it, he is a better man than I; and I admit that I am taking considerable liberty in stating the argument of the opposition in this respect.

Mr. ABOUREZK. I understand the Senator very clearly.

Mr. BIDEN. I thank the Senator. I yield the floor, Mr. President.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FORD). On whose time?

Mr. HUMPHREY. I asked the Senator to yield. I will put it on my time.

The PRESIDING OFFICER. He said he was yielding the floor.

Mr. HUMPHREY. I am sorry. I did not understand. I yield from the time on the bill, then.

I think the point needs to be made for the record that all the documents that relate to the commitments of the United States of America to either Israel or Egypt have been published, either by the New York Times or other portions of the press, or by the declassification that was undertaken by the Senate Committee on Foreign Relations. The only documents that remain unrevealed to the general public are those arrangements or commitments that were made by Israel and Egypt to one another, not to the United States but to one another, where we were the conduit or the messenger, so to speak.

I want it very clear that the documents that relate to any assurances, understandings, intentions, or commitments by the United States of America to either Israel or Egypt have become public documents. They have been released; they have been printed in the public press; they have been declassified by the committee; and the chairman of the committee and the distinguished ranking Republican member of the committee have placed in this report, on page 2, the statement that was made to the members of the committee relating to those documents which I have referred to as being only the commitments of Egypt to Israel or Israel to Egypt, where the United States of America does not have any binding agreement.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Let me just read this. Senator CASE is here with us and can comment on it. I hope he will. It reads as follows:

> Senators Sparkman and Case told Committee Members:
>
> Apart from certain assurances and undertakings which we have been responsibly informed have been in effect since before the beginning of the negotiations leading to the Israel-Egypt Agreement of September 4, 1975, the documents shown to us disclose no assurances or undertakings by the United States which differ significantly from those which have been presented to the full Committee.

Now, Secretary Kissinger, in a statement quoted on page 2 of the committee report, says as follows:

> I hereby certify on behalf of the President and the Administration that the documents on the Sinai disengagement which we have provided to the Committee in connection with the United States proposal for stationing technicians in the Sinai, include all the undertakings, commitments, and assurances which the United States regards as legally binding or which will become legally binding upon signature of the two Memoranda of Agreement. It also includes all the undertakings, commitments, and assurances upon which either Israel or Egypt is legally entitled to rely.

I bring this up for one purpose only. There is going to be an awful lot of talk about whether or not we saw all the material that was necessary. My point is not that we have seen all the documents, but it is my understanding that we have seen those documents that bind the United States, where our commitment as as a Nation and a Government is involved. There may be and there undoubtedly are documents that relate to commitments of Israel to Egypt or Egypt to Israel, in which instance the United States was the messenger or the conduit, but not the guarantor, nor legally bound.

I now yield to the Senator from New Jersey, who, by the way, has been a powerhouse of strength in the committee in getting the information that has been necessary for a full public understanding of what this is all about.

Mr. CASE. I thank our colleague.

The committee was united in its determination to get all the information that was relevant to its intelligent action on this resolution. It unanimously adopted a resolution which appears on page 2 of the report, and I emphasize that this was unanimous:

> *Resolved*, That the President is requested to inform the Committee on Foreign Relations of all the assurances and undertakings by the United States on which Israel and Egypt are relying in entering into the Sinai agreement and that there are no other assurances or undertakings.

This was responded to in writing and also in testimony by the Secretary of State who gave us the assurance that the documents, that had been furnished to the committee, did constitute all the undertakings and assurances which responded to that resolution.

Some of those were delivered to the full committee, and we looked at them in full committee. Actually, I have forgotten whether they were published before or after that in the newspaper. In any event, they were delivered to us. There were four such documents. They were called annexes E, F, G, and H, as I recall them.

In addition to that, certain documents were shown to Senator SPARKMAN and to me by Under Secretary Sisko. We looked at them once. Then fairly recently in our discussion toward the end of it, the question came up again as to what was in those things and could we say something about them. Senator SPARKMAN and I said we would like to see them again, and we did. We looked at them. At the direction of the committee, we looked at them with a view to telling the committee whether there was anything in there that they did not know about. In response to that request, we made the assurance, which Senator HUMPHREY has just read, that apart from certain assurances and undertakings, which we have been responsibly informed have been in effect since before the beginning of the negotiations leading up to this agreement, the documents shown to us disclosed no assurances or undertakings by the United States which differ significantly from those which have been presented to the full committee.

I am not a cynic. I am sure that no one denies that we are telling the truth when we say this, and I think that most people probably credit our intelligence in appraising the effect of words.

So, I think that I can say so far as it is possible we have met both the desire of the administration and the parties to the agreement that this matter be handled in this way and also the needs of the committee.

It was very much my own concern that we should not act without full knowledge, while it was Senator JAVITS' resolution—he wrote the words out, in response to a statement that I had made publicly a day or so before, in which I put the words "assurances and undertakings upon which either of the parties is relying in coming to this agreement,"—I thought was a fair statement of the whole range of underlying material which we ought to have. I think we have it. That the full committee did not look at all the documents is a matter not of my choice. I would rather they had done so. I do not relish this responsibility of looking at documents and then trying to appraise their effect for the benefit of our colleagues. But we were directed to do this by our colleague. We so acted. I think the Senator from Delaware was one of those who joined in that request.

I can say nothing more about what happened than I have. So far as within the limits that were set down before us, we have apprised our colleagues of everything that has a bearing upon the agreements that were entered into by Israel and by Egypt, and of all the assurances and undertakings, whether legally binding or not, upon which they have relied in making the agreement. Under the circumstances we could not have done more.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. CASE. Yes.

The PRESIDING OFFICER. On whose time?

Mr. BIDEN. On my time.

I wish to make, as one famous American said, three things perfectly clear.

The first thing I wish to make clear is I have been, continue to be, and anticipate in the future that I will be a friend of Israel.

The second thing I wish to make perfectly clear is, if there is any one man's judgment and integrity upon whom I would have to rely, when I could not in fact see documents which in fact are of great import and have potentially far-ranging impact upon the United States, it would be the distinguished Senator from New Jersey. There is no one who has stronger credentials than he in seeing to it that the U.S. Senate exercise its prerogative in the area of foreign policy. He has been a strident critic for years of our misadventure in Southeast Asia, and it was, I might add, a Republican named CLIFFORD CASE who got us as far as we did in terms of disclosure, where, in my humble opinion, were it not for his presence in the committee this material would not have been declassified to the extent that it has been, nor would we have even had an opportunity to debate to the degree we have had the implications in committee of this agreement.

The third thing I wish to make unequivocally clear is the most forceful and persuasive Senator that I know and with whom I almost always vote happens to be managing this bill now, the distinguished Senator from Minnesota.

Mr. CASE. Mr. President, if the Senator will yield, just put a period there and let me frame that because, I cherish what he said, I am deeply grateful to him, and I know he means it.

Mr. BIDEN. I sincerely mean it.

Mr. CASE. I am not sure he is right, whether the judgment is wise, but, I, in this matter, am disposed to accept it.

Mr. BIDEN. I do mean it.

Now that I have told the Senator what I, in fact, wished to make clear, let me make one other thing clear. It was a bad practice, and I think the Senator from New Jersey agreed.

Mr. CASE. I do not disagree one little bit.

Mr. BIDEN. It was a bad practice that a full committee not have access to the documents when the administration, as if they were doling out some piece of candy, stated in order to accommodate us that two members, the ranking member and the chairman be the only ones to examine these documents.

I object to that in principle. I do not object to the Senator they picked. I object to the principle of putting the burden upon a single member of the committee to decide what the implications are of a series of documents in terms of their effect, binding or otherwise, upon the United States.

Second, with regard to the question of secrecy and disclosure, if in fact the managers of the bill are correct, and I believe they are, as far as they went, with regard to what has been declassified, if that is the case, I fail to understand why there is any objection—and I am sure there was in committee and I am sure there will be in the Chamber—to my amendment which will call for the declassification of the legal memoranda which is the administration's interpretation of the very things we declassified. Maybe one of the Senators could respond to that.

Mr. CASE. I can only say this: In the first place, I disagree with certain of the conclusions in that memorandum.

Mr. BIDEN. So do I.

Mr. CASE. I think certain things are not binding that they say are, without congressional ratification, and I think that certain things perhaps are binding which they say are not. In any event, I do not disagree with the idea that it is a desirable thing for us to have all possible implications as to the action of which we are a part. Whether we are committed by what is stated in these documents or not, or bound by them, is another question.

We are entitled to know, before we act on any part of this thing, the whole story. We have tried to get it out.

As to the advice given by the legal adviser to the Department, there are technical reasons perhaps why the State Department is justified in withholding that on grounds of precedent. If they yield this time, will they be able to assert their privilege of internal secrecy or internal confidentiality again? I do not know. But I understand why the Senator and his colleagues are concerned about what the Department thinks or asserts about the binding quality, without congressional approval, of certain of these things and the nonbinding quality of others.

I do not think this is a controlling factor. I believe the State Department legal adviser was wrong in some of these things. While it may have practical consequences that he made the statement, I do not think it has any legal consequences, because there is nothing final about an opinion of a lawyer.

Mr. BIDEN. I respectfully disagree that the legal memorandum in fact does not have effect beyond that of the lawyer who offered it. But I suppose that debate is more appropriate for the time when I offer the amendment to declassify.

Mr. CASE. It would be my preference to have this whole thing out, as the Senator knows.

Mr. BIDEN. I understand that.

I say again that it has been the Senator from New Jersey, above everyone else in that committee, who not only has taken the time and effort to see to it that it is declassified but also, I might add, has taken the political risk of defying his own administration and insisting, in the face of the Republican leadership in the Senate, that we have a position different from that which the leadership and the President insisted upon, and he stood fast. Not only did he stand fast; he was aware enough—because some of us who were equally concerned as he were not as sharp as he—not to let us agree to things which appeared we were getting to declassification, which would have gotten by Senator CLARK and myself and a few others.

But because he has been down that road before, he insisted that they be delineated more specifically.

Mr. RIBICOFF. Mr. President, will the Senator yield for a question?

Mr. BIDEN. I yield.

Mr. RIBICOFF. Is it the intention of the Senator from Delaware and the Senator from New Jersey to at least inform the Senate what will be made available to us? Are we going to know at all what will be made available to us?

Mr. BIDEN. It is the intention of the Senator from Delaware that in the event his amendment to declassify is rejected, at some point after that I would ask for an executive session of the Senate.

Mr. RIBICOFF. I am just curious. What is there that we will be told?

Mr. CASE. I will be happy to answer that rather quickly, subject to correction by my colleague.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BIDEN. Mr. President, I ask unanimous consent that the time be divided.

Mr. HUMPHREY. We will take it. Let us not be so fussy.

Mr. CASE. Senator HUMPHREY and I will generously use our time in this exercise.

The PRESIDING OFFICER. The Chair is not being fussy. It is keeping a record.

Mr. CASE. There are three things under discussion: a group of four documents which were shown to all members of the committee, which also have been published in the newspapers and which have been released by the committee and are printed in an appendix to the record, as I understand it, which should be available tomorrow. Those are the basic documents.

In addition, there is a collection of three, four, or five documents that were shown only to Senator SPARKMAN and me. Those are the subject of our statement on page 2, which says that apart from certain assurances and undertakings which we were advised had been in effect since before the negotiations, there was not anything in those documents that was significantly different from those which the full committee received.

There is a third paper, a rather long letter—opinion letter—from Mr. Leigh, counsel to the State Department, giving his view as to the assurances and undertakings contained in the four documents I first mentioned, and describing, with respect to each one, whether in his opinion it constituted a legally binding commitment when it was made by our executive branch and not ratified by Congress. That is the substance of it.

So the last document is a legal opinion.

Mr. RIBICOFF. In the closed session that the Committee on Foreign Relations had with Secretary Kissinger, was enough information disclosed so that the other Senators on the Foreign Relations Committee could ascertain the substance of the documents that the Senator from New Jersey and the chairman were able to examine personally?

Mr. CASE. The committee would be obliged to take our assurance as to what was in those documents, which only we saw, and our assurance is that, with the exception I mentioned, the documents have been in effect since before this proceeding started; that we found nothing significantly different from the documents which the committee had.

Mr. RIBICOFF. Under the circumstances, I wonder why there is this big fuss, why those documents were not made available to the other Members of the Committee on Foreign Relations.

Mr. CASE. I can only say that they were variously described as negotiating papers, records of informal discussions, and things of that kind.

Mr. HUMPHREY. Were not some of the documents also records relating to understandings between Egypt and Israel which might cause some difficulty if they were publicly exposed?

Mr. CASE. They were necessary, but they were not there for our information. I do not know why they were there. They did happen to be; yes.

Mr. RIBICOFF. Do I correctly understand that the Senator from Delaware is not asking for the documents that relate only to Israel and Egypt but also the documents involving the United States, with either Egypt or Israel? Am I correct?

Mr. BIDEN. That is correct. That is correct as far as it goes.

The Senator from Delaware is also suggesting that it is imperative that the U.S. Senate know what force and effect the administration attaches to each of the articles to which they are agreeing in the memorandum of agreement.

Mr. CASE. That is the last document we mentioned, the legal opinion that comes from the State Department.

Mr. BIDEN. Otherwise, I submit, we are obliged to assume, without that being made public, that the administration believes each and every provision of that which we have been shown is legally binding, when, in fact, the administration said in closed session—through its spokesmen, particularly Dr. Kissinger—that there are some provisions which, in fact, they do not feel have a legally binding effect.

Quite frankly, I believe that if we disclosed all that, if we disclosed the degree to which they are and are not binding, the onus would be taken off the Senator from Delaware with respect to voting against this resolution. I would be inclined to support it, I believe the American public would be put at ease, and, in fact, we would not have abrogated our constitutional responsibility of informing the public and debating the full text of all that has been discussed in closed session. We would have, as they say, open Government, openly arrived at. I think the American people would accept it, I would accept it, and we would have no problem.

What I object to here is the fact that we are, in fact, agreeing to approximately 16 points with regard to Israel and 3 with regard to Egypt, and we are not nailing down the administration as to what they feel the full force and effect of them are; and we are binding future Presidents, by the signing of those agreements, which automatically become executive agreements, to abide by the terms of those agreements, and we have not even discussed what impact those terms have and how binding they are on American foreign policy.

Mr. RIBICOFF. Do I correctly understand that the Senator from Delaware, as a member of the Committee on Foreign Relations, does not have the information that the Senator from New Jersey and the Senator from Alabama have?

Mr. BIDEN. Only the one set of documents which the Senator from New Jersey and the Senator from Alabama looked at. Out of those documents they extracted, as I understand it, any assurance or commitment that bound in any way the——

Mr. CASE. Whether it bound or not.

Mr. BIDEN. Anything involving the United States and Israel or the United States and Egypt.

Mr. CASE. The underlying circumstances in which these two countries acted.

Mr. BIDEN. It was argued by the administration that the reason why they could not be shown was that in good faith the U.S. Government provided the good offices of the United States of America to act as a conduit between Egypt and Israel with regard to assurances from Egypt to Israel and Israel to Egypt.

Mr. RIBICOFF. But the Senator is not asking for that?

Mr. BIDEN. I am not asking for that.

Mr. RIBICOFF. That is why I am puzzled. I am really puzzled, because I am in favor of this agreement. I intend to vote for it and support it, but I am at a loss to understand why this confusion has been brought into this important matter by not making available to the other members of the Committee on Foreign Relations what was made available to the distinguished Senator from New Jersey and the distinguished Senator from Alabama, both of whom I trust implicitly and completely.

Mr. CASE. I know the Senator does, and I do not like this uncomfortable position. I protested against it in this instance; I have in other matters. But there is a certain habit some of our committees have of putting this burden on some of its members.

There is a parallel which I shall mention now, which I am not very happy about. A law passed, I think last year, maybe a couple of years ago, that requires the CIA to divulge to certain committees of Congress—I think Armed Services is one and Foreign Relations is another; I do not know whether Appropriations as well, maybe it is already covered—any new excursion they take in the form of covert action.

Our committee considered this law when it was passed and decided that they would designate the chairman and the ranking minority member to receive this information. This was a decision of our colleagues.

So we sat there and listened to several things, and we have to make up our minds each time what we ought to do with this information. I am happy to say that, up to now, I have found that the practical situation did not require us to have very much anxiety.

I do not like this. Yet, there are certain matters, apparently, which, for reasons of—Senator HUMPHREY is better at this than I am. He made a very good speech in the committee on this subject, which the Senator from Delaware may remember, when he got whipped up to it. Maybe he will get whipped up to it tonight.

Mr. BIDEN. He not only got whipped up to it, he whipped the Senator from Delaware.

Mr. CASE. It is thought that some of this material is of such a nature that it would hamper negotiations, it would make less useful our Secretary of State in his shuttling between the hostile capitals that he has been working with for the last several years now, if all of the details of the diplomatic assurances that were given to each party were disclosed, for instance, in the capital of the other; that Sadat might be weakened if this were done with other Arab nations; that things of this sort would happen.

I do not consider these arguments as terribly important, but that may be because, unlike Senator HUMPHREY, I have never been in the executive branch of the Government. My colleague from Connecticut has been, at least in a peripheral way.

Mr. RIBICOFF. Well, no, I have been involved and I am deeply disturbed by decisions made by the bureaucracy, in any phase of our Government, which feels that it is the repository of all wisdom. I have the utmost faith in the Senate of the United States and it seems to me that if we have a problem involving the jurisdiction of a committee, at least the members of the committee ought to have the right to view the documents. It is their assurance to the Senate that we adopt. I feel uneasy about the committee singling out one or two members, no matter how much we respect them, and saying they are the only members of the committee who are entitled to have information.

I see the distinguished chairman of the Joint Committee on Atomic Energy and I know that, to a great extent, much of their information is the most highly classified confidential. Do I understand that only Senator Pastore on his committee, and I believe the Senator from New Jersey is ranking——

Mr. CASE. No, no, Mr. Baker is ranking now. All members of the committee are entitled to all information.

There are some differences. The kind of information that we get at the Joint Committee on Atomic Energy is technical information. It is information in regard to the nature of weapons and their deployment, and power. This is precise, factual information and there is not much difficulty in keeping that kind of information, to the extent that it should be kept confidential, confidential. Information of the sort that is involved in diplomatic negotiations, in the relations between countries and the rules of countries, or the rulers of the countries and their people and all the rest, is somewhat different.

I am not a diplomat. I cannot tell the Senator exactly how these things are done. But I should suppose that any formal conversations that occur and would be embarrassing ought not to be disclosed.

Mr. RIBICOFF. I shall not delay it, but for a matter of curiosity, how many hours in closed session did Dr. Kissinger spend with the Committee on Foreign Relations?

Mr. CASE. He was there twice, I think, and then once in open session.

Mr. RIBICOFF. I meant in the closed session confidentially with the members of the Committee on Foreign Relations.

Mr. CASE. I shall have to check the record, but I do remember that when this was first broached in a formal way, he spent the morning with us. Then he had to go to New York for the U.N. or something, as I recall. Then the next day, Deputy Secretary Sisco spent the whole day with us. Whether the Secretary came back again personally, before this week, I am not sure, but he had another morning with us this week and an afternoon.

Mr. RIBICOFF. In other words, the committee had 3 half-days.

Mr. CASE. Oh, 3 or 4 half-days. Mr. Holt says it was 8 hours.

Mr. RIBICOFF. During the 8 hours, I am sure that many questions were asked. Was the Secretary unable to satisfy the members of the committee as to, basically, what was involved? I see the distinguished Senator from New York here, who is a Member of the Committee on Foreign Relations. The Senator from Minnesota, I assume, did not see the documents.

I am just wondering whether the membership was satisfied. I am disturbed that the distinguished Senator from Delaware feels that he does not know what is involved here. That bothers me.

Mr. HUMPHREY. Will the Senator yield?

Mr. RIBICOFF. Yes.

Mr. HUMPHREY. Let me say a word here. By the way, we are going to cut this off on our time, and we will get some on Senator Biden's time. We shall not have any time left at this rate.

The PRESIDING OFFICER. The time has been split for the last few minutes.

Mr. BIDEN. I wish to ask why the Chair split the time. I did not speak, and I did not make any request to split the time.

Mr. PASTORE. But the Senator is listening.

Mr. BIDEN. I suggest that the Parliamentarian does not have the right to say when the time may be split.

The PRESIDING OFFICER. The Chair made the decision and the Parliamentarian does not tell the Chair what to say.

Mr. BIDEN. I respectfully suggest that there was no right to split the time.

Mr. HUMPHREY. The Senator from Minnesota will take some time now on the bill on this side. This is what this is all about.

Documents that are binding, according to the general counsel of the State Department, had been revealed where the U.S. Government has a binding commitment. Those are printed——

Mr. RIBICOFF. And the Senator is satisfied?

Mr. HUMPHREY. I am not only satisfied, but thoroughly satisfied. The documents that are being discussed at this particular point relate to positions that this Government may have relating to a foreign policy issue, a matter that may relate to, let us say, what our position will be sometime down the road concerning a city, a boundary, or whatever else it may be. I am simply saying that we have to rely on and trust somebody when they certify to us in the name—we did not just get their assurances. We have certification of the Secretary of State in the name of the United States, after hours of interrogation, in which the distinguished Senator from Delaware interrogated in depth, and in which the able and distinguished Senator from Iowa did the same, and in which the Senator from New Jersey did it again and again.

What we have here is, first of all, that the two Senators, the chairman and the ranking member, have said that there was nothing in these documents which "differs significantly from those which have been presented to the full committee." That is No. 1.

Second, that some of these documents were essentially those that had been operative prior to these negotiations.

All of the documents that relate to what the U.S. position will be in reference to consultation with Israel on arms, economic aid to Egypt, those things that give us both moral and legal commitment, have been revealed. This represents what we are talking about, some of the most delicate negotiations.

I want to warn the Senate, from all that I know from having discussed this matter with Mr. Sisco and Dr. Kissinger, I want to say that if we just lay everything out here on the table that Sadat has said through Dr. Kissinger to Mr. Rabin, and that Mr. Rabin, Prime Minister of Israel, has said to Mr. Sadat through Mr. Kissinger, this thing will blow wide open.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. RIBICOFF. The Senator from Delaware is not asking for that.

Mr. HUMPHREY. Oh, yes, he is asking for that. That is what the whole argument in the committee was all about, let us not kid ourselves.

Mr. BIDEN. Mr. President, if the Senator will yield, the Senator from Delaware is not asking for that. The Senator from Connecticut answered his own question. The reason why only two members of the committee have those documents made available to them to determine what was the U.S. involvement as opposed to Israel and Egypt and Egypt and Israel was very simple. It was the judgment of the administration that the remainder of the committee might not be in as trustworthy positions as the two members. I cannot understand——

Mr. HUMPHREY. I do not agree with that, and I deeply regret we have to go through this exercise. But there are some very sensitive political matters that are down the road that relate to things that this Senate knows about.

Without knowing all about this, there are items like Jerusalem, there are items like borders, there are items that are yet to be discussed, yet to be agreed upon, and I think some of those things, if we get all the memorandums—and I do not know all about the memorandums—but if we get all that laid out here where the United States' name is mentioned and what our position might be, you are going to blow this lid right off because you have got a man in Mr. Sadat who has the Arab world down on his back right now.

You have a very fragile government in Israel, and we have a very fragile peace here.

Yes, I yield.

Mr. PASTORE. Mr. President, some mention was made here of the Joint Committee on Atomic Energy.

First of all, under the law the committee must be fully and currently advised as to all the progress, but that is vis-a-vis the Commission and the committee, which is entirely American.

I am afraid tonight we are getting into comparing apples and oranges. Here we are dealing with a foreign government where diplomacy at some point becomes a very sensitive area, and it really boils down to the confidence you would inspire in the people with whom you are dealing and how far they can go in speaking frankly that will not prejudice their own position, and if they do prejudice that position, it will inure to our disadvantage.

So if we expect the Secretary of State

to come in and give us a step-by-step report of everything that was said by A, B, and C, if we expect him to give us, so to speak, a résumé of the working papers in reaching an agreement as this is being cultivated and developed, I am afraid we will find ourselves in a very unfortunate position.

I know how the Senator from Connecticut feels, and I have sustained him and I have supported him in his feeling. The point here is, this is a very sensitive area, and I hope we do not do anything within the next 48 or 72 hours to really blow it, if I may use the vernacular, because I think at this very sensitive moment, where everything we say is so precious, so sensitive and so delicate, that we could actually blow the whole thing.

I hope that there will be a sense of trust here. I realize this is a Republican administration. I do not agree with this administration. But, on the other hand, I love America more than I love the Republican Party or the Democratic Party, and here we are in an area where America is so deeply involved with the survival of Israel—let us face it, we are deeply involved with the survival of Israel, for good reasons—and here we have a man in the Arabic world who has more or less negotiated with our own Secretary of State on a very intimate friendship sort of way, much to the chagrin of his own colleagues in the Arabic world, and all we are being told is this is possibly the first step that might lead to peace, and no one has said that it is anything more than a gamble.

The big question here is—and I think we ought to be pretty careful—how far we go and tell all and know all, because, after all, we are imbued with a conception that we are in a free society, which is a wonderful thing, and we have an idea that there is a freedom of expression in every other country of the world. That does not exist.

The Russians do not tell their people to tell us what their secrets are, but we expect the Americans to tell their people what the secrets are.

You look up in the gallery and, in all probability, you will have a representative of the Russian press up there.

We do not want to do that. All I am saying to my colleagues is this is a very sensitive moment. I hope we keep cool. I hope whatever we do we do it in a very calm, sane, and judicious manner.

I realize there may be failings here and there may be failings there. Maybe there are some things that perhaps Kissinger should have told. I quite agree. This idea that you tell two members of a committee—if you are going to tell any two members I think you ought to tell the whole committee. I quite agree with that.

I mean, after all, you do not think Kissinger did not discuss it with members in the State Department. You do not think the entire staff down there at the White House does not know what Kissinger did. I mean, if they can be trusted, I think that people who are elected by the people can be trusted as well.

But I hope that in this whole process we do not want to reveal the things that will be damaging.

Mr. RIBICOFF. May I say that I agree with the Senator completely. I have the highest praise for Mr. Kissinger in what he has achieved. I do not think there is another man in the world who could have done it. But I think it could become very important because the point raised by the Senator from Delaware is of great significance. But I am satisfied from what has been said by the distinguished Senator from New Jersey that the entire committee has been informed of the actual commitments and agreements made by the United States with either Egypt or Israel or both, and what has not been revealed are just discussions and positions not involving agreements.

Do I state the position of the Senator from New Jersey correctly?

Mr. PASTORE. I think the Senator does from what I have heard. I think the Senator does.

Mr. JAVITS. Mr. President, will the Senator yield to me and I will yield to the Senator from New Jersey?

Will the Senators read at page 2 the paragraph headed "Certification." That is the whole story. The answer is the President has certified that the only assurances or understandings of the United States are those disclosed to us, and if there are any other they will be rejected. Now, that is the whole protection. That is where we locked the door of the stable, just this way, because we felt, just as our colleague from Delaware did, and so we wanted to be sure there would be no claim that there is anything other than was revealed. So the key to this whole problem is in that certification.

Mr. RIBICOFF. And the Senate is not bound nor foreclosed from anything contrary.

Mr. JAVITS. Or any other action on these agreements. This is a one-unit thing, and everything has been disclosed, and if it is not disclosed it is in no way a commitment, an undertaking, an assurance, nothing.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BIDEN. Parliamentary inquiry, Mr. President. On whose time are we yielding?

Mr. PASTORE. I had the floor; I do not know who gave me the time, but if I have got the floor, I yield.

Mr. BIDEN. Parliamentary inquiry, Mr. President. Who has the floor?

The PRESIDING OFFICER. This has been under the time of the Senator from Minnesota. Who yields time?

Mr. PASTORE. How much time does the Senator want?

Mr. CASE. It is the time that we called a turn on the Senator from Minnesota.

Mr. PASTORE. Give time on the bill.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. I yield myself 3 minutes on the bill.

In response to the Senator from Rhode Island, I would like to make it clear that I love America more than I love the Democratic Party. I love America more than I love the Republican Party for sure. [Laughter.]

In fact, I think the Senator put his finger on the issue, and that is he said we do not want to blow the lid off of this whole agreement, and I am not sure that we do not want to know every single aspect of the commitments made.

Mr. PASTORE. If the Senator will yield, Mr. President, at that point I did not say blow the lid off the agreement.

Mr. BIDEN. What are we blowing the lid off of?

Mr. PASTORE. That we do not blow our chance for peace.

Mr. BIDEN. I see.

Mr. PASTORE. I do not know what the agreements are. I am not a member of the Foreign Relations Committee as the Senator is. All I said is that I hope we do not blow the whole thing. If this is a chance for peace, I hope we do not miss it.

Mr. BIDEN. One thing I would like to say—and then I will sit down and yield the floor—would be that to my knowledge, it has been spoken that we have to move rapidly because of the peace in the Middle East, the agreement will fall apart, peace will fall apart, the prospects for it will fall apart.

I would like to quote from a CBS interview with President Sadat on September 15 of this year. The report said:

> REPORTER. Mr. President, are you concerned about the amount of time it is taking the American Congress to approve the stationing of American civilians in the Sinai?
>
> SADAT. Well, why should I be concerned? Really, I am not concerned at all because we have agreed upon the principles in Salzburg and I don't think the Congress will be taking any act against preserving peace in the area here.

So the man who everyone in this room is telling us, the committee was telling us, was in such jeopardy if we did not move immediately, does not feel he is in jeopardy, unless he said it for political reasons, which may be. But so far as what he said, he does not say he is in such jeopardy.

Mr. President, I yield the floor.

Mr. McCLURE. Will the Senator from New Jersey yield for a question?

The PRESIDING OFFICER (Mr. DURKIN). Who yields time?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 3, after line 21, insert the following new section:
>
> SEC. —. The United States reaffirms that its basic policy in the Middle East is to continue to seek a settlement of the conflict in accordance with the provisions of United Nations Security Council Resolution 242 of November 22, 1967.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I have listened——

Mr. CASE. Mr. President, will the Senator supply us with a copy of the amendment?

Mr. HOLLINGS. Yes, I will supply the distinguished committee and the ranking member with a copy of Resolution 242 because I think we are right back to the real thing.

This is not secret. This is the public position. It is the public position of the United States of America, yet there is reluctance to reaffirm it.

My preference on this particular amendment would have been, Mr. President, to have it stated categorically that in furnishing this aid, that in executing this resolution, that in furnishing these "technicians"—that our aid be contingent upon an affirmation by the parties to these agreements, namely, Egypt, Israel, and the United States, that they all agreed with the official position, which is; namely, U.N. Security Council Resolution 242.

Mr. President, I put "technicians" in quotation because the resolution says "noncombat functions, civilian personnel technicians." We are not even telling the truth on the face of this Senate resolution.

I am not on the Foreign Relations Committee. We have been busily engaged in the energy matter, natural gas, oil, divestiture, and much else here on the floor of the Senate. That is just the workings of the body, and I well understand that. I could not hope to move that back.

I tried to inject this particular consideration into the Foreign Relations Committee's consideration on yesterday when the question was asked of the distinguished Secretary of State by the distinguished Senator from South Dakota whether Resolution 242 was still U.S. policy, and Secretary Kissinger replied, "That remains our position."

I can say here and now before I cite my prepared remarks, that the opposition is going to say, "Let's not have any amendments, we must hurry; we are trying to save Sadat," and so on.

It is the old Gulf of Tonkin syndrome, if I ever heard it.

But let me take this statement so we will be able to debate with our colleagues on both sides of the aisle.

Mr. President, I want to express my fundamental misgivings on the agreement to station American personnel in the Sinai. My doubts concern both the specifics of this particular deal and the general atmosphere created by the whole spate of agreements recently negotiated by Secretary of State Kissinger.

First, let me say that the American people have a right to be confused as to just where we are in terms of our Middle East policy. Testimony given by the administration to the Foreign Relations Committee has an eerie, Alice-in-Wonderland quality about it.

Yes, we are told, the agreement on the technicians stands alone. Well, not quite—because once Congress approves the technicians, we will proceed to sign the other agreements, thereby linking the whole package.

No, Congress will not be bound to anything other than the technicians. But wait a minute—the country will be bound, because according to the State Department's legal memorandum, certain facets of the agreements are, indeed, binding. Unfortunately the American people cannot know which are and which are not, because the legal opinion is a secret, classified document.

That is exactly what the distinguished Senator from Delaware was saying.

I am more persuaded, more convinced of my apprehensions after all of these hearings and the hours thereon, than ever before. They have proven to me they no longer can make this an effective step toward peace. Everything ought to be put out on the table.

On the one hand, Dr. Kissinger cautions the Congress not to give his statements of intention "a legally binding character which was never intended and is not inherent in them." But then he turns around and says that the United States is not "morally or politically free to act as if they did not exist. On the contrary," the Secretary continued, "they are important statements of diplomatic policy and engage the good faith of the United States."

Nothing is defined. Nothing is settled. All the tough questions are swept under the rug. And we are left in a quagmire of uncertainty and unreality, the likes of which we seldom see—even here in Washington.

Mr. President, let us look at the practical effects of the recently concluded agreements.

First, the day of an overall settlement is shoved farther down the road. The new agreements serve only to formalize and encourage the status quo. There are no incentives to move toward a Geneva conference. Meanwhile, the Arab bloc takes on a new and more menacing configuration. The relatively moderating voice of Egypt is split off from the rest, thereby encouraging more militancy on the part of the other Arab parties. The Palestine Liberation Organization is pushed still farther away by the Secretary's assurances that there is no need to even negotiate with the PLO until later.

Who can expect that just because the heat is off between Israel and Egypt that the PLO is going to sit idly by, or that Syria will not stir the pot over the Golan Heights. In spite of the earlier statements that negotiations with Syria could proceed and that the recent package would not interfere, Secretary Kissinger told the Foreign Relations Committee just yesterday that the prospects were slight and he now doubts if he can get Syria and Israel talking.

Second, the memorandum of agreement between the United States and Israel fuels a Middle East arms race without solving any of the fundamental issues which plague the region. The Soviet response to the inflow of sophisticated new weaponry to Israel will be a redoubling of their efforts in supplying the other side with the Soviet's most sophisticated weapons. In short, we have upped the ante, we have increased the costs, but we have solved nothing.

Mr. President, let me turn now to the U.S. proposal for the early warning system in the Sinai. Even if this proposal was unencumbered by and unrelated to the other agreements and memorandums, it would still be a bad idea.

The essence of this proposal is the placing of American bodies in the area to guarantee our involvement in maintaining the Sinai agreement. To me they are targets rather than technicians. They are hostages to acts of terrorism and murder. While it may sound comforting and reassuring to point out in how many ways the Middle East situation differs from our original involvement in Vietnam, I am not convinced. Where our men go, our national pride goes, as well it should. And if the worst comes to pass, he is blind indeed who thinks the American people will not demand prompt retribution. The stage is set for escalation, and the Middle East could explode overnight, and, with the approval of the U.S. Congress, we will be put right in the middle of the explosion.

Mr. President, if, in order to get this initial agreement which does not even go to the heart of the real problems of the Middle East, we are forced to contribute technicians—what is going to be the price for any agreements which may come later?

I am afraid to see it work. If it starts working, they will want the same thing everywhere.

Who would accept less than the Israelis and Egyptians got? So next we would have our technicians on the Golan—unless, of course, Syria insisted on Soviet technical experts rather than American. And the next thing we will have Americans on the West Bank and then Jerusalem.

What happens then if, for any reason, we pull our technical people out? Then we are blamed for breaching the peace, and the onus of the next war falls directly at our door.

We just cannot win. We cannot win on this particular proposition and really assist our ally, Israel.

Mr. President, if this agreement means anything to the Israelis and Egyptians, they will find another way to implement it than by the introduction of American personnel. In fact, no one really needs these Americans.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a transcript of a CBS morning news show dated September 12, 1975.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

CBS Morning News

Rudd. The arrangement Henry Kissinger engineered between the Israelis and Egyptians in the Sinai calls for a force of United States technicians to stand watch between the two sides, a detail which has some people in Congress upset at the moment. If the technicians are sent to the Sinai, it sounds as though they'll be drawing pretty rough duty.

Tom Fenton. If Congress approves the plan, this is where the 200 American civilian technicians would work: between the opposing enemy lines in a barren desolate no-man's land where the temperature soars to 100 on a summer day. The three American-manned watch stations would be in the vicinity of the Mitla and Gidi passes. Armed only for self-defense, the technicians obviously could not stop an army that wants to force its way through the passes. Their official role would be to look and listen with electronic devices,

> and report what they see to both sides and to the U.N. They would not be the first Americans to observe the ceasefire in the Sinai. Officers of the U.S. Armed Forces have been doing this in the Middle East since 1949 under U.N. auspices. They're part of the United Nations truce supervision organization that was sent here after the first Arab-Israeli war. There are now 36 of them serving along with many other nationalities.
>
> The Americans in the U.N. observer force will remain here working with other United Nations units to report violations of the ceasefire agreement, whether or not Congress approves the stationing of American civilian technicians in the passes. Neither side will really need the American technicians to spy on the other side. The Israelis will continue to operate their own, and much larger surveillance station in the passes manned by 250 Israeli soldiers and bristling with secret American gear that we were not allowed to film. The Egyptians will be allowed to establish a similar station in the passes. The real reason why both sides want the Americans here is to guaranty the involvement of the United States in keeping the agreement. What if Congress says no: that American technicians cannot be sent here? Middle East observers doubt whether either side would tear up the agreement. The Israelis admit that they would just have to find some other way to make the agreement work without the 200 Americans.

Mr. HOLLINGS. Mr. President, I was really impressed by this interview. Here was a gentleman who I am sure is inclined to be objective, who was right out there, and was asked about this thing. He said:

> If Congress approves the plan, this is where the 200 American civilian technicians would work: between the opposing enemy lines in a barren desolate no man's land where the temperature soars to 100 on a summer day. The three American-manned watch stations would be in the vicinity of the Mitla and Gidi passes. Armed only for self-defense, the technicians obviously could not stop an army that wants to force its way through the passes. Their official role would be to look and listen with electronic devices, and report what they see to both sides and to the UN. They would not be the first Americans to observe the ceasefire in the Sinai. Officers of the U.S. Armed Forces have been doing this in the Middle East since 1949 under UN auspices. They're part of the United Nations truce supervision organization that was sent here after the first Arab-Israeli war. There are now 36 of them serving along with many other nationalities. The Americans in the UN observer force will remain here working with other United Nations units to report violations of the ceasefire agreement, whether or not Congress approves the stationing of American civilian technicians in the passes. Neither side will really need the American technicians to spy on the other side.

I wish the leadership of this particular measure would listen to that.

> Neither side will really need the American technicians to spy on the other side. The Israelis will continue to operate their own, and much larger surveillance station in the passes manned by 250 Israeli soldiers and bristling with secret American gear that we were not allowed to film. The Egyptians will be allowed to establish a similar station in the passes. The real reason why both sides want the Americans here is to guarantee the involvement of the United States in keeping the agreement. What if Congress says no: that American technicians cannot be sent here? Middle East observers doubt whether either side would tear up the agreement. The Israelis admit that they would just have to find some other way to make the agreement work without the 200 Americans.

That is Mr. Fenton's report.

Certainly, Israel is for withdrawing some 20 miles, with all the aid, the weaponry, the billions of dollars and everything else. This is a fine agreement for practically staying where you are and getting billions as a result. And so is Egypt satisfied. There is no doubt or hesitation in my mind as to why they, as parties, agreed on this particular measure. But the clunker is, of course, to involve, if you please, Americans. On every trip we have ever made to Israel, whether it has been from Ben Gurion on down to Prime Minister Golda Meir and now Mr. Rabin, they have always said, "We do not want you Americans."

What has happened?

In the final analysis, we know Israel will rely on its own equipment and the Egyptians will establish a separate station. Egypt and Israel will each have the full capability to monitor the passes, and they can do the job by themselves just as effectively as they can do it with our added participation. When it gets down to the ultimate decisions they will rely on their own information rather than ours.

They are not going to be sitting around waiting for a telephone call from us. I can say that.

I have never heard of such a situation as grown men sitting in the Foreign Relations Committee saying, "Everybody off Sadat's back. Time is of the essence. We have to rush this thing on through and put people in the middle of the combat zone and then say they are noncombatants, and do not worry."

If that is the case, then they are not worth a tinker's hurrah, and they ought not to put them in therein the first place.

It seems to me that if it is not necessary to put Americans in there, then it is desirable not to put them in there. When American lives are on the line, the policy ought to be clear, direct, and known by all. Let us not fiddle around with secret agreements, executive deals, top secret, classified, legal opinion, and everything else like that.

We lacked one thing in Vietnam: that the President, the Congress, and the people did not go in the same direction. I was on the President's side. I was one to barrel forward all the way up to Hanoi. Do not force me to make that talk over again.

I said I had learned one lesson: If we ever had Americans go again, the President, the Congress and the people would all go together.

I can say to the Senators with this ill-advised agreement we have on the floor tonight—and there is no better way to describe it, but I do that with the greatest respect for the distinguished Senator from New Jersey, the distinguished Senator from Minnesota and the distinguished Senator from Rhode Island—this is no way to do business.

It is no way to do business with American lives with this kind of Mickey Mouse rinkydink, "it is there, it is not there, we do not know, but we cannot let everybody know, now you see it, now you don't" diplomacy.

The American people are not going to support what they know not about.

We are being asked, with the greatest pea-in-the-shell trick movements before the Foreign Relations Committee, to bring it out on the floor and adopt the posture of no amendments because the House is going to adjourn tomorrow. We are asked to commit American lives, after the Gulf of Tonkin, after Vietnam, after all the tragic history we know. No amendments. Just come right straight on down the line and do not even say what our policy is.

On these agreements, everyone has a different version. I say if we are going to involve ourselves, let us do it forthrightly.

That is what is really bothering us. Everybody is saying what they think it means. Let us say on what basis we are going to go in there and what the policy is.

Our policy is the United Nations Security Council Resolution 242. At least we are told that Resolution 242 remains our policy.

But if we look at these recent agreements, the movement seems to be away from 242 instead of toward it.

Mr. President, I ask unanimous consent that the full text of United Nations Resolution 242 be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

UNITED NATIONS SECURITY COUNCIL RESOLUTION 242 (1976), PRINCIPLES FOR A JUST AND LASTING PEACE, NOVEMBER 22, 1976

> *The Security Council,*
>
> *Expressing* its continuing concern with the grave situation in the Middle East.
>
> *Emphasizing* the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security.
>
> *Emphasizing* further that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter.
>
> 1. *Affirms* that the fulfillment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles;
>
> (i) Withdrawal of Israeli armed forces from territories occupied in the recent conflict;
>
> (ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;
>
> 2. *Affirms further* the necessity
>
> (a) For guaranteeing freedom of navigation through international waterways in the area;
>
> (b) For achieving a just settlement of the refugee problem;
>
> (c) For guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones;
>
> 3. *Requests* the Secretary-General to designate a Special Representative to proceed to the Middle East to establish and maintain contacts with the States concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;
>
> 4. *Requests* the Secretary-General to report to the Security Council on the progress of

the efforts of the Special Representative as soon as possible.

Mr. HOLLINGS. I will refer just to one part of this. It says, we affirm

> that the fulfillment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:
>
> (i) Withdrawal of Israeli armed forces from territories occupied in the recent conflict;

That is the 1967 boundaries. Did anyone on the Foreign Relations Committee ask that Israel agree to that? Did Israel agree to that? Did they, in accepting these provisions, and in accepting these Americans—demanding, if you please, these Americans—agree to this particular policy?

> (ii) Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;

What is a secure and recognized boundary? Remember that shibboleth they had over there about defensible boundaries?

Even the Suez Canal is not defensible. Sharm al-Sheikh is an outpost. I could take it with a company from Parris Island this afternoon, and the Senator from New Jersey could take it back from me with two companies tomorrow afternoon.

Mr. CASE. Is that an indication of the relative merits of the Senator's and my companies?

Mr. HOLLINGS. Yes, that is an indication of the relative merits of our companies. But I am telling you here and now, the only real, secure boundaries are those that are recognized boundaries, and the only recognized boundaries are the pre-1967 war boundaries.

But no one wants to talk about that now. No one wants to ask Israel about that. That is what it really should have been based on, what we would define as the pre-1967 boundaries.

What is the consideration for the agreement? What is the American policy position, if it is not the withdrawal of Israeli Armed Forces from the territories occupied in the recent conflict?

But for all they can run around the mulberry bush, no one has asked that question, or even asked Israel, "Would you agree to that?"

That is the reason we raise this amendment.

Now, Mr. President, no one is saying that resolution 242 has to be implemented by sunup tomorrow, or by next month, or even next year. But at the very least, we ought to be moving in the direction of 242. And by 3 or 4 or 5 or 6 years, we ought to have moved to its full implementation.

How do we know whether or not this is moving toward peace, or toward escalation of the arms race and a greater crisis, you might call it, between the Arabs and the Israelis and between the Soviets and the United States?

Any agreements made in the interim should be made to pass the simple litmus test of being in consonance with resolution 242.

This is the first time the Congress of the United States has been asked affirmatively to state what its policy is. We have been asked materially. I supported that, and will continue to support materially. The weaponry, the equipment and supplies, and the aid to Israel. But if you are going to ask me to supply troops, I say we all ought to know whose son is going to go, and on what basis. And oh, man, was not that a heck of a note?

Mr. NUNN. Mr. President, will the Senator yield for a brief question?

Mr. HOLLINGS. I yield for a brief question.

Mr. NUNN. What is exactly the Senator's amendment? Could he explain his amendment?

Mr. HOLLINGS. I will finish my comments and get right to that. Yes, I will be very glad to do that.

The U.S. proposal to station technicians in the Sinai fails that litmus test. It diminishes the chances for movement toward an overall settlement. It leaves all the major problems as unsolved as they were prior to the agreement. And it fuels an arms race by upping the ante in American weapons deliveries to Israel and Soviet deliveries to the Arabs.

All the while, the clock ticks on. And with the passage of time, Israel's extraordinary vulnerability becomes more and more obvious. Look at it howsoever you may—be it from the standpoint of population, of weaponry, of wealth—and the story unfolds itself. Long-term security for our friends in Israel hinges on one primary factor—a peace agreement, an overall settlement. To obtain it, Israel needs the broadest possible public consensus, both at home and in America.

The recent Knesset debate over approving the Sinai agreements demonstrates that the homefront consensus is not airtight, and that there are grave doubts as to the wisdom of bringing in American personnel and vastly increased American military aid. Knesset Member Shemu'el Tamir spoke for himself and for a significant body of opinion in arguing that the stationing of American technicians in the Sinai undermines the traditional policy, which was: Give us the means, but do not send men.

Phineas Sapir is gone now. Ben-Gurion is gone. Golda Meir is there. Yitzhak Rabin is there. Moshe Dayan is there. Moshe Dayan voiced concern in the Knesset by warning that the stationing of American troops might dissipate Israel's capital of good will, a capital which Dayan said rested on Israel's reputation for the tenacity and independence of her defense.

The Knesset approved the Sinai Agreement by a vote of 70 to 43, which is far from unanimity. And it is generally conceded that if individual members had not been so tightly bound by party discipline, the margin would have been considerably closer.

In this country, the stationing of American men and the accelerated supply of new weaponry have aroused intense and legitimate concern. People the Nation over suspect that these latest agreements are not in the interest of an overall settlement. Anyone who has traveled back home, or looked at his mail, knows whereof I speak.

It is not that America's commitment to Israel has disappeared. Since that day over 27 years ago when we accorded diplomatic recognition to Israel—just minutes after the announcement of its independence—the United States has stood steadfast by its side. We remain dedicated to Israel's survival and to her genuine security and well-being. We follow with head and heart the progress of our brave friends there. And just as America has fought to defend freedom before, I believe we would fight to defend Israel's freedom.

No, it is not that our commitment has diminished. Rather it is the suspicion that we are going about fulfilling that commitment in the wrong way. And if that suspicion is given soil to grow in, then one day the commitment itself may begin to erode. That would be a sad day for Israel. It would be sad for America, too.

Mr. President, I believe that if the Senate is going to approve the resolution before us today, and it appears it will, we should also reaffirm our basic commitment to United Nations Security Council Resolution 242.

Toward that end, I have submitted my amendment, which is simple and to the point. My distinguished colleague from Georgia wanted to know what my amendment is. It is just to reaffirm the principle of Security Council Resolution 242, which I have introduced as a part of my remarks and as a part of the RECORD here, and we will be glad to debate it, or respond to a question, or whatever else I might be able to respond on.

This reaffirmation of 242 is vitally necessary in the present situation. If we lose sight of our goal, if we continue to be deflected in the quest for an enduring peace, then the Middle East will explode with a bang sufficient to involve us all in the costliest kind of war. It does not have to end that way. Difficult though the challenge of peace is, there are possibilities for the building of a lasting settlement. Let us get on with that job.

And for American technicians manning an early warning system, let us substitute American statesmen of reason and commonsense, working toward a solution which will at last bring peace to the troubled Middle East.

Mr. NUNN. Mr. President, I think the Senator has made an excellent statement. I was just curious about the particular amendment, and how it would affect this agreement.

Is it the idea of the Senator from South Carolina that if this amendment is adopted by the Senate, it would strengthen this agreement, or would it be the Senator's idea that he would still oppose the overall agreement?

Mr. HOLLINGS. We have all the amendments here, and I do not want to mislead that I am holding for this. I have spoken out in the very same breath, in the submission of this amendment, my misgiving on the technicians.

But I wish this Congress to not make the same mistake Congress did in the

Gulf of Tonkin resolution when we thought one thing, the President of the United States knew something else, and the people of America were totally misled.

I think that if they are talking here about getting people off of Sadat's back, I do not know how the—I almost turned to our distinguished colleague from South Dakota—how the Arab nations will feel. One gets an identification in this group. Maybe that is a compliment. Maybe it is not appropriate that I ask him. But I really think, since they have reaffirmed time and again, namely, Syria, namely, Sadat—I cannot say that Sadat welcomes my amendment. That is nonsensical.

But, if we had conditioned this so Sadat would have been able to reaffirm it on the 1967 borders that Israel would have, there would be a time schedule, and all parties would have been better off. When we do not, when we refuse, when we do not even ask a question about it, in all those extensive hours of hearings that they have had over there in the Committee on Foreign Relations, it leads the people of America and men of good will and common sense to begin to wonder if our position has changed.

Mr. NUNN. No one has announced it has changed, have they? In other words, so far as the Senator from South Carolina is concerned, I assume that he is assuming that this still is our policy, that he is just saying the Senate ought to vote on it and make it clear.

Is that right?

Mr. HOLLINGS. That is right, and I think it ought to appear on the face of it, when Israel and Egypt accept this aid they accept it with that on the face of the resolution 242 that we have reaffirmed that that is the official position of the United States of America.

I have not conditioned it, I do not wish to try to break it up or just make it impossible to pass something here, but I wish to have that so there is no misunderstanding and let us say as a different view in Congress. If Congress has a different idea than resolution 242, if we change the circumstances have changed, if there is some reason we ought to get away from the 1967 borders, then let me know now because I keep traveling there. I have even been to Cairo and I go to Tel Aviv, and this is what we see.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes. I am glad to yield to the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, I commend the Senator for the statement.

It seems to me one of the troubles of this entire series of memoranda is this: Is the United States changing the stated policy of the United States in support of U.N. Resolution 242?

I think the Senator is presenting that question to the Senate for a vote. We will have an opportunity to determine whether or not we are changing.

It seems to me that, if we are not changing, it demands an affirmative vote. If indeed for any reason the Senate should turn down the Senator's amendment and should vote negatively on the Senator's amendment, then it must be inferred that we are abandoning the goal of U.N. Resolution 242.

I commend the Senator for bringing this matter to our attention in this way.

I wish to make some comment about the statement to which he made some reference in his prepared remarks, the statement of Mr. Tamir in the Knesset in which, as well as the things that the Senator quoted about his doubts, he said that the agreement will make peace more remote and it contains the seeds of a rift in Israeli-U.S. relations.

In another point in his remarks in the Knesset in the debates there on these agreements he said:

> The subject of the 200 American technicians contains all the negative elements inherent in a military alliance between us and the U.S.A.

That is the kind of thing that is upsetting to us here and causes us much concern here as it does in Israel.

Mr. HOLLINGS. In fact, the distinguished Senator has really helped in putting his finger on one of the other real concerns, and that is within Israel.

Travel there as I did one evening not long ago, down in Joppa, I thought I would impress my host, because I knew some substantial givers and loyal supporters of Israel who at tremendous financial sacrifice to themselves were working around the clock, and I mentioned their names. I said I just saw So and So. I knew I could start the conversation off on a pleasant and receptive tone.

This young business leader there of one of the largest industries in all of Israel looked at me. He said:

> Oh, we know him. If he really believed in us, he would quit sending all that money and come over here and fight with us and take our stand.

There is a whole new young group of leadership coming along within the country. I guess we had our college crowd come forth in the 60's. They educated the Senator from Idaho and me, I can tell him that. We have learned a lot.

Maybe Israel will learn. Whether they learn the 242 Resolution is it, or whether they will become intransigent and militant as this friend sounded to me, is a disturbing question.

I can see politically a body moving forward now and saying that oh, well, for 20 miles you get 9 billion or 12 billion bucks, or whatever it is, so for every x number of miles they expect so much more aid, so many more technicians, and so much more this and that. I do not think the American people are going to go along with this in a sense financially. We are not solving this energy crisis. OPEC has run loose on us, raising prices and everything else of that kind. We have problems here at home. I am afraid that this could well develop into an issue, for example, next year, and that the support that we have had solid almost in this U.S. Congress, for freedom of the State of Israel will begin to diminish and become a partisan thing.

I thought in my own mind that we better have someone stand up in this Chamber and make it a part of this resolution that look here, you are getting technicians and moneys and secret agreements and we cannot even find out what it is, and another fellow says, "Diplomatically, you ought not to know," and another one says, "You have to trust somebody." They are kind of cross. I cannot solve that problem.

But I can certainly solve that one misgiving that I always had that I have always sworn for in the future, and the next time we go in and internationally commit Americans, technicians, troops, civilians, whatever one wants to call them, I think the American Congress, the American people, including that Executive, including that Secretary of State, with all his secret side deals and everything else, should go down the road with the American people, and the only way we can do that is bring it up here on the top of the table so we all understand it and not worry about who is going to adjourn tomorrow or yes, we will give this to you in a resolution later on, but we have to get it through, and we cannot have any amendments.

I hope the assistant majority leader and the opposition will not stand up here, giving a dozen Senators an hour apiece on all the amendments, with the idea that no one's amendment was going to be accepted, we are going to vote down all the amendments, and we are just going to ram this thing through.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. HOLLINGS. Yes.

Mr. McCLURE. There is a troublesome matter that is imbedded in this discussion to which the Senator made some reference.

Again quoting Mr. Tamir in the debate in the Knesset, he remarks, as I think everyone would, that the whole basis of the United States-Israeli commitment has been a moral commitment. It has not been a legally binding document. It has been a moral commitment on our part to the continued existence of the nation of Israel.

The Senator from South Carolina and myself are certainly not asking that we not continue that kind of a moral commitment, but we must understand, as they do, that this is not a legally binding agreement, not based upon any legally binding document, and that our policy has been stated in U.N. Resolution 242.

But in this connection, it was stated earlier that there is a certification from the Government of the United States that these are all the documents, these are all the agreements, and there are no other agreements except this.

But if the Senator will look at that certificate, as I am sure the Senator has, the certification signed by the Secretary of State says that these are all the undertakings, commitments, and assurances which the United States regards as legally binding—legally binding.

They are not the total of the commitments. They are the total of the legal documents.

It goes on to say, in the last part of that certificate, it also includes all the undertakings, commitments, and assurances upon which either Israel or Egypt is legally entitled to rely.

That has nothing to do with the moral

commitment. It says nothing at all about the understandings that may have been entered into, that, whether they are legally binding upon us or not, at least commit us in terms of some kind of moral commitment which has been the total basis of our relationship with Israel.

Would not the Senator agree that, instead of being a total revelation of all the agreements, this might be an artful subterfuge to guide our attention away from the moral commitments that may have been made in connection with these agreements?

Mr. HOLLINGS. I agree with the Senator from Idaho, and in the same breath I reiterate that it obfuscates and confuses us as to the legal obligation.

The Senator from Delaware (Mr. BIDEN) is really performing a service for the discipline of the body. We conservative Southerners override Richard Nixon on war powers. Somebody asked me where I went, and I said, "I'm a graduate of the war powers school."

[Laughter.]

Senator JAVITS and Senator RUSSELL of Georgia started it. The distinguished chairman of the Committee on Armed Services voted to override the Nixon veto. We all have been moving down the road together to effectuate a discipline and an understanding so that we would find out what the executive position is and the executive would find out what our position is. All of a sudden, we break ranks and go in five different directions, with all kinds of legal opinions, side issues.

Nobody knows what we have. This is legal, in my opinion. But this legal commitment is just for the troops that nobody needs, except to involve ourselves.

If that is going to be the case, on what basis, how, why, and what is our policy? Is that not a fair question?

I think this is legally binding, in that it requires us to put them there. I can readily agree that the language is duplicitous. It is one of these Philadelphia lawyers.

On page 1 we have them, and on page 2—what was that insurance policy story? I told that one already, I say to the Senator from Delaware.

They had a contest in Columbia, S.C., by a new insurance company. They wanted a slogan. The winning slogan was: "Capital Life will surely pay if the small print on the back don't take it away."

[Laughter.]

So we look at this insurance contract, and we have them all over, but in the middle of it we say, "But noncombat functions." They are supposed to work with the troops on an early warning.

I had early warning troops in my outfit during World War II, and they were "technicians." They wore uniforms and carried guns, and they were ready to fire any kind of cannon and machine gun and anything else I had, because their lives were on the line. They are not going out there with police billies or Colt .45's.

If you have ever been out there with those Bedouins, you know you will lose your technicians, if that fellow Arafat goes after them.

I was in North Africa, and if you think you can patrol the desert with the way the Arabs move around, you are a magician. I stayed there for almost a year, and I can state how the Arabs work there.

But here we have it on the first page, provided, however, we take them, and everything else.

Grown men, having experienced the grief of Congress and the people and the President and the administration—namely, the Secretary of State, not being together—having experienced that grief, come out now with this and then resist and do not want to support Resolution 242.

Mr. President, I am not trying to use my time. I will go along and vote unless there are some other questions, and another Senator can have the floor, because we have too many amendments and too little time.

Mr. President, I yield the floor. The yeas and nays have been ordered. I yield back the remainder of my time on this amendment.

Mr. CASE. Mr. President, will the Senator withhold that?

Mr. HOLLINGS. Yes.

Mr. CASE. I think we should have a chance for perhaps a half-hour warning that a vote is coming. Many of our colleagues have been spread around the town; and if it could be agreed that we would vote not before 8:30, we could go on to consider another amendment and have the vote at 8:30.

Mr. HOLLINGS. If that is agreeable with the manager of the bill.

Mr. CASE. Mr. President, I ask unanimous consent that the vote on this amendment take place not before 8:30.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object—and I shall not object——

Mr. PASTORE. Mr. President, reserving the right to object, what is the request?

Mr. CASE. That the vote occur not before 8:30.

Mr. PASTORE. We should have a time certain.

Mr. CASE. At 8:30.

Mr. PASTORE. I will go along with that.

Mr. McCLURE. Mr. President, reserving the right to object, will the Senator from New Jersey agree to use a portion of his time in opposition to the amendment to answer some questions concerning the agreements?

Mr. CASE. Of course.

The Senator from New York and the rest of us would be available for that purpose.

I yield myself such time as I require at this point. I feel that this is an amendment which expresses a view which all of us share and which it is quite unnecessary to add to the resolution at this time. Nothing in the resolution casts any doubt upon American policy in this regard.

I am certain that the Senator from South Carolina will agree that he is opposed to the resolution in substance, and not just because it casts any doubt upon United Nations resolution 242. I am certain that the Senator from Idaho feels the same way about the resolution.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. CASE. I yield.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. ABOUREZK. Mr. President, reserving the right to object, may I ask what the request is?

Mr. CASE. The unanimous-consent request has been agreed to, to vote at 8:30.

Mr. ABOUREZK. It has been agreed to?

The PRESIDING OFFICER. No; it has not been agreed to as yet.

Mr. CASE. It was my understanding that it had been agreed to. I am sorry.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, will the Senator agree to a vote at 8:15?

Mr. CASE. No; because we need to have a reasonable chance to call the brethren back. That is the point. The Senator from South Carolina used only half of his time and was prepared to yield back the remainder of his time, and I am for expediting things as much as possible.

Mr. ABOUREZK. I am trying to get the Senator to expedite it. I am asking for a vote at 8:15 tonight, instead of 8:30.

Mr. CASE. The opposition has a half hour which it can use and will use in order to make it possible for Senators to return here. It was my purpose—and our purpose—in opposition to use as much time as necessary to answer questions and then let other Senators get on with other work during the interim, until 8:30.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. PASTORE. Unless we agree to this, it will take a half hour at any rate; and as it stands now, it is only 20 minutes.

Mr. HOLLINGS. Will the Senator allow me a few minutes to answer the Senator as to such questions that arise?

Mr. CASE. The Senator will be happy to do so.

Mr. HOLLINGS. I would like 2 or 3 minutes, anyway. We will vote at 8:30 tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. We are going to vote at 8:30.

Mr. McCLURE. Mr. President, will the Senator from New Jersey yield, so that I may clarify the record and ask a question?

Mr. CASE. The Senator from New Jersey yields himself on this amendment such time as he may take, and I yield for a question.

Mr. McCLURE. I thank the Senator for yielding.

I want to make plain, first of all, that the Senator from Idaho has not determined in advance to oppose the resolution.

Mr. CASE. The Senator from New Jersey is happy to know that.

Mr. McCLURE. I hope to get some clarification of what the resolution and its associated agreements may actually mean, to be of some guidance to me in knowing how to vote; because, very frankly, the materials which have been furnished to this Senator do not tell me what the amendments really do mean. That is the reason why I have not yet made up my mind and why I am listening to this debate instead of being dispersed all over town, as some of the others who apparently have made up their minds.

The question is this: According to the report which the committee has given to us, they quote with approval—at least, they quote as guidance to us for the meaning of this resolution—the testimony of Mr. Yost which appears on the top of page 3 of the committee report. That testimony, which I take to be quoted because it indicates the understanding of the committee, says:

> It would certainly be most unfortunate to disavow these commitments at this stage because to do so might vitiate the underlying Israel-Egypt agreement.

I am not certain that I know what commitments it is that we are talking about at this particular time that have been made, because presumably, the only thing we are voting on at this time is a commitment to send some observers into the Sinai. Yet, in spite of the fact that it is a singular commitment, one of a whole group of things, Mr. Yost speaks as though our disavowal would disrupt all of the commitments which are made. If the committee can give me some idea of what are the commitments that have been made that would be disrupted by the congressional refusal to authorize the dispatch of the observers, I should be very grateful.

Mr. CASE. Will the Senator give me the gist of his question again? The Senator from South Dakota had a very important message to give to me, which he had to give to me at that moment.

Mr. McCLURE. I understand that. Perhaps I should have suspended so I shall not have to repeat.

Mr. CASE. I am usually not so much in the center of things as I have been recently.

Mr. McCLURE. I understand the dilemma.

The top of page 3 of the report quotes the testimony of Mr. Yost to the committee. I assume the fact that the committee felt it wise to include that portion of the remarks is intended to convey to us some understanding that the committee has of what we are doing. According to those remarks, Mr. Yost says, in a quote at the top of page 3:

> It would certainly be most unfortunate to disavow these commitments at this stage, because to do so might vitiate the underlying Israel-Egypt agreement.

As I understand this resolution, this is only asking us to take one step to ratify one of the group of commitments that have been made. Yet it sounds as though they are not viewed by other parties as being a singular and separately stated commitment, but a group of commitments, any one of which, falling, causes the entire structure to follow. If that is not correct, then I do not understand the inclusion of that part of the remarks of Mr. Yost in the report. If it is correct, can the Senator from New Jersey tell me what the multiple commitments are which would thus fall if we disavow this portion?

Mr. CASE. I do not have Secretary Yost's full statement here. My recollection is—and if I am wrong, any of my colleagues who heard him testify can correct me, I should be very happy to have them do so. It is my thought that this is a very understandable question, just to pick up from this particular quotation.

I think this was said in connection with a possible amendment to our resolution which would expressly disallow—I think I am right about this—any and all assurances or undertakings given by the Department which might have been relied upon by the parties but which were not before us for ratification. If I am right about that—I think Secretary Yost was quite correct in saying that that would have been an unfortunate action to take, because obviously, this agreement between Israel and Egypt was not brought about just by carrying messages back and forth from one country to another. There were assurances and undertakings given by the United States and by the President and by the Secretary of State for the President and for the United States. It is those things that we were concerned about knowing about. It is those things that I am quite sure that Mr. Yost did not want to have expressly disavowed and removed and have all content and all effect taken away from them. That does not say they were or were not legally binding commitments. It is a statement of position and policy, of our feeling about the parties and our feeling about the agreement between them and their problems.

I think that is the context in which that statement was made.

Mr. McCLURE. If that is the context, could the Senator from New Jersey advise me whether or not those commitments and those undertakings and those understandings are the ones which have been provided to the Senate as being the total of all the agreements, or are there others?

Mr. CASE. As far as I can tell the Senator, the President has assured us that these are all the undertakings and assurances. This is what we asked for, and what we were assured by the President, through the Secretary of State, we have gotten, and they are contained in those 4 documents, which we will get for you and bring tomorrow, which I am sorry are not here, but which have been already published by the newspapers.

Mr. McCLURE. Will the Senator allow me to inquire further on that subject? Again to reiterate that point I made earlier, the certification signed by the Secretary of State refers to those documents and understandings between the parties which are legally binding. Yet a large part of the commitment that we have made, the understandings that we have with the people of Israel, has been a moral commitment, not embedded in any legally binding document at all, not in the past and not now.

Mr. CASE. If the Senator would read the last sentence in Secretary Kissinger's certification, I think he will be largely reassured. In addition, I think all of us took that sentence to mean not only commitments which are justiciable, which could be sued upon if a court could be found and issues could be raised to test them, but also assurances and statements of intentions and other matters. Those things are included in that last sentence, if they were entitled to be relied on and intended to be so.

Mr. JAVITS. Will the Senator yield at that point?

Mr. CASE. Of course.

Mr. JAVITS. That is the key point, I say to the Senator from Idaho.

The question before us was, Was the reliance that Egypt and Israel had a right to place upon our assurances what other reliance they said they had or we said they had? That was the fulcrum of what was concluded between us and the President, that we established as a basic proposition that the only reliance they had any right to assume was what we said they could rely on—not what they thought or how they construed it. That is why we wrote it this tightly, saying that this was it and there was nothing else and no more; if there was, they would be rejected and they simply were not binding on the United States.

One other thing, if I may. I shall be only a minute to answer the Senator's question.

The word "assurances" I considered a very gifted word—it is not mine, it is that of Senator CASE—because it includes just exactly what the Senator says—not only commitment or undertaking. It includes anything that reasonable men with decent, honest intentions and responsibilities would tell to somebody else to induce them to do something. So we tried to cover the Senator's point in the way which has been described.

Mr. McCLURE. If I may, I should like to make certain that I understand the response. I think I do, but I want to be certain.

If I understand the response of the Senator from New Jersey and the Senator from New York, they are telling the Senator from Idaho that we should not focus on the terms in the certificate that say "legally." We should take the assurance that these documents which have been furnished to us now are the total of all the agreements upon which any of the parties has any right to rely.

Mr. CASE. That is correct

Mr. McCLURE. Whether or not they are legal commitments or moral commitments or some kind of assurance that may have been given.

Mr. CASE. That is right. And I do give that assurance. That is my understanding and that is the way I am acting, acting in reliance upon that understanding Further, I should like to point out that during this whole discussion, there has been involved the question of the power of the President alone as opposed to the power of the President with the support of action by Congress. That is one of the connotations of the words "legally binding" as used by the legal adviser of the Department, when he has taken each of these various statements and described them as legally binding or not.

Mr. McCLURE. Well, that injects another element of uncertainty as far as I am concerned.

Mr. CASE. Then I ask the Senator to please keep on talking because there is no intention to leave any such impression.

Mr. McCLURE. I think we all recognize that the President of the United States has certain powers in the conduct of foreign affairs, and Congress has certain other powers in connection with the exercise of that executive power, and I do not want to get trapped into a position of saying all right, the President has made promises but they are not binding until Congress ratifies them. Is that what we are getting into?

Mr. CASE. We are not getting into that because our language here was designed to directly avoid that question and not permit them to give us only those documents that were legally binding when containing statements made by the President without the consent of Congress. We wanted to pass that over whether they were binding or not. We wanted to have them to know whether or not——

Mr. McCLURE. Is the Senator saying to me that the documents given to us are all of the promises, assurances, or understandings that have been made by the executive branch, independent of the ratification or the corresponding authority of the legislative branch?

Mr. CASE. The answer is, yes.

Mr. McCLURE. The other question I have in that connection then is why is there resistance to the revelation, the publication, of the memorandum which the Senator from Delaware has made some reference to concerning the legal effect of various memorandums or understandings?

Mr. CASE. Well, that document, as I read it and as I understand it, addressed almost exclusively the question of whether these various statements were statements which the President could make and constituted binding obligations of the United States on his own and without support by Congress.

Mr. JAVITS. I would like to help the Senator with that, if I could. That legal opinion is exactly as Senator Case has said and was directed against the authority of the President to undertake to give the assurances that he gave that bind him. Not $1 can be paid out of the Treasury, not one troop committed by the United States, except pursuant to the action of Congress, unless the President already has statutory or constitutional authority, and that was what his memorandum was directed to.

So, for example, just to give the Senator an instance, and again I will be very brief, on the oil situation which sounds operative if you read it, it does not say the Congress—he gave us the basic authority in other statutes under which the President could give those assurances which he did about the oil, and the representations made to us were that that included no payment. On the question of payment, it had to go to Congress.

Mr. McCLURE. I understand what the Senator from New York is saying, and I do not mean to back the Senator from South Carolina against the time limit so that he has no opportunity to respond. But I am very much concerned that we do not have ourselves in the posture here of having said all right, we are going to split some hairs about what is legally binding and what is not, and the President may have made some promises he cannot keep or the President may have made some assurances which are not legally binding so we are not going to pay any attention to those, even though some other parties may have relied upon or believed that he might be able to make good on them, any more than I would want to on the other side say that because they must be ratified by Congress they have absolutely no force and effect upon the course of conduct between the parties that are involved in the several agreements.

Mr. CASE. I would certainly agree with the Senator that there is not any room for dancing around by anybody in this area, and I fully support the conduct of diplomacy and also of legislative and executive relationships on that basis.

Mr. JAVITS. Mr. President, will the Senator yield me 1 minute?

Mr. CASE. We have agreed, may I say to Senator Hollings, to vote at 8:30.

Mr. HOLLINGS. Yes.

Mr. CASE. Our colleague from South Dakota is having conniptions because some kids are waiting for him to make a speech. How much time does the Senator want?

Mr. HOLLINGS. No more time.

Mr. JAVITS. One minute.

Mr. CASE. All right, 1 minute.

Mr. JAVITS. Mr. President, the amendment sought by the Senator from South Carolina is entirely understandable. The difficulty is it belabors the obvious because we have testimony before us, Mr. President, at pages 289 and 290 in which the facts are set forth by the Secretary of State that the United States, all the Arab States, and Israel have accepted Resolution 242. That is a diplomatic fact established as a fact and, therefore, merely to recite it simply results in putting in an amendment which is not necessary and which could block this final approval of whatever action we take while the House goes out tomorrow.

Senator Hollings is absolutely right in saying if there is any amendment of substance the Senate wishes to make it should not be deterred by the fact that the House has gone home and that in the intervening 2 weeks which might elapse before they can act on whatever we do as an amendment this whole agreement could fall apart because the parties are free to let it fall apart under these circumstances, and that is why I make the point that this is simply belaboring the obvious and, therefore, we should not take this action which can put this matter at hazard for 2 weeks when you do not add anything or subtract anything from the basic resolution.

If Senator Hollings feels strongly, as he obviously does, but he does not wish to support this resolution he will have ample opportunity to vote against it or to recommit it, and it should not be killed for the next 2 weeks in this indirect way.

Mr. HOLLINGS. Mr. President, will the Senator yield on that point? On the point about belaboring the obvious, the Senator says it is obvious that Israel would agree to the 1967 amendment?

Mr. JAVITS. It is obvious because the fact is that Israel in a very public way some years ago, and every Arab State, has accepted 242. That is what they are operating under and 338, by the way, which was passed during the course of the 1973 war, recites it, repeats, 242 by reference.

There is no question about the fact that all the nations in that area which are in this conflict accept 242, including Israel.

Mr. HOLLINGS. My question to the distinguished Senator is: Is not really the hangup the wording "within secure and reçognized boundaries?" Has not the State of Israel on that particular wording insisted, on what boundaries we know not, I mean it suits them right now, but they never have really agreed. I believe if they came and sat down and said, "Let us sit down and start working toward the 1967 boundaries," that would be fine. But I have been on too many visits and talked to too many foreign ministers, prime ministers, defense ministers, and Shimon Peres, and so on and, from the wording, they are very careful not to get back to the 1967 boundaries, and always argued defensible boundaries.

Mr. JAVITS. Mr. President, the fact is the words are "secure and recognized boundaries." They can argue until the cows come home that they are defensible, and that is their definition. But the important point is that "secure and recognized" may mean revisions. Even our Secretary of State, who felt as strongly as Senator Hollings, Bill Rogers, recognized there would have to be some revision to make them "secure and recognized," and those two words are adequate for all purposes. But the Israelis sought constantly direct negotiations, what they call face-to-face, but the other fellows do not want to face them face-to-face, so there is no opportunity to do what the Senator says, sit down and fight out what they mean by secure and recognized boundaries. But what they have contended as "secure and recognized" does not mean the existing boundaries of 1967 which may very well have been unsecure and unrecognized. That has been the struggle.

I do not denigrate or belittle the struggle, but I only point out all parties accept this definition.

Mr. HOLLINGS. I do not denigrate or belittle the struggle.

Is it the position of the Senator that Israel accepts that paragraph 1, the two principles, the first principle which states, and I quote, "Withdrawal of Israeli Armed Forces from territories occupied in the recent conflict." Is it the Senator's position that they agree to that, that is Resolution 242?

Mr. JAVITS. My position is they have accepted 242, which means all of 242, whatever it contains.

Mr. HOLLINGS. That part, too, that they would withdraw?

Mr. JAVITS. It is all of it, all of 242.

The PRESIDING OFFICER. The hour of 8:30 having arrived——

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. ABOUREZK addressed the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. ABOUREZK. Mr. President, a parliamentary inquiry.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. It is my understanding that the Senate unanimously agreed to vote at 8:30, is that correct?

Mr. CASE. The Senate did agree to that. The intention has always been to table this amendment. I was prepared to make it as soon as the Senator from South Carolina yielded back his time.

Mr. JAVITS. A point of order, Mr. President.

Is it not a fact that before a vote a quorum call is in order?

A unanimous-consent agreement is not——

The PRESIDING OFFICER. Nothing is in order until a quorum call is called off.

Mr. JACKSON. Mr. President, I ask unanimous consent——

Mr. CASE. I ask, despite anything now, that we have a——

Mr. JACKSON. Withdraw the quorum.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CASE. Mr. President, I ask now that the vote occur on my motion to table the amendment of the Senator from South Carolina.

Mr. JAVITS. I ask for the yeas and nays, Mr. President.

Mr. CASE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Montana (Mr. METCALF), the Senator from North Carolina (Mr. MORGAN), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. STENNIS), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Nebraska (Mr. HRUSKA), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. SCOTT), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. SCOTT), and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 54, nays 28, as follows:

[Rollcall Vote No. 434 Leg.]

YEAS—54

Allen
Baker
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hathaway
Humphrey
Inouye
Jackson
Javits
Johnston
Leahy
Mathias
McClellan
McGee
McIntyre
Mondale
Moss
Muskie
Packwood
Pastore
Pell
Randolph
Ribicoff
Roth
Schweiker
Stafford
Stevens
Stone
Tower
Tunney
Weicker
Williams

NAYS—28

Abourezk
Bartlett
Biden
Burdick
Clark
Culver
Curtis
Dole
Durkin
Eastland
Haskell
Hatfield
Helms
Hollings
Huddleston
Kennedy
Laxalt
Long
Magnuson
Mansfield
McClure
Montoya
Nelson
Nunn
Proxmire
Scott, William L.
Stevenson
Thurmond

NOT VOTING—18

Bayh
Goldwater
Gravel
Hart, Philip A.
Hartke
Hruska
McGovern
Metcalf
Morgan
Pearson
Percy
Scott, Hugh
Sparkman
Stennis
Symington
Taft
Talmadge
Young

So the motion to lay on the table was agreed to.

Mr. CASE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. What is the pleasure of the Senate?

A SENATE GIANT IS RETIRING

Mr. ROBERT C. BYRD. Mr. President, I shall proceed for 2 minutes. There will be no more rollcall votes tonight. I hope Senators will stay, however, and listen to the remarks I am about to make. Mr. President, the title of this statement is as follows: A Senate Giant is Retiring.

Mr. President, this week the distinguished Senator from Rhode Island (Mr. PASTORE) announced his intention to retire when his present term in this body expires. Senator PASTORE has had a long and honorable career in public life, spanning some 42 years, of which 25 have been spent in the Senate.

Senator PASTORE's whole life has been one of distinction and excellence. In 1934, he was elected to the Rhode Island House of Representatives. Subsequently he served as assistant attorney general, Lieutenant Governor, and finally Governor of his home State.

In 1950, he was elected to the U.S. Senate. In the course of his outstanding career in the Senate, he has been a delegate to the United Nations, the vice chairman and chairman of the Joint Congressional Committee on Atomic Energy, a delegate to the first general conference of the International Atomic Energy Agency, and the keynote speaker at the Democratic National Convention in 1964.

As a Member of this body, he has distinguished himself as one of the most competent debators and effective speakers among us. He has joined a strong personality with a quick and perceptive mind to add immeasurably to the deliberations that have taken place in the Senate during his many years of service. As one of his colleagues, I have benefited from Senator PASTORE's wise counsel and dedicated work.

Many of the Senators have been privileged to know Senator PASTORE as more than a good colleague. Personally, I have cherished his warm friendship and have been supported by his superb character and deep loyalty. His dignity, his honor, and his patriotism have endeared him to every Senator who has known him. His presence in this Chamber will indeed be missed.

With characteristic consideration for his obligations to his fellow citizens and to the office which he holds, his manner of making his intentions public was thoughtful and personal. With his family present, he spoke of his desire to have a private life and to enjoy the relaxation which he has earned. As he further stated, his announcement at this early date has prepared the way for the people of Rhode Island to set about the task of seeking his successor in a deliberate, responsible fashion.

Senator PASTORE is a man proud of his background, proud of the offices in which he has served, and proud of the State from which he comes. I am equally proud to have served with him now for 17 years.

On October 7, 1975, an article and an editorial appeared in the Providence Journal expressing the genuine appreciation of the citizens of Rhode Island toward their Senator. These words might well express the sentiments of many of the people of the United States toward a man whose sense of civic responsibility reached a national as well as a statewide level—a man who will always be—in the words of Alexander Pope—my "guide, philosopher, and friend."

Mr. President, I ask unanimous consent that the two items to which I have referred be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Providence Journal, Oct. 7, 1975]

Pastore Leaving the Senate at the Peak of His Career

(By Paul A. Kelly)

For a whole generation of Rhode Islanders it was something like the day Ted Williams announced he was retiring from baseball. They knew, sadly, that a lot of years had gone by for them.

Sen. John O. Pastore, a slugger in his own right, is, like Ted Williams, stepping out while still on top. He has been up there as long as a big part of the Rhode Island population can remember.

He made his planned retirement official at a news conference yesterday in a little office over at the post office, an office not big enough to hold comfortably all those who wanted to get inside. The senator sat between his wife and his son and talked matter-of-factly of giving up all those big things down in Washington to stay home and have a chance to take his grandchildren to ball games and go on picnics.

He talked softly—for him. As an orator, the senator is known as a thunderer and he often thunders even in conversation. He has a low indignation point. This time he said it all quietly, with nothing to wax indignant about unless it was the inevitable passage of all that time since he became governor 30 years earlier to the day or when he had gone to the state legislature 10 years before that.

If he tends to say things loudly, he also says them well. He once was described as "the most technically competent orator and dueler in the U.S. Senate." He put well the things he said softly yesterday.

One of the interesting things he said was that when he retires he wants to do something in the way of communicating with young people. There has been an assumption that young people as a group are not quite with him, that they regard as a little bit corny or out of style those sudden outbursts of his on the television news from Washington. If there is a generation gap there, he apparently would like to close it.

One thing the young might envy him for is that he became a lawyer, governor, senator and all that without having to go through college. He earned his law degree at the YMCA when it had a branch of Northeastern University. Later in his life universities showered him with honorary degrees. Brown not only gave him an honorary degree but made him a trustee.

The oratorical flourish came to him early. G. Richmond Carpenter, a now retired Journal-Bulletin reporter who covered Pastore at the State House in the late 1940's wrote of him later:

"As governor he had a flare for histrionics. He often paced the floor of his office, pounded his desk, whirled in his chair. He shouted. He whispered. While given to high emotion, he had a contrasting quality which enabled him to confront problems with calculating calm. He was warm-hearted and friendly and he had a way of getting along with people and making them like him."

There was one occasion when Pastore called a reporter into the governor's office to complain about a story in the paper that day. The governor paced the floor and shouted at the startled reporter while people offices away wondered whose head was rolling. The governor then wound up his outburst by inviting the reporter to lunch.

Sunday dinners at home may not be the novelty the senator implied when he said yesterday that would be one of the blessings of retirement. He was always close to his family and preferred dinner at home to the Washington party circuit.

The loneliest time of his life must have been when he first went to Washington as a senator toward the end of 1950. His family could not go down for a while and there were long months when the senator was there alone, living in an apartment and hurrying back to Providence weekends. His idea of the Washington party routine then was to have friends up to the apartment while he cooked spaghetti dinners.

Even the role of a U.S. senator was a letdown after the experience of being governor. Back home while he was governor just about everyone in the state knew him and wherever he went he was greeted with excitement. He liked that. As a freshman senator, he could walk all over Washington and no one would notice. There were reports that he felt so let down that he would not stay on in Washington and would come home to be a judge or something. So much for rumors.

The beginning days are not glamorous for a freshman senator in Washington. At the time of Pastore's indoctrination, at least, a new senator did not carry very much weight with old senators. Pastore caused some eyebrows to rise last year when he joined a fight against seniority rule, lining up with some of the new arrivals. He must have remembered.

Not that he ever had any real doubts, but he did stay on in Washington and the rest is history. He worked his way up to big assignments involving atomic weapons and energy, tilting with the television industry and wielding power through an appropriations committee role that enabled him to help get things done in federal agencies.

Governor Noel has commented that one of Pastore's assets as far as Rhode Island is concerned is the way he can help the state government when it finds itself stymied by the federal bureaucracy. A phone call from Pastore to a federal official, to the White House when necessary, starts wheels rolling instantly, Noel said.

President Eisenhower appointed Pastore a U.S. delegate to the United Nations. As vice chairman and then chairman of the Joint Congressional Committee on Atomic Energy he traveled to faraway places. In 1963 he was in Moscow for the signing of the nuclear test ban treaty. He was a delegate to the first general conference of the International Atomic Energy Agency. He toured H-bomb test areas and sailed on atomic submarines.

One of his proud hours, and one of Rhode Island's, came when his oratorical talents were tapped for the keynote address at the Democratic National Convention in 1964.

All in all, it makes quite a scrap book for a life that began in a tenement on Federal Hill on St. Patrick's Day in 1907.

[From the Providence Journal, Oct. 7, 1975]

Senator Pastore—A Job Well Done

Few men in public life have served Rhode Island and its citizens as diligently, faithfully, and effectively as John O. Pastore, who has elected to retire when his present term in the United States Senate expires. Over the 42 years of his public career, Mr. Pastore has demonstrated a tenacious dedication to duty and a shining integrity of purpose.

Mr. Pastore entered public life in 1934 as a member of the House of Representatives in the state's General Assembly. His rise to prominence was as swift as his progression to higher office. He served with distinction as governor in the late 1940s and was first elected to his Senate seat in 1950. Re-elections since then were almost automatic.

A strong personality, Mr. Pastore never was belligerent, but he never ducked a fight. While governor, he showed courage by fighting for an unpopular sales tax, and when he won that fight, he endured grimly and successfully the slurring slogan, "A penny for Pastore." In the Senate, he has never hesitated to challenge the great when he felt he was right.

He particularly cherishes the fact that he has come to symbolize the contribution of Italo-Americans to the state and nation. Proud of his ethnic background, he has drawn support in his many appearances before the electorate from across all the mixed lines of the state's ethnic heritage. He enjoys the fact that he was born on St. Patrick's Day.

In his brief press conference where he announced his decision to come home, he wisely avoided involvement in the guessing game that now will preoccupy the state's politicians: Who will be running for what office in the primaries and in the general election next year? Let the party make the decisions that have to be made, he suggested.

The very manner of his going becomes him. The senator announced retirement months before he had said he would because speculation has been running riot. The early announcement clears the air for political leaders—and for the people whom he has served so well for so many years. His place in the state's history will endure, as will the affection of Rhode Islanders for him.

(Applause, Senators rising. Cries of "Speech! Speech!")

Mr. PASTORE. Mr. President, I must say that the only objection I have is that this violates my rule that no good speeches should be made after 7 o'clock at night.

I am grateful to you all. Thank you very much.

[Applause.]

ADDITIONAL ROUTINE MORNING BUSINESS

The following additional routine morning business was transacted, by unanimous consent.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TUNNEY:

S. 2503. A bill for the relief of Edmundo Alfredo Oreiro Espinueva. Referred to the Committee on the Judiciary.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2321

At the request of Mr. Bellmon, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of the bill (S. 2321) to modify the Voting Rights Act of 1965.

S. 2410

At the request of Mr. Hathaway, the Senator from Maine (Mr. Muskie) was added as a cosponsor to the bill (S. 2410) to amend section 501(c)(5) of the Internal Revenue Code of 1954.

AMENDMENT SUBMITTED FOR PRINTING

EARLY-WARNING SYSTEM IN SINAI—SENATE JOINT RESOLUTION 138

AMENDMENT NO. 964

(Ordered to be printed and to lie on on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the joint resolution (S.J. Res. 138) to implement the U.S. proposal for the early-warning system in Sinai.

AMENDMENTS NO. 965 AND NO. 966

(Ordered to be printed and to lie on the table.)

Mr. BIDEN (for himself, Mr. CLARK, Mr. HASKELL, and Mr. STEVENSON) submitted two amendments intended to be proposed by them jointly to the joint resolution (S.J. Res. 138), supra.

AMENDMENT NO. 967

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to the joint resolution (S.J. Res. 138), supra.

NEEDED: AN OVERALL MIDDLE EAST PEACE SETTLEMENT

Mr. McGOVERN. Mr. President, I intend to call up the attached amendment when Senate Joint Resolution 138, authorizing the use of American technicians in the Sinai, is considered in the Senate.

This direct American presence in the Middle East does involve a new level of risk for the United States. Nevertheless, I intend to support it, as the only practical way to sustain the agreement between Egypt and Israel.

However, I consider it vitally important that as we approve this step, we make it clear to all parties that the Congress expects progress to continue. This interim agreement, standing alone, does not mean peace in the Middle East. On the contrary, unless the parties now apply constant, good faith efforts to achieve a settlement on all fronts, the situation could rapidly disintegrate to the point where war will erupt once again in the Middle East, thus defeating the purpose of the commitment of the technicians.

With that in mind, my amendment provides for an annual congressional review of the commitment of technicians to the Sinai, and, in connection with that review, it calls for an annual report from the President on progress toward an overall Middle East settlement.

This would not require a new authorization for the technicians each year. But it would provide a mechanism for sustained congressional oversight on this issue, and I think it would help inspire diligent work toward the ultimate agreement which is essential if the assignment of American technicians is to be a true step toward peace.

I ask unanimous consent that the text of my amendment be printed at this point in the RECORD. I also ask unanimous consent that an excellent analysis of the Middle East problem by Rabbi Henry Siegman be printed at this point in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT INTENDED TO BE INTRODUCED BY SENATOR McGOVERN

SEC. —. To maximize efforts toward an overall settlement of outstanding issues in the Middle East, the Congress will annually review the commitment of American technicians to the Sinai authorized in Section 1 of this resolution. The President is urged and encouraged to take all appropriate initiatives to offer the good offices of the United States to the parties to this agreement and to all other parties to the Middle East conflict to negotiate a final Middle East peace agreement, and the President shall report annually on progress toward such a final peace agreement in connection with the Congressional review provided by this Section.

ISRAEL AND THE TERRITORIES: A DISSENTING VIEW

(By Rabbi Henry Siegman)

Israel and world Jewry are faced with the dilemma of what credence to place in the post-October War proclamations by Egypt and other Arab countries, including Syria, that they have abandoned their objective of driving Israel into the sea, and are prepared to live in peace with an Israel that returns to the 1967 borders.

If they are genuine—and it is a possibility, however unlikely, that must be considered seriously—then Israel must surely seize the opportunity. Arab wealth and power are on the rise, and this may well be Israel's last chance to achieve a modus vivendi with her neighbors.

On the other hand, there is the possibility—some would say near-certainty—that the new Arab reasonableness is but a transparent deception intended to mask an unchanged goal: the ultimate destruction of an Israel weakened by military and political concessions.

I fear that Israel's present policy fails to cope with either one of these two possibilities. While it may serve to postpone a new round of war, which admittedly is not a negligible achievement, in the long run, however, it cannot hope to take advantage of Arab intentions if they are genuine, while it seriously weakens Israel's political and security position if they are not. It is a policy that offers the worst of both worlds, and may contain the seeds of disaster.

Israel's present policy insists on the negotiation of interim, piecemeal arrangements, without confronting the question of the shape of ultimate peace. Indeed, it is of the essence of that policy to avoid at all costs, or delay as long as possible, a confrontation with the larger question of a final peace. The justification for that policy lies in Israel's lack of confidence in the conversion of Arab countries to the idea that Israel is a permanent feature of the Middle Eastern map. Given that skepticism, Israel refuses to contemplate a return to the "vulnerability" of the 1967 borders, even if Jerusalem remains in Israeli hands and the Arabs agree to minor border rectifications. Instead, Israel hopes that successful interim arrangements will sufficiently defuse tensions with her neighbors to allow for time—time in which the Arab countries might reconcile themselves to Israel's retention of substantial amounts of post-67 territories, or at least in which the world will hopefully become less dependent on Arab oil. Also, interim arrangements will delay—if not forever avoid—a showdown with the United States, a showdown that is inevitable the moment discussions turn to the question of a final peace, given the long-standing U.S. commitment to U.N. Resolution 242.

Arab oil wealth aside, I consider the expectation that the world will accept Israel's permanent annexation of substantial parts of the territories under any circumstances to be a perilous misreading of history.

But even if this were not the case, the basic difficulty with Israel's present policy is that it does not test the seriousness of the Arab claim that they are finally prepared to live in peace with Israel. If the Arab countries were indeed serious in their proclaimed reconciliation with Israel's permanent existence, then their insistence on some indication by Israel of where it stands with regard to the final borders before they enter into a political process that leads to a normalization of relations with Israel is not entirely unreasonable. More important, Israeli unwillingness seriously to test that claim brings into question her own motives and undermines the moral basis which in the past distinguished Israel's position: her willingness to go to any length and take every initiative in the search for peace, which contrasted so sharply with the stubborn Arab refusal even to consider the possibility of peace negotiations.

On the other hand, because of Israel's refusal clearly to link interim agreements to considerations of a final peace, the Arab countries are able to wring concessions out of Israel without obligating themselves on the only issue that is critical for Israel—Arab acceptance of its existence. Israel can conclude a whole series of "interim" agreements and find at the end of a trial of piecemeal concessions that the Arabs remain unreconciled to its existence.

The burden of my argument is not that Israel is "inflexible" or not sufficiently forthcoming in accommodating the Arabs—or the United States, for that matter. Indeed—within the narrow confines of the Sinai negotiations—Israel may well have been overly generous. (The assumption that Egypt can be neutralized in case of war with Syria is a highly dubious one, as is the assumption that the United States can forever be held back from its public suport of U.N. Resolution 242, which requires the return of captured territories). Despite the cosmetics that have been applied so assiduously, the fact remains that Israel was pressured (blackmailed is probably too indiscreet a word) into accepting the Sinai deal because of extrinsic considerations, i.e., Secretary Kissinger and President Ford's personal need for "movement" in the Middle East. My skepticism applies not only to the Sinai agreement but to the entire current peacemaking exercise, in which all the parties—and particularly the American Secretary of State—have invested such vast efforts. There is reason to doubt that these efforts have brought us appreciably closer to the day that Arabs will live in peace with Israel.

Which brings me to my central thesis: Only within the framework of an overall settlement—in which each side would see what it would get for what it is being asked to give—is significant progress possible. In piecemeal negotiations, Israel is not shown what it would ultimately get from the Arabs, nor are the Arabs shown what they will ultimately get from Israel. For both countries, it is the "ultimates" that count most: Without a final willingness by Arabs to live in peace with Israel, Israel will have achieved little, and without a prospect of the ultimate return of the territories, the Arab countries are not likely to grant the normalization without which all other concessions remain meaningless.

Israel's refusal to confront the question of final peace severely limits her options and makes her vulnerable to pressures to induce her to accept arrangements that endanger her security. It is precisely because the dialogue between Israel and the United States was limited—by Israel's choice—to the narrow issue of whether or not to cede the Sinai passes that Israel acquiesced to U.S. pressures against her own better judgment. Had Israel refused to make the concessions, the diplomatic process would have been ruptured, for there were no other negotiable issues by which Israel might have sought to keep negotiations going. Israel's reluctance to address the question of the shape of a final peace has therefore given the U.S. Administration a most effective means of pressuring her, a means the Administration has used openly and repeatedly, threatening to "go to Geneva" whenever Israel is in American eyes "inflexible".

It is also a difficult position in the battle for public opinion, for Israel is constantly responding to proposals initiated by others. It is not sufficient to question the motives that underlie these initiatives; in the battle for public opinion, that is a no-win posture. It is essential for Israel to seize the initiative and advance her own conception of a final peace, and to place the burden of response on the other side. This is virtually precluded by Israel's present policy.

What is proposed as an alternative is a dramatic shift of focus from interim arrangements to final, permanent peace agreements, which Israel would declare could—in principle and in time (however long a period Israel envisions)—accommodate a return to substantially the 1967 boundaries, with the exception of Jerusalem and minor border rectifications. Instead of escalating concessions with no clear picture of where it will all end, Israel would strive first to reach an agreement on the fundamental principles of a comprehensive settlement, then bargain about the steps to be taken toward realizing that settlement. It must surely be within the range of Israel's imagination and creativity—which have been applied with such stunning brilliance to her military defense—to devise a long-range, step-by-step peace plan (including demilitarization, patrols by mixed Arab-Israeli teams, etc.) which tests Arab intentions and provides for "reversibility" in case of bad faith.

I am aware of the hard-nosed school of thought which argues that even if this policy were to lead to peaceful co-existence, there is no reason in principle why Israel should return the territories. The Arab countries have forfeited whatever moral and juridicial claims they might have had to the territories by their perfidy and aggression against Israel. Since a militarily powerful Israel can be expected to meet any military challenge from the Arab world, the only policy to be pursued is one which maintains Israel's military superiority. As Edward N. Luttwak and others have argued, a people that goes into a national depression because it lost 2,000 men in the October War can hardly be serious about the price a nation must be willing to pay to retain its sovereignty and independence.

Leaving aside the juridicial and moral issues raised by the territories (and they are admittedly complicated ones), I would insist that any policy which affords a reasonable hope of peaceful co-existence creates its own moral imperative, and is clearly preferable to one that holds the promise of future wars, even if one were to share the confidence of those who are certain that Israel will "win" every one of them. Furthermore, Israel cannot forever afford the cruel human and economic burden which the maintenance of military superiority entails, nor can she endure the traumas caused by the human sacrifices that have to be paid for even the "cheapest" of victories. Hard-nosed analysts who have doubts about this should look once again at the films of bereaved Israeli families at the gravesites of loved ones following the October War.

A policy which concedes the eventual return of the territories would immediately give Israel the moral and political leverage to insist that any withdrawal must be preceded by a phased normalization of relations with her neighbors, e.g. direct negotiations with Arab governments, and not through intermediaries; an end to the economic boycott; direct flights from Israel to neighboring countries; an opening of borders to two-way traffic of people and goods; the establishment of diplomatic relations, and other measures which tend to make the military option increasingly less likely. The critical point is that once Israel is able to indicate to the Arabs what they would get at the end of the road, i.e. a recovery of the territories, Israel is in a position to demand that the Arab countries equally commit themselves in advance to what Israel would get at the end of that road, i.e. complete normalization of relations.

Of course, a promise by the Arabs to accept the existence of Israel and to "normalize" their relations with it does not in itself assure the achievement of that goal. What it can do, however, is trigger a process which at least holds that hope, and Israeli concessions would be linked to stages in that process. However, a policy which precludes discussion of final peace and the possibility of the return of the territories under any circumstances clearly precludes even the possibility of ultimate normalization.

When put to the test, it is possible that the Arabs will back away from a process that would lead to a complete and formal peace with Israel, even in return for Israel's readiness to relinquish the territories. Sadat may well persist in his insistence that such normalization must be left to another generation. That is precisely the point: to put Arab countries to the test, something Israel cannot presently do. And it would overcome what is presently Israel's major political and moral vulnerability; for by refusing to concede the possibility of a substantial return to the earlier boundaries under any conceivable circumstances, Israel has left herself open to the charge that, when faced with a choice of peace or territory, she prefers territory.

DIASPORA JEWRY

The proposed policy would also avoid unnecessarily placing American Jewry in a difficult position. The unqualified support by American Jews of Israel's policy of the retention of territories in the face of a widely shared conviction by the U.S. Government and the American media that Israel's position is both unreasonable and contrary to fundamental American interests will give credence to the view that for the American Jewish community, the U.S. national interest is a marginal consideration when it conflicts with Israel's foreign policy. The impact of Israel's policy on American Jewry, while clearly secondary to considerations of Israel's vital security, is hardly a trivial matter—and not only because Israel needs a viable American Jewish community for its own survival.

I do not suggest that Jews be in the least intimidated by charges of dual loyalties. Aside from the fact that a democratic society must, by definition, accommodate all kinds of multiple loyalties (many far more questionable than Jewish commitment to one of the few remaining democratic societies), Jews have a moral right to their loyalty to their religion and culture, of which Eretz Yisrael is so essential a part. The moral right also stems from the centuries of persecution to which Jews were subjected. But an affirmation of an unapologetic solidarity with Israel does not imply disregard of the American national interest, or uncritical acceptance of Israeli policies. And it places a very special responsibility on Israel to consider carefully the impact of its policies on Jewish communities whose solidarity it rightly expects.

It is not easy to get a hearing in the American Jewish community for such dissenting views. For most American Jews, it has become a matter of unshakable dogma that a return to the '67 boundaries is totally inconceivable. Indeed, the '67 boundaries issue has virtually become the test which determines whether one is "one of us" or "one of them." (How quickly it has been forgotten that Ben Gurion remained unalterably opposed to the retention of the territories!) Such mindless dogmatism is hardly a service to Israel. Perhaps the Arab claim that they have backed away from their earlier uncompromising hostility is ingenuous. It would be sad, however, if an irrational unwillingness to look at new realities is what we have finally learned from them.

There is a related problem that deserves attention, and that is the troubling tendency of American Jewry to suspend its own critical judgment entirely when it comes to Israeli foreign policy. It goes without saying that only Israel can make the decisions that affect its security and survival. But to preclude a serious debate in which Diaspora Jewry participates vigorously before fateful decisions are made is to deny Israel an important source of insight, and—inevitably—of support.

This absence of critical analysis within American Jewry is based in part on an incredibly naive view that Israeli leaders always decide foreign policy issues on their objective merits—unlike our experience in the United States and of most other democratic societies—and are marvelously insulated from partisan domestic political considerations. It is therefore an absolute article of faith on the part of American Jews that on questions of "security" and "survival", Israel's policies are simply beyond dispute by Diaspora Jewry.

For those who did not learn the lesson from the October War, the more recent negotiations for the Sinai pull-back should be instructive. Far from focusing entirely on critical questions of military security, at least some of the diplomatic energies expended dealt with face-saving formulas for domestic purposes. As reported by Bernard Gwertzman in "The New York Times" of July 10th, "The key to the compromise approach . . . would be its deliberate ambiguity. . . . The Israelis . . . would withdraw to the easternmost slopes and contend that they had not given up the passes entirely. The Egyptians . . . could assert the Israelis had relinquished the full length of the passes. And Washington would assert only that it was difficult to say with precision where the passes began and ended." (Even the wise men of Chelm could not have improved on that!) And in a July 22nd "New York Times" report, "senior Israeli officials" describe the Israeli proposal as "the maximum compromise possible consistent with security and the constraints of domestic politics"

I certainly would not argue that domestic political considerations are irrelevant. I do argue—and most emphatically—that if Israel contemplates risking a critical rupture in relations with the United States for reasons determined, at least in part, by domestic political concerns, and American Jews are expected to mount the barricades against their own government in support of Israel's policies, then it is reckless and unconscionable not to have American Jewry's views considered. Surely no one would argue that the viability and security of American Jewry is less weighty a consideration than Israeli domestic politics.

The views I have expressed so far, undoubtedly unsettling to some, are shared in part or their entirety by many Israeli "mainliners," including men such as former Foreign Minister Abba Eban and the late Pinhas Sapir. I am aware of course, that their views, too, may be influenced by partisan political considerations. But that is precisely the point; such factors inevitably play a role, and it is both naive and irresponsible to ignore them.

The right and obligation of American Jews critically to assess Israel's policies does not in any way lessen their obligation to stand solidly with Israel in her hour of need.

American Jews have proven again and again their readiness to do so, and they will surely do so again in the future. That proven loyalty imposes an obligation on Israeli policymakers to welcome critical reactions, without in any way compromising their sole responsibility for the decisions only they can finally make.

THE RELIGIOUS ISSUE

There is one element in Israel, represented most prominently by a faction identified as gush imunim, which considers the territories sacred ground which must be retained at all costs for religious reasons. This group's efforts to create Jewish settlements in the occupied territories has won for them wide admiration and support, even among secularists who do not share their fundamental assumptions. There is no doubt that this religio-nationalist sentiment plays some role in the political judgement of many of those—religiously-committed or otherwise—who find the idea of a return to the '67 boundaries wrenching and unthinkable.

It should not take great halachic expertise to perceive that whatever the halachic obligation to retain sacred ground, the security of the nation clearly takes precedence. Aside from the priority assigned in Jewish law to the principle of pikuach nefesh (preserve human life), it is not at all clear that kedushat Eretz Yisrael (sanctity of the Land of Israel) requires an assertion of temporal sovereignty by a secular political state. It remains a subborn fact of Jewish history that the segment of Orthodoxy most committed to the demands of the halacha, including the overwhelming majority of both the chassidic community and the mithnagdic "yeshiva world", was the staunchest opponent of political Zionism. And whatever one may think of the politics of Amram Blau, who to his dying day refused to recognize Jewish sovereignty over any part of Israel, his loyalty to the halacha surely is no less than that of the Mizrachi, the Religious Zionists with whom gush imunim is identified. The halachic issue is therefore a spurious one.

There is yet one other aspect to the religious animation of gush imunim that is highly problematical. Any religious zealotry which invests political institutions and geographical boundaries with an absolute religious sanctity that is impervious to the normal give-and-take of the political process in secular history, raises deeply troubling questions. One need not draw provocative parallels to the religious fanaticism which shaped Arab opposition to the Zionist movement or the ideological and mythological nationalisms of Western Europe which had such devastating consequences—not least for the Jewish people—to be concerned about the implications for politics of any ideological absolutes.

This concern, it should be stressed, does not bring into question the fundamental Jewish unity of faith, land and people. This unity remains as the core of our identity and existence. What this concern does do, however, is point to the danger of blurring the critical distinction between the religious meaning that Jews appropriate—individually and collectively—from political events, and imbuing these events with an absolute sacredness that removes them from the realm of history. It is the latter which is Jewishly uncharacteristic, and which can lead to a chauvenism that is oblivious to the rights and aspirations of others. In theological terms, it risks becoming avodah zarah—idolatry.

An American Jew expressing views that are sharply at odds with Israeli policy must immediately face two questions. Is it conceivable that Israeli leaders, whose commitment to decent and humane values is beyond question, and for whom peace is not merely an abstract goal but the very condition of survival, would pursue policies which make the attainment of peace more difficult? And isn't an American who imagines he understands the situation better than the Israelis—whose very lives are on the line—guilty of a very special hubris?

I must confess that if it were not for the experience of Vietnam, I would have found these considerations intimidating. Vietnam has taught us their essential fallacy. Americans brought to Vietnam great ideals and the highest of moral values. Our policymakers were neither cruel nor stupid; on the contrary, they were "the best and the brightest." They themselves now know how tragically misguided they were. And the most misguided of all were those with first-hand experience in Vietnam. Looking back on his own experiences, Anthony Lake, a former U.S. Foreign Service officer, describes in a recent article in "The New York Times Magazine" ("Coming of Age Through Vietnam", July 20, 1975) how the irresistible excitement of the American effort enveloped Americans in Vietnam, as well as visitors who came from Washington. Such visitors became "almost without exception more hawkish during their stay in the country". He notes in this connection that "The most accurate of all official analysts of the situation, Louis Sarris in the State Department's Bureau of Intelligence and Research, made a point of never going to Vietnam."

I invoke Vietnam only to argue that people deeply involved in the stresses of military and political conflict are not necessarily the most objective and reliable judges of their own situation. This much, at least, Vietnam has made abundantly clear. Beyond that, however, there is little that the situation in the Middle East has in common with Vietnam. For however sharply one may question the efficacy of Israel's policy, its fundamental objective is moral and just—the survival and security of a nation whose credentials in history and in international law are more impressive than those of virtually any modern nation, not to speak of recent "third world" creations. That certain knowledge does not free one, however, from questioning aspects of Israel's policies that do not seem to serve that fundamental objective.

In conclusion, Israel's present policy, which refuses to consider the possibility of a return to the 1967 borders under any circumstances, serves Israel's political and security needs badly. Furthermore, in the absence of compelling political and security grounds, it is also morally questionable, for it places Israel in the position of seeming to choose territories over peace. In the absence of an Israeli strategy that is prepared to test the proclaimed Arab willingness to live at peace with an Israel that returns to the '67 boundaries, Israel's argument that the Arabs really do not mean it is inadequate. This is not to say that Israel should consider removing her military forces precipitously from the Sinai, West Bank, and Golan in return for Arab promises of good will. There is nothing in the record of even Egypt, the most moderate of Arab countries, to warrant such trust. It is to say that Israel must develop strategies which persuasively demonstrate—to herself no less than to the world—that given the choice of territories or peace, Israel's choice will always be peace.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD TOMORROW AND FOR CONSIDERATION OF SENATE JOINT RESOLUTION 138

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of the Senator from Ohio (Mr. GLENN) tomorrow, the Senator from Montana (Mr. MANSFIELD) be recognized for not to exceed 15 minutes, after which the Senate resume the consideration of Senate Joint Resolution 138.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 8:30 a.m. After the two leaders or their designees have been recognized under the standing order, the junior Senator from Ohio (Mr. JOHN GLENN) will be recognized for not to exceed 15 minutes, after which the senior Senator from Montana (Mr. MANSFIELD) will be recognized for not to exceed 15 minutes, after which the Senate will resume the consideration of the pending measure, Senate Joint Resolution 138.

The pending question at that time will be on agreeing to the motion to recommit by the Senator from South Dakota (Mr. ABOUREZK).

There are various amendments and other motions which will be voted on tomorrow. There is a time limitation agreement on the measure, and several rollcall votes will be had. Other measures may be called up, such as conference reports, on which rollcall votes may be had.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, tomorrow will be another long day, and the session will extend late into the evening. Senators will want to prepare accordingly.

RECESS UNTIL 8:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 8:30 tomorrow morning.

The motion was agreed to; and at 8:56 p.m. the Senate took a recess until tomorrow, Thursday, October 9, 1975, at 8:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate October 8, 1975:

DEPARTMENT OF JUSTICE

Earl J. Silbert, of the District of Columbia, to be U.S. attorney for the District of Columbia for the term of 4 years.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee on the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, October 8, 1975*

The House met at 12 o'clock noon.

The Reverend Kieran Martin, St. Virgilius Roman Catholic Church, Broad Channel, N.Y., offered the following prayer:

Almighty and Eternal Father, we ask Your blessing on these Your children, the representatives of the people of the United States of America.

Their work this day, as on all the days they meet, is vital to our country's life; we would not long survive, as a nation, without it. They need Your guidance; they need Your help. Keep them, dear Father, in Your care, so that, this day, their thoughts may be directed to the common good; their plans come to full fruition and their endeavors end in success.

We ask this through our Lord Jesus Christ, Your Son, who lives and reigns with You in the unity of the Holy Spirit, one God, forever and ever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On October 3, 1975:

H.R. 543. An act to expand coverage of the Rehabilitation and Betterment Act (act of October 7, 1949, 63 Stat. 724); and

H.R. 1401. An act for the relief of Robert M. Johnston.

On October 4, 1975:

H.R. 4005. An act to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 5708. An act to provide for the striking of medals in commemoration of the bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps; and

H.R. 5952. An act to amend the Water Resources Planning Act (79 Stat. 244), as amended.

The message also announced that the Senate having proceeded to reconsider the bill (H.R. 4222) entitled "An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs," returned by the President of the United States with his objections to the House of Representatives, in which it originated, it was resolved, that the said bill pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8561) entitled "An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," and further that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 33, 48, and 75 of the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 824) entitled "An act to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1327. An act to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians; and

S. 1549. An act to amend the Federal Rules of Evidence, and for other purposes.

REV. KIERAN MARTIN

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, I would like to introduce the Reverend Kieran Martin, pastor of the St. Virgilius Roman Catholic Church in Broad Channel, Queens, N.Y.

Father Martin has served this unique community for the last 7 years. His leadership is marked by a deep sensitivity to all of the needs of his community, temporal as well as spiritual.

Broad Channel is the picturesque island in the middle of Jamaica Bay that you may have seen as your planes land at Kennedy Airport. Father Martin calls it the "Venice of New York City" because of its many channels and waterways. It stands next to the Gateway National Recreational Area's Jamaica Bay wildlife sanctuary—a unique part of America's national park system.

Broad Channel is one of New York City's unique communities, not only because of its beauty, but because of the patriotic spirit of its 3,000 residents. The people who live in Broad Channel are an example of what America is all about. Its fathers and sons continue to live, side by side, in the community, and the tight-knit village is a haven of quiet and tranquillity in frenetic New York City. Indeed, the sense of pride of my friends in Broad Channel is evidenced by the American flags which are raised and lowered every day on flagpoles in front of many of the homes in Broad Channel.

I am proud to welcome Father Martin to the Congress of the United States, and am privileged and honored to represent Broad Channel in the House of Representatives.

INTRODUCTION OF LEGISLATION TO REMOVE CERTAIN LIMITATIONS ON GRANTS NOW AVAILABLE TO DISASTER VICTIMS

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, I have noted that, under the terms of the Disaster Relief Act of 1974, grants up to $5,000 can be made to disaster victims having no income or means of livelihood. Grants are not available to those who have a farm or business or other resources on which disaster loans are obtainable. It should be obvious that this works a hardship on the citizen who is a producer; that he is penalized for the fact that he has been able to accumulate resources. There are many cases in which his needs are just as serious as the needs of the person who has no resources. Grants should be available to all who need them.

Therefore, I am introducing legislation to modify that section of the Disaster Relief Act of 1974 to provide that grants shall be available to a disaster victim whenever it is clearly in his best interest and shall not be limited, as it presently is, to cases where the disaster victim is unable to meet such expenses or needs through loans or other sources. Grant assistance should be available to meet disaster-caused business expenses, including farming losses, as well as to meet individual and family needs.

I sincerely hope the responsible committees will see the need for this modification and that they will move quickly to act upon it.

PERMISSION FOR SUBCOMMITTEE ON CIVIL RIGHTS AND CONSTITUTIONAL RIGHTS OF COMMITTEE ON JUDICIARY TO SIT TODAY AND TOMORROW DURING 5-MINUTE RULE

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Civil Rights and Constitutional Rights of the Committee on the Judiciary be permitted to sit today and tomorrow while the House is reading for amendment under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NOTICE OF HEARINGS—LEGISLATION TO PROVIDE FOR COMPENSATING VICTIMS OF CRIME

(Mr. HUNGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNGATE. Mr. Speaker, on Tuesday, October 28, the Subcommittee on Criminal Justice of the Committee on the Judiciary will begin hearings on legislation to provide compensation to victims of crime. The following bills have been referred to the subcommittee and will be the subject of the hearings: H.R. 287, H.R. 598, H.R. 1449, H.R. 1903, H.R. 2748, H.R. 8753, and H.R. 9074. In addition, the subcommittee will consider the relevant portions of H.R. 3907 and the approaches taken in S. 1399 and other Senate bills.

Persons interested in testifying are invited to contact the subcommittee staff in room 2137, Rayburn House Office Building, phone (202) 225-0406. If necessary, a second day of hearings will be held on Tuesday, November 4.

PRESIDENT FORD IS A LITTLE TOO SAFE AT HOME; MEDIA PROTECTS HIM BY SIMPLY IGNORING HIM

(Mr. KETCHUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KETCHUM. Mr. Speaker, I feel compelled to rise, expressing my outrage with two of our major network television stations for their failure to carry President Ford's message this past week. Mr. Ford has been—if my colleagues will excuse a no doubt inappropriate pun—under fire from the press for his efforts to get out among the people. "Stay home!" they tell him. "Speak to us from the safety of the White House, and we'll broadcast your message to America." But what happens? President Ford proposes a responsible and vital combination tax cut/spending cut program to our citizens, and most of them did not even know it. At a time when our people sit before their televisions, digesting their dinners, the President appeared on only one channel, and two-thirds of America watched regularly scheduled programs. I find this appalling, and do not for one moment consider the media's excuse of "equal time" satisfactory. What Mr. Ford had to say was not a political pitch—it was a beautiful plan designed to put more money in our citizens' wallets through a tax cut, while simultaneously cutting spending. We all know Mr. Ford will not approve the tax cut unless Congress agrees to limit its spending—but most of our Nation's citizens never heard his statement. Since it is the only sensible, reasonable, rational plan I have heard to date during the duration of this Congress, I call that not only a blasted shame, but also irresponsible news coverage. It seems Mr. Ford is a little too safe at home—our gallant media have protected him by simply ignoring him.

CONGRESS SHOULD STAY ON THE JOB ON ENERGY, TAX CUT PROGRAM, AND EXPENDITURE LIMIT

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I note that the distinguished chairman of the Rules Committee, the gentleman from Indiana, has sent around a memorandum recommending that the Congress not send any more bills for a rule after November 3, and that business be terminated on November 25. The reason given was that Congress should have a month to tell constituents about the first session of the 94th.

I believe that Congress should stay on the job, at work and in session, at least as long as it takes to get a workable national energy program on the books, enact the President's tax cut program, and put a meaningful expenditure limit in place.

Second, while I realize that it might take a month for the majority to explain away the spendorama programs and huge deficits by the 94th Congress, as far as its achievements go we could meet right through December 31, and there would still be ample time to recapitulate the record of this Congress.

AUTHORIZING APPROPRIATIONS FOR JOHN F. KENNEDY CENTER

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6151) to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "$2,575,000" and insert: "$2,800,000".

Page 1, after line 9, insert:

SEC. 2. Section 6 of the John F. Kennedy Center Act is amended by adding the following new subsection:

"(f) The General Accounting Office is authorized and directed to review and audit, regularly, the accounts of the Kennedy Center for the Performing Arts, for the purpose of determining the continuing ability of the Center to pay its share of future operating costs, and for the purpose of assuring that the cost-of-living formula fairly and accurately reflects the use of the building.".

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

Mr. GOLDWATER. Mr. Speaker, reserving the right to object, I wonder if the gentleman could briefly explain what is entailed in the amendments in which we are asked to concur.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I would be happy to explain each of the Senate differences. The first was an increase of some $200,000 in the appropriations and the Office of Management and Budget, and the administration made a request for this increase apparently in sums dealing with the Bicentennial next summer which were not a part of the agreement when we passed the bill in the House.

The second change was necessitated because the Senate, the other body, felt that the General Accounting Office should do a more regular audit of accounts for purposes of allocating the joint cost between the Kennedy Center and the National Park Service as a condition to continuing authorizing funds for nonperforming art functions. We felt both of these amendments deserved support and we acquiesced.

Mr. GOLDWATER. Mr. Speaker, I thank the gentleman for his explanation.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, I rise in support of the act, H.R. 6151 authorizing funds for the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

Earlier this year the House passed this bill giving the Center a 2-year authorization for the nonperforming arts functions to the Kennedy Center. The authorizations were $2.57 million for fiscal year 1976, $741,000 for the transition period of July 1 to October 1, and $3.1 million for the fiscal year 1977. The other body has increased the fiscal year 1976 authorization to $2.8 million in accordance with the recommendation by the Department of the Interior for that amount. This is acceptable to OMB.

Additionally, the Senate has added a new section to the act, authorizing the General Accounting Office to review and audit on a regular basis the accounts of the Kennedy Center, for the purpose of determining the ability of the Center to pay its share of future operating costs and for the purpose of assuring that the cost-sharing formula fairly and accurately reflects the use of the building. I may add that this audit should be for the nonperforming arts functions and performing arts functions only as it relates to maintenance and related needs. This audit is not intended for the performing arts themselves, but rather the maintenance, security, information, interpretation, janitorial, and other services necessary for the Center.

Earlier this year a GAO report reviewed the cost sharing formula and determined that it was a valid formula, 76 percent of the total cost going to the nonperforming arts functions and the remaining to the performing arts functions.

This new subsection would continue the review of that formula.

Mr. Speaker, I urge enactment of this bill.

Mr. GOLDWATER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

VETERANS' ADMINISTRATION PHYSICIANS AND DENTISTS PAY COMPARABILITY ACT OF 1975

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8240) to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the House amendment to the Senate amendment.

The Clerk read as follows:

House amendment to Senate amendment: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

That this Act may be cited as the "Veterans' Administration Physician and Dentist Pay Comparability Act of 1975".

SEC. 2. (a) The Congress hereby finds and declares (1) that the ceiling on the salary of physicians employed in the Department of Medicine and Surgery due to the Federal salary limitation under the Executive Schedule rates of pay in title 5, United States Code, accompanied by the sharp escalation in the cost of living since those rates of pay were last increased in 1969, has seriously impaired the recruitment and retention of qualified physicians by the Department of Medicine and Surgery in the Veterans' Administration; and (2) that the compensation provided to physicians and dentists in the Department of Medicine and Surgery has been rendered noncompetitive by virtue of the payment of special pay of up to $13,500 per annum, in addition to basic compensation and other benefits, to certain medical officers, and monthly special and continuation pay cumulating approximately half such amount to certain dental officers, of the uniformed services, pursuant to title 37 of the United States Code and Public Law 93-274. The Congress further finds and declares that these recruitment and retention difficulties have created an inequitable and demoralizing situation in the Department of Medicine and Surgery that threatens to erode seriously the ability of the Department to compete for the services of necessary health care professionals and thereby to continue to provide quality health care to eligible veterans.

(b) Section 4107 of title 38, United States Code, is amended by—

(1) striking out the comma and "other than Chief Medical Director and Deputy Chief Medical Director," after "title" in the first sentence of subsection (a);

(2) striking out in subsection (a) the following:

"Associate Deputy Chief Medical Director, at the annual rate provided in section 5316 of title 5 of the United States Code for positions in level V of the Executive Schedule.

"Assistant Chief Medical Director, $41,734.

"Medical Director, $36,103 minimum to $40,915 maximum."

and inserting in lieu thereof the following:

"Chief Medical Director, $54,000.

"Deputy Chief Medical Director, $52,000.

"Associate Deputy Chief Medical Director, $50,000.

"Assistant Chief Medical Director, $48,654.

"Medical Director, $42,066 minimum to $47,674 maximum.";

(3) amending the Physician and Dentist Schedule in section (b)(1) to read as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $36,338 minimum to $46,026 maximum.

"Executive grade, $33,736 minimum to $43,861 maximum.

"Chief grade, $31,309 minimum to $40,705 maximum.

"Senior grade, $26,861 minimum to $34,916 maximum.

"Intermediate grade, $22,906 minimum to $29,782 maximum.

"Full grade, $19,386 minimum to $25,200 maximum.

"Associate grade, $16,255 minimum to $21,133 maximum."; and

(4) amending subsection (d) to read as follows:

"(d) Notwithstanding any other provision of law, and except as provided in section 4118 of this title, pay may not be paid at a rate in excess of the rate of basic pay for an appropriate level authorized by section 5314, 5315, 5316 of title 5 for positions in the Executive Schedule, as follows:

"(1) Level III for the Chief Medical Director;

"(2) Level IV for the Deputy Chief Medical Director; and

"(3) Level V for all other positions for which such basic pay is paid under this section.".

(c) Title 5, United States Code, is amended by—

(1) striking out in section 5314 the following:

"(38) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration."; and

(2) striking out in section 5315 the following:

"(31) Deputy Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.".

(d)(1) Subchapter I of chapter 73 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 4118. Special pay for physicians and dentists.

"(a)(1) Notwithstanding the provisions of section 4107 (d) or any other provision of law, in order to recruit and retain highly qualified physicians and dentists in the Department of Medicine and Surgery, the Administrator, pursuant to the provisions of this section and regulations which he shall prescribe hereunder, shall provide, in addition to any pay or allowance to which such physician or dentist is entitled, special pay in an amount not more than (A) $13,500 per annum to any physician employed in the Department of Medicine and Surgery, or (B) $6,750 per annum to any dentist so employed, except as provided in paragraphs (2) and (3) of this subsection, upon the execution, and for the duration of, a written agreement by such physician or dentist to complete a specified number of years of service in the Department.

"(2) Special pay may not be paid under this section to any physician or dentist who—

"(A) is employed on less than a half-time or intermittent basis.

"(B) occupies an internship or residency training position, or

"(C) is a reemployed annuitant.

"(3) The Chief Medical Director, pursuant to such regulations, may determine categories of positions applicable to both physicians and dentists in the Department of Medicine and Surgery as to which there is no significant recruitment and retention problem. Physicians and dentists serving in such positions shall not be eligible for special pay under this section.

"(b) The Administrator shall exercise the authority contained in this section to provide—

"(1) the maximum amount of such special pay to the Chief Medical Director and Deputy Chief Medical Director;

"(2) primary special pay of $5,000 to any eligible full-time physician, or $2,500 to any eligible full-time dentist, appointed under this chapter; and

"(3) a proportional amount of primary special pay of $5,000 to any eligible part-time physician, or of $2,500 to any eligible part-time dentist, appointed under this chapter, which proportional amount shall be calculated on the basis of the proportion which the part-time employment in the Department of Medicine and Surgery of such physician or dentist bears to full-time employment.

"(c) The Administrator shall, in accordance with such regulations, provide, in addition to the primary special pay provided for in subsection (b) of this section, incentive special pay of no more than $8,500 to any eligible physician, or $4,250 to any eligible dentist, described in clauses (2) and (3) of subsection (b) of this section. In prescribing regulations to carry out this subsection, the Administrator shall take into account only the following factors and may pay no more than the following per annum amounts of incentive special pay to any full-time physician eligible therefor, one-half the following per annum amounts to any full-time dentist eligible therefor (except that the full amount as specified in clause (1)(A)(iii) may be paid), or a proportional amount of the following per annum amounts to any part-time physician or dentist to the extent eligible therefor which proportional amount shall be calculated on the basis of the proportion which the part-time employment in the Department of Medicine and Surgery of such physician or dentist bears to full-time employment:

"(1)(A)(i) full-time status, $2,000, and

"(ii) tenure of service within the Department of Medicine and Surgery as follows:

"(aa) completion of probationary period or three years, whichever is the lesser, $1,000, or

"(bb) Completion of seven years, $2,000; and

"(iii) scarcity of medical or dental specialty $2,000; or

"(B) professional responsibility as follows:

"(i) Service Chief not in a scarce medical or dental specialty or Associate Chief of Staff, $5,500,

"(ii) Service Chief in a scarce medical or dental specialty, $7,000;

"(iii) Chief of Staff or Executive Grade, $7,000,

"(iv) Director Grade or Deputy Service Director, $7,250,

"(v) Service Director, $7,500,

"(vi) Deputy Assistant Chief Medical Director; $8,000, or

"(vii) Associate Deputy Chief Medical Director or Assistant Chief Medical Director, $8,500; and

"(2) continuing education certification, $500.

"(d)(1) The annual rate of special pay provided pursuant to this section shall be reduced by an amount calculated as of the effective date of an agreement entered into under this section, as follows: the difference between the annual rate of basic pay for the grade and step of a physician or dentist in effect and payable on the day before the effective date of this section and the annual rate of basic pay in effect and payable on such effective date for such grade and step.

"(2) No part-time physician may be paid an aggregate amount of basic pay, pursuant to the rates applicable on the effective date of this section to physicians employed under this title, and special pay under this section in excess of $42,000 per annum, and no part-time dentist may be paid an aggregate amount of basic pay, pursuant to the rates applicable on the effective date of this section to dentists employed under this title, and special pay under this section in excess of $37,000 per annum.

"(e)(1) Any agreement entered into by a physician or dentist under this section shall be with respect to a period of one year of service in the Department of Medicine and Surgery unless the physician or dentist requests an agreement for a longer period of service not to exceed four years.

"(2)(A) Any such agreement shall provide that the physician or dentist, in the event that such physician or dentist voluntarily, or because of misconduct, fails to complete at least one year of service pursuant to such agreement, shall be required to refund the total amount received under this section, unless the Chief Medical Director, pursuant to the regulations prescribed under this section, determines that such failure is necessitated by circumstances beyond the control of the physician or dentist.

"(B) Any such agreement shall specify the terms under which the Veterans' Administration and the physician or dentist may elect to terminate such agreement.

"(3) Any amount of special pay payable under this section shall be paid in biweekly installments.

"(4)(A) Any physician or dentist who is employed in the Department of Medicine and Surgery on or before the effective date of this section and who enters into an agreement under this section during the forty-five day period beginning on the date of the enactment of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 is entitled to special pay beginning on the effective date of this section.

"(B) Any physician or dentist who becomes employed in the Department of Medicine and Surgery after the effective date of this section and who enters into an agreement under this section before the close of the forty-five day period beginning on the date of the enactment of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 is entitled to special pay beginning on the date on which the physician or dentist becomes employed.

"(C) Any physician or dentist who becomes employed in the Department of Medicine and Surgery after the close of the forty-five-day period beginning on the date of the enactment of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975, or who does not enter into any agreement under this section before the close of such forty-five day period, and who thereafter enters into an agreement under this section is entitled to special pay beginning on the date on which the agreement is entered into, or the date on which the physician or dentist becomes employed, whichever date is later.

"(f) Any additional compensation provided as special pay under this section shall not be considered as basic pay for the purposes of subchapter VI and section 5595 of chapter 55, chapter 81, 83, or 87 of title 5, or other benefits related to basic pay.".

(2) The table of sections at the beginning of chapter 73 of title 38, United States Code, is amended by inserting

"4118. Special pay for physicians and dentists."

immediately after

"4117. Contracts for scarce medical specialist services.".

SEC. 3. The Administrator of Veterans' Affairs shall submit a report each year to the Committees on Veterans' Affairs of the House of Representatives and the Senate regarding the operation of the special pay program authorized by section 4118 of title 38, United States Code, as added by section 2(d)(1) of this Act. The report shall be on a fiscal year basis and shall contain—

(1) a review of the program to date for the fiscal year during which the report is submitted and for such portion of the preceding fiscal year as was not included in the previous annual report; and

(2) any plan in connection with the program for the remainder of such fiscal year and for the succeeding fiscal year.

This report shall be submitted no later than April 30 of each year.

SEC. 4. (a) No later than August 31, 1976, the Comptroller General of the United States and the Director of the Office of Management and Budget shall complete the following activities and shall each submit a report thereon to the Congress:

(1) An investigation of the short-term and long-term problems facing the departments and agencies of the Federal Government (including the uniformed services) in recruiting and retaining qualified physicians and dentists.

(2) An evaluation of the extent to which the implementation of a uniform system of pay, allowances, and benefits for all physicians and dentists employed in such Federal departments and agencies would alleviate or solve such recruitment and retention problems.

(3) An investigation and evaluation of such other solutions to such recruitment and retention problems as each deems appropriate.

(4) On the basis of the investigations and evaluations required to be made under paragraphs (1), (2), and (3) of this subsection, (A) an identification of appropriate alternative suggested courses of legislative or administrative action (including proposed legislation) and cost estimates therefor, which in the judgment of the Comptroller General or Director, as the case may be, will solve such recruitment and retention problems, and (B) a recommendation, and justification therefore, of which such course should be undertaken.

(b) The reports required by subsection (a) of this section shall also include—

(1) a comprehensive analysis of—

(A) the existing laws and regulations relating to the employment of physicians and dentists by such departments and agencies of the Government, including an analysis of the various pay systems established pursuant to such laws,

(B) the existing physician and dentist recruitment, selection, utilization, and promotion practices of such departments and agencies, and

(C) the degree to which the various pay systems referred to in subparagraph (A), the practices referred to in subparagraph (B), and other relevant departmental and agency practices are effective in alleviating or solving such recruitment and retention problems, and

(2) a comparison of the remuneration received by physicians and dentists employed by such departments and agencies with the remuneration received by physicians and dentists in private practice or academic medicine who have equivalent professional or administrative qualifications, based upon information available through medical, dental, and health associations and other available sources.

(c) In preparing their respective reports required by subsection (a) of this section, the Comptroller General and the Director of the Office of Management and Budget shall consult, to the maximum extent feasible, with each other as well as with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal departments and agencies.

(d) No later than March 1, 1977, the Comptroller General shall complete, and shall submit a report thereon to the Congress, a comprehensive investigation and analysis of recruitment and retention problems, both nationwide and geographically, of health care personnel other than physicians and dentists in the Department of Medicine and Surgery with respect to basic pay and premium and overtime pay rates.

(e) The report required by subsection (d) of this section shall specify—

(1) pay relationships which exist, both nationwide and geographically, between such personnel and similar employees of non-Federal health care facilities;

(2) pay relationships which exist, both nationwide and geographically, among such personnel in the Department of Medicine and Surgery (including an anlaysis of the effect of differing pay systems);

(3) the degree to which the pay relationships referred to in clauses (1) and (2) of this subsection create recruitment and retention or other personnel or related problems in the effective administration and achievement of the mission of the Department of Medicine and Surgery;

(4) the degree to which existing title 38 and title 5, United States Code, authorities have been able to be exercised in a way adequate to deal with any such recruitment and retention and pay problems as to such personnel; and

(5)(A) alternative suggested courses of legislative or administrative action (including proposed legislation) and cost estimates therefor, which in the judgment of the Comptroller General will alleviate or solve any such recruitment and retention and pay problems, and (B) a recommendation, and justification therefor, of which such course should be undertaken.

(f) In preparing the report required by subsection (d) of this section, the Comptroller General shall consult with the Chief Medical Director of the Veterans' Administration and with the heads of other appropriate Federal departments and agencies.

(g) The heads of all Federal departments and agencies shall fully cooperate with and respond expeditiously to all reasonable requests for information and assistance in connection with the preparation of the reports required by this section.

(h) The Administrator of Veterans' Affairs shall submit to the appropriate Committees of the House of Representatives and the Senate reports, prepared by the Chief Medical Director, specifying the effect on the administration and achievement of the mission of the Department of Medicine and Surgery of the alternative courses and recommended course of action identified in the reports required by this section. Each such report shall be submitted no later than one hundred and twenty days after the date on which such other report in question is submitted to the Congress.

SEC. 5. Chapter 73 of title 38, United States Code is amended as follows:

(a) Clause (1) of section 4104 is amended to read as follows:

"(1) Physicians, dentists, nurses, physicians' assistants, and expanded-duty dental auxiliaries;".

(b) Section 4105 is amended by—

(1) inserting at the end of subsection (a) the following new paragraph:

"(8) Physicians' assistants and expanded-duty dental auxiliaries shall have such medical or dental and technical qualifications and experience as the Administrator shall prescribe."; and

(2) striking out in subsection (b) "or nurse unless he" and inserting in lieu thereof "nurse, physicians' assistant, or expanded-duty dental auxiliary unless such persons".

(c) Section 4106 is amended by adding at the end thereof the following new subsection:

"(f) The provisions of this section shall apply to physicians' assistants and expanded-duty dental auxiliaries.".

(d) Section 4107 is amended by—

(1) inserting before the period at the end of the third sentence of paragraph (5) of subsection (e) a comma and "except as voluntarily requested in writing by the nurse in question"; and

(2) inserting at the end thereof the following new subsection:

"(f) Under standards which the Administrator shall prescribe in regulations, physicians' assistants and expanded-duty dental auxiliaries shall be compensated by use of Nurse Schedule grade titles and related pay ranges and shall be entitled to additional pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of this section.".

(e) Section 4108 is amended by—

(1) striking out in the language preceding clause (1) in subsection (a) "and nurses" and inserting in lieu thereof a comma and "nurses, physicians' assistants, and expanded-duty dental auxiliaries"; and

(2) striking out "or nurse" in the same language in such subsection and in clause (6)(B) thereof and inserting in lieu thereof in each place "nurse, physicians' assistant, or expanded-duty dental auxiliary".

SEC. 6. (a)(1) The amendments made by section 2 of this Act shall become effective on October 12, 1975.

(2) No agreement to provide special pay may be entered into pursuant to section 4118 of title 38, United States Code (as added by section 2(d)(1) of this Act), after October 11, 1976.

(b) Except as provided in subsection (a)(1) of this section, the amendments made by this Act shall become effective beginning the first pay period following thirty days after the date of the enactment of this Act.

Mr. ROBERTS (during the reading). Mr. Speaker, I ask unanimous consent that the House amendment to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WALSH. Mr. Speaker, reserving the right to object, and I shall not object, I would like to ask our distinguished committee chairman to explain the provisions of the bill.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Speaker, on July 21, 1975, after extensive consideration by the House Committee on Veterans' Affairs, the House passed by a vote of 382 to 3, H.R. 8240, the Veterans' Administration Physicians and Dentists Pay Comparability Act of 1975. Subsequently, on August 1, 1975, the Senate passed a differing version of this bill (S. 1711) and sent it back to the House. During the intervening period, a great many hours of consultation have taken place between the House and Senate in an effort to reach mutual agreement on a bill acceptable to both bodies.

Mr. Speaker, I am pleased to report that agreement has now been reached on a compromise version of this bill and that by virtue of certain offset provisions in the proposed amendment which, in part, relate to the recent 5-percent cost-of-living increase for Federal employees, the cost of this legislation will be reduced by over $10 million.

Mr. Speaker, the 29 million war veterans of this Nation deserve the best possible medical care. As I stated before this body when this legislation was first considered, most federally employed physicians outside the Veterans' Administration were receiving pay and other benefits up to 33 percent greater than their VA counterparts with the same comparable experience. This inequity has greatly impeded the recruitment and retention of physicians for the sick and disabled veterans in VA's 171 hospitals and their outpatient clinics.

The compromise we have reached with the Senate will, I believe, do much toward providing important resources to the Veterans' Administration including competent physicians, dentists, and allied health personnel to deliver vital medical care to our Nation's veterans. This legislation is primarily designed toward meeting an immediate need. One of the key provisions in the legislation calls for governmentwide studies to be completed by August 31, 1976, by the Comptroller General and the Office of Management and Budget which will form a basis for future permanent legislation to insure a uniform pay system for federally employed physicians and other medical personnel.

Mr. Speaker, I particularly want to commend the chairman of the Hospital Subcommittee, the distinguished gentleman from Virginia (Mr. SATTERFIELD) and the distinguished ranking minority member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for their outstanding efforts in working out these differences with the Senate.

I now yield to the distinguished Hospital Subcommittee chairman (Mr. SATTERFIELD) for a further explanation of the proposed amendment.

Mr. Speaker, with the permission of the gentleman from New York, I suggest that he yield to the distinguished gentleman from Virginia (Mr. SATTERFIELD), who will explain the proposed amendment.

Mr. SATTERFIELD. Mr. Speaker, will the gentleman yield.

Mr. WALSH. I yield to the gentleman from Virginia.

Mr. SATTERFIELD. Mr. Speaker, I want to thank Chairman ROBERTS for his gracious remarks, and I want this body to be aware of the very cooperative manner in which he has assisted us in arriving at an agreeable solution to this important bill.

Mr. Speaker, Chairman ROBERTS has already broadly outlined the need for this legislation, and a full record was also made when the bill originally passed the House 382 to 3 last July. The compromise provisions reached with the Senate represent a meeting of the minds which will enable the Veterans' Administration to pay their physicians on a near comparability level with those who are employed by other departments and agencies of the Federal Government.

Mr. Speaker, there were a number of differences between the House and Senate passed bills. After long hours of careful deliberations, I believe we have reached mutually agreeable solutions.

I will highlight the major points of our agreement at this time.

MULTIYEAR AGREEMENTS

The Senate bill called for voluntary multiyear agreements for up to 4 years similar to those utilized by the military and Public Health Service. The House bill made no provisions for such agreements. In our discussions with the Senate, we concluded that the agreement feature may add additional incentives for recruitment and retention of needed physicians and dentists. Accordingly, we are agreeing to include the Senate provision in the proposed amendment.

PART-TIME PHYSICIAN AND DENTIST PROVISION

The Senate bill would have provided special and incentive pay for all part-time physicians. The House disagreed with this provision, and the Senate has agreed with the House that no special or incentive pay will be paid to any eligible physician or dentist unless such person is employed at least half time or more by the Veterans' Administration.

UPDATING PHYSICIANS' AND DENTISTS' SALARY SCHEDULE

The House bill contained an updated salary schedule for physicians and dentists. The Senate bill did not. Agreement was reached to include an updated schedule in the law which coincides with the schedule recommended by President Ford's 5 percent cost-of-living increase. Additionally, the Chief Medical Director and Deputy Chief Medical Director's positions would be transferred from title 5 to title 38 at the same pay levels and all basic pay rates are limited by title 5 provisions.

Additionally, the Senate bill contained a provision to bring physicians' assistants under title 38 from title 5. The House bill did not contain this provision; however, we are in agreement that this action is desirable and with the concurrence of the chairman of the Post Office and Civil Service Committee a provision to accomplish this has been included in the amended bill.

DENTIST PROVISION

The House bill included a provision to pay eligible dentists special and incentive pay at one half the physician rate. This formula would bring VA dentists to a near comparable total income value rate of compensation with military and Public Health Service dentists.

The original Senate bill did not include dentists; however, during our deliberations the Senate agreed to include dentists for special pay purposes.

STUDIES FOR PERMANENT SOLUTION

The original bills passed by the House and Senate contained provisions for studies to be made and completed in calendar year 1976 which would recommend a permanent solution to the problem of developing a uniform pay system for all federally employed physicians and dentists. Under the original House bill the Comptroller General would conduct the study. Under the Senate bill the Director of the Office of Management and Budget would conduct the study.

During our deliberations, it was determinated that OMB intended to proceed with a study of this matter. In view of this development, it was mutually agreed to outline the scope of the study in the law and agree to mandate both the Comptroller General and OMB to undertake independent and separate studies based on identical guidelines and present their findings to the Congress by August 31, 1976.

EXEMPTION BY CATEGORIES

Mr. Speaker, the proposed amendment would allow the chief medical director to determine categories of physicians and dentists who may receive special or incentive pay provided by this measure.

For example, we understand the Veterans' Administration plans to exempt several categories such as distinguished physicians, senior physicians, as well as physician and dentists health care facilities directors. Certain other categories are exempt by law.

It is clearly understood that Congress intends, Mr. Speaker, that should the Chief Medical Director exempt a category of positions pertaining to dentists, he must also exempt the applicable category of positions pertaining to physicians.

For instance, should the Chief Medical Director make a determination that staff dentists are exempted by category from receiving special pay, he must also exempt staff physicians from receiving such special pay.

Mr. Speaker, there were some other minor provisions in both bills which were modified. There is one particular provision where the intent of Congress should be clearly set forth for the RECORD.

In connection with the incentive special pay section of the legislation, various minor adjustments were made in the amounts and categories of incentive special pay. One category was changed from "board certification" to "continuing education certification." It is the intent of Congress that the eligibility criteria for the "continuing education category" would be based on receipt of the "Physician's Recognition Award" from the Council on Medical Education of the American Medical Association. To qualify for this award, a physician must participate in 150 credit hours of advanced medical instruction in accordance with rules prescribed by the AMA, at least 60 credit hours of which must be taken at institutions with continuing education programs accredited by the AMA. As of October 1, only 50 of 171 VA hospitals had accredited programs in continuing medical education. The Congress intends that the Department of Medicine and Surgery will make every effort to hasten the accreditation, for continuing education program purposes, of all VA hospital programs, and to require, wherever feasible, that all instructional credit hours will thus be taken at AMA-accredited institutions.

There is no equivalent in dentistry to the "Physician's Recognition Award" in medicine. Although the "Principles of Ethics" of the American Dental Association—ADA—affirm the dentist's responsibility to continue his dental education for the duration of his professional career, the ADA does not administer a formal certification program for dentists who have completed a course of continuing dental education. Since 1972, however, the ADA has administered a "continuing education registry" program designed to assist State dental examining boards and professional societies in implementing continuing education regulations and programs, and has developed a well-respected capability in the field. It is the expectation of the Congress that the Chief Medical Director, in consultation with the relevant officials at the ADA's Council on Dental Education and the Assistant Chief Medical Director for Dentistry, will expeditiously develop a program of continuing dental education similar in scope, degree, and quality to the "Physician's Recognition Award" program for physicians, the completion of which will entitle eligible dentists in the Department of Medicine and Surgery to the $250 of incentive special pay for "continuing education certification" provided for in the amended bill.

Mr. Speaker, this concludes my review of the major revisions which we have made in consultation with the other body.

For the additional information of my colleagues, I will include a section-by-section analysis of the proposed amendment at this point in the RECORD:

SECTION 1

Provides that this Act may be cited as the "Veterans' Administration Physician and Dentist Pay Comparability Act of 1975".

SECTION 2

Amends subchapter I of chapter 73 of title 38, United States Code, to provide special pay, and make certain conforming changes, to assist the Department of Medicine and Surgery (the "Department") in recruiting and retaining career physicians and dentists in the Veterans' Administration ("VA").

Subsection (a) declares as a Congressional finding of fact that the Department's ability to recruit and retain qualified physicians has been seriously impaired by the statutory ($36,000) ceiling on Federal salaries, the effect of which has been aggravated by the sharp escalation in the cost of living since the ceiling was imposed in 1969, and, furthermore, that the compensation provided to physicians and dentists has been rendered noncompetitive with other Federal physician and dental salaries, on account of payment of annual special pay to certain medical officers of the uniformed services pursuant to Public Law 93-274 and monthly special pay and continuation pay to certain dental officers pursuant to title 37, United States Code. This subsection further declares as a Congressional finding of fact that the recruitment and retention problems thereby created threaten to erode the Department's ability to compete for the services of these highly qualified health care professionals and to provide quality health care to eligible veterans.

Subsection (b) makes a series of amendments to present section 4107 of title 38 (specifying grades and pay scales) designed to (1) place the specifications of the basic pay (salary) levels of the top two officials of the Department within title 38 rather than in the Executive Schedule in title 5, United States Code, as at present; (2) raise and realign the statutory levels of their basic pay and the basic pay of other personnel in the Department; and (3) substitute a new "Physician and Dentist Schedule" of grades and pay for the old schedule in section 4107(b).

Clause (1) amends section 4107(a) by deleting, in light of the amendment made in clause (2) of this subsection and subsection (c) of this section (section 2) of the bill, the language which denotes that the pay scale of the Chief Medical Director and Deputy Chief Medical Director are not provided for in the "Section 4103 Schedule."

Clause (2) further amends subsection (a) by striking out the present reference to the basic pay of the Associate Deputy Chief Medical Director, and basic pay rates for the Assistant Chief Medical Directors, and the Medical Directors, and substitutes for that reference designations of basic pay levels for the top officials of the Department as follows:

Chief Medical Director, $54,000.

Deputy Chief Medical Director, $52,000.

Associate Deputy Chief Medical Director, $50,000.

Assistant Chief Medical Director, $48,654.

Medical Director, $42,066 minimum to $47,674 maximum.

The rates of basic pay of the three top officials of the Department are currently set by the Executive Schedule at levels III, IV, and V, respectively, as follows: $40,000 for the Chief Medical Director, $38,000 for the Deputy Chief Medical Director, and $36,000 for the Associate Deputy Chief Medical Director. All of the non-title 38 positions in Executive Level III are filled by Presidential appointment by and with the advise and consent of the Senate, and the same is true of virtually all the positions at Executive Level IV and V as well. In contrast, the three top officials in the Department are nonpartisan officials appointed for four-year statutory terms of service by the Administrator of Veterans' Affairs rather than the President. Thus, it seems more desirable to set the rates of basic pay for these top Department officials in the title 38 pay system rather than in the Executive Schedule.

The new statutory dollar levels specified in title 38 were determined by reference to the existing statutory basic pay rates for Assistant Chief Medical Directors. That salary is currently $46,366. Under the Executive Order, effective October 12, 1975, as to employees in the Department, the basic pay level for an Assistant Chief Medical Director will be raised by 5 percent to $48,684. This figure was the base on which the basic pay rates for the three higher officials of the Department were calculated. A basic pay rate of $50,000 was deemed appropriate for the Associate Deputy Chief Medical Director, with $2,000 increments for the Deputy Chief

Medical Director ($52,000) and the Chief Medical Director ($54,000).

Clause (3) revises the grades and annual full-time basic pay rates for physicians and dentists in the Department by substituting a new "Physician and Dentist Schedule" for the existing one in section 4107. The schedule now in title 38 was last amended by Public Law 93–82 (August 2, 1973) and has been increased twice since then by Executive Order (No. 11739 (October 3, 1973) and No. 11811 (October 7, 1974)). Under the new schedule, minimum rates are raised by from $774 (in the Associate grade) to $1,731 (in the Director grade) annually. The new schedule codifies the 5-percent comparability pay raise authorized by Executive Order No. 11883, effective on October 12, 1975, as to employees in the Department. All figures in the new schedule, in other words, are 5 percent greater than the comparable figures presently applicable. The ceiling on basic pay rates set by subsection (d) of section 4107, as amended by clause (4) of this subsection of the bill, will continue to limit basic pay of many physicians and dentists in the Director, Executive, and Chief grades. Furthermore, under subsection (d)(1) of the new section 4118, to be added to title 38 by subsection (d)(1) of this section of the bill, a physician or dentist eligible for special pay will have the amount of special pay reduced by the amount of the increase in annual basic pay realized as a result of the five-percent pay raise effective October 12, 1975, and codified in the new section 4107 Physician and Dentist Schedule. The effect of this reduction is to limit any physician or dentist to a total pay raise of not more than the $13,500 maximum originally prescribed in both House and Senate versions of the bill.

Clause (4) amends present section 4107(d) to set a basic pay ceiling for the Chief Medical Director (increasing from $40,000 to $42,000 by virtue of the five-percent pay raise under Executive Order No. 11883) and Deputy Chief Medical Director (increasing from $38,000 to $39,900 by virtue of that Order) by reference to levels III and IV, respectively, in the Executive Schedule—their present statutory levels. It should be noted that all of the salaries in the "Section 4103 Schedule" (for top officials of the Department)—as well as the section 4107 Physician and Dentist Schedule to the extent that they exceed the existing salary ceiling of $36,000 ($37,800 as of October 12), are limited by present subsection (d), applying to title 38 positions the Government-wide ceiling set forth in section 5308 of title 5, United States Code. If subsection (d) were not amended, this same ceiling would, by virtue of the amendments made by clause (2), apply to the basic pay of the Chief Medical Director and Deputy Chief Medical Director, thus making the effect of moving the specification of these two officials' basic pay rates to title 38 a reduction in their basic pay of $4,200 and $2,100 respectively. To avoid this result, clause (3) therefore amends present subsection (d) to set the salary ceilings for the two officials by reference to their current Executive Schedule levels. For all other personnel paid under the title 38 personnel system, the salary ceiling imposed by section 5308 of title 5, United States Code, would remain in effect as to basic pay.

Subsection (c) makes conforming amendments to sections 5314 and 5315 of title 5, amendments made by subsection (b) of this section of the bill.

Subsection (d): Paragraph (1) adds a new section 4118 to title 38, United States Code, providing for the payment to eligible physicians and dentists in the Department of special pay totalling up to $13,500 annually for physicians and up to $6,750 annually for dentists, upon acceptance of a written agreement executed by the physician or dentist to complete a specified number of years of service in the Department.

New Section 4118(a): Paragraph (1) directs the Administrator, pursuant to regulations which he shall prescribe, to provide special pay totalling up to $13,500 annually to eligible physicians, and up to $6,750 annually to eligible dentists.

Paragraph (2) removes from eligibility for special pay any physician or dentist who (A) is employed on a less-than-half-time basis, or is employed intermittently (such as consultant or attending physicians and dentists), by the Department, (B) occupies an internship or residency training position, or (C) is a reemployed annuitant.

Paragraph (3) permits exclusion from eligibility for special pay of those categories of physicians and dentists—such as hospital directors and research positions—as to which, as determined by the Chief Medical Director pursuant to the Administrator's regulations, there is no significant recruitment and retention problem.

New Section 4118(b): Clause (1) directs the Administrator to exercise the authority granted him under new section 4118 to pay the maximum amount of special pay ($13,500)—subject to reduction as specified in subsection (d)(1) of the new section—to the top two officials in the Department. Special pay for these officials is established by statute to prevent any conflict of interest or appearance of conflict, since they will administer and bear responsibility for the special pay program.

Clause (2) directs the Administrator to pay "primary special pay" totalling $5,000 annually to all eligible full-time physicians, and $2,500 annually to all eligible full-time dentists, in the Department.

Clause (3) directs the Administrator to pay to any eligible part-time physicians or dentists employed on a half-time-or-more basis the proportion of a full-time physician or dentist's primary special pay entitlement that corresponds to that proportion of his full-time employment which he works in the Department. In other words, a physician who works for the Department on a half-time basis would receive $2,500 in primary special pay (half of $5,000); a dentist who works for the Department on a three-quarter-time basis would receive $1,875 (three quarters of $2,500).

New section 4118(c): directs the Administrator to provide, in addition to the primary special pay described above, "incentive special pay" to any eligible physician or dentist, in an amount not to exceed annually (1) $8,500 for a full-time physician, (2) $4,250 for a full-time dentist, or (3) proportionally reduced amounts for physicians and dentists employed on a half-time-or-more basis. Incentive special pay is to be awarded only on the basis of specifically enumerated factors, as shown in the following table: the per annum dollar amounts shown are for a full-time physician; the amounts shown in parenthesis are for a full-time dentist; a part-time physician or dentist is entitled, where appropriate, to up to a proportionally reduced amount of the relevant figure:

For physicians and dentists not holding prescribed professional positions:

Full-time status, $2,000 ($1,000).

Tenure of service within the Department, as follows:

Completion of a probationary period or 3 years, whichever is the lesser, $1,000 ($500).

Completion of 7 years, $2,000 ($1,000).

Scarcity of medical or dental specialty, $2,000 ($2,000) *.

Continuing education certification, $500 ($250).

For physicians and dentists holding professional positions as follows:

Service Chief not in a scarce medical or dental specialty, or Associate Chief of Staff, $5,500 ($2,750).

Service Chief in a scarce medical or dental specialty, $7,000 ($3,500).

Chief of Staff, or Executive Grade, $7,000 ($3,500).

Director Grade, or Deputy Service Director, $7,250 ($3,625).

Service Director, $7,500 ($3,750).

Deputy Assistant Chief Medical Director, $8,000 ($4,000).

Associate Deputy Chief Medical Director, or Assistant Chief Medical Director, $8,500 ($4,250).

Continuing education certification, $500 ($250).

A full-time physician would receive $2,000 in incentive special pay for being on full-time status (a full-time dentist would receive $1,000). A part-time physician or dentist would *not*, of course, receive any proportion of the full-time factor payment. Thus there would be an automatic differential of at least $2,000 between the incentive special pay for full-time and part-time physicians, and at least $1,000 between the incentive special pay for full-time and part-time dentists. The purpose of these differentials is to create significant financial incentives for full-time service for physicians and dentists already in the Department, as well as those offered positions in the Department in the future.

New section 4118(d): Paragraph (1) provides that the total amount of special pay received pursuant to this new section must be reduced by the October 12, 1975, five-percent increase in basic pay provided under the pending Executive Order and codified into title 38 by the new Physician and Dentist Schedule set forth in subsection (b)(3) of this section of the bill.

Paragraph (2) establishes ceilings on the aggregate pay (basic pay pursuant to the new Physician and Dentist Schedule rates, plus special pay) payable to a part-time physician or dentist. Under this provision, during the period that these basic pay rates are in effect, a part-time physician may not receive aggregate pay from the VA of more than $42,000 annually, and a part-time dentist may not receive more than $37,000.

New section 4118(e): Paragraph (1) requires that the written agreement for special pay entered into by physicians and dentists with the Department be for one year of service (and one year of special pay eligibility); if, however, the physician or dentist requests that the agreement cover a longer period of service, then the agreement (and special pay eligibility) shall extend over a period not to exceed four years in total duration.

Paragraph (2) provides that the agreement shall (A) require that the physician or dentist refund to the Department the total amount of special pay received under the new section 4118 in the event that he fails to complete at least one year of service pursuant to the agreement; and (B) specify the terms under which the VA and the physician or dentist may elect to terminate the agreement.

Paragraph (3) provides that special pay shall be paid in biweekly installments to any eligible physician or dentist who signs an agreement under the new section.

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*In order to provide a significant financial incentive to assist the Department in recruiting and retaining the services of certain dental specialists, such as oral surgeons, periodontists, endodontists, and orthodontists, the statutory specifications provide that up to $2,000 in incentive special pay may be paid to a dentist for "scarcity of dental specialty"; this sum equals the commensurate sum payable to physicians in scarce specialties instead of the standard 50 per cent reduction as all other factors delineated in the statute are applied to dentists.

Paragraph (4) establishes a forty-five day period from the date of enactment of the Act, during which all physicians and dentists employed by the Department on or before October 12, 1975, may negotiate and sign special pay agreements. Any physician or dentist who signs an agreement during this 45-day period is entitled to special pay beginning on October 12, 1975, the effective date of the new section 4118. A new physician or dentist who signs a special pay agreement during the 45-day period is entitled to special pay beginning on his first day of employment. Any physician or dentist who signs a special pay agreement after the close of the 45-day period, including those newly recruited as well as previously employed, is entitled to special pay beginning on the date on which the agreement is entered into or the first date of employment, whichever date is later.

New section 4118(f) provides that amounts received by physicians and dentists as special pay under the new section 4118 shall not be considered as "basic pay" for purposes of retirement, insurance, workers' compensation, severance pay, or accrued leave benefits under title 5, United States Code, or for purposes of any other benefits related to basic pay.

Paragraph (2) of section 2(d) of the bill amends the table of sections at the beginning of chapter 73 of title 38, United States Code, to add a reference to the new section 4118 added to title 38 by paragraph (1) of this subsection.

SECTION 3

Requires the Administrator of Veterans' Affairs to submit an annual report to the House and Senate Committees on Veterans' Affairs regarding the operation of the special pay program authorized by new section 4118 added to title 38 by section 2(d)(1) of the bill, setting forth a review of the implementation of the program to date for the fiscal year for which the report is submitted and for any portion of the preceding fiscal year not included in the previous annual report, and any plans in connection with the program for the succeeding fiscal year. The report is to be submitted not later than April 30 of each year.

SECTION 4

Directs the Comptroller General of the United States and the Director of the Office of Management and Budget each to conduct independent comprehensive investigations of the recruitment and retention of qualified physicians and dentists for service in the Federal government, including the VA, and to prepare and submit separate reports thereon to the Congress (copies to be submitted to the House and Senate Committees on Veterans' Affairs).

Subsections (a) and (b) direct the Comptroller General and the Director of the Office of Management and Budget each to investigate the Federal government's short-term and long-term problems relating to the recruitment and retention of qualified physicians and dentists, to identify alternative legislative or administrative courses of action to solve any existing recruitment and retention and pay comparability problems, and to recommend the course of action which should, in their opinion, be undertaken. Their separate reports on the recruitment and retention and pay comparability of physicians and dentists are to be submitted to the Congress (and the two Committees) by August 31, 1976.

Subsection (c) directs the Comptroller General and the Director of the Office of Management and Budget each to consult, to the maximum extent feasible, with each other as well as with the Administrator of Veterans' Affairs and the heads of other appropriate Federal departments and agencies in preparing the reports required by subsection (a) of this section.

Subsections (d) and (e) direct the Comptroller General to investigate the Federal government's recruitment and retention problems with regard to all health care personnel other than physicians and dentists (including analysis of applicable pay systems and pay relationships—including premium and overtime pay—and their relationship to nationwide and geographical recruitment and retention problems), to identify alternative legislative or administrative courses of action to alleviate or solve any existing recruitment and retention and pay problems and to recommend the course of action which should, in his opinion, be undertaken. The Comptroller General's report on the recruitment and retention of other health care personnel is to be submitted to Congress (copies to the two Committees) by March 1, 1977.

Subsection (f) directs the Comptroller General to consult with the Chief Medical Director and with the heads of other appropriate Federal departments and agencies in preparing the report required by subsection (d) of this section.

Subsection (g) requires the heads of all Federal departments and agencies to cooperate fully with and respond expeditiously to all reasonable requests for information and asistance in connection with the preparation of the three reports required by this section.

Subsection (h) requires the Chief Medical Director to prepare reports specifying the effect on the administration of the Department and the achievement of its mission of the alternative courses and recommended course of action identified in the respective reports by the Comptroller General and the Director of the Office of Management and Budget, as required by this section. Such reports are to be submitted by the Administrator of Veterans' Affairs to the appropriate House and Senate Committees no later than 120 days after the date on which each of the O.M.B. and G.A.O. reports is submitted to Congress.

SECTION 5

Amends chapter 73 of title 38, United States Code, to assist the Department in recruiting and retaining the services of certain non-physician and non-dentist health care personnel. The provisions in section 5 are designed to achieve two specific purposes:

(1) To provide for the appointment under title 38 personnel system of physicians' assistants and expanded-duty dental auxiliaries.

(2) To provide for voluntarily requested compensatory time off for VA registered nurses in lieu of overtime pay.

Subsection (a) amends clause (1) of present section 4104 (authorizing excepted appointments of certain health care professional personnel) to include physicians' assistants and expanded-duty dental auxiliaries in that clause specifically.

Subsection (b) amends present section 4105 (specifying qualifications of appointees) to include appropriate references to physicians' assistants and expanded-duty dental auxiliaries in subsections (a) and (b) of that section. The Administrator is charged with setting the qualifications and experience for these new positions by the amendment made to present section 4104 by section (a) of this section of the bill.

Subsection (c) adds at the end of present section 4106 (regarding periods of appointments and promotions) a new subsection (f) including by reference physicians' assistants and expanded-duty dental auxiliaries under the provisions of that section.

Subsection (d): Clause (1) amends paragraph (5) (presently prohibiting compensatory time off in lieu of overtime and premium pay for nurses) of present section 4107 to permit such compensatory time off to be granted, but only upon the voluntary written request of the nurse in question. This provision is intended to be used only in situations where the nurse has been engaged in emergency duty preceding a regularly scheduled tour.

Clause (2) inserts at the end of present section 4107 a new subsection (f) entitling physicians' assistants and expanded-duty dental auxiliaries to compensation under the Nurse Schedule grade titles and related pay ranges and to additional premium and overtime pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of present section 4107.

Subsection (e) amends present section 4108 (regarding the setting of hours and conditions of work for physicians, dentists, and nurses) to add physicians' assistants and expanded-duty dental auxiliaries under the provisions of this section.

SECTION 6

Establishes effective dates for the various provisions of the bill.

Subsection (a): Paragraph (1) provides that the basic and special pay provisions for physicians and dentists in section 2 of the bill shall become effective as of October 12, 1975, the same date on which the Government-wide five-percent comparability pay increase will become effective for VA employees.

Paragraph (2) provides that no agreement for service and special pay, pursuant to the new section 4118 (added to title 38 by section 2(d)(1) of the bill) may be entered into after October 11, 1976.

Subsection (b) provides that the amendments made by the bill (except for the basic and special pay provisions) shall become effective beginning with the first pay period following thirty days after the date of enactment of the bill.

Mr. WALSH. Mr. Speaker, I support the unanimous-consent request of the gentleman from Texas, the distinguished chairman of the Committee on Veterans' Affairs.

The amendment to H.R. 8240 offered by Chairman ROBERTS represents the culmination of many months of concentrated effort to obtain sorely needed salary increases for physicians and dentists employed by the Veterans' Administration. The colloquy in the House of Representatives on July 21, when we approved this measure by a record vote of 382 to 3 addressed itself to the great need for action in this area if we were to stop the mass exodus of highly qualified professional personnel from Veterans' Administration hospitals.

At that time, I expressed my own views that a matter of primary and overriding concern to me was the need to provide the highest quality of medical care and treatment for the Nation's veterans, particularly those who were disabled in military service. It follows that this quality care can only be delivered by competent physicians and dentists. If we are to retain and recruit competent physicians and dentists in the Veterans' Administration hospital system, it is essential that we provide adequate remuneration that is competitive with other sectors of Government medical care. This, my colleagues, is what it is all about. The measure authorizes long overdue emergency pay increases for Veterans' Administration physicians and dentists.

This bill passed the Senate August 1,

with a number of provisions that differed from the House-passed measure. Some of the differences were major, but most were of a relatively minor nature. The amendment now before the House is the mutually agreed compromise that has resulted from several informal meetings between representatives of House and Senate Committees.

The major differences and the resulting agreements have already been highlighted by the distinguished gentleman from Virginia, the chairman of the Subcommittee on Hospitals. At the risk of being repetitious, however, I want to underscore the fact that we have revised the physicians and dentists pay schedule set forth in existing law, so that it includes the 5 percent pay increase recently approved for Federal employees.

We have authorized primary special pay of $5,000 and incentive special pay up to $8,500 for full time physicians. Special pay both primary and incentive, for dentists up to a maximum of $6,750 annually is authorized.

We have agreed that part-time physicians who devote at least half time to Veterans' Administration service shall receive pay increases in amounts that are proportionate to the pay of full time physicians.

We have authorized the Veterans' Administration to enter into agreements with individual physicians and dentists to provide up to 4 years of service in the Veterans' Administration at the salary scale authorized by this measure. Failure to complete one full year of such service could require the physician or dentist to refund all special pay received.

Mr. Speaker, the cost of the agreed version of this measure is less than the cost of either House or Senate original versions. Its cost is well within the maximum prescribed by the Budget Committee and it will cost less than a measure on the same subject recommended by the administration.

The pay increases authorized by this measure have been delayed long enough. I urge that it be passed.

I withdraw my reservation of objection.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I rise in support of the amendment to H.R. 8240 which would provide special pay and incentive pay for qualified physicians, dentists, and other health-care personnel employed by the Department of Medicine and Surgery of the Veterans' Administration. The amendment would enhance the recruitment and retention of such personnel.

H.R. 8240, the "Comparability Pay Act of 1975," was passed by the House on July 21. The Senate passed its version of the bill on August 1.

As a result of informal meetings between representatives of the two Houses, a compromise was approved and is represented by this amendment before you today.

In order to provide medical care second to none for our Nation's 30 million veterans, the VA administers 171 hospitals, 213 outpatient clinics, 86 nursing homes, and 18 domiciliaries.

The quality of patient care provided to veterans in this VA health-care system requires a staff of well-qualified professionals.

In 1974, the VA, at the request of the President, conducted a major study of the quality of patient care at VA hospitals and clinics. That study concluded that the most critical problem confronting the Department of Medicine and Surgery was the recruitment and retention of an adequate staff of well-qualified personnel. Further, the study found that the single greatest barrier to successful recruitment and retention of such personnel was the inadequacy of salaries—inadequacy due to the Federal salary limitations.

The current $36,000 ceiling imposed by statute, coupled with the sharp escalation in the cost of living since 1969, has seriously impaired recruitment efforts and retention of qualified medical personnel by the Department of Medicine and Surgery in the Veterans' Administration.

In fact, an exodus of experienced and highly qualified medical personnel from the VA threatens to reach crisis proportions.

In the 12-month period ending on June 30, 1975, more than 300 full-time physicians resigned from the VA system due to inadequate salaries. And, during that same period, of the 1,209 physicians offered positions with the VA's Department of Medicine and Surgery, at least two-thirds declined, citing inadequate compensation as their reason for doing so.

Public Law 93-274 provides payments of special pay up to $13,500 per annum, in addition to basic compensation and other benefits, to certain medical officers; and it provides pay of approximately half that amount to certain dental officers of the uniformed services. By virtue of this compensation to other Federal agency medical personnel, compensation provided to physicians and dentists in the Department of Medicine and Surgery has been rendered more seriously noncompetitive.

This noncomparability in salary levels has created inequitability and demoralization within the Department of Medicine and Surgery that ultimately threatens the quality of patient care at VA hospitals and clinics.

To correct this inequity, this amendment will upgrade the basic pay scale of the physician and dentist schedule. It would provide special pay and incentive pay, in addition to the regular basic pay, amounting to $13,500 for physicians and approximately half that amount for dentists.

During this time of considerable inflationary pressure, we must demonstrate restraint in handling proposals for pay raises or increases in benefit programs. However, in view of the urgent requirement to insure the high quality of medical care for our veterans, this amendment becomes truly necessary to meet humanitarian needs.

The consequence of allowing this disparity to continue is to render the VA hospital system incapable of providing the highest quality of medical care.

In view of these facts, I support this amendment and urge all of my colleagues to join me in supporting this very important legislation.

Mr. WALSH. Mr. Speaker, I withdraw my reservation of objection.

Mr. HILLIS. Mr. Speaker, I rise in support of the amendment offered by the gentleman from Texas, the distinguished chairman of the Committee on Veterans' Affairs. On July 21, this House, by a record vote of 382 to 3, approved a bill authorizing salary increases for Veterans' Administration physicians and dentists.

The Senate subsequently approved the measure with amendments. Our committee has been engaged in negotiations with the Senate committee, in an effort to resolve differences in the two versions of the bill. The amendment before the House represents the results of our meetings with the Senate committee.

The agreed-to version of the bill strengthens the original bill and its cost is well within the perimeters established by both the House and Senate versions.

The most important consideration, Mr. Speaker, is that the approval of this measure will permit the Veterans' Administration hospital system to continue delivering "second to none" medical care that has been the hallmark of Veterans' Administration medicine. The veterans of this Nation deserve no less.

By authorizing increases in the salaries of Veterans' Administration physicians and dentists, we are insuring that the pay scale of professional personnel in the Veterans' Administration's Department of Medicine and Surgery is competitive with the pay scale of other Federal Government medical programs. The bill is essential, Mr. Speaker, and I urge that this amendment be approved without further delay.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. ROBERTS)?

There was no objection.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this amendment just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 10029, MILITARY CONSTRUCTION APPROPRIATION BILL, 1976

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 779 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 779

Resolved, That upon the adoption of this resolution it shall be in order to move, clause

3 of rule XXI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and all points of order against the provisions contained on page 2, line 1 through page 8, line 3 of said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, are hereby waived.

The **SPEAKER**. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. Latta), pending which time I yield myself such time as I may consume.

Mr. Speaker, House Resolution 779 provides for a rule waiving points of order against the bill for failure to comply with the provisions of clause 2 of rule XXI—unauthorized appropriations—of the Rules of the House of Representatives.

The reason for this waiver is that the military construction authorization bill has not been signed into law.

House Resolution 779 also provides for a waiver of points of order against the bill for failure to comply with the provisions of clause 3 of rule XXI—which requires an explanation of changes made in the existing law—and provides for a waiver of points of order against the bill for failure to comply with the provisions of clause 6 of rule XXI—prohibiting reappropriations.

H.R. 10029 makes appropriations for military construction and family housing for the Department of Defense for the fiscal year ending June 30, 1976. The bill provides for new obligational—budget—authority for $3,518,723,000 which is $433,934,000 more than fiscal year 1975 and $590,297,000 less than the budget request.

Mr. Speaker, I urge the adoption of House Resolution 779 in order that we may discuss, debate, and pass H.R. 10029.

Mr. LATTA. Mr. Speaker, I yield myself 10 minutes.

(By unanimous consent, Mr. Latta was allowed to speak out of order.)

GROWTH OF CONGRESSIONAL BUDGET OFFICE ADDS TO SPIRALING COSTS OF GOVERNMENT

Mr. LATTA. Mr. Speaker, add a new office to our ballooning bureaucracy and you can be certain of one thing—it will grow, and grow, and grow—at ever-increasing cost to our overburdened taxpayers.

And so it is with the new Congressional Budget Office. CBO has been operating only since February, when the Director was appointed, and it already has about 165 employees on its staff, at an annual payroll cost of well over $3 million. But that is just the beginning—CBO has plans to expand its staff even further over the next few months, to about 260 employees by January 1976.

If this extravagant, unregulated, and unjustified growth continues, we will soon find ourselves creating still another budget committee to ride herd on the new Budget Office. The money request just presented to Congress to run the Congressional Budget Office during the period from October 1 to next June 30 is a whopping $8.079 million for salaries and expenses. Another $2.073 million is requested for the July-to-September 1976 transition period. That amounts to $10.152 million for a 12-month period. And it is anybody's guess how high CBO costs will escalate after that.

Based on the work assigned to the Congressional Budget Office by the Budget Act and in view of the fact that both the House and Senate Budget Committees have large staffs capable of doing the same work, I simply don't see how such spending can be justified. We already have too much overstaffing and duplication of effort in government and we do not need any more by this new office which was conceived with the idea of saving—not spending—taxpayer's dollars. The Congressional Budget Office should be in the forefront in seeking ways to economize in government, not to build empires in an effort to get across its own economic point of view to the American people.

How did the Congressional Budget Office get out of control so quickly? I will tell you. After the Democratic leadership shaped this legislation and pushed it through last year, a liberal Director was appointed and she was given seemingly unlimited and open-ended authority to hire staff. In addition to the regular staff, the Director apparently was given authority to hire high-priced consultants whenever she chose. That is how it happened.

In view of such unrestrained spending, it is imperative that Congress take a close look at the CBO budget requests to be included in the first supplemental appropriation bill for fiscal year 1976. It is also important for Congress to take another look at the Congressional Budget Act itself if we expect it to do the job it was designed to do. Frankly, I think it is time to call a halt to this outrageous staffing at CBO and to give the taxpayers a break.

In order for the House to adequately consider the question of staffing for the CBO, I submit below the latest roster available to me listing the names, jobs, and salaries of its employees. After the Members have gone over this list of new positions as well as the list of the new jobs created for the House and Senate Budget Committees, I know they will be asking themselves how much duplication of effort they can justify to their taxpaying constituents.

The material follows:

CONGRESSIONAL BUDGET OFFICE

Name	Position	Division	Salary	Employment date
PERMANENT STAFF				
Adams, Gloria A	Secretary	Director's Office	$17,667	July 21, 1975
Anderson, Linda	Secretary to the Assistant Director	Tax Policy	14,194	July 14, 1975
Arkush, Rochelle	Research assistant	Energy and Physical Resources	9,060	July 7, 1975
Armbrust, Earl A	Principal analyst	Management Programs	35,787	Aug. 17, 1975
Arnold, George P	Assistant budget analyst	Budget Analysis	21,593	Feb. 24, 1975
Aycock, Priscilla M	do	do	17,663	Do.
Baltry, Maureen	Principal analyst	Human Resources and Community Development	29,898	Sept. 2, 1975
Barden, Charles S	Deputy Assistant Director	Management Programs	35,938	June 23, 1975
Barrett, Nancy S	Deputy Assistant Director for Current Outlook	Fiscal Policy	34,730	May 5, 1975
Barringer, Margie E	Secretary	Tax Policy	12,080	July 1, 1975
Barth, James R	Principal analyst	Fiscal Policy	10,268	Mar. 12, 1975
Bateman, Katherine T	Junior editor	Office of Information	15,100	Aug. 11, 1975
Bell, Harriet N	Secretary	Human Resources and Community Development	11,778	July 14, 1975
Besansky, Jack	Principal analyst	do	35,782	Sept. 1, 1975
Bird, Paul E	Personnel officer	Management Programs	25,670	July 21, 1975
Bishop, Barbara M	Secretary	Natural Resources	15,402	Sept. 2, 1975
Black, Robert F	Budget analyst	Budget Analyst	20,989	Aug. 4, 1975
Blum, James L	Assistant Director	do	35,938	June 1, 1975
Brooks, Stephen H	Assistant analyst	Fiscal Policy	17,516	do
Burnett, Helen E	Receptionist	Director's Office	12,835	Mar. 3, 1975
Butler, T. Wendell	Deputy Assistant Director	Human Resources and Community Development	32,918	June 30, 1975
Carpenter, Carol A	Clerical assistant	Budget Analysis	10,872	Feb. 24, 1975
Chadima, Steven P	Analyst	Human Resources and Community Development	17,063	Aug. 1, 1975
Chase, Edward H	Principal analyst	Management Programs	32,767	Aug. 17, 1975
Clark, Peter K	Senior economist	Fiscal Policy	27,633	Sept. 2, 1975
Communtzis, Pollyann L	Receptionist	Management Programs	7,701	June 30, 1975
Corbett, Leo J	Analyst	Human Resources and Community Development	18,120	June 16, 1975
Costle, Douglas M	Assistant Director	Energy and Physical Resources	35,938	June 1, 1975
Coyle, Patricia A	Secretary	General Counsel	11,627	June 23, 1975
Cuciti, Peggy L	Analyst	Human Resources and Community Development	18,120	Sept. 1, 1975
Cumberland, Alice	Secretary	Management Programs	13,137	Mar. 6, 1975
Daft, Lynn	Principal analyst	Energy, Environment and Natural Resources	35,938	Sept. 14, 1975
Davenport, Charles	Assistant Director	Tax Policy	35,938	July 1, 1975

Name	Position	Division	Salary	Employment date
Deagle, Edwin A., Jr	Executive assistant	Director's Office	$35, 938	May 9, 1975
Deavers, Kenneth L	Principal analyst	Natural Resources	35, 938	Do.
deLeeuw, Frank	Assistant Director	Fiscal Policy	35, 938	May 5, 1975
Deloney, Donald G	Assistant analyst	Management Programs	14, 949	July 21, 1975
Delquadro, David	Analyst	do	21, 895	Do.
Dimcoff, Judith F	Secretary	do	15, 100	Aug. 4, 1975
Donnelly, Paulette M	do	Human Resources and Community Development	11, 023	July 28, 1975
Dowd, Richard	Principal analyst	Natural Resources	29, 898	Aug. 25, 1975
Driscoll, Anita M	Research assistant	Fiscal Policy	10, 570	May 19, 1975
Edwards, Shirley M	Secretary	Budget Analysis	10, 570	July 14, 1975
Ellwood, John W	Special Assistant to the Deputy Director	Director's Office	25, 670	Apr. 21, 1975
Emery, Richard P., Jr	Administrative assistant	Budget Analysis	27, 935	June 2, 1975
Espinosa, Aurelio R	Budget assistant	do	15, 553	July 7, 1975
Esposito, Sante J	Budget concepts specialists	do	16, 459	Aug. 4, 1975
Evans, Angela Z	Secretary	Natural Resources	11, 325	Aug. 18, 1975
Evans, W. Ronald	Public information officer	Office of Information	25, 066	July 14, 1975
Fain, Janet L	Administrative secretary	Director's Office	14, 647	Feb. 26, 1975
Faxon, Roger C	Budget analyst	Budget Analysis	18, 271	July 1, 1975
Fein, Alan G	Research assistant	Human Resources and Community Development	9, 060	July 21, 1975
Felgran, Steven D	do	National Security and International Affairs	9, 060	July 7, 1975
Fischer, Carl W	Assistant Director	Human Resources and Community Development	35, 938	June 23, 1975
Fitt, Alfred B	do	General Counsel	35, 938	Apr. 1, 1975
Fleig, Anne G	Receptionist	Management Programs	8, 456	May 21, 1975
Fleig, John E	Administrative services assistant	do	14, 647	Aug. 16, 1975
France, Sharon M	Secretary	General Counsel	12, 835	Mar. 7, 1975
Free, Kendall R	Information specialist	Budget Analysis	22, 499	July 14, 1975
Freiman, Marc P	Junior analyst	Human Resources and Community Development	18, 120	Aug. 4, 1975
Goldren, Roger M	Associate counsel	General Counsel	34, 428	June 23, 1975
Goodnow, Glen S	Assistant budget analyst	Budget Analysis	19, 026	Feb. 24, 1975
Gordon, Robert M	Analyst	Natural Resources	16, 006	July 1, 1975
Greenstone, Seymour D	Deputy Assistant Director for General Government	Management Programs	35, 938	June 23, 1975
Gregory, Karl D	Visiting scholar	Human Resources and Community Development	35, 938	June 1, 1975
Hamlin, Rose M	Secretary	Tax Policy	9, 513	Aug. 11, 1975
Hammond, Mary L	Word processing specialist	Management Programs	10, 117	Aug. 10, 1975
Harris, Robert D	Deputy Assistant Director for Budget	Budget Analysis	35, 938	Aug. 4, 1975
Hart, Sue Ann	Clerk	Management Programs	9, 966	Aug. 10, 1975
Harvey, Esther M	Financial clerk	do	15, 552	Apr. 2, 1975
Hobbie, Richard A	Analyst	Human Resources and Community Development	18, 120	June 16, 1975
Hoffman, Ronald F	Deputy Assistant Director	Tax Policy	35, 938	June 10, 1975
Hornbuckle, Shirley G	Administrative secretary	Director's Office	15, 553	Feb. 25, 1975
Hohlweg, Judith A	Secretary	Budget Analysis	9, 513	July 7, 1975
Iden, George R	Principal analyst	Fiscal Policy	29, 898	May 19, 1975
Ingram, Betty J	Secretary	Human Resources and Community Development	13, 892	Aug. 4, 1975
Jackson, Adele D	Principal analyst	do	29, 898	Aug. 18,1975
Jackson, Gregory G	Messenger	Management Programs	7, 701	Do.
Jarrells, Betty J	Administrative secretary	Budget Analysis	14, 949	Aug. 4, 1975
Johnson, Florence	Budget concepts analyst	do	17, 063	Aug. 25, 1975
Jones, Thelma L	Assistant Director secretary	do	14, 194	June 2, 1975
Kalcevic, Deborah A	Budget assistant	do	14, 043	July 28, 1975
Kling, Arnold S	Junior analyst	Fiscal Policy	9, 513	June 9, 1975
Knapick, Patricia A	Secretary	Director's Office	14, 647	May 7, 1975
Koehler, John	Assistant Director	National Security and International Affairs	35, 938	Sept. 2, 1975
Kolnacki, Catherine F	Principal budget analyst	Budget Analysis	29, 898	Feb. 24, 1975
Korbel, John J	Analyst	Human Resources and Community Development	19, 479	July 16, 1975
Koshel, Jeffrey J	Senior budget analyst	Budget Analysis	33, 975	July 15, 1975
Lefkowitz, Bonnie	Senior analyst	Human Resources and Community Development	25, 066	Aug. 1, 1975
Levine, Robert A	Deputy Director	Director's Office	38, 000	July 1, 1975
Levy, Mickey D	Analyst	Tax Policy	18, 573	Aug. 11, 1975
Malachi, Dore Jean P	Administrative secretary	Director's Office	15, 553	May 21, 1975
McCarden, Carl	Principal analyst	Human Resources and Community Development	33, 069	Sept. 2, 1975
McCulley, Elizabeth L	Secretary	Natural Resources	13, 439	Aug. 21, 1975
McPhie, Alicia O	Personnel assistant	Management Programs	11, 476	Aug. 4, 1975
Merrill, Allen K	Assistant analyst	Natural Resources	17, 516	Sept. 2, 1975
Messner, Howard M	do	Management Programs	35, 938	June 23, 1975
Meyer, Robert H	Research assistant	Human Resources and Community Development	9, 060	July 2, 1975
Michel, Richard C	Budget analyst	Budget Analysis	17, 063	July 21, 1975
Miller, Richard L	Research assistant	Natural Resources	15, 553	Mar. 17, 1975
Minton, Patricia J	Secretary	do	14, 194	July 11, 1975
Montgomery, W. David	Analyst	do	25, 972	July 21, 1975
Motheral, Cornelia J	Principal analyst	Fiscal Policy	11, 929	May 12, 1975
Mottesheard, Marsha L	Secretary	Budget Analysis	11, 174	Aug. 4, 1975
Mundel, David S	Assistant Director	Human Resources and Community Development	35, 938	Do.
Nelson, Terry A	Analyst	Tax Policy	18, 120	June 16, 1975
Norwood, Douglas A	Senior analyst	Budget Analysis	28, 086	June 30, 1975
Nuckols, C. G., Jr	Deputy Assistant Director	do	35, 938	July 20, 1975
Okner, Benjamin A	do	Tax Policy	33, 975	July 1, 1975
Oppenheimer, Lawrence H	Senior analyst	Natural Resources	29, 898	July 13, 1975
Owen, Michael S	Associate assistant	Fiscal Policy	17, 516	June 1, 1975
Perles, Suzanne R	Junior analyst	do	9, 513	May 27, 1975
Pirie, Robert B., Jr	Deputy Assistant Director	Natural Resources	35, 938	Aug. 20, 1975
Rastatter, Edward H	Principal analyst	do	35, 398	Aug. 4, 1975
Reischauer, Robert D	Special assistant to the Director	Director's Office	33, 552	Feb. 25, 1975
Richards, Robert C., Jr	Messenger	Management Programs	6, 795	Aug. 5, 1975
Ripple, Betty S	Secretary	do	15, 553	July 7, 1975
Rivlin, Alice M	Director	Director's Office	40, 000	Feb. 24, 1975
Roehring, Paul W	Information systems assistant	Budget Analysis	12, 238	Aug. 18, 1975
Roth, John G	Research assistant	Tax Policy	9, 060	Aug. 4, 1975
Rubenson, Daniel L	do	Budget Analysis	9, 060	July 1, 1975
Ruchman, Allan B	do	Natural Resources	9, 060	July 21, 1975
Sampson, Philip A	Analyst	Human Resources and Communtiy Development	18, 422	June 22, 1975
Saragovitz, Barbara J	Secretary	Fiscal policy	12, 080	May 27, 1975
Schafer, Robert E	Senior budget analyst	Budget analysis	30, 804	Aug. 4, 1975
Scheppach, Raymond C	Senior analyst	do	35, 938	Aug. 31, 1975
Senechal, Joanne W	Assistant Director	Fiscal policy	14, 194	May 12, 1975
Seubert, Alda L	Secretary	Tax policy	12, 553	July 21, 1975
Sherwin, Wayne F	Administrative Management Officer	Management programs	24, 764	Aug. 5, 1975
Shillingburg, John D	Budget analyst	Budget Analysis	13, 073	Sept. 2, 1975
Sipowicz, Linda L	Clerk-typist	Management programs	7, 701	June 30, 1975
Smith, Lois C	Secretary	do	14, 496	Aug. 4, 1975
Swope, Nancy J	Secretary to the Deputy Assistant Director for National Security and International Affairs.	Natural Resources	13, 590	Aug. 11, 1975
Teigen, Ronald L	Deputy Assistant Director	Fiscal Policy	34, 730	Sept. 1, 1957
Timenes, Nicolai, Jr	do	Energy, Environment and Nautral Resources	35, 938	Sept. 2, 1975
Unkle, Patricia J	Secretary	Human Resources and Community Development	15, 553	June 30, 1975
Upp, Melinda M	Editor	Information Office	20, 989	May 9, 1975
Vorder Bruegge, Pamela	Assistant librarian	Management Programs	12, 533	Aug. 4, 1975
Wallack, Stanley S	Chief, Health and Veterans Affairs	Human Resources and Community Development	35, 938	Aug. 18, 1975
Warren, Paul	Junior analyst	Fiscal Policy	9, 060	July 1, 1975
Weeks, Peggy L	Secretary	Natural Resources	15, 100	July 21, 1975

CONGRESSIONAL BUDGET OFFICE—Continued

Name	Position	Division	Salary	Employment date
Weiss, Kathleen L	Budget analyst	Budget Analysis	$11,627	Sept. 2, 1975
Wenzel, Nancy E	Administrative secretary	do	12,835	Do.
Wentzel, Kendrick W	Analyst	Natural Resources	25,066	July 7, 1975
Wheeler, Porter K	Senior analyst	do	29,898	July 1, 1975
Winsby, Roger M	Research assistant	Budget Analysis	10,570	Aug. 4, 1975
Wobnick, Richard	Analyst	Human Resources and Community Development	17,063	Sept. 1, 1975
Wright, Antoinette C	Secretary	do	13,590	Aug. 31, 1975
Zakheim, Dov	Associate analyst	National Security and International Affairs	22,046	Sept. 10, 1975
ADDENDUM				
Bearg, Nancy	Associate analyst	National Security and International Affairs	$22,046	Sept. 15, 1975
Bergsman, Joel	Chief, housing and community development	Human Resources and Community Development	35,938	Do.
Brink, Margaret	Secretary to Assistant Director	Office of Information	17,516	Sept. 22, 1975
Capra, James	Associate analyst	Budget Analysis	26,576	Oct. 6, 1975
Ebbecke, Pat	Principal analyst	do	32,918	Sept. 22, 1975
Flaherty, Karen	Junior analyst	do	11,023	Oct. 1, 1975
Greigg, Stan	Director	Office of Information	35,938	Do.
Gutowski, Michael	Principal analyst	Budget Analysis	26,425	Oct. 6, 1975
Johnston, Pat	Editor	Office of Information	19,630	Sept. 23, 1975
Lawrence, Leslie	General Secretary	Management Programs	10,117	Oct. 6, 1975
Massey, Mary Ann	Associate Analyst	Energy and Physical Resources	25.066	Sept. 15, 1975
McCulley, Elizabeth	Secretary	Natural Resources	13,439	Aug. 27, 1975
Merrill, Jeffrey	Associate Analyst	Budget Analysis	27,633	Oct. 6, 1975
Roach, Craig	Assistant Analyst	Energy and Physical Resources	14,194	Sept. 15, 1975
Stoiber, Susanne	Principal Analyst	Human Resources	25,670	Oct. 1, 1975
Total			3,451,086	

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I want to commend the gentleman from Ohio (Mr. LATTA) very much for having brought our attention to what is probably one of the most important matters confronting this Nation's lawmakers today.

With the need for more space, the proliferation of commuter automobiles in Washington results in making it impossible to get to work on time and drive around this town any more. The addition of committee upon committee, and staffers upon staffers will ultimately destroy the free government system of this Nation unless something is done about it.

We cannot find more space for our offices. We cannot find more buildings on Capitol Hill for this institution, if this continues.

The Speaker's office is besieged with requests day after day after day for more space for offices for more people.

Why do we not begin now by accepting in the next Congress one committee only per Member. Why not begin now by merging the committees of this Congress and by reducing their staff personnel 10 percent per year for the next 5 years?

I submit, that is what we ought to do, Mr. Speaker.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. Yes, I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I commend the gentleman for calling this to the attention of the House, the expenditure of the entire building program going on in this new Committee on the Budget.

I am not sure that the American people recognize what we, the Congress, have to do in this area. I am not sure that they recognize that each member of the Committee on Rules is entitled to his own staff person. Each member of the Committee on Appropriations, with over 50 members, is entitled to his own staff person.

When the gentleman says that this new Committee on the Budget already has employed 165 new people, I am wondering whether he has any ratio on how many of those are minority people.

Mr. LATTA. I cannot inform the gentleman as to the politics of these employees or how many belong to the majority or to the minority, but the CBO never requested the approval of this Member on their hiring practices.

Mr. DEVINE. The gentleman is the ranking minority member, though, is he not?

Mr. LATTA. That is right, but I have had nothing to say about the CBO.

It is a new agency created to do a particular job, but it apparently is on its own. It is not properly supervised by the Congress. It is supposed to do something more than hire people.

I am glad that the Committee on Appropriations is now going to consider some spending limitations on this office.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. LATTA. Yes, I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I thought the gentleman's objection was made to the growth, not to the fact that minority people were not proportionately employed.

I am disappointed. Is the gentleman from Ohio saying that the minority is not getting a fair share of these jobs?

Mr. DEVINE. If the gentleman will yield further, no, I am not saying that. I am saying that there has been this growth in the agency, with 165 new employees, and the gentleman from Ohio (Mr. LATTA) has not been consulted.

Mr. LATTA. Mr. Speaker, I just want to point out that the gentleman from Ohio (Mr. DEVINE) did mention the fact that each member of the Committee on Rules is entitled to a staff member.

I was one of the members on the Committee on Rules who voted against the resolution to provide for such staff members and I have not employed such a staff member.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MONTGOMERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 399, nays 6, answered "present" 1, not voting 27, as follows:

[Roll No. 600]

YEAS—399

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.

Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent

Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond

Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Tex.
Winn
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—6

Abzug
Conyers
Dingell
Harrington
Holtzman
Steiger, Wis.

ANSWERED "PRESENT"—1

Anderson, Ill.

NOT VOTING—27

Ashley
Bell
Bonker
Burke, Fla.
Crane
Edgar
Esch
Fary
Fountain
Fraser
Hinshaw
Ichord
Krueger
Long, La.
Michel
O'Brien
Quillen
Riegle
Ryan
Sisk
Thompson
Traxler
Udall
Waxman
Wilson, Bob
Wilson, C. H.
Wright

The Clerk announced the following pairs:

Mr. Edgar with Mr. Ryan.
Mr. Thompson with Mr. Ichord.
Mr. Sisk with Mr. Bell.
Mr. Krueger with Mr. Bob Wilson.
Mr. Riegle with Mr. Traxler.
Mr. Bonker with Mr. Fary.
Mr. Fountain with Mr. Long of Louisiana.
Mr. Fraser with Mr. Burke of Florida.
Mr. Ashley with Mr. Esch.
Mr. Udall with Mr. Michel.
Mr. Waxman with Mr. Quillen.
Mr. Wright with Mr. Hinshaw.
Mr. Charles H. Wilson with Mr. O'Brien.

Messrs. FASCELL and DUNCAN of Oregon changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COLUMBUS DAY RECESS

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, I take this time to address the House for 1 minute to inform the Members of the House that I have in my hand a concurrent resolution which I will be offering. It says:

> When the two Houses adjourn on Thursday, October 9, 1975, they stand adjourned until 12 o'clock Meridian, Monday, October 20, 1975.

This, of course, is in agreement with the plans that were announced earlier in the year. I make this announcement at this time because when I offer the concurrent resolution it is not debatable. For that reason, I just wanted to report it to the Members of the House at this time.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, considering the announcement made by the chairman of the Committee on Rules yesterday in which he stated that his committee would not accept requests for any more rules after November 3, I would ask the majority leader whether or not he feels that we can take the recess he is proposing now and still finish our schedule of business for this year?

Mr. O'NEILL. Mr. Speaker, I served on the Rules Committee for 18 years. That is the customary motion that is made normally at this time of the year. I am sure that we respect the fact that the leader of this House is the Speaker, and that the committee, when legislation is needed, will bend to the will and desire of the Speaker.

Mr. BAUMAN. But the gentleman does feel that we can recess and still accomplish the necessary program?

Mr. O'NEILL. I definitely do, and I do hope that after we come back after this recess that it would look to me as though we will be finished sometime during the first or second week of December, but we will have to go through until that time. We will have to anticipate that, and we will complete the schedule then.

COLUMBUS DAY RECESS

Mr. O'NEILL. Mr. Speaker, I offer a concurrent resolution.

The Clerk read as follows:

H. CON RES 424

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, October 9, 1975, they stand adjourned until 12 o'clock meridian, Monday, October 20, 1975.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Clerk of the House and the Secretary of the Senate, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

Mr. O'NEILL. Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The SPEAKER. The question is on the concurrent resolution.

Mr. SARASIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 263, nays 136, not voting 34, as follows:

[Roll No. 601]

YEAS—263

Adams
Addabbo
Alexander
Andrews, N. Dak.
Annunzio
Armstrong
Aspin
Badillo
Baldus
Barrett
Baucus
Bergland
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Mich.
Burgener
Burke, Calif.

Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Chisholm
Clawson, Del
Clay
Cleveland
Cochran
Collins, Ill.
Collins, Tex.
Conlan
Conte
Conyers
Corman
Cornell
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson

de la Garza
Delaney
Dellums
Dent
Derwinski
Diggs
Dingell
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
du Pont
Early
Edwards, Calif.
Eilberg
English
Erlenborn
Evans, Colo.
Evins, Tenn.
Findley
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Frenzel
Frey

Fuqua
Gaydos
Gibbons
Ginn
Goldwater
Gonzalez
Grassley
Hall
Hanley
Hannaford
Hansen
Harrington
Hawkins
Hébert
Heckler, Mass.
Hicks
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
LaFalce
Landrum
Lehman
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCormack
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Moakley
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nedzi
Nichols
Nix
Nolan
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Rangel
Rees
Reuss
Rhodes
Richmond
Risenhoover
Roberts
Robinson
Rodino
Roe
Roncalio
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Santini
Sarbanes
Scheuer
Sebelius
Shipley
Shriver
Simon
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Sullivan
Symms
Talcott
Taylor, Mo.
Thompson
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Weaver
Whalen
Whitehurst
Whitten
Wiggins
Winn
Wolff
Wydler
Yates
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—136

Abdnor
Abzug
Ambro
Anderson, Calif.
Andrews, N.C.
Archer
Ashbrook
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Biester
Blanchard
Blouin
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Carr
Clancy
Clausen, Don H.
Cohen
Conable
Cotter
Coughlin
D'Amours
Davis
Derrick
Devine
Dickinson
Dodd
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Emery
Evans, Ind.
Fascell
Fenwick
Fish
Fithian
Flynt
Ford, Tenn.
Fountain
Gilman
Goodling
Gradison
Green
Gude
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Harkin
Harris
Harsha
Hastings
Hayes, Ind.
Hechler, W. Va.
Hefner
Heinz
Henderson
Hubbard
Hughes
Hungate
Jacobs
Kasten
Kastenmeier
Kelly
Krebs
Lagomarsino
Latta
Lent
Levitas
Litton
Lloyd, Tenn.
McCollister
McDade
McKinney
Macdonald
Maguire
Martin
Miller, Ohio
Mink
Mitchell, N.Y.
Moffett
Mollohan
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Natcher
Neal
Nowak
Patman, Tex.
Perkins
Pettis
Pressler
Randall
Regula
Rinaldo
Rogers
Rooney
Roush
St Germain
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shuster
Sikes
Skubitz
Smith, Nebr.
Spence
Staggers
Studds
Symington
Taylor, N.C.
Thone
Traxler
Walsh
Wampler
White
Wilson, Tex.
Wirth
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—34

Anderson, Ill.
Ashley
AuCoin
Bell
Brown, Calif.
Burke, Fla.
Crane
Drinan
Edgar
Esch
Eshleman
Fary
Fraser
Giaimo
Hays, Ohio
Helstoski
Hinshaw
Holland
Krueger
Leggett
O'Brien
Quillen
Railsback
Riegle
Ryan
Sisk
Stuckey
Teague
Udall
Vander Jagt
Waxman
Wilson, Bob
Wilson, C. H.
Wright

Messrs. GILMAN and SYMINGTON changed their vote from "yea" to "nay."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, I was presiding over some revenue-sharing hearings earlier today and was unable to get here for the vote on House Resolution 779, the rule for consideration of the military construction appropriations bill.

I would like the RECORD to show that I would have voted for the rule had I gotten here on time.

PERMISSION FOR COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO SIT TODAY DURING 5-MINUTE RULE

Mr. FLYNT. Mr. Speaker, I ask unanimous consent that the Committee on Standards of Official Conduct be permitted to sit tomorrow during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

AVIATION ACT OF 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–278)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation and ordered to be printed.

To the Congress of the United States:

As part of my program to strengthen the Nation's economy through greater reliance on competition in the marketplace, I announced earlier this year my intention to send to the Congress a comprehensive program for the reform of transportation regulation. In May, I sent to Congress the Railroad Revitalization Act aimed at rebuilding a healthy, progressive rail system for the Nation. Today I am pleased to submit the Aviation Act of 1975 which will provide similar improvements in the regulatory environment of our airlines. To complete the package, I will soon be forwarding similar legislation for the reform of regulation governing the motor carrier industry.

The result of the regulatory reform measures proposed in this legislation will have a direct and beneficial impact on the American consumer. Countless Americans use air travel on a regular basis in connection with their jobs and leisure activities. But for many Americans, air travel has become a luxury too expensive to afford. In part, today's high costs of air transportation are attributable to inflation and the rising cost of fuel and labor. But they are also the result of long years of excessive economic regulation.

In 1938, when the Congress authorized the creation of the Civil Aeronautics Board, there was a belief that some form of government intervention was needed to protect the infant airline industry. Accordingly, the Board was instructed to regulate this industry in order to promote its growth and development. Entry into the industry was strictly controlled. Even those airlines who were allowed entry into the industry were rigorously controlled with respect to what markets they could serve and fares were regulated. Real competition was intentionally dampened.

In the almost four decades since economic regulation of airlines was established, this industry has grown tremendously. It can no longer be called an infant. Consequently, protective Government regulation established to serve the particular needs of a new industry has outlived its original purpose. The rigidly controlled regulatory structure now serves to stifle competition, increase cost to travelers, makes the industry less efficient than it could be and denies large segments of the American public access to lower cost air transportation. A number of studies have indicated that the cost of air transportation to American consumers is far higher than necessary as a result of overregulation.

The overriding objective of the proposed legislation is to ensure that we have the most efficient airline system in the world providing the American public with the best possible service at the lowest possible cost. We must make sure that the industry responds to natural market forces and to consumer demands rather than to artificial constraints set out by government. This legislation would replace the present promotional and protectionist regulatory system with one which serves the needs of the public by allowing the naturally competitive nature of the industry to operate. It provides the airline industry increased flexibility to adjust prices to meet market demands. And it will make it substantially easier for firms who wish and are able to provide airline services to do so. These measures will be introduced gradually to permit the industry to adjust to a new regulatory environment. Government will continue to set rigid safety and financial standards for the airlines. But the focus of the new regulatory scheme will be to protect consumer interests, rather than those of the industry.

I urge the Congress to give careful and speedy attention to these measures so that the over 200 million passengers who use our airlines every year are given the benefits of greater competition that will flow from regulatory reform of this industry.

GERALD R. FORD.

THE WHITE HOUSE, *October 8, 1975.*

MILITARY CONSTRUCTION APPROPRIATION BILL, 1976

Mr. SIKES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10029, making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and, pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from New York Mr. McEWEN and myself.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10029, with Mr. NEDZI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Florida (Mr. SIKES) will be recognized for 1 hour, and the gentleman from New York (Mr. McEWEN) will be recognized for 1 hour.

The Chair recognizes the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I must express my very genuine appreciation for the excellent work done by my fellow members of the subcommittee and by the staff. I have never known a committee to work better together, than this one. Their dedication has assured the full cooperation and better understanding of the interest and viewpoints of each other. I feel that we are very fortunate in the personnel and the makeup of the committee. Of course the House is familiar with the good work over many years of the distinguished ranking member, the gentleman from New Jersey (Mr. PATTEN), and of the important contributions of the gentleman from Utah (Mr. McKAY). On the Republican side I applaud the effective efforts of the gentleman from New York (Mr. McEWEN) who has served in a dignified and impressive way as the ranking minority member. The gentleman from California (Mr. TALCOTT) has always been an able and effective member of the committee.

I am particularly pleased to call attention to the excellent services of three new members of the committee. All have given generously of their time and efforts. They have joined in a very helpful way in the work of the committee. They are the gentleman from Pennsylvania (Mr. MURTHA), the gentleman from Michigan (Mr. TRAXLER), and the gentleman from Oklahoma (Mr. STEED). I express particular appreciation and commendation to them.

Mr. Chairman, the committee recommends an appropriation of $3.518 billion for fiscal year 1976 plus $359 million for 1976T. This recommendation represents a reduction of $590,297,000 to the budget request for fiscal year 1976. The budget request was $4.1 billion for fiscal year 1976 and $359 million for 1976T. Of this cut, the authorizing committees accounted for $374,220,000. Approximately $211 million of the $590 million was to projects requested outside the United States. The major reductions overseas were accomplished by the authorizing legislation and included reductions in aircraft protective facilities in Europe and projects in countries such as the Philippines, Thailand, and Spain where continuing use of our bases could be a problem. In the report is a listing of projects included as well as projects deleted; $214 million in cuts were made by this committee.

Full funding is included in the bill for Reserve component facilities. Let me list some of the items that have been deleted or modified. Reductions made in the bill inside the United States include various R. & D. facilities which this committee or the authorizing committees felt were marginal; land and mineral rights acquisitions at Army bases which appeared to be unnecessary or of too high cost; and savings, reductions, cancellations, or deferrals of projects which we feel can be accomplished at many locations. Reductions and deferrals mean of course we are disappointing many Members who are directly affected. This is unfortunate but unavoidable if we are to fulfill our responsibility.

The long sought building for the Defense Intelligence Agency was deleted in the authorizing process. This is now a $70 million project. When it was first proposed nearly 10 years ago, it could have been built for $25 million. That tells you something of the danger of postponing needed projects. This one, in my opinion, definitely is needed. Defense intelligence activities are scattered all over Washington and the surrounding area. There is not only a problem of coordination; there is a security problem. However, the project is not authorized.

The committee deleted $14 million requested for a clean-up program on Enewetak. This would have been the first increment on a $50 million project to make Enewetak atoll habitable for the natives who were moved out during World War II. The atoll was required for atomic testing. The Government promised the natives they could go home when their island was no longer needed for test purposes. Now they want their island back. This involved 150 people at the time. Now there are 450. Cleaning up the island, building homes and other related costs would be about $100,000 each.

The problem is Enewetak is largely a shambles. It is littered with atomic debris. The soil is impregnated in some areas to a depth of several feet. Not only must there be surface clearing, replenishment and rebuilding, the radioactive soil must be dug up and carried to some safe dumping area and new soil brought in. In substance, we would have to build a new island, much with raw earth, much less attractive in appearance than the atoll where they now live. We think it is time for some additional negotiations. Rather than outright capitulation to the understandable wishes of the natives.

There is the question of Culebra and Vieques. As the House well knows, Culebra was long on our most valuable Navy training grounds. The Natives and the Puerto Ricans have wanted the Navy program discontinued: probably the real estate developers also were well represented in the effort. In this case, the Department of Defense, with some prodding from the State Department, also capitulated and agreed to remove our activities at Culebra if the Puerto Ricans would make other property available. This they have not done. They are now urging the United States to make a deal for a British island several hundred miles away. Presumably, the Puerto Ricans also have in mind getting us out of Vieques, which remains an important U.S. training ground. It is essential that we have a strong presence in the Caribbean and that we have adequate training areas. United States developers can scent a prospective profit even better than the Natives, but we cannot shut down every base that has developmental possibilities. The committee has funded most of our programs in Puerto Rico simply because our forces needed them. Frankly, there was some consideration of taking them out to get the attention of the Puerto Rican Government.

There are other areas where funding has been deleted by the authorizing committees because of base rights problems—Spain, the Philippines, Thailand. There is no question but that the bases are needed, but we, too, consider it unwise to fund new and needed construction until we are insured of a continued U.S. presence.

The committee approved $13,800,000 for Diego Garcia, the supply base in the mid-Indian Ocean. This will complete the program instituted last year. The total package provides for lengthening the runway from 7,000 to 12,000 feet; an extension of the fuel pier; aircraft parking aprons and additional dredging for deep draft tankers and support ships. Diego Garcia is increasingly important to American forces as the Russian presence continues to expand around the perimeter of the Indian Ocean and the Persian Gulf, and as the Communist influence grows worldwide.

Aircraft shelters in Europe were cut back substantially by the authorizing committees and I think this was a serious mistake. Aircraft that are not adequately protected are highly vulnerable. The Israelis destroyed most of the Egyptian air fleet on the ground in the 1967 war. When the 1973 war began, the Israelis found Egyptian aircraft well protected in shelters and they were able to inflict very little damage to aircraft on the ground. In Europe where Russian forces substantially outnumber ours, it would be folly to have our aircraft in the open. Yet, the aircraft shelter program continues to move slowly. The committee feels the need for more interest and participation by the NATO powers in future programs.

The committee has provided $65 million for the University Health Services construction program. This is a reduction of some $7 million below the budget. It represents a second increment, the first, funded last year, was $15 million. A third increment of $11 million would be required next year. If it should be decided subsequently to add schools of dentistry, pharmacy, and veterinary medicine, that increment will cost $49 million. This does not now appear likely.

Admittedly, this is a costly program. Comparatively, it is not as costly as it appears. The primary purpose is to assist the military in preparing and retaining properly trained doctors. This is very difficult because of the lucrative practices awaiting anyone who can obtain a degree in medicine. The military badly needs a school for specialized training.

In contrast to civilian medical schools, the university requirements for a school for specialized training will be unique. Its students must acquire basic proficiency in domestic medical problems and, in addition, develop commitment to long-term military service and a competence in worldwide diseases rarely seen in this country—myelioidosis, dengue fever, hemorrhagic fever, relapsing fever, typhus fever, parasitic diseases, plague, cholera, malaria, and a host of others.

The training will enable the health team to deal with mass casualties, preventive medicine in occupied or disaster areas, nuclear warfare effects, psychological reactions to stress, environmental impact on body physiology, et cetera.

Discussions of costs seldom take into account the fact that the military requires 7 years of service, plus residency, from each graduate. This is twice as long as that now obtained from those on scholarship and similar programs. The cost further diminishes if consideration is given to the fact that Government grants to medical schools are very large and when this is evaluated, the cost of a doctor for the uniformed services medical university is almost as much as the cost for a graduate from other medical schools.

Other medical facilities in general fared very well this year. The Department of Defense is making good progress in coordinating and regionalizing its medical programs. We have approved $435 million for construction and alteration of medical facilities. This includes major new regional centers costing around $100 million each. It sounds like a lot of money, but they are very large facilities and the cost is in keeping with similar facilities in the civilian world. We have been very careful in seeking to avoid overbuilding. We have cautioned the military to be certain to make use of all available existing facilities. During the war in Southeast Asia, there were many casualties and they utilized most of the available spaces in military hospitals. As a result, dependents and retired personel often had to use Champus. Champus is a very costly program, but for many personnel it is more convenient than a trip to the nearest military facility. So they have continued to use Champus in spite of the fact that spaces now are available in most military hospitals. The committee joins in urging that the cost of Champus be held down and existing facilities be utilized for eligible personnel.

The subcommittee has recommended deletion of some $70 million of funding for construction requested for Trident in fiscal 1976 because it cannot be obligated in a prudent manner or because operational schedules do not require construction starts before fiscal year 1977.

Considering for a moment the portions of this bill which are for construction, including construction and improvements in family housing, the increase over the previous fiscal year is $262,903,000, an increase of 11.7 percent. This compares with a 10.1-percent increase in the Engineering News Record index for construction cost from July 1974 to July 1975 and 9 percent projected increase from December 1974 to December 1975. Approximately $180 million of the increase in the construction area is accounted for by the new emphasis in the fiscal year 1976 program on energy conserving projects and on improvements to family housing. These are, in general, small projects which require a minimum of time for design and completion. They are the type of construction work which should prove beneficial to short-run construction employment situation as well as saving energy and providing military personnel better places to live at minimal cost.

The committee's recommendations would allow $3,518,723,000 in new budget authority for military construction and family housing for fiscal year 1976. There is also $359,100,000 for the transition period, which is the same as the budget for these ongoing items. The fiscal year 1976 allowance represents an increase of $433,934,000 over fiscal year 1975. Some $188,073,000 of this increase represents additional funding for operation and maintenance of family housing which is necessitated by the large increase in the cost of utilities in the past year and a half.

In fact, the Department of Defense, the authorizing committees, and our own committee felt that there was such a serious underfunding situation in this area that $25,000,000 was added above the budget request to help keep the backlog of essential maintenance under control. As a result of higher costs for utilities, funds have had to be transferred from maintenance and this backlog had increased by about $60 million in fiscal year 1975 and could have increased an additional $120 million in fiscal year 1976. I wish the committee had been able to do more in this area, because it is senseless to let our assets deteriorate for lack of maintenance and additional funds could have been spent quickly to help alleviate the severe unemployment situation in the housing area. I place this emphasis on the various aspects of military housing because family housing has become one of the most important aspects of military service.

In recent years the intent of Congress that HUD provide housing assistance of benefit to military families has had continuing expression. Section 120 of the Housing and Urban Development Act of 1970 made military personnel eligible for certain HUD subsidized programs such as section 235 and 236, and established special 236 units which could be set aside for military families. The Housing and Urban Development Act of 1974 included language extending the use of the "Special Risk Insurance Fund" to housing near Federal installations where there could be insufficient residual market in the event that the installations were closed or severely curtailed. Among the criteria set forth for the use of this provision was that the Departments concerned were to consider total costs to the Government. In this regard, it should be noted that if HUD were to provide substantial community assistance at the three new division posts and the Trident site, as many as 4,000 new family housing units which otherwise will have to be built, operated, and maintained by the Government could be provided by the community. The cost of construction of these units would average more than $35,000. That means $140 million.

The new legislation was enacted because the Department of Housing and Urban Development indicated it could not insure housing loans in such areas without this authority. HUD has not implemented the program. There apparently are some thoughts on the part of HUD that the provision in the 1974 act is "defective" legislation. The committee is very disappointed at the failure of HUD and Defense to take advantage of this legislation. The committee feels strongly that the language should be used and if technical changes in the legislation are required in order to carry out the intent of Congress, the committee insists that the Department of Defense and the Department of Housing and Urban Development confer and develop such legislation for submission to Congress early in January 1976. Here is a way to save money and provide housing and the method should be utilized.

The committee has worked long and hard to establish what we feel is a good compromise with regard to construction requested to support the Army's training centers and the stationing of the Army's three new divisions. I believe I have not seen an area in recent years to which we have devoted such in-depth and careful consideration. We have been very concerned about the Army's plans to close Fort Dix, N.J., to abandon the modern, useful permanent facilities there would cost anywhere from $300 million to a half billion dollars to replace.

Now let me state that the committee does not consider that it has the authority or the expertise to dictate the selection or use to be made of military bases. We recognize that each of the services has a responsibility to make the best use that it can of its facilities and we have urged time and again that, where possible, existing facilities be used rather than to construct new ones. Sometimes this is not possible because facilities become outmoded and do not meet the requirements for modern training with its sophisticated weapons. One of the problems has been a lack of acreage. The modern mechanized Army moves fast, covers great areas, and must be trained to cope with similar tactics on the part of an enemy. This primarily has been the reason for the plans advanced by the Army to move its training activities southward and to take advantage of bases there which have very large acreage.

This has been a principal reason for the effort to move out of Fort Dix. However, the committee is convinced that there are significant training programs which can be carried on at Fort Dix and is not satisfied with the reasons which were advanced for moving away from that base. We make recommendations in this bill toward realistic objectives now and in the future.

Now let me state that the committee jointly has worked on this problem. We had valuable contributions from the staff. The committee has expored all the alternatives and is in agreement on our actions. One man's work in particular stands out in the efforts to preserve Fort Dix. That man is ED PATTEN. He has always been an effective member of the subcommittee. He has been understanding of the needs of the services. But he has also had serious concern about what was happening to Fort Dix and other northern installations. He is the man who is due principal credit for what the committee has accomplished on this matter. In substance we have an agreement that Fort Dix will continue in operation in a substantive way through 1979, and the Secretary of the Army has given positive assurance that a dedicated effort will be made to continue it beyonod that time period.

In part, the Army's plans for establishing one-station training are responsible for the widespread movement of training activities. This includes basic and entry level training, all but specialized training. We do not pass judgment on the one-training concept but we feel that it has not been sufficiently tested or proven, and that we should not commit ourselves to a very large construction program for one-station training until it has been proven. The Army, by economies in operation and support, is due much credit for its plan to support three new combat divisions without additional manpower. To support the new divisions, the Army has proposed a massive new construction program. We had some reservations about the need or suitability of some of the posts they have selected. We felt that they should look at other alternatives and their costs and report back to us before we are committed to the new program. This is particularly true since the Army's long-range plans have had some recent revisions.

FORT MONMOUTH

Reputedly among the bases scheduled for closing is Fort Monmouth in New Jersey. Important research activities are conducted there. Such a move would mean the abandonment of Army-owned buildings and the temporary utilization of leased space, presumably in the Washington area. If the Army or any service plans to surrender acceptable space at any location in favor of leased space elsewhere, the service should be aware that consultation with this committee is advisable before firm plans are made for the move. No service is to assume automatic approval of funds for future construction projects if the justification is based, even in part, on the fact that leased space is unacceptable, especially if acceptable space elsewhere is surrendered, leased space is taken, and a future construction project is envisioned.

The Army should bear in mind this committee's position with regard to relocating military missions into the Washington, D.C., area. This position has been and continues to be one of urging mission moves out of the crowded costly Washington area, not into it.

That is why the committee again is compelled to remind the services of its attitude toward the utilization of installations. In its report last year, the committee expressed concern there was insufficient opportunity for winter training, and it urged the Army to investigate Fort Drum, N.Y., as a site for the stationing of units such as a Ranger battalion. If the next war is fought in northern Europe, our forces will need wintering.

The Army has not yet done as this committee asked. No plans have been forthcoming for the construction of a new medical or other facilities at this post. The committee has received no indication that a recent master plan exists for Fort Drum.

And so, again, this committee strongly insists the Army comply with its request that Fort Drum be scrutinized with extreme care, that plans be developed for facilities in compliance with a master plan, and that consideration be given to utilizing this installation for active duty forces who could train in concert with thousands of Guard and Reserve troops who annually use the post.

The committee added $9 million to the Navy's planning funds. The Navy is extremely short of planning funds, and this money is felt to be necessary in order to prepare proper plans for projects. Also added to the Navy program was a total of $4.2 million for access roads, $2.2 million of which is for access roads associated with the Trident submarine facility at Bangor, Wash.

The committee recommends an addition of $10 million to the Air Force for land or easement acquisition in connection with the air installation compatible use zones program. The money is part of an existing $30 million authorization which still is in force and will be used to secure land or easements in accident-potential zones near Air Force bases.

Also added to the Air Force program was $8 million for the restoration of facilities at Eglin and Tyndall Air Force Bases in Florida damaged during Hurricane Eloise on September 23. I have seen the damage and can attest to the need. The money is permanently authorized in other legislation and is to be used only to restore, repair or replace facilities damaged during the storm. There is also damage to facilities and family housing at naval installations in the area. It is my understanding that the type and amount of damage done should be corrected by the use of O. & M. funds. Every effort should be made immediately to provide the necessary O. & M. funds to meet the naval requirements and, where necessary, to provide for Air Force needs as well.

In all, I think the committee has done an excellent job of screening and examining the projects requested in the bill. I feel that we are justified in making the reductions we have made and ask your support for the remainder of the items in the bill.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding.

I want to express my very deep gratitude to the chairman, to the members of the subcommittee, and to the marvelous staff, on behalf of the gentleman from New Jersey (Mr. FORSYTHE) and myself.

Mr. Chairman, I rise to commend the members of the subcommittee for the very thorough manner in which they have inquired into the utilization of Fort Dix in New Jersey. I want especially to commend the gentleman from New York for his diligence in accompanying Congressman FORSYTHE and myself to Fort Dix to view at first hand the facilities there. I want also to commend the gentleman from New Jersey (Mr. PATTEN) who has devoted hours and hours of his time to placing before the subcommittee pertinent materials setting forth the very important role which Fort Dix plays in our State's economy. Finally, I want to commend the chairman of the subcommittee, the gentleman from Florida, for his determination in requiring that the Army justify the concept of one station unit training.

As a result of the subcommittee's efforts, the Secretary of the Army has reevaluated the Army's position with respect to the mission of Fort Dix. As I read the subcommittee report, the Secretary has agreed to continue basic training at Fort Dix through 1979 and, pending the Army's reevaluation of the one station unit concept, will hold in abeyance its judgment as to whether basic training shall be continued at Fort Dix beyond 1979. Finally, and this is of primary importance, the Secretary has assured the subcommittee that Fort Dix and its facilities will be fully utilized regardless of the outcome of the one station unit survey. I think this is a wise decision. With so many demands upon public moneys, it is absolutely imperative that every penny spent for military construction be spent wisely and that that construction be fully utilized. We cannot ask the taxpayers to support installations which lie empty or underutilized. Approximately $80 million of the taxpayers money has been spent in permanent, new construction at Fort Dix in the past decade. The subcommittee had made note of this and is insisting, as I understand it, that this construction be fully utilized. I commend the subcommittee for its work.

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Chairman, I wish to express my appreciation to Chairman Sikes, and my colleagues Mr. Patten and Mr. McEwen for their untiring work on this bill, particularly with respect to a section that is of utmost concern to me.

I am referring to the situation involving Fort Dix, N.J. As the subcommittee began work on this bill, it was the full intention of the Army to phase training operations out at Fort Dix by fiscal year 1978. There was no commitment to find a suitable replacement activity, and the the future of this installation was in serious jeopardy.

I do not have to tell you how important an installation of this size is to our economy in New Jersey.

The gentleman from New York (Mr. McEwen) and the gentleman from New Jersey (Mr. Patten) visited Fort Dix with me. They personally escorted the Secretary of the Army on a tour of the base. They worked untiringly within the subcommittee to make sure that the Army's plans made fiscal sense.

My understanding, now, is that the Army is extending for 1 year its timetable to transfer basic training operations from Fort Dix—extending it until fiscal year 1979. My understanding also is that Secretary Hoffman has given his assurance that every effort possible will be made to find an acceptable substitute activity at Fort Dix so that its millions of dollars in facilities will not be wasted.

I think we have come a long way. We have made very substantial progress in assuring a continued Army presence in the Northeast and in avoiding wasteful, duplicative and untimely expenditures by the Army. I am pleased with the results of these efforts, and once again, I thank my colleagues.

Now my colleague from New Jersey, the Honorable Frank Thompson, and I would like to pose just a few questions to Chairman Sikes so that we can be certain of just what we have here.

Mr. Chairman, in its report, the committee pointed out that the Army has admitted that Fort Dix is adequate to conduct basic training and one-station training for Infantry. It is my understanding that modern facilities are available at Fort Dix to accommodate basic and advanced individual training including Infantry at the present time.

Is it the subcommittee's intention to attempt to assure that existing facilities at Fort Dix are utilized fully before substantial further investments, after this year, are made at installations where basic training has not been conducted in the past? Is it the subcommittee's intention, therefore, not to approve construction of facilities that would duplicate Fort Dix's capacities and capabilities as it reviews the military construction budget in the years ahead?

Mr. SIKES. It is the intent of the committee that the facilities at Fort Dix and at other installations be utilized as fully as possible and that we avoid unnecessary expenditures through new construction.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman for yielding.

Mr. SIKES. And may I say the gentleman was a member of the subcommittee who made valuable contributions.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman.

As a former member of the subcommittee, I want to applaud the distinguished chairman of the subcommittee and the chairman of the full committee for continuing to emphasize the need for maximum utilization of existing facilities at the many military installations around the country. The eminent chairman is familiar with the large construction investment at Aberdeen Proving Ground, an investment which has paid big dividends in ordnance training and research on weapons systems. I might point out that there are 70,000 acres of land there, so we do not have the acreage restrictions here that we have at many Northern bases.

Would the chairman of the subcommittee affirm that the concern expressed over full utilization of bases extends to the facilities at Aberdeen?

Mr. SIKES. Mr. Chairman, I know the program at Aberdeen very well. I know it has made very important contributions to defense. Its testing programs there have been invaluable. There are very good facilities at Aberdeen. It is one of the areas that should be used to the fullest possible extent.

Mr. LONG of Maryland. Mr. Chairman, I thank the chairman of the subcommittee.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I want to take this opportunity to commend the distinguished chairman of the subcommittee and all the members of the committee for bringing this worthwhile measure to the House.

The report points out that this bill is $216,077,000 below the level that was authorized by my committee. The measure does delete some programs that I thought should have been funded, but I cannot seriously quarrel with the committee in view of the very serious fiscal problems that we have.

There is one program with respect to which I would like to make inquiry of the gentleman from Florida (Mr. Sikes), and that is the energy conservation program.

I think that this is one of the most worthwhile construction programs contained in the measure because the programs will amortize themselves within a 4-year period of time.

In fact, I think that the military could well have afforded to have identified more energy-conserving programs and to have brought those before the authorizing committee.

Did the Committee on Appropriations fund the energy conservation program in full?

Mr. SIKES. I am glad to respond to my distinguished colleague, the gentleman from Missouri (Mr. Ichord), who is my counterpart on the Committee on Armed Services and who does outstanding work as the chairman of the Subcommittee on Military Construction.

I commend the gentleman from Missouri and his committee for their effective work.

The answer is affirmative; we did fund this important program to the full amount authorized.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Yes, I yield to the gentleman from New Jersey, who has shown great interest in the facilities in his State.

Mr. HOWARD. Mr. Chairman, I thank the chairman for yielding, and I certainly wish to join the other Members in congratulating the chairman and his committee for this fine bill.

I would like to refer for a moment to the committee report that accompanies this legislation, on page 25, paragraphs 4 and 5, where there is a reference to the electronic command and the facilities at Fort Monmouth in New Jersey.

Mr. SIKES. Mr. Chairman, I understand and I appreciate the concern of the gentleman from New Jersey.

Mr. Chairman, I compliment the gentleman and as I stated earlier our report does comment on Fort Monmouth. Reputedly, among the bases scheduled for closing has been Fort Monmouth in New Jersey.

Everyone knows that many research activities are conducted there. Closing the base would mean the abandonment by the Army of existing buildings and the temporary utilization of leased space, presumably in the Washington area.

If any service has plans to surrender acceptable space at any location in favor of leased space elsewhere, the service should be aware that consultation with this committee is advisable before definite plans are made for the move.

No service is to assume automatic approval of funds for future construction budgets if the jurisdiction is based, even in part, on the fact that leased space is unacceptable, especially if acceptable space elsewhere has been surrendered; leased space is taken and a future construction program is envisioned.

In other words, there have been indications that this important facility is to be closed, its activities moved, and leased space acquired. I am advised there is not available space for them now in a new location. They would then come to the

Congress, in a future year, and ask for military construction funds.

This committee is going to take a very dim view of that approach. Usable facilities should not be abandoned in the quest for new locations unless there are other compelling reasons.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Yes, I yield to the gentleman from New Jersey.

Mr. HOWARD. I certainly thank the gentleman for yielding.

Certainly his remarks are very excellent. All of my questions have been answered, with the exception of one.

I wonder whether the chairman might explain the meaning of the final sentence in the paragraph that talks about missions in the Washington, D.C., area.

Mr. SIKES. On what page, I ask the gentleman?

Mr. HOWARD. On page 25.

It says:

> Bear in mind this committee's position with regard to relocating military missions into the Washington, D.C. area.

I will continue reading:

> This position has been and continues to be one of urging mission moves out of the Washington area, not into it.

Mr. SIKES. Yes. The committee feels very strongly that there should be very serious consideration of the consequences of moving new activities into the Washington area.

For years, we have had the problem of some military leaders apparently wanting to get closer to the throne in Washington. They want to move their activities into the Washington area, which is crowded, and which is costly, and take those activities away from other areas where they can be just as effectively done and where they are more productive to the economy.

We feel that military activities should be widely distributed over the country and that the whole Nation ought to have a feeling for what the military is doing; ought to know of the patriotic motivation of the military; and ought to enjoy the economic benefits of local installations. So we object to a concentration such as that which has been taking place in the Washington area. We have been urging that military activities be moved away from the Washington area wherever possible. We do not want to see this reversed.

Mr. HOWARD. Mr. Chairman, I thank the gentleman from Florida. I am sure that I speak for all of the 7 million people of New Jersey in commending the chairman of the committee, the gentleman from Florida (Mr. SIKES) and the committee not only for the time that they have spent on the various projects, and to listening to the stress placed upon certain projects by members of the New Jersey delegation, of course, but also for the valuable time they took from other needed work to visit our State of New Jersey and to visit the installations and to see first hand what the problems are and what the solution might be. So we are very appreciative to the subcommittee for the action they have taken.

Mr. SIKES. Mr. Chairman, the gentleman from New Jersey is most gracious in his commendations. The committee feels that we have been doing what is proper and what is needed to be done in order to assure that facilities that are available are used, wherever possible, in lieu of new construction. We feel strongly that the two installations that have just been discussed offer a potential for continued use.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I am happy to yield to the distinguished gentleman from Georgia.

Mr. FLYNT. Mr. Chairman, I thank the gentleman for yielding. And I appreciate the remarks made by the chairman, the gentleman from Florida (Mr. SIKES) of the Military Construction Subcommittee. However, I would like to refer to a portion of the report and would also like to refer to a portion of the hearings beginning at page 245 of part 3 of the hearings before the Subcommittee on Military Construction, in which Maj. Gen. K. V. Cooper, the Assistant Chief of Engineers for Military Construction, was present and presented the justification and testified following the presentation of justification for new facilities at Fort Stewart/Hunter Army Air Field; and on page 247, I would like to quote from the justification:

> Fort Stewart is located 41 miles southwest of Savannah, Georgia, while Hunter Army Air Field is located on the southern boundary of Savannah. The mission of Fort Stewart/Hunter Army Air Field is to provide facilities and support for an Infantry Division (minus), other combat support forces, and other tenant activities.

In the testimony of Major General Cooper there are continued references to stationing a division at Fort Stewart, Ga.

A question was asked:

> What specific units were included in the total strength on Stewart/Hunter last year that have now been removed or reduced? Where to and why?

I assume that still refers to units in addition to the division which the Army proposes to locate at Fort Stewart.

General Cooper itemized some of the smaller units and he followed the itemization of those units by saying:

> At the time we set up the long-range strength for Stewart/Hunter last year, it was very shortly after we had decided to station a division there.

In response to further questions, General Cooper further testified:

> There may be one armored battalion assigned to Fort Stewart or an armored battalion minus. There may also be a cavalry squadron that will have some tracked vehicles at least initially. There will be associated with this division at Fort Stewart a roundout brigade from either the Reserve or National Guard.

I wanted, for the purpose of making legislative history, to point out that Fort Stewart is scheduled for a division headquarters with perhaps two brigades, or two permanent, attached, assigned brigades, and a roundout brigade to complete the full strength of the division which is to be stationed at Fort Stewart, Ga.

I would also point out that the Army has heretofore during the Cuban crisis stationed the First Armored Division there with a substantial number of tracked vehicles. It was following the stationing and successful utilization of the terrain and the anchorage of the Fort Stewart military reservation that probably led to the plans to station a division, or when the plans were made to increase the Army strength to 16 divisions.

I hope that that is still the plan and purpose of the Army and that, as indicated by the Subcommittee on Military Construction, this will be one of the three bases where one of these three new Army divisions will be stationed.

Mr. SIKES. Let me commend my distinguished colleague for his interest in this important installation. Let me stress the fact, as he has, that this facility has one of the largest acreages available anywhere in the Nation for military training. However, I assure the gentleman that the committee has funded all of the programs projected for this year which it is felt could be utilized with the present assured strength that is scheduled for Fort Stewart/Hunter. It expects the military to take a careful look not only at Fort Stewart/Hunter but at all bases to determine where they can best utilize existing facilities and make do with a minimum of new facilities for the three new divisions which the Army is going to activate.

Let me say that I strongly commend the Army for being able to activate three new divisions. That means cutting down on supporting activities and putting more men into combat units, even though there are fewer total personnel in the Army. This is a very commendable achievement.

Training areas will be required for the new divisions, but in order to be sure that we are on safe ground, this committee has asked that a very careful study be made of the entire subject. Of course, this will include the need for additional facilities at Fort Stewart/Hunter. As I say again, we have funded what we know can be presently utilized at Fort Stewart/Hunter, and the installation will receive careful consideration by the committee in future years when further information on facilities needs is available there and elsewhere.

Mr. FLYNT. Mr. Chairman, will the gentleman from Florida yield further?

Mr. SIKES. I yield to the gentleman from Georgia.

Mr. FLYNT. I thank the gentleman for yielding.

I note also with great pleasure that the committee has provided substantial funds not only for Fort Stewart/Hunter Army Airfield, but also for Fort Benning, Ga.

On behalf of my colleagues from Georgia, I would like to express our appreciation to the committee for its consideration of both of these major installations which serve the Army.

Mr. SIKES. I think the committee is on safe ground in its recommendation for the construction that the gentleman has referred to.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I am delighted to yield to—and may I call her the distinguished gentlewoman from New Jersey instead of the distinguished gentleperson? I am old fashioned.

Mrs. FENWICK. I guess I am, too. I thank the distinguished gentleman from Florida for yielding.

I should like to associate myself with the remarks of my distinguished colleague from New Jersey and thank the subcommittee most warmly for the interest and concern and trouble they have taken to investigate the New Jersey bases, Fort Monmouth, Fort Dix, and Fort McGuire. I was happy to see also very close to my district $1,868,000 for military construction and energy construction dedicated to Picatinny Arsenal, which is of tremendous importance. All of these installations are valuable to the Army, I trust to the Nation, and above all to our human beings, our people employed who count so much on them. They are very welcome in our communities.

As the Chairman has said so well, it brings the Army to the people of New Jersey, and a good feeling permeates the whole State. I thank the gentleman.

Mr. SIKES. The gentlewoman is gracious and as usual, eloquent.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Georgia.

Mr. GINN. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the committee and the distinguished chairman of the Military Construction Subcommittee and his fellow subcommittee members for the many weeks and months of hard work which have gone into the military construction appropriation bill. This committee and subcommittee bears a very heavy burden of responsibility to insure that our Nation's defense is adequate to our needs, and I commend the committee and subcommittee members for their accomplishments.

I would also like to note that the committee is recommending the appropriation of more than $43 million for the Ft. Stewart-Hunter Army Airfield complex which lies within the boundaries of the First Congressional District of Georgia which I have the honor of representing. I am most grateful for this appropriation because it is an endorsement of the need for the continued vitality of Stewart and Hunter. With some 280,000 acres, Stewart-Hunter is the largest Army installation east of the Mississippi River. In combination with the magnificient resources of the Hunter Army Airfield and the deep water ports of Savannah and Brunswick, the installation plays a dynamic role in our national defense posture. The Army has said that Stewart-Hunter has the best air, sea, and overland transportation facilities in the Nation for supporting the strategic deployment of a division-size force.

I am concerned, however, Mr. Chairman, with some of the comments in the ability of Stewart-Hunter as the home of a division. The Army is now into its second year of construction at Ft. Stewart and Hunter to accommodate the 24th Infantry Division which was activated by the Secretary of the Army only last month. It would certainly be a great tragedy if some misunderstanding were to impede this plan.

The committee report raises doubts that Stewart and Hunter could accommodate a mechanized division. I might point out that the Army has no announced plans to make this a mechanized division, but I do note that Maj. Gen. Kenneth B. Cooper has testified before the committee that it is possible that Stewart-Hunter could become the home of a mechanized division some 5 years from now.

The committee report says that during wet weather only 25,000 acres at the Stewart-Hunter complex are suitable for armor and mechanized units. I must say and emphasize that this figure is not correct. Extensive reforestation, drainage work, and the change in the location of firing ranges has opened up a much larger maneuver area during wet weather.

Of the 280,000 acres at Fort Stewart, more than 100,000 acres are designated for all-weather mechanized training. It is possible to maneuver two brigades simultaneously at Fort Stewart while at the same time firing all the direct and indirect fire weapons of a division.

There are 279 miles of class A, two-lane, all-weather tank trails at Fort Stewart with class 60 bridges to accommodate all types of tanks in the Army inventory. Approximately 60 percent of the 441 miles of all-purpose roads at Fort Stewart can easily be converted to tank trails. Fort Stewart is one of the few Army installations in the Nation that has two eight-table tank ranges suitable for firing all gun elevations.

Fort Stewart has proven itself capable of accommodating full-scale mechanized division training. The 1st Armored Division conducted extensive maneuvers there for several months during the Cuban missile crisis. In July and August of 1973 in OSD test 2, an entire mechanized division maneuvered east to west across the reservation. The 48th Infantry Division, mechanized, conducts maneuvers at the reservation each summer, which is the time of year of highest rainfall at Fort Stewart.

In further support of these facts, Mr. Chairman, I would like to place in the Record at this point an official information paper prepared by the Department of the Army for the House Committee on Appropriations with regard to the resources at Fort Stewart and Hunter:

REQUIREMENT FOR FORT STEWART/HUNTER AS A DIVISION STATION

Criteria for selecting a division station: the ability to (1) house the division and its support, (2) maintain, (3) train, and (4) deploy the division.

Fort Stewart/Hunter can, with the funds requested/programed, house and maintain a two brigade combat division.

Fort Stewart/Hunter—largest military installation east of the Mississippi. Real and potential training advantages are—

A 280,000 acre installation, 100,000+acres—suitable for year around mechanized training and maneuver. In 1974, Army relocated tank, artillery, and aerial gunnery ranges to the eastern (less trafficable) part of the installation, thus freeing the drier western range for maneuver and increasing the number of maneuverable acres year around.

Demonstrated in 1973 by a mech division successfully completing a three brigade opposing forces training exercise during Georgia's wet season. Reserve Component units, to include the 48th Mech Inf Bde (affiliated with the active Army's 24th Division) trains year round using in excess of 600 mechanized vehicles.

Fort Stewart/Hunter has 279 miles of all weather tank trails and 721 miles of other roads that can support movement of tanks and other mechanized vehicles.

Recent drainage and reforestation efforts have improved drainage trafficability.

Has excellent aviation support facilities.

Accommodates simultaneously the maneuver of the division and its affiliated Reserve Component units.

Fort Stewart/Hunter has the best air, sea and overland transportation facilities for supporting the strategic deployment of any of the CONUS based division installations.

NOTIFICATION

31 Jul 74—Public and Congressional announcement by Army: activation of brigade at Stewart as new division nucleus.

Jul 74—Fact Sheet to Congress: plans for 2d brigade/division base in FY 78.

24 Oct 74—SA letter to Rep Mahon (Chairman, HAC): plan to raise 24th Div flag at Ft Stewart/Hunter; originally FY 78, but hope to accelerate.

May 75—MG K. B. Cooper to HASC: division headquarters plus some support units accelerated to FY 76.

9 Jun 75—MG K. B. Cooper to HAC: new division posts are Stewart, Polk and Ord.

Mr. SIKES. Mr. Chairman, the committee is glad to have the contribution of my good friend from Georgia. The figure of 25,000 was given to the committee in response to a question asked in our hearings. Subsequently a question has arisen about the accuracy of this figure. We now are told that even in wet weather the usable acreage is nearer 100,000. Certainly we want full and complete information on these matters. We know that Stewart/Hunter has a very large acreage and as much as possible I would certainly agree it should be utilized. I commend my distinguished friend for his zeal in supporting his district in this manner.

Now, Mr. Chairman, there are many other items that I would like to discuss, but I have taken a great deal of time. I am gong to conclude by saying, all in all, I think the committee has done a very good job in considering and screening the projects requested. I feel we are justified in making the reductions made.

I am asking the support of the committee for the remainder of the items in the bill.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman for yielding. As a member of the Committee on Armed Services serving on the Military Construction Authorizing Committee, I join the gentleman from Missouri (Mr. Ichord), in his expression of interest and concern.

Mr. Chairman, I have an overall concern for military construction, in general, and a personal concern in particular for Fort Benning. With respect to one sentence in the report——

Mr. SIKES. Mr. Chairman, and deservedly so.

Mr. BRINKLEY (continuing):

> Fort Benning is known as the Home of the Infantry, but it also is an installation grossly underutilized and with facilities in need of modernization or replacement.

Mr. Chairman, having served at Fort Benning during the Korean War many years ago as an Air Force pilot, I can vouch for the fact this is very true.

I see the committee has taken note of that and I express my appreciation to the chairman, the gentleman from Florida (Mr. Sikes) and each of the subcommittee Members for giving me the opportunity at a late hour to appear before the subcommittee and express my concern over the funding of the barracks facilities.

I express particular appreciation to the ranking minority member, the gentleman from New York (Mr. McEwen) who visited Fort Benning with me, and together with me and Mr. Nicholas of the staff personally inspected the deteriorated bunkers, and I am pleased that new ones can be funded. I am also happy that funding for the dental clinic authorized in fiscal year 1975 has been provided.

Mr. SIKES. Mr. Chairman, let me state that no district has a more active or more zealous spokesman than does the district of the distinguished gentleman from Georgia. The gentleman made an eloquent and positive statement before the committee in support of the projects that were budgeted for his district. The committee was impressed. We feel that we have done a good job in trying to help carry on the work of that great installation which the gentleman from Georgia so ably represents.

Mr. BRINKLEY. Mr. Chairman, I also express appreciation to my Georgia colleague, Mr. Flynt, who serves on the Appropriations Committee, for his comments, his service and his contribution today.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, as the gentleman remembers, last year his committee took the lead in stressing to the armed services the importance of accelerating its program in safeguarding nuclear weapons bases against possible terrorist activity. As a result of that, we all pleased that H.R. 10029 will increase the funding of this program from $4.9 million to $54 million, a level well on the way to meeting the estimated requirement of $90 million or more for all security at these installations. Members of the services needed the prodding from the committee, because they had admitted they needed $90 million, but only asked for a very small fraction of that.

I would like to ask the chairman: Is the committee satisfied with the pace and scope of the measures the Army and other services are taking to protect the security of the nuclear weapons bases around the world?

Mr. SIKES. Mr. Chairman, may I say, the distinguished gentleman from Maryland was a leader in the effort to provide additional facilities to improve security in this very important field during the time the gentleman was a member of the subcommittee. I think the Congress and the Nation is indebted to the gentleman for his contribution.

Additional work is being done. There is an additional appropriation. I will be very frank, it is not as large as it should be.

I do not think we are moving fast enough to provide adequate security. A part of this is due to the fact that new plans are being developed to safeguard these weapons and new equipment is being procured for this program. Hopefully, the program will be expanded more rapidly in future years.

Mr. LONG of Maryland. I thank the chairman.

Mr. McEWEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. TALCOTT. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to my colleague from California (Mr. Talcott), a member of the subcommittee.

Mr. TALCOTT. Mr. Chairman, I would just like to take a couple of minutes to express my appreciation and my commendation for the work that this subcommittee and committee, and especially the gentleman from Florida (Mr. Sikes) and the ranking minority member, the gentleman from New York (Mr. McEwen), have done. They have taken an enormous amount of time and patience and consideration with what I consider to be a very difficult and complicated bill.

Mr. Chairman, I would just like to remind the House and individuals who might be reading the Congressional Record of the enormous responsibility of this subcommittee. They are dealing with probably one of the largest industries on the face of this earth. No other department, agency, or industry comes close either in size or in scope or responsibility.

The Defense Department actually owns more real estate than any other agency in the world outside of the Department of the Interior, perhaps. It owns more buildings and facilities; more vehicles, more housing of both family and dormitory style; more hospitals, and has more people, so that this is a tremendously important bill.

The Defense Department is required to meet more contingencies and more problems than any other agency or department of the Government or any business or industry in the world. It has to defend against all the foreign enemies, anywhere on the planet at any time on the shortest of notices, and has more contingencies to consider. All of this it has to do with a minimum of facilities, in my judgment; facilities that have tremendous impact upon the employees themselves and a tremendous social, economic, and cultural impact on the communities in or near which these facilities are located.

To anticipate all the problems and contingencies that the Defense Department has to consider is a tremendous problem of management of the budget and management of the facilities. I think they do it well, particularly with the limited amount of budget they have, the limited number of buildings and personnel, certainly as compared with Coca Cola or IBM or most other large industries. Also, they have the new volunteer army and new techniques, and all manner of new ideas, proposals and attitudes of tremendous importance.

This committee has to deal with all of them. I think they do a good job, and I certainly urge the adoption of this bill.

I want to commend the committee members, particularly the chairman and ranking minority member, for an extraordinarily good job this year.

Mr. McEWEN. I thank the gentleman.

Mr. Chairman, during the course of this year's lengthy hearings—and they were lengthy—members of the subcommittee asked countless questions and probed deeply into the plans of the military, particularly the Army, on several major issues.

May I say, Mr. Chairman, that this was made possible through the guidance and tolerance and understanding of our great chairman, the gentleman from Florida (Mr. Sikes), who was most indulgent with the concerns of the members of this subcommittee as we pursued these inquiries. This was by no means intended to harass the military, but it was because certain programs raised serious questions in the minds of committee members as to their forethought and wisdom.

Of utmost significance is the fact that in each case the programs to which we refer are not only costly this year, but are forerunners of major new programs; once started, they will require hundreds of millions of dollars in the out-years to bring them to fruition.

While the committee was generous in its dollar appropriations, our concerns have been expressed in the House report. We strongly urge that the wording of this report be fully adhered to and that the Army be required, upon restudy, to present unquestionable rationale and justification if it still proposes to embark on these costly programs.

I will not repeat the specific findings of the report, since it has been made available to the Members. However, I would take this opportunity to explain to the Members our feelings on broad aspects of the problem which relate directly to each of these programs we have questioned.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I will yield to the gentleman from Florida (Mr. Sikes).

Mr. SIKES. I thank the gentleman for yielding.

I am reluctant to interrupt the train of thought of my distinguished colleague, the gentleman from New York (Mr. McEwen), but I want to reaffirm my appreciation for his good work. As the ranking minority member on the subcommittee, he has given very distinguished service.

Mr. Chairman, one of the items I had wanted to touch on earlier—and which I will include in the extension of my remarks—is my concern for the fact that there is in northern New York a facility which offers large and usable acreage which would serve as an important base for winter training. I am speaking of Fort Drum. The U.S. Army, in my opinion, does not get an adequate amount of winter training. If we fight again, it may well be on the northern plains of Europe where the winters are very severe. In that case, men who have not had adequate winter training are going to be subjected to hazards beyond those normally associated with warfare. It is very difficult to fight under severe weather conditions. Many of our men were exposed in World War II. At Fort Drum there is ample acreage for this type of training. The facilities at Fort Drum are limited. For years the military has not seen fit to improve or to maintain the facilities there except to a bare level which makes it possible to use them for Reserve components. I feel there should be improvement and greater utilization of those facilities. The committee points to its concern about the lack of improvement at Fort Drum in our report. I personally am disappointed that the Army has not taken advantage of the opportunity that this presents.

Mr. McEWEN. I thank my chairman, and I appreciate his observations on this. And may I say, Mr. Chairman, that the chairman of this subcommittee, the gentleman from Florida (Mr. Sikes), has visited this installation in northern New York. The gentleman who has in his district that great installation, the home of the infantry, Fort Benning, the gentleman from Georgia (Mr. Brinkley), has also visited Fort Drum in New York, and I say to those two colleagues, and others, who have shown an interest in this underdeveloped facility, I deeply appreciate their interest.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Georgia (Mr. Brinkley).

Mr. BRINKLEY. I thank the gentleman for yielding.

Mr. Chairman, during this past August it was my privilege to visit New York and tour Fort Drum, N.Y., and I just want to say that this base is grossly underutilized. I think the authorizing committees, as well as the Appropriations Committees, should recognize that fact and encourage the Army to utilize it.

It was a personal privilege also to be a guest at the LeRay mansion, together with my family. Colonel Lee, together with Congressman McEwen, because of their gracious hospitality, qualify as Georgia peaches. It was a pleasure to be in Watertown and Fort Drum.

Mr. McEWEN. I thank the gentleman for his comments.

As a member of the subcommittee of the authorizing committee dealing with the subject, I am particularly grateful for his comments, which I am sure my chairman will support at the appropriation level.

Specifically, Mr. Chairman, the matters that I said we had concern about are the maximum use to be made of existing facilities before millions are appropriated by this Congress to provide duplicate facilities elsewhere, and our concern about the Army's tendency to concentrate its major combat forces and training activities in a few regional areas of the country, while large areas of the remainder of the country are virtually devoid of any military presence, especially when in some of those areas Government facilities that are available are underutilized.

Last year in our report on the military construction appropriations bill, 1975, the committee expressed concern that some Army installations are not being used to full potential, and that the committee is reluctant to provide training facilities at other locations when similar facilities are available and underutilized at existing sites. To date, the Army has not in any way, at any time, made a specific response to the committee's charge that they first look at other lands owned by the Army, or that they take adequate account of existing assets at major ongoing installations. Rather, it would seem that even more requests of this nature appear in this year's appropriation request, or are planned for the future.

The Army desires to initiate a new concept—one station unit training, which is a combining of the traditional basic combat training and advanced individual training. To date, this concept has not been fully tried, tested or evaluated. While admitting that existing facilities could accommodate training of the presently proposed one station unit training concept, the Army proposed a $276 million construction program for this concept. This is why we are concerned—and I think properly so—that the Army is not making maximum use of existing facilities.

My concern that the Army is concentrating its major combat forces and training activities in a few regional areas of the country, while large areas in the remainder of the country are devoid of any military presence, is shared by many of my colleagues. I am particularly aware of this in the Northeast, Mr. Chairman.

Recently 81 of my colleagues joined in a letter bringing this to the attention of the Secretary of the Army. Seventeen northeast Senators sent a similar letter. Several Governors have written to the Secretary of the Army.

While the financial uplift which military construction and the stationing of active Army troops would give to these areas is certainly a factor, their concerns extend far beyond this and are in the interest of our national defense. The most serious threat to our Nation comes from Central and Northern Europe. We have few troops trained, acclimatized and equipped in comparable climates for immediate reinforcement of our NATO troops, and this is a matter that I believe is of grave concern.

Major harbors, large cities, and other critical areas are far removed from active Army troop units, and this is also disturbing. And, yes, that young men who might some day be called upon to defend this Nation cannot, in their own area, associate with a military presence is to me very disturbing.

This was somewhat understandable before the present build-up of military installations, but it becomes difficult to understand when new stationings are being announced and initiated elsewhere while bases are being closed in the Northeast.

These are some of the reasons for concern over the Army's stationing program.

Should the Members have any doubt that those items about which the committee expressed misgivings in the report are questionable, I strongly recommend that they review the special hearings held on these subjects and judge for themselves. I believe the Members will agree that we should move cautiously toward the funding of these new programs.

Mr. Chairman, the chairman of this subcommittee, the gentleman from Florida (Mr. Sikes), has adequately covered the many subjects of importance contained in this bill. I will take this moment to add just a few words to what he has already said about the Uniformed Services University of the Health Sciences, on which ground was broken earlier this year at ceremonies attended by the President of the United States. There were many distinguished guests who also attained on that occasion.

Mr. Chairman, there has been, I think, some misunderstanding of the costs and other factors relating to this school now under construction. All of us have recently received "dear colleague" letters, and there are some separate views contained in the report accompanying this bill on that subject, and these, although I am sure they were not written intentionally for this purpose, do, I think, mislead us as to the costs. Let me point out just two items.

It has been asserted that the cost to build the medical school will be $150 million. The fact is that the medical school will cost $79 million, which is substantially less than an equivalent construction by schools in the civilan sector. A third phase which woud provide educational facilities for schools of nursing, physicians' associates, and medical technologists will cost $11 million.

Second, the university will admit approximately 175 students and graduate 165 physicians annually when it becomes fully operational by 1982, not the 100 to 150 graduates as has been asserted.

Mr. Chairman, I feel strongly that our armed services and the men and women who serve in our military medical units deserve this type of recognition, and I feel as well that there is a need for the services in the training of doctors. I submit that this will give deserved recognition and status to military medicine. I know that those of us in the Congress who are familiar with the great National Naval Medical Center and with the Walter Reed Army Hospital are aware of the high quality of medical services rendered at these institutions.

To have here in this area a great new medical school to train physicians specifically for the military, I think, is much needed. I hope that if there is any amendment offered to strike on this, the Members of this House will support this needed medical school.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. Yes, I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, an amendment will be offered to strike the $64.9 million, and at that time I will expect that there will be considerable debate. I will not engage the gentleman in debate at this time, however.

Mr. McEWEN. I thank the gentleman.

The CHAIRMAN. Does the gentleman from New York (Mr. McEWEN) desire to yield further time?

Mr. McEWEN. Mr. Chairman, I have no further requests for time.

Mr. SIKES. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Colorado (Mr. EVANS).

Mr. EVANS of Colorado. I thank the chairman for yielding.

I have asked for this time to direct the committee's attention to page 9 of the bill, section 105, which provides as follows:

> Funds herein appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

It struck me, Mr. Chairman, as a rather unusual provision to appear in a military construction bill. I thought it might be wise to place on the record an explanation for this section.

Mr. SIKES. If the gentleman will yield, I think his interest is well-founded, and the House is entitled to a discussion of this section of the bill.

What is intended is that, principally, the personnel of the district engineers' offices throughout the country or overseas be able to obtain automobiles by hire for inspection of construction at sites when there are not government owned automobiles available for their use. Those who are designing projects at Government sites frequently need to visit the sites to get the information they require. This would also include visits to offices of architect engineers who are working on military projects.

This authorization is used where there are no GSA vehicles available. I do not have the exact figure on it. It runs to, I would say, considerably less than $50,000 a year. Of course, the amount is carefully supervised and it is not just an open appropriation for those who wish to take advantage of it.

Mr. EVANS of Colorado. The reason I brought this question up is to make sure that we were not providing, in a construction bill, funds that should normally appear in some other bill.

Mr. SIKES. I assure the gentleman there is no duplication.

Mr. EVANS of Colorado. Mr. Chairman, I thank the gentleman.

Mr. SIKES. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I take this time to commend the committee for including in this legislation, the annual appropriation bill for military construction, $64.9 million for the Unified Services University for medical purposes, which has already been referred to here on the floor.

This university, which is well under way and scheduled to open in September of next year, is something that represents a long dream on the part of many of the members of the Committee on Armed Services.

This money today that is included in the bill represents the second increment for this medical university and so represents a fulfillment, within the near future, of this long-standing hope and dream.

President Ford has already dedicated the university, and a staff is being assembled. Applications have been coming in from all over the Nation from those who wish to be a part of the first entering class of that university.

As the chairman of the Subcommittee on Military Compensation of the Committee on Armed Services, I want to say something about this project, because I think that perhaps it involves a situation that not all of the members of the committee understand with respect to the current status of personnel in the medical services in a voluntary Armed Force environment.

The creation of this university is going to be of extreme value to the armed services in providing quality medical care for men and women in all branches of the armed services serving around the world.

Just yesterday we had an example of the kind of problem we face during discussions in the Subcommittee on Military Compensation of the Committee on Armed Services. A question was raised there about whether we should discontinue a relatively minor financial benefit which is presently provided only to physicians and dentists within the armed services, because our subcommittee felt it appeared to have outgrown itself, its usefulness, because a year or so ago when we established a $13,500 bonus for physicians. The suggestion was made that perhaps this relatively minor benefit ought now to be eliminated. But the office of Assistant Secretary of Defense for Health Environment strongly urged the subcommittee not to eliminate it. He said it may be a minor benefit but as far as attracting qualified medical personnel, particularly physicians, into the armed services, under a completely volunteer environment is concerned, the situation today is still touch and go. The Secretary urged us not to rock the boat, and not to upset the apple cart. "Leave it in there" he said. We do not want to have anything happen that would suddenly deprive the Armed Forces of the number of physicians that they still need."

This points up the real problem that we face today.

We have, as I said earlier, already authorized a bonus of $13,500 a year to military physicians. We have also set up a scholarship program where individuals can get their way paid in medical schools by the government and then they will be obligated to spend a certain number of years thereafter in the armed services.

But we in the Committee on Armed Services, are well aware that both of these approaches to personnel during a volunteer army period, have severe limitations.

The Navy has long had, and the other services now have, a scholarship program, the Holloway program, whereby you can go to a topnotch university where they have a naval ROTC program. The Navy will pick up the full tab for the 4 years and then these graduates are obligated to serve in the Navy for 5 years thereafter.

But the record of this scholarship program has demonstrated that the retention of these graduates after that obligated period of service ends has been very low compared to graduates from the Naval Academy; something like 18 percent, I think, compared to 35 or 40 percent for those from the Naval Academy.

The same thing is true with the bonus system we set up some years ago at the request of Admiral Rickover, a very large bonus to try to keep men in the nuclear submarine service, where they have got to go to sea and stay there some several months at a time. It is very difficult and it is a highly demanding job. So Congress created a bonus system of $15,000 for them; and yet in recent weeks Admiral Rickover has been back before our subcommittee to say that this system is not working and that we have got to come up with something new for that purpose.

So I think it is clear that the only way we can really guarantee an adequate number of doctors for the services is to train them in the same way we train our topnotch military officers, which is in a regular academy. That was the precise reason on which the Congress created this university several years ago.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STRATTON. Mr. Chairman, will the gentleman from Florida yield me additional time?

Mr. SIKES. Mr. Chairman, I would ask my good friend, the gentleman from New York (Mr. McEWEN) to yield the gentleman additional time.

Mr. McEWEN. Mr. Chairman, I am happy to yield to my good friend from upstate New York.

Mr. STRATTON. I thank the gentleman.

The CHAIRMAN. How much time does the gentleman yield?

Mr. McEWEN. How much time does the gentleman wish?

Mr. STRATTON. Could I have 3 additional minutes?

Mr. McEWEN. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Yes, Mr. Chairman, Congress created this medical university to perform the same job for the medical aspect of our Armed Forces that West

Point, Annapolis, and the Air Force Academy now provide for the command aspects of the services; and we feel this is one real way of assuring, through all of the vicissitudes of the all-volunteer program, whether the economy is up or the economy is down, that we will have all of the doctors that our services will need.

In addition to that, this school will also benefit the general population. What has the cry been here in the last few years? It has been that we do not have enough medical colleges in the country to train all of the people who want to become doctors. I am sure that every Member of this House has had constituents who have come to him and said, "Will you please write a letter for me. I am trying to get into X, Y, or Z Medical School, and they tell me that they just do not have any openings."

Time and again we have heard that same story. Some of these people end up in Guadalajara, or they go to Europe or somewhere else. But many have to abandon their hopes because there are just not enough spaces to train doctors here in this country.

This university is going to contribute toward solving that problem and will increase the chances of an American youth who wants to become a doctor finding a medical school he can enter—175 new spaces every year.

I should also like to point out that this medical university of the armed services, which is already under way, is going to have a unique capability because it will be functioning close to a number of very important teaching hospitals—the naval hospital in Bethesda, and the National Institutes of Health across the street. The National Medical Library is just across the street. And the Armed Forces Institute of Pathology is located over at Walter Reed. So there is a whole series of medical opportunities for students at this new school so that we will graduate a competent class of 175 physicians every year, once it is going. After these doctors have served their 20 years in the armed services, they will then be available to be added to the total of doctors in the civilian economy, including the rural areas.

So I urge Members of the Committee to support the Committee on Appropriations in this very fine undertaking.

Let us look ahead and make certain that this class of 36, which is going to be admitted in September of 1976, can move in on schedule. Let us not disrupt the schedule now because, incidentally, under the new regime, that class of 36 undoubtedly will contain women as well as men.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McEWEN. Mr. Chairman, I have no further requests for time.

Mr. SIKES. Mr. Chairman, I yield the remainder of my time to the distinguished gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. I thank the chairman for yielding me time to explain an amendment that I propose to offer during the amendment stage of this legislation. It is an amendment that would add funds to this construction appropriations bill calling for the modernization of facilities at the machine shop at Pearl Harbor Naval Shipyard. The sum I seek to add to the bill is $3.356 million.

Mr. Chairman, the Pearl Harbor Naval Shipyard in 1962 proposed modernization of the machine shop as part of the Navy's shipyard improvement program. The need at that time, 13 years ago, was to replace World War II vintage equipment and to rearrange and consolidate the shop along more functional lines to increase production and to reduce costs.

The Authorization Act of 1975 authorizes the sum of $3.5 million for this purpose. Although the Senate's military construction appropriation bill included funding for this project in fiscal year 1975, the money was unfortunately deleted in the conference report. The Members will recall that action on the appropriations conference bill was delayed until late December 1974, thus making it too late for the funding request, after it was dropped, to be included in the fiscal year 1975 budget request.

Because of this accident, a most unfortunate accident in time, it is an item which is not included in the budget considerations. I apologize to the members of this distinguished committee for not having brought this matter to their attention at an earlier time or it might have been considered and added. But because of this unfortunate error in the matter of time, it seemed to me urgent that I bring this matter to the attention of the entire House and to ask consideration that this item be included in the bill.

I realize that the committee has done a most diligent job in paring down the requests for funding and deferring funding; but it seems to me this one project that has been suggested from 13 years ago and which now holds a very high priority in the Navy's list of authorized projects ought to be one to which an exemption might be granted and it might be agreed to and added to this legislation.

At the time it was dropped in the conference last December, the Navy did file an appeal and in that appeal the Navy said:

> The importance of this project to the maintenance of the fighting elements of the Fleet may be measured by its relative standing in the Shipyard Modernization Program. The overall priority of this project in the Navy's program is extremely high, as evidenced by the Pearl Harbor machine shop being ranked third of approximately 175 projects totaling over $550 million in identified-for-correction-of-deficiencies at the eight Naval Shipyards.

Within the last several days I have had an opportunity to discuss this matter again with the Naval Sea Systems Command, who tell me there is only one other project in their entire modernization program which retains a higher priority than this naval project at Pearl Harbor. That project is the crane rail system at the shipyard in Portsmouth, N.H. I am informed that all the design work for this project has been completed and it is ready to be constructed immediately. If we delay it, until fiscal year 1977, and the Navy has already submitted this as a high priority project, the cost would climb to $5.1 million or an additional $1.7 million. So we have a chance of saving more than 50 percent of the funds if we fund it now, in addition to the kind of savings that could be realized once the machine shop is actually improved.

The Navy estimates at least $1.4 million could be saved in the overall cost of running the shipyard itself with these improvements.

So I would hope that the distinguished members of this committe, together with Members of the entire House, would give me an opportunity to have this amendment considered and considered favorably. It is an item that was strongly recommended by the Navy.

The Congress is being asked time and time again for money for different kinds of additional projects; railroad beds, housing, other kinds of accelerated public works projects, to come up with programs which would stimulate the economy, which would address the needs in particular of our construction industry and we have done so repeatedly in different kinds of legislation. Here we have an opportunity to do just that and also to improve the defense capability of Pearl Harbor.

Mr. WON PAT. Mr. Chairman, today we are again considering appropriation legislation for military construction, a matter which has been thoroughly considered by subcommittees, committees, the House and Senate and a conference committee. As reported out by the conference committee, this bill is in its best form and should be speedily passed.

As the representative of Guam, which stands as the most forward U.S. defense bastion in the Pacific I am particularly aware of the need for fully adequate military preparedness. In Guam, national defense and military readiness are a major part of our everyday existence and thus we are constantly aware of their importance to our Nation.

However, this bill provides not only for additional defense facilities for Guam, but also for our entire military posture throughout the world. It has already been shorn of all items which might be of less than immediate necessity. Wherever possible, expenditures have been reduced or eliminated.

I see no need for further extended discussion of this bill or amendments to it as reported from the conference committee. It presently is more than a half billion less than the budget request.

It is my understanding an amendment may be offered to delete from this bill an appropriation for $64.9 million for the Uniformed Services University of the Health Sciences.

This amendment is also unnecessary and should be rejected. The House approved establishing this necessary institution by a vote of 303 to 13, and reaffirmed its support by approving an initial appropriation of $15 million.

This school will do much to correct the pressing problem of a serious shortage of doctors for our military services, which already are short more than 1,800 doctors.

Again, this item and all others in the

total appropriations bill have been thoroughly considered and should be approved as presented. I urge my colleagues to do this today.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army as currently authorized in military public works for military construction Acts, and in section 2673 and 2675 of title 10, United States Code, $788,337,000, to remain available until expended.

Mr. ROBINSON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy as currently authorized in military public works or military construction Acts, and in sections 2673 and 2675 of title 10, United States Code, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $728,727,000, to remain available until expended.

AMENDMENT OFFERED BY MR. EDWARDS OF ALABAMA

Mr. EDWARDS of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of Alabama: On page 2, line 20, delete "$728,727,000" and insert in lieu thereof "$663,827,000".

Mr. EDWARDS of Alabama. Mr. Chairman, in case some of the Members feel as though they have been here before, let me state that they have. I offered this same amendment before in the military construction authorization bill.

This is an amendment to cut out $64.9 million for the military medical university to be located out at Bethesda, Md.

This turns on a matter of economics. I wish the Members would listen because I think it is very important that we try to get clear in our minds the relative costs of graduating a student from the military medical university, as compared with the costs of graduating a military doctor through the scholarship program which is now in existence.

The scholarship program and the military medical university were authorized at the same time in 1972.

Today there are some 5,000 medical students in private and public medical schools under the scholarship program, at a cost to the Federal Government of about $43,000 per graduate.

The military medical university will, when it gets into full operation in the early 1980's, turn out about 150 graduates at a cost of about $200,000 per graduate.

These figures have been questioned before, and they will be questioned today. All I can say is that this first came to our attention in the interim report to the President and to the Congress by the Defense Manpower Commission, in a report dated May 16, 1975, which generally substantiates the figures I have just given.

However, when it drew our attention, we then had the surveys and investigation staff of the Committee on Appropriations make a further study of this situation in July of this year. They came back with a clear figure of $200,000 per graduate at the military medical university and $43,000 per graduate through the scholarship program.

One of the arguments that has been made is that for some reason we are going to get a lot more life out of a military medical university graduate than we are out of a scholarship program graduate.

The military medical university program requires 7 years' service in the military after a student graduates. It is assumed that most of these doctors will go on to 4 years of internship and residency at a military hospital. That will add 4 more years of requirement to their service in the military, for a total of 11 years. If they go on to another 2-years speciality, that adds 2 more years, and they will have a 13-year requirement to serve as a doctor in the military if they graduate from the military medical university.

On the scholarship side, those doctors who go through the scholarship program in a private university at about one-fourth of the cost of the medical university will be required to serve 4 years as military doctors. If they go to the military residency program, and intern program, for 4 years, that will add 4 years to their required service. If they go to another 2-year specialty at a military hospital, that will add 2 more years to their service, for a total of 10 years.

Therefore, what we are really comparing, if these doctors go through all the training that is available to them, is a 13-year requirement on the part of the military medical university graduate and a 10-year requirement on the part of the scholarship program graduate.

I say that that is a pretty small gap when we can save about $150,000 in graduating students under the scholarship program.

We already have about 500 graduates from the scholarship program who are now military doctors. The reason is that when we started it, we picked up medical students who were already perhaps in their junior or senior year in medical school and put them on a scholarship for the remainder of their medical school, and some of them are already in the military now.

By the time they graduate the first class of military medical university students in the 1980's, the scholarship program will have produced almost 5,000 students, and there is no way, in years to come, that the military medical university will ever catch up with what the scholarship program is doing, again, at a fraction of the cost.

Mr. Chairman, I think there is no question but that we should go the scholarship route.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(By unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 5 additional minutes.)

Mr. EDWARDS of Alabama. There is no way that we can justify this tremendous expense just to have a university out here that we can call a military university. It is said that students will get a lot of military medical training out there, they will learn all about military wounds and war wounds and all that sort of thing. Everyone knows when you go through medical school your first 4 years are spent learning basic medicine. This is required before a school can be accredited. There is not that much difference between the scholarship graduate and the university graduate at that point. The real training comes in the residency programs and in the training programs after basic medical school is concluded in either the scholarship program or the university.

One figure that has interested me is that the law requires a minimum of 100 graduates from the university after it is in full operation. The university itself has been saying that it will have 150 graduates per year. Now we are told on the floor today that that is going to be 175 graduates, and I do not know what the figure will be by tomorrow. But the figure that everybody has used, and the figure that the university has used all the way through has been 150 graduates maximum with a minimum required by law of 100 graduates.

It is based on these figures that the S and I report and the Defense Manpower Commission reports were prepared.

The facts are there, the figures are there. I have not seen any other figures presented to me or to the committee or any other report that would suggest that these figures in these two reports are wrong. I will grant that the university says they are wrong. Dr. Curreri came to see me this week and we had a very pleasant hour and a half visit. We discussed all of these things in detail and he was very open in trying to explain the solution by which they somehow or other cut half the cost that these two studies attribute to them. But there has been no individual study that I have seen that has shown anything wrong with the two studies that have been prepared, one by the Defense Manpower Commission and one by the S and I staff of our Committee on Appropriations.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Connecticut.

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding.

I want to urge a positive vote for the gentleman's amendment. I believe we ought to have more medical schools and more doctors in this country, but I do not believe we ought to fund them through the military budget.

In my own district we have two medical schools that are trying to secure more funds and to extend their enrollment and to do a better job for America, the Federal budgets in that respect having been curtailed for years. So I think we ought to take the money we have mentioned here and spend it with the great schools across the country that are already established and we should not have to go into a question of redundancy that the gentleman has talked about.

Mr. EDWARDS of Alabama. I thank the gentleman.

The operating budget for this university in 1981 is estimated today, in today's dollars, at about $29 million. It will cost about $270 million to get the university into operation. And if you knock off phase 4 which many say will never be built, that is still $218 million to get it into operation.

It is based on the $218 million figure that these studies I am referring to have risen. They did not consider the whole $150 million when they talked about it.

Let me talk about retirement.

On page 15 of the committee report this statement appears:

> Graduates will incur a seven-year obligation and an additional two years for participation in a military residency program, thus accumulatng between 11 and 13 years toward retirement.

And I say to the Members that that is just an incorrect statement in the committee report. The law says in setting this up that none of these years in school will operate toward retirement. To that extent the committee report is wrong.

Finally let me say that the military department this year is planning to spend $117.5 million for a wide range of programs designed to improve the care of wounded personnel, field medical care, basic research aimed at equating military medical problems. The Department of Defense is doing all it can do now to try to resolve these problems, and there is nothing about this Military Medical University that will change that sort of thing, because the first 4 years are based on the need to get one's basic medical training first.

Mr. Chairman, I urge that this amendment be adopted.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. McEwen, and by unanimous consent, Mr. Edwards of Alabama was allowed to proceed for 2 additional minutes.)

Mr. McEWEN. Mr. Chairman, will the gentleman yield for a question?

Mr. EDWARDS of Alabama. I am pleased to yield to the gentleman from New York.

Mr. McEWEN. I thank the gentleman for yielding.

If I understood the gentleman correctly, he stated that the cost per grant in the scholarship program would be $43,000, and that the cost per grant in the Uniformed Services University of the Health Sciences Medical School would be $200,000, or almost five times as much as under the scholarship program; is that correct?

Mr. EDWARDS of Alabama. That is correct. Those are not my figures; they come from the S and I report of our own Committee on Appropriations.

Mr. McEWEN. Let me ask the gentleman this, if he will yield further. Is this the total cost figure to educate a doctor—$43,000? Or is this the Government cost, or is this just the cost in the Defense budget?

Mr. EDWARDS of Alabama. That is the cost that the military has to pay to graduate a doctor who is in the military medical program in a private or public university under a scholarship program.

Mr. McEWEN. The cost that the military has to pay?

Mr. EDWARDS of Alabama. That is correct.

Mr. McEWEN. The gentleman is not suggesting that the total cost will be five times as great in the Uniformed Services University of the Health Sciences?

Mr. EDWARDS of Alabama. I am suggesting that the cost will be $43,000 to the Department of Defense to graduate that doctor.

Mr. McEWEN. If the gentleman will yield further, but not the total cost to the Government? The gentleman is not suggesting $43,000 is the total cost?

Mr. EDWARDS of Alabama. Yes, I am, as far as the Department of Defense is concerned.

Mr. McEWEN. As far as the Department of Defense is concerned. The gentleman is not taking into consideration capitation grants; is that correct?

Mr. EDWARDS of Alabama. Capitation grants, in my opinion, do not apply in this situation. But even if we added capitation grants in at some $40,000 per graduate, that is still only $80,000 compared to $200,000.

Mr. McEWEN. The gentleman is not considering the research moneys that go into our medical schools now?

Mr. EDWARDS of Alabama. The gentleman has concluded that the research moneys that go into our medical schools now will continue to go in, and they have gone in in spite of this program. The gentleman has to understand—and I am sure the gentleman knows this—that the military does not go out and find students to go into the program; they go to the colleges where the students are, and students apply to get into the program. We have more applicants today for the scholarship program than we can handle.

Mr. McEWEN. I appreciate the gentleman's clarifying that the figures of $43,000 and $200,000 relate to the cost in the Department of Defense budget and not to the actual cost either to the Government or the total cost of educating a doctor.

Mr. EDWARDS of Alabama. That is correct. The figures I am citing are in the Defense budget. They are the figures that are comparable, in my view, in trying to determine whether we can afford this gigantic expense as this committee proposes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I recognize the fact that my distinguished friend and colleague, the gentleman from Alabama, has given very careful thought and study to this important subject. However, I do not believe that he has given the House all of the information that is needed on which to base a decision. Admittedly, the Medical Services University is a costly program, but in fact it costs but little more than the scholarship program. First, the construction cost in toto for the school itself will be less than the national average for medical schools. That is one point to remember. It is an austere building program. There are other important considerations.

Most of all, we need doctors. The medical services school will give us doctors with the certainty of considerably longer service. For instance, the requirement is 7 years plus time associated with residency. A scholarship student has only to serve 2 to 4 years. He may or may not have any additional time for residency in a medical facility of the Armed Forces. This means two to three times as much medical service where doctors are needed very badly.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. The law requires that a scholarship student serve 4 years. The 2-year requirement is only insofar as those students are concerned who were brought into the program as juniors or seniors. The scholarship program is getting underway.

Every 4-year medical school student must serve 4 years, one for one, under the scholarship program.

Mr. SIKES. I accept the gentleman's correction. It is 2 to 4 years on a one for one basis, according to the time spent in school. I repeat, if we evaluate all of the costs, the cost of a student at the Uniformed Services University is only slightly more than the cost of a student under the scholarship program.

In addition to a considerably longer period of service which certainly counts in the total consideration.

There are the Federal contributions to every medical school. Those amount to about as much as the actual cost of the scholarship itself. When we include these costs the total cost to the Government of a man educated through the scholarship route is very little more than the cost of a man attending the medical university. It is expected that the graduates by 1985 will number 165. There are those who hope that it can be increased. The number 175 has been used as a target, but the number now projected is 165.

Many figures that have been used here, which are adverse to the medical university, come from the Defense Manpower

Commission report. The Defense Manpower Commission never talked to any medical university officials. How can they be certain of their facts? They have not consulted the very people who should be most familiar with information needed to determine the actual facts in the matter.

The committee, as we have stated, has approved $64.9 million for construction of the second increment of the Armed Services University for Health Services. This will complete the medical school portion of the university, except for $11 million which will come in the third increment next year for nursing and associated technical people. The total then will be approximately $89 million.

Through the efficient use of existing medical resources, and remember this, it is important, we have the Bethesda Naval Hospital, Walter Reed, Malcom Grow Hospital, the National Institute of Health, to assist in the development of an outstanding medical program that has national flexibility and utility. It can and should be outstanding.

Now, a very significant feature is the fact that this is a specialized institution. It is needed to prepare graduates who are capable of coping with medical problems which may arise anywhere in the world.

Mr. Chairman, students who graduate from a medical school in the United States naturally are trained specifically in those diseases and problems that are usually encountered within the United States. Military personnel serve worldwide and in their worldwide service they encounter some medical problems and diseases that seldom, if ever, are encountered in the United States. They have to be proficient in a much wider area of medical expertise. They must be trained to cope with the mass medical problems that accompany a war and which are generally unknown in domestic practice. This adds to the importance of the fact that these men are going to be serving for a much longer period of time than would possibly be true if they were receiving their training in the usual way.

We do need doctors in the services. This is a way to get doctors who are specialists, who are trained for service in the fields which are most likely to be needed worldwide in military service. It is very important to remember that these men will be serving for a very long period of time.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding to me. I would ask the gentleman in the well to clear up one point.

The question is concerning the number of graduates that we would have. I hear a number of figures. I wonder if the gentleman would, for the record, make that point clear.

Mr. SIKES. The number which is felt to be assured by 1985 is 165 graduates per year. There is a hope that the number can be expanded and that even more, possibly as many as 175, will be graduating. But, the present assured target is 165 per year. I should point out also that the number of medical students, under the scholarship program in schools in this country is not 5,000 as the Members have been told, but approximately 3,600. This reduces the number of doctors actually to be available.

Mr. BIAGGI. I thank the gentleman.

Mr. EVANS of Colorado. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been in a quandary as to what we should do on this question of a military hospital. After voting in favor of its authorization I had grave doubts because of the persuasive arguments proposed by the distinguished gentleman from Alabama, and yet since that time I have had a greater chance to turn over in my mind the arguments both for and against it.

I have to come down on the side of supporting this hospital, and I would like to acquaint the Members with some of my reasons. If my facts are wrong, I hope the Members will correct me. In the first place, I begin with the belief that this is not just simply a medical university for the military of this Nation. If it were, it may be that I would be inclined to vote in favor of the amendment offered by the gentleman from Alabama. But, I do not believe that is the case.

In this Nation we have a critical shortage of doctors. As long ago as 1961 and 1962, when I first served in the Colorado Legislature, we had a shortage of doctors. It came to our attention because we were trying to get doctors for our mental hospital. At that time our Colorado Medical Society, in its infinite wisdom, was doing everything in its power to keep us from getting more doctors in the State. Since that time, we have made little progress in securing adequate doctors in this Nation. I am told that the estimate remains at somewhere between 6,000 and 8,000 doctors that we are short in this country.

We are not just talking about the need for medical doctors in the military. I know that many years ago in this House we argued a chicken-and-egg debate as to whether or not we should appropriate funds to help build new medical schools. Some said "yes" while other Members said, "No, our present facilities will handle it. What we need is to have more scholarships." It went on back and forth.

I am convinced that we need both new schools and more students. I think we secure both with the money in this bill.

Another thing that has influenced my position on the amendment is the current practice of the scholarship program. The gentleman from Alabama points with pride—I think justifiably so—to the lower costs of our scholarship program. Yet, as I am told by the staff that what we do with the scholarship program, Mr. Chairman, is to offer money to people who have already gotten into medical school. In other words, they are not going to the colleges and universities of this country and talking to juniors and seniors and trying to encourage them to come into medical school and saying that if they keep their grades up, "Here is a military scholarship for you." No, they are not doing that.

As I understand it, the scholarship program waits until someone has already entered medical school and, having been accepted into medical school, then the scholarship program is offered to them to help them through on condition that they give years of military service after becoming a doctor.

So, in my opinion, the current scholarship program, while good, does not have the effect of increasing the number of doctors in this Nation.

Another fact—I think it is a fact, and if I am incorrect I hope the gentleman from Alabama will correct me—that involves many decisions on this, is the cost comparison. On the one hand we are talking about $40,000 to graduate a doctor under the current scholarship program. This is what the Government pays in tuition and direct costs to get those individuals through medical school. But is that the only basis upon which we want to look at costs? I say that if we are going to build a new medical university, if anybody anywhere is going to build a new institution for the training of doctors, we have to crank in capital construction costs. And certainly those figures are cranked into the $200,000 the gentleman from Alabama is referring to when he says it is going to cost more under this program than under the scholarship program. If the Members are convinced this Nation needs more doctors as well as more doctors to serve in the military, we are going to have to build more buildings; and that is going to cost more money. We are going to have to crank that into the cost of graduating a medical student to be a doctor.

For that reason, I do not think one can legitimately compare the money we are spending under the scholarship program with the program we are designing in this bill for the construction of a new medical university.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, I deeply appreciate the gentleman from Colorado (Mr. EVANS) yielding. I want to commend him for his remarks. I want to associate myself with the statistics he has presented this afternoon.

Mr. Chairman, in 1972 the Congress passed the Uniformed Services Health Professions Revitalization Act establishing the Uniformed Services University of the Health Sciences here in the Washington area, and mandating that a minimum class of 100 medical students be graduated from the institution by 1982.

So clearly did this body see the need for this proposed military education, training, and research facility, it voted overwhelmingly—303 to 13—in favor of establishing it.

May I remind you also that just last year, the House reaffirmed this original conviction by authorizing and appropriating an initial $15 million in construction funds. And again in July of this year, it authorized a second increment of $64.9 million.

Now, on the verge of realizing its first class of medical students, we cannot abandon the commitments already made to this impressive military and medical first.

The costs of developing any medical education are not cheap. But let us examine the cost of providing doctors for the military based on man-years of service. It has been shown that scholarship doctors spend only 8 years in the service—not much more on the average than their obligation. Therefore, if the Department of Defense has to educate almost three individuals to achieve the same service time one career doctor could provide, it is much cheaper in the long run to go the military medical school route.

Tuition is increasing at all civilian medical schools due to inflation—a factor the opponents of this bill are not taking into account. The Department of Defense is estimating that the costs of the scholarship program are going up as much as 50 percent in the coming year in order to remain competitive in the federally subsidized scholarship field.

The construction figures being tossed around around are deceptive. In some cases, inclusion of expenditures for construction have been used to determine the total costs of educating a medical student at the Uniformed Services University. This formula has not been used in figuring the cost of graduating a student at civilian health science centers, so that an accurate comparison has, in many cases, has been lost. When gross costs are considered—which include money for stipends, research, patient care, and professional administration—the figures for military educating and civilian educating are virtually the same.

The military construction appropriations bill has my absolute support and in its interest I would like to emphasize that since the enactment of the original legislation, USU has achieved a number of significant milestones and others are in sight. In 1973, the President appointed and the Senate confirmed nine persons to serve on the Board of Regents, and the National Naval Medical Center reservation in Bethesda was selected as the site for the campus.

In 1974, Dr. Anthony R. Curreri, a world renowned thoracic surgeon associated with the University of Wisconsin School for Health Sciences, was appointed President. This year, Dr. Jay P. Sanford, chairman of the Department of Internal Medicine at the University of Texas Southwestern Medical School in Dallas, was appointed Dean of the School of Medicine. Utilizing existing facilities on an interim basis, plans are to enroll the first class of 36 medcal students in September.

The uniformed services university not only will produce career-oriented physicians with special training in areas particular to military needs, it will contain other departments devoted to a broad spectrum of disciplines in the health care delivery system. Thus, the total operating cost of the university down the road will not be devoted to physician training alone, but to many other aspects of the vital research and training necessary to military medicine such as trauma, burns, tropical medicine, blood preservation, vascular surgery and alcohol and drug abuse. The military medical officer has not received adequate recognition for his productivity in the past since he has not been able to relate to a university. However now, he will have that opportunity.

So far, the Board of Regents has adopted the philosophy that this institution should be developed as a health science center, concentrating on the establishment of a medical school first and in an effort to minimize costs, it has demanded utilization of existing resources, based on cooperation arrangements with not only area service hospitals, but also with the National Institutes of Health, the National Library of Medicine, and others.

These Washington area facilities with their staffs, patient populations, clinics, laboratories and classrooms already form the major assets for the creation of not only an outstanding medical school now, but for an eventual national resource in the medical field.

These institutions represent an enormous capital investment and it would be a shame to let such an efficient opopportunity pass to meet the medical needs of both the Armed Forces and the Nation as a whole.

President Ford was, indeed, accurate when he referred to the university at the groundbreaking ceremony as

> A great American undertaking, one that we can all be proud of, and one that will pay great human dividends in the form of outstanding health care for the men in our uniformed services as well as humanity on a global basis.

The need for physicians and professional health delivery personnel in the Services has not abated. In a Military Personnel Subcommittee report in December 1974, a total shortage of 1,800 physicians in the Services and particularly in primary care delivery, was cited. Presently, the military retirement community alone provides 3½ million who are eligible for military health care. The numbers continue to grow, but with the draft no longer a means by which medical manpower can be procured, the shortage has become more critical than ever before.

The argument has been made that we should train more military physicians under scholarship programs in civilian medical schools. I submit that there is not enough room. At the present time, many thousands of well-qualified premedical students cannot be accepted and travel to foreign countries in an attempt to gain a medical education.

Student interest in the Uniformed Services Medical School has been remarkable. Consideratioin of applicants has not yet started and already the school has received serious inquiries from over 4,000 prospective students.

I would remind my colleagues that the legislation which authorized the university also provided for a comprehensive scholarship program for training professionals in the health fields. This program was designed to attack the problem of short-range procurement of health professionals. Sometimes, there is a tendency to view this and the new university program as competitive. I should like to make the point that they are complimentary—not competitive.

They address two different but critical military problems. The scholarship program provides health professionals who will stay in the service a comparatively short period of time, while the uniformed services university addresses the problem of retention. No student will be accepted who does not exhibit a dedication to career military service. It is estimated that 75 percent of the USU graduates will remain in uniform for a minimum of 20 years. Together, these two programs can help the military meet medical manpower needs in terms of quality and number.

This request for funds is not inconsistent with other similar developing medical programs. The university is at a critical juncture in its development. Within the next year, the first class of medical students will be admitted. Prior to this, a basic faculty will have to be hired and the curriculum finalized. For this, money is needed now.

I feel this program has an outstanding chance of fulfilling its purpose and of achieving the high goals and standards which have been set for it. Further, I believe the school will become a great medical institution—a credit to the military and potentially, one of the finest medical installations in the world.

Because the justification for the establishment of a Uniformed Services University for the Health Sciences remains as valid as when we made the decision to establish it in 1972, and because so much significant progress has been made towards making this school a reality, I strongly urge this body to continue its support as it has done in the past.

To any Member of the House who cannot see his way clear to grant the $64.9 million at this critical juncture in the establishment of the Uniformed Services University for the Health Sciences, I suggest that a negative vote now is partial assurance that a greatly needed institution will never be realized.

The money requested for this university in the military construction appropriations bill is not for a new weapons system; nor is it for "pork-barrel" construction—it is money which will be used to assure the availability of high quality medical care to a large segment of loyal and deserving American people.

The **CHAIRMAN**. The time of the gentleman from Colorado (Mr. EVANS) has expired.

(On request of Mr. ANNUNZIO and by unanimous consent, Mr. EVANS of Colorado was allowed to proceed for 2 additional minutes.)

Mr. **EVANS** of Colorado. I agree with the gentleman. I will call the gentleman's attention to an article in the newspaper just this morning, either the Washington Post or the Washington

Star. It was a story about the doctors in England, and there are about 300 or 400 of them, as I understand, that today want to leave England and come to this country to practice medicine. Why do they want to come to this country to practice medicine? There may be a host of reasons, but I will tell the Members one reason, and that is because there is a crying need for additional doctors in this country.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield further?

Mr. EVANS of Colorado. I yield to the gentleman from Illinois (Mr. Annunzio).

Mr. ANNUNZIO. I thank the gentleman for yielding. On that particular point, we have a shortage of doctors in every community and in our cities. If we train 100 or 150 additional doctors, we should be proud of that accomplishment because our rural areas, our cities, and the people of America need these doctors.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. Evans) has expired.

(On request of Mr. Sikes and by unanimous consent, Mr. Evans of Colorado was allowed to proceed for 2 additional minutes.)

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield further?

Mr. EVANS of Colorado. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I heard the argument this morning that we should train more military physicians under a scholarship program in civilian medical schools. I submit that every Member who has a medical school in his district knows that there is not enough room for more students in these medical schools.

At the present time thousands of our American citizens who are well qualified premedical students are not being accepted, and they are forced to travel to foreign countries to get an education.

Mr. Chairman, I oppose the argument made by the gentleman from Alabama (Mr. Edwards). I have a great deal of respect for the gentleman, but his facts are not correct. We need this school. The Volunteer Army needs the school, and this can be an institution that we as Americans can be proud of throughout the entire world.

I am voting against the amendment, and I urge my colleagues to vote against the amendment.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the chairman of the subcommittee.

Mr. SIKES. Mr. Chairman, my distinguished colleague, the gentleman from Colorado (Mr. Evans), has done an excellent job of presenting the facts, on this needed program. I trust that he will join me in stressing the importance of the longevity of service that will be received from students of the Armed Services medical university. This bill amount to a minimum of 7 years, plus residency in a military hospital.

A student who goes through the scholarship program and does not do his residency in a military hospital will give only 2 to 4 years of obligatory service year for year depending on the time spent on medical college. He very likely will not have a residency in a military hospital because ony about one-third of them can be accommodated.

Most of the obigated doctors leaving military service as soon as possible because of the lucrative returns available from private practice. The medical university insures 2 to 3 times as much service in the Armed Forces.

This is the only way of assuring longer service of specialized career doctors needed for the armed services.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I wish to associate myself completely with the remarks that have already been made by the gentleman from Alabama (Mr. Edwards). I support his amendment, and I support his rationale for striking this appropriation, particularly in this time of fiscal constraint particularly when we look at the number of doctors that this Medical University is going to produce. It is indicated that that figure will be someplace between 150 and perhaps as many as 175.

What are we getting for this? Well, we are told that we will get, depending on the type of scholarship that an individual student has at a private university, either 2 to 4 years and up to 7 years of service from a graduate of this proposed university as far as a useful medical officer life in our military is concerned.

We are told that we are going to get specialists who will meet the military needs, and that this will be a help to us. I say to the Members that these specialists are going to be developed only during the period of time that they will be going into specialized training, during their internship, and that this training will not be gained during the 4 years. It takes 4 years to train a basic doctor. They do not get these specialties during the first 4 years in studying medicine.

Further than that, getting down to the economics of this issue, there is no hard evidence that the cost of graduating a doctor from an existing medical school and the cost of graduating a doctor from this proposed Military Medical University are remotely comparable. The only studies that have been made indicate that there will be a vastly increased cost at the Armed Services Military University, I think there is no refuting that this argument is sound. The only figures we have reflect this.

The point has been made that perhaps not all of the cost of educating a doctor at a private medical college is included in the 40-odd thousand dollars that has been mentioned by my colleague, the gentleman from Alabama. Perhaps not. However, let me ask this: Does any Member think that there is any chance we are going to reduce the Government expense of training doctors in health service education if these 150 doctors are trained at a federally built and operated university?

The medical universities get it now and they will continue to get it if this university is built. Its building will not and should not, decrease our support of private institutions. I personally would fight to see that that is so because I represent such a college, that being the University of Virginia.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. Yes; I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I have one question I would like to answer for the gentleman from Colorado (Mr. Evans) if he is still on the floor.

Even if one takes out construction costs, capital costs, the $200,000 per graduate figure is only reduced to $184,000. It is not capital costs that make a major contribution to the cost for each graduate. It is still $184,000 for a graduate if one takes all the capital costs out.

I agree with what the gentleman from Virginia (Mr. Robinson) is saying, that this money can better be spent in our civilian colleges. It can go further and help more doctors get through school than it would be throwing all this money down a rathole out here in one expensive university in Bethesda.

We have cited facts from reports submitted by the executive branch and by our own Committee on Appropriations, and all we have heard so far is that they are not correct.

Where is there one study that shows they are not correct? What do the gentlemen base their figures on unless they can come in here and show us something which shows anything different? We have not seen anything else. These are the only studies presented to this Congress upon which we can base our facts.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. Yes, I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. Mr. Chairman, I would like to respond to the statements of the gentleman from Alabama (Mr. Edwards).

If the gentleman founded his position on this question, as I do, on the basis of needing more doctors generally in the Nation, not just military doctors, even though that is of critical importance, too, and if the gentleman believed, as I do, that existing medical facilities are insufficient to answer this Nation's need for more doctors, then I think we should compare this cost of a medical university, as is proposed in this bill, to any other new medical university anywhere that is comparable. We would then be comparing things of equal character.

However, as it is, the gentleman from Alabama is comparing scholarships for existing students against the cost of construction of a brandnew university. I do not think he can compare those two things.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. Yes, I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I would like to point out this fact: There are 114 medical schools in this country. I am just talking now in round numbers. That means that we could take these military university students out here and put one of them in each medical university in this country, and that would take care of every one of those fellows who was going to graduate out here in this Military Medical University in any 1 year.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. ROBINSON) has expired.

(By unanimous consent, Mr. ROBINSON was allowed to proceed for 1 additional minute.)

Mr. ROBINSON. Mr. Chairman, I would like to add to what the gentleman from Alabama (Mr. EDWARDS) just said with regard to getting more for our money.

In terms of the number of doctors we need, yes, indeed, we can get more for our money if we continue to accelerate our support of the existing medical schools so that we get more production from them.

This system, on the other hand, is going to inevitably lead to a two-tier structure within our medical military, and in time the only doctors who are going to accede to top spots in our medical military are going to be graduates from this medical university. It is going to hurt the morale of those coming out of existing medical colleges to the extent that they will not go into the military in the numbers that they now are.

Finally, I would like to say that the statement has been made that what we are doing is just building another medical university.

When have we, in this Congress, done anything subsidizing by Federal funds and operating with Federal moneys but to increase costs a whole lot more than by doing the same thing through the private system?

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Alabama (Mr. EDWARDS) and I want to commend him for so diligently pursuing this subject which I think needs examination and explanation.

I think that here today we need to ask ourselves why we who are seeking to curtail unnecessary expenditures wherever possible should endeavor to develop and build this medical university for the Armed Forces which at best will turn out somewhere between 100 and 150 doctors a year. We have a scholarship program which is working well and which is supplying the military with adequate doctors at a much lesser cost.

The gentleman from Alabama is correct when the gentleman says that those who oppose the amendment challenge the cost figures and estimates, but they are merely statements of challenge; nowhere do they document the basis for disputing the cost figures we have presented. There have been studies of these costs. The interim report of the Defense Manpower Commission contained a very thorough study of this proposal, and this study shows that the program should be terminated notwithstanding the amount of money which already has been spent.

It compared the costs and found that the costs to the Government of this program clearly would be much higher than what we can get under the scholarship program.

On our Committee on Appropriations, we had a survey and investigations staff study made. It is right here, and its findings say that the investigations staff believes that the Congress should be made fully aware of the significant cost variance between the two approaches which result in medical officers; namely, the medical university approach versus the civilian approach. The staff has said that the cost was $49,000 a year and for 4 years $200,000, as opposed to $10,000 a year and $45,000 in 4 years under the scholarship program.

It also says that the staff further questions the concept that the student attending the miliary medical school will more likely remain a career medical officer than a scholarship student.

The staff report says that there is no documentation on which to make that assumption.

The fact is that we can and we have been getting doctors through the scholarship program. It is true that our medical schools are filled. Of course they are, but building this university is not going to solve that. Let me add that, when we speak of our medical schools being filled, it is significant to remember that in our medical schools a lot of the students are not American citizens because our schools are taking students from all over the world. If we were to eliminate one of them in each of the medical schools, we could find places for the 114 or 125 or 150 students that we claim we need for the military.

Speaking to the belief that students who graduate from the medical university will stay in the service longer, let me point out that under the present scholarship program, students have an obligation to serve for 4 years after they get out of the medical school, plus 2 years for each year of residency; and under this military medical program supposedly they will stay in longer because they have a 7-year commitment, but they will be equally motivated to leave the service after those 7 years as the others are after the 4 years.

Just take the military schools. At West Point, Annapolis, and the Air Force Academy we have a very high turnover rate and we do not retain those career officers as long as we would like. I forget the exact figures, but I think that more than 50 percent do not stay in the military service. So we are always going to have to struggle to retain people whether they are doctors or nonmedical officers in the services.

I submit to the Members that this medical university is a waste of money. If we want to face up to the problem of medicine and the shortage of medical and paramedical personnel—it is not unique to the military; it applies to all segments of American society—we can spend this money much better if we do it wisely in attacking the entire medical school problem rather than trying to build memorials of some kind.

I submit that we should vote in favor of this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HASTINGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Alabama. I do it for the following reasons. I, in my capacity as a member of the Public Health Subcommittee, am somewhat familiar with the medical manpower bill this House recently passed. I think the committee should understand full well in fact what we are doing toward the education of medical personnel in the United States today.

One, in the year 1973–74 our medical schools—114 of them, as mentioned by the gentleman from Alabama—have enrolled 14,034 doctor candidates alone—14,034. In the fiscal year 1975–76 we will be expending $480 million for the education of health professionals. In fiscal year 1977 it will be $560 million, and in the year 1978 $620 million for the education of doctors and professional health personnel in the country.

A concern is already growing that we are probably going to be producing more doctors than we in fact need in this country. I might suggest that if we do produce more, the military will probably have to stop applications for membership in the military scholarship program.

I am a strong believer in the military scholarship program. I think it is the proper method to use to develop doctors who will enter the armed services. They receive full scholarship while they are in a private medical school. They receive stipends equal to a commissioned officer's while they are in medical school, and I am in full support of that. In fact, as it relates to the underserved areas of this country, I am in support of a like program that will encourage doctors by paying for their education to solve the problems of maldistribution in physician-shortage areas of the country.

I might add, Mr. Chairman, that with the knowledge that the Congress is only spending $25 million toward the construction or modernization of all private medical hopsitals and medical schools in the country. Of the total authorization of $480 million in the manpower legislation, we are going to spend only $25 million for the development of new facilities to train health personnel. Why we would allocate close to $65 million for the construction of one school for a singular selective purpose is something I cannot quite understand. I think the House would be well served to support the amendment offered by the gentleman from Alabama, and I certainly intend to do so myself.

Mr. McKAY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Mr. Chairman, I could not sit still as chairman of the authorizing subcommittee which voted unanimously to authorize the military university without saying something against the amendment. I rise in opposition to the amendment, as I did in July when a similar effort was made to scuttle authorization for the fiscal year 1976 increment of $64.9 million in the military construction authorization bill.

Mr. Chairman, this amendment is certainly untimely at this particular time. We have already appropriated $15 million for the military university.

The contract has been let and construction has begun. It is underway at the present time. We have been presented today, as we were in July, with figures alleging that the cost of educating a physician for 4 years at the military medical school would greatly exceed the cost of educating a physician in the private sector.

I submit, Mr. Chairman, that the facts do not support those figures. Those who have orchestrated that statistical result have neatly sidestepped the total contribution of the Federal Government to medical training in civilian medical schools. We all know we can do anything with figures and statistics.

The argument, Mr. Chairman, of the gentleman from Alabama fails to recognize that the greatest deficiency of the American educational system is that we have failed to educate a sufficient number of doctors to meet the medical needs of this Nation.

Now, the gentleman from Virginia states that his school is ready to educate these doctors under the scholarship program. I am quite sure, as the gentleman from Illinois pointed out, and I hope the gentleman will refute this if I am not correct, that the condition is the same in Virginia as it is at the University of Missouri, where at the beginning of the medical school year, this year, 1,100 and some odd applicants applied to fill only 120 student positions. Most of the applicants were qualified but they cannot gain admittance to a medical school.

The argument of the gentleman from Alabama does not take into consideration the fact that when we educate our military doctors under the scholarship program, we are taking them right out of the civilian sector. We have approximately an 8,000 deficiency of doctors at the present time.

Mr. Chairman, the argument is not sound that it will save money, because we cannot legitimately compare the scholarship program with the military university educational program. Under the scholarship program we only get service on a 1-for-1 basis, 1 year of scholarship, 1 year of service.

Under the medical university program, we will receive 7 years of obligated service. They are going to have 4 years of medical school. They will also have their internship and their residency. The student is going to have 11 or 13 years of military service in and when we get 11 or 13 years of military service, we are almost sure to get 20 years of service from that medical doctor.

I would like to repeat the recent statement from the Association on American Medical Colleges, which reads as follows:

> The Association on American Medical Colleges is now convinced that a high-quality medical school can be established as part of the Uniformed Services University of the Health Sciences. Your success in recruiting high caliber and in generating support for the school in the scientific community has alleviated our earlier concerns and demonstrated that a good school can be created.

The argument of the gentleman from Alabama, Mr. Chairman, is pennywise and pound-foolish. I urge the Committee to vote down the amendment and proceed with the establishment of the Uniformed Services University of the Health Sciences.

Mr. McKAY. Mr. Chairman, I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I think we have to be fair in discussing comparisons. If we are going to talk about 11 to 13 years of service for the military university graduate, we have to talk about 8 to 10 years for a scholarship graduate. There is no other way to be fair. The university will graduate 150 students a year. The gentleman from Florida said at least one-third of the scholarship student graduates will go through military residency; so we have 400 students coming out of scholarship in military residency and perhaps 150 out of the university.

Mr. ICHORD. Mr. Chairman, and they are coming out of the civilian sector.

Mr. EDWARDS of Alabama. Mr. Chairman, the gentleman from New York said there was $25 million of Federal money going into the program of civilian medical college construction this year. We are talking about $200 million. What could we do if we took $200 million and spread it into Missouri, Illinois, New York, Florida, and Alabama to assist in building additions to civilian medical colleges. We could then move one extra student into these schools and we would have this whole thing taken care of and have a much better system in the whole country.

Mr. ICHORD. Mr. Chairman, I fail to note where the gentleman from Alabama came up with such a program when the HEW bill was before this House.

The CHAIRMAN. The time of the gentleman from Utah (Mr. McKAY) has expired.

On request of Mr. SIKES and by unanimous consent, Mr. McKAY was allowed to proceed for 3 additional minutes.)

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. McKAY. Mr. Chairman, I yield to the gentleman from Washington (Mr. HICKS).

Mr. HICKS. Mr. Chairman, at the very time when the Appropriations Committee is taking steps to increase utilization of military medical facilities, we should not be taking steps to decrease the supply of doctors to service these facilities. We will be doing just that if we vote to strike funds for the Uniformed Services University of the Health Sciences.

Anyone who has a military medical facility in his or her district—as I do—knows that the delivery of medical care is uneven at best. If we continue to provide medical care to retirees and their dependents, as I believe we should, then the delivery of medical care will continue to be uneven in the future.

I can best talk about the military medical facility I know best—Madigan Army Medical Center. In 1974, health care services for dependents of retirees were suspended at Madigan for the spring and summer months. Various medical services were suspended at a total of 58 Army, Navy, and Air Force military medical hospitals during the summer of 1974. The reason was clearcut—the end of the doctor's draft. I do not believe the situation will be as acute in the future as it was in the summer of 1974; many of the programs we have put into effect are designed to prevent this from reoccurring on the same scale. But I am not as confident as some of my colleagues that cutbacks in military medical services will not once again face those who are entitled to them.

We are not just talking about a minimum graduating class of 100 students by 1982. We are talking about a nucleus of highly trained physicians for the uniformed services for every year thereafter.

The graduates of this university will be a significant national resource. They will be a significant resource for the uniformed services. And, they will help to provide a hedge against medical cutbacks in the future at our military medical facilities.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, I rise in support of this amendment.

The establishment of a military medical school is a great departure, really a radical change that is being proposed in American higher education today.

I say that as one who voted originally for this bill. I think that we should recall what the prestigious National Academy of Sciences said when they opposed this proposal in 1972. The National Academy took the position that the civilian sector, the secular sector, the academic sector should dominate the medical education.

The Defense Manpower Commission in 1975, in an exhaustive treatment of this subject wrote a very careful analysis urging this:

> Notwithstanding the minimal start-up expenditures that have already been made, the Commission recommends that the Uniformed Services Unit of the Health Services approach be terminated.

The precedent today, Mr. Chairman and members of the committee, is a very awesome one: Will we have a military law school? Will we have a military dental school? Will we have other medical schools operated by the Defense Department? In this connection I think we should go back to the language in the report of H.R. 2 in a previous Congress, and I quote:

> Similar universities would be desirable in other geographical areas of the United States.

The Secretary of Defense is mandated in that bill to report at a subsequent time to the Congress.

A military medical school would involve the Federal Government and the Defense Department in areas where they do not belong. The Congress is solving the problem of the need for more physicians. Obviously, more can be done and more must be done, but this approach today is a departure and a deviation, a departure from the great tradition of academic autonomy and independence of higher education in America.

I urge every Member to vote against a military medical school by voting "yes" on this amendment.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to say that I do not see the Uniformed Services University of the Health Sciences as a luxury item on the health care delivery scene. Rather, I see it as an absolute requirement in training health care professionals to overcome severe shortages currently existing and to meet the personnel requirements projected for the foreseeable future.

This university should be considered an adjunct to the present capability to training physicians and health care professionals in civilian facilities. Certainly it will not be in competition with civilian medical schools for we all know that many well-qualified premedical students are not admitted to medical schools due to lack of space.

Thus, I hope my colleagues will support the construction of the military health sciences university. It is an important first step to remedy the critical shortage of physicians and other health care personnel in the military services.

In its report of December 1974, the House Armed Services Committee stated that the services were short 1,800 physicians with the result that certain medical services had to be terminated—some in locations where care in civilian facilities was uncertain. We cannot allow this breach of our moral obligation to provide military medical care to continue, particularly if the all volunteer force concept is to reach its goals. Indications are that good health care delivery in the military is a benefit ranked at the top of the scale of all military benefits and constitutes a top morale factor among military members and their families. Thus, if the military is to reach and maintain necessary career levels, good health care is a must. I urge my colleagues to maintain the military construction appropriation for the university at the $64.9 million level reported by the Committee.

Mr. McKAY. Mr. Chairman, I think that those who are kicking figures around ought to look at a study done by the GAO in August which substantiates the figures on the universities, which made available additional information which had not been referred to here today.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. McKAY. I yield to the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Chairman, I rise in opposition to the amendment and urge my colleagues to support the appropriation of construction funds for the Uniformed Services University of the Health Sciences.

I am convinced beyond any doubt that this university will provide us with the necessary hardcore of career medical officers which is so vital to military preparedness and the maintenance of high morale among our military personnel and their dependents.

The officials at the university informed me that one of the prime considerations in selecting candidates for admission—and I understand that over 4,000 have already made inquiry about entering—will be the applicant's motivation for selecting the military service as a career. In addition, the curriculum at the university will be career-oriented in that considerable specialization will be found in areas of particular significance to the military, such as trauma, tropical medicine, and diseases where the experience factor in the military may be unique.

During hearings on military health care delivery by the House Armed Services Committee, it became quite clear that an independent first-class military medical establishment is indispensable in our organization for national security. Further, to support such an organization, it was found that nothing but first-class teaching and general hospitals must be available covering the entire spectrum of patients and of medicine. The University of the Health Sciences will be designed particularly to complement such a hospital atmosphere.

Further, the committee found in its December 1974 report that there must be more utilization of out-patient care with the need for increased training of physician assistants and nurse practitioners. The university will be used to promote such training and it is expected that by the mid-1980's there will be some 1,600 students, including nurses, technicians, corpsmen, administrators, and others in the vast field of medical health care delivery.

Mr. Chairman, may I add here that what I have said makes it evident that the total cost of operating the university must not be attributed to training physicians. Those who oppose the university by quoting the high cost of training a medical student as compared to civilian training have sought to burden the medical school with the entire cost of the operation. That is simply not the case. Further, it appears to me that they have completely disregarded the total contribution of the Federal Government to civilian medical education which the gentleman from Florida (Mr. ROGERS) has placed at some 45 percent. In the final analysis, when one adds the "cost per man-year of service" factor I believe we will find the price for training physicians under the scholarship program and in the university to be about the same.

Finally, Mr. Chairman, let me emphasize that the military medical school will be graduating upwards to 175 doctors per year commencing in the early 1980's, and when you consider such a figure on an annual basis over the years that adds up to a lot of doctors. For example, 10 years after reaching that figure the school will have graduated 1,750 doctors.

Accordingly, Mr. Chairman, I urge my colleagues to support the construction funding of the Uniformed Services University of the Health Sciences and to defeat the amendment.

Mr. SIKES. Mr. Chairman, I wonder if we could attempt to reach a limitation on time here.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Members standing at the time the request was made will be recognized for two-thirds of a minute each.

(By unanimous consent, Messrs. ROBINSON, GIAMO, and CARR yielded their time to Mr. EDWARDS of Alabama.)

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

Mr. Chairman, in the last debate, in July, and again today, there have been several references to a GAO report; and then, all of a sudden, we do not hear any more about it. It has never been produced. It has never been laid out to this committee or this Congress to see, and I defy anybody to show me a GAO report that refutes the figures in the two studies I brought to the attention of this House. If somebody has a report where the GAO said my figures are wrong, I wish they would lay it out now or quit talking about it.

Mr. Chairman, as I said earlier, these are two impartial studies, one by the executive branch and one by our own Committee on Appropriations. They both say this program ought to be terminated. They both agree the cost of graduating a student from the university is about $200,000. They both say that the scholarship program will cost about $43,000. Nobody has shown any figures to refute that.

Mr. Chairman, I base my whole case on these studies. I have nothing against the university or the concept of the university except that the figures in our own studies, show that there is no way to justify it.

We can take the students out of that university and put one in each one of the medical universities of this country and we will have taken care of substantially all of those graduates, and we can take the $200 million we are talking about between now and 1981 and put it in these universities and have a tremendous system. We do not need this university at this cost.

The medical training that the military doctors need for working with casualties and working on the battlefield comes in postgraduate work. It does not come in a normal 4-year medical school education. That is all basically the same whether one is in a private university or whether one is in a military medical university.

I think reason dictates to us at this time of national economic problems that we should save this money.

As I said earlier, this is the time to save it. If we vote against this amendment now, then it will be the last time, because the university will be built and there will not be any turning back. I think this is a crucial vote. Either we go forward with it or we terminate it at a cost of about $10 million.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, there ought to be a statute of limitations on some of these amendments. This university is underway, and it is going to accept the first class next September. This is not the time to talk about eliminating it. But the gentleman from Alabama is still confusing everybody by trying to compare apples and oranges. The scholarship program he refers to is very good, but it does not create any additional places for new doctors. And the crying need today is for new doctors. Only a new medical school can do that. I do not care what kind of study we have; if we are going to build a new medical school today, whether it is in the district of the gentleman from Michigan (Mr. CARR) or in somebody else's district, it is going to cost about the same price. We are going to create a new school with this bill. And it is not only going to produce new doctors, but it is going to give them a quality medical education in a highly challenging medical environment that can be duplicated in very few, if any, places in the United States.

(By unanimous consent, Mr. ANNUNZIO yielded his time to Mr. BIAGGI.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I rise in opposition to this amendment which seeks to delete funds for the construction of buildings for the Uniformed Services University of the Health Sciences. Our vote on this amendment should be based on the following question, is it in the interest of this Nation to shortchange the men and women in the military from receiving quality medical care? Your vote will be your answer.

I have spoken before on this subject, in a much happier vein when Congress voted to allow this project to get underway. I speak again to denounce the effort to kill this project. The supporters of this amendment speak of economics, what economics are there in gutting a project of such vital interest to this Nation? A healthy military is an effective military. When will we realize that the sword of economy cannot be capriciously applied in matters of health.

We speak of a shortage of doctors, it does exist for reasons which are still being investigated. There is an acute shortage of doctors in the military. This legislation seeks to provide the mechanism to relieve this critical shortage. Its logic is compelling, the arguments against it are weak.

We look to the private sector for assistance in providing new medical schools. They have not responded. The Congress has responded and established this important new facility. It is too important a project to be the victim of false economic priorities.

I urge defeat of this amendment. It is ill conceived. It is not in the best interest of the military and ultimately is not in the best interest of this Nation.

Now, to be more precise and to rifle in on this issue, the cost is a questionable factor, but I will ask the Members this: How do we deal with costs when tomorrow we will be dealing with higher costs, when tomorrow, in a poetic sense, we will be dealing with national health insurance which will cost this Nation billions of dolalrs? We are talking here in terms of mere millions, and this will provide us with probably one of the largest graduating classes of medical doctors in the country.

To be even more specific, we, of course, are concerned with medical welfare for all Americans. When I say "all Americans" I mean yes, even those in the military. They are not second-class citizens.

(By unanimous consent, Messrs. McFALL and McCORMACK yielded their time to Mr. SIKES.)

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Mr. Chairman, we debated this issue extensively on July 28 of this year, and at that time we voted 221 to 190 to go forward with the construction of this university. I am strongly in support of it. I think that some of the points that have been made need to be reemphasized.

One point is that we need a cadre of doctors who are well oriented to the military.

With respect to cost, I feel sure—and I think there are statistics to back this up—that we will retain 3 out of 4 of these people for a full military career. So we must consider the cost of this particular program in light of that fact.

Mr. Chairman, we could argue that it is cheaper to graduate military officers through ROTC and that we should shut down the military academies. But who would want to do that?

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in support of the medical school and against the amendment.

We have thoroughly reviewed this matter in our committee, and we have reviewed it on the floor of the Congress a number of times. We have determined that what we want in these United States is a great new spirit of military medicine. We must keep our doctors in the service longer, and we must have them better trained. In addition, we must have them integrated with all our great military hospitals.

The way to do this is to move forward with this program. We have already funded the first step, and we need now to go forward with the second and third steps, and I think then inevitably we are going to be able to retain our doctors longer and we will institute a workable military medical services program.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I rise in support of this medical school and in opposition to the amendment.

It is obvious that we do not have enough doctors in this country and that there are no programs to provide enough doctors in this country. In this situation obviously the military should make its contribution to provide doctors for the military services.

This will not provide all the doctors for the military services. The scholarship program will have to be relied upon for part of the need. But this will be an important part that the military will play.

This is important, too, because in this school there will be special studies and special indoctrination courses that are of special value to military medicine.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. McEWEN).

Mr. McEWEN. Mr. Chairman, a good deal has been said about the cost of this school vis-a-vis the cost of civilian schools. Let me say that the figures I have seen indicate to me that there is not going to be a great deal of difference in cost as between this military medical school for the uniformed services and the civilian schools.

I would like to call the attention of the Members of this House to the fact that this school is served by an outstanding president, Dr. Anthony Curreri, by its dean, Dr. Sanford of Texas, and by a Board of Regents headed by the former Under Secretary of Defense, David Packard.

May I also call the attention of the Members to the fact that one of the members of that Board of Regents is our former colleague, Durwood Hall, and I do not think we could consider him as wasteful or as a big spender. I think that Members of the House will take comfort from that.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. SIKES) to close debate.

Mr. SIKES. Mr. Chairman, this program has the endorsement of the Association of Medical Colleges and the endorsement of the president of the American College of Internal Medicine.

Mr. Chairman, the House has voted on

this subject time and again, and always we have voted for the medical university, always in support of the great work of the sponsor and author of this important program, the distinguished gentleman from Louisiana (Mr. HÉBERT), who left the hospital to be here today. If his health permitted, he would be speaking for this program today in his own inimitable way.

Mr. Chairman, we are not talking about military hardware; we are talking about doctors and the need for doctors to help protect the lives of American volunteer servicemen all over the world.

We are not solving the need for doctors in America. We are not solving the need for doctors in the military. We are falling far behind, and we are going to fall further behind in the military unless we approve this program and insure the reality of a medical university for the armed services.

The need clearly evidenced by current trends showing the difficulty of obtaining doctors for the military services. This program will provide badly needed medical specialists who will not be available in any other way. The cost is just about comparable when we consider that a man will stay in the military services under this program two to three times as long as he would under a scholarship program, and if we consider the Federal contributions to every medical school. We need doctors and we will need them more in future years.

Mr. DICKINSON. Mr. Chairman, I rise to remind my colleagues that in many ways the Uniformed Services University of the Health Sciences is already in being. On July 10, 1975, the President of the United States; Mr. David Packard, the chairman of the Board of Regents, and other distinguished guests participated in the groundbreaking ceremony on the grounds of the National Naval Medical Center at Bethesda.

The university has a president, Dr. Anthony R. Curreri, a distinguished physician and scientist. Its academic dean, Dr. Jay Philip Sanford, has been appointed and somes from a long and distinguished career in medicine and related sciences. The formation of an administrative and academic staff is already underway and the university looks forward to admitting its initial class in September of 1976. I understand that some 4,000 applications have been received for admission to the school.

It would indeed be a tragedy to cast aside such a good start in developing a Uniformed Services University of the Health Sciences for which the Congress has already appropriated $15 million in construction funds. The mission of the university will be unique in many ways. The university would be dedicated to training motivated young people who will serve global medicine in terms of cure and control. They will be able to mobilize and deploy rapidly to meet military and civilian crises. The university will provide opportunities for aspiring young military officers to attain academic recognition and support continuing education of health providers. Also, it will provide optimum models for the study of health care and health education.

Accordingly, Mr. Chairman, the Health Sciences University is not in competition with the military scholarship program for the training of physicians and certainly the scholarship program is no substitute for the Health Sciences University. The whole program is designed to be complementary and it is hoped that the university will be unique in its ability to offer training in a variety of disciplines which would be of particular significance to the military worldwide. The distinguished Board of Regents, which has been working for some time to chart the basic course the university is designed to follow, should offer sufficient evidence of the strength the university will have in making the university second to none in training for health care worldwide.

Lastly, Mr. Chairman, I think our colleagues should be reminded that on four separate occasions in the past by their votes, the Members have endorsed the establishment and development of the Uniformed Services University of the Health Sciences. With the outstanding start that I mentioned above, plus the endorsement of this House on four previous occasions, it would appear that this is hardly the time to bring the entire project to an end.

Thus, Mr. Chairman, I urge my colleagues to support the appropriation in the amount of $64.9 million for the university as reported by the Appropriations Committee and defeat the amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Alabama (Mr. EDWARDS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. EDWARDS of Alabama. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 161, noes 255, not voting 17, as follows:

[Roll No. 602]

AYES—161

Abdnor
Abzug
Adams
Ambro
Anderson, Ill.
Andrews, N.C.
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baucus
Bauman
Bedell
Biester
Blanchard
Blouin
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Broyhill
Buchanan
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Cornell
Coughlin
Crane
Danielson
Dellums
Dodd
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erlenborn
Evans, Ind.
Findley
Fithian
Florio
Flynt
Foley
Fountain
Frey
Fuqua
Giaimo
Gibbons
Goodling
Gradison
Grassley
Green
Hagedorn
Hall
Hamilton
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hayes, Ind.
Hechler, W. Va.
Heinz
Holtzman
Howe
Hungate
Jacobs
Johnson, Colo.
Jones, Ala.
Karth
Ketchum
Keys
Koch
Krebs
LaFalce
Levitas
Lloyd, Tenn.
Lujan
McCollister
McDade
McHugh
Macdonald
Maguire
Mann
Martin
Meyner
Mezvinsky
Milford
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mosher
Moss
Nolan
Nowak
Obey
Ottinger
Pattison, N.Y.
Peyser
Quie
Regula
Rhodes
Richmond
Riegle
Robinson
Roncalio
Rosenthal
Rostenkowski
Roush
Ruppe
Santini
Sarasin
Scheuer
Schroeder
Seiberling
Sharp
Simon
Smith, Iowa
Smith, Nebr.
Solarz
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Stokes
Studds
Symms
Thone
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Weaver
Wiggins
Wirth
Wylie
Yates

NOES—255

Addabbo
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Baldus
Barrett
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Boggs
Boland
Bolling
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Conte
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downey, N.Y.
Downing, Va.
du Pont
Eilberg
English
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Flood
Flowers
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Gaydos
Gilman
Ginn
Goldwater
Gonzalez
Gude
Guyer
Haley
Hammerschmidt
Hanley
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCormack
McDonald
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Michel
Mikva
Miller, Ohio
Mills
Minish
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Oberstar
O'Hara
O'Neill
Passman
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Railsback
Randall
Rangel
Rees
Reuss
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Rooney
Rose
Rousselot
Roybal
Runnels
Russo
St Germain
Sarbanes
Satterfield
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Snyder
Spellman
Spence
Staggers
Steed
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thornton
Treen

Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—17

Burke, Fla.
Conyers
Esch
Fary
Fraser
Henderson
Hinshaw
Krueger
Mitchell, N.Y.
O'Brien
Quillen
Ryan
Schneebeli
Sisk
Waxman
Wilson, Bob
Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Henderson against.

Mr. Conyers for, with Mr. Sisk against.

Mr. Waxman for, with Mr. Charles H. Wilson against.

Messrs. HARRINGTON, DODD, HUNGATE, Mrs. SMITH of Nebraska, Messrs. CONLAN and HALL changed their vote from "no" to "aye."

Messrs. STAGGERS, CHAPPELL, TAYLOR of Missouri, and BUTLER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mrs. MINK. Mr. Chairman I move to strike the requisite number of words.

Mr. Chairman, it was my intention to offer an amendment which would have added $3.356 million to this bill for the purpose of renovating and improving the machine shop at the Pearl Harbor Shipyard.

Mr. Chairman, I would like to take the time of this House to ask the chairman of this distinguished committee whether the statement of facts which I presented the House during general debate is the correct statement of why this particular project was omitted from the consideration of this House in this measure.

As I told in the conference last December on the fiscal year 1975 budget, the item for this machine shop had been deleted and because of the timing of the deletion in December of last year it was not possible to add this project in the fiscal year 1976 budget request. For that reason it was not included in this bill. Because of this unfortunate timing this very, very important project for the Pearl Harbor Naval Shipyard was not included. Is that a correct statement of the situation as it stands?

Mr. SIKES. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the distinguished gentleman from Florida, the chairman of the subcommittee.

Mr. SIKES. Mr. Chairman, first of all let me commend the distinguished gentlewoman for her strong and consistent and able efforts for the projects in her State, and I include the distinguished gentleman from Hawaii (Mr. MATSUNAGA) in that statement. They both have shown a very commendable zeal in speaking out for Hawaii.

Let me state it this way. The project is not in the budget. The bill which we passed last year was passed late. In all fairness I must say that this project had an equal opportunity to be included by the Navy. It was on the same footing as other projects which were listed in the budget. The Navy had a difficult problem in trying to decide within a short time what projects should be included, within the funding limitation and this one was not included.

Undoubtedly there is a need for this project just as there is a need for many projects that had to be omitted from the current budget recommendations.

I think what the gentlewoman would like me to say is that I can assure her and her distinguished colleague, the gentleman from Hawaii (Mr. MATSUNAGA), that we as a committee have an open mind on this matter. We are willing to look at all the facts.

It was not a budgeted item and therefore we could not properly consider it. If we start taking up nonbudgeted items there is no place to stop. There are needed budgeted items which the committee felt should be omitted. They command prior consideration. So I prefer to say to my distinguished colleagues that the committee has an open mind on the project. If it is placed in the bill by the Senate, we certainly will consider it very carefully in the conference. We are not prejudiced against the project.

Mr. MATSUNAGA. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Hawaii (Mr. MATSUNAGA).

ON H.R. 10029

Mr. MATSUNAGA. I wish to join my colleague from Hawaii in thanking the distinguished chairman of the subcommittee, the gentleman from Florida (Mr. SIKES), for his kind consideration of the bind in which we who represent Hawaii find ourselves. As the gentleman knows, in its fiscal year 1975 Military Construction Authorization Act, Congress authorized the expenditure of $3.356 million to modernize the machine shop at Pearl Harbor Naval Shipyard, Pearl Harbor Naval Base, Hawaii. The authorization is valid, I understand, through March 1976.

This congressional action came a full 12 years after the shipyard in 1962 proposed the modernization of the machine shop in connection with the Navy's shipyard improvement program. At that time, a need was realized to replace World War II equipment, and to rearrange and consolidate the shop along functional lines, actions which would greatly increase productivity and reduce costs. This increasingly pressing need was reiterated by a 1967–68 industrial engineering study contracted by the Naval Ship Systems Command. During this period, some new equipment was purchased, but room was not available for its full utilization. A further study in 1971–72 concluded that the consolidation objective could be realized with a single project, thus greatly reducing its cost. A 1972 program cost estimate placed this cost at $2.84 million.

By last year, when congressional action was finally taken on the project, inflation had upped the required funds to $3.356 million, the amount which Congress subsequently authorized. However, these moneys most unfortunately were not included in the fiscal year 1975 Military Construction Appropriations Act. The full House Appropriations Committee deleted these funds from the subcommittee's bill. The Senate, in its version of the bill, reinstated the funds. However, the House version prevailed in conference. The fact that the bill was not reported from conference until December 17 prevented the inclusion of this item in the administration's fiscal year 1976 military construction program. However, the Navy has included it in its fiscal year 1977 program, but at the substantially increased cost of $4.142 million, a sum which must first be authorized.

This situation greatly concerns me. My concern over this 13-year delay is based on the realization that Pearl Harbor Naval Base has been, is and will always be indispensable to our naval presence in the Pacific. The preservation of a truly viable presence depends in turn on a competent maintenance and overhaul facility to back it up. Pearl Harbor's central location in the Pacific area makes such a capability not only extremely strategic, but mandatory. Consider the fact that the Long Beach Naval Shipyard in California is, at a distance of over 2,000 miles, the closest major maintenance facility.

In view of these facts, I believe that funding for the Pearl Harbor machine shop modernization project cannot be delayed for 1 more year. The work performed in this shop accounts for more than 30 percent of the total work effort expended for a ship overhaul. However, since the original modernization proposal in 1962, the situation at the shop has worsened to a considerable degree. The use of equipment and buildings of World War II vintage to repair our modern and complex surface ships and submarines is nigh impossible. As an example, much of the equipment repaired in the shop cannot be tested there, but must be tested on board the vessel and thus must often be removed for rework in the shop. The resultant production costs are substantially above what they should be. In addition, the new machines purchased since 1962 are either inefficient or unusable because of a lack of space and proper alinement. As it is, use of some of the old machinery currently violates certain State and Federal air and water pollution standards. The sad consequence is that the quality of ship overhaul work is deteriorating and scheduled completion date delays are increasing.

I think the gentleman will agree that Pearl Harbor is of the utmost importance to our national security; if so, the conclusion is inescapable that the present situation at the machine shop is unacceptable, and that modernization is essential.

I also wish to emphasize that funding at the earliest possible time would be economically advantageous. As noted earlier, the Navy in 1972 estimated the cost of the project at $2.84 million. By 1974, the cost estimate for the same project stood at $3.356 million, and the Navy's current estimate, if the funds are appropriated for fiscal year 1977, stands at $4.142 million. The rapid increase in project cost will undoubtedly continue, and renders extremely salient the Navy's contention that a modernized machine shop would save fully $1,436,000 in ship overhaul and maintenance costs per year for the first 10 years of the project, more than adequately paying back its cost.

In the light of the prevailing circumstances, I was also prepared to offer an amendment to provide for the necessary $3.356 million. However, I shall not offer it, since the gentleman from Florida has indicated that he would be forced to oppose the amendment if it is offered, but that he would keep an open mind about the matter in conference with the Senate if the Senate should adopt such an amendment. I might add that I have been assured by other members of the Appropriations Committee that they would look favorably upon agreeing to such a Senate amendment. Under the circumstances, prudence dictates that we not take the time of the House now and risk losing the amendment when it appears we may accomplish our objective by awaiting the action of the Senate.

Mr. McKAY. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Utah.

Mr. McKAY. Mr. Chairman, having made a trip out to Hawaii and seen the facilities the gentlewoman refers to, I can assure her I have some sympathy with what she is talking about, knowing the exact conditions.

As soon as possible, I am sure they have to be built.

Mrs. MINK. I thank the gentleman.

Mr. COHEN. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I also would like to offer my own sympathies for the gentlewoman's problem. We have a similar situation in my area at Kittery. It is my understanding that the Navy, in fact, places an even higher priority on the Kittery project than it has on the Hawaii project, but for budgetary reasons they are unable to continue updating the present facilities.

So, I am sympathetic with the situation and hope that the committee will make further authorizations and appropriations.

Mrs. MINK. I thank the gentleman for his contribution.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, in August I went to Pearl Harbor and had an opportunity to see the facilities the gentlewoman is talking about. I talked to naval officials about it. I think there is a great need for the gentlewoman's amendment and for the facilities to be constructed. I hope that in the near future it can be brought to pass.

Mrs. MINK. I thank the gentleman. I thank the chairman of the committee for this time.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. SIKES (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. Are there any points of order against the remainder of the bill?

Are there any amendments to the bill?

Mr. SIKES. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. NEDZI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10029) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 353, nays 51, not voting 29, as follows:

[Roll No. 603]

YEAS—353

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dent
Derrick
Derwinski
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frey
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Heinz
Helstoski
Hicks
Hightower
Hillis
Holland
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Ohio
Mills
Mineta
Minish
Mink
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
O'Hara
O'Neill
Passman
Patten, N.J.
Patterson, Calif.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schulze
Sebelius
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—51

Abzug
Anderson, Calif.
AuCoin
Badillo
Bedell
Bingham
Blouin
Brodhead
Burton, John
Burton, Phillip
Carr
Chisholm
Conyers
Crane
Dellums
Dingell
Drinan

Early
Edgar
Edwards, Calif.
Frenzel
Giaimo
Goodling
Harkin
Harrington
Hechler, W. Va.
Heckler, Mass.
Holtzman
Jacobs
Kastenmeier
Maguire
Mezvinsky
Miller, Calif.
Mitchell, Md.
Moffett
Mottl
Nolan
Obey
Ottinger
Pattison, N.Y.
Pressler
Rangel
Richmond
Rosenthal
Scheuer
Schroeder
Seiberling
Solarz
Stark
Studds
Weaver

NOT VOTING—29

Armstrong
Burgener
Burke, Fla.
Clawson, Del
Devine
Dickinson
Esch
Fary
Fraser
Hagedorn
Henderson
Hinshaw
Holt
Krueger
Lott
Melcher
Mitchell, N.Y.
O'Brien
Patman, Tex.
Quillen
Rousselot
Ryan
Schneebeli
Sisk
Treen
Udall
Waxman
Wilson, Bob
Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Henderson for, with Mr. Ryan against.
Mr. Krueger for, with Mr. Fraser against.

Until further notice:

Mr. Patman with Mr. Armstrong.
Mr. Sisk with Mr. Bob Wilson.
Mr. Charles H. Wilson of California with Mr. Treen.
Mr. Waxman with Mr. Lott.
Mr. Melcher with Mrs. Holt.
Mr. Fary with Mr. Burke of Florida.
Mr. Udall with Mr. Hinshaw.
Mr. Burgener with Mr. Del Clawson.
Mr. Devine with Mr. Schneebeli.
Mr. Rousselot with Mr. Mitchell of New York.
Mr. Devine with Mr. O'Brien.
Mr. Hagedorn with Mr. Quillen.

Mr. POAGE and Mr. HAWKINS changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SIKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed, and, further, Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks, and include extraneous matter and tabulations, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 5727, PAROLE REORGANIZATION ACT OF 1975

Mr. KASTENMEIER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5727) to establish an independent and regionalized United States Parole Commission, to provide fair and equitable parole procedures, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. KASTENMEIER, DANIELSON, DRINAN, BADILLO, PATTISON of New York, RAILSBACK, and WIGGINS.

HOUR OF MEETING TOMORROW

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at 10 o'clock a.m. tomorrow, Thursday, October 9.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ANDERSON of Illinois. Reserving the right to object, Mr. Speaker, I do so in order to inquire of the distinguished majority whip whether it would be possible in considering that request to know what the program will be for the balance of the day and also tomorrow, should we come in at that hour.

Mr. McFALL. I would be glad to respond to the gentleman from Illinois. I have discussed this plan with the minority leader and the minority whip. It is our intention now to begin the rule on the Sinai bill, and to complete the Sinai bill hopefully by about 7 o'clock. If we are successful in doing that, we would do the general debate on the 200-mile fishing bill, H.R. 200 tonight.

Starting at 10 o'clock tomorrow, we would start with either FIFRA or the fishing bill, depending upon the arrangement made between the chairmen of the two committees, and do as much on other matters that are on the calendar as we can, with the aim of finishing our business about 4 o'clock p.m.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, Mr. Speaker, the gentleman suggests that we will not finish H.R. 200 before the recess. I thought the informal word yesterday was that this bill would be carried through to its completion on Thursday.

Mr. McFALL. If the gentleman will yield, no, I did not intend to give that impression.

What I am saying is that we would do the general debate tonight after we finish the Sinai, which would permit Members who are not interested in the general debate to do other things. Starting at 10 o'clock tomorrow, we would try to finish FIFRA and the fishing bill tomorrow.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I thank the gentleman for yielding.

Is it the intention of the gentleman from California to take up the railroad jobs retirement bill tomorrow?

Mr. McFALL. If we have time, but I do not believe that we will have time. There are at least two other measures that have greater priority than that one, and I do not believe that we will have time to get to that bill. The fact is I can assure the gentleman from Kansas that we will not.

Mr. SKUBITZ. If the gentleman from Maryland will yield further, I would think that anything would have priority over this legislation in view of the fact that very shortly this body will be called upon to accept or reject the Final Systems plan and the railroad revitalization bill which will call for an expenditure of approximately $4 billion for rail improvement—which means jobs.

Mr. HEINZ. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. I thank the gentleman for yielding.

When does the gentleman from California anticipate that we will take up H.R. 8672, the railroad jobs bill? There are a considerable number of people on both sides of the aisle, contrary to the statement of the previous speaker, who would like to see it taken up.

Mr. McFALL. If the gentleman will yield, in answer to the gentleman from Pennsylvania, the bill is on the calendar at my request. The chairman of the committee was very courteous in asking for a rule because there is some money in the transportation appropriation bill for this purpose. But I was unable to go to conference prior to our recess period, and hopefully we will be able to take up the railroad jobs bill right after we come back so that we can resolve any conflict over the money that is in the transportation appropriation bill.

Mr. HEINZ. If the gentleman will yield further, do I understand that the gentleman feels that it will be possible to schedule it early the week after we come back from the Columbus Day recess?

Mr. McFALL. I would hope so, but I would point out to the gentleman that there is another bill, an omnibus bill of larger scope, which the committee is working on which would serve the same purpose as the narrower bill, which is on the schedule. If the Commerce Committee should be successful in putting out that larger bill, it might not be necessary to take up the bill that is on the calendar.

Mr. HEINZ. Mr. Speaker, will the gentleman from Maryland yield further?

Mr. BAUMAN. I yield to the gentleman.

Mr. HEINZ. I would just like to indicate to the gentleman from California that I do serve on the Commerce Committee, and that no such bill has even reached the full committee for consideration. In fact, I think that the accurate appraisal of that large omnibus bill is that it will not be here for many months to come. The administration, for example, has not indicated their support of it. So I think it might be a bad policy for us to put all of our eggs in that basket.

I am glad the gentleman has indicated that he will really make a sincere effort to bring the bill up right after the recess.

Mr. McFALL. Under those circumstances, I certainly will agree with the gentleman that it would be necessary and important that we have that bill up so that any conflict over the money in the transportation appropriation bill that the Senate put in could be resolved.

Mr. HEINZ. I thank the gentleman.

I thank the gentleman from Maryland for yielding.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I would like to ask the gentleman one other question.

In the event that we do not finish the Egyptian-Israeli bill by this evening, or at least by 7 o'clock, would it still be the gentleman's intention to stay until we complete H.R. 200?

Mr. McFALL. Mr. Speaker, I would like to reply in the way former Speaker McCormack would. He would say to the gentleman from Maryland, "We will have to play that by ear."

I would hope that with the cooperation of the membership we would be able to finish the Sinai bill by about 7 o'clock. All the time I am speaking here, we could be utilizing in a much more useful fashion.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Speaker, I asked the gentleman to yield in order that I might address a question to the majority whip. The majority whip has shown himself to be a splendid counter of bodies, and I was wondering if he anticipates confidently that at least a hundred Members are going to be interested in hearing the merits—and, more important, the demerits—of H.R. 200, and will linger long after 7 p.m. for that purpose.

Mr. McFALL. I am sure the gentleman from California would agree with me that the membership of this House is very responsible and very much interested in doing its job. I am sure there will be at least a hundred here in order to accomplish that job.

Mr. VAN DEERLIN. Mr. Speaker, I am tempted to place a bet with the gentleman from California.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

TO IMPLEMENT THE U.S. PROPOSAL FOR THE EARLY-WARNING SYSTEM IN SINAI

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 775 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 775

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 683) to implement the United States proposal for the early-warning system in Sinai. After general debate, which shall be confined to the joint resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Georgia is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 755 provides for an open rule with 2 hours of general debate on House Joint Resolution 683, the joint resolution that would implement the U.S. proposal for the early-warning system in Sinai.

The rule further provides that points of order against clause 2, section L, part 6 of rule XI of the rules of the House are waived. This rule relates to the 3-day layover requirement for committee reports.

House Joint Resolution 683 would give congressional authorization to the President to implement the U.S. proposal for an early-warning system in the Sinai Peninsula. Up to 200 civilian technicians may be sent to man a tactical warning facility in the Mitla and Giddi passes region of the Sinai. The proposal contains various safeguards to provide for the withdrawal of the volunteer civilian technicians, if their safety is jeopardized; to provide for periodic Presidential reports concerning the technicians' role in the Sinai; and states that this resolution's authority does not signify congressional approval of any other executive agreements or assurances made to both parties to the Israeli-Egyptian agreement. Funding for the technicians is not authorized under this resolution.

Mr. Speaker, the Committee on International Relations reported their resolution favorably and I urge the adoption of House Joint Resolution 683 in order that we may discuss, debate, and pass the measure.

Mr. Speaker, I would just like to say that this marks, in my lifetime, an interesting departure in our whole foreign policy, for throughout our lifetimes we have seen our Nation either on one side or the other. I think this joint resolution puts us in a unique position of being a keeper of the peace, asked for by both sides, and indicates a different kind of thought for the United States.

I would certainly hope that we would pass this resolution in order that we might debate and pass the measure.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order the consideration of House Joint Resolution 683 under an open rule, with 2 hours of general debate, waiving clause 2(1)(6) of rule XI—the so-called 3-day rule. For those Members who often have reservation about waiving the 3-day rule, and I often share that concern, let me make three points in support of this particular waiver: First, if anything can be characterized as being of an emergency nature, this certainly must be. The implementation of the Sinai accord was to have begun on October 5—that is last Sunday; and Israel has indicated that it will not sign the protocols until Congress approves the positioning of the American technicians. So there has already been a slippage of 3 days on the intricate 5-month timetable involved in the accord; and with every further day of delay we risk jeopardizing that entire agreement. As President Ford put it in expressing concern over the delays:

> If for any reason the agreement should fail, the responsibility would be heavy indeed.

Second, in granting this 3-day waiver, the Rules Committee did confirm that copies of the committee resolution and report would be made available in advance to Members, and they were indeed available yesterday.

Third, all the agreements surrounding the negotiations, and which go beyond the limited scope of this particular resolution, have been a matter of public record for some time now—if not officially through the State Department, at least unofficially through the Washington Post and New York Times. So, there are no surprises involved in this resolution or report. The International Relations Committee voted this resolution out by a vote of 31 to 0 last Friday, October 3, and that action and the contents of the resolution were widely reported in the media.

Mr. Speaker, I do not want to take a lot of time on this rule. The rule is noncontroversial as far as I know. It was reported from our committee unanimously on a voice vote yesterday afternoon. But I do briefly want to address myself to some of the public apprehension which have been reflected in the mail I have received. The American people are understandably concerned that we not be lured into another Vietnam-type trap. It is indeed true that our whole involvement in Vietnam began with the sending of civilian technicians in the 1950's, concerned mostly with development assistance, and that in turn escalated to miltary advisers when North Vietnam stepped up its military activities around the turn of the decade.

I think a careful distinction must be made though, between what is involved in this resolution and what occurred in Vietnam. And careful attention must also be paid to the safeguards contained in this resolution to prevent any escalation of American involvement. This resolution involves the sending of 200 American technicians to act as impartial observers in monitoring the Sinai agreement. They are not being sent to defend one country or the other; they will have no military role whatsoever, and no military equipment will be permitted in the monitoring areas. American personnel will monitor activities in the Egyptian and Israeli strategic warning stations in the Giddi-Mitla passes area, and will man three tactical warning facilities on the two roads through these two passes, which is a United Nations-controlled buffer zone. I think it should be pointed out that buffer zones contain about 5,000 U.N. troops, predominantly Finnish, Swedish, and Canadian.

Under the terms of the agreement, American personnel may be withdrawn immediately if their safety is jeopardized, and they may also be withdrawn if their presence is no longer considered necessary, provided advance notice is given to the parties to the basic agreement. This resolution provides that an outbreak of hostilities between Egypt and Israel shall constitute an automatic threat to the safety of American personnel and therefore requires their immediate evacuation in such a situation. This resolution also provides for their withdrawal if the Congress, at any time, by passage of a concurrent resolution, determines that their safety is endangered or their role is no longer necessary.

Mr. Speaker, at this point I think it should be emphasized that we are not talking about the logistical problem of evacuating 200 Americans en bloc. Since the American personnel will be working in three shifts, and those not on duty will be living outside the danger zones, not more than 75 Americans will be in the buffer zone at any one time. So I do not think the rapid evacuation of this limited number of Americans will present any logistical problem.

House Joint Resolution 683 contains some additional safeguards which should be noted in passing. The technicians must be volunteers and not Federal employees; the President is required to report to the Congress at least semiannually on the status of the technician force; and adoption of this resolution in no way commits the United States to any other components of the Sinai agreement. These will have to be dealt with later and rise or fall on their own merits. In conclusion, House Joint Resolution 683 commits us only to the stationing of 200 American technicians in the Sinai. That is the only proposition before us; nothing else. I therefore urge adoption of this rule and favorable action on the resolution it makes in order.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 683) to implement the United States proposal for the early-warning system in Sinai.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Morgan).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution, House Joint Resolution 683, with Mr. McKay in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. Morgan) will be recognized for 1 hour, and the gentleman from Michigan (Mr. Broomfield) will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania (Mr. Morgan).

Mr. MORGAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, House Joint Resolution 683 would give the approval of Congress to an executive branch proposal for an early-warning system in the Sinai Peninsula. This is the first part of what we hope will become a peace settlement in the Middle East.

BACKGROUND

The involvement of the United States in the Middle East is not new. Our Nation has had interests there since the end of World War II.

Since the October 1973 war in the Middle East, however, our Nation has viewed that region with special concern.

We have done so because it has become clear that our vital national interests are involved there.

A future war in the Middle East between Israel and the Arab States could well involve the United States in a conflict with the Soviet Union. Such a conflict would run high risk of starting a nuclear war.

Also, any future war in that region is likely to be very expensive for us.

The 1973 war cost the United States almost 3 million dollars in military resupply to Israel, and from 15 to 20 million dollars as a result of the Arab oil embargo.

The effect of the oil embargo, and the higher oil prices, has been cited by economists as the single most important cause of the recession from which we are only now recovering. It has been the worst economic downturn since the Great Depression of the 1930's.

Faced with these clear threats to America's future, Secretary of State Kissinger has worked very hard to work out agreements among the parties in the Middle East which would increase the chances for peace.

In January 1974, as a result of his efforts, Israel and Egypt agreed to separate their troops along the Suez Canal.

Four months later—in May 1974—Syria and Israel reached agreement on a cease-fire and location of military forces on the Golan Heights.

These agreements did much to lessen tensions in the Middle East.

THE SINAI AGREEMENT

The Secretary then began to work for an Egyptian-Israel accord on the Sinai. Those negotiations have been full of problems. I ask Members to look at the chronology which is printed in the committee report. It shows clearly how difficult it was to reach the agreement.

On September 1, 1975, however, leaders of Israel and Egypt initialed a new Sinai treaty. Formal signing by both countries followed on September 4.

Briefly, the agreement provides that Israel will pull out from two strategic mountain passes in the Sinai—known as the Giddi and Mitla passes—and will return to Egypt the oil fields along the Gulf of Suez.

In return, Egypt has made several political commitments to Israel. They include:

A pledge not to employ a military blockade against Israel;

Permission for Israeli merchant ships to be given the right of peaceful passage through the Suez Canal; and

Assurances that Egypt will seek peaceful solutions to Middle East problems.

Beyond its concrete terms, the agreement is of large importance in the context of the Middle East:

First, the agreement continues the momentum for solving the problems of the region by peaceful means, rather than by bloodshed.

Second, it reduces the chances for future hostilities because without Egypt's armed support, the more radical Arab states are unlikely to attack Israel.

And third, the accord establishes the United States as an effective "honest broker" in defusing tensions in the region.

AMERICAN TECHNICIANS TO THE SINAI

The keystone to this agreement is a proposal made by the United States—and accepted by Egypt and Israel—that an early warning system be established in the Sinai Desert to be manned in part by up to 200 American civilian technicians.

The duties of these technicians fall into three categories:

One group will be stationed at a strategic warning facility operated by the Israelis at the western approaches to the mountain passes. They will supervise—not operate—the facility to insure that it would be used only as a listening station.

A second group will perform the same function at a strategic warning facility to be established by Egypt on the eastern side of the mountain passes.

A third group of American technicians will operate three tactical warning stations in the area of the passes.

The technicians will report to both parties and to the United Nations about what they find.

They will not perform military functions.

They will not be equipped for combat; they will have only side arms.

They will be protected by 5,000 United Nations troops kept in a buffer zone between the Israeli and Egyptian forces.

THE RESOLUTION OF APPROVAL

Today the House is being asked to approve the sending of those American civilian technicians to the Sinai.

The Israeli Government puts great importance on favorable congressional action on this proposal. If Congress does not give its okay, then Israel will not put the Sinai accord into effect.

Further, under our Constitution, a national commitment of the kind represented by this United States proposal for an early-warning system in Sinai, clearly requires congressional approval.

Even if the Israelis had not made their request, the President would have been obliged to bring this proposal to the Congress for review and consent.

At this point, I want to stress that today we are being asked to approve only the sending of up to 200 American civilian technicians to the Sinai.

As you know, Mr. Chairman, with the basic settlement between Egypt and Israel, there were several U.S. memoranda of agreement and commitments to both countries.

They are not involved—either explicitly or implicitly—in the decision we will make today. To the extent that those other agreements involve a national commitment of any kind, the Congress will be able to work its will in the future.

The executive branch recognizes this fact. Let me quote from a letter which I have received from the Legal Advisor of the Department of State:

It reads:

> It should be noted that an article in The Washington Post of September 26 is misleading in suggesting that the Memoranda of Agreement are an integral part of the Sinai Agreement between Egypt and Israel. The U.S.-Israeli Memoranda of Agreement are legally distinct from, and not an integral part of, the Agreement between Egypt and Israel.

There is, therefore, only one issue before this House: To approve sending American technicians to the Sinai, or to disapprove it.

COMMITTEE ACTION

A month ago—on September 8—the Committee on International Relations began to consider that question—starting with testimony from Secretary Kissinger.

We held 6 days of hearings and received testimony from State Department officials, from technical experts from the Department of Defense, and from public witnesses. The printed record of those hearings is now available.

After careful study of the issues involved, the committee met on October 2 to mark up a draft resolution which was proposed by the ranking minority member, the Honorable WILLIAM S. BROOMFIELD, and myself.

Several amendments were adopted and the chairman was instructed to introduce a "clean" joint resolution.

On October 3 the committee met and by a unanimous vote of 31 to 0 ordered this resolution—House Joint Resolution 683—reported favorably to the House.

PROVISIONS OF THE JOINT RESOLUTION

The resolution is not complicated. It contains several "whereas" clauses and five main sections.

The first section approves the sending of the technicians—but with proper safeguards.

It provides that American technicians assigned to the Sinai must be removed immediately—

If fighting breaks out between Egypt and Israel, or

If Congress by concurrent resolution decides that they are in danger—or that there is no further need for their presence in Sinai.

Section 2 would provide for prompt action in both Houses of Congress on the concurrent resolution—so that it could not be delayed by a filibuster.

Section 3 demands that the civilians sent to the Sinai be volunteers—not persons assigned to the task by the executive branch.

Section 4 requires reports from the President to Congress every 6 months on how the agreement—and the U.S. role in it—is being carried out. He must also report whether the numbers of Americans can be reduced, either by substituting other foreign nationals or by using new technology.

Section 5 makes perfectly clear the point I made earlier: That is, that the authority in this resolution does not apply to anything except the matter of the technicians. It does not give any kind of approval to any other agreements or understandings or commitments.

CONCERNS OF CONSTITUENTS

I know that many Members of the House have received letters from their constituents expressing their concern about sending these technicians to the Sinai.

Many of these letters refer to the early American involvement in Vietnam and express the fear that history will repeat itself.

Let me assure this body that there is no comparison between the two situations:

In Vietnam we had military advisors; in Sinai the Americans will be civilian technicians.

Our military advisors were in South Vietnam to help that country fight a war. Our technicians will be in the Sinai to help preserve a peace.

In Vietnam we aided one side to the conflict. In Sinai our technicians will be helping both parties to a treaty.

In Vietnam, the United Nations and United Nations forces were not involved. In Sinai our technicians will report to, and be protected by, a United Nations force.

If people are made aware of these important differences between Vietnam and Sinai, my experience has been that they quickly change their minds about the U.S. proposal.

NEED FOR ACTION NOW

Mr. Chairman, an important, hard-won peace settlement in the Middle East hangs on the action of the House today.

The only responsible course for the Congress is to approve the proposal, as requested by the President, but with the added safeguards provided by this resolution.

If we disapprove this resolution, the Egyptian-Israeli agreement likely will be null and void.

Such a development would greatly increase the chances of new fighting in the Middle East within a relatively short period of time—with all the dangers involved.

Further, there is a need to act quickly.

According to the timetable worked out by the two parties, steps toward putting the accord into effect were to begin last Monday, October 5.

There is some evidence that Israel, as a gesture of good will has permitted the first steps to be taken despite the lack of congressional action. How far and how long Israel will continue this practice is not clear.

If the timetable is upset and must be renegotiated, there is a possibility that the entire agreement could be in trouble.

The answer for the Congress seems clear: We must act favorably and we must act now.

I therefore urge that the House approve House Joint Resolution 683.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. Yes; I yield to the gentleman from Texas.

Mr. TEAGUE. Mr. Chairman, I would like to ask the gentleman a question.

After World War I our Government sent a contingent of Americans to Russia called the Russian-American Corps. They wore American uniforms for the sake of identification. They did not receive enlistment or discharge papers.

This House of Representatives said that they were not veterans, but in a court the judge declared them to be veterans.

I would like the gentleman's comment on the fact that these men are volunteers, that they will not wear uniforms, and that they are not a part of our military establishment.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MORGAN) has expired.

Mr. MORGAN. Mr. Chairman, I yield myself 3 additional minutes.

Mr. TEAGUE. If the gentleman will yield further, in no way could these technicians be considered veterans of our Armed Forces; is that correct?

Mr. MORGAN. I want to impress upon the gentleman that they will be civilian volunteers. They will in no way wear an American uniform. They will not be members of the Armed Forces of the United States. They will be strictly civilian volunteers.

As far as I am aware, there has not been any discussion of the kind of garb these volunteers will wear. The Executive is working out the details and conditions under which they will serve there. I am sure they will not wear any American military uniforms. They will wear ordinary clothes, and I am sure they will not be considered veterans of the military services of the United States after they return to this country.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. Yes, I yield to the gentleman from New York.

Mr. WOLFF. Is it not true that this resolution passed in the committee unanimously, 31 to 0?

Mr. MORGAN. That is correct.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. Yes, I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding.

Would the gentleman elucidate a little bit more as to who these 200 volunteers are and where they will come from? Obviously they are supposed to have some sort of technical competence.

We have no idea of who these civilian, so-called volunteers are supposed to be.

Mr. MORGAN. The thrust of this resolution is that they should not be military or CIA people. They should, of course, have the necessary technical knowledge of an early-warning system.

Wherever they come from, whether they come from among the people who produce the early-warning system, they will have to have some technical knowledge, but they will be strictly volunteers.

Mr. JOHNSON of Colorado. Will the equipment be Egyptian equipment, Israeli equipment, manufactured in the United States, or elsewhere?

Mr. MORGAN. I am sure that the equipment that will be involved in an early-warning system of this kind will be U.S. equipment.

Mr. JOHNSON of Colorado. It is U.S. equipment.

Will the equipment be operated solely by these Americans or do the Egyptians and Israelis have the capability of operating the equipment themselves?

Mr. MORGAN. As I said in the first part of my statement, the Americans will be monitoring the operation of the early-warning system.

One group of American technicians will operate three tactical warning stations in the area of the passes. They will report to all parties, including the U.N. peacekeeping force. However, the Egyptians and the Israelis will operate their own strategic early-warning system stations.

Mr. JOHNSON of Colorado. It still is not clear to me as to whether we are providing additional capability. In other words, are we providing something that the parties cannot provide themselves by putting 200 technicians in the Sinai?

Mr. MORGAN. In equipment, yes.

Mr. JOHNSON of Colorado. The gentleman is not answering my question. Are we providing something that the parties cannot provide for themselves? In other words, are the Israelis and the Egyptians incapable of operating the early-warning equipment or monitoring the equipment our technicians will be operating?

Mr. MORGAN. The gentleman knows very well that the parties to the Arab-Israeli dispute do not have the most complete trust in each other. Also, some of their technicians may not be as well trained in the use of certain sophisticated equipment as some American technicians. On both grounds, and for both reasons, the presence of American technicians is considered necessary to insure the integrity of the early-warning system.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MORGAN) has expired.

Mr. MORGAN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Florida.

Mr. FASCELL. Is it not true with respect to the question raised by the gentleman from Colorado (Mr. JOHNSON), that the evidence before our committee indicated that while technical competence was necessary to serve, and operate, the early-warning stations, an esoteric competence is not required. The technical needs can be met by what can be called standard technical competence.

As a matter of fact, we made it very clear in the testimony before the committee that the committee did not want as part of the volunteers, active military, CIA or other similar personnel nor those who were in military or intelligence service and have recently retired. We have ample talent available to do the job, and ones that could be trusted by both sides.

Mr. MORGAN. The gentleman is correct that we neither need nor want U.S. military technicians, or CIA technicians, for this job.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, do I understand the gentleman in the well to say that the 200 technicians would be protected by 5,000 members of the U.N. forces?

Mr. MORGAN. I think these people will be well protected. Since both sides want them there, they will undoubtedly have the protection of the Egyptian Army and of the Israeli Army plus the U.N. force. I am sure that both countries having requested the technicians, both will see to it that they are pretty well protected.

Mr. SKUBITZ. Do I understand the gentleman to say there will be 5,000 members of the United Nation forces in the area?

Mr. MORGAN. That is right, there are about 5,000 in there now.

Mr. SKUBITZ. Of the 5,000, how many would be American troops?

Mr. MORGAN. There are no American troops in the U.N. peacekeeping force.

Mr. SKUBITZ. Will any be required to go into the United Nations forces?

Mr. MORGAN. Pardon?

Mr. SKUBITZ. Will any American troops be required to go into the United Nations forces? Of those 5,000 United Nations forces located there, will any American troops be located there?

Mr. MORGAN. No.

Mr. SKUBITZ. Who will pick up the tab for the 5,000 U.N. troops there?

Mr. MORGAN. Of course that is done through the United Nations.

Mr. SKUBITZ. What share will we have to stand?

Mr. MORGAN. Our share is about 28.8 percent under a formula worked out with the U.N. Security Council.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MORGAN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, in response to the gentleman from Kansas, let me add that we pay our regular U.N. share of about 25 percent, plus a small additional percentage shared by all permanent members of the U.N. Security Council.

Mr. SKUBITZ. 25 percent?

Mr. MORGAN. Yes.

Mr. SKUBITZ. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, an important, hard-won peace settlement in the Middle East hangs on the action of the House today.

The only responsible course for the Congress is to approve the proposal, as requested by the President, but with the added safeguards provided by this resolution.

If we disapprove this resolution, the Egyptian-Israeli agreement likely will be null and void.

Such a development would greatly increase the chances of new fighting in the Middle East within a relatively short period of time—with all the dangers involved.

Further, there is a need to act quickly.

According to the timetable worked out by the two parties, steps toward putting the accord into effect were to begin last Monday, October 5.

There is some evidence that Israel, as a gesture of good will, has permitted the first steps to be taken despite the lack of congressional action. How far and how long Israel will continue this practice is not clear.

If the timetable is upset and must be renegotiated, there is a possibility that the entire agreement could be in trouble.

The answer for the Congress seems clear: We must act favorably and we must act now.

I, therefore, urge that the House approve House Joint Resolution 683.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, in response to the inquiry of the gentleman from Colorado (Mr. JOHNSON) is it not true that perhaps Israel and the Egyptians may have that sophistication; however, the real point and the reason where the bat meets the ball is basically the fact that the United States' prestige is the important factor, is that right?

Mr. MORGAN. I think the gentleman is correct. I think the United States has done everything we could to help them work out their problems, but they still want the U.S. presence there.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield further?

Mr. MORGAN. I yield further to the gentleman from Kansas.

Mr. SKUBITZ. In the report it says there are presently about 40 Americans in the armed forces in the area now. Will they be removed?

Mr. MORGAN. There are about 56 U.S. military officers who are attached to the United Nations Observer Force in that area. There are no Americans in the area that are connected with our Government as combat forces. They are Americans but they are part of a United Nations contingent which is supervising the Israel-Egypt ceasefire in the Sinai. There are a number of U.N. people in there.

Mr. SKUBITZ. I understand there are a number of U.N. people there and in the overall group there are about 39 who are Americans according to the report. Are we going to withdraw them?

My question is, is the gentleman going to withdraw them?

Mr. MORGAN. No, not to my knowledge.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New York.

Mr. WOLFF. The U.S. Armed Forces that are with the U.N. are not in the buffer zone that we are speaking about now.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

The Chairman indicated that if, in fact, we did not approve this, that it is likely that the agreement would be void. I think that is probably right. Without making any judgments at all on the value of this agreement, I wonder if the distinguished Chairman could tell this Member and others how he feels about the fact that a Secretary of State puts something in the lap of a Congress not only on this issue but on many issues, and the Congress can only be the culprit. In other words, we have very little, if anything, to do with it, and then suddenly it is in our lap. It seems to me that this has happened before. I wonder if it is the chairman's view that this is going to happen again and again with the present Secretary of State, and if it is a good or a bad thing.

Mr. MORGAN. On the issue we are debating here, I think the leadership was consulted after the Secretary came back from the Middle East. I want to advise the gentleman that when the negotiations were going on, the Department of State was in touch with the leadership, with the chairman and the ranking minority member of the Committee on International Relations, the chairman and the ranking minority member of the Senate Foreign Relations Committee, and the chairman and ranking minority members of other appropriate committees.

I am talking about mid-August when the negotiations were going on. So Congress was consulted to some extent. I am under the impression that Dr. Kissinger did not want to agree to the presence of American technicians on Sinai, but he finally did agree so that agreement to promote the cause of peace would be possible.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of House Joint Resolution 683 and the proposal to station volunteer American civilian observers near the Sinai passes. The Sinai disengagement agreement of September 1 is an important diplomatic achievement. I accept the assertion that it is the most significant breakthrough in Arab-Israeli relations in a generation. But let us be frank to admit that the agreement does not resolve, or pretend to resolve, any of the major outstanding issues in the festering Middle East dispute. This accord, in the final analysis, will be judged by what it engenders. It has the potential to unlock other doors and help unravel the complex, emotional issues at the heart of the Arab-Israeli dilemma. It is an important step toward peace, but it must be followed by other, equally important steps in other, equally important areas.

One thing is clear. The potential inherent in the Sinai agreement cannot be tested or realized until Congress sanctions an American observer presence in the Sinai. Approval of House Joint Resolution 683 is a precondition to the implementation of this agreement. The agreement, in turn, is a precondition to further movement toward peace in the Middle East. There is a direct, explicit link between our action today and the future of our peacemaking efforts in the area.

I am sure all of us in this Chamber would prefer an agreement that does not require American observers in the Sinai passes. We must realize, however, that without the American presence demanded by both Israel and Egypt there will be no agreement. The risks involved in sending Americans to man the early warning stations are tolerable. The risks inherent in the failure of this agreement—a failure that could occur by our unwillingness to approve the legislation before us—are not tolerable. They are the risks of renewed warfare, economic turmoil, confrontation, and the related human suffering.

Like many Members of the House, I have reservations about the open-ended commitment of American civilians in a potential combat zone. I was initially sympathetic to the concept of limiting this authorization to 2 years renewable by Congress. But, when informed by the State Department that such a time limit would entail renegotiating certain aspects of the agreement and delaying its implementation, I concluded that it would be wrong to write in such a limitation.

Mr. Chairman, there should be no ambiguity over what we are being asked to approve today. House Joint Resolution 683 deals exclusively with congressional authorization to send up to 200 American civilian volunteers to the Sinai, thereby enabling the agreement negotiated last month to take effect. The language of the resolution states explicitly that we are not underwriting any other agreement, understanding, or commitment proffered by the executive branch.

The Sinai disengagement agreement is not a perfect pact, but it is the best obtainable and it deserves our support. Thirty years ago President Roosevelt suggested that—

> Perfectionism, no less than isolationism or imperialism or big power politics, may obstruct the paths of international peace.

We cannot today seize upon imperfection as a pretense for obstruction. The stakes—the possibility of peace in the Middle East—are far too high. This is a good agreement, it is a sound agreement serving our national interests. It maintains the momentum toward peace and understanding in a vital area of the world and merits our support.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I just want to say I agree with the gentleman's position about the limitation. It has taken us longer than 2 years to get this agreement and I just do not think we ought to tinker with it by putting a limitation on it. If we can put the people in there and it works, that will be the single greatest step we will have taken for peace in that region in my lifetime. I do not know about the probability of its working in 2 years.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, we hear so much about the United States prestige and the Soviet Union prestige. This becomes important in the world when we are dealing with a world body. Would the gentleman not say that Egypt heretofore has been considered favorable to the Soviet Union, but the prestige of the Soviet Union has been sinking in the Mediterranean and as a result of this the Egyptians have turned to the United States and have asked us to help, and Israel has done the same. Does that not give one the impression that the prestige of the United States has substantially improved as a result of this situation?

Mr. BROOMFIELD. I would agree with the gentleman. Of course the fact that the situation has changed somewhat in that region of the world has enabled President Sadat and his government to take this step. It is a significant move and a move toward peace.

Mr. BELL. It seems to me it would also affect other areas of the world by virtue of the fact that our leadership has increased and we have been able to help the other areas of the world because of that.

Mr. BROOMFIELD. I would agree with the gentleman.

It has been said that the Sinai agreement is not a perfect pact and I agree. However, it is the best obtainable and it deserves our support. As I noted in my earlier remarks, 30 years ago President Roosevelt suggested that, "perfectionism, no less than isolationism or imperialism or big power politics, may obstruct the paths of international peace." Let us not use imperfection as a pretense for obstruction. The stakes are too high.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I want to concur with what the gentleman from California said.

I think one other point that might

well be made is that of all the nations of the world the only one that both sides were willing to trust is the United States.

Mr. BROOMFIELD. That is true.

Mr. HAYS of Ohio. Not the British, not the French, not the Russians, not anybody else, just the United States. Both sides had confidence that if the people who were stationed there were Americans it would be a fair shake, and I think that tells us something.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. BROOMFILED. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

I asked the gentleman to yield because I have two questions. I have read the report and I have listened to both the chairman and the gentleman from Michigan but there are two questions. One question is related to what the gentleman from Ohio (Mr. HAYS) was saying a while ago. But why nowhere in the report does it say or give the reason why it just has to be American technicians?

Mr. BROOMFIELD. I think the gentleman from Ohio brought this out very clearly when he indicated that both Egypt and Israel insisted upon United States observers. It seemed both countries felt they could trust the United States and they preferred to have United States volunteers rather than anybody else.

Mr. GONZALEZ. Why is it that only Americans are qualified to do this? Could not some other country such as the Swiss or some such equally well trained peoples do it?

Mr. BROOMFIELD. One would think so, but again all I can tell the gentleman is that this was a part of the agreement when it was signed. Both countries insisted on American vounteers to serve in this capacity.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to answer the gentleman's question.

There is no question but what there are many peoples in the world competent to do this. It was not a question, may I say to the gentleman, of competence, but it was a question of trust, and the only people that both sides, that both the Egyptians and Israelis were willing to trust, were the Americans.

I think the indications are that when it comes to some of the other more substantive things that some of the other nations will be able to help, but on this very sensitive issue of listening and scanning the horizon for a possible sneak attack, neither side is going to trust anybody in the world except the Americans.

Mr. GONZALEZ. Mr. Chairman, one second question, if the gentleman will yield?

Mr. BROOMFIELD. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, the reason I do ask this is because there is silence in the report as to what specifically has been said here.

Suppose that we do have a conflict, as much as we dread and would love to avoid it; would the United States intervene in order to save these 200 Americans? Will it intervene?

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, the very nature of the operation of an early-warning system, both strategic and tactical is to provide the operators the very first knowledge that something is amiss and danger may be imminent. They are required to advise both contracting parties and the United Nations Emergency Force, and to give them the opportunity to remove themselves. Also both contracting countries have a responsibility for the safety of these men.

Mr. GONZALEZ. Mr. Chairman, that quite misses the point I am trying to get answered. I appreciate the answer and all, but it is not quite responsive. The gentleman is assuming something. I offered a hypothetical case; but let us assume that the gentleman errs in that prediction and the American observers just do not get notified in time or their apparatus does not click, like the CIA did not know when Portugal was to go up in flames; suppose we have something like that and we have no fail safe; will our Government intervene to save those Americans?

Mr. FASCELL. Mr. Chairman, the gentleman from Texas (Mr. GONZALEZ) is also assuming. One could answer hypothetically, but I am not going to do that. I doubt in any way we could take away the constitutional responsibility of the President of the United States. That is a decision he will have to make at that time. There is no other answer to that and the gentleman from Texas knows it.

Mr. GONZALEZ. Mr. Chairman, no, I do not, that is why I am asking the question.

Mr. FASCELL. Mr. Chairman, there is an additional safeguard in that Congress by concurrent resolution can withdraw U.S. personnel. There is an element of danger, and the burden falls on the President and on the Congress in the event the hypothetical case the gentleman has described takes place.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I would hope the gentleman from Pennsylvania or the ranking minority member of the committee in their opening statements would deal with the problem of the separability of the stationing of the 200 technicians and the many commitments that have been raised and which will be raised later. The chairman in the opening remarks did not cover this. I hope the ranking minority member will before the gentleman leaves the floor.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, has the gentleman from Colorado read section 5 of the bill?

Mr. JOHNSON of Colorado. Yes. I have read it.

Mr. MORGAN. I am convinced they are separated.

Mr. JOHNSON of Colorado. We can separate it on the floor and we can separate it in time, but can we separate it in actuality from the agreement that has been made or the commitments that have been made by the administration by agreeing to send the 200 technicians? Are we not in fact agreeing to make commitments of money?

Certainly, the chairman of the committee has made it very clear that we are dealing just with the one particular aspect of this, and not the question of the military and economic aid program, which will be considered by our committee in the next few weeks.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, on that same point, if the gentleman from Colorado would again look at section 5, as the gentleman from Pennsylvania (Mr. MORGAN) indicated, it was the very clear intent of our committee that this resolution we are going to be asked to vote on later on this evening does not signify approval of Congress of any other agreement or commitment.

This is a clear indication of the caution and responsibility exercised in committee. The question of funding of the Israeli defense effort is something that will come up legitimately under the military assistance bill. I think then the Congress again will have a good, clear shot at what is needed by the Government of Israel for its defense needs.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, it is really with a heavy heart that I take this time to raise a few points which concern me, particularly because I have such a high respect and regard for our chairman, Dr. MORGAN, who is such an affable, patient and most considerate Member of this House and a very fine chairman. But, to this very moment I am, truthfully, not sure just how I am going to vote or whether I will vote for this resolution authorizing 200 voluntary civilian technicians to the Sinai. There are shortcomings, and most of the Members who did speak in support of the resolution admitted that they had reservations.

I have serious reservations, and, therefore, have proposed four amendments during the markup of this resolution in the House International Relations Committee. Two of them are patterned after the provisions of the war powers resolution, one of which would provide for consultation with Congress. The second would require a report to Congress. The third would make it indelibly clear that it was the intent of the Congress that this authorizing resolution would only be for the 200 technicians. The fourth provided for a 24-month termination. I proposed these amendments because I felt in conscience that we should not give a blank check to the administration.

Mr. Chairman, two of the amendments were adopted by the committee. The reporting amendment was adopted by the committee exactly as its sponsors had introduced it. As far as section 5, which provided for the interpretation of the intent of the Congress. I had a more legalistic, clear-cut limitation as to what the authorization meant, but apparently the executive branch wanted a loophole, and so the more simplified amendment was adopted in the report.

I might ask at this point, I am sure my chairman would agree with me that the report is the intent; the language in the report spells out the intent of the shorter and simplified form in section 5. Am I correct?

Mr. MORGAN. That is correct.

Mr. ZABLOCKI. I thank the chairman.

The amendment sponsored by Congressman FINDLEY and myself providing for termination after 24 months was defeated, as was the amendment providing for consultation. Although in the accords, there is a provision of consultation with Israel saying that the United States must under certain circumstances consult with Israel. On this issue of whether there was consultation, the chairman, in answer to a question, stated there was consultation. It is not my desire to disagree with him because I firmly believe that what he has said he believes to be accurate. However, reports in the media stated there was a lack of consultation. For example in the August 29, 1975, issue of the Washington Post an article appeared under the byline of Marilyn Berger reporting from Jerusalem, she reports, I quote:

> A check with members of Congress has yielded no evidence of widespread consultation before Kissinger's departure for the negotiations.

Further on September 4, the Washington Post story, under the byline of George C. Wilson, and he reports:

> Senators Stennis, McClellan, Jackson, Senate Majority Leader Mike Mansfield, and Chairman George H. Mahon, of Texas, of the House Appropriations Committee, were among the lawmakers who said they had not been informed of the specifics of the Kissinger plan.

Indeed, we later learned that the executive branch, or, I should say, the Secretary of State, did not even consult with the Department of Defense. Secretary Schlesinger was not consulted about the military assistance promises and agreements.

I am perplexed about the opposition to consulting with Congress. There is a provision in the accords that under certain circumstances, there be consultation with Israel. That apparently is desirable. Consultation with Congress, however, apparently some believe would be meddling. I believe that agreements made tantamount to treaties should require congressional input.

I submit, the executive branch should consult, and the Congress should demand that there be consultation. As to the level of consultation, I would, of course, agree to the interpretation of the Secretary of State. He is reported in explaining the consultation provisions in the accords in a manner which would satisfy the extent to which he should consult with Congress.

Kissinger told the committee of the other body yesterday, and I quote from this morning's Washington Post:

> The word "binding" sounds more ominous than the application may be. For example, when we are bound to consult, this binds us only to the fact of the consultation and not to the result of that consultation.

So I would say to the executive branch: Consult with Congress, and the consultation would not necessarily be binding.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I will yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for yielding. I want to congratulate the gentleman for his persistent pursuit of a proper level of consultation, not only with respect to this agreement, but previous items that have come before the committee, and to rejoice, as I am sure the gentleman will rejoice, in the level of consultation that has occurred in the committee in connection with this resolution.

Mr. Chairman, the only way we seem to get consultation on foreign policy is when the executive branch must come to the Congress for authority.

So that is why I think it is vitally important that we get the 2-year limitation written in the resolution.

Mr. ZABLOCKI. I thank the gentleman for his comments. I think the Congress should have consultation before the fact and not after the fact.

Mr. Chairman, during the debate the majority leader, Mr. O'NEILL, forcefully made the point in support of consultation:

> If the President can deal with the Arabs, and if he can deal with the Israelis, and if he can deal with the Soviets, then he ought to be able and willing to deal with the Congress.

Mr. Chairman, there is another very serious shortcoming, and it was raised several times. It is not clear what is the interpretation of the executive branch regarding the separation issue. The executive branch is on record contradicting itself on whether a separation exists between the resolution authorization of 200 technicians and the other agreements made to supply economic and military assistance to the area.

Again I really am sorry to disagree with the chairman. He did state that the resolution before us is not an integral part—and he quoted an opinion from the legal staff of the State Department—and it is in this regard, we have assurances from the President, for whom I have a great regard. In his letter of September 29 to Chairman MORGAN he states and I quote:

> On programs of military assistance, the Congress will want to consider those carefully at the appropriate time. But they are not integral to the implementation of the agreement between Egypt and Israel.

However, the same State Department legal adviser in a letter to the chairman on September 18, 1975, said and I quote:

> With respect to the two memoranda of agreement, the undertakings by the United States fall in the category either of those which the President is already authorized to make under existing legislation or under the traditional powers of the President to make statements of political intention in the conduct of foreign affairs.

Further, Mr. Chairman, what did the Secretary of State say to the other body, as reported in the Washington Post this morning? I quote:

> Secretary of State Henry A. Kissinger said yesterday that congressional action to authorize sending 200 American civilian volunteers to the Sinai would bring into effect other agreements in the Mideast Accord that make commitments and assurances legally binding on the United States.

Are we to agree to that?

Quoting further, "In his prepared statement," the article continues, "Kissinger said that congressional approval of the proposal on the technicians does not link the Sinai agreement to other U.S. undertakings. However, under questioning, he told the committee that such approval would trigger U.S. signature of the other documents."

Mr. Chairman, this is why I am concerned. The executive branch is talking from both sides of its mouth. They are not clear as to their position. I submit we ought to know.

Let me say that another interpretation we heard in our committee that bothers me is that the other agreements made with Israel will be fulfilled based on the "existing American policy."

What are we to understand "existing American policy" to be? I ask because last May, 76 Members of the other body sent a letter to the President requesting that substantial economic military and economic aid must be given to Israel.

The Secretary, it appears according to his testimony, interprets that that letter from the Senators, as "existing American policy." Are we to agree to that?

These are the reasons why this open ended authorization resolution has given me great concern. That is why I had filed supplemental views. I believe that if we have such prestige in the Middle East, such respect that Israel and Egypt would only rely on the United States then we could have persuaded both nations, with the faith they have in us, to agree that at least a few—perhaps 10 or 20—other nationals to be included within the 200 technicians. A multinational or international presence would undeniably be preferable.

Mr. Chairman, the equipment is not of the type or of such a sensitive or highly technical nature to preclude operation by other than Americans. As to the type of equipment to be used at one point, we were told it was highly technical. However, in testimony by a specialist in this area from the Department of Defense we were advised that the sensors and the equipment to be employed in the Sinai will be similar to that deployed in South Vietnam. Equipment that the North Vietnamese now have, and it is equipment that almost any group of technicians could operate.

Therefore, I am deeply concerned that if we are today approving the 200 technicians blindly, without any reservations, and giving an open-ended authorization, we may rue the day. We may buy a short-term peace at tomorrow's peril.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

Mr. BROOMFIELD. Mr. Chairman, I will be glad to yield 1 additional minute to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, did I understand the gentleman in the well to say that if an agreement is reached that we commit 200 men, according to what the Secretary of State, Mr. Kissinger, says, other agreements will become legally binding? And if this is correct, can the gentleman tell us what the other agreements are at this moment?

Mr. ZABLOCKI. Mr. Chairman, I regret to advise the gentleman that they are still secret; they are as secret as the agreement that was made on December 20, 1973. Under the Case-Zablocki Act, Executive agreements are to be reported within 60 days. The executive branch did not report. Not reporting to Congress was in violation of law. The committee received it just this morning. This report is still secret. However, I might say to the gentleman that the press fairly accurately reported the other agreements that are of such concern to so many of us because of their scope and import.

These newspaper accounts in summary are in the supplemental views of the gentleman from Indiana (Mr. HAMILTON), whom I compliment for giving the Congress this information.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I rise in support of House Joint Resolution 683, which would authorize the stationing of U.S. civilian technicians in strategic Sinai passes to help maintain the Israel-Egypt peace agreement.

The American role in the Middle East has been one of reconciliation. Our effort has been diplomatic in nature, and the recently signed agreement is a victory for our attempt to bring about a peaceful settlement of the Mideast conflict.

Both parties in this conflict have shown their trust in the United States by reaching an interim agreement. They have requested the stationing of the technicians in the Sinai so there can be an assurance that the terms of the agreement are being honored. The United States can show its good faith by honoring this commitment. We can give Israel and Egypt time to develop a sense of mutual trust, which might lead to a permanent peace.

All Americans share concern for the safety of the U.S. civilians who will be stationed in the Sinai. Of course there will be a risk. But I believe that the risk which is involved is overshadowed by the potential benefits the presence of our technicians will bring. It would be foolhardy for Congress to pass up this chance for peace.

For my own part, I am in substantial agreement with all aspects of the Sinai pact which relate to the United States. Congress has every right to know all that will be expected of this country, monetarily and otherwise, as a result of this agreement. I am confident that the aid factors will be considered in due time. However, all we are being called upon to do today is approve one aspect of the overall agreement. In keeping with our longstanding commitment to the security and stability of Israel and our interest in maintaining a stable Middle East, the authorization for the U.S. technicians is wholly appropriate, and I urge my colleagues to favorably consider House Joint Resolution 683.

Mr. DERWINSKI. Mr. Chairman, while I support this joint resolution to implement the early warning system in the Sinai, to be manned by U.S. civilian personnel, I feel it necessary to call attention of the Members to a number of sections in the resolution.

Specifically, sections 2 through 5 were added in committee during the markup sessions and it is my strong personal belief that they clearly reflect the waning confidence that the Congress has in the Secretary of State. The legitimate concern that many Members have over Mr. Kissinger's pattern of purely personal, secret diplomacy logically required the additional sections that were added to the draft resolution.

This is an appropriate legislative vehicle for me to comment on the overall direction of our foreign policy. The Secretary does not have, in my opinion, the support of a majority in the Congress nor the support of the majority of the American people as he stubbornly pursues his policy of détente or accommodation with the Soviet Union. His other major foreign policy fumbles such as the continuing Cyprus problem, the fall of South Vietnam, and his inability to restimulate solid relations with many Latin American countries clearly demonstrate the point I stressed earlier; namely, the waning confidence of the Congress in Secretary Kissinger.

We must recognize that the Middle East remains potentially explosive and, therefore, the approval by the Congress of this joint resolution is recognition of the necessity of pursuing steps to work out a final peaceful solution to the Middle East controversy. But, the leadership and direction is based on long-standing U.S. policies and our international prestige and not just the personal acrobatics of Secretary Kissinger. He has rendered a valuable service in persisting until the Sinai Pact could be worked out but, in view of his record in handling other trouble spots, he is not necessarily indispensable in his present positions.

Mr. Chairman, it is necessary at this point to recognize the natural concern that Members feel over this agreement. It has been the concern reflected in the other body. It has been the concern that has been reflected in our committee.

Mr. Chairman, I would ask that all Members please give special attention to section 5 of the resolution which as clearly as we could put it, states as follows:

> The authority contained in this joint resolution to implement the "United States Proposal for the Early Warning System in Sinai" does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch.

Mr. Chairman, I share with many Members a great doubt as to the means by which the Secretary of State chooses to communicate with the Congress. However, I do believe that we have more than adequately protected ourselves. I think this resolution is necessary and is practical, and I urge the Members to support it.

Furthermore, I would like to emphasize a point made earlier by the chairman of the committee and by the ranking minority member that the 200 civilian technicians who will serve in the Sinai are not in serious danger. The thoughts expressed in some circles that this was the start of a new Vietnam, in my opinion, are complete nonsense.

The reason we are going to have the 200 volunteer American technicians there is that their presence has been requested by both sides, the Governments of Israel and Egypt.

We must remember that we have had close to 30 years of friction between the governments and the peoples of Israel and Egypt, and we are not going, even with this agreement, to end the basic mistrust and fear and concerns that they have. However, both sides have tremendous confidence in and respect for the word of the United States.

Those 200 American civilian technicians are really the key to keeping the peace that was, in such a difficult fashion, finally achieved. I look upon the presence of these 200 American technicians as a practical investment in peace between Egypt and Israel, and I consider that in their assignment there, notwithstanding the difficulties of life in the Sinai, that they are going to be safer than some Members' constituents who will be walking the streets of Washington during the bicentennial year.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, this issue has been raised many times, and the gentleman raises it again.

I would like to ask this question: Will these 200 technicians do what the parties cannot do themselves?

Mr. DERWINSKI. That is the key. The parties, as the gentleman will appreciate, do not trust each other yet.

Mr. JOHNSON of Colorado. The parties are monitoring each other, though. That has already been established.

Mr. DERWINSKI. Yes, but basically our 200 technicians are going to monitor both, and in monitoring the respective forces, they will have a similar status and rights of the U.N. forces. They will be in the buffer zone.

In any event, their technical skill and

the mutual trust that they represent is the key to the ability of both sides to trust this agreement.

I realize that the gentleman from Colorado (Mr. JOHNSON) is smiling, and I think he deserves to have some doubts about it. However, when one stops to think of the bitterness that has prevailed in those countries, and if one stops to think that the Government of Egypt is being denounced by the radicals in the Arab world for daring to reach a partial agreement with Israel, he has to understand their need to have some certainty that this warning system will function well.

The U.S. technicians provide that feeling of confidence that they so badly need. Just as the Israelis after all these years of complications with the Arabs have to have some confidence that they have not made a mistake and the U.S. technicians very effectively serve for that confidence the Israelis need.

Mr. BELL. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. BELL. Mr. Chairman, I thank the gentleman for yielding. In speaking of the accord, the fact we must remember, is it not true, that both the Egyptians and the Israeli have agreed on us being the in-between persons in this situation?

Mr. DERWINSKI. The gentleman is correct.

Mr. BELL. Let me point out one other thing. Would not the gentleman agree that our situation in Berlin, during the blockade, was a much more serious situation?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman.

Mr. BELL. Mr. Chairman, would not the gentleman from Illinois agree that our situation in the Berlin blockade was a more serious situation for us because in that situation there would be more chance of the other side to attack? Also look at our position in the DMZ in Korea. Is that not a much more difficult situation for us where we are not on the side of both the potential antagonists?

Mr. DERWINSKI. That is correct.

Mr. BELL. And we are in this case whereas in the other cases we really had something to fear.

Mr. DERWINSKI. And the point is that these men are welcomed by both parties.

Mr. BELL. That is correct, but that was not the case of the DMZ or Berlin.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding. I would ask the gentleman from Illinois: Does not the fact that both sides agreed to the presence of American technicians mean the Soviet Union has suffered a very serious defeat in the Middle East, in that area of the world where they had made great progress before?

Mr. DERWINSKI. That is true. I think if one would just study the news reports of the last month and see the criticism coming from the Soviets and from certain radical groups among the Arabs toward Egypt, and much of this comes from government or guerrilla groups financed by the Soviet Union, that one would agree that for all practical purposes the Sinai accord constituted a major diplomatic setback for the Soviet Union.

But, I prefer to put this on a positive basis; this represents a major step toward peace in the Middle East. There is no more explosive corner of the world than the Middle East. It is an area where we must use every effort and every possible imaginative step to develop permanent peace and that is what we are trying to do this afternoon.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I would ask the gentleman from Illinois as to what the length of stay or the duration would be for these technicians, the time in which they will remain in place?

Mr. DERWINSKI. There is no specific limitation. Basically they are there as long as their responsibility and service help keep the peace. Specific time is not involved in the agreement.

Mr. KAZEN. So that this is an indefinite period of time?

Mr. DERWINSKI. It is indefinite. And if that indefinite period of time means keeping the peace between Israel and Egypt, then it is a practical situation well worth supporting.

Mr. KAZEN. The only reason I am making this point is that there are other things that we may well want to look at and we will want to know for how long this is going to be.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BROOMFIELD. I yield 1 additional minute to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman from Michigan for yielding me this time.

Mr. Chairman, let me again point out that in section 5 of this resolution we specifically provide that support of this joint resolution does not mean we are signifying approval, we in the Congress, of any other agreement, understanding, or commitment. We are now speaking of this Sinai accord and the American technicians are absolutely vital to the success of that accord.

Mr. KAZEN. Let me ask the gentleman from Illinois one more question.

In reading the report of this resolution, is it the contention of the committee that all facets, all agreements, all commitments, are printed in this report that the committee has been able to find out about?

Mr. DERWINSKI. The committee had to utilize sources outside the normal such as newspaper reports. But yes, the committee has provided everything that was available and that has been declassified.

Mr. KAZEN. Is the committee in a position to tell us that there are no other commitments besides those that are printed in this report?

Mr. DERWINSKI. To the best of my knowledge, there are not, since we also have section 5. I urge a vote for this resolution.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Chairman, I find it really difficult to believe my own ears here this afternoon when I find that the Egyptians trust the United States, the Israelis trust the United States, but a good many Congressmen do not trust the United States. I think that instead of assailing the Secretary of State and picking flaws, and nitpicking on this thing, we ought to be hailing him for one of the most positive achievements for peace in our lifetime.

Ever since I can remember, the Middle East has been a source of friction, irritation, war, guerrilla fighting, and what-have-you. President Sadat has gone a long way. He is out on a limb. The radical Arabs, like that nutty Quaddafi—who would not amount to a hill of beans if he did not have all of that oil money—are attacking him and are trying to bring him down. He has placed his trust and confidence in the United States, and, as has been pointed out here, he has severed his relationship with the Soviets. Neither side is willing to trust anybody but the United States.

If one listens to this debate long enough this afternoon, as I said, it sounds as though everybody is willing to trust the United States except the Congress. I think the Congress ought to have a say in foreign policy, and I think it ought to set the general guidelines. But the Congress, with 535 Members in both bodies, cannot conduct day-to-day foreign policy operations. If we do not want to totally destroy America as a force for good in the world, we had better quit trying to run foreign policy on a day-to-day basis; that is all I can say to the Members.

This agreement is not going to get us in a war. These people, I agree with the gentleman from Illinois, are probably going to be safer than they would be on the streets of Washington, or maybe even Chicago; I do not know as I have not been there lately. But I will go along with him on Washington. They are the last people who are going to get hurt, because it is in the interest of both parties to see that nothing happens to these 200 people out there. I think that both parties are going to see that they do not get hurt. The only possible thing that could happen is if some Palestinian guerrillas should infiltrate there, and I think that is going to be pretty difficult in either case, either through the Egyptian lines, or the Israeli lines.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I thank the gentleman for yielding.

I think the gentleman is hitting an area that is sensitive to the people who will be passing on this resolution. I think the question which was posed by the gentleman from Texas (Mr. Kazen) is a good question and one which has got to be answered. But I think this is one that we must face now.

The hypothetical question posed was: What does this Nation do? What do we want the President to do? What should our policy be if, for some reason these 200 men are placed in jeopardy of their lives because of an outbreak of a war? If that happens, why could we not allay the fears of the Members who have this in their minds by adding a provision in this joint resolution in which we state that that shall not be sufficient for this Nation to use military force to go to their safety?

Mr. HAYS of Ohio. I think that is inherent in the thing. These people are going out there as private contractors. They are going to be well paid; they are going to be well briefed on the potential dangers that they face; and there is no way that this Member, who is going to support this resolution as much as he can and vote for it, would vote to send anybody there to rescue them. They take that risk. As I said, I think they are taking less risk than they would be in walking from the Capitol to the Lincoln Memorial at midnight tonight. Probably the worst thing that could happen to them is they might get bitten by a scorpion or something like that, but they are going to be briefed to even watch out for that.

So how hypothetical can we get? I mean: Do we want peace or do we not? But I can give the Members my word right now there is nothing in any covenant anywhere that says we are going to send military force in there if this happens. And the odds are 10,000 to 1 against that. They are on their own. But one army or another, either the Israelis or the Egyptians, is going to bail them out, Members can bet on that.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I am entirely in accord with the direction of the bill. I do want to raise one question that the gentleman has raised and I think very well, and that is there could be danger to these persons not only by reason of hostilities between Egypt and Israel but also by virtue of the bombing of the passes by some other country or, for instance, by the Palestinian guerrilla activities.

Would the gentleman object if, after the language in which it is said that—

> Such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel—

This language, which is taken from the war powers bill, were added:

> or in any other circumstance in which such civilian personnel would be introduced into hostilities or would be placed in situations where imminent involvement in hostilities would be indicated by the circumstances?

Those are almost exactly the words of the War Powers Act.

Mr. HAYS of Ohio. I do not have any personal objection. I think it is already taken care of. If the gentleman wants that, this Member has no objection. I think it is inherent that it will happen anyway.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Chairman, at the risk of drawing further comment from the gentleman from Ohio (Mr. Hays), I think it is entirely prudent for members of the Committee to examine very critically the language of a resolution of this nature. I have a vivid recollection of some years ago, when the Tonkin Gulf resolution was on this floor, I had questions in my mind that day when we were asked swiftly to give it our endorsement and not nitpick nor raise questions—the mood was support the President, get behind him at this moment of great delicacy. I have regretted ever since that I was persuaded not to raise questions. As I look back on it, it is one of the worst mistakes I have made in my 15 years in this House.

I am not trying to draw a parallel between the Tonkin Gulf resolution and this situation today in the Middle East, but we are asked to approve language which gives the President extraordinary authority in the Middle East.

I hope the gentleman from Michigan has a little extra time. I think it is vitally important that we try to clarify as best we can what is meant by the language of the resolution.

My first question, if I could have the attention of the chairman or whoever would like to respond, relates to the second Whereas clause at the top of page 2 which says:

> Whereas the implementation of the United States proposal for the early-warning system in Sinai may enhance the prospect of compliance in good faith with the terms of the Egyptian-Israeli agreements.

Now, by the term "Egyptian-Israeli agreements" is surely meant only the agreements that were presented to the committee and presented to the public by the State Department. None of the collateral agreements are encompassed in that. Am I correct?

Mr. MORGAN. If the gentleman will yield, only the basic agreements between Egypt and Israel are involved here.

Mr. FINDLEY. I thank the gentleman.

The next phrase that causes me concern is in the "Resolved" clause which was drafted by the chairman in cooperation with technicians on the committee. The first phrase under the "Provided, however," says:

> That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities.

The gentleman from Colorado (Mr. Evans) I think very properly raised a question as to the mandate that is written in those words. I see no reservation whatever in the committee report or in the language of the resolution and I would assume that a future President of the United States is mandated to remove the personnel immediately in the event of an outbreak of hostilities, to use whatever means, whatever resources, whatever military force even is needed to remove them immediately, is that a reasonable interpretation of that language?

I will ask anybody who would like to respond. Is that a reasonable interpretation of the language, that it mandates to the President of the United States to take whatever measures are necessary to remove the personnel immediately in the event of the outbreak of hostilities? I see no reservation; does the chairman?

Mr. MORGAN. The answer would be no. The resolution has specific guidelines for the removal of the technicians but it does not try to prejudge a situation which may develop in the future—and bind the President.

Mr. FINDLEY. So it is conceivable that in an exchange of gunfire which might escalate promptly, the President might see the need to move in with the Marines or move in with a very substantial military force, because he is mandated to make the rescue immediately without reservation; is that the interpretation of the chairman?

Mr. MORGAN. It would depend upon the circumstances, of course. He would have to exercise his best judgment at that time. I would hope they would have advance warning of any trouble and could be removed without endangering anybody's life.

Mr. FINDLEY. Mr. Chairman, I have a couple other points here before I can yield.

I asked State Department officials of prominent rank this question. If an outbreak of hostility does occur, does this terminate the obligation of the United States under this resolution?

The answer clearly and unequivocally came back that no, it does not. It would interrupt the presence of technicians in the Sinai, but the obligation of the United States to provide technicians would remain and, presumably, they would be restored once hostilities cease.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield the gentleman from Illinois 2 additional minutes.

Mr. FINDLEY. Mr. Chairman, then these words:

> Or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary.

Now, I would like to ask the chairman of the committee if it is his interpretation of this language that the adoption of a concurrent resolution by the Congress would terminate the obligation of the United States under the agreement?

Mr. MORGAN. Mr. Chairman, I think it would. The withdrawal of the technicians would make the agreement inoperable to that extent.

Mr. FINDLEY. Then the concurrent resolution would have the effect of terminating the obligation?

Mr. MORGAN. As far as the Congress is concerned.

Mr. FINDLEY. As far as the Congress is concerned, there would be no residual authority in the hands of the President to return the technicians. The reason I raise the question and the reason I think it is a proper question is that the Under

Secretary of State has said that the obligation of the United States will continue until it is superseded by another agreement, not an agreement between the United States and other parties, but an agreement between Egypt and Israel.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, the resolution specifically states:

> Or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary.

Mr. FINDLEY. Does the gentleman from New York disagree with the Chairman on this point?

Mr. WOLFF. No.

Mr. FINDLEY. What is the gentleman's position?

Mr. WOLFF. To what does the gentleman refer?

Mr. FINDLEY. Is it the view of the gentleman from New York that the adoption of a concurrent resolution would terminate the obligation of the United States to station technicians in the Sinai?

Mr. WOLFF. By concurrent resolution, we can do anything we want to.

Mr. FINDLEY. Will it have the effect of terminating the commitment, the obligation of the United States, to maintain technicians in the Sinai?

Mr. WOLFF. So far as I am concerned, the resolution specifically states that we can by concurrent resolution.

Mr. FINDLEY. Mr. Chairman, I understand the gentleman's interpretation.

The problem with which we are confronted is that the views of these Members of Congress are in conflict with what the Under Secretary of State has said. I raise these questions in order to underscore the permanence of this obligation which the executive branch, at least, sees in the obligation. That is why I think it is very important for the members of this Committee to consider seriously a limitation on the authority at this juncture at the outset before all of the signatures are written on the documents, for us to have the opportunity within a reasonable time to assess the entire Middle East situation and determine at that time whether it is prudent to extend the authority.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I am glad the gentleman brought that point up, because as I read this resolution, there is only one circumstance in which the bill orders removal of the personnel, and that is the circumstance of outbreak of war or hositilities between Egypt and Israel. Then, the only other way that they may be mandated to be removed is by the concurrent resolution to be passed in Congress.

It seems to me quite clear that this is very different from the war powers resolution, in which Congress was merely saying. "We never declared war in the first place and you must pay attention to that." This is a situation in which we would be, by passing one concurrent resolution, in fact, changing existing law.

Mr. FINDLEY. I recall the gentleman's argument at the time the war powers resolution debate was going on, and he raised the question then as to whether the President, under the Constitution could, notwithstanding the provisions of the war powers resolution, veto a concurrent resolution and then require a two-thirds override vote for the concurrent resolution to have effect. What is the gentleman's attitude on the President's opportunity to veto a concurrent resolution as specified here?

Mr. ECKHARDT. I think there was an argument at that time that Congress was merely declaring that it had never done anything to extend that power, but in this case Congress is clearly changing a power previously granted, and it is saying, "A different situation now exists, and therefore we by concurrent resolution are directing that these people be pulled out."

Clearly, that is subject to veto.

Mr. FINDLEY. There is a cloud of uncertainty over Presidential veto. Would the gentleman acknowledge that?

Mr. ECKHARDT. The gentleman would go further and say that there is no uncertainty. The President could clearly veto, and if there is uncertainty the President simply says, "No concurrent resolution was sent to me, and therefore it is not law," and he disregards the concurrent resolution. That is the point I am making.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I intend to support the passage of the resolution before the House today which approves the text of the agreement under which American civilian personnel will man the early warning system in the buffer zone between the Egyptian and Israeli Forces i nthe Sinai. At this time, I would like to state briefly my reasons for voting in support of this proposal.

First, I believe that in signing this agreement both Israel and Egypt have made significant concessions in their efforts to resolve their disputes and to lessen tensions in the Sinai. In light of this demonstration of good faith, I believe that the United States cannot and, indeed, should not, refuse to play the important peacekeeping role which both sides to the conflict believe is crucial to the agreement's long-term success. Moreover, I believe that for simple humanitarian reasons the United States has a moral obligation to the people of the Middle East to take appropriate action to save this already war-torn region from the horrors which would inevitably accompany future outbreaks of armed conflict.

Second, I believe that we must approve this proposal because it is in the interest of the United States to do so. This Congress must continue to recognize that many of this country's vital interests are directly threatened when the specter of war and sporadic hostilities persist in the Middle East. Like it or not, this Nation continues to import large quantities of petroleum from this region, and as long as we remain dependent on foreign energy supplies, the health and stability of our own economy remains in severe jeopardy. In addition, the political stability and economies of many of our closest allies and trading partners in the Western Europe, Asia, and the less developed world are similarly threatened by the turmoil in the Mideast.

Since the initialing of the agreement by Egypt and Israel last month a considerable amount of public discussion has focused on the significance of the commitment symbolized by the placement of the U.S. personnel, and on the actual safety of the volunteers. I doubt that any of my colleagues will disagree that these two concerns are important and deserve our serious attention at this time.

In my judgment, there is little justification for the frequently stated contention that stationing 200 civilian American volunteers in the Sinai will have the same result that sending 16,000 military advisers to Vietnam had for this Nation. The two situations are simply not similar. Today we are considering the acceptance of an invitation, made by two parties to a conflict, to place civilian surveillance experts in the presence of 5,000 U.N. peacekeeping forces that occupy a demilitarized zone. In Southeast Asia, at the request of a single government we supplemented its ongoing military efforts against its opponents. As one thoughtful journalist recently cautioned, we must be wary not—

> . . . to let awareness of folly in the past lead to immobilism in the present—or to hold out for perfect solutions to difficult problems. The Sinai agreement is imperfect. It leaves the situation highly dangerous. But it is an accomplishment of diplomacy where there have been almost none for a generation.

Furthermore, I do not feel that acceptance of this invitation binds the United States to any commitment beyond that which is specifically set forth in the measure we are considering. I, for one, reserve the right to defer consideration of any commitments of future foreign assistance to the nations involved in this agreement until such time as the President formally submits his proposals for financing such assistance to this body.

Lastly, while I readily admit my concern for the safety of the American volunteers, I believe that safeguards are available which can minimize the obvious risks these technicians will be taking. As I have already noted, these Americans will be in the presence of 5,000 U.N. peacekeeping troops. In addition, the United States will retain authority to withdraw these technicians at a moment's notice, if for any reason the Department of State judges that their personal safety is threatened. Based on the assurances that we have received from the administration, I feel that every effort will be made to insure the safety of these volunteers.

In conclusion, let me simply state that while risks are implicit in any international undertaking of this sort, the dangers that we face if we do not approve this agreement are as great as, if not greater than, the dangers we face if we endorse it. America's opportunity to contribute to world peace—and possibly a final Mideast settlement—is great. Let us not turn our backs on it.

Mr. MORGAN. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I rise in emphatic support of the concurrent resolution reported out of the Committee on International Relations. I happen to be a Member who, not belatedly, discovered the ill-advised nature of our involvement in Vietnam. I would like to note my own conviction that, not only with reference to the procedure—and by that I mean we had something on the order of 24 hours to vote up or down the sweeping Tonkin Gulf resolution—but this particular matter has been examined by our colleagues in the press with perhaps more care and scrutiny than any resolution ever reported out of the Committee on International Relations.

Mr. Chairman, fundamentally, as to the substance of the difference which I hope is apparent to one and all, this resolution which is designed to keep the peace in the Middle East by having a few hundred Americans serve the cause of peace in this instance, at the request and with the full agreement of both parties, can clearly be distinguished from our unilateral action in support of one side of a multifaceted difference of opinion in Southeast Asia.

I would say that we in the Congress cannot have it both ways. We cannot criticize the executive for its failure to move the cause of peace ahead on one hand, and then in this instance our Secretary of State has pulled off a near miracle in terms of bitterness and division historically and currently in this area, and therefore we should support the resolution.

We find ourselves, I would state, merely being asked to see that, with the differences of opinion, with the complete distrust one side has for the other, we serve, as it were, as a host on both sides, to begin to develop the kind of mutual confidence in each other's judgment that will make meaningful peace a likelihood in this area rather than the virtual certainty of war if this agreement had not been constructed.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, in the Middle East, neither peace nor war is predictable. Two years ago, few observers anticipated the sudden outbreak of the October 1973 war. Conversely, several months ago, only the rare optimist would have argued that the conclusion of an agreement between Egypt and Israel would be possible in the near future. Yet, there was war and now there is a positive step toward peace—a step in the form of an agreement that might ease some of the unpredictability and uncertainty which plagues the Middle East and which, therefore, disturbs the rest of the world.

We must recognize here today that the conclusion of the Israeli-Egyptian agreement in the Sinai is the product of serious efforts designed to reduce this uncertainty which has been a permanent fixture in the Middle East for at least the past 28 years. These efforts have constituted a great act of courage of both for Prime Minister Rabin of Israel and for President Sadat of Egypt. Despite considerable criticism and hesitancy within their countries and without, Mr. Sadat and Mr. Rabin have reached an agreement which each has strongly had to defend particularly during these recent trying weeks of congressional deliberation and examination of the American role in the implementation of the agreement.

Congress must do more than recognize this agreement for the act of courage that it is, however. It is now up to Congress to acknowledge this initial commitment to peace on the part of Egypt and Israel and to reenforce it by approving the stationing of American civilian volunteer techicians at surveillance stations in the Sinai Peninsula.

Frankly, I would have preferred that no American citizens be located in the Sinai. The direct involvement of Americans in the Middle East is something which concerns me deeply. However, I accept the fact that the agreement between Egypt and Israel would not be possible without the presence of up to 200 American volunteers in the Giddi and Mitla passes to man surveillance stations. It is not the sophistication or the secrecy of the surveillance equipment which requires that U.S. civilians operate it. There is no technological need for an American presence in the Sinai. The need is a psychological one. Although the will to reach an agreement was present in the Egyptian and Israeli negotiators, the trust to enable an understanding was not. The Americans are there to supply that element of trust—that last missing link to the success of the entire agreement. Neither the U.N. nor any other group or nationality was equally trusted by both Egypt and Israel to assume this surveillance task. When, and not before, Congress approves the stationing of U.S. civilian technicians in the Sinai, the implementation of the Israeli-Egyptian agreement can begin. I urge, therefore, my colleagues in Congress to provide the needed trust and impetus toward the implementation of the Egyptian-Israeli agreement by voting for House Joint Resolution 683.

The American technicians who will be present in the Mitla and Giddi passes should Congress pass this resolution will be civilian volunteers. They will not be in the Sinai to advise one side or the other but simply to man the surveillance stations and to report to each side the readings of these instruments. They are strictly noncombat personnel, whose safety will be guaranteed by the United Nations peacekeeping forces. Located in the buffer zone with Egyptian and Israeli limited forces areas on either side of the zone and stationed far from population centers, the U.S. technicians should be insulated from threats of terrorist attacks. By the provisions of House Joint Resolution 683, Congress also reserves the right to remove the civilian personnel should it determine that their safety is jeopardized or that their presence is no longer necessary. In the event of an outbreak of hostilities, the U.S. Government will recall its technicians immediately, if necessary, using force to extract them, but only that minimal level of force designed to withdraw the technicians without involving this country further in the conflict.

What would most endanger the lives of these technicians, however, is a breakdown in the momentum of future negotiations. Impatience with the progress of the resolution of differences between Israel and her Arab neighbors could lead to renewed fighting in the Middle East. Not only would the lives of these American civilians be threatened, but the stability and well-being of the Middle East and of the United States would be at stake as well.

The United States, therefore, must work to maintain the momentum of negotiations. Although the prospects for an agreement on the Golan Heights might look bleak now, in retrospect, the possibilities for an understanding on the Sinai Peninsula similarly appeared slight a few months ago. It is important to remember that the mandate for the United Nations peacekeeping forces on the Golan Heights expire in November, making an immediate need for the opening of negotiations between Israel and Syria imperative. The United States cannot allow itself to neglect the Middle East. We cannot leave President Sadat, a moderate leader, hanging as odd man out, isolated and discredited because of his single willingness among Arab leaders to negotiate.

I would, therefore, hope that in supporting this resolution, Congress makes it evident that it is approving the results of past negotiations while endorsing the continuation of future negotiations.

Congress also must make it very evident that in endorsing the stationing of U.S. technicians in the Sinai, it is not giving its approval to any other agreement which American negotiators might have initiated or concluded. I have carefully considered the four secret memoranda. They worry me. They are vague, elusive, and open ended. State Department explanations of their contents have been equally vague, elusive, and open ended. Phrases like "with a view to giving a positive response,"* the International Relations Committee has been told, do not really mean that there was any intention of giving a positive response, and a sentence such as "The Geneva Peace Conference will be reconvened at a time coordinated between the United States and Israel" does not, in any way, imply that the United States is already binding itself on future policy regarding a Geneva Peace Conference. Although secret documents have been all over the pages of the Washington Post and the New York Times, the State Department has insisted that no explanation other than a brief summary may be available to a confused and concerned American public. Congress cannot agree to the text of these other agreements because in good part, Congress, like the

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*Quotations are taken from newspaper accounts of the documents.

American public, is still unaware of the full portent of their contents. In the ensuing months, Congress, should continue to scrutinize these documents and to probe them to assure the country that we fully understand all agreements between the United States and any other nation which have been made.

I want to stress, that in casting my vote today for the Sinai agreement, I do not commit myself to the support of any of the memoranda of understanding that I have seen in committee. I do not support them at this time because their implications have not been adequately analyzed and the interpretation of certain assurances in a time of conflict in the Middle East is still unclear. I reserve judgment on the question of funding these agreements until such time as we know the total price tag and the full implications of the funding of the agreements.

Without abandoning its right to examine all United States commitments toward the Middle East, Congress should now move quickly to approve House Joint Resolution 683. Without this approval, the final implementation of the agreement between Egypt and Israel is not possible. This first step toward peace in the Middle East merits congressional approval.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. du Pont. I yield to the gentleman from Ohio (Mr. Hays).

Mr. HAYS of Ohio. I thank the gentleman for yielding.

Mr. Chairman, the gentleman must be aware—and I am sure he is—that 76 Members of the other body signed a letter to the Secretary of State demanding that we give to Israel $2.75 billion worth of arms. That is not a commitment the Secretary made. I think his commitment was more in the area of $2.3 billion. Seventy-six Senators. Now those same people are trying to pick this thing to pieces. When the chips are down, the gentleman knows what they are going to do and I know what they are going to do. I do not know what the gentleman is going to do, but I know what I am going to do. I am going to vote to give Israel the arms she needs and also vote to give Egypt some aid. One can call it buying peace, or whatever; but whatever it is, the price is going to be very, very cheap compared to a war.

Mr. du PONT. Mr. Chairman, I thank the gentleman for his remarks, and I concur with them. We are going to give aid to Egypt and we are going to give aid to Israel, but I do not want this approval today to be construed as an approval of the four memoranda that we have seen in the press.

I made this statement to develop the legislative history, because I do not want the administration coming back 6 months from now and saying, "You have got to do this and you have got to do that because you have already approved it when you approved the stationing of people at Sinai."

That, to me, is the important point.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I want to commend my colleague, the gentleman from Delaware. I would like to associate myself with his remarks.

I think the gentleman has put his finger on the problem that has existed right along from the time this agreement was made known. I have the same concern that my colleague, the gentleman from Delaware, has, and I think the legislative history will show that I do share the same concern with the gentleman.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, does the gentleman feel that the colloquy we have established here concerning the legislative history deals directly with the language in section 5 of the joint resolution, and that this does exactly what the gentleman has said ought to be done?

Mr. du PONT. Absolutely.

The CHAIRMAN. The time of the gentleman from Delaware (Mr. du Pont) has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 additional minutes to the gentleman from Delaware (Mr. du Pont).

Mr. FASCELL. Mr. Chairman, will the gentleman yield further?

Mr. du PONT. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, this language in section 5 is as follows, and I quote:

> The authority contained in this joint resolution to implement the "United States Proposal for the Early Warning System in Sinai".

And that refers to the proposal that is attached to the basic agreement between Israel and Egypt. And carrying on with the language in that particular paragraph, it says:

> * * * does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch.

So that clearly excludes any inference, implication, ratification, prior approval, subsequent approval, or conditional approval or any other understanding that might exist, whether it is covered in the documents which were leaked to the press or whether it is included in the summary of items which we either know about or do not know about.

Does the gentleman agree with that statement?

Mr. du PONT. Mr. Chairman, I do agree, and I think the gentleman from Florida states it better than section 5 says it.

My purpose this evening is to underscore the fact that all we are approving is the technicians stationed in the Sinai.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, while the distinguished member of the committee is making legislative history on this joint resolution, I wonder if we could have some perspective as to why the figure of 200 was determined.

Is there some formula we should know about? Are we talking about the possibility of having considerably fewer, or do we plan to use the 200 technicians?

Mr. du PONT. Mr. Chairman, I believe the original request by Israel and Egypt was for a somewhat larger number, and in the final negotiations it was worked down to 200. I would prefer to refer the gentleman to the chairman of the committee for an explanation.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield further?

Mr. du PONT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I was aware of the fact that the figure of 200 was considerably less than was originally asked for. But I am just wondering if these 200 are going to be satisfactory to the principals, and will the 200 technicians be able to perform the functions they are supposed to perform?

Mr. du PONT. Mr. Chairman, I will say in answer to the gentleman that the 200 technicians will be satisfactory to the principals because they have agreed to it.

I would further say that there is no need whatever in having these people there from a military point of view. The job could be done with sensors and without people. However, this provides that the 200 Americans be there for political and psychological purposes. That is the true reason.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. Buchanan).

Mr. BUCHANAN. Mr. Chairman, I wish to point out that there is a function for these American technicians to fulfill which would in my judgment require their physical presence there and which could not be done by any kind of device.

One of the functions within the context of the agreement that they are to fulfill is to oversee what is happening in the Israeli watching station and what is happening in the Egyptian watching station and to make sure to the satisfaction of the other side in each case that what is going on is in fact in line with what they are supposed to be doing, which is monitoring the pass. The parties were concerned that there might be some kind of unauthorized activity taking place in the Egyptian watching station or in the Israeli watching station, and each wanted the Americans there to see what was going on in the watching station operated by the other side.

We cannot do that with sensors or other equipment. That requires people on the ground.

Mr. Chairman, I would simply say that I would strongly disagree that their presence is not required. Clearly, I believe, to fulfill this part of their function, which is a matter of concern to both parties to the agreement that their presence is required.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes; I yield to the gentleman from Delaware.

Mr. du PONT. The gentleman will recall that the testimony of the Defense Department was very clear that in military terms——

Mr. BUCHANAN. The gentleman is talking about a different function, I would say.

Mr. DU PONT. If the gentleman would let me finish—there is no military need for those people. The need is psychological and political. That is the important point.

Mr. BUCHANAN. The gentleman is expressing a point of view, rather than a fact. Whether or not it is necessary for them to do the American watching function in the passes with people there, or with equipment only is not the point. Their presence is necessary, and the State Department so testified, to fulfill this first part of their function in the agreement; and according to the agreement, that is to monitor what is happening in the Israeli and Egyptian watching stations.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, I rise in support of House Joint Resolution 638, a bill designed to implement the U.S. proposal for an early warning system in Sinai and to authorize the stationing of 200 American technicians volunteering to serve there.

WHY RESOLUTION SHOULD BE SUPPORTED

I urge support of this resolution for several reasons:

First, it is essential to the success of the entire Egyptian-Israeli agreement. Without this resolution, the agreement reached between Israel and Egypt will likely be voided and the threat of renewed hostilities in the Middle East measurably increased. That prospect, and the probable oil embargo that might accompany any hostilities, raise ominous possibilities for our Nation.

Second, the presence of the American technicians was requested by both Israel and Egypt and without their presence in the Sinai there will be no agreement. Without the technicians, the trust of Israel and Egypt in America's role as a Middle East mediator and honest broker would be greatly diminished.

Third, it is urgent that Congress act now. The implementation agreement between Israel and Egypt is geared to the calendar, not to numbered days after our resolution passes. That calendar process has started this week, and to delay action further can only serve to frustrate the improving negotiating climate between Israel and Egypt.

Fourth, this resolution of approval is narrowly construed and does not extend to any other agreements or commitments which may have been made in the larger context of a Middle East settlement. We are passing judgment here on only one issue: The sending of 200 civilian American technicians to Sinai to man early warning systems and three watch stations.

Fifth, there is today no viable alternative to the proposed stationing of American technicians in Sinai. The United States and the parties involved have been debating this issue for months and no good alternative has emerged. The United States reluctantly agreed to stationing Americans in Sinai only when it became apparent that without them, negotiations were deadlocked.

Sixth, there are other important bills which offer better opportunities for discussing the problems and doubts that many Members have concerning the conduct of the Middle East negotiations and commitments made during them. The most appropriate vehicle for this discussion is the fiscal year 1976 Middle East aid bill, which will likely be presented to the Congress in the next few weeks.

MAJOR CONCERNS

When the Committee on International Relations considers the fiscal year 1976 Middle East aid request, which might run as high as $3.2 billion, the political and economic commitments that may lie behind the aid package deserve our careful attention.

I do have some concerns relating to the agreement. They include:

The nature and extent of commitments made by the United States during the negotiations;

The reluctance and the hesitation of the administration in presenting to the Congress the agreement, assurances, and understandings involved;

The very high price Americans are being asked to pay for what appears to be small progress toward peace;

And that some of the commitments made to Israel may be premature, given the contentious issues of the Arab-Israeli conflict that are yet to be discussed in peace talks and the wide range of interests we have to protect throughout the Middle East.

Behind these concerns lies one crucial question: Is the recent Sinai agreement designed to buy a few years of tranquility between Israel and Egypt, or is it designed to set in motion far larger series of steps toward reconciliation and accommodation in the entire Middle East? If the latter is the case, the price we pay in terms of money and commitments could be small compared to the benefits we receive of access to oil and an era of relaxed tensions in the area.

In brief, my greatest concern is that this recent agreement in the Middle East may be viewed by some as an end in itself, and not as a catalyst for a more durable peace. If the agreement breeds complacency, Congress and the President must retain the flexibility to redefine our commitments and the scope of our support in the area. The Middle East aid bill is the appropriate place to voice concern on these matters.

CONCLUSION

Mr. Chairman, the Middle East is bound to be at the core of the Congress involvement in international relations over the next few years. To play an effective role and help to promote all American interests, we need to avoid too many commitments, maintain flexibility, and keep well informed about the process and substance of peace talks in the region. The many stops, starts, and detours that may exist on the road to a Middle East peace dictate no other course.

It should be our hope that what we start today by passage of House Joint Resolution 683 is in keeping wih our central objective, which is to help promote a lasting Middle East peace.

I urge support of House Joint Resolution 683.

Mr. MORGAN. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I shall vote today for House Joint Resolution 683 to implement an early-warning system manned by U.S. technicians stationed between Israeli and Egyptian forces in the Sinai. I shall also oppose the amendment to limit the U.S. commitment to 2 years. I have been reliably informed that this agreement would jeopardize the whole agreement.

Both Israelis and Egyptians insist that without U.S. participation, there will be no Sinai peace agreement. Without this first of a hopeful series of peace initiatives, there will almost certainly be another Mideast war. In such a war the Soviet Union would almost certainly intervene to prevent a complete Egyptian defeat. The United States would almost certainly intervene to prevent a complete Israeli defeat, or to counter a Soviet intervention. For without U.S. involvement, the chairman of the Senate Committee on Armed Services has stated, the Soviets would dominate the Middle East and "would then control 60 percent of the world's petroleum reserves."

In even a limited war, the cost to the United States would be enormous. It is less than certain that the United States would have the military strength or the bases to match the Soviets in conventional warfare. And the costs of a nuclear war would, of course, be incalculable.

Risks must be present in any such agreement, but the risks that this could spark another Vietnam have been overdramatized. Our technicians will be there by invitation of both sides. They will be protected by 5,000 United Nations troops. They will be civilian volunteers, not military advisers, as in Vietnam. They will be there at their own risk, with no obligation on our part to go to war to protect them. They will be subject to withdrawal at any outbreak of hostilities or at the will of Congress.

But in any case, this is a late date at which to become alarmed over the presence of U.S. nationals in the Middle East. For years, thousands of American citizens and their families have been stationed in Iran, Saudi Arabia, and other nations of the Middle East, under arrangements which include few of the safeguards stipulated in the Sinai accord.

As the father of a son wounded twice in ground combat in Vietnam—indeed, nearly killed—I have a horror of exposing this country to the risks of another Vietnam. In this case, I believe the risks of another Vietnam would be minimal compared to the risks facing this country without a Middle East peace.

Mr. Chairman, I shall vote for the Sinai accord because it is in the best interests of the United States.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Pennsylvania.

Mr. BIESTER. Mr. Chairman, 2 years ago this month the Middle East exploded into the most devastating of four wars which have plagued this region since

1948. By the time the United Nations cease-fire resolution could be implemented—less than 3 weeks after the outbreak of hostilities—nearly 3,000 Israeli and over 23,000 Arab soldiers had been killed, 3 times this number had been wounded, and over 2,000 tanks and 450 aircraft lay wrecked on the battlefields. These figures testify to the ferocity of the combat. Moreover, the United States and Soviet Union had narrowly escaped a direct confrontation of their military and political wills, and a crippling oil embargo had been imposed by most of the Middle East producers.

Despite the 1974 agreements on military disengagement in the Sinai and on the Golan Heights, tensions in the Middle East remained high, often resulting in a cycle of terrorism and retaliation.

Our Nation's continued economic and military security are too seriously involved in Middle East developments to deny ourselves a constructive role in establishing a just and lasting peace in this volatile region, particularly when the major interested parties have requested such American participation. The joint resolution to implement the United States proposal for the early-warning system in the Sinai can be a major contribution to the search for peace. By authorizing the use of 200 unarmed American civilian volunteers to man this system in the Mitla and Giddi passes, this country will make possible the implementation of the September 4 Egyptian-Israeli agreement. For the first time in history, these two powers have agreed that their conflict should be resolved by peaceful means, not military force.

Provisions which further separate and limit the deployment of their armies in the Sinai will substantially reduce the mutual fears of surprise attack. And the Israeli and Egyptian Governments have solemnly pledged their determination to continue negotiations for a peaceful settlement to their remaining differences.

This agreement is, I believe, our best opportunity to generate further momentum toward agreement on other, even more difficult issues. It is certain, on the other hand, that continued stalemate in the Middle East would, before long, lead to an even more serious general conflict. Again, terrible suffering would follow for citizens of all the nations involved. Again, the United States—and, most probably, Western Europe and Japan—would have its access to Middle East oil interrupted. Our dependence on this source of oil has grown from 10 to 20 percent since 1967, and until our energy conservation and alternative sources programs take substantive effect—a question, perhaps, of 5 to 10 years—this dependence will most likely increase. With our high unemployment, further serious economic disruption due to fluctuating oil supplies and probable price hikes would immediately cripple our modest advances toward economic recovery. Lastly the geopolitical consequences on a fifth Middle East war, and the new possibility of a Soviet-American confrontation, would be no less fearful.

Many distinguished Americans and several Members of this House have understandable fears that the presence of 200 American technicians in the Sinai is fraught with dangers, not only for the lives of these volunteers but for the future of American foreign policy. We are warned by many that such an American presence—and the implications of this precedent—may be the seeds of a greater, more direct military involvement in Middle East affairs. The "lessons of Vietnam" are repeatedly cited to remind us of the tragic consequences of incremental, secretive involvements in foreign strife. The "Vietnam analogy" is now used incorrectly to interpret our position in the Middle East just as the "Munich analogy" often misguided our national debate over Vietnam.

But Sinai is not Vietnam. The 200 unarmed civilian technicians are in no way comparable to the American "combat advisers" dispatched to South Vietnam in the early 1960's.

First, and most importantly, these 200 American volunteers have been requested by both Israel and Egypt, and are considered by both parties to be essential to the successful implementation of the September 4 agreement. Their mission will be to serve as neutral observers to insure an important peace. They are not being sent to help one side against another in an ongoing war. Nor do they represent any decline in American support to Israel; indeed, the Israelis have been most adament on awaiting congressional approval of this American participation before formally signing the interim agreement. Rather, these 200 Americans represent a new bond of mutual trust and mutual interest between the United States and the Government of Egypt, a leader of moderate elements among the Arab States.

Second, unlike our experience in Vietnam, our debate today is evidence that Congress has asserted its responsibility to examine and vote upon important questions of American foreign policy involvements. We have amended the original resolution to insure that the President shall submit written reports to Congress, no less than every 6 months, on the status, scope, and anticipated duration of the American participation in the early-warning system. We have specified, as well, that this joint resolution does not signify the approval of Congress for other agreements made by the Executive regarding the Middle East. Questions of military and economic aid for Israel and Egypt will be thoroughly examined by the appropriate House committees and, eventually, by the entire membership of this body.

Last, it is explicitly stated in the resolution that American personnel assigned to the early-warning system will be immediately removed in the event of an outbreak of hostilities or if Congress should determine that their safety is jeopardized or their continued role is no longer necessary.

Great benefits for this Nation, and indeed all the world, can result from a lasting peace in the Middle East. This peace will, as we all know, be most difficult to achieve. But the latest Egyptian-Israeli agreement is the most hopeful sign in many years that this need not be an impossible goal. The alternative of continued, escalating conflict is clearly unacceptable. The United States, called upon to perform a limited, but vital task in the quest for peace, cannot, in our own best interests and those of our friends and allies, now refuse.

For these reasons, Mr. Chairman, I urge support of the resolution.

Mr. WHALEN. Mr. Chairman, my mother had a sister who was a registered nurse. One day my aunt saw her patient with a puzzled look on his face. She said:

> What seems to be the trouble?

He replied:

> Well, I am nervous because I don't have anything to be nervous about.

Mr. Chairman, I think this has been the reaction to the Sinai agreement by the Members of the Congress, the media, and indeed the American people. We are nervous but we do not know quite what it is that we should be nervous about. I think this concern is reasonable and understandable in the light of the duplicity which transpired during our involvement in Indochina. But, Mr. Chairman, as a result of this concern we have overlooked, in my opinion, a very important shift in the position of the United States in the international community. During most of the 35½ years between September 1939 and the spring of this year, the United States has either been involved directly in a war or has supported countries which have been engaged in hostilities. Today this no longer is the case. Instead, we have reverted to a role which our country played during the last century and the early 1900's—that of peacekeeper. What more important contribution can a country make to mankind.

So, Mr. Chairman, instead of being disturbed by the placement of 200 monitors in the Sinai, we should recognize and applaud this tremendous about-face in American policy, a policy dedicated to peace, not war.

Mr. Chairman, let me address myself to two other points which have been raised during the debate thus far.

The question was raised: How long will these monitors remain in the Sinai?

Let me just make an addendum to the response of the gentleman from Illinois (Mr. DERWINSKI) to that inquiry. As the Members know, the funding for this will be approximately $10 million a year. These monitors will remain only so long as the Congress provides these funds. This funding will be up for review each year and if we decide it is no longer in the interest of our Government to keep those monitors in the Sinai, we can terminate that funding. This commitment, therefore, will cease under these circumstances.

The question was raised with reference to the endangering of these monitors by others than Israeli or Egyptian troops. I would refer to the language on page 2 of the joint resolution:

> That United States civilian personnel assigned to Sinai under such proposal shall be removed . . .

And then going down to line 8:

> . . . if the Congress by concurrent resolu-

tion determines that the safety of such personnel is jeopardized . . .

This language is not limited to outbreak of hostilities between Egypt and Israel. Rather, it can also apply if the monitors' lives are endangered by outside forces.

Mr. Chairman, in conclusion I urge my colleagues to support this resolution without amendment.

Mr. MORGAN. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, I had the honor to serve as an adviser on Middle Eastern political affairs with our Government's delegation to the United Nations from 1966 to 1969.

Looked at against the history of the tensions and conflicts in the area over the last three decades and against the background of international and American diplomatic efforts over that period of time, the Sinai agreement, whatever its limitations, is the first agreement between Israel and one of its neighbors which does more than merely define the terms of a cease-fire. It is the first agreement which offers hope for further positive developments toward the achievement of a long-term solution to the Middle East conflict.

The Arab-Israeli conflict has lasted more than a quarter century. Each new war has been more violent than the one before. Each has brought increased danger of direct confrontation between the United States and the Soviet Union. The events of the last 2 years—in particular the Yom Kippur War and the OPEC oil embargo—demonstrate the importance to the United States of reducing tension in the area and minimizing the possibility of yet another round of fighting.

Our principal objective in the Middle East is a just and enduring peace. This objective can only be realized by the negotiation of a settlement which both sides regard as satisfactory and which they will seek to honor. The Sinai agreement, if approved by Congress, provides at least partial fulfillment of that objective.

We have demonstrated to Cairo, Jerusalem, and other capitals in the Middle East that sincere negotiations can result in an agreement which has a good chance of being workable.

If the agreement works, both sides will have been provided an incentive to negotiate further on the sensitive issues which still remain.

We have been able to reestablish working relations with moderate Arab leaders. The recent Saudi Arabian contribution to the United Nations Relief and Works Agency for Palestine Refugees—UNRWA—suggests that the successful Sinai negotiation has persuaded some important Arab leaders to actively participate in efforts to stabilize the region politically.

Without the active diplomatic efforts of the United States there would be no Sinai agreement. There would be no movement toward peace between Israel and Egypt. There would, quite possibly, already have been a new war in the Middle East.

Yet some people deeply concerned with the Middle East have objected to the Sinai Pact on the grounds that it is not the right kind of settlement, or that it costs too much, or that the involvement of 200 American technicians risks inevitable U.S. military intervention in any future Arab-Israeli war. Some feel that the United Nations could and should do the job.

The Sinai accord is not, of course, a complete and final solution to the Middle East problem. It is not meant to be. Most of the Sinai is still in Israeli hands. Israel has still not received diplomatic recognition from Egypt. Israeli leaders have not even been able to arrange face-to-face talks with Egyptian leaders. The problem of the Golan Heights is yet to be negotiated between Israel and Syria. The Palestinian and West Bank and Jerusalem problems have not even been touched.

These are major issues. They must be dealt with. And we must not forget that they are as dangerous to long-range efforts for peace in the Middle East as the problems which have been resolved.

But we must not ignore the important gains. Egypt has regained its oil wells, while, for the first time, Israel will now be able to receive nonmilitary cargoes through the Suez Canal by virtue of explicit written undertakings on Egypt's part. Equally important for the short term, Egyptian and Israeli military forces have been moved further away from each other, provided with intelligence from neutral observers about each other's movements, and separated by a United Nations force. Finally, and very importantly, both sides have agreed that the current agreement may only be terminated when it is superseded by another agreement.

An additional benefit from our own perspective is that the United States has now been entrusted with an important facilitating role by both sides in the effort to move toward peace in the Middle East, while the Soviet Union—which has always seemed to be interested in maintaining a degree of instability in the area—has lost influence.

These very real accomplishments of the accord have led even former Under Secretary of State George Ball, one of the strongest critics of its inadequacies, to urge congressional approval.

It is the presence of American technicians, in addition to a United Nations force, which makes many people unhappy. They genuinely fear that the 200 American civilians are just a start—that we are seeing a new edition of the old Vietnam story: from advisers to special forces to total military involvement.

But in Vietnam analogy is a case of mistaken identity. We are once again in danger of reading the wrong history books. All the way through the Vietnam war we kept hearing from two administrations how important it was to avoid another Munich. The Munich agreement was, of course, a terrible thing. But it had no relevance to the situation in Vietnam, and our failure to recognize that fact cost us tens of thousands of American lives, and killed, wounded, or displaced millions of Vietnamese, wreaking havoc on the people and land of Vietnam through years of tragic and pointless struggle.

Likewise, the Vietnam experience, however terrible, is not parallel to the situation we face in the Middle East. The civilian technicians we will be sending to the Sinai will be there at the request of both governments to assist in peace observation, not serving—as in Vietnam—as advisers to the one government in how best to pursue its military battle with the other. Both sides are anxious to avoid another war, and see the United States as the only nation which can meaningfully assist the parties and the United Nations in overseeing the implementation of the agreement. These are obviously major departures from the role we played in Vietnam.

The United Nations is, of course, already involved in maintaining the cease-fire between Israel and Egypt. The Security Council of the United Nations established UNEF—United Nations Emergency Force—following the October war in 1973 to supervise the implementation of the cease-fire and the return to positions occupied on October 22 by Egyptian and Israeli forces. Its present strength is approximately 4,000 men. In addition, UNTSO—United Nations Truce Supervisory Organization—which dates back to 1948, with a total staff of about 300 men for both the Syrian and Egyptian frontiers, has been responsible for assisting UNEF in monitoring and reporting on fulfillment of the cease-fire agreement. The UNTSO contingent includes 36 American military personnel.

Unfortunately, the United Nations in and of itself is not considered by either Egypt or Israel to be a credible deterrent to a future conflict. A Security Council veto by either the Soviet Union or Communist China of a further extension of the UNEF mandate could lead to the immediate withdrawal of the UNEF force. And neither Israel nor Egypt has forgotten that it was the sudden withdrawal of the United Nations force by Secretary General U Thant in 1967 which finally precipitated the 7-day war of that year. U Thant chose to downplay a memorandum of understanding in which his predecessor, Secretary General Hammarskjold, had pledged not to withdraw United Nations troops without the prior agreement of both parties.

The United Nations simply does not possess adequate freedom of action to be a genuine guarantor of any agreement which is reached. It can provide the bulk of the manpower needed for monitoring the truce lines. But some American presence is needed to provide independent credibility. To fail now in supporting the Sinai pack would be to miss an opportunity for peaceful developments in the Middle East which we have been seeking for many years.

Our Nation has been deeply concerned with the potential for conflict in the Middle East since the creation of Israel in 1948. But until the 1967 war, we were involved in only two major efforts to provide the structure for a lasting peace between Israel and her Arab neighbors. In 1954 and 1955, President Eisenhower appointed Eric Johnston as special ambassador with the responsibility of negotiating the arrangements for a comprehensive, cooperative economic program involving principally Israel and

Jordan—a TVA type of arrangement making use of the waters of the Jordan River, and financed by the United States. This was the first attempt to initiate a sep-by-step approach to a peaceful settlement, but it fell victim to the revolutionary mood in the Arab capitals and the desire of Israel to push ahead unilaterally with a rapid program of economic development.

The United States made a second effort to work out the basis for a long-range solution during the period from 1961 to 1963, when Dr. Joseph Johnson was sent to the Middle East in a role similar to Ambassador Johnston's, with the purpose of working out a resolution to the refugee problem. While Dr. Johnson did develop a plan which would have permitted the refugees some choice with respect to their own futures, he was unable to gain the agreement of either side.

Although these were the only two clear efforts by the United States to develop a strategy for peace in the Middle East, our Nation was involved actively in an effort to achieve a number of economic and strategic goals: Maintenance of access to Middle East oil supplies, continued access to Middle East markets, prevention of the establishment of predominant Soviet military and political influence in the region, and prevention of any direct United States-Soviet conflict in the area arising out of an Arab-Israeli conflict. These were the justifications we cited for our intervention to abort the Franco-British-Israeli invasion of Egypt in 1956, and our landing of marines in Lebanon during the civil conflict there in 1958.

But it was the 1967 war which made clear to everyone once again the urgency of working out some form of long-term peace settlement in the Middle East which would at least be tolerable to all the parties directly involved.

The first post-war effort to negotiate a settlement was made under the auspices of the United Nations, according to guidelines laid down in Security Council Resolution 242, by Ambassador Gunnar Jarring. Resolution 242 was a deliberately vague document which pleased no one but could be interpreted by each side to meet its own needs. It called for "withdrawal of Israeli forces from territories occupied," but also for "secure and recognized boundaries" and "freedom of navigation through international waterways." Over the next year and a half Jarring attempted unsuccessfully to resolve such questions as whether "territories occupied" meant all or some of the Israeli acquisitions.

From the middle of 1969 until early 1970, the United States initiated four-power and two-power talks on possible means to resolve the Middle East impasse, but neither seemed to provide any way out of the deadlock. In late 1969, Secretary of State Rogers proposed a comprehensive peace plan which would have involved withdrawal of Israeli forces along with "insubstantial" boundary changes to protect Israeli security. But the comprehensive plan never got off the ground; instead, early 1970 saw the development of increased Palestinian guerrilla violence, artillery exchanges along the length of the Suez Canal, and deep penetration Israeli air raids into Egypt. Rogers was finally able to achieve a cease-fire between Egypt and Israel, along with a standstill agreement for military equipment within 50 kilometers on either side of the Canal. In spite of charges and countercharges about violations of the standstill agreement, Ambassador Jarring was thereafter able to gain extensions of the original cease-fire agreement.

But the efforts to achieve a comprehensive peace continued to be unsuccessful. Egypt refused to consider any agreement for a withdrawal which did not contain a timetable for complete Israeli evacuation of the Sinai. Israel opposed any Egyptian movement across the canal. And neither side could agree to the terms under which Israeli shipping might be allowed through a reopened canal. After the failure of the major Rogers-Sisco effort of 1971, no new major initiatives were undertaken to bring about some form of peace accord until the October war of 1973.

Secretary of State Kissinger adopted from the outset a different strategy than had been used in previous American negotiation attempts. His main effort was to secure some form of movement in the negotiations by dividing the problems into a series of resolvable issues, rather than attempting to deal with the entire Middle East problem at once. This, of course, was the basis for Mr. Ball's earlier attack on the Sinai agreement. He feels that if Kissinger had, immediately after the war, worked to impose a comprehensive agreement on both sides, he could have succeeded.

Certainly all of us would like to have seen a comprehensive settlement. Perhaps it could have been achieved in the immediate aftermath of the war if Secretary Kissinger had been willing to apply as rigid sanctions against Israel as President Eisenhower did after the 1956 war to secure Israeli withdrawal. But there is no guarantee that even under those circumstances the Arab States, over which we had very little leverage at the end of the war, would have responded.

And there is certainly a rationale to the Kissinger strategy which gives both sides an opportunity to learn, one step at a time, that workable agreements can be achieved.

It would be wrong to idealize the Sinai Pact. Much more is needed. But it would be a disastrous mistake to throw away the best accomplishment to date in a 27-year effort. And we should accept the limited risks involved to avoid the far worse threat of a renewed war.

In addition, we must urge the administration to pursue the additional steps necessary to prevent further conflicts between Israel and Syria or Jordan, and to bring about some equitable resolution of the Palestinian problem which has vexed the Arab States, Israel, and the international community for nearly 30 years. The Sinai agreement is a step forward on what appears to be the only route to eventual achievement of the comprehensive peace settlement which has proven so elusive for so long.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GILMAN).

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman for yielding.

Mr. Chairman, it is one thing for America to mediate an international conflict and quite another to become a participant. If this Sinai resolution is passed. Americans will become participants in the Middle East conflict by manning the early warning system. I must oppose this resolution, because of this new commitment for American participation and because there are critical questions which have not been adequately answered.

First, what would be the American response if our 200 technicians are attacked and entrapped?

We could find ourselves commiting American troops to combat to extricate these American technicians. We should not set our Nation upon such a path.

Second, why has the Secretary of State spoonfed us the Middle East agreements a piece at a time?

There are secret accords which deepen American involvement in the Middle East and we should not approve this piece of the package without clearly understanding the entire U.S. commitment. It is pure fiction to suggest that this resolution can stand alone—separate from the other agreements, whatever they might be.

Third, why have we not insisted that a United Nations, rather than a U.S. team be used? American citizens in the troubled buffer zone are hostages—pawns to keep us deeply involved.

If the U.N. cannot provide this type of team, just what good is the U.N.?

Fourth, what will be the total cost of these agreements to the United States? We were told $10 million a year for the warning system. Then we learned another $2.3 billion for Israel and $600 million for Egypt. Then it leaked out that the secret agreements also provide $1.5 billion a year for 4 years for Israel, plus Pershing missiles and oil. Now we are told the entire package approaches $12 billion in foreign aid. With our problems here in America I cannot support this expenditure.

In summary, if you pass this resolution, mark well this date, for October 8, 1975, shall go down in history as the day the U.S. House committed America to direct participation in the explosive Middle East conflict.

Mr. GILMAN. Mr. Chairman, I rise in support of the measure now before us, House Joint Resolution 683, a joint resolution implementing the U.S. proposal for the early-warning system in the Sinai.

This proposal is inextricably linked to the overall Egyptian-Israel agreement. If we disapprove this resolution, the interim settlement agreement will most likely be voided increasing the likelihood of renewed hostilities in that region.

The importance of the Egyptian-Israeli agreement is abundantly clear. It is the first agreement ever reached between Israel and an Arab state other than in the immediate aftermath of hostilities. Prime Minister Rabin and President Sadat have both publicly declared that the agreement may prove to be the historic turning point of the Middle East in the direction of peace. The Sinai agreement is a significant step in the drive toward a comprehensive Middle East settlement. It provides a breathing spell so that further peaceful diplomatic efforts may proceed in a calmer atmosphere. Its very implementation and observance by Israel and Egypt will give these countries an opportunity for peaceful cooperation. Moreover, the agreement provides for the establishment of an Israeli-Egyptian Joint Commission. By talking matters over directly with each other, representatives of the two countries in the joint commission sessions will be able to prevent misunderstandings, halt tensions, and start building a legacy of peaceful cooperation. In short, this agreement is a key step toward a permanent Middle East peace.

The Middle East lies at the crossroads of three continents. Because of that region's strategic importance and because it provides the energy on which much of the world depends, a diplomatic role for the United States in the Middle East is not so much a matter of choice, but a matter of vital concern to our Nation. Thus the United States has been intimately involved in seeking a Middle East solution since the October 1973 war, that would, first, diffuse and then terminate the hostilities in that part of the world.

In seeking to bring about the important breakthrough that the United States achieved in the Sinai accord, our negotiators offered to provide a peacekeeping presence of 200 civilian Americans to assist with the surveillance of the early warning system in the Giddi and the Mitla passes. It is not a role that the United States sought. Egypt initially suggested the proposal and we accepted it at the request of both sides only when it became totally clear that there would be no agreement without it and only on carefully limited terms. We agreed because the alternative would have posed grave risks for everyone concerned.

The American civilian presence reflects the faith and confidence of both Israel and Egypt that we alone can contribute to the stabilizing element that is so essential to the agreement and to the area as a whole.

The presence of the American observers also constitutes an important and decisive deterrent against any temptation to unilaterally change the situation on the ground. Finally, their presence is a projection of the American good offices to Israel and Egypt from the diplomatic arena into the domain of the agreement's peaceful intent.

Mr. Chairman, Egypt and Israel have at long last initialed an important agreement in which they have turned to the United States. They are awaiting the response of the Congress to their request for the dispatch of 200 Americans to help monitor their agreement. Since we have made such significant progress, let us not now let them down.

Accordingly, I urge my colleagues to consent to this symbol of peaceful cooperation which will help maintain the momentum toward peace in the Middle East—a peace which we have so long and arduously struggled for.

I urge my colleagues to support House Joint Resolution 683.

Mr. MORGAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I thank the chairman of the committee for yielding me this time.

Mr. Chairman, I rise in support of this resolution which authorizes the President to send up to 200 U.S. technicians to man an early warning system in the Sinai.

In my judgment, participation by the United States in manning the early warning system will make a contribution to peace in the Middle East. Israel and Egypt have both requested the presence of American technicians. These technicians do not play any military role. Both parties view the presence of the technicians as essential to full implementation of the agreement they initialed on September 4, 1975.

The Israeli-Egyptian agreement can be a major step toward peace. Both parties made significant concessions in it. Both parties agreed not to use force to resolve the disputes between them. If implemented in good faith, the agreement provides an important mechanism for both sides to gain confidence in each other and thus to build the basis for a final and lasting peace treaty.

The agreement has already helped to lower tensions between Israel and Egypt. Just recently, for example, a ship bound for Israel passed through the Suez Canal and docked at the Israeli port of Ashdod. Implementation of the agreement seems to have gotten off on a good footing.

My support of this agreement is not without a number of reservations. Unquestionably, tremendous pressure was placed on Israel to accede to Secretary Kissinger's demands. It is still unclear as to whether Israel has been forced to give up too much.

Similarly, I am not convinced that all of the U.S. commitments to assist Egypt and President Sadat have been disclosed to the Congress and to the American public.

Some who oppose this resolution argue that it will lead to war. In my opinion, it will not. The presence of American observers in the Sinai will deter Egypt from taking advantage of Israel's territorial concessions. Furthermore, if the Eckhardt amendment is adopted—and I hope it will be—it will insure that this resolution does not in itself authorize the President to involve the United States in military action in the Middle East.

On balance, then, I think the resolution ought to be adopted.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Chairman, many people share the concern expressed by the gentleman from Texas (Mr. GONZALEZ) concerning the American technicians. Let me point out that these technicians will be stationed in two mountain passes where they will join with a 5,000-member United Nations peacekeeping force. We will have the Egyptian army on one side and the Israeli army on the other side.

No civilians live in this area. That is very important. Any troublemaker would find it very difficult to either fly in or go in overland to reach the technicians.

This was pointed out by many witnesses who appeared before the committee. The technicians would be civilians who volunteer to do a job for pay. About 60 of them would be on duty at one time.

Mr. Chairman, it was my privilege at the invitation of the Secretary of Defense and as a Member of the House International Relations Committee to visit Israel and Egypt during the recent August recess. I observed that the area is now an armed camp with much preparation on both sides for the next war. After spending 2 days in Israel, two days in Egypt, seeing frontline military fortifications and meeting with Prime Minister Rabin of Israel and President Sadat of Egypt and with the leaders of the legislative bodies, I am convinced that in the absence of the proposed peace agreement another war there is almost a certainty.

I am also convinced that both countries want peace but each distrusts the other. People in the Arab countries are saying we must get our land back. It is rightfully ours. People in Israel are saying we must not be caught unprepared again. We may have to strike first.

The 1973 Mideast war produced the oil embargo and the quadrupling of oil prices which set the stage for worldwide inflation and the current worldwide recession. The Middle East has become the tension spot of the world. Another war there would be a threat to world peace and a disaster to the world economy.

In the words of President Sadat of Egypt:

> The road to peace is long. The Sinai pact is merely the first step on that road but it is an important beginning.

On the favorable side, Egypt has lost confidence in the Soviet Union which in the past has supplied Egypt with military equipment and Egypt is now showing some confidence in the United States. Of course, we must refrain from taking any action which would drive Egypt back to an alliance with the Soviet Union.

The situation here is different from our sending troops to Vietnam, because in the Middle East, technicians become part of the United Nations Peace-Keeping Forces, the objective being peace while in Vietnam we sent military personnel whose objective was to help one side against the other and not maintain peace. Most of the zone between the Israeli and Egyptian lines would be manned by the present United Nations peacekeeping forces, a force of 5,000 men. The passes which are being conveyed from Israel to Egypt where sophisticated radar and other military equipment is established would be manned by about 200 American civilian technicians. Witnesses in testimony before the House International Relations Committee emphasized that no civilians live in this area and in case Palestinian terrorists wanted to capture some of our technicians or cause trouble it would be virtually impossible for them to get through or over the military lines surrounding the area.

The American technicians would be removed immediately if fighting breaks out or if Congress through a veto-proof concurrent resolution directs their removal.

Egypt has one-half of the population of the Arab world, has a majority of the technicians and more military experience and know-how than the other Arab countries combined. Without Egypt the other Arab countries would have little chance to succeed in a war against Israel.

The Sinai pact, hammered out after months of negotiations, provides a chance for peace. There is a calculated risk in providing the American technicians, but I see a greater danger in permitting the pact to fail for a lack of congressional support. The pact is preferable to the alternatives and in my opinion, passage of this legislation is in the best interest of this Nation.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of House Joint Resolution 683.

Members today have expressed justifiable concern about the implications of this resolution. There is the fear, for example, that approval by the House of the early warning system could be taken to signify our approval of all terms and conditions of the Siani agreement. There is the fear that the presence of American technicians would lead to further American involvement in the event of a renewal of hostilities. And there is the fear that this will be an open-ended commitment going beyond the specific purpose of insuring that neither side is cheating on the other.

These same things also concerned the committee when it heard this measure, and the record of our hearings reflects these concerns. That is why the resolution was worded as it is. The resolution provides that the technicians, who must be civilian volunteers, must be removed immediately from the Sinai if there is an outbreak of hostilities—or if the Congress, by privileged concurrent resolution, determines that their safety is threatened or their presence is no longer required. That is why the resolution directs the President to submit a written report to Congress every 6 months on the system, and encourages him to consider ways of reducing or eliminating their role. And that is why the resolution includes language submitted by me specifically stating that approval of the system does not signify congressional approval of any other agreement, understanding or commitment made by the executive branch.

Mr. Chairman, we carefully limited the scope of this resolution with the goal of preventing it from being misinterpreted or misused. I think we have been successful in that respect. No Executive agreement, secret or otherwise, can bind the Members of this House to do something they do not want to do, or to appropriate funds they do not want to appropriate.

To be sure, there is risk involved. There is a risk involved in sending even one American to the Sinai. But this risk must be balanced and weighed against the risk of refusing to act. Another flareup in the Middle East would be disastrous not just to Israel but to the United States. Our best interest requires that there be stability in the area, and an American presence seems the best way to insure stability in this particular instance and for this particular time. The decision we make today is not irrevocable. But our failure to act could be.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I support the presence of American technicians in the Sinai because I am convinced it is the cement which holds together the recent agreement between Israel and Egypt.

If Congress were to reject the resolution it would probably result in the collapse of the understandings arrived at a short while ago and that, I believe, would have potentially catastrophic consequences not only for Israel—our only reliable democratic ally in the Middle East—but for our own country as well.

I do not believe that the recent agreement represents the millennium in the Middle East. Israel has made very tangible territorial withdrawals in exchange for what are, in the final analysis, rather intangible political concessions. The real test of the agreement is whether it leads to a renewal of war or progress toward peace. But to the extent it has resulted in a reduction of tensions and a period of peace in which both sides will have an opportunity to gain confidence in the willingness of the other to implement such a settlement, I think we are presumptively better off with the accord than we would have been without it.

The alternative to a second-stage interim agreement between Israel and Egypt was, after all, not a grand settlement of all the outstanding issues dividing Israel from its Arab neighbors—issues which have defied solution for over a quarter of a century now—but the very real probability of another round in the continuing conflict in the Middle East. Such a war, if it broke out, would threaten to drag both of the great superpowers into its vortex with all of the attendant possibilities for the outbreak of nuclear hostilities and the collapse of contemporary civilization. Even if such a doomsday scenario never came to pass, a fifth war in the Middle East could possibly produce another embargo on Arab oil, thereby creating the most serious problems imaginable, not only for our own economy, but for the economies of almost all the other nations of the world as well.

There are some who contend that the brief "breathing spell" generated by the agreement will result in a stiffening of the Israeli position with respect to such issues as the Golan Heights and the West Bank—thereby decreasing rather than increasing the prospects for a lasting peace in the Middle East. I think such criticisms miss the point entirely. The real obstacle to peace in the Middle East lies in the massive mistrust which has made more far-reaching agreements and direct negotiations impossible. What is needed, more than anything else, is the kind of movement toward peace—represented by the Sinai settlement—which will make it politically possible for additional agreements to be arrived at in the future. It would, in my judgment, be the height of naiveté to expect a dispute as bitter and longlasting as the conflict between Israel and the Arabs to be settled overnight. Only if each side can learn to have some confidence in the peaceful intentions of the other will both sides be willing to make the kind of mutual concessions which are a precondition for a just and lasting peace.

There are others who contend that the presence of our technicians in the Passes will as surely draw us into an armed conflict in the Middle East as the activity of our "advisers" drew us into a massive military involvement in Vietnam. I would contend, however, that this analogy obscures rather than clarifies the fundamental distinctions between these two very different situations.

In Vietnam we were present at the request of one side. In the Middle East we will be present at the behest of both sides.

In Vietnam we had military advisers. In the Middle East we will have civilian technicians.

In Vietnam our "advisers" were there to wage war. In the Middle East our technicians will be there to preserve peace.

In Vietnam we were there to protect what were, at best only marginal American interests. In the Middle East we will be there to protect our most vital national interests.

In any case, an American presence in the passes will be neither new nor unprecedented. The fact is that 260 Americans have already served from time to time in the U.N. peacekeeping force in the Sinai. During that period of time there was not one reported incident of terrorist activity directed at either them or any of the other nationals who compose the UNTSO force. Indeed, I dare say that the 200 technicians, surrounded as they will be by the Israeli Army in the east and the Egyptian Army in the west, with 5,000 to 6,000 U.N. troops in the middle, will be far safer than they would be if we sent them instead out onto the nighttime streets of any major metropolitan center in America. It is, in this sense, probably not an exaggeration to suggest that they will most likely face more of a danger from boredom than from terrorists.

Finally, I think it is important to point out that a number of amendments adopted in committee have made it extremely unlikely that the resolution will somehow result in American participation in another Middle East war. In addition to expressing the sense of Congress that nothing in the Resolution should be construed as an endorsement of any of the understandings entered into by the United States with Israel and

Egypt, the resolution was also changed to provide the Congress with the ability—through th use of a privileged resolution—to require the removal of the American technicians if it "determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary."

In conclusion, I believe that the advantages of the resolution—and of the agreement between Israel and Egypt which it will make possible—far outweigh its disadvantages and I urge its prompt and expeditious enactment.

Mr. MORGAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, I rise in support of House Joint Resolution 683.

Mr. Chairman, a continuing suspicion that the executive branch is exceeding its constitutional powers and formulating and conducting policy in secrecy is one of the legacies from the Watergate period and from the long years of the Vietnam war, when successive administrations conducted a terrible and self-defeating war without the consent of the Congress or the people.

The response has been an increasing disposition on the part of Congress to assert its authority as a coequal branch of government and to insist on guarantees from the White House that the American people are not committed to obligations or responsibilities about which neither they nor their elected representatives have any knowledge. I believe this is a response that strengthens our democratic process.

This heightened sense of congressional responsibility has been displayed in the recent period of public discussions about approval of the Israel-Egyptian settlement. When the pact was announced, I expressed my support for it in general terms as a significant step toward peace in the Middle East. Conversely, if a pact had not been reached, I think we would all have agreed that the prospects of a new and more devastating war in the Middle East would have been much closer.

The debate has been helpful on the whole and provides a strong underpinning for public acceptance of the Israeli-Egyptian pact. The hearings held in the House and in the other body, the publican of the four documents that accompanied the agreement, the assurances by Secretary Kissinger that there are no other secret commitments, and, most of all, the realization that a pact which takes even a small step toward assuring peace between Israel and Egypt is in the basic interests of the American people—all these have turned the tide, and I expect that we will be voting today to approve the American task force.

I believe the House International Relations Committee, which voted unanimously to approve the American presence in the Sinai, has acted in a highly responsible manner in attaching certain provisos to the agreement.

I agree with the resolution's statement that the American technicians' presence in Sinai "may enhance the prospect of compliance in good faith with the terms of the Egyptian-Israeli agreements and thereby promote the cause of peace."

The resolution also very properly authorizes the President to send the 200 technicians provided that they "shall be removed immediately in the event of an outbreak of hostilities" or if Congress by concurrent resolution "determine that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary."

These qualifications should allay fears that the dispatch of the American civilian technicians to Sinai would get us into another war. Some of the letters I have received express concern that the United States may be involving itself in another Vietnam.

I understand the concern, but I see no resemblance between the United States warmaking posture in Vietnam and its peacemaking role in the Middle East. In Vietnam, the United States pursued an aggressive, military role to aid one side against another in a civil war. In the Sinai, on the other hand, both Israel and Egypt have requested that we send volunteer civilian technicians to monitor radar screens and operate other surveillance devices, and to report to Israel and Egypt any violations of the disengagement agreement. This is a peaceful assignment, not a provocative military action.

I am, therefore, voting to support the sending of the 200 civilian technicians to the Sinai and I fervently hope that this will mark the beginning of a period of more stable and more direct relations between Israel and Egypt.

Incidentally, when plans for the civilian technicians mission were first announced, I received a number of inquiries from women who said they wanted to volunteer. These were women engineers who certainly could be trained for this kind of duty. The women who were interested in volunteering said they viewed this a way to make a contribution to world peace, and I do believe the presence of women would underscore the peaceful purposes of this mission.

The State Department, with which I have been in touch, says it has not decided yet how the civilian group will be selected, but I hope it will give some consideration to the inclusion of women volunteers.

If the interim Israeli-Egyptian pact is followed up by more extensive peace agreements, then perhaps we can look forward to a more stable and peaceful situation in the Middle East and the elimination of any imminent risk of warfare there.

Mr. MORGAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Tennessee (Mrs. Lloyd).

Mrs. LLOYD of Tennessee. Mr. Chairman, I rise in support of House Joint Resolution 863, a bill to implement the U.S. proposal for the early warning system in the Sinai. Like many of my colleagues, I have listened carefully to the debate and reviewed the committee recommendations including the secret memorandum of agreement between the United States and Israel and the assurances from the United States to the Government of Israel and the assurances from the United States to the Government of Egypt. I am deeply concerned by the content and language of these latter agreements. The explanations offered by the State Department as to their meaning are vague and subject to severe misinterpretation by Israel, Egypt, or any other nation involved in the Middle East, including the Soviet Union.

Despite my objections to these sections, I will support the agreement, because I am convinced that it offers the only real hope for a lasting peace in the Mideast. In the absence of this agreement the outbreak of hostilities is a virtual certainty, and the implications of another war in this part of the world are grave indeed, as they would surely result in a confrontation between the United States and the Soviet Union, as well as further complicate the energy problems of the West.

Others in this body have pointed to the similarity between this agreement and the Gulf of Tonkin resolutions which led to our tragic involvement in Southeast Asia. The similarity exists and it should serve as a constant reminder to all of us of the seriousness of our actions. But, there are important differences as well. In the Sinai we are present at the invitation of both of the parties, we are not fighting on the side of one against the other. We have been of one regime on another. Our men are called in at the end of hostilities to maintain an uneasy, but much sought after peace; and not to enforce the policies under the protection of the United Nations and can be withdrwn by either the President or the Congress through a concurrent resolution if hostilities appear imminent. Our presence is limited to 200 techicians. The personnel involved will be volunteer civilian technicians and not military advisers. And finally, the President will report to the Congress every 6 months on the status and need for the continued voluntary presence of U.S. citizens in this area.

For these reasons I will support the commitment of U.S. civilians to the Sinai. But most important, I believe that only the prestige and stature of the United States, the fact that we alone can command the trust of both sides, makes this agreement the only means of securing a peaceful settlement. Under these circumstances I believe this agreement is deserving of at least a trial implementation.

I emphasize that my support is tied closely to section 3 of the agreement which states:

> . . . that the authority contained in this joint resolution to implement the "United States Proposal for the Early-Warning System in Sinai" does not, and shall not in any way be construed to, constitute congressional approval, acceptance, or endorsement (1) of any other oral or written commitment, understanding, assurance, promise, or agreement, whether expressed or implied, or any other expression, oral or written, by any official of the United States which Israel, Egypt, or any other nation or organization might construe or interpret as a basis on which it could rely or act; or (2) of any characterization of any such commitment, understanding, assurance, promise, or agreement,

or other expression, as constituting a "codification" of existing, congressionally approved U.S. policy.

I join with the other Members of this body in articulating by deep reservations about the contents of the so-called "Secret Memorandum." This agreement appears to me to constitute a bilateral military agreement between this country and the State of Israel, which is open-ended, permanent and an extraordinary grant of authority to the President to use whatever power he deems necessary to fulfill these vague commitments. I strongly reiterate that my support for House Joint Resolution 683 extends only to the presence of U.S. civilian technicians in the Sinai and does not include any other provision, secret or public, of the Mideast peace agreement.

My vote on this bill is cast in the hope that it will provide the necessary security to maintain the peace on both sides of the buffer zone. Only because I recognize the extreme probability of further war in this area if this agreement is not enacted, do I support this proposal.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, I support House Joint Resolution 683 and rather than restate all of the reasons why this agreement is necessary, I will set forth the report that Congressman Early and I submitted to the Foreign Operations Subcommittee on which we serve. That report was the result of a recent visit that we made to the area. The report follows:

Representatives Koch and Early Report on Their Visit to the Mideast

Mr. Chairman, our colleagues David R. Obey and Joseph D. Early, and I—all members of the Foreign Operations Subcommittee—visited the Mideast on a trip which began on August 21 and ended on August 30. The first 2 days of that trip were spent in Portugal and we already have reported on our observations in that country. The balance of our time was spent in four countries: Egypt, Syria, Jordan, and Israel.

It was our purpose to obtain first hand insight into the political situation in that area and be in a position to adequately appraise administration requests for economic and military support to any of those countries.

We are submitting the following as part of our report to the Foreign Operations Subcommittee, but we think it may also be of interest to our colleagues. The report is the product of the notes we took during our conversations with various people.

We reached the Middle East on August 23. In three of the countries, the exception being Syria, we met with the President, the King, and the Prime Minister. Unfortunately, in Syria, President Hafez-al-Assad was conducting a state visit with the President of Yemen, Al-Hamdi, and did not see us. But, in Syria, we talked with other government and non-government persons to get the views of the Syrians.

The report follows:

The Report

EGYPT

We were very impressed with the candor and position espoused by President Anwar Sadat. His single most important statement to us which reflected a change in the Arab point of view was his assertion that "the major change (in Arab thinking) relates to an acceptance of Israel as a state with which we must live." He added "the basic responsibility of Egypt is to come out with a creative move which Syria and Jordan can follow—Egypt is the older brother." Significantly President Sadat also said that he would not join Syria if Syria attacked Israel but would if Israel attacked Syria and then went on to say "Syria cannot attack without Egypt and if they did they would be liquidated within 48 hours. The Russians wouldn't let them attack. They (the Russians) don't want a confrontation with the United States." He also said, "I will be giving a one year mandate (to a renewal of the UN forces) not 6 months and one year thereafter to October 1977." He went on to say, "I will be asking in the summer of 1977 that you start your efforts again."

Our question when we left President Sadat was how much of what he said was rhetoric and how much was meaningful. Was he the most successful con man since Barnum or the genuine article? We concluded that he is genuine in his desire to move toward ultimate total peace with Israel and should be encouraged by the United States.

We should like to note our feeling that United States Ambassador Hermann Eiltz struck us as an exceptional individual with great insight and ability to analyze the situation superbly.

SYRIA

Our visit in Syria was not reassuring. We were told by our Ambassador Richard W. Murphy that President Sadat could not see us. The Ambassador arranged a meeting with Dr. Mohammed Al-Imadi, Minister of Economics and Foreign Trade at his office and dinner with leading government and civic figures at the Ambassador's home.

We regret to report that the conversations that we had with the various persons involved left us with the impression that Syria does not accept the existence of the State of Israel. We also regret to report that Ambassador Murphy when asked whether he had ever visited any of the synagogues in Damascus to indicate United States concern for the plight of the Syrian Jewish community, said that were he to do that it would be "grounds for Syria demanding his recall." The Ambassador also said that President Assad has promised immunity to any Syrian Jew who had immigrated to America and returns as a tourist for the purposes of visiting with relatives. We made the point in our conversations with Syrian officials that without commenting on the validity of any of the allegations made concerning alleged brutality vis-a-vis the Syrian Jewish community by the Syrian government, it would be in the interest of the Syrian government in courting world opinion to allow those Syrian Jews wishing to emigrate to do so. That proposal did not meet with favor.

JORDAN

Our next stopover was Jordan which we entered on August 26th. We met with Crown Prince Hassan, youngest brother of King Hussein, Mr. Rifai Tal the Prime Minister of Jordan and King Hussein. King Hussein complained bitterly of then protracted negotiations that he was having in the purchase of Hawk missiles. It was clear from the conversation that we had with the Prime Minister and the King that of all those we had met, they were the most tractable from the point of view of being willing to enter into a total peace agreement with Israel now. That of course has to be viewed knowing that Jordan has the least to negotiate with. Indeed, as a result of the Rabat Conference, Jordan has been stopped by the other Arab countries from even negotiating with Israel on the fate of the West Bank and Gaza. The King commented on the pending Egypt-Israel agreement saying, "The feeling is that Egypt has come further than a military agreement and it (the agreement) includes a political agreement."

Later in discussing the pending Israel-Egypt agreement with United States Ambassador Thomas R. Pickering, and the objections that might be raised against the use of American technicians, the Ambassador stated that there are already American technicians in the Golan and we have he said, technicians in the Arab oil fields. One of the reasons offered against using American technicians as prescribed in the Egypt-Israel Agreement is the danger posed by terrorists. The Ambassador answered this criticism by saying "terrorists would much prefer killing an American Ambassador rather than American technicians." We responded, "we hope that Members of Congress in this particular area are not equated with Ambassadors." We left Jordan by going to Israel directly over the Allenby Bridge also known as the King Hussein bridge.

ISRAEL

In Israel on August 27 we met with Arnon Gafni, Minister of Finance who described Israel's economic condition. He said that Israel's deficit is $3.5 billion and is expected to be $4 billion next year. Prior to the 1973 war, it was $1 billion. The increase is the result of oil costs, inflation, and defense costs. The Israelis have attempted to cope with this problem through internal restraints so that every three months since 1973 there have been tax increases, subsidies cancellations, budget reductions and compulsory loan impositions. Minister Gafni pointed out that the original military assistance request of the United States was $1.8 billion, and that had been increased as a result of inflation to $2.2 billion. We asked how long budgetary assistance to Israel would be needed. His response was "apart from defense, our deficit goes down each year. We have a tough economic policy. If we were to have peace, we could manage. We have an $800 million civil deficit annually and that could be substantially reduced in six or seven years."

On that afternoon we met with Prime Minister Yitzak Rabin. He gave us the following history. In 1956 the Straits of Tiran were closed and Israel went to war with Egypt. As a result of American and Russian pressure, the Israelis retreated from the Suez Canal and went back to the international borders. They had received a letter from President Eisenhower guaranteeing access for their shipping through the Suez Candal and the Straits of Tiran. In 1967, Egypt expelled the United Nations force and declared a blockade against Israel. President Johnson tried to arrange an international conference to protect international shipping but no country would help. The Jordanians shelled Jerusalem in 1967. The PLO and Yasir Arafat have pressed for the expulsion of Jews who came after 1917.

Rabin put it this way, "Arafat wants to make peace with an Israel that doesn't exist." His goal is first a Palestine state on the West Bank and Gaza and then to include all of Israel. Arafat has what he calls a practical plan which includes the West Bank and Gaza and then a vision to which he is committed which is the Palestine covenant (the destruction of the State of Israel)." Prime Minister Rabin said, "Israel will not negotiate with the PLO which denies Israel's right to exist." The Prime Minister also said, "for the Arabs the word peace means an end to the state of war. To Israel, peace means normalizing relations." He went on, "we have to have defensible borders. The 1967 borders were not." And, "the future of the West Bank must be decided between Jordan and Israel." And finally, "the purpose of an interim agreement is to begin to get a change of attitude. Without Egypt there will be no war. Without Egypt taking the first step, there will be no peace."

One final moving statement to us as Americans, came from Defense Minister Perez with whom we subsequently met. He said, "we want to thank you (the United States) no matter what you do. We may argue and disagree but we don't have the right to forget."

CONCLUSION

We believe that we are now at an historic moment with respect to the Mid-East and what happens there. The two most important belligerants, Egypt and Israel, with the assistance of the United States have negotiated an interim agreement which provides a three year period within which those parties can use their creative energies to achieve a final settlement. That settlement must provide secure and defensible borders for Israel; Arab sovereignty over the West Bank and Gaza leaving the form of that government to be determined by the residents in those areas, providing for secure and defensible borders for Israel; United States economic assistance to all of the nations involved provided that they accept each others right to exist a full and lasting peace; and to make certain that Israel's military capability is maintained so as to place her in a position to defend against all Arab efforts to destroy her, and deter such attempts on their part.

We see in the conflict taking place, the following perceptions on the part of the participants. On the one hand Arab nations perceive Israel as an aggressor bent on expanding its borders. Israel on the other hand sees the Arab states intent on its destruction. Fact and fantasy are interwoven and the United States' constructive role to date has been to separate the fact from the fantasy and to seek to insure that the Arab states will not be the victims of Israeli aggression, and provide Israel with the assurances that it needs to accept the premise that it is safe to withdraw to secure and defensible borders, and not thereby bring Arab aggressor nations closer to their cities from which to launch their drive to destroy it.

We think that the interim settlement between Egypt and Israel is an excellent beginning on that path. We want to commend Secretary of State Kissinger for the role that he played in bringing the parties together. We support the United States' efforts in bringing about this accord.

Respectfully,

EDWARD I. KOCH.
JOSEPH D. EARLY.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, members of the committee, it certainly is apparent to all of us as a result of the general debate thus far that one of the important and overriding considerations with respect to the concurrent resolution before us is whether or not the introduction of 200 technicians, or "agents of peace," into the Sinai would in any way trigger a military response on the part of the United States. With that concern as a backdrop, I would like to establish a colloquy between myself and the distinguished chairperson of the committee in order to establish a legislative record in this regard.

My first question, Mr. Chairman, is: Is there any way possible that passage of this concurrent resolution can be construed as a commitment, no matter how vague, of U.S. military forces in the Middle East?

Mr. MORGAN. No. I want to assure the gentleman that these are civilian technicians. They are not military forces, and no military forces are authorized under this concurrent resolution.

Mr. DELLUMS. I thank the chairman. There has been some controversy with respect to the issue of the war powers resolution regarding this concurrent resolution. I would like to ask specifically, exists between the powers authorized in this concurrent resolution and the powers authorized in the war powers resolution?

Mr. MORGAN. There is no implicit or explicit relationship between this concurrent resolution and the war powers resolution. This resolution does not in any way affect the war powers of Congress or the President.

Mr. DELLUMS. I thank the chairman. My third question is this: Is there any guarantee that U.S. military forces will not become entangled in any hostile activities if there occur any incident involving these personnel?

Mr. MORGAN. Of course, there is no ironclad guarantee against future happenings. However, if these technicians are in danger, they must be removed at once before there is any need for any military force. The executive branch has made that very clear during its testimony before the committee. This resolution also makes it clear, very clear.

The resolution spells the safeguards. Any danger of the United States getting involved in a conflict in the Middle East over these technicians, in my opinion, is very remote.

Mr. DELLUMS. My fourth and final question is: What is meant by the term "authorized" on line 3 of page 2, section 1?

Mr. MORGAN. The word "authorized" means that the Congress is granting its approval to the proposal to send American technicians to Sinai.

Mr. DELLUMS. I thank the chairman. I would simply point out that I appreciate the colloquy for the purposes of establishing legislative history on this question, and I am considering the possibility of nailing this down with an amendment.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Chairman, I am concerned about the same thing as the gentleman from California (Mr. DELLUMS), who just preceded me, and I would like to continue the colloquy with the distinguished chairman of this committee by asking him this: Can the gentleman give us the assurance, in establishing legislative history in this matter, that we can explain to our constituents that the 200 volunteers are having it made plain to them that they are in fact volunteers and as the gentleman indicated, the chances are very remote that we would commit any military forces for their rescue from any situation that may develop.

Mr. MORGAN. If the gentleman will yield, the resolution, in section 3, spells out specifically that the technicians are to be volunteers.

As the Members will recall, the gentleman from Ohio (Mr. HAYS) suggested that the technicians will probably be well paid individuals, recruited from the private sector and so forth. There will be a certain degree of risk associated with this kind of an assignment, but individuals who take these jobs accept that kind of risk. But I am sure, as the gentleman from Illinois (Mr. DERWINSKI) said, these people will be well protected. And if there is any conflict between the two parties to the agreement, there should be ample time for the President and the Congress to get them out of there.

Mr. MOORE. The point I am trying to establish is the one that the gentleman from California (Mr. DELLUMS) was trying to get at. That is that I, for one, do not want to see us getting entangled in another Vietnam war. I am sure there is nothing in this resolution that indicates we will commit military forces. There is nothing in this resolution saying we will do that; is that correct?

Mr. MORGAN. If the gentleman will yield further, that is correct.

Mr. MOORE. By the same token, I hope it is being made clear they are volunteers and we will not commit troops for their rescue.

Mr. MORGAN. They will be volunteers.

Mr. MOORE. I thank the gentleman.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I thank the gentleman for yielding.

Is it also correct that there is nothing in here that indicates we will not introduce American troops to remove the 200 technicians?

Mr. MORGAN. If the gentleman will yield, that is ultimately in the hands of the President. We have enacted the War Powers resolution to define the limits in which he can constitutionally operate. We do not intend to go any further here and interfere with the President's constitutional power and responsibility.

Mr. BEDELL. Is it also true that the resolution, as it is now written, could be interpreted to mean that the President could do whatever he has to do to get them removed immediately?

Mr. MORGAN. No more in the present legislation than in any similar situation.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, I would also like to enter into colloquy with the distinguished chairman of the committee.

I have read the resolution, and I have read the report. The report indicates that we will fund something like $20 million the first year and approximately $10 million each year thereafter.

In reading the resolution, I do not find any specific authorization for any of those sums or, as a matter of fact, for any dollar figure.

Mr. Chairman, I wonder if the resolution is deficient, in that it does not authorize the expenditure of these funds, or, if it does not, how are we going to appropriate the money?

Mr. MORGAN. Mr. Chairman, the gentleman is correct about the $20 million figure for the first year and the $10 million for the next year. Those funds will come from appropriations under section 903 of the Foreign Assistance Act—from the Middle East special requirements fund.

Mr. YOUNG of Florida. Mr. Chairman, are we talking about funds that are already appropriated, or will we have to ask for appropriations?

Mr. MORGAN. Mr. Chairman, if the gentleman will yield further, the money is available under the continuing resolution, but both the authorization and the appropriations are still to be acted upon to replenish the fund.

Mr. YOUNG of Florida. Let me get that straight. The gentleman stated that it will have to be replenished. We will use existing funds, but those funds will have to be replenished when the appropriations bill containing the provision for the Middle East comes before us again?

Mr. MORGAN. The gentleman is correct.

Mr. YOUNG of Florida. Mr. Chairman, would the gentleman say that we will considerably reduce those Middle East funds that are available and that have been appropriated for this purpose?

Mr. MORGAN. Well, those funds will have to be replenished through the appropriations process.

Mr. YOUNG of Florida. Mr. Chairman, the gentleman mentioned that there is no need for a specific authorization for expending these funds?

Mr. MORGAN. Not outside of this action. There is already existing authorization for appropriations in the Foreign Assistance Act.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Young) has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 additional minute to the gentleman from Florida (Mr. Young).

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I will inform the gentleman that there is considerable detail on that issue which the gentleman properly raises on page 14 of the report.

As the chairman of the committee has already pointed out, the funds are available under section 903 of the Foreign Assistance Act. However, that also provides that a report must be submitted to the Congress, and if the Congress does not approve the plans for obligation of funds, we can disapprove them by concurrent resolution.

All of the details concerning the funds and the funding are to be found on page 14 of the report.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Chairman, I thank the distinguished gentleman from Michigan.

I will just take this time to mention to my colleagues that I have 2 amendments which I will offer at the appropriate time. Those amendments would essentially prohibit the use of American armed forces in the Sinai.

Mr. Chairman, I urge my colleagues to consider my amendments and support them at the appropriate time.

Mr. BROOMFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado (Mr. (Johnson).

Mr. JOHNSON of Colorado. Mr. Chairman, I rise in opposition to the joint resolution.

Mr. Chairman, the arguments made by those who support the resolution are at best flimsy indeed. There is an absolute refusal to discuss the agreement between the United States and Israel, of which this resolution is only a part.

The language of the agreement is the language of escalating commitment on the part of the United States to Israel. It is the language of guarantee, not only of the existence of the State of Israel, but of "defense, energy, and economic needs," "military supply needs," "oil requirements," and that is not all. The United States will consult with Israel on remedial action by the United States in the case of any Egyptian violation. The United States agrees that the next agreement with Israel should be a final peace agreement. The question arises, naturally, if there is no final peace agreement, and if Egypt violates any of the provisions of the agreement, what is the U.S. obligation? Why is it not specifically answered that the United States does not have an obligation toward the nation of Israel which involves sending American troops?

Paragraph 8 of the agreement is a unilateral promise by the United States to veto any Security Council resolution which would adversely affect the agreement. This is the broadest kind of language with no restrictions and which gives any administration carte blanche discretion. Paragraph 9 promises that the United States will seek to prevent efforts by others to consider proposals detrimental to Israeli interests. Again, a promise which can lead to U.S. involvement in Israeli affairs which is dependent upon Israeli decisions. Paragraph 10 is the language of military intervention and can be used to justify sending troops should an administration desire to do so. Paragraph 11 confirms the military supply operation which in time of war will lead to the placing of Americans in a combat zone. Paragraph 15 is our pledge to remain in the Middle East even if the U.N. withdraws.

Why do we not frankly admit that this step means that we are unilaterally committed to the maintenance of the State of Israel by whatever means we deem to be necessary. This commitment will require billions of dollars surely, and it may ultimately involve thousands of American lives. This agreement places American might at the disposal of the State of Israel and will in all probability make Israel that much more difficult to deal with at the negotiating table, since she can justifiably rely on American intervention, should that step become necessary.

Instead of facing up to the full implications of the agreement, the argument is limited to the presence of the 200 technicians. One is reminded again and again of the fact that no matter how ridiculous a proposition might be, if it is repeated enough times it gains a certain amount of credence. For example, the argument is made that this is the last chance for peace in the area and that by sending the 200 technicians we are being peace keepers. The argument is further made that both sides trust us and both sides have requested that we send the technicians there and that this is a symbol of our prestige and status in the world. All of this ignores the reality that we are providing arms in that part of the world at an unprecedented scale and that arms buildups are inevitably followed by increased periods of tension and perhaps usage of those arms. Surely, it is the supreme irony to call this arms provider the peace keeper. The 200 technicians will do nothing that the parties will not be able to do for themselves. Both Egypt and Israel are going to be manning observation posts and there is no question that the Americans are not providing a technical capability that the parties do not have. Why are they there, then? The answer is inevitably that they are hostages to our penchant for intervention. They are the first step of our final commitment of troops and treasure in the Middle East.

The real estate is meaningless, of course, insofar as our national security is concerned. The unlimited, open ended commitment to the Nation of Israel is one that obviously needs no justification for many Members of this body. However, I do not feel that there should ever be a commitment of troops in any part of the world except when America's vital national security is involved and that is not the case in the Middle East. Others argue that because the nation of Israel is a democratic state we should support her. My answer to that is that warfare is such a drastic, horrible step that leaders should never send their troops into combat for ideological causes. War always dilutes ideology and the final truth becomes one of needlessly imposed suffering upon one's own people in the name of some expedient which will be forgotten when historians analyze the intervention through unjaundiced eyes from the perspective of time.

This agreement inevitably commits us to act similarly with respect to Israel's relation with Syria and the Palestinian refugees. At what cost? This agreement means we are legitimizing Israel's retention of ground acquired by the use of force in the 1967 war.

This commitment is not in the best interest of the United States or her young men who will ultimately have to back it with their lives if it becomes necessary or her citizens who will have to pay for years. It is an open ended escalating, ultimate commitment which can only lead to ever increasing participation in an unsolvable dispute—particularly unsolvable because of our participation in it. While the final outcome is hidden, our action makes us participants in recurring crises along the way, and perhaps disaster in the end.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. Burlison).

Mr. BURLISON of Missouri. Mr. Chairman, I would like to pursue for just a moment some of the questions that the gentleman from Florida (Mr. Young) directed to the chairman of the committee.

Earlier a spokesman for the committee stated that the sophisticated early warning equipment to be used would be American equipment.

Is there an estimate for the cost of this equipment?

Mr. MORGAN. Yes. Mr. Chairman, if the gentleman will yield, that is stated on page 13 of the report. It is about $2 million.

Mr. BURLISON of Missouri. What is the estimate per year for the cost of personnel to operate the equipment?

Mr. MORGAN. Mr. Chairman, the basic early warning equipment amounts to $2 million, and the communication equipment amounts to $2.5 million. The construction of prefabricated buildings will be $2 million, and transportation will be $2 million. In addition, there is the cost of food, medicine, and supplies. This makes a total package of $10 million. Personnel will be another $10 million.

Mr. BURLISON of Missouri. Mr. Chairman, as I understand the chairman of the committee in his response to the gentleman from Florida (Mr. YOUNG) these funds are already authorized.

Now, is that true also with respect to appropriations? Can the money be spent without the money being appropriated, without a new appropriations bill? The chairman of the committee stated that the funds are authorized, but can they be expended without an appropriations bill?

Mr. MORGAN. Mr. Chairman, the gentleman knows that we are operating under a continuing resolution, and the section that I quoted to the gentleman from Florida (Mr. YOUNG) would be the section under which they are authorized.

Mr. BURLISON of Missouri. And they can be expended?

Mr. MORGAN. And they can be expended under the continuing resolution.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I will use this time just to point out to the committee that I believe we should have a specific authorization in this resolution, and at the appropriate time I intend to offer such an amendment. I will make a copy of that amendment available to the chairman of the committee and to the ranking member of the committee at this time. I do not think we ought to be authorizing appropriations in the dark and being vague as to what this amount is going to be.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I was in the Middle East during the time that Secretary Kissinger was negotiating this agreement. I talked with President Sadat the day after Secretary Kissinger left Egypt. I talked to Prime Minister Rabin the day before Mr. Kissinger returned to Israel for the second time.

I must say, Mr. Chairman, that the meetings that I had have not at all made me optimistic about the likelihood of avoiding another war. I frankly do not believe that the Secretary of State was wise to commit ourselves to the positioning of these American technicians in the Sinai.

I think, however, that today, some 45 days afterward, given the fact that this provision has now been escalated, so to speak, by the parties involved, into a precondition of their acceptance of the agreement, the Congress is really faced with a "damned if you do and damned if you don't" situation. On balance, because of the conditions in which we find ourselves, we probably have no choice but to accept it.

If the Members of this House do vote for this resolution today, however, I hope that they will not regard their vote for the resolution as locking them into support of the aid package in toto, which the administration will shortly send down to the House.

Mr. Chairman, I think that if we are to commit to an American presence in any form whatsoever in the Sinai for the first time in history, we have an obligation to try to create the conditions which will assure, as best we can, that there will not be a future outbreak of war.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. MORGAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I doubt very much that we will be in a position to do that if Israel has the impression that they can get virtually anything they want out of this Congress in the way of an aid bill.

Therefore, Mr. Chairman, I would urge the Members to stay loose on the question of what level of aid they are going to support when we consider that question later on in the year.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Yes, I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, the gentleman mentioned not locking ourselves into anything else.

Several people here today mentioned that this does not lock ourselves into anything else.

The Secretary of State is quoted as having said yesterday that—

> . . . once deployment is approved, the administration will proceed to sign the agreements in which the commitments are listed.

Is that not a condition that we should clear up? I might address this question to the distinguished chairman.

Mr. MORGAN. In answer to the gentleman's question, I want to read to the gentleman part of a letter from the President of the United States to the Speaker.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. MORGAN. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, the paragraph is as follows:

> The issue before the Congress now is whether the Congress will approve acceptance by the United States of the role that has been proposed for it. There are other issues which the Congress must eventually consider in connection with our continuing relations, policies, and programs in the Middle East—particularly our programs of military and economic assistance there. The Congress will want to consider those carefully at the appropriate time, but they are not integral to the implementation of the Agreement between Egypt and Israel. Voting in favor of the U.S. role in the Early Warning System will not commit anyone to take a position one way or another on these issues.

That is in the letter from the President of the United States.

Mr. MOFFETT. Is the Secretary of State, then, contradicting him, Mr. Chairman?

Mr. MORGAN. I do not know. I did not read the newspaper article, but this is from the President of the United States.

Mr. MOFFETT. But it is in the Secretary's testimony as well that we will bind ourselves in the agreement.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I would like to have the attention of the gentleman from Wisconsin (Mr. OBEY). I think he has made a very important contribution to our discussion today in advising us, in every way we can, to sort of stay loose; in other words, to use whatever information we have to bring about a more comprehensive settlement in the Middle East at the earliest possible date.

It is in that spirit that I will offer an amendment to limit the authority of this resolution to 2 years.

Mr. Chairman, I am impressed with what the gentleman has said, and I hope he will see fit to support the amendment.

Mr. DENT. Mr. Chairman, again I find myself at odds with what appears to be a very large majority in favor of the so-called observers in the Sinai agreement.

Why do we again find ourselves in a position where both the majority and minority managers of the debate time are proponents?

I have been advised that committee members will be recognized first. This is an old established but very bad procedural custom.

It keeps the opposition in a closet and limited in its efforts to put the question before us in proper forces.

Why is it necessary for this Nation to usurp the prerogatives of the U.N.?

I was around when the U.N. was established. It was heralded as an instrument of peace.

No longer would one nation or combination of nations endanger world peace.

This was what sold the U.N., a world court, a world conference of all nations, large and small to thwart aggression and territorial grabs by arms and conquest.

Since then we have had Korea. Who got a bloody nose in Korea? The American people, the American Nation.

Who got the short end in Vietnam? What did the Tonkin Bay resolution end up in, peace as promised or war that happened?

Who has taken on the terrible and unbearable load of world peace, of worldwide aid for the rich, the poor and the in-between nations?

Who finds reason for voting for this burgeoning role in the ongoing problems between Israelis and Moslims, a problem as old as time itself?

I said burgeoning because we now put ourselves in the position of charging one or both with violating their peacekeeping agreements. By our presence we are to be the spark by reporting the violating nation's actions to the violated nation.

What happens then? Do we stop the violation or do we expect the violators to admit guilt, or worse do we expect the violated to believe our observers or the violators' denials?

Remember the Tonkin Bay or better still remember Neville Chamberlain's flash across the world, "Peace in our time."

Why has the U.N. not been called in? If the U.N. cannot act in this most serious threat to world peace, how can we guarantee peace unilaterally?

This we do by accepting the responsibility of observers and the followup of billions of dollars for Israel, and only God and Kissinger know how much and what it will cost us for Egypt and Syria.

We are told that we will buy $400 million of oil per year to pay Israel for giving up the oil wells taken in the 7-day war and $3 billion a year for 7 years.

It will not work but if it does it may not be worth the price.

Once we start providing billions, it will not stop. The minute it stops, the pact, its promises and hopes, its goals will be a wasted dream with a horrible awakening.

If eventually all the land taken by Israel is returned and unless the Egyptians and Syrians change their mind that is the price of peace, how will Israel be able to protect itself against aggression?

We have been told for years—since the 7-day war—that the land area was essential to the survival of Israel.

If this is so, then what will have to be paid for the loss of the buffer land area?

Will it be billions or trillions of dollars of planes, guns for Israel and our own buildup to give the Israelis the loss of their security?

If after all is done war does break out, how do we repay Israel for giving up its defenses unless we intervene?

There are arguments by sincere Members that it is this or war.

With or without this agreement if war is in the offing it will come.

I asked one question early in my statement: "Why has the United States usurped the prerogatives of the U.N. in this serious threat to world peace?"

The answer is simple. The U.N. is not a responsible body.

The Security Council is mandated by the U.N. Constitution to act on any threat to international peace.

In the case of Rhodesia, a nation with internal problems but under no stretch of the imagination a threat to world peace.

This same Security Council shows what has led to this threat to world peace.

Four reasons can be given for the inaction on the part of the U.N.

A. The U.N. is on record to vote the banishment of Israel from the Court of Nations.

B. Action by the Security Council would be vetoed by Soviet Russia.

C. The United States is in a minority in the U.N. on this question and must act alone.

D. The U.N. troops in the area are not trusted by one or the other or all three nations involved.

If the U.N. cannot take leadership now, when can it be effective? Will we be setting another precedent? I do not know and neither do any of you.

Mr. GAYDOS. Mr. Chairman, along with every other Member of this body, I am in full support of any and all steps which will clearly and logically lead to a lasting peace in the Mideast. We must have a permanent peace as soon as is humanly possible. The preservation of the territorial integrity of Israel, that citadel of democracy in an ever-decreasing free world, is of paramount interest. The existence of an enduring peace in the Mideast would go far toward resolving the worldwide energy crisis brought about by the actions of the OPEC nations. Finally, a lasting peace in the Mideast could substantially defuse the current United States-U.S.S.R. tensions in that area. In sum, the destiny of each and every country throughout the world is directly linked with and dependent on a permanent peace in the Mideast.

But having said this, is the bill before us a clear and unambiguous forward step in the direction of that peace or, rather are we about to place 200 Americans in the Sinai buffer zone to risk being held hostage by those Mideast factions which are not seriously interested in a lasting peace?

Are we about to place 200 Americans in the Mideast to effectively monitor the peaceful intentions of Israel and Egypt, or are we about to create a situation where these 200 Americans serve as a catalyst to assure American military intervention in the event violent factions bring about further hostilities in the area?

These are just two of the threshold questions that immediately come to mind upon reading this seemingly peace-seeking and perhaps innocuous legislation.

But, I submit, we should not view the presence of only 200 American technicians in the Sinai buffer zone in isolation. For if we do, we are deluding ourselves into believing that the present very tenuous cease-fire is a lasting peace and all we have to do is to make certain, through our on-the-spot observers, that both parties to the accord are living up to their commitments.

Why is the presence of a few American technicians so indispensable to the Israeli-Egyptian accord? There are already U.N. observers in the area who could perform the technical duties which would be assumed by these 200 Americans. The answer is clear. As long as the cease-fire continues, U.N. observers could be substituted for Americans. There are no national security reasons that require super-secret equipment to be operated only by U.S. technicians. This same equipment was used in Vietnam and is currently in the hands of North Vietnam.

No, the only time the nationality of the technicians becomes significant is if hostilities break out in the area. Then what will be the response of the United States, if some of the more outspoken violent factions in that area are to be believed and the United States will be presented with the dead bodies of these technicians? What will be the next step for the United States?

Even if these Americans manage to avoid such a massacre, what will our Government do to preserve and protect their lives? Will we be able to rescue them without further escalating the conflict? Even the minor incident of the *Mayaguez* seizure cost the lives of several American marines.

Lest these questions pose dangerous possibilities for the U.S. presence in the Sinai buffer zone, they are of a minor nature when we view the long-range possibilities of U.S. participation in other phases of the Israeli-Egypt accord. The presence of these American technicians is merely the introductory phase to a complex system which is touted as a way to bring peace to the Mideast. But before embarking on this journey, I urge caution and restraint in the face of many unanswered questions. Is this really the way to accomplish a lasting peace, or instead are we guaranteeing American involvement in the next Mideast war?

Will our presence encourage all parties to act in good faith and make every effort to expedite the attainment of a lasting peace, or will the American presence be considered a "sop" by both parties and encourage them to stand firm by their present convictions and refuse to negotiate further, with the United States being charged with the responsibility for the hardening of each side's positions?

If the existing cease-fire was agreed to by all nations and factions involved, the problem would still be substantially complex. But when we consider that the present cease-fire is bilateral between Israel and Egypt, and that subsequent agreement with other of Israel's adversaries must be entered into, the thought immediately comes to mind that the demands of these other adversaries of Israel are not the same as Egypt's, otherwise a multilateral cease-fire would be in order. Will these subsequent accords require the presence of additional Americans to serve in other areas? Ironically, the success of the presence of these American technicians could well serve to support requests for additional Americans in other areas in the Mideast. Could not the American presence trigger a request by the U.S.S.R. to place its technicians in the area? Or what if Syria, Lebanon, or some other nation should demand the presence of U.S.S.R. technicians?

But where are U.N. forces in the meantime? Are we not, in a very subtle way, lending aid and comfort to those nations which attack the validity of the U.N. and question the efficacy of its peacekeeping operations?

Or worse yet, are we undermining the basic purpose of the United Nations, namely to provide and preserve peace throughout the world? The further we expand this scenario, the more complex, dangerous, and particularly contradictory the whole proposition becomes.

Additionally, the Congress will soon be asked to appropriate substantial sums of money to supply economic and military aid to both Israel and Egypt. But if we really are convinced that the 200 American technicians are indispensable to the maintenance of peace between Israel and Egypt, why the need to build up the arms of both countries? Are we not intensifying the arms race in the Mideast with our promise to Israel to supply it with our latest and most sophisticated military equipment, such as the F-16?

Speaking of the amount of economic and military assistance involved, one estimate places it at $15 billion for the next 5 years. But, how can the American taxpayer afford such a drain on our very depressed economy? The magnitude of this $15 billion estimate is graphically demonstrated by the fact that in the 14-year period 1962–75, the total of economic aid to Egypt and economic and military aid to Israel was $6¼ billion.

Make no mistake about it. The issue before us is indeed complex. It was equally complex to the 120 members of the Israeli Knesset, where the vote after an exhaustive 9 hours of debate to ratify the Sinai accord was 70 for and 43 against, with 7 abstentions. A consensus yes, but certainly not an overwhelming vote by representatives of those who have the most at stake in this problem, namely the people of Israel.

I am particularly disturbed by the remarks of Mr. Shmuel Tamir, a member of the Knesset, that the presence of 200 American technicians in the Sinai buffer zone is a "serious mistake which could, in time, harm our relationship with the United States."

Furthermore, my concern about the danger of American technicians in the Sinai is supported by the remarks of such knowledgeable and respected statesmen as Under Secretary of State George W. Ball and Gen. Moshe Dayan. According to Mr. Ball, the present U.S. approach to the Arab-Israeli settlement may result in increasing tensions and a new explosion of war in 2 or 3 years. General Dayan has expressed serious reservations about the accord and thinks a better one could be worked out.

It is contended by those who favor the approval of sending American technicians to the Sinai that it is an integral part of a plan to buy time in the Mideast in order to allow for further negotiations toward a lasting peace. But I am not convinced that such time interval might not work to the detriment of a lasting peace.

In conclusion, I find too many soul-searching questions are still unanswered in attempting to evaluate the ultimate result of the action we are asked to take today in authorizing the placement of American technicians in the Sinai buffer zone. The Vietnam tragedy, where American involvement was initiated in a rather innocuous manner, is too recent in time to disregard its lessons. I am not convinced that the action called for in the bill before us is a clear and unequivocal step toward a lasting peace in the Mideast, and I reluctantly cast my vote against its passage.

Mr. WAXMAN. Mr. Chairman, the stationing of American technicians in the Sinai is a modest and reasonable effort to improve the chances for peace in the Middle East. I am confident that the volunteers for the Sinai assignment will be exposed to an absolute minimum of risk. Equally important, I believe their mission is sufficiently circumscribed so that it cannot conceivably evolve into something different from what is intended.

The International Relations Committee has held extensive hearings on every aspect of the accord. The committee has had access to all the supplementary agreements—both public and secret, multilateral and bilateral—which accompanied the disengagement. The joint resolution authorizing the American presence in the Sinai makes clear that what we are approving is a limited, peace-keeping role for the United States.

When it became public that the Sinai accord called for the use of American personnel, many likened the bill before us to the Gulf of Tonkin Resolution, and equated the Sinai with Vietnam.

As one who opposed the war in Vietnam from its very inception, I could not dismiss this fear without thorough examination. The voices of those Americans who are moved by our tragic experience in Vietnam have to be answered.

There are three fundamental differences between our involvement in Vietnam and our participation in this agreement. First, it is clear that both sides consider the American presence indispensable to the accord. Second, our role will not be one of intervention on behalf of an ally, but participant in keeping the machinery of peace operating. Third, rather than involving us in a quagmire, assumption of this role by the United States will hopefully enable us to exercise greater influence in averting war and promoting peace in the area.

The role of Americans in the Sinai is a neutral one. Their presence has been requested—indeed, pled for—by both Egypt and Israel. How sharply this contrasts to the original 800 Americans sent to South Vietnam over the vehement objections and denunciations by the North Vietnamese.

The Americans sent to South Vietnam were stationed in that country and fought directly with its military forces. The Americans going to the Sinai will be stationed in the United Nations buffer zone over which neither belligerent claims or is granted sovereignty while the accord is in effect.

The technicians will be sharing the results of their work equally and simultaneously with United Nations officials and with Egyptian and Israeli intelligence personnel. It should also be remembered that 36 Americans have been serving for the past 2 years with the United Nations Truce Supervisory Organization, checking on the artillery and tank deployments by both sides. Although this agreement clearly broadens and redefines the American role, the precedent for our participation in supervising the peace agreements resulting from the step-by-step process is well established.

The joint resolution explicitly states that in the event of an outbreak of hostilities in the region, or on its own motion, the Congress may order the immediate withdrawal of our personnel. Furthermore, the Americans who will be stationed in the buffer zone between Egypt and Israel will be volunteers who have neither the training, military status, or orientation to engage in combat-related activities even of an advisory sort. Indeed, such activities are clearly beyond the bounds of their mandate.

Perhaps the most obvious difference between our role in the Sinai and the history of our involvement in Vietnam is a matter of sheer numbers. There never was a ceiling on the troop levels in Vietnam. The escalation from a mere 800 to well over a half million men occurred in a context in which no firm limits had ever been set. The number of troops, in other words, was subject to Presidential discretion. The joint resolution expressly limits the number of Americans to be involved in the Sinai to no more than 200. That number cannot and will not be increased without the approval of all the parties to the accord and the Congress as well.

Finally, I should like to reflect on the grave misgivings many have expressed over the unprecedented use of 200 Americans in the Middle East, and what this kind of commitment means not only to Egypt and Israel, but as to whether the United States will find itself at war against its will.

I find this fear without basis of fact. The United States, regardless of whether it participates in this accord, is already heavily involved with Israel and several Arab states—and this involvement is deepening in scope. It would be foolish to pretend that the withholding of 200 civilians would somehow spare us from any of the consequences of a high level of involvement.

America has longstanding military and diplomatic relations with most of the countries of the region. Every American President since Harry Truman in 1948 has publicly expressed and supported a commitment not only to the survival of the State of Israel, but also to the territorial integrity of the other countries in the Middle East.

We simply must face the fact that there are both moral and material interests which tie our destiny to that of the countries in the Middle East. An Arab-Israeli conflict instantly sets the stage for a possible involvement by the United States or the Soviet Union.

One only needs to recall that during the Yom Kippur war in 1973, the United States placed its forces on alert in order to deter Soviet aggression in the Middle East. We were extensively involved in resupplying Israel during the war. There is no reason to believe that we would not become similarly involved if another tragedy were to unfold.

The question, then, is not whether we should play a role in the affairs of the area, but what kind of role it is to be.

Given the lessons of history and the dictates of geography, world peace is inextricably tied to peace in the Middle East.

Although I strongly support this joint resolution, there are clearly many difficult issues which are not laid to rest by authorization for the presence of the technicians in the Sinai. Although I am by no means confident that it will succeed in preventing another Arab-Israeli war, it is clear to me that there is no better short-term prospect for maintaining peace.

A fundamental danger from this agreement would arise if it were treated as an endpoint rather than a beginning. The momentum this accord has generated must be harnessed to solve problems on other fronts with the other parties.

If there is no further peace there will be another war, with all its disastrous consequences. We all realize that neither Egypt, Israel, nor the United States could go forward and implement the accord without making certain that Congress would approve the use of American technicians.

It would be a tragedy if, in reaction to our experience in Vietnam, we decided to turn inward, abdicating our responsibility and commitment to seeking peace around the world.

I believe the approval by the Congress of the American presence in the Sinai is a prudent and responsible move in the interest of all the nations in the Middle East and in the interest of the United States.

I urge adoption of the House joint resolution.

Mr. McKINNEY. Mr. Chairman, I would like to go on record as joining with those who are actively pressing for swift passage of the implementation of the early warning systems in the Sinai.

Frankly, I do not think we have much of a choice today. In ratifying this portion of the Israeli-Egyptian agreement we are taking the first step toward what hopefully will be a lasting peace in the area. Failure to take this step would mean a return to the unstable peace of the past which not only threatens the security of Israel and Egypt, but which would have far-reaching repercussions on all nations whose economic future is tied to that area of the world.

During the past 26 years, war has almost come to be an accepted fact in the Middle East. Thus, I can appreciate the concerns expressed by many of my constituents that stationing technicians in this volatile area of the world will not only be subjecting these men to possible harm, but will also be the first step toward an increased American presence. Since the travesty of our involvement in Vietnam is still quite vivid in the minds of many Americans, it is not hard to see why these citizens are not enthusiastic about involving the United States in a peace accord in the Middle East.

As some have noted, our actions today bring us from a diplomatic role to a participatory role, and the Congress must take every necessary precaution to keep that participatory role to a minimum.

What has to be understood by the citizens who have expressed misgivings about Congress approving this portion of the agreement is that Congress fully recognizes the risks involved. But, as much as there is the risk of war, I think there is an even greater risk of peace, and I personally believe that the odds are in favor of the latter.

In examining the provisions of House Joint Resolution 683, it becomes increasingly evident that the Vietnam analogy just does not stick. In Vietnam we sent in military advisers to wage war for one side. In the Middle East, we are sending in civilian technicians, at the request of both sides, to preserve the peace. Of course, it can be argued that Congress never realized the escalation of events that would occur in Vietnam. Today, I think we are in full recognition of the potential that surrounds our action.

Considering Congress' dismal record in keeping tabs on foreign policy in the past, I am pleased to see that the House joint resolution contains the reporting requirement which obligates the President to review the participation of the American technicians every 6 months and provide the Congress with information on which it can render judgment and exercise its prerogative of ordering the removal of such civilian technicians by concurrent resolution. These periodic reports will assure that the Congress will be kept abreast of the status of the technicians and more important, will enable the Congress to share in the continuing role of these individuals.

In conclusion, it is an accepted fact that peace will not come quickly or easily to the Middle East. While the Egyptian-Israeli agreement has put more pressure on Israel's adversaries to move away from their present positions and adopt a more compromising attitude toward negotiating similar settlements, this will also put pressure on the United States to continue in its negotiatory role in bringing these settlements about. I think the American people and the Congress recognize the benefits to be accrued from peace in the Middle East and I look forward to Congress playing a constructive and deliberate role in working toward this goal.

Mrs. BURKE of California. Mr. Chairman, I rise in support of the Sinai resolution, for I feel that the Israeli-Egyptian-United States interim peace agreement will, with our help, prove to be a major step toward the attainment of a lasting peace in the Middle East. As we all know, peace and stability in that strategic area are essential to world peace and vital to the best interests of the United States. At this time, I would like to address myself to some of the concerns which have been expressed concerning this agreement and American involvement.

In the first place, the analogy that has been made between American involvement in Vietnam and in the Middle East is simply not valid. While I would be among the first to shy away from any repetition of our tragic experiences in Vietnam, I must also point out that it is as dangerous for us to assume, without more, that any kind of overseas involvement is a "potential Vietnam."

In this case, the circumstances, issues, risks, and the cast of characters are entirely different. In Vietnam, we sent "military advisers" into a civil war—an internal affair. We were part of the hostilities there from the beginning. In the Middle East, on the other hand, we have deep and longstanding interests—political, economic, moral, historical. This is not a civil war—and we have been asked by both sides to send volunteer civilians to monitor radar screens, operate other surveillance devices, and to report to both sides any apparent violation of the disengagement agreement. Our presence will reinforce the good faith efforts of both sides to adhere to the agreement.

Those who argue that the U.N. should shoulder the burden of providing these technicians, rather than the United States, make a technically valid, but practically unworkable, point. Israel understandably has little confidence in the U.N. Security Council—which withdrew its buffer troops at President Nasser's request in a move which led to the 1967 6-day war—and has even less confidence in the present U.N. Assembly, where Israel receives little support. Furthermore, both Egypt and Israel have asked for our help, for we have earned their trust through our unceasing efforts to find a workable settlement for the two sides.

A final concern which has been expressed—and which I share—concerns the extent of military and economic aid that the United States will undertake to supply to Israel and Egypt. Since the granting of such aid is subject to the legislative process, we do have initial control over such commitments. It is up to us to make certain that these commitments are clarified and that we make our decisions on the basis of solid facts. The problem of deciding what and how much aid to grant should not, however, prevent us from helping to foster the kind of agreement which, with our help, will lead to permanent peace in the Middle East.

Mr. Chairman, a few days ago, an Israeli professor, who is a specialist in Middle Eastern affairs, was visiting this country. In answer to questions about his reactions to the interim peace agreement, he made a very telling point when he admitted that nothing in the peace agreement itself was enough to induce him to believe in it—until he heard President Sadat publicly admit that, while he did not like the Israelis, he could learn to tolerate them. That remarkably honest statement proved to this Israeli professor that the interim peace agreement is, indeed, a turning point.

Mr. Chairman, no one at this juncture could expect the Israelis and the Arabs to like one another—but if they can tolerate one another, there is truly hope for a lasting peace. Let us not now dash those hopes by seeming to give grudging support for this hard-won agreement.

Mr. NIX. Mr. Chairman, I rise in support of House Joint Resolution 683, to authorize the use of American civilian technicians in the Sinai.

I am confident that this legislation, which will put into motion the Sinai disengagement agreement, will mark a major step forward in our search for a permanent peace in the Middle East.

Many questions were raised in the International Relations Committee, and quite properly so, as to the details of the use of American civilians in this peacekeeping capacity. I believe that we have satisfactorily answered these questions. I believe further that all the parties involved in the negotiations have a clear understanding of the role of these civilians.

The choice we now face is that of seizing the opportunity to foster peace and security in the Middle East or of allowing events to drift toward another war. By establishing this early warning system we will substantially reduce the chance of another war by providing both Israel and Egypt with considerable security against surprise attack. More than that, we will allow negotiations among the nations of the area to move further toward a final settlement.

Mr. Chairman, I urge support for this joint resolution. It will take us a giant stride toward the day when the Arab nations will honor the sovereignty and security of Israel and when all the nations of the area can have peaceful and normal relations.

Mr. HELSTOSKI. Mr. Chairman, today the House considers House Joint Resolution 638 which concerns the stationing of American technicians in the Sinai. At this time I would like to express my qualified support and state the specific reservations I have concerning it.

The intention of this measure is to authorize the President to implement the U.S. proposal for an early-warning system in the Sinai Peninsula. By stationing not more than 200 U.S. civilian technicians at the facilities in the Milta and Giddi Passes, the risk of violation of the agreement between Egyptian and Israeli forces will decrease.

I substantially agree with the basic principles set forth by this agreement. The establishment of a peaceful solution is a worldwide desire and I am in basic agreement with the arrangements that have been made, provided the various safeguard provisions are implemented. This is essential.

Upon the occurrence of hostile actions or an outright breach of compliance with the agreement, the U.S. personnel must be removed immediately. Recent history tells of the risks faced by the United States if we become involved in such a conflict. The Congress must also have the right to determine whether or not the safety of our civilians is in jeopardy.

As already seen, war will not resolve the issues that separate these nations. The United States, in its role as the leader of the free western world, must meet its obligation of assistance in obtaining a peaceful solution and offer the necessary means for maintaining such an agreement.

One of the most difficult and strenuous tasks is achieving a formula that will be acceptable to both sides. I am confident that the long and hard hours put into this goal by the chief negotiators have not been in vain. Up to this point, we have continued along the right path and we must not begin to stray.

The question now confronting the United States, as a global power, is how much effort will we put into maintaining this agreement. The process of negotiations has reached its peak: the process of implementation is just beginning.

I call upon my fellow colleagues in the House to reassess America's policy of goodwill. The proposal before us is not a threat to national security nor to the stability of the United States. I urge you to support this resolution in the interests of international security and peaceful coexistence.

Mr. WOLFF. Mr. Chairman, I rise in strong support of House Joint Resolution 683, the resolution implementing the proposal for U.S. technicians to man warning stations in the Sinai.

In the Sinai accord, negotiated by Secretary of State Kissinger, the Israelis have agreed to make withdrawals from areas of strategic importance. In turn, the Egyptians have made certain concessions that could best be described as political. As I believe that a long term peace settlement must be a political one, with Israel maintaining defensible boundaries, this agreement represents a significant step toward securing a solution to the Middle East dispute. In this, it is an agreement very much in the best interest of both Israel and Egypt.

This agreement also serves as an important counter to the expansion of Soviet influence in the critically important Middle East, an expansion of influence that the Soviets have long sought. The United States has shown that it can bring about a step toward a settlement in the region, something that the Soviets were unable to do and, in all probability, did not desire. Because of our success in negotiating this agreement, the U.S. position and influence in the region has been heightened, something very much in our best interest.

For these and other reasons, I feel that it is important for the Sinai accords to be implemented. The provision establishing American manned warning stations in the Sinai is critical to the overall settlement. Many of my colleagues have expressed their concern over this provision. I fully share in this concern and would have preferred to have either U.N. technicians or other nationals do this job. However, both parties in this agreement separately approached the United States and insisted that they felt American technicians were essential.

Thus, we are presented with a choice. We can either permit American volunteers to be stationed in the Sinai, and have the accord take effect, or we can refuse, with the resulting breakdown of the interim agreement. Such a breakdown could only heighten the possibility of further warfare in the region, warfare that, when you recall the 1973–74 oil embargo, would undoubtedly have serious effects upon our Nation. Thus, I feel that it is imperative for us to permit the stationing of Americans.

House Joint Resolution 683 is a result of careful consideration by the Committee on International Relations. It authorizes the President to implement the U.S. proposal for the early warning system in the Sinai while, at the same time, it contains language to insure that these Americans would be withdrawn in the event of an outbreak of hostilities. In addition, the measure states that the Congress can order the withdrawal of our men if we feel they are in danger, or if they are no longer needed.

I feel that House Joint Resolution 683 is a responsible piece of legislation that will move the world closer to a long term peace in the Middle East. I urge my colleagues to support it.

Mr. GRASSLEY. Mr. Chairman, the American people clearly do not want the United States to become involved in the potential conflict in the Middle East. We are told that the mission of these technicians is different from that of the "advisers" we sent to Vietnam. That may well be the case, but nevertheless, it is still involvement. I do not know how much more involved we could get than to position ourselves into a narrow space between two warring forces.

This is like placing a cat between two fighting dogs. It provides only a minor obstacle for the fighters to reach each other, while almost assuring substantial injury to the cat in the process.

It is easy to see the potential dangers of this plan. The technicians are certain to be the object of terrorists' attacks. That has already been promised. Are the American people expected to sit idly by while these "emissaries of peace" are being ruthlessly attacked?

What if they are kidnapped? What will our response be then? Will they be allowed to defend themselves against these attacks? No one could seriously consider denying them the basic human right of self-defense, yet are we not guaranteeing an international incident the first time they are forced to take up arms in their own defense?

Wars which have broken out in the Mideast in the past have been characterized by blitzkrieg attacks. The language of this resolution requires that these technicians be removed immediately in the event of hostilities. But who is to safely remove them except the U.S. Armed Forces? Is not the likelihood of our rescue forces becoming involved in military conflicts with either the Arabs or Israelis during their rescue mission a certainty? What happens to our relationship with those countries then?

Suppose one of the countries does decide to attack the other. The early warning system of their opponent will be their first strategic target. If this bill passes it means that the U.S. technicians will be the first target of any new war in that area, no matter who starts it. Do we really want to put ourselves in a position where the first blood spilled in a future Mideast war must be U.S. blood? If that happens, could we simply ignore the fact that we were the target of such a deliberate attack?

Suppose for some reason our early warning system was not failsafe. There is not a member of this Congress who is expert on the technical functionings of this type of system, yet we all know that no machine created by man can be greater than the men who produced it. Men are not perfect and neither can their creations be guaranteed to be perfect. It may not be as likely as the other potential problems with the plan, but it is still a very real possibility that our early warning system could fail to warn of a real attack, or give warning of an attack which is not in fact real. Where is the posture of America then?

I could go on and on projecting potential dangers for the United States under this plan, but every Member of this body recognizes them, and admits that they are very real.

The only question remaining then is are we willing to accept this risk? Is it worth it to the United States, or are the people of the United States willing to accept it. Few members would even dispute the fact that they would not be willing to have accepted it had they not felt that they were backed into a corner by the State Department. That is no excuse for putting a rubber stamp on such a bad plan. If this plan is bad for the United States; if our people do not want it; if we as Congressmen do not want it; then it is true we have only one choice. We must reject it regardless of what the State Department says. Their pob is to enforce policy, not to make it. If we abdicate in this; they will have a blank check to continue their policies in the future.

Mr. SKUBITZ. Mr. Chairman, I shall vote against House Joint Resolution 683, and I fervently pray that if it passes—and I am sure that it will—that the supporters are dead right and that I am dead wrong.

I have studied the language of House Joint Resolution 683. I have studied the report particularly the remarks of Mr. Zablocki. With the commitment of 200 observers—what next?

The Washington Post of October 1, 1975 made this abundantly clear when it said,

> Israel needs the agreement as its ticket to the billions in aid and the political partnership it seeks from Washington.

We have been told that the adoption of this resolution commits us only to 200 observers—nothing more. And yet, the Washington Post of October 8, 1975, in an article "Senate Panel Backs U.S. Unit for Sinai" states that:

> In his prepared statement Kissinger said that Congressional approval of the proposal on technicians does not link the Sinai agreement to other U.S. undertakings. However under questioning he told the Committee that such approval would trigger U.S. signature of the other documents.

What are the other documents? They have not been made available to us. However Congressman Hamilton, who is a member of the committee has inserted a summary of the reported secret agreements as published in the press in this committee report.

They are as follows:

Additional Views of Hon. Lee H. Hamilton

In order to put House Joint Resolution 683 in perspective, I am enclosing for the interest of my colleagues a report by the Library of Congress which gives a summary of the reported "Secret Agreements" between the United States and Israel and Egypt. This report is based on recent press accounts and not on official documents.

The Library of Congress report follows:

A SUMMARY OF THE REPORTED "SECRET AGREEMENTS" BETWEEN THE UNITED STATES, ISRAEL, AND EGYPT SUBSEQUENT TO THE EGYPTIAN-ISRAELI DISENGAGEMENT AGREEMENT OF 1975 [1]

(The following is based on current press accounts and not on official documents.)

At the time of the signing of the 1975 Egyptian-Israeli Disengagement Agreement of 1975 in Geneva on September 4, 1975, there was widespread press speculation to the effect that, in addition to the Accord and Annex, which were made public, and the U.S. proposal for the establishment of an early-warning system in the buffer zone, the overall agreement also included secret understandings between the United States, Israel, and Egypt which contained commitments with regard to foreign aid and other matters. On September 16 and 17, 1975, the Washington Post and the New York Times published the alleged texts of three such secret agreements. According to the New York Times, the texts were made available by columnist Jack Anderson and were authenticated by officials who have seen the originals. The first document is entitled "Memorandum of Agreement Between Israel and the United States." The second is entitled "Assurances From the United States Government to Israel," which augments the first document's aid provisions. The third is entitled "Assurances from the United States Government to Egypt." According to press reports, there may be other such secret agreements.

I. Summary of "memorandum of agreement between the United States and Israel"

1. The United States will make every effort to be responsive to Israel's long-term defense, energy, and economic needs, subject to congressional approval.

2. The United States and Israel will periodically consult on Israel's long-term military supply needs; and beginning with the 1976 request, the United States will view sympathetically Israel's request for advanced weapons.

3. In the event that Israel cannot meet her oil requirements through normal procedures, the United States agrees that for the next 5 years it will:

(a) Sell and help ship oil to Israel if U.S. reserves permit; or

(b) If the United States itself faces an oil embargo, it will make oil available for purchase in accord with the International Energy Agency conservation and allocation formula, as applied by the United States Government.

4. The administration will request Congress to:

(a) Take into account Israel's oil import requirements in determining the overall Israeli aid figures;

(b) In determining total aid to Israel, take into account Israel's extra expenditure to replace the oil derived from the Sinai wells which are to be returned to Egypt; and

(c) Make available funds for construction of storage facilities to enable Israel to increase her supply of oil reserves to 1 year's need within the next 4 years.

5. The United States will not expect Israel to implement the Agreement [2] until Egypt permits the passage of Israeli cargo through the Suez Canal to and from Israeli ports.

6. The United States agrees that the next agreement with Egypt should be a final peace agreement.

7. The United States will consult with Israel on remedial action by the United States in the case of any Egyptian violation of any of the provisions of the Agreement.

8. The United States will veto any Security Council resolution which would adversely affect the Agreement.

9. The United States will seek to prevent efforts by others to consider proposals detrimental to Israeli interests.

10. In the event of a threat to Israel's security by a world power "the United States will in the event of such threat consult promptly with the Government of Israel with respect to what support, diplomatic or otherwise, or assistance it can lend to Israel in accordance with its constitutional practices."

11. The United States and Israel will conclude the contingency plan for an emergency military supply operation, if possible within 2 months of the signing of this document.

12. It is the United States view that Egyptian commitments under the Egypt-Israeli Agreement are not conditional upon any developments between Arab States and Israel.

13. The United States shares Israel's view that negotiations with Jordan are to be directed toward an overall peace settlement.

14. The United States regards the Straits of Bab-el-Mandeb and the Strait of Gibraltar as international waterways and supports Israel's passage through the straits as well as freedom of flight over the straits and the Red Sea.

15. The Agreement will remain binding even if the U.N. forces are withdrawn without the prior agreement of Egypt, Israel, and United States and even if no subsequent agreement has been reached.

16. The Agreement will not take effect before the United States Congress approves the U.S. role in connection with surveillance and observation functions.

II. Summary of "assurances from the United States Government to Israel"

The United States will continue to supply Israel with advanced types of equipment, such as the F-16 aircraft, and the Administration agrees to undertake a joint study of sophisticated military items, including the Pershing ground-to-ground missiles with conventional warheads, with a view to giving a positive response.

III. Summary of "assurances from the United States Government to Egypt"

1. The United States intends to make a serious effort to bring about further negotiations betwen Syria and Israel.

2. In the event of a violation of the Agreement by Israel, the United States will consult with Egypt about possible remedial action by the United States.

3. The United States will provide technical assistance to Egypt for the Egyptian early-warning station.

[From the New York Times, Sept. 17, 1975]

U.S. Documents Accompanying the Sinai Accord

Washington, September 16.—Following are the texts of three documents relating to the recent Sinai agreement between Israel and Egypt. The first is a memorandum of agreement between Israel and the United States relating to American aid to Israel and diplomatic actions in the Middle East; the second, entitled "Assurances From the United States Government to Israel,' augments the first document's and provisions; the third is entitled "Assurances From the United States Government to Egypt."

MEMORANDUM

The United States recognizes that the Egypt-Israel Agreement initialed on Sept. 1, 1975 (hereinafter referred to as the agreement), entailing the withdrawal from vital areas in Sinai, constitutes an act of great significance on Israel's part in the pursuit of final peace. That agreement has full United States support.

(1) The United States Government will make every effort to be fully responsive, within the limits of its resources and Congressional authorization and appropriation, on an on-going and long-term basis, to Israel's military equipment and other defense requirements, to its energy requirements and to its economic needs. The needs specified in paragraphs 2, 3, and 4 below shall be deemed eligible for inclusion within the annual total to be requested in fiscal year 1976 and later fiscal years.

(2) Israel's long-term military supply needs from the United States shall be the subject of periodic consultations between representatives of the U.S. and Israeli defense establishments, with agreement reached on specific items to be included in a separate U.S.-Israeli memorandum. To this end, a

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[1] By Susan M. Mowle, Analyst in International Relations, Foreign Affairs Division, Sept. 25, 1975.

[2] Agreement, when capitalized, refers to the Egyptian-Israeli Disengagement Agreement of 1975 signed on Sept. 4, 1975, and included the Accord and Annex.

joint study by military experts will be undertaken within three weeks. In conducting this study, which will include Israel's 1976 needs, the United States will view Israel's requests sympathetically, including its request for advanced and sophisticated weapons.

(3) Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel, will act as follows for five years, at the end of which period either side can terminate this arrangement on one year's notice.

(a) If the oil Israel needs to meet all its normal requirements for domestic consumption is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet all of the aforementioned normal requirements of Israel. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula as applied by the United States Government, in order to meet Israel's essential requirements. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

Israeli and U.S. experts will meet annually or more frequently at the request of either party, to review Israeli's continuing oil requirement.

(4) In order to help Israel meet its energy needs, and as part of the over-all annual figure in paragraph 1 above, the United States agrees:

(a) In determining the over-all annual figure which will be requested from Congress, the United States Government will give special attention to Israel's oil import requirements and, for a period as determined by Article 3 above, will take into account in calculating that figure Israel's additional expenditures for the import of oil to replace that which would have ordinarily come from Abu Rudeis and Ras Sudar (4.5 million tons in 1975).

(b) To ask Congress to make available funds, the amount to be determined by mutual agreement, to the Government of Israel necessary for a project for the construction and stocking of the oil reserves to be stored in Israel, bringing storage reserve capacity and reserve stocks, now standing at approximately six months, up to one year's need at the time of the completion of the project. The project will be implemented within four years. The construction, operation and financing and other relevant questions of the project will be the subject of early and detailed talks between the two Governments.

(5) The United States Government will not expect Israel to begin to implement the agreement before Egypt fulfills its undertaking under the January 1974, disengagement agreement to permit passage of all Israeli cargoes to and from Israeli ports through the Suez Canal.

(6) The United States Government agrees with Israel that the next agreement with Egypt should be a final peace agreement.

(7) In case of an Egyptian violation of any of the provisions of the agreement, the United States Government is prepared to consult with Israel as to the significance of the violation and possible remedial action by the United States Government.

(8) The United States Government will vote against any Security Council resolution which in its judgment affects or alters adversely the agreement.

(9) The United States Government will not join in and will seek to prevent efforts by others to bring about consideration of proposals which it and Israel agree are detrimental to the interests of Israel.

(10) In view of the long-standing U.S. commitment to the survival and security of Israel, the United States Government will view with particular gravity threats to Israel's security or sovereignty by a world power. In support of this objective, the United States Government will in the event of such threat consult promptly with the Government of Israel with respect to what support diplomatic or otherwise, or assistance it can lend to Israel in accordance with its constitutional practices.

(11) The United States Government and the Government of Israel will, at the earliest possible time, and if possible within two months after the signature of this document, conclude the contingency plan for a military supply operation to Israel in an emergency situation.

(12) It is the United States Government's position that Egyptian commitments under the Egypt-Israel agreement, its implementation, validity and duration are not conditional upon any act or developments between the other Arab states and Israel. The United States Government regards the agreement as standing on its own.

(13) The United States Government shares the Israeli position that under existing political circumstances negotiations with Jordan will be directed toward an over-all peace settlement.

(14) In accordance with the principle of freedom of navigation on the high seas and free and unimpeded passage through and over straits connecting international waters, the United States Government regards the Straits of Babel Mandeb and the Strait of Gibralter as international waterways. It will support Israel's right to free and unimpeded passage through such straits. Similarly the United States Government recognizes Israel's right to freedom of flights over the Red Sea and such straits and will support diplomatically the exercise of that right.

(15) In the event that the United Nations Emergency Force or any other United Nations organ is withdrawn without the prior agreement of both parties to the Egypt-Israel agreement and the United States before this agreement is superseded by another agreement, it is the United States view that the agreement shall remain binding in all its parts.

(16) The United States and Israel agree that signature of the protocol of the Egypt-Israel agreement and its full entry into effect shall not take place before approval by the United States Congress of the U.S. role in connection with the surveillance and observation functions described in the agreement and its annex. The United States has informed the Government of Israel that it has obtained the Government of Egypt agreement to the above.

ADDENDUM ON ARMS

On the question of military and economic assistance to Israel, the following conveyed by the U.S. to Israel augments what the memorandum of agreement states.

The United States is resolved to continue to maintain Israel's defensive strength through the supply of advanced types of equipment, such as the F-16 aircraft. The United States Government agrees to an early meeting to undertake a joint study of high technology and sophisticated items, including the Pershing ground-to-ground missiles with conventional warheads, with the view to giving a positive response. The U.S. Administration will submit annually for approval by the U.S. Congress a request for military and economic assistance in order to help meet Israel's economic and military needs.

ASSURANCES TO EGYPT

1. The United States intends to make a serious effort to help bring about further negotiations between Syria and Israel, in the first instance, through diplomatic channels.

2. In the event of an Israeli violation of the agreement, the United States is prepared to consult with Egypt as to the significance of the violation and possible remedial action by the United States.

3. The United States will provide technical assistance to Egypt for the Egyptian early-warning station.

ADDENDUM

On September 18, 1975, the New York Times published the text of an alleged United States-Israeli Memorandum of Agreement dealing with the Geneva peace conference, bringing to a total of four the number of reported "secret agreements" between the United States, Egypt, and Israel which have been published in the press subsequent to the Egyptian-Israeli Disengagement Agreement of 1975.

SUMMARY OF "MEMORANDUM OF AGREEMENT BETWEEN THE UNITED STATES AND ISRAEL WITH REGARD TO THE GENEVA PEACE CONFERENCE"

1. The United States and Israel will coordinate on the timing of the reconvening of the Geneva peace conference.

2. The United States will not recognize or negotiate with the Palestinian Liberation Organization (PLO) as long as the PLO does not recognize the right of Israel to exist, and the United States will not accept U.N. Security Council Resolutions 242 and 338. The United States and Israel will seek to coordinate strategy and position on this issue, and with regard to the participation of any additional states at the conference.

3. The United States will seek to insure that all substantive negotiations at the conference be on a bilateral basis.

4. The United States will veto any Security Council resolution which seeks to adversely alter the terms of reference of the Geneva peace conference or any adverse changes in Resolutions 242 or 338.

5. The United States will seek to insure that the role of the cosponsors be consistent with the terms of the December 20, 1972, Memorandum of Agreement between the United States and Israel.

6. The United States and Israel will plan action to insure that the conference be conducted in a manner directed toward the advancement of a negotiated peace between Israel and its neighbors.

[From the New York Times, Sept. 18, 1975]

U.S.-ISRAEL PACT ON GENEVA

(Special to the New York Times)

WASHINGTON, *Sept. 17—Following is the text of a previously unpublished memorandum of agreement beween the United States and Israel dealing with the Geneva peace conference.*

1. The Geneva peace conference will be reconvened at a time coordinated between the United States and Israel.

2. The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338. The United States Government will consult fully and seek to concert its position

and strategy at the Geneva peace conference on this issue with the Government of Israel. Similarly, the United States will consult fully and seek to concert its position and strategy with Israel with regard to the participation of any other additional states. It is understood that the participation at a subsequent phase of the conference of any possible additional state, group or organization will require the agreement of all the initial participants.

3. The United States will make every effort to insure at the conference that all the substantive negotiations will be on a bilateral basis.

4. The United States will oppose and, if necessary, vote against any initiative in the Security Council to alter adversely the terms of reference of the Geneva peace conference or to change Resolutions 242 and 338 in ways which are incompatible with their original purpose.

5. The United States will seek to insure that the role of the co-sponsors will be consistent with what was agreed in the memorandum of understanding between the United States Government and the Government of Israel of Dec. 20, 1972.

6. The United States and Israel will concert action to assure that the conference will be conducted in a manner consonant with the objectives of this document and with the declared purpose of the conference, namely the advancement of a negotiated peace between Israel and its neighbors.

LEE H. HAMILTON.

Mr. Chairman, we are told by the committee that the reported "secret agreements" by the press are basically correct. I have deep reservations with regard to this resolution to send 200 technicans. I feel it is only the "nose of the camel under the tent." I cannot see how any Member can support the resolution and in good conscience not support the balance of the secret agreements. There is no way to be only partly pregnant with regard to the commitments.

I am including the article from the Washington Post:

[From the Washington Post, Oct. 8, 1975]

SENATE PANEL BACKS U.S. UNIT FOR SINAI

(By Marilyn Berger)

Secretary of State Henry A. Kissinger said yesterday that congressional action to authorize sending 200 American civilian volunteers to the Sinai would bring into effect other agreements in the Mideast accord that make commitments and assurances legally binding on the United States.

The list of commitments the State Department considers binding was submitted to the Senate Foreign Relations Committee Monday afternoon, but has not been made public.

It was learned that among them are pledges to help supply oil to Israel in case of an emergency and to consult with Israel in the event of major power intervention in the Middle East.

Some senators, especially Dick Clark (D-Iowa) have argued that some of these commitments could lead to American military action.

Some members of the Foreign Relations Committee have been seeking to detach approval of the 200 volunteers from endorsement, implied or explicit, of the commitments contained in four documents that include U.S. pledges to Israel and to Egypt.

While the administration maintains that approval of the 200 American civilians to man early warning stations in the Sinai stands alone, Kissinger also said yesterday that approval of the volunteers would then make it possible for the United States to sign the other agreements.

(Reuter reported that Kissinger said that "nothing in any commitment of the United States under the agreements involves the use of armed forces."

Clark asked: "Under any circumstances?" "That is correct," Kissinger said.

In his prepared statement Kissinger said that congressional approval of the proposal on the technicians does not link the Sinai agreement to other U.S. undertakings. However, under questioning, he told the committee that such approval would trigger U.S. signature of the other documents.

Kissinger also urged that the "U.S. statements of intention not be given a legally binding character which was never intended and is not inherent in them." In other words, he urged that the commitments not be given treaty status.

Kissinger told the committee: "The word 'binding' sounding more ominous than the application may be. For example, when we are bound to consult, this binds us only to the fact of the consultation and not to the result of that consultation." Moreover, he said, many of the pledges are merely "formal reaffirmations of existing American policy."

In his prepared text, Kissinger told the committee, however, that "the fact that many provisions are not by any standard international commitments does not mean . . . that the United States is morally or politically free to act as if they did not exist. On the contrary, they are important statements of diplomatic policy and engage the good faith of the United States."

Mr. ICHORD. Mr. Chairman, with the failure of the Findley-Zablocki amendment I must rise in opposition to House Joint Resolution 683. I fully share the desire to break the deadlock in the Middle East which has led to four Arab-Israeli wars since 1948. I also fully appreciate the strength of U.S. national interests in the Middle East and our confraternity with both the Arab nations and Israel.

Additionally, I wholeheartedly support the texts of the agreement between Egypt and Israel and the annex to the Egyptian-Israeli agreement. What I cannot support is the price that the United States must pay for this step toward peace. In my estimation we are setting an unfortunate precedent in this agreement. Peace in the Middle East will not and should not be bought with hostaging either American lives or American money. By the terms of this agreement Egypt and Israel are giving up very little and in the long term will be gaining greatly. The United States in turn is expected to give up an extraordinary amount in terms of aid promises and our own eventual security. I cannot accept the necessity or logic of this exchange.

Peace in the Middle East is in the best interests of both parties. They should recognize this, and there should be no need to "bribe" either side to accept that which is in their best interests. It is a simple reality that peace cannot be purchased. A purchased peace can only result in a sham peace which may prove more dangerous and unstable than the modus vivendi which exists today. A meaningful and lasting peace in the Middle East will only be achieved through a true resolution of the issues which have dominated that area of the world for the past quarter of a century and which have produced the deep hatreds which exist today. No one denies that it is in our national interests to do everything reasonable to hasten a resolve of the Middle East turmoil.

However, our national interests also demand that we do not become the sole guarantor of peace for this region. Our role should be to bring Arabs and Israelis together to negotiate in their own best interests. We should only be the mediator—not the insurance company which shall end up paying the price in the event of malfeasance on the part of one or other of the parties.

This afternoon the House faces an important vote. We want peace in the Middle East but at what price to ourselves. We must decide whether to agree to the placement of up to 200 U.S. civilian technicians in early warning facilities in the Sinai to insure compliance with the Sinai agreement. The fact that the U.S. civilians were insisted on rather than the logical choice of a joint international force or even a joint United States-Soviet force highlights my objections to this joint resolution. These technicians were called for in the Sinai for no other purpose than to trigger a direct U.S. response in the event of a violation.

Responsible military observers state that the technicians do not perform any on-spot function which cannot be performed as adequately—and indeed more safely—by unmanned detection devices. Their only purpose is that of hostages whose presence could precipitate American intervention in the Middle East. To deliberately place ourselves in this position defies commonsense. In the first instance the placement of these technicians would represent an unprecedented move on the part of the United States. For the first time we would be placing American civilians on the line for political rather than military purposes.

Additionally, we would be placing American personnel on the line for an undetermined time as a permanent commitment at a cost estimated to cost $10 million a year in tax moneys. Second, there is every possibility that a commitment of this nature may result in a deemphasis on the need for future negotiations within Israel and Egypt leaving the root causes of war in the Middle East as yet unresolved. Finally, the very presence of U.S. forces in the Middle East marks them as sitting targets for any country which would like to subvert this agreement or any terrorist group which expresses violent reaction to the status quo.

There are risks in any peace undertaking. However, those risks should be taken by the parties affected, not by the mediator. We face a simple situation in which the referee entered the ring to straighten out the fight and ended up a participant. If we choose to pay such price for this agreement in which only 13 percent of the Sinai was regained by Egypt, what must be paid for the remaining 87 percent of the Sinai? Or what price will be demanded from the United States for future peace agreements on the Golan Heights, the old West Bank of Jordan, East Jerusalem, or the Gaza Strip? Our ostensible efforts in the past with regard to peace in the Middle East has been to achieve the objectives of Security Council Resolution 242 of November 1967. This should also be our full effort in the future. If the Egyptians and Israelis want peace, they should be willing to try this agreement without the presence of U.S. technicians. If they are unwilling to do so, then so be it. The United States can only help them to obtain peace—we cannot keep it for them.

Mr. BOLAND. Mr. Chairman, I rise in support of the proposal to implement the early-warning system in Sinai. This agreement does not mean instant peace, but I feel that it is definitely a giant step toward the attainment of peace in the world. We can do no less than reaffirm our commitment to peace by voting for this agreement.

I congratulate Secretary Kissinger for his efforts to secure the agreement. He served not only the United States but all nations by seeking to find an accord between Israel and Egypt.

Mr. Chairman, I do feel we must look closely at all aspects of this agreement. We are making a long term commitment with this agreement and we must carefully examine it. But there should be no argument with the general aim of the agreement. To gainsay a peace agreement in the Middle East is to gainsay a chance for world peace.

Some contend that an agreement like this puts the United States in another Vietnam situation. I do not agree. The measure we are considering makes specific provisions regarding the outbreak of hostilities. I join with many of my colleagues in refusing to sanction another Vietnam. I feel, however, the agreement before us for consideration is a move toward, not away from, peace.

Only civilian volunteers, and a specified number of them, will go to the Sinai. We are not escalating a potentially explosive situation. In the Sinai, the United States is on the side of peace. This agreement establishes that position. I believe it is the only position we can take—and a position we must take.

Mr. Chairman, I know that the import and purpose of the U.S. proposal for the early-warning system in the Sinai will be emphasized repeatedly during consideration of the proposal. It is good that this be done. Thus, Mr. Chairman I desire to include with my remarks a summary of the resolution that is now before us.

The principal purpose of House Joint Resolution 683 is to give congressional authorization to the President to implement the U.S. proposal for an early-warning system in the Sinai Peninsula. Under this proposal up to 200 civilian technicians of U.S. citizenship may be assigned to early warning facilities in the Mitla and Giddi Passes region of the Sinai, to help insure compliance with an agreement between the Egyptian and Israeli Governments.

Prefatory clauses note that the September 4, 1975, Egyptian-Israeli agreement may constitute a significant step toward peace in the Middle East, that the American technicians can be withdrawn when the U.S. Government concludes their safety is jeopardized or they are no longer needed in the Sinai, and that implementation of the U.S. proposal may promote peace by enhancing the prospect for good faith compliance with the Egyptian-Israeli agreement.

The legislation contains various safeguard provisions including:

Immediate removal of the technicians in the event of Egyptian-Israeli hostilities or if Congress by concurrent resolution determines their safety is jeopardized or they are no longer needed.

Any such concurrent resolution is given the same privileged status as a war powers resolution.

The U.S. participants in the Sinai early warning system shall be volunteers only.

Presidential reporting is required at least every 6 months so long as the American technicians remain in the Sinai.

A statement stating that the authority in House Joint Resolution 683 does not signify congressional approval of any other executive branch agreement, understanding, or commitments.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I am going to vote for this resolution, but with very serious reservations. My decision is motivated by the judgment that first this step but serves the national interest of the United States, and second, serves the right of Israel to continue as our free and independent ally in the Middle East.

We undertake the risks inherent in this legislation as a necessary risk for the sake of peace.

What we have here is a very modest beginning, which I for one hope will eventually lead to a lasting end to hostilities. A quick resolution of the outstanding political issues is the best hope for a permanent settlement.

There have been many cries of American triumph connected with the Middle East agreement, but whatever victory there may be, my colleagues, let me again remind you, does not guarantee the continued existence of Israel.

Our leaders, Mr. Chairman, need to be somewhat more moderate in their rhetoric and more vigilant in their actions, so that the peoples' hopes will not be destroyed as they have been in the past. There are those of my colleagues who oppose this resolution, contending we are moving toward an involvement similiar to our tragic role in Vietnam. I share some of their reservations.

But let me point out that unlike Vietnam, the United States is not involving itself militarily on the side of one nation, but rather at the request of both nations which are now at peace. The legislative climate which allowed the mindless escalation of the Vietnam war is no longer present in the Congress and this new institutional integrity will not allow our involvement in another such conflict.

Finally, Israel has more support among the American people than any regime in Vietnam was able to muster—support that did not waver even during the oil crisis when the Arabs sought to punish us for our support of Israel.

Mr. Chairman, let us approve this agreement, ever mindful of the larger question yet to be resolved.

And even more importantly, mindful of our continuing obligation to Israel.

Mr. OTTINGER. Mr. Chairman, I support the implementation of the proposed early warning system in the Sinai, and feverently hope that our presence there will be brief and that its conclusion will signal the beginning of a new era of peace and stability in the Middle East.

The Committee on International Affairs has dealt with this proposal in a very responsible fashion, and I am certain that they will act in a similar manner as they review the other provisions and appendixes of this agreement.

No one questions the great risk involved in our making this commitment of the lives and safety of 200 American citizens. But we must weigh this against the dangers and the high price, in lives and money, of yet another war in the Middle East: A renewed embargo on oil exports from the Arab nations and the risk of military confrontation with the Soviet Union. These are the very reasons why the United States has been so deeply involved in these negotiations, and now is not the time to forget them.

The provision for the American presence make it very clear that the United States may withdraw its personnel in the event that their safety is jeopardized and this resolution clearly stipulates that in the event of hostilities those persons will be removed immediately.

I would like to emphasize that this is not at all analogous to our sending personnel to Vietnam to train and advise the South Vietnamese military in the conduct of a war. The technicians in this instance are to act as observers to maintain the peace and are to be stationed at the request of and in accordance with the agreement of both sides.

The obligation which we are considering taking up is not one of merely maintaining peace, but of achieving peace. In word this has always been the aim of the foreign policies of the country; we have an opportunity to support this aim with constructive action and should do so.

This resolution provides us with a biannual opportunity to review the presence of the technicians, and we should take those times to review the progress of the negotiations; to see to it that the United States does its utmost to secure a final agreement and not let this accord become a paper promise.

Mr. HOWE. Mr. Chairman, I rise in support of House Joint Resolution 683 and want to commend the members of the Committee on International Relations for a well-written resolution dealing with a most difficult issue. In my opinion, they have built a good hedge around the limited authority which the President has requested, in accord with the wishes of both Israel and Egypt, to station American civilian technicians at early warning posts in the Sinai. Because I believe the resolution contains adequate safeguards and proscriptions, and because I am convinced it is essential to the strength of this peace accord, I will vote in favor of its passage.

I do want to comment, however, on several aspects of this measure and the more encompassing issue of the Sinai accord itself. In the first place, I do not share the fears of those who would draw parallels between the authority we are considering today and our early involvement in Vietnam. Not only are the circumstances greatly different, but I, for one, would not tolerate an extension of this limited authority and I doubt that this or the next Congress would do so.

There is a real danger, however, which we must acknowledge, of the United States becoming militarily embroiled in the event of the outbreak of another war in the Sinai. Although the resolution provides for the immediate withdrawal of the technicians whenever their safety is considered to be in jeopardy or hostilities begin, we all learned in 1973 that both Egypt and Israel are capable of lightning-swift action which could find our technicians caught in the middle. It is foreseeable that we would have to send U.S. military troops to extricate these American civilians. There is a risk involved, therefore, and I think we must honestly face that fact, but I am persuaded that the gamble is worth the greater stakes of peace in the Middle East.

Another provision of the resolution which draws my attention is that providing for the President to report to the Congress every 6 months on the status of our technicians and the duration of their stay, along with the possibilities of their replacement by nationals of other countries. I am deeply concerned by our sometimes self-imposed, sometimes requested role of policemen of the world. I was relieved when we avoided the placement of U.S. troops and Soviet troops in the Sinai to enforce the cease-fire and were able, instead, to place this responsibility on United Nations peacekeeping forces. It seems to me that the warning stations in the Sinai should also appropriately be manned by technicians from a number of countries under the auspices of the United Nations. I therefore strongly urge the President and Secretary Kissinger to take all possible steps for the early substitution of such technicians for Americans.

Lastly, I am particularly pleased by the closing statement in the resolution, indicating that the granting of this authority does not constitute approval of any other portion of the Sinai agreement. This is an important inclusion because we are discovering that a number of assurances and commitments were apparently made in the name of the United States in order to achieve the peace accord. A thorough review of these promises is essential before Congress expresses itself further on the Middle East agreement.

I am personally very disturbed by what I have read in the press regarding Secretary Kissinger's promises to Egypt and Israel on behalf of the United States. Not only have we made ourselves the guarantor of peace in the Middle East, but it looks like we have generously committed ourselves to meeting Israel's military, economic, and energy needs and sending new military weapons to Egypt. I submit to my colleagues that what we have, in fact, are three treaties related to the Middle East: A treaty between Israel and Egypt, a treaty between the United States and Israel and a treaty between the United States and Egypt. And, in my opinion, if the pledges outlined in the press have actually been made in the name of the United States, then they should be presented to the Senate for ratification in the same manner as any other treaty.

But we find an administration which will not even publish the documents bearing on this peace agreement. I understand that my colleague, Mr. HARRINGTON, plans to offer an amendment today to require that public disclosure be made of all assurances, commitments, and agreements—verbal or written—made by the United States in these negotiations. I intend to support that amendment, because I believe it is necessary to insure that Congress has the opportunity to study and take a position on these pledges.

There is no doubt that peace in the Middle East is vital to world stability and in the interests of the United States. We are not only still suffering the repercussions of the oil embargo imposed in October 1973, but we also saw during that war the potential for head-on confrontation between the United States and the Soviet Union. I fully realize that negotiations between Israel and its Arab neighbors are delicate and require deft handling, and I commend Secretary Kissinger for the skill with which he has moved two bitter enemies in the direction of peace. In addition, I acknowledge and support the long-term friendship between the United States and Israel, and I look forward to improved relations with Egypt.

It is precisely, however, because I am convinced that peace in the Middle East is imperative and because I believe we benefit from our alliance with Israel and from new cooperation with Egypt, that I express my alarm over America's role in this peace agreement. We do neither Israel nor Egypt a favor by promising them the Ameircan people are willing to give. I repeat that I think this Middle East peace accord is important and I would like to back up the President and Secretary of State in this matter as much as feasible. They must clearly understand, however, that it is unreasonable to ask the Congress to do this without fully informing us of what it is, exactly, we are getting into.

Mr. O'NEILL. Mr. Chairman, I rise in support of House Joint Resolution 683, authorizing the President to implement the proposal for an early-warning system in Sinai.

In a real sense, it is an honor and distinction that the United States is the only nation in the world trusted both by Egypt and by Israel to operate the early-warning stations in the strategic Mitla and Giddi Passes. Are they risks to us so great that the United States can reasonably refuse to man the early warning stations, telling Israel and Egypt that maintenance of peace in the Mideast is not of concern to us? I think not.

As we all know there are some Americans, including some of those present in this Chamber, who fear that the use of American technicians in Sinai will lead to American military involvement in the Mideast. I am sure that my colleagues who recall my efforts in opposition to our involvement in Southeast Asia will appreciate that I am sensitive to the need for safeguards that will guarantee that this measure will not serve as an excuse or justification for military activity in the Mideast. I feel confident that this measure does contain sufficient such safeguards.

Under the able leadership of its distinguished chairman, the Committee on International Relations wrote a resolution that approves only of the stationing of technicians. The resolution provides for prompt withdrawal of the technicians in the event of hostilities. Congress may direct their removal on its own. And no new authority is vested in the President to employ a military means to protect the American civilian technicians.

This resolution in no way, commits the Congress to approval of any other segments of Mideast agreements. Obviously, the committee inquired as to the prospective dimensions of the U.S. ongoing involvement in the Mideast. I trust to the committee's judgment that we can proceed independently to approve the dispatch of technicians to the region without triggering any other commitments.

Mr. Chairman, for a very small price this measure allows the United States to make a potentially large contribution to the movement toward peace between Israel and Egypt. The stationing of American technicians is openly endorsed and warmly welcomed by both nations free of any outside pressure. I am hopeful that it will lead to yet other mutual agreements of Israel and Egypt, leading ultimately to the full and lasting peace which can only come by agreement between them.

I urge my colleagues to vote in favor of this measure as a step in that direction.

Mr. LLOYD of California. Mr. Chairman, my vote on whether to send U.S. civilians to the Sinai region to monitor the peace accords between Israel and Egypt is based on a promise to my constituents, to find out what commitments have been made, what the costs will be, and to make sure that there are safeguards to prevent the United States from becoming involved in another armed conflict.

I have studied this issue, as has the House Committee on International Relations. Let me say that peace in the Middle East is a necessity, not a luxury. And, I would welcome anything that advanced the cause of peace without threatening the security of Israel or jeopardizing our relationships with Egypt and the other Arab nations.

The measure before the House today is to give congressional authority to the President to implement an early-warning system in the Sinai area. The key element in this proposal, and which was requested by both Egypt and Israel, is the sending of up to 200 Americans to the Sinai, where they would man surveillance facilities to help insure compliance by Egypt and Israel with the accords.

I want to emphasize that my constituents and I will not stand for the United States getting into a combat role in the Middle East. I feel there are sufficient safeguards in this legislation to prevent any U.S. military involvement. Further, in the event circumstances get out of hand due to unforeseen situations, this legislation does not lock in the United States to a course of military action.

The cost is estimated at $20 million for fiscal year 1976 and $10 million a year thereafter. This is a lot of money, but if this leads to a lasting peace in the Middle East, this investment will be well worth the price.

I support this measure, because I feel it opens the door for peace. Egypt and Israel must understand that America is not going to try and legislate peace for them. The burden is theirs.

By the legislation before the House today, and which I urge my colleagues to support, we are telling the nations of the Middle East that the United States will do its part for peace. But, ultimately, the nations of the Middle East must decide their own destiny and live with the consequences.

Mr. FOUNTAIN. Mr. Chairman, I rise in support of House Joint Resolution 683—"a joint resolution to implement the United States proposal for the early warning system in the Sinai." As my colleagues know, this legislation was reported to the House from the International Relations Committee by a unanimous vote and, in my opinion, provides for the United States to play a neutral but responsible role in the promotion of peace in the Middle East.

This joint resolution would permit the stationing of 200 civilian volunteers at strategic locations in the Sinai for the purpose of manning the proposed monitoring apparatus. Admittedly, the placement of volunteer civilians in this region is not altogether without risk. That is to say, almost all actions taken in the international arena are of some risk. It is important, however, to look at the limited nature of the risk actually involved.

This legislation provides for the immediate withdrawal of these civilians should conflicts erupt in the region. Also the Congress itself can, by concurrent resolution, effect the withdrawal of these personnel if it determines by a majority vote that their continued service in the Middle East places them in jeopardy. This legislation takes prudent steps to minimize any risk that may be involved.

Additionally, Mr. Chairman, while I personally wish we did not have to supply even civilian volunteers, it is reasonable to assume that the United States as a world power has an obligation, after having minimized its risk, to act to advance the cause of peace in this troubled area and hopefully prevent a confrontation between Russia and ourselves in the future. This legislation does not validate all the reported assurances negotiated on our behalf in the Egyptian-Israel agreement, but rather asks the United States to take on the relatively small, yet important, neutral task of providing assistance in monitoring the actions of both parties in the region of the Sinai.

Admittedly, Mr. Chairman, this legislation does not represent a final and conclusive resolution of conflict in the Middle East, but I submit it is a humble beginning to future negotiations. Passage of this limited joint resolution, it would seem to me, is simply a display of good faith on behalf of the Congress and the American people.

In conclusion, Mr. Chairman, I wish to make two more points, if I may. First, I hope that my colleagues have no reservations about supporting this resolution for fear that the placement of civilians in the area is analogous to the introduction of military advisers into Southeast Asia.

Such a comparison, in my judgment, is not justified. In the case before us the placement of American volunteer civilians is at the request of both of the previously warring states. The Americans employed in the area are to serve the interest not of one side against the other, but to serve both sides and the universal interest of peace.

Additionally, permit me to underscore this final point. This resolution does not make the Congress, or the American people, a party to any agreements, understandings, or commitments made by the executive branch, be they announced or unannounced, open or secret. Passage of this resolution simply endorses the placement of civilian technicians to service an early-warning system which is intended to further the climate of peaceful negotiation.

Mr. Chairman, Mr. Sadat of Egypt and the Israelis have displayed considerable courage in becoming parties to this agreement. In voting on this joint resolution I hope we will not display less courage.

However, in supporting this resolution, which is really self-explanatory, I want to make it crystal clear that my vote for it is not, and should not be construed, as a commitment to support or approve anything beyond it. I will make up my mind on any other proposals when and as they arise.

Mrs. HOLT. Mr. Chairman, I have consistently opposed most foreign aid appropriations and believe that America must reduce its intervention in foreign affairs, except where vital American interests are at stake.

In recent times, our very active but extremely sensitive diplomacy in the Mideast has been aimed at purposes of overwhelming importance—to bring about peace and prevent more loss of life and prevent the Soviet Union from gaining control of the world's largest reserves of petroleum.

These stakes are enormous. The economies of Western Europe and Japan depend almost totally on Mideast oil, and our own economy is heavily interdependent with those of our free world allies.

We have a historic and moral commitment to the survival of Israel, and we shall maintain that commitment, but the Soviet Union is always eager to exploit our relationship with Israel to attempt alliances with the Arab nations.

The Soviet Union is not interested in stability and relaxation of tensions in the Mideast. It is decidedly unhappy at the new agreement our diplomacy has effected between Israel and Egypt.

I believe it is profoundly in our interest to have stability and peace in the Mideast and alliances with those countries. The new settlement between Egypt and Israel is an important step toward those objectives, but both nations are insisting that American observers be stationed at early-warning bases between their forces in the Sinai Desert.

This represents a remarkable achievement for the United States. America has won the trust and confidence of both parties, and I believe it is in our interest to comply with their request for an American presence. The fact that we are involved at the request of both nations lessens the possibility of our being drawn into an escalation of our presence.

Within the past couple of years, Egypt has moved away from its former alliance with the Soviet Union and has developed increasingly stronger relations with the United States. Egypt is dedicated to economic development and is eager to have American business investment in its economy. Approval of the agreement would strengthen President Sadat's image in the Arab world.

Fortunately, we continue to maintain good relations with Saudi Arabia and Iran, which own the greatest oil riches in the world. They value their independence, oppose Soviet encroachment in the Mideast and recognize the importance of stability and peace.

I believe we have achieved important steps toward stability in the Mideast, but we have a considerable way to go. Syria and Iraq continue to have regimes allied with the Soviet Union and committed to the destruction of Israel. The Soviet Union ships them tons of modern weapons. The radical regime of Libya is also being armed by the Soviet Unon.

I endorse the diplomacy we have exercised in the Mideast, and I pray that this Congress will not jeopardize the new agreement that has been achieved. The economy and strength of the free world are at stake.

Mr. WIRTH. Mr. Chairman, tonight we are faced with a choice between a risky policy and one that is downright dangerous. It is risky to introduce American civilians into the Sinai, but it would be perilous to withhold them.

No one can be happy about seating American civilians on top of the Middle Eastern powder keg. But far better to emplace civilians in a watchdog role now than to entrench Egyptian and Israeli soldiers in a combat role later. If we do not consent today to the moderate risk involved in an American presence in the desert, we invite the far graver risk of a new and bloodier Mideast war, a war in which, one way or another, this country would surely be embroiled.

I would emphasize, as others have, that by consenting to this provision of the Sinai agreement, we do not imply our consent to any other promises that may have been undertaken in talks with Prime Minister Rabin and President Sadat. Indeed, even Secretary Kissinger has endorsed the disclaimer to that effect, which was attached in committee to the resolution before us.

I would also add that our consent should not be construed as willingness to keep Americans in the Sinai indefinitely. Nor does it imply willingness to bear indefinitely the costs of a Middle Eastern peace which is of benefit to all. We must raise questions about the other terms of the agreement, about its length, and about its cost, but we do not need to do so now. What we must do now is to set the agreement in motion by consenting to the first step.

Mr. MOSS. Mr. Chairman, while I am pleased that we have taken this step toward peace in the Middle East, there is a matter which remains unfinished business: the Arab boycott and the refusal by the Secretary of Commerce, Rogers C. B. Morton, to comply with a subpena issued by the Subcommittee on Oversight and Investigations of the Interstate and Foreign Commerce Committee.

The subcommittee's subpena is for information kept by the Secretary of Commerce pursuant to the Export Control Act. That information is needed by the subcommittee in order to fully investigate the impact of the Arab boycott practices on domestic commerce, to determine what laws, if any, have been violated, and, accordingly, what legislation, if any, is needed.

The Sinai agreement provides no guarantee that the boycott will end and that American firms will no longer be requested to support that boycott against Israel. The Arab boycott has been in existence for about 20 years, but it has recently intensified as a result of increased wealth of petrodollars in large part gained from the pockets of American consumers.

My colleague, and also a member of the subcommittee, Representative JAMES SCHEUER, of New York, has obtained a list of approximately 2,000 American firms that are being boycotted. This list was approved December 6, 1974, in Beirut, Lebanon. It includes such firms as CBS, NBC, United Artists, and Otto Preminger Films; also such products as Coca-Cola, Connecticut Mutual Insurance, Hartz Mountain pet foods, and books published by Knopf and Random House.

These American firms are not able to do business in Arab countries, not because they have taken sides necessarily in the Arab-Israeli conflict, but, in fact, because they refuse to take sides, or in some instances, apparently because they are managed by persons of the Jewish faith.

By the terms of the boycott, in order to do business with Arab nations, American firms are being required to refrain from doing business with Israel, or with other firms who do business with Israel, or firms which have persons of the Jewish faith as members of their boards of directors or with controlling stock.

These practices are contrary to the American concepts of free trade and freedom from religious discrimination. They are also expressly violative of the Export Control Act which the Secretary of Commerce is mandated to enforce, but may well also be contrary to Federal restraint of trade laws.

Secretary Morton has refused to comply with the subpena on the grounds that to do so, he says, would violate the confidentiality provision of the Export Control Act. However, that section of the act merely relates to public disclosure, and not the Congress. When Congress wants to give up its constitutionally mandated duties of oversight, it does so expressly by statute, and not by implication or silence.

I want to assure my colleagues that you will be hearing more about this matter in the near future.

I introduce into the RECORD a column which appeared in the Washington Post today. This column describes the boycott practices, and provides some of the names of boycotted American firms.

The article follows:

TWO THOUSAND U.S. FIRMS BLACKLISTED BY ARABS

(By Jack Anderson and Les Whitten)

Some 2,000 American firms, ranging from Ford Motor Co. to small pet shops, have been blacklisted by the Arabs.

The boycott list, identifying allegedly pro-Zionist companies for economic retaliation, was prepared in Lebanon. It is considered more important than earlier lists, because a Lebanese heads the Arab boycott office in Damascus.

A similar list, provided to the Commerce Department by firms that actually were approached by the Arabs, is now the subject of a hot controversy on Capitol Hill.

Commerce Secretary Rogers C. B. Morton has refused to surrender the list to Congress, contending that the firms were promised confidentiality. Rep. John E. Moss (D-Calif), whose investigating committee has demanded the list, is considering whether to cite Morton for contempt.

The Lebanese list was approved Dec. 6, 1974, at a closed cabinet meeting in Beirut. Rep. James H. Scheuer (D-N.Y.) managed to get a copy and showed it to us.

Although this particular boycott list is treated with great gravity by Arab governments, it is curiously hap-hazard. For example, more than one insignificant pet store and a shoe repair firm are listed. Yet the United Jewish Appeal for the Film Industry has been removed from the list. Perhaps some Arab diplomat or petty sheikh didn't like the service when he stopped to buy a canary or get his shoes heeled.

Some Arab countries, such as Syria and Saudi Arabia, treat the boycott list as if it were taken from the Koran. But in Morocco, say, it is virtually ignored.

Some Arab officials according to our sources, use the list to extort bribes. For a little "baksheesh," they can be persuaded to ignore the boycott.

Such firms as General Electric, Miles Laboratories, Trans World Airlines and the Hilton hotel chain are active in Israel. Yet they still manage to do business in the Arab world.

The 2,000 blacklisted firms cover every facet of U.S. business, with special emphasis on communications companies. Such firms as CBS, NBS, United Artists and Otto Preminger Films are on the list.

A number of liquor companies, led by Calvert and Seagrams, are also listed, although Arabs supposedly don't drink and, therefore, should have no need to import liquor.

The U.S. oil industry, predictably, has all but escaped the boycott. Other companies have been removed from the boycott list, including Kaiser Steel, General Paper, General Tire, Monsanto, RKO General and a Yugoslav sewing machine plant.

A few of the blacklisted organizations and products include:

B'nai B'rith, Brush On Eye Shadow, Coca Cola, Connecticut Mutual Insurance, Hartz Mountain pet foods, Hertz, Knopf and Random House books, Moon Drops, Laurance Rockefeller Associates, Republic Steel, Allstate Insurance, Bergdorf Goodman, Ronrico gold and white rum, Lazard Freres investments and Leeds Music.

Also, Minkus stamps, Motorola, Playtex, Pratt and Whitney, Republic Pictures, Topps Chewing Gum, Xerox, Zenith Radio, Aetna Casualty, American Doll and Toy, American Electric Power, Beaunit Mills, Botany Mills, Bulova watches, Fairbanks Morse, Golden Bear oil, Harry Winston jewelers, Helena Rubinstein (listed three times, with two misspellings), Israel Numismatic Service and Jewish War Veterans.

Footnote: About 99 out of every 100 blacklisted firms are American. But companies were also boycotted in Britain, Taiwan, Tanzania, Turkey, Venezuela and Yugoslavia.

Mail Bag: We received a letter last week from Lynette (Squeaky) Fromme, accused of being one of President Ford's would-be assins. She wanted to be put in touch with Dr. John Gofman, a noted nuclear physicist, whose warnings against nuclear power development we had published. Squeaky sought some information from Dr. Gofman. "I would get it myself," she wrote, "but I am presently incarcerated in the Sacramento county jail."

Mr. DODD. Mr. Chairman, we can truly demonstrate our Nation's commitment to peace in the Middle East by approving House Joint Resolution 683, to provide American technicians in the Sinai.

I arrive at this conclusion only after serious consideration of the risks involved in such an action, and weighing them against the possible benefits.

This resolution allowing Americans to man early-warning systems, however, minimizes the risks—the safety of U.S. personnel and the possibility of military involvement.

Although I would have preferred a 2-year limitation on this congressional authorization unless extended by an act of Congress, I am confident that the resolution contains sufficient safeguards.

Mr. Chairman, Let me point out some of these crucial provisions within the resolution.

The technicians, limited to 200, would be removed immediately if fighting breaks out between Egypt and Israel, or if Congress, by concurrent resolution, determines that the safety of these men is in jeopardy.

The technicians would be volunteers. They also cannot be employed by the Central Intelligence Agency or any other foreign-intelligence-gathering agency of this Government.

The President must report to Congress every 6 months as to the feasibility of ending or reducing the American presence in the Sinai.

A most important factor leading to my support of this resolution, is the explicit understanding that House Joint Resolution 683 does not commit congressional approval of any other agreements between this country and Israel and Egypt.

I have many concerns, Mr. Chairman, regarding other proposed commitments by the United States. For instance, we have made assurances to Israel to study the possible introduction of "sophisticated military items" such as Pershing ground-to-ground missiles.

The administration also has assured Israel that this Nation will provide any fuel resources Israel might require after Israel returns Sinai oilfields to Egypt.

The monetary costs our country will assume to implement the Middle East peace accords are also expected to be high—ranging into the billions of dollars.

But the resolution to authorize technicians to observe the Sinai peace, clearly indicates congressional intent to deal with these matters at a future time.

Meanwhile, the accords can go into effect, and negotiations can proceed for a long-term agreement between Israel and Egypt.

Mr. Chairman, an American presence in the Sinai will take place with the consent of both Israel and Egypt in the interest of preserving the peace.

It will help insure that both sides respect the interim peace accord, which we must hope will be the important first step toward a final peace in that troubled area.

Since 1948, there has either been war or the threat of war in the Middle East. I urge my colleagues to approve House Joint Resolution 683, as a vital step toward achieving a lasting peace in a part of the world that longs to see it.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to House Joint Resolution 683, which would authorize the stationing of 200 technicians in the Sinai.

There are a number of reasons why I oppose this resolution.

First, it is similar to the ill-fated Gulf of Tonkin resolution and would result in Americans being permanently stationed in the most war-prone area in the world. There exists a close and dangerous parallel between the commitment of U.S. technicians in what certainly must be considered a most volatile and militarily unstable area, and the introduction of similar American presence in the early stages of the Vietnam war. It is clear that we will be sending ex-military persons to man a dangerous outpost, and that both sides to the agreement, as well as forces not a party to it, can utilize these technicians as political pawns to suck the United States into ever-deepening involvement in the area.

Secondly, these technicians will be in obvious danger. The Sinai outposts are an exposed position that will be an open invitation to terrorists. It will be the first installation attacked if the interim peace agreement is breached. Should terrorists attack and seize any of our technicians, a decision will have to be made about violating the territorial sovereignty of a country to rescue them. This decision could jeopardize our oil supply from the Middle East, could have adverse military and diplomatic consequences, and what is worse, could lead to action being taken against a country that is neither sympathetic to, nor aiding and abetting the terrorists. I do not believe that the administration has adequately thought through the possible consequences to which this Nation would be exposed if we consent to this resolution.

Third, I am concerned that the Congress is not privy to all the agreements and commitments that have been negotiated. At first, the State Department refused to make public the text of the agreements, even though they had been published in the newspaper. Next, an administration official told the Congress that the agreement merely codified existing U.S. policy toward Israel and that we were not guarantors of a Mideast peace. But under further questioning, a second official admitted that the accord had the full force of an international agreement. The administration keeps changing its story, backing and filling over the same points. It has refused to provide the Congress with the verbatim transcripts of the negotiations, and without them we cannot be sure that we are privy to all the agreements.

Finally, the placing of U.S. technicians in the area will work as a deterrent to further negotiations between Israel and Egypt. Already, other Middle East nations have seen the arrival of these technicians as a sign that further negotiations need not and will not proceed. The technicians have become a tangible sign of the status quo. This could lead both signatories to the agreement to harden their future bargaining positions, with the knowledge that U.S. presence will keep the fragile peace viable. Our vote here today could effectively close the door to a final settlement of the controversy.

Mr. Chairman, I believe that few of us know the ramifications of the vote we will cast here today. The problem of our inability to foresee the future course of events is compounded by the administration's unwillingness to come forward with all the facts surrounding this agreement. I urge my colleagues to vote against this resolution until the Congress receives adequate assurances that we know all the promises that have been made to the signatories.

Mr. EARLY. Mr. Chairman, since the end of World War II, the Middle East has proven to be one of the more explosive areas in world politics. Witness the fact that it has experienced four full-scale wars between Israel and its Arab neighbors. During this cycle of war, cease-fire, and war, the most significant agreements have amounted to nothing more than temporary cease-fires.

The October 1973 Arab-Israeli war seriously affected U.S. interests in the Middle East. Our relations with Russia were seriously strained during this period, not to mention the serious impact on the world's economy resulting from the Arab oil boycott. History has shown that military actions are not the solution.

On September 1, 1975, in separate ceremonies in Jerusalem and Alexandria, Israeli and Egyptian leaders initiated a new Sinai pact. This Sinai pact, which was negotiated by Secretary of State Henry Kissinger, was formally signed by Israeli and Egyptian representatives during a brief ceremony in Geneva on September 4, 1975.

This agreement requires the sending of 200 American civilian technicians to the Sinai Peninsula in order to implement this agreement. I support this agreement and the role which we have been asked to play. Let me stress at this point that the role of these technicians cannot be compared with the role played by U.S. advisors in Vietnam. First of all, we are sending volunteer civilian, not military, personnel. And more importantly, they are coming at the request of both Governments.

Let me also point out some of the safeguards that the House has provided for:

The American technicians must be removed immediately if fighting breaks out, or if Congress, through a veto-proof concurrent resolution, directs their removal.

The technicians must be civilians who voluntarily have asked to be given this mission, and not federal employees assigned to the task.

The President must report semi-annually to the Congress on the status of the technician force, including on the possibility of replacing the American presence with an alternative.

The resolution of approval does not extend to any other agreements or commitments which have been made in the larger context of a Middle East peace settlement. The approval contained in House Joint Resolution 683 relates only to the matter immediately at hand: the sending of the technicians to Sinai.

In other words, the Congress will have the following future opportunities with regard to the Sinai agreement if this resolution is passed:

To remove the technicians regardless of the view in the Executive branch.

To review the status of the technicians closely every 6 months for the durations of their mission; and

To give its approval or disapproval to other agreements which may be in the Middle East settlement, for which the Administration will have to request authority or funds in the future.

As was pointed out in the committee report, the October 1973 war proved expensive to the United States—$2.2 billion for resupply to Israel, an estimated $15 to $20 billion cost in the impact of the oil embargo, and billions more in indirect cost to the Nation's economy from the world recession which was caused, at least in part, by higher petroleum costs.

In this modern world of interdependent nations, we must not fail to recognize that a threat to peace in any corner of the globe is a potential threat to economic stability, and moreover to world peace. In light of these considerations, I support this resolution in hopes of restoring peace in that troubled part of the world.

Mr. BROOMFIELD. Mr. Chairman, I yield back the balance of my time.

Mr. MORGAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to implement the "United States Proposal for the Early-Warning System in Sinai": *Provided, however,* That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary.

SEC. 2. Any concurrent resolution of the type described in the first section of this resolution which is introduced in either House of Congress shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of Public Law 93–148 is privileged under section 7 of such law.

SEC. 3. The United States civilian personnel participating in the early warning system in Sinai shall include only individuals who have volunteered to participate in such system.

SEC. 4. Whenever United States civilian personnel, pursuant to this resolution, participate in an early warning system, the President shall, so long as the participation of such personnel continues, submit written reports to the Congress periodically, but no less frequently than once every six months, on (1) the status, scope, and anticipated duration of their participation, and (2) the feasibility of reducing their participation by substituting nationals of other countries or by making technological changes. The appropriate committees of the Congress shall promptly hold hearings on each report of the President and report to the Congress any findings, conclusions, and recommendations.

SEC. 5. The authority contained in this joint resolution to implement the "United States Proposal for the Early Warning System in Sinai" does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch.

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that the joint resolution be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 3, immediately after line 21, insert the following:

SEC. 6. The authority contained in this joint resolution shall expire at the end of the two year period beginning on the date of adoption of this joint resolution unless extended by Act of Congress.

Mr. FINDLEY. Mr. Chairman, at the outset I would like to assure my colleagues that I have long felt that the United States has an obligation to exert an influence for a comprehensive settlement in the Middle East. Earlier this year I introduced a resolution in which I pledged my support for a U.S. guarantee of a comprehensive settlement of the Middle Eastern issues. To the best of my knowledge, I am the only Member of the House that has been quite that aggressive in suggesting a prominent role for the United States in providing a guarantee once the essential elements of a comprehensive settlement are put into place.

Before us today is a resolution which has the character of permanence, the character of a permanent obligation which may well last into the indefinite future, for many years—who knows? The Undersecretary of State says that it shall continue until it is superseded by another agreement between Egypt and Israel.

As I view it, it is only a partial settlement of the conflict in the Middle East, only a step. I am agreeable and I am willing that the United States provide some level of guarantee even for a partial settlement. But the danger I see in the resolution as it is now written is that it may be regarded by various interests in the Middle East as a permanent guarantee of what should be a partial settlement and not as just a step toward a comprehensive settlement, but the ultimate destination itself.

Some have described this resolution as having the danger that the United States would wind up as the guarantor of a stalemate.

I recognize the possibility that there may not be any movement toward a more comprehensive settlement in the Middle East if the United States is locked into an indefinite obligation to defend the passes in the Sinai just a few miles in from the Suez Canal.

The resolution as now written then would tend to make permanent the U.S. role as a guarantor of a partial settlement. That is the only aspect of it with which I take exception. I have, therefore, offered an amendment to limit the duration of the authority to 2 years.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I do not want to interrupt the gentleman's point, but I wonder if he would address himself to the argument. Let me put it this way. I had not intended to support the gentleman's amendment until I heard the constitutional argument made by the gentleman from Texas (Mr. ECKHARDT). I wonder if the gentleman would simply respond to the argument that he raised and give me his interpretation of where we find ourselves constitutionally. Can we or can we not pass a concurrent resolution without having it subjected to a veto?

Mr. FINDLEY. The so-called congressional safeguard that is written into the resolution by means of the concurrent resolution approach has at least two shortcomings. One is that cited by the gentleman from Texas. Personally I do not share his view of the Constitution, but he is a distinguished lawyer. He advances it very eloquently, and many others support it. The gentleman from Missouri (Mr. HUNGATE) agrees with his interpretation. In any event, there is a veto cloud over the concurrent resolution.

It has a second shortcoming. The language of the resolution says that within 15 days the Committee on International Relations shall, if presented with a resolution under the safeguard provision, report to the House the resolution. Personally I think it is dangerous for us to lock ourselves into a precise time limit for consideration of what may be a very complex issue requiring a rather extensive period of examination.

In other words, for those two reasons I think it is imprudent for the Congress to rely upon the concurrent resolution as a safeguard through which the Congress can bring to bear, as it must, its own concern about developments in the Mediterranean.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the genteman for yielding.

I really do not mean to argue the constitutional point beyond reason. The third paragraph of section 7 of article I—and I would ask my colleagues to come to their own conclusions—reads as follows:

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FINDLEY was allowed to proceed for 5 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. FINDLEY. I yield to the gentleman from Texas.

Mr. ECKHARDT. The paragraph reads as follows:

Every Order, Resolution—

And this is a resolution—

or vote to which the Concurrence of the Senate and House of Representatives may be necessary—

And they are necessary under this provision—

(except on a question of Adjournment)—

And this is not a question of adjournment—

shall be presented to the President of the United States—

If we do not present it to him, it is not law, because the Constitution says it shall be presented to the President of the United States—

and before the Same shall take Effect, shall be approved my him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill.

If that language can be written more directly, I would like to know how it could be so written.

Mr. FINDLEY. If the gentleman will permit me first—and I hope, if need be, he will ask for a little more time for me—I am glad to yield freely because I think it is vital that we have a discussion at this point. I will say this that while I do not take the position of the efficacy of the concurrent resolution taken by the gentleman from Texas, I recognize that the President of the United States may well take that interpretation, and it could be well founded in the language of the Constitution, and it could be almost forever before the Congress could effectively challenge the President's interpretation of it.

So all of this leads, I think, inevitably to the conclusion that the concurrent resolution safeguard really is not a safeguard at all.

I would like to add another couple of points. First of all, it has been said that my amendment would kill the resolution. Someone has even cited a Department of State document—which has no Department of State name but, nevertheless, was sent from the Department of State—to that effect.

If Members will examine the words of this written State Department position on the Findley-Zablocki amendment they will find everything is hedged very carefully. For example there is this language:

If either Israel or Egypt is unwilling to accept a unilateral U.S. time limit on the proposal . . .

It says "if".

Then it would become necessary to renew the difficult negotiations.

It is all qualified on imponderables of the future. The fact is neither Israel nor Egypt has rejected the idea of a time limit. The fact is both Israel and Egypt have accepted the mode represented by the concurrent resolution approach.

All I am seeking to do by means of this amendment is to establish a similar mode through which the Congress can establish the necessity or lack thereof for the continued presence of technicians in the Sinai.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. WOLFF. The gentleman's position differs substantially from the position he held in introducing House Resolution 606 on the Atlantic Union when he said that it is the declaration and goal of this resolution to transform a present relationship of autonomy for the United States into one of more effective unity based upon a long-range agreement.

Mr. FINDLEY. I appreciate the gentleman's words.

Will the gentleman help me get more time?

Mr. WOLFF. Yes.

What the gentleman is willing to do is give over the autonomy of the United States to a superparliamentary body on a permanent basis but he is not willing to permit the President of the United States to make a determination, but to limit him to 2 years.

Mr. FINDLEY. The gentleman makes the point exactly in favor of my resolution, because the language of the Atlantic convention provides explicitly that any recommendation the convention might make would be reported back and be subject to the constitutional processes.

What I am proposing there is that the Congress retain as much consultative influence on the direction of Middle East affairs as it possibly can and the best way to do that is to put a time limit on the authority so that toward the end of the 2-year period the administration will have no choice but to come to the Congress and make a case for a new extension of authority.

Mr. WOLFF. If the gentleman will yield further, did not the gentleman vote for the resolution in its present form in committee?

Mr. FINDLEY. I did.

Mr. WOLFF. I thank the gentleman.

Mr. FINDLEY. But as the gentleman recalls, I tried to amend it in committee. I am perfectly willing for all Members of this body to have a chance to pass judgment on the resolution. I urge upon the Members the necessity to retain for the Congress as much consultative influence on foreign policy as possible.

Mr. Chairman, as reported to the House, the resolution (H.J. Res. 683) stationing technicians in the Sinai creates a U.S. obligation of substantial magnitude and risk. Our commitment is essentially open-ended since, in practical terms, we have left it up to Israel and Egypt to decide the duration of our stay. Recent history and commonsense argue against such an approach.

I believe that this extensive conveyance of authority needs to be more adequately safeguarded. Political instability and uncertainty in the Middle East are entirely too great for us to proceed under this kind of an arrangement.

My amendment will automatically terminate the authority for the obligation after a 2-year period. This is the only effective way I know of causing the entire 95th Congress to reevaluate systematically the U.S. commitment in light of prevailing circumstances. If the events and trends are promising, approval will no doubt be swift and simple. The termination date is a safeguard and nothing more.

I am gratified to announce that former Undersecretary of State George Ball has stated his support of this amendment. So have former U.N. Ambassador Charles Yost and former Assistant Secretary of Defense Paul Warnke.

The pending resolution stands very much at odds with the spirit and rationale of the war powers resolution. That legislation was the distillate of an enormous national tragedy and of the sober reflections that flowed therefrom. As Members who had a role in the writing of the war powers resolution, Mr. ZABLOCKI and I are troubled to see its prudent concepts disregarded in this instance. Surely, the logic of war powers should guide us at this critical juncture.

It may be argued that the safeguard of a mandatory review after a 2-year period would disrupt a delicate diplomatic situation and require a renegotiation of the entire agreement. We find such an argument unpersuasive. The U.S. proposal to the basic agreement, which has been accepted by both Egypt and Israel, already states that the United States may withdraw its personnel if it believes that "continuation of their role is no longer necessary." Our amendment simply creates a thoughtful and guaranteed process by which the Congress can evaluate the necessity of our commitment after a reasonable period of time. This amendment flows naturally from an already admitted reservation. Moreover, it will help to give shape and focus to what might otherwise be rather intermittent and desultory reviews.

Some may also suggest that we should be satisfied with the existing provision that allows the Congress to end our commitment by concurrent resolution. One recalls, however, that the Gulf of Tonkin resolution was governed by an identical provision for termination. The manifest ineffectuality of such a provision will be recalled by all. Year after year, the Congress simply declined to act, preferring to leave hard decisions to others.

It is well for us to understand the following facts, all of which argue in their own way for the kind of limitation which our amendment envisions.

First, the current wording of the commitment suggests extraordinary permanence. The basic agreement lasts until it is superseded by another agreement. No one, of course, can predict when this will occur. As Undersecretary of State Sisco conceded, even the outbreak of hostilities can only interrupt—not terminate—the U.S. obligations.

Second, the obligation entails undeniable risks. American personnel will be introduced into an area where hostilities are prospective, if not imminent. They will be placed on the line, as our committee inquiry reveals, for largely political reasons rather than to perform some genuinely useful and unique warning function. They will be a continuously tempting target for terrorists. And the need to remove them in the midst of another sudden and violent Middle East war could well draw our military forces into the fighting at a most undesirable time and place.

Third, in this same connection, the resolution conveys a seemingly unprecedented grant of authority to the President to evacuate the technicians. In effect, the existing language virtually mandates the President to take whatever steps are necessary to remove our personnel. Moreover, it mandates him to do this "immediately."

Finally, the perception of open-endedness that arises from this obligation may significantly lower the incentives for any further and more comprehensive settlement. Many states in the Middle East argue that the door has now been closed on any further negotiation. Surely, we want to do what we can to minimize that perception. After all, we are willing to approve this risky commitment, because we believe that it may be a necessary investment in a wider peace. And yet the connection between our presence and the requirement for continued progress toward a comprehensive settlement is insufficiently established by the existing resolution.

Our goal is positive in its orientation. We seek to safeguard the national interests of the United States while at the same time enhancing the prospects for peace in the Middle East. Like many others, we are willing to make a commitment for peace, but we must insist upon doing so in a prudent manner. The administration itself at first strongly opposed this commitment of U.S. personnel. Surely, then, they cannot quarrel with the sort of minimal safeguard we are proposing now.

The mandatory review contemplated by our amendment is a sensible check upon an uncertain situation. It enables the Congress to exercise a greater degree of control. Without this, we shall be like the ant who roared downstream on a log, believing all the while that he was steering.

Mr. MORGAN. Mr. Chairman, I ask that we proceed under the regular order as much as possible.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what this amendment really does is to destroy the resolution and in my judgment it destroys the chance for peace in the Near East. It would require the whole thing to be renegotiated, because where our proposal says:

> The United States affirms that it will continue to perform the functions for the duration of the basic agreement . . .

Not 2 years, what the gentleman proposes to do is to put Sadat at the mercy of the radical Arabs like Qaddafi and the rest of them. That is what this amendment would do. And they would be saying: "Look at that stupid Sadat. He made an agreement with the Americans and they are going to bail out on him in 2 years, so we had better get in there and wreck this thing right now because they are going to bail out on him in 2 years."

That is really what the proposal says and that is what the proposal is going to be interpreted as in every radical Arab nation.

We have an unprecedented opportunity, as somebody said earlier—and if I could remember who it was I would like to give the gentleman credit, but it is in the RECORD—this is the first time in 30 years that any kind of agreement between Israel and any Arab nation has been anything else except a cease-fire. And we have got a chance, I say a golden opportunity toward permanent peace in the Middle East, and I do not think this body ought to go on record as saying, well, yes, it might be all right, we will give it a try for 2 years, and we are going to open up this man who has had a lot of courage and a lot of ability and a lot of maneuverability, this man President Sadat.

Mr. Sadat has taken a bold step which has exposed him to attack by all the radical Arab elements. Now we are going to expose him to greater attacks. We are going to let the radicals say, "Oh, yes, this idiot put his trust into the Americans and they have already written into law that they are going to bail out on him in 2 years."

I say this is a dangerous amendment. I say it would, in effect, kill this whole thing. I say it would require renegotiation of the total package. I say that we would simply be gutting what has taken many, many months to put together. It would probably break it down altogether.

Mr. Chairman, I hope this House will defeat this amendment resoundingly. I hope the House will go on to pass the resolution.

Mr. Chairman, let me say one word about the technicians. Everybody says, "What are we to do if they get caught?"

In the first place, there are 5,000 U.N. troops in there with them and I imagine they will protect them.

In the second place, is this House aware that right now, this evening, tonight, this minute, there are 350 Americans in Libya that cannot get out that went to work for the Occidental Petroleum Co. as private entrepreneurs and Qaddafi, who is the worst of all the radicals, will not let them out. I do not hear anybody saying, "Let's send the Army in to get them. Let's send a fleet of helicopters to get them."

They went in there on their own risk and when someone goes into Libya, he is going at his own risk. No insurance company will insure him, I will promise that. They went in there at their own risk and these technicians are doing the same thing. We are not going to send the fleet in or the Air Force in or anybody else in. They are going to be surrounded by 5,000 U.N. troops as a minimum.

I was talking to the Canadians the other day at an international meeting. They said:

> You know, you Americans are making a big deal about these 200 technicians. We have seven times that many in the Sinai and we are not making a big deal about it.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, the gentleman talks about bailing them out. Are there provisions in the resolution that we can bail them out if we see fit to do so?

Mr. HAYS of Ohio. All the gentleman has to do is read the resolution. It is not very long. It says in the event of hostilities the people will be removed. Who will remove them? I will tell this House who will remove them. The U.N. troops—and these people will leave with them.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment of the gentleman from Illinois.

Mr. Chairman, the gentleman from Illinois has suggested that neither the executive branch nor the State of Israel has stated that adoption of a 2-year limitation on the American presence in the Sinai would cause Israel to reject the agreement with Egypt. The fact remains that the proposed time limit introduces an element of uncertainty and unreliability which will certainly delay and could well prevent the entry into force of what may be the last chance for peace in the Middle East. Peacekeeping efforts in the area have been plagued with the recurring problem of lapsing mandates for U.N. personnel. Israel's desire to avoid such potentially tragic lapses in the operation and maintenance of the early warning system caused it to seek a more reliable and dependable U.S. presence in the Sinai to carry out this essential role.

It is clear that a U.S. presence for which the authorization would expire in 2 years would give rise to many of the same problems which made the alternatives to a U.S. presence unacceptable to Israel.

Surely, this amendment would require Israel to reexamine its position on the agreement with Egypt. Whether this reexamination would result in its decision to reject the agreement is less certain; but it is a real possibility.

Mr. Chairman, adoption of this amendment would modify a very carefully framed, negotiated proposal for a limited U.S. involvement and would, thereby, increase the risk of a new war in the Middle East.

Mr. Chairman, I urge the rejection of this amendment.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, the amendment provides for a 2-year authorization for the commitment of U.S. personnel in the Sinai. If recent history has taught us anything—and I hope it has—it should be that danger is inherent in open-ended commitments of this type made in House Joint Resolution 683, providing for an indefinite commitment of the technicians.

It is for that reason that I support this amendment. Commonsense and prudence leave us no alternative. We must not be so hurried here that we end up buying today's "peace" at the high cost of tomorrow's peril.

Without a specified cutoff point there will be little if any incentive to reach further, more comprehensive agreements.

There are two things which trouble me in particular about the Sinai agreements:

The first is the sweeping, open-ended commitment of military, economic, and oil aid to Israel in return for returning to Egypt a very small fraction of the territory occupied by force of arms;

The second, the peculiar permanence of this commitment which puts the United States in the position of long term obligation to Israel even if Israel refuses to negotiate with the Arabs—and even if Israel should, by chance, mishap or design, provoke another war in the Middle East.

No matter what has been said in the course of this debate, the linkage between the 200 American technicians on Sinai and the package of commitments to Israel and Egypt is perfectly plain. Secretary Kissinger acknowledged it yesterday in his appearance before the Senate Foreign Relations Committee. If the first part of the disengagement goes into effect, Israel—for one—will expect the United States to deliver on the commitments made to her. As a matter of fact, American commitments are the basic price that has to be paid in return for the partial Israeli withdrawal. So we should not kid ourselves that we are not dealing with those commitments today.

Now, what is the cost of this package which Secretary Kissinger prepared for us—admittedly, with great patience and effort on his part?

We have been told that the first installment will amount to $2.3 billion for Israel and $600 million for Egypt. In addition, Mr. Peres, the Israeli Defense Minister, was recently quoted as saying that Israel will need $1.5 billion in military aid per year for at least 4 to 5 years. That raises the cost to nearly $9 billion. But when you add to this payments for oil which Israel will be losing—and aid to Egypt over a 5-year period at the first-year level—the package adds up to over $12 billion—or over $7 million for each square mile of territory being given back by Israel.

But money is not everything. Even more troublesome, it seems to me, are the promises to Israel—some of them already signed, sealed, and delivered—to consider positively Israel's request for such sophisticated weapons as the Lance missile, the Pershing missile, and the F-16 plane which is still being developed. The introduction of these types of weapons into the Middle East can only accelerate the danger of wider war—war in which population centers will be attacked, and into which the big powers may be drawn in against their will.

There is still one more cost to be considered in this very open-ended commitment: the possibility and the cost of another oil embargo if Israel should fail to negotiate in good faith—if further withdrawals are not made—if nothing is done regarding the Palestinian refugees and their rights—or if another war should break out.

The last embargo cost us—according to the committee report—between $15 and $20 billion. It also gave us the biggest recession since the Great Depression.

The next embargo, according to estimates being firmed up by the Library of Congress, may cost us at least twice as much.

We must, I feel, face these possibilities squarely. We are not doing our job as Members of this Congress if we refuse to consider them.

As I said at the outset, the open-ended, permanent nature of the commitments involved in this legislation is what troubles me—because it could lead to a disaster for the Middle East, for the United States, and even for Western Europe.

It is for that reason that I feel that a 2-year limitation on the authority provided in this resolution is necessary.

What this amendment does is to minimize the clear, serious danger of the United States moving from a detached arbiter to direct participant in the Middle East.

That prospect raises important questions for the future which should be answered now. For example, what degree of military force will be used to rescue these American technicians if and when they come under hostile attack? Also, to what extent could such a military effort involve us even more deeply in the highly volatile Mideast?

If your answers to those real questions are like mine you too will support this amendment.

If you believe in the value of placing necessary and reasonable safeguards and controls in this legislation you too will support this amendment.

If you believe that it is the national security of the United States which we have taken an oath to uphold you too will support this amendment.

Among other things we have been told by those who oppose the amendment is that it "would be the equivalent of defeating the resolution." I understand and appreciate the honest convictions of those who make that argument. But to that I would only observe that if the agreements are so fragile that they cannot bear the weight of this amendment they have little chance of success. Indeed, to vote against this amendment is to defeat commonsense.

For these and many more good reasons I urge support for the amendment.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. MORGAN. Mr. Chairman, reserving the right to object, I do not know whether the gentleman from Wisconsin (Mr. ZABLOCKI) was here when I made the remark, but I said I was going to object to any further requests for time due to the lateness of the hour.

Mr. Chairman, I must object.

The CHAIRMAN. Objection is heard.

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred sixty-seven Members are present, a quorum.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, let me say that, in my judgment, the amendment that has been offered does amount to a rejection of the resolution.

The gentleman from Ohio (Mr. HAYS) has said this much more eloquently than I could, and I will not try to repeat what he said. The point is simple: if we want to send the parties back to the negotiating table, if the Members want to upset the timetable for implementing the agreement, then vote for the amendment. But it would be simple just to vote against the entire resolution.

Much of what my dear friend, the gentleman from Wisconsin (Mr. ZABLOCKI) was saying sounds to me like an argument against the resolution. If he wants to vote against the resolution all right, let him do it. It is certainly within his prerogative to do it. But I think most of us believe that the agreement that has been negotiated offers a chance for peace in the Middle East. It offers an opportunity for the establishment of trust between Israel and Egypt, which is invaluable, and we do not want to lose that opportunity.

So let us just look at the proposition of what this amendment would do. The amendment sets a limit of 2 years on the obligation of the United States to supply the civilian personnel.

The proposal which has been agreed to and which we are asked to ratify says, in paragraph number 7:

> The United States affirms that it will continue to perform the functions described above for the duration of the Basic Agreement.

That is clear. And the basic agreement continues until the parties have agreed to substitute a new agreement.

There is an out that the proposal provides, and that is contained in paragraph 8. It says there:

> . . . the United States may withdraw its personnel only if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary.

That escape clause, if we want to call it that, is about what we have in section 1 of the resolution. We have not gone beyond the terms of the proposal. We simply provide that the Congress may by concurrent resolution make such a finding and require that the personnel be withdrawn.

Let me address for a moment the question raised by the gentleman from Texas (Mr. ECKHARDT) and the question raised by the gentleman from Wisconsin (Mr. ZABLOCKI) about the efficacy of a concurrent resolution, because I think that is important. The gentleman from Texas (Mr. ECKHARDT) is an eminent lawyer, and I have enormous respect for his ability. However, if I may say so, he has been arguing against the constitutionality of the concurrent resolution for some years now, and the House and the Congress have overruled him time and time again.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. Not at this point.

Mr. ECKHARDT. Mr. Chairman, the gentleman has used my name and he has characterized my position.

Mr. BINGHAM. Mr. Chairman, I will yield in just a moment, but I would like to finish my point first.

The War Powers Resolution contains a provision which is almost identical to this and which provides that by concurrent resolution the Congress can direct the President to withdraw forces that have been introduced into a situation of hostility.

The use of concurrent resolutions has become established now by precedent. Just this last summer we had an occasion where under the amendment that I had the privilege to offer in this House—and it was offered by Senator NELSON in the Senate—we threatened to reject the Jordan Hawk sale by concurrent resolution. That was a provision contained in the Military Sales Act last year. The administration never questioned that the Congress would have the right to veto that transaction by concurrent resolution.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I will yield in just a moment.

Mr. Chairman, we put that procedure into all kinds of bills, and I submit it is a useful tool for the Congress to have to be able to veto certain administrative actions which it is otherwise authorizing by law.

Mr. Chairman, I now yield to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, let me say this: I have never said that a concurrent resolution is unconstitutional. I have merely said that it can be vetoed.

Mr. BINGHAM. Mr. Chairman, let me respond to that. I accept the gentleman's correction, and, therefore, I understand the gentleman means that a concurrent resolution has no effect.

Mr. ECKHARDT. No. I said that it is subject to veto.

Mr. BINGHAM. All right, that it is subject to veto. Then that would make it of no effect; it would be the same as a joint resolution.

The provisions of the Constitution that the gentleman read before seem to be very clear, but if they mean exactly what they say and if we should take that literally, then there is no such thing as a concurrent resolution, and yet we all know over the years there have been concurrent resolutions.

Mr. Chairman, I know the gentleman from Texas is an eminent lawyer, but with all due respect to the gentleman, I, too, am a lawyer, and I find myself in disagreement with the gentleman's conclusions.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have the greatest respect for the gentleman from Illinois (Mr. FINDLEY) and the gentleman from Wisconsin (Mr. ZABLOCKI), but I think they are dead wrong in proposing this amendment at this time.

It might be one thing if we, the Congress, were negotiating this agreement in the first place. Then maybe a 2-year duration of the agreement might make some sense. However, as the gentleman from Ohio (Mr. HAYS) pointed out, the Congress should not be involved in the direct, day-to-day negotiations of these kinds of agreements, and in any event, that is not what happened.

What is happening here in the Congress is that we have been asked to ratify an agreement that has been reached between Egypt and Israel with our help; that is what is before us this evening. If either Egypt or Israel is unwilling to accept a unilateral U.S. time limit, as is proposed by this amendment, it would obviously become necessary to renew the difficult negotiations which have just been concluded. And they were just barely concluded; there was a lot of difficulty in reaching agreement.

These efforts failed once; they could fail again. This could involve a substantial risk that the entire agreement could fall apart.

It seems to me, as the gentleman from New York (Mr. BINGHAM) has just stated, that either we are for this agreement or we are not. If we are against it, we should go ahead and vote for the amendment; if we are for the agreement and for this resolution we should oppose the amendment and vote it down.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Florida.

Mr. FASCELL. I agree with the gentleman. He is correct in that conclusion. Is it not a fact that Israel has not signed the basic agreement or the protocol and has simply initialed it in order to determine what the Congress' position is going to be on this matter? Therefore, that raises a very serious question which everybody in opposition to this amendment might raise. If the basic agreement is rewritten by amendment, we will have to send everybody right back, and they just came out of those negotiations.

Mr. LAGOMARSINO. The gentleman makes a very important point.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. Yes, I yield to the gentleman from Alabama.

Mr. BUCHANAN. Is it not also the case that the last thing we need to do is impose some deadline in a Middle East situation?

We are there in a peacemaking role, and these civilian volunteers are there in a peacekeeping role.

The last thing that we want to do is to create a new crisis here now, or 2 years hence, by imposing a new deadline.

Mr. LAGOMARSINO. If we are concerned about the safety of these 200 Americans, I think we should be very, very concerned about what might happen to them when the 2-year limitation in this amendment runs out.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman and Members of the House, this has been one of the few times when I stayed throughout an entire debate

I did it because, like everyone else in this chamber, I have concerns and reservations. We are nagged and haunted by the fear of another Vietnam involvement.

I would like very much to support any movement toward a permanent peace in the Mideast. However, I have concerns over two things. The first being our unending involvement in that area. It seems to me that it is only right and proper for this Congress to review, on a periodic basis, the extent to which it wants this Nation to remain committed in any given area of the world.

It further seems that the Zablocki-Findley amendment simply says that at the end of 2 years, we will take a look-see. It does not say that we are going to pull out altogether. It simply says that this Congress is going to take a look-see. I think that that kind of action is consonant with the responsibility of the Congress.

The second area of concern I have, and one that I would hope all Members of this Chamber would have, is the fear of the utilization of American military troops somewhere down the line with reference to an endangered 200 American technicians.

I have heard argument to this effect:

> These men are going to make $3,000 a year. They know what they are getting into. They know that if they get in there, they are trapped, and no one is going to come to their defense.

Mr. Chairman, those arguments fly in the face of the history of America. Up to this point, we have never abandoned any Americans any place. Look down the pages of history and you can see that we have gone in wherever necessary, time and time again.

I think the Zablocki-Findley amendment makes sense, and I would urge support of it.

I will also support any amendment which will act to guarantee that no military troops will be involved in any fashion, in any time, in any place, in terms of our commitment in the Mideast.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. Yes, I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for his support.

I want to note, in answer to an earlier statement that this would destroy the agreement now pending, that the agreement that has been initialed by Israel and signed by Egypt already permits the United States to terminate the presence of the civilian technicians whenever it determines that the necessity for that presence is over. Therefore, this is really not in conflict with the basic provisions of the agreement.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for his observation.

It seems to me that when we talk about a bail-out provision, a bail-out provision is already provided for in the joint resolution. If under certain circumstances the technicians are placed in danger then we will bail them out. It is just that simple. If the Congress decides that we need to bail out the technicians because they are in danger, then we will bail them out.

I do not see where this amendment is in any way disharmonious with the concepts that are already involved in the resolution.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, if the gentleman will reread the Findley amendment, he will see the fallacy of the argument:

> The authority contained in this joint resolution shall expire at the end of the two year period beginning on the date of adoption of this joint resolution unless extended by act of Congress.

Mr. MITCHELL of Maryland. That is right, and that is exactly the language, Mr. Chairman, that suggests that the Congress can permit an extension of our involvement.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I thank the gentleman from Maryland for yielding to me. I know of the dedication to peace of the gentleman from Maryland and I would like to quote from the hearings where John Volkmar, a member of the Middle East Committee of the International Division of the American Friends Service Committee testified. In answer to a question about a 2-year limitation from the gentleman from Illinois (Mr. FINDLEY), Mr. Volkmar replied:

> I worry about the 24 months because what will happen inevitably is that there will be no movement until 2 months before the time is up and then there will be a scurry and a hurried effort to demonstrate an effort to move toward a multilateral negotiation.

Mr. MITCHELL of Maryland. I thank the gentleman.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the Findley amendment.

To begin with, let me state that the amendment offered by the gentleman from Illinois (Mr. FINDLEY) is unnecessary as the joint resolution already contains provisions for congressional review in section 4 of this joint resolution, on page 3, and, if warranted, termination of the American presence in the Sinai.

As approved by the committee on International Relations, the joint resolution provides that American personnel must be withdrawn if Congress determines by concurrent resolution that their safety is going to be jeopardized or their presence is no longer needed. This is consistent with the proposal. If Congress believes the President has failed to act in circumstances where withdrawal would be appropriate, it can then require that action.

The introduction of a resolution by any Member of the Congress calling for withdrawal of the American technicians could initiate the review process that is being sought by the Findley amendment. Such a review might become appropriate in 1 year or in 3 years. No one can predict that the arbitrary 2-year period in the Findley amendment will be appropriate. Its adoption might even prevent earlier review which could otherwise be desirable in some circumstances, or, on the other hand it might force a review for no substantive reason in the middle of delicate and far-reaching negotiations.

This is not any open-ended commitment. The U.S. proposal specifically limits the number of American civilian personnel in the Sinai to no more than 200. Thus there is no risk of an escalation of American involvement so as to warrant additional qualifications on the approval contained in this resolution.

Accordingly, Mr. Chairman, I urge my colleagues to oppose the Findley amendment.

Mr. MORGAN. Mr. Chairman, I rise to inquire how many more of the Members would like to speak either for or against this amendment?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 8:20 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. YOUNG of Florida. Mr. Chairman, reserving the right to object, I would like to have clarification by the gentleman from Pennsylvania as to whether his unanimous consent request referred to only this amendment and all amendments thereto, or to the entire bill?

Mr. MORGAN. If the gentleman will yield, it does not refer to the entire bill, it refers to this amendment and all amendments thereto, the pending Findley amendment.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ECKHARDT. Mr. Chairman, reserving the right to object, would the gentleman from Pennsylvania ask for 15 minutes so that some people will not arbitrarily be cut off at the end of that time?

Mr. MORGAN. Mr. Chairman, if the gentleman would yield, I had requested unanimous consent for 20 minutes.

Mr. ECKHARDT. I would merely suggest not to ask for the time on the clock but instead for a period of 15 or 20 minutes rather than going by the time on the clock. For instance, a quorum call would cut everybody out if we have it by the time on the clock.

Mr. MORGAN. I think that I will go to 8:25, and maybe that will take care of the gentleman.

Mr. ECKHARDT. Mr. Chairman, further reserving the right to object, I raise the same question.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, he has about 30 or 40 Members standing. This is a very serious matter. I think each Member should have 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SEIBERLING. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MORGAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close at 8:30.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for three-quarters of a minute each.

The Chair recognizes the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I am extremely disturbed over the argument that seems to come forth that we should not change anything in this bill because if we do, we jeopardize the bill.

It appears to me this is a bill which was prepared by Members of this body where we tried to make whatever changes would make the bill as effective as possible. It seems to me that in our wisdom we should look at this bill, and if we think the adoption of this amendment would improve the bill, I think we should do it. There are some of us who have grave reservations over this bill. It would be my hope that we would adopt the amendment which would make it acceptable to us who wish to vote for it so that we believe we have a good piece of legislation that we can support.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in support of the resolution and in support of the amendment offered by the gentleman from Ohio (Mr. FINDLEY). I think that this is the kind of thing that should not be a blank check, that we should review it at least every 2 years and maybe every year. I think we ought to keep the heat on to reach a permanent resolution of this matter. I think if we let it meander, or indicate in any way that this is a blank check, we do indicate that the thumbscrews are off a little bit on both sides. This is not favoritism to either side, and I think it keeps the United States in a median position.

Mr. Chairman, I would be less than honest if I did not confess that my mail is running heavily against this resolution and this agreement.

Nevertheless, I plan to support it. I shall do so because I believe the parallel between this agreement and Vietnam is probably as inappropriate as was the earlier parallel between Vietnam and Munich, because I do not want to disturb what appears to be the first step in improving Israeli-Egyptian relations, and because I am immensely pleased to see Mr. Sadat breaking off from the Arab bloc.

I am, however, disturbed at the possibility that this resolution has at least the potential to become another Tonkin Gulf job. If there is any lesson to be drawn from the Vietnam experience, it is that only a fool signs blank checks and only a foolish Congress grants open-ended authority to the Executive.

It is not enough that we can pull the observers out by concurrent resolution; Congress is notoriously jelly-spined when it comes to taking moves of this sort. Instead, I believe we must require positive affirmation of this arrangement by the Congress within a relatively short time.

So I support the Findley amendment and I urge you to do likewise. We do not want the presence of 200 Americans to become enshrined as a permanent national policy. We do not want this agreement used as a commitment to pour 10-figure sums into the area. We do not want either Israel or Egypt to think there is now any less need for a permanent solution.

We do want to keep this arrangement going as long as it appears to be doing some good, but to be able to cut it off if it appears otherwise. Perhaps in 2 years we will want to continue the arrangement; in fact, I suspect this is more probable than not. But in any case we must now insure that Congress will be forced to reexamine the ongoing policy, and to act affirmatively if the policy is to continue.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, the gentleman from Illinois, (Mr. FINDLEY) pointed out a moment ago that there is in the agreement a stipulation that allows the United States to pull out its technicians at any time. What he apparently fails to understand is that it is the precise definition of a time period in his amendment that louses up this agreement. The Israelis originally wanted the agreement to last at least 3 years. The Egyptians objected to that, and we have no specified time limit in the agreement that was finally negotiated.

So if we now put in a 2-year limit, we will, as has been said, destroy this agreement.

I am surprised at the number of complaints that have been voiced here tonight over what the Secretary of State has negotiated, achieving something in bringing the Israelis and the Egyptians together that no one has been able to accomplish over some 30 years. It is a little bit like the Children of Israel complaining, when Moses separated the Red Sea so they could escape safely from Egypt, that they would not walk through because the road was muddy.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. I shall try not to take all the time. I am against the Findley amendment and I am for the bill and will probably vote for it whether it is amended or not, but I shall do so with great trepidation, but I would hope the committee will be patient and consider carefully any amendments to this bill. For the bill is extremely important, its repercussions could be as important as those occasioned by the Gulf of Tonkin resolution.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I am sure all of us recognize Congress has a very basic responsibility in the development of foreign policy but we are beset with inertia. The effect of the amendment will be to cause Congress within 2 years to come to grips with the issues in the Middle East, to make a decision, to pass judgment, and then to decide what the next stage of congressional obligation should be. To me the amendment is prudent. It is in complete harmony with our traditions and our responsibilities.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I rise in opposition to the amendment.

Before I asked the gentleman from Illinois (Mr. FINDLEY) coauthor of the present amendment whether or not he had voted for the resolution in its original form and he said "Yes."

I take this time to ask the other author of the amendment whether or not he voted for the resolution in its original form in the committee, without amendment?

Mr. ZABLOCKI. Mr Chairman, if the gentleman will yield, the gentleman from Wisconsin has repeatedly stated he voted reporting the resolution with reservations.

Mr. WOLFF. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, we are going to have ample opportunity to deal with the Middle East question. The Findley amendment simply kills this resolution, and I am opposed to it.

The basic agreement between the parties is not a final agreement. They say that in the agreement and also that they will work for a permanent-final agreement. The resolution provides that the Congress shall review the status of the U.S. observers on the report of the President to the Congress every 6 months. It also calls for committee hearings and bringing the findings, conclusions, and recommendations of the committee to the Congress.

In addition to that, every authorization and appropriation for money under the agreements will have to come to this body. Members can take their stand any time if they want to be against any other facet of the Middle East question when those matters for funding come before this body.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, as I have repeatedly stated, if I could be assured that by voting for this resolution we were not committing ourselves to other Arab-Israeli agreements, oral or written, I would be satisfied. We are giving an open-ended authorization and I think we ought to have a termination date for this open-ended commitment. Otherwise, we are inviting trouble.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I note that the committee report on page 15 says that the joint resolution does not contain any authorization of appropriations and that funding for the technicians will be requested by the executive branch at a later date. Then I look at the resolution. It says that the President is authorized to implement the U.S. proposal for the early warning system in the Sinai.

I would like to ask the gentleman, the distinguished chairman of the committee, if this resolution would commit the Congress of the United States to authorize and appropriate the necessary monies and thereby in effect alter our normal authorization and appropriation procedure?

Mr. MORGAN. If the gentleman will yield, of course we are authorizing the sending of the 200 technicians to Sinai.

Mr. SEIBERLING. Are we authorizing the money?

Mr. MORGAN. No. The money is already covered by existing authority and it is not in this resolution.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, if Congress is to play a role in foreign policy, let it be a constructive one through passage of this resolution as it came out of the committee, rather than a destructive one through passage of this amendment.

Mr. Chairman, this amendment would do one of two things. It would either blow the entire agreement now, ripping the fragile fabric of peace in the Middle East and frustrating our role as peacemaker there, or it would at the very least impose a deadline of 2 years which by its nature would create a new crisis 2 years hence with the threat of the withdrawal of the peacekeepers and peacemakers and thus disrupt later the hope for peace. This amendment would be a destructive rather than a constructive participation by Congress in foreign policy, and I strongly urge its defeat.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment. Let me point out that what we really want as a result of this agreement is permanent peace. What we are saying if we support this amendment is that we do not think it will last more than 2 years.

Peace in the Middle East requires an investment in time. By rejecting this amendment and supporting the resolution as adopted by the committee, we are making the necessary long-term investment in peace, which is a far greater investment, notwithstanding the money cost, than what we might face if there is an outbreak of a major war in that area.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent that I may be permitted to yield my time to the gentleman from New York (Mr. SOLARZ).

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. TALCOTT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SOLARZ. Mr. Chairman, the capacity of Congress to require the removal of American technicians in the Sinai is adequately protected by the existing text of this resolution.

First, the resolution provides that the Congress has the right to reject the authorizations and appropriations which will make the presence of our technicians possible.

Second, it provides for the review of the President's report about the status of our technicians in the Sinai every 6 months.

And, finally, it provides that any Member can introduce a privileged concurrent resolution—which means it must be brought up for a vote on the floor of the House—at any time requiring the removal of the American technicians in the Sinai.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, I simply want to point out that in the course of debate in my opinion, at least, many more serious defects in the resolution have arisen than those with regard to its permanency. It has become very clear to me, and I think to many other Members, that this resolution is, in fact, a trigger for executive agreements with which we may or may not disagree, but to which we give our tacit approval by supporting the resolution. I am not sure that a 2-year limitation on the resolution, once that trigger is pulled, is, in fact, any remedy at all.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, if this amendment is adopted it would be fatal to the Sinai agreement, because it would undermine the Egyptian and Israeli reliance on the central provision in the agreement, a provision which both sides agree. The possibility of nonrenewal in 2 years would prevent long-term planning by both Israel and Egypt, based on the agreements in the course of cooperation. It would discourage further negotiations, since an important precondition to further steps might easily be undone.

The amendment would operate like the present agreements covering the sanction of the U.N. peacekeeping force in the Middle East. It would create uncertainty and tension where clarity and calm should prevail. This amendment would be totally destructive. It would fatally flaw the agreement.

I urge defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise in support of House Joint Resolution 683 and in opposition to the Findley amendment.

Mr. Chairman, in the course of debate on whether we should support this agreement I have heard the word "risk" being used a great deal—"risk to American lives," "risk of involvement in the Middle East," "risking our relations with the Arab countries." Mr. Chairman, if we do not overwhelmingly pass this resolution, what we risk is a retreat from the first tentative steps that have been taken toward peace in a part of the world where such a step was considered impossible only a few months ago.

I would, though, like to address myself to the risks that are involved, to talk about the risk Israel has taken to show not only Egypt, but the rest of the world as well, that she seeks peace in all good faith. Israel has given up the Abu Rodeis oil fields—oil fields that provide the country with 60 percent of the country's consumption. Israel has no other energy resource of its own upon which to draw, and it's withdrawal from Abu Rodeis represents a major risk. The United States has learned, and taught the rest of the world as well, how problematic the world's oil supply can be. And yet, because they want peace, they have taken that risk. Israel has withdrawn from the Mitla and Gidi Passes—routes to the Sinai with crucial strategic importance, overlooking the flatland below. And these passes take on particular significance because she is risking the sharing of those passes with her enemy. And Israel is indicating, in essence, that she feels that Egypt will keep her part of the bargain, too.

The United States is taking risks, I don't deny that. But the resolution provides the assurances that we have asked for that the risks are minimal—that American lives will be protected, and that the Congress will be properly informed of the activity in the Sinai on a regular basis—in fact, those of us who believe that the administration has not always acted in good faith in its relations with the Congress are taking a chance in accepting assurances that the President will comply with his part of the plan. But if any change or modification should be voted, it will be a major step backward, and will open the door to even more precarious relations between Israel and Egypt than before this first successful round of negotiations.

The talk about risking American lives is particularly distressing to me. I visited South Korea during the recess. There, 42,000 American lives are being risked daily, hostages against the start of hostilities between the North and the South. I was shocked to learn that the commander of the troops there plans on evacuating these men by helicopter if hostilities begin—a sure way to draw us into another war as our soldiers become sitting ducks for their artillery. But we continue to vote appropriations to continue our presence there. There is a great irony in our presence in a country that will do nothing to help itself as long as we are around to arm them and supply them with forces, while we sit here debating the value of sending 200 civilians, whose safety is almost certainly guaranteed, to a country that has done everything within its power to remain independent of our side help and who has asked, mostly, to purchase defense weapons and goods, while instituting massive internal programs to keep its economy under control and provide itself with an enormous budget for its own defense.

An American presence is key, and for as long as it is needed. The fact that our presence alone will serve as a deterrent cannot be minimized. That we can stabilize the situation is an essential fact to remember. No other power in the world can perform this function. And to commit ourselves conditionally, to attempt to place a time limit on how long we will work at creating peace, is to demean our own importance, and to risk the future of the Middle East.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, lest some Members are influenced by the argument that we must not find ourselves extended for a long time by the commitment, let me say that I know of no better future for this Nation than to find its people committed all over the world so long as those parts of the world are at peace, and Americans engaged in peaceful purposes. I think that is what is overriding. I hope my friend from Maryland will give that some thought, because I think all parts of the world are dangerous. There is no safe way for America from here on out, but the best path for peace on Earth, for all of us, is for American involvement for peaceful purposes throughout the world. I believe a "No" vote is preferred.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in opposition to the amendment offered by my friend from Illinois (Mr. FINDLEY). It is not difficult, certainly, to understand and even to appreciate the fears that have been expressed tonight about unending involvement in the Middle East, and therefore the necessity of the imposition of a terminal date by this resolution.

But, I think they have failed to read the clear language of the resolution. This is not an open-ended commitment. I feel much safer with a guarantee of a concurrent resolution which any Member, no matter how new he may be in this body, can offer because of the privileged status of that resolution. Any Member at any time can offer a concurrent resolution to be voted on in this House to withdraw those troops. I think that is safer than a 2-year commitment.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from California.

Mr. WIGGINS. Mr. Chairman, I oppose the Findley amendment. The resolution contains continuing authority of the House in this area, and I support the resolution in its unamended form.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Chairman, I oppose the amendment and support the original resolution.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I would just like to respond briefly to the objection raised by the gentleman from Iowa (Mr. BEDELL) that there is something sacrosanct about this resolution before us. That is not the argument we are making. Of course, the resolution is subject to amendment.

The point we have been trying to make is that we cannot unilaterally, in the Congress, change the terms of the agreement which has been negotiated. If we attempt to change the terms by putting a time limit in there, we are sending the parties back to the negotiating table. This was testified to in the hearing before the Committee on International Relations by the administration witness who answered categorically in response to my question: "Would a 2-year limitation to this resolution require the agreement to go back for renegotiation?"

He said it would.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, there has been some talk here tonight implying that the foreign affairs of this country are in the hands of the President. Actually, article I of the Constitution gives control of foreign commerce to Congress and gives the declaration of war to Congress. All that is given to the President under the Constitution is the power to make treaties with the consent of the Senate and to appoint Ambassadors with the consent of the Senate.

I am opposed to this resolution and I am for the amendment. I think this resolution unnecessarily puts us into a position where we may have to go to war. I do not think it accomplishes anything except to trigger the possibility of a war. It does not take into account the remaining questions about the Egyptian boundaries. It does not achieve a resolution of the Palestinian problem. It does not take into account the problems of the Golan Heights. All it does is buy time. Buy time for what? For greatly rearming both sides in the Middle East for another war?

This resolution should be defeated. It is not a resolution for peace; but, on the contrary, could result in a more terrible war than already exists; and in such a war this resolution increases the chances of the involvement of U.S. troops—the resolution deserves defeat.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. BIESTER).

Mr. BIESTER. Mr. Chairman, other Members tonight have already made the point that a vote for the Findley amendment is in effect a vote to kill the Sinai agreement. That point should be underscored.

Second, even if it did not destroy that agreement and the 2-year limitation were imposed, it would set a clock ticking in the Mideast again, setting up again a time limit. As one approaches the end of that time limit, that clock inevitably would become an alarm clock, creating as it approached the final days a radically destabilizing period dangerous to peace.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman and members of the Committee, I again rise in strong opposition to the amendment offered by the gentleman from Illinois (Mr. FINDLEY) as well as the gentleman from Wisconsin (Mr. ZABLOCKI).

There is no question in my mind that the administration has made it very clear that if this amendment is put in the bill it will possibly jeopardize what has been agreed upon by Egypt, as well as Israel.

As I stated before the proposed time limit introduces an element of uncertainty that will surely delay and could even prevent the entry into force of what may be the last chance for peace in the Middle East. It would be much better if this amendment were not accepted by the House.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. MORGAN) to close debate.

Mr. MORGAN. Mr. Chairman, I want to strongly endorse the remarks of the gentleman from Florida (Mr. FASCELL). If the Members want to vote against the resolution, they should wait until final passage. If the Members want to kill it by the Findley amendment, then this is the way to do it.

The Members will have a second opportunity to vote on the issue in the Findley amendment when we act on the authorization and the appropriation bills sometime later in the year.

Mr. Chairman, I ask the House to defeat the amendment.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have thought long and hard about the question of what this House sets in motion by approving the resolution to provide technicians in the Sinai.

By approving this resolution we face the possibility of exposing several hundred of our citizens to danger should renewed fighting break out between the Egyptians and the Israelis. Additionally, we are greatly aware there are forces at work within the Middle East whose primary concern is to see that a peace agreement between these two nations breaks down.

But I am convinced that we must approve this resolution. I believe the United States, in its own interests and in the interests of peace within the world, cannot turn its back on two nations which genuinely seek accord.

Certainly, our Nation runs the risk of failure. Much of the last 30 years has been spent in an unsuccessful effort to bring peace to that troubled section of the world.

I am convinced beyond doubt, however, that this Nation must use its good offices and influence to urge every step forward that can be achieved. I believe that this opportunity offers the world another chance to resolve its disputes by discussion and negotiation rather than by gunfire.

Perhaps there are better ways in which to achieve these goals, but I have served in this House a long time now and I have not yet heard an alternative that would be acceptable to all parties. We must recognize that trust in your neighbor is a very fragile thing in the Middle East. Both nations do trust our good intentions, though, and it would be tragic for us to do anything less but to fulfill what I consider to be our moral obligation to help bring peace to the world wherever possible. I would hope this resolution will pass. It has my full support.

As I see it, the alternative to a lack of a peace agreement is simply a greater chance for war. And if war should come, this Nation would face the potential for a showdown with the Soviet Union, a renewal of the oil embargo as well as large expenditures of dollars and possible arms and men.

Certainly the potential for terrorism cannot be overlooked. Our technicians elsewhere in troubled lands have not been immune from terrorism either. But our reason for stationing the technicians there is to provide a supplement for impartial observers in a barren land, protected by U.N. forces.

Both nations have agreed to provide protection for U.S. personnel, and since there is every likelihood that no more than 10 persons will be on station at any one time, we have a moral obligation to respect those promises.

Mr. Chairman, I oppose the limiting amendments for I believe we must first see if the agreed to proposals will work and the Congress by appropriations will oversee and determine future funding.

The CHAIRMAN. All time has expired.

The question is on the amendment by the gentleman from Illinois (Mr. FINDLEY).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 122, noes 287, not voting 24, as follows:

[Roll No. 604]

AYES—122

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Ashbrook
Baldus
Baucus
Bauman
Bedell
Bennett
Bevill
Brinkley
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison, Mo.
Byron
Carr
Carter
Clawson, Del
Cochran
Collins, Tex.
Conlan
Conyers
Cornell
de la Garza
Dellums
Dent
Derrick
Devine
Dickinson
Dingell
Dodd
Duncan, Tenn.
du Pont
Emery
Evans, Ind.
Findley
Flynt
Ford, Mich.
Fountain
Gibbons
Ginn
Gonzalez
Goodling
Grassley
Hagedorn
Haley
Hansen
Harrington
Harsha
Hastings
Hechler, W. Va.
Hefner
Hicks
Hubbard
Hungate
Hutchinson
Ichord
Jacobs
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Krebs
Landrum
Leggett
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McDonald
Mann
Mathis
Mazzoli
Melcher
Miller, Calif.
Miller, Ohio
Mink
Mitchell, Md.
Moffett
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mottl
Myers, Ind.
Nedzi
Nichols
Nolan
Obey
Pike
Pressler
Pritchard
Robinson
Rogers
Rousselot
Roybal
Runnels
Ruppe
Schulze
Shuster
Skubitz
Smith, Iowa
Snyder
Staggers
Steiger, Ariz.
Studds
Sullivan
Symington
Symms
Thone
Wampler
White
Wylie
Yatron
Zablocki

NOES—287

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Barrett
Beard, R.I.
Beard, Tenn.
Bell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Carney
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
Delaney
Derwinski
Diggs
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gilman
Goldwater
Gradison
Green
Gude
Guyer
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Heinz
Helstoski
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hughes
Hyde
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Okla.
Jordan
Karth
Kasten
Kindness
Koch
LaFalce
Lagomarsino
Latta
Lehman
Lent
Levitas
Litton
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Martin
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Mills
Mineta
Minish
Moakley
Montgomery
Moore
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nix
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Slack
Smith, Nebr.
Solarz
Spellman
Spence
Stanton, J. William

Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Talcott
Taylor, N.C.
Thompson
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Weaver
Whalen
Whitehurst
Whitten
Wiggins
Wilson, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zeferetti

NOT VOTING—24

Bafalis
Burke, Fla.
Crane
Fary
Fraser
Harkin
Hébert
Henderson
Hinshaw
Krueger
Mitchell, N.Y.
O'Brien
Patman, Tex.
Ryan
Schneebeli
Sisk
Taylor, Mo.
Teague
Udall
Walsh
Waxman
Wilson, Bob
Wilson, C. H.
Winn

Mr. CONYERS and Mr. SKUBITZ changed their vote from "no" to "aye."

Messrs. RICHMOND, CARNEY, and FRENZEL changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: Page 2, line 7, immediately before "in the event" insert ", without the use of the Armed Forces of the United States unless expressly authorized by the United States Congress,".

Mr. DELLUMS. Mr. Chairman, my amendment is rather straightforward. It says that it prohibits the use of U.S. military forces for the purpose of removing the 200 technicians from the Sinai in the event of an outbreak of hostilities. It is my intention to preclude military intervention on the part of the United States in the Middle East.

There have been many statements with respect to Vietnam as a parallel to this resolution. I am more concerned at the moment about the *Mayaguez* incident with respect to this resolution. This country has gone on record, and this Congress, in effect, acquiesced in the *Mayaguez* tragedy with the intervention of 1,000 Marines for the purposes of evacuating 38 Americans. Here are 200 technicians in one of the most explosive regions of this entire world. It would seem to me that it behooves the Congress to go on record saying that the President shall not use Armed Forces in order to remove these persons in the event of hostilities, unless we, the Members of the U.S. Congress, expressly authorize the use of Armed Forces.

Then we can ourselves decide whether we want to introduce Armed Forces into that area. So my amendment is very simple and straightforward.

Against the risk of a few days' delay in final signing of the agreement as a result of the House and the Senate working out the language, I accept that risk because the greater risk is a risk that all of us in this room, every single one of us, Republican or Democrat, feels at some level, and that is maybe we are voting an explosion. We do not want that explosion. We do not want U.S. military intervention. We do not want war.

It would seem to me that to act favorably upon this amendment would in some way preclude the use of Armed Forces being introduced into this already explosive situation.

The Israel Government has already said: "We do not want U.S. military personnel in the Middle East." So, I do not see that this amendment would be in any way in opposition to that. We can go on record as saying if these are agents of peace, let us not allow their presence to trigger war.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, I thank the gentleman for yielding.

It is inherent in this act that we would use force. We do not have to spell it out. If we use force in my opinion we could not say they would not be employees of the U.S. Government. They were there because of an act of Congress. These observers will be there by an act of Congress, by the law of the land. To do less in case of necessity would be one of the most grievous violations of our responsibilities to these men. Unless we pass this amendment there is the inherent possibility there.

Mr. DELLUMS. I thank the gentleman and I yield back the balance of my time.

Mr. BINGHAM. Mr. Chairman, I reluctantly rise in opposition to the amendment offered by the gentleman from California (Mr. DELLUMS). While I sympathize with his objective and while I think the chances are that the personnel could be removed in the event of a critical situation arising without the use of armed forces and by means of cooperation with the U.N. troops or the parties to the agreement with whom they will be working, I think it would be a great mistake to tie the President's hands until the Congress could act. The Congress might be in recess or it might have adjourned sine die and this might be a matter for immediate action.

I would point out that the gentleman's amendment would prohibit the use of helicopters: For example, Navy helicopters off a carrier could not be sent in. They would not necessarily get involved in hostilities. But this amendment would prohibit the use of Armed Force helicopters and other vehicles of the Armed Forces. I think it would be a great mistake.

As far as the engaging in hostilities is concerned, I think that is adequately covered by the War Powers Act which this resolution does not in any way affect.

I urge defeat of the amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I would like to engage in colloquy with the gentleman. It is not the intent of my amendment to preclude the use of vehicles. I think my amendment is rather straightforward. I would like to establish in this colloquy that what I am talking about is combat activity, sending in Armed Forces for the purposes of fighting to remove those technicians. I am not talking about helicopters. I am talking about war.

Mr. BINGHAM. If I may have my time back, the gentleman's amendment says they shall be removed without the use of the Armed Forces of the United States. That means in plain words we cannot send in helicopters from a Navy carrier to get them out. I do not know how we can read it in any other way.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the Dellums amendment.

Mr. Chairman, it is a very late hour and everybody is tired and wants to go home. In no way should that prevent us from making a sane and sober decision on legislation that might affect the lives of generations of Americans yet to be born.

The gentleman from California has addressed himself to the issue of concern that I spoke of earlier.

I would simply ask one or two questions of the Members of this House. I would then ask them to think how they would react to certain given situations. Suppose the son of Congressman X is one of the technicians in the Mideast and further that there is an outbreak of hostilities. Would we be thinking of sending American military troops in there to get his son? You can bet your bottom dollar you would.

Suppose we are talking about a helicopter being flown in to rescue some of the technicians that are in danger and that same helicopter was shot down. If that helicopter was being flown by your son, your nephew, your grandson, what would the reaction be?

The gentleman from California has raised a very, very dramatic and important issue. I support his amendment. I think many of the Members support this resolution if we can be guaranteed that American military personnel in any shape or form will not be involved due to this legislation.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I sense the mood of the House and I will be extremely brief. What we are speaking about here are technicians that we will have operating that is the best guarantee for the implementation of this agreement. We are looking at this as a positive investment, a long overdue positive investment in permanent peace in the Middle East. If we look back at the years and years of tension, not just the military tension, but the economic crises that the Middle East feud has brought to our country, I think we will recognize we should not be dabbling with the essentials of this very, very delicate agreement.

Please keep in mind the unholy abuse that the Government of Egypt is taking from radical Arab sources. Keep in mind they have gone beyond expected political positions to enter into this agreement.

While the argument for the amendment has some interesting points behind it, it is a negative approach to this agreement and there are safeguards in the resolution.

Mr. Chairman, I urge rejection of the amendment.

Mr. MORGAN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, the amendment absolutely is not necessary. Our resolution provides for the removal of these technicians as soon as they are in danger.

I know the price of peace sometimes comes a little high. As the gentleman from New York (Mr. BINGHAM) said in the well of this House, what redblooded Member of this Congress is going to deny the President of the United States the right to use a helicopter before the shooting starts to get these individuals out?

This amendment absolutely is not necessary. I hope it is defeated.

Mr. HAYS of Ohio. Mr. Chairman, will the gentlemen yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, just to show how this operation works, suppose the U.N. got out all but six of these men and they were in some isolated spot and there was a Navy helicopter carrier 40 miles off the coast that could pick them up. They would have to wire back to the United States and get both Houses of Congress to pass a resolution before this helicopter could fly in and get these six guys. That is what in effect we are saying. I do not perceive that we will ever need it, but if we do, that is an option we ought to have open.

That is not intervention by the Armed Forces. That is simply a rescue operation, like picking them out of the ocean.

Mr. MORGAN. Mr. Chairman, I urge defeat of the amendment.

AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DELLUMS

Mr. ECKHARDT. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT as a substitute for the amendment offered by Mr. DELLUMS: On page 2, on line 10 after the period, add the following: "Nothing contained in this resolution shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this joint resolution."

PARLIAMENTARY INQUIRY

Mr. MORGAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORGAN. Mr. Chairman, the gentleman from Texas has offered a substitute amendment to a different section of the resolution. His amendment occurs on page 3, line 21. The amendment offered by the gentleman from California is on page 2, line 7.

My preliminary inquiry is, could I offer a point of order against this amendment?

The CHAIRMAN. The substitute has been redrafted and goes to page 2, line 10, which is the same section as the amendment offered by the gentleman from California.

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I was going to make a point of order against the amendment because the substance of the gentleman's amendment is not germane to the amendment offered by the gentleman from California.

The CHAIRMAN. Does the gentleman from Texas wish to be heard?

Mr. ECKHARDT. Yes, Mr. Chairman.

The proposal by the gentleman from California (Mr. DELLUMS) is that no Armed Forces be permitted to be used in connection with the evacuation of the technicians, period. I mean, that is an absolute prohibition.

What this amendment says is that no authority that the President does not now have to remove technicians is granted by virtue of this resolution. Now, the difference is obvious, but the two go to the same point. This is a restriction on the limitation of the Dellums amendment.

The CHAIRMAN. The Chair has reviewed the point of order made by the gentleman from Pennsylvania, and it appears to the Chair that the argument made by the gentleman from Texas is well taken and that his amendment is germane as a substitute, dealing with the same question of the use of armed forces to evacuate civilian technicians.

Therefore, the Chair overrules the point of order made by the gentleman from Pennsylvania.

Mr. ECKHARDT. Mr. Chairman, I hope my colleagues will hear me carefully on this point. I am prepared to vote for the resolution, and have been from the beginning. I was prepared to vote against any amendments which curtailed the agreement in such a manner that it could not be put into effect, but there is one thing that concerns me deeply and is the same point the gentleman from California has raised and addressed in his amendment, although I felt he went a bit too far because he would have restrained existing constitutional authority of the President.

I had always felt that the President could do everything he did with respect to the evacuation of persons in Saigon without any bill. I still believe that to be true. I believe the President would have the authority to remove these technicians with helicopters, with the aid of the Armed Forces and any other reasonable way to protect nationals of the United States under his inherent authority as President of the United States and in his direction of the Armed Forces. I do not wish to disturb that.

I am afraid that perhaps the amendment offered by Mr. DELLUMS went too far on that point. That is the reason I offered the substitute.

What my amendment does is merely restate the precise last paragraph of the War Powers Act, which says that the War Powers Act does not extend to the President any additional authority granted by Congress to engage in the warmaking power. It does not restrict the President's authority, nor add to it. I have adopted the precise language of that act.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding. I concur in the wisdom of my distinguished colleague, the gentleman from Texas (Mr. ECKHARDT), and I would urge the support of the substitute to the amendment that I offered.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Chairman, I thank the gentleman for yielding. As I understand this amendment, it would not prohibit the President from using helicopters, or any other method that he deems adequate or necessary, to evacuate a certain portion of or all of these people if it became necessary. Is that correct?

Mr. ECKHARDT. I do not believe it would.

Mr. HAYS of Ohio. If the gentleman will yield further, I have no objection if that is the case.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman for this amendment. I think it is an excellent amendment, and I urge its adoption.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding. If it is the gentleman's interpretation of both the present existing constitutional authority, as well as this resolution, in the event there is a threat to the safety of the technicians that the President would have the authority to use American Armed Forces to effectuate an evacuation, I would like to know what Presidential action the gentleman's amendment would prohibit that is not already prohibited or that would be permitted in the absence of his amendment.

Mr. ECKHARDT. Mr. Chairman, he could not go to war with Egypt to get them out.

Mr. SOLARZ. If the gentleman will yield further, under what authority would he go to war at present without a declaration of war by the Congress?

Mr. ECKHARDT. Let me read this language. The language of this bill is as follows:

That the President is authorized to implement the United States proposal for the Early-Warning System in Sinai, provided, however, That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities . . .

If the outbreak of hostilities were severe enough, this amendment would permit him to go to war with Egypt, or anything else, to do it. And I do not believe that we want at this time to write a provision comparable to the Tonkin Bay resolution. I think that is precisely what we are doing if we do not limit this granted authority by the language of the substitute.

I have tried to do it very discreetly and in a very limited manner, and I have discussed it with persons on the other side of the aisle. It is no surprise to them. I am not taking any power away from the President that he has. I am not prohibiting him from doing reasonable things with facilities of the United States to get the technicians out. But we want to make it clear that we shall not give him blanket authority to go to war to do anything.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think many of us are troubled by this resolution for the reason raised by the gentleman from California, but I feel that his proposed solution would be a medicine too strong for the disease.

But I think the gentleman from Texas (Mr. ECKHARDT) has come up with a very reasonable solution. It is very consistent with the War Powers Act, and it does not commit us one way or another, and it preserves the power of the Congress, as well as the power of the President.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

I think the gentleman's amendment is a very thoughtful amendment, and I would urge its adoption.

Mr. MORGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have worked with the gentleman on the amendment but I think the amendment is unnecessary. I want to assure the House that there is no war powers authority given in this resolution and none is implied. The use of language about war powers could lead to an interpretation that some warmaking powers are inherent in this resolution. There are none.

We do not want some future Secretary of State or some legal adviser for the State Department to think that there is such authority in this resolution. Therefore, as far as I am concerned, the Eckhardt substitute is not needed.

Mr. Chairman, I personally think the amendment is not needed. I have no great objection to it, but I just do not think it is needed in this resolution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT) as a substitute for the amendment offered by the gentleman from California (Mr. DELLUMS).

The question was taken; and on a division (demanded by Mr. ECKHARDT) there were—ayes 124, noes 71.

So the substitute amendment for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DELLUMS), as amended.

The amendment, as amended, was agreed to.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if I may have the attention of the gentleman from Florida (Mr. FASCELL), a member of the committee. I wish to ask him about the meaning of the language on page 2, line 5 and thereafter, of the joint resolution, which states:

> That United States civilian personnel assigned to Sinai * * * shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel * * *.

This language would seem to imply that the President has the power to remove these personnel only in the event of an outbreak of hostilities. What I want to ask the gentleman is this:

Is the President authorized or does he have the power to remove civilian personnel prior to the outbreak of hostilities if they are placed in jeopardy?

Mr. FASCELL. Mr. Chairman, if the gentlewoman will yield, the answer to that is: Yes, the President would be empowered to remove personnel, especially in view of our action here. Although I do not think the language contained in the Eckhardt amendment really was necessary, I did support it because it also helps to clarify this point.

We do not change the President's responsibility; we do not change his constitutional authority because obviously we cannot. There is language in here which says that the Congress would direct him if we could or would mandate him to bring them out under those conditions, but it does not take away from him the right to bring them out under any other conditions.

Ms. HOLTZMAN. Mr. Chairman, is the gentleman saying that under no circumstances could the President say, "I am not permitted to withdraw personnel except at the outbreak of hostilities"? The President could not claim that could he? He has the authority to remove the civilian personnel if their safety is in jeopardy.

Mr. FASCELL. Mr. Chairman, the gentlewoman is absolutely correct. The language in the joint resolution in no way can be interpreted to mean otherwise, and there is no intent by the committee, either by language, implication or otherwise, to restrict the President or in any way to curtail his constitutional power or his authority. No argument could fairly be made that the language in the joint resolution is such that that is the only condition upon which the President could take responsibility or carry out his duties in that regard.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman.

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I would just like to add to that that in the agreement itself which we are being asked to ratify there is the condition that the personnel may be withdrawn by the United States when there is a condition of their being placed in jeopardy.

Mr. HEINZ. Mr. Chairman, the question of using American volunteer civilian technicians in the Sinai has aroused considerable controversy. The issue is an important one and one to which I have devoted considerable attention these past few weeks.

After very careful study and review, I have considered that I should and will support House Joint Resolution 683, the legislation which would give congressional approval to the use of American civilian volunteer technicians to monitor the buffer regions in the Sinai.

I sincerely believe that it is necessary for Congress to support a properly safeguarded and effectively monitored proposal which advances the chances for an overall peace in the Mideast. It is important to note that this resolution solely deals with the authorization of U.S. technicians in the Sinai. In no way does it bind us nor does it imply our support for other agreements or commitments relating to the interim accord or the overall peace settlement. These are issues that should be dealt with separately and House Joint Resolution 683 explicitly provides for this policy.

The Congress has been criticized for spending over a month in consideration of House Joint Resolution 683. I believe that this time was necessary in order to thoroughly investigate and evaluate all of the implications for U.S. foreign policy of sending volunteer technicians to the Mideast and to insure that there were proper safeguards and guidelines to limit our involvement.

The Congress's job also has been made more difficult by the lack of cooperation by the Department of State in disclosing the contents of the secret accords and assurances made to Israel and Egypt in negotiating the agreement. Without the knowledge of the contents of these assurances, it is virtually impossible for the Congress to be aware of the total extent of our commitment and to support our diplomacy in the Mideast.

However, it should be noted that the administrative efforts have resulted in the United States playing a unique and significant role in the negotiations of the interim accord. Secretary of State Kissinger has assured us that without the offer of American civilian technicians, mediation of a successful agreement would have been impossible. The offer of our technicians added an important stabilizing element to the negotiations which encouraged Egypt and Israel to make substantial compromises in order to reach an agreement. Without the support of the Congress for this proposal, it is likely that the interim peace accord negotiated by Mr. Kissinger will disintegrate and that there could be a renewal of hostilities. Another conflict in the Mideast will not only affect Israel and the Arab world, but also threatens the vital interests of the United States especially if accompanied by an oil embargo or a confrontation between the two superpowers.

In view of the importance of a relaxation of tensions between Israel and Egypt which can ultimately play an important stabilizing role in reducing the chance of a Middle East war, I sincerely believe that House Joint Resolution 683 deserves the support of the Congress. While the resolution authorizes technicians in the Sinai, it also incorporates additional safeguards which limit our involvement in that area. First, the resolution specifies that only civilian volunteer technicians may be recruited. Second, it goes to great lengths to restrict their duties and responsibilities so that there is no imaginable possibility of their military involvement. Third, it should be noted that the civilian volunteers will be protected—from such threats as terrorist attacks—by United Nations peacekeeping forces. Further, the resolution provides for withdrawal immediately in the event of hostilities, it also gives Congress the power to continually oversee the role of the technicians and withdraw them when the Congress deems necessary. Since the President is required to present the Congress with a semiannual report regarding the status of the technicians and the chances for decreasing the American monitoring presence in the Sinai, we have the chance to continually review the agreement. And let me reemphasize, too, that this resolution of approval specifically states that support for technicians in the Sinai does not imply support for any other agreements or commitments made or implied by Secretary Kissinger or other members of the administration. The Congress, therefore, retains the authority to approve or disapprove any other agreement in which congressional approval or funding is necessary.

Mr. Chairman, Congress must take an active role, in cooperation with the executive branch, in the direction of our foreign policy in the Mideast. The cornerstone of that policy must be our continued commitment to Israel's survival. In the past we have spent increasing amounts of money on military materiel and weaponry for defense in an effort to maintain an effective deterrent to aggression in the Mideast, which we hoped would insure the stability of that area. The present agreement negotiated by Mr. Kissinger presents us with a rare opportunity to forge a new policy direction and to provide impetus for further positive contacts between Israel and the Arab world.

This agreement is admittedly a small step on the long road to a lasting peace, but I would urge the Arab countries to seize this opportunity to seek direct negotiations with Israel. While some people might say that stationing of troops in the Sinai may risk further involvement, I find any such risk to be fully addressed in the legislation. I hope my congressional colleagues will agree that House Joint Resolution 683 is our best hope for achieving a lasting peace in the Mideast.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Young of Florida: Page 2, line 10, after the period insert the following new sentence: To the extent funds are authorized to carry out the provisions of this resolution, such funds may be used only to the extent that the United States contribution to the United Nations for the purpose of peacekeeping forces in the Middle East is reduced.

Mr. MORGAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. YOUNG of Florida. Mr. Chairman, the United States this year contributed almost 29 percent of the total funds used by the United Nations for peacekeeping in the Middle East. I supported that, as did most of our colleagues, because we want to keep peace in the Middle East, but how many times are we going to go to the well?

This resolution is described as a peacekeeping resolution, an effort to bring about and keep the peace in the Mideast.

I am suggesting that the $23 million we have already appropriated to the U.N. for the same purpose could be used effectively in place of the $20 million we are going to have to appropriate separately.

Mr. Chairman, I believe that this is a good amendment. I think it is fiscally sound, and I believe it is one that will be supported by the people of the country.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. Yes, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman is quite right. I think that this House on many occasions has gone on record as opposing double-dipping.

It is quite clear that to the extent that this Nation provides its own monitors, its own assistants, to maintain the peace in the Middle East that it should have an offset with respect to the same function being done by the United Nations in the Middle East.

Mr. Chairman, I think that the amendment of the gentleman from Florida (Mr. Young) should be supported. It is a valid amendment. It is consistent with the House position on this kind of issue many times in the past.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from Michigan (Mr. Brown) for his comments.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. Morgan) insist on his point of order?

Mr. MORGAN. I do, Mr. Chairman. I insist on the point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MORGAN. Mr. Chairman, I raise a point of order against the amendment.

Mr. Chairman, the amendment is not germane under clause 7 of rule 16 because it deals with a subject matter which is not dealt with in this resolution. The resolution would authorize the stationing of American technicians in the Sinai.

The cost of this operation would come from the special requirements fund for the Middle East, under section 903 of the Foreign Assistance Act. Neither the resolution before the House, nor section 903 of the Foreign Assistance Act, deal with the U.N. peacekeeping force.

The U.S. participation in the U.N. peacekeeping force is authorized by different legislation. U.S. contribution to that force comes also from separate legislation. The amendment, by attempting to tie this resolution to U.S. contribution to the U.N. peacekeeping force, goes far afield from the purpose of this legislation. It would considerably broaden the scope of this legislation and is therefore not germane.

The CHAIRMAN. Does the gentleman from Florida (Mr. Young) wish to be heard on the point of order?

Mr. YOUNG of Florida. Yes, I do, Mr. Chairman.

The title of House Joint Resolution 683 reads:

> To implement the United States proposal for the early-warning system in Sinai.

The resolving clause says:

> That the President is authorized to implement the "United States Proposal for the Early-Warning System in Sinai"

Mr. Chairman, the vast authority to implement stressed in the title and resolving clause make this an extremely broad and encompassing piece of legislation, in fact, more so than most.

For example, according to the report and also according to my earlier colloquy with the chairman, implementation of this early warning proposal will require $20 million the first year of already appropriated funds or funds still to be appropriated.

Since this resolution authorizes the implementation of the proposal, without a doubt, it inherently authorizes the spending of the funds.

The Chair has ruled many times that amendments to place a limitation on appropriations bills are in order if said amendments are limiting in nature and do not include legislation.

Other times, Mr. Chairman, the Chair has ruled that limitations that include legislation are in order only on authorizing legislation.

Mr. Chairman, I respectfully submit that since this amendment is limiting in nature, it would be in order in an appropriations bill, let alone in this resolution, which broadly authorizes spending of U.S. funds.

Further, Mr. Chairman, I submit that the language of the title and resolving clause of this resolution are in fact broad enough that this amendment be considered in order.

The CHAIRMAN (Mr. McKay). The Chair is prepared to rule.

The gentleman from Pennsylvania (Mr. Morgan) makes a point of order against the amendment offered by the gentleman from Florida (Mr. Young) on the grounds that it is not germane to the joint resolution.

The Chair observes that the resolution does not involve the role of the U.N., and that the amendment would broaden the scope of the pending measure in a significant manner. By requiring a reduction in the U.S. contribution to the U.N. peacekeeping force, in an amount necessary to accomplish the purpose of the joint resolution, the amendment would inject into the joint resolution the issue of the extent of U.S. participation in the U.N. peacekeeping force and the issue of the curtailment of the entire peacekeeping role of the United Nations in the Middle East. As stated in Cannon's

Procedure, page 205, two subjects are not necessarily germane because related, and the fundamental purpose of the amendment must be germane to the fundamental purpose of the bill, as indicated at page 199, Cannon's Procedure.

For the reasons stated, the Chair sustains the point of order.

Mr. BROWN of Michigan. Mr. Chairman, I appeal from the decision of the Chair and ask for a recorded vote.

Mr. Chairman, I withdraw my request.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: On page 2, line 8, after "Israel" add the following: "or in any other circumstance in which such civilian personnel would be introduced into hostilities or would be placed in situations where imminent involvement in hostilities would be indicated by the circumstances,".

Mr. ECKHARDT. Mr. Chairman, this is absolutely the last amendment that this gentleman will offer to this legislation.

May I say that this amendment I think, and I will leave it to the Members when it is explained, is nothing other than corrective. It does nothing of any substantive nature except to make it clear that if these hostilities arise as a result of other than Egyptian or Israeli hostile actions, as for instance by virtue of Palestinian guerrilla action, or by virtue say of a bomb from Iran, that then, likewise, the technicians would be removed.

This does not strike a single word from the bill, it simply adds, as it is stated here, that the United States civilian personnel assigned to the Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel, and the amendment adds—

> or in any other circumstance in which such civilian personnel would be introduced into hostilities or would be placed in situations where imminent involvement in hostilities would be indicated by the circumstances.

That language is taken verbatim from the war powers bill except the word "clearly" is left out before "indicated by the circumstances."

In other words, all in the world this does is say that if the hostile situation is caused by somebody like the Iranians or the Iraqis or the Jordanians or somebody besides Egypt and Israel, the same rule will apply.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. SOLARZ. I thank the gentleman for yielding.

I think it would be most unlikely for any terrorist to get through the Israeli Army on the east and the Egyptian Army on the west and the 5,000 to 6,000 U.N. peacekeeping forces in the middle.

Mr. ECKHARDT. I hope so.

Mr. SOLARZ. But just for the purposes of analysis of the gentleman's amendment, if one Palestinian terrorist, for example, managed to somehow slip through those armies and the U.N. forces to throw one hand grenade or shoot one bullet at the American technicians in the passes, does the gentleman's amendment mean that our technicians would, therefore, have to be immediately removed?

Mr. ECKHARDT. No; the term is "would be introduced into hostilities," or in a case where imminent involvement in hostilities would be indicated by the circumstances. Those terms are from the War Powers Act, and I think that means introduced into a state of war.

Mr. SOLARZ. So an isolated terrorist attack would not in and of itself constitute the kind of circumstances where the gentleman's amendment would require removal of our technicians?

Mr. ECKHARDT. Absolutely not, and I think this is good congressional history on the bill.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I am a little puzzled, then, because the gentleman did use the Palestinians as one example of how hostilities could be started, and if they do, would that not really present a challenge to the Palestinians to try to sabotage the whole arrangement?

Mr. ECKHARDT. No, not if it is construed, as the gentleman from New York (Mr. SOLARZ) has indicated. A single incident would not be "introducing" our nationals into hostilities. But the thing is, of course, the Palestinians are not the only ones who could threaten us. For instance, say, the Russians came over and dropped a bomb in that area. I do not think that will happen, but I think we must not fail to anticipate possibilities in which hostilities could exist other than those in which the Egyptians or the Israelis were involved.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Could the gentleman give us a definition of "hostilities"? Does he mean a single attack by an aircraft? What is his definition of "hostilities"?

Mr. ECKHARDT. The wording is "introduced in hostilities" and "imminent involvement in hostilities would be indicated by the circumstances." I have used the exact language of the war powers bill.

Mr. WOLFF. Could the gentleman define for us what he means by "hostilities"?

Mr. ECKHARDT. What I mean by that is such an attack as would engage the technicians in a situation in which they would be victims of a warlike series of acts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there are several reasons why I do not see any use for this amendment. One is that there is already language in the bill saying an outbreak of hostilities between Egypt and Israel, or if the Congress by concurrent resolution for any reason decides to take them out. If I remember correctly—and I have a fairly good memory—the gentleman spoke against the war powers bill, and I think voted against it, and suddenly now the language of that bill becomes sacred and he has offered a couple of amendments using the exact language of the war powers bill.

The gentleman's amendment is kind of obscure, and I do not know if he writes these amendments in a room surrounded by mirrors or not, but I would like to read them in a room surrounded by mirrors, because maybe I could get a perspective. I do not really know exactly what it means.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

As I said before, it is language exactly patterned on the War Powers Act, except for the word "clearly."

Mr. HAYS of Ohio. Does that improve it? The gentleman was against the War Powers Act; was he not?

Mr. ECKHARDT. I was against the War Powers Act primarily because it relied upon the concurrent resolution as a means of withdrawing us from activities. This does, too. I find difficulty with that, but not with the War Powers Act language which I have adopted in this amendment.

Mr. HAYS of Ohio. The gentleman had a lot of time. Now let me just say what the situation is. These people are going to be in the middle of 5,000 U.N. troops, with the Israelis on one side and the Egyptians on the other, and all of that is covered. If there are any hostilities between Egypt and Israel, the gentleman is shadowboxing that. If the Iranians drop a bomb, or somebody throws in a hand grenade or God knows what, what the gentleman's amendment does is to muddy up the waters and obscures the issue. If we really want to engage in an exercise of obfuscation, I would say adopt the amendment.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Arizona.

Mr. RHODES. My memory is that the agreement actually allows the President of the United States to take these people out for any reason at any time.

Mr. HAYS of Ohio. That is right.

Mr. RHODES. Would not the amendment of the gentleman from Texas limit the President's authority to do that rather than augment it?

Mr. HAYS of Ohio. I do not know enough about the gentleman's amendment to know what it will do.

Mr. RHODES. I think if the gentleman will accept my interpretation it is a good interpretation.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. The War Powers Act dealt strictly with combat troops. These are not combat troops. These are civilian technicians for the Middle East.

Mr. HAYS of Ohio. The amendment deals with the possibility that somebody is going to fight and wade through the Israeli Army and through the Egyptian Army and through the U.N. troops to get at these people, and I just do not see that possibility.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. FASCELL. Mr. Chairman, I do not think the amendment is necessary either. I refer to the U.S. proposal No. 8, which says:

> 8. Notwithstanding any other provision of this Proposal, the United States may withdraw its personnel only if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary.

It is covered.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, I agree the amendment is not necessary, but the record should be clear. It does not say we should or Congress could withdraw the technicians at any time for any reason. It is for reasons. One reason is if their safety is jeopardized, and the existence of hostilities would be one reason why their safety would be jeopardized.

Mr. HAYS of Ohio. I agree.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt).

The amendment was rejected.

Mr. BURLISON of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are being asked to endorse an American presence in the Sinai Desert between the opposing forces of Israel and Egypt. It is that simple; and it is that awesome. A direct American involvement in the Middle East marks a change in American commitment of unprecedented scope. Despite all efforts to dismiss the inherent dangers, those dangers will not disappear.

This is not to deny that we have an interest in the Middle East. But never before have we sought to establish American personnel in any conflict there. Indeed, much of our effort has gone into avoiding just this sort of involvement.

How has this changed? What purpose is now served by placing U.S. personnel in the Sinai? The United Nations force is already stationed in the buffer zone and is perfectly able to perform any monitoring duties. That is their current mission and it should not change. Israel and Egypt both may consider American presence a token of good faith for our peace efforts, but this cannot be sufficient justification.

One reason for a past avoidance of involvement is the preclusion of any direct contact with the Soviet Union. From the time of the Eisenhower administration, we have steadfastly refused all requests to establish joint United States-Soviet observation forces. Through great effort we have succeeded in diminishing the Soviet role in the Middle East, but now we risk these gains by inviting Syrian demands for Soviet observers for a similar buffer zone in the Golan. And how can we measure the threat of escalated involvement for our personnel? How will we protect them should the truce break down with them caught in the middle? To say that American observers can be easily removed at the onset of any trouble is to ignore the fact that an evacuation in the face of increased tensions would almost automatically cause the collapse of the agreement and precipitate armed conflict. The recognition of this danger will necessitate keeping the observers at their posts until the actual fighting is imminent. If we pull out before the war erupts, we help cause it; if we wait until it begins, we are in it. We lose either way.

This is an awesome risk, not to be dismissed lightly; and one we are asked to accept in order to implement an interim truce agreement of dubious value. I, for one, refuse to endorse an accord on the pretext that any agreement whatsoever must be considered beneficial and implemented straight away.

A number of notable critics have raised serious doubts as to the efficacy of the Israeli-Egyptian agreement, citing fears that it is not at all a step toward peace, but a brief stalemate, a mutual refortressing agreement that will significantly increase the likelihood of war in the future. Also, it is feared that the agreement will ultimately prove to be an impediment to achieving any relaxation of tension between Israel and her other Arab opponents. We have already witnessed an exacerbation of ill will on the part of Syria and the Palestinians.

In short, Mr. Chairman, the agreement itself is a gamble, and we are being asked to top it off with the risk of direct American personnel involvement.

Strangest of all, perhaps, is the unprecedented degree of fence straddling and hedging inspired by this issue. Every day for the past several weeks I have read in the Record or in the press, remarks of my colleagues, on both sides of the aisle, in both Chambers, lambasting the agreement, really ripping into it, especially the plan to station U.S. technicians in the Sinai. Yet, when the tirade is over and the President and the Secretary of State sufficiently castigated, our dauntless crusader invariably comments that yes, of course, he intends to vote for the resolution. This paradox was reviewed by David Hall writing for the Chicago Daily News in his September 13 column:

> Henry M. Jackson, Presidential aspirant and U.S. Senator, gave a speech before a largely Jewish audience the other night. He lambasted the interim settlement the United States arranged between Israel and Egypt, especially the plan to station U.S. techicians at Sinai desert warning posts.
>
> Then Jackson uttered the clincher:
>
> When the issue comes before the Congress I hope to vote to approve the substance of the agreement as it has been presented to the American people."
>
> How's that?
>
> Jackson is trying to play it both ways: To reflect the fears of Americans about a new and deep foreign involvement while supporting the cause of Israel and pleasing the politically powerful Jewish voting bloc.
>
> In his train are politicians left and right, Democratic and Republican. The issue is made for fencestraddling, which politicians find so comfortable. They can bellow about being trapped by the wily Kissinger in a fait accompli. A Senator or Representative can say the deal is necessary for Israel's continued survival, although he would have preferred something more "longlasting" and more "durable" than the three-year separation of armies.
>
> Congress will hold hearings. Some tough-sounding questions will pepper Kissinger. He will answer in monotone, citing the smallness of the American personnel commitment and the hopes for a "just and lasting peace."
>
> Congress will vote, and as surely as the autumn leaves fall it will vote for the massive aid commitments (perhaps $9 billion over the next three years) and for the technicians.

One similar example. Just today I was talking with a colleague about this issue. He was undecided but said that he had a great deal of respect for the opinion of former Under Secretary of State George Ball. My colleague said he had yesterday seen some of Ball's testimony before the Foreign Relations Committee in the other body and was impressed with Ball's strong statement against the accord. My friend was astonished when I told him that at the end of the statement Mr. Ball said he would support the accord.

It is obvious that all this "carrying water on both shoulders" is a hedge that will be utilized when things go wrong and the public starts asking how we could make such a stupid mistake. All you have to do is pull out your statement in which you criticized the accord. I believe our constituents, however, will be more discerning and more discriminating. They will recognize that it is not the rhetoric that is important, but what we do and how we vote.

I have heard a lot of talk over the past several years about the hard lessons we learned in Southeast Asia; first sending in advisers and technicians, then troops, then the Tonkin resolution. Today marks our first opportunity to remember or forget these lessons. We should not be overly concerned about what is the best interest of Israel. Neither should we unduly worry about what is best for Egypt. Our overriding consideration should be what is in the national security interest of the United States of America. The only proper response to that is a "no" vote on the resolution.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to express my support of House Joint Resolution 683. The United States has made a commitment to peace in the Middle East. There is no doubt in my mind that in order to sustain what success has already been gained we must pass this resolution. It is apparent that the entire framework of the recent agreement is premised on our positive action today.

For the first time there is actually some light at the end of the tunnel. I have recently spoken with several Israeli experts who have studied the agreement and the reactions of the Egyptian press. They have expressed a cautious optimism which has not been present before. There is a feeling that this may be a first step toward acceptance of the political units in the Middle East. This acceptance is vital if peace is finally to come.

Mr. Chairman, if one looks at the material and social costs of another Middle East conflict, both to the combatants and to the United States, and if one looks at the possible benefits to be gained should this agreement fulfill its expectations, I think the investment that this resolution provides is a sound one indeed.

I do not take lightly the positioning of American citizens in a hostile environment. If I felt that the safeguards were inadequate or that there was any possibility at all of repeating a Vietnam escalation, I would be fighting this resolution every way I know how. However, I see no dangers of escalation.

First, the United States has, under this agreement, the unilateral right to withdraw if we think our civilians are in danger or we think their role is unnecessary. The chance that Americans will be fired upon is absolutely minimal. Their location is in the midst of endless miles of sand that is unpopulated. And they would be located inside the United Nations buffer zone. So for any guerrillas to get near the Americans, they would have to go through two armies.

This role also differs from Vietnam in a second way. This would be a peace-keeping role done at the request of both sides. It is an impartial role, technical in nature, and limited to just 200 civilians. So it is not like Vietnam, where there were thousands of military advisers training and supporting one side of the conflict.

We are agreeing only to what we have studied and specifically accepted. No further actions, except to remove the volunteers, can be taken without congressional approval. Furthermore, the President is required to make status reports to Congress every 6 months. In light of the alternatives, Mr. Chairman, there is no real choice but to approve this resolution. There are sufficient safeguards both for the volunteers and for those of us who do not wish to become embroiled in another overseas conflict. If there were not such safeguards, I would not support it. I do feel that it will serve to reduce the conflict potential rather than increase it.

Thank you.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 3, line 11, strike out "reducing" and insert in lieu thereof "ending or reducing as soon as possible".

Mr. BIAGGI. Mr. Chairman, I rise to offer my amendment to House Joint Resolution 683, which provides for the participation of 200 American civilian technicians to help monitor the interim peace agreement between Israel and Egypt. The sole purpose of my amendment is to provide this Nation with a procedure to limit the length of time these Americans will serve in the Sinai.

My amendment adds more specific language to section 4, subsection (2). Presently under this section, the President must report to Congress at least every 6 months on the status of these technicians and include his assessment of their expected duration of service. Subsection 2 provides that the President will determine the feasibility of reducing our commitment when nationals from other countries can be substituted or when certain technological changes are made. My amendment strengthens this section by providing the United States with the option to end its involvement in the Sinai when these conditions are met. By the incorporation of this definite language, an unlimited commitment of U.S. personnel will be prevented.

One of the major shortcomings of this legislation rests in its absence of language to define a time period which will limit the presence of Americans in the Sinai. The bill does set out certain conditions under which the technicians may be withdrawn. These include, the event of an outbreak of hostilities between Israel and Egypt, or when the safety of our personnel is imperiled. Yet, Undersecretary of State Cisco has conceded that even an outbreak of hostilities would only interrupt, and not terminate, the U.S. obligation, according to the terms of the agreement. Let us also examine the practical considerations of withdrawing Americans in the event of war. A war would almost inevitably result in the use of American troops thus introducing a new and more dangerous element to the situation.

With the exception of these vague and somewhat impractical conditions, the bill provides no other mechanism which will allow us to limit the length of involvement by American personnel. This is a grave oversight which can and must be corrected by the passage of my amendment today.

Many of us here, as well as the American people, have expressed serious reservations over the implications for an unlimited U.S. commitment of personnel in the Middle East. We run the very real risk of becoming embroiled in the problems of the Middle East and could have the potential for a forced conflict between ourselves and the Soviet Union. We must avoid any legislation which has the potential of developing into another Gulf of Tonkin resolution. And, it is my contention that without specific language to provide for the termination of our involvement in the Sinai, the potential for another Vietnam-like situation will be very real.

Your support of this amendment will be a demonstration of your desire to establish some form of accountability for these Americans. There is precedent for this amendment. In the first place, the U.S. proposal to the basic agreement that has been accepted by Israel and Egypt, already maintains that the United States may withdraw its personnel if it believes that "continuation of their role is no longer necessary." My amendment would make the substitution of foreign nationals a definite condition for ending this phase of our involvement.

Further, an earlier amendment provided that the technicians were to remain no longer than 2 years. My amendment is consistent with this, and in fact, the conditions for withdrawal as mentioned in my amendment could be accomplished in less than 2 years.

We cannot afford to be vague when we are dealing with an issue as important as American lives. The inherent dangers to our men cannot be overlooked. Their mere presence in the Sinai will make them a tempting target for terrorists. To send these Americans to the Middle East for an indefinite period of time is most dangerous.

My amendment, in no way challenges the need to send U.S. technicians to the Sinai. I believe their role there is critical for the initial success of the agreement. I do contend, however, that there is an equal need for the accountability of these Americans in terms of their use and length of stay. We all support the need for peace in the Middle East, but the security of Americans must take priority. This is the thought I hope to convey with this amendment. I urge your support.

Mr. DERWINSKI, Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, this is not the amendment covered by the gentleman's "Dear Colleague" letter, is it?

Mr. BIAGGI. No. I had two originally and added two more.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, I have examined the gentleman's amendment. I also have talked to the ranking minority member (Mr. BROOMFIELD). I believe the gentleman's amendment gives the President additional guidelines. The amendment in my opinion does add a refinement in keeping with the committee's intent. If there is no objection on the other side I will be glad to take it to conference.

Mr. BROOMFIELD. Mr. Chairman, if the gentleman will yield, we will also be glad to accept the amendment on this side.

Mr. BIAGGI. I thank the gentlemen very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was agreed to.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. O'NEILL) having assumed the chair, Mr. MCKAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the joint resolution (H.J. Res. 683) to implement the U.S. proposal for the early-warning system in Sinai, pursuant to House Resolution 775, he reported the joint resolution back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr O'NEILL). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 341, nays 69, answered "present" 1, not voting 22, as follows:

[Roll No. 605]

YEAS—341

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson

Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Goldwater
Gradison
Green
Gude
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hughes
Hyde

Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Kasten
Kazen
Kelly
Kemp
Kindness
Koch
Krebs
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Martin
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nix
Nowak
Oberstar
Obey
O'Hara

O'Neill
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose

Rosenthal
Rostenkowski
Roush
Rousselot
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton

Stuckey
Studds
Symington
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zeferetti

NAYS—69

Alexander
Andrews, N. Dak.
Baucus
Bedell
Bennett
Bevill
Brinkley
Burlison, Mo.
Byron
Carter
Collins, Tex.
Conyers
Cornell
Dent
Emery
English
Evans, Ind.
Evins, Tenn.
Flynt
Ford, Mich.
Gaydos
Ginn
Goodling

Grassley
Haley
Hansen
Hastings
Hefner
Hicks
Hubbard
Hungate
Hutchinson
Ichord
Jacobs
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Karth
Kastenmeier
Ketchum
Keys
Landrum
Lott
Lujan
McDonald
Mathis

Mazzoli
Melcher
Miller, Ohio
Moffett
Mottl
Natcher
Nichols
Nolan
Pressler
Roybal
Runnels
Sebelius
Shuster
Skubitz
Snyder
Steed
Sullivan
Symms
Taylor, Mo.
Weaver
Young, Alaska
Zablocki

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—22

Bafalis
Burke, Fla.
Crane
Fary
Fraser
Harkin
Hébert
Henderson

Hinshaw
Krueger
Mahon
Mitchell, N.Y.
O'Brien
Patman, Tex.
Ryan
Schneebeli

Sisk
Teague
Waxman
Wiggins
Wilson, Bob
Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Harkin against.

Mr. Teague for, with Mr. Charles H. Wilson against.

Mr. Sisk for, with Mr. Henderson against.

Until further notice:

Mr. Patman with Mr. Fraser.

Mr. Ryan with Mr. Mahon.

Mr. Waxman with Mr. Crane.

Mr. Krueger with Mr. Hinshaw.

Mr. Fary with Mr. Schneebeli.

Mr. Mitchell of New York with Mr. Wiggins.

Mr. O'Brien with Mr. Bafalis.

Mr. Bob Wilson with Mr. Burke of Florida.

Mr. RUNNELS changed his vote from "yea" to "nay."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FURTHER LEGISLATIVE PROGRAM

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I have requested this time in order to inquire of the majority leader if he will give us the schedule for the balance of the day, for tomorrow, and for the balance of the week.

Mr. O'NEILL. Mr. Speaker, if the gentleman will be kind enough to yield, I would be more than happy to reply.

Mr. DEVINE. I will be happy to yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, I will give the program for tomorrow, but first I remind the Members that when we adjourn this evening, we will adjourn to meet at 10 o'clock tomorrow morning.

As I understand it, only those committees which under the rules have the right to meet or which have asked for and received permission to meet will meet tomorrow. I make mention of that fact because we will endeavor to keep a quorum on the floor all during the day tomorrow.

The first bill we will have for consideration will be H.R. 8841, Federal Insecticide, Fungicide, and Rodenticide Act amendments. We will proceed with the consideration of that bill, and we will finish it.

We will then take up H.R. 200, Marine Fisheries Conservation Act, under an open rule, with 2 hours of debate. That is the measure referred to as the "200-mile bill." The gentlewoman from Missouri (Mrs. SULLIVAN) is chairman of the committee that will bring the bill for consideration. After our conference among the leadership, the other side, and the Speaker of the House, we have determined that consideration of that bill will be concluded tomorrow. As to when we will finish that bill, it depends on how many quorum calls we may have, how many votes we may have, and how much debate will take place during the course of the day. It is dependent upon that as to what time we will adjourn tomorrow evening.

Mr. Speaker, we will also have on for consideration H.R. 7988, heart, lung, and blood research, research training, and genetic diseases amendments; and S. 584, retirement credit for National Guard technician service, votes on amendments and on the bill.

The first two bills that I mentioned will be completed tomorrow. At least, we will abide by the will of the chairmen of both of those committees as to what they desire to do.

Mr. DEVINE. Does the gentleman from Massachusetts expect that we will work Friday?

Mr. O'NEILL. No. The resolution we have passed has us adjourning tomorrow until a week from the following Monday.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, a few moments ago the gentleman from Massachusetts (Mr. O'NEILL) said that H.R. 200 will be concluded tomorrow, that all general debate will be completed. I take the gentleman at his word. I believe him when he says these things and when he says that H.R. 200 will be completed tomorrow.

May I also assume that the 4 o'clock quitting time the gentleman announced yesterday will go by the boards, if necessary?

Mr. O'NEILL. I do not think there is anything definite on that. I would still like to see this House quit at 4 o'clock tomorrow.

There would be a great possibility that we would go forward with the general debate on the 200-mile bill. I have been informed by Members on both sides that they would make quorum calls. Therefore, in my judgment, there is no sense in going forward this evening.

For that reason, I hope the Members will help us expedite the matter tomorrow so that we can leave here at a reasonable hour.

Mr. BAUMAN. Does the gentleman mean after we finish the two bills mentioned?

Mr. O'NEILL. After we finish those two bills.

When I say "finish," it will be at the will of the distinguished chairman of the committee. If the committee wanted to take the bill off, it would be up to the committee, but if it is the desire of the chairman, the gentleman from Washington (Mr. FOLEY), who chairs the Committee on Agriculture, or of the chairman, the gentlewoman from Missouri (Mrs. SULLIVAN) of the Committee on Merchant Marine and Fisheries, to go forward with their bills, we will abide by their wishes.

Mr. DEVINE. I will ask the majority leader this: Other than special orders, is there any further business tonight?

Mr. O'NEILL. There is no further business tonight.

EMERGENCY RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT ACT

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, H.R. 8672, the railroad jobs bill is now on the calendar and scheduled for floor action upon our return after the holidays.

I am in receipt of a letter from the Office of Management and Budget dated October 8, 1975, stating that the administration finds this bill highly objectionable and stating further that the President will veto.

I insert the letter at this point:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., October 8, 1975.

Hon. JOE SKUBITZ,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SKUBITZ: I am greatly encouraged by your concern about the possible enactment of H.R. 8672, the Emergency Rail Transportation Improvement and Employment Act. This is a bill which the Administration finds highly objectionable and the President has indicated that he would veto it if passed.

In response to your request, I have attempted to itemize some of our specific problems with the bill. Hopefully these points will assist you in strengthening the opposition as H.R. 8672 moves toward a vote in the next few days.

First of all, I think Congress ought to consider the impressive list of Federal efforts which are going on in this area already, or will start very soon. In the Northeast Corridor, for example, close to $40 million has already been committed by AMTRAK and DOT for track work, much of which has already begun, and a large scale upgrading program is currently under consideration. Elsewhere, we are currently spending close to $300 million to maintain the physical plant of the bankrupt railroads during reorganization, and will later spend up to $2.5 billion to get ConRail started. For two years following reorganization, $1.0M will be available for branch line modernization, acquisition and subsidy. And for labor, there's a substantial package of $250 million in job protection benefits. On a nationwide basis, we have proposed legislation which includes $2 billion in loan guarantees to finance improvements in physical plant.

All told, these add up to several billion dollars of current and impending rail programs. If these financial provisions are coupled with regulatory reform, mergers, consolidations, and other institutional changes, I believe that the railroad system in this country will be in a position to stage a strong recovery. I am also convinced that there is a current danger of reacting too strongly to the problems of the rail industry, by suggesting further programs, on a piecemeal basis, that go beyond the funding levels outlined above, and which offer insignificant marginal benefits. H.R. 8672 falls in this category. At a time such as now, when our economy requires great fiscal restraint, this kind of bill simply cannot be justified.

With regard to the labor benefits of the bill, I would like to point out, as Secretary Coleman has on several occasions, that this would not be an efficient or effective way to reduce unemployment. It is extremely selective in terms of beneficiaries, and would not focus on areas of greatest unemployment. It also falls short as an emergency measure, since the season for right-of-way maintenance in much of the nation will be over for this year before funds could be made available. Furthermore, as mentioned earlier, Federal programs are already underway which are achieving the kind of immediate impact that H.R. 8672 would purport to have.

If I can be of any further help in this matter, please don't hesitate to call.

Sincerely yours,

JAMES T. LYNN,
Director.

RAIL REHABILITATION ACT OF 1975

(Mr. BOLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLAND. Mr. Speaker, on behalf of the New England congressional caucus I am introducing a major national rail rehabilitation bill today.

The Rail Rehabilitation Act of 1975 authorizes the voluntary transfer of all rail rights-of-way to the Federal Government beginning with those in the Northeast in exchange for Government rehabilitation, improvement, and maintenance of these lines.

The Regional Rail Reorganization Act of 1973 set the stage for the first comprehensive assessment of the structure and operation of the rail industry in the Northeast and Midwest. The plan as presently drafted, while the product of conscientious effort at USRA, has serious flaws. This bill is designed to remedy those flaws and to create for the first time in this country, a vigorous and strengthened rail system. For too long our Nation's railroads have been the stepchildren of national transportation policy.

Since 1945, about $700 billion has been spent on highways, streets, and road development and rehabilitation. Only a fraction of this amount has been devoted to rail improvement. Between fiscal year 1953 and fiscal year 1973, the Federal Government spent $10.3 billion on highways in the Northeast region but not a single Federal tax dollar was spent on the interstate rail system. We have a tired and weakened rail industry. We need to revitalize our railroads and this is what the Rail Rehabilitation Act of 1975, which I am introducing today, is designed to do.

On its own, the final system plan as proposed suffers from a number of major failings.

First. The plan is based on questionable projections of freight and revenues, and assumes a continuation of present business patterns.

Second. The plan, according to many, seriously underestimates the cost of rehabilitating the plant in the system.

Third. The valuation of the properties of the bankrupts is very low, and there is a real threat of a massive deficiency judgment against the United States, perhaps as high as $10 billion.

Fourth. The plan treats—because of the mandate from Congress—the problems of the Northeast and Midwest in isolation, and pretends that a solution to the immediate problems of the bankrupts will stop the general decay spreading now throughout the industry.

Fifth. It does not deal with the basic inequity of a private rail industry in compettiton against publicly supported trucking and water traffic.

Any long-term rail plan must address the basic problem of public support for rail transportation. The problems in the Northeast and Midwest are acknowledged as only the tip of the iceberg unless this problem of rail deterioration is faced nationwide. Since the 1973 Rail Reorganization Act was passed, the Rock Island has gone bankrupt, the Missouri-Kansas-Texas has been saved only by massive Federal loans and a number of other lines have posted substantial and continuing losses deferring more maintenance and capital improvements.

And of course, it is a vicious circle; the more maintenance is deferred because of lack of capital, the worse the rail beds become, the less competitive the industry becomes, the more inadequate the mode. As a whole, the industry has been in the red since January 1975 including some of the strongest carriers. In the area of freight service, statistics show a decline both in total ton miles and intercity freight carried and in freight revenues received. A recent Library of Congress study shows that railroads while carrying 40 percent of intercity freight receive only 20 percent of total freight revenues. Passenger rail statistics are no better. In 1929, 20,000 intercity passenger trains were running. Today barely 200 operate.

Obviously, we need a balanced transportation industry. One does not exist now. The series of shock waves in rail transportation in the past few years demonstrate the inadequacy of our rail policy and emphasize the need for fundamental change in our plans for rail rehabilitation.

The rail rehabilitation plan I am introducing with my colleagues today is a national plan for creating a healthy rail system. Companion legislation was filed in the Senate last week by Senators KENNEDY, HARTKE, PASTORE, and others. As Senator KENNEDY said in the introduction of the Senate rail legislation, this bill is designed to meet "national needs. It is open to railroads in every region of the Nation."

The Rail Rehabilitation Act of 1975, has the following key provisions:

First. A Federal Railroad Property Administration would be established within the Department of Transportation as a separate entity. It would acquire and maintain the rail rights-of-way.

Second. The acquisition would be through a voluntary transfer of rail properties by those railroads seeking to participate. The attraction of Government maintenance and improvement, and responsibility for the rights-of-way should be a sufficient inducement to attract profitable as well as bankrupt railroad participation.

Third. The new Agency would have the responsibility for maintaining and upgrading the roadbeds and rail facilities to improved standards. All too many railroads operate today at speeds below what they did 20 years ago because of the deteriorated condition of the roadbeds.

Fourth. The railroads participating would be charged a user fee for the use of the lines. While it would not fully cover the costs, it would represent a reasonable charge for the service being performed by the Federal Government.

Fifth. Funds as needed would be provided from the General Treasury through the appropriations process, subject to budgetary control.

Sixth. The bill establishes a mechanism for national rail planning including full public input to permit the establishment of an approved interstate railroad system plan, including the ConRail system as finally approved in a final system plan.

Seventh. The bill requires scheduling of improvements and completion up to improved standards.

Eighth. It requires the completion of the Northeast Rail Corridor project by January 1, 1979, up to the level of service established in the Secretary's 1971 report of 2½ hour service between Washington and New York with five stops and 3 hour service between New York and Boston with five stops. An overall authorization of $4 billion, which DOT says it needs to do the job, is included for this program.

Mr. Speaker, the New England Governors and others in the Northeast and Midwest have strongly endorsed this proposal. It is a critical supplement to the final system plan which cannot work without our suggested changes. This measure clearly defines the Federal role and obligation and most importantly protects the public's investment. Federal dollars are contingent on services being provided.

Congress has the key role to play in insuring equitable transportation for our citizens, and a healthy, competitive, balanced transportation system. We do not have such a system now. This legislation, which I hope my colleagues will support, is on the right track for insuring a healthy, revitalized interstate rail system. I and my colleagues look forward to a full discussion of this legislation in the administration, in committee and on the floor.

DISTRICT OF COLUMBIA RENT CONTROL BILL

(Mr. ROBERT W. DANIEL, JR. asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, this past Monday the District of Columbia Committee surprised a good many of us—including some of us on the committee—by tabling the resolution of disapproval regarding the D.C. rent control bill. If only for purposes of later claiming that I told you so, I would like to point out both the illogic and inequity of that move.

First, the move comes as a surprise precisely because no committee agenda had ever mentioned it. This, needless to say, runs explicitly counter to committee rules, which read:

> The agenda for all committee meetings, setting out all items of business to be considered . . . shall be furnished each committee member by delivery to his office at least two full calendar days (excluding Saturday, Sunday and legal holidays) before the meeting.

The rules go on to add that the committee may waive that requirement by a two-thirds vote, a quorum being present—neither of which criteria, incidentally, applies here. All this, you understand, follows cancellation of the rent control hearings in the presence of the witnesses themselves.

More importantly, though, the committee action blithely ends any effective discussion of the District's rent controls, and of the Federal interest therein. After all, aside from subsidizing one-third of the city's operating budget, and aside from guaranteeing the city's upcoming bond issue, the Federal Government does have some interest in the economic policy and governmental philosophy of the Federal City. In a city obsessed with labels and weather-vane politics, this bill epitomizes the tyranny of the majority.

Quite simply, real estate investment in the district cannot possibly offer a competitive return under, to borrow from the Washington Post, this "set of monkey wrenches." The measure not only limits rates of return to 8 percent, below what any mortgage banker would expect, but moreover requires a tedious application process for any rent increase; invites the so-called rent administrator to determine acceptable rents by such figures as "hardship upon tenants"; allows tenants to request, one after another, in perfectly dilatory fashion, an audit of any rent increase application; and ultimately provides, at the best, a lag between the rise in operating costs and the corresponding rise in rents.

It can, of course, only fail. Whether in New York or in Boston or in Western Europe, rent control has historically proven counterproductive to its own intentions. It discourages investment, depletes the tax base, and leads to abandonment. In the prescient metropolis of New York alone, rent controls yielded in 1974 an estimated 35,000 to 50,000 abandonments. According to the Wall Street Journal, 25 percent of all taxable apartment buildings in the city failed to pay real estate taxes during the 1974–75 fiscal year. For the year, the Journal estimates those tax delinquencies at $220 million for the two preceding years. Of course, New York carries those delinquencies as assets, another trick the D.C. Council will undoubtedly wish to emulate.

In short, I find myself agreeing with the Washington Star: "Demagoguery is not going to make rent control work." Or, if the City Council prefer the words of the Post, "Rent controls will not in themselves counteract the realities of inflation." Or, still again, if we may heed the advice of the urban land institute, in a study of this area specifically: "Rent control itself is the major factor in perpetuating the housing shortage."

I regret that the District Committee has dodged the necessity of facing those realities. And I likewise regret that so many of us, even as we debate the Federal bail-out of another city plagued by rent control, can still fail to see the Federal interest in the self-immolation of the Federal City.

A RESOLUTION DIRECTING ST. PAUL'S CHURCH, MOUNT VERNON, N.Y., TO BECOME A NATIONAL MONUMENT

(Mr. McHUGH asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. McHUGH. Mr. Speaker, today I join with my colleague, the gentleman from New York (Mr. OTTINGER), in cosponsoring a resolution which would direct the Secretary of the Interior to accept the gift of St. Paul's Church in Mount Vernon, N.Y. Under this resolution St. Paul's Church and the surrounding property would be administered by the Secretary, acting through the National Park Service, as a national historic site.

Mr. Speaker, it was at St. Paul's that the foundation of our cherished first amendment protection of freedom of the press was laid almost 250 years ago. The Eastchester Village Green, which surrounded the church, was the scene of a Westchester County election in 1733. John Peter Zenger the noted German immigrant printer, reported the corrupt election practices of 1733 in his New York Journal. As a result, he was arrested, tried, and acquitted in Westchester County. As we all know, this famous trial was the first major event which led to the inclusion of freedom of the press in the first amendment some 60 years later.

I believe it would be fitting, Mr. Speaker, to have St. Paul's preserved as a memorial to the establishment of our Bill of Rights.

At this point I wish to call the attention of my colleagues to an editorial in support of this proposal which appeared in Editor & Publisher magazine on September 27, 1975. The editorial which rightly commends Mr. **Ottinger** for his initiative on this matter, is as follows:

First Amendment Memorial

Congressman Richard Ottinger of New York has introduced legislation this week which will enable the National Park Service of the Department of the Interior to assume ownership, management and control of St. Paul's Church, Eastchester, as a memorial to the establishment of the Bill of Rights (E&P, Sept. 13, page 48).

"National Shrine of the Bill of Rights" is logical there because of its historic significance as the site of the controversial election in 1733 resulting in the John Peter Zenger trial which laid the foundation for our free press guarantee.

News and editorial support by the nation's newspapers will influence Senators and Congressmen to speedy action on this logical move in the bicentennial year.

WHERE HAS A GUN CONTROL LAW REDUCED CRIME?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. **Steiger**) is recognized for 30 minutes.

Mr. STEIGER of Arizona. Mr. Speaker, I sense that some of my colleagues feel a stringent Federal gun control law would significantly reduce crime in this country. In fact, I understand that the Subcommittee on Crime has completed hearings on gun control legislation and is beginning to mark up a bill.

I realize that the gun control issue is an emotional one. But before the House allows itself to become swept in this emotionalism, to an extent where reason and logic no longer prevail, I urge each Member to ask himself or herself one question: "Where has a gun control law reduced crime?"

That is the issue we must face up to. Unless convincing evidence can be presented that any firearms law will result in a reduction of crime, I do not see why we should vote for such a law. Considering that a large percentage of our constituents believe that they have an uninfringible right to own firearms for lawful purposes, it is imperative that any measure proposed be subjected to the closest scrutiny, and unless it can be proved to be effective on the basis of prior experience, it should be rejected.

It is not enough to offer an opinion that a proposal will or will not reduce crime. There must be conclusive evidence. I have heard the opinions of my colleagues that this or that type of law—some even calling for the confiscation of privately owned handguns—will reduce crime, but I have not seen those opinions supported by any evidence, which will withstand close scrutiny.

Although the Attorney General suggested prohibiting small handguns, reducing the number of gun dealers, imposing waiting periods, and a check with police and the FBI prior to selling a gun, that proposal was not accompanied by any evidence that such laws have reduced crime—yet identical provisions are in effect in many States and communities. Has their existence cut the crime rates in areas where they are in force? Even a quick check of the crime statistics shows that they have not. But the Justice Department has not made even a cursory check of prior effectiveness, according to a letter written for the Attorney General to one of my constituents.

I quote:

> A study concerning the effectiveness of gun control laws in preventing and controlling crime has not been conducted at the Department of Justice.

My constituent asked for clarification of that statement. Specifically, he wanted to know if Justice Department proposals were based on a mere hunch, or if they were based on studies conducted by another agency, or by any research organization. In response to his question, the Department replied on May 23:

> The Department of Justice does not possess any study relating to the effectiveness of gun control laws.

The Justice Department has available the most complete statistics on crime in the United States. Why has it not delegated its researchers, or better yet, those from an independent research organization, to make a thorough, objective statistical study of the effectiveness of gun laws in reducing crime? Considering the millions of words of debate on this issue, and the millions of dollars spent in researching various aspects of crime, it seems inconceivable that such a study has not been done. In fact, I suspect that many studies on gun law effectiveness have been done—both within and without the Federal Government—and that those studies were buried because they did not show what the gun-haters wanted them to show.

While the advocates of repressive laws have failed to provide any evidence that gun laws work, I propose to provide you with some evidence that they do not work—and some evidence of the type of gun law that does reduce crime.

Gun laws are not new to the United States. We have some 20,000 gun laws. They range from minimal controls, such as in my district in Arizona, to virtual prohibition of privately-owned handguns, as in New York City. Yet where is the evidence that any of these laws has successfully reduced either murders or robberies?

Strangely, most of the clamor for restrictive gun laws comes from areas that already have such laws—which have not worked. They have not worked for a very simple reason—they are based on the hopeless premise that a law restricting gun ownership will somehow restrict the criminal who intends to rob, steal, or murder. In short, the stated objective of gun laws is to "keep guns out of the hands of criminals." But a criminal is, by definition, someone who breaks the law.

I am not suggesting that we have to repeal all laws before we can eliminate law-breaking, but the Good Lord found it sufficient to say "Thou shalt not steal" and "Thou shalt not kill." He did not think it necessary to add any backup injunctions such as "Thou shalt not pick up a rock with which to kill." Gun laws simply do not address the problem—which is killing and robbing—both of which are against the law.

As evidence that what has been proposed cannot work, consider the cities of Chicago, Detroit, New York, Philadelphia, and the District of Columbia. Each of these cities has extremely restrictive gun laws right now, and representatives from some of these cities are asking for national laws that are as restrictive, or more restrictive, than those on the books in their cities. But, in those five cities in 1973, there were 4,564 murders according to the FBI Uniform Crime Reports—that is almost 25 percent of all the murders committed in the Nation that year. Further, according to the best evidence available, more than 25 percent of all the murders committed with handguns in the Nation were committed in those five cities—despite their strict controls upon handguns. Have those gun laws worked?

If the basic premise that the availability of guns creates or increases crime is true, why are the murder rates and robbery rates so much lower in Phoenix? Phoenix, which lies within my district, is far less crime-free than we would like, and it certainly has higher crime rates than many cities I could name, which also do not have severe gun control laws, but I know that city, and I know its problems. And its problems do not include the need for gun control laws such as have been proposed—nor does Phoenix want such a law.

Of the five cities that I named, the murder rate in 1973 ranged from 11.5 to 19.3 per 100,000 residents. The national average in 1973 was 9.3 per 100,000. But in Phoenix, where any honest citizen can have a gun, the murder rate was 8.3. Why should Phoenix emulate the totally unsuccessful laws of those Northeastern cities?

I am fully aware that the representatives of those cities have indicated that their gun laws have not worked because of the weak gun laws in the cities and States around them, but I find it impossible to understand how they can make such a claim. If the lenient gun laws in Phoenix are contributing to the high crime rates in New York, why are not the crime rates of Phoenix higher than New York's?

I think I can tell you. In Arizona we do not think very highly of criminals. And though the punishment for crime in Arizona is not as swift and certain and severe as some of us would like, I believe the evidence will show that the law enforcement officers and the courts in Arizona deal more severely with criminals—those who murder and steal—than the courts in those Northeastern cities, which are more enlightened and more crime-ridden than the beautiful Southwest. In my part of the world, we do not take it lightly when someone kills, or rapes, or robs. Let me remind you that Arizona has reinstated the death penalty for certain serious offenses in accordance with the Supreme Court ruling. Perhaps the Northeastern States, which are trying to cram a gun law down Arizona's throat, should try following our example.

Although I have been bearing down on the crime of murder, let us not ignore the crime of robbery. According to the 1973 FBI reports, there were 145,097 robberies in those same five cities with such "good" gun control laws. To put that number into perspective, there were 382,683 robberies reported to police in the entire Nation. Those five cities, with only 14 percent of the Nation's population, accounted for 38 percent of the reported robberies in the country.

On a per capita basis, the robbery rates in those "gun control" cities ranged from 232.6 to 747 per 100,000 residents, while the robbery rate in Phoenix was a relatively low 187.1—closely matching the national average of 182.4. Again, why should Phoenix adopt the gun laws of cities such as Chicago, Detroit, New York, Philadelphia, and Washington, D.C.?

Do you believe the citizens of Phoenix and my State of Arizona wish to be disarmed—like most of the law-abiding citizens of those Northeastern cities? If you were a robber, would you prefer to commit a robbery in New York where you know your victim is almost certainly disarmed, or in Phoenix where most of the homes have a gun? The question answers itself—and the crime statistics support the answer.

A few days ago, the FBI released the crime statistics for major cities for the first quarter of 1975 compared to the same period in 1974. I believe it is highly significant that Chicago, Detroit, New York, Philadelphia, and Washington, D.C. showed further increases in robbery ranging from a low of 14.8 percent to a high of 37.9 percent. But the robbery rate in Phoenix went down 15.2 percent.

And I believe I know the reason why: Last year, Arizona enacted a law providing a mandatory prison sentence for committing robbery with a firearm. There are signs warning of the law in almost every grocery store and service station in the State. The thugs know that if they are caught and convicted that they will be sent to prison—and that is the way it should be. But that is not the way it is in most of the Nation; in most areas, the odds are that the robber will not be caught; and that if caught, he will not be convicted; and if convicted, he will not be sent to prison—even if he has prior convictions for serious offenses.

Much has been said concerning the supposed benefits of restrictive gun laws—even prohibitive gun laws. Considering the success of the prohibition of alcohol, gambling, and narcotics, I am amazed that many of my esteemed colleagues are advocating the prohibition of handguns. It is an acknowledged fact that the attempts to prohibit alcohol resulted in increased usage of alcohol, while spawning an unprecedented era of lawlessness.

Further, it astounds me that some of my colleagues who have complained the loudest about "victimless crimes," who have declared that laws prohibiting certain sexual activities between consenting adults should be repealed, who have advocated repeal of laws against public drunkenness, who have advocated repeal of laws against prostitution and countless other vices in which "there is no victim," should now completely reverse themselves and advocate severe penalties for law-abiding citizens who have committed no offense except to have a handgun within their homes. I simply cannot understand such hypocrisy.

But back to the evidence concerning gun laws. Some of the advocates of prohibitive laws have noted the fact that murder, particularly with a gun, is rare in Japan. There are far too many differences between nations, and their attitudes toward crime and punishment, to begin to claim that the difference in gun laws is responsible for the difference in crime rate. That is not merely an opinion—the evidence is that while Japanese in Japan are unlikely to commit murder, Japanese-Americans in the United States are even less likely to commit murder.

Unfortunately, other ethnic groups identified in the FBI arrest tables are not so adverse to violent crimes. For a recent 5-year period, the murder arrest rate for Japanese-Americans was 0.4 per 100,000, the murder arrest rate per 100,000 for Chinese was 2.2; for American Indians, it was 11.3; for blacks, it was 32.7; for whites and all other categories, the rate was 2.7. What these figures emphasize is that crime is a socioeconomic problem. We cannot solve such severe socioeconomic problems by the passage of a firearms law.

I have charged that there is no evidence that firearms laws have reduced crime anywhere in the United States; I have produced evidence that widespread gun ownership among the law-abiding may actually result in less crime. I have pointed to the evidence that socioeconomic problems are a contributing factor to crime. I have pointed to the evidence that mandatory punishment decreased crime.

On the basis of the evidence, I strongly recommend that the Congress, rather than pass a gun control law, endorse a law calling for mandatory minimum sentences for all persons convicted of carrying a firearm during the commission of a crime of violence. If such a law fails to have the desired deterrent effect, it will at least be secondarily successful by placing such hoodlums behind bars where they cannot continue to prey upon the public. Finally, I urge that you ask each advocate of gun laws: "Where has such a law reduced crime?"

INDOCHINA REFUGEES IN VERMONT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 15 minutes.

Mr. JEFFORDS. Mr. Speaker, in April our country began welcoming some 130,000 Indochina refugees. In a time of international crisis, we were able to respond with swift, humane concern for families and individuals who called on us for refuge. An article in the October 6, 1975 edition of the Washington Star entitled, "The Shine Wears Off Refugee's Welcome" spurs me to share with you some of the tremendous efforts on the part of a number of Vermont families and organizations on behalf of refugees.

As of September 15, over 100 refugees have been sponsored in Vermont. In addition, five teenage boys and girls with no natural families here in the United States have joined Vermont families. The warm, generous response in time of need by my fellow Vermonters is most commendable.

The Congress appropriated approximately $500 million to establish the organizational framework to bring Indochinese citizens into our communities. However, it is the individual families in our towns and cities who make the system work. A southern Vermont man and his Vietnamese wife welcomed a fisherman and his family into their home this summer. They soon recognized the family's need to establish ties with other refugee families scattered throughout Vermont and New Hampshire. This energetic couple gathered more than 100 Indochinese and American friends at their home for a picnic to exchange news, native foods and form new friendships. Since then, the father of the family has obtained part-time employment at the local landfill.

Beyond the individual sponsoring family's commitment, local citizens and groups have brought clothing and household items to assist in establishing a home for this Vietnamese family. Some of the articles were not necessary at the time. A secondhand store has been established to help supplement the family income. Certainly, it is a sensitive, difficult process in bringing two distinctly different cultures together. It is the dedication and generosity of so many Vermonters that makes the acculturation process function.

Basic communication skills began in the various reception centers. The Vermont State Department of Education is assisting various school districts and adult education programs to continue this task. In the meantime, a young Vietnamese woman, fluent in English, holds informal classes in the evening to assist other Indochinese in her geographic area.

Perhaps children remove the barriers of language and cultural difference more easily than adults. Several teenage youngsters have become members of Vermont families. When 2 brothers arrived at school the first day they were greeted by a welcoming party and 12 volunteers to acquaint them with other students and facilities. Some schools have received assistance from Vietnam veterans, helping students to understand each culture and create opportunities for open dialog among the students; a rich educational experience.

The task of accepting so many refugees in such a warm, open manner is a credit to both the individual sponsors, as well as the Nation as a whole. We have in our midst a rich cultural heritage with many talented creative people.

KANSAS COLISEUM: A NECESSARY AND JOINT EFFORT WILL ENRICH AGRICULTURAL ACTIVITY AND ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SHRIVER) is recognized for 15 minutes.

Mr. SHRIVER. Mr. Speaker, a little more than 4 years ago a delegation of Kansans presented to Federal officials here the idea of an agricultural exposition hall to be built in Wichita as one means of providing needed regional agricultural facilities and accelerating the economy of the area.

There is little question that despite the existence of strong industrial and business activity, the Wichita region and the State of Kansas depend heavily on agriculture and agri-related business to maintain a healthy economy.

Today the idea of the agricultural exposition hall planted as a "seed" in Washington in 1971 is about to become a reality. The Kansas Coliseum will be located at the heart of the Nation in the center of one of the greatest food producing areas of the world.

On April 27, 1973, the Economic Development Administration of the U.S. Department of Commerce approved a grant to Sedgwick County, Kans., in the amount of approximately $2 million to assist in construction of the facility. Total cost of the project is estimated at $7 million with the balance of $5 million to be provided through public and private funds.

A concentrated effort is now underway by a statewide advisory committee and the board of directors to raise the necessary private donations.

The Economic Development Administration recognized the coliseum as a worthy project which would generate new jobs and expand tourism. These are important objectives in the long-range economic development and diversification of an immediate 14-county region as well as the entire State of Kansas.

But those who have dedicated themselves to working for the realization of this agricultural facility see it as providing a needed home for farm youth activities; the Kansas National Junior Livestock Show; farm equipment shows; rodeos and horse and stock shows.

The entire 14-county area has suffered from the lack of suitable facilities for agricultural exhibitions and activities. The Kansas Coliseum will provide a long-awaited home for such activities.

Kansans—especially in the 14-county region—are appreciative of the support of EDA and now are engaged in the campaign to secure the necessary funds to make the project a reality. I have cooperated with public and private leaders on the Kansas Coliseum and take this opportunity to commend to my colleagues in the House this excellent example of a public-private partnership to achieve a worthy objective.

Mr. SEBELIUS. Mr. Speaker, I join my distinguished colleague from Kansas, Mr. SHRIVER, in wholeheartedly endorsing the efforts of our fellow Kansans to get construction started soon on the Kansas Coliseum near Wichita. The dean of our Kansas delegation (Mr. SHRIVER) worked hard and long with folks from his dictrict to secure approval of the EDA application which has resulted in a grant of about $2 million in Federal funds toward this project. But this is not just a federally funded facility. A large group of distinguished citizens from across Kansas have joined hands in raising the necessary private portion to get the project underway.

The big First Congressional District, which I represent, certainly will benefit from such a facility. It is especially encouraging that farm youth will have a home for activities ranging from 4-H to Future Farmers of America.

The Kansas Coliseum will render a valuable service to Kansas and American farmers, ranchers, livestock feeders and breeders. I hope many of our colleagues from other States will be able to join us at some time in the near future in participating in the activities which will be a part of this Kansas agricultural facility.

Mr. SKUBITZ. Mr. Speaker, I wish to associate myself with the remarks of my friend and colleague from Kansas (Mr. SHRIVER) who has called attention to a much-needed project known as the Kansas Coliseum to be constructed near Wichita. The coliseum is a 13-year-old dream of leadership of south central Kansas business and government and farm people. It also has great significance to all of Kansas because it will help promote and serve agriculture—a mainstay of our economy.

The coliseum will be a fine facility for livestock exhibits, cattle and horse shows, a home for farm youth educational activity, farm equipment exhibits and farm and ranch production seminars.

It is an excellent example, as my colleague pointed out, of what can happen when public and private sectors join hands in getting a job done.

JUSTICE DEPARTMENT MOVES AGAINST INTERLOCKING DIRECTORSHIPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 15 minutes.

Mr. PATMAN. Mr. Speaker, on Monday, the Justice Department filed suit to end interlocking directorships among two big commercial banks in California and several mammoth insurance companies.

This is a giant step forward in an area that has long been overlooked. I commend the Justice Department for taking this forthright action and I hope that this is but the first of a series of steps by both the Justice Department and the Congress to break up undue concentrations of economic power and wealth in America.

The problems of interlocking directorships among financial institutions are tremendous and this is a major factor in reducing competition and further concentrating economic power within the financial community.

In 1967, the Banking and Currency Committee conducted extensive investigations of the problem and found massive director links between commercial banks and insurance companies. In 1971, I introduced the Banking Reform Act which flatly prohibited all such interlocks, but the bill died in committee despite exhaustive hearings.

Now, the Justice Department has revived the question with its latest suit and I am hopeful that the courts will move expeditiously in deciding the case.

Mr. Speaker, I want to place in the RECORD an article by Eileen Shanahan of the New York Times concerning these suits:

BANKS AND INSURERS SUED OVER DUAL DIRECTORSHIPS

(By Eileen Shanahan)

WASHINGTON, October 6.—The Justice Department filed lawsuits today aimed at establishing the principle that a director of a major bank cannot also simultaneously be a director of a major insurance company without violating the antitrust laws. In two separate lawsuits filed in United States District Court in San Francisco, the Justice Department challenged directorship arrangements involving three of the nation's largest banks and four of its largest insurance companies.

One of the suits involves the Prudential Insurance Company, the nation's largest insurer, and its directors who also serve on the boards of the Bank of America, the nation's largest bank, and the Bankers Trust Company, seventh largest.

The other suit attacks interlocking directorates involving the Crocker National Bank, the 14th largest commercial bank, and the Metropolitan Life Insurance Company, the Equitable Life Assurance Society and Mutual Life Insurance Company of New York, the nation's second, third and 11th largest insurance companies, respectively.

Various corporate affiliates of the banks are also named in the lawsuits.

Five individuals are involved in the various interlocking directorates. One of them, E. Hornsby Wasson, who was a director of both the Bank of America and the Prudential, resigned in June as a director of the bank and its holding company "in anticipation of the filing" of the lawsuit, according to the Justice Department.

Prudential immediately issued a statement saying that the Government had never before used Section 8 of the Clayton Act to challenge situations of this kind—a point that the Justice Department does not dispute. Section 8 bars an individual from serving simultaneously on the boards of two companies that are competitors.

The Bank of America denied that it had violated the Clayton Act, adding that for more than 60 years the act had been consistently interpreted to permit insurance-company directors to serve on bank boards.

At issue in the new lawsuits is whether banks and insurance companies are competitors, and the Justice Department's complaints in the two cases argue that they are competitors in many ways.

For example, the complaints in the case involving Prudential notes that both big banks and big insurance companies make loans to finance the construction and purchase of considerable amounts of real estate and that the Prudential had $1.6-billion in real estate loans on properties in California at the end of 1974. At the same time, the Bank of America, based in California, had $5-billion in real estate loans outstanding.

CHALLENGES NOT NEW

"Life insurance companies also extend loans to policyholders which are secured by the cash value of the life-insurance policy" the complaints also noted. "Such loans, known as 'policy loans,' compete directly with the varied loans offered by commercial banks to customers."

Government legal actions challenging interlocking directorates between companies that have not traditionally been considered competitors are not new.

For example, the Federal Trade Commission challenged in 1972 a group of interlocking directorates involving the Aluminum Company of America, the Kennecott Copper Corporation and Armco Steel Corporation on the ground that aluminum, copper and steel were, at some times and for some purposes, competing products. Ultimately, all of the directors involved in the case voluntarily resigned from the board of one company or the other.

The Justice Department's action today represented a victory for Representative Wright Patman of Texas, the controversial liberal Democrat deposed earlier this year from his position as chairman of the House Banking Committee.

PATMAN PRAISES SUITS

Mr. Patman in the early nineteen-seventies began urging action against the economic power of banks, which he said was exercised through their control of or influence over other types of companies.

A study done by his staff in 1967 of precisely the kinds of arrangements that were attacked today in the Justice Department's suits found that 48 of the nation's largest commercial banks had a total of 342 interlocking directorates with insurance companies.

Mr. Patman issued a statement today praising the Justice Department for what he called "a giant step forward in an area that has been too long overlooked," He added that he hoped these suits would be "but the first in a series."

In addition to Mr. Wasson, the individuals involved in the two suits are Paul A. Gorman, Otto N. Miller, Emmett G. Solomon and Thomas R. Wilcox.

Mr. Gorman is a director of Prudential and of Bankers Trust. The most recent Standard & Poor's Register also lists him as a director of International Paper Company and other corporations.

Mr. Miller is a director of the Crocker National Bank of Equitable and also of the Wyerhauser Company. Mr. Solomon is chairman of the executive committee of the Crocker National Bank, a director of the Crocker National Corporation and a director and member of the finance committee of Metropolitan Life. His other corporate directorships include the Pacific Telephone and Telegraph Company, the Pacific Gas and Electric Company, the Clorox Company and the Union Sugar Company.

Mr. Wilcox is chairman and chief executive of Crocker National Corporation and Crocker National Bank and also a member of Mutual of New York. His other corporate directorships include the Colgate-Palmolive Company, the Hilton Hotels Corporation, Schweppes (U.S.A.), Ltd., and United Merchants and Manufacturers, Inc.

Mr. Wasson, who had served as a director of both Bank of America and Prudential, was informed, on May 28, 1975, that the Justice Department intended to file this lawsuit, according to the formal complaint, and resigned the bank directorship in June. His other directorships, according to Standard and Poor's include the Standard Oil Company of California, the Allied Equities Corporation, Carter Hawley Hale Stores, Inc., and the Bekins Company.

FRANCHISE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, today I am introducing a bill that deals with franchise reform. It is intended to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices and to provide consumers with the benefits which accrue from competition and a free market economy.

I had introduced similar legislation in the last Congress but it was geared only to service station franchisees. As many Members know, during the energy crisis of 1973 many service station operators found themselves being squeezed out by the franchisor because he would not renew their franchise. He had found it more profitable to have a direct outlet.

The bill I am proposing today will cover all franchisees and is called the Franchising Practices Reform Act.

The bill, in brief, requires that franchisors provide at least 90 days' notice prior to cancellation or the failure to renew a franchise; provides that a franchisor shall not cancel a franchise unless the franchisee has provided him with good cause for such cancellation or unless the franchisor is withdrawing from the marketing area; prohibits a franchisor from failing to renew any franchise except for good cause, legitimate business reasons, or a market area withdrawal; and authorizes Federal courts to grant such equitable relief and damages as are necessary to remedy the effects of prohibited conduct. The bill also encourages the arbitration of disputes, a process which is quite often quicker and far less expensive than court litigation.

Franchising has expanded greatly in the past 20 years and has allowed many small businessmen to participate in the activities of the marketplace. But it has also resulted in far too many abuses. In a number of instances the franchisors have taken advantage of the position they hold to pressure their franchisees into untenable situations. Or in cases where franchisees have resisted they have found their franchises terminated or strong competition suddenly appears very close by.

This legislation is not an attempt to place the franchisee in a dominant position, but is proposed to place both partners in a business relationship on equal footing. This bill will provide both franchisors and franchisees with evenhanded protection from unfair and unjustifiable practices.

I believe that my colleagues will agree that we need this legislation and I hope that we can take positive action on it in this Congress.

LEGISLATION TO PERMIT CITIZEN CHALLENGE TO IRS RULNGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, I am today introducing legislation to permit taxpayers to challenge IRS rulings and regulations which provide special benefits to other taxpayers. This amendment will enable citizens and public interest groups to keep a better watch on the IRS and to contest questionable, special interest tax breaks.

The quality of IRS rulings is extremely high and there is generally little need or reason to challenge IRS regulations. But in recent years, we have seen several cases where questionable rulings have been promulgated—rulings which provided hundreds of millions of dollars in tax breaks to several corporations and which cost the general public hundreds of millions in lost Treasury revenues.

Under present law, taxpayers may challenge Treasury regulations and Internal Revenue Service rulings which they believe exceed limitations imposed by Congress, only when they themselves are directly injured. However, if a ruling or regulation favors a taxpayer, a suit to challenge it cannot realistically be expected. Those who benefit have no incentive to sue, and competitors cannot be relied upon, as they may wish to obtain the same beneficial treatment for themselves.

However, an unduly favorable regulation or ruling hurts every taxpayer not benefited by it, because his taxes will be increased in the future to compensate for the loss in general revenues caused by the benefit to another. Yet the courts have said that this type of injury does not satisfy standing requirements: all hold it in common; it is not a particular injury to any individual taxpayer.

Thus the present system provides no redress for overly lenient IRS treatment of some taxpayers or decisions which are arbitrary and regulations and interpretations which are contrary to the spirit of the law.

The legislation I am proposing provides standing for taxpayers to challenge regulations and rulings which they claim are discriminatory. Under the amendment, taxpayers will have standing when they are injured by paying higher taxes, caused by unduly favorable treatment of another. They may sue in U.S. Tax Court, after they have exhausted administrative remedies. Those who benefit under the challenged interpretation may intervene in the proceedings. The court may grant declaratory relief.

Following is a discussion of the present law and the legislation I am introducing. I want to thank Ms. Barbara Rue of my congressional district for her research on this issue during her Ohio State University Law School internship in my office.

NEED FOR THE BILL

The Internal Revenue Code provides for suits against the IRS when a ruling or regulation unfavorable to a taxpayer directly increases his taxes. However, if the ruling favors the requesting taxpayer, the rest of the taxpayers to whom the tax burden is shifted have no corresponding right. They cannot bring the traditional kind of suits in Tax Court or district court, because their own taxes are not directly increased as a result of the ruling.

This is true, even though statutes governing other agencies provide for judicial review of their actions. The Administrative Procedure Act provides:

> A person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute is entitled to judicial review thereof. 5 U.S.C. 702

Many regulatory programs have included similar language to give standing to aggrieved persons.

As a result, courts have held that public interest plaintiffs can challenge decisions of agencies other than the IRS which favor special interest groups and which they believe conflict with the law.

Theoretically, Congress could override any unduly favorable regulation or ruling by passing legislation. The regulation and ruling process developed, however, because Congress cannot deal with the many small areas and specific cases dealt with in regulations and rulings. Congress cannot be expected to decide the many narrow points of law which would be raised in many of these cases.

As the power of administrative agencies grows to affect more and more areas of our lives, it becomes extremely important to prevent arbitrary actions. Our system of government depends on its checks and balances. Yet because of judicial ideas about standing, some IRS rulings and regulations may go unchecked.

STANDING TO SUE: PRESENT LAW

The doctrine of standing combines constitutional and policy requirements. Article III, section 2 of the Constitution limits judicial review to "cases" and "controversies." The courts have insisted that cases be presented in an adversary context so that issues will be clearly delineated. Standing requirements have been liberalized in recent years, but to date no court has upheld the kind of standing granted in the bill I am proposing.

1. HISTORY OF STANDING

The Supreme Court first described the modern doctrine of standing in *Frothingham* v. *Mellon,* 262 U.S. 447 (1923). The plaintiff sued to enjoin implementation of an appropriations act she believed to be unconstitutional. The Court held that a taxpayer does not have an interest direct enough to challenge public expenditures. This is a matter of public, not individual concern. The Court also expressed fear that allowing this type of suit would lead to a flood of litigation.

The Frothingham view of standing stood for many years until finally, an exception was created in *Flast* v. *Cohen,* 392 U.S. 83 (1968). There the court allowed a taxpayer to challenge use of Federal funds for religious schools. The plaintiff's injury was common to everyone and the amount of his individual taxes spent on the religious schools must have been slight. However, he met two tests which the court laid down for standing:

First, he demonstrated a logical link between his taxpayer status and the challenged statute—he sued under the taxing and spending clause of the Constitution, and second, there was a connection between his taxpayer status and a specific constitutional limitation on the taxing and spending power.

Both *Frothingham* and *Flast* involved constitutional challenges to legislation; neither dealt with the problem of taxpayer challenges to administrative action. The two areas differ fundamentally. The effect on a plaintiff of having part of his taxes used in an unconstitutional spending program may be more remote than the effect of agency action. Courts have been much more willing to allow administrative challenges. There is less danger of using the courts as a forum to air political grievances when a plaintiff challenges a specific agency action as contrary to law than when he claims a spending program violates the Constitution.

Foremost among the standing cases in the administrative area is *Association of Data Processing Organizations* v. *Camp,* 397 U.S. 150 (1970). The plaintiff sued under section 702 of the Administrative Procedure Act. Plaintiff challenged a ruling of the Comptroller of Currency that banks could make data processing services available to customers.

The court created a new test for standing in cases involving administrative agencies: First, the plaintiff must be injured in fact, and second, the interest sought to be protected must be within the zone of interest protected or regulated by the statute or constitutional provision in question.

The plaintiff in Data Processing sued as a competitor rather than as a taxpayer. Its injury as a competitor of the banks which received the favorable ruling provided it with standing. The case did establish the principle that those indirectly affected by a ruling beneficial to another may challenge it, if they themselves receive some kind of injury.

2. RECENT CASES

Other, recent cases have liberalized standing requirements. Several environmental cases have held that an injury to esthetic and recreational interests is direct enough to establish standing.

In *Sierra Club* v. *Morton,* 405 U.S. 727 (1972), a public interest environmental group had its case dismissed for lack of standing because it did not allege particularized injury to its members. As a representative of the public interest, it challenged Interior Department approval of a project to make parklands into a resort area. The court rejected this "private attorney general" theory. A plaintiff may argue the public interest in support of his claim once standing has been established, but initially he must show actual injury to himself. The court indicated that if Sierra Club had alleged injury to its members, it would have had standing in this case.

In *U.S.* v. *SCRAP,* 412 U.S. 669 (1973), plaintiffs had standing because of harm to their economic, recreational, and esthetic interest caused by the ICC's modification of railroad freight rates. They claimed that the ICC violated the National Environmental Policy Act by failing to include an environmental impact statement in its order. The fact that many others besides the plaintiffs shared the same injuries did not preclude standing.

These cases show that standing may be based on nonmonetary injuries which everyone has in common. The amount of the injury is not important; it is the fact that the potential plaintiff actually receives an injury that matters. If recreational and esthetic injuries can be the basis for challenging actions of agencies concerned with the environment, it would seem that the injury to a taxpayer of having his taxes increased to compensate for benefits to another should be an adequate injury to challenge the IRS.

Courts have held in several recent cases that plaintiffs who have other interests beside that of a taxpayer can challenge IRS rulings favorable to others. In *Eastern Kentucky Welfare Right Organization* v. *Shultz,* 370 F.Supp. 325 (D.D.C. 1973), reversed on other grounds, 506 F.2d 1278 (D.C. Cir. 1974), indigents challenged an IRS ruling which allowed hospitals to be classified as charitable organizations even though they provided no free or low-cost care. Plaintiffs had a direct injury—they were denied care they formerly had by the ruling.

In *McGlotten* v. *Connally,* 338 F.Supp 448 (D.D.C. 1972), plaintiff sued to prevent the IRS from granting tax benefits to fraternal organization which denied him membership because of race. The court said that he must be allowed to bring this suit because he could not raise his objections in the preferred manner, a suit for refund, since the ruling did not affect his own taxes. *Green* v. *Connally,* 330 F.Supp. 1150 (D.D.C. 1971) held that parents of children excluded from racially discriminatory private schools could challenge the tax-exempt status of the schools.

The courts have gone no farther than this in allowing standing in tax cases. These have been called "quasi-public interest" cases; cases where the plaintiff represents a class more limited than that of all taxpayers and has a more direct injury.[1] They show that courts have been willing to allow standing for those challenging tax benefits to another if the plaintiffs have the right kind of injury. But as yet it has not been held that the injury to taxpayers in general of an unduly favorable ruling for others is the right kind of injury.

3. LIMITS ON STANDING

Several recent cases have denied taxpayers standing to sue. In *Schlesinger* v. *Reservists To Stop the War,* 418 U.S. 208 (1974), plaintiffs challenged as a violation of the Constitution the Defense Department's actions of allowing Members of Congress to continue their Reserve status. The court denied standing because the plaintiffs had only a generalized interest shared by all—the interest of having Congressmen discharge their duties faithfully. In *U.S.* v. *Richardson,* 418 U.S. 166 (1974), decided on the same day, plaintiffs sought to compel the Secretary of the Treasury to publish a report of CIA expenditures. The court held that since they did not challenge the way the money was spent, no connection between their complaint and their taxpayer status could provide standing.

The plaintiffs in these two cases had generalized grievances about the conduct of the Government which did not result from any financial injury to them. That makes the cases somewhat different from a situation in which a taxpayer challenges an action of the IRS. There his complaint is related to his status.

However, when the question of whether a taxpayer has standing to challenge a tax benefit received by another was presented directly to a court, it denied standing. It is this decision which the legislation I am introducing seeks to overturn.

In *Tax Analysts and Advocates* v. *Simon,* 390 F.Supp. 927 (D.D.C. 1975), plaintiff, a public interest group, challenged as being in conflict with the Internal Revenue Code published and unpublished rulings of the IRS which allow oil companies to take tax credits for payments made to foreign countries. The court held that the possibility of an increased tax burden in the future did not qualify as injury in fact. The interest plaintiffs asserted—in not having their taxes increased because of benefits to another—was not within the zone of interests of the Internal Revenue Code; that is, plaintiffs could not point to a specific section of the code which protected this interest. The court felt that section 702 of the Administrative Procedure Act did not apply in this situation.

A taxpayer challenging benefits to others must face additional limits on standing. The Internal Revenue Code provides for suits against the IRS when an interpretation of a statute increases a taxpayer's own taxes. This fact may be read as legislative intent to exclude other kinds of suits against the IRS.

Legislative intent may also be drawn from two statutes limiting remedies in tax cases. A taxpayer challenging benefits to another would be seeking injunctive or declaratory relief; he would be unable to sue for any legal relief such as damages. Section 7421 of the Internal Revenue Code provides:

> No suit for the purpose of restraining the assessment or collection of any tax shall be maintained in any court by any person, whether or not such person is the person against whom such tax was assessed. 26 U.S.C. 7421.

The Declaratory Judgment Act, 28 U.S.C. 2201, provides that declaratory judgments may be obtained "except with respect to Federal taxes." While the declaratory judgment exception would seem to be broader than the anti-injunction section, it has been held that they are the same in scope—McGlotten against Connally. Their purpose is to assure that nothing will prevent prompt and orderly collection of taxes.[2] Even though taxpayer challenges to unduly favorable treatment of others would not interfere with assessment and collection, it could be said that legislative intent of these statutes prohibits these suits.

4. SUMMARY OF PRESENT LAW

Under present law the ability of taxpayers to challenge IRS interpretations not directly affecting their own taxes is questionable at best. Courts have held that, first, taxpayers have standing when a relationship exists between their status and the statute or action they challenge; second, the fact that many share the same injury does not preclude standing; and third, plaintiffs directly injured by an IRS ruling favorable to another have standing. However, the decision in Tax Analysts and Advocates against Simon shows that courts are unwilling to expand standing to include the kind of suits my legislation would allow. The courts' position seems based on past cases, their interpretation of legislative intent, and the general reluctance of the judiciary to interfere with the IRS.

The solution is to enact legislation to make intent clear and to specify that the possibility of increased taxes in the future satisfies standing requirements. Courts have indicated that Congress has the power to do this. Justice Douglas has stated "Congress can of course define broad categories of 'aggrieved' persons who have standing to litigate"—*Flast* v. *Cohen,* 392 U.S. 83 (1968). A case concerning the Civil Rights Act held that in section 810 of that act, Congress intended to define standing as broadly as article III permitted. Justice White indicated that absent the language in the act, he would have difficulty upholding standing for the plaintiffs. But when Congress enacts a statute allowing broad standing, the court will put its own ideas of policy aside and permit the plaintiff to sue—*Trafficante* v. *Metropolitan Life Insurance Co.,* 409 U.S. 205 (1972). The courts need similar legislation to encourage them to allow broad standing for taxpayers.

SUMMARY OF BILL

The legislation I am introducing would permit citizens to seek declaratory judgments in Tax Court.

Taxpayers must bring these suits in Tax Court for two reasons. If they could file suit in any district court in the country, the IRS might be unduly burdened in defending the cases. Also, granting jurisdiction to the Tax Court eliminates the possibility of conflicting decisions in different districts. The Internal Revenue Code grants similar jurisdiction to the Tax Court in other sections. For example, 7476 enables the Tax Court to make declaratory judgments concerning qualifications of retirement plans.

Potential plaintiffs in this type of suit must file a petition with the Secretary or his delegate at least 60 days before filing suit. This requirement assures exhaustion of administrative remedies, which is necessary before a court will take jurisdiction. If the IRS agrees that a regulation or ruling should be changed, a lawsuit may be avoided.

Opponents of broad standing for taxpayers fear that suits will be brought merely to air policy grievances or to harass the IRS or those who benefit from the regulation or ruling in question. The bill guards against this by requiring that petitions be presented by those "who are capable of adequately presenting the legal issues involved." If a party can delineate issues clearly and will be likely to follow through with the suit to its ultimate conclusion, he is probably a responsible litigant. If the plaintiff cannot meet these tests, the court has discretion to dismiss the case. The courts can best determine which plaintiff can present this type of case in a clear, responsible manner.

Section (c) [3] of the bill provides for intervention by those who would be adversely affected by reversal or modification of the challenged regulation or ruling. Because the IRS is interested in maximizing revenue, it may not defend these suits as vigorously as possible. Allowing intervention would help assure that the court hears all possible arguments for the defendant. Intervention has previously been allowed in those cases in which a tax benefit has been challenged. In *Green* v. *Connally,* 330 F. Supp. 1150 (D.D.C. 1971), a case where parents of children excluded from racially discriminatory private schools were the plaintiffs, a representative of those who supported and attended the schools intervened for the defendant. In *McGlotten* v. *Connally,* 338 F. Supp. 448 (D.D.C. 1972), the Order of Elks intervened where its tax-exempt status was challenged.

The courts would be likely to allow intervention in this type of case even without statutory authority; however, the bill assures that those affected by the outcome of these cases will be able to participate if they so desire.

The bill provides for declaratory relief. In ordinary refund or Tax Court litigation, monetary relief can be granted to the plaintiff. A taxpayer cannot obtain this remedy when he challenges a benefit to another taxpayer rather than the amount of his own taxes. It would be impossible to measure the potential increase in his tax liability. In addition, the taxpayer would want to insure that the court declares the ruling or regulation invalid as to all taxpayers benefitting from it and that the IRS does not continue the general policies expressed in it. Therefore, declaratory judgments are the appropriate form of relief in these cases.

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[1] Tannenbaum, "Public Interest Tax Litigation Challenging Substantive IRS Decisions", 27 *National Tax Journal* 373 (1974).

[2] S. Rep. No. 1240, 74th Cong., 1st Sess. 11 (1935).

[3] "Taxpayer Standing to Litigate," 61 Georgetown Law Journal 747 (1973).

In conclusion, the adoption of this legislation would improve the tax system by making it more fair and open. The bill I am proposing would help to prevent exercise of arbitrary power by the IRS, an important objective in assuring integrity and equality of treatment under our tax law.

HIGH FOOD PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 10 minutes.

Mr. MEZVINSKY. Mr. Speaker, today 52 of my colleagues join with me in sponsoring legislation designed to provide, at last, some solid answers about the possibility of inordinate increases in food price over the past few years.

There are good reasons farm prices have gone up; there are even good reasons middleman prices have gone up. But conceding that, I think there is a general public suspicion that somewhere along the line, legitimate price increases have been used as a screen for shifting prices and profits upward well beyond what was necessary to cover increased costs. People do not like to feel that they have been taken advantage of and they do not like feeling powerless to change the situation.

Unfortunately, what they have received to date from the Government is a totally inappropriate response; either the condescending "grow up and recognize that there is no more cheap food"; or excuses—energy has gone up, transportation costs are up, and the weather will not behave; or promises—we are investigating and we will let you know.

What if, instead, Government took seriously the need to get real answers about food prices to the public. Imagine the effect if those responsible for antitrust enforcement made yearly recommendations for action and gave an accounting of the year's planning, budget, and accomplishments. This is what the food and antitrust reports bill envisions. Under this bill, the antitrust agencies of the Government would have to issue an annual report on anticompetitive influences in the food industry and report on what they are doing and what they recommend doing about the lack of competition.

A few years ago something like this was attempted by the FTC with its monopoly overcharge study. This report was intended as a model for measuring industry-wide competition—or lack of it—in all segments of the economy, including food prices, and the effect upon consumer prices. The FTC never officially endorsed the figures or conclusions of this report, claiming that it was inaccurate in some areas because of deficiencies in available data. Those who are knowledgeable about the food industry agree that the study is incomplete, but claim that the $2.6 billion figure, which the monopoly overcharge study indicated consumers overpay for food, was far too low.

The point I would like to make about the Monopoly Overcharge Report is that I think it was a major factor leading to the food investigation currently being undertaken by the FTC. It has been ammunition for both Congress and public interest groups to focus attention upon competitive problems in the food industry. It is just such a yardstick for action that a yearly index of the structure and performance of the food industry would provide.

We must bring out into the open the problem areas in the food industry. This would give non-Government economists, Congress and public interest groups the opportunity to study and analyze the Government's data, allow the public to see changes in industry structure year by year, and offer a guideline for measuring the effectiveness of antitrust enforcement.

In all fairness, we have to acknowledge that the FTC and the Justice Department are beginning to respond to the highly charged public concern over food prices. Both have launched intensive investigations of the components of the food industry as a prelude to litigation—meeting a frequent past criticism that cases were chosen on a "hot-tip" basis rather than with a game plan in mind.

However, the overall effect of these good intentions will never dispel public and congressional suspicions about anticompetitive forces in our economy so long as a basic flaw in handling these investigations remains. The flaw is that there is no framework for public understanding of why certain areas are being investigated rather than others, why one case is brought instead of another, why an industry which is the object of public hostility and suspicion is not the subject of a lawsuit—in short, what Government activity derives from and where it is leading.

Obviously, we can not expect the FTC to allot more than the current 20 percent of its time to food investigations, at least on the current budget. But as it now stands, neither can we expect to be able to judge its performance in food investigation or to know how to answer questions from our constituents, unless we can clear up the fog of innuendos and half truths about what is happening to the food industry. Every indication, however, is that rapid and important changes are taking place in all segments of the food industry. We know the food industry is becoming increasingly concentrated. We must find out how these changes are affecting our economy, and particularly the price and quality of food.

The last thorough study of the food industry—the product of the 1966 National Commission on Food Marketing—is not only out of date, but needs to be expanded to include a look at the effect on food prices and quality of phenomena like vertical integration, multinational and conglomerate dominance, the growth of large corporations in the farm sector, and antitrust exemptions.

Congress has never insisted on one of the major recommendations of the Commission—that the FTC make a continuing study of and an annual report to Congress on the state of competition in the food industry.

The bill we are introducing today would provide Congress and the public this vitally needed information and the means of overseeing antitrust enforcement in the food area, if a lack of competition turns out to be a contributory cause of high food prices.

FOR WHICH WE STAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful consideration of my colleagues the following article which appeared in the New York Times on September 29, 1975. The article follows:

FOR WHICH WE STAND

(By Anthony Lewis)

BOSTON, September 28.—The House of Representatives has been reformed: So we read earlier this year. New members have driven the dinosaurs from power and brought a spirit of reason into that once cynical place. The House can at last play its rightful part in making national policy.

Anyone who believes that should look at the Congressional Record for last Thursday, Sept. 25. The House that day debated a bill to repeal an existing law, the so-called Byrd Amendment, that requires the United States to buy Rhodesian chrome in violation of United Nations sanctions. The repeal bill lost, 209 to 187.

It was a debate out of what we might have thought was some primitive past. Xenophobia and racism were the inarticulate premises, distortion and bluster the method. The subject was not one to make headlines, but the level of the argument—the contemptible level—told me much about the state of the House.

Rhodesia is not a very complicated place to understand. It has a population of 270,000 whites and 5,700,000 black Africans. The tiny white minority has total power. The blacks are barred by law from most of the country's fertile land; few can vote; black workers earn many times less than white. Ian Smith, the Prime Minister who declared Rhodesia independent of Britain 10 years ago, has repeatedly said that the majority will not be allowed to rule "in my lifetime."

A principal opponent of the House bill was Rep. John H. Dent, Democrat of Pennsylvania. He had made a trip to Rhodesia, and he offered his colleagues these profundities:

"His (Ian Smith's) avowed purpose, and we can read this in their constitution if we want to read it, is to educate the blacks in Rhodesia to take over Rhodesia as a government. . . . Is there any person in this room that believes we can have one-man, one-vote, with equality of any kind, when they practice polygamy? . . . It is the only African country before the revolution in that country that as a part of its economy every black gets paid the same wage as a white."

Rhodesian lobbyists were matched in skill by those for American companies eager to use cheap Rhodesian chrome. The United States has a large chrome stockpile; the Ford

Administration had endorsed the bill as consistent with the national security. But the debate was larded with the lobbyists' argument that we would be imperiled if we relied on the main alternative source of chrome, the Soviet Union. Rep. Steven D. Symms, Republican of Idaho, added that the bill would cost American workers "between 2,027,000 to 16,700,000 man-hours as thousands of employes are laid off in the steel industry."

Such arguments would be funny if they had not been made on the winning side of the debate—and if the effects were not likely to be so serious.

It is fair enough to denounce the follies of the United Nations. But we are committed by treaty to observe Security Council resolutions, which after all we have a chance to veto. It will be a little more awkward, from hereon, for Pat Moynihan to lecture other U.N. members about their contempt for law and international comity. It is true that awful things have happened in Burundi and Uganda and elsewhere without U.N. sanctions, and true also that sanctions rarely work. But it does not follow that we should stand apart when, for once, the world can agree to do something about a discrete evil. And sanctions are gradually beginning to exert effective pressure for peaceful change in Rhodesia.

The irony is that helping Ian Smith to hold out a little longer will only increase the likelihood of violent change—and damage to Western interests in Rhodesia, in chrome ore and everything else. The South African Government sees that and is desperately trying to arrange a transition to majority rule in Rhodesia. It is more enlightened, more sensible, than the U.S. House of Representatives.

It was especially painful to see some of the names voting Nay on that bill. There were some of the Southerners who were so effective in the Judiciary Committee's impeachment inquiry last year—James Mann, Walter Flowers, Ray Thornton, Caldwell Butler—and two of the Northern Republicans, Hamilton Fish Jr. and Robert McClory. And two senior New York Democrats, Samuel S. Stratton and James J. Delaney. And a Democrat particularly respected as a lawyer, Richardson Preyer of North Carolina, who in his speech against the bill sounded embarrassed.

Of course the House is not to be judged alone for such a performance. It speaks for the country. Did it reflect us fairly? Is that what we have become after six years of foreign-policy leadership obsessed by power, indifferent to humanity, without scruple of bombs or lives? Or what pressures lead a good man like Richardson Preyer to vote that way?

We should not meddle in another country's affairs, said one Congressman, sounding like Henry Kissinger. But we do meddle, by force and conspiracy. The question is when and how we should express the old American ideals, which still matter to many people in the world.

DECONTROLLING OIL PRICES WILL DAMAGE NATION'S ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, President Ford has continually insisted on the need for decontrolling oil prices. His proposal is absurd and harmful. It would increase unemployment substantially and set inflation skyrocketing.

This conclusion is supported by a recent study done by the nonpartisan Congressional Budget Office.

Specifically, the Congressional Budget Office study noted:

> 1. Immediate decontrol of oil prices would significantly retard the growth of output and employment while simultaneously setting back the battle against inflation.
>
> (2) . . . [D]econtrol would raise consumer prices by 0.4% by the end of 1975, 1.6% by the end of 1976 and 1.8% by the end of 1977. . . .
>
> 3. Decontrol would reduce real GNP [gross national product] by about 1.9% by the fourth quarter of 1977.
>
> 4. Unemployment would increase by 450,000 workers by the end of 1976 if controls are not continued, and by . . . nearly 600,000 workers by the end of 1977.

These projections by the Congressional Budget Office show clearly the danger to our economy inherent in President Ford's proposal to decontrol oil prices.

The full text of the Congressional Budget Office study of decontrolling oil prices follows:

CHAPTER V.—THE IMPACT OF DECONTROL OF OIL PRICES

A major uncertainty clouding economic forecasts at present is the future course of energy prices, especially oil prices. Rapid increases in the price of oil in the next few months could touch off another round of inflation and drastically impede progress toward reducing unemployment.

At least three new developments could change oil prices substantially in the short-run: (1) the controls limiting the price of old domestic oil[1] to $5.25 a barrel have recently lapsed; if they are not reimposed, the price of domestic crude oil will rise; (2) the OPEC nations could raise the world price of oil from its present level; (3) the special U.S. import fee of $2.00 per barrel on crude oil and $.60 per barrel on refined products could be removed.

The CBO projections of the economy described in Chapter 11 were based on the following assumptions: that the import fees would be removed; that OPEC would raise the price of oil by $1.50 per barrel in October, and then hold the price at that level; and that domestic prices of old oil would remain controlled. The President has stated that he will voluntarily drop the tariff if controls end; if controls remain, court action may void the duty in any case. Some OPEC increase in October seems extremely likely. It may be somewhat greater or less than $1.50, but a difference of $.50 in either direction would not make a large difference in CBO's projections. Decontrol is another matter, however. While gradual decontrol—say, over a period of thirty-nine months as proposed by the President—would not have a major effect on the projections, immediate decontrol would have a substantial impact both on inflation and on the progress of economic recovery.

This chapter examines the impact of immediate decontrol and the fiscal measures that would be required to offset this impact.

THE COSTS AND BENEFITS OF DECONTROL

A report such as this, whose focus is on prospects for economic recovery, cannot deal adequately with all the complex considerations involved in striking a balance between the pros and cons of decontrol. The objective of this chapter is more modest: to document and quantify the rather substantial costs of immediate decontrol in terms of greater inflation and higher unemployment—a burden that is particularly heavy on an economy just beginning to emerge from a severe recession.

But it must be stressed that decontrol has benefits as well as disadvantages. For one thing, ending controls would mean the dismantling of a cumbersome system of government regulations that may distort decisions of drillers, refiners, and consumers alike. For another, the higher price of oil would induce greater conservation. Given the role of imported oil in the United States—that of filling the gap between domestic production and domestic consumption—the entire impact of reduction in consumption would be reflected in imports. CBO estimates that U.S. reliance on imports would be reduced by nearly 700,000 barrels per day by the end of 1977. In addition, tertiary recovery from old oil fields would be encouraged, while higher oil prices also would accelerate the development of alternative energy sources.

EFFECTS OF DECONTROL ON THE RECOVERY

CBO's analysis indicates that immediate decontrol of oil prices would significantly retard the growth of output and employment while simultaneously setting back the battle against inflation. If old oil prices were to be decontrolled gradually, the shock to the nation's economy would be less severe. The increase in the fuel bill would be more likely to come when the economy was stronger, and thus in a better position to cope with it.

Table 9 presents the estimated effects of immediate decontrol on some principal economic variables in the fourth quarters of 1975, 1976, and 1977. For the convenience of the reader, a single number is presented for each variable in each quarter. In reality, no one can anticipate the economic effects of decontrol with this degree of accuracy. The estimates in the table were derived with the aid of the three statistical models of the economy: those of Chase Econometrics, Inc.; Data Resources, Inc.; and Wharton Econometric Forecasting Associates.

TABLE 9.—ESTIMATED EFFECTS OF DECONTROL OF OIL PRICES

	1975:IV	1976:IV	1977:IV
EFFECT OF DECONTROL			
Wholesale Price Index (percent)	+0.9	+3.4	+3.8
Consumer Price Index (percent)	+.4	+1.6	+1.8
General inflation index (GNP deflator, percent)	+.5	+1.5	+1.8
Gross National Product in constant dollars (billions of 1958 dollars)	−$2.5	−$12.1	−$17.2
Unemployment rate (percentage points)	+.1	+.5	+.6
Gross National Product in current dollars (billions of dollars)	+$2.3	+$1.9	−$3.2
Federal Budget deficit (billions of dollars, National income accounts basis)	−$3.2	−$4.4	−$.4
Retail price of refined petroleum products (cents per gallon)	+$0.031	+$0.067	+$0.061
Average hourly wage rate (percent)	0	+0.4	+0.5
Interest rate on treasury bills (percentage points)	+.13	+.33	+.20
Imports of crude oil and refined petroleum products (millions of barrels per day)	−.012	−.385	−.688

According to CBO's estimates, decontrol would increase wholesale prices by nearly 1 percent by the end of 1975 and nearly 4 percent by the end of 1977. Consumer prices would not rise as much as wholesale prices because oil is more important in the Wholesale Price Index than in the Consumer Price Index, and because the cost of crude oil is a larger fraction of the wholesale price of petroleum products than of the retail price. Decontrol would raise consumer prices by

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[1] Essentially, old oil is that which is drilled from wells in existence before September 1, 1972.

0.4 percent by the end of 1975, 1.6 percent by the end of 1976, and 1.8 percent by the end of 1977.

In terms of rates of increase of consumer prices, decontrol would add just under 0.5 percentage points to the inflation rate during the last quarter of 1975, just over 1 percentage point to the 1976 inflation rate, and about 0.25 of a point to the 1977 inflation rate. The general inflation index (GNP deflator) behaves in much the same way as the Consumer Price Index.

Decontrol would significantly reduce growth in production below what CBO projects would occur if controls are retained. Decontrol would reduce real GNP by about 1.9 percent by the fourth quarter of 1977. CBO further estimates that the rolls of the unemployed would swell by about 0.5 percentage points or 450,000 workers by the end of 1976 if controls are not continued, and by 0.6 percentage points or nearly 600,000 workers by the end of 1977. The unemployment rate, projected as falling very slowly during 1977 even with decontrol, would stay practically unchanged at a level above 7 percent if immediate decontrol took place.

GNP in current dollars would not change much. The higher prices would just slightly outweigh the reduced levels of production for most of the period.

However, decontrol would noticeably affect the federal budget. Tax receipts would rise substantially at first, largely because of the increased corporate tax payments by oil companies. In late 1975 and throughout 1976, these inflows would more than offset the falling receipts from individual income taxes, the higher payments for unemployment benefits, and the reduced tax collections from nonoil corporations. But by the end of 1977 the weakened economy would have its usual deleterious effects on the federal budget, and the deficit would be about the same despite the higher oil company profits. To some extent, however, these figures may give an excessively optimistic impression of the effects decontrol would actually have on the budget because the analysis assumes unchanged federal expenditures. If some categories of government spending (such as defense purchases of oil and food stamps) were escalated to allow for the higher prices, the short-run beneficial effect on the deficit would be muted.

Table 9 also shows CBO's estimates of the effects of decontrol on the retail price of refined petroleum products. The peak effect would be about $.07 per gallon, though this would not develop until the second quarter of 1976, according to CBO's assumptions about how quickly the oil companies would pass through the higher costs of crude oil. This differential effect between the decontrolled price and what the price would have been if controls were continued dwindles to about $.06 per gallon by the end of 1977. (Prices would have been rising in 1977 even if controls were continued, because controlled old oil naturally was replaced by higher-priced new oil.)

Only part of the total effect of higher oil prices on the aggregate price indices can be directly accounted for by higher energy costs. As energy costs raise the consumer prices of goods and services, workers find the purchasing power of their wages eroded. They then try to recoup at least part of this loss by demanding higher wages. CBO estimates decontrol would result in a wage rate increase of about 0.5 percent. Given that prices would be nearly 2 percent higher, real wage rates (that is, wages corrected for price increase) would fall by nearly 1.5 percent in spite of the wage increases.

Immediate decontrol would set in motion a rather complex chain of events in the financial markets. The precise channels are described in the next section of this chapter; Table 9 summarizes CBO's estimate of the financial reverberations from decontrol's estimated net impact on the interest rate on three-month Treasury bills. It will be noted that the upward pressure on interest rates peaks in late 1976, and is receding thereafter.

HOW DECONTROL AFFECTS THE ECONOMY

The preceding section summarized CBO's estimates of the effects of immediate decontrol without explaining the mechanisms by which the shock of higher oil prices is transmitted to the national economy. This section explains the linkages between higher oil prices, higher prices generally, changes in spending by consumers and by oil companies, and financial market changes.

The effects of higher oil prices on the aggregate price indices are the easiest to reckon. Table 10 details CBO's assumptions about the behavior of refiners' acquisition costs of crude oil between now and the end of 1977. As explained earlier, a $1.50 OPEC increase and removal of the import duty is assumed in either case. It will be seen that the maximum effect on crude oil prices would amount to just less than $3.00 and would be felt in the middle of 1976.

How much does a $3.00 per barrel increase in the price of crude oil contribute to the aggregate price indices? This calculation can be made in two simple ways. Given total domestic consumption of crude oil (including natural gas liquids) of about 5.3 billion barrels per year (about 14.5 million barrels per day), the nation's oil bill would rise by about $16 billion per year. If output were unchanged, the general price level (GNP deflator) would be about 1 percent higher.

TABLE 10.—EXPECTED REFINERS' ACQUISITION COSTS OF CRUDE OIL UNDER CONTROLS AND DECONTROL

[Dollars per barrel]

Quarter	Imported oil	Average domestic oil		Average of all oil	
		With controls	With decontrol	With controls	With decontrol
1975:II	$13.44	$8.30	$8.30	$9.84	$9.84
1975:III	13.61	8.54	8.92	10.08	10.35
1975:IV	13.52	8.68	10.56	10.17	11.47
1976:I	14.27	9.19	12.16	10.77	12.81
1976:II	14.27	9.31	13.56	10.88	13.78
1976:III	14.27	9.39	13.72	10.96	13.89
1976:IV	14.27	9.48	13.72	11.04	13.89
1977:IV	14.27	9.79	13.72	11.32	13.89

Source: Congressional Budget Office.

The effect of an increase of $.069 per gallon in the price of petroleum products also can be traced. The most recent data from the U.S. Bureau of Labor Statistics show that the average retail price of a gallon of regular gasoline is $.591. Other petroleum products, which are less expensive to refine and which are taxed less heavily, bear far lower prices. If by the second quarter of 1976, the average price per gallon of all petroleum products were $.59 with controls in force, then the $.069 increase would represent a 13.8 pecent increase. Gasoline, motor oil, and home-heating oil alone have a weight of approximately 4.5 percent in the Consumer Price Index. Considering the indirect effects on transportation costs, petrochemical products, and the cost of generating electricity, the total direct effect of oil in the CPI is probably about 8 percent. A 13.8 percent rise in 8 percent of the index implies a 1.1 percent rise in the entire CPI—a number that agrees remarkably well with the preceding one.

Of course, this first round of price increases would be magnified somewhat by induced increases in other energy prices, although prices of competing fuels might take some time to react. For example, under the assumptions detailed in the next section of this chapter, CBO estimates that the induced rise in the price of unregulated natural gas would add roughly $1 billion to the nation's energy bill in the fourth quarter of 1976, and $3 billion in the fourth quarter of 1977. This would add an additional 0.1 percent to the price level at the end of 1976 and 0.2 percent at the end of 1977. In addition, CBO has assumed that decontrol would cause very small and very gradual increases in the costs of other energy sources, such as coal and electricity.

Higher energy prices raise the cost of virtually every commodity and service consumed. Given the well-established tendency for wages to rise with prices, these energy cost increases probably would initiate a wage-price spiral that would magnify the initial impact of decontrol on aggregate price indices.

Since consumers cannot easily reduce their use of gasoline or heating oil when the price rises, higher fuel prices force consumers to spend more of their incomes on energy. This leaves less income to spend on other goods and services, so the demand for other products drops and real output and employment fall. Offsetting this in part is the increased flow of profits to oil companies, which would result from the decontrol of oil prices. If these funds were then spent on goods and services, the employment-reducing effects of higher oil prices would be largely offset.

Would they be spent? Tracing where the oil company profits would be likely to go is not simple. Some profits no doubt would be distributed to stockholders in the form of higher dividends. While stockholders would certainly spend some of these dividends, it is likely that much would be saved. Investment might rise, although this is somewhat doubtful since the price at which newly discovered oil can be sold would not necessarily be raised by decontrol. The remainder of the funds—which may be the great majority—probably would be used to finance planned investment projects through retained earnings rather than through loans from banks or issues of new securities. This reduced demand for corporate borrowing would, given an unchanged monetary policy, ease pressures on interest rates somewhat. With considerable lag, spending on business fixed investment and residential construction would be increased.

Overall, it seems safe to assume that during 1976 and 1977 the loss of purchasing power of consumers would reduce total spending by far more than the increased flow of funds to oil companies would increase it. Much of the drop in aggregate demand would be temporary, but "temporary" in this context could easily mean two or three years.

While it was just suggested that higher oil company profits might hold down interest rates, Table 9 shows interest rates rising. This is because higher prices would lead to reduced production in still another way. If the Federal Reserve System adhered to the same target growth rate for the money supply despite the higher prices caused by decontrol, the real value of the money supply (the money stock deflated by some broad price index) would decline. This would tighten credit conditions—countering and perhaps overwhelming the increased flow of corporate profits. With the usual lags, real output and employment would be depressed.

CBO's estimates suggest that the implied reduction in the real money stock would have stronger effects on the financial markets than would the improved corporate liquidity picture within the time frame considered, so that the net effect would be to push interest rates upward. Once again it should be noted that this tightening of credit markets should be a temporary phenomenon: as decontrol hampered the recovery, lowering real output, the need for cash balances would be reduced. Interest rates should then be able to recede to the levels they would have attained in the absence of decontrol. But, once again, temporary effects are the ones which would dominate in 1976 and 1977 and higher interest rates in those years would mean a scaling down of business plans for fixed investment, with corresponding harm to the recovery.

ASSUMPTIONS UNDERLYING THE ANALYSIS

Measuring the economic impact of decontrol requires a number of explicit assumptions about the probable behavior of the various agents involved: the OPEC nations, oil companies, oil consumers (including households and businesses), the U.S. Government, and perhaps even the U.S. Supreme Court. These assumptions can be no more than educated guesses, and different assumptions lead to different estimates of the importance of decontrol.

This section details the assumptions underlying CBO's analysis, explaining the reasoning behind each, and how alternative assumptions might alter the conclusions.

The Price of Imported Oil. Decontrol would permit the price of old oil—now fixed at $5.25 per barrel at the wellhead—to float up to the world market price. CBO's assumptions about the future price of imported oil—based on elimination of the special $2.00 per barrel tariff and a $1.50 per barrel increase in OPEC prices—are spelled out in Table 10. CBO's analysis assumes that the special import duties would end whether or not price controls end. This should not be interpreted as a prediction, but rather as a device to separate the impact of decontrol from the impact of removing the tariff. If the tariff were to remain on the books, the impact of decontrol would be substantially greater.

The Reaction of Domestic Oil Prices. Given the path for imported oil prices displayed in Table 10, what would happen to domestic oil prices under decontrol?

It is conceivable that old oil prices would rise immediately to parity with domestic uncontrolled oil. CBO does not expect this to happen for two reasons. First, the decontrol debate may not reach final resolution for several more months. Major oil companies presumably wish to avoid the disruption in their marketing activities that would be caused by raising the price of old oil for a brief period and then being forced to reduce prices if new controls were established. The fact that domestic crude oil prices have not skyrocketed since controls expired on August 31 is in accord with this view. Second, the depth of the current recession does not make this a propitious time for a sharp rise in the price of gasoline.

But these arguments support only a delay in the price rise, not its elimination or even reduction. Under the current system, the OPEC cartel dictates the world price of crude oil. American crude oil can remain cheaper only under price and export controls.

CBO has assumed that immediate decontrol would mean the end of the two-tier system of oil pricing, but that the new uniform price of domestic crude oil would rise only gradually from the current blend price. Specifically, it is assumed that wholesale prices of refined petroleum products would reflect the full $.07 per gallon increase only in May, 1976, and retail prices would lag very slightly behind that. If this assumption errs, it is probably by exaggerating the time it would take for prices to rise. Shortening the period of the price increase would somewhat magnify the macroeconomic effects.

Another important issue is involved in translating price rises for crude oil into price rises for petroleum products at the wholesale and retail levels. While price controls are in effect, wholesale and retail dealers are limited to strict penny-for-penny passthroughs of crude oil costs. As a result, profit margins per gallon are about the same now as they were in late 1973, and represent considerably less purchasing power given the inflation since then. If price controls expire, the question is open whether the free market would enforce penny-for-penny cost passthroughs as the Federal Energy Administration now is doing. If wholesale and retail dealers tried to reestablish the percentage markups at 1973 levels, the price increase at the retail level could amount to $.11 to $.13 per gallon instead of the $.07 per gallon increase assumed by CBO.

Price Rises for Other Energy Sources. Assumptions must also be made about price movements for competing energy sources if controls on domestic oil are eliminated. CBO's analysis assumes that coal prices would hardly be affected by the increased price of crude oil. No one knows whether this optimistic assumption will prove to be true, but there are several reasons for making it; principally, that the coal industry now has considerable excess capacity, and that coal competes primarily with residual fuel oil, which is selling very near the world price even with controls.

Natural gas poses a much knottier problem. Gas in the interstate market is regulated at several levels, and cannot react to higher oil prices unless regulations are eased. Holding down the price of natural gas without creating severe shortages becomes more and more difficult as oil prices rise. While it is thus conceivable that decontrol of oil prices would force some relaxation of price controls on natural gas, CBO has not factored such an event into its calculations. The current system for regulating natural gas is assumed to remain intact through the end of 1977 whether or not oil prices rise.

However, a free market exists in intrastate natural gas, and it is likely that some price reaction will be seen in this market. CBO has assumed that prices of natural gas in the intrastate market would move in response to higher oil prices, but that the movements would lag far behind the oil price increases.

Specifically, CBO's analysis of decontrol assumes that within eighteen months after any increase in the price of crude oil, the prices of approximately one-quarter of the natural gas consumed in this country would have risen by roughly two-thirds as much as oil on a BTU basis. This implies that natural gas prices would be about 23 percent higher by the end of 1977 if controls end than if controls remain. It is possible that this exaggerates the reaction of natural gas prices. But the dollar magnitudes are so small relative to those for the oil bill that even complete elimination of the assumed corresponding changes in natural gas prices would not change the economic impacts given in Table 9 very much.

Windfall Profits. CBO's analysis of decontrol assumes no change in government policies beyond decontrolling oil prices itself. One change often discussed in connecton with decontrol is a windfall profits tax, or a special tax on oil producers that is based on the amount by which the wellhead prices of old oil rise above the $5.25 ceiling. Most windfall profits tax proposals include "plowback" provisions that return some of the tax revenues to oil producers in proportion to their investment outlays.

A windfall profits tax would not change oil prices to consumers, but would transfer some of the profits from oil companies to the U.S. Treasury. The U.S. Government would borrow less and oil companies would borrow more, with little net effect on credit markets. If the government returned some of these revenues to corporations, the federal deficit would be larger, but the cash flow to corporations would be correspondingly greater. The plowback could have significant macroeconomic effects only if it induced additional investment, or if most of it were paid out to stockholders in the form of higher dividends. As explained earlier, CBO would not expect much stimulus to aggregate demand from these sources during 1976 and 1977.

TAX OFFSETS TO DECONTROL

If the government chose to return part or all of the increased oil bill, through tax cuts to consumers, the effects on output and employment would be blunted, and might even be entirely eliminated. However, restoration of consumer purchasing power could slightly exacerbate the original inflationary impact of the higher oil prices, and add somewhat to the wage-price spiral. This section estimates the size and form of the personal income tax reductions that would be necessary to offset the effects of decontrol on real output, and the additional inflation these tax cuts would cause.

A series of very substantial tax cuts would be required to restore the levels of real GNP projected in Table 4 if oil price controls were to be dropped immediately. CBO estimates that a reduction in withholding rates amounting to approximately $15 billion to $17 billion initially (and increasing as the economy grows) sometime in the fourth quarter of 1975 and/or the first quarter of 1976 would be necessary to offset the direct effect of higher oil prices.

While this would return roughly the entire increase in the fuel bill to consumers, it would not be sufficient to cancel the entire contractionary impact of decontrol. The wage-price spiral induced by the decontrol would be a further drag on the economy during 1976 and 1977. CBO estimates that small tax cuts, amounting in total to perhaps $8 billion to $10 billion and distributed among the remaining three quarters of 1976 would cancel out these additional indirect effects of decontrol on real output.

Naturally, this much fiscal stimulus would exact some price on the inflation front. CBO estimates that this fiscal package would add a negligible amount to the inflation rate in 1976, approximately 0.2 percentage points to the inflation rate in 1977, and about 0.3 in 1980.

The cost to the federal budget deficit could be reduced if the Federal Reserve System supplied more money. As has been explained, decontrol would push interest rates up somewhat initially by reducing the real value of the money supply by more than it reduced real output. However, the substantial tax cuts that would be required to offset the effects of decontrol on real output would push interest rates up still higher. CBO has therefore investigated a combined fiscal-monetary offset to decontrol in which the Federal Reserve System would supply enough money to prevent any rises in interest rates. If the Federal Reserve System were willing to accommodate both decontrol and fiscal policy in this way, CBO estimates that the initial tax reduction in late 1975 or early 1976 would have to be only about $10 billion to $13 billion; the remaining tax cuts distributed throughout 1976 would have to amount to only $6 billion to $9 billion. The long-run inflationary consequences of this combined fiscal-monetary package would be approximately the same as those of the tax offsets alone.

ELECTRIC UTILITY REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 15 minutes.

Mr. DINGELL. Mr. Speaker, today I and a number of my colleagues are introducing comprehensive legislation which will address many of the visible problems relating to the electric utility industry. Certain aspects of these bills will provide comfort to electric utilities; certain of them will provide comfort to State regulatory commissions;

and certain of them will provide reassurance to citizens' activity organizations, and others. I have no doubt that other portions of this bill will be of concern to many in all of these categories.

It is not my intention in introducing this bill to indicate that this is precisely the form in which the bill should be enacted by the Congress. There are a number of controversial areas in the legislation; areas which will have to be explored in detail and on which we will need the best advice we can get. What we have attempted to do in drafting this legislation is to identify critical areas in electric utility practice and to suggest ways in which problems and issues in those areas might be taken up. These include such matters as peakload pricing of electricity, lifeline rates, planning and siting reform, reliability, and many others.

It is our belief that the problems which confront the electric utility industry and consumers of electricity are comprehensive in nature and must be addressed by legislation which is no less comprehensive in scope. The legislation which we have introduced today should more than meet that requirement.

It is too early to see how soon it will be possible to schedule hearings on this legislation. As my colleagues in the House know, there are a number of other pressing energy issues which confront us on every side, and we will simply have to try to adjust our legislative schedule to be fully responsive to the needs of our situation. It is my hope that we would be able to schedule hearings on this legislation at an early date, and we are making efforts to see that the legislation is sent to all industries and persons who may be directly concerned with its impacts. Just how soon this will be, it is not possible to tell, but I can and do assure the Members of this body that we will move on this legislation just as quickly as our schedule will permit.

Mr. MOFFETT. Mr. Speaker, today, I am introducing, along with my distinguished colleagues, Congressman JOHN DINGELL, Congressman Moss, Congressman WILLIAM BRODHEAD, and Congressman MAGUIRE, the Electric Utilities Regulatory Act. This legislation would reform the manner in which electricity is priced to residential, commercial, and industrial consumers, in order that adequate, reliable, and reasonably priced supplies of electric power be assured in the future.

The continuing upward spiral of electricity prices is a vital concern of my Connecticut constituents and is a critical national energy problem. In 1974, more than 200 rate increases were granted nationally, totaling $2.2 billion, twice the 1973 figure. Currently pending in the States are 100 additional rate increase requests for more than $4 billion. In addition, during 1974, more that $4.6 billion in extra utility fuel charges were passed along to consumers through fuel adjustment clauses. The result was 23.6 percent inflation in the Nation's 1974 electric bill. In Connecticut, alone, 1974 rate increase requests totaled $79 million.

The Federal Power Commission Advisory Committee on Electric Utilities Financial Outlook recently predicted that by 1990, the electric utilities will have to spend $650 billion to maintain reliability at approximately the present growth rates of consumption. Of this amount, $400 billion would have to be raised in securities markets, which is 4½ times the amount of money raised during the past 15 years in securities markets for utility plant construction projects. The remainder of the $650 billion—$250 billion—would, of course, come from the rate payers.

State regulatory commissions are besieged by utility rate requests and protests from consumers demanding rate relief. The utilities argue that rate increases and increased rates of return are necessary in order for them to raise the funds necessary to build new generating plants. These plants, they argue, are needed to maintain continued reliable service. But I question whether such plant expansion is necessary and desirable.

Electric utilities' rates typically are designed to promote consumption of electricity through prices which decline in steps with increasing usage. In addition, discounts are provided for heavily consuming markets, such as all-electric residential or electric space heating. The inevitable result of these promotional rates is to stimulate demand, especially peak demand, for electricity. Peak demand in turn stimulates construction of costly new generating plants.

Power plants must be built to accommodate the highest yearly peak demand expected on the utility system, plus a margin of reserve capacity. In other words, construction of new generating capacity is a function of peak-load demand, which has a historical growth rate of approximately 7 percent. As a result of building capacity to meet peaks, rather than building to meet average demand, about 51 percent of the Nation's electric utility generating capacity is idle. My constituents simply cannot afford to continue financing the building of 50-percent-excess capacity, especially when there is an alternative—redesigning rate structures so as to "reduce the peaks."

Power plant expansion and related construction budgets, which in large part are funded by all ratepayers, would be reduced by rate structures that: First, require those customers that produce the system's peak load, and therefore force expansion of plant capacity, to bear the cost of such expansion; and second, abolish promotional and discount rates.

In fact, the Federal Energy Administration estimates that by 1985, as much as $120 billion in new generating capacity construction, which would result in higher rates, additional fuel adjustment charges, and further environmental deterioration, could be avoided by such cost-of-service pricing. FEA is currently funding several electric utility rate reform projects. The Connecticut Public Utilities Commission, the Connecticut Energy Agency, and Connecticut Light & Power Co. are recipients of one such grant. The Connecticut study is a 1-year field test of peak load pricing applied to a statistically representative group of residential consumers.

Although Congress cannot set the retail prices of electricity, Congress can and must assure that electricity pricing schedules adopted by State commissions equitably allocate the cost of electric utility service among ratepayers. The bill we are introducing today would require that users be charged neither more or less than the actual costs of the peak load and other electricity service they consume.

Another problem addressed by this bill is fuel adjustment clauses. With the rapid rise in the cost of fossil fuels, the Nation's utility industry and regulatory commissions responded by developing fuel adjustment clauses. These clauses have received wide geographical acceptance by local regulatory authorities. Fuel adjustment clauses allow electric utilities to recoup rising fuel costs without lengthy and costly rate hearings. However, I agree with the House Interstate and Foreign Commerce Subcommittee on Oversight and Investigations' report on fuel adjustment clauses which concludes that:

> (1) Automatic fuel adjustment clauses threaten the basis of utility regulation to the extent that their use encourages the adoption of similar "automatic adjustment" clauses encompassing other key aspects of utility regulation;
>
> (2) Consumers, through a combination of flaccid regulation and utility practices have been overcharged significant sums through the operation of automatic fuel adjustment clauses;
>
> (3) Automatic fuel adjustment clauses, regardless of design, are inherently flawed and anti-consumer because of their tendency to seriously undermine the incentive of utilities to minimize fuel costs; and
>
> (4) Commissions should develop the staff and resources necessary to complete rate cases in a timely fashion.

The bill introduced today prohibits fuel adjustment clauses but also precludes regulatory authorities from suspending applications for new rate schedules for more than 5 months.

Title V of our bill authorizes approximately $43 million annually to State regulatory authorities to improve their staffs and to encourage rate structure innovation. Federal financial assistance to regulatory authorities is necessary and appropriate for implementation of this act.

Regulation works only when both sides of an issue are adequately represented. Utilities are well represented by lawyers, economists, and accountants, and the rate-paying consumer pays for the utilities' advocacy. But consumers lack the resources for effective advocacy. To insure that utilities do not continue to dominate State regulatory commissions, the bill authorizes $5 million annually to State regulatory authorities to encourage citizen imput into the regulatory process.

The bill that we are introducing today is designed to correct the problems of rate structure, citizen participation in regulatory hearings, and fuel adjustment clauses which underlie the rising utility rates and the financial instability of the electric utility industry. I urge my colleagues to support this measure.

GENERAL LEAVE

Mr. D'AMOURS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks and include extraneous material on the subject of the special order today by the gentleman from Michigan (Mr. Dingell).

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

MARCOS THREATENS U.S. CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Phillip Burton) is recognized for 5 minutes.

Mr. PHILLIP BURTON. Mr. Speaker, according to reports published in Washington and San Francisco among other places, the Marcos regime in the Philippines, which is presently under investigation by the U.S. Attorney General for allegations of attempted bribery of a witness before a committee of the U.S. House of Representatives, is using intimidation, blackmail, and economic reprisals against American citizens critical of the Marcos regime.

A distinguished publisher, Alejandro Esclamado, owner of the Philippine News, has been singled out by the Marcos government in an attempt to silence American journalistic criticism of that regime.

I deplore these outrageous practices and I am asking the Attorney General to expand his investigation to include this matter. Such practices are all the more shocking in view of the long tradition of deep friendship and respect between the Philippine and American people.

I am placing in the Record at this time two newspaper columns outlining this monstrous behavior on the part of a foreign government toward U.S. citizens:

THE MARCOS AFFAIR

(By Jack Anderson)

In Washington, both Congress and the Justice Department are investigating our charges of last July that Philippine President Ferdinand Marcos offered a witness a $50,000 bribe not to testify on Capitol Hill about corruption and tyranny in the Philippines.

In Manila, Marcos reacted in a different way. He brought criminal charges against the witness, former press censor Primitivo Mijares, and is now using the criminal complaint a ruse to seek his extradition.

Marcos has also retaliated against a San Francisco newspaper, the weekly Philippine News, which played up our bribe story. He brought pressure through his Secretary of Tourism, Jose Aspiras, on U.S. travel agencies to withdraw their ads from the paper.

The Marcos regime has the power, of course, to deny Philippine visas, commercial papers and other documents to clients of the travel agencies. As a result, four travel agencies have closed their accounts with the Philippine News.

A spokesman for the Philippine Embassy in Washington told us that the embassy has no knowledge of any advertising boycott against the Philippine News.

On the contrary, we have obtained the actual letter that was sent to two of the travel agencies. It confirms the extortion in the baldest terms. We have also established that the pressure came directly from Marcos' personal aide, Dr. Guillermo De Vega. The letter was written by Hotel Filipinas president Jose Cobarrubias.

In a cable to the Philippine Embassy, Cobarrubias has taken full responsibility for the extortion letter.

We have an affidavit that we have verified, however, that the real pressure came from Marcos' Malacanang palace. His personal aide in Manila and Philippine consul Trinidad Alconcel in San Francisco put the heat on the travel agencies, according to our sworn evidence.

The two agencies, Phil-Am and Gem, regularly send officials to Manila. Both Phil-Am's Emile Heredia and Gem's Joseph Libunao encountered pressure in Manila. Libunao sent a cryptic cable to his San Francisco office declaring: "Requested by Aspiras to cooperate with Malacanang to help with the scandal . . . Will explain details."

Spokesmen for the travel firms were shocked that we had obtained the extortion letter. They confirmed that they had canceled their ads but refused to comment on their reasons. Explained Heredia: "I have a lot of employees. I do not want to get involved."

Publisher Alex Esclamado told us he had broken with Marcos over his totalitarian tactics but "never thought he'd get away with reaching into the U.S. to bully our advertisers."

ANTI-MANILA PAPER—EDITOR CLAIMS MARCOS THREAT

(By Andrew Curtin)

A San Francisco publisher has been threatened with death as a result of his opposition to Ferdinand Marcos' Philippine dictatorship, he charged today.

Alejandro (Alex) Esclamado, publisher of the weekly Philippine News, widely read in Filipino communities here and elsewhere, held a press conference today to elaborate on a sworn affidavit executed here earlier this month.

In that document, he told how some travel agencies who were among his major advertisers were pressured by the Marcos regime to cancel their advertising despite long-term contracts.

The News has been outspokenly critical of the Marcos regime. Concerning the announced plan to redistribute the wealth Esclamado said:

"The policy became merely the transfer of ownership of properties and businesses from Marcos' enemies to his family, friends and cronies.

"The gap between the rich and the poor has widened significantly. As time went by, the regime became more and more oppressive and corrupt.

The News also has played up reports of an alleged effort by the Marcos government to silence a congressional witness, onetime Philippine press censor Primitivo Mijares, with a $50,000 bribe.

"They've tried everything in their efforts to silence the paper," Escamado said. "Coercion, threats on my life, pressures on my family, attempts to buy me out. They offered me a very handsome price."

Esclamado, his wife Lourdes and their seven children all are American citizens.

But some members of his staff are not, he said, and Marcos officials have subjected them to possible deportation by canceling their passports, compelling them to seek political asylum here.

"Every time we'd break a major story," Esclamado said, "I'd hear from some anonymous male caller. He'd say things like I ought to be afraid for my life, or remind me that I had children who could be in danger."

On three occasions, Esclamado said, he reported the calls to San Francisco police. "I asked the phone company if there was any way to stop or trace the calls and they said no, he said.

"The basic issue here is freedom of the press," Esclamado said. "What it amounts to is that a foreign government is trying to put an American newspaper out of business.

"Since they've failed at their other attempts—threats, coercion, intimidation of advertisers—they're now trying a new tactic competing with us."

Esclamado said that several new Filipino publications, including the Filipino Reporter here, have sprung up recently with Marcos government financing.

The Reporter, he noted, was named in a $6 million libel suit filed in federal court here last Sept. 22 by Steve Psinakis and his wife.

She is a daughter of the late Eugenio Lopez, Philippine industrialist who died here recently and who turned over his holdings to the Marcos family. Lopez was pressured into this through the fact that his son, Eugenio Jr., had been imprisoned by the Marcos regime, Esclamado said Marcos, according to Esclamado's affidavit, also tried to include the News in the deal. Young Lopez never did get out of prison to see his dying father and he's still in jail.

One of the travel agencies pressured into pulling out of the News, Joann's, owned by Annie Abenojar, now is advertising in the Reporter, Esclamado observed.

Two other agencies upon which the Marcos regime exerted pressure and which canceled their advertising, Esclamado said, were Phil-Am Travel, owned by Emile Heredia, and Gem Travel Service, headed by Larry Marquez.

The pressure, Esclamado said, has been exerted through Tourism Secretary Jose Aspiras, Marcos aide Guillermo De Vega, Tourism Director Jose Clemente Jr., Jose Cobarrubias, tourist industry leader, Trinidad Alconcel and Dr. Leonilo Malabed.

Alconcel is Philippine consul-general here and was a central figure in the alleged bribe effort. Dr. Malabed is a San Francisco physician who, according to Esclamado, "claims to be a town-mate of President Marcos and his eyes and ears within the Filipino-American community in this area."

The leverage exerted by the Marcos government, Esclamado said, first is applied in the form of a "request" for cooperation.

These "requests," he said, "are actually coupled with unwritten and veiled threats to the effect that failure to comply with the requests would result in great prejudice to the advertisers' business oprations."

The threat to the agencies, Esclamado explained, was that the Philippine government would withdraw privileges which enable the travel agencies to deal with tourism.

He said that "tourists who arrive in the Philippines are accorded certain privileges such as free customs inspection and other courtesies of the port.

"Those courtesies could be withdrawn from passengers or clients of travel agencies which do not comply with the 'requests' of the Philippine government."

THE UNEMPLOYMENT PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. Udall) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, the Ford administration continues to ignore the hard cruel facts about unemployment in this country. The statistics paint a grim picture. In September, 8.3 percent of the national labor force was unemployed. Translated, this means that 7,773,000 of our labor force, were without jobs.

Even more alarming, as the administration talks of spending cutbacks and the President vetoes all major legislation that has been designed to produce new jobs, we see an unemployment figure for young Americans between the ages of 16 and 19 at an even higher level of 19.3 percent. And that translates to the figure of 1,708,000 young Americans who are not in school and are unemployed.

An even greater tragedy is apparent when you consider, Mr. Speaker, that among young black Americans and other minorities the unemployment rate is an astronomical 37.2 percent. By way of comparison, the rate for whites in this age bracket is 17.4 percent. The unemployment figure for young blacks and minorities is a national average, so the percentage is certain to be higher for these groups in our larger cities.

These are statistics, but it is high time the Ford administration began to deal in human factors, to realize that this means millions of potentially productive Americans who are idle, who end up going on welfare and food stamp rolls, and that the soaring crime rate is but another reflection of the economic morass we find ourselves in.

So it is time for the President to recognize as the distinguished majority leader pointed out yesterday, that "the important thing is jobs and people."

It is time we began a frontal attack on unemployment and use the resources available at the Federal level to put Americans to work again.

We can do so by enacting a public services job program for the coming fiscal year. I am heartened by the fact that the Education and Labor Committee is now moving forward on this bill; it will provide at least a half million jobs in the next fiscal year.

We can also consider and enact the Full Employment Act which I support and which has been sponsored and so ably articulated by the gentleman from California (Mr. HAWKINS). This proposal has touched off a long overdue national debate on a full employment policy—and indeed such a national commitment to this policy is long overdue. That goal is obtainable and we must put the machinery in place by enacting this legislation.

And we can also take the legislative steps necessary to revive one of the most successful programs to come out of the Great Depression, the Civilian Conservation Corps. This concept was popular because it put people to work and gave them hope and at the same time it produced tangible results in our national forests, parks and rural areas that have enriched the lives of millions. I am today introducing a bill which is very similar to one introduced by Congressman DUNCAN of Oregon. I believe these bills are an urgent legislative focus on this problem.

I think such a program can work today just as it worked in the 1930's to put people to work in productive capacities, in reclaiming and beautifying the land, the forests and parks of this country and at the same time helping to relieve the epidemic of economic and psychic devastation among our unemployed young.

We should not, however, limit such a program to conservation of natural resources. Such a program should not merely funnel the unemployed from the cities to the fresh air of the country. There should be both a rural and an urban division of the Corps under the joint direction of the Labor, Interior, and Agriculture Departments.

The Civilian Conservation Corps Act, therefore, should be the starting point for a broader dialog on the employment needs of young Americans. In this dialog, we should incorporate the lessons of past antipoverty programs and the need for urban rehabilitation and beautification to develop a refined and truly national approach to this useful proposal.

In so doing, we should remember that unemployment among America's youth is not merely a seasonal problem. It does not begin on Memorial Day. It does not cease on Labor Day. And it is not automatically cured on the 18th birthday. We should go beyond the existing Youth Conservation Corps to reach the most desperately needy of our sons and daughters, to help them and their families, on a comprehensive basis.

There must be, therefore, the input and active participation of not only the Interior and Agriculture Departments, but also the Department of Labor. The Labor Department can contribute its expertise in manpower programs so that the unemployed can also be put to work in urban areas.

In sum, we need to rekindle the spirit that was so evident in the CCC camps of the 1930's where citizens learned to be useful again and could send home a paycheck and we desperately need to put a priority on putting the young people of this country to work. A generation of young Americans are now being shortchanged and left out of the mainstream of American life because there are no jobs as they enter the labor market. This is an urgent legislative need and I hope the Education and Labor Committee will act soon on this proposal.

CONGRESSMAN DRINAN REPORTS ON HIS RECENT TRIP TO RUSSIA, ROMANIA, AND ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, during the August recess I had the opportunity to travel to Russia, Romania, and Israel at my own expense on behalf of the National Interreligious Consultation on Soviet Jewry.

I would like to share with my colleagues an account of the conversations I had with Soviet Jews in Leningrad and Moscow, Romanian Jews and Israeli citizens.

I. CONVERSATIONS WITH SOVIET JEWS IN LENINGRAD

Within 3 hours of landing in Leningrad I was able, despite the disconnected phones of the refuseniks, to talk to a sizable number of Soviet Jews whose applications for an exit visa to Israel had been denied. The depth of the interest and enthusiasm of these people to talk to a member of Congress was highlighted by one of the very first comments made by one of their most articulate members: "If it were not for the Congress of the United States all of us could be in Siberia today."

Although I have known for many years about the afflictions of Russian Jews after they have applied for a visa to emigrate, I was still appalled in Leningrad to learn personally of the humiliations and indignities which are inflicted on every individual who makes public his desire to go to Israel. They lose their jobs, their phones are disconnected, their children are humiliated in school, and their lives are frequently placed under surveillance by the KGB. The official Kremlin ideology treats a person who desires to leave Russia as a traitor or at least a nonperson.

It is painful to think that such attempts to degrade human beings take place in the city that gave us Tolstoy, Dostoevski, Pushkin and Chekhov. But it is in this very city that a significant number of the 41 Jewish prisoners of Zion were picked up and dispersed to 27 widely scattered prison camps throughout the U.S.S.R.

In all my talks with refuseniks and with Russian emigration officials I sought to discredit the thesis held by at least some American authorities in the Jewish community to the effect that the Kremlin is in the process of executing a massive well-planned operation designed to bring about a complete suppression of the Jewish emigration movement. I am afraid that I cannot disprove that particular thesis—despite some evidence to the contrary.

The statistics are most discouraging. A total of 110,000 Soviet Jews have been able to emigrate to Israel since 1970. The number increased from 29,800 in 1972 to 33,500 in 1973. The number fell very sharply in 1974 to 19,700. But for the first 6 months of 1975 the total figure is only 4,290.

I have many unforgettable memories of the dozens of Russian Jews with whom I conversed in Leningrad over a period of several days. One which I am sure that I shall never forget came from a 40-year-old engineer to whom I had shown clippings about the fact that the Kremlin in 1973 and again in 1975 had denied me and a group of nine church-related Americans permission to come to Russia to express our solidarity with Soviet Jews. This refusenik was visibly moved and stated that he had never heard before in his entire life that any Christian in the entire world was interested in the plight of the 3 million Soviet Jews. He went on to state spontaneously that while he had no evidence to suggest that American Christians would move on the problem he was convinced that they almost alone could liberate Russian Jews from their servitude.

I acquired a list of 76 Leningrad refuseniks; some were new names, but most of them have been waiting a long time. I transmitted the list to the National Conference on Soviet Jewry in New York where efforts will be made to have persons or organizations "adopt" each refusenik. Prior to talking with persons in Russia who receive friendship and moral support from America I never really fully appreciated how incredibly agonizing it is to endure the humiliations of a refusenik when one does not have outside support and sympathy.

With the assistance and in the company of an official of the U.S. Consulate in Leningrad, I confronted the top official of OVIR—the emigration office. He was courteous and correct but unyielding. He repeated the customary "party line" that 98.5 percent of all Soviet Jews who apply to emigrate receive their visas. This allegation is based presumably on the fact that there are 2,500 known refuseniks and that 110,000 Soviet Jews have in fact emigrated. This official, like everyone else in Russia, would not admit even the existence of the 100,000 or more applications by Soviet Jews for a visa. Apparently the applications do not even begin to exist until they are finally denied.

I flew out of Leningrad after spending about 3 hours talking individually with refuseniks outside of the Leningrad Synagogue. I knew then that I had established bonds with them that would impel me to work on their behalf in every way available.

II. CONVERSATION WITH SOVIET JEWS IN MOSCOW

One of the first things which I did in Moscow was to request permission through the U.S. Embassy to be present as an observer at the trial scheduled that day at noon for Anatoly Malkin. Although no answer was forthcoming, I was present with others outside the courthouse at noon. An announcement was made shortly thereafter that the trial has been postponed.

It was conducted shortly after I left Russia and unfortunately resulted in the conviction of Malkin. This 20-year-old man had passed exams for the third year of studies at Moscow Institute of Steel and Alloys. When he applied for an exit visa to Israel he was expelled from the Institute and conscripted by the army. His case was further complicated by the fact that his parents, fearful that they would lose their positions, denied their son permission to go to Israel. If Malkin submitted to the draft he would serve for 2 years with another period of 5 or more years during which he would be deemed to possess state secrets and hence ineligible for emigration. His sentence of between 2 and 3 years, now on appeal, apparently appeared to him as the least undesirable of his options.

After the announcement of the postponement of the trial, I had lunch with a number of persons which included Dr. Alexander Lerner, world-renowned author of 12 books on cybernetics. A one-time visiting professor at Case-Western Reserve University in Cleveland, Dr. Lerner has an invitation to MIT which, because he applied to emigrate, he cannot accept.

With Dr. Lerner was his 30-year-old son, Vladimir, who has been refused permission to go to Israel on the contention that he is privy to classified information which allegedly his father obtained in one of his positions. The arbitrary nature of such a ruling can be seen in the fact that Dr. Lerner's daughter was allowed to go to Israel; I later met her at the Weizman Institute where she is a research associate.

The hostess for the luncheon was Mrs. Debora Samoilovich; this impressive woman wants desperately to join her only son in Israel but has been told that her work in an industry remotely connected with nuclear power precludes her from ever hoping that she can emigrate!

I am certain that I will never forget the expression on the face of another person at that luncheon, Anatoly Sharansky. I was able to give to this man a photo of his wife in Israel next to the famous writer, Eli Wiesel. The gift was extraordinary since Anatoly had not seen his wife, Natasha, for more than 2 years.

It was evident once again in Moscow that Russian officials may well be in the process of formulating a policy which would cut off virtually all emigration of Soviet Jews.

There is evidence, nonetheless, that final decisions with regard to this matter have not been made and that the bureaucrats at the intermediate stage of government follow a policy of discouraging emigration but that, in the absence of definitive rulings from the highest officials, they temporize and yield to pressure, both domestic and international. I received confirmation for this view of things during my long interview with the top Russian official of OVIR—or the Commissioner of Emigration for all of the U.S.S.R. After I told this individual very early in our conversation that I did not want to hear the usual proclamation that there is no problem, that 98.5 percent of all Soviet Jews can emigrate, and so forth, and so forth, he openly admitted that there are really no standards by which a person's access to classified documents should bar that individual from emigrating.

He also, under vigorous cross-examination, admitted that the agreements subscribed to in August 1975, by Russia and 34 other nations at Helsinki with regard to the right of all peoples to emigrate might well require the alteration by the U.S.S.R. of some of its past practices. On a specific point he conceded that Russia under the Helsinki agreement had absolutely no right to continue to charge 40 rubles—$55—for each application to emigrate. The Helsinki documents stated unequivocally that the second and subsequent applications to emigrate should not require any fee if the application is not in fact granted.

Russia's top emigration official conceded in fact that a woman in Lithuania, with two sisters in Massachusetts, might possibly be able to come to the United States in the near future. This particular case has been urged by the State Department and by members of the Massachusetts congressional delegation for more than 10 years.

I cannot state, however, that I obtained any particular reason for hope from my conversation with the recently appointed Commissioner of Emigration. There are, however, some signs that détente may be resulting in an increase in visas to the United States. This number, which was only 287 in 1971, grew to 494 in 1972, to 758 in 1973 and to 1,020 in 1974.

My several extraordinarily busy days in Moscow left me with a profound impression of the overwhelming sincerity and indeed heroism of the 178 known refuseniks in that city. One of them described his motivation in these words: "In this nation I cannot be a good Russian and I cannot be a good Jew."

Several of the Moscow refuseniks feel that authorities will continue to deny their applications and thereby exploit their example as a deterrent to others. This interpretation of events is supported by the volume "The Last Exodus" by Leonard Schroeter, an excellent 400-page study of Soviet Jews that appeared in late 1974.

I was not able to verify this interpretation of events in the 80 minutes which I spent with the world famous nuclear physicist, Dr. Andrei Sakharov. But his message came out the same way. He warned of a revival of Stalinism and a new wave of oppression based on the traditional Soviet contention that Russia must be a one-party, one-class, one-ideology regime.

The freedom, the safety and the future of Soviet Jews depend upon those who care in the West. Soviet officials made it clear that they recognized that Congress cared in the enactment of the Jackson amendment to the trade reform bill. But Russian officials are, in my judgment, hoping that the Congress and the country will forget about trade with the Russians—at least insofar as it requires the free emigration of Jews.

All of these thoughts pressed in upon me as I boarded an early morning Aeroflot flight to Bucharest, Romania. There I would see how congressional action and American public opinion helped the Jews to emigrate. After that I would visit in Israel with the dozens of relatives and friends of the hundreds of Russian refuseniks whose hopes had become my hopes and whose aspirations can never be separated from those dreams which I want the American Congress and American Christians to realize.

III. CONVERSATIONS IN ROMANIA

I went to Bucharest, Romania, after visiting Russia in order to see for myself how the recently conferred status of a most favored nation was operating among the 21 million people of Romania. I had voted in favor of this extension of tariff and trade concessions for Romania after I had become convinced that Romania would allow Jews to emigrate at least in the same numbers that they had been able to do so over the past several years.

In Bucharest I spent almost 2 hours with Romania's Chief Rabbi Moses Rosen. This resourceful man has been the head figure of Jewry in Romania for 27 years. He has seen 350,000 Jews leave his country since the Communists took over and has seen the number of rabbis descend from 600 in 1948 to 3 at the present time.

Some people wonder whether Rabbi Rosen has indulged in some form of collaboration with the Government of Romania. But all persons recognize that Rabbi Rosen, under extraordinarily difficult circumstances, has preserved for Jews and other believers some of the fundamentals of religious freedom in Romania.

In January 1975, Romania appeared to void all pending applications to emigrate. When it became clear, however, that the U.S. Congress would not sign a trade reform bill with Romania unless it guaranteed the right to emigrate, Romania returned to its traditional policy of permitting reasonable emigration—in numbers which in years prior to 1975 had averaged 3,500 persons.

Rabbi Rosen cannot predict how many of the remaining 60,000 Jews in his country will join the largest ethnic group in Israel—Romanians. Rabbi Rosen wants Jews to be able to emigrate, but he also wants those who remain in Romania to have complete freedom. Rabbi Rosen's father was also a rabbi in Romania and, as his son relates it, saw "Jews killed in the streets." Rabbi Rosen does everything that he can to make people from the West understand the necessity of guaranteeing liberty for the 60,000 or 70,000 Jews who remain in Hungary—90 percent in Budapest. Rabbi Rosen is equally concerned for the 8,000 to 10,000 Jews, mostly elderly, who remain in Czechoslovakia.

It was moving to talk with Rabbi Rosen, but it was probably even more moving to travel with at least 50 Romanian Jews who were on my flight from Bucharest to Tel Aviv. This group ranged from tiny children to the very elderly. Most of them were leaving a land where their grandparents and great-grandparents had lived. They watched intently and with tears from the plane the dry desert land outside of Tel Aviv. When the jet touched the runway, the Romanian emigrants applauded and then sang together in a mounting chorus of joy and anticipation.

IV. CONVERSATIONS IN ISRAEL

I was in Israel immediately prior to the decision of the Knesset on the proposed agreement for the Sinai. Although everyone was tired of the controversy and knew that the result was already determined, those who were opposed to making any concession to Egypt protested with vigor and even with violence in ways which, as they appeared on television, were virtually unprecedented in the history of Israel. They opposed Dr. Kissinger's alleged "salami" operation which, as the hawks saw it, would leave Israel at the end with very little to offer and without any overall settlement of its disputes with its Arab neighbors.

Israelis seemed happy to change the conversation from the Sinai talks to the present impasse about the emigration of Soviet Jews. Even close Kremlin watchers in Israel were not certain what the U.S.S.R. would do next about the more than 100,000 Soviet Jews who had applied to emigrate. The prevailing opinion seemed to be that even the highest Soviet officials had not yet decided whether to suppress all Jewish emigration or to continue to temporize with the hope that American public opinion would forget about the issue and permit American-Russian trade to increase—to the vast benefit of the Soviet Union.

Although I went to Israel primarily to learn more about what American Christians and the Congress could do to facilitate the emigration of Soviet Jews to Israel, I made inquiries about several other issues. I learned with satisfaction that a bill which I have filed to eliminate the insidious effects of the Arab economic boycott was deemed by high officials in the Ministry of Finance to be the most promising of the several measures pending in Congress with respect to this problem. I also learned a great deal about the Golan Heights, where I spent several hours with expert military and civilian briefings. During a long day—we traveled 480 miles—I saw at first hand the three mountains which dominate the geography and topography of northern Israel. When one sees how the Syrians gathered together more than 1,200 tanks in this area prior to the Yom Kippur war, one understands much more comprehensively than ever before the meaning of Israel's constant claim through the years that all she wants and needs is an arrangement which brings defensible borders.

Driving along roads not far from Lebanon, one sees in a most vivid way the perpetual danger of infiltration by terrorists. The town of Ma'alot, the scene of the children's massacre, is a tragic reminder that Israel must not only guard its borders with Lebanon and Syria but must take appropriate action to be certain that terrorist groups are not preparing to launch attacks on the kibbutzim which dot the valleys with apple orchards, fields of summer cotton and artificial lakes for carp and other fish.

It was the absorption centers, however, that took much of my time in Israel. It was there that I met the friends and families of the dozens of refuseniks with whom I had talked in Leningrad and Moscow. Sometimes fear that their dear ones will never be able to leave the Soviet Union grips the hearts of these emigres. Although I could not bring any firm assurance that their relatives would be migrating soon, I nonetheless was able to furnish the consolation of having spoken with these people in Russia.

The cruel separations between husband and wife, between mother and children and between sisters and brothers caused by Russia's irrational and erratic emigration policy cannot be portrayed in mere words. The destruction of families inherent in Russia's emigration policy contravenes fundamental morality, international law and the recent agreement initiated by Russia and signed by 34 other nations in Helsinki.

Of the scores of former Russians whom I met in Israel, the most overwhelmingly impressive and moving is Mrs. Bertha Rashkovsky, the mother-in-law of Vladimir Slepak, a very well known Moscow dissident whose application for an exit visa has been delayed for 6 years. Several months ago, 75-year-old Mrs. Rashkovsky, knowing hardly a word of English, toured in England and the United States on behalf of Soviet Jews and particularly her own family. She arranged that 200 Members of the English Parliament would send greetings to her grandson, Leonid, on the occasion of his Bar Mitzvah. Although the boy never received these greetings, prayers were offered for him on the weekend of his bar mitzvah in virtually every synagogue in England.

It was sheer religious faith that prompted and indeed compelled Mrs. Rashkovsky, over the age of 70, to leave her family in order to be able to live and worship as a Jew in Israel.

Everywhere in Israel people asked me what they could do to make the Jackson-Vanik amendment work. I am afraid that no answer to that question is very satisfactory at this time except the recommendation that world public opinion must continue to focus on the flagrant denial by the U.S.S.R. of the fundamental rights to religious freedom and to emigrate where one chooses. The plight of individual persons in Russia and in the satellites must be dramatized. The smallest diminution in the pressure against Russia in this matter will be taken by the Kremlin to prove a fading away of concern in America and elsewhere.

I continue to hope that the example of the 115,000 Soviet Jews in Israel and a number at least as large as this still waiting to leave Russia will inspire Christians to work diligently to obtain the fulfillment of religious and human freedom in Russia for Jews as well as for Christians. In an interview which I had in Moscow with the world-famous nuclear scientist, Dr. Andrei Sakharov, he expressed his strong viewpoint that only the Christians of the world, and particularly Christians in America, could so influence world opinion that Russia would simply be required both to allow Jews to emigrate if they so desire and to permit complete religious freedom in the Soviet Union.

After talking with high officials in Russia, I was sometimes inclined to believe that Russia would do to its 3 million Jews what it did to the people of Czechoslovakia in 1968. On second thought, however, I am persuaded that Russia probably recognizes that such a policy would be counter-productive in world opinion.

I will conclude here with a statement with which I concluded a 2-hour gathering in an absorption center in Tel Aviv attended by 32 friends and relatives of refuseniks in Leningrad and Moscow. I told this group of truly beautiful and inspiring people that no one of us knows what Russia will do about Soviet Jews but that we must work as if everything depended upon us and pray as if everything depended upon God.

KEEP THE FLYING MUSEUMS FLYING

(Mr. MILFORD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILFORD. Mr. Speaker, 23 members of the Texas delegation have joined today in introducing H.R. 10101. This bill will simply exempt bona fide nonprofit flying museums from payment of the Federal airways use tax and the Federal fuel tax.

The bill is carefully worded to prevent misuse or abuse by unworthy groups or causes. In order to qualify for this exemption, the museum must be recognized both by the State and the Federal Government as being a nonprofit organization, it must have tax-exempt status under section 501(c)(7) of the IRS code, and it must have been in existence for at least 5 years.

There are two, or possibly three, flying museums in the Nation that would qualify for these benefits. The total loss in income to the U.S. Treasury will amount to less than $50,000 per year. That pittance of a loss to the Government will make the difference of life and death to these flying museums.

Mr. Speaker, by a wide margin, the largest flying museum in the world is headquartered in Texas—although its sponsors and members come from all sections of the Nation. It is called the Confederate Air Force Flying Museum, more popularly known as the CAF.

I would hasten to add that the term "confederate" has absolutely no political or social significance whatsoever. The CAF is completely apolitical and has absolutely no cause other than maintaining a flying museum, consisting of one of each type of aircraft that was used in World War II.

This museum, and one or two much smaller ones, are unique. This museum tours the Nation for displays and airshows, rather than requiring the people to come to it at some fixed location. Many Members will recall Transpo 1972, that was held at Dulles Airport in 1972. Those that visited that international air exposition will recall the flying demonstrations made by the CAF.

Mr. Speaker, the CAF is unique in another way. It is totally supported by a dedicated volunteer group of more than 1,200 people. The airshows and displays are all carried out by volunteer talent. They not only volunteer their time, talent, vacations, and expenses, but each of the "colonels" contributes a minimum of $100 per year to the museum.

Many generous sponsors have contributed tens of thousands of dollars to acquire the aircraft or to sponsor expensive restoration projects.

In spite of the gallant efforts of flying museum sponsors over this Nation, the flying museums are slowly being forced to static display blocks. Inflation and the drastic rise in fuel costs have seriously damaged the patriotic efforts of these groups.

A considerable amount of the expense involved in moving and displaying the flying museum consists of Federal taxes.

The airways use tax and the fuel tax were levied upon aviation as a user tax. It is a just tax in most instances. However, in the case of a flying museum, the aircraft are flown only four or five times each year. These airplanes do not use our expensive instrument landing systems, radar facilities, and other items that are paid from the user tax. These airplanes are not used commercially or for pleasure. Therefore a tax on these museums is inherently unfair and was never intended by Congress.

Mr. Speaker, during World War II the United States had 16 million men and women in military service. Over 300,000 airplanes were built and flown. This magnificent air armada played a vital role in keeping America free and preventing the enslavement of the world by the Axis powers.

The "Ghost Squadron of the CAF" and other bona fide nonprofit flying museums are preserving WWII aircraft for future generations of Americans to see—in action, as they were flown in the defense of our Nation, more than 30 years ago.

As the museums go on tour, the veterans of World War II are able to show their grandchildren the real historic relics—the planes they flew, or maintained, or were supported by in combat.

Mr. Speaker, I feel that all Members of Congress, in both Houses, will want to support this measure. This bill asks for no subsidy, it merely allows a tax exemption from a burden that Congress had never intended to levy in the first place. I urge all of my colleagues to join with the Texas Members to move this bill quickly.

COST OF ENVIRONMENT

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, the following editorial, which appeared in today's New York Times, points out the concern of the American people for the condition of our Nation's environment. Even with high unemployment and rising prices, Americans want to see the Nation's pollution problems eliminated and the environment cleaned up. Many more jobs have been created as a result of the environmental movement than have been eliminated by it, a trend that is certain to continue.

This points out the need for legislation such as the Surface Mining Control and Reclamation Act, the veto of which was narrowly sustained earlier in this session, to provide for uniform nationwide regulations to control major pollution problems.

The editorial follows:

[From the New York Times, Oct. 7, 1975]

Cost of Environment

In spite of unemployment and the energy problem, sixty per cent of Americans today think it worth while to pay the costs of environmental protection, compared with only 21 per cent who are for keeping prices and taxes down at the risk of increasing pollution. This finding by the Opinion Research Corporation of Princeton is acompanied by the advice to its business and industrial clients that they "learn to cope with and even capitalize on" an environmental movement "which shows little sign of abating, even during a period of economic stress."

When it comes to specifics, the conclusions of the opinion poll are less one-sided but remarkable nevertheless, given the short history of the environmental movement and the drumfire of propaganda against it. By a margin of 48 per cent to 38, people would rather have pollution control devices on cars than pay less for cars without them. Although strip mining can have a directly personal impact on few of the respondents, those who favor tougher regulations outnumber those more interested in holding down the price of coal (and therefore electricity) at the expense of the environment.

Most remarkable of all is the almost even division of sentiment in reply to the direct question whether environmental concerns are important enough to warrant closing some old plants, thereby adding to the toll of the jobless. Here, however, the blue collar vote and the over-thirty vote were negative.

The reaction on this score, though not surprising, was based on a fallacy. In the three years of high environmental activity, ending in December 1974, only 69 plants were closed even in part because of environmental regulations, with a total loss of 12,000 jobs. Against that figure, according to Representative Udall of Arizona, environmental protection has created more than a million new jobs and less than 10 per cent of the requirement for pollution controls has so far been satisfied. Millions of additional jobs can be provided—in water treatment plants, solid waste and resource recovery programs, mass transit, railroads and much more.

There is no logical quarrel between environmentalists and the victim of a sluggish economy. Industry trade unions, commerce and the quality of American life—all can gain enormously by a massive national investment in restoring and protecting this country's air, water, land and other natural resources.

ON DECRIMINALIZING PERSONAL USE OF MARIHUANA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like to draw to the attention of my colleagues several events in the news which should bring Members, both Republican and Democrat, to the conclusion that it is time to ease the criminal penalties for the possession of small amounts of marihuana. First, a nationwide survey commissioned by the National Institute of Drug Abuse, Department of Health, Education, and Welfare, has found that one in five Americans has used marihuana. That percentage may increase: A majority of Americans between the ages of 18 and 25 have sampled marihuana. Furthermore, substantially more Americans view both alcohol and tobacco as addictive while a lesser percentage views marihuana as addictive. But let me cite the most significant statistics: 52 percent of Americans now favor only a fine and/or a probation for possession of marihuana; 86 percent oppose the imposition of any jail penalty for this offense.

The Domestic Council appears to be following this lead. At the direction of the President, the Council's Drug Review Task Force undertook a priority review of the Federal effort in drug abuse prevention and found that since the "widespread recreational use" of marihuana has a "relatively low social cost," the Government has "deemphasized simple possession and use of marihuana in its law enforcement efforts." Furthermore, in ranking various drugs according to their potential for harm both to society and the individual, marihuana was found to be the least serious. While the Council did not make any recommendations, it did suggest that "Federal efforts in both supply and demand reduction should be directed toward those drugs which inherently pose a greater risk to the individual and to society—heroin, amphetamines, and mixed barbiturates—and toward the compulsive users of drugs of any kind," including alcohol.

If these reports have not persuaded the President to give support to the easing of the penalties for marihuana possession, then I would suspect that President Ford will listen to his son, Jack. My regard for Jack Ford, who I do not know, has increased because of this courage to speak so honestly about his use of marihuana. Do any of the Members here really believe that Jack Ford and millions of our young people like him should be liable to a jail term for personal marihuana use. Should they be considered criminals?

Do the Members of the House not agree that it is time to stop wasting our law enforcement resources on the prosecution and imprisonment of marihuana users. Let me put that waste in terms of dollars and sense. There are at least 13 million who smoke marihuana on a regular basis. If in one fell swoop we were to place those regular users in jail for 1 year, the cost to the American public at more than $6,000 per person per year, would be over $79 billion. Does anyone suggest that this is practicable? Yet equal application of the law would demand such action.

Should we not remove the threat of imprisonment from millions of Americans? I have introduced two pieces of legislation to correct this situation: H.R. 561 would decriminalize the possession of small amounts of marihuana—1 ounce. H.R. 6108 would impose civil fines for the possession of 1 ounce or less of marihuana. Twenty four Members are now cosponsoring either or both of these bills. This legislation would of course only affect Federal jurisdictions. But I believe that this action would be a catalyst for State action.

Six States have already adopted liberalized marihuana laws, the legislatures of most States are considering decriminalization legislation, and Senator BIRCH BAYH's Senate Subcommittee on Juvenile Delinquency has held hearings on a possible civil fine approach to reform of marihuana legislation.

The District of Columbia City Council has given preliminary approval of a bill similar to the civil fine approach that I have adopted in H.R. 6108. It is time to move on this issue. All events point in that direction. If you would like to cosponsor this legislation, I shall be reintroducing it on Thursday, October 23.

I am appending parts of the two reports which I have cited for the information of my colleagues:

To: Normal special mailing list
Re: The latest survey data concerning rates and patterns of marijuana
From: Keith Stroup

A comprehensive nationwide survey commissioned by the National Institute on Drug Abuse, U.S. Department of Health, Education and Welfare, recently sampled public beliefs, attitudes and behavior with regard to a wide range of legal and illegal drugs.

The data was gathered by Response Analysis Corporation of Princeton, New Jersey, from personal face-to-face interviews (3,071 adults, 952 youths) between November, 1974 and March, 1975. This data complements similar surveys by Response Analysis undertaken for the National Commission on Marijuana and Drug Abuse in 1971 and 1972.

I have included a brief summary of the survey results concerning marijuana.

TABLE I.—MARIHUANA AND HASHISH EXPERIENCE

[In percent]

	Adults			Juveniles (12 to 17)		
	1971	1972	1974	1971	1972	1974
Ever used marihuana	15	16	19	14	14	23
Current user [1]	5	8	7	6	7	1
Began smoking marihuana within last year [2]	(2)	(2)	2	(2)	(2)	9
Ever used hashish	(2)	(2)	9	(2)	(2)	10
Current user	(2)	(2)	2	(2)	(2)	3
Began smoking hash within last year	(2)	(2)	1	1	(2)	5

[1] Not included in 1971 and 1972 surveys.
[2] Current user defined as "having used within past month."

TABLE II.—MARIHUANA EXPERIENCE AMONG PARTICULAR SUBGROUPS

[In percent]

	Have ever used	Current users
Age (adults):		
18 to 25	53	25
26 to 34	29	8
35 to 49	7	1
50 plus	2	----------
Age (youth):		
12 to 13	6	2
14 to 15	22	12
16 to 17	39	20
Sex (adults):		
Male	24	9
Female	14	5
Sex (youth):		
Male	24	12
Female	21	11
Education (adults):		
Below high school graduate	9	3
High school graduate	20	7
Currently in college	61	33
Some college completed	27	10
Region (adults):		
Northeast	22	7
North-central	17	7
South	13	4
West	29	11
Region (youth):		
North	26	14
North-central	21	11
South	17	6
West	30	19
Population density (adult):		
Large metropolitan	25	9
Other metropolitan	19	8
Nonmetropolitan	11	3
Population density (youth):		
Large metropolitan	27	14
Other metropolitan	22	11
Nonmetropolitan	18	10

TABLE III.—SUBSTANCES REGARDED AS DRUGS

[In percent]

	1972	1974
Adults:		
Alcohol	39	48
Tobacco	27	32
Marihuana	80	82
Youth:		
Alcohol	34	40
Tobacco	16	21
Marihuana	80	81

TABLE IV.—SUBSTANCES REGARDED AS ADDICTIVE

[In percent]

	1971	1972	1974
Adults:			
Alcohol	74	75	78
Tobacco	70	67	72
Marihuana	65	59	68
Youth:			
Alcohol	69	71	78
Tobacco	58	58	62
Marihuana	48	50	54

TABLE V.—AGREEMENT WITH STATEMENTS ABOUT MARIHUANA

[In percent]

	Adults		Youth	
	1972	1974	1972	1974
1. You can try marihuana once or twice with no bad effects	44	46	42	49
2. You can use marihuana without ever becoming addicted to it	26	24	31	33
3. Marihuana makes people want to try stronger things like heroin	68	62	65	59

TABLE VI.—PREFERRED HANDLING OF MARIHUANA OFFENSES

[In percent]

Adults	Possession	Sale
No penalty	16	7
A fine only	15	15
Probation	21	10
Require treatment	34	1
Up to 1 year in jail	6	27
More than 1 year in jail	4	36
No opinion	4	4

Note: A total of 52 percent now favor only a fine and/or probation, and 86 percent oppose the imposition of any jail penalty.

TABLE VII.—TOBACCO AND ALCOHOL USAGE RATES

[In percent]

	1971	1972	1974
Adults:			
Current smoker	39	38	41
Do not smoke	55	59	58
Youth:			
Current smoker	15	17	25
Do not smoke	80	82	74
Adults:			
Current drinker	(1)	(1)	58
Drank in past, but not within month	(1)	(1)	18
Always a nondrinker	(1)	(1)	24
Youth:			
Current drinker	(1)	(1)	34
Drank in past, but not within month	(1)	(1)	20
Always a nondrinker	(1)	(1)	44

[1] Not included in 1971 and 1972 Surveys.

WHITE PAPER FOR THE PRESIDENT: DRUG ABUSE

EXCERPTS FROM THE REPORT

*Marihuana**

Marihuana is the most widely used illicit drug, with an estimated 20 percent of Americans above the age of 11—25 to 30 million people—having used it at least once. In short, marihuana has joined alcohol and tobacco as one of the most widely used drugs in the United States.

SUMMARY: DRUG PRIORITIES

Chart 12 ranks the various drugs according to the following criteria (1) likelihood that a use will become physically or psychologically dependent; severity of adverse consequences, both (2) to the individual and (3) to society; and (4) size of the core problem.

SUMMARY OF DRUG PRIORITIES

	Dependance liability	Severity of consequences		Size of core problem
		Personal	Social	
Heroin	Hi	Hi	Hi	Hi 400,000.
Amphetamines:				
Needle	do	do	do	Hi
Oral	Low	Med	Med	500,000.
Barbiturates:				
Mixed	Hi	Hi	Hi	Med
Alone	Med	do	Med	300,000.
Cocaine	Low	Low	Med	Low.
Marihuana	do	do		Do.
Hallucinogens	Med	Med	Med	Do.
Inhalents	do	Hi	do	Do.

Though the data are flawed and the rankings therefore imprecise, a clear pattern emerges.

Heroin ranks high in all four categories;

Amphetamines, particularly those injected intravenously, also rank high in all four categories;

Mixed barbiturates rank high three out of four categories;

Cocaine,* hallucinogens, and inhalants rank somewhat lower; and

Marihuana is the least serious.

On the basis of this analysis, the task force recommends that priority in Federal efforts in both supply and demand reduction be directed toward those drugs which inherently pose a greater risk to the individual and to society—heroin, amphetamines (particularly when used intravenously), and mixed barbiturates—and toward compulsive users of drugs of any kind.

This ranking does not mean that *all* efforts should be devoted to the high priority drugs, and none to the others. Drug use is much too complicated and our knowledge too imprecise for that. Some attention must continue to be given to all drugs both to keep them from exploding into major problems and because there are individuals suffering severe medical problems from even a low priority drug, such as marihuana.

However, when resource constraints force a choice, the choice should be made in favor of the higher priority drugs. For example:

In choosing whom to treat, we should encourage judges and other community officials not to overburden existing health facilities with casual users of marihuana who do not exhibit serious health consequences. (But, a person who is suffering adverse consequences because of intensive marihuana use should have treatment available.

In assigning an additional law enforcement agent, preference might be given to Mexico, which is an important source of both heroin and "dangerous drugs", rather than to Miami, where an agent is more likely to make a cocaine or marihuana case.

This drug priority strategy is essential to better targeting of limited resources and it will be further addressed in relation to supply and demand reduction activities in chapters 3 and 4. Further, the process of assessing the current social costs of drug abuse should be a continuing one, to ensure that resources are allocated on the basis of priorities which reflect current conditions and current knowledge.

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*A great deal of controversy exists about marihuana policy. On the one hand, recent research indicates that marihuana is far from harmless, and that chronic use can produce adverse psychological and physiological effects. Therefore, its use should be strongly discouraged as a matter of national policy.

However, in light of the widespread recreational use—and the relatively low social cost associated with this type of use—the Federal Government has been deemphasizing simple possession and use of marihuana in its law enforcement efforts for several years. For example, very few persons are arrested by Federal agents for simple possession and use; those who are charged with this offense normally are also being charged with some other, more serious offense as well. However, vigorous law enforcement aimed at major traffickers has been and should continue to be undertaken at the Federal level.

The task force endorses this moderate view and expects the lower priority that has been established for marihuana will also be reflected in our demand reduction efforts by the elimination of many non-compulsive marihuana users now in our treatment system.

*This ranking is on the basis of current use patterns, mentioned earlier, if intensive use patterns develop, cocaine could become a considerably more serious problem.

PROPOSED REGULATIONS FOR FEDERAL CERTIFICATION OF UNLICENSED PROPRIETARY HOME HEALTH AGENCIES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, as chairman of the House Subcommittee on Health and Long-Term Care of the House Select Committee on Aging, I wish to call my colleagues attention to the Department of Health, Education, and Welfare's proposed amendment to the regulations under the medicaid program to certify unlicensed proprietary home health agencies, published in the Federal Register on August 21, 1975. The regulations will deprive the States of the power to control the provision of home health care services by mandating the certification by the States of unlicensed commercial enterprises as medicaid home health care providers.

Without any disparagement of proprietary agencies, I strongly urge that the privilege of licensing all home health agencies including public, nonprofit and proprietary continue to be exercised by the States. This issue is addressed by Mr. Herbert Semmel, an attorney for the Center for Law and Social Policy in his letter to the Administrator, Social and Rehabilitation Services, HEW, dated October 7, 1975.

The letter was written in behalf of the National Council of Senior Citizens and the Department of the Public Advocate of the State of New Jersey, and I insert excerpts from the letter at this point in the RECORD:

IMPACT OF THE REGULATIONS

1. The regulations will deprive the states of the power to control the provision of home health care services by mandating the certification by the states of unlicensed commercial enterprises as Medicaid home health care providers. Such an imposition on the states is contrary to congressional action in four major legislative acts.

2. The regulations would undermine the development of comprehensive home health service centers by requiring the states to certify single service agencies as Medicaid home health care providers.

3. The regulations will foster the same kind of uncontrolled financial abuses in the delivery of home health services as has occurred in the nursing home industry and will result in higher costs without substantial improvement in the quality of care being provided those in need.

In sum, the regulations will transform the home health care program in the United States from a public health, service-oriented program, operated primarily by state and local public health agencies and non-profit organizations, with the potential for providing comprehensive home health services, into a federalized commercial, profit-making enterprise offering single services with no meaningful requirement for coordination of services to the patient.

The regulations remove control of home health care from the states by mandating Medicaid certification of commercial enterprises unlicensed by the states.

The Medicaid program is a federal-state cooperative program "[f]or the purpose of enabling each State, as far as practicable under the conditions in such State," to furnish medical assistance to needy persons. Social Security Act § 1901, 42 U.S.C. § 1396 (1970). The Medicaid program has always been primarily a state program subject to minimum requirements of federal law and regulations. The proposed home health care regulations would reverse this statutory scheme and impose on the states unlicensed home health care agencies.

The Social Security Act contains a definition of home health care agency in only one place, in the title of the Act concerning medical care for the aged, the Medicare program, Section 1861(o), 42 U.S.C. § 1395x(o). That section provides that all home health agencies, public, non-profit and commercial, must comply with state licensing laws if they exist. In addition, Congress specified that private organizations which are not exempt from federal income taxes as non-profit organizations (i.e., commercial enterprises) may qualify as home health care agencies *only if licensed pursuant to state law.* In other words Congress left it to the states to determine the extent to which commercial organizations can participate as providers in the federally-funded health programs. Congressional concern over the role of commercial enterprises in home health care was clearly expressed by not including them as providers unless the states affirmatively act to license commercial home health care providers. No such distinction was made between commercial and other forms of providers (public and non-profit) with respect to comparable provider agencies, such as hospitals and nursing homes. Compare §§ 1861(e) and (j), 42 U.S.C. §§ 1395(e) and 1395x(j).

Most of the states, approximately 40, have chosen not to license home health care agencies or not to license commercial enterprises. The Governor of New York vetoed legislation this year to license commercial home health care agencies. Florida, on the other hand, chose this year to license them but established extensive controls. See Florida Home Health Services Act (1975), Chap. 75-233, Sec. 49, Laws of Florida, and the regulations thereunder. The states, in sum, have taken differing approaches to licensing of commercial home health agencies. Because most have not chosen to license them, only 46 commercial enterprises qualified as Medicare-Medicaid home health care providers in December 1971 out of a total of 2,256 certified providers. Public health agencies (1,303) and Visiting Nurse Associations (550) comprised 80 percent of certified agencies. *Home Health Services in the United States,* Special Committee on Aging, United States Senate, 92d Cong., 2d Sess. (April 1972), p. 18. No significant change has occurred in the ensuing years.

The Medicaid portion of the Social Security Act contains no express provision defining home health agency. It appears to have been the intent of Congress that the definition of section 1861(O) would be applicable to Medicaid; no other explanation exists for not including any other definition.

The legislative history of the 1972 amendments emphasize that Congress intended the Medicare and Medicaid provisions to be uniform in terms of qualifications of providers and quality of care.

"The provisions of your committee's bill dealing with the operating effectiveness of the Medicare, Medicaid, and maternal and child health programs should be viewed as a related set of provisions." H.R. Rept. No. 92–231, 3 U.S.C. Cong. and Admin. News 4989, at 4993 (1972).

The Department of Health, Education, and Welfare has recognized the congressional intent by including in its regulations on the medicaid home health program the requirement that a home health agency must be "qualified to participate as a home health agency under Title XVIII of the Social Security Act [Medicare], or is determined currently to meet the requirements for such participation." 45 C.F.R. § 249.10(b)(7). It is this provision which the proposed regulations would change to permit unlicensed commercial enterprises to qualify as Medivaid providers although they do not qualify as Medicare providers.

The proposed regulations mandating certification of unlicensed home health agencies flies in the face of the provisions and policies of recent federal enactments encouraging and requiring planning and regulation of health care institutions by the states. Section 221(a) of the Social Security Amendments of 1972 added a new Section 1122 to the Act, 42 U.S.C. § 1320a-1. That section denies reimbursement under both Medicare and Medicaid to a provider for capital expenditures made without complying with state planning provisions. Although the states are not required to enter into agreements with DHEW to implement planning under Section 1122, thirty-seven have voluntarily done so according to information supplied by DHEW. The regulations under Section 1122 specifically bring home health agencies within the provisions of that section, 42 C.F.R. § 100.102(e).

In 1974, Congress enacted P.L. 93–641, the National Health Planning and Resources Development Act of 1974, 42 U.S.C. § 300k. This statute mandates health planning programs by the states "to facilitate the development of recommendations for a national health planning policy, to augment areawide and State planning for health services, manpower and facilities . . . ," 42 U.S.C. § 300k(b). Home health agencies were incorporated into the institutions subject to regulation by the Act by defining "institutional health services" by reference to agencies specified under the regulations prescribed under Section 1122 of the Social Security Act. Thus Congress once again recognized the need for planning with reference to home health care. Moreover, the Act requires a certificate of need program in each state, 42 U.S.C. § 300m–2(a)(4)(B), a process analogous to licensing. It makes little sense to suggest that Congress required a state certificate of need program in one statute but authorized DHEW to impose unlicensed home health agencies on the states in another statute. Moreover, Medicaid certification of unlicensed commercial organizations at this point in time will frustrate the certificate of need requirements. Because of the length process of developing the certificate of need programs under the planning Act, several years will elapse before they become effective in all states. In the interim, if the proposed regulations become effective, a plethora of home health agencies will be established. These will enter the field hurriedly and with high development and promotion costs.

Packaged franchising of so-called home health agencies has already begun in five states. The promoter offers to establish a home health agency for $30,000 capital investment and a management fee of 7.5% of the gross revenue. In practice, the "owner" of the agency, most often doctors to whom the promotion has been aimed, would have little to do but lend a name to it, with the promoters running the organization. When certificate of need requirements are effective, the established agency in an area may then oppose new competing agencies as unnecessary, with the potential for monopolistic conditions leading to higher costs.

Commercial enterprises may also discourage the development and expansion of comprehensive home health care programs by public health agencies, voluntary hospitals and traditional home health programs such as the Visiting Nurse Associations. It is in the nature of profit-making organizations to engage in extensive promotion whereas non-profit and public agencies do not utilize aggressive marketing techniques. The result may be a substantial shift of delivery of services away from the public and non-profit agencies to the commercial organizations. Congressional intention to expand the role of public and non-profit agencies in the home health field has been most recently expressed in the Special Health Revenue Sharing Act of 1975, enacted over Presidential veto in August 1975. Section 602(a) authorizes eight million dollars in fiscal 1976 for assisting the establishment and expansion of home health care agencies, specifically limiting such grants to public and non-profit agencies. The proposed regulations may frustrate the congressional intent by directing Medicaid reimbursement away from the very agencies Congress recognized as the basis for expansion of the home health program.

Finally, the role of commercial enterprises in the home health field is aggravated by the difficulties of enforcing standards and financial controls. Given the inadequate methods of enforcement and accountability of the proposed regulations discussed below, we can anticipate that five years from now the same kinds of scandals regarding poor care and excess charges that are now so well known in the nursing home industry will also be found in the home health care industry.

The regulations would undermine the development of comprehensive home health service centers by requiring the states to certify single service agencies as Medicaid home health providers.

Presently, under both Medicare and Medicaid programs, home health care agencies to be certified must provide skilled nursing services and at least one other therapeutic service—physical, speech or occupational therapy, medical social services or home health aide services. Under the proposed regulations, for Medicaid only, an agency could qualify as a home health care provider, even though it offered only a single service, such as speech therapy or home health aide service.

This regulation will lead to fragmentation of services, lack of coordination and will reduce utilization by chronically ill persons confined to their homes, the persons for whom the program is designed.

The current Medicaid regulations provide for uniformity of the requirements under Title XVIII, the Medicare program. 45 C.F.R. § 249.10(b)(7)(iv). The definition of home health agency in § 1861(O)(1) of the Social Security Act, 42 U.S.C. § 1395x(o), requires a home health agency to be "primarily engaged in providing skilled nursing services and other therapeutic services." As the Senate committee report emphasized:

"The conditions for participation of home health agencies are designed primarily to assure that participating agencies are basically suppliers of health services. The proposal would cover visiting nurse organizations *as well as agencies specifically established to provide a wide range of organized home health services.*" Sen. Rep. 404, 89th Cong., 1st Sess., 1 U.S. Code, Cong. & Admin. News, p. 1974 (emphasis added).

A comprehensive service approach is necessary to effective utilization of home health care services and particularly to its use as an alternative to institutionalization. Home health care is utilized by patients only if prescribed by a doctor; indeed, such prescription is a requirement for Medicare-Medicaid reimbursement. The GAO report "Home Health Care Benefits Under Medicare and Medicaid" (1974) found that limited physician involvement discourages the effective use of home health care (pp. 21–23). Physicians are much more likely to order home health care if a single agency exists to which the patient can be referred to provide all necessary services. If the doctor has to shop around to obtain services, he or she is much more likely to choose the easier path of institutionalization in a nursing home. The doctor is thus relieved of much responsibility and uncompensated work. The costs to the patient and the taxpayer are greatly increased. Nor can patients be expected to search out numerous providers. The patient population is by definition chronically ill and most are quite aged.

The ostensible reason for this proposed regulation is that there are small, non-profit agencies, generally Visiting Nurse Associations, usually in rural areas, who do not have the desire or capacity to provide any service other than nursing visits and who cannot be certified under the present regulation. This problem can easily be met in a number of ways. First of all, other proposed regulations permit subcontracting to proprietary agencies. 40 *Fed. Reg.* 24530 (June 9, 1975). If a small VNA does not wish to directly undertake to provide other services, it can do so through sub-contracting. The Medicaid regulations could be drafted to provide a narrowly drawn exception for skilled nursing agencies when it is not feasible to provide other services, with a limitation to medically underserved areas.

INSPECTION AND CERTIFICATION—INADEQUATE PROCEDURES

The proposed regulations would establish a system of inspection and certification virtually identical to that now employed in the case of nursing homes, with the same results as we now find in the nursing home field. Under the proposed regulations, a provider who fails to meet federal and state standards is simply told to make corrections, and is given at least 60 days to accomplish this. To the extent that the deficiencies represent cost savings for the agencies, there is a built-in profit in non-compliance. The longer the delay in complying, the greater the savings. This is precisely the experience of the nursing home industry. Moreover, the system does not insure that the deficiencies will actually be corrected in practice. Examination of inspection reports on nursing homes reveals that in many cases the response of the provider to the deficiency is to indicate "a program has been instituted to correct the deficiency," and the next inspection report a year later shows the same deficiency.

The major defect in the system is that the state has only one option to enforce the standards set forth by law, namely, to decertify the agency as a Medicaid provider. Experience in the nursing home industry has shown that states are very reluctant to utilize this remedy because it is so drastic. In many cases it will mean that the nursing home must close; in any case, Medicaid patients would have to be removed. The situation would be very similar in the case of home health agencies. At a minimum the patients would be required to obtain services from another agency, and in many areas no alternative agency may be providing home health services.

The key to an effective enforcement program is the utilization of appropriate sanctions short of decertification which will remove the profit incentive for non-compliance with standards. Such a program would also result in savings to the state and federal government, for they no longer would be paying the full rate to providers who are not delivering the full scope and quality of service required by law and by the provider agreement. The principle behind such an inspection program is simple: when the inspecting agency learns, through its inspection process or otherwise, that a provider is not in compliance with the standards, the state should withhold from the payment to the agency an amount which reflects the value of the omitted service for so long as the deficiency has existed and continues to exist. In other words, payment should be made only for value received. By accepting Medicaid patients, the agency has obligated itself to provide the scope and quality of services and facilities required by law. The payment rate established under the Medicaid program is compensation for services so provided. If the agency fails to deliver as promised, the compensation to its should be reduced accordingly.

An effective program for inspection and enforcement of standards of care is essential for home health agenices. The problems of enforcement of standards in the home health agencies are even greater than are present in nursing homes because the services are performed in thousands of private residences rather than in one central location. The need for effective inspection and sanctions becomes even more critical if these regulations permit the proprietary agencies to operate on a widespread basis in providing home health care.

THE 62D INTERNATIONAL PARLIAMENTARY CONFERENCE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on September 4 through 13, the 62d Inter-Parliamentary Conference was held in London. Sixty-eight nations attended the conference. I had the honor to be one of the representatives from the House of Representatives to attend this conference and to serve on the Economic and Social Committee. The Economic and Social Committee concerned itself primarily with development and international economic cooperation. All aspects of the international economic situation were discussed in this committee's deliberation. Great emphasis in the committee's discussions was placed on how the world community could help the developing nations to meet their problems in stabilizing the prices of their raw materials, often the only source of their foreign income, and securing them a fair price of such commodities. Other critical problems considered were the production of food to meet the nutrition demands of the world, the development of industry in undeveloped countries, the wider exchange of technical knowledge, and so forth. On September 11 the committee reported to the plenary session of the conference its proposed resolutions, which were adopted by the conference. I believe that my colleagues and those who read this Record would be interested in this expression of the parliamentary representatives of 68 nations of the world attending this conference. Since this report recognizes the most outstanding economic problems of the world and indicates what are to be the challenging problems coming from the developing world in the years ahead, Mr. Speaker, I insert this draft resolution following my remarks in the body of the Record:

DRAFT RESOLUTION UNANIMOUSLY ADOPTED BY THE ECONOMIC AND SOCIAL COMMITTEE

The 62nd Inter-Parliamentary Conference,

Considering that only international co-operation will make it possible both to eliminate the tensions and injustices of international economic life and to ensure détente and international security which, in turn, are fundamental conditions for world economic progress and social justice.

Considering that the present world economic situation and, in particular, the continued worsening of economic and social conditions in the developing countries are one of the major causes of the economic and political instability from which the world is suffering and require immediate and concerted action by the international community in order to redress the economic imbalance between advanced countries and developing countries.

Considering the worsening of the food crisis in many developing countries, as well as the stagnation and even the reduction of international official aid,

Considering the economic importance of human resources, the serious world imbalances in employment, as well as the resulting human and social problems, and the importance of vocational training for the development of countries and for the social advancement of workers,

Noting that the Lima Declaration and the Dakar Programme of Action provide for measures and proposals which lead towards the objective of creating a new international economic order,

Considering the necessity of an international agreement taking into account the Declaration and Programme of Action of the Sixth Special Session of the United Nations General Assembly and the Charter of Economic Rights and Duties of States which provide the concrete guidelines for the establishment of a new and more equitable international economic order based on sovereign equality, interdependence, community of interests and co-operation among all States, irrespective of their economic and social systems, with priority given to the problem of the stabilization of the prices of raw materials and to the net transfer of resources to the developing countries,

Recognizing the necessity of taking measures to deal with the situation generated by recession accompanied by galloping inflation and an acute monetary crisis, and recognizing furthermore the urgency of measures of assistance to the developing countries most seriously affected by current economic crises,

Calling for the increase of aid to the developing countries from the developed countries and other countries whose capacities permit such an increase,

Noting favourably the progress made so far by the Group of Experts appointed by the Commonwealth Heads of Government to prepare a comprehensive and interelated programme of practical measures directed at closing the gap between rich and poor countries, and especially commending this work as a valuable contribution to constructive international dialogue and consensus-building in the critical area of international economic relations,

Recognizing the efforts made by other groups of countries towards a practical solution of the problem of the gaps between rich countries and poor countries,

Noting with satisfaction and watching with great interest the Lome Agreement which, for the first time in the history of the world, opens up to nearly all the goods exported by forty-six African, Caribbean and Pacific (ACP) countries duty-free entry onto the markets of the nine countries of the European Economic Community and guarantees, against the risk of a bad harvest and a fall in prices, the stability of the revenues derived from twelve export goods on which the very life of the ACP signatory countries depends and expressing the hope that the fundamental principles of that Convention will usefully contribute to the further development of relations between all the industrialized countries and all the developing countries,

1. Urges the Governments and Parliaments of all States capable of doing so to increase their contributions towards reducing the gap between the industrial and developing nations;

2. Considers it necessary that the relations of inequity should be abolished, as they have generated the existing situation in the field of development and international economic cooperation, and that they should be replaced by new relations based on the full equality of rights of all nations and on the observance of the right of each people to be master of its national riches and to decide in a sovereign way on their utilization in accordance with international law, without the threat of the use of force in their exercise of that sovereignty:

3. *Recalls* the Charter of Economic Rights and Duties of States, *notes* that many of the proposals in it which have been internationally agreed are designed to contribute to a new and equitable structure of world economic relations and should be implemented by a policy yielding rapid and practical results, and *recommends* that these principles be given effect by all countries—particularly the 120 that voted in favour of its complete text—adopting what they consider to be the basic content of this instrument and also using it as one of the bases of international agreements;

4. *Recommends* that the negotiations between the advanced countries and the developing countries, and the producing countries and the consuming countries should not deal only with one aspect of the present world economic situation but should seek solutions in a comprehensive manner to the interrelated problems in the monetary, trade, financial, scientific, technical and human fields, such as unemployment, immigration and vocational training, and should ensure a sufficient and representative participation of the developing countries;

5. *Emphasizes* that, between the industrialized countries and the developing countries exporting raw materials, especially the energy-producing countries, new forms of co-operation should be found, such as trilateral forms of co-operation which will help to promote an equitable development aid policy and provide economically and politically realistic opportunities for investing increasingly in the developing countries;

6. *Suggests* that official development aid be concentrated on those developing countries most seriously affected by current price increases and the least developed and landlocked developing countries;

7. *Suggests* that high-income developing countries should participate in close technical and industrial co-operation, particularly with other developing countries;

8. *Suggests* that middle-income developing countries should in particular be assisted in their development efforts by being granted specific assistance of a financial and technical nature, combined with increasing trade opportunities;

9. *Calls upon* the industrialized countries to increase their public aid under favourable terms and without conditions, and preferably through the international organizations;

10. *Calls upon* the Parliaments and Governments:

(a) To support the proposals for the elaboration of concrete projects and programmes of industrialization and the acceleration of agricultural development in the developing countries, in order to encourage the creation of fertilizer industries in the developing countries and in co-operation with countries which have financial means, technological knowledge and other factors of production, on the basis of bilateral and multilateral arrangements or agreements and in this way contribute to the restructuring of world industry and the balanced development of world economy;

(b) To formulate as soon as possible measures, such as the creation of a World Food Fund and of an Emergency Food Fund, which would implement the decisions of the UN World Food Conference in Rome and to support the International Fertilizer Supply Plan, in particular, so as to encourage the creation of fertilizer plants in the developing countries and to aid developing countries whose efforts at food production are jeopardized by the twin evils of the scarcity of fertilizers and their increasing prices;

(c) To consider the financing of the UN Special Fund, the Agricultural Development Fund and a Fund for Crediting Regulative Stocks of Basic Raw Materials and Food, as well as other aid programmes for the developing countries;

(d) To spare no effort in preparing for the fourth session of the United Nations Conference on Trade and Development (May 1976, Nairobi) with a view to reaching concrete decisions at the Conference on the most acute problems of international economic relations;

11. Calls upon Parliaments and Governments to support the attitudes and actions aimed at eliminating the growing protectionism in some countries and regions, and to work towards the gradual decrease and definite elimination of tariff and non-tariff barriers to the import of products from the developing countries on a preferential and non-reciprocal basis to the advantage of the developing countries;

12. Emphasizes that the developing countries must mobilize their own resources and achieve structural reforms which are necessary and which do not favour only one elite group;

13. Stresses the need to establish prices for raw materials, including agricultural products, and for manufactured goods which are fair to producers and consumers alike, and with the aim of ensuring a greater stability of such prices so as to stimulate the productive activity of all the peoples and to encourage the more rapid progress of the developing countries;

14. Calls upon Governments and Parliaments to prepare international discussions on the creation of a body made up of the developed countries, developing countries and energy-producing countries, the aim of which would be to ensure in a practical way the stabilization of the prices of primary products;

15. Calls upon Governments and Parliaments to give urgent attention to ways in which the relevant international organizations might be restructured to improve global economic co-operation through better coordination and new consultative procedures which will assist in the formation of generally acceptable solutions suitable for speedy implementation by Governments;

16. Recommends that a new international patent system more favourable to the needs of the developing countries be established to facilitate the transfer of technology between the developed and the developing countries;

17. Calls upon the industrialized countries to assist the developing countries in their attempts to increase their participation in world shipping and to control the increase of freight charges, so as to reduce the cost of the seaborne transportation of their imports and exports;

18. Suggests that closer economic cooperation by regional grouping among the developing countries could be supported by special aid programmes of the developed countries designed to strengthen such integration;

19. Calls upon all countries to promote a national and universal conscience on the duty of mankind to avoid hunger and malnutrition for human beings;

20. Recommends that the agenda of the 63rd Inter-Parliamentary Conference include an item on the setting up of a new international economic order, including consideration of the role played by the transnational corporations;

21. Invites the National Groups to make known, by December 31, 1975, their opinions, proposals and suggestions regarding the main elements of a new international economic order and the contribution of Parliaments to its implementation which, together with the conclusion of the Bucharest Symposium on "A New System of International Economic Relations", could be the basis for the debates of the 63rd Inter-Parliamentary Conference.

Mr. Speaker, as a member of the Economic and Social Committee of the Inter-Parliamentary Union Conference, I had the honor to address the conference. Following the guidelines laid down September 1 and 2, respectively, by Secretary of State Kissinger and Secretary of the Treasury Simon, I spoke to the plenary session of the conference on the attitude of the United States toward cooperation with all the nations of the world to provide a better life for all of our people and more particularly, for our sympathetic interest in assisting in meeting the challenging problems of the developing nations of the world. Mr. Speaker, I include my remarks in the body of the Record following this introduction:

STATEMENT BY REPRESENTATIVE CLAUDE PEPPER

Mr. President of the Conference, Mr. President of the Council, Mr. Secretary General, distinguished colleagues, ladies and gentlemen:

In our Continental Congress almost 200 years ago, debating our Declaration of Independence, a wise old American. Benjamin **Franklin, said to his colleagues, "We must hang together, or assuredly we will** all hang separately." **If Benjamin Franklin was speaking to this distinguished assembly today, he would again say, my colleagues,** we must all work together in the world for our common good or assuredly if we don't **lose our economic necks, we will experience** only economic misery or painful bad **health.**

We in the United States are proud that next year we shall celebrate our 200 years of independence, **but we join with the distinguished prime minister of our gracious** host country, when he said at our moving opening ceremony on Thursday that all we need in the world today is a declaration of interdependence.

The United States, notwithstanding the fact that its gross national product is over one quarter of the world's total and we **represent the world's largest import market, has now unequivocally made its choice for interdependence and declared it in the** recent speech of our Secretary of State, Dr. **Kissinger, delivered for him by our Ambassador in the United Nations General Assembly on September 1. I commend the complete text of this important statement to your most careful consideration.**

Dr. Kissinger, with the full approval of the President, and I am sure Congress will give its approval as well, made a number of important observaitons. He said:

"We assemble here this week with an opportunity to improve the condition of mankind. We can let this opportunity slip away, or we can respond to it with vision and commonsense . . ."

"The nations assembled here have a choice: we can offer our people slogans, or we can offer them solutions. We can deal in rhetoric, or we can deal in reality. (The United States) has made its choice. There are no panaceas available, only challenges. But the United States is committed to a constructive effort."

Dr. Kissinger took note as we must all do that when the world has the technical capacity to provide a tolerable standard of living for the world's four billion people—the capacity to achieve the ancient dream of mankind—a world without poverty—the nations of the world have a moral challenge, indeed a moral duty to do all in their power, working in close harmony and cooperation to make this happy dream come true. Can we afford not to do our best—all of us together—when so many lives and the health and happiness of so many are at stake?

Dr. Kissinger stressed throughout his statement that there must be a consensus that our common development goals can only be achieved by cooperation, not by politics of confrontation. In this framework, he suggested an effective development strategy must concentrate on five fundamental areas:

Safeguards against economic shocks, including sharp declines in export earnings, food shortages, and natural disasters;

Accelerated economic growth, through better access by underdeveloped countries to capital markets, application of technology to specific development needs, and a consensus on the role and conditions of foreign investment;

Better opportunities for the developing countries in the world trading system, so they can make their way by earnings instead of aid;

Improved conditions of trade and investment on many of the key commodities on which the economies of many developing countries are dependent; and we must improve the production and availability of food;

The special needs of the poorest countries must be addressed, with responsibility shared among the old and the newly wealthy donors.

Secretary Kissinger, and, before a meeting of World Bank and International Monetary Fund representatives in Washington, on the following day, Secretary of the Treasury Simon, of the United States, set out detailed and specific proposals by which the United States proposes to implement these basic principles which Secretary Kissinger has enumerated.

Specifically emphasized is the need to balance stimulation of stagnant economies with restraining dangerous inflation. Emphasized also is the imperative necessity that no nation or group of nations, including the nations producing oil and other materials and products of critical need in the world, shall increase prices beyond what the world economy can properly pay without arresting recovery and economic growth among the developing nations.

We all realize that many other nations have made and will be making commendable, constructive and cooperative proposals. We have yet found no panaceas: There are no nostrums which will cure immediately all the problems of the world: but we know that we have built a better world than once was, and we know that we can build a better world than we now have. When once we have determined what is right, and make a firm resolve to do right, we have gone a long way toward achieving right.

I believe that the trading community of the world has come to realize and to adopt the principle that in the long-run no deal is a good deal unless it is a good deal for both the buyer and seller, and that in whatever we do we not only strive to help ourselves, but to lift all men to walk on higher ground. I believe today the industrial nations of the world, not out of charity, although compassion demands such a course, but out of enlightened self-interest, have made up our minds and our hearts that we are going to live as nations by the principles of brotherhood and the concept that the human race is, after all, the human family.

DR. JOHN M. DYER RECEIVES AWARD

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, at a time when our complex society demands an increasing quotient of specialization in both industry and the professions, it is a pleasure for me to pay special recognition to Dr. John M. Dyer, professor of marketing at the University of Miami, Coral Gables, Fla., who recently has received the President's Award from the American Graduate School of International Management, Glendale, Ariz.

The first recipient of the President's Award, Dr. Dyer has been heralded as one of the outstanding pioneers in the fields of international commerce and management.

As chairman of the International Marketing Department at Miami, Dr. Dyer has inspired many young people to properly prepare themselves for challenging careers in international business. He has also devoted a large part of his time to important community development projects which have enhanced the planned growth of the south Florida area while keeping the needs of its individual citizens foremost in mind. I know my colleagues would want the Record to reflect our pride in Dr. Dyer's special tribute.

Mr. Speaker, I include a letter from President William Voris of the American Graduate School of International Management to Dr. Dyer, telling him of his having been selected to receive the President's Award, in the Record following these remarks:

American Graduate School of
International Management,
Glendale, Ariz., April 15, 1975.

Dr. John M. Dyer,
Professor of Marketing, University of Miami,
Coral Gables, Fla.

Dear Dr. Dyer: It is a pleasure for me to express the admiration that we here at American Graduate School of International Management feel for you, in light of your many contributions to the fields of international commerce and management.

As you know, we at Thunderbird have been deeply involved in educating young men and women to assume positions of responsibility in international management for 28 years. During this time, especially in the early years, we encountered very few educators or businessmen who understood the urgent and growing need for this specialized training. You, however, were one of the outstanding pioneers in this regard. In view of your many professional as well as academic accomplishments in the field of international business, you have engendered greater understanding of and respect for this need, and have inspired many young people to properly prepare themselves for a challenging career in international business.

In view of your considerable contributions to the field of international education for management, and particularly the conscientious counseling and encouragement which you have given students to consider the curriculum at American Graduate School, I am honored to designate you as the first recipient of The President's Award.

Very truly yours,

William Voris,
President.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. Henderson (at the request of Mr. O'Neill), for after 4 p.m. today, and tomorrow, Thursday, October 9, on account of official business.

Mr. O'Brien (at the request of Mr. Rhodes), from October 7, on account of illness in family.

Mr. Waxman (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Charles H. Wilson of California (at the request of Mr. O'Neill), for today and tomorrow, Thursday, October 9, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Sarasin) to revise and extend their remarks and include extraneous material:)

Mr. Hastings, for 20 minutes, today.

Mr. Kemp, for 30 minutes, today.

Mr. Steiger of Arizona, for 30 minutes, today.

Mr. Jeffords, for 15 minutes, today.

Mr. Shriver, for 15 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mr. D'Amours) to revise and extend their remarks and include extraneous material:)

Mr. Patman, for 15 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Mezvinsky, for 10 minutes, today.

Mr. McDonald of Georgia, for 30 minutes, today.

Mr. Diggs, for 5 minutes, today.

Ms. Holtzman, for 10 minutes, today.

Mr. Dingell, for 15 minutes, today.

Mr. Phillip Burton, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. Drinan, for 15 minutes, today.

Mr. Early, for 5 minutes, today.

Mr. Barrett, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, and to include extraneous matter on the debate of the military construction appropriation bill.

Mr. Dickinson, immediately following the remarks of Mr. Sikes on the Edwards of Alabama amendment on H.R. 10029 today.

(The following Members (at the request of Mr. Sarasin) and to include extraneous matter:)

Mr. Sarasin.
Mr. Cochran.
Mr. Fish in three instances.
Mr. Crane.
Mr. Findley.
Mr. Hastings.
Mr. Symms.
Mr. Lagomarsino.
Mr. Grassley.
Mr. McClory.
Mr. Whitehurst.
Mr. Young of Florida in five instances.
Mr. Spence.
Mr. Derwinski in three instances.
Mr. Peyser in two instances.
Mr. McCloskey.
Mr. Del Clawson.
Mr. McKinney.
Mr. McCloskey.
Mr. Rhodes.
Mr. Ashbrook.
Mr. Conlan.

(The following Members (at the request of Mr. D'Amours) and to include traneous matter:)

Mr. McFall.
Mr. Harrington in two instances.
Mr. Reuss.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. McDonald of Georgia in five instances.
Mr. Baucus in three instances.
Mr. Edwards of California in two instances.
Mr. Mikva.
Mr. Macdonald of Massachusetts.
Mr. Jones of Tennessee.
Mr. Downey of New York in two instances.
Mr. Phillip Burton.
Mr. Conyers in three instances.
Mr. Solarz in three instances.
Mr. Delaney.
Mr. Neal.
Mr. Carney.
Mr. Helstoski in five instances.
Mr. Jenrette.
Mr. Vanik.

Mr. SYMINGTON.

Mr. GAYDOS.

Mr. JONES of Oklahoma.

Mr. MONTGOMERY.

Mr. BROWN of California in two instances.

Mr. BRECKINRIDGE.

Mr. ECKHARDT.

Mr. ROSENTHAL.

Mr. PATTERSON of California in four instances.

Mr. OTTINGER.

Mr. DE LA GARZA.

Mr. DODD.

Mr. ADDABBO.

Mr. HOWE.

Mrs. SPELLMAN in two instances.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5952. An act to amend the Water Resources Planning Act (79 Stat. 244), as amended; and

H.R. 8561. An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1976, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 824. An act to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes;

S. 1327. An act to declare that certain submarginal land of the United States shall be held in trust for certain Indian tribes and be made a part of the reservations of said Indians, and for other purposes; and

S. 1549. An act to amend the Federal Rules of Evidence, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 5952. An act to amend the Water Resources Planning Act (79 Stat. 244), as amended.

ADJOURNMENT

Mr. D'AMOURS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Thursday, October 9, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1849. A letter from the President of the United States, transmitting proposed supplemental appropriations for the U.S. Civil Service Commission for fiscal year 1976 and the transition quarter (H. Doc. No. 94–279); to the Committee on Appropriations and ordered to be printed.

1850. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during August 1975, to Communist countries; to the Committee on Banking, Currency and Housing.

1851. A letter from the Executive Secretary to the Department of Health, Education, and Welfare; transmitting notice of proposed regulations for the college work-study program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1852. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed regulations for the national direct student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1853. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting standards and notice of the closing date for receipt of applications for emergency projects under the Emergency School Aid Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1854. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed final regulations for transitional grants to State or local public agencies for Indochina refugee children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1855. A letter from the Secretary of Health, Education, and Welfare, transmitting a report of the Department's disposal of foreign excess property during fiscal year 1975, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

1856. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the disposal of certain foreign excess property, pursuant to Public Law 81–152 (40 U.S.C. 514(d)); to the Committee on Government Operations.

1857. A letter from the Assistant Secretary of the Interior, transmitting a report on the study of the future water needs of the 11 Western States lying wholly or in part west of the Continental Divide, pursuant to Public Law 90–537; to the Committee on Interior and Insular Affairs.

1858. A letter from the Chairman, Indian Claims Commission, transmitting the final determination of the Commission in docket No. 83, *the Sac and Fox Tribe of Indians of Oklahoma, the Sac and Fox Tribe of Missouri and Sac and Fox Tribe of the Mississippi in Iowa, and Don Whistler, et al., and Columbus Keahna, appearing as the representatives of and on relation of the Confederated or United Tribes of Sac and Fox Indians and as representatives and on behalf of all the Members thereof, plaintiffs,* v. *The United States of America, defendant,* pursuant to 60 Stat. 1055; to the Committee on Interior and Insular Affairs.

1859. A letter from the Secretary of Transportation, transmitting the second semiannual report on the effectiveness of passenger screening procedures (Federal Aviation Administration), pursuant to Public Law 93–399; to the Committee on Public Works and Transportation.

1860. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

1861. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the National Firearms Act (26 U.S.C. chapter 53), to eliminate formal forfeiture procedures, both judicial and administrative, involving unregistered National Firearms Act weapons; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

1862. A letter from the Comptroller General of the United States, transmitting a report assessing the Follow Through program and its national evaluation; jointly, to the Committees on Government Operations, and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Currency and Housing. S. 2195. An act to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes; with amendment (Rept. No. 94–540). Referred to the Committee of the Whole House on the state of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 9721. A bill to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana, in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes (Rept. No. 94–541). Referred to the Committee of the Whole House on the state of the Union.

Mr. MORGAN: Committee on International Relations. Report on the potential impact of the proposed 200-mile fishing zone on U.S. foreign relations (Rept. No. 94–542). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLOWERS: Committee on the Judiciary. H.R. 7896. A bill to amend sections 2734a(a) and 2734b(a) of title 10, United States Code, to provide for settlement, under international agreements, of certain claims incident to the noncombat activities of the armed forces, and for other purposes (Rept. 94–543). Referred to the Committee of the Whole House on the state of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 8835. A bill to amend the Truth in Lending Act to protect consumers against inadequate and misleading leasing information, assure meaningful disclosure of lease terms, and limit ultimate liability in connection with leasing of personal property primarily for personnel, family, or household purposes, and for other purposes; with amendment (Rept. No. 94–544). Referred to the Committee of the Whole House on the state of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 9852. A bill to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes, and for other purposes; with amendment (Rept. No. 94–545). Referred to the Committee of the Whole House on the state of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2724. A bill to provide for establishment of the Father Marquette National Memorial near Saint Ignace, Mich., and for other purposes with amendment (Rept. No. 94–546). Referred to the Committee of the Whole House on the state of the Union.

Mr. ADAMS: Committee on the Budget. A report on the implementation of the new congressional budget procedures for fiscal year 1976—timetable for the second budget resolution and reconciliation process (Rept. No. 94–547). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes (Rept. No. 94–550). Referred to the Committee of the Whole House.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 1509. A bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to Arthur M. Marshall and Carl F. Steinfield (Rept. No. 94–548). Referred to the Committee of the Whole House.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2782. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. U–0140571, and for other purposes (Rept. No. 94–549). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND (for himself, Mr. Conte, Mr. Macdonald of Massachusetts, Mr. O'Neill, Mr. Cleveland, Mr. Moffett, Mr. Studds, Mr. Sarasin, Mr. Jeffords, Mr. St Germain, Mr. Cohen, Mr. McKinney, Mr. Beard of Rhode Island, Mr. Emery, Mr. Burke of Massachusetts, Mr. D'Amours, Mr. Cotter, Mr. Dodd, Mr. Drinan, Mr. Early, Mr. Harrington, Mrs. Heckler of Massachusetts, and Mr. Tsongas):

H.R. 10077. A bill to provide a program of rehabilitation of the Nation's railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHN L. BURTON, for himself and Mr. Bergland):

H.R. 10078. A bill to amend the Consolidated Farm and Rural Development Act to provide for Federal farm loans for purposes of Government-mandated pollution control; to the Committee on Agriculture.

By Mr. CEDERBERG (for himself and Mr. Ruppe):

H.R. 10079. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for increased assistance for local rail services and an economic analysis of those services not designated to be continued pursuant to the final system plan; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE:

H.R. 10080. A bill to amend the Congressional Budget Act of 1974 to require that the first congressional budget resolution each year fix ceilings on budget outlays and new budget authority which must be met for the coming fiscal year (instead of only setting forth flexible targets as under present law) and include 3-year budget projections, and to prohibit the consideration of any measure in the House or Senate if its enactment would result in total budget outlays or total budget authority in excess of the ceiling in effect under the most recent adopted congressional budget resolution; to the Committee on Rules.

By Mr. DICKINSON (for himself, Mr. Abdnor, Mr. Montgomery, Mr. Cohen, Mrs. Meyner, Mr. Byron, Mr. Grassley, Mr. Jenrette, Mr. Whitehurst, Mr. Edgar, Mr. Charles Wilson of Texas, Mrs. Lloyd of Tennessee, Mr. Breckinridge, Mr. Sebelius, Mr. Krueger, Mr. du Pont, Mr. Stark, Mr. Lagomarsino, Mr. Roe, Mr. Robinson, Mr. Sarbanes, Mr. Harrington, Mr. Cleveland, Mr. White, and Mr. Ford of Tennessee):

H.R. 10081. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. DICKINSON (for himself, Mr. Shriver, and Mr. Pepper):

H.R. 10082. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. FLOOD:

H.R. 10083. A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By JENRETTE:

H.R. 10084. A bill to amend title 5, United States Code, to provide that certain air traffic specialists be considered as air traffic controllers for retirement and certain other purposes; to the Committee on Post Office and Civil Service.

By Mr. MELCHER (for himself, Mr. Roncalio, Mr. Seiberling, Mr. Eckhardt, Mr. Weaver, Mr. Steelman, Mr. Vigorito, and Mr. Tsongas):

H.R. 10085. A bill to amend the Mineral Leasing Act of 1920, to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MOAKLEY (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bolling, Mr. John L. Burton, Mr. Carney, Ms. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Dellums, Mr. Drinan, Mr. Edgar, Mr. Fraser, and Mr. Harrington):

H.R. 10086. A bill to provide for tax reform; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. Maguire, Mr. Mitchell of Maryland, Mr. Nix, Mr. Rangel, Mr. Rosenthal, Mr. Roybal, Mr. Scheuer, Mr. Seiberling, Mr. James V. Stanton, Mr. Stark, Mr. Studds, Mr. Tsongas, Mr. Udall, and Mr. Charles H. Wilson of California):

H.R. 10087. A bill to provide for tax reform; to the Committee on Ways and Means.

By Mr. NATCHER:

H.R. 10088. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. SIKES:

H.R. 10089. A bill to amend section 408 of the Disaster Relief Act of 1974 to provide that grant assistance to meet disaster-related expenses or needs shall be available thereunder to a disaster victim whenever it is clearly in his best interest (and shall not be limited to cases where he is unable to meet such expenses or needs through loans or from other sources), and to make it clear that such grant assistance is available to meet disaster-caused business expenses (including farming losses) as well as to meet individual and family needs; to the Committee on Public Works and Transportation.

By Mr. VANDER JAGT (for himself and Mr. Brown of Michigan):

H.R. 10090. A bill to amend the Regional Rail Reorganization Act of 1973 to provide for increased assistance for local rail services and an economic analysis of those services not designated to be continued pursuant to the final system plan; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHLEY (by request):

H.R. 10091. A bill to incorporate the National Ski Patrol System, Inc.; to the Committee on the Judiciary.

By Mr. BEDELL (for himself, Mr. Baldus, Mr. Beard of Tennessee, Mr. Brown of Ohio, Mr. Derwinski, Mr. Edgar, Mr. Edwards of California, Mr. Goodling, Mr. Gradison, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Hefner, Mr. Jeffords, Mr. Ketchum, Mr. Lehman, Mr. Mazzoli, Mr. Mottl, Mr. Ottinger, Mr. Pattison of New York, Mr. Rodino, Mr. Sarbanes, Mr. Solarz, Mr. Vander Veen, and Mr. Charles Wilson of Texas):

H.R. 10092. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on private business as a result of the enactment of such proposed legislation; to the Committee on Rules.

By Mr. BINGHAM (for himself, Mr. Badillo, Mr. Brown of California, Mr. Carr, Mr. Dellums, Mr. Edgar, Mr. Hawkins, Mr. Mitchell of Maryland, Mr. Scheuer, Mr. Udall, and Mr. Waxman):

H.R. 10093. A bill to prohibit all prior restraints against the exercise of first amendment rights except as specifically provided herein; to the Committee on the Judiciary.

By Mr. DELLUMS (for himself, Mr. Drinan, and Mr. McCloskey):

H.R. 10094. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. Hughes, Mr. Helstoski, Mr. Rodino, and Mr. Dominick V. Daniels):

H.R. 10095. A bill to amend the Regional Rail Reorganization Act of 1973 to permit the analysis of light density railroad lines on the basis of their costs and benefits, to aid in the transition to the final system plan by assuring the continuation of local freight services and rail passenger and commuter services, to provide assistance and additional time for the States to prepare their State rail plans, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 10096. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open-market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. HECKLER of Massachusetts:

H.R. 10097. A bill to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the U.S.

Passport Service, to establish a Passport Service Fund to finance the operations of the U.S. Passport Service, and for other purposes; to the Committee on International Relations.

By Mr. HOWARD:

H.R. 10098. A bill to prohibit the introduction into interstate commerce of nonreturnable beverage containers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 10099. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. DINGELL (for himself, Mr. Moss, Mr. Moffett, Mr. Brodhead, and Mr. Maguire):

H.R. 10100. A bill to reform electric utility rate regulation, to provide for more effective planning of bulk power facilities, to assure reliability of bulk power supplies, to strengthen State electric utility regulatory agencies, and to establish the Federal Energy Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. MILFORD (for himself, Mr. de la Garza, Mr. Patman, Mr. Charles Wilson of Texas, Mr. Collins of Texas, Mr. Roberts, Mr. Steelman, Mr. Teague, Mr. Archer, Mr. Brooks, Mr. Pickle, Mr. Poage, Mr. Wright, Mr. Hightower, Mr. Young of Texas, Mr. White, Mr. Burleson of Texas, Ms. Jordan, Mr. Mahon, Mr. Gonzalez, Mr. Krueger, Mr. Casey, and Mr. Kazen):

H.R. 10101. A bill to amend the Internal Revenue Code of 1954 to exempt certain aircraft museums from Federal fuel taxes and the Federal tax on the use of civil aircraft, and for other purposes; to the Committee on Ways and Means.

By Mr. NIX:

H.R. 10102. A bill to amend the Social Security Act to expedite Federal payments to States under the Aid to Families With Dependent Children, medicaid, and social services programs (and under the other Federal-State public assistance programs where those programs are in effect), and for other purposes; to the Committee on Ways and Means.

By Mr. NIX (for himself and Mrs. Meyner):

H.R. 10103. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON of California:

H.R. 10104. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 10105. A bill to amend titles 10 and 37, United States Code, to provide for equality in treatment for military personnel in the application of dependency criteria; to the Committee on Armed Services.

H.R. 10106. A bill to provide a remedy for sex discrimination by the insurance business with respect to the availability and scope of insurance coverage for women; to the Committee on Interstate and Foreign Commerce.

H.R. 10107. A bill to amend title II of the Social Security Act to permit the payment of benefits to a married couple on their combined earnings record where that method of computation produces a higher combined benefit; to the Committee on Ways and Means.

By Mr. SCHNEEBELI (for himself, Mr. Conable, Mr. Duncan of Tennessee, Mr. Clancy, Mr. Vander Jagt, Mr. Steiger of Wisconsin, Mr. Crane, Mr. Frenzel, Mr. Martin, Mr. Bafalis and Mr. Ketchum):

H.R. 10108. A bill to reduce permanently individual income taxes, to reduce permanently corporate income taxes, to increase permanently the investment credit, and to provide incentives for the expansion of electric power facilities other than petroleum-fueled generating facilities by reducing the costs of construction for electric utility property through changes in the investment credit and the allowances for amortization and depreciation, and by encouraging investment in electric utilities; to the Committee on Ways and Means.

By Mr. SIMON (for himself and Mr. Collins of Texas):

H.R. 10109. A bill to amend title 39, United States Code, to abolish the Postal Rate Commission and to index future postal rate increases with the Consumer Price Index, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. TALCOTT:

H.R. 10110. A bill to prohibit the export of grain to any petroleum producing country which has petroleum production in excess of its domestic requirements, except pursuant to an agreement providing for the exchange of such grain for petroleum; to the Committee on International Relations.

By Mr. UDALL:

H.R. 10111. A bill to establish a conservation corps in the Departments of Agriculture, Labor, and Interior, and for other purposes; to the Committee on Education and Labor.

By Mr. VANIK:

H.R. 10112. A bill to amend the Internal Revenue Code of 1954 to provide for judicial review of certain interpretations of the Federal tax laws which provide favorable tax treatment to certain taxpayers; to the Committee on Ways and Means.

By Mr. BARRETT:

H.R. 10113. A bill to provide credit assistance to municipalities by expanding the market for their securities through debt service guarantees and other support, while decreasing the cost of borrowing for such municipalities; to the Committee on Banking, Currency and Housing.

By Mr. BROYHILL (for himself, Mr. Preyer, Mr. Hastings, Mr. Duncan of Tennessee, Mr. Devine, Mr. Schneebeli, Mr. Carter, Mr. Hefner, Mr. Taylor of North Carolina, Mr. Fountain, Mr. Kasten, Mr. Charles Wilson of Texas, Mr. Martin, Mr. Coughlin, Mr. Erlenborn, Mr. Gilman, and Mr. Kemp):

H.R. 10114. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNEY of New York (for himself, Mr. Drinan, Mr. Vander Veen, Mr. Eilberg, Mr. Gude, Mr. Edgar, Mr. Oberstar, Mr. Bedell, and Mr. Pattison of New York):

H.R. 10115. A bill to establish a National Technology and Research Corporation with subordinate regional institutions to finance long-range research and development of technology to meet critical environmental needs, advance basic research as the foundation for our future well-being, protect the national economy, and provide the basis for meeting future needs of our people by providing high-risk research and development loans to public and private entities for research and development where existing sources of funds are not adequate because of the need for long-term high-risk financing, or difficulty of forecasting quantifiable financial returns, when public purposes will be served by encouraging such technological development; to the Committee on Science and Technology.

By Mr. EDGAR (for himself and Mr. Charles Wilson of Texas):

H.R. 10116. A bill to amend the Federal Hazardous Substances Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MEZVINSKY (for himself, Ms. Abzug, Mr. Baucus, Mr. Bedell, Mr. Blanchard, Mr. Brown of California, Mr. Carney, Ms. Chisholm, Mr. Conyers, Mr. Cornell, Mr. Diggs, Mr. Downey of New York, Mr. Drinan, Mr. Edgar, Mr. Eilberg, Mr. Fish, Mr. Ford of Tennessee, Mr. Fraser, Mr. Gude, and Mr. Hannaford):

H.R. 10117. A bill to require the Federal Trade Commission, the Department of Justice and the Department of Agriculture, to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes; to the Committee on the Judiciary.

By Mr. MEZVINSKY (for himself, Mr. Harrington, Mr. Hawkins, Mr. Hicks, Ms. Holtzman, Mr. Jenrette, Ms. Jordan, Ms. Keys, Mr. LaFalce, Mr. McHugh, Mr. Melcher, and Ms. Meyner):

H.R. 10118. A bill to require the Federal Trade Commission, the Department of Justice and the Department of Agriculture, to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes; to the Committee on the Judiciary.

By Mr. MEZVINSKY (for himself, Mr. Miller of California, Ms. Mink, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of New York, Mr. Ottinger, Mr. Pepper, Mr. Peyser, Mr. Preyer, Mr. Rees, Mr. Richmond, Mr. Rosenthal, Mr. Sarbanes, Mr. Seiberling, Ms. Spellman, Mr. Stark, Mr. Studds, Mr. Thompson, Mr. Vander Veen, Mr. Charles Wilson of Texas, and Mr. Udall):

H.R. 10119. A bill to require the Federal Trade Commission, the Department of Justice and the Department of Agriculture, to compile information and annually report to the Congress with respect to antitrust enforcement, market structure, and state of competition in the food industry, and for other purposes; to the Committee on the Judiciary.

By Ms. SPELLMAN:

H.R. 10120. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for portable whirlpool pumps purchased or rented for use in the patient's home pursuant to a physician's prescription; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.J. Res. 687. Joint resolution designating the composition known as The Stars and Stripes Forever as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. RHODES:

H.J. Res. 688. Joint resolution to designate April 19 of each year as Revolutionary War Day; to the Committee on Post Office and Civil Service.

By Mr. GINN:

H.J. Res. 689. Joint resolution proposing an amendment to the Constitution to provide that except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. LATTA:

H. Con. Res. 425. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. MATHIS (for himself, Mr. Annunzio, Mr. Brinkley, Mr. Brown of Michigan, Mr. Clay, Mr. Cotter, Mr. Gilman, Mr. Hébert, Mr. Howard, Mr. Sebelius, Mr. Slack, and Mr. Young of Georgia):

H. Con. Res. 426. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

By Mr. HAYS of Ohio:

H. Res. 780. Resolution disapproving a regulation proposed by the Federal Election Commission; to the Committee on House Administration.

By Mrs. FENWICK (for herself and Mr. GILMAN):

H. Res. 781. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Ms. HOLTZMAN:

H.R. 10121. A bill for the relief of Antonio Escolar Alfonso; to the Committee on the Judiciary.

By Mr. ROUSSELOT:

H. Res. 782. Resolution honoring Dr. Armen Sarafian who will retire on March 29, 1976, as president of Pasadena City College; to the Committee on Post Office and Civil Service.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

248. By the SPEAKER: Petition of the Oklahoma Municipal League, Oklahoma City, Okla., relative to funding allocation formulas within the Housing and Community Development Act of 1974; to the Committee on Banking, Currency and Housing.

249. Also, petition of the Oklahoma Municipal League, Oklahoma City, Okla., relative to Federal funding for local comprehensive planning assistance; to the Committee on Banking, Currency and Housing.

250. Also, petition of the Oklahoma Municipal League, Oklahoma City, Okla., relative to financial assistance to municipalities in order to offset the costs of Federal standards or regulations; to the Committee on Government Operations.

251. Also, petition of the Oklahoma Municipal League, Oklahoma City, Okla., relative to revenue sharing; to the Committee on Government Operations.

252. Also, petition of the Oklahoma Municipal League, Oklahoma City, Okla., relative to land use planning and control; to the Committee on Interior and Insular Affairs.

253. Also, petition of the Bostoh City Council, Boston, Mass., relative to swimming pool safety; to the Committee on Interstate and Foreign Commerce.

254. Also, petition of Leon E. Lofton, Jr., Inglewood, Calif., relative to redress of grievances; to the Committee on the Judiciary.

255. Also, petition of the Oklahoma Municipal League, Oklahoma City, Okla., relative to the Federal Water Pollution Control Act of 1972; to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 200

By Mr. TREEN:

(1) On page 17, line 19, after "(3)", strike all the words on line 19 through the comma on line 20.

(2) On page 62, line 24, strike all on line 24 through the word "(b)" on line 25.

(3) On line 3 of page 63, strike all of Sec. 309(b) and (c)—(All matter commencing on line 3 and continuing through line 23 of page 64.)

(4) Renumber the succeeding sections.

EXTENSIONS OF REMARKS

SENATE, HOUSE BUDGET PANELS WIN EARLY VICTORIES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DOWNEY of New York. Mr. Speaker, for some months now many of us have felt a certain suspense about the day of reckoning between the budget resolution and the appropriations bills. We can now see that the scales are likely to balance and the new congressional budget system is working. The Washington Post had an article on the Senate and House Budget Committees and the success they have already had. I would like to have the story included in the RECORD.

SENATE, HOUSE BUDGET PANELS WIN EARLY VICTORIES

(By Mary Russell)

Two major victories on defense spending have emboldened the House and Senate Budget committees as they strive to overcome paper-tiger predictions and become a real power in Congress.

"We're not home free yet. But the score is 10 to 0 in our favor in the fourth quarter," says House Budget Committee Chairman Brock Adams (D-Wash.).

The Senate committee won its victory in August when Chairman Edmund S. Muskie (D-Maine) took on the powerful Armed Services Committee on the Senate floor, insisting that the military procurement conferees had far exceeded the Budget Committees target.

By a 48 to 42 vote he succeeded in sending the bill back to a House-Senate conference for more paring, Another quarter-billion dollars was cut, and the $30.9 billion 15-month measure was cleared for the White House last Friday.

Because winning floor battles is more difficult in the 435-member House, Adams has been using a different method. He deals with the committees before their bills reach the floor, threatening a floor fight if necessary but trying to let committees know beforehand whether a bill exceeds the target and asking them to make the cut.

Adams feels he won a major victory last week when the House Appropriations Committee cut nearly $9 billion from the administration's request for funds over 15 months to equip, man, and operate the armed forces.

The victories are important because, while members of Congress heaped praise on the idea of the new congressional budget system when it was formed last year, many thought it would be only a paper tiger.

Before passage of the Budget and Impoundment Act establishing the new process, plus House and Senate Budget committees and a congressional budget office to carry it out, Congress did not total what it was spending, nor did it set any ceilings on overall spending, much less on spending for various programs or categories. Each committee would put out its authorization bill without regard to the overall budget effect.

President Nixon's habit of impounding funds Congress appropriated, plus Congress' desire to win back some of the power it had lost to the executive, led to passage of the act, which empowers the two new Budget committees to set targets both for over-all spending and for program categories.

But there was no guarantee that the other committees, jealous of their prerogatives and usually advocates of programs in their jurisdiction, would follow Budget Committee orders to cut funds. In fact, a log-rolling system, with committees sticking together to defeat all proposed cuts, could easily have made the whole process meaningless.

Although the process is only on a trial run (the act doesn't take effect until next year), both Budget Committee chairmen considered it vital to establish the influence this year.

One key area was defense spending, not only because it accounts for such a big share of the government's total outlays but also because the appropriations committees are traditionally so military-minded.

Some argue that the House committee's reductions in defense appropriations are merely "paper cuts" because no major weapons system was cut out. But the Budget Committee staff points out that the 11 per cent slash is the biggest percentagewise since 1950; cuts usually range from 5 to 7 per cent.

"We asked them to cut some $8.2 billion and figured they'd cut about four or five," Adams said. "There's more glory in shooting down jazzy weapons systems, but the big money is in support programs and that's where the cuts were made."

Rept. Robert Giaimo (D-Conn.), a member of both the Budget Committee and Appropriations Subcommittee on Defense, said Adams' vow to fight the bill on the floor if it was too much over the target was a major factor in the subcommittee's action.

He also said, "For the first time in my memory, the subcommittee went through that budget item by item, looking hard at each program for where it could make cuts." Giaimo said no totals were made of the cuts at the end of each markup session, so that many members were surprised at the size of the overall cut.

Though Appropriations Committee Chairman George Mahon (D-Tex.) denies that the Budget Committee influenced the process and insists that the cuts were made solely in "the best interests of defense," sources say he is rushing the bill to the floor in hopes of heading off a massive Pentagon-administration lobbying effort to restore the money.

Besides defense, Muskie won a significant battle in cutting $75 million from the school lunch program, while Adams has the leadership's agreement to delay and probably shelve a bill costing ultimately $3.4 billion that would allow federal employees to retire after 30 years' service without regard to age.

"You have to take stock when, as now, liberals are saying, 'You can't do this, it costs too much,'" Giaimo says. He senses a new consciousness of spending and deficits brought on by the economic situation: "The example of New York is getting through."

STAN JENSEN

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. PHILLIP BURTON. Mr. Speaker, a distinguished labor leader and my good friend, Stan Jensen, will be honored on Saturday night, October 25, in San Francisco at a dinner marking his 35 years as a member of the International Association of Machinists and 20 years as business representative and directing business representative.

Stan Jensen is a native San Franciscan, born in the "City by the Golden Gate" on June 19, 1922. He graduated from Balboa High School and served in the U.S. Army Air Corps.

He has been a member of Lodge 68, I.A.M. & A.W. since 1940 and has served as an elected business representative since 1955. In 1972 he was elected directing business representative of District 115, encompassing 10 I.A.M. & A.W. local lodges with a membership in excess of 17,000.

Stan Jensen is also a community leader. He has been a member of the San Francisco Redevelopment Agency since 1967, a position he has held under two mayors.

Stan has served for years on the executive board of the San Francisco Labor Council. He is also a vice president of the California Labor Federation, AFL–CIO. In addition, Stan also serves as president of the Pacific Coast Metal Trades Council and last year he was elected area vice president of the Western Shipbuilding Association.

It is obvious from this brief recitation of Stan Jensen's titles, that he is a concerned and tireless man committed to the well-being of his members and of the community.

It is most fitting that he be honored by those he has so diligently served for these many years. I join with them in calling attention to this career of dedicated service and I place these remarks in the RECORD at this time so that my colleagues may know of this truly fine human being, this dedicated labor leader and active force for the betterment of the San Francisco community.

PRESIDENT OVERRIDES TOBACCO PRICE SUPPORTS

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. JENRETTE. Mr. Speaker, President Ford has defied the will of the House and the Senate in overriding the tobacco price supports bill. But before I address myself to that question, let me say that the gentleman from New York (Mr. PEYSER) has no valid reason for saying that this legislation was approved through devious means. Not one rule of the House or the Senate was violated in the passage of this legislation. As I understand it, Mr. PEYSER was not on the floor when this matter was raised. Everything was entirely aboveboard.

Now let me say that President Ford took the easy way out when he vetoed this legislation. Anyone with even a basic knowledge of the House can see that there are far more Congressmen represented here from urban and nonfarm areas than there are from farm areas—particularly tobacco-growing areas. So this veto was like shooting ducks on a pond with a howitzer. The House has never overridden a veto of a farm bill and President Ford, being a veteran of this body, is well aware of this. So instead of considering this legislation on its merits, he took the easy way out and vetoed it. He did this, I might add, only after playing politics with the bill and I am referring to the matter of supplying arms to Turkey. These strong-arm tactics did not work with the Congressmen from the tobacco belt, I am proud to say.

All we were asking for in this modest bill was a support level that would prevent the bankruptcy of our farmers, who have been forced to turn over more and more of their flue-cured leaf to the Government loan program. Is it asking too much to put a floor under prices to prevent the major tobacco companies from stealing their crops?

But I do not expect Mr. PEYSER, a man from a State that produces no flue-cured tobacco, to be sympathetic to our very real problems. I did expect more of President Ford, however, because he, theoretically at least, should have a balanced overview of farm problems. How can he publicly worry about the high rate of unemployment on the one hand while pursuing a policy sure to drive small farmers onto the welfare rolls?

UNITED STATES MUST CONTINUE TO DENOUNCE AMIN ATTACKS ON ISRAEL

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. PEYSER. Mr. Speaker, I would like to take this opportunity to salute the statement made by the chief delegate of the United States to the United Nations, Patrick Moynihan, made in opposition to the outrageous statements of President Idi Amin. President Amin is a madman and it is most unfortunate that someone like he could command the United Nations as a forum for his rantings. His call for the extinction of Israel is the voice of a modern-day Hitler.

The United States, and indeed the entire world community, must resist and denounce the remarks of Amin. No nation with any moral fiber can do less. Our Nation can be proud that we have a strong voice in the United Nations, and I include for the RECORD the statement of Mr. Moynihan denouncing the Amin attack on Israel:

It is no accident that on Wednesday, "His Excellency Field Marshal Al Hadji Idi Amin Dada, President of the Republic of Uganda"—to give him his U.N. title—called for "the extinction of Israel as a state." And it is no accident I fear, this "racist murderer"—as one of our leading newspapers called him this morning—is head of the Organization of African Unity. For Israel is a democracy and it is simply the fact that despotism will seek whatever opportunities come to hand to destroy that one which threatens them most, which is democracy.

A CONGRESSIONAL PRESIDENCY?

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. HARRINGTON. Mr. Speaker, not so very long ago, the most logical stepping stone to the Presidency of the United States was to be the Governor of a major State or the mayor of a major city. Since World War II, however, most of our Presidential candidates, and hence our Presidents, have come out of the Congress.

Exactly why this shift has occurred is hard to say. Perhaps our major States and cities have developed such overwhelming problems that they tend to destroy or at least retard the careers of those who try to govern them. But while the cause of the shift is obscure, there can be little doubt about the consequence. We have produced a string of Presidents who have brought to the most important executive post in the world little or no experience as administrators.

Hugh Sidey describes this phenomenon in somewhat unflattering terms in the latest issue of Time magazine, pointing out that the congressional route to the Presidency has had a profound effect on the manner in which our country is governed. With our former colleague in the White House and with elections coming up, I think Mr. Sidey's observations merit the attention of all of us:

WHEN TALK IS CHEAP AND WILD

(By Hugh Sidey)

There is a political protest struggling to be born out in the country. If it makes itself heard, eventually it may ask something like this: Why are we repeatedly forced to choose our Presidents from the Congress? There is no rebellion yet, but there is at least a rising murmur at the spectacle of ten of the 16 presidential possibilities being products of Capitol Hill.

Congress is an unreal world—and getting more so. Talk there is cheap and wild and it is rarely accountable. Senators and Congressmen do not have to carry out their decisions, do not have to make the Government work. They walk away from responsibility after they cast their votes.

Few of them have ever run anything larger than their office staffs. Hubert Humphrey was a mayor and Edmund Muskie was a Governor, but so long ago that the experience is not much more than the faded clippings in their scrapbooks. In almost every city and hamlet, Americans can see that the politicians who went to Washington now talk and act like men in a different nation from their fellow politicians who stayed back home. They see that their Governors—Lucey, Brown, Ray, Longley, Dukakis, Walker, Thomson, Evans—are true executives and make real decisions. Senators talk and shake hands.

When Jerry Ford, who was tempered by 25 years on the Hill, is out on the stump, his rhetoric sometimes suggests that he would abolish the entire Government. As head of that Government, he must know, after a year's on-the-job training, that some of his campaign lines are pure baloney. But he cannot cure the congressional hangover. Some of Ford's vetoes, often delivered with simplistic and negative explanations, represent a denial of the legitimate, if costly advances our society has made in the past years. On the other hand, many of the bills that he vetoed were grab bags of every tired idea that has been propounded in Congress in the past 30 years.

A few weeks ago, Louis Harris, one of the men who read the national palm, gave a speech that would have been a shocker if any of the "Phogbounds" had been listening. "The voices from the top today are by and large not the voices from below," he said. The findings in his polls, he continued, showed the people sick to death of overblown and phony talk. They viewed politics as "sadly out of date." The public, he said, wanted "the hard truth about the recession, energy, inflation and other key issues of the day.... They want politicians who will level with them."

By last year some 70 million Americans, half of all those who are 18 years or older, had been through high school. That is the largest electorate so highly educated the world has ever produced. Their education has been dramatically enlarged by television. Their sensitivity to the facts of national life has been tuned by the drama of Watergate. They do not see the issues as black and white, as many of the candidates continue to shout. Quit talking to them as twelve-year-olds, advised Harris.

Lyndon Johnson, the pre-eminent legislative creature, got hundreds of bills passed, but the full effects of his program on the country were never calculated. We suffer from that burden today. He never fully understood that he was the executive officer, in charge of final results. Instead, he used to take out the box score of bills passed and read the numbers to visitors as his measure of greatness.

An alarming amount of Richard Nixon's White House energy was spent running again for office, doing the same thing he had done in the congressional world in which he dwelled for 14 years. He never fully conceived a program for America, achieved almost nothing on the home front.

Jerry Ford in his first year responded competently to the problems that were literally thrust on him. But now that the time has come to move beyond the crises he inherited, there are worrisome signs that Ford's view of leadership remains a reflection of his days on the Hill—days spent in meeting, talking and traveling.

COLUMBUS DAY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. FISH. Mr. Speaker, almost five centuries ago, a determined and courageous man sailed westward and that voyage was to have profound effect on the history of the world. Two continents—a whole new world—was opened up as a result of one man's determination to break with the superstition and ignorance of his day.

Christopher Columbus was one of those extraordinary men who seem to come along only rarely in the course of human events. He was a man whose intellect, ability, and boldness placed him head and shoulders above the average. His insight becomes even more amazing when one considers the time in which he lived.

At the end of the year 1492, many men in Western Europe felt exceedingly gloomy about the future. Civilization, after having enjoyed many years of revival was slowing down.

Christopher Columbus' travels to new lands brought hope and excitement to a dulled European Continent. His voyage gave impetus to a new age of expansionary vision. Because of Christopher Columbus, civilization moved forward.

Columbus' gift to the world was more than his discoveries, but also a gift of spirit and faith—of challenge and awakening. On this day, as we pay tribute to this man, we also pay tribute to the Italian-American, who has brought to this country the same gifts that Christopher Columbus possessed. The contributions of Christopher Columbus was just the beginning of a long list of Italian-Americans who have contributed so much in making this country what it is today. By having Columbus Day a national holiday, we are not only paying tribute to the man, himself, but also the Italians who followed in his footsteps, by coming to this land and contributing so much for its betterment.

MY BROTHER'S KEEPER—IV

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DERWINSKI. Mr. Speaker, at a time when we continue spirited debate on the Federal budget, and the need to control the cost of Government programs, I found the editorial commentary carried by WBBM Radio Station 78, Chicago, Ill., on September 25, to be especially pertinent.

The point made by this editorial is that continuing increases in the cost and size of Government programs could produce, by the year 2000, a situation where half of the people in the country would be supporting the other half.

To be forearmed is to be forewarned, and I hope that the Members will take this editorial to heart.

The editorial follows:

MY BROTHER'S KEEPER—IV

When Caspar Weinberger recently resigned as Secretary of Health, Education, and Welfare, the federal agency that runs the government's massive social programs, he warned that if the present trend continues there is an "overriding danger" that by the year 2000 half the gross national product will be spent on domestic social programs. Half of us, in other words, could be supporting the other half.

Right now nearly 30 percent of all income comes from the government. So it seems entirely possible that Weinberger's prediction could be right.

If we Americans want to stay on this course, it's our privilege since it's our money that pays for the programs. But we cannot agree it's the best way. We think massive government handouts stifle initiative and put too much financial strain on the average working family which is forced to pay for them with tax dollars.

For the sake of everyone involved, the programs must at least be reformed—if not curbed. As we have pointed out, the cost of administering them alone is astronomical and frequently wasteful.

We urge our government leaders to exercise some control over these programs and over the direction the country is taking. We dare not allow the role of government in our lives to grow by default.

We always want this nation to be compassionate, but we hate to see it reach the point where it's more attractive for Americans to take money than to work for it.

ENERGY INDEPENDENCE?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, it is daily becoming apparent that the American people are growing more and more impatient with the Congress for failure to enact a long-range energy program designed to give the United States independence in the field of energy in the near future. To date, the legislation passed appears more designed to complicate rather than simplify our goal of energy independence. A recent news column by Anthony Harrigan in Sensing the News for October 2, 1975, summarizes our national dilemma very well. The column follows:

ENERGY INDEPENDENCE

With the international oil cartel having hiked prices by 10 per cent, it is more important than ever for the United States to achieve energy independence. It is clear that the Organization of Petroleum Exporting Countries will raise prices again in the not too distant future.

President Ford's proposed $100 billion Energy Independence Authority is not the way to solve America's energy problems, however. This grandiose design is a great leap backward to Great Society era planning, when vast federal programs were designed to throw money at complex problems.

The Wall Street Journal, in a critical analysis of the Energy Independence Authority plan, said that the $100 billion will be spent on projects "too risky" for private enterprise, or in other words, "into the least promising energy alternatives." *The Journal* explained that government spending could reduce the cost of solar energy, but not enough to make it economical.

With the federal government pouring large sums into solar energy research and other unprofitable projects, billions of dollars would be withdrawn from capital markets. Industries with the capability of providing additional energy would be starved for the capital necessary to build new installations.

It is very unfortunate that President Ford has embraced the Energy Independence Authority concept, which is the brainchild of Vice President Nelson Rockefeller and his team of advisers. As the *Journal* noted, "In one swoop, he's embraced the principle of government preemption of the private sector, credit allocation, fiscal gimmickry, bigger bureaucracies and multi-million dollar subsidies."

Americans can be sure that more government spending and more bureaucrats on the payroll won't result in energy independence for the United States. The free enterprise system can provide that independence, however.

The United States has vast coal deposits, especially in the Western states. These aren't being fully developed because of pressure from governmental agencies and environmental extremists who oppose more extensive coal mining. Apparently they prefer that the U.S. submit to the economic blackmail of the oil cartel, and suffer further recession as a result of higher prices paid for imported fuel.

Hardly a day passes when someone in Congress isn't demanding new controls on the energy industries and new federal allocation rules for fuel which strike at free market operations.

A case in point is the Hollings-Dingell Emergency Natural Gas Act (S. 2310 and

H.R. 9464) which would extend federal price controls to the intrastate market and legislatively permit a rollback of current prices on new offshore natural gas. Such legislation does nothing to increase the supply of energy for homes and industry. It is completely counter-productive.

Frank N. Ikard, president of the American Petroleum Institute, said in a recent speech that "80 government agencies tell the petroleum industry where it can produce, when it can produce, what environmental rules it must obey, whom it must supply, how much it must supply, and what prices it can charge." It is no wonder that the goal of energy independence is illusive.

New energy sources are expensive to develop. Great risks are involved in drilling for oil. The liberal-dominated Congress, however, seems determined to cripple the petroleum industry's ability to finance the search for oil and gas. Thus Congress eliminated the depletion allowance for all but the smallest producers, and increased taxes on foreign operations.

At the same time, efforts are under way—such as the Jackson bill—to create a federal oil and gas corporation. The liberal element is bent on phased nationalization of the oil industry, despite the fact that nationalization has been an economic disaster in Great Britain and elsewhere.

The United States has the capability of achieving energy independence. But that capability is inherent in the traditional American free enterprise system. If that system is prevented from working, and if huge government entities absorb capital needed by private industry, the United States will never achieve energy independence. Instead, we will become increasingly vulnerable to the economic—and political—demands of the oil-producing countries of the Middle East, Africa and South America.

BEEF RESEARCH AND INFORMATION ACT

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. JONES of Tennessee. Mr. Speaker, I would like to take this opportunity to express my satisfaction with regard to the actions of this body in the vote last week on H.R. 7656, the Beef Research and Information Act.

I fully supported this legislation in deliberations on it in the Committee on Agriculture and on the floor because I firmly believe that such a self-help program as this bill will allow for the beef farmers of this Nation are needed and long overdue.

The bill will provide for a program of research, producer and consumer information and promotion to improve beef products, market methods, and utilization of cattle, beef, and beef products to be carried out with funds derived from producer assessments.

Our cattle farmers and ranchers throughout the country have been hit hard by the recession that we have experienced during the past year to 18 months. They need a cohesive program now to help pull themselves out of the slump that this economic slowdown has caused by better utilization of their own resources.

Certainly, we cannot expect this one piece of legislation to solve all the ills of the country's cattlemen, but it will go a long way to offer the encouragement that only their Government can give.

It shows also that the beef industry is interested in helping itself and for that they should be commended. I applaud the actions of this body and look forward to the establishment of a strong beef research and promotion program in this Nation.

EXTENSION OF THE REMARKS OF THE HONORABLE STEWART B. McKINNEY RECENT HEARINGS ON LEGISLATION TO REGULATE LOBBYING

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. McKINNEY. Mr. Speaker, recently the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee conducted hearings on H.R. 15, H.R. 1734, and a host of related bills introduced in an attempt to regulate lobbying activities. The need for such legislation is widely recognized. In my opinion this legislation will have a great effect on restoring public confidence to the conduct of public officials and private interests.

The task facing the subcommittee in drafting an effective bill is a difficult one since establishing parameters for disclosure must in no way abridge the constitutionally guaranteed right to petition the Government. I am confident that the final language of the measure that comes before the House for consideration will properly protect the rights of the public in that regard while providing them with access to meaningful information on lobbying activities.

Mr. Speaker, I include my statement before this subcommittee at this point in the RECORD:

STATEMENT OF THE HONORABLE STEWART B. McKINNEY FOR THE HOUSE SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS, SEPTEMBER 24, 1975

Mr. CHAIRMAN: It is a pleasure for me to be able to offer this testimony today on the Public Disclosure of Lobbying Act of 1975 and I would like to express my appreciation to you and the subcommittee for extending this invitation.

With this legislation that is being drafted here Congress is attempting to establish parameters of disclosure for the operations of those who exert some influence over policymakers so that public confidence in the democratic process can be restored. The existing regulations incorporated in the 1946 Federal Lobbying Act have been considered so vague by the Supreme Court that compliance is now regarded as voluntary. Registration is required only of groups which consider lobbying to be their "principal purpose", a requirement which has been so broadly interpreted that even large organizations maintaining permanent lobbying staffs have been able to avoid any disclosure. Enforcement of this statute is almost non-existent. The Secretary of the Senate and the Clerk of the House are authorized to collect the registrations and reports of the lobbyists but there are no provisions for these officers to enforce the rules if they uncover violations. In fact, since 1972 there have been five cases referred to the Justice Department (which has the power to enforce the rules, but does not seek out violators) with no indictments.

Since neither compliance with nor enforcement of these regulations has been pressed, it is little wonder that the American people think that the wheels of government are greased by unethical or illegal influence-peddling.

Given this background of ineffective disclosure provisions, there should be little argument that the time has come to put some teeth into our federal lobbying laws; indeed, revision is long overdue. The bills being considered contain more realistic definitions of who is a lobbyist, what pertinent information must be disclosed and meaningful penalties for non-compliance. In addition, this legislation closes one of the major loopholes that has become so obvious in recent years, the failure of lobbyists to have to report lobbying of executive branch officials. By extending these disclosure provisions to the Executive branch, the public is served notice that political reform will be broad and realistic, not more empty promises.

Charges of lobbying abuses stem often from suspicions aroused by the private nature of most lobbying activity and not actually from improper activity. The intent of this act is to open to the public examination these contacts between lobbyist and policymaker to dispel any doubts and lingering suspicions. In complying with this legislation the good lobbyist will not be punished, but the cheap operator will be subjected to closer public scrutiny. I am not so naive that I expect this bill to eliminate all abusive activities in lobbying contacts. However, it represents at least the first step in that direction.

In my statement, Mr. Chairman, I have emphasized the fact that this bill provides for disclosure, but I have studiously avoided any reference to regulation of lobbying activity. In my opinion there is a very narrow distinction to be made here, but one which goes to the very heart of our democratic system. Lobbying activity is founded on the Constitutional right to petition for redress of grievances as guaranteed by the First Amendment. This right to be heard extends to all members of our society and Congress should encourage this practice as one of our most fundamental privileges. I am sure that the subcommittee will have as its prime consideration the protection of these rights while drafting this legislation.

The restrictions imposed by this measure will be those publicly accepted standards of ethical conduct in one's relations with policymakers that are brought on by public disclosure of the lobbyist's activities. Expecting that those who lobby for a special interest should conduct themselves ethically in these contacts may be something new to our political system, but it can hardly be called an infringement of the right to free speech. This legislation will protect the rights of our constituents to communicate with their government while enabling them to know what means are being used to influence public policy.

Although I am a strong supporter of this legislation, there is one section that I hope the subcommittee can amend to make the statute more effective. As worded, the bill would require many of our more involved constituents to register as lobbyists under the financial expenditure test. For example, a public opinion telegram to all members of the House and the Senate currently costs $160. As we are all aware, this is a very popular vehicle used to express views on national policy as well as legislation. Two of these sent during a calendar quarter qualify the sender to file as a lobbyist. However, this section excludes personal travel expenses from the test. It is possible, then, that someone could fly from California each week to see a Representative at a round-trip expense of $500 who is not defined as a lobbyist while a person sitting in Washington, D.C. who sends two public opinion telegrams in one quarter (or four in four quarters) is a lobbyist. When the price of long distance telephone calls and increasing postage rates are considered, it is easy for us to realize the numerous other combinations of contacts used by private citizens which would meet the expense requirements and which would result in this legislation being extended to unanticipated areas with potentially unmanageable violations. Just as the existing regulations were meaningless because they were drawn too broadly, this attempt could fail if the narrow definition extends to so many that the provisions become unenforceable and the Commission finds itself smothered in reports of constituent contacts.

This legislation will not limit access to federal officials by lobbyists, but it should clearly distinguish between the concerned private citizen and the agent of organized special interests. I am certain that the subcommittee will have these points in mind during its deliberations and the resulting bill that will be presented to the House will represent a major effort in restoring public confidence to our political system.

TRYING TO HOGTIE THE EPA

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. McCLOSKEY. Mr. Speaker, an editorial in today's Washington Star calls attention to a possible effort in tomorrow's session to diminish the authority of the Environmental Protection Agency to regulate dangerous pesticides. This is a matter of serious concern, in that it concerns what amounts to a veto power being given to the Agriculture Department over EPA's pesticide responsibilities. Whichever agency is granted ultimate authority, there would seem to be an obligation on our part to minimize the cost and complexity of the governmental process involved. The Star's editorial is submitted for the House's consideration:

[From the Washington Star, Oct. 8, 1975]

TRYING TO HOGTIE THE EPA

A matter in which the public interest collides headon with vast private and political interests will come before the House tomorrow, and there's no telling how it will come out.

What we're talking about here is the power of the farm bloc, which is determined to slow down the Environmental Protection Agency in its efforts to regulate dangerous pesticides. At stake is unhampered continuation of the EPA's present power over these chemical substances, an extension that the House should approve.

The Agriculture Committee, however, has come up with a convoluted bill which, while extending the EPA authority, does all it can to complicate the processes. It sets up a bureaucratic maze that would consume an unreasonable amount of time before a pesticide deemed dangerous to the public health could be gotten off the market. This would involve teamwork with the Agriculture Department so that effects of any future pesticide regulation upon farm economics and crop yields would be taken fully into account, as a factor in the decisions. The committee has devised a system of publication, consultation and reply with built-in delays that seem designed to discourage regulation and erode the EPA's authority. The agency would even have to consult with congressional committees and still another scientific advisory group before making major decisions on control of bug-killing chemicals.

All this duplicates what's already going on; as things stand, the EPA talks these matters over with the Agriculture Department, and its process of hearings, scientific review and so forth is protracted and complicated enough—and certainly fair to all parties involved. Nor is high crop yield a rational concern when the possibility arises that people may be poisoned or placed in danger of cancer by the spreading, or *improper* spreading, of farm chemicals.

The pesticide control act passed three years ago and now up for renewal established categories—some compounds may be banned (as three have been), others used freely, and a middle group authorized for *restricted* use. The EPA proposes to certify farmers (through a state agency) in this restricted field, requiring evidence of at least some knowledge in the use of highly toxic chemicals that could endanger health, perhaps even life, if improperly applied. This is not only reasonable but imperative. But the House committee would allow any farmer to certify *himself* simply by signing a slip of paper when he buys the chemicals. The public deserves more protection than is promised in token self-certification.

The House committee did reject a proposal to give the Agriculture Department veto power over an EPA pesticide decision, but this undoubtedly will come up on the floor as a powerful amendment. We hope the House members will bear in mind that health and environmental concerns received pitifully small attention from Agriculture in the 33 years it was charged with regulating pesticides. It did not remove a single one from the market for these reasons.

For its part, the EPA has demonstrated a keen appreciation of farmers' problems, taking care to inform them of effective, safer compounds that are available, when a dangerous pesticide is curbed or banned. With new ones of indeterminate effect coming out all the time, and farmers wanting to be put to the least possible bother, it's vital that the EPA have sufficient power to protect the public.

GENERAL PULASKI'S MEMORIAL DAY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. HELSTOSKI. Mr. Speaker, on Saturday, October 11, we will commemorate the 196th anniversary of the death of Gen. Casimir Pulaski, a valiant Polish expatriate who gave his life in the Battle of Savannah during the American Revolutionary War. This dedicated, resolute cavalry officer fought heroically in the pursuit of freedom both in his homeland and in America.

A few years after having led 18,000 soldiers as commander of cavalry engaged in battle against Russian troops in an effort to liberate Poland, Casimir Pulaski set sail for the colonies in the summer of 1777. Almost immediately upon his arrival and characteristically of his spirited determination, he recruited a small cavalry unit of 30 men and plunged into battle at Brandywine, shortly after which he was commissioned on September 15, 1777, as a brigadier general and "commander of the horse" by the Continental Congress.

In April 1778, Pulaski's Legion was authorized by Congress. One year later, the legion set out for South Carolina to turn back the advancing British troops. It was on October 11, 1779, when General Pulaski died at the young age of 32 of wounds sustained 2 days earlier on the battlefield at Savannah.

As our Nation's Bicentennial is celebrated, it is only fitting that we pay a special, heartfelt tribute to the courageous revolutionary heroes who played such a vital role in the founding of our great republic. In recalling the memory and contributions of General Pulaski, we are reminded that our precious freedom was achieved at a cost of considerable sacrifice and anguish. He was a noble and intrepid officer ardently devoted to the cause of American independence. Casimir Pulaski was a great patriot to whom we owe our profound and enduring gratitude.

TAXATION WITH REPRESENTATION SUPPORTS TAXPAYER BILL OF RIGHTS LEGISLATION

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. VANIK. Mr. Speaker, on September 8, Senator MAGNUSON, Senator HASKELL, and five members of the House Ways and Means Oversight Subcommittee introduced a taxpayer bill of rights designed to assist taxpayers in their dealing with the Internal Revenue Service.

I am pleased to report that Taxation With Representation, a public interest taxpayers' lobby, has just endorsed this legislation and has offered several additional ideas for the increased protection of the taxpayer.

These amendments are scheduled to be considered either during the Ways and Means tax reform markup later this fall or as a separate bill sometime in November.

Following is the full text of Taxation With Representation's remarks on the comprehensive administrative package introduced by myself, and Congressmen GIBBONS, RANGEL, STARK, and VANDER VEEN. I am also including Taxation With Representation's very helpful comments on the need to limit the Internal Revenue Service's definition of tax returns:

COMPREHENSIVE ADMINISTRATIVE PACKAGE

We support a comprehensive administrative package such as that proposed by Mr. Vanik, and suggest that as many as possible of his proposals be incorporated into the pending bill.

In addition, we also suggest that consideration be given to creation of a Taxpayer Protection Agency, independent of the IRS, which would have at least the following functions:

1. Operation of taxpayer service facilities throughout the country. These would replace existing IRS taxpayer service facilities.

2. Publication of official handbooks (such as "Your Federal Income Tax") which are designed to inform the public about tax matters. Again, these would replace the corresponding IRS publications.

3. Provision of legal assistance to persons who encounter difficulties with the IRS and who cannot afford counsel.

4. Bringing suit to challenge questionable IRS administrative decisions, especially those that give away revenue to special interest claimants.

5. Representation of the public interest at IRS administrative hearings on regulatory proposals appearing in the Federal Register and elsewhere.

DISCLOSURE OF TAX RETURNS AND RETURN INFORMATION

This is a difficult issue, and deserves careful consideration by Congress so that the booby traps planted in administration proposals in this area can be detected and eliminated. Provided that these booby traps are eliminated, we support this proposal. We believe that the following points are important:

1. The definition of the term "tax return" is a crucial aspect of this proposal. The Internal Revenue Service has sought to define that term very broadly in recently revised regulations, with the obvious purpose of negating the Freedom of Information Act and making Congressional and public scrutiny of IRS operations almost impossible. Although those regulations have been struck down by the Courts, the IRS is now attempting to enact them into law. The result would be to make almost every document in the possession of the IRS a "tax return," including many documents that are obviously not tax returns as that term is commonly understood.

2. The definition of the term "tax return" adopted by Congress should be based on the case law that has developed over the past generation (at IRS urging) in connection with so-called "failure to file" cases. In general, the courts deciding those cases have defined the term "tax return" as a sworn computation of tax due, whether or not submitted on the forms provided by the IRS. Use of this definition seems fully adequate to protect the legitimate interest of the public in the secrecy of their returns, while avoiding the trap of turning substantially every IRS document into a "tax return," thus immunizing the IRS from Congressional and public scrutiny and negating the Freedom of Information Act as it applies to the IRS.

PERSONAL EXPLANATION

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. SYMINGTON. Mr. Speaker, my attendance at the funeral of a family member prevented me from participating in the veto override of H.R. 4222, the School Lunch and Child Nutrition Act amendment.

If I had been present, I would have supported the motion to override and am happy to note the House was successful in that attempt.

EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. REUSS. Mr. Speaker, my distinguished colleague from California, Augustus F. Hawkins, principal author and sponsor of the Equal Opportunity and Full Employment Act—H.R. 50—has written a column which appeared in the September 18, 1975, edition of the Los Angeles Sentinel. He notes the wide disparity which exists between the rhetoric concerning the high unemployment rate in the United States, and specific programs which are noticeably lacking in any of the administration's efforts to combat the problem:

What Labor Needs Is a Full Employment Policy

(By Congressman Gus Hawkins)

If the President believed his Maine Labor Day speeches he would be calling me to find our how he could push my Full Employment Bill (H.R. 50), which guarantees employment to all persons willing and able to work.

But, since I haven't heard from the President, I can only assume his words were just more rhetoric on the plight of the 7 to 14 million unemployed.

In his addresses to labor, the President exhorted business and industry to "do everything possible to bring back laid-off workers, to reassess the job assignments of those employed beneath their true qualifications and to give opportunities to young people eager to join the labor force."

And what does he plan to do to help bring this about?

He has clearly outlined his plans in his 1976 budget: no funding for new programs; severe cuts in social services to the poor, to senior citizens, veterans, children, youth, and the handicapped and the mentally ill; accepting unemployment at about the 8.0 per cent level (meaning—no relief or resolve from the President's recalcitrant position).

His fiscal policies have resulted in discouraging business expansion because of his tight money mania, which means that money will continue to be hard to borrow and interest rates will remain exorbitant.

He has also vetoed bills which would have put some 3.5 million persons back to work.

He's a nice guy with an iron fist.

On the same day that the President was unfairly putting the weight on big business to solve unemployment, labor leaders all over the country were accusing the President of promoting unemployment in order to fight inflation (which is what he's doing).

Since labor is on the spot, and their unemployed union members are not letting them forget it, labor has promulgated a host of alternatives to this depression.

The Administration, however, has bought little of labor's priorities except the emergency extension of unemployment insurance benefits and the temporary approval of other income supplements.

These bandaids, as necessary as they are, are really begging the question of how to find jobs for all those unemployed persons willing and able to work.

Labor has also, in an on-again off-again fashion, tried to program with the Administration.

Hoping, I suppose, to influence the Administration's labor positions.

But, under Nixon, AFL-CIO President George Meany had to quit the Cost of Living Council, when he (Meany) discovered the game was to keep down wages, and to increase prices (and profits).

Labor is once again programming with the Administration. It has joined the President's Labor-Management Committee, which acts as a kind of policy-recommending body to the President.

So far, the committee has unanimously agreed on taxes, energy and utility expansion.

But the President ignored their recommendations on taxes and energy, and has bought their utility expansion program (which may mean more jobs for the jobless).

Maybe this committee will work.

We'll have to wait and see.

In the meantime, pardon me if I join economist Walter Heller who recently observed that the committee "should long since have got to work on the horrendous unemployment problem and the staggering economic loss it entails."

Labor, so far, has not substantially dealt with the major alternative to unemployment: a national policy on full employment.

It must address this question, because there is little hope that chronic visitations of severe unemployment in this country will abate, without such a policy.

Labor's rightful place is with those of us who have developed the full employment concept as an alternative to unemployment.

Its place is not with those who are still living in the 18th Century—and who want to institutionalize unemployment.

TRYING TO HOGTIE THE EPA

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. ECKHARDT. Mr. Speaker, I would like to call to the attention of my colleagues an excellent editorial published in the Washington Star of October 8 which goes to the crux of an issue that we will be voting on October 9, the Federal Insecticide, Fungicide, and Rodenticide Act Amendments.

The editorial succinctly points out that the forces at work here would like nothing better than to see the Environmental Protection Agency's power over dangerous pesticides restricted. If the EPA's authority in this area is undermined, I believe that the health of every American may be seriously jeopardized, and the quality of our environment will surely be diminished.

The editorial follows:

Trying to Hogtie the EPA

A matter in which the public interest collides headon with vast private and political interests will come before the House tomorrow, and there's no telling how it will come out.

What we're talking about here is the power of the farm bloc, which is determined to slow down the Environmental Protection Agency in its efforts to regulate dangerous pesticides. At stake is unhampered continuation of the EPA's present power over these chemical substances, an extension that the House should approve.

The Agriculture Committee, however, has come up with a convoluted bill which, while extending the EPA authority, does all it can to complicate the processes. It sets up a bureaucratic maze that would consume an unreasonable amount of time before a pesticide deemed dangerous to the public health could be gotten off the market. This would involve teamwork with the Agriculture Department so that effects of any future pesticide regulation upon farm economics and crop yields would be taken fully into account, as a factor in the decisions. The committee has devised a system of publication, consultation and reply with built-in delays that seem designed to discourage regulation and erode the EPA's authority. The agency would even have to consult with congressional committees and still another scientific advisory group before making major decisions on control of bug-killing chemicals.

All this duplicates what's already going on; as things stand, the EPA talks these matters over with the Agriculture Department, and its process of hearings, scientific review and so forth is protracted and complicated enough—and certainly fair to all parties involved. Nor is high crop yield a rational concern when the possibility arises that people may be poisoned or placed in danger of cancer by the spreading, or improper spreading, of farm chemicals.

The pesticide control act passed three years ago and now up for renewal established categories—some compounds may be banned (as three have been), others used freely, and a middle group authorized for restricted use. The EPA proposes to certify farmers (through a state agency) in this restricted field, requiring evidence of at least some knowledge in the use of highly toxic chemicals that could endanger health, perhaps even life, if improperly applied. This is not only reasonable but imperative. But the House committee would allow any farmer to certify himself simply by signing a slip of paper when he buys the chemicals. The public deserves more protection than is promised in token self-certification.

The House committee did reject a proposal to give the Agriculture Department veto power over any EPA pesticide decision, but this undoubtedly will come up on the floor as a powerful amendment. We hope the House members will bear in mind that health and environmental concerns received pitifully small attention from Agriculture in the 33 years it was charged with regulating pesticides. It did not remove a single one from the market for these reasons.

For its part, the EPA has demonstrated a keen appreciation of farmers' problems, taking care to inform them of effective, safer compounds that are available, when a dangerous pesticide is curbed or banned. With new ones of indeterminate effect coming out all the time, and farmers wanting to be put to the least possible bother, it's vital that the EPA have sufficient power to protect the public.

NATIONAL 4-H WEEK

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. FISH. Mr. Speaker, this week has been proclaimed National 4-H Week by the Cooperative Extension Service, an organization which conducts 4-H activities in all 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

Dutchess County, which is part of the congressional district that I represent, will have more than 1,500 members marking this special observance. With this country's Bicentennial year coming up in 1976, the theme of this week's celebration is the "Spirit of Tomorrow." Activities will focus on the goals, ideals, and history of the American youth movement.

4-H began at the turn of this century. Throughout the years, this organization has played a prominent role in the development of our Nation's youth. 4-H has been able to adjust to the modern needs and wants of our young people, providing programs in modern animal care, bicycle safety, the arts, and modern agricultural methods. This organization now boasts a membership of more than 7 million young people.

I would like to take this opportunity to thank 4-H for all it has done in my congressional district and nationwide, and wish it continued success in the future.

ILLEGAL ALIENS BILL

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. EDWARDS of California. Mr. Speaker, during the next few weeks this body will be called upon to vote on H.R. 8713, the so-called illegal aliens bill. I voted against this measure when it came before the Judiciary Committee because I feel that it threatens the basic employment rights of thousands of American citizens who are of Latin ancestry as well as violating the rights of aliens who are legally working in this country.

During consideration of the bill in both subcommittee and the full Judiciary Committee the U.S. Catholic Conference offered testimony regarding the dangers of this bill. They have followed H.R. 8713 through its various stages of development and I commend to my colleagues their persuasive statement on the bill:

U.S. CATHOLIC CONFERENCE STATEMENT ON ILLEGAL ALIEN LEGISLATION, AUGUST 20, 1975

On a number of occasions during the past several years the Bishops of the United States have spoken out about the need for a humane and just approach in our government's policies established to solve current national and international economic problems. We have spoken for the need of balancing the normal consumers' demand in the market place with the special needs of the working class, the poor, and the elderly, especially in regard to the costs of food and fuel. We have emphasized the need for a radical change in the consumptive habits of the more advanced societies in order to insure a just distribution of the world's goods to the less fortunate both at home and abroad. We have tried to focus attention on the interdependent nature of the world community of nations and the moral obligation of the United States and other developed and wealthy societies to share more of the wealth which they have managed to accumulate and control.

Once again we feel compelled to speak out on these matters because of a very dangerous direction in which the Congress of the United States is moving in dealing with one very important aspect of our troubled economy. Soon after the summer recess, the Committee on the Judiciary will bring before the United States House of Representatives a bill which will, in effect, attempt to provide a "scapegoat" solution to our economic problems. The Judiciary Committee will propose that Congress pass an "Illegal Alien Bill" (H.R. 8713) which will supposedly help us out of our economic morass.

Although there is little available in terms of supporting facts, advocates of this legislation claim that literally millions of illegal aliens have come into our country in recent years. It is further alleged that these people are taking a significant number of jobs that would otherwise be available for citizens or lawful resident aliens; that they are adding to the tax load by utilizing health, education, and social services; and, that they are causing a drain on our monetary resources by sending a good deal of the money they earn out of the U.S. to support their families at home.

The stated purpose of this legislation is to stop the influx of illegal aliens into our country by cutting off the economic incentives that attract them here in the first place. This is to be accomplished by making it illegal for any employer to hire or to continue to employ any alien who has not been properly certified by the government to be eligible for employment. In essence, the government will be requiring the employers of this nation to enforce the immigration laws which it failed to enforce in the past either as a matter of policy or incompetence.

In our opinion, this legislation is objectionable from several points of view. In the first place, neither Congress nor the Administration has demonstrated that they have adequate information on the scope of the illegal alien problem or of the possible effects of this new legislation on lawful alien residents and citizens. They have no idea how many illegal aliens are really in the country. Their estimates range from 2 to 12 million. They really do not know whether the illegals who are here are holding jobs which either citizens or lawful residents would be willing to accept. They can only guess at the additional costs being created by the alleged increased need for public services or the alleged amount of money being sent out of the country by illegals.

That the Federal Government's information about illegal aliens is inadequate is best verified by the fact that in both fiscal years 1975 and 1976, the Immigration and Naturalization Service has sought special appropriations of $1 million from Congress to conduct a study of the problem. In a document submitted to Congress justifying the need for this study it is stated:

"Without knowing the actual scope of the problem, it is not possible to attack it effectively. It is, therefore, mandatory that I. & N.S. assess the illegal alien situation to determine not only the magnitude, but also the characteristics, mode, and locations of entry, area of residence, and extent of impact of the illegal alien population."

In addition, President Ford recently appointed a special Cabinet Committee to study the matter. There seems to be little doubt that the government itself recognizes its lack of basic information. Therefore, neither the Congress nor the Administration should initiate major new policies in regard to illegal aliens prior to conducting comprehensive and objective studies of this matter.

Assuming that the problem is of such magnitude as to justify some sort of legislative remedy of this nature, the legislation proposed by the House Judiciary Committee is seriously defective to the point of being completely undesirable. In attempting to solve an economic problem this proposal will create a civil rights problem of horrendous magnitude.

By providing sanctions against any employer who hires an illegal alien, this legislation would create a situation that assuredly will lead to discrimination against any person belonging to a minority group whose legal status might be called into question. Legal aliens and minority group citizens will be denied employment simply because employers will not want to run the risk of inadvertently violating the law.

On the request of Congressman Don Edwards (D.-Calif.), Chairman of the Judiciary Subcommittee on Civil Rights and Constitutional Rights, the United States Commission on Civil Rights, through its Staff Director, submitted comments on this proposed legislation on July 28, 1975. The following excerpts from these comments summarize the Commission's point of view:

"It is our view that the passage of H.R. 8713 in its present form will have a direct discriminatory effect on minority persons seeking employment, whether they are citizens or aliens authorized to work in the United States."

"Secondly, even if employers were to request the same proof of status from all applicants, the difficulties in making determinations of citizenship or alien status will inevitably result in employers hiring less minority applicants in order to minimize the risk of hiring illegal aliens. Minority citizens as well as minority legal aliens will be the victims of discriminatory hiring."

"However, attempts to solve this country's serious economic problems cannot be made at the expense of the civil and constitutional rights of minority persons."

The Mexican American Legal Defense and Education Fund also submitted comments on July 23, 1975, in a similar vein to Congressman Edwards. Their position can be summarized by the following quotation from those comments:

"Specifically, the illegal alien bill has provisions which when implemented will inevitably result in certain groups being treated differently solely on the basis that members of these groups look 'foreign'."

On June 18, 1975, an important meeting took place at the White House between the members of the Executive Committee of the U.S. Catholic Conference/National Conference of Catholic Bishops and the President of the United States.

This delegation, headed by Archbishop Joseph L. Bernardin, President, USCC/NCCB, discussed with President Ford a number of public policy issues of pressing concern to the Catholic Bishops of the United States. An issue of major import concerned the matter of the illegal alien problem. At this meeting, the Bishops stressed their support for legislation which would grant a meaningful amnesty to these people and opposed any punitive measures by the government against the aliens.

On March 13, 1975, Msgr. George Higgins, Secretary for Research, presented the testimony of the U.S.C.C. on this matter before the Judiciary Subcommittee on Immigration, Citizenship, and International Law. In this testimony, the U.S.C.C. focused much of its attention on the most serious problem with this legislation, that is, how to humanely handle those aliens without legal status who already are and have been residing in this country for some time. We have been particularly concerned with the effects of this legislation on those who have established families here and have become integrated into our society. They are generally very poor people living a marginal existence. In our testimony, Msgr. Higgins stated:

"The effect of the present wording . . . would be a screening by the employer of all the employees within ninety days after the law was enacted. The dismissal of untold numbers of workers from their jobs in such a short period of time would cause unbelievable havoc among their families and in the communities where they live. It would be physically impossible for the Immigration Service to move such large numbers of people. Moreover, it is unconscionable that our government should even consider separating families by forcing a mass exodus or deportation of literally millions of men, women, and children."

Our basic position is that the Federal government should deal with the problem of the future influx of illegal aliens separately from the problem of those already residing in this country. Those who are already here are here because the government has been both unwilling and unable to enforce its own immigration laws. Most of these people have established families, part of whom are American citizens with all of the rights of citizenship.

To cut these families off from their meager economic sustenance and to force upon them the great hardship of emigrating or to attempt some sort of mass deportation effort would be both inhumane and immoral. For a nation which for two hundred years has been a symbol of hope for the oppressed and the poor of all nations of the world, such an action would be unthinkable.

There is only one just and humane solution to this important aspect of the problem which would be consistent with the tradition and ideals of a country which has been known as the "nation of immigrants"; that is, to once again show our generosity by allowing these people to become legal residents. Consequently, we have advocated that a meaningful amnesty provision be incorporated into this legisation. Such a provision would allow people who have already been in the country for a period of time, particularly those who have family ties here, to adjust their status. This must be done without penalizing those who are waiting to come into the country through normal immigration channels. The number of those adjusted in this manner must not be charged against existing immigration quotas.

The bill (H.R. 8713) as it is presently written has a so-called "amnesty provision." Close analysis of the provision has shown that it will benefit relatively few people at best. We consider this provision as little more than lip service to the concept of amnesty and therefore judge it to be completely inadequate.

In conclusion, we call upon the Congress and the President to reject the proposed "Illegal Alien Bill" (H.R. 8713) as unjust and discriminatory.

A NATIONAL HEALTH POLICY PAPER—THE FEDERAL INFLUENCE IN HEALTH

HON. JAMES F. HASTINGS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. HASTINGS. Mr. Speaker, as you know, several week ago I spoke to the House about the need for a National Health Policy. Today I will address the House again on the same subject and present further background on the urgent need for our action in this area. Also, during the next few weeks I will be making other presentations about America's health system and the need to rationalize our efforts and change our direction if we are to achieve some measure of success in improving the health of our Americans.

Today I would like to discuss the Federal Government's participation in efforts to improve the health of the American people. On several previous occasions during this session of Congress, I have spoken of the need to review our methods of formulating and implementing national health policies. The reasons should be evident. We have seen the costs of health care rise tenfold in the last 25 years. We have seen the Federal Government's intervention in the workings of our health system increase dramatically over the last 10 years.

Now the Congress is prepared to make a serious attempt to develop a national health insurance program. As we begin to consider further Federal involvement in the health affairs of our Nation, through a national health insurance program, we are finding increasing evidence of serious problems with the performance of the health industry and with our national approach to improving the health of the American people. What I find most disturbing is that these issues will not be solved by a national health insurance program, and in fact, may be exacerbated by such a program.

On July 30, I spoke to you about these disturbing trends. They include runaway health care costs, with no sign of relief in sight. Despite the huge costs of the health care system over the last 25 years, there has been minimal improvement in the health of the American people. Despite our large investments in training health manpower, particularly physicians, we still have serious problems of overspecialization and geographic maldistribution. A contributing factor has been the overselling of the wonders of modern medicine as a determinant of good health. There is irrefutable evidence that medicine is a relatively minor determinant of health, while it does make an important contribution, the major determinants are personal lifestyles, the environment, housing, sanitation, nutrition, and jobs. Although it is not realistic to expect that all of these problems will be dealt with as a precondition of enacting national health insurance, it is essential that we respond to them in designing a national health insurance program.

My intention here today is not to discuss national health insurance, but to discuss the evolution of Federal participation in national efforts to protect and improve the health of the American people. It is my hope that my discussion will assist in our efforts to develop the most appropriate future role of the Federal Government in national health programs and the most appropriate organization of Federal health programs to carry out its assigned role.

The Department of Health, Education, and Welfare is the Agency now assigned the principal role in carrying out Federal health programs. Over 80 percent of Federal health expenditures flow through the Department. Health programs of the Department are operated by the Social Security Administration, which administers medicare, the Social and Rehabilitative Services, which administers medicaid, and the Pacific Health Service, which is, in fact, a cluster of catagorical programs theoretically directed by the Assistant Secretary for Health.

Federal health dollars are made available through a wide variety of categorical health programs to States, communities, health, and other institutions, and to individuals. Since 1960, the number of categorical grant programs has grown from fewer than 200 to over 1,000 today. In 1961, there were 106 HEW programs, and by 1973, there were over 280. According to Secretary Elliot Richardson, in speaking of his efforts to simplify the administration of HEW programs in 1973, 56 of the over 280 programs overlapped other HEW programs, and 36 overlapped programs in other departments. Almost $19 billion was being spent through some 40,000 institutions and agencies. At that time, Secretary Richardson noted that programs were growing at a rate of 10 percent a year.

In addition to the enormous size of its own health budget, HEW impacts on the total health industry. It provides funds for training and research, and health facility construction. It is involved in providing health services, paying for health services, promoting demonstrations and planning activities, and also acts as a regular, as in the case of the drug industry, or a sponsor of regulation, as in the case of professional standards review organizations. HEW is the major determinant of health industry performance in our country today.

The total health budget estimate for the Department for 1976 is $30.9 billion. Medicare and medicaid will consume approximately $24.6 billion, or 85 percent of the total.

The growth of all Federal expenditures for personal health care both in absolute terms and as a percentage of total personal health care expenditures since 1966 has been dramatic. In 1966, the Federal Government spent approximately $3.3 billion for personal health care services. In 1974, it spent approximately $23 billion. Its share of total personal health care expenditures in 1966 was less than 10 percent; by 1974, its share had grown to over 25 percent.

Payment for health services, however, was not the major thrust of Federal programs prior to the passage of medicare and medicaid. Although the Federal Government has been involved in providing and paying for health services for certain groups in our society for some time, the major emphasis prior to 1965 was on what has been called "capacity building" through support of health facility construction, training, and research. I will discuss the development of legislation authorizing support for these activities later.

In 1947, the Federal Government spent $27 million for health research. By 1974, health research expenditures had grown to approximately $2.9 billion, a hundredfold increase. Unlike expenditures for personal health services, the share of research supported by the Federal Government did not increase as fast although the Federal Government carried a far larger share of the financial burden. In 1960, the share of Federal expenditures for medical research was 53 percent; in 1974 it was 65.1 percent.

The Federal Government sharply increased its support for medical education during the 1960's, primarily through programs administered by the Department of Health, Education, and Welfare, the Department of Defense, the Veterans' Administration, and the Department of Labor. Between 1964—when the earliest consolidated health training data available was produced by OMB—and 1974, Federal support for medical education increased from slightly less than $300 million to slightly less than $1.4 billion, almost a fivefold increase. Between 1972 and 1974, support for medical education by the Department of Defense and the Veterans' Administration grew much more rapidly than support through the Department of Health, Education, and Welfare.

Federal involvement in the construction of medical facilities began with the Hill-Burton program in 1947. Judith and Lester Lave, in their study of the Hill-Burton program, noted that for the period from 1948 through 1971, the Hill-Burton program provided $3.7 billion toward the construction of health facilities in this country. This represented, according to the authors of the study, about 10 percent of all health facility construction costs during that period.

The above figures show that the major growth of Federal expenditures is occurring through payments for personal health services, notably for medicare and medicaid beneficiaries. The data also shows that the Federal Government has been the principal investor in increasing the output of medical schools, and the principal sponsor of medical research. Federal support for health facility construction, on the other hand, appears to have leveled off or diminished, depending upon the figures used, and now provides a relatively minor portion of the total cost of building health facilities in this country.

How did we get to the position we find ourselves in today? I do not want to bury you under a mountain of facts about the historical development of Federal health legislation. As most of you are aware, the principal responsibility for the health of our citizens rested with the States through most of our history. To this end, States began establishing State health departments during the latter half of the 19th century, with their principal preoccupation, the control of communicable diseases.

The first significant legislation granting the Federal Government jurisdiction over health matters was signed into law in February 15, 1893, giving the Federal Government authority to quarantine persons with communicable diseases. This legislation, though amended, still stands.

Although serious discussions of national health insurance occurred between 1910 and 1920, it was never seriously considered by the U.S. Congress during that period. The next significant piece of Federal legislation was the Sheppard-Towner Act, passed early in the Harding administration, which provided Federal grants to States for the promotion of the welfare and hygiene of maternity and infancy.

The Great Depression was a major spur to the development of social welfare programs in this country, as you all know. A major instrument of Federal social welfare programs was the Social Security Act. There were two health provisions contained in the Social Security Act of 1935. Title V of the act authorized grants to individual States for maternal and child health programs and title VI authorized appropriations "for the purpose of assisting States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate public health services." In 1937, Congress passed legislation establishing the National Cancer Institute, which became the forerunner of the National Institutes of Health. In 1943, Congress passed its major health manpower legislation, to train nurses for the armed forces, government agencies, and the private sector. In 1944, it passed legislation to reorganize the Public Health Service, a process that was to occur on numerous occasions since that time.

Congress enacted the Hospital Survey and Construction Act of 1946, which came to be known as the Hill-Burton program after the sponsors of the legislation. Its original purposes were to survey the need for and to construct hospitals. This program provided billions of dollars as noted earlier which, mixed with State and local funds, contributed to the tremendous growth in hospital facilities since that time.

During the late 1940's, 1950's, and into the early 1960's, Congress was extremely active in building our capacity to conduct research, establishing health institutes in addition to the Mental Health Institute, including the Heart Institute, Arthritis and Metabolic Disease Institute, the Child Health and Human Development Institute, the Dental Research Institute, and the General Medical Sciences Institute. The National Mental Health Act also provided grants to the States to develop mental health programs. The National Heart Act, in addition to providing for the establishment of the National Heart Institute, authorized funds for training and for aid to the States for the development of community heart disease programs.

Although it is difficult to assess the mood of Congress precisely during the post World War II period, it appears that congressional interest in hospital construction and health research was followed by interest in correcting shortages of health manpower. Traineeships for the public-health specialists and advanced training for nurses were authorized by Congress in 1956. In 1963, Federal legislation for a broad subsidy of health education of the health professions was passed. This was followed by a number of health manpower statutes. The issue of health manpower remains a major concern of Congress today, and, as you know, the House has passed a comprehensive health manpower bill this session.

During the 1950's, Congress also addressed itself to the important matters of collecting and storing health and medical information, authorizing continuing National Health Surveys and establishing the National Library of Medicine.

Throughout this century, Congress has enacted effective legislation and provided financial support for the control of communicable diseases.

There has always been considerable interest in Congress in providing funds for health services for certain groups in our society. The genesis of the U.S. Public Health Service can be traced to congressional action establishing marine hospitals for merchant seamen in 1798, and providing for the financing of health services for them through monthly payments.

Congress authorized first the Bureau of Indian Affairs, and then the Public Health Service to provide health services to American Indians and Alaskan Natives. It also authorized funds to provide care to needy veterans, mothers and children, crippled children, the mentally ill and retarded and migrant workers. It was during the 1960's, however, that Congress and the administration made its major commitment to underwrite personal health services by establishing programs to provide adequate health care to two neglected groups of people in our society: the old and the poor.

All of you will recall the early 1960's as a time of national growth and national confidence. There was both growing tax revenues generated by a healthy and growing economy, and a sense that we could not only get to the Moon, but we would win the war in Vietnam, and solve the many social problems we had identified in our society. Two of the identified health problems during that period were health care for the poor and the aged. In 1965 that Congress enacted the social security amendments establishing the medicare and medicaid programs, as well as such ambitious programs and the Partnership for Health Act, and the regional medical programs.

Since 1965 we have seen a striking shift in Federal spending away from an emphasis on research, training, and the support of State health programs, to paying for health services. In 1965, for example, federally-supported medical research comprised approximately 29 percent of total Federal dollar support. In 1974, the figure was less than 11 percent. These figures, I should add, do not show a de-emphasis of research, since support has increased substantially since 1965, but rather far faster increases in the health care expenditures.

The Federal Government now finds itself in the position of having to pay for a large and increasing share of the output of the huge and growing health industry in this country. The growing drain on Federal revenues has, more than anything else, forced the Congress and the administration to consider ways of improving the performance of the health industry.

Congress, and the administration, indeed the Nation, are now faced with some critical choices in the health field. We must decide how we shall move forward and at what pace. We must decide how we shall establish and implement national health policies, and where we can be most effective in both the short and long run. Apropos to my discussion today, we must address the issues surrounding the appropriate role of the Federal Government, and the most effective organization of Federal health programs. I think we all recognize or sense the importance of this moment as it concerns the health of our citizens. What we do in the next year or two is going to have a substantial impact on the structure and performance of the health system in years to come—and most important, the health of our Nation.

MAGNOLIA, MISS., WILL CELEBRATE "DO IT OURSELVES" BICENTENNIAL PROGRAM

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. COCHRAN. Mr. Speaker, the Nation is preparing to celebrate the 200th anniversary of its founding, and the Federal Government will spend tremendous sums to assist city, county, and State governments in every State to observe the Bicentennial. Hopefully, this money will be spent wisely, to acknowledge the world's oldest democracy, where free men can act and speak without fear of reprisal or intimidation. There have been times in our history when this cherished heritage was threatened. It was not military strength, or economic strength which prevented the loss of our freedoms, although they have played an important part. In my opinion, it was the inner spiritual strength of our people which won the day. It was the recognition, in the hearts of ordinary hard-working Americans, that they had a stake in preserving their rights. The American people have know that, for perhaps the first time in human history, the people were truly sovereign.

So it has remained. The willingness to fight to preserve the rule of law and the unshakeable belief in hard work as the best guarantor of success are still guidelines universally revered by Americans.

It was with immense pride, therefore, that I recently read of the plans of one small southern American town to observe the Bicentennial. That town is Magnolia, Miss. The town is appropriately named, for Mississippi is widely known as the Magnolia State.

Magnolia, Miss., will celebrate the Bicentennial on a "do it yourself" basis, without Federal funds. All of her people, from the youngest toddler to their oldest citizen will participate.

Magnolia is living proof that the work ethic is alive and well in America. Further, the actions of this small rural community can convey an important message to all of us. That is, that we, and they, can do something worthwhile, interesting and enjoyable without a Federal subsidy. It speaks eloquently that it is time that serious thought be given to a return to the political thinking of the self-reliant and courageous individuals who gave us the Declaration of Independence and the Constitution.

I am tremendously impressed by the actions of the town of Magnolia, but not surprised. The town's actions are characteristic of the people of Mississippi who would prefer independence to a handout.

For a small town, without extensive resources, Magnolia is blessed with progressive and energetic leadership. It is a privilege for me to acknowledge the spirit and patriotism of the officers of the city government. Mayor W. J. Simmons, Jr., Mrs. J. Y. Prescott, Jr., town clerk; Messrs. O. W. Phillips and Ben Regan, city attorneys; Hon. Sam H. Lang, chief of police; and the board of aldermen, Messrs. Curtis Fairburn, Clyde Varnado, Sam H. Owens, R. N. Whittington, and Davis Berryhill. These men and women, and many others associated with the town celebration, deserve enormous credit.

Although the town's plans are incomplete, I include as a part of my remarks, a schedule of planned Bicentennial events for 1976. This work is being coordinated by the Magnolia Bicentennial Committee. The committee members are: Miss Elise L. Meyer, chairman; Mrs. Warrene H. Carter, secretary; and Mrs. Joan P. McClendon, treasurer. A summary follows:

SUMMARY OF DECISIONS MADE AT THE MAGNOLIA BICENTENNIAL COMMITTEE MEETING HELD ON AUGUST 28, 1975 RELATIVE TO A BICENTENNIAL PROGRAM FOR THE CITY OF MAGNOLIA, MISS.

1. It was decided that we shall not apply for Federal Funds for the Magnolia Bicentennial Program inasmuch as we believe that such funding would not be in line with the political philosophy of the Founding Fathers of our country, and we shall therefore stage a "Do It Ourselves" American Revolutionary Bicentennial Program.

2. The following events have been approved for the Magnolia, Mississippi Bicentennial Celebration:

A. Bicentennial Piano Recital to be staged by Mrs. Grace Lane Leggett to be followed by Reception, which will be given by the MacDowell Music Club. (Tentative date—4/16/76.)

B. South Pike School System and Magnolia Public Library Participation Programs to encourage our young people to discover the joys of reading.

C. Two Magnolia Bicentennial Capsules will be made, so that they may be opened at the Tricentennial in 2076. One capsule will be kept in Flora, Mississippi and one will be kept in Magnolia at the new building that will be erected as a Bicentennial monument by the South Pike School System. Microfilms will be made of newspapers, programs, a Bicentennial register carrying the signatures of residents of Magnolia, etc., and these films and photographs of Magnolia will be placed in the capsules.

D. A line of Virginia Pines will be planted in the Railroad Avenue Park that fronts the 200 block of West Railroad Avenue, so that when they are large enough, the trees can be used annually to form an Avenue of Christmas Trees during the Holiday Season. The Committee hopes to be able to supply these conifers to citizens who wish to plant a Bicentennial Memorial Virginia Pine in their respective yards. Since there will be only 200 trees available for this purpose, this will have to be a case of first come, first served.

E. Two Bicentennial Christmas Trees are to be placed in the Railroad Avenue Park on either side of the fountain during the Holiday Season. Large pines will be covered with a white spray and the trees will be decorated with red and blue lights and red and blue ornaments.

F. A Bicentennial Farmers Market will be held under the direction of Mr. Alphonse Marks.

G. District Tournament for National Bicentennial Youth Debates will be held in December 1975 at South Pike under the direction of Mrs. Suzanne Taylor.

H. Carol Singing on Railroad Avenue by

Elementary School students under the direction of Mr. David Feldman and Mr. Melvin Harris on December 11, 1975.

I. A flowerbed simulating the first flag of the United States will again be planted in the park. Red and white salvias will be used for the stripes and the blue and white ageratum will be used for the field and stars.

J. A Bicentennial Dance Recital will be staged by Mrs. Conway Bilbo.

K. A Bicentennial Cooking School featuring recipes used by Colonial housewives will be conducted by Mrs. Inez Mullendore, Mrs. Mary Marks, Miss Elise Meyer, and Mrs. Ponjola Andrews.

L. An art show will be held at the Welcome Center in the fall. The pictures displayed are the work of Mrs. Joy Gardner Reeves and Mrs. Lilyan Causey, and depict scenes of Magnolia.

M. The Magnolia Bicentennial Girls, a group of 12 from South Pike High, will appear in dress styles that have been fashionable over the 200-year history of the country starting in 1776 and ending with 1975–76 at appropriate occasions during the Bicentennial Year. This will be under the direction of Mr. Harold Brannon.

N. There will be a display of copies of products made during the Revolutionary period, under the direction of Mr. Brannon. It is possible that this display will be coupled with the Bicentennial Farmers Market.

O. There will be a Band Salute to the Bicentennial in the late spring under the direction of Mrs. Katie Leggett and Mr. Ronnie Simmons.

P. There will be a Bicentennial Parade on October 31, 1975 under the direction of Mrs. Katie Leggett. Civic clubs and industrials are being asked to join with school classes and groups to make up this parade of floats and cars which will be decorated in keeping with the theme "Our Heritage."

Q. The citizens of Magnolia will be urged to wear Colonial costumes on appropriate occasions during the Bicentennial Year.

R. The Telephone—100 years of service: Displays and recordings are to be supplied on the effort of the telephone industry and placed at the Magnolia Community Center on November 10 and 11, 1975 by the South Central Bell Telephone Company, with displays open to the general public. It is to be used as a Rotary Club program and also school children will be brought to see it. This is an exhibit of great educational value.

S. The pastors of Magnolia will hold a Brush Arbor Service downtown in Magnolia on July 4, 1976. The Ministers Committee is headed by the Rev. Mr. Halbert Jenkins. All residents of the area are being urged to participate in this religious meeting, which will be the climax of Magnolia's year-long celebration.

RESOLUTION TO DESIGNATE APRIL 19, NATIONAL REVOLUTIONARY DAY

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. RHODES. Mr. Speaker, during this Bicentennial year, we are reviewing our Nation's history and heritage. I am greatly pleased that our young people are taking active part in this observance of our 200 years as a Republic.

The eighth grade class at Ingleside School, in Phoenix, Ariz., has embarked on an exciting, ambitious project, to make April 19 a national day of observance, in recognition of its being the start of the American Revolution.

It was on that date, in Lexington, Mass., that the story of America the free began, a history that has seen our land become a bastion of freedom and opportunity for the world.

I have introduced a joint resolution—House Joint Resolution 688—to designate April 19 each year as National Revolutionary War Day. I urge my colleagues to support this declaration of the beginning of our Nation's fight for freedom.

PRESIDENT FORD, LET'S REEVALUATE THE BICENTENNIAL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. SOLARZ. Mr. Speaker, I rise to bring to the attention of my colleagues, and all Americans, the name of a great patriot, Haym Salomon.

In the Bicentennial year when we are all pausing to reflect on those great revolutionary heroes—Washington, Jefferson, Franklin—I only hope that the name Haym Salomon will also be remembered and honored, for without his assistance the "great experiment" in democratic government might never have taken place.

I insert into the Record a study done by a friend and constituent of mine, Mr. Harry Sussman of Brooklyn, N.Y., who writes so poetically about a true American hero, Haym Salomon:

PRESIDENT FORD, LET'S REEVALUATE THE BICENTENNIAL

With the bicentennial celebration, our traditional revolutionary heroes will be exalted once more. The nation will recall the heroic exploits of these men.

Unfortunately, it is very possible that in all the bicentennial furor, one man will be ignored. This man didn't contribute to our country's revolution in the flashy conspicuous manner of our well remembered generals and statesmen. However, without Haym Salomon our revolution may never have been completed. Salomon contributed the most essential war material—money—when our war effort was in dire need of funds.

Every revolutionary leader could have been replaced, by one of his able assistants, perhaps even General George Washington, by another military commander. However, there was one man for whom there was no substitute, because in the wings there was no understudy or assistant for the role he played in the Revolution.

Mr. President, your bicentennial does not give much acknowledgement to this man's sacrifices and his vast lontributions to the revolution. This man was a Jewish immigrant named Haym Salomon.

He arrived in the colonies in New York City penniless, having fled the unsuccessful revolution of the Polish people against Russia. Shortly after arriving in New York, he married Rebecca Frank and with some help from her family he became a very successful merchant. He was aided by his knowledge of eight languages and his excellent skills in accounting.

When the revolution started, instead of fleeing to Philadelphia after the British captured New York City, Salomon remained behind and became a revolutionary spy, reporting to General Washington the British troop movements in the New York harbor area.

He was arrested for aiding the revolution, but after his imprisonment he was made a trustee when the British learned he spoke German and could be used as an interpreter for the mercenary Hessian army. The British also exploited his accounting skills. In a short time he became the paymaster of the Hessian Army and a friend and advisor to the Hessian officers and soldiers.

Salomon in his new position committed greater crimes against the British; he organized mass desertions of the Hessians and soon was imprisoned again. The charges of treason against the crown, were recorded by the British as "the organizing of deserters in the army and arson against the crown by having set fire to British supplies in the New York harbor." While awaiting his trial, he was imprisoned in a cell that was horribly inhuman. The British jailer told Salomon, "You will pray for your execution, because that is how unbearable your confinement will be."

Salomon after several months of confinement in prison, was tried by a British court. He was found guilty of arson and causing desertion. He was sentenced to be shot the following day. However, on the eve of his execution a Hessian soldier helped him escape. Salomon did not make a complete escape from death, because in his lungs he carried the first stages of tuberculosis, the deadly disease he developed in his prison cell.

He arrived in Philadelphia without funds, as the British had confiscated all his possessions. He was gravely concerned about the safety of his wife and child. Until he was able to contact Rebecca who had been forced to remain in New York, carefully guarded by the British, he borrowed money from Philadelphia Jews to start his business anew.

Salomon soon became the most successful merchant in Philadelphia. When a Jewish peddler smuggled Rebecca and their child through the British lines, and brought them to Philadelphia, Salomon became happy as well as successful.

As Salomon's business prospered, he hired Mr. McCrea, an excellent record keeper as his clerk. He had the Scotsman move into his home, as Salomon worked day and night, making small fortunes, which he repeatedly loaned to the Government of the Revolution.

To expedite his business, he moved his office to a coffee shop on the waterfront that was patronized by most of the merchants and traders of Philadelphia. It was there that Robert Morris, the revolution's first treasurer, found Salomon and beseeched him to help save the revolution with desperately needed loans.

Salomon was asked to sell the French notes, the money loaned to the Revolutionary Government by France. Robert Morris had been unsuccessful at selling the French Notes. The merchants were understandably afraid they would have difficulty collecting upon them. Mr. Morris told Salomon that he could earn a three per cent commission for selling the notes, but Salomon refused to make any profit on his work for the revolution. He accepted a quarter of a per cent, the sum it cost him. (The records reveal that the French Government paid the full three per cent commission to the sellers of the notes.) This means that one of our revolutionary heros "made a healthy profit for himself in the name of patriotism".

Salomon, like Robert Morris before him, could not sell the French notes, until he personally guaranteed the payment of the notes with his endorsement.

The French Government, pleased with Salomon's success at selling their notes, asked him to become official Paymaster of their Army. Salomon accepted the job, only after it was agreed that he would not accept any payment for his work.

Salomon began to have numerous coughing seizures that caused him to faint. Mr. McCrea would carry the little man home in his arms, and the doctors would be summoned. The medical advise was always the same: a lengthy bed rest for the patient. But, in a few days, ignoring the pleadings of Rebecca and his doctors, Salomon was back at work. To Rebecca's persuasions, his answer was always the same, "I'll rest when the war is over. There is no one else to do my work. Washington needs money for the army, and I must get this money or the war will be lost. With it, the liberty we are struggling for."

Haym Salomon drained the purses of the Philadelphia Jews and he sent couriers to raise money from the Jews in other cities that had not been occupied by the British.

In the coffee house he continually encouraged purchases of the Government Bonds and the French Notes to merchants who came to buy and sell sugar, rum, tobacco, timber, blankets, pirate loot captured by American Buccaneers, etc. Salomon always managed to promote the sale of the bonds and notes, before he would allow the normal trading of commodities by the merchants.

During a great crisis, the army morale slipping fast, Washington sent for Robert Morris. He urged Morris with haste to raise larger sums of money for the army. As soon as Morris returned to Philadelphia, he sent for Salomon. He impressed upon Salomon the desperate need for funds. Salomon shook his head, restrained his coughing and went to raise the staggering sum that Robert Morris had asked him to raise. After exhausting every means, Salomon returned a week later and delivered the money that saved the army.

Hardly had a week passed when again Washington summoned Morris to the army encampment. He told his treasurer he was planning a major offensive in the south and needed at once money in order to move the army. Morris returned to Philadelphia and although he knew he had exhausted every means of raising money, he nevertheless sent for Salomon.

When Salomon received the new request to raise money, he was stunned. To himself he asked, "Wasn't Robert Morris aware that he had drained every possible dollar he could raise just last week." It was too soon to try again, and he was virtually without funds himself.

For the next few days, he sat in the coffee house dreaming and praying for something to happen, when suddenly into the coffee house entered a boisterous buccaneer captain shouting as he walked towards Haym, "Salomon you're a lucky Jew. It must have been a dozen miracles that saved my ship and crew from the British. I'm back alive with ten times profit for you and the others who invested in my ship."

Salomon was soon rushing to Robert Morris with the money that Washington needed to move the army. In Philadelphia the merchants were whispering, "Salomon's business is too lucky. God must be his silent partner."

To the officers of the revolution, both military and civil, Salomon became the man they turned to when in need of money. The revolution was financially without funds. There was not even enough money to pay the soldiers in battle. The only money available was for the desperately needed military supplies for combat.

The list of those who made repeated visits for financial help to Salomon was the 'who's who' of the Revolution itself. Amongst those who asked for help was the third president of the Republic, Thomas Jefferson, who was Secretary of State to General Washington during the war.

Jefferson, to work, needed money to exist upon and repeatedly went to Salomon for financial assistance. Amongst the others who visited the coffeehouse to receive financial aid from Salomon were, James Madison, twice president of the United States; Arthur Lee, Ambassador to France; Baron Steubon, Inspector General of the Continental Army; General Mifflen, the Governor of Pennsylvania; General St. Clair, one of the best military commanders of the Revolution; Colonel Bland, member of congress from Virginia; James Wilson, a signer of the Declaration of Independence; and even the Treasurer of the Revolution himself, Robert Morris who had been a man of wealth, but the war had left him essentially without funds.

The money Salomon loaned out was a vast fortune. James Madison, in a letter to a friend in 1783 wrote, "The expediency of drawing bills on Virginia, even the most inconsequential has been tried in vain.

"I am fast relapsing in pecuniary distress. The case of my brethrens is equally alarming.

"I have been a pensioner for time on the favor of Haym Salomon. I am almost ashamed to reiterate my wants so incessantly to you. The kindness of our friend near the coffee house (Haym Salomon) is a fund will preserve me from extremities, but I never resort to it without great mortification, as he obstinately rejects all recompense. To many delegates he always spares them supplies, etc, etc."

The official records of Robert Morris, the Treasurer of the Revolution shows that repeatedly the only money loaned to the government came from Haym Salomon. Morris even wrote to a friend in 1781, "The treasury was so much in arrears to servants (government leaders) in public affairs that many of them could not without payment perform their duties but must have gone to jail for debts they had contacted to enable them to live, had they not been favored with assistance from Haym Salomon."

Shortly after the war ended, Haym Salomon went into a coughing seizure from which he never recovered.

One can visualize how vast a fortune this sum was when we recall the first budget of the United States, in 1794 was only $2,002,830.50. We can evaluate what $700,000.00 could purchase at that time when we realize it was the sum needed to operate the government of the United States for four months. Today we need over one hundred billion dollars to do the same job.

I don't see how this nation can have a wholesome and honest bicentennial unless Haym Salomon's contribution is given to its proper acclaim. If not for Haym Salomon, the development of our country may have been so impeded that the celebration of our bicentennial would have to take place, possibly in 2015, and possibly not at all.

CONGRESS ACTS TO DELAY IMPLEMENTATION OF HEW DAY CARE STAFFING REGULATIONS

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. JONES of Oklahoma. Mr. Speaker, Thursday the House of Representatives will vote on the conference report on H.R. 7706, which contains a provision to delay implementation for 4 months of the HEW day care staffing regulations. Our vote will signal the final House action on this legislation, which has received the careful, expeditious consideration of the House, in response to the critical needs expressed by the people.

The delay provided in this legislation will enable the Congress to critically study the regulations HEW has issued in order to determine if they will satisfactorily meet the need for nationwide day care center staffing standards. It is the responsibility of the Congress to determine if HEW's regulations properly reflect the human needs and economic resources of day care operators and users.

The Senate Finance Committee has already initiated its investigation into this matter, and I am confident that the House Public Assistance Subcommittee will also begin an examination of this issue in detail. The next 4 months will be very valuable in insuring the ability of our day care industry to comply with nationwide staffing standards, and for this reason, I urge quick passage of the conference report on H.R. 7706 in the House and Senate.

As the body of Government closest to the people, we are in the most advantageous position to assess the needs of our constituents with regard to day care staffing standards and implement responsible regulations. Passage of this conference report will give us the necessary time to act upon the opinions of the people we serve.

OUR POLISH HERITAGE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DELANEY. Mr. Speaker, barely a year after it was founded, England's first settlement in America stood on the verge of collapse. Only 32 of the original band of 105 settlers survived the bitter winter cold at Jamestown, and Capt. John Smith was soon beseeching his London backers to "send but 30 carpenters, blacksmiths, and masons rather than a thousand such as we have here."

On September 25, 1608, a small ship sailed up the James River bearing six skilled artisans. Axes in hand, they followed Smith into the woods and set about making a clearing. Within 3 weeks they had a roaring fire going under a glass furnace, the first factory in the English colonies in America. They tapped the pine trees and distilled tar and pitch. They set up a soap works and erected a saw mill. Goaded by their example, the entire settlement was soon hard at work. And so it was, that the colony was saved by Michal Lowicki, Zbigniew Stefanski, Jur Mata, Jan Bogdan, Karol Zrenica, and Stanislaw Sadowski—Polish-Americans all, who landed in America some 12 years before the *Mayflower*.

This Saturday, October 11, millions of their descendents will be commemorating the 196th anniversary of the heroic death of another of their compatriots who helped to forge our heritage of freedom. Count Casimir Pulaski, a nobleman and army officer, joined our Revolutionary Forces in 1777. Rising rapidly to prominence, he became brigadier general and chief of cavalry, commanding the legion that bore his name. General Pulaski fell while fighting for our liberty at the seige of Savannah on October 11, 1779. And so it was, since the earliest days, Americans of Polish descent have contributed their rich cultural, historical, and spiritual heritage to this our land.

And so it is, and so it will be, that Polish-Americans continue to play a vital role in the promise of our Nation. I salute them. Niech Bóg Poblogoslawi.

THE NEED TO REGULATE REGULATIONS

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. HANNAFORD. Mr. Speaker, one of the most striking developments in the present Congress is the reaction among members of both parties and all political persuasions against the growing bureaucracy. This was evidenced last week by two important floor actions. First of all, by a resounding vote of four to one, Congress withdrew from the Environmental Protection Agency the right to restrict parking.

The EPA's parking regulations had been a monument to the zeal and excesses of arbitrary and bureaucratic lawmaking. Perhaps they were appropriate to some of the older cities on the east coast, but they could have put many other cities out of business—including Lakewood, Calif., where as mayor I had to cope with them.

The second area of legislative reaction was the agriculture bill which compromised on the matter of regulating the use of insecticides and fungicides. The "liberal" amendment offered by Congressman BROWN of California, simply to reauthorize present EPA regulations, failed by a lopsided majority. Moreover, an amendment by Congressman SYMMS of Idaho, which virtually would have removed all regulations against the use of pesticides, was defeated by the slimmest of margins.

These actions—and particularly the fact that they came on the same day—are good evidence that the pendulum is swinging away from stringent regulations, even for such a worthy purpose as preserving the environment.

For my own part, I want to be identified as an environmentalist, but only as a realistic one who recognizes that an acceptable standard of living requires a certain economic as well as ecological environment. I hope the choice is not between choking and starving to death. While I will not tolerate further deterioration of our natural resources, I will accept a slower pace of improvement in the interests of a broader material welfare. The important thing is that good progress is made. It is less important whether it is made at a gallop or a trot.

This does not relate alone to environmental issues. On all fronts, more and more people are beginning to perceive the disadvantages, as well as the advantages, of the welfare state. It is so easy for bureaucracies to get out of hand and outlive their usefulness. What Congress innocently creates in a particular crisis may become self-perpetuating and irrelevant in another period. We simply do not have a big enough budget forever to expand our Government and all its programs and regulations.

MADE IN AMERICA—BUT BY WHOM?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. GAYDOS. Mr. Speaker, just about 200 years ago, freedom-loving American colonialists, rubbed raw by the edicts of an English king, decided to be the masters of their own house. They believed so strongly in this cause, they took up arms * * * and won.

The tri-cornered hat toppled the golden crown. America, as a nation and a people, was free. Never again would foreign interests manipulate the lives of our people through political or economic power.

But, today, for the first time since 1776, Americans are being subjected to decisions and dictates from abroad. On the eve of the Bicentennial anniversary of the American Revolution, we find a greater part of our Nation's economic structure supported by foreign interests. We find more American workers whose jobs and future depend not on American employers but on the whims of foreign owners.

As recently as late August, this fact was driven home in my 20th Congressional District of Pennsylvania, when a French firm launched an attack to seize control of the major employer in the small borough of Glassport—Copperweld Corp.

An official of Copperweld has described the takeover attempt as a "blitzkrieg * * * a careful plan to take over Copperweld before we knew what hit it."

On August 27, 13,000 shares of Copperweld stock was traded, nearly four times the normal day's activity. The next day, as word of the proposed takeover spread, 36,700 shares were traded and on August 29, puzzled Copperweld officials learned what was in the wind.

At 9:05 a.m. that morning, Copperweld was informed by representatives of Societe Imetal, a French holding company controlled by the Baron Guy de Rothschild, that a tender offer was being made to stockholders in an effort to buy all the firm's shares.

Copperweld officials, along with the nearly 4,700 employees in plants from Pennsylvania, Ohio, and Illinois were stunned. Hastily, management and labor joined forces to repeal this assault. Court action was instigated to halt the sale and a decision is still pending.

In the court testimony, Societe Imetal was pictured as a multinational "octopus," its tentacles embracing at least 70 other firms, which sought to swallow a small American fish.

Mr. Speaker, the description may be appropriate but it is not completely accurate. An octopus does not merely swallow its prey. It traps the victim with the tip of a sucker-covered tentacle, draws the helpless object inexorably toward the center where, with its sharp beak, it rips and tears the victim to shreds. When it has consumed what it wants, the remains are left for the scavengers of the sea.

Copperweld feels that Imetal is hungry for the domestic firm's profits and assets, the patents and technology, and when Imetal has consumed those, Copperweld and its workers will be discarded on the economic shoals of international business.

Over the past few years, foreign investors have shown increasing interest in our sagging economy. They have come in greater numbers, buying businesses at bargain basement prices. The upsurge in foreign holdings here has been dramatic and frightening.

As late as 1971, there was little concern over foreign investments in the United States. That year, only $300 million were invested in the United States. The following year, foreign investments more than doubled, reaching $708 million. Then, in 1973, the dam burst. Foreign investments that year totaled an astonishing $3 billion, an increase of 1,000 percent over 1971 and bringing the value of all foreign holdings in the United States to nearly $18 billion.

Accurate figures for 1974 are not available but it is estimated that at least $2.5 billion were invested that year, raising the total value of direct foreign investments to more than $20 billion.

Nevertheless, it was 1973 which triggered the alarm over the impact of investments. During that year, foreign investors engaged in 129 separate projects in the United States. Japan led the field with 45, followed by Canada with 22; West Germany, 19; and Great Britain, 12. Even more disturbing than these numbers, is the scope of their ventures; heavy manufacturing, petroleum, natural gas, agriculture, real estate, textiles, mineral production, chemicals, and steel.

In its April 7 issue, Industry Week magazine reported foreign ownership of domestic energy production totaled nearly $4.5 billion by 1973, and is likely to go higher as energy short nations seek a great share of U.S. production.

The Federal Energy Administration listed 9 percent of all U.S. petroleum production as controlled by foreign firms. According to the FEA, foreign interests also won about 3 percent of our productible oil wells, 11 percent of proved oil reserves, and 15 percent of proved natural gas reserves.

The rapid and massive accumulation of wealth over the past 2 years by the oil-producing nations of the Mideast created even greater uneasiness. When the sheiks shut off the flow of oil and began pumping up the price, they triggered international economic turmoil.

Japan and the heavy industrialized nations of Europe had been enjoying the good life. Their trade dealings with the United States, which included no limit on their exports to our markets, had netted them fat surpluses of American dollars. They were on a shopping trip to the United States when their spree was cut short by the machinations of the oil countries.

Their need for Arab oil was so great they had to have it, regardless of cost. Consequently, billions of Eurodollars and Asiandollars were funneled into the OPEC nations and converted into the new petrodollar.

Almost overnight the OPEC nations were up to their derricks in dollars with no place to spend them—except in the United States. They came with bulging moneybags to buy banks, shopping centers, office buildings, stocks and securities, even an island off South Carolina. I suspect they are attempting to build a buffer for themselves in anticipation of the day when their black gold no longer is available or is replaced by another source of energy.

Consequently, I was most interested in a report from the American Iron and Steel Institute which said OPEC nations already have undertaken ambitious plans to develop a viable steel industry of their own by 1985. Joint agreements, according to AISI, already have been entered into for the construction of some plants.

Now, anyone in southwestern Pennsylvania knows there are two basic needs for any steel industry: money to fund the immense capital investment involved—which the Arabs certainly have and ready access to vital raw materials, energy and technology—which they may not have but can readily purchase.

AISI warns: "The ability of the Mideast oil countries to invest in the industries of developed—and that, is a very important word—countries and their strong potential capability of building sophisticated national industries could catapult these infant steel industries into world recognition in the near future."

What does that mean for domestic steel producers and steelworkers? A new order for steel, perhaps, to build the plants. Then what? Another competitor in the already crowded international steel market? Will we soon find Arabian steel flooding American markets?

And, if the Mid-East steel barons also control the source and supply of raw materials in this country, will they sell to American competitors or ship it back home for their own mills?

This is what is happening, to a degree, in the Nation's fishing industry. The U.S. National Oceanic and Atmospheric Administration is concerned about the takeover of commercial fishing fleets by the Japanese. By buying U.S. fleets, the Japanese obtain the rights to fish within the U.S. territorial limits and what is to prevent them from shipping their entire catch back to Japan, leaving the American consumer adrift.

Yet, not all Americans are disturbed at the growth of foreign investments here. One economic expert said it depends on the point of view. Foreign investments, he noted, could be considered a welcome stimulant to American employment and an aid to the balance of payments position of the United States. On the other hand, he pointed out, foreign investments also could be seen as "an economic defeat," resulting in an alarming takeover by foreigners of America's productive assets.

I can understand those who look on the influx of foreign owners as a means of obtaining funds for capital expansion not available here or as a crutch for our unemployment problem. However, today's blessing can be tomorrow's curse.

It might be good business for a foreign investor, loaded with an excess amount of American dollars, to unload them here by buying a U.S. business at a cutrate price. But, is it good business for America to allow this to happen?

Is it good business for America to put the control of key industries, strategic raw materials and vital resources into the hands of someone whose national loyalties are not to the United States but to a foreign government?

I do not believe so. Apparently, neither do many foreign governments. Many of them are taking steps to become or to remain the masters of their own house. Canada, Sweden, Mexico, Australia, Italy, Japan, and West Germany are among those nations adopting restrictive measures to prevent foreign interests from taking over industries vital to the welfare and security of their people. Can America do less for Americans?

For several years now, I have been urging the Congress of the United States to take similar action for our industrially developed country. I do not want to prohibit foreign investments; I want only to limit them to reasonable levels. Consequently, I have introduced legislation under which a foreign investor could obtain up to 5 percent of voting stock and 35 percent of nonvoting stock in certain existing American industries. These restrictions would not preclude the establishment of new industry with capital and technology from abroad.

Overall, such legislation provides the opportunity for industry expansion and employment growth while still maintaining control of American industries.

I am convinced that any nation, including the United States, which loses the ability to produce for itself, loses the capability to survive. The loss of economic control leads to the loss of political control. The loss of political control, for any nation, leads to bondage.

YOUTH AND TELEVISION PROGRAMING

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. MACDONALD of Massachusetts. Mr. Speaker, as a legislator and parent, I am aware of the ongoing debate today among adults regarding our Nation's teenagers and the public schools they attend. Unfortunately, much of the emphasis in these discussions has been on the negative aspects of the lives of junior high and high school students.

In my capacity as chairman of the Subcommittee on Communications, I am particularly concerned about the image of teenagers as portrayed by television. Although some quality programing involving teenagers exists, the overwhelming number of programs show our youth either as perpetrators or victims of crime. With the exception of a few good situation comedies and programs such as "It's Academic" no positive image of teens and public schools can be viewed on television.

It would be difficult to overstate the pervasiveness of television in the United States. The average home set is on more than 6 hours a day. We know that by the time a child has finished high school, he has spent 11,000 hours in classrooms and 15,000 hours watching television during those years. We also know from a report made to the Surgeon General's Office on television and social behavior that what we see on television has an impact upon our behavior. Further, research on the Nation's viewing habits has shown that children and adolescents are attracted to programs featuring characters their own age.

Our young people today are confronted with great tensions and difficult decisions as they make the transition from teenager to adult. As adults let us not then make this journey even more precarious. I am not making a case here today for censorship of the media, but I am emphasizing the need for providing our children with a more positive mirror of themselves. Television offers a remarkable variety of program content including news, sports, music, politics, education, discussion programs, worship services, and entertainment shows. In creating these programs for our own education and enjoyment, we seem to have overlooked a vital segment of the population: our country's young people between the ages of 13 and 17.

In conclusion, I would urge all my colleagues to read the following letter written to me by the National Association of Secondary School Principals requesting congressional help in promoting better television programing for teenagers:

NATIONAL ASSOCIATION
OF SECONDARY SCHOOL PRINCIPALS,
Reston, Va., September 5, 1975.

Hon. TORBERT H. MACDONALD,
Chairman, Subcommittee on Communications, Committee on Interstate and Foreign Commerce, Washington, D.C.

DEAR MR. MACDONALD: The National Association of Secondary School Principals has become increasingly concerned about the quality of television programming available to American youth. Our concern has now developed to the point of the Association's making a strong statement on the problem.

The Association is concerned by the omissions as well as by the commissions of broadcast television. We are concerned, not only about such matters as violence on television and its effect upon children and youth, we are also concerned about the lack of a positive mirror on television by which youth may view itself. High school youth are extraordinarily impressionable and should enjoy the opportunity of viewing themselves on television as something besides dance partners at beach-side concerts or as sycophants, hanging upon every word of the local disc jockey; nor should they see themselves as victims in various detective or adventure series. Rather, youth should have some opportunity to view themselves at their best, competing with one another academically and athletically, performing in dramatic productions and musical affairs, participating in community service activities, developing community projects, as with the bicentennial and similar themes, and in the display of special talents such as designing clothes, building rockets, adventuring down rivers, etc., etc.

Because it appears that we are losing ground rather than gaining ground on television programming for youth, the Association has, for the first time in its history, made recommendations beyond its traditional concern with on-campus and in-school affairs.

The Association knows about the work of Action for Children's Television and commends its progress in improving programming for children. It appears, however, that no such powerful citizens group currently is operating for the benefit of youth, particularly youth aged 12–18. One result of such a void has been the cancellation of the program "It's Academic" in the Chicago area. From 1968–1974 I was superintendent of Evanston Township High School in the Chicago area, and the participation of our students in the "It's Academic" program was important to the secondary school students of Evanston as well as providing some reinforcement for the values of education.

I would hope in your position as Chairman of the Subcommittee on Communications of the Committee on Interstate and Foreign Commerce that you would begin to speak to the important needs of a unique and largely ignored segment of the viewing public, American youth. We offer our encouragement and support to you in this matter. We shall hope, in addition, to become more active in promotion of good programming for youth on broadcast television.

Your consideration of this letter is appreciated.

Sincerely yours,

Scott D. Thomson,
Associate Secretary for Research.

BROOKLYN LAW SCHOOL ALUMNI IN DISTRICT OF COLUMBIA TO MEET

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. ADDABBO. Mr. Speaker, the following announcement which I recently received from our former colleague Judge Abe Multer, may be of interest to alumni of Brooklyn Law School residing in the Nation's Capital.

"On Thursday, October 16th, 1975 from 6 p.m. to 8 p.m. in room 2361 of the Rayburn Office Building, there will be an organization meeting of the Washington, D.C. Chapter of the Brooklyn Law School Alumni Association.

All alumni in the area are cordially invited to attend.

The law school dean, Hon. Raymond E. Lisle, former Director of the Office of Eastern European Affairs, State Department, and Hon. Abraham J. Multer, New York State Supreme Court Justice and president of the association, will speak briefly. Justice Multer served in the House of Representatives from 1947 through 1967.

Further information is available from Carl J. Goodman, general counsel U.S. Civil Service Commission, 202–632–6124 and from William Holzman, alumni director, 250 Joralemon Street, Brooklyn, N.Y. 11201. 212–625–2200.

ON PETRIFIED OPINIONS

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DEL CLAWSON. Mr. Speaker, an editorial in the October issue of Government Executive discusses the tangle of regulatory redtape toward which my bill, H.R. 8231, and succeeding identical bills are directed. It is a situation which a respected member of the business community in my hometown of Downey, Calif., briefly described as "far from what I believe and understand the free enterprise system is supposed to work." If my constituent could state, "To be honest with you, we are at a point where we question whether it is worthwhile to continue in business" I am sure he is not alone. The editorial follows at this point in the Record:

On Petrified Opinions

Mark Twain once wrote, "Loyalty to petrified opinions never yet broke a chain or freed a human soul in this world—and never will."

Little wonder government is held in such low esteem in this Nation. It is afflicted with such a mass of misinformation leading to ossified ideas and bankrupting decisions that its chance of picking a right course on any subject is slim. And Mark Twain hasn't been around to rattle its smug confidence in itself for upwards of three generations.

The result is that mythology abounds. Legislators and regulators dream up new rules (25,000 regulations last year alone from just the Feds), create new report forms (5,175 at current count out of Washington, D.C., for one) to "catch those crooks in industry who sit around all day dreaming up sins against society."

Bureaucracies bloat with little collections of Godfathers bent on protecting the "consumer," the "little businessman," the "minorities," the "female" from being gobbled up by the "male chauvinists of Big Business." Trouble is, none, or at least very few, of these advocates have any more knowledge than they had at high school graduation about what it is they're attacking.

They clamp a lid on the price of natural gas to "protect the consumer" from being monopolized by 3,000 competing natural gas companies. He's protected, all right—right into losing his job and having his house turn cold because he can't get any natural gas at all any more.

Do these self-styled advocates learn anything from all that? Yes. Put a lid on domestic oil prices and public utility rates, too. They've got "huge profits" hidden away in a mattress somewhere. They'll cough it up to invest in new explorations if enough pressure is put on.

Meanwhile, bankers, whose livelihood depends on looking at the facts, not the frills, cut off the industries' line of credit because they're running in the red. Well, say these haters of the "industrial conspiracy," they have a way of getting at that, too. Pass a law making bankers and company board members personally liable, financially and criminally, if found guilty, on hindsight, of "gross negligence."

And break up the oil and gas companies—even though no one of them has more than 10 or 11% of the U.S. market. Such a bust-up, they argue, will "bring back competition and lower prices." That is about as likely to happen as it is that Congress will acquire some economic sense.

Upshot of all this "doing good" is that the small businessman, not the big one, is being driven out of business; the consumer is being forced to buy products that are no safer nor cleaner nor more functional at two and three times what they cost before Government started to help; and there's hardly a person in the land who hasn't been told by some agency or other that his neighbor is not to be trusted.

The sarcasm is that their failures only spur them to try harder, make the same mistakes but with more vigor and at higher cost. *Government Executive* completed a survey recently of 570 leading U.S. industrial executives. One result: 86% of them said that, in the main, Government controls on how they conducted their businesses, viz. hiring practices, environmental protection, worker safety, et al., added more to the price of their products and services than the benefits the rules supposedly provided are worth.

The worst of the violators: Congress and its legislative staffs; the Cost Accounting Standards Board; Labor; Health, Education & Welfare; Treasury (including IRS, of course); Justice; the Consumer Product Safety Admin.; EPA; Occupational Safety & Health Admin.; Equal Employment Opportunity Commission; SEC; and the Federal Trade Commission.

It seems passing strange to us that if, as the Naderites say, Big Business owns the Government, they should find so much oppression and ignorance in it.

But we think even more fascinating is something else we've learned. Each of these outfits with a singular mission is driving so hard for governmental supremacy, they've begun to attack each other.

At a seminar on regulatory reform (sponsored jointly by the American Enterprise Institute and the Hoover Institution), former California Governor Ronald Reagan told the audience:

"I have had Congressmen tell me they are more frightened of defying a Government agency than they are of the constituency back home. These agencies have become so big and powerful, they have the capacity to destroy a Congressman in his own district if they should so choose."

That's not the half of it. Justice Department has objected to Transportation Secretary William Coleman's regulatory reform plans on grounds they encroach its antitrust jurisdictions. The Federal Maritime Commission is taking the Interstate Commerce Commission into court on grounds ICC has overstepped its authority.

The Equal Employment Opportunity Commission has filed suit against the state of New Hampshire, demanding that State employees be listed by race and ethnic origin on Federal census forms. (Governor Meldrim Thomson told state agencies to list employees as "American.")

The Federal Trade Commission has told a Federal Court the Federal Communications Commission "failed to do its job properly" when it gave approval to an IBM-Comsat joint venture in domestic satellite communications. OSHA and HEW are fighting over whether plastic liners should or should not be allowed in hospital waste baskets.

HEW is also busy refuting safety and other compliance rulings in the past by the Joint Commission on Accreditation of Hospitals. Several regulatory agencies, including the SEC, are sore at a House Commerce Subcommittee for sending them a questionnaire and demanding fast answers. The military and the Veterans Administration are arguing with EPA over a proposed EPA can-and-bottle recycling regulation.

In short, Government has grown so huge and choked with conflicts, it is close to halting itself in its own tracks. Everybody, it seems, is policing everybody else.

Maybe a good project for the Bicentennial people (they haven't been able to accomplish much of anything else) would be to crisscross the country, asking why we don't all act like members of the same family any more.—*C. W. Borklund*

THE MANIFEST CONSTITUTION IS LAW

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. WHITEHURST. Mr. Speaker, in the discussions surrounding the Supreme Court's January 22, 1973, decision on abortion, the Constitution itself is seldom mentioned. The fact that the Court abrogated to itself the privilege of legislation is overlooked. I am introducing at this point in the RECORD an excerpt from an article entitled "Notes on the Constitution," which appeared in the August 1975, issue of Commentary. The article was written by the late Alexander M. Bickel, former Sterling professor of law at Yale Law School and one of the most eminent authorities on constitutional law of this century.

Because I share his view that jurisdiction over the question of abortion, which involves the termination of a potential human life, properly belongs in the hands of the people of each State, I have introduced House Joint Resolution 96 toward this end.

I hope that my colleagues will give Mr. Bickel's words a careful reading and take into account his statements regarding the "manifest constitution."

THE MANIFEST CONSTITUTION IS LAW

(By Alexander Bickel)

On January 22, 1973, the Supreme Court, paying formal tribute to Holmes's 1905 dissent but violating its spirit, undertook to settle the abortion issue. In place of the various state abortion statutes in controversy and in flux, the Supreme Court prescribed a virtually uniform statute of its own. During the first three months of pregnancy, the Court decreed, a woman and her physician may decide on an abortion quite free of any interference by the state, except as the state requires the physician to be licensed; during the second three months the state may impose health regulations, but not forbid abortion; during the last three months, the state may if it chooses forbid as well as regulate. That may be a wise model statute, although there is considerable question why the Court foreclosed state regulation of the places where the abortion is to be performed. The state regulates and licenses restaurants and pool halls and Turkish baths and God knows what else in order to protect the public; why may it not similarly regulate and license abortion clinics, or doctors' offices where abortions are to be performed?

But if the Court's model statute is generally intelligent, what is the justification for its imposition? If this statute, why not one on proper grounds of divorce, or on adoption of children? Medical evidence, the Court tells us now, shows that abortions during the first three months of pregnancy present no great risk. Well and good. It is also clear that the fetus is not a life in being at the early stages of pregnancy, is not entitled to constitutional protection, and the Constitution cannot be construed to forbid abortion. Well and good again. But the fetus is a potential life, and the Court acknowledges that society has a legitimate interest in it. So has the individual—the mother, and one would suppose also the father; an interest that may be characterized as a claim to personal privacy, which in some contexts the Constitution has been found to protect. The individual's interest, here, overrides society's interest in the first three months and, subject only to health regulations, also in the second; in the third trimester, society is preeminent.

One is left to ask, why? The Court never said. It refused the discipline to which its function is properly subject. It simply asserted the result it reached. That is all the Court could do because moral philosophy, logic, reason, or other materials of law can give no answer. If medical considerations only were involved, a satisfactory rational answer might be arrived at. But, as the Court acknowledged, they are not. Should not the question then have been left to the political process, which in state after state can achieve not one but many accommodations, adjusting them from time to time as attitudes change it? It is astonishing that only two dissented from the Court's decision, although Justice Potter Stewart noted in his agreement, presumably with some discomfort, that the decision joined the long line of earlier cases imposing judicially-made social policy to which Holmes had objected. The dissenters were Justices Byron White and William Rehnquist. The Court's decision was an "extravagant exercise" of judicial power, said Justice White; it was a legislative rather than judicial action, suggested Justice Rehnquist. So it was, and if the Court's guess on the probable and desirable direction of progress is wrong, that guess will nevertheless have been imposed on all fifty states.

Normal legislation, enacted by legislatures, not judges, is happily less rigid and less presumptuous in claims to universality and permanence is illusory in any case, for the ongoing political process which follows upon the declaration of law is another discipline the Court is subject to. Yet the Court is not excused in transgressing all limits, in refusing its own prior discipline, for in its initial process of law formation the Court is not under the discipline of the political process. Neither the Court nor its principles directly originate there. The discipline is subsequent.

Such is the Court's function under the Constitution of open texture, as it is aptly called. There is another Constitution as well; I will call it the manifest Constitution; it is the Constitution of structure and process, not of due process or equal protection, and certainly not of due process or equal protection, and certainly not of metaphysical privileges and immunities. More theory has to be poured into it than can be extracted; it is the Constitution of the mechanics of institutional arrangements and of the political process, of power allocation and the division of powers, and the historically defined hard core of procedural provisions, found chiefly in the Bill of Rights. These hard-core provisions, as Felix Frankfurter once wrote, have a relative "definiteness of terms" and definiteness of history," derived from the specific grievances the Framers meant to redress. In establishing the power of judicial review in 1803, in *Marbury* v. *Madison*, vesting the Supreme Court with value-definition exercised in the name of the Constitution, John Marshall spoke of the Constitution as law, and reasoned that when it is properly invoked before them in a case, judges must enforce it. He spoke as if most of it were manifest, and suggested later that where it is open-textured it confers little if any power on judges.

Matters have turned out quite the other way around. The judges have little to do with the manifest Constitution; they chiefly exercise power by invoking its open texture. But Marshall was right in his view that the manifest Constitution is law, and a special kind of law at that, imposing a duty to obey of the sort that does not definitely attach, except broadly, in the aggregate, to other general law in our system, and imposing it most particularly on all officers of government, state and federal, who by Article VI are oath-bound to support the Constitution.

There is a moral duty, and there ought to be, for those to whom it is applicable—most often, officers of government—to obey the manifest Constitution, unless and until it is altered by the amendment process it itself provides for, a duty analogous to the duty to obey final judicial decrees. No President may decide to stay in office for a term of six years rather than four, or, since the Twenty-second Amendment, to run for a third term. There is an absolute duty to obey; to disobey is to deny the idea of constitutionalism, that special kind of law which establishes a set of preexisting rules within which society works out all its other rules from time to time. To deny this idea is in the most fundamental sense to deny the idea of law itself.

The liberal contractarian tradition, as Justice Black represented it, posits a duty to obey judicial decrees, and beyond that a duty to obey the manifest Constitution, and a further duty to obey the general law the Court makes in the open texture. And yet the manifest Constitution presents problems, just as popular sovereignty does in its way. For the contractarian liberal is a moralist, and the moralist will find it difficult to sacrifice his aims in favor of structure and process, to sacrifice substance for form. Yet process and form, which is the embodiment of process, are the essence of the theory and practice of constitutionalism.

I have shared, and do share, the tendency of the liberal imagination to respect the moral claims of justice against the status quo. Yet I insist more strongly, even passionately, quite as if I were talking about justice, on a politics of the computing principle, which Burke urged upon us. It seems to me to make everything else possible. Without it, in the stark universe of imperatives, in the politics of ideal promises and inevitable betrayals, justice is not merely imperfect, as under the computing principle, but soon becomes injustice.

NATIONAL WOMEN'S POLITICAL CAUCUS SUPPORTS HATCH ACT REFORM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. CLAY. Mr. Speaker, the National Women's Political Caucus recently held a convention in Boston. I am pleased to announce that this distinguished organization adopted a resolution urging Congress to modify the Hatch Act. They took a stand to endorse and strive for the passage of H.R. 8617, a Federal Employee's Political Activities Act of 1975.

I want to share with my colleagues both the letter and the resolution entitled "Restoring the Right of Political Participation to Public Employees." I believe these merit the attention of all House Members:

WASHINGTON, D.C.,
July 30, 1975.

Hon. WILLIAM CLAY,
Chairman, Subcommittee on Employee Political Rights, Washington, D.C.

DEAR CHAIRMAN CLAY: I am pleased to announce that the National Women's Political Caucus at the recent convention held in Boston adopted a resolution supporting the efforts of the District of Columbia Women's Political Caucus in encouraging the Congress of the United States to amend the body of legislation known as the Hatch Act. I have enclosed the resolution for your files.

More importantly, the National Women's Political Caucus pledged funds at the convention to conduct a national lobbying effort on behalf of H.R. 3000 (presently H.R. 8617).

We believe that the support of the National Women's Political Caucus and the District of Columbia Women's Political Caucus will make a fundamental contribution to the lobbying effort on behalf of the amendment to the Hatch Act.

Sincerely,

MARTHA M. MITCHELL,
Chairperson, District of Columbia Women's Political Caucus.

RESTORING THE RIGHT OF POLITICAL PARTICIPATION TO PUBLIC EMPLOYEES

Whereas the democratic system of the United States centers around the activities of partisan political parties, and

Whereas the right of political participation and free speech is guaranteed to every citizen by the First Amendment of the Constitution of the United States, and

Whereas the current body of legislation commonly known as the Hatch Act (as interpreted by the Civil Service Commission) prohibits federal and District of Columbia employees from voluntarily engaging in political partisan activity such as running in local elections, writing letters on political subjects to newspapers, becoming a delegate to a political convention, running for office within a political party, distributing campaign material, and managing the political campaigns of candidates for public office, and

Whereas the Hatch Act is vague and overbroad, and its ambiguity has a tendency to discourage public employees from engaging in even permitted political activity, and

Whereas House of Representatives Bill 8617 and Senate Bill 372 will restore to public employees the right to voluntarily participate in the full political process but will protect them from unwarranted political pressure and coercion,

Be it resolved that the National Women's Political Caucus support the efforts of the District of Columbia Women's Political Caucus in encouraging the Congress of the United States to pass House Bill 8617 and Senate Bill 372.

UNITED STATES TO RULE ON THE SST THIS WEEK

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DOWNEY of New York. Mr. Speaker, a decision on whether to allow the SST-Concorde to land at airports in the United States is imminent. Again there are indications that the White House is interfering in the legal process by which this decision is to be made. Congress can still exercise its right to assure that whatever decision is made on the SST, is made within the limits of the law. Further, with these indications of unacceptable pressure, those of us in Congress should seriously consider once again putting the force of law behind a ban on the SST-Concorde.

Harry Pearson of Newsday has again done a fine job of uncovering the continuing pressure from the White House to force a decision that may have grave environmental implications for Americans—especially those of us on Long Island and in the Washington area.

I think his story is worth the attention of my colleagues and ask that it be printed in the RECORD:

SST DECISION IS LIKELY THIS WEEK

(By Harry Pearson)

Sometime this week, the Ford administration will decide whether to allow the British and French to land their supersonic transport, the Concorde, at U.S. airports. President Ford, a long-time advocate of the SST, will have the last word on the airplane's fate, according to sources in the federal Department of Transportation.

Earlier this year, the British and French sought permission from the Federal Aviation Administration to institute daily SST flights from London and Paris to New York and Washington beginning next April 1. In the face of disputes among the FAA's staff members, Transportation Secretary William T. Coleman assumed jurisdiction, announcing that he would render the verdict himself. Coleman was supposed to announce that decision last Wednesday, but he didn't.

Although it is not clear whether the White House intervened or Coleman sought the President's advice, the decision was delayed, aides say, because of talks with the White House.

Opponents of the SST, reacting to the delay and consultations, suggest that the White House may have gotten into the act to avert a negative decision. One environmental lawyer said, "There's hardly any need to consult the President if they are going to approve the plane."

It has been clear, however, for some time that the Concorde has produced anything but approval within the DOT. The FAA had prepared a draft assessment of the Concorde's expected environmental impact, but even FAA sources acknowledge that the draft statement, in the phrase of a Coleman aide, "read like it was prepared by the plane's manufacturers."

Opponents of the Concorde appeared en masse at public hearings on the draft analysis, detailing what they said were hundreds of errors—all in the SST's favor—in the report. The Environmental Defense Fund, a Long Island-based public interest law firm, charged that the errors were deliberate misconstructions of the facts. Now, a House subcommittee investigating charges that the Ford administration applied pressure on federal and state agencies on behalf of the plane, says that it will investigate the FAA, paying particular attention to the draft statement. A subcommittee staff member, Bill Lawrence, said last week, "It strikes us as more than accidental that all the errors in the report were favorable to Concorde."

The FAA, apparently heeding the criticism, has prepared a final environmental impact statement that is said to be very critical of Concorde's effects on the environment. That document was supposed to be released Oct. 1, but the FAA announced that the impact statement would contain no final decision on whether the agency would permit landings.

Instead, agency spokesmen said, Coleman would release the draft, with a cover letter announcing his decision, "within a few days." That was last Monday.

In the meantime, opponents of the plane, convinced that DOT would smile upon the Concorde, began holding strategy sessions. Some of their decisions:

Rep. Bella Abzug (D-Manhattan) is to try to get an SST ban attached to an airports bill. This tactic, tried twice before, has fallen a few votes short of success.

Rep. William J. Randall (D-Mo.) announced a second round of hearings, tentatively to begin next month into the charges that the administration had applied undue pressure on federal regulatory agencies. These hearings, according to Lawrence, will concentrate on what he calls FAA "distortions" of the evidence against the plane. Lawrence says his research shows that the FAA underemphasized the plane's noise level, its effects on the protective ozone shield in the atmosphere, and engine pollution emissions.

The Environmental Defense Fund filed a petition with the Civil Aeronautics Board in an effort to force hearings on the plane's environmental effects. If the CAB has these hearings, fund lawyer John Hellegers says, "we will have our first chance to confront the plane's manufacturers under oath." More significantly, even if the Department of Transportation approves the flights, the CAB could limit the plane's operations in the United States if the environmental evidence were sufficiently damning. The only problem with this, Hellegers says, is that CAB decisions must be approved by Ford.

Just what Ford's decision will be has been the subject of considerable speculation since late summer, when a key FAA official said that instead of handing down a direct ruling on the SST application, the agency would let the Concorde land twice a week for a year at Dulles International Airport near Washington "on a route-proving basis" only. That way, the agency would not have to deal with the British-French request for up to two commercial flights daily at Dulles and four daily flights at Kennedy.

That speculation was reinforced considerably when, on Sept. 17, the French transportation minister, after a visit with DOT officials in Washington, told the French cabinet that the Concorde would be allowed two flights a week into Dulles, and when Business Week, in its Oct. 6 issue, published a map (provided by the plane's backers) showing current and future routes of the Concorde—a map showing flights to Dulles, but none to Kennedy.

All that has changed. John Wesler, DOT noise expert, said Friday that the agency would not render a split decision. DOT will, he said, "either deny the plane permission to land in this country altogether or approve flights to both airports." If approval is forthcoming, landing rights at Dulles would be granted automatically, since the FAA operates that airport, Wesler said. The Port Authority of New York and New Jersey would then have to decide whether to allow Concorde landings at Kennedy, which it operates.

GUNS IN THE HANDS OF THE PEOPLE: A RIGHT, A RESPONSIBILITY, AND A POLITICAL INSURANCE POLICY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, over 100 gun-control bills have been introduced into the 94th Congress. Those of us who are fighting the antigun people find that they want to ignore, or deliberately misinterpret, the second amendment to the U.S. Constitution.

The right to keep and bear arms came to America with British Common Law. It was considered both a right and a responsibility, essential to both individual and community self-defense. And when the British marched on Lexington and Concord to seize the weapons of the colonists, the minutemen fought back.

Later, there was no hope of ratifying a U.S. Constitution without a Bill of Rights which included the second amendment protecting the right to keep and bear arms. The dangers of a powerful central government, even an American, republican style central government, seemed too great without it.

It is my sworn duty to uphold and defend the Constitution of the United States. That includes the second amendment.

CRIMINAL CONTROL, NOT GUN CONTROL

It should not be necessary to state the obvious—crime is the work of criminals, not their weapons. Gun-control is not an effective crime-control measure. It is only a slight inconvenience to the criminal, but a burden to those who pay attention to the law.

It is significant that when big-city criminals, especially, are found to be in violation of existing gun laws—including the onerous laws of New York City and Washington, D.C.—they are very rarely penalized for the gun offense. In fact, they are rarely penalized for anything.

As a result, there are tens of thousands of people walking around free today who believe that they can get away with murder—because they already have. My staff recently investigated the case of a sadistic torture-murderer, sentenced to life imprisonment, who was released in a little over 2 years. Thanks to heavy patronization by "liberal" academics, this high school dropout was "laundered" through Harvard in 1 year, presented with a master's degree, and given a job as a college dean.

There is no logical way to blame our soaring rate of murder, armed robbery and aggravated assault on "guns" when it is the "liberal" policy of releasing murderers, and even rewarding them, which is really responsible.

BACK-DOOR CONFISCATION

Years ago, gun-control advocates denied that their objective was the total disarmament of the American people. Nowadays, more and more of them do admit to this objective. When noted radicals agree with such a policy, it is surprising only to those who do not realize how close they are to taking us over. Many radicals now want only police and soldiers to be armed, because they believe that what they have to worry about is not the "oppression" they bewail in public statements, but a counter-revolution from the American people.

The gun-controllers are not yet strong enough to disarm us all at once, with a single comprehensive law. Thus, they try to pass a series of laws to curtail and chip away at our rights bit by bit. Each law represents a wedge, and the bureaucrats can be relied upon to drive each wedge deeper.

For that reason, I will support none of the gun-control laws now before the House. In fact, I have proposed the repeal of the Gun Control Act of 1968, since it is unconstitutional, and in addition, it has had no effect on crime.

SELF-DEFENSE VISITS SAFETY

The Federal Government has recently disguised itself as everybody's fussy maiden aunt, trying to take our dangerous toys away before we hurt ourselves with them. Yet the record shows that the American people as a whole are remarkably responsible with firearms. We, the American people, possess perhaps 120,000,000 rifles, shotguns, and handguns, yet only about 2,500 people a year are killed by them accidentally. That is about the same number as were killed in 1900, when our population was less than half its present number.

Actually, the concern for "safety" is a new wrinkle in the same old game. Now the gun-controllers are trying to convince us that it is safer not to try to defend ourselves, because we may provoke the poor criminal and force him to shoot us. It is true that one takes a chance, when one tries to defend oneself. But is not that better than having no chance at all?

Perhaps we should poll the victims of violent crime about that.

INSURANCE

Since our dominant "liberals" have proven unwilling to perform one of the basic functions of any government—protecting the public from criminals—we have every right to do what is necessary to protect ourselves. And the right of self-defense implies the means of self-defense.

The right of self-defense applies to society as a whole, as well. Our Founding Fathers included the second amendment in the Constitution for a political reason—it was intended to make tyranny hazardous to the tyrant's health.

A population armed with 120,000,000 weapons presents a very real deterrent to would-be tyrants, foreign or domestic. The gun-controllers are concerned about their safety, not ours. An armed citizenry is a sturdy political insurance policy.

Let us keep it that way.

A MORAL OBLIGATION

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. FISH. Mr. Speaker, I represent the 25th Congressional District of New York, which is located just north of New York City, where there is a growing concern by both local officials and the public over the possible financial default of New York City.

This issue has grown from a local to a State problem, and the Congress is now considering what should be the appropriate Federal response.

At this time, I would like to insert into the RECORD an editorial published in the Poughkeepsie Journal dated October 3, 1975, which describes the attitude felt by many in the State of New York with respect to this most pressing issue.

The article follows:

[From the Poughkeepsie Journal, Oct. 3, 1975]

A MORAL OBLIGATION

It should come as no surprise to anyone who has been following it that New York City's financial crisis has now become the concern of all taxpayers in the state.

Barring some sort of minor miracle, the city will default on its fiscal obligations, and the suction could well draw the state government into the fiscal whirlpool. One dire indicator came this week when banks and security underwriters were unable to sell a $750 million package in state notes, only about $250 million of which were earmarked for help to the beleaguered city.

What this means is that investors are showing less confidence in the credit of the state, itself, and that certainly doesn't bode well at a time when borowing is essential to cope with debts that won't go away.

Gov. Carey has admitted flatly that the state has reached the end of its lifeline to the city, and there seems no alternative to the metropolis sinking. Only one glimmer of hope seems to remain: a lifesaver from the federal government.

It is difficult to understand why the Ford administration hasn't been more helpful, if not sympathetic, in a situation which more and more is being recognized as a national crisis, that is, if political considerations are excluded. The large cities in this country which aren't having critical problems are the exception, and New York is the big daddy of them all. Why shouldn't the federal government take a hand in helping find solutions?

One of the more obvious theories is that voter registration in most cities is predominantly Democratic, while the Republican strengths tend to be more suburban and rural. It would be politically advantageous, or so the theory goes, to let the Democratic cities stew in their own juice, as an object lesson in next year's presidential campaign on the wages of too much liberalism as opposed to financial stringency.

Object lessons are fine, and, in the case of New York City, there is no argument that the current crisis has been brought on by gross mismanagement and too many giveaways. But what sort of attitude is it that would allow a victim, even one which brought the trouble on himself, to go under without some effort to save him?

In arguing for federal intervention, however, there should be a corresponding mandate for a change in policies by the beneficiary that will insure against a continuation of the mistakes which produced the crisis in the first place. This holds not only for cities, but corporations and any other faction which needs to be bailed out.

Despite geographic differences and contrasts in lifestyles, we are still one country. The problems of one area, particularly when they outgrow the capacity of localities to cope with them themselves, are the problems of all.

H.R. 8617—A BILL TO REVISE THE HATCH ACT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. SOLARZ. Mr. Speaker, I rise today in strong support of H.R. 8617, the bill to revise the antiquated and discriminatory Hatch Act.

As you may know, the House Committee on Post Office and Civil Service of which I am a member, recently reported out H.R. 8617, the Federal Employees Political Activities Act of 1975. This landmark legislation is designed to restore to Federal civilian and Postal Service employees their right to participate voluntarily, as private citizens, in the political process of the Nation. At the same time, it is also designed to protect the integrity of the merit system through the specific prohibition of any and all efforts to coerce Federal employees into unwanted forms of political participation.

Even those committee members who voiced reservations about the bill, agree that the Hatch Act needs amending so that Federal employees may once again be treated as "first class citizens," allowing them to voluntarily participate in political activity, providing that this participation does not infringe upon the rights of other employees, and does not conflict with their public responsibilities.

Other countries have successfully adopted similar laws which enable their public servants to participate fully in the political process. In Sweden, Great Britain, France, Australia, Canada, and West Germany, employees of the government may run for political office, participate in campaigns and be active members of political parties.

The original Hatch Act was a well-intentioned attempt to correct abuses and regulate political activity by Federal employees. However, in the past 36 years the conditions which fostered the enactment of the Hatch Act have changed, and it is incumbent upon the Congress to modernize this legislation. First, the need for skilled personnel has increased to the extent that the patronage system no longer flourishes as it did in the 1930's. Second, whereas in 1939 only 32 percent of the 950,000 Federal employees were under the merit system, today we find that almost 70 percent of the 2.8 million employees are under the merit system. Third, the growing strength and influence of the Civil Service Commission has led to the institutionalization of the merit system.

The Subcommittee on Employee Political Rights and Intergovernmental Programs held extensive hearings and has put together a most comprehensive and clear legislative proposal—one which differentiates between voluntary and involuntary political activity. It strengthens those features of the Hatch Act which are meritorious in that it provides greater protection against political coercion and it revises and updates those parts which are no longer applicable by permitting off-duty political activity which does not interfere with the impartial administration of public service.

The bill would permit Federal employees to run for office, take an active part in the management of political campaigns, circulate petitions, make or solicit campaign contributions, and generally do any of the other things that their 209,000,000 fellow citizens are entitled to do, too.

In order to protect both the public and themselves from any abuse of these new rights, the bill strictly prohibits Federal employees from:

First, using their official authority to influence another employee's vote;

Second, coercing a fellow employee to engage in political activity;

Third, soliciting campaign contributions from other Federal employees over whom they have management or administrative authority; and

Fourth, engaging in any kind of political activity while on duty or inside a Government building.

I strongly believe that these restrictions will effectively prevent the abuse of the merit system and coercion of Federal employees. In an effort to make sure that the law is vigorously and stringently enforced, an independent Board of Political Activities to hear and adjudicate alleged violations of the law is established in the bill itself. Those individuals who are found to have violated the law would be subject to removal, suspension, or lesser penalties at the discretion of the Board. Finally, the bill would require the Civil Service Commission to periodically inform Federal employees of the political rights and restrictions contained in the legislation.

It seems to me that in this Bicentennial year it would be only appropriate to give the almost three million men and women who work for the Federal Government the same political rights and responsibilities as their fellow citizens. H.R. 8617 takes a long step forward in that direction and I hope my colleagues will give it the most serious and sympathetic consideration.

THE RACE FOR THE SOLAR ENERGY RESEARCH INSTITUTE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. BROWN of California. Mr. Speaker, in 1974 the Congress passed Public Law 93–473, "Solar Energy Research, Development, and Demonstration Act of 1974." One of the sections of that law called for the establishment of a Solar Energy Research Institute, which would be the focus for much, but not all of the Nation's solar energy work.

The National Academy of Sciences is completing its review of the criteria for the Institute, and the Energy Research and Development Administration, which must select the site and specify the functions of the Institute, is expected to rely heavily on the NAS review. ERDA is to be commended for this approach, which indicates that they intend to select a site on nonpolitical grounds.

Unfortunately, some Members of Congress are trying to politicize this decision, or at least this situation is indicated by an article in the October 10 issue of Science magazine.

Mr. Speaker, as a member of the subcommittee which originated the requirement for a Solar Energy Research Institute, and a firm believer in the ability of my own State of California to excel in the field of solar energy research, development and demonstration, I am perhaps too biased to comment further on the article from Science magazine.

However, before I insert this article for the RECORD, I wish to ask my colleagues, who are understandably chauvinistic about their own State, to refrain from making the siting of this important Institute a political issue. We should let ERDA decide on the merits.

The article follows:

SOLAR RESEARCH SWEEPSTAKES: STATES VIE FOR A PLACE IN THE SUN

From snowy New Hampshire in the north to American Samoa south of the equator, from Puerto Rico on the eastern approaches of the United States to Guam on the far western defense perimeter, from the urban centers of New York and California to the badlands of South Dakota, scientists and politicians are mobilizing to compete for the next big prize on the scientific horizon—the proposed Solar Energy Research Institute that is scheduled to get under way next year.

At this point it is a race without rules, for the federal Energy Research and Development Administration (ERDA), which will administer the institute, has not even decided what it will do, how big it will be (one guess is $50 million a year in operating expenses), what sort of site it will require, or even whether it will be one installation or scattered installations. But state and local officials are already pounding on ERDA's doors. Plagued with unemployment and bedeviled by rising fuel prices, they apparently believe a research center that might lead to an exotic new energy source and thriving spin-off industries is just the right antidote for their sagging economic fortunes. Not to mention the prestige and general intellectual uplift such centers are presumed to bring.

Even though the race has not yet officially begun, there are already dark hints that it might be rigged. These are based partly on the fact that President Ford, in off-the-cuff remarks at a 15 August energy symposium in Vail, Colorado, named only three states as possible sites, ignoring more than a score of other aspirants. Newspaper accounts said the President designated the three states as "front-runners," but the White House-edited transcript of the session indicates he was less emphatic. In answer to a question about the Administration's plans for solar energy, the President replied, according to the transcript:

"I was talking to Bob Seamans [the head of ERDA] a few days ago, and they have made significant progress. There is, unfortunately, competition developing between Arizona, New Mexico and Florida where the Federal Government will establish a solar energy research center. I do not know what the decision is going to be on what state gets that facility, but I am only using it as an example to point out that we mean business in this area."

Still, the fact that three states and only three states had seeped into the presidential consciousness caused cries of anguish from several competing states. Some of the most vociferous complaints came from Colorado, which was not only the site for the President's remarks, but also has launched one of the most vigorous efforts to land the new institute.

Administration aides later tried to soothe the ruffled competitors by explaining that President Ford had simply tossed out three names that occurred to him (or to a presidential assistant); they said there was no implication that any of the three was predestined to win the competition. Meanwhile, ERDA officials insist that they will be the ones who choose the final site and that they will do so on the merits of the case, unhampered by political interference.

The Solar Energy Research Institute—or SERI, as it is called by most of those who are laboring to snare it—was mandated by the Solar Energy Research, Development & Demonstration Act of 1974, which was signed into law last October. Section 10 of that act stipulated that there would be such an institute but gave no guidance as to what it should do except to say that it "shall perform such research, development and related functions" as are deemed "necessary or appropriate." Many of those backing such an institute felt that solar energy needed an "advocacy" research center to counterbalance the sophisticated support given nuclear energy by the existing national laboratories.

At first there was little progress toward setting up the new institute because the government's far-flung energy programs were being reorganized into ERDA. But in the past several months the pace has picked up as ERDA readies itself to publish guidelines and criteria and invite formal proposals from interested competitors.

Earlier this year ERDA contracted with the National Academy of Sciences to help define the structure and scope of work of the proposed institute. The academy's final recommendations—put together by a committee headed by physicist Richard L. Garwin of IBM—were due to be delivered to ERDA on 30 September. Meanwhile, a parallel survey of industrial opinions about the institute, conducted by the Mitre Corp., apparently to ward off possible fears that the science-oriented academy might give industrial views short shrift, is expected to be completed by mid-October. Then, on the basis of these inputs and its own in-house review, ERDA hopes to make a formal request for proposals by early November.

At this point it is unclear just how big and juicy this particular scientific plum will be. The academy, in an interim report, talked about a $50 million annual operating budget by about 1980. But ERDA officials have been talking about spending 10 to 15 percent of their solar energy budget on the institute, a fraction that, barring an unanticipated upsurge in the budget, might result in annual operating expenditures of $20 million to $25 million.

Such uncertainty as to the nature of the plum has not inhibited the states from preparing for the harvest. The legislation had barely cleared the White House last fall before several states had appointed committees to quarterback their entries in the competition.

New Mexico was one of the first off the mark. A consortium made up of Sandia Laboratories, Los Alamos Scientific Laboratory, the University of New Mexico, New Mexico State University, and the New Mexico Institute of Mining and Technology actually submitted a formal proposal to ERDA early this year—well before the fledgling agency had begun to think seriously about how to organize the new institute. The consortium, backed by the State's top political leadership, recommended Albuquerque as the site. Meanwhile, a splinter group of southern New Mexicans is joining forces with community leaders in nearby El Paso, Texas, to promote their own region.

Colorado also got away fast and appointed a statewide committee to prepare its case. The governor has already invited local government to nominate sites, and U.S. Senator Gary Hart, just back from a swing through rural areas of the state, reports in amazement that landing the solar institute seemed to be the second most pressing subject on the minds of the citizenry. (The first was a series of bizarre mutilations that have destroyed more than 100 cattle and thoroughly baffled investigating authorities.)

Still another early entrant was Florida, where Governor Reubin Askew created a Governor's Task Force on Solar Energy, composed of nine educators, industrialists, and community leaders, to analyze the state's energy resources and prepare its proposal for SERI. The task force has a full-time staff of four, based at Cape Canaveral and headed by Robert C. Hock, who retired from the space center there last year.

Some sort of record for enthusiasm appears to have been set by Georgia, which already has a list of scores of potential sites even though no site criteria have yet been published. The state senate passed a resolution encouraging the governor to go after SERI; the governor appointed an eight-member site selection commission which solicited proposals from governing bodies and private developers throughout the state; and 56 applications were sent in nominating 60 or more sites. Once ERDA gets around to publishing its site criteria, the Georgia Commission will sift through these candidates and make a formal proposal.

The state which, more than any other, seems to spark fear in the breasts of its competitors is Arizona. This is not so much because Arizona has a sunny climate. Or because it has created a Solar Energy Research Commission of 17 members from banking, industry, the universities, and other sectors to mastermind its efforts to land SERI. That commission has a full-time staff of five, headed by Robert Handy, an executive on leave from Motorola, who has already made at least two trips to ERDA to talk up Arizona's virtues.

Rather it is because Arizona probably has more political muscle of the type apt to influence the Ford Administration than virtually any other state deemed a likely site. Its two senators, Paul J. Fannin and Barry Goldwater, are senior conservative Republicans, and its most prominent representative, John J. Rhodes, is the House Republican leader. The scenario feared by competing states—especially those with Democratic, liberal, or junior political leaders—is that President Ford will face a severe challenge in the primaries next year from conservative Ronald Reagan; he may desperately need the backing of conservative Republicans such as dominate the Arizona delegations; and, he just might want to toss them a solar energy research institute in return for support, or at least neutrality. Already the Arizona delegation has launched a political offensive on Capitol Hill, A fortnight ago it thoughtfully provided all members of Congress with the August 1975 issue of *Arizona Highways*, which was devoted almost entirely to Arizona's efforts in solar energy.

Two areas that are traditionally heavyweights in the competition for scientific installations have been slow to get started but are preparing to enter the fray. California's effort is being guided by Paul Craig, a former National Science Foundation official who is now director of the University of California's Council on Energy and Resources. Craig's group, which has been working closely with such institutions as the University of California at Berkeley, the Lawrence Berkeley Laboratory, the University of California at Los Angeles (UCLA), the Scripps Institution, Stanford University, California Institute of Technology, and the Jet Propulsion Laboratory to develop an "all-California" proposal, has already identified three tentative sites—the Stanford industrial park area, an engineering facility owned by UCLA, and the hills high above the Berkeley campus.

Meanwhile, that other heavyweight—Massachusetts—has expressed "strong interest" in SERI in a letter from the governor. And, in a move reminiscent of the *Arizona Highways* caper, the September issue of *Industry*, published by the Associated Industries of Massachusetts, is devoted almost entirely to solar energy, with a major article by Senator Edward M. Kennedy explaining why SERI should be in Massachusetts. The magazine has thoughtfully been provided to Kennedy's senatorial colleagues, who almost certainly would not find it on their local newsstands.

The New England states, operating through the New England Council, a chamber-of-commerce-type group, and through the senatorial and congressional delegations, is trying to develop a regional effort to secure SERI, but this is expected to reinforce, not preclude, any efforts that individual states, such as Massachusetts, might launch.

The extent of interest in SERI won't be known until formal proposals are submitted. But government or private leaders in a surprising number of states have indicated they intend to bid for the institute, or at least for a field station or two. A not necessarily comprehensive list of other interested states or territories would include Alabama, Delaware, Hawaii, Michigan, Nebraska, New Hampshire, New Jersey (nominated by a utility based there), New York, Ohio, Pennsylvania, South Carolina, South Dakota, West Virginia, American Samoa, Guam, and Puerto Rico.

Although no contending state can really hone its arguments until the final criteria and guidelines for the institute are known, preliminary communications reveal no dearth of ingenuity among the proposal writers. States with lots of sun claim solar research is best conducted in their climate; states with less sun claim experiments will need to be conducted in a variety of conditions. States with lots of research installations claim the institute will need such backup support; states with few intellectual resources say the institute should be used to spark new "centers of excellence." States with large supplies of gas, oil, or coal say they need to prepare for the disappearance of their fossil fuel resources; states without such deposits say they need solar energy to gain fuel self-sufficiency.

Guam, which considers itself the keystone of the American defense perimeter in the Pacific, even suggests that national security would be enhanced if it could be given SERI and the capacity to lessen its dependence on imported fuels. ("I've been on Guam," counters a rival from another state. "How are you going to persuade the scientists to relocate there?")

The sunny states were dismayed at a conclusion in the academy's interim report that the choice of a site "need not be linked to climate or weather" because much of SERI's work will involve analysis and simulation, while various outdoor experiments could be conducted at temporary field stations remote from the research institution. But Southern leaders believe the sun will still give them a practical political edge. As one expressed it, "I don't care what the scientists say. Close your eyes and ask yourself how ERDA is going to tell Congress and the American people that it wants to put the solar research institute where it's cloudy."

The latest schedule for picking the site—described as "iffy" and "mushy" by ERDA schedulers—anticipates that guidelines will be published in November, states will then have 45 to 90 days to get their proposals in, ERDA's staff will then evaluate them and conduct site visits, and a final selection would be made at the earliest by next April.—PHILIP M. BOFFEY

THEY HAVE NEVER FORGOTTEN

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. GAYDOS. Mr. Speaker, I rise today out of a deep sense of gratitude to express my sincere admiration for the people of a small European community who have demonstrated their affection and respect for the United States not by word—but by deed.

Where many nations have forgotten or disregarded America's contributions to them over the years, the people of Wiltz in Luxembourg, have not. Instead, they have gone to great extremes to see that their children and their children's children never forget America or its fighting men.

A few days ago, the people of Wiltz were scheduled to dedicate a monument to American soldiers who fought and died while liberating their city in September 1944, and again in defending it during the bloody Battle of the Bulge, in December of that year. It is a monument to the men of the U.S. 28th Infantry Division, the Keystone Division from Pennsylvania. An inscription on a bronze tablet records the deeds of the 28th and concludes: "We Have Never Forgotten."

I learned of this tribute from Mr. Frank McClelland of West Mifflin, Pa., a resident of my 20th Congressional District and a former member of the 28th. Mr. McClelland was engaged in bitter rear-guard action around Wiltz in December 1944, when he was captured by German forces, taken prisoner, and held for several months in various camps.

Two years ago, like many former American soldiers, Mr. McClelland returned to Europe to retrace his steps of World War II. Inevitably, he visited Wiltz and was astounded at what he discovered.

There is in Wiltz an "American Society" which is charged with flying the American flag daily and caring for a monument to former President and General Dwight D. Eisenhower. When the townspeople learned Mr. McClelland served with the 28th and was a veteran of the Wiltz fighting, they gave him a heartwarming welcome. He was visited by two directors of the Society, Mr. Jean Schweig and Mr. Raymond Braas, who outlined plans for honoring the 28th Infantry Division.

The town wanted to erect a memorial to the division and when Mr. McClelland revisited Wiltz this past spring, he found the monument nearly completed. Consequently, Mr. McClelland arranged to have the Pennsylvania House of Representatives proclaim Wiltz as an honorary community of our State. The formal resolution was scheduled to be presented to officials of Wiltz during the memorial's dedication on October 4.

Although it is my understanding the 28th Division was represented at the ceremonies, it is regrettable that Mr. McClelland was unable to be there. However, he is planning to visit Wiltz later this month and I would like him to convey to the people of that community our deep appreciation for what they have done to honor the memory of America's fighting men. By this simple act of remembrance, they have won a place in the hearts of all Pennsylvanians.

COMMUNICATING TECHNICAL FOOD INFORMATION TO DEVELOPING NATIONS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. FINDLEY. Mr. Speaker, one of my concerns during my tenure in Congress has been the needs of developing nations for technical information on food and agricultural capabilities. But does the United States have the capacity to communicate this technical information to the people of developing nations? Robert W. Long, Assistant Secretary of Agriculture addressed this question at the recent International Food Delivery Systems Symposium, University of California. As Americans, we have a storehouse full of knowledge. But do we have the capacity to share this knowledge, and if so, what is the best way to communicate it to developing nations?

Mr. Long states that "the diffusion of innovations born of research is just as difficult, if not more so, than the discovery of the innovative information in the first place." Thus, the challenge facing us today is how to transfer and apply our technology to new frontiers. I commend Mr. Long's remarks to you as a discussion point from which we must move forward if we are to take our technology, modify it and create constructive increases in world food output in the developing nations.

Here are extracts from his speech:

TECHNOLOGY TRANSFER—U.S. POLICY

Last week the United States launched an unmanned spacecraft towards Mars. The event marked the practical use of a massive array of technology. It followed by 20 days a similar launching—the dispatching of a Viking craft which was also headed for the planet Mars. The trip—one way—will take each vehicle roughly one year. The distance: 500 million miles. If all goes well, both ships will be placed in orbit around Mars, the fourth planet in order from the sun. And they will be commanded, electronically, to send back information. One command will be to place landers on the surface of the planet to test its "air and soil."

One must reason that if mankind is able . . . to place men on the moon and bring them back to earth alive and well, it certainly has the capacity of indelibly communicating technical information to the people of developing nations.

But, does it have that capacity? And if so, what are the best communication and motivation techniques?

This symposium is attempting to answer those questions, in a traditionally American way, for we are a nation with a soul. Besides we know that in an entwined world what's good for a developing country is also good for us . . .

. . . You have recognized the need to bring together and appraise the methods, techniques and vehicles used to transfer technology from developed to developing nations . . .

You recognize that we have a storehouse full of knowledge. Research workers here and elsewhere have supplied the knowledge. American business and commerce have also made enormous contributions to this knowledge bank and more is added each day.

In the case of the transfer of knowledge to farmers, human beings are involved, involving the science of human behavior—a science that is generally not well understood by most people. Transfer of knowledge between scientists is less difficult.

The symposium is timely because America is well across the threshold of new and far-reaching policies concerning national and multi-national cooperative efforts aimed at answering the most meaningful prayer ever written—a prayer which in part pleads: "give us this day our daily bread."

Americans have reached a consensus which is just now showing up in new national policies that this nation should materially increase its efforts—both bilateral and multilateral:

To help insure global peace . . . by destroying causes of war including misery, malnutrition, and starvation;

To help developing countries meet problems, including their food problems, by assisting them to help themselves. Americans, I believe, have the convictions that give-away programs henceforth should be largely used to alleviate emergency conditions or unusual problems. The transfer of technology, they reason, is a far sounder, long-range approach to meeting food shortages and nutritional inadequacies;

To help governments achieve policies that will provide their farmers with strong incentives to produce . . .

To help third world nations trade their skills and resources with other nations where such a trade is mutually advantageous.

To help the poorer nations curb their population explosion; and,

To help needy nations assume responsibility, with multinational assistance, for acquiring and storing their own grain and other food reserves.

Quick passage by the House of Representatives a week ago of "The International Development and Food Assistance Act of 1975" [H.R. 9005] is another indication of this nation's determination to help deprived nations feed themselves. Quick and possibly favorable consideration of the measure is expected by the Senate. Title I of the Act deals with disaster assistance. Title II spells out PL 480 assistance, and title III, which encompasses developmental aid, contains what is known as the Findley Bill [Famine Prevention Proposal] which provides Land Grant and other eligible universities with authority and resources to establish research, educational, and extension facilities in food deficit areas. The bill stresses use of on-the-land face-to-face techniques such as those used by the Extension Service in this country, especially in the earlier years of its existence.

The legislation is aimed at utilizing, in developing countries, the vast and demonstrated capacity of the land grant university system to help scientists and farmers put technology to practical use and to help consumers put into use information about better nutrition.

Here again, American policy is in the making. And symposiums of this type will help us implement such policies wisely.

In a broader sense the curtain on America's new overall policy approach to dealing with global food and economic problems was raised by Ambassador Moynihan when he substituted for Secretary of State Kissinger in addressing the Seventh Special Session of the United Nations General Assembly on September 1, 1975.

Food and agriculture pronouncements spelled out by Mr. Moynihan assumed that the world (1) has the technological capacity to curb its exploding population, and (2) has the land, water and other resources plus the knowhow needed for the plow to win its current race with the stork. All of which could possibly free mankind from the scourge of hunger.

The proposals spelled out by Mr. Moynihan fell into four general areas:

(1) The United States proposes to help developing nations modify and cushion the broad swings in their export earnings—swings that accompany global recessions, oil price fixing, and drouths. . . .

(2) America will assist third world nations and others more adequately to reach global capital markets. . . . Other U.S. proposals suggest that the present system of international agricultural research centers be expanded.

(3) This country will help developing nations maintain their trading systems so as to enable them to more nearly make their own way through earnings.

(4) The United States indicated again that it favored quick implementation of a proposal it made at the Rome Food Conference last fall, namely that a cooperative international system of nationally held grain reserves be set up to meet emergency food conditions.

The truth is that no one can answer questions of population stabilization. But we do know that:

Between 400 and 500 million people are currently suffering from chronic malnutrition. Many are starving;

The annual income of over ½ of the population of the world is less than $200 per capita; and,

The fate of 1 billion people—half of the developing world and a quarter of mankind live in what is categorized as "the poorest countries"—hangs on the verge of disaster.

These facts, of course, speak for themselves. But Americans have faced and solved difficult problems before, just as they are facing and will help solve this one. We are prepared to continue to shoulder leadership roles. We are prepared to join others in these efforts. . . .

No country in history has done as much as this country to help its friends solve economic problems and eat better. And these programs of ours continue on a massive scale. We have had much experience and you are weighing that experience here today on the scales of practicality. . . .

We need to separate what has worked and what has failed in these various attempts to transfer technology.

Why have some countries made great progress in enhancing the economic welfare of their people while others, with similar resources and conditions, have failed? Why do the people of Singapore have such a high level of living while those living in Calcutta wallow in despair? We need answers to these and dozens of other similar questions. And I hope that you will answer some of the questions during these deliberations.

Research and education, of course, have long gone together as tools used to increase the efficiency and output of agriculture. Research, for the most part, must come first. It is fortunate, therefore, that on a global basis it is estimated that expenditures on agricultural research, in constant 1971 U.S. dollars, rose from approximately $1.3 billion in 1959 to $3.8 billion in 1974.

But much more is needed. Research is one of our most profitable investments. The "green revolution" is an example of its international potential.

It is fortunate also that prior to this time the International Agricultural Research Centers have made a good start in helping to narrow the agricultural technology gap among countries. What is needed now is more agricultural and nutritional studies both within the developing nations and in affluent areas. In the developing countries agricultural research expenditures between 1959 and 1974, in terms of constant 1971 U.S. dollars, increased from $141 million to $957 million.

The difference between Japan's agriculture and the agriculture of the United States serves to illustrate the need for localized research. Japan, because of its low labor costs and high land prices, stimulated research that led to land-saving biological innovations, while the United States, with its less expensive land and high-priced labor used research that lead to labor saving devices. Both nations achieved good results.

Generally speaking, however, the diffusion of innovations born of research is just as difficult, if not more so, than the discovery of the innovative information in the first place.

As late as the late 1800s farmers [in our country] here were chiefly a self-sufficient lot. Starting from self-sufficiency, how did U.S. farmers acquire their production and marketing techniques? Perhaps by reviewing the highlights of our own experience we may glean ideas as to how to help our foreign friends.

Much farm technology in the early days, of course, was transferred by word of mouth from father to son and between neighbors. That process is as true today as it was then. Farm magazines: Survey after survey show them to be a leading, over-the-years source of information for American farmers....

Beginning in the early 1800s county and community fairs served to transfer knowledge.

Later farmers institutes became popular. . .

It was early in the 1900s that USDA and land grant college programs of research and education began to be a substantial factor in changing agricultural practices.

Vocational education legislation was passed in 1916.

Farm radio broadcasts blossomed in the late 1930s.

And more recently the producers of farm machinery, supplies and equipment have increasingly provided customers with a vast amount of modern knowhow.

These early dispensers of agricultural information also knew that it takes time for an idea to gain acceptance. They found that four stages are generally involved before a new practice is adopted; the awareness stage, the interest stage, the evaluation stage, and the trial stage.

The value of knowing your ABC's about communicating and motivating and applying that knowledge to programs aimed at our foreign counterparts, governments, and farmers must be weighed on the scales of reality. For example, a Peace Corps worker was told by a Peruvian farmer that fertilizer could only be helpful to farmers located along railroads and highways, (and there were precious few of them). He went on to say that even if he had the money with which to buy fertilizer, that it wouldn't do him much good because he lived a great distance from the highway and his only means of getting the fertilizer to his land was to carry it on his back. But again we have the capacity and the ingenuity to help such people solve problems of this type. And our moral and economic well-being require that we get on with that task—just as you are doing here today.

The policies of the United States Government assume this to be the case. Our policies are directed toward that end. We have the technology. We'll acquire more of it. We know that peace and the well-being of mankind are a national yearning. We know that we are a people with a soul. And that means everything—for the world may stand out on either side. But it's no wider than the soul is wide.

STEEL AT LOW POINT OF U-SHAPED CYCLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DERWINSKI. Mr. Speaker, few of us would quarrel with the concept that we are living in an evermore independent economic world. Yet the United States is not immune to economic trade policies and developments in other parts of the world.

I, for one, do not support the "gloom and doom philosophy." I believe that our economy is a sound and healthy one, and we, as a nation, should face the future with confidence in our economic situation.

It is obvious, too, that the strength of the steel industry is a major contribution to our economic stability. A very timely article by Nick Poulos, which appeared in the Wednesday, September 24 Chicago Tribune, discusses the economic impact caused by foreign steel imports on American steel consumption. I commend this article to the attention of the Members:

[From the Chicago Tribune, Sept. 24, 1975]

STEEL AT LOW POINT OF "U" SHAPED CYCLE

(By Nick Poulos)

Although American steel producers are suffering through a protracted slump, they at least aren't being whipsawed by a heavy volume of imported steel.

Domestic steel shipments are expected to amount to only 80 million tons this year compared with the near-record total of 109.5 million tons in 1974.

Steel imports have been dropping sharply, with July volume off 37 per cent from a year ago. For the first seven months of this year, imports totaled 7.6 million tons. Indeed, total 1975 imports may fall substantially below the projected 14.5 million tons.

The peak steel import years were 1971 and 1972, when annual volume amounted to almost 19 million tons.

Foreign steel producers were able to win a significantly larger share of the American steel market because they enjoyed a cost advantage, particularly labor.

"But that's all changed now," emphasized Andrew A. Athens, president of Metron Steel Corp., one of the largest steel service centers in the Midwest.

"The foreign steel producers have had to cope with their own inflationary problems. Their raw material costs have soared and their labor costs have risen at a higher rate than American steel labor.

"The drop in the dollar's value also hurt the foreign producers—and remember that ocean freight rates for shipping steel have almost doubled in the last couple of years."

Athens has been close to the steel import situation since he and his brother Thomas founded their steel service center business 25 years ago.

As recently as five years ago, imported steel represented about 80 per cent of Metron sales from the company's facility at Lake Calumet harbor.

"In 1970, we embarked on an expansion plan and we were determined to increase our domestic mill product sales from 20 per cent to about 80 per cent of total," said the Metron president.

"As our business grew, we had to increase the number of steel items we carried to serve our customers, and we had to insure a continuity of supply that we couldn't accomplish with imported steel.

"We've accomplished what we set out to do five years ago. In 1970, we carried 1,200 steel items. Today, we carry more than 2,500 items. But we'll continue to buy some foreign steel from mills with which we've had old, established relationships."

Metron gets its foreign steel during the seven-month overseas shipping season. Closing of the St. Lawrence Seaway during the winter disrupts that continuity of supply that Athens referred to.

Metron has not adopted another five-year plan of development, however.

"There are too many uncertain factors impinging on the steel industry," observed Thomas Athens, executive vice president.

"For the first time, we're unable to project sales intelligently beyond a quarter. We used to be able to do it on an annual basis.

"Steel has been a peak-and-valley business. But in this last cycle, we've had an abrupt increase in business and then an abrupt decline—a 'U' shaped affair."

The two Metron executives believe the steel business is at the bottom of that "U" shaped cycle, even tho there has been a pickup in steel buying which they attribute largely to efforts to beat higher mill prices effective Oct. 1.

This clouds the outlook for the fourth quarter because the spurt in September steel business may weaken orders for the rest of the year, Thomas Athens said.

Price buying this month will slow steel inventory liquidation, altho a basic resumption in steel consumption should begin in the first quarter, he said.

Andrew Athens expects a moderate rather than a vigorous economic recovery, and agrees with steel industry estimates that shipments will rise to about 95 million tons in 1976.

Metron completed in June a $1.5 million expansion of its steel service center which included plant and processing equipment investments.

The company, which serves customers in an 18-state area, is a leading distributor of structural steel, plate, sheets, pipe, reinforcing bars, and other products. Customers include the construction industry, agricultural equipment makers, and heavy machinery producers.

PARAGUAY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. COLLINS of Texas. Mr. Speaker, this week I had an opportunity to be brought up to date on current developments in Paraguay. The Paraguayan Ambassador at Large from Asuncion visited Washington. In my lengthy visit with Ambassador Dr. Antonio Salum-Flecha, I learned that the Paraguayan Quarani continues to maintain a stable relationship to the U.S. dollar as it has for the past 14 years. Paraguay reports a favorable balance of trade and increased exports. It continues to build its exports with beef, soy, cotton, lumber, vegetable oil, and coffee.

Under the capable leadership of President General Stroessner, the United States has a strong ally and a firm pro-Western friend in South America. With economic chaos in Argentina, Chile, and Uruguay, it is encouraging to report the stability being maintained in Paraguay. We in America appreciate and value the friendship of Paraguay. We congratulate Paraguay on its strong stable economy which is achieved through the dynamic leadership of President General Stroessner.

MRS. JAMES MOHR SPEAKS ON GOVERNMENT SPENDING

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. GRASSLEY. Mr. Speaker, recently a group of Farm Bureau Women leaders and delegates from all parts of Iowa flew to Washington to visit their National Capital and to study their Government firsthand.

I commend to your attention the timely remarks of Mrs. James Mohr, Eldridge, Iowa, State chairman of the Iowa Farm Bureau Women which she presented to the Iowa congressional delegation at a banquet the ladies hosted:

GOVERNMENT SPENDING—INFLATION

(By Mrs. James Mohr)

Honorable Congressmen and distinguished guests.

I am Mrs. James Mohr of Eldridge, Iowa. We, 96 Farm Bureau Women leaders and delegates from all parts of Iowa, flew into Washington, D.C. on Monday by chartered plane. We're thrilled to be in this setting of our National Government to view a bit of the history of our priceless American heritage and to see the "factory" of the laws of our great nation. The self-government here in America can be preserved only by active, intelligent assumption of basic citizenship responsibility by all of us. We encourage everyone of our members to be active in the party of her choice, for we believe that our freedom is not only a privilege, but it is a responsibility and we have a strong desire to contribute to better government. We are particularly pleased to be here this year as the nation moves into its bicentennial celebration. We can think of no better way to start than to revisit the home of our first president, the Lincoln Memorial, the graves of John Kennedy and other former presidents, and to be reminded on every hand of the greatest of former leaders. Woodrow Wilson said, "Liberty has never come from the government. The history of liberty is a history of the limitation of governmental power, not the increase of it."

Jim and I were married during World War II and during his four years of service in the European Theater, I worked as floor supervisor at St. Lukes Hospital in Davenport, Iowa until his return in 1945. At this time we started farming and now own and operate 900 acres in Scott county, in partnership with Jim's brother Ned and our son, Jerry. Our operation specializes in grain, cow-calf operation, feeder cattle, and farrow-to-finish 2,000 hogs yearly. As our children became old enough, they helped with the farm work which was good for character, development, and responsibility. It is said that the man that rolls up his sleeve seldom loses his shirt.

Our oldest daughter, Pat, now Mrs. Robert Hendrickson, is a probation deputy officer in San Diego. Our second daughter, Margo, Mrs. David Underwood, teaches biology and zoology in the Marshalltown High School. Our oldest son, Paul, is doing graduate work in education at the University of Iowa. Jerry, our youngest son, farms with us. We also have two delightful grandchildren, Christina and Douglas.

I'm certain we will return home with mixed emotions about our federal government and what we see here in Washington, D.C. On the one hand, we recognize that there are thousands of conscientious, dedicated public servants working here to further the same objectives that we have, in some cases making sacrifices to be here. In general, we see people in Congress and high levels of administration with very real abilities. We admire these people for their willingness to submit themselves to the inevitable frustrations of attempting to make democracy work. We are about overwhelmed by the beauty of Washington, D.C. and the historical significance of almost every landmark.

On the negative side, we must be honest, too. We nearly always go home with a feeling of consternation. The very size of government as we observe it here frightens us. In addition to all of the fine people we observe, we see many who are here for only selfish interests, to do what they can for themselves or the group they represent with no thought for the nation as a whole. We observe the continued growth of government at a rate which we cannot and should not be sustaining. We observe government tolerance of legalized featherbedding, work restrictive practices, labor union and business monopoly, and reckless fiscal policy. We firmly believe that the people of America must reassess their values including what they want and what is possible from government. It took the United States 180 years to reach a federal budget of $100 billion. We reached that in 1962. It took us nine years to reach $200 billion. We reached that in 1971. It took us four years to reach $300 billion. We reached that in 1975. It now looks like it will take us only two more years to reach $400 billion. I believe people are more and more aware that at some point we must blow the whistle on this process. As far as we are concerned, that time is now. We sincerely ask that those of you representing us here take the current situation seriously and resolve to make those reforms necessary so that future citizens of America can celebrate the 300th and 400th and 500th anniversary of the so-called "American Experiment."

While it would be more pleasant to dwell on the positive aspects of what we see, I believe it would be more fruitful to talk about the concerns of those things we feel must be changed. For example, Mr. Meany calling the shots as to whether the ships are loaded with grain, and overhauling of the food stamp program, and even the episode of the jar lid shortage. However, one of these concerns to which I have already referred is the size of government. Even though we recognize we may be somewhat over-impressed, coming here to Washington from the small communities in Iowa, we believe it to be an indisputable fact that government at the local, state, and federal level cannot continue to grow at the rate it has in recent years. We are told that government purchases now amount to 22 percent of the gross product as compared to 13 percent in 1950 and only 10 percent in 1930. According to the Bureau of Labor Statistics, one out of every six Americans is a government employee. The Bureau's projection is that one out of four new jobs during the next decade will be government jobs. These same projections indicate that there might be an increase of 30 percent in government between now and 1985. If these statistics have any validity at all, they are surely cause for concern.

Allow me to go further and cite additional figures. Monetary experts have estimated that the government will require somewhere between 70 and 80 percent of all the capital available during the next year. The Treasury will have to borrow approximately $80 billion this year as compared to $12 billion last year. Each day $4 to $6 billion in treasury bills changes hands. Approximately $100 billion of government securities are due in 1975 and will have to be refinanced.

There is real question on the part of America's leading businessmen whether or not this refinancing job can be achieved without drastically restricting private business expansion. Some believe government allocation of credit will be necessary within the next 24 months. If we do accept government allocation of credit, do we any longer have a private enterprise system?

The facts are that some government allocation of credit already exists. Over and over for the last 25 years we have heard that the housing and construction industries cannot really get moving unless a government program of some type is adopted to provide finances. The Small Business Administration has been deemed necessary to finance small businesses. The Farmers Home Administration and ASC have been used to finance agriculture. We are not necessarily opposed to these programs if carefully considered and implemented. On the other hand, it would seem obvious that to proceed to the degree that all business must be financed by government would be a very serious mistake.

The interest on the national debt itself is frightening. Recently, I read that the interest on the national debt will exceed the value of all raw materials produced in the United States. Just the interest on the national debt, I am told, exceeds the total federal budget for any year prior to World War II. Some people assure us that this is no cause for concern because we are merely paying it to ourselves. This might be true if that interest was paid out to all people. But the fact remains that many must be taxed heavily to pay it unless we continue with unabated deficit financing.

I am dwelling on the subject of the size of government budget and inflation because we consider it to be one of the greatest threats to the security of America. Inflation is at best a cruel tax, which falls heaviest on those people who can least afford it. These tend to be older people or others who must live on fixed incomes and/or because of their situation must be extremely conservative in their investments. Can we justify government programs doling out money to able-bodied people—yes, including farmers—and paying for these programs through inflation which annually takes from 6 to 12 percent of the value of the hard-earned dollars that people have accumulated over a lifetime hoping to enjoy their last years with dignity? Compassion is a word that has been emphasized in recent years. It is my hope that we all maintain a generous amount of compassion. The question is—is what I have described really compassion? Is what we are doing through government truly compassion? These are the decisions that must be made.

In addition to being a cruel tax, inflation is undesirable for many other reasons. It makes planning and budgeting extremely difficult and often impossible. It distorts investment patterns. It is one of the reasons for excessive land values which is making it so difficult for young people and the family farmer. It destroys the incentive to save and provide for ourselves. Inflation, out of control, is dangerous. In fact, there is no record in history of a country permitting inflation to get out of control and maintaining the form of government which existed when that loss of control occurred.

There are numerous causes of inflation. We believe one of the greatest is deficit financing on the part of the federal government. Recently, an article in the *Des Moines Register* by a professional columnist referred to the continued belief by middle-class Americans of the myth that deficit financing causes inflation. I resent both that columnist's arrogance and his ignorance. Time and again we have had demonstrated the inflationary effects of even small deficits such as $4 billion, $6 billion, $12 billion. How could we possibly experience $50 or $80 billion without inflation? If deficit spending is not inflationary, why is it we as citizens pay any taxes at all? The government has printing presses and so far, the government has borrowing power. No one has explained to me how it is possible for the government to pick up an $80 billion deficit without inflating the economy to that degree. Of course, if the government borrowed this from individuals and borrowed money that those individuals were planning to spend in other ways, you could argue for no inflation. But the facts are that what the government borrows from individuals and spends would probably have been saved by those individuals in other forms. Of course, worse yet, much of it is not borrowed from individuals, and if it is handled in the wrong way, it may create as much as $5 for each dollar borrowed. Consequently, it is much more inflationary than the actual amount would indicate.

Our recommendation to Congress is that procedures be established and discipline accepted that will balance the budget to a sufficient degree to at least hold inflation to a maximum of 4 percent and preferably better.

Another cause of inflation is inefficient and insufficient production. These may be caused by make-work provisions, featherbedding, work restrictive legislation like how many bricks can be laid or how many miles a railroad crew can travel, labor monopoly, business monopoly, over-regulation of industry and dozens of others.

We recommend vigorous implementation of anti-trust action and the elimination of labor's exemption from monopoly control provisions. We believe the Congress should make any type of work restriction other than that necessary to protect the health and safety of the worker positively illegal. Congress should move to overhaul our regulatory system. When it takes the Interstate Commerce Commission ten years to decide whether or not the Union Pacific and the Rock Island Railroads can merge, surely we can agree that the system has reached the ridiculous and needs overhauling.

Another cause of inflation is insufficient capital or incentive for investment. Selective investment credit can be used along with less government domination of the capital market. Price controls must be avoided at all costs because they have a negative effect on production at the very time when it is most needed.

Full employment legislation has been inflationary. The objective is admirable, but the wording of the present law actually sets up as an objective overemployment. A well-known fact, possibly regrettable, is that a certain percent of the work force is unemployable and many of those carried on the statistics are only moving from one job to another or for other reasons are not really seeking employment. Consequently, government policy designed to bring employment to "full" is highly inflationary.

The last cause to which I will refer is that of living beyond our means, both publicly and privately. America has been on a binge built on cheap energy and cheap food. We are the only country in all of history that has been able to produce enough food for its people and more. Inexpensive energy is not likely to be available in the foreseeable future. At least while we are developing alternate sources, we must curtail our living standards to those the country can support. It is most important that government decide to live within its means. We elected you as our Congressmen and spokesmen—do you really feel you are doing a job in Washington that you can be proud of? The record of programs solving the problems they were designed to meet is extremely poor. Even if that record were better, we can only implement government programs that we can afford and apply the same standards we do to our private living.

Probably the greatest failure of Congress and the executive branch has been the neglect of the supervision of the programs in existence. Once a program is started, the lack of Congress and executive branch's oversight, plus the creeping bureaucracy in the program, tends to make it ineffective. One of the greatest examples of this is the grain inspection scandal. Had the Department of Agriculture and Congress acted responsibly, this never would have happened. We cannot tolerate government programs once started wandering aimlessly about and costing enormous amounts of taxpayers' money.

Finally, I recognize, of course, that much of what I've said tonight is debatable. In general, however, we as rural people are prepared to defend these concepts as absolutely necessary and as in the interests of America over the long term. The poor and the unfortunate do not gain by dragging down others or by pulling apart those things that have made America so prosperous. We have come here partially to urge every representative we have in government to recognize the seriousness of the present situation and to take action accordingly. Unfortunately, we must recognize that the polls indicate that the average person's respect for government and government representatives is at an all-time low. Whether this is deserved or not, it certainly puts a responsibility on all of us to act more responsibly, to study our policies and positions carefully, to minimize self-interest at the expense of others, and to do whatever is necessary to make certain of America's continuing greatness as we start our third 100 years. We pledge our cooperation to these ends.

HATCH ACT

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mrs. SPELLMAN. Mr. Speaker, earlier this year, the Subcommittee on Employee Political Rights and Intergovernmental Programs held public hearings on H.R. 3000, an amendment to the Hatch Act. I would like to share with my colleagues the remarks of one of my constituents, Mr. Kenneth Jenkins of College Park, Md. His remarks follow:

TESTIMONY OF KENNETH M. JENKINS

My name is Kenneth M. Jenkins. I am a Career Federal employee working for the Veterans Administration in Washington, D.C. I wish to thank you for this opportunity to testify on this bill.

It seems to me that certain changes to the Hatch Act are needed. This is especially true for the Federal employees who live in the municipalities covered in section 7327 of the Act. I support the following changes which would apply to all Federal employees:

1. All restrictions on political activity on the Local and State level lifted.

2. The following restrictions on political activity on the Federal level lifted:

(a) Serving as a delegate, alternate, or proxy to national party convention.

(b) Serving as a worker, not as an official, in a Federal political campaign.

I also support the lifting of all restrictions on the political activity of Federal employees who live in the municipalities covered in section 7327 of the Act.

I take these positions for the following reasons:

1. Because we have a Federal System of Government, the Federal government should not restrict the political activity of Federal employees when that activity concerns Local or State issues and only Federal employees are restricted from carrying out that activity.

2. Serving as a delegate, alternate, or proxy to a national party convention or serving as a worker in a Federal political campaign are jobs that properly restrict the Federal employees' advocacy role on Federal issues without completely restricting their right to support a particular position or positions.

3. It is the nature of the municipalities covered in section 7327 of the Act that Federal employees who live in them constitute a large percentage of the total number of people living in each municipality. This means that the non-federal employees living in these municipalities have a potentially greater voice in advocating their positions on Federal issues than they deserve thereby denying to their Federal employee neighbors an equal opportunity to voice their positions on Federal issues.

THE WORLD PEACE COUNCIL IN CONGRESS: SOVIETS LOBBY FOR U.S. DISARMAMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. McDONALD of Georgia. Mr. Speaker, an eight-member delegation from the World Peace Council, the principal Russian international propaganda apparatus, is touring the United States in an effort to coordinate a post-Vietnam drive against American defense preparedness. A broad range of American leaders and supporters of "détente" have been targeted for contact by these Soviet agents. They include "peace activists," churchmen, labor officials, certain businessmen, well-connected members of world government organizations, and, of course, Members of Congress and the Senate.

The World Peace Council—WPC—which last month in an outrageous interference into the internal affairs of this country held an international conference in Havana to coordinate a new long-term drive to close down our vital military bases in Puerto Rico and install a Cuban-style Marxist-Leninist regime there, has been officially established for many years as an international Communist front closely controlled by the Soviet Union. As such, WPC representatives are not eligible for U.S. visas.

The WPC delegation arrived at Kennedy International Airport on September 28: the eight-member group included:

Romesh Chandra, a well-known leading member of the Central Committee of the Communist Party of India who has served as WPC secretary-general since 1965.

Jacov Lomko, editor in chief of Moscow News, the Soviet Government's official English language publication, and representative of the U.S.S.R. branch of the WPC, the Soviet Peace Committee.

Josef Cyrankiewicz, a Polish Communist government official from 1947 to 1972 who now serves as chairman of the Polish WPC branch.

Harald Edelstam, Swedish Ambassador to Algeria, a revolutionary socialist country he no doubt finds more congenial than Chile where his strenuous efforts on behalf of Chilean Communists and Socialists after the fall of the Allende regime resulted in his expulsion.

James Lamond, a British Labour Party Member of Parliament and former mayor of Aberdeen, Scotland.

Jose Murad, a ruling Partido Revolucionario Institucional member of the Mexican Parliament.

Rev. Richard Andriamanjato, president of the All-Africa Council of Churches and mayor of Tannanarive, capital of the Malagasy Republic.

Purabi Mukherjee, general secretary of the ruling Congress Party of India and member of the Indian Parliament.

A brief background of the World Peace Council's origins and activities is in order so that we may more clearly understand the import of this new salient.

The Hoover Institute at Stanford University, in its Yearbook on International Communist Affairs, 1974, reports:

> The "World Peace" movement headed by the World Peace Council (WPC) dates from August 1948, when a "World Congress of Intellectuals for Peace" in Wroclaw, Poland, set up an organization called the "International Liaison Committee of Intellectuals." This committee in April 1949 convened a "First World Peace Congress" in Paris. The congress launched a "World Committee of Partisans of Peace," which in November 1950 was renamed the "World Peace Council." Originally based in Paris, it was expelled in 1951 by the French government, moving first to Prague and then, in 1954, to Vienna—where it adopted the name "World Council of Peace." Although outlawed in Austria in 1957, the World Council of Peace continued its operations in Vienna under the cover of a new organization, the International Institute for Peace (IIP). The IIP has subsequently been referred to by WPC members as the "scientific-theoretical workshop of the WPC." (CTK, 16 December 1971). In September 1968 the World Council of Peace transferred its headquarters to Helsinki, while the IIP remained in Vienna. Although no formal announcement was made, the World Council of Peace has reverted to its original name, the World Peace Council.
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> The WPC is organized on a national basis, with "Peace Committees" in some 80 countries. No figure of the total number of members has ever been disclosed, but there are members in more than 100 countries, most of them representing Peace Committees. The highest authorities of the WPC are its 600-member Council, the Council-elected 50-member Presidential Committee, and the Committee-elected 15-member Secretariat. The Presidential Committee and Secretariat exercise control between Council session. * * *
>
> A number of structural changes adopted by the 1971 Assembly increased the authority and control of the WPC over the various Peace Committees and even individual members. * * *
>
> The WPC, according to its stated tenets, favors general disarmament; elimination of all forms of colonialism and racial discrimination; and respect for the territorial integrity, popular sovereignty, and independence of every state. From its inception, however, the WPC has defended the policies of the Soviet Union and attacked those of the Western powers in every instance where such issues as the above were at stake. * * * The People's Republic of China has not participated in WPC activities for several years.

At the onset of the cold war, the expansionist policies of the Soviet Union, after the open imposition of Communist governments in Eastern Europe, were checkmated by the stronger Western military forces which possessed atomic arms.

Lenin wrote in a private memorandum discovered among his papers in 1924:

> [The capitalists] will open their doors wide to us, and through these doors will speedily enter the emissaries of the Comintern and of our party, investigation organs in the guise of diplomatic, cultural and trade representatives * * *. They will open up credits for us, which will serve us for the purpose of supporting Communist parties in their countries. They will supply us with the material and technology which we lack and will restore our military industry, which we need for our future victorious attacks on our suppliers.

It is clear that Lenin believed that in the end the socialist countries, allied with the "third world" nations, would engage in war with the capitalists in the Western democracies which the socialists would win. The U.S. nuclear capability forced the U.S.S.R. to revise that belief.

As the British expert in Russian studies, Leonard Schapiro, wrote in 1974:

> Yet—and this is where the importance of ultimate purpose becomes apparent—there is nothing to indicate that the main aim has ever been abandoned. World socialism is now to be achieved by subversion, political warfare, and military preponderance. Witness the greatly superior Soviet forces facing the North Atlantic Treaty powers. These forces have been steadily increasing in the past few years, despite persistent talk of détente. Or witness the steady increase in the past two years in the number of Soviet intelligence officers in the countries of Europe.
>
> The use of an overwhelming military presence and the maximum espionage and subversion presence are part of what has always been described in Soviet terminology as "ideological struggle," which is repeatedly asserted as the necessary concomitant of "peaceful coexistence." As Brezhnev said on June 27, 1972:
>
> "While pressing for the assertion of the principle of peaceful coexistence, we realize that successes in this important matter in no way signify the possibility of weakening the ideological struggle. On the contrary, we should be prepared for an intensification of this struggle and for it to assume an increasingly more acute form of struggle between the two social systems."

In other words, the policy of "peaceful coexistence" is the logical implementation under present world conditions of Lenin's policy of trade and diplomatic relations on the one hand with protracted political warfare and subversion on the other.

Accompanied by Karen Talbot, a Communist Party, U.S.A.—CPUSA—member who serves as U.S. secretary to the World Peace Council headquarters in Helsinki, the WPC delegation was in Washington, D.C., on September 29 and 30, meeting with assorted Government and private officials. To enable my colleagues to see for themselves what sort of propaganda capital is made from these meetings between responsible U.S. leaders and the agents of Soviet fronts, the following is from the report by Daily World Washington correspondent Tim Wheeler published October 1, 1975:

> WASHINGTON, September 30.—Senator Charles McC. Mathias (R-Md.) welcomed a delegation of the World Peace Council to his office today and proposed that the U.S. take the initiative in efforts to curb the arms race. He suggested that the U.S. halt production of the new Trident nuclear submarine as a gesture of good will.
>
> Mathias is a member of the Senate Foreign Relations Committee.
>
> Mathias nodded agreement with a statement by Romesh Chandra, head of the delegation and general secretary of the WPC, that conditions are favorable for new initiatives to halt the arms race and strengthen U.S.-Soviet détente.
>
> Mathias responded that "détente is a procedure" which lays the basis "for new agreements."
>
> He told the delegation about a resolution he had introduced in the Senate calling for ratification of the Vladivostok agreement coupled with a proposal that the U.S. seek further negotiations with the Soviet Union for ceilings on strategic weapons lower than those permitted under the Vladivostock agreement.
>
> He greeted Chandra's suggestion that parliamentarians from around the world arrange a conference to discuss new initiatives to curb the arms race.
>
> * * * * *
>
> The delegates were guests of honor today at a luncheon sponsored by Rep. John Conyers (D-Mich) and Rep. Philip Burton (D-Cal) in the Capitol restaurant.
>
> Conyers greeted the delegates on behalf of the Congressional Black Caucus. Burton welcomed them in his role as chairman of the House Democratic Caucus.

The Daily World account continued with an account of the World Peace Council delegation's meetings with other détente and disarmament promoters including Rev. Nelson H. Smith, president of the Progressive Baptist Convention, and Bishop James T. Matthews of the United Church of Christ, a member of the board of the World Council of Churches which has supported various Marxist-Leninist guerrilla "national liberation" struggles and generally supported the Soviet line. The Daily World reported Bishop Matthews' speech to Romesh Chandra's group and noted:

> Methodists in the U.S., he said, are seeking to place emphasis on "world peace, disarmament and self-development of peoples."
>
> "I hope you don't feel that you are without allies here," he added. "We are not about to give up the struggle. We need a people's movement east and west that says, 'Thus far and no further.'"

Chandra responded with an attack on the "enemies of détente" and a smugly hypocritical attack on the CIA for "meddling in the internal affairs of nations around the world."

Chandra called for the "U.S. peace movement" to continue to act as a "fifth column" for communism, specifically urging it "to step forward and play the same role against U.S. interventionism elsewhere in the world that it played in the struggle against the Vietnam war." It seems that having won the struggle for Southeast Asia, the world Communist movement is much less reticent about the true role played by the so-called peace or antiwar movement in the struggle to erode America's will to resist Communist imperialism.

The CPUSA press reported that on Monday, September 29, the World Peace Council contingent was given a reception at the home of Dr. Alfred Hemly, obviously another sloppy Daily World typo for Dr. Alfred Henley, an aging Stalinoid with a Ph. D. in physics who operates a scientific apparatus—apparat?—business called Henley Associates from his home at 11009 Kenilworth Avenue, Garrett, Md., in which he has employed a variety of other old leftists.

Henley was active in the 1940's with the Washington Bookshop, notorious for its activities as a center for the Communist underground in the Federal Government. Henley has been a shop steward for the United Electrical Workers union, expelled from the CIO for its CPUSA domination. More recently, Henley taught Marxist theory at the W.E.B. DuBois School of Marxist Studies, a subdivision of the Washington Free University organized by students with Georgetown University funds and logistical support.

The W.E.B. DuBois School, which stated it worked for "the day when a single effective Marxist party can lead the oppressed majority of Americans in their immediate struggles and to ultimate socialism," drew its instructors from the ranks of the Young Workers Liberation League—YWLL—youth arm of the CPUSA, and from oldtime activists in CPUSA fronts and causes.

Accompanying the WPC delegation in Washington were George B. Murphy, Jr., national representative of the Afro-American newspaper chain who has been an active Communist Party member for more than four decades; and members of Women Strike for Peace, a U.S. affiliate of another international Soviet front, the Women's International Democratic Federation—WIDF—which operates in conjunction with the WPC to support the Soviet foreign policy line.

In New York City later in the week, the delegation of Soviet propagandists was officially received by Angier Biddle Duke, a former Ambassador, State Department chief of protocol, and influential member of the elite one-world internationalist Council on Foreign Relations which acts as an informal "supra-State Department." Duke is currently director of the Department of Civil Affairs of New York City and acted as Mayor Abraham Beame's official representative in meeting the World Peace Council entourage.

The CPUSA newspaper reported with more than satisfaction, "Duke hailed the Council's 25-year work for peace, and presented the delegates with Bicentennial medals."

The presentation of medals honoring the American Bicentennial—the anniversary of a country whose ideals of freedom and respect for the rights of the individual are anathema to Leninist thought—to a delegation of Soviet public relations agents is an insult both to the patriotic people of New York City and to the rest of America. In no case can Ambassador Duke plead ignorance of the WPC's origins and goals, nor can he have been unaware of the background of Romesh Chandra, Jacov Lomko, or former Polish Communist Premier Josef Cyrankiewicz.

At a later press conference, Chandra was introduced by Dr. Luther Evans, president of the World Federalists, whose public record of support and activity with pro-Soviet and pro-CPUSA fronts and causes has few rivals. Evans was a featured participant earlier this year in the CPUSA organized National Emergency Conference for a Drastic Cutback in Military Spending held in Chicago to advance the Soviet/WPC goal of an obsolete, under-equipped, ineffective American military.

During their speaking engagements, the World Peace Council group has been accompanied and supported by:

Dr. Carlton B. Goodlett, identified CPUSA activist, publisher of the San Francisco Sun Reporter and Metro Reporter, president of the National Newspaper Publishers Association, and member of the WPC Presidential Committee.

Prof. Howard L. Parsons, a specialist in Marxist theory whose record of leadership in CPUSA fronts and causes extends from teaching at the Abraham Lincoln School in 1944 through serving in high positions with the American Institute for Marxist Studies, the National Committee to Repeal the McCarran Act, the American Committee for the Protection of the Foreign Born, National Council of American Soviet Friendship, and the Methodist Federation for Social Action, also an identified CPUSA front. Parsons has been president of the Board for Philosophical Study of Dialectical Materialism and member of the board of the World Fellowship of Faith.

Rev. Ralph David Abernathy, an honorary president of the WPC and member of its Presidential Committee who has headed the Southern Christian Leadership Conference since 1968.

Pauline Royce Rosen, an identified CPUSA member who heads the New York office of the WPC. She was coordinator of the Chandra-led delegation.

Sylvia Kushner, another Stalinist CPUSA warhorse who coordinates half-a-dozen Communist Party fronts from her offices in the Chicago Peace Council and was also involved in tour arrangements.

Typical of the public meetings sponsored by local "civic, religious and labor leaders" for the Soviet propaganda team was that scheduled for Monday, October 6 in Detroit at the Cathedral Church of St. Paul.

Among the sponsors of the meeting listed by the Daily World October 3, 1975, were:

Recorders Court Judge George W. Crockett, Jr., a long time National Lawyers Guild activist and sponsor of CPUSA causes.

State Representative Jackie Vaughn III, former coleader of the local Angela Davis Defense Committee and current codirector of the Detroit branch of the National Alliance Against Racist and Political Repression, a CPUSA organized and operated front.

Roman Catholic Bishop Thomas J. Gumbleton.

Dave Miller, chairman, International Retirees Advisory Council, United Auto Workers—UAW.

Congressman John Conyers, Jr.

Maryann Mahaffey, Detroit Common Council.

Clyde Cleveland, Detroit Common Council.

Erma Herderson, Detroit Common Council.

State Representative Perry Bullard.

Rev. Richard Devor.

Rev. Frederick G. Sampson.

John Cherveny, general manager, Ferndale Cooperative.

Jordan Sims, president, UAW Local 961.

Louis Carreiro, President, UAW Local 935.

Harry Syverson, president, UAW Local 329.

Leonard Green, president, UAW Local 78.

Joel Block, president, American Federation of State, County and Municipal Employees—AFSCME—Local 1583.

Milton Tamber, president, AFSCME Local 1640.

As in previous pressure campaigns operated by the Soviet Union's proxies in this country, we may expect a concentrated antidefense effort in coming months. As an elementary first step of resistance to this sort of subversion, the State Department should enforce the sections of the U.S. Code banning members of totalitarian organizations from entering our country.

SOME LESSONS FOR US TO LEARN FROM SOCIALIZED MEDICINE IN ENGLAND

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. CRANE. Mr. Speaker, socialized medicine in England has been a major failure if we are to judge it by the quality of care available to the average British citizen who is solely dependent upon the National Health Service. There is a serious shortage of hospital beds and other facilities and long waits for all but the most essential surgical procedures. The United States with its private practice system of medicine, on the other hand, has a surplus of hospital beds and no long waiting periods for hospital admission.

In a talk presented at the Health Care Symposium sponsored by the Congress of County Medical Societies in Gaithersburg, Md., on September 12 to 14, 1975, Dr. A. J. Partridge of Great Britain set forth his own analysis of the National Health Service.

Dr. Partridge pointed out that—

> There is no consumer control by the patient because most doctors have full lists and the patient who is foolish enough to complain runs the risk of being turned off the list, branded as a "troublemaker" and being left without a doctor until the Government administrators allocate him to another doctor's list. Imagine how the patient must feel!

When the National Health Service was started, the Government proposed a freedom of choice of doctor. "This," Dr. Partridge states, "is a myth. For all intents, once you are registered with a doctor in your area, you are stuck. This registration is a terrible infringement of patient's liberty and choice."

The system is so organized that patients receive impersonal and often inadequate service. According to Dr. Partridge, each patient averages five items of service per year which means that a doctor with 3,000 patients on his list can expect 15,000 consultations each year.

He notes that—

> With all the good will in the world it is impossible to give tender loving care to the sick patient with so much work to get through. . . . The loss to the community of the family doctor is one of the worst casualties of the N.H.S. . . . Good medicine takes time—45 minutes for a new consultation. Under the N.H.S. the average is about 4 minutes.

Those Americans who wish to bring this kind of medicine to our country will eagerly support current proposals for national health insurance. Hopefully, most Americans will examine the British system, observe its failures, and see to it that such a system is not adopted here.

I wish to share Dr. Partridge's thoughtful address with my colleagues, and insert it into the RECORD at this time:

THE GENERAL PRACTICE SIDE OF THE BRITISH NATIONAL HEALTH SERVICE

(By Dr. A. J. Partridge)

INTRODUCTION

I have been in practice in the N.H.S. for as long as it has been in existence—27 years, both in General Practice and in the Hospital Service, and I have been very conscious of the threat to standards of medical care as they affect the seriously ill patient. I want to emphasise the seriously ill patient as this is the most important patient.

As a doctor I would like to live in a society where the seriously ill patient and the patient with long term illness is "cushioned" against the cost of their disaster and where high quality medical attention is readily available. I want this for everyone, rich and poor alike because the sadness of illness affects everyone.

Surely, it will be asked, does not the British N.H.S. measure up to this? I am afraid it does not as I will explain.

The British public for years have been told by the politicians that our N.H.S. is the "Envy of the World" and many people of all political parties believe this. Formerly to criticise the N.H.S. was like saying "I don't believe in God". Ill health has a strong emotive background and once this "Free-at-the-time" service had been started no political party dared to modify it. Now its grave faults are becoming more and more obvious to the people and many are becoming completely disenchanted with it.

Of course there are some good features in the service. There are many good doctors and many pockets of excellence. (Which would have been present without the N.H.S.!) I don't think there is a perfect method of providing medical care anywhere in the World, but it is my conviction that this British N.H.S. for the most part delivers a poor and impersonal service to the seriously ill patient both at general practice level and at hospital level. I will concentrate on the General Practice side.

CAPITATION METHOD OF PAYMENT

It is important to understand the method of payment of general practitioners in Britain. (I am not discussing the amount, but only the method). The method is so bad it has a big bearing on the care of the patients.

The doctors are paid by the Government. The patients pay nothing for the service. (Except through their Taxes!)

Here we have the number one evil, the capitation system of payment to doctors. By this method the doctor is paid approximately 4 dollars per patient on his list per year. (A little more for the elderly). The doctor needs about 3,000 patients on his list to make a living. It is quite easy to handle 3,000 patients, acting as a sort of clearing house, but it is quite impossible to doctor them, to listen to them, examine them and reassure them as we were taught to do as students. So the doctor is paid on quantity, not quality.

A proper first examination should take about 45 minutes, but in the N.H.S. about 4 minutes is the more usual time, and unlucky patients often do not get that, but are given a prescription following a telephone call to the receptionist. This is treatment without diagnosis. This is not quality care.

And there is no consumer control by the patient because most doctors have full lists and the patient who is foolish enough to complain runs the risk of being turned off the list, branded as a "trouble-maker" and being left without a doctor until the Government administrators allocate him to another doctor's list. Imagine how the patient must feel!

At the onset the Government promised a Freedom of Choice of Doctor. This is a myth. For all intents, once you are registered with a doctor in your area, you are stuck. This registration is a terrible infringement of patient's liberty and choice.

Most doctors are good but they are beaten by the system. Each patient, sick and well, averages 5 items of service per year, therefore a doctor with 3,000 patients on his list can expect 15,000 consultations per year. With all the goodwill in the world it is impossible to give tender loving care to the sick patient with so much work to get through. Many doctors try hard but are worked to death, and into the bad bargain are financially worse off than many of their colleagues who have lost heart and have given up trying. These lazy doctors "cope" with the 15,000 consultations by the "disposal system", by giving drugs without examination—which is not only costly but highly dangerous—or by sending their patients to the hospital to do the sorting for them—thereby over-burdening the hospital.

Mark this too!

There is a reward for having young and healthy patients on this list, as these are rarely seen, but the old and the sick are most unrewarding financially—they are the work load. The capitation system is bad. It tends to make the elderly and the sick the unwanted patients. It rewards the slack and bad doctor and penalises the good doctor.

In the interests of the Sick patient there cannot be a worse method of paying a doctor. It is one of the worst features of the N.H.S. as so many evils stem from it.

THE DOCTOR-PATIENT RELATIONSHIP

This is one of the most important things, but counts for nothing in the N.H.S. In the old days the Family Doctor was the family friend. He was respected and along with the priest or parson dispensed wisdom as well as medicine. All this has gone. He is now looked upon as "The half-way House" to the hospital or the Chemist. How has this come about?

Because everything is free, the self reliance of many of the patients has gone. They no longer think for themselves. There is no financial "barrier" between them and the doctor. Further it is their "rights". After all the doctor is paid, and they pay their taxes. As a result of this all too prevalent attitude the doctor is literally flooded with trivia (over and above his serious problems), and he has to erect a "Barrier" to protect himself. In many cases he has installed a forbidding receptionist whose job it is to "stall" as many calls as possible. She is often known as the "Dragon at the door". Unfortunately she often "stalls" genuinely sick patients too. This is terrible and very sad.

The doctor himself, in many cases, has had to become "cold" to discourage unnecessary work. All this is really against his nature. It has destroyed the pleasure of his work. The alternative is to be overwhelmed. Once again the sick suffer.

These are tangible and intangible "barriers" which have been erected which were never there in the old days. A small financial "barrier" at the time of service is not permitted by the left wing politicians.

There is an undeclared war between the greedy and inadequate patient and the doctor, and once again the sick patient is the real casualty.

The loss to the community of the Family Doctor is one of the worst casualties of the N.H.S.

No society can afford comprehensive cover medically or financially. This is the mistake we British have made. As a result, except for pockets of excellence, it is a diluted third class service throughout.

Society should concentrate its resources on Long Term and Serious Illness, and should not dilute its resources by covering Short Term and self curing ailments.

Let us consider this more carefully—

Medical ailments can usefully be divided into two main groups:

1. Short Term Illness.
2. Long Term Illness.

SHORT TERM ILLNESS

The quantity of short term illness is enormous. The range is from the most trival to comparatively serious problems. For example, at least once per week most of us have an odd ache or discomfort in our body in one place or another which clears up spontaneously. The inadequate fly to the doctor with these. Then there are things like sunburn or the common cold. A bit more important are conditions like measles or the flu. These conditions do need medical attention, but they are not a great worry or expense. A patient may have an appendicitis. This is important and could be quite expensive, but the expense is limited. It is probably a great inconvenience and may have spoiled a holiday. But the point about all these short term illnesses is that they are not disasters. They are part of the ordinary process of living.

There is very little real poverty in Britain, I am glad to say, and most people could well afford to pay for all their short term illnesses. It may mean a cut-back on colour telly or Bingo or holidays in Spain. If they had to pay they would no longer flood the doctors with the trivia. Sadly, however, they have been brainwashed that they are entitled to everything Free. Little do they realise that they are stealing the time and resources from the really sick people.

LONG TERM ILLNESS

These are the real disasters

These are the ones which ruin life's happiness.

These are the ones which prevent people from working.

These are the ones we all fear. We don't really fear the short term illnesses, these are just nuisance value and temporarily costly and uncomfortable.

The long term illness can go on and on and on with no cure in sight, and may lead to institution life, a wheel chair, continuous expense and no money coming in; a burden on ones family. All absolutely ghastly!

Let's name a few examples: Cancer, Mental illness, Multiple Sclerosis, Diabetes, Rheumatoid Arthritis. These can all be sad and ruinous.

Without being accurate but to give a sense of proportion a General Practitioner has a thousand new short term cases to see for every one long term case.

A comprehensive "Free - at - the - Time" health service means that the short term cases are using up the limited medical and financial rations at the expense of the long term, disaster problems.

Society desperately needs a good "cushion", financial and medical for Long Term illness.

I am convinced that the "cushion" must be put behind the patient so that the patient can always be a "private" patient well cushioned. The "cushion" must not be used to pay the doctor direct from the state as this "feather-beds" bad and lazy doctors, discourages good doctors, and leaves the patient without any "Consumer" control.

SUMMARY

The G.P. has been downgraded to the role of a "sorter". His most important instrument is a well filled Fountain Pen.

The G.P. is the servant of the State who pays him.

The Capitation System of payment does not reward quality service—any quantity. It is marvellous for bad and lazy doctors and for well and greedy patients, but it is bad for good doctors and extremely bad for sick and elderly patients—often the unwanted workload.

"Free-at-the-time" has meant a flood of trivial complaints. This no Financial "barrier" has meant that the doctor has had to raise two other "barriers" to protect himself from overwork. He tends to adopt a cold and disinterested manner, (probably foreign to his nature!). The Dragon-like receptionist is another new unpleasant formidable "barrier".

THE KIND FAMILY DOCTOR IS A THING OF THE PAST

Good medicine takes time—45 minutes for a new consultation. Under the N.H.S. the average is about 4 minutes.

Many prescriptions are given without consultation or diagnosis following a telephone message. This may be time saving but it is highly dangerous.

The Drug bill, which the State picks up, is huge. Many patients with anxieties and self limiting illnesses do not require prescriptions if the doctor is "speaking from strength" following a proper consultation and examination. Rarely possible under N.H.S. G.P. system. They get prescriptions instead of service.

Finally: I plead "Guilty" for practicing this type of medicine for 14 years. I hated it and hated myself. I finally resigned in disgust in 1962 and entered the Hospital service.

HOUSE SELECT COMMITTEE ON MISSING PERSONS IN SOUTHEAST ASIA RULES

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. MONTGOMERY. Mr. Speaker, I am pleased to report that as of this Thursday, the House Select Committee on Missing Persons in Southeast Asia will have completed the first phase of its operations. On Thursday, the committee will hold an informal meeting to receive background information from the National League of Families of Missing Servicemen. The committee has already held similar briefing sessions to receive information from the Department of State, Department of Defense, and the U.S. representative to the Peoples' Republic of China. These background sessions have proved to be extremely helpful to the members and will provide them the necessary information prior to our beginning formal open hearings at which time we will invite Secretary Kissinger and Secretary Schlesinger to testify. Also expected to testify during the formal hearings will be families of MIA's, Mr. Walter Cronkite representing missing journalists, representatives of missing missionaries, plus others.

Mr. Speaker, the Select Committee on MIA's, to use a brief title, is on schedule and is looking forward to the challenge ahead. I am also pleased that we have had 100-percent attendance at all meetings thus far.

Pursuant to the rules of the House, I include at this point in the RECORD the rules of the House Select Committee on Missing Persons in Southeast Asia, which were adopted unanimously September 30:

SECURITY PROCEDURES AND REGULATIONS

Pursuant to rule 7.2 of the House Select Committee on Missing Persons in Southeast Asia, the following security procedures and regulations have been approved:

1. Members of the committee shall have access at all times to all materials received or obtained pursuant to House Resolution 335.

2. All committee staff members with appropriate security clearances, as determined by the Committee, will have access to documents and materials as determined by the staff director, the chairman and the ranking minority member.

3. All committee staff will submit to the person designated to control the security of materials, any and all materials received or obtained pursuant to House Resolution 335, 94th Congress.

4. All classified materials will be maintained in safes within the committee's offices. Records of receipt will be kept. The internal handling and disposition of such classified material, including classified waste, will be the responsibility of a security officer designated by the staff director with approval of the chairman in consultation with the ranking minority member.

5. All classified materials may be examined only at reading facilities located in a secure area. Notes may be taken but must remain in the committee's offices. Copying, duplicating, recording, or removing from the committee staff offices such materials is prohibited, except as specifically approved by the staff director and with approval of the chairman.

6. Classified materials used in meetings and hearings will not be removed, copied, recorded, or duplicated. At the conclusion of the meeting or hearing the materials will be collected and secured by the security officer.

7. Material not classified or material in the public domain will be made available upon request to designated staff of committee members. The material will be checked in and out and examined in a designated area of the committee's offices.

8. As a condition of employment, each staff member shall execute a security agreement. Staff members failing to abide by the agreement and these security regulations shall be subject to immediate termination of employment.

RULES FOR THE SELECT COMMITTEE ON MISSING PERSONS IN SOUTHEAST ASIA

1. The Rules of the House of Representatives are the rules of the committee except as otherwise provided herein.

RULE 2. MEETING PROCEDURES

2.1 For the purpose of carrying out any of its functions and duties, the committee is authorized to sit and act at such times and places within or without the United States whether the House is in session, has recessed, or has adjourned, and to hold hearings. The committee will meet at such times as may be fixed by the chairman or by the written request of a majority of the members of the committee in accordance with House rule XI, clause 2(c). Members of the committee shall be given reasonable notice which except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting.

2.2 No general proxies may be used for any purpose. A member may vote by special proxy, which must be in writing, shall assert that the member is unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. All proxies must be filed with the committee counsel and be available for inspection at any time.

2.3 No recommendation shall be reported or tabled by the committee unless a majority of the committee is actually present.

2.4 A rollcall of the members may be had on the request of two members.

2.5 A majority of the committee shall constitute a quorum for the purpose of taking final action on matters before the committee. However, a quorum for the purpose of taking testimony and receiving evidence by the committee shall consist of two members, at least one of which shall be a member of the minority party unless the ranking minority member consents otherwise.

2.6 At each hearing the chairman shall announce prior to the opening statement of the witness the subject of the investigation and a copy of the committee rules shall be made available to each witness.

2.7 The time any one member may address the committee on any matter under consideration by the committee shall not exceed 5 minutes, and then only when he has been recognized by the chairman, except that this time limit may be exceeded by unanimous consent.

2.8 Each committee meeting for the transaction of business shall be open to the public except when the committee, in open session and with a quorum being present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the committee and such committee staff, members' personal staff, and departmental representatives as may be authorized by the chairman, shall be present at any business session which has been closed to the public: Provided, however that the committee may by the same procedure vote to close one subsequent meeting.

2.9 Each hearing conducted by the committee shall be open to the public except when the committee, in open session with a quorum being present, determines by a rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security, individual rights of privacy, or would violate any law or rule of the House of Representatives. No person other than members of the committee and such committee staff, members' personal staff and departmental representatives, as may be authorized by the chairman, shall be present at any hearing which has been closed to the public: Provided, however, that the committee may by the same procedure vote to close one subsequent day of hearing.

2.10 The committee shall make public announcement of the date, place and subject matter of the committee hearing at least one week before the commencement of the hearing. However, if the chairman of the committee determines that there is good cause to begin the hearing sooner, he shall make the announcement at the earliest possible date. Any announcement made under this paragraph shall be promptly published in the Daily Digest.

2.11 The chairman may call informal meetings of the committee upon 24 hours notice for purpose of receiving background information with such meetings to be held in available space in Capitol Building. Informal meetings held pursuant to this paragraph will be considered closed because of limitation of space with only those persons authorized by chairman allowed to attend.

RULE 3. SUBPENAS

3.1 The committee may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other memorandums and materials as it deems necessary. Any such subpena may be issued by the committee in the conduct of an investigation or activity or a series of investigations or activities, only when authorized by a majority of the members of the committee, and authorized subpenas shall be signed by the chairman of the committee or by any members designated by the chairman. Each subpena shall contain a copy of House Resolution 335, 94th Congress, 1st session. Compliance with any subpena issued by the committee may be enforced only as authorized by the House.

RULE 4. PROCEDURES FOR TAKING TESTIMONY

4.1 When giving testimony, witnesses may be accompanied by their own counsel. There shall be no direct or cross examination by witness' counsel. The chairman of the committee, or any member of the committee or staff member of the committee or staff member designated by the chairman may administer oaths to any witness.

4.2 Any prepared statement to be presented by a witness to the committee shall be submitted to the committee at least 72 hours in advance of presentation and shall be distributed to all members of the committee at least 48 hours in advance of presentation. If a prepared statement contains security information bearing a classification the statement shall be made available only in the committee rooms to all members of the committee at least 48 hours in advance of presentation; however, no such statement shall be removed from the committee offices: Provided, however, that these requirements may be waived by the chairman.

4.3 In the discretion of the committee, witnesses may submit brief and pertinent sworn statements for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearings.

4.4 If the committee determines that evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person, it shall:

a. receive such evidence or testimony in executive session,

b. afford such person an opportunity voluntarily to appear as a witness, and

c. receive and dispose of requests from such person to subpena additional witnesses.

4.5 Except as provided in rule 4.4 above, the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

4.6 The minority party members of the committee shall be entitled, upon timely requests to the chairman of the majority of them, to call witnesses selected by the minority to testify with respect to the matter in question.

4.7 When a witness is before the committee, members of the commitee may put questions to the witness only when they have been recognized by the chairman for that purpose.

4.8 Members of the committee who so desire shall have not to exceed five minutes to interrogate each witness until such time as each member has had an opportunity to interrogate such witness; thereafter, additional time for questioning witnesses by members is discretionary with the chairman.

4.9 No sworn depositions will be taken unless authorized by the chairman, who shall inform the ranking minority member, or by vote of the committee.

RULE 5. STAFF

5.1 The appointment of all staff members and consultants shall be made by the chairman and the staff director in consultation with the ranking minority member. Staff members shall be under the direct supervision and control of the chairman and staff director in consultation with the ranking minority member and shall be responsive to all members of the committee.

5.2 The staff of the committee shall not discuss either the substance or procedure of the work of the committee with anyone other than a member of the committee or committee personnel or such person authorized by chairman in consultation with ranking minority member. Staff members shall not initiate any avenues of investigation or take any independent testimony which has not been authorized by the chairman in consultation with ranking minority member.

5.3 As a condition of employment each staff member shall affirm that he fully understands the rules and regulations of the committee and agrees to abide by them. Any staff member who fails to abide by the committee rules or the conditions of his or her employment shall be subject to immediate dismissal by the chairman.

5.4 The chairman shall have the authority to utilize the services, information, facilities, and personnel of the departments and establishments of the Government, and to procure the temporary and intermittent services of experts or consultants or organizations thereof to make studies or assist or advise the committe with respect to any matter under investigation.

RULE 6. PROTECTION OF PAPERS AND DOCUMENTS

6.1 At the discretion of the chairman, any material and testimony received or obtained pursuant to House Resolution 335, 94th Congress, may be deemed to have been received by the committee in executive session and shall be given appropriate safekeeping.

6.2 The chairman in consultation with the ranking minority member of the committee shall, with the approval of the committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of all material and testimony received or obtained pursuant to House Resolution 335, 94th Congress. Such procedures shall, however, insure access to this information by any member of the committee under such procedures as may be established by the committee.

6.3 Until such time as the committee has submitted its final report to the House, classified or other sensitive information in the committee records and files shall not be made available or disclosed to other than the committee membership, the committee staff, or as provided by House Rule XI, Clause 2(e) (2) except as may be otherwise determined by the chairman in consultation with the ranking minority member.

RULE 7. COMMITTEE REPORT

7.1 If, at any time of approval of any report by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 5 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the staff director of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that matter.

RULE 8. RULE CHANGES

8.1 These rules may be amended or replaced by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

THE PEOPLE VERSUS BIG OIL—A CASE STUDY OF AN AIR POLLUTION CONTROVERSY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. BROWN of California. Mr. Speaker, earlier this week Federal regulations were issued to control the release of air pollution causing vapors from gasoline pumps. These regulations are being promulgated in areas of severe air pollution, and are nearly identical to those now in existence in San Diego County, Calif. This is a sound approach to air pollution control which attacks the problem at its roots.

Since several new cities will be involved with these new regulations, the San Diego County experience should be of interest to Members of Congress. The Los Angeles Times carried an article on the history of these regulations in its October 2 edition, which I would like to share with other Members.

San Diego County appointed a citizen hearing board, consisting of two lawyers, a former stockbroker, a chemical engineer, and a physician, to review these regulations and the arguments against them. This rather conservative board unanimously decided that the delaying tactics of the major oil companies, who were trying to block enforcement, had to stop, and the law must be enforced. The board decided that the public need overrode the objections to the regulations, and that the oil companies were simply trying to prevent enforcement.

Mr. Speaker, this situation is all too typical in the field of environmental regulation. Because of the educational nature of the San Diego experience, I would recommend this article to my colleagues. I would especially recommend this article to those Members from the cities of Baltimore, Boston, Denver, Los Angeles, Newark, Sacramento, and Washington, D.C., since the new regulations go into effect there.

I include the article from the Los Angeles Times and the press release on the new vapor control regulations in the RECORD at this time:

[From the Los Angeles Times, Oct. 2, 1975]

SAN DIEGO COUNTY GETS TOUGH ON ANTISMOG LAW

(By Dale Fetherling)

SAN DIEGO.—The nation's first and still toughest gasoline vapor-recovery law was passed by San Diego County 3½ years ago, touching off an epic tug-of-war.

Threats, delays, revisions, intense lobbying, lawsuits, investigations, and whole new technology have followed. So far, though, relatively few service stations comply.

But now a new battle line is being drawn—and with possible national implications.

A citizen-staffed hearing board, tiring of delays, has begun setting imminent deadlines for action by the major oil companies. The stage is set for the oil companies' reply, either through compliance or in the courts.

"What we have here," said one county official, "is basically a conservative set of businessmen (on the board) getting hard-nosed as hell."

The board—consisting of two lawyers, a former stockbroker, a chemical engineer, and a physican—unanimously told Union and Mobil oil companies to begin by mid October the process leading to installation of a more costly but reportedly more effective vapor-control system than the one the firms prefer.

The action marks the first time that strict compliance schedules have been imposed and the first time the oil companies' favored "balanced system" has been expressly prohibited.

Board Chairman Don Conner said, "As board members, basically after hearing testimony at great length, it is our belief that the balance system can never meet the San Diego County rules.

"Furthermore, the oil companies have had a great deal of time, and they're going to have to get on with installing a system that does meet the rules," Conner stated.

"I say as a personal opinion that if they don't proceed along the lines we outlined, we would move more than likely revoke the (variance) action (that permitted delays) and seek whatever fines might be involved."

At issue are hydrocarbon vapors, 20 tons of which escape daily from the county's 2,500 service stations and then become a major component of smog.

San Diego County became a pioneer in vapor recovery legislation when in January, 1972, it passed an ordinance—effective a year later—requiring virtually all these vapors to be collected and then reprocessed.

But controversy has dogged the effort, and several times the Board of Supervisors—governing body of the Air Pollution Control District—delayed the effective date.

When the supervisors did hold fast, the issue was taken on appeal to the hearing board last year. The board gave variances of about a year to most of the major oil firms.

But those extensions of time are now running out, and the hearing board appears intent on cracking down.

"It's been an interesting and really heart-warming experience" to watch the board's evolution, said Robert W. Taylor, president of Anaheim firm which manufactures vapor control systems.

"I've been in these political battles often and seen lots of wavering. But they've been real statesmen. They've been honest, they've been open, they'd allowed extensions. But in the face of pressures, they're saying the law is here and we're going to see that it's enforced."

Mobil and Union had sought variances allowing delays as long as until April, 1977.

Instead, the board gave them 30 days to make application for permits to install systems at a limited number of stations (10 for Union, 20 for Mobil) and have those systems installed, tested, and certified within six months. The same process is to be completed for the balance of the companies' stations by next June.

The equipment "shall be other than a vapor balance system," the board's ruling reads.

"The hearing board," said Board of Supervisors Chairman Dick Brown, "went through a long process of learning. They've been very fair but they've learned that the oil companies aren't going to install (an effective system) unless forced.

"The oil companies have always argued," Brown said, "that when technology becomes available, they'll be glad to put it in."

But Brown, a manufacturing engineer, says he knows something about technologies and has concluded—after initially favoring a delay—"that we've got to force them to do it or it will never happen."

The major oil companies "threatened originally that they would close all the service stations in San Diego County if we enforced the law," Brown said, and Exxon "sitting here in my office, said, 'We don't give a damn what your law is, we're not going to do it.' "

Though less obstinate now, most of the major firms have dragged their feet, Brown said because "they have a common interest: not to spend money."

But Brown feels the $3 to $4 a year that will be passed onto the average motorists is a highly cost-effective way to reduce this source of air pollution.

The supervisors, he said, stand fully behind the hearing board's recent actions.

Most of the major oil companies, though, argue for the balance system.

That is basically a dual set of pipes. As gasoline is pumped into a car, the fuel displaces a roughly equal amount of vapor back into the underground tank where it later can be removed and recycled.

The vacuum-assist systems on the other hand, use a vacuum to draw up the vapors, thus allowing less to escape.

The oil companies contend the balance system is safer and more reliable, that the vacuum systems consume power and require more maintenance. The increased cost of the vacuum system isn't justified by the few percentage points gained in recovery efficiency, they say.

The APCD doubts if the balance system could meet the county's standard. But the oil companies contend the balance system has the potential for meeting any realistic rule if a leak-tight nozzle is developed. More time is needed to develop that nozzle, they argue.

Until then, the firms contend, they're being asked to install imperfect technology of great cost. (APCD estimates that installation and equipment will cost about $4,000 per service station for the balance system and $7,000 for the vacuum system. But even some firms which have agreed to install the vacuum system place the cost at about $14,000 per station, and estimates for outfitting all the county's stations range as high as $16 million.)

The vacuum system isn't free of problems, said Richard Sommerville, the county's assistant air pollution control officer. "But the question is not is there equipment off the shelf that the oil companies can use. The question is: if there are problems, what are you doing, Mr. Oil Company, to solve those problems?"

So far, he said, most of the major companies have not made diligent efforts to comply, but there are exceptions.

Shell has developed its own vacuum system, for example, and intends to have it installed soon at a pilot station. Within the coming year, Shell intends to have the system operating at its other 127 stations in the county.

Phillips and Gulf also are working on vacuum systems of their own, Sommerville noted.

The smaller, independent oil firms, he added, "for the most part, are right out in front. The brunt of the technology-forcing situation has fallen on them, but they are installing equipment and intend to comply."

Ironically, Sommerville said, when the APCD first began pondering a vapor recovery ordinance, it considered the balance system. But the oil companies said "there's no way you can get the balance system to work" because of the problem of poor nozzle fit.

So, APCD opted for standards which, in effect, require the vacuum system.

"All of a sudden, the oil companies favor the balance system. "Perhaps," Sommerville joked, "we ought to think of some ultimate control, then come back to the vacuum system" as a compromise.

But providing there are no further court battles, compliance in San Diego County is achievable by the end of the 1976, Sommerville said.

(Los Angeles County is requiring a somewhat less stringent 90% recovery and currently has a compliance deadline of next June 1. Orange, Riverside, and San Bernardino counties have a similar recovery rule and roughly the same deadlines.)

How will the major oil firms respond to the San Diego County hearing board's ruling?

No one knows yet, but many feel there's a better than even chance the companies will take the county to court over the issue.

One oil company, Atlantic Richfield, did that at another juncture about a year ago. Arco won a preliminary injunction against further enforcement against it, at least until the suit is settled.

In the case, which goes to trial Oct. 28, Arco challenges the constitutionality of the San Diego law, its reasonableness, and the APCD's authority. (The requirement in the original law to collect "all" the vapors since has been amended to mean recovery of all the vapors technically feasible, and a test has been devised for gauging this.)

A ruling adverse to the county in the Arco case could change the whole picture.

But for now, the oil company lawyers, including private counsel from prestigious Los Angeles law firms, trek to the hearing room on the third floor of San Diego's Spanish-style county administration building.

The hearing board's proceedings are long, tedious, and contentious. In a recent meeting, for example, Exxon, which is seeking an extension of time, presented a former deputy Los Angeles fire chief who suggested the vacuum system's safety is subject to question. The APCD, though in seeking to rebut the hours-long testimony, produced a San Diego deputy fire marshal who contended the balance system actually may increase the fire hazard at service stations.

"The oil companies' primary fear, in my opinion," said Supervisor Brown, "is that if (vapor recovery) is successful here, it will be required in every air basin in the nation."

Indeed, the state Air Resource Board and the federal Environmental Protection Agency are moving toward vapor recovery rules of their own.

Some county officials think the oil companies will be faced with a choice of strategies. They could switch to the broader battlefield of state and national regulations, or redouble their legal efforts in San Diego, thus hoping to win an invalidation which would forestall such measures elsewhere.

Or, anticipating the EPA and ARB rules, they could go ahead with maximum effort to develop effective vacuum systems and emerge well prepared.

In any case, the hearing board's recent actions may bring the crisis point closer.

Among government officials here there is pride that a firm line is being drawn by the hearing board. But among many observers there is also a feeling that the latest turn of events is not the final one.

Citing the oil companies' resources and the long battle up to this point, Y. C. Lee, a manufacturer of vacuum systems in Huntington Beach, said: "My intuition tells me that this is not the end of the fight.

"They're not giving up at this moment," he said, "but things are progressing in the right direction."

EPA TO REQUIRE POLLUTION CONTROLS AT GASOLINE STATIONS IN EIGHT MAJOR CITIES

Pollution control at the gasoline pump will be required by the Environmental Protection Agency in eight major cities to help reduce the nation's widespread smog problem, EPA Assistant Administrator for Air and Waste Management, Roger Strelow, announced today in San Diego, California.

The eight affected cities are Baltimore, Boston, Denver, Los Angeles, Newark, Sacramento, California's San Joaquin Valley, and Washington, D.C. Compliance will begin in late 1976 and be completed by mid-1977.

San Diego and San Francisco already have Federally-approved regulations of their own, and local programs are being prepared in New Mexico, southern California, Colorado, Massachusetts, and Washington, D.C. Requirements for some cities in Texas will be announced shortly.

Service stations will require new equipment to comply with the EPA regulations, which sharply limit the amount of gasoline vapors currently released into the air when automobiles and other vehicles are refueled.

Strelow said that the Agency is seriously considering eventual expansion of the requirements to the many other areas of the nation also afflicted with serious smog conditions.

"Smog is a public health problem," Strelow said, "and service station vapor losses account for a substantial and increasing portion of the hydrocarbon emissions that cause smog." Smog or photochemical oxidant, causes acute respiratory problems, aggravation of heart disease, shortness of breath, eye irritation, and other physical discomforts.

Besides having health protection benefits, Strelow said, the regulations will conserve an appreciable amount of gasoline now lost to the atmosphere by evaporation. About nine million gallons per year should be recovered in the eight metropolitan areas covered by today's announcement.

"If left uncontrolled, gasoline marketing emissions (including those from terminal operations and the filling of service station storage tanks, which EPA is already regulating) could rise from roughly 6 percent of hydrocarbon emissions to as much as 30 percent by 1985," Strelow said. "Eventually, as auto exhaust becomes cleaner, gasoline vapor emissions without vapor recovery would be two to four times greater than the hydrocarbon emissions coming from automobile tailpipes."

Strelow announced EPA's regulations in San Diego because of that county's leadership in requiring the use of advanced vapor recovery technology. "The County has provided an example of local initiative in pollution control for the rest of the nation," he said.

Over the past year EPA has tested both the "balance" system favored by most of the oil industry and the "vacuum assist" system developed primarily by independent manufacturers. That testing, Strelow said, indicates that the less expensive balance system does not achieve 90 percent control of vapors as initially claimed by its proponents, but instead appears to achieve about 65 percent to 75 percent control. Strelow said that vacuum assist equipment gets 90 percent to 95 percent control.

Both systems consist of special pump nozzles and hoses to return vapors from a car tank being filled back to the underground storage tank. The principle difference is that for the balance system a tight-fitting nozzle will be needed, while the vacuum assist system adds a slight suction which captures the vapors even when a tight fit cannot be obtained.

Strelow emphasized the importance of a "certification program" being established to prevent the installation of equipment which fails to meet the EPA standards. According to Strelow, "This will benefit air quality by showing each control system's actual capability, and will benefit service station owners by assuring them that they are buying legally acceptable vapor recovery equipment." Strelow said he expects that vacuum assist equipment will be used to meet the Agency's basic 90 percent recovery standard.

At the same time, Strelow announced an 80 percent recovery standard for service stations pumping less than 30,000 gallons per month, and exemptions for the very small stations pumping under 10,000 gallons per month. This last group causes only 9 percent of the vapor emissions from vehicle fueling, while accounting for nearly half of the total number of stations. Exempting these small stations will enable EPA to concentrate its resources on the other 91 percent of the problem. The exemption for the small stations also mitigates the economic impact. Strelow said he assumed that the oil industry would try to improve its balance system to meet the 80 percent standards at intermediate-sized stations. "If this proves impossible," he said, "EPA would expect to require 90 percent control at these stations as well, since the vacuum assist technology would be needed anyway."

Regardless of size, all new or renovated stations, where work begins after September 1, 1976, will have to meet the stringent 90 percent standard.

"The cost of complying with EPA's regulations may result in a slight rise in the cost of gasoline in 1977," Strelow said. "The impact on the motorist will be minimal, less than one-half cent per gallon, while the benefit to the air we breathe will be significant."

Approximately 37,000 service stations and fleet vehicle stations will be required to install the equipment in the eight cities. Costs for a six pump station selling 30,000 gallons a month are estimated at about $5,200 for a balance system and about $7,700 for a vacuum assist system, according to Strelow. He compared this to the $3,500 cost for a 25 foot tall identification sign, erected over many service stations.

Persons interested in commenting on the vapor control proposals should submit remarks to the Environmental Protection Agency, Office of Air Programs (AW–443), 401 M Street, S.W., Washington, D.C. 20460. Comments must be postmarked not later than 45 days after publication of the proposals in the Federal Register, expected to occur later this week.

GRAND JURIES: THE AMERICAN INQUISITION

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. HELSTOSKI. Mr. Speaker, as a cosponsor and strong supporter of H.R. 2986, the Grand Jury Reform Act of 1975, I would like to bring to the attention of the House an informative article on grand jury abuse authored by my distinguished colleague from Michigan, JOHN CONYERS. Congressman CONYERS has written a concise and knowledgeable account detailing the subversion of the original protective and investigatory functions which grand juries were constitutionally delegated to play. Mr. CONYERS' article, which also notes the erosion of the constitutional rights of those called to testify before Federal grand juries, appears in the August–September issue of Ramparts magazine.

[From Ramparts, August–September 1975]

GRAND JURIES: THE AMERICAN INQUISITION

(By JOHN CONYERS, Jr.)

As the dust has settled from Watergate, it has become clear that the work of Nixon and his men has not been undone. One of the most shocking chapters in the history of the Nixon years must be the Justice Department's Internal Security Division (ISD) war on dissent, waged under the leadership of now convicted Watergate felons John Mitchell and Robert Mardian. Mitchell and Mardian are gone. But their favored weapon remains dangerously intact: the grand jury turned into a devastating instrument of repression. Decades of neglect of the grand jury system and the authoritarian Organized Crime Control Act of 1970, passed overwhelmingly by Congress, have given the Department of Justice awesome powers, the dimensions and implications of which have still not generally been understood. Use of the grand jury as a weapon of harassment and repression—described by Senator Edward Kennedy as "a dangerous modern form of Star Chamber secret inquisition"—has not been diminished by Watergate. The bitter irony and profound danger presented by the destruction of the Fifth Amendment right against self-incrimination, and the warping of the grand jury from a protective body into its very opposite, have been buried only temporarily amidst the pomp and self-congratulatory smugness over the Watergate grand jury and the bringing of the Nixon gang to justice. And although the current and future administrations may find the Nixon act a hard one to follow, it is clear that the power of grand jury inquisition and harassment is being used freely by the government once again.

The Nixon Department of Justice inherited a grand jury system which had already lost much of its original character. Intended to be an independent citizens' body that would protect the innocent from unjustifiable or repressive prosecution, the grand jury was included in the Fifth Amendment by the framers of the Bill of Rights. It was meant to be independent, even mistrustful, of the prosecutor. But over the years the grand jury was increasingly cast in the role of a weapon in the war on crime—a citizen's body working hand in hand with the prosecutor. The rigid standard of independence had evaporated, and few observers would quarrel with the assertion that the grand jury had become a passive institution, in most cases doing whatever the prosecutor directed.

Yet grand jury procedure and structure are still predicated on the grand jury fulfilling independent, protective functions. Secrecy of proceedings was meant to protect a person falsely accused or called as a witness. Wide latitude in questioning would be permissible without presence of counsel since the grand jury was protecting the individual, rather than functioning as part of the prosecutorial apparatus. After all, what regulation by the courts or by the Congress would be necessary for a people's panel vigorously protecting the innocent?

Long before 1970, all that was left of independence and protection was the rhetoric, along with a dangerously unregulated grand jury process.

FALSE IMMUNITY

Another crucial Fifth Amendment protection has faced steady erosion along with the grand jury itself. Late in the 19th Century Federal immunity laws came into fashion. The basic concept in such a law is that the Fifth Amendment right against self-incrimination ceases to apply if one is protected by immunity from prosecution—thereby stripped of the right to remain silent. A "narrow" immunity law that allowed for prosecution under some circumstances even after one was compelled to testify was ruled unconstitutional in 1892. But in 1896 a broader (transactional) immunity law was narrowly upheld for the first time over the vigorous dissents of judges who foresaw the implications of limiting the Fifth Amendment. Arguing that the Fifth Amendment was meant to protect against more than prosecution, a District Court Judge warned that "if the immunity was only against the law-inflicted pains and penalties, the government could probe the secrets of every conversation, or society, by extending compulsory pardon to one of its participants, and thus turn him into an involuntary informer."

Congress continued to enact various immunity statutes, but not until 1954 was an immunity statute passed that applied to criminal law and to grand jury and criminal court proceedings. Some warned of the great dangers in the legislation, but Senator McCarran's argument that it would go "a long way . . . to help expose the Communist conspiracy in this country" was at least one factor in its passage.

Even before Nixon ascended to the Presidency, federal prosecutors had already perverted immunity from a tool to get testimony into a weapon for punishment. In 1965, for example, an alleged mobster was set up for contempt and jailed because the government, lacking enough evidence to indict him, gave him immunity in the knowledge he would refuse to testify.

With this precedent no doubt in mind, and the nation deeply troubled about organized crime, the Nixon Administration extracted from a cooperative Congress a drastic piece of legislation, which was opposed by only a small number of us in either House. The Organized Crime Control Act of 1970 authorized "use" immunity, which had been held unconstitutional since 1892. Receiving Supreme Court approval the following year, this provision allowed the government to compel a witness to testify and then still prosecute that person for the very things the forced testimony was about. The Act also allowed the government to convene Special Grand Juries at will anywhere in the country, removed discretion from District Court Judges as to whether or not an immunity order should be signed, and allowed for immunity to be ordered in virtually unrestricted circumstances (though it had been unavailable in criminal law only 17 years earlier.)

MOUNTING A CAMPAIGN

The Internal Security Division then went to work. During the next three years it ran more than 100 grand juries in over 80 cities, subpoenaing as many as 2000 witnesses, forcing immunity on many who declined to testify. The ISD was able to convene an investigation in virtually any district, and require witnesses from anywhere in the country to appear with little or no notice, and without counsel present.

A witness often was not told the nature of the investigation and could be forced to answer literally any question about political ideas and associations, about conversations and activities of oneself, friends, neighbors, relatives, about news sources—about anything, or face up to 18 months in prison without trial. Government attorneys were free to say anything they chose to the grand jury, to threaten witnesses with the loss of their children, to read the Espionage Act to already frightened witnesses, and to have prosecutor attacks on and harassments of witnesses excluded from the record.

To cite but one illustration of common practice, one woman spent seven months in prison for refusing to answer questions "I want you to tell the grand jury what period of time during the years 1969 and 1970 you resided at 2201 Ocean Front Walk, Venice [Los Angeles], who resided there at the time you lived there, identifying all persons you have seen in or about the premises of that address, and tell the grand jury all of the conversations that were held by you or others in your presence during the time that you were at that address."

After spending seven months in prison the witness in question was released because the grand jury had expired. She was subpoenaed, and the process began again.

Each of the many ISD grand juries had its own special abuses. Sometimes they were called to interfere with particular political actions, like VVAW demonstrations in Miami at the 1972 Republican National Convention. Sometimes they were used illegally to gather evidence for the trial of an already returned indictment. Sometimes they were used purely to punish or harass particular political groupings or individuals of whom the Nixon Administration did not approve.

Individuals who exercised their right not to talk to FBI agents often found themselves in a situation in which they had no right to talk—immunized before a Federal grand jury. Because the grand jury in one place could be interlocking with other investigations, it was easy to channel and launder the fruits of illegal electronic surveillance and to maximize the hardship and isolation that a witness would undergo. It was hard for the government to lose. It could intimidate opponents, or get desired intelligence data. It could gather information for an existing prosecution, or jail recalcitrant witnesses without prosecution. It could actually indict individuals or utilize the grand jury process to help track down individuals already indicted.

THE PATTERN RENEWED

The ISD campaign faded as the political crisis of Watergate grew. Criticism of ISD in part led to its incorporation into the Criminal Division. But neither Watergate nor the change in leadership in the Department of Justice altered the mechanisms or the legal tools that permitted the use of the grand jury for political purposes.

There have been disturbing signs that the Department of Justice intends to use the grand jury much the same way it has been shamefully misused in the past. The Government has been searching for Susan Saxe (captured in March) and Katherine Ann Power in connection with a Boston Bank robbery and shooting death in 1970. Since March 8, four young people have been in prison in Lexington, Kentucky for refusing to testify before a specially-called grand jury; several more may be in prison in Connecticut in the same matter. In New Haven, two women, jailed for three weeks, were immediately subpoenaed to a new grand jury upon their April 1 release. They face a possible additional 18 months confinement. They appear to have been subpoenaed in the first place because they exercised their right not to talk.

The Government of course has a responsibility for apprehending law breakers, but it has no responsibility to use the grand jury as a dragnet to force citizens to talk to the FBI. Nor does it have the responsibility to harass women in the communities of New Haven and Lexington, as it seems to have done.

Immunity grants and the grand jury process are not intended to be weapons for punishment or even for tracking down fugitives. They can be effective in creating a climate of fear, and this is what the Department of Justice apparently intends.

These cases and others, including recurrent attempts to harass the "underground" press, make it clear that we cannot rely purely on the good faith of those in power not to abuse the grand jury process. Particularly disturbing, in this context, is the call by the Justice Department for a dangerous Constitutional amendment that not only would tamper with the Bill of Rights, but would give prosecutors even greater freedom to misuse grand juries. The proposals, issued last September would, if enacted, allow the prosecutor to use or bypass the grand jury process for indictment, as he or she sees fit.

The Department claims that the only reason to have the grand jury is as an investigative tool for the government. Failing to recognize any current misuse of the grand jury, the Department even states that it "does not anticipate any substantial risk of abuse if discretion is granted to permit prosecutors to make a sensible use of the grand jury."

STOPPING IT NOW

Many members of Congress have come to the conclusion that there will be no "sensible" use of the grand jury until major legislation is passed to reform and revitalize this once cherished institution. Twenty-four of my colleagues have joined me in co-sponsoring H.R. 2986, the Grand Jury Reform Act of 1975.

H.R. 2986 would introduce rudimentary protections and rights into the grand jury process, including the right to counsel for witnesses, minimum notice for subpoena, the requirement that a complete transcript be kept and made available to the witness. A witness would have to be told what the investigation is about and could refuse to answer questions violating Constitutional protections.

Prosecutors would be restricted in their ability to switch grand juries in the middle of an investigation. They would have the burden of proof that they are not using the grand jury to gather evidence for an already returned indictment; would have to present any exculpatory evidence they have to the grand jury; and could not force immunity on a reluctant witness—such a "grant" to be permitted only with the consent of the witness and the grand jury.

The legislation also would take important steps to restore the independence of the grand jury from the prosecutor. The judge would be required to charge the grand jury adequately. Any citizen would have the right to bring a case to the grand jury (screened by the Court). The jury would have the power to vote on immunity grants, contempt hearing requests and subpoenas (this last power being one it already is supposed to have), and could engage in independent inquiry into crimes by government officials with independent court-appointed counsel.

The grand jury is a people's institution that has been taken away and used to subvert the very rights it was intended to protect. While it may be difficult to realize the goal of completely returning the grand jury to its original role as a shield for the innocent, we must at least recast the law to insure that the repugnant inquisitions of recent years are brought permanently to an end.

DDT NO LONGER CONSIDERED USEFUL AGAINST MOSQUITOES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. OTTINGER. Mr. Speaker, I received today a copy of an October 7 letter from Theodore Cooper, M.D., who is the Assistant Secretary for Health at HEW, to Chairman FOLEY of the House Agriculture Committee.

In his letter Dr. Cooper points out that DDT is no longer considered useful for controlling the mosquitoes involved in transmitting St. Louis and Western encephalitis this summer but that it is available where needed.

Perhaps his most significant assertion is that DDT is not very effective against the relevant mosquitoes, since they built up substantial resistance to the chemical long ago. Dr. Cooper points out that—

> Resistance to DDT in the two culex mosquito species recently involved in encephalitis transmission began appearing in 1951. Since 1962 relatively little DDT has been used in culex mosquito control efforts in this country.

Dr. Cooper's letter explains how other pesticides have been found to have greater efficacy than DDT and related chemicals. Following, for the benefit of my colleagues, is the complete text of his letter:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH,
Washington, D.C.

Hon. THOMAS E. FOLEY,
Chairman, Committee on Agriculture, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In connection with this summer's outbreaks of St. Louis and Western Encephalitis, I have had occasion to note expressions of concern that DDT was not used for mosquito control in checking these outbreaks.

Because your Committee has interests which touch upon this issue, I thought it would be helpful for me to tell you of the techniques we are using in our efforts to control the current outbreaks of encephalitis.

Mosquito control technology has shifted away from the use of DDT, a compound which was employed extensively in the past as a mosquito larvicide and a thermal "fog" to kill adult mosquitoes. In the 1940s and 1950s mosquito resistance to DDT began to appear in the United States and throughout the world. Resistance to DDT in the two Culex mosquito species recently involved in encephalitis transmission began appearing in 1951. Since 1962 relatively little DDT has been used in Culex mosquito control efforts in this country.

Although DDT is still available for use in public health emergencies, there are newer and more effective insecticides and techniques. The best available technique for controlling adult mosquitoes in an encephalitis epidemic is aerial or ground ultralow-volume application of insecticides such as 95% malathion or 85% haled with special equipment which is designed to break down these insecticides into micron sized droplets. Because DDT is a solid crystalline chemical, it cannot be used in this type of application equipment.

Sincerely yours,
THEODORE COOPER, M.D.,
Assistant Secretary for Health.

THE BENEFITS OF AMERICAN ALMOND EXPORTS TO THE SOVIET UNION

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. McFALL. Mr. Speaker, as my colleagues know, I have supported mutually advantageous trade for some time. If the United States is to maintain its economy in a strong manner and eliminate some of the existing problems, then it is necessary that the United States keep its balance of payments in a positive flow. Agricultural exports from the United States help maintain the positive balance of payments.

Almonds are one of the principal crops of my district in California. This is particularly important since California produces 100 percent of the almonds grown in the United States and approximately one-half of the world's supply. It is also important because almonds are currently the largest earner of foreign exchange of all fruits and vegetables whether fresh or processed.

In the last several years, a great deal of interest and publicity has resulted from doing business with the Soviet Union. I am particularly proud that almond growers in my district have been exporting almonds to the Soviet Union since 1968. This was long before many other commodity groups realized the value of trade with the Soviets. It is fair to report that the California Almond Growers Exchange was the pioneer in this area. It is believed that almonds were the first agricultural commodity sold to the Soviets for dollars in recent years.

The business the Soviets have provided growers in my district is particularly appreciated. It has been a good, steady, growing, business and is expected to continue to grow. It provides nutritious almonds, high in protein, to the Soviet people. It provides a continued basis for mutually advantageous trade between the two countries. It provides foreign exchange earnings for the United States which are needed to offset imports of other items in which we are in short supply.

It is important to note that the Soviets have been good, steady almond customers who honor their commitments. While there have been various disagreements on trade matters in recent years, the Soviets have not allowed this to interfere with their good business relationship in California. It is anticipated that this will continue to serve as a shining example of the benefits of maintaining a steady business relationship with the Soviets. It is my understanding that they have purchased almonds from this year's crop and I look forward to the next purchase this fall.

ODDS "N" ENDS

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. SPENCE. Mr. Speaker, when an individual applies a great deal of time and initiative toward solving our energy problems, he performs a public service which is worthy of some note. When that same individual comes up with a formula which proves to be both practical and workable, and which can be demonstrated to result in a savings of 3 tons of coal in only 9 months, it is necessary for Government leaders to find out how he did it.

Mr. James E. Hall of Cayce, S.C., is such an individual. "Pete" Hall is a good friend of mine, as well as a constituent, so I am especially proud of his ingenuity. What Pete has done is to show how the average American family can cut his utility bill by 50 percent. Having saved 25,874 kilowatt hours of electricity in 9 months, Pete Hall has proved that it can be done.

I have brought Mr. Hall's efforts to the attention of the appropriate Federal agencies, Mr. Speaker, but I thought that my colleagues might also be interested in knowing about his booklet. The booklet offered by Mr. Hall as a result of his experiments, entitled "You Too Can Cut Your Electric Bill 50 Percent," is briefly described in an article which appeared in the State newspaper recently.

I insert the article by Bill McDonald, from the State newspaper, at this point in the Congressional Record.

Odds "N" Ends

(By Bill McDonald)

Pete Hall is one of a kind. He's the only guy in town who's done something about his utility bill. More power to him.

The rest of us have acted as if we've got thumbs plugged into 220 volt outlets.

Hall has actually cut his electric bill by 58 per cent in the last 10 months. That's a high of $117.81 on his September, 1974 bill, a low of $35 this past December. Now the monthly electric bills average $49.02.

Hall, owner of Cayce TV & Appliances, didn't do it with mirrors. He put himself, his wife and six-year-old boy through aggravation. Small things, see, like cutting family showers from ten to five minutes; running the hot water heater only two hours a day; fixing leaking faucets immediately, etc.

It can cause some hard feelings in your family before you become adjusted to it," states Hall in what has to be the understatement of the year. (Who wants to use someone else's dirty bathwater?)

Pete Hall has documented all the details in a readable little $3 booklet—"You Too! Can Cut Your Electric Bill 50%"—and while we don't intend the mention here as a plug, we do feel strongly as if power conservation these days is tantamount to patriotism.

"The way I calculate it," says Hall, "I have saved three tons of coal or 25.874 kilowatt hours of electricity in the last nine months. Think what would happen if you multiply that by the 72 million homes in America."

PHIL C. VANNAIS HONORED FOR BRAVERY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. SARASIN. Mr. Speaker, the pages of history would be incomplete were it not for the tales of men and women whose acts of valor and self-sacrifice insured the perpetuation of freedom, not only for America but throughout the world. World War II witnessed such deeds of bravery, many of which are still being acknowledged today.

I am certainly proud that one of my constituents, and a personal friend, Mr. Phil C. Vannais of Waterbury, Conn., has been so honored. On October 3, in conjunction with the Liberty Ship Memorial program designed to recognize the contribution of these fleets and their crews whose efforts were essential to the success of our World War II effort, Mr. Vannais and two other gentlemen were presented with the brass nameplate from the *Daniel Huger*, one of the last of these historical vessels to be scrapped.

Mr. Vannais was awarded this distinction in recognition of his bravery in preventing the vessel's destruction. On May 9, 1943, the *Daniel Huger* was heavily attacked by German bombers at Bone, Algeria, while discharging a cargo of gasoline and other supplies for the Allied forces in North Africa.

Two of her crew were killed by shrapnel and a furious fire developed in the open cargo hold. Mr. Vannais and his colleagues, who were still undergraduates and were making the voyage as part of their King's Point Merchant Marine Academy officer training, voluntarily went below, at extreme risk of injury or death, in the nightlong effort to extinguish the flames. They were ultimately successful, and for their bravery, Mr. Vannais and five others were subsequently awarded the Merchant Marine Distinguished Service Medal, the Nation's highest civilian maritime decoration.

While World War II is 30 years behind us, her legacy of liberty and the dignity of mankind have not been diluted by time. Mr. Vannais and countless others who lived, or died, through World War II, gave us all a secure future for America, and no honor can be too great.

JACK SCOTT: RADICAL FOR PROFIT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. ASHBROOK. Mr. Speaker, in the Washington Star today we find a most interesting revelation. The so-called radical Jack Scott turns out to be a radical for profit. As we read how he negotiated for selling his memoirs or whatever he would call his erstwhile activities, he kept jacking up the price. If he really had Patty Hearst under his wing why not fly with the expensive eagles and cash in on his insincere radicalism.

When I watched him on TV a few months ago ranting and raving against the FBI and the unjust system, I had him pegged as a faker. Like Judas, his price is not cheap. The article follows:

[From the Washington Star, Oct. 8, 1975]

Scott's Role Led to Disclosures

(By Roger Rapoport)

San Francisco.—It's been slightly over a week since Patty Hearst made the cover of Rolling Stone.

And while the cover story's authors, Howard Kohn and David Weir, are busy writing part two, Hearst case buffs are wondering where these 28-year-old reporters got "The Inside Story," as the magazine titled its exclusive.

The magazine reported details of Hearst's decision to join up with her kidnapers, told how sports activist Jack Scott chauffeured her across the country twice and detailed the summer in Pennsylvania where the Symbionese Liberation Army's cobra kids cooled their rhetoric to make time for skinny dipping.

Although Rolling Stone is refusing to disclose how it got the story, other sources close to "The Inside Story" have confirmed speculation that virtually the entire account was based on the information Scott supplied the two writers last summer. At the time, all three were collaborating on a book proposal.

The project began last April when Scott surfaced after six weeks underground. Following a press conference, he met with Kohn, Weir and two other writers at the home of his San Francisco attorney, Michael Kennedy.

The lawyer had also represented Weir's short-lived radical magazine, "Sundance." Kohn, whose Detroit Free Press expose of links between police and dope dealers led to a major shakeup of the city's police department through Weir.

At the meeting, Scott fed all writers present inside details of his time underground. Unable to freelance the story themselves, they gave the details to another magazine writer and received $100. Then Scott went off to make the rounds of the network talk shows.

When he returned to San Francisco in June, Scott, himself a sports author, called the two writers and asked if they would collaborate with him on a book about the Hearst case.

Scott, who originally had hooked up with the SLA hoping to gather details for a book, realized by this time that putting his name on the project might open him to charges of harboring a fugitive. So he proposed feeding the information to Kohn and Weir, who would publish the account under their byline and split the money with him 50–50.

Scott chose Kohn and Weir because he trusted them politically and was confident they would be willing to go to jail rather than disclose their sources to any grand juries. So they took the idea to Michael Kennedy, who agreed to become their literary agent. The attorney called his friend John Simon, an editor at McGraw-Hill in New York. Simon flew out promptly and by the time he arrived Scott and his ghost-writers had a six-page proposal ready to show him.

The outline, based on several days of interviews with Scott, seemed promising. Kennedy indicated that $100,000 might be a reasonable advance. But Scott wasn't satisfied. He entered the negotiations personally, telling the New York editor he wanted $100,000 for hard-cover rights and $200,000 for the paperback.

Kennedy was dismayed at Scott's effort to pump McGraw-Hill for a $300,000 advance. "Look," he told his star-struck client, "if you want me to be the agent, then let me negotiate the deal." Scott agreed to back off. But not long after Simon returned to headquarters and conferred with his superiors. Scott called the editor from the Portland, Ore., home of his friend, Bill Walton.

Scott, who had been living with the basketball star off and on over the past year, ran up his host's long-distance bill as he told Simon perhaps the best bet would be to put together a $1 million deal that included movie rights.

By now Simon was getting a little tired of Scott's demands, so Scott called Kennedy and suggested a literary auction. Kennedy bawled his client out again, reminding him that a key reason for choosing Simon had been that he would protect Scott's confidentiality. A literary auction was craziness. Why, everyone then would know who was behind the book.

When McGraw-Hill dropped out, Scott suggested to Kohn and Weir that they should all retain literary agent David Obst, whose clients include John Dean and many other writers on both sides of the Watergate scandals.

But the two writers had another idea. Why not publish the story first in a magazine? Then book offers were sure to come pouring in. By this time, Kohn had become an associate editor at Rolling Stone, where there was considerable interest in Scott's story.

Scott saw merit in their suggestion and in late July offered to sell his information for $7,500. Rolling Stone Editor Jann Wenner authorized Kohn and Weir to meet the price. But on the day the deal was to go through, Scot was subpoenaed by a Harrisburg, Pa., grand jury eager to hear his story. They only offered to pay expenses.

The subpoena made it impossible for Scott to take Rolling Stone's money and maintain his cover, since that would complicate his legal difficulties in refusing to talk to the grand jury. But still cooperating with Kohn and Weir, he invited them along to Pennsylvania in August so they could watch him refuse to talk.

During one lull in the proceedings, he took the two writers out to the farmhouse where he had allegedly hidden the SLA the previous summer. They arrived to find the old hideout occupied by a group of hippies. Scott walked to the door expecting to be received like the celebrity he had become. But he was crestfallen when none of the new tenants recognized him.

During all this time Scott continued feeding details to the two writers. He encouraged them to publish the article but suggested they get clearance from his new lawyer, William Kunstler. The radical attorney agreed the story was a good idea at first. But then Scott began learning from his friends that his public criticism of some SLA activities and his decision to meet with Randolph Hearst was hurting his image.

To remedy this, he gave self-serving interviews to writers from Newsweek, Esquire, and The New York Times. In one of the articles that subsequently appeared, Scott called himself a "human Switzerland," determined to offer his neutral services wherever they were required.

By now, Scott had decided that the Rolling Stone article would not be in his best interest. He explained his view to Kunstler, who joined him in discouraging the writers from publishing what they knew. But they moved ahead, being careful to limit descriptions so there was no way anything they wrote could possibly lead to Patty Hearst's capture.

All this became a moot point on Sept. 18 when the heiress was picked up here by the FBI. Kohn and Weir promptly added another 2,000 words to their story, which was released Sept. 29.

Today the two writers are busy in the Rolling Stone offices checking out a flood of new tips that have come in as a result of their first story. The price of the Hearst articles is no longer an issue. Scott has received nothing. Kohn is on staff and Dave Weir is being hired full-time as an associate editor.

As for Scott, he says he has been betrayed. Although he has confirmed that he, Kohn and Weir had discussed the possibility of a book, he denies that he demanded money or that the three ever discussed the magazine article. He has charged that Kohn and Weir betrayed confidences obtained while working as legal researchers in the Hearst case.

EPA SHOULD MAINTAIN DISCRETION OVER PESTICIDES

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. PEYSER. Mr. Speaker, I would like to set straight the record on a matter that was discussed on Friday, October 3, during the debate on H.R. 8841, a bill to extend the Federal Insecticide, Fungicide and Rodenticide Act—FIFRA. I made the point that the Department of Agriculture did virtually nothing year after year to remove hazardous products from the market when it had the authority to do so. One of my colleagues called this an unfair allegation, since the Department had no authority to ban pesticides until 1972.

That is not true. The Department had cancellation authority from the time the original FIFRA Act was passed in 1947 to 1970 when authority over pesticides regulation was transferred to the Environmental Protection Agency. I would like to insert the "Findings and Conclusions" of the Committee on Government Operations report on "Deficiencies in Administration of FIFRA—House Report 91–637" which shows the gross delinquency of the Department in protecting public health from harmful effects of pesticides.

The material follows:

FINDINGS AND CONCLUSIONS

1. Until mid–1967, the USDA Pesticide Regulation Division failed almost completely to carry out its responsibility to enforce provisions of the Federal Insecticide, Fungicide, and Rodenticide Act intended to protect the public from hazardous and ineffective pesticide products being marketed in violation of the act.

Prior to mid–1967, no effort was made to systematically remove potentially hazardous or ineffective products from the market; instead, only the amount of illegal product found at the single location where a violative sample had been obtained was seized.

Not a single criminal prosecution had been initiated for more than 10 years prior to mid–1967, despite evidence of repeated violations by some shippers.

Notices of judgments obtained in seizure actions were not being published, even though publication is required by law.

Significant improvements in PRD enforcement procedures have been made since mid-1967.

In late 1967, after appointment of Lowell E. Miller as Assistant Director of Enforcement, PRD began requesting manufacturers to voluntarily recall violative products from the market.

Formal procedures for requesting recall action, to be followed by multiple seizure action if necessary, were approved in May 1969.

Operating guidelines for referral of cases to the Department of Justice have been established and an indictment has been returned in a case so referred. A Prosecutions and Import Section has been established to handle referral of cases; however, its staffing—consisting of the part-time services of only one person at the professional level—is obviously inadequate.

2. Numerous pesticide products have been approved for registration over objections of the Department of Health, Education, and Welfare as to their safety without compliance with required procedures for resolving such safety questions.

The subcommittee investigation disclosed that HEW objected to proposed registrations for more than 1,600 pesticide products during the 5-year period ending June 30, 1969.

Many, if not most, of these products were registered for uses to which HEW had objected. The exact number is not known because PRD does not keep records of products registered over HEW objections and has failed or even refused to inform HEW of action taken with respect to its objections.

The subcommittee investigation disclosed that PRD was, in effect, demanding that HEW supply scientific proof of hazard to support its objections, rather than asking the would-be registrant to resolve any doubt by providing adequate evidence of the product's safety.

Although a 1964 interdepartmental agreement requires that unresolved HEW objections be referred to the Secretary of Agriculture for determination before a registration is approved, not one of the more than 1,600 HEW objections was so referred. A task force headed by the present PRD Director noted in a 1965 report that PRD was not complying with the agreement, but no action was taken to correct the matter.

3. The Pesticides Regulation Division has approved pesticide products for uses which it knew or should have known were practically certain to result in illegal adulteration of food.

The subcommittee investigation disclosed that PRD has registered or reregistered products such as lindane vaporizers or DDVP strips for use in restaurants or other food-handling establishments despite evidence that such uses would leave residues on food and despite the fact that other Federal agencies refused to permit use of the products in food-handling establishments.

Pesticide residues on food in interstate commerce constitute adulteration, unless a tolerance has been issued for such residues by the Food and Drug Administration. In the above instances, no such tolerances had been issued or even applied for. Moreover, FDA's authority to issue a tolerance for addition of a pesticide to prepared food in restaurants is questionable.

4. The Pesticides Regulation Division has failed to take adequate precautions to insure that pesticide product labels approved for registration clearly warn users against possible hazards associated with such products.

Examination of a relatively small number of pesticide products labels during the subcommittee investigation disclosed several instances where warning statements and directions for use on the same label were confusing or even directly contradictory. At least one instance where a misleading effectiveness claim had been approved and widely used was also found.

Preliminary results of a study being made under a contract with PRD indicate that most pesticide users do not read labels and those who do have difficulty understanding them.

5. Information available to Federal agencies concerning pesticide poisonings is inadequate and incomplete. The Pesticides Regulation Division has failed to make effective use of even the limited data available.

According to its Director, the Pesticides Regulation Division has placed considerable reliance on accident reports as a means of detecting dangerous pesticide products. During 1968, PRD received reports of 52 pesticide poisoning incidents involving a total of 163 persons.

* * * * *

The Pesticides Regulation Division has consistently failed to take action to remove potentially hazardous products from marketing channels after cancellation of a pesticide registration or through suspension of a registration.

Although PRD has never secured cancellation of a registration in a contested case, there have been instances where registrations of potentially hazardous products have been canceled by consent or through failure of the registrant to contest the action. The subcommittee investigation disclosed that PRD has no procedures for taking action to remove such products from the market after cancellation of the registration or even for notifying the Enforcement Branch that the registration has been canceled.

PRD has no procedures or criteria for determining when a registration should be suspended on the ground that a product constitutes an "imminent hazard" to the public. Such action has been taken only once; but a product containing an identical amount of the same active ingredient was allowed to remain on the market without even being required warning notice on its label.

In some cases, hazardous products were *deliberately* allowed to remain on the market after cancellation of registrations.

8. The Pesticides Regulation Division has no procedures for warning purchasers of potentially hazardous pesticide products.

Although removal of dangerous pesticides from marketing channels obviously does not protect buyers who already have the product in their homes, PRD has no procedures for issuing warning notices to the public when it becomes aware of possible hazards from particular pesticide products. By contrast, other units of the Agricultural Research Service apparently have procedures for warning against possible hazards to animals from regulated products which have already been sold.

PRD has recently issued warning notices concerning several pesticide products discussed during subcommittee hearings.

9. The Agricultural Research Service failed to take appropriate precautions against appointment of consultants to positions in which their duties might conflict with the financial interests of their private employer. Facts disclosed by the subcommittee investigation raised a number of serious conflict of interest questions.

Although Shell Chemical Co. is one of the country's largest producers of registered pesticide products, Dr. T. Roy Hansberry, an official of one of the company's affiliates, was appointed to a 1965 task force examining criteria used by PRD in determining whether pesticide registration applications should be approved. Before the appointment was made, an individual in the ARS Personnel Division (whom ARS officials report they have been unable to identify) certified on Dr. Hansberry's personnel clearance form that the agency did not know of any official business with his private employer which might constitute a conflict of interest.

Minutes kept by the task force's executive secretary are available for only one of its meetings; they indicate that he reminded the group of legal restrictions on disclosure of confidential information which should be kept in mind in view of Dr. Hansberry's association with a private firm. The executive secretary was subsequently dismissed by the task force chairman, and no further minutes were kept.

Dr. Mitchell R. Zavon, a medical consultant to Shell Chemical Co., served simultaneously as a consultant to the Pesticides Regulation Division. Documents examined by the subcommittee indicate that Dr. Zavon was actively concerned as a Shell consultant in scientific studies and in negotiations with Federal agencies relating to Shell's DDVP strip. The subcommittee investigation also disclosed that Dr. Zavon participated as a PRD consultant in a meeting at which safety questions relating to DDVP strips were discussed, but no action was recommended.

USDA records indicate that Dr. Zavon was originally appointed for the specific purpose of advising PRD on problems relating to Dieldrin, a pesticide produced by Shell Chemical Co. The subcommittee investigation did not disclose whether or not Dr. Zavon actually advised USDA, as a consultant, on any matter involving Dieldrin in which Shell had a financial interest.

Registration of Shell's DDVP strip was originally approved in 1963 after John S. Leary, Jr., then PRD's Chief Staff Officer for Pharmacology, overruled an objection raised by a subordinate. In November 1966, Mr. Leary gave notice that he was leaving PRD to accept employment with Shell Chemical Co. In December 1966, before leaving PRD, Mr. Leary recommended that PRD ignore a Public Health Service report opposing continued sale of DDVP strips. In 1968, as a Shell employee, Mr. Leary participated in a meeting at which Shell opposed addition of a warning notice to the label of its DDVP strip.

In view of the conflict of interest questions raised by the subcommittee investigation, the matters involving Dr. Hansberry, Dr. Zavon, and Mr. Leary have been or are being referred by USDA to the Department of Justice.

PANAMA CANAL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. LAGOMARSINO. Mr. Speaker, as a result of State Department efforts to renegotiate our treaty-based rights to the Panama Canal, much interest and debate has been generated here in Congress, culminating in recent House passage of the Snyder amendment to the State Department appropriations bill. I voted, with the majority of the House, to prevent congressionally appropriated State Department funds from being used in surrendering our rights to the canal or Canal Zone, an essential area which the United States legally and irrevocably purchased from Panama, and subsequently developed for the benefit of all nations. I joined with a bipartisan representation of House Members in signing a letter to Secretary of State Kissinger requesting that the Department adhere to the expressed wishes of this House with regard to the Panama Canal.

However, reaction to proposals aimed at relinquishing the U.S. sovereignty over this vital interocean access has not been limited to the Congress. As do most of my colleagues, I receive constituent letters on a daily basis which deplore these continuing United States-Panamanian talks. The following reprint, submitted by my constituent William B. Collier, provides a scholarly assessment of the Panama Canal negotiations and, at the same time, reflects what has been polled to be the negative reaction of the American people to these arbitrary treaty discussions:

CANAL TREATY REVISION CONTRARY TO LAW

(By William B. Collier, A.B. Professor of History, Isthmian Canal College)

Secretary of State Kissinger's plan to give Panama full sovereignty within the United States Territory of the Canal Zone contravenes basic principles of interoceanic canal policy enacted into law by Congress. For this reason 37 U.S. Senators are urging retention of existing treaty-based U.S. sovereign rights, power and authority within the zone to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.[1]

The historic United States policy of freedom of transit of an interoceanic canal open to all nations upon payment of just compensation of reasonable tolls [2] was enacted into law by the Treaty of 1846 with New Granada and the Clayton-Bulwer Treaty of 1850. This principle was reaffirmed in the Hay-Pauncefote Treaty of 1901, which binds the United States to keep the canal free and open to the vessels of all nations on terms of entire equality at charges of traffic which are just and equitable.

In order to secure the authority necessary to honor this international commitment, Congress by the Spooner Act of 1902, required that a strip of land from the Caribbean Sea to the Pacific Ocean be placed under the "perpetual control" of the United States.

The law appropriated $40 million for purchase of the franchises and property of the New Panama Canal Company of France and $10 million to start the project. Secretary of State John Hay offered Colombia $10 million for perpetual control of the zone of land and $250,000 annual "compensation" in place of the annual franchise payment the Panama Railroad Company had been paying to Colombia.

The Congress of Colombia wanted the New Panama Canal Company to pay $10 million for approval of the transfer of the franchises to the United States and $15 million as the price of perpetual control of the zone of land across the Isthmus of Panama. Colombia also demanded $600,000 annual compensation for loss of the revenues it had been receiving from the Department of Panamá enumerated in the Hay-Herrán Treaty.

When Secretary Hay notified the Government of Colombia that the proposed amendments would constitute a rejection of the treaty, the Bogota Congress decided to wait until the canal franchise expired and then negotiate with the United States for the entire $50 million appropriated by the Spooner Act.[3]

The Spooner law provided that should the President be unable to obtain for the United States a satisfactory title to the property of the New Panama Canal Company and control of the necessary territory of the Republic of Colombia within a reasonable time and upon reasonable terms, then the President, having first obtained for the United States perpetual control of the necessary territory from Costa Rica and Nicaragua, shall cause to be excavated and constructed a ship canal via the San Juan River Lake Nicaragua and the Rio Grande flowing into the Pacific Ocean.

Footnotes at end of article.

The Maritime Canal Company of Nicaragua had begun construction of the Nicaragua Canal. After encountering financial difficulty in 1893, the U.S. investors had turned to Senator John Tyler Morgan of Alabama and Congressman William P. Hepburn seeking aid for completion of their canal. The Hepburn bill had already passed the House of Representatives, but Senators John Spooner and Marcus Hanna had secured an amendment permitting completion of the Panama Canal under certain conditions.

Colombian Senator Pablo Arosemena, a native of Panamá, provided the moral justification for ceding the Canal Zone to the United States while defending the Hay-Herrán Treaty when it was under attack in the Colombian Congress. Dr. Arosemena wrote:

"The Republic does not sell or lease territory to fill its coffers and to care for the opportune payment of its national expenses. It cedes a section of land, accepting a limitation of political dominion over it, for the excavation of a maritime canal between the two great oceans; a colossal, magnificent work, which has been a dream for centuries, whose execution claims the legitimate interest of mankind and imposes the implacable law of progress . . . to cede a territorial zone for a work destined for the innocent use of all nations—justifiable.[4]

When the Colombian Congress adjourned without ratifying the Hay-Herrán Treaty, Panama resumed its independence from Colombia and ceded the Canal Zone to the United States for the purchase price of $10 million dollars.[5] President Theodore Roosevelt considered the Canal Zone Purchase of 1903 to be the most important achievement of his administration.[6]

Under terms of the 1867 extension of the Panama Railroad franchise Colombia was to recive $250,000 per year for ninety-nine years at the end of which time the railroad was to become the property of the Republic of Colombia. Colombia also owned an interest in the New Panama Canal Company of France, and the canal franchise also provided that the Panama Canal was to become the property of Colombia ninety-nine years after the opening of the canal.

NO REVERSIONARY INTEREST

By Article XXII of the Isthmian Canal Convention of 1903, Panama renounced and granted to the United States "the participation to which it might be entitled in the future earnings of the Canal under Article XV of the concessionary contract with Lucien N. B. Wyse and any and all other rights or claims of a pecuniary nature arising under said concession, or arising under the concessions to the Panama Railroad Company or any extensions thereof."

In accordance with the terms of the Thomson-Urrutia Treaty ratified in 1922, the United States purchased a quit claim from Colombia for $25 million by which the Republic of Colombia recognized the independence of Panama and recognized that title to the Panama Canal and Panama Railroad now vests entirely and absolutely in the United States.

Over and above the purchase price of $10 million paid to Panama for the grant of exclusive rights, power and authority as sovereign of the zone and the price of $25 million paid to Colombia to clear the U.S. title to the Panama Canal and railroad, the United States also purchased all the titles to land and property within the Canal Zone from the owners of record.[7]

The State Department bases its plan for giving Panama full sovereignty over the U.S. Zone on the theory of titular sovereignty. Secretary Hay, in his letter of October 24, 1904 to Panamanian Minister José Domingo de Obaldía wrote as follows:

"If it could or should be admitted that the titular sovereign of the Canal Zone is the Republic of Panama, such sovereign is mediatized by its own act, solemnly declared and publicly proclaimed by treaty stipulation, induced by a desire to make possible the completion of a great work which will confer inestimable benefit upon the people of the Isthmus and the nations of the world. It is difficult to believe that a member of the family of nations seriously contemplates abandoning so high and honorable a position to engage in an endeavor to secure what at best is a barren scepter." [8]

Also involved in the plan to subvert the freedom of the Panama Canal is the misconstruction of Article II of the 1903 Treaty. Although Panama stipulated no reversionary interest in the Canal Zone when ceding the territory to the United States as an inducement to build the interoceanic canal at Panama, there are those who argue that should the United States cease to operate, maintain and protect the Panama Canal, the zone should revert to Panama.

To this end President Johnson announced on December 18, 1964, that the U.S. should press forward with plans for a new sea-level canal and negotiate a new treaty for the existing Panama Canal. Under the Constitution requiring a two-thirds vote in the Senate for ratification of a treaty, a mere Presidential announcement or executive agreement cannot abrogate the existing constitutionally ratified canal treaties.

The historically correct interpretation of Article II of the Treaty of 1903 is that of Secretary of State John Hay:

"The position of the United States is that the words 'for construction, maintenance, operation, sanitation and protection, of said canal' were not intended as a limitation on the grant, but are a declaration of the inducement prompting the Republic of Panama to make the grant." [9]

The intent of Panama is clearly established by the letter from Minister of Government Tomás Arias, to Maj. Gen. George W. Davis, U.S.A., first U.S. Governor of the Canal Zone, May 25, 1904:

"The Government of the Republic of Panama considers that upon the exchange of ratifications of the treaty for opening an interoceanic canal across the Isthmus of Panama its jurisdiction ceased over the zone." [10]

The Supreme Court in Wilson v. Shaw, 204 U.S. 24 settled finally and forever the question of the sovereignty of this country over that territory.

The State Department quotes the letter from Secretary of War William Howard Taft of Jan. 12, 1905 to President Theodore Roosevelt and the Secretary's statement of April 18, 1906 to the Senate Committee on Interoceanic Canals as justification for the false position that "The United States does not claim sovereignty over the Canal Zone." In his statement to the Senate, Taft said,

"Now, I agree that to the Anglo-Saxon mind a titular sovereignty is like what Governor Allen of Ohio once characterized as a 'barren ideality,' but to the Spanish or Latin mind, poetic and sentimental, enjoying the intellectual refinements, and dwelling much on names and forms, it is by no means unimportant." [11]

After his election as President, Taft told an audience in New Orleans, Feb. 9, 1909:

"We have a right to govern that strip, and we are going to govern it."

During his service as Chief Justice of the United States, William Howard Taft had an opportunity in 1930, when he delivered the opinion of the Supreme Court in Luckenback S.S. Co., v United States 280 U.S. 173; to overrule the 1907 decision in Wilson v Shaw, and he did not do so. Wilson v Shaw remains the ruling decision on this issue today.

The boundaries of the U.S. Zone was established by the Price-Lefevre Boundary Convention of 1914 and include all the land under and around Gatún Lake up to the 100′ contour line. Before giving up the right of eminent domain for canal purposes in Panamanian territory outside the U.S. Zone, the United States purchased additional land under and around Madden Lake up to the 260′ contour line. The boundaries of this additional U.S. territory were established by the 1936 Treaty.

None of the U.S. territory and property can be disposed of without authorization of Congress required by Article IV, Section III(2) of the Constitution of the United States.

Before undertaking negotiations with the Marxist Revolutionary Government of Panama, Ambassador-at-Large Ellsworth Bunker consulted Senators who advised in no uncertain terms that exclusive U.S. sovereignty in perpetuity is not negotiable.

Despite this timely warning, Ambassador Bunker negotiated, and, Feb. 7, 1974, Secretary Kissinger and Panama Foreign Minister Juan Tack signed an "agreement on principles" for a new treaty which will recognize the sovereignty of Panama over the U.S. zone.

More than the 37 Senators who have declared themselves in favor of continued U.S. sovereignty in perpetuity are fully aware that once Brig. Gen. Omar Torrijos Herrera, Commandant of the Guardia Nacional and self-styled Supreme Leader of the Marxist Revolutionary Government of Panama gains sovereignty over the U.S. Zone and the U.S.-owned Panama Canal, he can order the United States to leave the Isthmus, as General Charles deGaulle ordered the U.S. to leave the defense bases in France, which had been paid for by the American people.

The Revolutionary Government of Panama makes no secret of its view that Panama's geographical suitability for interoceanic canal purposes is its principal natural resource to be exploited for the unjust enrichment of Panamanian socialism, as the Marxist Government of Chile tried to do with the copper mines developed by private U.S. investors.

In the 1936 treaty revision, the U.S. gave up its right of eminent domain to purchase additional land in Panama for canal purposes, and changed the annual compensation from 250,000 gold dollars to 430,000 Balboas. The unwise concessions cost billions of dollars for bases to defend the canal during World War II. After the war Panama refused to renew the leases on these bases. To secure a fifteen year renewal for the Rio Hata base, the 1955 treaty revision increased the annual compensation to 1.93 million Balboas. In 1970 Gen. Torrijos and a detachment of his Guardia Nacional repossessed the Rio Hata Air Base, but the U.S. continues to pay the increased annuity.

In the July 24, 1939 Senate debate on the 1936 revision, Senator Hiram Johnson forecast with unerring accuracy the consequences of the 1936 concessions. In the July 29, 1955 debate Senator Richard Russell questioned the wisdom of the 1955 concessions to Panama. Now Gen. Torrijos openly declares his intention to nationalize the Canal Zone and seize the Panama Canal by force if necessary. As long as the United States retains its treaty based sovereign rights in the Canal Zone, the Panama Canal will remain free and open to peaceful trade.

The U.S. has maintained freedom of transit across the Isthmus of Panama for well over a century, under authority of the Treaty of 1846 with New Granada, and since 1904 under authority granted in perpetuity by the Republic of Panama.

The Constitution of the United States requires a two-thirds vote in the Senate and a majority vote in both House and Senate to cede the Canal Zone and give the U.S. owned canal to Panama. As Senator Barry Goldwater expressed it in a letter to a constituent in Arizona:

"The Panama Canal is not lost yet. Any treaty that has to be made or abrogated must

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Footnotes at end of article.

receive the approval of the Senate, and I can assure you there are enough of us here to oppose it, and we will make it loud and clear that this is wrong."

With current high prices for imported oil depressing the economy, and working special hardship on the people of New England and other Northeastern States, continued low cost sea transport of oil from Alaska and other Pacific ports to Atlantic Coast refineries via the Panama Canal is vital.

Continued U.S. control of the Panama Canal is also necessary for low-cost shipment of grain from the Central States via the Missouri and Mississippi Rivers and by sea from New Orleans to Pacific markets. Iron ore comes via the canal to Pennsylvania and finished steel products go the other way to Pacific markets. Coal from Chesapeake Bay also goes to Pacific ports. The demands on the Panama Canal for transit of more and larger bulk carriers will increase in the future.

To improve the operation and increase the capacity of the canal requires early completion of the third locks authorized by Act of Congress in 1939. Excavations for larger locks at Gatun and at Miraflores are complete, and the channel across the mountains of Panama is now five hundred feet wide. The Terminal Lake-Third Locks Plan will eliminate the bottle neck Pedro Miguel Locks and raise the level of Miraflores Lake to the summit level to permit continuous operation of the Miraflores locks when the trans-mountain channel is closed by fog in Culebra Pass.

Completion of the larger locks is authorized under the existing treaty and does not require a new treaty with Panama. A new sea-level canal proposed by Secretary of State Christian Herter as a pretext for negotiating a new treaty is not a viable alternative. The unstable geological formation on the continental divide in Panama, the very heavy rainfall and frequent flash floods cause landslides which preclude the success of any sea-level canal across the Isthmus of Panama.

For these reasons it was a serious mistake for the Administration to reopen negotiations with Panama for a new canal treaty.

In 1917 Lenin promulgated a plan to divide North and South America by seizing beach heads in Guatemala, Cuba and Panama. Secretary of State John Foster Dulles successfully invoked the Monroe Doctrine in the case of Guatemala and secured adoption of a resolution by the Organization of American States at the Tenth Inter-American Conference at Caracas:

"The domination or control of the political institutions of any American State by the international communist movement—would constitute a threat to the sovereignty and independence of the American States, endangering the peace of America."

In 1956 when Egypt nationalized the Suez Canal, Secretary Dulles pointed out that the Suez Canal was built by a private company with a 99-year franchise, but the Panama Canal was built by the United States Government in territory ceded to and owned by the United States in fee simple. Dulles warned all members of the foreign service that any attempt to equate the two would result in dismissal from the service of the United States.

Secretary of State Herter failed to invoke the Monroe Doctrine when Fidel Castro seized power in Cuba. In supporting Castro, Nikita Khruschev proclaimed, "The Monroe Doctrine is dead," and he buried it by establishing a Soviet nuclear missile base in the Caribbean. Now Soviet nuclear missile submarines prowl the Caribbean Sea and patrol both the Atlantic and Pacific coasts of the North American continent.

Secretary Herter also persuaded President Eisenhower to fly the flag of Panama in the U.S. Zone as visual recognition of the "titular sovereignty" of Panama over the U.S. Zone. Responding to the Castro inspired riots of January 1964, President Lyndon Johnson made the last correct statement of U.S. canal policy when he announced to the press:

"The United States cannot allow the security of the Panama Canal to be imperiled. We have a recognized obligation to operate the canal efficiently and securely, and we intend to honor that obligation in the interests of all who depend on it."

FOOTNOTES

[1] Article III, Isthmian Canal Convention of 1903.

[2] John Bassett Moore, Digest of International Law, III, 2 (US).

[3] Miles P. DuVal, Jr. *Cadiz to Cathay*, p. 170.

[4] Dwight Carroll Miner, The Fight for the Panama Route, p. 170.

[5] Wilson v Shaw, 204 U.S. 24.

[6] Theodore Roosevelt, Autobiography, p. 553.

[7] Ralph E. Avery, p. 213-6. Greatest Engineering Feat in the World, Panama.

[8] House Document 474, 89th Congress, 2d Session, p. 129.

[9] [10] House Document 474, 89th Congress, 2d Session p. 26 & 136.

[11] *Ibid.*, p. 138.4. *Ibid.*, p. 138.

THE NEW IS THE OLDEST

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. NEAL. Mr. Speaker, on several occasions I have described the New River of North Carolina, Virginia, and West Virginia as the oldest river in the Western Hemisphere and perhaps second only to the Nile as the oldest river in the world. Many of my colleagues have asked for evidence to support that claim. Drawing from published data, I have prepared the following account.

A good place to begin is with a statement by Dr. Raymond E. Janssen, emeritus professor of geology at Marshall University. Dr. Janssen said:

> There is no question that the New is one of the oldest rivers in the world. It could be the oldest. I can't say it's older than The Nile, because I don't know how old The Nile is.

The New River, he declares, is more than 100 million years old. The New formed the headwaters of the mighty Teays River, which once drained all of eastern America. That was in the days of the dinosaur—before the upheaval which formed the Appalachian Mountains and before the ice age which changed the flow of most of North America's rivers. With few exceptions, they now drain southward. The New River, following its ancient course, flows north and northwestward.

The Teays River had its origin in the ancestral Appalachian Mountains. In its entirety, the Teays drained essentially the same territories as those now drained by the Ohio and Mississippi systems—from the Appalachians to the Great Plains, and from the Great Lakes to the Gulf of Mexico. The Teays was more than 1,000 miles long. It extended from North Carolina northwestward across Virginia, West Virginia, Ohio, Indiana and Illinois. There it turned southward toward St. Louis to enter a northern arm of the Gulf of Mexico, which then extended up the present Mississippi Valley as far as southern Illinois.

When the great glaciers of the last ice age moved from Canada into the United States, they penetrated as far south as lower Illinois. In so doing, they moved ice over the lower—northern—half of the Teays River—from Chillicothe, Ohio, to its mouth below St. Louis—burying it beneath the ice sheet and filling its valley complete with sand, gravel and other glacial debris. The upper—southern—half of the Teays—from Chillicothe to the river's source in North Carolina—remained outside the boundaries of the ice sheet and continued to flow down toward the great glacier. The front of the great glacier produced a dam across the river's path, converting part of the stream into a long, narrow lake.

The northwestern end of the lake was held in position by the great glacier, blocking the river at a point in Ohio. From there the lake waters extended southeastward to the Ohio-Kentucky boundary and across at least half of West Virginia. Geological evidence of the lake's existence consists of sedimentary deposits laid down on the lake bottom. Those deposits remain throughout much of the territory that had been flooded by the lake waters.

The ancient Teays River had its source in the same general region as does the New River—in the ancestral Appalachians, a vastly higher system than the present ranges. These original mountains were eroded to an almost level plain during the Mesozoic era. The Teays River was one of the streams that helped grind them down. In the court of time this plain was elevated to a high plateau, marked in the east by the present-day Blue Ridge. It sloped westward toward the sea which covered the lowlands of the present Mississippi basin.

These physical changes did not destroy the Teays River. Instead, it was carried upward by the rising lands. The steepened gradient gave the stream additional power and allowed it to cut through the upraised rock layers. Hence it entrenched itself into the bedrock, retaining the course it had previously developed on the low, flat plain. Evidence of this can be seen today in the gorge of the New River. The deep canyon, with its winding course and steeply rising walls, marks the extent of the river's erosion since the uplift.

While the Teays River was in existence as the master stream of the East-Central United States, it helped carve the landscape of a large part of the continent. The amount of sediment it eroded and poured into the sea was tremendous. This sea was the longer former arm of the Gulf of Mexico, extending from New Orleans to southern Illinois. This sea has now been filled, the great delta deposits jutting far beyond New Orleans. This delta has been attributed to the Mississippi River, but actually the lower portion of the Mississippi south of Illinois has been in existence for a relatively brief time in comparison with the former Teays. The greater bulk of the delta was built by the Teays. Only the later portions were added by the Mississippi.

During the time that the lower half of the Teays River was covered by the glacier, the stage was set for changes in river drainage that were to occur when the great glacier melted. The impounded lake waters overflowed near the site of Portsmouth, Ohio. They escaped toward the site of Cincinnati and onward to the Gulf of Mexico. The constant outflow of water along this route established the lower portion of what is now the Ohio River.

The great glacier also reversed the flow of the Allegheny and Monongahela Rivers, which previously had flowed northward to join the St. Lawrence River. They were forced to join at the site of Pittsburgh and flow southwestward, bringing into being the upper portion of the Ohio. The Teays valley itself, between the present sites of Huntington and Portsmouth, became the central portion of the Ohio River.

Meanwhile, as the glacial ice receded and the Ohio River became established, Teays Lake gradually drained away, but the Teays River downstream from the present site of Nitro, W. Va., did not return to its former valley. Its headwaters—from Watagua County, N.C., to Nitro—remained to become what we now call the New and Kanawha Rivers. But at Nitro these waters found a lower route toward the present site of Point Pleasant, W. Va., establishing the lower course of the Kanawha and causing it to become a tributary of the newly formed Ohio River. Two portions of the Teays Valley—the parts between Nitro and Huntington in West Virginia and between Portsmouth and Chillicothe in Ohio—were left abandoned. They are occupied today by smaller local streams which became established after the ice age. The whole lower portion of the Teays Valley below Chillicothe and across Indiana and Illinois was filled with debris. Therefore, no surface valley remained to be reoccupied by a river after the glacier melted away.

A million years have passed since the glacial ice first spread southward into the United States and on across the valley of the Teays. During their time the ice sheets completely changed the face of the land over which they moved. They established the Great Lakes. They destroyed and buried beneath a glacial drift a once great river system. Their meltwaters built a new system, that of the present Ohio, and they converted a relatively minor tributary into a mighty new master stream, the modern Mississippi.

In spite of these far-reaching changes, the New River portion of the Teays system remains today. Its age is reckoned by dating fossils of animals found along the river valley. Some of the fossils are of animals which existed only during prehistoric times. Also, scientists have made radioactive analyses of minerals found in Blue Ridge rocks. Some of the rocks date to 500 million and 1 billion years.

Dr. Janssen says the New River has to be younger than the youngest rocks it cut through, and the youngest rocks along the New are at least 100 million years old.

That, Mr. Speaker, is the geological story of the New River. I have in my possession a geological map of the ancient Teays River system. The map cannot be reproduced in the RECORD, but I will be glad to share it with my colleagues upon request.

THOSE "SAFE" GUNS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. EDWARDS of California. Mr. Speaker, as the House Judiciary Subcommittee on Crime completes its extensive hearings on gun control legislation, I thought the following editorial, which recently appeared in the San Jose Mercury, to be well worth sharing with my colleagues, both on the subcommittee and in the full House.

As the writer so well points out, the statistics clearly show the compelling need for more extensive gun control legislation. Rather than protecting individuals from harm, the private ownership of handguns poses an increasingly dangerous threat to personal safety. Mr. Speaker, I commend the chairman of the Subcommittee on Crime, the Honorable JOHN CONYERS, for his efforts to develop responsible gun control legislation and call on my colleagues to join me in supporting his efforts.

The article follows:

THOSE "SAFE" GUNS

Americans may or may not be inherently more violent than other peoples, but they are surely better armed, and it is hardly improper to question the cost of that distinction.

It is estimated there are 210 million privately-owned firearms in the United States, or roughly one for every man, woman and child in the country. Of this number, about 40 million are handguns, or one for every fifth American.

If, as the advocates of gun ownership contend, these weapons contribute materially to the safety of the community, the statistics fail to substantiate it.

For example, more Americans were murdered from 1970 through 1974 than were killed during the entire Vietnam war. In San Jose alone, 36 murders have been recorded this year to date, an all-time record, and the year still has three months to go. It is possibly worth noting in passing, that San Jose's rate of major crimes is increasing at twice the national average, and homicides are in the vanguard.

It is hardly coincidental that two thirds of all murders in the United States are committed with guns and 92 per cent of these with handguns.

Nationwide about 10,000 persons are killed with handguns each year, and it is estimated that 1 in every 10,000 Americans will be murdered in 1975.

That being the case, it seems fair enough to ask: Where is all the law and order, all the personal protection and all the secure peace of mind those 210 million privately-owned firearms are supposed to be buying the American people?

If the country is so safe because it is so well-armed, why is President Ford asking for 150 new Secret Service agents, bringing that force to 1,500 men?

If guns are so indispensible to personal safety, why are there four gun accidents in the home for every intruder captured by a pistol-packing homeowner, and why do the New York police report that gun-carrying shopkeepers are more likely to be shot than the armed robber who holds them up?

In the absence of convincing answers to these questions, it makes more sense to advocate a total ban on the private ownership of handguns. The sooner the nation's mammoth reservoir of handguns is dried up, the sooner the incidence of gun-related crime will begin to diminish, and the sooner Americans will have an opportunity to judge how violent they really are.

If they continue to kill each other as frequently and in as great numbers with tire irons and ice picks as they do with handguns, the firearms advocates will begin to seem more credible. For now, their arguments are full of bullet holes.

BLACK VOTING POWER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. RANGEL. Mr. Speaker, while I am sure we are all familiar with the overwhelming significance of voting strength, I would like to share with my colleagues a a most inspiring though in many ways enraging article which recently appeared in Focus, a monthly publication put out by the Joint Center for Political Studies.

The article illustrates the positive transition that occurs when our citizenry elects to exercise its voting rights. The setting is a southern locality with a history of racial strife and political apathy. However, because of the series of disruptions and abuses suffered by the black citizens of Orangeburg, S.C., a coalition was formed to fight the injustices which were becoming a way of life for those involved. Consciousness raising, voting registration drives, and other strategic techniques precipitated what is now a powerful black voting block in that community. Once again, the acquisition of voting power has served a most useful purpose in that is has given recognition and a voice to a neglected segment of the population.

Herewith, I submit, "What Happens When Blacks Gain Strength":

WHAT HAPPENS WHEN BLACKS GAIN STRENGTH

(By Henry Eichel)

ORANGEBURG, S.C.—This is the town where 10 years ago dozens of blacks and Northern white youths who were helping them register to vote were dragged by police out of the courthouse and penned up in the county stockade.

This is the town where seven years ago four black college students were shot and killed by state highway patrolmen during protests over a segregated bowling alley.

This is where you can still see in the courthouse foyer a plaque to the county's World War I dead that lists blacks separately at the bottom.

But recently it was the place where eight blacks sat on a 12-member jury and watched a black assistant prosecutor cross-examine a white sheriff's deputy on trial in the death of a black man.

Though the deputy, Clark Ryder, was acquitted—the special prosecutors brought in from Columbia never thought they had a strong case against him in the first place—the consensus around town is that the white local solicitor who was involved in the shooting is dead politically.

"He's alienated the black vote," said one of Solicitor Norman Fogle's close friends, "and no politician in the county can get elected without it."

Solicitor Fogle refuses to comment about any aspect of the killing or its implications, but it was learned recently that after the killing he began trying to hire a black investigator for his office.

The trial that resulted from the death of 23-year-old Emanuel Fogle (no relation to the solicitor) on May 10 points out just how far black political power has evolved in a rural Deep South community where the old traditions lingered longer than in most places.

In the 10 years since the voter registration drives that raised white tempers and resulted in sit-ins by blacks in the courthouse, blacks now amount to 50 per cent of Orangeburg County's 13,000 voters.

Orangeburg NAACP President Oscar Butler, who coordinated much of the black protest over the shooting, said that blacks now have the leverage to force action. After hundreds of years of political impotence, Butler said, blacks are determined to use their influence.

"There's not going to be any more, "We'll listen to your promises and wait while you do something,' "Butler said "Now, we want to know when."

Already, the state NAACP is cranking up protests over three other incidents, in Conway, Moncks Corner and Greenwood, where blacks have been shot by white lawmen since May.

Marches and selective buying campaigns are being planned in Greenwood, and the NAACP in pushing Gov. Jim Edwards for a meeting with law enforcement agencies in the state.

Basically what happened in Orangeburg on May 10 was that the solicitor and the deputy had Emanuel Fogle, whom they had been chasing for drunk driving and auto theft, trapped in a ditch concealed by an almost impenetrable hedgerow.

Shooting broke out and Emanuel Fogle, who apparently had no weapon, was hit once in the back just below the neck and killed instantly.

The solicitor and the deputy said they thought the man was armed, and Ryder said a shot rang out from the direction of the ditch immediately after he ordered Emanuel Fogle to surrender and the man cursed him. Ryder said he couldn't see the man when he shot at him.

But blacks in Orangeburg didn't believe the story, and they began applying pressure.

Sheriff Vance Boone said he suspended Ryder soon after the shooting as a matter of routine, but Orangeburg sources say the sheriff acted only after blacks put in telephone calls to the governor's office and the state attorney general.

A local coroner's inquest cleared Ryder of wrongdoing, but Attorney General Daniel McLeod, who received heavy black support in Orangeburg County during his 1974 reelection campaign, appointed Columbia Solicitor James Anders as special prosecutor to investigate the case.

With Anders came his assistant, Dorothy Manigault, the only black prosecutor in South Carolina. It was privately acknowledged by all parties in the case that McLeod had thought of her when he appointed Anders to investigate.

South Carolina Supreme Court Chief Justice Joseph Moss set a special term of Circuit Court to consider the case, which resulted in a grand jury indictment.

Ryder's acquittal drew fire from Isaac Williams, South Carolina field director of the NAACP, who said it gives "license to lawmen to gun down black people at will."

But Anders' staff knew in advance they probably didn't have the evidence to convict Ryder, and during the trial their key witnesses began contradicting each other's testimony.

Whites and blacks in Orangeburg County were saying even before the verdict, however, that the trial itself was evidence of the growing political power of blacks.

"If this had happened 10 years ago," said one influential white politician, "it never would have gotten this far. Oh, you might have had some sort of trial, but you wouldn't have seen them going after it as thoroughly as they have."

And one of Orangeburg's key black leaders, who asked for anonymity because he feared other blacks might misunderstand and think he was compromising, said, "We've accomplished something—win, lose, or draw. It's something we can use for a rallying point."

A TRIBUTE TO CASIMIR PULASKI

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. CARNEY of Ohio. Mr. Speaker, the life of Casimir Pulaski is a symbol—a symbol of the spirit of the great men from around the world who came to the aid of the Thirteen Colonies in their struggle for independence. Pulaski is the embodiment of the universal man. His devotion to the ageless ideals of life, liberty, and the pursuit of happiness have overshadowed his place in time, and that is why we accord him this tribute today.

First and foremost, Casimir Pulaski was a great Polish patriot. He led the Confederation of Bar, a Polish nationalist rebellion, against foreign domination. Foreign adventurers and Polish supporters of the status quo eventually overwhelmed Pulaski and his supporters. Nonetheless, Pulaski's determination and patriotism earned him recognition as a man of great imagination, conscience, and democratic spirit.

Aware of the impending American Revolution, Pulaski resolved to bring his military skill and experiences in battle to the aid of the democratic cause. Upon his arrival in the New World, Pulaski immediately fought alongside General Washington's troops at Brandywine. His distinguished service in the early years of the Revolutionary War earned him the rank of brigadier general in Washington's army. He later took command of the Colonial Cavalry against the British forces in the southern colonies. His loyalty to his troops matched his courage when he took responsibility for acquiring badly needed provisions to feed the starving men at Valley Forge. For Pulaski, dedication to America's cause was in itself a reward, regardless of whether such dedication be in battle or in assistance to his fellow patriots.

Casimir Pulaski's final act of courage came at the Battle of Savannah. As the British fired from the fortified city, Pulaski volunteered to charge through their line of defense, enter the city of Savannah, and confuse the enemy. His untimely death at the head of this famous cavalry charge underscored his dedication to the ideals for which the colonists fought. His example of sacrifice and devotion to our Nation's cause is a model of patriotism for all times.

Pulaski once wrote to General Washington that he wanted the opportunity to prove his devotion to the American cause. In a similar letter to Col. R. H. Lee in 1778, he wrote that—

> Honor and a true desire of distinguishing myself in defense of liberty was the only motive which fired my breast for the cause of the United States.

By commemorating the accomplishments of Casimir Pulaski today, we reaffirm this desire of one of our great ancestors. The memory of Pulaski renews our spirit with the example of his lifelong commitment to equality and justice in a free land. Polish Americans especially sense the significance of his life's story, celebrating Pulaski Day as a fitting reminder of the Polish contribution to the founding of our country.

America has been blessed with great men of monumental character. Pulaski displayed the necessary qualities of leadership—dedication, loyalty, and courage. It is difficult to fully comprehend the tremendous obstacles Pulaski faced in the New World. He spoke no English, nor had time to familiarize himself with the wooded country over which he led his troops to battle. Yet, he gave his life in an attempt to transform democratic ideals into reality in America. His noble character was his greatest attribute, and it was an invaluable asset to the two countries for which he devoted his life. Today we can do no less than remember the history that Casimir Pulaski helped to make, and recognize the importance of individual endeavor to the American experience.

It is with pride and great pleasure that I join Americans of Polish descent in celebrating Pulaski Day, 1975.

SALUTE TO WILLIAM E. CASSELMAN II

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. McCLORY. Mr. Speaker, one of the most highly respected and valuable members of President Ford's administration team has been William E. Casselman II who has served as legal counsel to the Vice President and as Counsel to the President for the past 2 years. The announcement of Bill Casselman's retirement from public service to enter the private practice of law in Washington, D.C., is an event of particular interest to me and to Members of this body who have had occasion to observe Bill's career in Washington since 1965.

Following his earlier years in Bannockburn, Ill., located in what was then my congressional district, Bill was educated in the Illinois public schools and later at Claremont Men's College in California. He received his J.D. degree from George Washington University Law School in 1968.

Mr. Speaker, while Bill Casselman

ended his distinguished public service as counsel to the President, his first 5 years in Washington were in my office as my legislative assistant. During those 5 years, he gained the respect of counsel for various congressional committees, while at the same time he impressed many in the executive branch with his conscientious and painstaking work in behalf of constructive legislative measures. In this behalf, I regard myself as the principal beneficiary, since, in reflecting my views, Bill Casselman was both constructive and precise.

Following the 1968 elections, Bill Casselman moved to the White House where he served as Deputy Special Assistant to the President for Congressional Relations—a post which brought him in close contact with many Members of this body.

From 1971 to 1973, Bill Casselman served as General Counsel of the General Services Administration. In December 1973, he became legal counsel to Vice President Ford, and when Vice President Ford became President Ford, Bill moved to the White House as counsel.

In addition to my acquaintanceship with Bill Casselman as a lawyer and legislative assistant, I have known him and his family personally for many years. Bill's mother and father, Bill Sr. and Lucy, are long-time friends, and I knew Bill's wife, the former Caroline Murfitt of Weston, Mass., several years before she and Bill were married.

Mr. Speaker, the career of Bill Casselman has been marked by extraordinary success—resulting from hard work, long hours, and a tenacious application to the job at hand.

In receiving his letter of resignation, the President expressed "real regret" at Bill's decision. Many of us may have wished that the decision to leave Government had not indeed been made. However, as the exchange of letters between the President and Bill indicates, the decision to return to private life could no longer be postponed. These letters are as follows:

COUNSEL TO THE PRESIDENT

Exchange of Letters Between the President and William E. Casselman II Upon Mr. Casselman's Resignation. August 8, 1975.

DEAR BILL: In accepting with real regret your decision to leave government, effective September 19, 1975, fully understanding your reasons, I cannot let this anniversary pass without expressing my deep gratitude to you for your loyalty and dedicated service as Counsel both as Vice President and President.

We have been through some tough times together. I have been fortunate to have your advice, assistance and unstinting effort for almost two eventful years. You can be proud of your fine contributions not only to my administration but throughout your career in government extending back to our first association in the House of Representatives.

As a fellow lawyer who reveres the law as the bulwark of all liberties, I wish you great success in the practice of our profession. More personally, let me thank you for your kind and generous observations about the first year of my conduct of the Presidential office and extend, on behalf of Mrs. Ford and myself, warm good wishes to Caroline and you.

Sincerely,

JERRY FORD.

[The Honorable William E. Casselman II, The White House, Washington, D.C. 20500]

DEAR MR. PRESIDENT: Since December 10, 1973, it has been my privilege to serve you both as Legal Counsel to the Vice President and as Counsel to the President. There is no greater responsibility or higher honor that can be afforded a lawyer in government, and I am immensely grateful for the opportunities for public service which you have given me. However, as we discussed recently, obligations to my family make it necessary that I submit my resignation, effective September 19, 1975.

In parting, may I take this occasion to congratulate you on the successful completion of the first year of your Administration. This historic period, which began under such sad and difficult circumstances, is closing with a renewed sense of hope and confidence by the American people in their institutions of law and government. Your leadership, backed by courage, understanding, and integrity, has set the Nation on a recovery course of tranquility and prosperity at home and sound relations abroad.

I am proud to have shared in a small way in the accomplishments of your Administration, and I sincerely regret the necessity of leaving. Nevertheless, with the work on behalf of the Special Prosecutor, conducted under my direction in its final stages, and with several other projects nearing their conclusion, the time seems especially appropriate for my return to private life. After ten and one-half years in the Federal government, I intend to enter the private practice of law—a decision which I have often postponed and can no longer delay.

I want to thank you for the many kindness, professional and personal, which you have shown to me and my family over the years. Beginning with your election as Minority Leader, I have always treasured our association and will sorely miss it. Of course, in my private capacity, I remain ready to assist you in any way you deem appropriate.

With deepest appreciation and warmest personal regards to you and your family,

Sincerely,

WILLIAM E. CASSELMAN II,
Counsel to the President.

NOTE: The exchange of letters was made available by the White House Press Office. It was not issued in the form of a White House press release.

Mr. Speaker, I know that many of my colleagues will want to join with me in expressing to Bill Casselman our appreciation for his public service—and in extending our good wishes as he enters a promising career in the practice of law in Washington, D.C.

THE DOUBLE TENTH

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. SYMMS. Mr. Speaker, to freedom loving people throughout the world and free Chinese in particular, the 10th day of October—"The Double Tenth"—is a day of great celebration. October 10, 1975, is the 64th anniversary of the founding of the Republic of China.

"The Double Tenth" links all free Chinese with their ancestry and their heritage, as well as reminds them of the ideals of liberty and freedom that led Dr. Sun Yat-Sen in building the Republic of China.

My colleagues and I salute the people and leadership of the Republic of Chino on their 64th anniversary:

THE 64TH ANNIVERSARY

On behalf of the freedom-loving people of America, we salute the people of the Republic of China on the 64th anniversary of the founding of their great Republic.

To the Chinese, the tenth day of October—"The Double Tenth"—is an occasion of great joy, linking them with their ancestry and heritage, and serving to remind them of the ideals of liberty and freedom which gave birth to their nation under the leadership of Dr. Sun Yat-sen.

To Free Chinese in all lands; to our great allies of the Republic of China; to President C. K. Yen; to Premier Chiang Ching-kuo, and to the beloved Mrs. Chiang Kai-shek, we offer our most sincere congratulations and our pledge of continued partnership, friendship, and cooperation throughout the decades to come.

LIST OF COLLEAGUES

Edward J. Derwinski, Del Clawson, John H. Rousselot, Charles E. Grassley, Tennyson Guyer, Edwin B. Forsythe, Steven D. Symms, Larry McDonald, Robert E. Bauman, Thomas N. Kindness, William F. Goodling, and W. Henson Moore.

Robert H. Michel, John B. Anderson, Shirley N. Pettis, John H. Dent, Henry J. Hyde, C. W. Bill Young, Goodloe E. Byron, Charles E. Wiggins, Manuel Lujan, Jr., Elwood Hillis, Richard T. Schulze, Sam Steiger, James Abdnor, Joel Pritchard, Alan Steelman, John B. Breaux, Otto E. Passman, Carlos J. Moorhead, Robert C. McEwen, Tom Hagedorn, Robert J. Lagomarsino, and Harold Runnels.

Omar Burleson, David E. Satterfield, III, Chalmers P. Wylie, Virginia Smith, John Y. McCollister, John M. Ashbrook, Jack F. Kemp, Don Young, William L. Dickinson, Larry Winn, Jr., John T. Myers, Joe D. Waggonner, G. V. Montgomery, James T. Broyhill, Philip M. Crane, William Wampler, Robert W. Daniel, Jr., J. William Stanton, Don H. Clausen, Tom Railsback, James H. Quillen, M. Caldwell Butler, Dawson Mathis, and Marjorie S. Holt.

TAX JUSTICE FOR ALL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. ROSENTHAL. Mr. Speaker, I enthusiastically join 24 of my colleagues in introducing the Tax Justice Act of 1975. This legislation represents a giant stride toward a more equitable distribution of our national income tax burden. It is a long overdue effort to rectify what is perhaps the most vexing source of alienation of Americans from their Government: the monumentally unfair tax structure which places an inordinate hardship on those who can least afford to bear it.

The concept of tax reform is one which has been passed around for several years now but has received little more than rhetorical flourishes to date from the full Congress. Tax expenditures, sometimes referred to as loopholes, drain an estimated $100 billion from our tax base. These are often to the exclusive benefit of very wealthy taxpayers; or simply not effective enough as incentives to justify their continuation in view of the huge revenue losses they engender.

Even loopholes which are available to low and moderate income taxpayers end up benefiting the rich disproportionately. For example, the deductions allowed for mortgage interest and property taxes, while providing a measure of relief for all homeowners, resulting in granting high bracket taxpayers up to five times as much advantage dollar for dollar as the less well to do. There is no limit placed on the size or value of the home nor on the number of homes for which a taxpayer is eligible for such relief.

The net result of this formulation is that nearly two-thirds of this loophole—considered one of the most significant for the mass of taxpayers—is reserved for upper-income tax writeoffs. A fixed tax credit for such homeowner-related expenses would redress this imbalance in favor of those who most need the tax break, while increasing the incentive and thus further aiding the construction industry.

The tax code abounds with similar examples of this sort of inequity, as well as outright giveaways to the corporations and wealthy.

This bill will eliminate many of these welfare programs for the privileged while redistributing much of the additional revenue garnered to the average taxpayer. It is a highly responsible fiscal measure because it will increase Federal revenues by cutting wasteful provisions from the code while providing consumers with additional money to stimulate the economy. Squeezed by high unemployment and a rising cost of living, middle and working class Americans deserve relief beyond the temporary rebates enacted earlier this year—even if they are extended through next year.

Those who are now arguing that additional cuts in corporate taxes are necessary for capital formation ignore the basic economic fact that industry is now operating far below capacity because of a lack of consumer demand. Excess and idle capital is our chief concern, not the accumulation of more capital. Additionally, when the economy revives fully, there is little reason to believe that it will not generate internally the profits needed for investment and capital growth in a capitalist system.

The American tax structure has been likened to that of France in 1788 in the magnitude of its abuses. The voluntary nature of tax collection, relying on citizen acquiescence and participation, risks collapse as growing numbers of Americans realize with increasing bitterness that progressive income taxation is a myth. I urge speedy enactment of this legislation to avert a wholesale taxpayer revolt, restore faith in the processes of Government, boost the economy back onto the road to complete recovery and inject equity into our tax collection system.

CONYERS TAKES EXCEPTION TO THE PRESIDENT'S STATE OF THE ECONOMY ADDRESS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. CONYERS. Mr. Speaker, President Ford in his October 6 address to the Nation on the state of the economy laid the blame for inflation principally on Federal spending. America's inflation, Mr. Ford stated, is "made in Washington, D.C."

It is fashionable nowadays for politicians to assert that what we need is less rather than more Government. In the aftermath of Vietnam and Watergate the pervasive disenchantment with Government is understandable. Yet political expediency should not be passed off as economic analysis. The President's assumptions about the roots of inflation are not merely simplistic but dangerous insofar as they barely mask old-fashioned conservative economic ideology that has discredited itself long ago. He even outdid his predecessor in eschewing Keynesian economics, casting government spending as ruinous to the economy.

In explaining the origins of inflation Mr. Ford failed to discuss those factors that probably account for most of its variance the past few years and that have little to do with the economic stimulus of Government spending:

First. Commodity—food and fuel—market inflation which his predecessor had a hand in aggravating by selling too much grain to the Soviet Union;

Second. Military spending which particularly during the Vietnam war created material shortages in the economy and which diminishes the number of productive jobs;

Third. The pigheaded and misguided economic notions of Government economists which have led to tight money, economic stagnation, unconscionable unemployment levels, the loss of Government revenues, scarcities and higher prices;

Fourth. Oligopolistic and monopolistic industries that administer prices upward regardless of levels of demand;

Fifth. The multinationals which in their drive for control over the global as well as the national economy have exported capital overseas at the cost of underinvestment, diminished productivity and joblessness at home;

Sixth. The lack of national economic planning which years ago could have averted the fuel crisis by generating alternative energy technologies and sources; and, finally,

Seventh. The inflationary psychology which, again, his predecessor fostered in the way he handled wage-and-price controls.

Mr. Ford would have been more accurate if he had instead laid the blame for inflation on the doorsteps of the corporate world, Wall Street, the Pentagon, the Federal Reserve Bank and, of course, OPEC.

As deficient as his economic analysis is, the President's economic priorities are even worse. His analysis of the economy was offered as if this country were not experiencing the worst unemployment since the Great Depression. His remedy for unemployment is the old trickle-down notion—give big business a free hand and maybe in several years or so millions of new jobs will appear. But this did not happen in the last four recessions, which were milder than the present one, employing the same inadequate techniques.

The President's ideas about Federal spending and big government are politically convenient. They become morally objectionable when we consider which groups in our society will be affected most by budget cuts. Working people and the poor once again are called upon to pay the price for the ineptitude, calculated inequities and immorality of past Government policies. Favoritism toward big business, the privileges of the well-to-do, and the entrenched centers of economic and political power will be perpetuated.

Mr. Ford stated that "spending discipline must be applied across the board. It cannot be isolated to one area, such as social programs." Who is he fooling? If his 39 vetoes are any guide to his future actions, we may expect him to continue to hack away at social programs regardless of their merit and at the same time look the other way when the incredible waste in military programs is exposed. Any President who can veto school lunch programs, jobs to the unemployed who need and want to work, and education bills cannot be counted on to be even-handed in cutting Federal spending. He wants the budget cut by $28 billion and it does not occur to him it is the height of irresponsibility in not identifying his priorities openly. Cut, cut, and cut and let the chips fall where they may. Is that the best we can do?

I concur with the growing number of economists not tied down by the old trade-off notions that there is a better way to lick inflation and unemployment—and that is to get people back to work; break up concentrations of economic power; pare down the military to civilized proportions; and replace the current economic advisers and administrators with economists who have both a better grasp and deeper conscience.

WORLD FOOD CRISIS SYMPOSIUM—VII—AGRONOMY AND PLANT PATHOLOGY AT UNIVERSITY OF KENTUCKY

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. BRECKINRIDGE. Mr. Speaker, the research that is performed at our land-grant institutions is a major reason that our Nation enjoys such a productive agriculture. New methods and techniques are continuously being discovered at our land-grant colleges.

A highlight of the World Food Crisis Symposium at the University of Kentucky—UK—April 1 and 2 was an enlightening discussion of the work being done at UK. The type of work described will be encouraged both at home and abroad by final passage of H.R. 9005, passed by the House on September 10, which incorporates the Findley amendment to strengthen the role of the Nation's land-grant and similar universities in the effort to increase agricultural production in developing countries.

At the symposium, Dr. Jack Hiatt, chairman of the agronomy department, and Dr. Stephen Diachun, chairman of the plant pathology department, discussed the research that their departments are conducting. I include their comments in the RECORD:

Dr. HIATT: Our charge is to discuss the role that our research plays in world food production. I don't think there would be enough time in any panel like this to go into detail about specifics of the significance of our research contributions but I am sure that the members of the panel will give some examples of their research programs that do contribute to world food production.

It is difficult to realistically evaluate the real impact of research findings. Research spans a broad range of experiments from the most detailed cell reactions to field experiments. At the time they are conducted it is difficult to say which is the most important because they are all a part of a broad range of continuing research that progresses in stages. Research in agricultural production rarely results in major breakthroughs that might attract the news media. It usually comes in small increments—2% here, 3% there, etc. Over a period of years, however, these small increments do add up to a steady increase in crop production. These increments may arise from many different directions and many different sources. They may be due to solving a specific disease problem or a specific insect problem. They may be due to the development of a new, improved crop variety. They may be due to improved fertility practices, or management practices. They may be due to increased efficiency and utilization of machinery or perhaps a better understanding of the nutritional needs of animals. All of these add up, over time, to a steady increase in food production.

In looking back over the last 35 years, corn yields have increased about three-fold. The major increment in that increase was due to the development and acceptance of corn hybrids. We see two-fold increases in soybean and wheat production over the same period. Feed conversion efficiency in animals has increased at a similar rate. The state experiment stations across the country share a major credit for providing the technical knowledge to make these advances possible.

Agriculture is a complex system requiring an interdisciplinary approach. The Colleges of Agriculture and State Experiment Stations provide an interdisciplinary base for this kind of productive research. While our primary concern here at the University of Kentucky Agricultural Experiment Station is to provide research information for Kentucky agriculture, most of our research does have national and international applications. I represent the Agronomy Department and we have about 40 research scientists and more than 50 research projects.

I would like to discuss, in the limited time available, just one example of a research contribution which has state, national and international importance. This is the area of no-tillage crop production. The Department of Agronomy has been heavily involved in this research; however, almost every department in the College has made significant contributions to perfecting the practice of no-tillage crop production. No-tillage crop production is planting crops in previously unprepared soil by opening a trench or slit only of sufficient width to cover the seed. No other cultivation is done. The practice of cultivation is made unnecessary by the use of herbicides in controlling unwanted weeds and grasses.

This practice is spreading rapidly across the country and is attracting quite a bit of international interest. There are some real good reasons for this interest. First, the energy requirements for growing the crop are reduced by about 75%, soil erosion may be reduced more than 95%, much time is saved and soil moisture is saved by providing protection against drought. The savings of time had to obtain new information on planting cropping—that is, growing two crops on the same land in the same year. To make minimum tillage practical we had to solve many complex problems in the production of corn, soybeans and other crops by this system. First, the weed control research had to provide the herbicides to make it possible. We had to obtain new information on planting rates, management practices, etc. The agricultural engineers had to redesign the machinery, the entomologists were challenged with new insect management problems. Fertilizers react differently under these situations so we had to get more information on fertilization. Many, many problems similar to this had to be encountered and solved. Of course, we are still encountering problems and are still working toward solutions to make no-tillage a better practice and more broadly acceptable. The success of the development of no-tillage through our research is an outstanding example of a successful interdisciplinary approach to agricultural research. The importance of no-tillage may rank as one of the most outstanding advancements in agricultural research in recent years.

Without taking any further time I will introduce the next panel member, Dr. Steve Diachun. Dr. Diachun is professor and Chairman of the Department of Plant Pathology and, among other things, was recently named a Fellow of the American Phytopathological Society and just this year, was named Alumni Professor of the University of Kentucky.

Dr. DIACHUN: Thank you, Jack. Man's ability to survive was linked in early times with his ability to find food. Later his ability to survive was linked with his ability to produce food. Since the dawn of history, man's efforts to produce food have been harassed by devastation of numerous plant disease epidemics. Biblical references call our attention to blasts, blights and mildews. Ancient Romans so feared wheat rust that they devised a god of rust, Rubigus, and his goddess, Rubigo, which they sought to propitiate by the appropriate sacrifice.

The infamous late blight epidemic of the 1850's brought hunger, famine, starvation and death to hundreds of thousands of Irish families. In our times wheat rust, rice blast, banana wilt, coffee rust, and even corn southern leaf blight cause destruction of man's crops and bring hunger and financial misery in their wake. Even the promise of the so-called green revolution is being threatened in some places in the world by severe outbreaks of insects and plant disease epidemics. Now to plant pathologists this is an old lesson, learned and re-learned many times, and perhaps in a way not really even learned yet. The lesson is that new disease-resistant varieties which are produced by plant breeders and plant pathologists are often followed by the development of new virulent races of pathogens, (the micro-organisms that cause diseases in man's plants) and that innovations in crop production, such as early planting and crowding of plant and maybe even double cropping and no-til farming, may encourage minor pests and organisms to become major threats to the production of food.

It has been demonstrated time and again that resistance to a plant disease can be found in individual plants in mixed populations and that such resistance can often be bred into susceptible plants that are otherwise very desirable. This is an exceedingly useful technical process. For example, here in our College we have used it to develop Kenland red clover which is grown so widely throughout the red clover belt. It was developed as a variety resistant to a fungus disease, anthracnose. Now we are using a similar technique to develop a virus resistant line of Kenstar Red Clover.

Also we are testing varieties of corn for resistance to anthracnose and we will soon be testing populations of soybeans for resistance to several viruses. In my opinion, this technique will become explored more and more vigorously, especially as the public becomes more and more disenchanted with the use of pesticides which are widely used to control plant diseases. One of the relatively few ways we have of producing food for the people of the world is to mold our plants genetically to suit our needs. One of these needs is development of resistance in these populations. But, of course, we must do this wisely. That is easy to say but hard to do because most of us do not know what doing something wisely at the present time really means.

Quite recently, a somewhat related but different method of approach to control of plant diseases was proposed for producing sufficient supplies of food for the people of the world. Recently, Dr. Kuć, here in our laboratory, and others in other parts of the world, have demonstrated that protection, or resistance if you wish to use the term, against some fungus diseases can be induced in plants previously thought to be susceptible to these fungi. So far this is a more or less laboratory exercise, but this year Dr. Kuć has experiments planned to test the feasibility of induced resistance under field conditions.

We are excited about this, if we scientists are permitted the luxury of becoming excited about our work. It is possible that under certain circumstances at least plants may have unexpressed potentials for resistance to plant diseases—not a widely accepted viewpoint at the present time among professional plant pathologists—and that such plants can be manipulated to express their resistance potentials. Basically, Dr. Kuc innoculates small cucumber plants with a small amount of the pathogen Colletotrichum laginarium that seems to trigger some as yet unkown mechanism that induces resistance in the upper leaves to massive doses of the pathogen. This may resemble acquired immunity in plants and in humans which is so widely used. If so, this method may supplement our present methods in controlling plant diseases. It may offer even some new advantages over traditional plant breeding for two reasons.

First, there is always a difficulty in breeding disease resistant plants. There is always a difficulty to keep desirable traits as new resistant varieties are being developed. There is some feeling among some breeders that this is rarely if ever done—that is the maintaining of all the desirable traits without losing some of the good characteristics. Even so successful a breeder of resistant plants as Dr. Valleau, who worked many years ago in this college, felt that he could never find among all the selections from his crosses a burley tobacco plant as good as Ky. 16 and which also had resistance to mosaic which he was trying to incorporate into Ky. 16. So this is one potential advantage.

A second potential advantage is that it is very difficult in traditional breeding programs to keep out undesirable characteristics from the wild plants that are being crossed. Indeed there is some suspicion, it is not widely publicized but there is some suspicion, that in some cases undesirable or perhaps even toxic hybrid molecules may be formed when hybrid plants are produced. Dr. Kuc right now is on an invitation trip to England where he is discussing some of the aspects of his work.

So in the brief time allotted I'm really trying to present to you a reminder that if we are to achieve what humanitarilly we try to do—that is to produce adequate amounts of food and fiber for the people of the world—we must learn to produce plants efficiently. That basically is what agriculture is all about—efficient production of plants. Without insult to some of my colleagues in animal sciences, I will admit that also conversion of some of these plants to animal products is needed. What this means in part is that we must learn how to provide plants that can be adapted to the weather and to the pathogens that cause plant diseases. I am suggesting that there will be a stepped-up emphasis in breeding plants disease—resistant in susceptible plants and offering a new suggestion that there may be a possibility that we can accomplish new protection in plants by means of a sort of immunization process in selected specific plant diseases.

THE PROPOSED "SELF-DESTRUCT" AMENDMENT TO THE AGENCY FOR CONSUMER PROTECTION BILL (H.R. 7575)

HON. MAX S. BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. BAUCUS. Mr. Speaker, later this month, the House will vote on the creation of an Agency for Consumer Protection. Many of us feel that consumers are not adequately represented and that there is little hope that existing agencies can do the job. On the other hand, we view the creation of any new Federal agency with distaste.

I plan to offer an amendment that will make the Agency self-destruct after 7 years unless certain procedures and standards are followed to keep it alive. At that time, Congress will have an opportunity to reexamine the Agency's programs and determine whether they should be continued, modified, or abolished. This amendment does not eliminate all the problems I have with the legislation, but it does clearly tip the balance for me toward passage. I propose the following amendment:

AMENDMENT TO H.R. 7575, AS REPORTED

OFFERED BY MR. BAUCUS

Page 30, insert immediately after line 11 the following:

TERMINATION

SEC. 23. (a) This Act shall terminate on September 30, 1983, and the Agency for Consumer Protection shall be abolished as of such date.

(b) The President shall—

(1) commencing 2 years prior to the date of termination specified in subsection (a), conduct an investigation of the Agency's overall performance including, but not limited to, a study of the Agency's effectiveness in accomplishing its general purposes and promoting the general welfare;

(2) not later than 12 months prior to the termination date specified in subsection (a), make public and submit to each House of Congress a report on the findings of the investigation conducted pursuant to paragraph (1), such report to include a recommendation that the authority of this Act be extended, that the Agency be reorganized, or that the authority of this Act be allowed to lapse.

(c) The committees of the House and of the Senate having primary oversight responsibility with respect to the Agency shall, not later than 6 months prior to the termination date specified in subsection (a), conduct an inquiry into the performance and effectiveness of the Agency and make public a report of their findings, conclusions, and recommendations, including proposed legislation for such extension or reorganization of the Agency as they deem appropriate.

My amendment will insure that a potentially valuable experiment in consumer protection remains just that: an experiment. It may do little to sway those Members who are philosophically opposed to the bill, who oppose consumer protection generally, who have major objections to specific provisions, or who think that consumers can be adequately protected within the present administrative framework. It does, however, address the main concern of many proponents of consumer protection, who, like me, fear that good intentions can sometimes become rigidly codified into law and then calcified into entrenched, expensive, and frequently unresponsive bureaucracies.

With a "self-destruct" provision attached to the Consumer Protection Agency's charter, the risks involved in setting up a new agency are worth taking. Consumer interests may be best served by creating an agency that can command enough resources to act as an effective advocate. This agency's powers have been deliberately and carefully circumscribed. It will have no regulatory powers. That alone sets it apart from other Federal agencies. By representing consumer interests before other Federal agencies and courts, it may counterbalance at least a small part of the resources that the private sector brings to bear upon agencies that specialize in a particular industry's problems. By acting as an information gatherer, complaint clearinghouse and advocate, this new agency could become a model for public interest representation.

It could also become an administrative nightmare. These compelling new ideas may prove not so compelling in a few years. Even if the basic principles are good and the mechanics work out, the agency may itself become unresponsive to either congressional ploddings or to consumers. If that happens, we need more than the pro forma review provided by the appropriations process in section 20 of the present bill. This has not worked to curb other agencies in the past, much less terminate any. What we need is an agency with a finite organic act, such as the Federal Energy Administration Act of 1974 (93–275), coupled with the detailed review provisions that my amendment provides. The agency should have a complete, mandatory inspection every 7 years. If it passes inspection, it may need an overhaul; if it fails, it will be scrapped.

This agency could also serve as an example. All regulatory agencies and most executive agencies could eventually be forced to justify their existence without the security of automatic continuation. My amendment sets just such a precedent.

Some of my colleagues have strongly agreed with my desire to see all administrative agencies placed under better congressional control, but resist singling out the Consumer Protection Agency. I think that there is no better place to start than with an agency that is charged with idenifying the "consumer interest" and advocating that interest in novel ways. If this agency cannot be responsive to both a special interest and to the public interest, probably no agency can.

One problem with the debate over the proposed Consumer Protection Agency is that it has become polarized into strong "pros" and "antis." Each issue is seized as a debating tool rather than as a problem to be worked out. I hope that many of my colleagues who see the need for a consumer protection agency, but who have reservations about it, will take the opportunity to place their thoughts and suggestions into the RECORD before floor debate begins on the bill. Hopefully, we can work out the problems and pass a bill that will truly help consumers.

WHAT IT'S COME TO AFTER 200 YEARS

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mrs. SPELLMAN. Mr. Speaker, as we approach our Nation's Bicentennial, I want to take this opportunity to share with my colleagues a truly inspirational poem about the approaching celebration. Mr. Gurnie C. Hobbs of Bowie, Md., was kind enough to send me a copy of one of his poems. I hope that each Member will have the chance to read the poem, and perhaps reflect on its meaning.

The title of Mr. Hobb's poem is "What It's Come to After 200 Years." I think that such works serve as an inspiration to us all, and will help us to commemorate the Bicentennial in a most appropriate way.

The poem follows:

WHAT IT'S COME TO AFTER 200 YEARS

(By Gurnie Hobbs)

"True leadership's forgotten, a quality out of our past!"
"America, once the beautiful, is doomed to decay at last!"
"No longer anchored in the rock, unable to withstand the blast
Of punctilious Fortune." Critics in troubled knowledge cast
Their sanguine eyes about and watch to see her wither,
Depreciate, decline, anticipating each constricted breath—
Is this what it's come to after two hundred years?
"America has known better days!" Some even say her best.
"She's exhausting her resources in a wasteful, frightful test
Of Destiny." "From polluting and destroying she knows no rest."
"We regard one another with reproachful zest
For unconcern." Suspicious, careless, neither
Remembering God, nor heritage, nor patriots' death."
Has it really come to this after two hundred years?
No! No! The explorer's blood still courses through our veins,

The strong hearts of pilgrims and bondsmen with their chains
Still throb within us; and those who, afoot, in wagons and on trains
Opened up this mighty continent—her fields, her hills, her plains,
And majestic mountains—charted our course hither,
Thus far for full success, not for failure and eternal tears.
After two hundred years America's spirit blooms as yet not faded,
Youthful still and fresh, its vigorous hopes unjaded,
A beacon of hope and freedom throughout the world paraded,
Symbol of liberty, for tyranny and oppression traded.
It's people that made America great, nor would we doubt it either.
Her people will carry her further still, in spite of all her fears.
On tracks laid down by what we've learned from her first 200 years.

It was people, people, people; from everywhere they came,
From east and west, from north and south, downtrodden, lost or lame,
All yearning to taste the bread of freedom, to possess that glorious name,
American! American! No other was ever the same.
Bold men and women fashioned here, to strains of harp and zither,
A melange of nationalities, contributing each its peers,
In wisdom, strength and tolerance growing our first 200 years.

Our people moved through her forests, her mighty cities founded,
In town and village established homes, wherever love surrounded.
They cleared her land and tilled her fields in joy and sweat unbounded,
They scaled her peaks, her rivers bridged, crossed deserts unconfounded.
They carved her roads and laid her rails and with never a time to dither,
Endowed her with their own industry—of life the blood and breath.
That's why America has prospered so in her first 200 years.

America will surely thrive and move toward greater glory.
Those who love and cherish her will continue to write her story.
They've given sons and fathers to snatch victories from the hoary
Past. No defeat! We'll pay the price, whatever the category.
We always do! We'll learn more to trust and co-operate, neither
Accepting less than Destiny's fate. In glorious life, or heroic death.
We are hers and she is ours for her next two hundred years.

INTERNATIONAL TRADE NEGOTIATIONS AT CRITICAL STAGE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. BINGHAM. Mr. Speaker, the international trade negotiations in which the United States is participating under authority of the Trade Act of 1974 may be approaching a critical stage—probably the first of many in these difficult negotiations which are likely to extend over several years.

One reason for the impending crisis is the fact that a large number of "dumping" and countervailing duty cases are currently pending in the United States. In fact, more complaints have been filed in recent months and are now under consideration than ever before in the history of U.S. trade relations. These domestic cases and their outcome will inevitably affect the course of the international negotiations.

Mr. Speaker, the newsletter of the East-West Trade Council recently carried a thought-provoking analysis of the current international trade situation. It points out that the 1974 Trade Act authorizes the Secretary of the Treasury to waive U.S. countervailing duties, even where grounds for imposing them have been found in particular cases, until the current round of international trade negotiations are completed. The council urges the Secretary of the Treasury to utilize this authority and to waive any countervailing duties that may seem justified in the interests of keeping the negotiations going.

I believe Members will find this review of the international trade negotiations from the September 30, 1975, East-West Trade Council useful. The text follows:

U.S.—PROTECTIONIST OR LIBERAL TRADER?

U.S. foreign trade policy will not only directly affect the future role of East-west trade, but the economic stability of the world. Passage of the Trade Act of 1974, which became effective on January 3 of this year, was hailed by our Government as a step toward liberal trade. Shortly after the Trade Act was enacted, Secretary of Commerce Frederick B. Dent stated that it was "A balanced measure designed to serve the national interest and forward international accord. This legislation provides the practical means for reducing international and commercial irritants that, unattended, could impair the peace and security of the world. With the growing interdependence of the world economy, the Trade Act equips us with the tools to buttress this still unstable but developing system. It gives us a scaffolding on which to build better tomorrows. East-West detente is an example of that interdependence. . ."

Passage of the Trade Act afforded the U.S. its "entry tickets" into the current meaningful and most significant world trade negotiations presently in progress at Geneva. No one at the outset of the Trade Act, or at the commencement of the "Tokyo Round", contemplated that the job of negotiating liberal trade would be easy. Past negotiations such as the "Kennedy Round" proved that it is hard, frustrating work. Many, however, rely on the United States to be a pillar and a leader in seeking, through these international negotiations, a fair and open world marketplace. As Secretary Dent stated, "In all, the Trade Act of 1974 reaffirms our dedication to the principles and practices of fair and equitable trade. It confirms our resolve to retain our leadership role in this endeavor. Our goal remains the same: A just and lasting peace, a stronger economy at home, and a thriving commerce among nations. It emphasizes our commitment to meet and overcome the most serious economic challenge of the postwar period."

Therefore, U.S. trade policy should, within the intended spirit of the Trade Act, strive for and hope for solutions to cumbersome world trade problems during the Geneva negotiations. If such are accomplished, it will not only mean a better and more peaceful atmosphere amongst free world nations, whether developed or developing, but will also pave the way toward accomplishing a more meaningful East-West detente. Therefore, the Trade Act and the current Geneva negotiations are of critical importance to the world, and the U.S. has a primary responsibility to strive for success at Geneva.

Is the United States meeting and fulfilling this critical role? Is the Trade Act furthering the cause of liberal trade? The answers are, at best, clouded. While we are seriously negotiating at Geneva, dozens of protectionist non-tariff barrier complaints are being filed by many sectors within the United States. More countervailing duty cases are now pending with the Department of Treasury, since the inception of the Trade Act, than ever before filed in U.S. history. Anti-dumping complaints are increasing and other non-tariff barriers are being pursued with vigor. The Trade Act has invited this action and this, in and of itself, is not necessarily wrong. U.S. industry and other interested groups, such as labor, should have the vested right to complain to our Government about what they believe are unfair trade practices from foreign entities. The U.S. Government cannot under law, and should not, control the number of non-tariff barrier complaints filed. But it does, on the other hand, have a major, far-reaching responsibility on how the Trade Act is implemented in administering the many protectionist complaints now on file.

The majority of non-tariff barrier complaints now pending with the U.S. can be resolved against furthering international trade. The power is there but it would be unwise, particularly at this time, to utilize this power. The amended countervailing duty law under the Trade Act affords the Secretary of the Treasury discretion to waive countervailing duty action until the Geneva negotiations have been completed. This waiver would cover a period now less than four years in time. This represents a brief period in the history of international trade. If the waiver conditions established by law have been met, even in a technical manner, the Secretary of the Treasury should, in all cases, waive countervailing duty action until Geneva is resolved—one way or the other. This statute should be administered in a liberal manner so as not to disrupt the potential success of Geneva. However, the recent decision not to waive on many varieties of imported cheeses from the Common Market appears to be more in the nature of a political decision to appease a large dairy lobby within the United States rather than an effort to liberally construe the waiver provisions contained in the amended countervailing duty statute.

The cheese case and the pending cases against imported canned hams from the EC, automobiles, and steel, caused the Common Market to recently state that it was "concerned at the general drift" of recent U.S. trade policy. As much as 20 percent of the total EC exports to the U.S. are now in jeopardy. This is so despite the fact that the U.S. enjoys a $3 billion balance-of-trade surplus with the EC. Many products from other countries not within the Market such as Japan, Brazil, Austria, Finland, Norway, Sweden, and a host of other countries are in jeopardy because of new non-tariff barrier complaints. These facts exist despite the 1975 U.S. balance-of-trade with the world predicted by the Department of Commerce to be as much as $6 billion in the black!

The EWTC does not advocate that the U.S. eliminate non-tariff barrier laws at this moment in time. Other countries and associations of countries have non-tariff barriers as well which have proved cumbersome to U.S. products seeking additional markets. Despite this fact, nevertheless, it is worth repeating that the U.S. enjoys a favorable balance-of-trade with nearly every country it trades with and an overall plus factor in total trade with the world. If existing U.S. law is administered in a manner which is subject to individual vested-interest group pressures in particular cases, and not on a liberal, overall trade basis, then history may well show that the U.S. became protectionist in its first year under the new Trade Act of 1974. This could well happen even though the overall policy of the U.S. had the intention of being liberal for the sake of successful negotiations at Geneva. The U.S. could therefore become protectionist without having intended to do so.

This is a critical time for U.S. policy as many non-tariff barrier cases are pending with final decisions due by January 4, 1976. Adverse decisions against several key imports from foreign countries would be considered by world opinion as a protectionist trend becoming dominant in the U.S. Therefore, responsible government agencies, such as Treasury, should be extremely careful in the administration of the Trade Act and realize that each decision in every respective case is part of a larger overall trade policy—whether the U.S. is preaching liberal trade at Geneva and practicing it, or whether it is preaching liberal trade while steadily increasing non-tariff barrier protections in its own domestic market. For Geneva to succeed, and for East-West trade detente to be furthered, the U.S. should administer the new Trade Act in a liberal manner with the hope that the short period remaining at the Geneva trade talks prove successful for all interests involved. To do otherwise could defeat the purposes of the Geneva trade negotiations and enhance failure. This would be a tragic mistake which could lead to an international trade war and a retreat to the disastrous Hawley-Smoot days of the 30's which saw economic havoc within our country as well as throughout the world.

GOVERNMENT CAUSES INFLATION

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. CONLAN. Mr. Speaker, inflation and the enormous rise in the cost of living over the past decade has been caused principally by government.

Congress and the Federal Government are spending too much of the people's hard-earned money. The bureaucracy is controlled by a "Big Brother" mentality which believes that problems will go away if you just throw enough money at them.

For many decades the Federal Government has spent much more than the people could afford, through larger and larger deficits. The Federal budget doubled from $134 billion in 1966 to $268 billion in 1974. While the budget was only $100 billion in 1961, this year it is over $300 billion. And the 1975–76 deficit will be more than $100 billion.

When the Federal budget runs a deficit year after year, it becomes a major source of economic instability. Such deficits as we have had since 1960 have added enormously to artificial demand for goods and services. They have thus seen directly responsible for upward price pressures.

Heavy borrowing by government—now taking more than 60 percent of all available lendable money in the country—has also been a major factor in the persistent rise in interest rates and the enormous shortage of mortgage and construction money in our local banks and savings institutions, which could be used to create jobs and lower prices in the private sector.

Mr. Speaker, if Congress is serious about ending inflation and avoiding another economic depression, it has to stop spending the people's money so irresponsibly. The Federal Government must display some fiscal sanity by tightening its own belt and freeing up money for productive purposes.

I would like to include in the Record at this point an article on government spending and inflation I recently wrote for Dynamic Phoenix, the magazine of the Phoenix Metropolitan Chamber of Commerce. It contains a summary of my own anti-inflation legislative proposals in this Congress:

Government Is Our Biggest Economic Problem

(By Congressman John B. Conlan)

Any talk about the economy and how to stop inflation that causes recession and unemployment must consider an important point from the President's State of the Union message, when he said to the American people:

"What we most urgently need today is more spending money in your pockets, rather than in the Treasury in Washington."

Government is the only organization competing against individual citizens and productive enterprises in the private sector for spending money.

There are three ways Government obtains money for its own projects: (1) Through taxation; (2) Through deficit spending that borrows on tomorrow's productivity and earning power; (3) By inflating the money supply with an infusion of new printed dollars from the Federal Reserve System.

Politicians do not like to increase taxes, which is the honest way of committing people to support their spending ideas and receiving their approval for new Government projects. Voters would throw them out of office for spending money on most of their extravagant and wasteful boondoggles.

Liberals in Congress have worked around this thorny political problem of increased taxes for new and expanded programs with the dishonest, almost secret tax of deficit spending, which is why this year they again increased the limit of the multi-billion dollar national debt.

Assuming Congress does not agree to the President's proposed $17.5 billion in budget cuts—which I personally feel is not enough—Federal spending in fiscal year 1976 will be $100 billion more than 1974. The combined deficits of 1975 and 1976 will also be $100 billion. That is more than a third of our entire U.S. money stock, which is currently around $284 billion.

These horrendous Federal deficits are the direct result of legally required spending by the Congress. They will be higher still if liberal leaders of Congress push through their political vote-buying but economically foolish tax cut proposals without a comparable cut in Government spending. This is why the national debt limit will have to be jacked up to over $604 billion by 1976.

If Government continues borrowing more and more money from the public, private borrowers will continue being deprived of lendable funds and interest rates will be higher.

Consider the staggering economic impact if Government takes more lendable money from the private sector:

All commercial and industrial loans in 1973 totaled only $156 billion. Outstanding auto loans and charge accounts were $61 billion. And FHA mortgages totaled $68 billion.

If investors bought another $100 billion in Federal securities, other potential uses of such funds—such as auto loans and home mortgages—would have to get by with much less. Thus the economy will not get the shot in the arm it desperately needs, and areas of the economy most hurt by the current recession will continue to suffer.

I say Congress should cut Federal spending, and cut it now. It should put money back into citizens' pockets and into the private sector, not through the political subterfuge of tax rebates, but through responsible fiscal policies. Congress must develop a sound program to reduce the Federal budget and eliminate the 1975–76 deficit.

Here is how I proposed to do this, in a package of five bills I introduced at the beginning of this Congress:

Place a 3-year moratorium on all U.S. foreign aid (H. Con. Res. 9).

Reduce the 1976 Federal budget by at least enough to put it 10 per cent below what was spent in 1975 (H. Con. Res. 36).

Impose an immediate moratorium on new Federal spending programs (H. Con. Res. 10).

Balance the Federal budget every year, tie the growth of Federal spending to the growth of national productivity, and establish a firm monetary policy to prevent inflationary growth of the money supply (H.R. 1252).

Pass a Constitutional amendment forbidding future Federal deficits and requiring gradual repayment of our half-trillion dollar national debt (H.J. Res. 5).

And for dessert, Congress should require all foreign nations to pay us what they owe us for U.S. loans—money and equipment—during the two World Wars and the Korean conflict. The total bill, with interest, comes to hundreds of billions of dollars. France alone still owes us $6 billion from World War I, and the Soviet Union owes us $2.6 billion from Lend-Lease. The list goes on and on.

Americans do, indeed, need more spending money in their pockets. They can have it if Congress will stop the destructive flow of money out of the productive sector of our economy, into the hands of bureaucrats in the non-productive Government sector.

Government is our biggest economic problem. A drastic reduction of unnecessary and wasteful government programs in Washington, plus elimination of federal deficit spending, would pump new life into our economy, creating jobs and economic plenty at reasonable costs through increased productivity.

EQUAL CREDIT RIGHTS FOR WOMEN

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. PATTERSON of California. Mr. Speaker, I would like to draw the attention of my colleagues to the latest assault on the legislative powers of the Congress by the executive branch. I speak of the recent regulations pertaining to equal credit guarantees for women issued by the Federal Reserve Board. The proposed regulations as revised in September do not meet the full intent of that law and, in fact, go a long way toward circumventing specific guidelines laid down by the 93d Congress.

This act was passed by the 93d Congress in recognition of the need to immediately remedy problems caused by current discriminatory practices used by many lending institutions in granting of credit to women. I had hoped that implementation of these provisions of Public Law 93–495 would rid us completely of such discriminatory techniques which have plagued women for so long. I have, it seems, hoped in vain since the revised regulations proposed in September do not even approach the complete protection envisioned by my colleagues when they enacted this important legislation.

It is even more discouraging to realize that many of the safeguards I speak of were contained in the initial regulations published by the Board on April 25, 1975, and then, by Executive fiat, were deleted in revised regulations published on September 10.

I would like to point out that the Fed has totally ignored the effective date for implementation laid out in the act. Under section 707 it is specified that the title VII provisions would go into effect 1 year after the date of enactment, which was October 28, 1974. Therefore, as legislators, it seems we could reasonably expect that the protections of this law would indeed be in force no later than October 28, 1975. In section 202.13 of the revised regulations, however, the Board calls for "transition periods" relating to rules on major areas in which past offenses have occurred and which are principal to the intent of the law. Despite the fact that Congress directed that this law be in effect by the end of next month, the Fed has chosen to legislate its own final date of November 1976, for full compliance with the act. It is indeed deplorable that this unilateral action by the Fed will mean that women face another year of discriminatory practices.

I would also like to point out weaknesses relating to the civil liability sections of the law. The Board failed to include in its revised regulations a requirement for explanation of denial of credit by the creditor and has indicated that it is only necessary for creditors to keep applications and related documents for a period of 1 year. These regulations can hardly meet the intent of the Congress in imposing a system of redress for grievance under the law, and, in fact, almost make it impossible for the system designed by the Congress to be used at all. As an attorney I am well aware of the length of time involved in civil suits and the need for documentation of claims made under this type of a law. These provisions are not realistic at all in terms of the burdens under which our system of justice is currently operating and I, for one, do not think the 93d Congress intended for the civil liability provisions to be an empty shell.

In summary, Mr. Speaker, I would like to add that the issues I have discussed are but a few of the questions I have regarding the revised regulations. It does seem to me, however, that we must not let the executive branch or bureaucratic and irresponsible independent agencies continue to take over our function. We, the Congress, carry the power and burden of making the laws and the Executive carries the function of implementing the laws we make. I think we should stop letting agencies such as the Fed take over our function by legislating via regulations that have no relation to the intent of the law. In this particular case, a majority of the population of this country is depending on us to see that this landmark legislation is not distorted because of inconvenience to the creditors and lack of interest by the Fed.

I LOVE YOU, AMERICA

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DE LA GARZA. Mr. Speaker, never have I encountered a better and more moving exposition of what it means to be an American than I read recently in the publication La Voz de Ser, published by Jobs for Progress, Inc., in San Antonio, Tex.

This eloquent article was written by Hugo H. Bayona, a member of the San Jose Chapter of the American GI Forum. It was first published in the Forumeer, the GI forum newsletter, and reprinted in La Voz de Ser by the discerning editor, Jake Rodriguez.

Listen to the words of Hugo Bayona:

> America means a great deal to me. It means peace of mind, a land of opportunity, a place where my children can grow without fear and achieve most, if not all, of their dreams. A country to which I can look with pride and never be ashamed to claim as mine.

Mr. Speaker, wishing to share the entire text of this patriotic statement with my colleagues, I include Mr. Bayona's article as part of my remarks:

I LOVE YOU, AMERICA

(By Hugo H. Bayona)

Some people call me Chicano. Others refer to me as Mexican American or even as Pocho. Some even think of me as a Mexican because my face is brown and my speech betrays my early upbringing. To me, however, it matters not how people think or refer to me, or what labels I ascribe to myself, because I am, have always been, and will always be an American.

After all, what's in a name? If I am an American because I was born in this country, which I was; or because I elected to leave my country of birth to seek sanctuary in America, it does not matter whether I was born in Mexico, or France, or Russia. Nor does it matter whether my skin is white, or black, or brown; or whether I have an accent that identifies me with a specific ethnic group. What does matter is that I am an American, and by virtue of being an American, I am no different than any of my other fellow Americans.

I love my country and will gladly die to preserve it. And, in spite of its faults or any disagreement I may have with my fellow Americans about what America is or should be all about, I will never stop loving it, and will always defend it.

America, to me, epitomizes a system of government, and its people, in perfect balance. It is a true democracy. Conceived with the best of intentions by its founding fathers, and nurtured with generations of responsible and dedicated Americans, it has grown to become the true cradle of modern Democracy. And while many have dared to shift the balance of power between the government and its people, I worry not about San Jose Chapter, American GI Forum, its future, because Democracy and its virtues will never perish on the soil of America or the face of the earth.

I am proud of America because it exemplifies to the world an alternative to systems of government where people either live in fear, are oppressed, or are less able to govern their destiny or the destiny of their children. Maybe to them their system of government is better and they prefer it more than they do ours. If that is what they believe, so be it. To me there is no place like America, and I'd rather be here than there.

I love my fellow Americans and respect them, be they rich or poor, Black or Brown, tall or short, Democrats or Republicans. I love them because I neither see them as a threat to my future, or as competitors for that piece of bread on my table, but because I see them as people who have the same right as I to the resources and benefits of a society which we and our ancestors have created for the benefit of all.

I see it as my responsibility to vote, to work toward the betterment of my community, to care about those who are less fortunate than I. And if I am critical of my fellow Americans for trespassing upon the rights of others, it is not because I seek to turn them against me, but because it is the responsibility of every American to fight for and defend the rights of his fellow Americans.

I view America as a country where hard work and self-determination are the key to success: as a country whose creative and imaginative people have built a technology second to none; as a country whose deep concern for world peace and the welfare of other nations has been the rule rather than the exception.

America means a great deal to me. It means peace of mind, a land of opportunity, a place where my children can grow without fear and achieve most, if not all, of their dreams. A country to which I can look with pride and never be ashamed to claim as mine.

I will not be critical of America. At least not today. Because today all I wish to say is: God Bless America! Thank You America! Peace and Goodwill to All.

HOUSE OF REPRESENTATIVES—*Thursday, October 9, 1975*

The House met at 10 o'clock a.m.

Dr. E. W. Mueller, Brandon Lutheran Church, Brandon, S. Dak., offered the following prayer:

Father, God, we have cause to praise You for many reasons. At this time we praise You for the freedom of choice. While You are involved in the affairs of this Earth, You have given people the responsibility to care for the Earth and one another.

The citizens have elected the Members of this House to make choices and decisions in the best interests of mankind. With freedom of choice goes responsibility and accountability in which all citizens share.

Dear God, we ask that You give to

each Member who speaks, listens, and votes in this House a large measure of wisdom, courage, energy, hope, and the assurance that they can call on You for direction.

Praise be to You our Creator, Redeemer God. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the further report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8121) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," and that the Senate had agreed to the amendment of the House to the amendment of the Senate numbered 8, to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1542) entitled "An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2308. An act to provide for the modification of the boundaries of the Bristol Cliffs Wilderness Area.

DR. E. W. MUELLER

(Mr. PRESSLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRESSLER. Mr. Speaker, I am deeply pleased and honored that the invocation for today was delivered by my constituent, Dr. E. W. Mueller.

A retired Lutheran minister, Dr. Mueller grew up on a farm in Iowa. He graduated from the University of Iowa in 1930 and was ordained a pastor at Dubuque Seminary in 1933. His first assignment was a rural parish in Martinsdale, Iowa, where he served for 12 years. During this time, Dr. Mueller became concerned about the needs of people in rural areas. In 1945 he was called by his denomination to a national position as secretary of Churches in Towns and Counties. In this position he became involved with various programs affecting rural America.

In 1960 the National Association of Conservation Districts recognized his contribution in soil and water conservation by awarding him with a Distinguished Service Medal at their national meeting in Memphis, Tenn. In 1963 the National Cooperative Extension Service recognized his contribution to rural youth by awarding him their Partners in 4–H Award. In 1969 he became the director of the Center for Community Organization and Area Development sponsored by Augustana College in Sioux Falls, S. Dak. The aim of this organization is to help citizens at the regional level have a greater part in shaping their own future. Dr. Mueller is presently associated with the Lutheran Church in Brandon, S. Dak., and is a staff member of Augustana College.

Dr. Mueller is in Washington to better acquaint himself with Federal programs affecting rural America. A senior citizen, he is vitally interested in the problems of older Americans in rural communities, isolated not only by age but also by locality. I am delighted to welcome Dr. Mueller to this Chamber and thank him for his inspiring words today.

MR. NESSEN, THERE ARE 435 MEMBERS OF THE HOUSE

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, in reading the abbreviated edition of this morning's Washington Post, I notice where the President's newly self-appointed economic adviser, Mr. Ron Nessen, is quoted as criticizing some 435 Members of the House in not rapidly passing the President's tax cut and Budget Reduction Act.

It appears that Mr. Nessen's knowledge of Congress equals that of his knowledge of economics.

PERMISSION FOR COMMITTEE ON BANKING, CURRENCY AND HOUSING TO HAVE UNTIL NOON FRIDAY, OCTOBER 10, 1975, TO FILE A REPORT ON H.R. 10024

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Currency and Housing have until 12 o'clock noon Friday, October 10, 1975, to file a report on H.R. 10024.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CONFERENCE REPORT ON H.R. 7706, SUSPENSION OF DUTY ON NATURAL GRAPHITE; STAFFING STANDARDS FOR CHILD DAY CARE UNDER SOCIAL SERVICES PROGRAM; SERVICES FOR INDIVIDUALS SUFFERING FROM ALCOHOL OR DRUG ABUSE

Mr. CORMAN. Mr. Speaker, pursuant to the unanimous consent request agreed to on Tuesday, October 7, 1975, I call up the conference report on the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 7, 1975.)

Mr. CORMAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, I reserve the right to object.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 606]

Andrews, N.C.
AuCoin
Badillo
Bafalis
Beard, R.I.
Biester
Bolling
Bonker
Bowen
Brown, Calif.
Burke, Calif.
Burke, Fla.
Butler
Chisholm
Clay
Conyers
Delaney
Dellums
Dickinson
Diggs
Drinan
Early
Edwards, Calif.
Esch
Eshleman
Evins, Tenn.
Fary
Ford, Tenn.
Fountain
Fraser
Giaimo
Goldwater
Gude
Harsha
Hébert
Heckler, Mass.
Hefner
Henderson
Hinshaw
Jarman
Johnson, Colo.
Lehman
McClory
McCormack
McDade
McKinney
Macdonald
Matsunaga
Metcalfe
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Mosher
Murphy, N.Y.
O'Brien
O'Hara
Passman
Pepper
Peyser
Pike
Quie
Rees
Riegle
Risenhoover
Roybal
Runnels
Ryan
Santini
Satterfield
Scheuer
Sisk
Solarz
Spellman
Stanton, James V.
Steelman
Stokes
Symington
Taylor, N.C.
Teague
Udall
Waxman
Weaver
Wilson, Bob
Wilson, C. H.
Young, Alaska

The SPEAKER. On this rollcall 348 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 7706, SUSPENSION OF DUTY ON NATURAL GRAPHITE; STAFFING STANDARDS FOR CHILD DAY CARE UNDER SOCIAL SERVICES PROGRAM; SERVICES FOR INDIVIDUALS SUFFERING FROM ALCOHOL OR DRUG ABUSE

The SPEAKER. Is there objection to the request of the gentleman from California (Mr. CORMAN) that the statement be considered as read?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I do so only for the purpose of asking the gentleman from California (Mr. CORMAN) if my understanding of the situation is correct.

The gentleman received permission at some previous time when I was obviously not on the floor to call up this bill today. It contains two totally nongermane amendments added by the other body, one of which cuts from 6 months to 4 months the moratorium on proposed HEW regulations governing the operation of day care centers. That is the blackmail provision, as the gentleman from Maryland sees it, since I and most other members support this provision. But that is not all.

The other nongermane amendment, as I understand it, reallocates or allows the possible reallocation of about $2½ billion worth of funds, or some part thereof, away from senior citizens, mental health and other title 20 programs, into alcohol and drug programs.

This second amendment has had no hearings by the House, has never been the subject of consideration by the Committee on Ways and Means except in this conference, and we are asked today to vote on this fundamental change, even though it is for 4 months, totally without notice.

Is that correct? Am I being too harsh on the other body?

Mr. CORMAN. If the gentleman will yield, to start with, as to the first proposition, I do not know where the gentleman was when we asked for the unanimous consent 2 days ago.

So far as the gentleman's analysis is concerned, the situation is not nearly as bad as he indicates. The gentleman will recall that some 2 or 3 weeks ago the House passed a bill that would have suspended for 6 months the regulations for day care centers.

The conference report on H.R. 7706 provides for a 4-month delay until January 31, 1976, in the enforcement of certain provisions regarding staffing standards for a child day care center required in title XX of the Social Security Act. The conference report also accepts with modifications certain amendments added by the Senate regarding the provision of social services to alcoholics and drug addicts.

The House on September 29 adopted in H.R. 9803 a provision to suspend for 6 months the penalties for day care centers which do not meet certain staffing requirements as required under title XX of the Social Security Act. The delay was found necessary because many day care centers and group day care homes were found to be unable to meet the requirements which were effective on October 1 and thus would have lost Federal matching for day care services under title XX.

In acting on this issue the Senate chose not to use H.R. 9803 but instead added an amendment to H.R. 7706, a bill to suspend until the close of June 30, 1978, the duty on natural graphite. The Senate accepted the House language regarding the duty on graphite. The amendment provided a 1-month delay as to the imposition of the penalties for not meeting day care staffing ratios standards under title XX. The conference report now before the House contains a compromise as to the length of delay in imposing the penalties regarding day care standards at 4 months until January 31, 1976, to give the Congress additional time to deal with this issue. The conferees accepted certain amendments in the Senate bill to make the same rules applicable to two other day care programs under the Social Security Act.

A second Senate amendment made explict the application of the confidentiality of records provisions of Public Law 93-282, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974 to the provision of services to alcoholics and drug addicts under title XX of the Social Security Act. The Alcoholism Act as amended in 1974 itself provides that it is applicable to all Federal or federally assisted programs to States. A second portion of this amendment would permit up to 7 days detoxification for an alcoholic or drug addict when it is a subordinate part of a longer term rehabilitation program. The Senate amendment would have made these provisions permanent and the conferees agreed to accept them until January 31, 1976.

This amendment was added in the Senate because some States have found problems with the limitations contained in the title XX regulations to implement the provisions in the law which limit the use of social services funds for the medical components of service programs for those with alcoholism and drug abuse problems and the additional 4 months would provide time to try to solve this problem.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, if this permission to reallocate, even with a limitation of $2½ billion or some part thereof, is operable for the next 4 months, is it not true that our programs for senior citizens and the mentally retarded, as well as other programs, will have to suffer in some degree so money can be transferred to an alcoholism or drug program?

Mr. CORMAN. Mr. Speaker, if the gentleman will yield further, that is dependent on what the States do with their money. We are merely giving them a small amount of latitude as to what they can put in their alcoholism programs. It is true that there is a finite number of dollars in the various programs for each purpose.

It is our understanding that the only State that has run into a problem on this matter is the State of Maine, so there was a commitment on the part of HEW that they would attempt to work out Maine's problems without having to resort to some other action.

Mr. VANDER JAGT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Michigan, and before I do I want to compliment him for his diligent fight in the conference to limit the excesses of the amendments proposed by the other body.

Mr. VANDER JAGT. Mr. Speaker, there is little I can add to the explanation given by the gentleman from California (Mr. CORMAN).

I support the action of the conferees on H.R. 7706, because I believe it represents the best legislative solution obtainable under the circumstances.

As my colleagues know, H.R. 7706, as passed by the House, would suspend for 3 years the duty on natural graphite. The other body did not change this measure, but added amendments to social services provisions in title 20 of the Social Security Act.

The first amendment, concerning staffing standards for day care centers and homes, is related to H.R. 9803, which we passed by unanimous consent just 10 days ago. The primary aim of H.R. 9803 was to permit Federal funding for day care services under title 20 to continue for 6 months even if the providers of those services could not meet certain staff-to-child ratios required by law and regulations.

A number of providers had said they would have to cease operating if the standards were enforced. The purpose of the 6-month delay was to allow time for our committee to reexamine the standards in the light of recently raised compliance problems.

The other body preferred a 1-month postponement and its first amendment to H.R. 7706 was so designed.

The conferees decided upon a 4-month postponement, and while I would have preferred the House version, I feel the compromise is workable.

The other amendment to H.R. 7706 would make several changes in title 20 with respect to social services for alcoholics and drug addicts. One change would protect the confidentiality of records pertaining to those receiving treatment. The other two would liberalize substantially the extent to which social services funds could be used in the medical treatment of alcoholics or addicts. For example, whereas present law restricts social services funding for persons living in medical institutions, the amendment would make an exception for the initial detoxification of an alcoholic or drug addict for a period not to exceed 7 days.

Because of a concern on the part of some participants, including this Member, as to the need for the amendment, the conferees decided to give it the same termination date—January 31, 1976—as the first amendment.

I certainly have no quarrel with assuring confidentiality of records in these cases. I am fully in sympathy with efforts to rehabilitate alcoholics and addicts, and I am not going to oppose the conference decision because of the second amendment.

But I do have serious reservations about the desirability of continuing that amendment beyond 4 months. I am not convinced that title 20 is the best legislative vehicle to use for the treatment and rehabilitation of alcoholics and addicts, and I am concerned about the potentially precedent-setting nature of the amendment.

It might be argued that if exceptions to the present limitations on title 20 medical services are made for alcoholics and drug addicts, exceptions should be made for others, such as the mentally ill.

It should be noted additionally that title 20 includes a limitation on Federal social services funding. My colleagues will recall that in 1972 we imposed a ceiling of $2.5 billion after rapidly increasing use of this formerly open-ended program had caused Federal costs to soar. Had we not taken that action, it is entirely possible that Federal funding for social services would, by now, have reached a level twice as high as $2.5 billion.

Because there is a limit on the amount of Federal money for social services, there is understandably some very active competition for the available dollars among numerous organizations and individuals. If substantial sums were diverted from current recipients to the treatment of drug addicts and alcoholics, those who lost funding could be expected to protest. This in turn could lead to greater pressure on the Congress to lift the social services ceiling. And once we pulled the finger out of that dike, we would be inundated.

I also am concerned about the broad applicability of this amendment in view of what may be one rather narrow need. It is my understanding that the change was sought primarily by the State of Maine, which has a special problem. I do not know if other States have the same problem or share the need. Therefore, I have some reservations about imposing this amendment on 49 States without knowing if that is either desirable or necessary.

However, as I stated earlier, Mr. Speaker, I do not intend to oppose the conference package because of this one amendment. I did wish to call my colleagues' attention to some concerns I have about that amendment, and to suggest that further and deeper exploration be conducted in this body before we agree to an extension of its life beyond 4 months.

If we, through hearings and through experience, discover this is a good idea, we in legislation can make it a permanent part of the law. If, through hearings and through experience, decide it is not a good idea, it will expire of its own weight and with the passage of time on January 31.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I assume that these reallocations of funds will occur in various States, even though this is designed to solve the problem in the State of Maine since all 50 States can participate.

If these reallocations do occur, then there will be demands made for the removal of the $2.5 billion ceiling on title 20 funds and for an increase in spending for such programs to make up for the loss of revenue resulting from these transfers this bill permits. So we are really opening the door to an increase in welfare spending to some greater magnitude beyond the established ceiling of $2.5 billion this Congress has already enacted.

Mr. VANDER JAGT. Mr. Speaker, the gentleman is correct in his statement that competition or extension of competition for funds that are limited could take place.

However, I believe this will have a minimum impact nationwide. The gentleman knows the nature of governmental bureaucracy as well as I, and can understand why it is unlikely that many States could gear up and institute a program in 4 months' time.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I appreciate the explanations given by both of the gentlemen who have handled this bill. I would only observe that procedurally under normal conditions I assume a bill of this magnitude would have been debated for some time before the Committee on Ways and Means, brought to the floor, with a rule that would have permitted full and free debate.

Yet, in less than 20 minutes today with this limited debate this fundamental change in the law is proposed for passage.

I think that is a very fortunate derogation of the rights of the Members of the House who are asked to represent their people here and to knowledgeably vote on the matters that come before us.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I question whether or not they have done their best.

I get sick and tired, as one Member, of seeing that every time the Committee on Ways and Means comes back, they seem to be the one committee that has the privilege of overriding the supposed reform we had in this House to prevent the other body from blackmailing this House.

I begin to wonder about the Committee on Ways and Means. I think it is a privileged institution which seems to have the right to waive the rules of this House, particularly since we spent so much time in a so-called reform to prevent this very situation from happening. Therefore, Mr. Speaker, I question how well they did in this instance.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Speaker, I urge adoption of the conference report on H.R. 7706 which provides for a 4-month delay until January 31, 1976, in the enforcement of certain provisions regarding staffing standards for a child day care center required in title XX of the Social Security Act. The conference report also accepts with modifications certain amendments added by the Senate regarding the provision of social services to alcoholics and drug addicts.

The House on September 29 adopted in H.R. 9803 a provision to suspend for 6 months the penalties for day care centers which do not meet certain staffing requirements as required under title XX of the Social Security Act. The delay was found necessary because many day care centers and group day care homes were found to be unable to meet the requirements which were effective on October 1 and thus would have lost Federal matching for day care services under title XX.

In acting on this issue the Senate chose not to use H.R 9803, but instead added an amendment to H.R. 7706, a bill to suspend until the close of June 30, 1978, the duty on natural graphite. The Senate accepted the House language regarding the duty on graphite. The amendment provided a 1-month delay as to the imposition of the penalties for not meeting day care staffing ratios standards under title XX. The conference report now before the House contains a compromise as to the length of delay in imposing the penalties regarding day care standards at 4 months until January 31, 1976, to give the Congress additional time to deal with this issue. The conferees accepted certain amendments in the Senate bill to make the same rules applicable to two other day care programs under the Social Security Act.

A second Senate amendment made explicit the application of the confidentiality of records provisions of Public Law 93–282, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974 and to provision of services to alcoholics and drug addicts under title XX of the Social Security Act. The Alcoholism Act as amended in 1974 itself provides that it is applicable to all Federal or federally assisted programs to States. A second portion of this amendment would permit up to 7 days detoxification for an alcoholic or drug addict when it is a subordinate part of a longer term rehabilitation program. The Senate amendment would have made these provisions permanent and the conferees agreed to accept them until January 31, 1976.

This amendment was added in the Senate because some States have found problems with the limitations contained in the title XX regulations to implement the provisions in the law which limits the use of social services funds for the medical components of service programs for those with alcoholism and drug abuse problems and the additional 4 months would provide time to try to solve this problem.

I believe the conference report on H.R. 7706 is an acceptable compromise and will give the Congress time to deal with these issues and I hope it will be approved by the House.

Mr. TREEN. Mr. Speaker, I want to commend the gentleman from California (Mr. CORMAN), the gentleman from Michigan (Mr. VANDER JAGT) and the other Members of the Conference as well as Congressman JONES for their leadership in obtaining a postponement of the unrealistic HEW staff child ratios for day care centers.

When it became evident that the Department of Health, Education, and Welfare was unable to modify the implementation of their title XX regulations as they pertain to day care, I introduced H.R. 9648 on September 17. My State along with 47 others was faced with a complete cutoff of funds for day care centers which accepted the children of parents benefiting from such programs as Aid to Families of Dependent Children and the Work Incentive program. Many of these parents along with many others who receive not a single Federal penny for the care of their children faced the very immediate prospect that their child's day care center would have to close October 1. Since neither the Senate nor the Department of Health, Education, and Welfare were ready to act, it was the prompt response of Chairman Corman and the Public Assistance Subcommittee meeting on September 22 that kept day care centers in business in my State.

Although I would have preferred a 6-month postponement of these regulations as I and 20 other Members proposed in H.R. 9648 and 9750, and as the House passed in H.R. 9803, I support this report. These 4 months can give us an opportunity to hold hearings to determine realistic staff child ratios for a day care center. Let me say frankly that I would not be disappointed if we chose to continue to recognize compliance with state licensure laws to be the only staff/child ratios enforced at the Federal level.

I would remind my colleagues that Congress has never studied the wisdom of the Federal Interagency Day Care Requirements. On September 22 Steven Kurzman of the Department of Health, Education, and Welfare testified "the Department has long believed that the 1968 FIDCR standards should be reexamined to determine whether they are the most appropriate means to those ends."—That is, good quality at a reasonable cost. The Department has stated in a letter to Senator RUSSELL LONG that they have conducted no studies to determine the financial impact of their title XX staff child ratios.

When questioned by Mr. BAFALIS, HEW stated that their staff child ratios for children under 3 years of age were based on the recommendations of the American Academy of Pediatrics and the Child Welfare League. Both of those parties have been very careful to state that their recommendations are not based on research and should be studied before being given the weight that HEW has attributed to them. In a letter of September 24, 1975, addressed to Garland L. Bonin, Louisiana Health and Human Resources Administration, Joseph H. Reid, executive director of the Child Welfare League of America, stated:

> You state that "I was informed by the Department of Health, Education, and Welfare that the Child Welfare League developed the staff/child ratios of the Federal Interagency Day Care Requirements. . . and the subsequent title XX regulation." We would appreciate knowing who gave you this information, since it is completely inaccurate . . . CWLA Standard for Day Care Service . . . as noted on page X of the foreword, "are intended to be goals for continuous improvement of services to children. They are not the criteria for accreditation for League membership . . . They represent the practices considered to be most desirable in providing those social services which the community offers.

In their publication, "Recommendations for Day Care Centers for Infants and Children," the American Academy of Pediatrics states:

> The standards which are advocated here are based on current usage. Their origins and even their validity are not even clear. Until research evaluates present standards and programs for children of this age group, the use of current programs and their modification in the direction suggested by research is the best approach. The basic standards will be of relatively limited usefulness unless they are accompanied by recommendations to promote the further improvement of services. Considerable effort will need to be expended by the Academy and others to develop recommendations which supplement these basic standards. Recommendations for Day Care Centers for Infants and Children is in an effort to outline desirable practices and direction. It does not seek to define a minimum level of services.

It does not make sense to me that the Congress would authorize HEW to study what day care staff child ratios were appropriate between now and July 1, 1977, and yet impose, before that study is complete, unsubstantiated standards on all 50 States. I believe that my State has every reason to ask for a waiver from these ratios, such as that given Minnesota under title IV of the 1972 act. It hopes that the 1977 study would show the impracticality of the 1968 Federal Interagency Day Care Requirements. Those requirements, let us not forget, were developed for economically deprived children in the Headstart program. It did not reflect the educational needs of the average child or the financial capability of the average parent or government unit.

I must confess that I am surprised that the $500,000 2-year nationwide study of day care center licensing by HEW's Office of Child Development concluded Friday, June 29, 1973, did not produce any findings to support the 1968 Federal Interagency Day Care Requirements. But in the absence of such findings and in the absence of hearings before the House passage last year of H.R. 17045—which required one adult for every two children under the age of 3—I would urge these unproven standards be postponed time and again until Congress and HEW seriously studies the need for any Federal staff/child ratios and the evidence supporting any particular ratio.

In conclusion, Mr. Speaker, I ask that there be included in the RECORD a copy of the resolution of the Southern Governors Conference of September 15, 1975, and the rationale prepared by the Louisiana State—4–C title XX Committee for the waiver of these ratios in Louisiana. I urge adoption of this conference report and the holding of hearings in the immediate future on this problem.

The articles follow:

7. DAY CARE STANDARDS

Whereas, the Day Care Standards established in Public Law 93–647 (Title XX of the Social Security Act) and subsequent regulations require increased staff to child ratios in day care facilities receiving federal funds, which are unnecessary and will force facilities to raise their charges for services to all mothers and families; and,

Whereas, these standards will impose an increased financial burden on private citizens and the state and federal governments who will have to pay for the increased staffing of day care facilities in a period of inflation and economic uncertainty; and

Whereas, if day care facilities are forced to meet these standards the effect will be disastrous for working mothers throughout the country and will actually infringe on the rights of women and their ability to pursue a career because of the astronomical and prohibitive increase in the cost of day care services which will force mothers to leave their employment and go on the welfare rolls; and

Whereas, the requirement of specific federal standards to apply in all cases throughout the country is another example of the alarming trend of the federal government in dictating policy to the states.

Now, therefore, be it resolved by the Governors of the Southern Governor's Conference that the states ask the Congress to amend the law to allow states the option of applying their own day care standards and further ask the Secretary of HEW to suspend the effective date of October 1, 1975 for the enforcement of these standards to allow the Congress time to study and consider the amendment of the law and to evaluate the impact of these regulations on the economy and working mothers.

RATIONALE FOR WAIVER OF TITLE XX OF THE SOCIAL SECURITY ACT

80% of a child's sensory, motor and cognitive development takes place between the ages of 0–8 years.

Like a blank slate, children are born waiting for the indelible marks to be written upon their lives by the society in which they live. In Louisiana there are 4,200 slates which Title XX could possibly scar irrevocably and unfavorably affect the lives of our children. It is we, the people and the society in which they live, that must assure that Louisiana's children grow with experiences that will be beneficial to them and enable them to become better members of society.

Because of the far reaching adverse effects upon Louisiana, Title XX of the Social Security Act P.L. 937, Section 2002(a)(9)(A), and subsequently the regulations 45 CFR 228.42 regarding staff/child ratios should be waived for Louisiana. There are five major issues upon which the rationale (and conclusion) for this request was based, namely: (1) Children; (2) Agencies; (3) Economic; (4) Research; (5) Resources. The enforcement of the staff/child ratios will foster situations which are developmentally unsound for children; administratively constrictive on agencies and programs delivering service; and economically prohibitive for the total community involved.

The first and foremost consideration in regards to the child/staff ratios was in the relationship to children. There exists within our country and state many inconsistancies in regulations governing child/staff ratios. There are separate child/staff ratios for head start, hospitals, special education, public education, mental health, mental retardation, private education and within the natural family. After investigation it was noted that the Title XX child/staff ratios were more stringent than any of the aforementioned. Special emphasis should be placed upon the fact that hospitals caring for newborn infants have a substantially larger ratio than one-to-one. The Title XX child/staff ratios also defy the natural family as we generally accept it. Mothers with one or more preschool children and newborn infants or the mothers of twins have survived and produced developmentally sound and healthy children for generations.

The child/staff ratios will create a dual system and promote segregation and discrimination among children. It will result in a separation, restricting interaction between poor and middle class children, fostering social ills which we as a society are trying to eliminate through the Civil Rights Act and other legislation.

To subject children to Title XX child/staff ratios in Louisiana will place them in an environment that cannot foster ultimate cultural, emotional, physical, social and intellectual development of a child. In particular, the child/staff ratios would discourage social interaction with other children and promote emotional dependence on adults.

The large number of adults only create more adult/adult relationships and consequently give birth to unrealistic situations for the child, i.e. natural family vs "adult" imposition at the day care centers. In addition, administrative barriers arise in the area of personnel supervision.

It will be impossible to recruit across the state enough trained staff to fulfill Title XX child/staff ratios. Untrained, unqualified staff cannot promote a healthy environment for children.

Different children have different needs. Title XX regulations do not have flexibility in the delivery of services and do not enable Louisiana to effectively meet the varied needs of her children.

Children in Louisiana will not benefit from the Title XX child/staff ratios and there is strong evidence to indicate that the regulations will be harmful to them.

AGENCIES

Adequate day care services often serves as an alternative to family breakdowns. Many children currently in day care centers would have to be removed from the family and placed in foster homes and other environments outside the home. Additional staff would be needed in Protective Services and Foster Care Services to plan for care of children who will no longer have day care services available. This would be more expensive for the taxpayer as foster care is more expensive than day care. It would also be detrimental to the children as being placed in day care and able to remain with the family is far more beneficial to the child than total separation.

The lack of adequate day care services would affect the entire AFDC program for the State of Louisiana. AFDC mothers will be deprived of seeking employment or training which adversely affects the WIN training programs, thus preventing the agency as well as recipients from reaching the goals of self support, which is also a major goal of Title XX.

There will also be an increased administrative responsibility of licensing of centers. There will exist within the State of Louisiana two sets of licensing standards which will increase the work load of licensing workers.

The agency will be faced with the problem of how to determine the staff/child ratios in centers using the dual system. The licensing workers, in turn will be faced with the additional responsibility of making that difficult judgment in each individual case.

If, in fact, the staff/child ratios are not waived for Louisiana and the services must therefore be decreased, the agency will be responsible for deciding who will receive services and which children and families will no longer be served.

The legal implications of not providing services for families who are clearly eligible and need social services to combat problem areas of alleviating dependency must be considered. It is possible that legal action may be taken to assure that these services be provided.

ECONOMIC

Currently there are 4,200 children served under the present Title IV–A day care program. There are 234 day care centers which qualify as providers.

Research conducted by Louisiana Division of Family Services with the day care centers to receive Title XX funds indicates that: Enforcement of Section 228.42 of the Title XX regulations will adversely affect 44 of these centers and will force 588 children to be without services.

If the amount of funding currently available remains stable and the Title XX child/staff ratios are not waived, it will be economically impossible for any AFDC centers to remain open. These centers will not be able to survive and will be forced to close. A closure of these centers increases unemployment of staff and AFDC mothers in various training programs. This action removes one of the primary goals of self support.

If the level of state funding is raised, the cost of providing day care services to the poor will still prohibit the middle class family from purchasing services at centers caring for Title XX eligible children. Consequently, there will be one set of licensing regulations governing the poor, and another set regulating those centers not receiving federal funds.

There is also the overriding concern that the Title XX child/staff ratios would eventually become standards for all facilities caring for children in Louisiana, to avoid the dual system. This action is being considered in other states. If it becomes reality in Louisiana, the cost of day care would be astronomical. Only a few or no programs could afford to be licensed and most of the church related and private centers would be forced to close or to go "underground", as middle income parents would be unable and unwilling to pay such prohibitive costs. "Underground" day care affords no regulations and the safety, health, and wellbeing of Louisiana's children is threatened. This is not acceptable in Louisiana.

Perhaps one of the most significant economic considerations that becomes apparent is that closing of any day care centers will have a negative multiplying effect on the communities and ultimately the state.

In the day care segment of the community the cash flow will halt, unfavorably affecting the total economy.

RESEARCH

A 4–C licensing committee was established in Louisiana to study licensing regulations and in particular the staff/child ratios needed for children. Representatives from Louisiana Health and Human Resources Administration; Divisions of Family Services, Mental Health, Health and Youth Services; Department of Education, Louisiana Community Services Administration (formerly OEO); Head Start Louisiana Federation of Child Development Centers; Louisiana Association for Children Under Six; Louisiana Home Economics Association; Women in Politics; Louisiana Coalition of Local 4–C Parents; Louisiana Association of Parents Concerned with Child Care; the State Fire Marshall's Office; University Child Development Specialists; and Title IV–A Contract Centers met over a period of a year and came up with the regulations now governing staff/child ratios in Louisiana.

This was, in fact, a brain trust. These were the best possible authorities on day care in the state, reflecting all segments of the child caring community. Over a period of a year, regulations were developed recognizing the economic and social conditions in our state. This is a basic form of research and indicates the child/staff ratios were developed in Louisiana by Louisianians for Louisiana children with their benefit and protection as a foremost consideration.

The Title XX 4–C Committee individually and collectively have been unable to document evidence indicating that the Title XX child/staff ratios were based on any type of research or study. There does not appear to be any indications of how the ratio will affect children culturally, emotionally, socially, intellectually, and physically; families; providers and deliverers of day care services.

Title XX does take into account economic, social, or cultural differences throughout the country. It mandates the same regulations throughout the entire nation.

The ratios in Louisiana should not be implemented until such time as research is carried out to determine the following:

1. Developmental effects on Louisiana's children.
2. Cost of delivering quality day care services.
3. Positive vs negative effects on recipients of such services.
4. Effects on the family structure and stability.
5. Fire safety standards of Louisiana.
6. Effect on training of adequate personnel.

Child/staff ratios for Louisiana centers should reflect the basic needs of the children in this state.

INADEQUATE RESOURCES

Resource problems created by the implementation of the Title XX staff/child ratios includes:

1. Existing facilities will be inadequate to meet physical needs for space, i.e. kitchen, play area, parking, bathroom facilities due to an increased number of adults;
2. Fire and sanitation regulations will need to be modified drastically;
3. Lack of trained early childhood development personnel to meet staff requirements;

There is overwhelming evidence and adequate justification for the waiver of Title XX of the Social Security Act, P.L. 93–647, Section 2002(a) (9) (A) (B) (C), staff/child ratios in the 45 CFR 228.42 and the Louisiana 4–C Title XX committee respectfully submit the following document as justification for this waiver.

Submitted by:

(Mrs.) BETTY B. BLAZE,
Chairman, State 4–C Title XX Committee.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in support of the conference report on H.R. 7706, to suspend the duty on imported natural graphite until June 30, 1978.

This legislation will end a tariff that has long since outlived its intended purpose. When tariffs on natural graphite were first imposed in the early 1900's, there were approximately 80 domestic producers of graphite. The tariff was needed to protect these domestic producers against cheaper foreign imports. However, over the years, domestic producers have abandoned their operations in the face of slow market growth in sales, high costs of production and low grades of domestic ore.

Today, one single graphite producer remains, and this single producer imports a substantial amount of foreign graphite to blend with domestically produced material. About one dozen companies in the United States import, process, and sell graphite products to a large number of manufacturer users of graphite, but processing and selling is usually done on a custom basis, given the specialized naure of the market.

The tariff on imported graphite is not protecting our single domestic producer—and given the increasing price of imported graphite, the ad valorem tariff serves only an inflationary purpose.

When graphite products are processed here in the United States and then sold abroad, the ad valorem tariff serves only to increase the price of the American products and thus makes them less competitive with foreign graphite products. This obviously is not in the best interest of the United States, in terms of international trade.

Mr. Speaker, the International Trade Commission has no objection to the elimination of the tariff on graphite, and because of the positive effect that elimination of the tariff will have on domestic graphite processors and our single domestic graphite producer, I strongly urge my colleagues to vote for the passage of the conference report on H.R. 7706.

Mr. CORMAN. Mr. Speaker, I have no further requests for time and I move the previous question on the conference report.

The previous question was ordered.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 10, answered "present" 1, not voting 39, as follows:

[Roll No. 607]

YEAS—383

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, R. W.
Daniels, N.J.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shriver
Sikes
Simon
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NAYS—10

Ashbrook
Bauman
Conlan
Crane
McDonald
Mottl
Rousselot
Shuster
Symms
Young, Fla.

ANSWERED "PRESENT"—1

Ashley

NOT VOTING—39

Anderson, Ill.
Andrews, N.C.
Bafalis
Broyhill
Burke, Fla.
Clay
Dickinson
Evins, Tenn.
Fary
Ford, Tenn.
Fraser
Goldwater
Goodling
Hébert
Hefner
Henderson
Hinshaw
LaFalce
Matsunaga
Metcalfe
Mitchell, Md.
Nichols
O'Brien
Passman
Pepper
Peyser
Riegle
Ryan
Santini
Sisk
Solarz
Spellman
Steiger, Ariz.
Taylor, N.C.
Waxman
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Young, Ga.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Illinois.

Mr. Henderson with Mr. Broyhill.

Mr. Sisk with Mr. Ford of Tennessee.

Mr. Santini with Mr. Dickinson.

Mr. Charles H. Wilson of California with Mr. Andrews of North Carolina.

Mr. Passman with Mr. Bafalis.

Mr. Pepper with Mr. Fary.

Mr. Evins of Tennessee with Mr. Goldwater.

Mr. Nichols with Mr. Burke of Florida.

Mrs. Spellman with Mr. Hefner.

Mr. Riegle with Mr. O'Brien.

Mr. Matsunaga with Mr. Goodling.

Mr. Metcalfe with Mr. LaFalce.

Mr. Ryan with Mr. Fraser.

Mr. Mitchell of Maryland with Mr. Hinshaw.

Mr. Clay with Mr. Solarz.

Mr. Taylor of North Carolina with Mr. Steiger of Arizona.

Mr. Waxman with Mr. Young of Georgia.

Mr. Charles Wilson of Texas with Mr. Bob Wilson.

Mr. VANDER VEEN and **Mr. FORD** of Michigan changed their vote from "nay" to "yea."

So the conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 7706.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION AND AMENDMENT OF THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT, AS AMENDED

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8841) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8841 with Mr. HUNGATE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on Friday, October 3, 1975, it had agreed that the first section of the substitute committee amendment ending on page 3, line 11, would be considered as read and open to amendment at any point.

Are there any amendments to the first section?

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: Page 3, line 3, insert the following new sentence immediately after the period in such line: "Notwithstanding any other provision of this subsection (b) and section 25(d), in the event that the Administrator determines that suspension of a pesticide registration is necesary to prevent an imminent hazard to human health, then upon such a finding the Administrator may waive the requirement of notice to and consultation with the Secretary of Agriculture pursuant to subsection (b) and of submission to the Scientific Advisory Panel pursuant to section 25(d) and proceed in accordance with subsection (c)."

Mr. SEIBERLING. Mr. Chairman, this amendment to the Federal Insecticide, Fungicide, and Rodenticide Act amendments, would enable the Environmental Protection Agency to take immediate action to protect the public from imminent hazards to human health.

It amends section 1 of the bill, which would require that EPA give the Department of Agriculture in every instance 60 days' notice before issuing a notice of intent to cancel the registration of any pesticide.

The biggest problem with the 60-day USDA review requirement is that it also would, in effect, apply to suspension orders, which the EPA uses in "imminent hazard" situations to take immediate action. This is because, under the act, EPA cannot issue a suspension order unless it also issues a notice of intent to cancel.

My amendment would solve the problem by providing that—

> In the event that the Administrator determines that suspension . . . is necessary to prevent an imminent hazard to human health . . . the Administrator may waive the requirement of notice to and consultation with the Secretary of Agriculture.

It would apply to both regular and emergency suspension orders.

The committee report attempts to minimize the problem by explaining that—

> If the Administrator wished to order a suspension concomitant with the issuance of a notice of intent, he could short circuit the time requirement on notices of intent with the approval of the Secretary of Agriculture. . . . Under this provision, at most the order of suspension would be delayed by sixty days, and in cases that truly present an imminent hazard there should be no difficulty in securing the necessary concurrences for waiver of the time requirements.

However, I simply cannot believe that we can assume that there would be no difficulty in securing the necessary concurrences of the Secretary of Agriculture, in view of USDA's almost complete refusal to enforce the act from 1947 to 1970, and its consistent opposition to EPA regulatory actions since then.

The Government Operations Committee has documented that very dismal record in great detail. Based on its track record, the U.S. Department of Agriculture can be expected to use every opportunity to delay pesticide control actions, arguing about whether particular pesticides "truly" present imminent hazards. Any such disputes should be resolved in the full hearing and not be the basis for a delay where there is reason to believe that such a hazard is present.

Should the U.S. Department of Agriculture have the power to decide when EPA can take immediate action to protect the public health? Obviously not, in my view. It is EPA that has the most expertise in evaluating environmental health and safety hazards.

If this amendment is adopted, it would enable EPA to move immediately against imminent health hazards. It would be a vote against bureaucratic redtape and for public health and safety.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, as I understand the gentleman's amendment, in only one instance would it allow the Administrator to suspend a pesticide without first providing notice of 60 days to the Secretary of Agriculture and to the scientific panel. This would occur solely in the case where the Administrator had determined that the continued distribution of such pesticide in interstate commerce would constitute an imminent hazard to human health.

Mr. SEIBERLING. That is correct.

Mr. FOLEY. Is it the gentleman's further intention that his amendment be used only in the instance where the Administrator finds that there is an imminent hazard to human health and not in any other instance? In other words, the Administrator could not utilize this authority other than in connection with such an imminent health hazard.

Mr. SEIBERLING. Absolutely not. It is a very narrowly drawn amendment to take care of imminent hazards to health, such as the Administrator has had occasion to pass on in the past.

Mr. FOLEY. Speaking for myself, I would accept the amendment on those terms.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. OTTINGER and by unanimous consent Mr. SEIBERLING was allowed to proceed for 3 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to congratulate the gentleman for his amendment. I believe this is an amendment that was originally proposed as well by the gentleman from Michigan (Mr. DINGELL). It provides for a very serious situation where there is an imminent health hazard, that there may not be a delay caused by a requirement for referring this first to the Department of Agriculture for a period of 60 days.

I agree 100 percent with the doubts he has expressed about the Department of Agriculture. The past performance of the Department of Agriculture with respect to lack of enforcement against dangerous pesticides gives me no confidence that it would take prompt action even in this kind of situation.

I personally, and most environmental groups, oppose the 60-day delay altogether. Certainly, suspensions of pesticides posing an imminent danger to human health present a compelling problem. I hope that the Committee will adopt the gentleman's important amendment.

Mr. SEIBERLING. My amendment is identical to the amendment offered by the gentleman from Michigan (Mr. DINGELL), except that I have added the words, "to human health," to make it absolutely clear that this is the only situation we are talking about in this case.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I have examined the amendment offered by the gentleman from Ohio and the gentleman from Michigan. As I interpret it, the key words are, "imminent hazards to human health."

Mr. SEIBERLING. Correct.

Mr. WAMPLER. I find myself in agreement with the chairman of the Committee on Agriculture in that I think it is a reasonable amendment. I would point out that the original Poage-Wampler amendment which was offered in the Committee on Agriculture addressed itself primarily to two areas: First, was the issuance of new regulations by EPA; and second, only to future cancellations, not to suspensions.

It seems to me that this amendment addresses itself in a very reasonable way. By way of legislative history, is it the intent of the amendment that the Administrator of EPA could only use this authority as was outlined in the colloquy between the gentleman from Ohio and the chairman of the committee?

Mr. SEIBERLING. That is my intention.

Mr. WAMPLER. I would say to the gentleman that, speaking for myself, the amendment is acceptable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. KELLY

Mr. KELLY. Mr. Chairman, I offer two amendments, and I ask unanimous consent that these amendments be considered en bloc.

The Clerk read as follows:

> Amendments offered by Mr. KELLY: Page 2, line 1 strike out lines 1 through 25 and page 3, line 1 strike out lines 1 through 11 and insert the following:
>
> "That Section 6(b) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended (i) by inserting after the words 'the environment; the Administrator' the words 'with the concurrence of the Secretary of Agriculture' and (ii) by inserting after the words 'or classification issued' in subparagraph (2) the words 'by the Administrator with the concurrence of the Secretary of Agriculture' ".
>
> Page 3, line 12 strike out lines 12 through 25, all of page 4 and lines 1 through 10 on page 5 and insert the following:
>
> "SEC. 2. Section 25(a) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended by inserting after the words "the Administrator" the words "with the concurrence of the Secretary of Agriculture."

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. FOLEY. Mr. Chairman, reserving the right to object, I do so for the purpose of asking a question of the distinguished gentleman from Florida.

Am I correct that what the gentleman is asking for is consideration of these two amendments en bloc, and that in effect they constitute the same proposal that was acted on by the House last week when it was considered as the Symms amendment to the Brown amendment? Is that correct?

Mr. KELLY. If the gentleman will yield, the language is the same, but the amendments are directed to a different consideration.

Mr. FOLEY. They are directed to the language of the bill rather than to an amendment?

Mr. KELLY. Yes, that is correct.

Mr. FOLEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. KELLY. Mr. Chairman, this is a peculiar situation, in that these amendments that the Members are being asked to consider at this time represent the position of the committee in real life. The committee bill was what the committee decided politically was possible on this floor, not what was best. The amendment is what the committee decided was best.

Mr. FINDLEY. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to the provisions of clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Florida (Mr. KELLY) has the floor and has 4 minutes remaining.

Mr. KELLY. Mr. Chairman, this amendment that is before us at this time is the same language that was considered by the House last Friday. There were 91 Members of the Congress who were not present and voting on that occasion.

This matter has much far-reaching effect on the economy, the farmers, and the consumers. Certainly it is essential that the Members of this House all have an opportunity to vote on it.

This amendment was authored by the gentleman from Texas (Mr. POAGE) and by the gentleman from Virginia (Mr. WAMPLER). This is not an amendment that has not been considered.

This language was considered by the committee. It was favored by the majority of the committee, but it was thought that it could not happen politically, and this is a poor reason for voting in the wrong way, simply because one thinks that other people are not going to stand up and do what is in the best interests of the farmer and the consumer.

Mr. GINN. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes, I yield to the gentleman from Georgia.

Mr. GINN. Mr. Chairman, I want to rise to personally thank the gentleman from Florida (Mr. KELLY) for offering this important amendment. I think it is vital to the future of agriculture and to the people in this country.

Mr. Chairman, I rise in strong support of the amendment and urge its adoption.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes, I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I would like to voice my support for this language.

It was considered in the Committee on Agriculture, had thorough discussion there, and does bear the name of our esteemed vice chairman, although he did not support it on final passage.

It also has broad support from the American Farm Bureau Federation. This organization views this as a safeguard of the interests of the farmer as the EPA takes up the consideration of various pesticide questions.

Mr. Chairman, I do hope that enough Members who are sympathetic toward this amendment will stay on the floor to assure a record vote.

Mr. KELLY. Mr. Chairman, I thank the gentleman.

What this amendment does, clearly, is to give a balance between the production of food and the environment.

There is much nonsense abroad in this land about that when the Department of Agriculture was handling the environment, the Department did a bad job.

However, let us examine that just a little. Everybody in America did a bad job when the Department of Agriculture was doing a bad job. That is why the environment question is so heavy in America now. That is the very reason for it, so that the Department of Agriculture today, on questions of environment, is a different department. It is in a different country with different people with different attitudes. Therefore, it is nonsense to go too far, again, on the basis that we have a good idea and that the good idea is to protect the environment.

Of course, that is important, but we are getting ready to go too far. Sixty-two percent of the farmers in this country are small farmers, and they cannot survive a bureaucratic consideration of what is necessary for them to survive.

We have four big automobile manufacturers. One of them is in trouble because of the difficulties that they have had with EPA. Small farmers cannot survive in the same way that automobile manufacturers can. General Motors is going to survive the catalytic converter. I do not know whether the rest of us will or not, because it is causing about as many problems as it is solving, but the truth is that production agriculturally in this country is important to our economy. The production that we have depends upon the use of insecticides, the same as fertilizer. Certainly the cost of agricultural production is going to be affected if we unadvisedly take pesticides away. Therefore, it is absolutely essential for the consumer and the farmer and the economy of this country that we have a balance with respect to these problems.

Certainly, if we cannot rely on the gentleman from Texas (Mr. POAGE) and the gentleman from Virginia (Mr. WAMPLER) in matters of agriculture, then we in this Congress and the people in this country are in difficulty.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, except for the parliamentary situation in which this amendment arises, it is identical to the Symms amendment to the Brown amendment in the nature of a substitute, which was defeated last week.

I know it is attractive to many who represent rural and agricultural constituencies to support an amendment which, in effect, gives the Secretary of Agriculture veto power over decisions of the EPA affecting pesticides. Notwithstanding the fact that there may be some one or two examples of such veto authority in the present Federal structure, what this would do, if adopted, is give both agencies or either agency the capacity to veto the actions of another agency without either agency having the capacity to decide and implement significant regulations.

Some might be persuaded that it might be good for agriculture if the whole regulation of pesticides was stopped in its tracks. Currently, however, one of the problems of agriculture is obtaining decisions as to whether pesticides can be registered, and if not, what alternatives exist. One of the most serious problems has been the long delays that have preceded administrative action.

If we adopt the Kelly amendment, we are inviting further delay.

We have the example of Mirex, which is probably the only really effective pesticide to deal with fire ant infestation. The manufacturer of Mirex is about to cease production in the wake of agency disagreements over the use of this pesticide in extended eradication and control projects.

If we want to constrict the decision-making process to the point where manufacturers of needed pesticides and agricultural chemicals throw up their hands at the Government's inability to reach a decision because of long delays and longer arbitrations between the agencies—then we are inviting a serious blow to agriculture.

Speaking candidly to the members of our committee about a month ago, the Secretary of Agriculture acknowledged that, as a principle of good organization and administration, he could not support legislation giving one agency the right to veto actions of another.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I would ask the gentleman from Washington, the chairman of the committee Mr. FOLEY, is the gentleman advised that the Farm Bureau and the American Cattlemen's Association favor the Poage-Wampler position?

Mr. FOLEY. I have been advised by the gentleman from Illinois (Mr.

FINDLEY) that the Farm Bureau favors it. Although I do not recall having received any direct communication from the American Cattlemen's Association on this amendment, I will accept the assertion of the gentleman from Florida that they do support its provisions.

Mr. KELLY. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, I have a great deal of respect for those organizations, but I think they are capable of making mistakes.

Whether this is good or bad legislation is one issue; the second issue is whether or not, as the gentleman himself said, it can be adopted.

The committee's bill, in effect, requires an agricultural impact statement with respect to the EPA's evaluation of pesticides. The adoption of the Kelly amendment would wipe that out.

If this were to be adopted in the Committee of the Whole, which, according to the vote last week, is more than a remote possibility, it would be wiped out on a separate vote when we go back into the House. If that should happen, I do not know what our legislative situation would be, I do know, however, that we have an opportunity to follow the majority Committee decision by rejecting the terms of the Kelly amendment.

If we stay with the bill requiring EPA to give notice to the Secretary of Agriculture, and thus giving the Secretary a chance to file what amounts to agricultural impact statement regarding EPA activities, and allowing the scientific panel an opportunity to give independent testimony in the Federal Register, we will be taking steps to insure that all decisions of EPA are based on the best information available from both the agricultural and scientific community. If EPA rejects that advice, this bill can at least bring the issue into closer focus so that the public debate will be centered on the real issues. I hope the majority of the committee will do this.

I want to say a word concerning the role of the gentleman from Texas (Mr. POAGE) in this matter. Our distinguished vice chairman, Mr. POAGE, felt and feels this would be a good amendment if in his judgment, it were possible to write it into the law. But as all who know him will attest, however, his main interest has been to get something accomplished instead of wasting time in mere rhetoric.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.

Mr. FOLEY. It is his judgment, as well as mine, that if we inject the Kelly or the Symms amendment into this bill, we will be wiping out what can be done, what can be sustained in decision with the other body. The provisions of the committee bill can go a long way toward placing some reasonable limits on EPA activities by involving them in the necessary consultation with agriculture and the scientific community. I hope that Mr. POAGE's judgment as to what is a practical and achievable result here will not be swept away by those who would like what they view a stronger, perhaps more far-reaching, amendment, a view which neither I nor the vice chairman shares. I want to state my own view: that I respectfully differ with both the Vice Chairman and the gentleman from Virginia (Mr. WAMPLER) regarding the actual merits of this amendment.

I am afraid that if this amendment is adopted, then we are going to see real harm done to American agriculture with decisions and actions constricted that there is no action and no policy. If this amendment is adopted, we will not have what agriculture needs more than anything: sure and reliable decisions which provide incentive for agricultural production of our food and fiber.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

Would the gentleman recognize that although it might have appeared to the contrary at an earlier time, it now appears possible to get this better amendment into the law since there was only a gap of eight votes under the leadership of the gentleman from Florida. With leadership, it would have certainly carried by a substantial vote because it is the best view—and the Members of this Congress recognize that, without leadership.

Mr. FOLEY. I think the gentleman from Florida does not do himself sufficient credit. The issue will be decided when the House finally votes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VIGORITO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I should like to be associated with the remarks made by the chairman of this committee, the gentleman from Washington.

I am opposed to the amendment. I think if the amendment passes, it would destroy the bill. No doubt, it would destroy the bill, and we need this bill. We have worked many days in committee on the bill, and I urge my colleagues to vote down the Kelly amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. VIGORITO. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the remarks of the gentleman from Pennsylvania. I agree that this amendment would be disastrous to the bill. I think that the record shows that EPA has a very balanced approach, sometimes annoying to the farmers and sometimes annoying to the environmentalists.

Mr. Chairman, it is maintained that the Environmental Protection Agency fails to take adequate and necessary account of agricultural and other factors. Indeed, the Secretary of Agriculture has maintained that a better balance along with environmental factors is needed.

As I look back at the record of the implementation of the FIFRA since it was thoroughly amended in 1972, I see a remarkable record of balanced decisionmaking in a most complex area.

It may be well to recount a part of that record. The cancellation of registration of aldrin and dieldrin because of a risk to human health and the environment prompted our agricultural friends to claim a lack of balance on the part of EPA. The approval by the Administrator this month of the use of sodium cyanide devices for predator control raised the ire of environmentalists. A year and a half ago, the decision by the Administrator to use DDT on an emergency basis to control the tussock moth in the forests of the Northwest garnered praise of foresters and criticism from environmentalists. Last year the denial by the Administrator to use DDT on cotton crops again raised a chorus of agricultural complaints.

Mr. Chairman, I believe that record is a record of decisions based on close and careful study and analysis. It is a record of balanced decisionmaking. It would appear that those who call for "balance" really mean they would welcome the old lackadaisical enforcement and maladministration of the Department of Agriculture. We rejected this in 1972. I would urge my colleagues to reject it again in 1975.

Mr. Chairman, I would ask leave to expand and extend my remarks.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. VIGORITO. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

I strongly support the position of the gentleman from Pennsylvania and the very able chairman of the Committee on Agriculture. I think that it is administrative folly to have two departments competing with each other in making important decisions. Furthermore, I think the deplorable record of the Department of Agriculture with respect to pesticides indicates that it would give no effective protection at all to the health of the people of the United States with respect to pesticides which are unsafe or harmful to health.

I think that the EPA has moved very strongly to try and rectify some of the objections of the farmers. It has set up a scientific panel to review all proposed pesticide action. I think that there is no need even for the provision which was put in the legislation for a 60-day review by the Department of Agriculture, but this amendment for a veto by the Department of Agriculture is unquestionably an unsound provision and I hope it will be defeated.

Mr. VIGORITO. I thank the gentleman.

Mr. Chairman, I urge my colleagues to vote down the Kelly amendment.

Mr. FINDLEY. Mr. Chairman, I rise in support of the amendment and I move to strike the requisite number of words.

I recall vividly when the gentleman from Texas (Mr. POAGE) made a very effective argument in committee explaining why he changed his position on the Poage-Wampler amendment. Frankly I could see the merit to his argument because it then appeared unlikely the House would support the Poage-Wampler language. Yet I am sure he was surprised, as I was surprised, at the strength of the vote for the Poage-Wampler amendment when it was first considered by this committee, I believe early last week. The difference was about 5 or 6 votes, something like that, and it showed a surprising strength for this amendment.

I think one of the reasons there was such a strong vote for the amendment in this committee was that Members realized it was only a modest step. It really does not strip EPA of power. The Administrator of EPA still would retain the right to suspend any pesticide he felt was harmful. He would not have to go to the Secretary of Agriculture in any respect in order to suspend the use of any particular pesticide and there is no time limit for the suspension.

So actually the amendment offered by the gentleman from Florida (Mr. Kelly), which is better known as the Poage-Wampler amendment, is a modest step but nevertheless one which many farmers and farm organizations, including the American Farm Bureau Federation, recognize as a comforting provision which would require that before the EPA could cancel permanently the use of any pesticide the concurrence of the Secretary of Agriculture would have to be secured.

So therefore I think it is a reasonable but modest step in giving assurance to the farmers that they will have the ability to use pesticides so vital to the production of food in this country.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment of the gentleman from Florida (Mr. Kelly). I hope we keep in mind what is the central issue before us. That is, the need for the members of our country's farm community to be included in the final decisions to be made whether or not particular crop-saving chemicals are to be used. As it now stands, only the Environmental Protection Agency makes these decisions. By suggesting, as I in fact do, that the Department of Agriculture also have a say in the matter, we are only being realistic. The EPA may include some people with expertise in certain areas, but most of them do not know beans about farming.

I do not know the particular situation elsewhere, but farmers where I live absolutely need the effective chemicals with which the EPA has too often played bureaucratic games. If denied these farming tools farmers might as well feed their seeds to the birds which flock around the welfare lines that farmers will be joining. Better that than see their crops die, their families go hungry, their economy wither away and their crop-eating insects munch little thank yous to the EPA.

There is, of course, an alternative in the form of the reasonable amendments proposed by my colleagues, Messrs. Poage and Wampler, now before us in the form of the Kelly amendment. It requires that the EPA give advance notice of its regulatory actions to the Department of Agriculture before those actions are taken. It requires that the door be opened, that joint EPA-USDA regulations be published for all the world to see. In short, it widens the circle of citizens and interests, all of whom must be consulted and offer final approval before any one agency or interest can make a regulatory decision which can have serious consequences for our economy and for the quality of our lives.

Every day, both in the pages of the Record and in the annals of the real world, we hear of agency horrors, bureaucratic foulups which have successfully made life difficult for countless citizens. In nearly every instance, ignorance was found to be more often than not, the root cause. Increasing the number of voices to be heard, and mandating that the EPA must listen to and sometimes heed those opinions so voiced will better guarantee a better life for all of us and a greater abundance of food.

Because the Poage and Wampler amendments to H.R. 8841 institute this increased level of consultation, they deserve our support.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida (Mr. Kelly).

Mr. KELLY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The question is on the amendments offered by the gentleman from Florida (Mr. Kelly).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KELLY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 233, not voting 36, as follows:

[Roll No. 608]

AYES—164

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Bell
Bevill
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Tenn.
Edwards, Ala.
English
Eshleman
Evans, Ind.
Findley
Flowers
Flynt
Forsythe
Fountain
Frey
Ginn
Goldwater
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Hefner
Hillis
Holland
Holt
Horton
Hubbard
Hutchinson
Hyde
Ichord
Jarman
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lent
Litton
Lloyd, Tenn.
Long, La.
Lott
McCollister
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mills
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Neal
Nichols
Pettis
Pressler
Pritchard
Quillen
Railsback
Randall
Regula
Risenhoover
Roberts
Robinson
Rose
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Stephens
Stratton
Stuckey
Symington
Talcott
Taylor, Mo.
Thone
Thornton
Traxler
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Winn
Wright
Wylie
Young, Alaska
Young, Fla.
Young, Tex.

NOES—233

Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Erlenborn
Evans, Colo.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Frenzel
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gradison
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hightower
Holtzman
Howard
Howe
Hughes
Hungate
Jacobs
Jeffords
Johnson, Calif.
Jordan
Karth
Kasten
Kastenmeier
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Levitas
Lloyd, Calif.
Long, Md.
Lujan
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill

Ottinger
Patman, Tex.
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Quie
Rangel
Rees
Reuss
Richmond
Rinaldo
Rodino
Roe
Rogers
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Slack
Smith, Iowa
Spellman
Staggers
Stanton, James V.
Steed
Steelman
Stokes
Studds
Sullivan
Thompson
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Weaver
Whalen
Wiggins
Wilson, Bob
Wirth
Wolff
Wydler
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—36

Addabbo
Bafalis
Carney
Casey
Chappell
Esch
Evins, Tenn.
Fary
Ford, Tenn.
Fraser
Hawkins
Hébert
Henderson
Hinshaw
Matsunaga
Metcalfe
O'Brien
Passman
Peyser
Rhodes
Riegle
Rousselot
Ryan
Santini
Sisk
Solarz
Stark
Steiger, Ariz.
Steiger, Wis.
Symms
Taylor, N.C.
Teague
Udall
Waxman
Wilson, C. H.
Wilson. Tex.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Addabbo against.

Mr. Henderson for, with Mr. Waxman against.

Mr. Taylor of North Carolina for, with Mr. Matsunaga against.

Mr. Santini for, with Mr. Metcalfe against.

Mr. Teague for, with Mr. Ryan against.

Mr. Casey for, with Mr. Solarz against.

Mr. Chappell for, with Mr. Sisk against.

Mr. Evins of Tennessee for, with Mr. Ford of Tennessee against.

Mr. Passman for, with Mr. Fary against.

Mr. Rousselot for, with Mr. Riegle against.

Mr. Symms for, with Mr. Carney against.

Mr. Steiger of Arizona for, with Mr. Peyser against.

Mr. O'Brien for, with Mr. Stark against.

Mr. Steiger of Wisconsin for, with Mr. Hawkins against.

Mr. Bafalis for, with Mr. Charles H. Wilson against.

Mr. Hinshaw for, with Mr. Fraser against.

So the amendments were rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. (a) Section 25(a) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended—

(1) by inserting "(1)" immediately after "(a)";

(2) by inserting ", in accordance with the procedure described in paragraph (2)," immediately after "is authorized" in the first sentence; and

(3) by adding the following new paragraph at the end thereof:

"(2) PROCEDURE.—

"(A) PROPOSED REGULATIONS.—At least 60 days prior to signing any proposed regulation for publication in the Federal Register, the Administrator shall provide the Secretary of Agriculture with a copy of such regulation. If the Secretary comments in writing to the Administrator regarding any such regulation within 30 days after receiving it, the Administrator shall publish in the Federal Register (with the proposed regulation) the comments of the Secretary and the response of the Administrator with regard to the Secretary's comments. If the Secretary does not comment in writing to the Administrator regarding the regulation within 30 days after receiving it, the Administrator may sign such regulation for publication in the Federal Register any time after such 30-day period notwithstanding the foregoing 60-day time requirement.

"(B) FINAL REGULATIONS.—At least 30 days prior to signing any regulation in final form for publication in the Federal Register, the Administrator shall provide the Secretary of Agriculture with a copy of such regulation. If the Secretary comments in writing to the Administrator regarding any such final regulation within 15 days after receiving it, the Administrator shall publish in the Federal Register (with the final regulation) the comments of the Secretary, if requested by the Secretary, and the response of the Administrator concerning the Secretary's comments. If the Secretary does not comment in writing to the Administrator regarding the regulation within 15 days after receiving it, the Administrator may sign such regulation for publication in the Federal Register at any time after such 15-day period notwithstanding the foregoing 30-day time requirement.

"(C) TIME REQUIREMENTS.—The time requirements imposed by subparagraphs (A) and (B) may be waived or modified to the extent agreed upon by the Administrator and the Secretary.".

(b) Section 21(a) of such Act is amended by inserting the following immediately before the period: "in accordance with the procedure described in section 25(a)".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that section 2 may be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. Section 27 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended by adding at the end thereof the following:

"There is hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1975, and ending September 30, 1976, the sum of $47,868,000.".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that section 3 may be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. Section 4 of the Federal Environmental Pesticide Control Act of 1972 is amended—

(i) In subsection (b) by striking the words "four years" and inserting in lieu thereof the words "five years";

(ii) In paragraph (c)(2) by striking the words "four years" and inserting in lieu thereof the words "five years";

(iii) In paragraph (c)(3) by striking the words "four years" and inserting in lieu thereof the words 'five years";

(iv) In paragraph (c)(4) by striking the words "four years" and inserting in lieu thereof the words "five years"; and

(v) In paragraph (c)(4)(B) by striking the words "three years" and inserting in lieu thereof the words "four years".

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that section 4 may be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 6, line 10:

SEC. 5. Section 4 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended by deleting the period at the end of subsection (a)(1) and inserting the following: ": *Provided*, That the certification standard for a private applicator shall be deemed fulfilled by this signing a self-certification form. The Administrator shall assure that such form contains adequate information and affirmations to carry out the intent of this Act.".

AMENDMENT OFFERED BY MR. BERGLAND

Mr. BERGLAND. Mr. Chairman, I offer an amendment.

The Clerk read as folows:

Amendment offered by Mr. BERGLAND: On page 6, delete all after the first colon on line 13 through line 17 and insert in lieu thereof the following: ": *Provided, however*, That the certification standard for a private applicator shall be deemed fulfilled by his completing a certification form. The Administrator shall further assure that such form contains adequate information and affirmations to carry out the intent of this Act, and may include in the form an affirmation that the private applicator has completed a training program approved by the Administrator so long as the program does not require the private applicator to pass an examination to establish competency in the use of the pesticide. The Administrator may require any pesticide dealer participating in a certification program to be licensed under a State licensing program approved by him."

Mr. BERGLAND. Mr. Chairman, I offer this amendment on behalf of the gentleman from North Carolina (Mr. JONES) and myself. Section 5 of the committee bill has been described by some as the Jones amendment. My amendment to that section would simply provide the appropriate language to the bill conveying what the gentleman from North Carolina and I intended to convey when the matter was considered and adopted by the Committee on Agriculture.

The amendment would give to the Administrator the authority that may now be lacking allowing him to approve a plan that has operated successfully in the State of Minnesota for 7 years. Under that plan the State has a training program to instruct all users in the proper use of pesticides. That plan also provides for State licensing and instructing dealers in the proper use of pesticides. The plan further provides for instruction to users by the county extension agents, by the county wheat inspectors, and others.

When a prospective buyer intends to use one of these restricted pesticides he first will attend a training program. He will commonly approach his dealer who in turn will go over the label with the prospective buyer to satisfy himself that the buyer clearly understands the label, its limitations, and its proper usage.

The amendment would require, however, that the State's plan need not necessarily contain a clause that would require the applicator to pass a written examination. In the experience we have had with the administration of the pesticide program in the State of Minnesota, we have found that when an applicator reads a complicated manual and takes a written examination, he frequently is not knowledgeable on the proper use of the two or three pesticides that commonly will be used on his farm, and that by having the county extension agent, by having the county wheat inspector, and by having the local dealer go over the proper use, we find the instructional program is very, very effective.

Some may wonder why we need this amendment, because the Administrator of EPA has announced his intention to approve the Minnesota plan. There is doubt within the office of general counsel of the agency as to whether or not the Administrator has the legal right to do this. This amendment would simply clarify that point of law. It does state that a training program must be put in place by the States, as approved by the Administrator, and it authorizes the Administrator to require dealer licensing so the program is run in a very responsible and, in my judgment, very effective fashion.

Mr. Chairman, I urge support for this amendment.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think this whole question of self-certification is probably the most important part of this bill as it pertains to farmers, ranchers, and others who would be applying pesticides and other agricultural chemicals. In reading the amendment offered by the gentleman from Minnesota (Mr. BERGLAND), I am somewhat disturbed by what I think is a reasonable interpretation of the amendment. It says in part, and I quote: "and may include in the form an affirmation that the private applicator has completed a training program approved by the Administrator so long as the program does not require the private applicator to pass an examination to establish competency in the use of the pesticide."

Mr. Chairman, it seems to me that a reasonable interpretation of that language would mean in effect that the Administrator of EPA may require a potential applicator to take a prescribed course of instruction or training and then subsequently be given an examination, and if he failed to pass the examination, the Administrator could not deny him the right to apply that pesticide.

It seems to me this is a rather ludicrous situation. I have great confidence in farmers in general and Virginia farmers in particular. I know that many of the farmers that I represent have been applying pesticides and agricultural chemicals for many years. If for no other than a selfish interest, they are concerned about the potential danger of any pesticide that may be applied as it may relate to any personal injury that may occur to them, to their employees, to their neighbors, and to the environment.

It just seems that this amendment is needless.

I supported in committee the amendment of the gentleman from North Carolina (Mr. JONES) as it pertains to self-certification, because I think it is highly desirable.

Under the amendment offered by the gentleman from Minnesota (Mr. BERGLAND) it gives the Administrator of EPA permissive authority.

I hold here a copy of a form, Mr. Chairman, that is prescribed by the Department of Housing and Urban Development. It is a disclosure and settlement statement. Perhaps many of you have had these forms referred to you by your constituents. This is a three-part form, with copies comprising five different colors.

If this amendment is adopted, it could require a potential private applicator to take a private study course to complete a form similar to this one. This is the type of complaint I am hearing almost daily from my constituents who are concerned about needless governmental bureaucracy, recordkeeping, and filing of forms.

It just seems to me that if a potential applicator of a pesticide, as the committee bill provides, is required to be self-certified at the source of purchase, and that at that point in time the potential dangers, if any, of that particular pesticide, are made known to him, that he understands how it is to be applied and that he signs a statement of self-certification, that would be the most practical way for us to address ourselves to this question of self-certification.

While I have great respect and admiration for my colleague from Minnesota, it seems to me that this amendment is needless and it would present a situation that perhaps would become rather ridiculous.

AMENDMENT OFFERED BY MR. FOLEY TO THE AMENDMENT OFFERED BY MR. BERGLAND

Mr. FOLEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. FOLEY to the amendment offered by Mr. BERGLAND: Page 1, line 9, strike words "to pass an examination" and insert in lieu thereof "to take any examination".

Mr. FOLEY. Mr. Chairman, the purpose of this amendment to the amendment is to make clear that the effect of its adoption would be to authorize the EPA to conduct informational programs for those who are to be certified for the use of pesticides, other than general use pesticides, but that the Administration could not require that any examination be taken as part of that certification process, unless a State were to decide that it wished to include a test in its proposed plan. Thus the Administrator could not require an unwilling State to administer an examination, but no State would be preempted from administering one of its own accord. We are embarking on a new procedure in the regulation of restricted pesticides.

Farmers and ranchers around the country have utilized pesticides in the past without restriction, except as to labeling.

In effect, the amendment to the amendment, if it were adopted, would mean that informational programs could be conducted as a requirement for self-certification with no examination, written or oral, to be utilized and no person could be required to undertake such examination as a condition of self-certification, unless a State were to mandate one.

I hope the Committee will adopt the amendment to the amendment and support and adopt the Bergland amendment as amended.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to point out to the House that this amendment as now amended by the chairman of the committee to clarify a misunderstanding that could otherwise have arisen falls directly in line with the program that we passed through our State legislature in North Dakota that was approved by the EPA as being a satisfactory program.

The North Dakota program states that the county agent in each county who has this information shall hold informational meetings, as they do regularly anyway for individuals who will be applying these herbicides and pesticides, and at the completion of these meetings they are then able to be self-certified. The licensing of course of the commercial applicator is handled by the State.

But the amendment offered by my colleague and friend from the Red River Valley, the gentleman from Minnesota (Mr. BERGLAND), falls totally in line with what the EPA has accepted in the case of North Dakota. It is a good amendment, one which the farmers can live with, which gives them assurance that they will be aware of the composition and reaction of the pesticides or herbicides they are using.

I urge my colleagues to support the amendment.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say to the members of the Committee if there is one thing I learned in the August recess it is that "the American public is fed up to the hilt with bureaucratic regulations." As pointed out by the gentleman from Virginia, this amendment was offered in the Agriculture Committee, hopefully patterned after the Minnesota plan, which has been fully explained, but I think it is proper at this point for some of my city friends to put in perspective what we are talking about when we refer to a private applicator.

The law, not in these exact words but in effect, in other parts of the bill defines "private applicator" as one who applies chemicals to his own farm or one under his immediate supervision. I have a feeling, which was confirmed in the conversation with the Administrator, that there was some plan as the States submitted their plans for the Administrator to require the farmers of this Nation to take a long lengthy written examination at regular intervals which, with no reflection on the farmers because I doubt seriously that I could pass such an examination, many of them would be unable to pass. Many of them would then be forced to hire a professional applicator thereby increasing his cost.

It is my feeling and the feeling of 28 out of 30 members of the Agriculture Committee that it would be far more reasonable to let the private applicator sign at the time of the purchase of the product an agreement that he would indeed abide by the label and caution and instructions on said carton rather than take this lengthy examination, many parts of which would be forgotten within a day or two.

So I urge the Committee to adopt the Bergland amendment as amended by the chairman of the committee, which I think does exactly what the majority of Americans would like to see this Congress do.

Maybe in the broadest sense we are in effect saying to this segment of our population that we have trust and faith in their abiding by the rules of the Federal Government without involving them in a multiplicity of redtape and confusion.

I hope this Committee will adopt the amendment as amended.

Mr. KELLY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am really happy for this opportunity this morning, because this is the first clear shot I have had to do what I came to Congress to do, and that is to try to oppose this Congress and this Government helping so much.

Now, the brightest spot in our entire economy is agriculture. It is a success; it is an economic success in world competition. All of the do-gooders in this House have been helping the Penn Central Railroad, and it is bankrupt. They have been helping the shipbuilding industry in America, and it is not competitive in the world market. Now, they are getting ready to help the farmers, and this is the way they are going to do it.

The first effort was to tell them that they had to take an examination and take a course, but they did not have to pass it because we did not want them to be angry. Now, this amendment we have before us says that they do not have to take any examination, but they still may be required to take the course. What is happening here is that the people in this House are telling the farmers, who are a success—and this House has some question about its own success—getting ready to tell them that they have got to take a course given by some bureaucrat as to how to farm. A course on the application of pesticides and insecticides on the American farm, which is an integral part of any kind of farming and agricultural operation in this country today.

There just is no justification here for telling the farmers that we are going to mount an expensive program to give them instructions when the evidence is that they just do not need our help. So, I am urging the Members, please, let us do not help these people so much because if we do, they just might not survive the medicine.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me that the amendment to the amendment as offered by the distinguished chairman of the Committee on Agriculture is as undesirable as is the amendment itself. As I understand the amendment to the amendment, it would simply substitute the language, "to take any examination," for the language, "to pass an examination."

What bothers me, Mr. Chairman, about the whole thrust of the Bergland amendment and the amendment to the amendment as offered by the gentleman from Washington (Mr. FOLEY) is that it adds another needless layer of bureaucracy to American agriculture. If the amendment to the amendment were adopted, as I understand it, it could put a premium on incompetency.

As I understand it, a potential applicator could be required to attend a prescribed course of instruction, and he perhaps could sleep through the entire course, and as long as he could certify that he had attended the requisite number of sessions, he could be certified as an applicator. If I may, I would like to point to page 8 of the committee report in that section addressing itself to self-certification, and point out that section 5 of the committee bill, as amended, does give the Administrator of EPA the authority to assure that any form that is prescribed contains adequate information and affirmation to carry out the intent of the act.

During the hearings on this bill, the committee heard much testimony which was highly critical of the manner in which EPA had begun to administer the provisions regarding certification of private applicators and the burdensome and often time consuming and unnecessary process that was being placed on farmers in order to become certified.

As a practical matter, in many States that have already set up certification programs, potential applicators are required to take a course of study that would apply to many pesticides and agricultural chemicals that they would never use, so it would seem to me that what the committee bill provides is a self-certification at the point of purchase of the pesticide, and is the most practical way.

As I tried to point out earlier, farmers do have a self-interest in the safe and proper use of pesticides. I think it would be fair to say that the farmers and ranchers of this country were, in fact, the original environmentalists, because they live close to the land.

They know by adhering to proper environmental policies and practices that it will preserve that which is dearest to them, their land, their ranch, or their orchard.

Mr. Chairman, I hope that we would reject the amendment to the amendment and the amendment and go back to the language in the original committee bill. I think this will best serve the purpose of all of us who are interested in seeing that applicators of chemical pesticides do it in a way that will reduce the possibility of damage not only to themselves but to the environment, and it seems to me that by rejecting the amendment to the amendment and the amendment we get back to what the committee intended, that we can have self-certification in such a way that it will give us a proper balance between these conflicting points of view.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY) to the amendment offered by the gentleman from Minnesota (Mr. BERGLAND).

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. BERGLAND), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. KELLY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment as amended was agreed to.

The CHAIRMAN. Are there further amendments to section 5?

AMENDMENT OFFERED BY MR. MCHUGH

Mr. McHUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McHUGH: Page 6, line 10, strike lines 10 through 17.

Mr. McHUGH. Mr. Chairman, my amendment is to strike section 5 from the bill, because section 5 still contains a provision which would allow for self-certification and, in my view, self-certification could do irreparable harm to what Congress accomplished in 1972.

It is important to understand what this Congress did in 1972. In that year, it adopted a series of amendments to the pesticide law. Those amendments, among other things, directed that EPA classify pesticides available for use into two categories. One category was to include pesticides for general use, and the second category was to embrace pesticides for restricted use.

General use pesticides are available to anyone without limitation simply by purchasing them in the open market. Restricted use pesticides, however, are those which are determined to be highly toxic and, therefore, potentially dangerous to human beings or to the environment, or to both.

In 1972 the Congress recognized that while pesticides have a tremendous value to agricultural production in this country, certain pesticides are dangerous. Therefore, Congress also directed EPA to develop standards to certify individuals as competent to use pesticides determined to be dangerous.

Mr. Chairman, I submit that Congress took a very sensible step in 1972. Unfortunately, section 5 of this bill, which would introduce self-certification for the first time, undermines that decision and runs counter to the policy which was clearly set earlier and which remains in effect today.

Section 5 permits an individual to certify himself as competent to use a dangerous pesticide by simply signing a form which says that he is competent. That such a procedure is self-serving and completely devoid of objectivity is obvious.

There is absolutely no requirement in this bill that there be an independent determination of competency, however informal or formal. There is no standard assuring that the person desiring to use the restricted pesticide understands the hazards involved.

I know that the argument in favor of section 5 and in support of self-certification is that many of our farmers have been using pesticides for years without incident. I am sure that is true. I have farmers in my own district, and I know the vast majority of those farmers are very responsible people. In most cases there is little chance that they would apply their pesticides in a manner that would be dangerous to themselves or to the environment.

However, farmers are no different than any other class of people. There are some who are careless, there are some who are uninformed, and there are some who have not yet concerned themselves with the dangers involved with certain restricted pesticides. That is why in 1972 Congress passed the amendments designed to provide some education and an independent judgment of competency, amendments which were designed to safeguard the environment and the health of our people.

Accordingly, Mr. Chairman, it is imperative that we maintain the policy previously adopted by Congress. To provide some reasonable measure of education does not mean putting individuals through an extensive course. Under current law the States are authorized to develop their own plans and options for training, and these programs need not be burdensome.

Many of the States have proceeded in good faith based upon the amendments adopted by Congress in 1972. They have spent money in developing their programs for training and certification. Are we now to undercut their efforts and compromise their credibility with farmers by saying that we really did not expect a meaningful program after all?

I submit, Mr. Chairman, that it is important that we not change direction now and that we do maintain a sense of responsibility in this area.

Undoubtedly there is a measure of inconvenience involved for farmers who are asked to learn something about restricted pesticides. Arrayed against that certain measure of inconvenience, however, are the dangers to the environment and human health imposed by restricted pesticides that are improperly used. Surely we must reaffirm our commitment to protecting health and environment when faced with this choice.

Mr. Chairman, I am offering this amendment to strike section 5 in the hope that we can retain the law as it is. This is a law which is working: It is a law which the States have relied upon and are following. I submit that this is the responsible direction to take in this area, and I urge my colleagues to support the amendment.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, do I understand that the gentleman is merely saying that to simply permit a person to certify himself makes a mockery of the whole question of certification?

Mr. McHUGH. That is what I am saying.

Mr. ECKHARDT. So the gentleman is simply removing the authority to certify one's self, and it seems to me that is based on irrefutably correct logic.

The CHAIRMAN. The time of the gentleman from New York (Mr. McHugh) has expired.

(On request of Mr. Ottinger and by unanimous consent, Mr. McHugh was allowed to proceed for 3 additional minutes.)

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. McHUGH. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, it would seem to me that this would be comparable to letting a would-be doctor give himself his own certification to practice medicine.

Mr. McHUGH. That is correct. I agree with the gentleman.

Mr. ECKHARDT. Or it is comparable to allowing a person who desires to practice law the opportunity to certify himself. That, it seems to me, would make a virtual mockery of the certification procedure.

Mr. Chairman, I certainly agree with the gentleman's amendment, and I shall support it.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I rise in very strong support of the gentleman's amendment. I think that the self-certification principle just does not make any sense.

What we are talking about here is restricted pesticides. These are pesticides which, if improperly handled, are dangerous to the farmer as well as dangerous to the public. If they are allowed to be improperly handled so that toxic substances do get on food and people do suffer from the poisons involved, they can be extremely dangerous.

I think the minimum requirement should be that the farmer and the home applicator—because it is not just farmers we are talking about—be required to learn something with respect to handling these really toxic substances and have some training in that area so they can handle them properly for the protection of themselves and the protection of the public.

While I do think that the amendment offered by the gentleman from Minnesota (Mr. Bergland) which has been adopted makes the situation somewhat better than it would have been—and I supported the gentleman in that respect—I do think it would be much better to continue the practice as it presently exists and allow the States to continue their certification programs and thereby offer the public and the applicator the kind of protection that is provided by this amendment.

Mr. Chairman, I think the gentleman has offered an excellent amendment, and I hope it will be supported in Committee.

Mr. McHUGH. Mr. Chairman, I thank the gentleman from New York.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. Yes, I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I want to commend the gentleman from New York (Mr. McHugh) for his leadership.

This amendment is a most important contribution to this piece of legislation.

Certainly, self-certification, on its face, is very inadequate in the field of dealing with dangerous pesticides, fungicides, and materials of this type.

Therefore, Mr. Chairman, I certainly hope and urge that the House adopt this amendment.

Mr. EVANS of Colorado. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I understand the reasons that the gentleman from New York (Mr. McHugh) is offering it, and I understand how those who do not have an army of agricultural constituents might support it.

After all, it sounds so logical: If we are going to restrict certain chemicals, either pesticides or fungicides, why not provide a careful procedure by which we test those who are going to apply those substances to the soil? However, let us take a look in the other direction.

EPA was going forward until our Colorado Commissioner of Agriculture began talking with them. We found out that some lawyer who was just recently out of law school was the man who was drawing the regulations which would affect farmers all over this country in the application of restricted chemicals. He was headed toward the requiring of the taking of a course and the giving of examinations.

We in Colorado have some 20,000 farmers, and they saw this coming. That is, these 20,000 farmers scattered over 100,000 square miles saw the prospect of a monumental headache.

They feared they were going to get a notice from our Department of Agriculture in Colorado saying: "You lucky people, you are going to be able to take a course in the use of these pesticides and herbicides here in Denver. On the apointed day, you can come to Denver, driving 300 or 400 miles in the process and taking hours of driving and attend a couple of days of classes. You will have to pay to defray the cost of this. After taking the course and if you pass the test, you will have to pay a fee to get a license to apply these chemicals for a limited period of time."

Multiply that picture by 50 States and the some hundreds of thousands of farmers throughout the United States, and all will see what kind of picture we could have. It is mammoth.

Now I would like to refer the members of the committee to the comments just made by the gentleman from New York (Mr. McHugh) in which he allowed as how he has farmers in his district. I am glad he does. Then he complimented those farmers. He said, if I quote him correctly, that the vast majority of these farmers are responsible people capable of caring for their lands and the products that they grow, good products that will then be offered to the people of this country to be consumed as food.

Mr. Chairman, he tipped his hat with congratulations to the vast majority of the farmers in his district.

Then I think he said something about like this: "Obviously, farmers are people, and you have some who may be careless." I think he used the word "occasionally." But, then what he suggests we do to take care of this "occasionally careless farmer" is a removal from this bill of an ability on the part of all farmers to come in and certify, "I know how to handle this material. I will handle it in accordance with the labels, which I have read and understand."

Therefore, Mr. Chairman, if we adopt the gentleman's amendment we will be penalizing the vast majority of the American farmers because of the occasionally careless farmer.

We have had farmers successfully and safely using chemicals in this country for I do not know how many years.

I have listened to the testimony in committees, and I have heard conversations on the floor of this House about the dangerous things the farmers use many times, and I have yet to hear of an instance in which a farmer has been careless or negligent, and as a consequence of that, there has been human injury.

The effect of some chemicals is debatable in terms of the effect on the environment. It is a debatable question, but I submit that self-certification on the part of farmers is proper.

If a farmer produces a product that is going to be dangerous to people, he is not going to be able to sell it.

It is in his own interests to make certain that what he produces is safely consumable by the American public.

For this reason I object to the amendment offered by the gentleman from New York (Mr. McHugh) and submit that if it passes it will penalize the vast, overwhelming majority of farmers in this Nation in order to get at the occasional negligent ones.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Colorado. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I want to associate myself with the remarks of my colleague, the gentleman from Colorado (Mr. Evans) which as usual were right to the point.

But, Mr. Chairman, let me ask the gentleman from Colorado if it is not true that if this type of an examination went on, and the farmer himself could not travel that many miles and put in that much time to pass the examination that then most of the application of his pesticides would be done by the sharpy who passed the examination but who could be totally careless in the application of these pesticides because he did not know about the shelter belt that the farmer had been protecting all of his life, or he did not know about the wind patterns there and he did not know about a host of other things that only that farmer knows? And could not this result in a much more careless application of the herbicide?

Mr. EVANS of Colorado. I agree with the gentleman from North Dakota and I would add that this would be a boon to those who are principally in the business of selling their services to farmers for the application of these herbicides or pesticides.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Evans of Colorado was allowed to proceed for 1 additional minute.)

Mr. EVANS of Colorado. Mr. Chairman, I agree with the gentleman from North Dakota that it would add another problem and that is that if a farmer did not pass the test, or could not go to take the test at the time it was given, that this would be playing into the hands of those who were in the business of selling their services to do this commercially. Again this takes away the self-sufficiency from the farmer and places it in the hands of somebody else.

Mr. ANDREWS of North Dakota. The gentleman is correct.

I believe it also should be pointed out that this is true of herbicides and their application, not only that but if one were to double the application, which would be careless, this would kill the crop.

Mr. EVANS of Colorado. That is true.

Mr. ANDREWS of North Dakota. Or if one were to put on too little then it would not kill the weeds.

Mr. EVANS of Colorado. That is correct.

Mr. ANDREWS of North Dakota. In other words, they have to be put on exactly, in the exact ratio needed to secure the benefits, and that this result is not going to come by a sloppy operator doing the application, getting careless with the herbicides in putting them on?

Mr. EVANS of Colorado. That is right.

Mr. ANDREWS of North Dakota. And this is one of the best reasons why it would be better to have self-certification applications because then these operators will be operating on their own land and around their own livestock and barns and they have got a whale of a lot more at stake than somebody who is a windfall operator who would come in from the outside if this amendment were to be adopted.

Mr. EVANS of Colorado. That is exactly true.

Mr. FITHIAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like first of all to associate myself with the colloquy which just took place in this Chamber between the gentleman from Colorado (Mr. Evans) and the gentleman from North Dakota (Mr. Andrews). I think those gentlemen very accurately reflected the concerns of the farmers in this country today. I also appreciate the efforts of the gentleman from New York (Mr. McHugh) in offering this amendment.

But we had a discussion on this at great length in the committee so this is nothing new to those of us who serve on this committee.

I wonder, however, if we are not overlooking something? I wonder if we are not overlooking what would happen in the real world. Sometimes when we come down to Washington we get so insulated and so isolated from the real America that we kind of forget and we forget the items that were just pointed out by the gentleman from North Dakota and we forget the fact that all of those things, the application, the cost, the waste, and the destruction of crops would take place if misuse took place.

But we are also forgetting, are we not, that if the bill passes as it now stands that this is in fact how the procedure would take place: The farmer would go into the place of business that is selling the pesticide and would purchase the pesticide. But before the pesticide could leave that place of business the licensed salesman would, by law, have to explain specifically the requirements pertaining to that particular chemical, or that particular pesticide.

They would review the requirements of the label. I would submit the farmer would get more specific information about the particular pesticide that he is going to use than he could possibly get in a general course down in the State capital on all restricted pesticides, so that the information that he would need to use that particular pesticide would be much more relevant, and he would be much better informed.

Second, when he has completed the instruction from the salesman, he signs that he is purchasing and that he understands the ingredients. Let us suppose that what the gentleman from New York fears is correct. Let us suppose an occasionally sloppy farmer goes out and makes use of this in a way that would be harmful. If he does, he violates the regulation that is on the label. He would be as much of a lawbreaker as someone going down the State highway at 70 miles an hour.

To be sure, no law can be passed that would insure that everybody drive 55 miles an hour, and no law can be passed that, by taking an examination or a course somewhere else, every single person in this country will know and will comply with the law to the very letter of the law. We cannot perfect society in that fashion.

All I am saying is that he would clearly understand under the procedures in the bill that he is breaking the law.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. FITHIAN. I will be happy to yield to my friend, the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding.

There are two points I should like to make, if I may. A person who drives 70 miles down the highway is not permitted to drive until he takes an examination to satisfy some degree of competence, and that is all we are asking in terms of this particular law which is now in effect.

Second, I think it is fairly clear from the language which the gentleman referred to, the language which the gentleman from Minnesota (Mr. Bergland) inserted into the existing bill, that the Administrator has the option to require licensing of dealers. That is, as I understand it, a permissive clause; it does not assure that if we had a different Administrator or the same Administrator with a different point of view, that we would have the rigorous type of licensing and safeguards that we have in the Minnesota plan. I think the Minnesota plan is acceptable and, parenthetically, is acceptable to the EPA now without a change of the law and, therefore, it seems to me a change such as we are thinking about in terms of self-certification is not necessary at all.

Mr. FITHIAN. So what the gentleman is saying is that he questions whether or not the Administrator of the EPA would be too permissive? Is that what I understand the gentleman from New York to say?

Mr. McHUGH. Yes. That is quite possible.

Mr. FITHIAN. I thought that is what the gentleman said. I have little reservation about the actuality of the EPA not being sufficiently aggressive, but if it were the case, then any program of instruction in any course, or any course of study that one could give, could have the same limitations. All I am saying is that it relies upon the good judgment of the Administrator of the Environmental Protection Agency. I am willing to stand with that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GUDE. Mr. Chairman, I move to strike the requisite number of words, and I support the amendment.

Mr. Chairman, the gentleman from New York has made an analogy between requiring proof of ability to apply agricultural materials with obtaining an operator's permit to drive an automobile. I think his point is well taken. I do not believe anyone in this Chamber would really want to advance the proposition that we eliminate tests of competence to operate a vehicle on the highways, even though the vast majority of drivers are law-abiding citizens and obey the traffic laws. It would be great if we could return to frontier days when life and our energy and technology were much simpler, but since World War II we have had the evolution of some tremendously poisonous insecticides and fungicides, two or three drops of some of these materials can be fatal to a person if only gotten on his skin. It is simply a question that today's agribusiness requires the knowledge of sophisticated technology and procedures which are so complex that the safety of the operators and public can not be left to chance. This amendment will not be a burden on farmers. It is very necessary and I hope the House will adopt it.

Mr. FOLEY. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I have great respect for the gentleman from New York (Mr. McHugh), who is a very hard working and extremely able member of our committee, but the committee position in this matter was to move toward some program where, with perhaps some informational instruction, private applicators would be able to be certified by a self-certification process.

In the adoption of the Bergland amendment that decision of the committee has been further defined. I hope the Committee of the Whole will support this committee position.

We are going for the first time into a program of licensing pesticides and classifying them by restrictive and general use categories. Up to this time we had only the labeling.

The amendment which would strike this section would leave the Administrator with very wide discretion as to what requirements he could impose, including examinations or tests or other prerequisites which could well overreach the dimensions of the problem. While I seldom have found any reason to disagree with the statements of fact as made by the distinguished gentleman from Maryland (Mr. Gude), I do not think it is likely there will be any restrictive use pesticides or any other pesticides permitted for any kind of use two or three drops of which would be lethal. There are some germ warfare agents that are that lethal and toxic, but I doubt the EPA would authorize any such toxic materials to be sold, even for restricted use.

Mr. GUDE. Mr. Chairman, if the gentleman will yield, the types of chemicals I am referring to are in the phosphorus group—for example, parathion—which have been used in agriculture. The great merit of these materials is that their lethal qualities are very quickly dissipated. They do not have the residual toxicities such as DDT and some of the chlorinated hydrocarbons. They are excellent materials for agricultural work but they do have great toxicity and great care needs to be taken in their use.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHugh).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. McHUGH. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 6. Section 25(a) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended by adding a new paragraph (3) at the end thereof as follows:

"(3) Congressional Committees.—At such time as the Administrator is required under paragraph (2) of this subsection to provide the Secretary of Agriculture with a copy of proposed regulations and a copy of the final form of regulations, he shall also furnish a copy of such regulations to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate."

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that section 6 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 7. Section 17 is amended by redesignating subsections (d) and (e) as subsections (e) and (f) and adding a new subsection (d), as follows:

"(d) Refusal of Entry to Certain Agricultural Commodities and Products.—The Secretary of the Treasury shall notify the Administrator of the arrival of any lot of an agricultural commodity or product produced in a country or area which permits the use on such commodity or product of pesticides which the Administrator has refused to register or the registration of which has been suspended or canceled because of possible health hazards resulting from possible residues of such pesticide on the commodity or product, and the Secretary shall refuse entry to such commodity or product until and unless the lot is examined by the Administrator, or the Department of Agriculture in the case of meat and poultry products and the Food and Drug Administration in the case of other food products, acting for the Administrator, and it has been determined that no residues in excess of established United States tolerances are present of any such pesticide; provided, in the absence of an established tolerance an action level or enforcement guideline shall be enforced."

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that section 7 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OFFERED BY MR. VIGORITO

Mr. VIGORITO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Vigorito: Page 7, strike lines 4 through 25.

Mr. VIGORITO. Mr. Chairman, striking lines 4 through 25 is necessary because section 7 requires to be inspected on arrival in the United States each lot of an agricultural commodity or product produced in a country or area which permits the use on such commodity or product of a pesticide which the Administrator has banned because of possible health hazard resulting from possible residue. Entry would be refused unless it is determined no residue in excess of U.S. tolerances is present. This is an import control measure under the guise of a health measure which will have serious effects on international trade.

Under existing law various Government agencies having responsibility in this area already sample agricultural commodities on entry and prohibit many commodities containing excessive residue. Section 7 would require inspection of each lot arriving in the United States.

I might add, that might mean each barrel, each package, each drum, each hold in a cargo ship and so forth.

We do not require testing of residue of every lot of domestically produced products sold in the United States. Thus, the measure is discriminatory against exports.

The Department of State and the Department of Agriculture oppose these changes as having a serious adverse impact on our international trade. See the committee report on page 40 and the letter attached from the Department of State.

It would establish a new nontariff trade barrier and likely stimulate nations abroad, endangering U.S. agricultural exports, which are approaching $22 billion annually and contributing so much to our balance of trade.

I might add that our imports of agricultural products are about $10 billion, so we have a surplus in our net agricultural exports of at least $12 billion.

It would be highly inflationary as a result of inspection requirements placed on the USDA and FDA, costing those agencies about $140 million annually. Just the administration of FIFRA costs $46 million. The USDA estimates it will cost the Department $4.4 million per year. The Food and Drug Administration has estimated that the cost to that Agency would be about $136 million annually. The latter figure represents the cost of increasing FDA personnel by approximately 6,200 persons as a result of its estimate of the need to inspect approximately 500,000 lots of agricultural commodities and products entering the United States annually.

I am almost sure in my own mind, my colleagues, if the bill is passed as now written in section 7, the President will veto the bill.

We cannot afford delay on this bill, because we have until the 15th of November. The current law expires on the 15th of November and we do not have any legislative days left.

Mr. MELCHER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, this section of the bill is not just something that was dreamed up in a few hours or a few weeks. This section of the bill has been desired by members of the House Agricultural Committee for 5 years. It has been desired by the consumers of this country for even longer, because while we have done a good job in determining what chemicals we use in food products are harmful to people and have set up the agency that dictates what chemicals can be used and have imposed those standards on our domestic producers, we have done nothing about determining what is in the food that we import.

Now, we find that chemicals that we know are harmful are being used in other countries and that presumably those chemicals that are harmful in food products and are a public health hazard in this country are being imported into this country in foreign food.

This section of the bill simply says that the Treasury Department, because they run customs, will identify each lot of imported food that comes from a country that uses chemicals we have banned in this country because they have been found to be harmful to health.

If he finds such a lot—and there are many—then he will identify those lots so that the Department of Agriculture in the case of meats and the Food and Drug Administration in the case of vegetables and fruits and dairy products, can take a residue sample of that lot. They will just take one sample out of the entire lot. In the case of meat a lot might be 500,000 pounds of meat. In the case of dairy products a lot might be several tons, but we only say one residue sample examined to see whether there is a harmful chemical present. If there is, then we send the lot back, because it is a health hazard.

What are the circumstances now? The Agriculture Department on a random basis does take some samples. The Food and Drug Administration on a random basis does take some samples, but the point is that in preventing health hazards for consumers, random samples are not good enough. We want the minimum to be a residue sampling of each lot, and a lot is identified by customs for purposes of inspection for customs, and is a certain amount. It is workable, and should be retained in the bill.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I want to compliment the gentleman on his clear exposition of the position, a position on which I join with him. It seems to me to be entirely consistent, and one which goes to our concern with the process of making our food more healthful and more carefully inspected, a concern which should be supported.

I congratulate the gentleman, and I urge support for his position.

Mr. MELCHER. I thank the gentleman.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Louisiana.

Mr. MOORE. Mr. Chairman, I also would like to associate myself with the gentleman's remarks. I think the amendment adopted in the committee, which this amendment seeks to take out, is well taken. I supported it then because it is in the interests of the consumers and farmers alike. I hope this amendment will be defeated, and again commend the gentleman for his work on this particular section of the bill.

Mr. MELCHER. I thank the gentleman.

Mr. JONES of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Tennessee.

Mr. JONES of Tennessee. Mr. Chairman, I commend the gentleman for the interest he has taken in this section of the bill, and I urge support for this section of the bill.

Mr. MELCHER. I thank the gentleman.

Mr. BALDUS. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Wisconsin.

Mr. BALDUS. Mr. Chairman, I want to compliment the gentleman on his effort to put this section into the bill. I call attention to the committee report at page 38. It points out that dairy products, which are immediately used by many people across the Nation, will also be covered by this section of the act. I think it is a very necessary part of the law.

Mr. MELCHER. I thank the gentleman.

I want to advise the Committee that I shall, in recognition of the objections raised by the gentleman from Pennsylvania (Mr. VIGORITO) offer a perfecting amendment to this section. After discussing with the Food and Drug Administration today their determination that there are 500,000 lots, and as has been discussed by the gentleman from Pennsylvania, that is a vast number, and the estimates of the Food and Drug Administration would be that it might cost as high as $136 million, I would point out that a perfecting amendment is probably needed to identify those areas the Food and Drug Administration find the most necessity for taking residue samples.

They are: Fresh and frozen fruits, which involve 48,200 lots per year; fresh and frozen vegetables, which involve 104,300 lots per year; dairy products, which involve 18,000 lots per year.

In discussing this with the Food and Drug Administration, they pointed out to me that they would feel that they must continue a rather heavy residue sampling procedure for these three categories.

PERFECTING AMENDMENT OFFERED BY MR. MELCHER

Mr. MELCHER. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. MELCHER: On line 20, after "other" strike "food products" and insert "fresh and frozen fruits, fresh and frozen vegetables, and dairy products".

Mr. MELCHER. Mr. Chairman, this is the perfecting amendment that I mentioned. In discussing this with the person in the Food and Drug Administration who is in charge of their inspection of foreign imports of food products which they have control over, he mentioned one example of the efforts of Mexico, our neighbor to the South, to make sure that the vegetables and fruits exported to us do not contain DDT and other chemicals that have been determined to be harmful to health.

He mentioned that, even despite our screening, they found on residue sampling that amendyne, a very harmful chemical was found on strawberries and that they felt that they needed to continue a broad program of residue sampling.

By cutting this down to 150,000 to 170,000 residue samples that Food and Drug would be looking at per year, I think we are covering an important part of their responsibility, but we do recognize the problem and take care of the problem that was raised by the gentleman from Pennsylvania (Mr. VIGORITO), by cutting to one-third the estimated cost. So, instead of $136 million estimated, it would be one-third of that, or, roughly, some $45 million.

Mr. Chairman, I think that is a small price to pay to make sure that the health of the American consumers is protected on the imported food products that we bring into this country.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. MELCHER. I yield to the gentlewoman from Hawaii.

Mrs. MINK. I thank the gentleman for yielding.

Could I inquire, with the perfecting amendment which was just offered by the gentleman from Montana, is it the intent of the gentleman to exclude altogether from the coverage of the section canned goods that may be imported?

Mr. MELCHER. Yes. Under these terms it would exclude canned goods.

Mrs. MINK. If the gentleman will yield further, there would be no protection then?

Mr. MELCHER. I must say there will be some protection, but it will not be as complete a protection. Food and Drug will still take their random samples of canned goods, but it will not be as complete as this.

Mrs. MINK. If the gentleman will yield further, with respect to the so-called authority of the Administrator to make inspections by lot, there would be no further authority under the section to make such a demand with respect to canned goods that are imported?

Mr. MELCHER. There is present authority for the Food and Drug Administrator to look at any sample he wants. The purpose of this amendment is to give him statutory guidance to look at every lot that comes in. And in this case now, with my perfecting amendment, we are limiting it to fresh and frozen fruits and vegetables, and dairy products. It does not change the rest of the authority of the Food and Drug Administration to do so on a random basis or whatever they wish to do on other products such as canned products.

Mrs. MINK. If the gentleman will yield further, I regret very much this deletion of the canned goods area because this was one part of this section which I supported most enthusiastically.

As the gentleman knows, in my own State the canning of pineapple will soon be a past activity of Hawaii. The three American canners of pineapple have gone overseas to the Orient to do their entire raising and canning of pineapple. It has been long our contention that we have as much responsibility to the consumers of this country with respect to what they are consuming in their food products if they are raised in the United States as if they were raised elsewhere. I was hopeful that this section 7 would be retained.

Mr. MELCHER. I must say that I must sympathize entirely with the gentlewoman's remarks, but I offer the perfecting amendment only to mitigate some of the objections raised by the gentleman from Pennsylvania.

Mr. FOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am taking the well in this instance not as chairman of the Committee on Agriculture but rather as an individual member. I happen to be one of the few who voted against section 7 in the committee, and I feel compelled to state the reasons why I feel the Vigorito amendment should be adopted and the Melcher perfecting amendment rejected.

A superficial glance at section 7 might persuade Members that this is in the interest of agriculture. Last year the United States earned over $20 billion in agricultural exports. After we imported almost every ounce of coffee, tea, cocoa, and other items produced in other countries, we netted over $12 billion in earnings from that great agricultural export effort. Our agricultural exports are the brightest part of our balance-of-payments situation.

Section 7 of this bill and, to a lesser but very real extent, the Melcher perfecting amendment both constitute a very real threat to the viability of our trade capacity. Stripped of all the verbiage, this is strictly a nontariff trade barrier.

Mr. Chairman, I respect the gentleman from Montana (Mr. MELCHER) for his abilities and dedication as much as I respect any Member in this House. I have had the pleasure of serving with few Members who I think are more able in their efforts to mobilize effective support behind an issue than the gentleman from Montana (Mr. MELCHER).

The gentleman from Montana has for years been seeking to establish additional requirements for the inspection of imported meat, even though under the 1967 Meat Inspection Act all foreign suppliers of meat must have an inspection system equal to our own as attested to by our certifiers of the inspection systems in other countries. Notwithstanding that, the gentleman from Montana wanted to open up every lot of foreign meat as it came into the United States.

The committee did not act on that bill in its original form, so he presented an amendment under the guise of the pesticide legislation which provides that we must look at every lot of every agricultural product arriving in the United States when pesticides not permitted in this country are used in producing meat.

Mr. Chairman, in its pure form, section 7 will cost three times as much, with one amendment, as the entire bill does. It would cost $140 million, and provide for 6,000 new inspectors.

I am surprised, if I may say so, that the voices I always hear from some quarters of this House on both sides in support for economy in Government and the removal of unnecessary Federal employees are being heard now in support of what constitutes the biggest additional unnecessary force of Government employees ever to be brought to the floor in an agricultural bill during the 11 years I have been here.

This is $140 million for inspection that is redundant and serves no purpose, except to restrict trade on agricultural products coming into this country.

Mr. Chairman, we earn more than we buy. We get twice as much of the benefit from agricultural trade as all the rest of the world put together. It is a far cry from supporting agriculture to encourage Venezuela, as we did not too many years ago, to require that every egg sent by the United States be stamped, "Produced in the United States of America," and to set up all the trade barriers that any country can immediately devise to retaliate for this proposal.

Mr. Chairman, this is an anti-agricultural provision, designed to be a nontariff trade barrier. Moreover, it is an expensive one. The Melcher perfecting amendment costs $30 million or $40 million; the gentleman is not quite sure which.

We do not know what an agricultural lot is. If we did, it would have been written in the report. Is it a ship, a cargo hold, a container within a cargo hold, or a carton within a container?

A lot is what the custom of the trade determines it to be.

Mr. MELCHER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Montana.

Mr. MELCHER. Mr. Chairman, the term, "lot," is clearly identified by Customs because they apply the duty against it. The gentleman is misleading the House when he suggests that we are laying a booby trap in this amendment against the country.

Mr. FOLEY. Mr. Chairman, I refuse to yield further.

The gentleman knows very well that a "lot" in one case is not a "lot" in another. He knows that very well.

Under section 7 it is estimated by the Food and Drug Administration that we are talking about 500,000 lots a year. Stated another way, that is half a million lots a year.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Mr. Chairman, the Secretary of the Treasury must, under the terms of this amendment and under the terms of section 7 of the act, stop any unloading until there has been an opportunity to examine every lot.

It will take the FDA, under section 7, 1,000 inspector positions to collect samples; for the examination of lot samples, 3,300 people, and for administrative and support functions an additional 1,900 people. This total amounts to 6,200 additional people for FDA alone, and this has nothing to do with the Department of Agriculture.

It seems to me that if there is a need for this kind of proposal, it ought to be presented in a separate piece of legislation so that we can examine it fully in separate hearings. It should not be a back-door intrusion into the pesticide bill, costing three times or at least equal to what the whole bill requires, and adding many thousands of employees. In my judgment, it is an unnecessary, redundant inspection, designed only to work against the interests of American agriculture.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. Yes, if I have any time.

(On request of Mr. ICHORD and by unanimous consent, Mr. FOLEY was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. Yes, I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I have listened to the distinguished chairman, the gentleman from Washington (Mr. FOLEY), and his argument impresses me very much, particularly the argument as to costs.

At the same time, however, this question came to my mind: Has not the gentleman from Montana (Mr. MELCHER) perhaps pinpointed very well the undesirability of all of this legislation, if not the foolishness of the legislation? I ask the gentleman the question. What good does it do to restrict the application of pesticides that will be dangerous to health if we are going to permit the importation of products from abroad that permit the application of pesticides?

Mr. FOLEY. We do the same thing with imported products as we do with domestic products. We look at them by random samples.

The gentleman from Montana (Mr. Melcher) wants to look at every lot, something which we do not now do with domestic products. His answer is that along with a restriction on domestic products, we restrict them on the foreign side. What we will end up with is the almost impossible task of the inspection of every lot. It sounds very easy, but it is probably a matter of 500,000 lots. If we approve the perfected version of the amendment, it may involve 100,000 or 200,000—I do not know how many—fresh and frozen fruit and vegetable lots and dairy product lots which come into the United States every year through various ports of entry.

If the object is to restrict imports, and I think that if it were candidly stated, that is its purpose, at least we would have the issue frankly presented. But why should we restrict our imports when we export twice as much as we import?

Mr. ICHORD. I would ask the gentleman further this question. Perhaps we are getting the cart before the horse.

Maybe we could enter into agreements with countries from which we are going to import to put restrictions upon their farm producers.

Mr. FOLEY. Perhaps we should, and I think there is nothing wrong in considering this legislation in a carefully balanced way.

However, it has been presented here with considerably more amendments than when it was in committee, and now it is on the floor with enormous costs.

I think it ought to be taken out of the bill and considered in a separate piece of legislation.

I am happy to tell the gentleman that if this were done under separate legislation, it would be promptly considered by the committee.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. Yes, I will yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, what testimony and base did your committee have for arriving at the Melcher amendment?

Mr. FOLEY. I do not think there was any testimony on the Melcher amendment.

Mr. KELLY. It did not have any at all?

Mr. FOLEY. No.

Mr. KELLY. Then the committee was not advised as to what the impact would be on the export situation with respect to American agriculture?

Mr. FOLEY. Not by committee witnesses, because the matter was not discussed in the hearing.

Mr. KELLY. Then the gentleman views this as being a dangerous amendment with respect to agriculture since we do not know precisely what the situation is?

Mr. FOLEY. Yes, sir; I do.

Mr. KELLY. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, I rise to speak against the amendment.

Mr. Chairman, I would like to point out to the members of the Committee of the Whole that the Melcher amendment passed in the committee by a vote of 29 to 2—29 to 2. It is no more correct and no more accurate of the chairman to say that the Melcher amendment is designed to restrain imports than it is to say that the EPA is designed purposely to try to curtail agricultural products. We will not accept that argument so why accept the argument that this is designed to curtail imports?

Let me point out a few other facts. First of all I refer to the language of section 7 of the legislation.

It says:

> The Secretary of the Treasury shall notify the Administrator of the arrival of any lot——

Whatever a "lot" might be is, of course, in controversy.

> of an agricultural commodity or product produced in a country or area which permits the use on such commodity or product of pesticides which the Administrator has refused to register or the registration of which has been suspended or cancelled.

We have gone through the argument about the necessity of allowing the EPA to make the decision as to what should be rejected and what should be registered. With respect only to domestic products the EPA is the supreme agency, we have decided upon rejection of the Poage-Wampler amendment. The EPA is the one that is trying to protect us. But we cannot allow the EPA regulations to be applied to foreign commodities? Really, Mr. Chairman, this does not make any sense, there is no rationale, no logic to that kind of a position.

If we are going to say it is only because of foreign agriculture and the impact of imports and exports that we are making these decisions then we are totally ignoring the health argument. Why grant the EPA authority and allow it to restrict the use and certification of these various pesticides if it is not for reasons of health?

We are talking about the economy and the need and the impact of the EPA regulations on the economy but why do we not consider the impact on the domestic economy. Why is there not some concern about restrictions that they place on domestic farmers and domestic production? That is not really the argument that is presented. All we are concerned about then is health when we are concerned with the domestic aspect of it but when we talk about the foreign aspect and its application, then the argument is made about the economy. We cannot have it both ways. If we are going to place emphasis on health in the domestic aspect, then we must also do so on the foreign aspect.

Now I will yield to the gentleman from Montana (Mr. Melcher) who I believe had some figures he wanted to put on record.

Mr. MELCHER. Mr. Chairman, I thank the gentleman for yielding to me.

The figures for fresh and frozen fruits, 48,200 lots and 104,000 fresh and frozen vegetable lots. And 18,000 dairy lots that would be subject to Food and Drug Administration samplings for a year. That is the key point to answer the argument about 500,000 lots as has been estimated by the Food and Drug Administration, these are the estimates on the food products that are most necessary for sampling. Therefore, the 500,000 is not correct nor is the matter of the $136 million because we have reduced the number or volume to one-third of that and consequently the amount of money would be about one-third.

Mr. JOHNSON of Colorado. I thank the gentleman from Montana for that information.

I would now yield to the gentleman from Washington to respond, after I make one further comment.

Mr. Chairman, it seems to me the argument about money is a fallacious argument because if we are talking about health, what is $136 million to a House that passes two or three billion dollar programs after a couple of hours, but, to talk about health, no.

Remember, we are not talking about the economy; we are talking about the health of the people of the United States, and in that regard we shall likely find that there are no limitations. And since we do not know what the actual limitations are in this case or what the amount to be expended actually is, I think the argument about the expense is really just a false smokescreen.

I yield to the gentleman from Washington.

Mr. FOLEY. I appreciate the gentleman's yielding.

The perfecting amendment offered by the gentleman from Montana does not change the fact that the Secretary of the Treasury must make notifications of the arrivel of every ship that arrives containing any agricultural product. Inspection by lot would only be required for fresh fruits and vegetables and dairy products, but there would have to be notification of every agricultural lot. I think it is going to be well over one-third of the cost he predicts or about $45 million. In fact, I think it is going to be substantially more than that. The whole bill involves only $47 million for every aspect of FIFRA, so even with the perfecting amendment, we are up to roughly the equal of the whole bill in costs.

I want to say one other thing to the gentleman. If we are concerned about health, then we might as well look at every lot of American products.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Foley, and by unanimous consent, Mr. Johnson of Colorado was allowed to proceed for 1 additional minute.)

Mr. FOLEY. If the gentleman will yield further, there are much worse problems than pesticide residues. When we talk about a virulent poison, what about botulism? We do not examine every single lot of canned goods in the United States to determine whether it has botulism or not. We would not think that to be cost effective, even though botulism is usually mortal to those who consume the spores. I think all of the arguments aside, in my judgment, this comes down to a restriction on trade, and nothing more nor less than that.

Mr. JOHNSON of Colorado. I think the Chairman knows the difference between an inspection for botulism and an inspection for products which have been restricted, and which restriction the American farmer is following. The law that the EPA will be imposing upon him is a totally different situation than inspecting to see whether or not foreign producers are applying pesticides which by our own laws we prevent our people from applying.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BALDUS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the meaning of this might have been somewhat bent, but as I read on page 7, lines 7 through 13, it says that if the Secretary of the Treasury knows that another country is using chemicals or pesticides that are restricted here, or not allowed to be used here, then it is his responsibility to notify the Administrator. On the other hand, if he does not know that, then he does not have any responsibility.

In other words, what he is saying is that if they are using something over there that we say here is hazardous to our health, then it is his responsibility to say, we decided that that is hazardous to our health, and we want it inspected to see whether it may be hazardous to our health, where they may have used that chemical because they have not restricted it. If that is so, all they would have to do in that country is do the same thing we have done, and that may be helpful to them as well as to us. It certainly would not restrict trade with them at all.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Montana (Mr. Melcher).

The perfecting amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. Vigorito).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 31, noes 20.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 8. Section 25 of the Federal Insecticide, Fungicide, and Rodenticide Act is amended by the addition at the end thereof of the following new subsection (d):

"(d) Scientific Advisory Panel.—The Administrator shall submit to an advisory panel for comment as to the impact on health and the environment of the action proposed in notices of intent issued under section 6(b) and of the proposed and final form of regulations issued under section 25(a) within the same time periods as provided for the comments of the Secretary of Agriculture under such sections. The time requirements for notices of intent and proposed and final forms of regulation may not be modified or waived unless in addition to meeting the requirements of section 6(b) or 25(a), as applicable, the advisory panel has failed to comment on the proposed action within the prescribed time period or has agreed to the modification or waiver. The comments of the advisory panel and the response of the Administrator shall be published in the Federal Register in the same manner as provided for publication of the comments of the Secretary of Agriculture under such sections. The panel referred to in this subsection shall consist of seven members appointed by the Administrator from a list of 12 nominees six nominated by the National Institutes of Health, and six by the National Science Foundation. Each member of the panel shall receive per diem compensation at a rate not in excess of that fixed for GS-18 of the General Schedule as may be determined by the Administrator, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu at the compensation provided by this subsection."

Sec. 9. Section 18 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended by adding at the end thereof the following new sentence:

"The Administrator, in determining whether or not such emergency conditions exist, shall consult with the Secretary of Agriculture and the Governor of any State concerned if they request such determination."

Sec. 10. Section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is hereby amended to read as follows:

"(u) Pesticide.—The term 'pesticide' means (1) any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and (2) any substance or mixture of substance intended for use as a plant regulator, defoliant, or desiccant: *Provided*, That the term 'pesticide' shall not include any article (1)(a) that is a 'new animal drug' within the meaning of section 201(w) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(w)), or (b) that has been determined by the Secretary of Health, Education, and Welfare not to be a new animal drug by a regulation establishing conditions of use for the article, or (2) that is an animal feed within the meaning of section 201(x) of such Act (21 U.S.C. 321(x)) bearing or containing an article covered by clause (1) of this proviso."

Sec. 11. Section 5 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended by adding at the end thereof the following new subsection:

"(g) Exemption for Agricultural Research Agencies.—Notwithstanding the foregoing provisions of this section, the Administrator may issue an experimental use permit for a pesticide to any public or private agricultural research agency or educational institution which applies for such permit. Each permit shall not exceed more than a one-year period or such other specific time as the Administrator may prescribe. Such permit shall be issued under such terms and conditions restricting the use of the pesticide as the Administrator may require: *Provided*, That such pesticide may be used only by such research agency or educational institution for purposes of experimentation."

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that sections 8, 9, 10 and 11 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OFFERED BY MR. RICHMOND

Mr. RICHMOND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Richmond: Page 10, after line 21, add the following new section:

Sec. 12. Section 4 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended by adding at the end thereof the following new subsection:

"(c) Instruction in Integrated Pest Management Techniques.—Standards prescribed by the Administrator for the certification of applicators of pesticides under subsection (a), and State plans submitted to the Administrator under subsections (a) and (b), shall include provisions for making instructional materials concerning integrated pest management techniques available to individuals at their request, but such plans may not require that any individual receive instruction concerning such techniques or be shown to be competent with respect to the use of such techniques. The Administrator and States implementing such plans shall provide that all interested individuals are notified of the availability of such instructional materials."

Mr. RICHMOND. Mr. Chairman, this amendment requires EPA to make information about integrated pest management available to farmers on request.

Integrated pest management is an alternative to using only chemicals for pest control. It is an integrated approach, using what is most appropriate and energy-efficient in a given situation: Crop rotation, fallowing, conservation, biological controls, beneficial insect introduction, and so on are common integrated pest management techniques. This encourages using chemical pesticides only when necessary, thus cutting down use of petroleum-based products, and saving farmers money. IPM is beneficial in a manner similar to many sound farm management practices now widely used.

Integrated pest management has not been given proper consideration by the USDA. No real effort has been made to advance the benefits of these techniques. USDA does have some materials available on IPM, but if one looks at their publications list, it is almost impossible to tell which of the publications deal with this subject. So the farmer or other pesticide user has no way of knowing what the alternatives are.

Right now, the farmer or other pesticide user gets his only information on pest control and pesticide use from the pesticide salesman. And these salesmen obviously have a vested interest in promoting maximum use of the chemical pest control agents.

USDA does not have the manpower necessary to promote IPM properly. USDA county agents are spread too thin and have too many additional responsibilities to spend a great deal of time teaching farmers and others about alternatives to chemical farming.

With the EPA's major responsibility for pesticides, they need additional authority to continue fulfilling that responsibility.

This amendment provides an opportunity for farmers and others to receive instruction or other information on integrated pest management at no cost to them. The amendment does not affect the certification process; it only adds a provision that EPA provide information on request.

The intent of the amendment is to make instructional materials and information available. No one is required to receive material or take instruction.

The purpose of this in the long run is to save our energy resources through promoting more energy-efficient pest control practices. This will help save the farmer money by showing him where he can use natural means to complement chemical control of pests. The amendment creates no additional bureaucracy, costs no additional money, and will help both farmers and consumers.

While USDA is moving in this direction, I feel they need a push. This amendment provides that EPA will see this effort is made. EPA should work closely with USDA in this, relying on USDA materials and expertise. Hopefully, USDA will want to cooperate with EPA.

The amendment is supported by a number of environmental groups and others, and I urge my colleagues to support it.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, as I understand the gentleman's amendment, he wants to require that information and instructional materials on integrated pest management be available for those who are private applicators or other users of insecticides and pesticides. Am I correct in this assessment?

Mr. RICHMOND. That is right.

Mr. FOLEY. Mr. Chairman, speaking for myself, I would accept it.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I compliment the gentleman for his amendment and I point out that the law already mandates that EPA be active in this. They have not been as active as I would like to have seen and the gentleman's amendment will contribute to that. I commend him for the amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I commend the gentleman for his amendment making this information available upon request. It is important that farmers desiring information on harmless nonchemical means for controlling pests and insects be furnished it. I am happy to support the amendment.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I have not seen a copy of the gentleman's amendment. Is this the same amendment offered in the committee or has it been altered?

Mr. RICHMOND. Yes, it has been altered. Nothing is mandatory. It is only that the information will be available, because I will say to the gentleman from Virginia (Mr. WAMPLER) that if it is possible to grow crops without chemical pesticides, we should make that information available to farmers.

Mr. WAMPLER. Mr. Chairman, the amendment appears to be harmless. However, I just simply cannot say, because I have not had an ample opportunity to examine it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. RICHMOND).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RICHMOND

Mr. RICHMOND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHMOND: Page 10, immediately after line 21, add the following new section:

SEC. 12. Section 2(e)(4) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, is amended—

(1) by inserting "with respect to a building or other property used in connection with a farming operation" immediately after "if it is applied"; and

(2) by adding the following new sentence at the end thereof: "Unless otherwise prescribed by its labeling, a pesticide shall be considered to be applied under the direct supervision of a certified applicator if it is applied with respect to a building or other property not used in connection with a farming operation and by a competent person who is acting under the instruction and control of a commercial applicator (even though such commercial applicator is not physically present at the time and place the pesticide is applied, so long as he is available if and when needed) and who has received training in, and been tested with regard to, the labeling and safe use of restricted pesticides. Such training and testing shall be provided by the Administrator or any State administering a State certification plan. Although such training and testing shall not be as extensive as that which is required of a commercial applicator, the testing must demonstrate that the person is competent with respect to the use of restricted pesticides."

Mr. RICHMOND. Mr. Chairman, this amendment applies many fumigators and exterminators in homes, restaurants, office buildings, and schools are not trained or tested in proper use of pesticides. Some of the worst abuses of pesticides occur in these urban areas.

Nationwide, regulations governing training or testing of exterminators are totally inconsistent. Only 15 States require exterminators to be trained or tested in proper use of pesticides. Even among these 15, training is required only in certain circumstances. Many local jurisdictions and municipalities have regulations governing training of exterminators, but again, this is totally inconsistent throughout the country. Many localities do not have any regulations governing such training. The Federal law covers only supervisors, who need not even be present when the exterminator is spraying.

A study by the Health Research Group, shows only 16 percent of the exterminator companies in the Washington, D.C., area require on-the-job training. Even in New York City, while regulations have been proposed, they have not been implemented. And New York State has no requirements. Other States with no requirements for training and testing of exterminators are: Nebraska, Kansas, Missouri, Wisconsin, Minnesota, Indiana, Ohio, Vermont, Rhode Island, Arizona, Hawaii, Alaska, North Dakota, South Dakota, Wyoming, plus several more.

This amendment requires all commercial operators, the ones who actually do the spraying, to be trained before they come into our homes, schools, restaurants, or offices. The amendment applies only to using restricted pesticides on nonfarm buildings and nonfarm property. The amendment in no way affects application of pesticides of farm buildings or farm property. In those areas, existing law applies.

Any person who handles pesticides hazardous enough to be classified for restricted use should have to demonstrate a basic knowledge of how to use the material he is handling.

Under this amendment, testing of these pest control operators cannot be vigorous as that given to the certified supervisor, but the exterminator must show he or she is competent to use hazardous materials. Full certification is not necessary, only a simple demonstration of competence.

This amendment is supported by the Friends of the Earth, the Health Research Group, the Environmental Policy Center, and other environmentalists.

Opponents of this amendment may argue it creates an additional bureaucracy, or will trigger high wage demands by exterminators. However, the experience in Cleveland, where a training requirement has been in effect for some time, shows this is not the case: Prices have not risen, employees have not left, businesses have not gone bankrupt.

The exterminating and fumigating industry already keeps records on employees, what they apply, where they apply it, and other data, which can be used by EPA in monitoring and auditing and in establishing training requrements. The present chaotic situation presents a serious health problem, and corrective action must be taken. I urge my colleagues to support this vital amendment.

Mr. FOLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not sure exactly how to phrase my statement with regard to the gentleman's amendment. I am not sure that this is an amendment which I would perhaps on reflecting like to support, but I suggest that it is perhaps premature.

The EPA is in the process of defining the regulations under which commercial applicators will be permitted to utilize hazardous pesticides.

We are going to be, in any case, considering an extension of legislation which we have before us, which by terms of this bill expires, by the way, in 1976 in October and we will be considering this legislation again in the spring.

Frankly, I do not know the full impact of this amendment. It would, in effect, require, as I understand it, those who work in commercial applicating, like Orkin, for example, or anyone working in pesticide control applications that are nonfarming have the same qualifications and pass the same tests required as the commercial applicator himself, unless he was present.

I would hope, with all respect and deference to the gentleman from New York, that perhaps we could not accept this amendment at this time and to consider in our on-going consideration of the EPA regulations, or perhaps it may be required in a subsequent authorization of this legislation; so, reluctantly, I would have to oppose the amendment.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, this amendment only requires that the applicator that comes to our houses receive some training. This operation does work out in Cleveland very well and it works out in many other cities in the Nation. It is a constructive amendment. All it does is make sure that the person that comes to our houses knows what he is doing. This is strictly an urban amendment protecting the urban home. I do not think anybody should find it particularly objectionable.

Mr. FOLEY. Mr. Chairman, again I am not sure that I would not find the gentleman's amendment acceptable if I knew a little more clearly what the EPA restrictions require.

I think we would have a chance to better consider the gentleman's amendment next year in May or June when we will be bringing this matter back before the House for its consideration. In the meantime, I would like to ask the EPA for a study and response as to what, if anything, is needed in this area, in terms of additional legislation.

I commend the gentleman for his concern. I am not sure that he has not got a good amendment, but I think we should take a little more time to learn what the EPA actually intends to do in this area before legislating specific requirements.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I would like to congratulate the gentleman from New York for his amendment. It seems to me that since we are going to require farmers to go to school, that we ought to require the urban people who are going to be killing pests in cities to go to school and take tests, and if they do not have to pass them, that is beside the point.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I think the gentleman from New York (Mr. Richmond) has a good amendment. I have had experience myself with inadequately trained pesticide applicators coming into my house and actually killing a cat when they were supposed to be trying to get rid of the mice and rats. I think a minimal training requirement, as is required at the present time in 15 States, to be administered by the States, is a good idea. I hope the gentleman's amendment can be supported.

Mr. FOLEY. Mr. Chairman, the other point I would make is that the requirements for certified applicators do not become effective until October 1976. We have additional time to consider this matter. If I find myself caught between the representatives of rural America in the person of the gentleman from Colorado (Mr. Johnson) and the representatives of urban America in the person of the gentleman from New York (Mr. Ottinger), I may find myself standing for an unpopular cause, and would, therefore, be happy to have the case decided by the Members of the Committee.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I concur in the observations made by the distinguished chairman of the committee. In view of the fact that this is a 1-year authorization and the Committee on Agriculture will be considering this subject again next year, I think the amendment offered by the gentleman from New York should be defeated. This is a matter we can examine more closely and in greater detail when we consider the bill next year. I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Richmond).

The question was taken; and on a division (demanded by Mr. Richmond) there were—ayes 20; noes 44.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'Neill) having assumed the Chair, Mr. Hungate, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8841) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year, pursuant to House Resolution 734, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. O'Neill). Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. WAMPLER. Mr. Speaker, I demand a separate vote on the so-called Bergland amendment to section 5.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

> Amendment offered by Mr. Bergland: On page 6 delete all after the first colon on line 13 through line 17 and insert in lieu thereof the following: ": *Provided, however*, That the certification standard for a private applicator shall be deemed fulfilled by his completing a certification form. The Administrator shall further assure that such form contains adequate information and affirmations to carry out the intent of this Act, and may include in the form an affirmation that the private applicator has completed a training program approved by the Administrator so long as the program does not require the private applicator to take any examination to establish competency in the use of the pesticide. The Administrator may require any pesticide dealer participating in a certification program to be licensed under a State licensing program approved by him."

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WAMPLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 250, nays 155, not voting 28, as follows:

[Roll No. 609]

YEAS—250

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bedell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Casey
Cederberg
Clausen, Don H.
Clay
Cleveland
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Diggs
Dingell
Dodd
Downey, N.Y.
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Fascell
Fenwick
Fish
Fisher
Flood
Foley
Ford, Mich.
Fountain
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Gradison
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Keys
Koch
Krebs
LaFalce
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Myers, Pa.
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Pickle
Pike
Poage
Preyer
Price
Rangel
Rees
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Slack
Smith, Iowa
Solarz

Spellman
Staggers
Stanton, James V.
Stark
Steed
Steelman
Stokes
Stratton
Studds
Sullivan
Thompson
Thornton
Traxler
Tsongas
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Walsh
Weaver
Whalen
Wirth
Wolff
Wydler
Wylie
Yates
Zablocki
Zeferetti

NAYS—155

Abdnor
Andrews, N.C.
Archer
Armstrong
Ashbrook
AuCoin
Bauman
Bell
Biester
Bowen
Breaux
Brinkley
Brown, Ohio
Broyhill
Burgener
Burleson, Tex.
Butler
Byron
Carter
Chappell
Clancy
Clawson, Del
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Dent
Derrick
Derwinski
Devine
Dickinson
Downing, Va.
Duncan, Oreg.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Findley
Fithian
Florio
Flowers
Flynt
Forsythe
Frey
Fuqua
Ginn
Gonzalez
Goodling
Grassley
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hastings
Heinz
Hillis
Holt
Hughes
Hutchinson
Hyde
Ichord
Johnson, Colo.
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Lott
Lujan
McClory
McCloskey
McCormack
McDonald
McEwen
McKay
Madigan
Mahon
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Murtha
Myers, Ind.
Natcher
Nichols
O'Brien
Patman, Tex.
Perkins
Pettis
Pressler
Pritchard
Quie
Quillen
Randall
Regula
Risenhoover
Robinson
Rooney
Runnels
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Symington
Talcott
Taylor, Mo.
Teague
Thone
Treen
Van Deerlin
Waggonner
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Tex.
Winn
Wright
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—28

Bafalis
Boggs
Burke, Fla.
Chisholm
Evins, Tenn.
Fary
Ford, Tenn.
Goldwater
Hébert
Henderson
Hinshaw
McCollister
Murphy, N.Y.
Passman
Peyser
Railsback
Rhodes
Riegle
Rousselot
Ryan
Santini
Sisk
Symms
Taylor, N.C.
Udall
Waxman
Wilson, C. H.
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Riegle for, with Mr. Hébert against.

Mrs. Boggs for, with Mr. Passman against.

Mr. Sisk for, with Mr. Symms against.

Mrs. Chisholm for, with Mr. Rousselot against.

Mr. Young of Georgia for, with Mr. McCollister against.

Until further notice:

Mr. Henderson with Mr. Bafalis.

Mr. Evins of Tennessee with Mr. Goldwater.

Mr. Charles H. Wilson of California with Mr. Hinshaw.

Mr. Waxman with Mr. Burke of Florida.

Mr. Murphy of New York with Mr. Peyser.

Mr. Fary with Mr. Rhodes.

Mr. Ford of Tennessee with Mr. Santini.

Mr. Ryan with Mr. Railsback.

Mr. Taylor of North Carolina with Mr. Udall.

Mrs. PETTIS and Messrs. SHIPLEY, ANDREWS of North Carolina, FLYNT, CHARLES WILSON of Texas, MURTHA, GINN, FUQUA, HARSHA, KRUEGER, RISENHOOVER, RANDALL, DAVIS, BRINKLEY, YATRON, MATHIS, ENGLISH, MONTGOMERY, FITHIAN, and SYMINGTON changed their vote from "yea" to "nay."

Messrs. STEELMAN, AMBRO, BUCHANAN, SIMON, LENT, RINALDO, and HOWARD changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute as amended.

The amendment as amended was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WAMPLER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 329, nays 80, not voting 24, as follows:

[Roll No. 610]

YEAS—329

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney
Carr
Casey
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, N.J.
Danielson
de la Garza
Delaney
Dellums
Dent
Derwinski
Diggs
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goldwater
Gonzalez
Gradison
Green
Gude
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Mills
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Seiberling
Sharp
Sikes
Simon
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Thompson
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Zablocki
Zeferetti

NAYS—80

Abdnor
Ashbrook
Bauman
Beard, Tenn.
Bell
Brinkley
Brown, Ohio
Burgener
Burleson, Tex.
Byron
Carter
Cederberg
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, R. W.
Davis
Derrick
Devine
Dickinson
Dingell
Duncan, Tenn.
Edwards, Ala.
Evans, Ind.
Findley
Flynt
Fountain
Ginn
Goodling
Grassley
Guyer
Hagedorn
Hansen
Harsha
Holt
Hutchinson
Ichord
Johnson, Colo.
Ketchum
Kindness
Lagomarsino
Latta
Lloyd, Tenn.
McCloskey
McDonald
McEwen
Mahon
Mathis
Miller, Ohio
Mottl
Pettis
Quillen
Randall
Runnels
Satterfield
Schneebeli
Sebelius
Shipley
Shriver
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Steiger, Ariz.
Stephens
Stuckey
Taylor, Mo.
Teague
Thone
Traxler
Wilson, Tex.
Winn
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—24

Bafalis
Burke, Fla.
Evins, Tenn.
Fary
Ford, Tenn.
Hébert
Henderson
Hinshaw
McCollister
Passman
Patman, Tex.
Peyser
Rhodes
Riegle
Rousselot
Ryan
Santini
Sisk
Symms
Taylor, N.C.
Udall
Waxman
Wilson, C. H.
Young, Ga.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Santini against.

Mr. Passman for, with Mr. Waxman against.

Until further notice:

Mr. Henderson with Mr. Rhodes.

Mr. Sisk with Mr. McCollister.

Mr. Taylor of North Carolina with Mr. Symms.

Mr. Evins of Tennessee with Mr. Bafalis.

Mr. Udall with Mr. Rousselot.

Mr. Charles H. Wilson of California with Mr. Burke of Florida.

Mr. Young of Georgia with Mr. Fary.

Mr. Patman with Mr. Ford of Tennessee.

Mr. Riegle with Mr. Peyser.

Mr. Ryan with Mr. Hinshaw.

Messrs. FORSYTHE and BIESTER changed their vote from "nay" to "yea."

Messrs. FOUNTAIN, HAGEDORN, Mrs. LLOYD of Tennessee, and Mr. HUTCHINSON changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN H.R. 8841

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill just passed, the Clerk shall have authority to make such changes in the section, subsection, and paragraph numbers as may reflect the action of the House and to make other purely clerical corrections as may be needed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a Joint Resolution of the House of the following title:

H. Con. Res. 424. Concurrent resolution providing for an adjournment of Congress from October 9 until October 20, 1975.

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS, HEARINGS, AND STUDIES TO BE CONDUCTED BY THE SELECT COMMITTEE ON MISSING PERSONS IN SOUTHEAST ASIA

Mr. HAYS of Ohio, from the Committee on House Administration, reported the following privileged resolution (H. Res. 744, Report No. 93-553), which was referred to the House Calendar and ordered to be printed:

H. Res. 744

Resolved, That the expenses of investigations, hearings, and studies to be conducted by the Select Committee on Missing Persons in Southeast Asia, acting as a whole or by subcommittee, not to exceed $350,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Speaker and the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this reslution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Missing Persons in Southeast Asia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 744.

The SPEAKER pro tempore (Mr. McFall). The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. Res. 744

Resolved, That the expenses of investigations, hearings, and studies to be conducted by the Select Committee on Missing Persons in Southeast Asia, acting as a whole or by subcommittee, not to exceed $350,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Speaker and the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Missing Persons in Southeast Asia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Mr. Hays).

Mr. HAYS of Ohio. Mr. Speaker, I will be very brief.

This resolution simply funds the Select Committee on Missing Persons in Southeast Asia which was set up by the House of Representatives. The resolution passed the Subcommittee on Accounts unanimously, and it passed the Committee on House Administration unanimously.

I ask for a favorable vote on the resolution.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 1, line 12, after the word "the" and before the word "Committee", insert the following: "Chairman of the".

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MARINE FISHERIES CONSERVATION ACT OF 1975

Mrs. SULLIVAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 200) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 200, with Mr. Smith of Iowa in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentlewoman from Missouri (Mrs. Sullivan) will be recognized for 1 hour, and the gentleman from New Jersey (Mr. Forsythe) will be recognized for 1 hour.

The Chair recognizes the gentlewoman from Missouri (Mrs. Sullivan).

Mrs. SULLIVAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I begin the debate I would like to say that we are attempting to cut this debate down as closely as we can so that we can finish at a reasonable time, as we promised the Members yesterday. We will yield time to the opposition as well as to the proponents of the bill.

Mr. Chairman, I urge the support of this Chamber for H.R. 200, which has as its main thrust the preservation of our U.S. fishery resources. It is imperative that we take action at this time on this legislation if we are to preserve our fisheries stocks which have been depleted to the point of extinction by the depredations of the huge Communist bloc fishing fleets.

H.R. 200, the Marine Fisheries Conservation Act of 1975, received the overwhelming endorsement of my committee when it was reported to the House by a vote of 36 to 3, with one voting present, and I would emphasize that the bill deals only with our fishery resources and not other subjects such as deep seabed mining, which are before the Law of the Sea Conference.

H.R. 200 has my wholehearted support since, as I just mentioned, legislation such as this is desperately needed in order to preserve and manage our continued fishery resources.

Despite the urgings of many longtime advocates of such unilateral action, my committee moved slowly and deliberately in its effort to devise legislation which would regulate as well as assist our own fishermen, conserve our dwindling fishery resources, and share surplus stocks with foreign fishermen without imposing an undue burden on any segment of American fishermen, such as those who fish off the coasts of other countries, and without increasing or creating international tensions.

Several years ago, the task seemed all but impossible and an international agreement through the mechanism of the Law of the Sea Conference seemed to be not only the most likely but probably the only workable solution. Unfortunately, the international community, through the Law of the Sea, was unable to reach a consensus or even make any substantial progress, although it has met time and again in various places for extended periods of time.

Mr. Chairman, the Law of the Sea Conference involves some 140 nations and some 4,000 delegates, dealing with such complex and nationalistic matters as fishery resources, deep seabed minerals, rights of passage, and rights of pollution and technology in sovereign or territorial seas. This must of necessity involve an extended educational process before agreement can be reached. The Law of the Sea advocates, in their zeal, have failed to recognize this and thought that they could just come to agreement.

This could not be so, and it has not been so. Perhaps it may be so within the next 4 or 5 years. Meanwhile, our important fishery resources are facing extinction by overfishing from foreign fishing fleets. Thus, we cannot wait but must act unilaterally now. Legislation is necessary now to save our fishing industry and our resources, and it is also required to provide the impetus without which there is serious doubt that the efforts to obtain an international Law of the Sea Agreement through the auspices of the United Nations will ever reach fruition.

Mr. Chairman, the members of my committee and I have long been concerned about the serious plight of American fishermen and the progressive deterioration of our fishery resources. It has become increasingly clear that the regulatory power of our Government over these fisheries is insufficient. Experience has shown that unregulated, or only partially regulated fishing, almost invariably leads to decline of the resource and corresponding economic hardship for the fishermen, and that this has been one important factor in the decimation of American fishery resources.

As early as February of 1973, the administration proposed fisheries management legislation which was introduced by the then chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment Congressman John D. Dingell. That bill, H.R. 4760, was the subject of subcommittee hearings in May and July of 1973. Strong objections were expressed at those hearings by our coastal fishermen because the bill regulated only American fishermen and failed to deal with the main problem—overfishing by foreign fishermen of the fisheries resources off our shores.

In June 1974, Mr. Dingell, Mr. Biaggi, and I introduced an expanded version of this legislation, H.R. 15619. That bill required the Secretary of Commerce to promulgate regulations governing fishing in our 12-mile fishery zone and on the high seas, for the purpose of obtaining the optimum overall biological, economic and social benefits, and such regulations applicable to areas beyond the fisheries zone would be deemed unilateral measures of conservation by the United States within the meaning of article 7 of the 1958 Convention on Fishing and Conservation of the Living Resources of the High Seas and, as such, would apply to foreign vessels of countries which are signatory to applicable international fishing agreements as well as U.S. fishermen.

After a 6-month period, under the terms of H.R. 15619, applicability of these regulations would have been extended to the vessels of all foreign nations whether or not they were party to the convention or other international agreements. I believed that this offered a workable method of preserving our fisheries resources through a regulatory system applicable to foreign as well as U.S. fishermen, without unilaterally extending our fishing zone.

At the same time, because of the growing pressure from members of my committee and other sponsors—some 170—of bills to extend our exclusive fishing zone, and because of the increasing likelihood that the Senate was moving toward early favorable action on such legislation to create a 200-mile fishing zone, we agreed to hold a series of field hearings throughout the country to find out what the thinking was in those areas where the problems were closest to home.

Between May and October of 1974, the subcommittee held 10 hearings from Maine to California and, with the single exception of San Pedro, Calif., home of America's tuna fleet which fishes off the coast of other countries, mainly Peru and Ecuador, the sentiment was unanimously in favor of a 200-mile fishing zone. In the waning days of the 93d Congress, the Senate passed a bill for this purpose by a vote of 68 to 27, after favorable reports by both the Commerce and Armed Services Committees, and despite an unfavorable vote by the Senate Foreign Relations Committee—by a very small margin.

In March of this year, I as full committee chairman, and the subcommittee chairman, Congressman Robert L. Leggett, decided that subcommittee hearings should begin in Washington on all pending legislation dealing with this subject, including my bill which was a preservation and management bill, H.R. 1070, and a composite bill combining my approach with the extension of our fishing zone to 200 miles, which was introduced by Congressman Dingell so that all possible alternatives could be considered.

Mr. Chairman, I was unable to attend the field hearings last year but, along with Mr. Leggett and many other Members of his subcommittee, I spent most of a 3-week period this spring listening to witnesses on every side of this issue and gaining insight into the intensity of the problems we face in this area and the absolute necessity that something be done now if we are to preserve our fishery resources. Because this was the feeling of the overwhelming majority of the subcommittee, the staff and other interested persons were put to the task of preparing one bill containing the best of all the alternatives offered—that bill is H.R. 200 as reported by my committee.

Mr. Chairman, during this period, the Law of the Sea Conference met twice—in Caracas, Venezuela, during the summer of 1974 and in Geneva, Switzerland, early this year. Members of my committee and staff were in attendance at both of these meetings. On the basis of their first-hand impressions and despite the assurances of the Law of the Sea Task Force following each of those meetings, there is simply not one shred of measurable evidence that any real progress has been made toward accomplishment of an international agreement on the Law of the Sea at any time in the foreseeable future.

The adoption of a single negotiating text at the Geneva meeting represents no real progress; in fact, since it creates a lightning rod for all those who wish no agreement or who oppose anything that this country advocates, this text may well hinder accomplishment of an agreement. I believe we must face up to the fact that, short of a miracle and without some outside irresistible force—such as passage of H.R. 200 may provide—there is virtually no chance that agreement will be reached at the New York Law of the Sea meeting this coming spring.

During my years in Congress, I know of no other single piece of legislation which has received more careful or thorough consideration than this bill. Every effort has been made to protect those segments of our fishing industry which fish off the coasts of other shores and to prevent the upheaval of our international relations in any way. What we are proposing in H.R. 200 is the equivalent of the U.S. position at the Law of the Sea Conference. Under the bill as reported by my committee, the 200-mile fishing zone would not take effect until July 1, 1976, a date which follows the New York meeting of the Law of the Sea Conference. Current treaties are not superseded by this legislation and virtually 99 percent of all the changes suggested by the Law of the Sea Task Force in their testimony were adopted by my committee.

Some question has been raised about the enforcement difficulties which might arise under this bill. Mr. Chairman, enforcement is not an insuperable obstacle. Enforcement does not have to be 100 percent to be effective. Also, the implicated Government agencies pretty well know where the fishing grounds are and where the fish will be, so it will not require a continuous picket line of enforcement vessels and aircraft around the Nation 200 miles at sea.

A question has been raised as to the United States acting unilaterally under H.R. 200. Mr. Chairman, unilateral U.S. action at sea is not a novel concept. There is ample precedent. The United States has previously unilaterally extended its fishing zone out to 200 miles. Also, under the Federal Water Pollution Control Act of 1972, the United States extended its pollution control authority in the so-called contiguous zone, beyond the 3-mile territorial sea. Under the Deep Water Port Act, passed last year, the Congress provided that both the Federal and State Governments can unilaterally assert their jurisdiction far beyond the 3-mile limit.

Mr. Chairman, the Marine Fisheries Conservation Act of 1975 is an idea whose time has come. We can move favorably and quickly on this legislation and begin to rejuvenate our dying fishing industry and our rapidly disappearing fishery resources—or we can sit idly by and let them vanish while the Law of the Sea Conference talks on. We must act now to protect our precious but dwindling fishery resources. Thus, I urge all my colleagues to vote in favor of H.R. 200.

Mr. RUPPE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Chairman, I deeply regret that the administration has been unable to support the enactment of H.R. 200. The Departments of State and Defense have made their views known to Republican Members of the House at the conference meeting this morning, and all Members of the House have been furnished extensive material setting forth the administration's views. I must respectfully disassociate myself from the position taken by the administration. I strongly support the enactment of H.R. 200, and I urge all of my colleagues in the House to support this vitally needed legislation.

The opposition that has been expressed by representatives of the administration centers around the impact which they perceive it will have on the Law of the Sea Conference, which resumes in March of 1976 in New York. In addition to the adverse impact they envision, the representatives of the administration also oppose this legislation as essentially unnecessary. They assert that coastal State jurisdiction over fishery resources is virtually assured in whatever treaty emerges from the Law of the Sea Conference, and that we, therefore, need not adopt this legislation. I will discuss this latter issue of the need for and timing of this legislation first, and then turn to the question of adverse impact upon the Conference.

It is quite true that the so-called single negotiating text, which was promulgated on the final day of the last session of the Conference in Geneva, contains most of the basic points the United States has been striving for with respect to fisheries. I say "most" because one important segment of our fishing industry is not protected by the single negotiating text; namely, our tuna industry. In that regard, by the way, former Ambassador Thomas Clingan, our chief fisheries negotiator at the last session of the Law of the Sea Conference, stated before our committee upon his return, and I quote:

> The tuna article is disappointing. The fisheries management and allocation aspect of this article are not good.

With all fairness to Ambassador Clingan, he did, however, indicate that what was in the text was better than nothing. The Law of the Sea negotiations, therefore, have not reached agreement in support of all the basic elements of the U.S. negotiating position, and there is indeed no guarantee that this will ever occur.

The articles set forth in the so-called single negotiating text are not locked in concrete. As Ambassador Clingan stated to our committee, and I quote again:

> The Single Negotiating Text must be viewed as a procedural device providing the basis for further negotiations, and it is not a negotiated text or an agreed compromise. It does not affect any nation's national position.

Nothing in the so-called single negotiating text can be taken as a final action. Provisions that we like in the text may be taken out as easily as provisions may be added. All issues before the Law of the Sea Conference remain open. It is erroneous, therefore, to assert, as representatives of the State Department have done, that we have substantially achieved our objectives in the fisheries area. We cannot make any hard and fast predictions as to what the final treaty will contain with respect to fisheries. It may contain all of the provisions we seek—it may contain none.

Even if the single negotiating text could be taken as the final word, except in the area of tuna, and even if we can assume that the tuna issue will be resolved to our satisfaction, there remains the question of timing. When will we achieve success in the Law of the Sea Conference? When will a treaty emerge? And, finally, when will that treaty enter into force? It is interesting that, contrary to the statements we have heard in the last few days from administration witnesses, Mr. Moore, Chairman of the National Security Council Inter-Agency Task Force on the Law of the Sea, who appeared before the Republican Conference this morning in opposition to H.R. 200, also appeared before the Merchant Marine and Fisheries Committee following his return from Geneva in May and sang an entirely different song. He stated at that time, and I quote:

> In previous testimony before this committee, I have indicated that there were reasonable prospects of adhering to the General Assembly schedule and completing the record of the Conference during 1975. Indeed, this timing has been a cornerstone of our interim policy. I regret to report to you that I was wrong, and that this schedule was overly optimistic. It is now clear that the negotiations cannot be completed before mid-1976 at the earliest, and at this time it is not clear whether or not a treaty can be completed during 1976.

Mr. Moore continued by stating that in light of this failure to maintain the timetable proposed by the General Assembly, the administration was going to conduct a thorough reevaluation of its interim policy in order to insure a necessary balance between our broad national interests as he conceived them, and the more immediate need to protect our coastal fisheries and to secure access to the raw materials of the seabed. He stated that members of the administration would be consulting closely with Congress as this evaluation progressed, and that they would be reporting back to the Congress soon after the August recess, and I quote:

> Not only our recommendations concerning interim legislation but also a full and frank evaluation of the factors that we have weighed.

If this reevaluation ever did take place, I have not been advised about it. Certainly no effort was made to consult with me, or to my knowledge to consult with any members of the Merchant Marine Committee. To the contrary, during the markup in the subcommittee and the full committee on H.R. 200, representatives of the various executive agencies were under a gag rule and could not discuss even the most mechanical details of the bill with us. There has been no consultation—there has been no reevaluation—there has been no effort during these months to attempt to formulate a policy to protect our vital fisheries interests pending the outcome of the Law of the Sea Conference at some future date. All we are told now is that through intensive bilateral negotiations, the State Department will make an effort to further reduce foreign fishing pressures off our shores. Of course, we have had bilateral negotiations for the past decade, and it is under the umbrella of these bilateral negotiations that our fisheries have been decimated.

The candid testimony of Mr. Moore before our committee this year certainly convinces me that no one can predict when the Law of the Sea Conference will complete its work. Perhaps it is reasonable to assume that this will occur in 1977. I certainly hope so. If it does, then we may be able to anticipate the ratification of a treaty by 1980 on a realistic basis. But the fisheries cannot withstand the pressure for 4 more years. The Soviet Union has already destroyed our haddock and yellowtail flounder stocks, the most valuable fisheries off the coast of the United States. The Japanese are taking huge quantities of pollock off of Alaska and are resisting our efforts to achieve even minimal inspection and enforcement provisions.

The much-touted success of the U.S. negotiating team at the recent ICNAF meeting at Montreal does not impress me. The fact of the matter is that while the Soviet Union agreed to a substantial reduction in its tonnage, the Soviet Union is now beginning to feel the impact of its own ill-conceived policies of the past decade. There simply are not enough fish left in the ICNAF area to support the kind of fishing the Russians were conducting in years past. Now that they have decimated these resources, it is a relatively easy matter for them to agree to reduce their fishing pressure in the future. It would be uneconomical for them to continue to send the same number of boats to Georges Bank next year that they sent last year in the face of a greatly diminished resource. And, of course, part of the Russians' willingness to cooperate at the Montreal ICNAF meeting was undoubtedly the result of their anticipation of our 200-mile zone. Frankly, they are hoping that the United States will be so impressed with their sudden enlightenment that we will give them favorable consideration when it comes time to license foreign vessels under H.R. 200.

I respectfully urge my colleagues not to be taken in by the propaganda with which we have been deluged by the State Department in the past week. Listen rather to the words they spoke to us during a calmer period when they were honestly evaluating our chances for success at the Law of the Sea Conference. Again I quote from John Moore, Chairman of the Law of the Sea Task Force:

> Our disappointment at the pace of the negotiations is genuine and requires a careful rethinking of our interim policy.

Turning now to the impact of our action today on the Law of the Sea Conference, I must say at the outset I am appalled at the lack of intellectual content in the arguments expressed by the State Department. The infantile simplicity with which they purport to view the Conference I am sure does not reflect their true sentiments. But it does tend to reflect their view of the intellectual capacity of the Congress. Apparently, those who have been lobbying us for the past week do not believe that we are capable of analyzing the complex issues and political pressures that exist in the Conference, and can only grasp the most simple-minded notions of what the real world is all about. It is urged upon us that enactment of H.R. 200 would disrupt the Conference to such an extent that the chances for a successful Law of the Sea treaty would, at best, be substantially diminished, and at worst the Conference would never recover from the shock. In effect, the rest of the world would simply pick up their marbles and go home. This extremely simplistic view of the complex negotiations taking place in the Law of the Sea Conference is not only an insult to our intelligence but is not supported by the facts.

Coastal State jurisdiction over fishery resources, the subject of H.R. 200, is but one of the many complex issues being debated in the Law of the Sea Conference. While a great deal of work has been done with respect to coastal State control over fishery resources, as well as the mineral deposits found within 200 miles of shore within the concept of an economic zone, other very basic issues are only at the threshold stage of serious debate. These include the nature and powers of the international regime which will regulate seabed mining beyond the economic zone, the right of transit through and over international straits, scientific research, and marine pollution.

Undoubtedly, the most controversial of these issues is the question of the regime for the seabeds. It was, after all, the prospect of wealth derived from mining the seabed for the benefit of developing nations that triggered this third Law of the Sea Conference. The resolution which spawned this effort in the late 1960's spoke in terms of the mineral resources of the oceans beyond national jurisdiction as the common heritage of mankind. While the full potential of the seabeds as a source of mineral wealth will not be realized for decades, the rules and regulations governing access to mineral deposits on the seabed is the crux of the Law of the Sea Conference. It is an issue which the developing nations of the world, which dominate the Law of the Sea Conference in terms of numerical strength, have committed themselves to settling on terms which will insure that they and not the industrialized nations of the world will be the chief beneficiaries.

In order to accept the State Department's theory that enactment of H.R. 200 will disrupt the Law of the Sea Conference, we must assume that the developing nations of the world are prepared to abandon their quest for an international treaty establishing the regime for the deep seabeds. There is simply no evidence whatsoever to support that assumption. All the evidence is to the contrary. The general consensus for a 200-mile economic zone virtually guarantees to the developing nations full control of their coastal resources. Without a treaty, however, the developing nations have no hope of deriving any ultimate benefit from the rapidly increasing technology of seabed mining. It is the developed nations of the world, and principally the United States, which would benefit most if indeed the rest of the world picked up their marbles and went home without a new Law of the Sea treaty. American corporations and those of Japan and a few other countries under national legislation are prepared to begin commercial seabed mining almost immediately. Lacking the hundreds of millions of dollars needed to begin seabed mining, the developing nations simply have no chance whatsoever to share in this wealth without a treaty that in some fashion earmarks a portion of seabed revenues for their benefit. The United States has committed itself to such a treaty, provided it contains reasonable terms for commercial participation in seabed mining.

In essence, what I am saying is that the developing nations have everything to gain and very little to lose by persevering in the Law of the Sea Conference. In terms of access to the mineral resources of the seabed, it is, I am afraid, the United States that ultimately stands to lose in this negotiating process. It is absurd to suggest that the majority of nations will walk out of the Law of the Sea Conference because the United States has chosen to protect its coastal and other fishery resources.

What are the prospects of securing adoption of a treaty covering a seabed regime which the United States can ratify? I suggest that the prospect is not good. While I have no doubt that, given their overwhelming numerical superiority, the developing nations could ram a treaty through the Conference next March, the drafting of a treaty which the United States and the other developed nations of the world can sign and ratify is a different matter altogether.

I already have pointed out the fact that the seabed and the nature of the international regime to control ocean mining is a critical issue in these deliberations. It is also an issue upon which the negotiating positions of the United States and the developing nations are diametrically opposed. Our position essentially is that the seabed regime should rely basically on private enterprise to explore and exploit the mineral resources of the oceans. A portion of the wealth derived from this effort will be dedicated to international development activities for the benefit of the third world. The developing nations, on the other hand, not for the same reasons in all cases, seek the establishment of an international regime under which an international authority which they control will actively engage in seabed mining. Presumably, the United States and other developed nations would furnish the money. Private enterprise might or might not be permitted to engage in mining, but in any event only as a licensee of this international authority. The likelihood that these opposing philosophies can be reconciled in one more session of the Law of the Sea Conference next March is small indeed, assuming that they can be reconciled at all.

Our principal negotiator at the Law of the Sea Conference with respect to the major question of the regime for the deep seabed is Mr. Lee S. Ratiner of the Department of the Interior. In appearing before the Merchant Marine and Fisheries Committee following the last session of the Conference, he furnished us the following appraisal, and I quote:

> In my view, a major stumbling block in these negotiations is the desire on the part of most developing countries to use the deep seabed as a concrete opportunity to implement creation of a new economic order, which involves increased use of the collective power and control over the sources, quantity and production and prices of raw materials in contradistinction to the quest of the industrialized countries for new, secure sources of supplies of raw materials. For this reason, we have found progress in Committee One particularly difficult to achieve.

In addition, he stated that despite the efforts of some developing nations to be responsive to the concerns of industrialized countries little progress was made in bridging the gap among nations on the basic aspects of the system under which ocean mining will occur.

Further, Ambassador John R. Stevenson, the head of the U.S. Law of the Sea delegation, in his final press conference in Geneva on May 9, 1975, stated:

> Basic compromises on this most difficult of issues have eluded all of us.

He was referring, of course, to the fundamental issue of the regime for the deep seabed.

In order for the United States to achieve a Law of the Sea treaty next year, we would have to make such fundamental concessions that I seriously doubt the treaty would ever be ratified. The United States delegations to the Law of the Sea Conference have consistently stated on the record that the United States will not sign a treaty that does not satisfy our basic objectives in terms of our national security and our resource interests. Taking those statements at face value, as I think we must, I cannot see how a treaty can possibly emerge that we can accept unless the developing nations utterly abandon their position. The more realistic appraisal of the timing of the Law of the Sea Conference is that several more very difficult negotiating sessions lie ahead before a consensus on all issues will be achieved. We cannot afford to wait to take action to protect our coastal fisheries.

Much has been made of the fact that the last session of the Law of the Sea Conference produced what is called a single negotiating text. We are given to believe that this text is virtually a final treaty. The facts are to the contrary. This text was developed by a small group of experts and was presented to the Conference on the last day of the session. It is simply the opinion of an informal group as to where they think the Conference is headed. It will undoubtedly be used in the next session of the Law of the Sea Conference as the point of departure for further debate. It does not set forth the provisions for a seabed regime which the United States can support, nor does it sufficiently guarantee our security interests. The introduction of the so-called single negotiating text was equivalent to dropping a bill in the hopper. A great deal of time may have gone into the drafting of the bill, but the entire process of committee deliberations and markup yet remains.

In summary, Mr. Chairman, enactment of this legislation will not disrupt the Law of the Sea Conference. There are simply too many other vital issues of concern to the rest of the world as well as the United States. The Conference will go on, I am afraid, for some time, and time is of the essence. In view of the complex issues that are being negotiated in the Law of the Sea Conference, it is inconceivable that these negotiations will be broken off by the enactment of H.R. 200. I have no doubt that a good deal of rhetoric will be wasted denouncing the United States, but this seems to happen virtually at every United Nations meeting these days. I am sure our negotiators will have enough intestinal fortitude to withstand that, but beyond the rhetoric I am confident negotiations will continue, and the delegates to the Conference will know without a doubt that the United States means business—that we will not allow our basic interests to be used as bargaining chips while the developing nations attempt to secure their so-called new economic order.

Mr. Chairman, I urge my colleagues on both sides of the aisle to support this vital legislation. It is a progressive bill—it is a conservation bill—it is a bill which will guarantee the availability of our vital fishery resources for the benefit of the United States and the world.

Mrs. SULLIVAN. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. LEGGETT), the chairman of the subcommittee on Merchant Marine and Fisheries.

Mr. LEGGETT. Mr. Chairman, I have a 25-page speech, but I am not going to subject the Members to hearing it. It will be printed in the RECORD.

Mr. Chairman, we have gone through this a number of times. This is one of the more formidable pieces of legislation that this Congress will enact, and the President is going to sign in this session of the Congress. We are going to change only the fishing jurisdiction of the United States. We are not changing the territorial sea limits. We are not affecting the Department of Defense, we are not affecting straits, we are not affecting the International Law of the Sea, but we are giving them leadership. We are not acting unilaterally because in this 200-mile bill we are joining now a community of some 40 nations that have extended their fishing boundaries beyond 12 miles. There are unfortunately a number of countries that have claimed a 200-mile territorial sea which would preclude navigation and the right of innocent passage by a number of nations. We are alarmed by this. We will give leadership by the passage of this legislation to the folks in the United Nations and the folks on the Law of the Sea. We have drawn back from the Law of the Sea, since we passed the rule in this matter just a few days ago and unfortunately we have come to the conclusion, as has the State Department, as has the National Marine Fishery Services, as has the Department of Defense, that we are not going to get much out of the Law of the Sea. We are going to get firm on the Law of the Sea. And as indicated before, the Law of the Sea is currently dominated by a very large number of "one nation, one vote" States who do not have large areas of ocean and who are trying to gain something for nothing.

We think that by being firm in this legislation and giving some leadership that we can set the pattern for future consolidation and action on the Law of the Sea. They have a single text there now which is not going to meet our objections. I will not go into that now.

A number of people are concerned with respect to this bill that we may be selling out the tuna industry.

I represent a part of the State of California and tuna is a big interest in our State. Tuna and shrimp comprise 23 percent of the fishing groups and we are certainly not going to sell this industry down the river. But we have to face the fact that we have the law of the jungle in the law of the sea with regard to tuna on the high seas and we have to give some leadership in this area.

In other words, this bill excludes tuna as a highly migratory species from the coverage of this legislation and all other highly migratory species and it will prevent an extended jurisdiction in that area. Second, we give tuna a bonus because we include in the bill a reimbursement provision for some items where payment is made in lieu of seizure and forfeiture and compensation cannot be obtained. We amend that to provide for compensation.

At the present time there is no automatic bailout. We have provisions in this bill that provide for procedures against nations who have not recognized American interests in fishing around the world.

We provide that where we do agree to a fishing license for other countries, part of the funds that are in this bill from such license fees will be earmarked to pay for American licenses around the world. Ten percent of those fees so collected can be used for that purpose. This is a matter of rather urgent concern. We have over 800 foreign boats that are currently operating off our shores. Fifteen years ago the foreign operations off of our coast were but a few. At the present time the foreigners are taking more fish off of our American coast than Americans by a magnitude of a large percentage. So we have to do something about this. The solution is in this legislation.

Some folks have raised the question as to States' rights, and perhaps the provision that we have in this bill intends to occupy the 3-mile territorial area of the States. That is not the case. I devote about 6 pages of my prepared remarks to that situation, and I believe I pretty well lay out the intent of this bill and the legislative history, and spell out the response to the statement of the very distinguished Fish and Game Director of Florida, Mr. Harmon Shields. We lay out, I think, an adequate response where we only intend to occupy the field in a Federal way. Where we have an impasse, the impasse has to be a rarity because the seven fishery councils that are established in this legislation are heavily dominated by State interests.

It is also the intention of our subcommittee and the intention of our full committee to exercise rather precise oversight over this legislation, and we are not going to let it get out of control. We do intend to maintain our existing relationships with the States' control.

The bill will not go into effect until next July 1. There is going to be a get-ready period of time. We are going to have to beef up our Coast Guard; we are going to have to beef up our National Marine Fisheries Service. The delay in implementation is for that purpose and also to see if the law of the sea negotiations which are going to take place in New York next year can get off the ground.

John Norton Moore, the current chief negotiator, does not believe that they can. I do not believe that they can, and I am not going to take any more time at this time.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

I have discussed this before with the chairman of my subcommittee. I wonder if the chairman could comment on whether or not by taking this action by an act of Congress we are not violating the treaty, the Convention of 1958 on Fisheries which we ratified on April 12, 1961. Does this action, if enacted into law, not conflict with the Convention on Fishing and Conservation of Living Resources of the Seas done at Geneva on April 29, 1958?

Mr. LEGGETT. The answer to that is no. The committee has had prepared by the Library of Congress a rather elaborate brief on this point. The lawyer who prepared the document does indicate that there is what is called an arguable point, but he comes down on the side of the fact that this is within the treaty. We can get into a rather elaborate description as to whether it is within or without. The practical matter is the treaty does not cover the fishery zone question and presumes that we are talking about various kinds of coastal species, et cetera, where we have bilaterals.

But where we have an expanded zone, it is the position of the lawyers that the treaty does not preclude the establishment of an expanded zone.

Mr. McCLOSKEY. If the gentleman will yield further, I have not seen this legal memorandum prepared by a lawyer of the Library of Congress, and I have not seen any opinion from the counsel of the Merchant Marine Committee on this subject. I have in front of me the Convention on Fisheries which seems to say that if any nation objects to nations fishing outside its 12-mile zone, or has a practice that is not conserving the fish outside the 12-mile zone, that the signatories to that treaty are bound to take up the dispute with a commission of 5 nations. What is there in this bill that would then be consistent with that treaty which we have signed, and which is part of the law of the land, which would require us to submit any dispute outside of the 12 miles to this 5-member commission?

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Massachusetts.

Mr. STUDDS. I thank the gentleman for yielding.

I wonder if the gentleman from California can point to us in the text of that convention where there is any reference to a 12-mile zone.

Mr. McCLOSKEY. It was international law at the time. As I recall this Nation claimed that the *Pueblo* was within its rights when it sailed within 12 miles of the North Korean coast.

Mr. STUDDS. I challenge the gentleman to point to anything in this or any other law which would point to a 12-mile limit which is recognized in international law. There is no precisely clear international law at the moment. The limits range from 10 to 12 miles to 200 miles and the situation is entirely unclear except if one wants to look, as lawyers tend to look, at what is the emerging trend which seems to point to such a distance.

Mr. McCLOSKEY. We have letters from Louis B. Sohn of the Columbia Law School and from Hamilton Fish, professor of international law and diplomacy, Louis Henken, and William Bishop, Jr. of the Law School of the University of Michigan, and Edwin Dickinson, another university professor of international law, and all of them state that in their opinion this would be clearly in violation of international law.

What is the legal opinion to the contrary?

Mr. STUDDS. If the gentleman will yield further, I would really give challenge to the gentleman to cite the law.

Mr. McCLOSKEY. As I understand the law, until 1945 we urged other nations to accept a 3-mile territorial limit. In that year President Truman proclaimed a 12-mile fishery limit. The only nations today which have claimed the fishing jurisdiction out to 200 miles are not signatories to this 1958 Convention of the High Seas. Is that not correct?

Mr. STUDDS. I beg to differ with the gentleman. The Truman declaration pertained not to fisheries and fishery zones but to resources of the Intercontinental Shelf. Under President Truman in 1945 this Nation asserted its jurisdiction to resources under the shelf. In 1966 under the unilateral legislative action by this Congress the United States for the first time extended its fisheries jurisdiction to 12 miles.

Mr. McCLOSKEY. That has been accepted as international law as of this time; has it not?

Mr. STUDDS. It has not. It depends on the meaning. Some nations have, but there are nations which claim widely diverging limits.

Mr. LEGGETT. Mr. Chairman, I would like to recapture my time.

I would respond to the gentlemen in this way. In the analysis I am going to put in the RECORD there will be a complete and rather extensive analysis covering from 35 to 40 pages with enclosures relating to a number of international cases and this is from Mr. Sayle from the Library of Congress and he says:

> There would seem to be no inconsistency between Title I of H.R. 200 and the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas [17 U.S.T. 138]. Technically, the validity of Title I, which establishes an exclusive fishery zone, should not be measured against the Geneva Fisheries Convention, which is concerned with the right of a coastal State to take unilateral conservation measures. This distinction is apparent from the following explanation by Bishop:
>
> > It must, of course, be recognized that the [Geneva Fisheries Convention] does not deal with the situation in which the coastal State wants not merely to regulate the fishery but also to reserve a high seas fishery exclusively for its own nationals. * * *

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, is it not also true that the United States is the only fishing nation that has ratified the fishing agreement to which we have referred? Is it not also true other nations such as Japan and the Soviet Union and East Germany and Poland that conduct major fishing expeditions off the American coast have not ratified this treaty and, therefore, do not recognize its provisions?

Mr. LEGGETT. I believe the gentleman is correct.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, in connection with this discussion of whether this bill would be in violation of international law and treaty agreements, the gentleman from California cited international law scholars who, as I understood, said this would violate international law and so on. Does the gentleman have a specific written opinion from a scholar of known repute who would defend his view? Is it in the committee report, for example?

Mr. LEGGETT. We have included this complete analysis in my report, because we received it after the report was published; but I am satisfied that the analysis we have here is the best available.

Mr. FRASER. Does the analysis of the gentleman claim that we have the right unilaterally to assert whatever fishing limit we want to the exclusion of other nations?

Mr. LEGGETT. Well, they point out, very frankly, that there are two schools of thought. There is a school of thought that they cannot do it. There is also the school of thought that they can. They have gone on to explain why they can or why they cannot; but what they state very simply is that the law is extremely unsettled, considering the fact that the Geneva Convention was limited to, considering the fact of long standing a large number of nations have claimed a 50-mile, a 200-mile fishing limit, a 200-mile territorial sea, and so forth, considering it says that the only case that came down in this area was the *Icelandic* case. The *Icelandic* case was concerned with Great Britain's fishing rights off the coast of Iceland for virtually tens of decades. They say this *Icelandic* case is clearly different than anything we refer to. We do not intend to confuse fishing rights with long-standing limitations.

Mr. FRASER. But the bill makes a claim totally at the will of the U.S. Government and there is no existing right of other nations which is recognized.

The gentleman referred to the *Iceland* case. I am reading from the court decision, which says:

> The provisions of the Icelandic regulations of 14 July 1972 and the manner of their implementation disregard the fishing rights of the applicant. Iceland's unilateral action thus constitutes an infringement of the principle enshrined in article 2 of the 1958 Geneva Convention on the high seas . . .

This is a convention which we have signed and ratified. It is a treaty obligation the United States has. Does the gentleman claim we can make a unilateral claim of a new limit and not be in violation of the 1958 treaties?

Mr. LEGGETT. The answer is that the Icelandic Treaty has been delineated and interpreted by our legal scholars as only referring to that situation which is before the court immediately for dicta, which may represent the statement of a particular distinguished international jurist; but the facts of the case are really related to the situation where one country had been precluded by the unilateral action of a State from exercising an inherent right to fish, and not under a program as we propose to do in this act, but under a mutual reciprocity which we do not have.

Mr. Chairman, H.R. 200 represents many, many hours, days, weeks, months, and years of serious study by our committee. It has been reported only after the problems and issues it addresses have been considered in increasing degree in three Congresses. Our committee last year held 10 days of field hearings in 10 States on 3 coasts seeking and evaluating the testimony of concerned fishermen, industry representatives, conservation organizations, and other appropriate citizens and interested groups. The views and counsel of executive branch personnel in the National Marine Fisheries Service, the Coast Guard, the Department of State, the Department of Defense, the National Security Council Interagency Task Force on the Law of the Sea were also sought and considered most carefully. Our committee has been represented by members and staff at the Law of the Sea Conference negotiations, first at Caracas last summer, and at Geneva this past spring. I personally attended the Geneva session to follow closely and directly the progress—or lack thereof—of the Conference and to speak with many of the principal participants.

This past March, my Subcommittee on Fisheries and Wildlife Conservation and the Environment held an additional 9 days of hearings here in Washington, and only after this additional intelligence and testimony were duly weighed did we commence markup of the bill which ultimately was reported out of the full committee on August 20.

Mr. Chairman, the information developed at the committee's hearings indicated that the Atlantic coast fisheries in the New England area were in the greatest trouble by far as a result of foreign fishing activities. For example, from 1952 to 1960, the U.S. catch from New England waters averaged around 700 million pounds per year—roughly 99 percent of the catch for that area. Then came the steady intrusion of Russian, Polish, German, and other foreign fishing fleets, until today vessels from more than 20 other nations are actively taking fish in these waters. By 1970, the Russian fleet alone brought in 836 million pounds, about 50 percent more than the catch averaged in the 1952–60 period caught by the United States, while the United States took only half that amount or 25 percent of the total catch. Consequently, in only 10 years' time the U.S. catch in this area has been reduced from 99 to 25 percent and this situation is likely to deteriorate unless remedial action of some sort is taken soon.

The testimony also indicated that our gulf coast fisheries were in a state of decline and depression as well. However, this situation was primarily due to the increase in costs of fuel and operation and maintenance expenses, and not due to foreign fishing activities in the area. However, the fear was expressed that, given the declining state of the New England fisheries, it is only a matter of time before the foreigners shift their attention to the more plentiful resources of the gulf.

There has also been a severe decline in U.S. fishery production in the Northwest Pacific and the State of Alaska, where fish stocks are threatened by huge foreign trawlers and factory ships, mainly from Japan and Russia. For example, we have witnessed the California sardine catch decline from 564,000 pounds during the period of 1951–55 to only 1,000 pounds during the period from 1971 to 1973. For all practical purposes, this fishery has been eliminated and many others will follow unless prompt action is taken, such as that called for by H.R. 200.

Mr. Chairman, this bill seeks to halt the increasingly severe and threatening depletion of the fisheries resources of concern, interest, and custodial responsibility of the United States, not only for the benefit of the American people—present and future—but for a world populace whose protein and other nutrition needs may be increasingly dependent on the biological bounty of the oceans, a bounty of enormous potential if properly conserved and managed.

Mr. Chairman, the highlights of this bill—which would regulate all species of fish except highly migratory species, such as tuna, which are to be regulated by international fishery agreements—are as follows:

First. Extension of the U.S. exclusive fishery zone from 12 to 200 miles beyond the base line from which the territorial sea is determined, effective July 1, 1976.

Second. A comprehensive management program governing U.S. and foreign fishermen within the zone.

Third. Creation of seven regional marine fisheries councils to assist the Secretary of Commerce in developing regional management plans and regulations.

Fourth. Authorization for the charging of reasonable Federal license fees for all those fishing within the zone—including American fishermen—the proceeds of which will be earmarked for stock assessment and research, except that a portion of such fees imposed on foreign fishermen could be used to reimburse U.S. fishermen for license fees imposed on them for fishing off the coast of foreign nations.

Fifth. Priority rights for U.S. fishermen within the zone, with excess stocks to be shared with foreign nations licensed by the Federal Government.

Sixth. Submission to Congress, for possible disapproval within 60 days of signing, of all bilateral fishing agreements with foreign nations permitting fishing within the 200-mile zone or for anadromous fish beyond the zone if subject to a management plan.

Seventh. The banning of seafood imports from foreign nations which refuse to grant equitable access, consistent with reasonable management and conservation practices, to U.S. fishermen with respect to waters thev have previously fished.

Eighth. Imposition of penalties against all violators of the provisions of the act.

In our consideration of this legislation and of the issues intertwined therewith, we repeatedly found three areas of principal concern to the many parties from whom we heard. First, while most domestic fishermen favored mightily the protection of our fishery resources which an extended fishing zone would bring, some distant water American fishermen—principally the California-based tuna industry and the gulf coast shrimpers—were opposed to the extension on the grounds that our action in that respect would elicit retaliatory action by nations off whose waters our men now take tuna and shrimp. A second area of concern was the ever-present arena of Federal-State relations and the resolutions of possible conflicts of management jurisdiction and authority concerning fish stocks presently managed by the States—that is, out to 3 miles.

The third area of significant conflict concerns the principles of international ocean law, the ongoing Law of the Sea Conference negotiations aimed at achieving new, modern, and more sophisticated international agreements relating to maritime law, and the alleged positive and negative impacts which unilateral action by the United States as represented by H.R. 200 might have on these U.N. Law of the Sea meetings and negotiations. I would like to comment on our reaction to each of these areas and indicate how the legislation before you addresses each issue.

With respect to the issue of the rights of our own distant water fishermen, if I may be permitted a personal note, I can assure you that with the interests of our California tuna fishermen at heart, I was very sensitive to this issue and its implications. I had my responsibilities to my constituents and my colleagues in the California delegation, as a single Congressman, and I had my responsibilities to the larger society in my capacity as subcommittee chairman. I do believe the provisions we have in this bill are reasonable and fair for all concerned. We are seeking to protect the interests of our distant water fishermen who may be victims of other nations' establishment of 200-mile zones in three significant ways.

First, section 203 of the bill requires the Secretary of State, within 90 days of the bill's enactment, to commence negotiations with each foreign nation off whose shores American fishermen currently take significant harvests of fish so as to assure continued participation by American fishermen in the harvest of those fish stocks which they have traditionally fished. If the Secretary finds an unwillingness to negotiate in good faith, an unwillingness to permit continued American participation in such fisheries, or violation of any agreement in existence or which may be reached in furtherance of these American objectives, then the Secretary must certify this fact to the Secretary of the Treasury, who would then be required to act to prohibit the importation into the United States of any seafood product from such nation. Similar triggering of this economic sanction would occur as well where a U.S. vessel is illegally seized by a foreign country off whose shores American fishermen have previously fished.

Second, H.R. 200 would amend the Fishermen's Protective Act to make it clear that the reimbursed charges for which American fishermen will be reimbursed when their vessels are seized by foreign governments for fishing within another nation's claimed fisheries zone would include any levy, however characterized or computed, which is imposed in addition to any fine, license fee, or registration fee. This charge was necessary because when Ecuador seized a number of American tuna boats last winter for violation of that country's claimed fishing zone, she required the vessels' owners to pay the monetary value of the fish on board in lieu of having their fish confiscated. Present law allows for compensation of the loss of confiscated fish, but not for the monetary value paid in lieu thereof.

Thus, the bill's provision to broaden the coverage of reimbursement situations will further protect our distant water fishermen from this form of loss when they are seized in waters the United States considers high seas. Third, section 306 of H.R. 200 would provide for the assessment of license fees on foreign fishermen fishing within American-claimed waters; 10 percent of such fees would be required to be deposited in a separate account to reimburse American fishermen for license fees they may have to purchase in order to fish off another country's shores. This provision of the bill also offers additional protection to the distant water fishermen who have legitimate concerns about their continued welfare as various nations reassess the limits of their fisheries zones.

The second major area of strong concern was that of Federal against States rights with respect to jurisdictions and management authorities. Through the composition of the various regional fisheries councils—which allow for strong private and State participation—the States will have direct impact on the development of the marine fishery management plans which the Secretary of Commerce will then implement. Some States will have representation on more than one regional council. The bill provides for the maximum amount of professional and scientific involvement in the preparation and development of management plans and strategies; it is the expectation of our committee that there will be very little and infrequent conflict between States and the Federal Government over management of the various fish stocks because of the high professional caliber of the fisheries biologists who will be involved, whether the payroll they be on be Federal or State.

Section 309 of the bill makes it clear that nothing in the act extends or diminishes the jurisdiction of any State seaward of the coastline of the United States except in special and restricted instances when the Federal Government could assert regulation of certain fish stocks in the territorial sea. This possible Federal override of State authority within the territorial sea is contemplated only in exceptional cases; for example, where the fish range readily across one or more State borders and integrated Federal regulation and management would be superior to inconsistent and perhaps conflicting regulations of adjacent States with respect to the same species.

However, before the Federal Government could assert jurisdiction in the waters of any State, the Secretary would be required to find that the State's action—or the State's failure to take action—will substantially and adversely affect the carrying out of any Federal management plan that may have been developed with respect to a particular fishery.

Perhaps the most serious, but surely the most outspoken and consistent, opposition to this bill has come from the State Department. It has been the position of that Department that unilateral action by the United Sates in establishing an extended fisheries zone would jeopardize the ongoing Law of the Sea negotiations which are the best hope for an effective solution to complex international maritime issues, that retaliatory action by some nations would work to the immediate disadvantage of our own distant water fishermen, that some nations might take less measured and reasonable action than we are contemplating if we do act unilaterally, and that pending ultimate achievement of Law of the Sea goals, continued emphasis on negotiated appropriate bilateral and multilateral fisheries agreements can buy the additional resource protection and domestic fishermen protection which they concede are badly needed.

Mr. Chairman, I and other members of our committee have been unpersuaded by the arguments of the State Department for a number of reasons. Let me go over the most compelling ones as I see it:

The Law of the Sea Conference is a worthy, necessary, and desirable effort; I truly hope it is ultimately successful. But it is very likely years away from conclusion when one considers we have not yet achieved agreement on a draft treaty, let alone obtained the requisite number of signatures, the sequential ratifications and the various individual legislative actions necessary to implement any resulting international law agreements. Two years ago, we heard Ambassador Stevenson and Mr. John Norton Moore, chairman of the National Security Council Interagency Task Force on the Law of the Sea—our principal representatives at the Law of the Sea negotions—urge Congress to defer its consideration of unilateral action on these fisheries issues until after the Caracas meetings because they felt optimistic real progress would be made. It was not.

Again, this year, we were told to be patient a little longer, for what Caracas failed to do, Geneva would surely achieve. But it did not. Now, the State Department line is—wait till next year, in New York. Mr. Chairman, with all due respect to Secretary Kissinger, Ambassador Stevenson, and Mr. Moore, to their good intentions and the difficult complexities involved, it is naive to expect us or anyone to believe that we are closer than 5 to 8 years from ultimate implementation of whatever complex international agreements may finally come from the Law of the Sea Conference. This is time that is absolutely, unalterably, and most emphatically of critical importance to a number of invaluable fish stocks now depleted or facing imminent depletion. We cannot afford not to act right away.

The record of the past 20 years, in the case of a wide number of multilateral and bilateral fishing agreements, just does not support the optimism of the State Department that more of them nor renegotiation of existing ones will provide the answers to the overfishing and other fish stock management problems which urgently cry for attention. H.R. 200 also calls for more bilateral and multilateral negotiations, but from a position of strength after we have acted to assure we will still have our fish resources left to negotiate over. Even ICNAF—the International Convention on North Atlantic Fisheries—by some accounts the most sophisticated and successful of all of our fisheries agreements, has been singularly unsuccessful in protecting a number of species such as the haddock from extreme overfishing and even commercial extinction. I assure you any Boston, New Bedford, and Point Judith fisherman can so affirm.

The argument that unilateral American action will torpedo sensitive Law of the Sea negotiations and unleash a flood of other nations' unilateral acts is singularly unconvincing. First of all, H.R. 200 is most carefully constrained to deal only with the fish resources of the oceans, and does not interfere with negotiations about straits, islands, mineral resources, defense requirements, and so forth. Even the highly migratory species of the open seas are excluded from provisions of this bill.

Second, this measure is clearly interim in nature with respect to the provision in the bill that provides that any Law of the Sea agreement that may ultimately be enacted by the international community—including the United States—would then supersede this legislation.

Finally, the provisions of this bill insofar as extended fisheries jurisdiction is concerned are completely consonant with the emerging consensus at the Law of the Sea meetings, and with the publicly expressed position the State Department has indicated it could accept and to which it expects to ultimately agree. Even without U.S. action, other nations have extended their fishing zones unilaterally and more continue to do so. We may be accused of jumping on a bandwagon, but not of starting one.

In short, Mr. Chairman, I think we have a very responsible bill. It provides for the immediate needed action and it is responsive to our other national interests, especially with respect to the Law of the Sea negotiations and our international fishing and conservation responsibilities.

It has the strong support in general of all of our coastal fishermen, sportsmen, and conservation groups, and it has been cosponsored by 148 Members of the House.

Mr. Chairman, I would like to point out that our committee is not alone in its thinking that the time for unilateral action has come. Just this week we received the fourth annual report of the President's own National Advisory Committee on Oceans and Atmosphere which now shares our view. This august body of experts in its previous three reports strongly advocated caution and reliance on the Law of the Sea Conference, but let me quote from their most recent pronouncement:

> NACOA, NOTING that the Law of the Sea Conference has been unable to come to agreement after a protracted period of preparation and negotiation, and FINDING that pressure on living resources and the marine environment off our coasts requires urgent action to bring their use under positive rational management, recommends that:
>
> Legislation be enacted asserting United States jurisdiction over resources within a zone, out to 200 miles off the United States coast. . . .

The President's committee goes on to more specific recommendations for the management of fisheries within the zone which largely parallel the provisions of H.R. 200.

Our committee and the President's committee have taken different routes but we have reached the same conclusion: The time for action is now.

Mr. Chairman, now I would like to respond to a number of questions raised in letters from Mr. Harmon W. Shields, executive director of the Florida Department of Natural Resources, dated September 2 and 26, 1975, to certain members of the Merchant Marine and Fisheries Committee and the Florida Delegation concerning H.R. 200.

Mr. Shields' opposition to the language of H.R. 200 centers on a number of points, but generally he objects to ultimate authority lying with the Federal Government—in this case, the Secretary of Commerce—rather than with the States or the regional councils provided for in the bill. This matter was thoroughly considered by our committee. We believe that ultimate authority must rest in the Federal Government, but every possible precaution has been taken to assure that such authority will be used to preempt traditional State authority only where necessary in the national interest.

It is the intention of our committee that the initiative for management plans will come from the regional councils on which adequate State representation has been provided. This intention is clear in both the bill and the committee's report. Let me review with you the specific areas mentioned in Mr. Shields' letter and the protections provided:

His main concern involves the right of the Federal Government—in this case, the Secretary of Commerce—to preempt the States in the regulation of a marine fishery except for "internal waters," which are not defined in the bill or the committee report on the bill.

The section in question is section 309, which certainly does not provide carte blanche authority for Federal preemption of States rights. In fact, section 309 commences by noting that, except for very special cases as provided in subsection (b), nothing in this act shall be construed as extending or diminishing the jurisdiction of any State seaward of the coastline of the United States. Subsection (b) finds that anadromous species, certain coastal species, and certain Continental Shelf species move during their life cycles within waters over which more than one State has jurisdiction, and move from such waters to waters that are not within the jurisdiction of any States; for example, those waters seaward of the territorial sea—3 miles—of the United States.

Subsection (b) further finds that this legislation is not intended to affect State jurisdiction over fish principally found within waters under its jurisdiction; however it notes that there may be instances at certain times—such as when it has been determined that a fishery management plan needs to be developed to protect a certain fishery on the high seas beyond the territorial sea and such a plan is developed, either by a council or the Secretary—when Federal regulation in the waters under State jurisdiction may be necessary in order to insure the effectiveness of the management plan to be implemented.

Now, before such a management plan can be applied, the Secretary must first notify the particular State affected of the plan and give such State an opportunity to have a hearing on the plan pursuant to the Administrative Procedure Act. Next, if the Secretary determines after such hearings—which, in most cases, I feel sure the State would request—that the plan would affect a species of fish which is to any extent under the jurisdiction of such State and such State has failed to take action, or has taken action the result of which will both substantially and adversely affect the carrying out of such plan, then and only in such rare cases will the Federal Government be able to regulate such fishery.

Therefore, please take note that an implemented management plan must be violated or jeopardized by State action or inaction before there can be Federal preemption. The Marine Fisheries Councils provided for under this act are intended to have meaningful State representation, and they are the bodies expected to develop the management plan. Only if they fail to do so or fail to produce a plan, as contemplated by the act, can the Secretary of Commerce then act without the concurrence of the council concerned. I submit that these conditions are such that it is likely that they will be realized rarely, if ever. They are provided to guarantee that the fisheries that need to be regulated and managed, do not suffer for failure of one or more States or Regional Councils to act in pursuit of the policies established by this act; and if they function as we intend, Federal preemption shall remain but a future option.

Also, I draw your attention to the provision for restoration of State authority and regulation—section 309(c)—as soon as the reasons for any Federal preemption which may have occurred have been removed. This reaffirms the committee's intent that the States shall continue to have and to exercise their proper rights and responsibilities to the greatest degree consonant with the national interest and proper stewardship of our fisheries resources.

Next, with respect to the definition of "internal waters," it is true there is no definition of such waters in the act. It was felt by the committee that there was no need to define such waters since section 104(2) makes it clear that the jurisdiction of any State over any natural resources beneath and in its internal waters are not to be diminished that is inland from the coastline.

Furthermore, section 104(3) provides that, except as may be provided pursuant to section 309—in those unusual situations which may occur when a fishery management plan is implemented for a particular fishery—the jurisdiction of any State over any natural resource beneath and in the waters of the territorial sea—out to 3 miles—are not to be diminished.

Next, with respect to the assessment of license fees and their application toward support of fishery research and development, the important points to keep in mind are that the fees—if any are provided for pursuant to a fishery management plan—are to be collected and held in accounts associated with each approved fishery management plan and are to be approved in the geographical area of the Council concerned. In general, the committee expects the management plan to be developed by the Regional Council concerned, which, in turn, will have meaningful State representation on it. It is only when a Council fails or refuses to develop a needed plan that the Secretary would come forward with a plan for a particular fishery.

In the latter case—where the Secretary develops the plan that calls for fees—the committee expects the Secretary to consult with the appropriate Council and States concerned as to how the funds are to be utilized for research and development and make every effort to honor the recommendations of the Councils and States in this regard.

It should be stressed that it is entirely optional as to whether fees will be charged or not under such a plan and if the plan calls for fees to be charged, then it would be only after they have been subjected to State influence and recommendation. Mr. Shields is incorrect in his understanding that civil penalties imposed against violators of the act would be deposited in the research account. Such penalties are to be deposited in the general fund of the Treasury.

It is true that the Secretary of Commerce could act as both judge and jury in determining whether civil penalties are to be imposed against violators. However, there are a number of Federal laws on the books that now provide for this type of procedure, such as the Endangered Species Act of 1973, the Marine Mammal Protection Act of 1972, and others. Also, it should be noted that in each of these acts—just as it is provided for under this act—the Secretary, after considering the circumstances surrounding any violation, has the authority to compromise, modify, or remit, with or without conditions, any civil penalties imposed. In addition, any person against whom a penalty has been assessed would be able to have his case reviewed by an appropriate U.S. district court if he is dissatisfied with the final decision of the Secretary.

Finally, Mr. Shields expressed concern over a number of other points: That the ultimate authority rests with the Secretary as to the appropriateness of a plan or was to whether a license fee could be imposed against a commercial or sport fisherman, or that the Secretary could veto a Council's plan without some authority for the Council to override the Secretary's veto. The committee was well aware of the concerns expressed by Mr. Shields since they were brought to the attention of the committee during markup sessions by a number of Members expressing these same concerns. However, after much deliberation, it was determined by the committee that the only workable solution was to have the final say-so over any matter lie with the Federal Agency concerned with such matters.

However, before exercising such veto authority or drawing up a management plan, on his own initiative, the committee intends for the Secretary of Commerce to make every effort to see that whenever possible the views of the States or the Councils are honored. It is only in these unusual situations, where the fishery concerned would be substantially and adversely affected, that the Secretary would not honor such views or recommendations.

Also, it should be pointed out that the committee is well aware of the continual squabbles between the States on certain fisheries matters; for example, the spiny lobster problem as it relates to the States of Florida and Georgia. In this situation, the Florida law is more protective of the spiny lobster than the Georgia law; consequently, it has been argued that the Florida law is being circumvented. In this regard, it should be noted that Mr. Shields, in a statement on the legislation, H.R. 2473, before the Committee on Merchant Marine and Fisheries, urged the adoption of an amendment to the bill that would authorize the Secretary of Commerce to preempt the States in their regulation of spiny lobsters in certain situations. The amendment reads as follows:

> All State laws pertaining to the regulation of the taking or harvesting of such lobsters will remain in full force and effect until such time as the Secrtary reviews and passes judgment as to their adequacy and conformation to Federal regulation.

Mr. Shields' positions on H.R. 200 and on H.R. 2473 are clearly inconsistent, but it is clear that even he recognizes there are some cases where Federal preemption is necessary.

Finally, Mr. Chairman, I would like to respond to a letter I received from Mr. Evelle J. Younger, the attorney general of the State of California, dated September 30, 1975, concerning H.R. 200.

Mr. Younger argues that the bill should be amended to provide that where a State has an established "legitimate interest" in an extraterritorial resource, the "right" to manage that resource should be continued and not contravened nor preempted by Federal authority so long as no other State has a legitimate interest. The particular case in point concerns shrimp beds outside California's territorial waters, but which the State has regulated since their discovery and which constitute an important resource for certain California industries. Mr. Younger opposes replacement of the State by the Federal Government in managing this resource—which could occur if H.R. 200 is enacted and presently written and shrimp is the subject of a management plan—on the grounds that the State has performed well in managing this resource when the Federal Government has not nor ever sought to manage it.

There is no arguable point of law here that the Federal Government is other than clearly the party with proper constitutional jurisdiction. Recent Supreme Court decisions—for example, United States against Maine; United States against Alaska—have clearly established the Federal right to manage the resources beyond the 3-mile territorial sea. There is no reason to believe that proper professional, scientifically based management of these shrimp beds cannot be carried out by Federal officials in cooperation with professional State officials and biologists as they have been by State people alone. Accordingly, California interests in the resource will still be protected. California would continue to have a meaningful role in the regulation of this resource through the statutory—proposed—functions of the Pacific Marine Fisheries Council to which it would be member. But to seek to legislatively provide for continued State jurisdiction beyond State waters would be asking for a spate of similar exceptions by other States and would be unnecessarily confusing.

Also, the reason the Federal Government has not exerted itself in this area before, as it relates to American fishermen, is because of its lack of authority to manage these fishermen. H.R. 200 would, for the first time, provide the Federal Government with that authority.

Mr. Chairman, I urge the prompt passage of H.R. 200.

I include the following:

[From the Congressional Research Service]

CONSTITUTIONAL AND INTERNATIONAL LEGAL IMPLICATIONS OF THE PROPOSED MARINE FISHERIES CONSERVATION ACT OF 1975 (H.R. 200, 94TH CONG.)

(By David M. Sale, Legislative Attorney, American Law Division, September 17, 1975)

I. CONSTITUTIONALITY OF H.R. 200

There are several questions which might be raised concerning the constitutionality of H.R. 200. Specifically, these questions relate to (a) the power of Congress vis a vis that of the states and to (b) the validity of the Congressional veto procedure authorized in Sec. 206 of the bill.

A. Congressional power

Title I of H.R. 200 establishes an exclusive fishing zone of 200 miles in which exclusive rights are to be exercised by the United States [Secs. 101 and 102]. As state jurisdiction over natural resources beneath and in internal waters remains unaffected by this zone [Sec. 104(2)], there would seem to be no basis for a constitutional objection grounded upon an alleged infringment of state powers in these waters.

With regard to territorial sea waters, section 104(3) of the bill provides that in general, state jurisdiction to any natural resource beneath and in such waters is not diminished. The one exception to the undiminished state jurisdiction in the territorial sea is authorized by Sec. 307, which allows Federal regulation of certain stocks of fish in the territorial sea in specified instances. In essence, this exception is based on the findings that 1) certain fish species move during their life cycles within waters over which more than one State has jurisdiction or from such waters to waters that are not within the jurisdiction of any state, and 2) federal regulation may be necessary in order to insure the effectiveness of a management plan. Accordingly, if the Secretary of Commerce finds, after notice and hearings that any fishery mnaagement plan implemented pursuant to the Act applies to any species under the jurisdiction of any State, and that such State has taken any action, or omitted to take any action, the result of which will substantially and adversely affect the implementation of the plan, he shall declare and assert federal regulation of the fishery within the state's territorial waters.

There would seem to be little basis for asserting the unconstitutionality of the federal regulation sanctioned by the above provision. The paramount authority of the National Government in the three-mile belt has been recognized in *United States* v. *California*, 332 U.S. 19 (1947), *United States* v. *Louisiana*, 339 U.S. 699 (1950), *United States* v. *Texas*, 339 U.S. 707 (1950), and was recently reaffirmed in *United States* v. *Maine*, 420 U.S. 515 (1975). While these cases were concerned with state seabed claims, the paramount federal interest recognized by the Court in these decisions would seem to be equally applicable to fish within the territorial sea of a state. As stated by the Court in *United States* v. *Louisiana, supra:*

"The claim to our three-mile belt was first asserted by the national government. Protection and control of the area are indeed functions of national external sovereignty . . . The marginal sea is a national, not a state concern. National interests, national responsibilities, national concerns are involved. The problems of commerce, national defense, relations with other powers, war and peace focus there. National rights must therefore be paramount in that area." 339 U.S., at 704.

Finally, there would also seem to be no basis for a constitutional objection to the assertion of federal jurisdiction in waters beyond the territorial sea. As stated by the Court in *United States* v. *Maine, supra,* since the three-mile belt is subject to the paramount rights of the National Government, it follows that the waters and seabed beyond that limit are governed by the same rule, 420 U.S. at 521.

B. Congressional veto procedure

Section 201(f)(1) of H.R. 200 provides that any application for a fishing permit submitted by a foreign nation, when tentatively approved by the Secretary of Commerce, shall be deemed an "international fisheries agreement." Section 206(a) of the bill specifies that any international fishery agreement (other than a treaty) entered into after the date the bill is enacted, and any amendment entered into after such date to any international fishery agreement concluded prior to such date, will come into force for the United States only if before the close of 60 days from the date the agreement is transmitted to Congress neither House has adopted a resolution of disapproval. Thus, H.R. 200 preserves a right of Congressional disapproval or "one-House veto" with regard to two categories of international fishery agreements: 1) those made after enactment which, by virtue of Sec. 201(d) must contain specified conditions and restrictions, and 2) those made after enactment which amend preexisting agreements and which must also contain the conditions and restrictions of Sec. 201(d).

The Congressional veto device has frequently been employed in executive branch reorganization legislation and has recently been extended to other areas, as in Sec. 5(c) of the War Powers Act, 87 Stat. 555. In the Ninety-Fourth Congress, several bills have been introduced which authorize the same procedure for executive agreements in general. See, for example, H.R. 4438, S. 1251, and S. 632.

One of the principal constitutional objections to the Congressional veto device is that by allowing Congress to disapprove Executive action through a resolution which is not submitted to the President for his signature, the President's constitutional role in the lawmaking process is undermined. That role is specified in Article 1, Sec. 7, cl. 3 of the Constitution, which requires that every order, resolution or vote to which the concurrence of the House and Senate may be necessary shall be presented to the President for his signature. This constitutional requirement has not been interpreted literally, but nevertheless applies to resolutions which are legislative in character and effect. See S. Rep. No. 1335, 54th Cong., 2d Sess. (1897) in 4 Hind's Precedents of the House of Representatives 329–332 (1907).

It is arguable that the Congressional veto authorized by Sec. 206 of H.R. 200 is "legislative" in effect because, in the absence of this provision, international fisheries agreements concluded under Sec. 201 of the bill, containing, of course, all the restrictions and conditions of Sec. 201(d), would otherwise become the Law of the Land. Thus, Sec. 206 has the effect of reserving a future right in Congress to disapprove, through a device which excludes Presidential participation guaranteed by the Presentation Clause of the Constitution, agreements which would otherwise be part of the Supreme Law.

It may be added that while the veto mechanism authorized by Sec. 206 allows Congress to insure that international fisheries agreements are in fact concluded in accordance with the conditions and restrictions of Sec. 201(d), the constitutional responsibility for taking care that the laws are faithfully executed rests with the President. Hence, Sec. 206 of the bill may also be an infringement of Art. II, Sec. 3 of the Constitution.

In response to the foregoing objections, it could be asserted that the fact of passage of the original legislation is sufficient compliance with Article 1, sec. 7 of the Constitution to overcome any challenge against the actual use of the Congressional veto. Arguably, the President, in signing the original legislation (or in having it passed over his veto), consents to the use of the veto device as a necessary mechanism to implement a desired Congressional policy. Further, the subsequent exercise of the disapproval procedure is not tantamount to new legislation, but merely constitutes the fulfillment of the will of Congress as expressed in the underlying statute.

It may also be contended that the Congressional veto device does not infringe the President's constitutional power to take care that the laws are faithfully executed (Constit. Art. II, Sec. 3). Recognizing that a rigid compartmentalization between legislative and executive functions cannot always be made and, indeed, could hinder the proper functioning of government, it is arguable that Congressional vetoes are not so different from other oversight techniques which also "interfere" with Executive functions. Moreover, unless Congress is to legislate in minute detail, it must either abdicate its legislative power or utilize some effective means of control, especially in areas where traditional oversight mechanisms have proved ineffective. As stated by Justice Jackson in his often-quoted concurring opinion in *Youngstown Sheet and Tube Co.* v. *Sawyer,* 343 U.S. 579, 635 (1952):

"The actual art of governing under our Constitution does not and cannot conform to judicial definitions of the power of any of its branches based on isolated clauses or even single Articles torn from context. While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity."

In summary, the question of the constitutionality of the Congressional veto device is complex and, in the absence of any specific judicial pronouncement, no definitive conclusion can be made regarding the validity of this mechanism as authorized by Sec. 206 of H.R. 200. Theoretical arguments aside, it may be stated that Congressional veto provisions have been enacted by the Congress for the last forty years and have been extended to the foreign affairs area. See H.R. Rep. No. 94–445, 94th Cong., 1st Sess. 58–60 (1975). This usage is perhaps encouraging to Congressional veto proponents.

II. VALIDITY OF H.R. 200 UNDER INTERNATIONAL LAW

A. Regional fishery treaties

Before considering the effect of H.R. 200 upon existing regional fishery treaties to which the United States is a party, it is instructive to note the well-settled rules of domestic law than 1) no constitutional violation occurs where federal legislation is inconsistent with a prior treaty, and 2) the measure later in time controls. As stated by the U.S. Supreme Court in *Whitney* v. *Robertson,* 124 U.S. 198 (1888):

"By the Constitution a treaty is placed on the same footing, and made of like obligation. Both are declared by that instrument to be the supreme law of the land, and no superior efficacy is given to either over the other. When the two relate to the same subject, the courts will always endeavor to construe them so as to give effect to both, if that can be done without violating the language of either; but if the two are inconsistent, the one last in date will control the other, provided always the stipulation of the treaty on the subject is self-executing. If the country with which the treaty is made is dissatisfied with the action of the legislative department, it may present its complaint to the executive head of the government, and take such other measures as it may deem essential for the protection of its interests. The courts can afford no redress. Whether the complaining nation has just cause of complaint, or our country was justified in its legislation, are not matters for judicial cognizance, 124 U.S. at 194."

The extent to which a court will attempt to reconcile statutes and treaties is reflected in the following excerpt from 74 *Am. Jur.* 2d, Treaties, sec. 16 (1974):

". . . the purpose by statute to abrogate a treaty or any designated part of a treaty, or the purpose by treaty to supersede the whole or a part of an act of Congress, must not be lightly assumed, but must appear clearly and distinctly from the words used in the statute or in the treaty. It is the duty of the court, if possible, to find an interpretation of the statute which will involve no infraction of the treaty—no violation of the pledged faith of the government of the United States to the government of another country.

Repeals by implication are never favored, and none will be recognized unless the two expressions—treaty and statutes—are absolutely incompatible.

Although there is no violation of domestic constitutional law in the United States where treaties and federal statutes conflict, any resulting inconsistency may well be a violation of the nation's international legal obligations under the treaty. This point is emphasized by Hackworth, who states that "Where a treaty and an act of Congress are wholly inconsistent with each other and the two cannot be reconciled, the courts have held that the one later in point of time must prevail. While this is necessarily true as a matter of municipal law, it does not follow, as has sometimes been said, that a treaty is repealed or abrogated by a later inconsistent statute. The treaty still subsists as an international obligation although it may not be enforceable by the courts or administrative authorities." 5 Hackworth, *Digest of International Law* 185–86 (1943).

There would appear to be no conflict, however, between Title I of the proposed legislation and existing regional fishery treaties to which the United States is a party. In spite of a number of provisions in the bill which would seem to suggest a conflict [eg. Sec. 2(a)(5), which cites the ineffectiveness of international agreements in halting the depletion of valuable coastal and anadromous species caused by overfishing, and Secs. 101 and 102 of Title 1, which establish an exclusive fishing zone of 200 miles over ocean areas and species subject to existing treaty arrangements], it appears that these treaties are to remain in force.

Evidentiary support for this conclusion may be seen in Sec. 202 of the bill, entitled "Treatment of Certain Existing International Fisheries Agreements," where it is provided that the Secretary of State is to renegotiate existing treaties in order to conform them to the legislation and is to submit annual reports to the Congress on the results of these negotiations [Secs. 202 (b) and (c)]. The Secretary's two-fold duty to "renegotiate" existing treaties (as opposed, for example, to a duty to give notice of termination), and to make "annual reports" on the status of these negotiations, seems at odds with any conclusion that the treaties are to be superseded by the legislation. A reasonable interpretation of the statutory language suggests that 1) existing treaties are to be honored, that 2) they are also to be renegotiated to conform to the legislation, and that 3) Congress is to be informed annually on the status of the negotiations, perhaps for purposes of future termination if renegotiation is unsuccessful.

Further support for the above conclusion seems clear from the Report of the House Merchant Marine and Fisheries Committee which, after indicating that there is no authority for continued fishing by foreign vessels after July 1, 1976, except pursuant to the legislation, states that "Of course, treaties governing fishing within the extended fisheries zone would be honored subject to the renegotiation provisions of section 202 (b)." H.R. Rep. No. 94–445, 94th Cong., 1st Sess. 51(1975). With regard to the renegotiation and report provisions of Sec. 202 (b) and (c), the Report contains the following explanation:

"(b) Renegotiation of Treaties.—This subsection would require the Secretary of State, in consultation with the Secretary and the Secretary of the Department in which the Coast Guard is operating, immediately after the date of the enactment of this Act to take the appropriate steps to renegotiate all treaties (within the meaning of section 2 of Article II of the Constitution) which pertain to fishing within the fisheries zone or which pertain to species, stocks of fish, or fisheries with respect to which the United States may exercise management and conservation authority under this Act. The renegotiations would be designed to conform such treaties to the provisions and requirements of this Act.

"It is to be noted that section 2 of Article II of the Constitution gives to the President the power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur. There are a number of treaties which would be affected by this subsection, two of the more important are as follows: the International Convention for the Northwest Atlantic Fisheries and the International Convention for the High Seas Fisheries of the North Pacific Ocean.

"(c) Reports to Congress.—This subsection would require the Secretary of State to submit to the Congress a written report on or before May 15, 1976, and annually thereafter, on the results of the negotiations pertaining to the treaties covered by subsection (b).

"The Committee selected the date of May 15, 1976, for the first report on the results of the renegotiations since the new 200-mile fisheries zone would come into force and effect on July 1, 1976. The Committee is most hopeful that the Secretary of State will act promptly and with vigor in renegotiating these agreements with the countries concerned so that the fisheries involved can receive the protection to which they are entitled." H.R. Rep. No. 94–445 *supra*, at 55–56.

B. Geneva Fisheries Convention

There would seem to be no inconsistency between Title I of H.R. 200 and the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas [17 U.S.T. 138]. Technically, the validity of Title I, which establishes an exclusive fishery zone, should not be measured against the Geneva Fisheries Convention, which is concerned with the right of a coastal State to take unilateral conservation measures. This distinction is apparent from the following explanation by Bishop:

"It must, of course, be recognized that the [Geneva Fisheries Convention] does not deal with the situation in which the coastal State wants not merely to regulate the fishery but also to reserve a high seas fishery exclusively for its own nationals. * * *

". . . neither [the 1958 or 1960 Geneva Law of the Sea Conferences] achieved agreement on . . . the problem of claims to exclusive fishing zones. Only time will tell whether future efforts will be more successful in dealing with claims to exclusive rights to fish. The Geneva Fishing Convention stands separately, neither dependent upon such agreement nor blocking solution to the problems of exclusive fishing claims. Of course, if there should eventually be worldwide agreement that the coastal state has exclusive fishing rights over broader areas of what are now high seas, the right of the coastal state unilaterally to establish conservation controls in these areas without regard for the terms of the Geneva Fishing Convention would doubtless follow. * * * Bishop, "The 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas,'" 62 Columbia L. Rev. 1206, 1223–24 (1962).

Thus, the validity of the exclusive fishing zone established by Title I of the bill should be assessed by reference to other sources of international law, both conventional and customary, as is attempted in this memorandum infra, Part II(C). For present purposes, however, it seems correct to assume the validity of the exclusive fishery zone and merely inquire whether any unilateral conservation measures authorized by H.R. 200 outside this zone are violative of the Geneva Fisheries Convention.

Section 201(k) (1) of H.R. 200 declares that any fishery management plan prepared pursuant to section 304 or 305(d) which in whole or in part applies to any anadromous species in any area of the high seas seaward of the United States exclusive fishery zone is deemed a "unilateral measure of conservation" within Article 7 of the Geneva Fisheries Convention. Article 7(1) of the Convention authorizes such unilateral measures of conservation "appropriate to any stock of fish or other marine resources in any area of the high seas adjacent to [the coastal State's] territorial sea, provided that negotiations to that effect with the other States concerned have not led to an agreement within six months." Accordingly, H.R. 200 provides for a 6-month delay before fisheries management plans applicable to anadromous species seaward of the exclusive fishing zone go into effect. During that period, the Secretary of State is to enter into the required negotiations [Sec. 201(k) (2)].

While there would appear to be no inconsistency between Sec. 201(k) (2) and Article 7(1) of the Convention, it should be noted that Article 7(2) of the latter imposes additional standards against which the proposed legislation must be assessed.

Article 7(2) (a) of the Convention provides, for example, that there must be a need for urgent application of the unilateral conservation measures in light of the existing knowledge of the fishery. Section 2 of H.R. 200 seems to fulfill this requirement in its findings inter alia, of a dramatic increase of foreign fishing with the concomitant depletion of anadromous species to the point where the survival of the fisheries is threatened, of a threat to the social and economic fabric of local coastal regions caused by the depletion of fishery resources at an ever-increasing rate, and of the ineffectiveness of international agreements in halting the depletion of valuable anadromous species caused by overfishing with the attendant danger of irreversible depletion of these species.

Article 7(2) (b) of the Convention specifies that unilateral measures of conservation adopted by the coastal State must be based on appropriate scientific findings. The proposed legislation seems consistent with this requirement, as Section 302(c) (1) provides that the management of fisheries is to be consistent with certain national fisheries management standards which include "the best scientific biological information available." Moreover, in his review of fishery management plans submitted by the Regional Fishery Councils, the Secretary of Commerce is to determine that these plans are consistent with the national fishery management standards [Section 305(c) (8)].

Finally, Article 7(2) (c) of the Convention provides that the unilateral measures of conservation adopted by the coastal State must not discriminate in form or in fact against foreign fishermen. Under Sec. 304(b) (1) (B), the Regional Fishery Councils, in preparing a fishery management plan, are authorized to specify conditions and limitations governing fishing by any vessel documented under United States law or registered under State law, or by any other vessel (i.e. foreign vessels), which the Council believes should be implemented to carry out conservation measures in waters seaward of the exclusive fisheries zone in the case of anadromous species. Specific plan requirements prepared by the Councils may include the adoption of licenses, permits, or fees as a condition to engaging in any fishery or other activity regulated by the Act. The amount of fees may vary between domestic and foreign fishermen or between different categories of foreign fishermen [Sec. 304(b) (3) (E)].

It is arguable that the fee variance sanctioned by Sec. 304(b) (3) (E) between domestic and foreign fishermen for anadromous species seaward of the exclusive fishery zone violates the non-discrimination provision of Article 7(2) (C) of the Convention. It might be further contended that the fee variance authorized by Sec. 304(b) (3) (E) between different categories of foreign fishermen is also suspect under Article 7(2) (c) of the Convention. Here, however, perhaps it could be argued that the validity vel non of discrimination between different categories of foreign fishermen depends on the basis of the categorization. That is, a fee variance based on categories associated with different anadromous species might be permissible if uniformly applied, but a variance reflecting political enmity toward a particular foreign nation or nations might be a violation.

C. Geneva High Seas Convention and Customary International Law.

As noted *supra*, the validity of the exclusive fishing zone established by Title I of H.R. 200 may be properly assessed by reference to sources of international law other than the Geneva Fisheries Convention. It was earlier concluded that Title I, with support in the Committee Report, seems to preserve regional fishery treaties subject, of course, to the renegotiation and annual reporting obligations of the Secretary of State. It may also be noted that international fishery agreements (other than treaties) to which the United States is a party would also be honored, but can not be extended or renewed except pursuant to the legislation. See Sec. 202(a) and H.R. Rept. No. 94–445, 94th Cong., 1st Sess. 51 (1975). It remains to be considered, therefore, whether the validity of the United States exclusive fishery zone created by Title I is valid by reference to the 1958 Geneva Convention on the High Seas [13 U.S.T. 2312] or to any applicable customary rules of international law which may have evolved since 1958.

Article 2 of the Geneva High Seas Convention provides that the high seas (i.e. all parts of the sea that are not included within the territorial or internal waters of a State) are open to all nations and that no State may validly purport to subject any part of them to its sovereignty. The Article further provides that both coastal and non-coastal States are entitled to exercise certain freedoms on the high seas, including specifically the freedom of fishing. Finally, Article 2 specifies that high seas freedoms are to be exercised by all States with reasonable regard to the interests of other States in their exercise of the freedoms of the high seas.

The recent decision by the International Court of Justice in the *Fisheries Jurisdiction* Case (*United Kingdom* v. *Iceland*), Merits Judgment of July 25, 1974, [1974] I.C.J. Rep. 3, held that Iceland's exclusive fishery zone of 50 miles was a violation of Article 2 of the Geneva High Seas Convention, as applied to the United Kingdom's historic rights and special interests in the disputed ocean area. In particular, Iceland's extension of its fishery zone to 50 miles was not in keeping with its duty of reasonable regard for the established interests of the United Kingdom within the zone.

It should be noted that the International Court did not rule that the Icelandic extension to 50 miles was *ipso jure* invalid under international law, but that the extension was non-opposable to the United Kingdom's historic fishing rights in the area. Thus, the decision may be viewed as limited in scope and, by virtue of Article 59 of the I.C.J. Statute, as binding only between the parties and with respect to this particular case. These limiting factors notwithstanding, and in recognition of the significance of opinions of the International Court as declaratory of existing international law, it is arguable that the United States fisheries zone extension to 200 miles would be non-opposable under Article 2 of the Convention to any State having established rights in the area. Presumably, such an argument would be made from those States which do not enjoy rights under existing treaties or agreements with the United States, as those rights seem to have been preserved by the legislation as noted *supra*.

Section 201(d) of H.R. 200 appears to take account of the established rights of foreign nations in the extended fisheries zone by directing that consideration be given to "any traditional or historical patterns of fishing" by applicant foreign nations. It should be noted, however, that if the United States makes a determination adverse to the alleged traditional fishing rights of another State, and that determination is not in accord with international law, then H.R. 200 as applied may be invalid with respect to the particular foreign State or States affected. In this regard, the International Court's reference to the United Kingdom's historic interest in the disputed ocean area off the Icelandic coast seems instructive:

63. In this case, the Applicant has pointed out that its vessels have been fishing in Icelandic waters for centuries and that they have done so in a manner comparable with their present activities for upwards of 50 years. Published statistics indicate that from 1920 onwards, fishing of demersal species by United Kingdom vessels in the disputed area has taken place on a continuous basis from year to year, and that, except for the period of the Second World War, the total catch of those vessels has been remarkably steady. Similar statistics indicate that the waters in question constitute the most important of the Applicant's distant-water fishing grounds for demersal species.

64. The Applicant further states that in view of the present situation of fisheries in the North Atlantic, which has demanded the establishment of agreed catch-limitations of cod and haddock in various areas, it would not be possible for the fishing effort of United Kingdom vessels displaced from the Icelandic area to be diverted at economic levels to other fishing grounds in the North Atlantic. Given the lack of alternative fishing opportunity, it is further contended, the exclusion of British fishing vessels from the Icelandic area would have very serious adverse consequences, with immediate results for the affected vessels and with damage extending over a wide range of supporting and related industries. It is pointed out in particular that wide-spread unemployment would be caused among all sections of the British fishing industry and in ancillary industries and that certain ports—Hull, Grimsby and Fleetwood—specially reliant on fishing in the Icelandic area, would be seriously affected. Merits, at 28.

Commenting upon the Court's pronouncements concerning historic interests, one observer has expressed the view that "Here the Court's judgment may be useful, since it emphasizes that for an historic interest to be shown in a fishery, the fishery must have been exploited fairly continuously over a lengthy period of time (decades rather than years) and the fishing must be of some economic importance to the State claiming the historic interest." Churchill, "The Fisheries Jurisdiction Cases: The Contribution of the International Court of Justice to the Debate on Coastal States' Fisheries Rights," 24 *Int. & Comp. L.Q.* 82, 91–92 (Jan. 1975).

The question which remains unanswered after the Fisheries Jurisdiction Case is the ipso jure validity of an exclusive fishery zone beyond the presently accepted minimum limit of 12 miles, a minimum which the International Court recognized as valid under customary international law as it had evolved in recent years. While the Court's decision is narrowly confined, there were Separate Concurring and Dissenting Opinions in the case which did speak to this precise issue. In cerpted portions of these Opinions reflecting an Appendix to this memorandum are exthe divergent views of the Justices on this question. The essence of these arguments, as they might be applied to Title I of H.R. 200, can be summarized as follows:

Arguments that an exclusive fishery zone beyond 12 miles is invalid ipso jure under international law: (a) such an extension violates the freedom of fishing guaranteed under Article 2 of the Geneva High Seas Convention; (b) even if the underlying premise of Article 2 of the Convention is no longer valid today (viz., that fishery resources are inexhaustible), the provision is still in force and effect; (c) claims to broad areas of fishery jurisdiction beyond 12 miles have not established a new rule of customary international law, as these claims have been met by protests from States affected; (d) proposals at the Third Law of the Sea Conference favoring broad coastal State jurisdiction in an economic zone of 200 miles are not existing law.

Arguments that an exclusive fishery zone beyond 12 miles is not invalid ipso jure under international law: (a) Given the variety of claims relating to fishery zones, it is clear that State practice does not confirm the existence of a maximum breadth for an exclusive fishery zone; (b) although a number of important maritime and distant water fishing States have protested broad claims to fishery zones, most States have not protested; (c) in view of the unsettled nature of the law in this area, State proposals at the Third Law of the Sea Conference are relevant as evidencing developing norms of customary international law; (d) the proposals at the Third Law of the Sea Conference relating to the 200 mile economic zone stress coastal State "sovereign rights" for purposes of exploiting, conserving, and managing the renewable natural resources of the seabed and superjacent waters.

While these are arguments which could be used by both proponents and opponents of Title I of H.R. 200, it should be noted that among those judges which considered the ipso jure validity of a claim to an exclusive fishing zone beyond 12 miles, four dissenting judges would have held against the validity of such a claim, and, as correctly noted by a recent commentary, "the general conclusion of the judges forming the majority . . . is that there is at present no rule of customary international law which prohibits a claim to an exclusive fishing zone in excess of 12 miles, nor is there a rule of customary international law which would give such a claim validity erga omnes. The validity of the claim will depend on all the surrounding circumstances, in particular the degree to which the claim has been accepted or acquiesced in. None of the judges are very happy with this situation, but they express the hope that the Third United Nations Conference on the Law of the Sea, or failing that, the development of customary international law, will lead to more certain rules in this area of law." Churchill supra, at 91–92.

CONCLUSION

On the basis of the foregoing analysis, the following conclusions would appear to be established by this memorandum:

1. There is no constitutional violation created by the federal regulation of fisheries within the territorial sea and beyond, given the judicial recognition of paramount federal interests in this area. Constitutional objections might be made to the Congressional veto provision of H.R. 200 in Sec. 206, but the relatively long-term usage of this device plus the lack of judicial precedents on point make the success of such a challenge uncertain.

2. There is no constitutional violation where federal legislation conflicts with a prior treaty or treaties. Domestically, the measure later in time controls and the courts will endeavor to construe treaties and legislation so as to give effect to both. Where, however, an inconsistency exists between a federal statute and a prior treaty, the United States may be subject to a claim that the Nation has violated its international legal obligations.

3. There is no conflict between existing regional fishery treaties to which the United States is a party and Title I of H.R. 200. The language of the bill and the Report of the House Merchant Marine and Fisheries Committee indicate that existing treaties are to be honored, subject to the Secretary of State's responsibility to renegotiate the treaties and make annual reports to the Congress on the results of such renegotiation.

4. Title I of H.R. 200, which establishes an exclusive fishery zone of 200 miles, is not in conflict with the 1958 Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas, as this Convention concerns the adoption of unilateral measures of conservation by coastal States, not the establishment of exclusive fishery zones. Section 304(b)(3)(E) of H.R. 200, which authorizes a fee variance between domestic and foreign fishermen, and between different categories of foreign fishermen, regarding anadromous species seaward of the exclusive fishing zone, is suspect under the nondiscrimination requirement of Article 7 (2)(C) of the Geneva Fisheries Convention.

5. The validity of the United States exclusive fishery zone established by Title I of H.R. 200 is unclear when assessed against the high seas freedom of fishing, recognized in Article 2 of the 1958 Geneva Convention on the High Seas, and emerging customary rules of international law, which arguably sanction claims beyond 12 miles. Respectable arguments can be maintained for and against the validity of such a zone, as is evidenced by the recent International Court of Justice opinions in the Fisheries Jurisdiction Case. The limited scope of this decision militates against its general application to the proposed United States exclusive fishery zone, but the decision could be invoked by foreign nations adversely affected who assert established rights in ocean areas within the zone.

JOINT SEPARATE OPINION OF JUDGES FORSTER, BENGZON, JIMÉNEZ DE ARÉCHAGA, NAGENDRA SINGH, AND RUDA

1. What has made it possible for us to concur in the reasoning of the Court and to subscribe to its decision is that, while the Judgment declares the Icelandic extension of its fisheries jurisdiction non-opposable to the Applicant's historic rights, it does not declare, as requested by the Applicant, that such an extension is without foundation in international law and invalid *erga omnes*. In refraining from pronouncing upon the Applicant's first submission and in reaching instead a decision of non-opposability to the United Kingdom of the Icelandic regulations, the Judgment is based on legal grounds which are specifically confined to the circumstances and special characteristics of the present case and is not based on the Applicant's main legal contention, namely, that a customary rule of international law exists today imposing a general prohibition on extensions by States of their exclusive fisheries jurisdiction beyond 12 nautical miles from their baselines.

2. In our view, to reach the conclusion that there is at present a general rule of custom-

ary law establishing for coastal States an obligatory maximum fishery limit of 12 miles would not have been well founded. There is not today an international usage to that effect sufficiently widespread and uniform as to constitute, within the meaning of Article 38, paragraph 1(*b*), of the Court's Statute, "evidence of a general practice accepted as law".

It is an indisputable fact that it has not been possible for States, despite the efforts made at successive codification conferences on the law of the sea, to reach an agreement on a rule of conventional law fixing the maximum breadth of the territorial sea nor the maximum distance seaward beyond which States are not allowed to extend unilaterally their fisheries jurisdiction. The deliberations of the 1958 Geneva Conference on the Law of the Sea revealed this failure which has been recorded in its resolution VIII of 27 April 1958. The General Assembly of the United Nations consequently laid down that these two subjects would constitute the agenda for the 1960 Conference on the Law of the Sea, which also failed to reach agreement on a text. The establishment of a rule the topics on the agenda of the current Third on these two questions thus remains among United Nations Conference on the Law of the Sea.

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[8] . . . to recognize the possibility that States might claim without risk of challenge or objection an exclusive fisheries zone of 12 miles cannot by any sense of logic necessarily lead to the conclusion contended for by the Applicant, namely, that such a figure constitutes in the present state of maritime international law an obligatory maximum limit and that a State going beyond such a limit commits an unlawful act, which is invalid *erga omnes*. This contention of the Applicant is an answer to a different question, which must be examined separately.

9. That question is as follows: is there an existing rule of customary law which forbids States to extend their fisheries jurisdiction beyond 12 miles? In order to reply in the affirmative to this question, it would be necessary to be satisfied that such a rule meets the conditions required for the birth of an international custom.

10. It is a fact that a continually increasing number of States have made claims to extend and have effectively extended their fisheries jurisdiction beyond 12 miles. While such a trend was initiated in Latin America, it has been lately followed not only in that part of the world, but in other regions as well. A number of countries in Africa and Asia have also adopted a similar action. The total number adopting that position may now be estimated to be between 30 to 35 coastal States, depending on the interpretation to be given to certain national laws or decrees.

11. While those claims have generally given rise to protests or objections by a number of important maritime and distant-water fishing States, and in this respect they cannot be described as being "generally accepted", a majority of States have not filed similar protests, and quite a number have, on the contrary, made public pronouncements or formal proposals which would appear to be inconsistent with the making of such protests.

12. In this respect, attention must be drawn to declarations made, or proposals filed by a number of States in relation to or in preparation for the Third Conference on the Law of the Sea. It is true that, as the Court's Judgment indicates, the proposals and preparatory documents made in the aforesaid content are *de lege ferenda*. However, it is not possible in our view to brush aside entirely these pronouncements of States and consider them devoid of all legal significance. If the law relating to fisheries constituted a subject on which there were clear indications of what precisely is the rule of international law in existence, it may then have been possible to disregard altogether the legal significance of certain proposals, declarations or statements which advocate changes or improvements in a system of law which is considered to be unjust or inadequate. But this is not the situation. There is at the moment great uncertainty as to the existing customary law on account of the conflicting and discordant practice of States. Once the uncertainty of such a practice is admitted, the impact of the aforesaid official pronouncements, declarations and proposals must undoubtedly have an unsettling effect on the crystallization of a still evolving customary law on the subject. Furthermore, the law on fishery limits has always been and must by its very essence be a compromise between the claims and counter-claims of coastal and distant-water fishing States. On a subject where practice is contradictory and lacks precision, is it possible and reasonable to discard entirely as irrelevant the evidence of what States are prepared to claim and to acquiesce in, as gathered from the positions taken by them in view of or in preparation for a conference for the codification and progressive development of the law on the subject?

13. The least that can be said, therefore, is that such declarations and statements and the written proposals submitted by representatives of States are of significance to determine the views of those States as to the law on fisheries jurisdiction and their *opinio iuris* on a subject reguated by customary law. A number of pronouncements of States in the aforesaid circumstances reveals that while the fundamental principle of freedom of fishing in the high seas is not challenged as such, a large number of coastal States contest or deny that such a principle applies automatically and without exception to adjacent waters in all parts of the world as soon as the 12-mile limit is reached. Such an attitude is not only based on the clear consideration that two conferences have failed to agree on a maximum limit but also because of additional factors which have emerged in the intervening period between the Second and Third United Nations Conferences. For example, it is contended that the 12-mile fishery limit ensures, in fact, a clear privilege and a distinct advantage to the few States equipped to undertake distant-water fishing, thus widening the gulf between developed and developing States; a second fact is that technological advances and the pressure on food supplies resulting from the population explosion have caused a serious danger of depletion of living resources in the vicinity of the coasts of many countries. In this respect, economic studies on fisheries have shown that the principle of open and unrestricted access to coastal waters inevitably results in physical and economic waste, since there is no incentive for restraint in the interest of future returns: anything left in adjacent waters for tomorrow may be taken by others today. While the better-equipped States can freely move their fleets to other grounds as soon as the fishing operations become uneconomical, the coastal States, with less mobile fleets, maintain the greatest interest in ensuring that the resources near their own coasts are not depleted.

14. While granting that proposals and preparatory documents are *de lege ferenda* and made with the purpose of reaching future agreements on the basis of concessions and compromise, the following inferences could, however, be legitimately drawn from their existence:

(*a*) States submitting proposals for a 200-mile economic zone, for instance, which includes control and regulation of fishery resources in that area, would be in a somewhat inconsistent position if they opposed or protested against claims of other States for a similar extension. . . .

(*b*) it would not seem justified to count States which have agreed to or made such declarations and proposals as figuring in the group of States concurring in the establishment of an alleged practice in favour of a 12-mile maximum obligatory limit.

15. If, to the 30 to 35 States which have already extended their fisheries jurisdiction beyond 12 miles, there is added the further number of 20 to 25 States which have taken the attitudes described in the preceding paragraph, the conclusion would be that, today, more than half the maritime States are on record as not supporting in fact and by their conduct the alleged maximum obligatory 12-mile rule. In these circumstances, the limited State practice confined to some 24 maritime countries cited by the Applicant in favour of such a rule cannot be considered to meet the requirement of generality demanded by Article 38 of the Court's Statute.

16. Another essential requirement for the practice of States to acquire the status of customary law is that such State practice must be common, consistent and concordant. Thus contradiction in the practice of States or inconsistent conduct, particularly emanating from these very States which are said to be following or establishing the custom, would prevent the emergence of a rule of customary law.

17. Certain States, whose conduct is invoked as showing the existence of the 12-mile maximum rule, have not hesitated to protect their own fishing interests beyond that limit, when they felt that it was required for the benefit of their nationals by the existence of important fisheries in waters adjacent to their coasts. Various methods have been utilized to achieve that result, but the variety of methods should not obscure the essential fact. It could be observed for instance, that the United States and the USSR have lately carried out this form of protection not unilaterally but through bilateral agreements *inter se* and with other States.[1] However, these Powers began by adopting unilateral measures which created for the States whose nationals were fishing in adjacent waters the need to enter into fishery agreements if they wished that their nationals could continue their fishing activities in those grounds. Once the need for an agreement was thus created, it was not difficult for these Powers, because of their possibilities in offering various countervailing advantages, to reach agreements which assured them of a preferential or even an exclusive position in those fishing grounds in which they had special interests in areas adjacent to their shores well beyond the 12 miles.

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[1] International Convention (with annex and Protocol) for the High Seas Fisheries of the North Pacific Ocean signed on 9 May 1952 by the United States of America, Canada and Japan (*United Nations Treaty Series*, Vol. 203, p. 65); Convention concerning the High Seas Fisheries of the North-West Pacific Ocean signed on 14 May 1956 by Japan and the Union of Soviet Socialist Republics (*AJIL*, 1959, p. 763); Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Certain Fishery Problems in the North-Eastern Part of the Pacific Ocean off the Coast of the United States of America, signed on 13 February 1967 (*United Nations Treaty Series*, Vol. 633, p. 157); Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Certain Fishery Problems on the High Seas in the Western Areas of the Middle Atlantic Ocean, signed on 25 November 1967 (*United Nations Treaty Series*, Vol. 701, p. 162); Agreements effected by Exchange of Notes signed on 23 December 1968 between the United States and Japan on Certain Fisheries off the United States Coast and Salmon Fisheries (*TIAS* of the United States, No. 6600).

This demonstrates the fact that even for States which cannot claim a special dependence on their fisheries for their livelihood or economic development, 12 miles may not be sufficient. It would not seem fair or equitable to postulate on the basis of such divergent conduct a rule of law which would deny the power to protect much more vital fishing interests to countries lacking the same possibilities of offering attractive terms by way of compensation for abstaining from fishing in their adjacent waters.

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20. Consequently, it is not possible to find today in the practice of States what the Court described in the *Asylum* case as "a constant and uniform usage, accepted as law" (*I.C.J. Reports 1950*, p. 277). The alleged 12-mile limit maximum obligatory rule does not fulfill, "an indispensable requirement," namely, "that within the period in question, short though it might be, State practice, including that of States whose interests are specially affected, should have been both extensive and virtually uniform" (*North Sea Continental Shelf* cases, *I.C.J. Reports 1969*, p. 43).

21. It could therefore be concluded that there is at present a situation of uncertainty as to the existence of a customary rule prescribing a maximum limit of a State's fisheries jurisdiction. No firm rule could be deduced from State practice as being sufficiently general and uniform to be accepted as a rule of customary law fixing the maximum extent of the coastal State's jurisdiction with regard to fisheries. This does not mean that there is a complete "lacuna" in the law which would authorize any claim or make it impossible to decide concrete disputes. In the present case, for instance, we have been able to concur in a judgment based on two concepts which we fully support: the preferential rights of the coastal State and the rights of a State where a part of its population and industry have a long established economic dependence on the same fishery resources.

DISSENTING OPINION OF JUDGE GROS

[Translation]

I consider that Iceland's claim to establish an exclusive fishing zone over the superjacent waters of the continental shelf is contrary to the rules of international law, but the reasoning which leads me to that opinion, and my analysis of the dispute itself, are different from what is contained in the Judgment, from both the reasoning and the decision of the Court.

* * * * *

I have made it clear for my own part that I regarded the extension from 12 to 50 sea miles as contrary to general international law, and therefore non-opposable to any State fishing in the waters adjacent to the 12-mile limit around Iceland. The Court stated in its Judgment in the *North Sea Continental Shelf* cases that: "The coastal State has no jurisdiction over the superjacent waters." (*I.C.J. Reports 1969*, p. 37, para. 59.) The claim of Iceland is expressly in relation to those waters. As to the lawfulness of an encroachment into sea areas which all States fishing in the area, without exception regarded as forming part of the high seas on 1 September 1972, it is unarguable that it was lawful; Articles 1 and 2 of the Convention on the High Seas and Article 24 of the Convention on the Territorial Sea are provisions which are in force, and since the only argument relied on to exclude them is that they are outdated, no reply on this point is needed; the calling of a third codifying Conference in July 1974 amply demonstrates that certain procedures, and agreement, are necessary to replace codifying texts. Until different texts have been regularly adopted, the law of the sea is recorded in the texts in force.

It has also been said that a claim extending beyond 12 miles is not *ipso jure* unlawful, because there have been many claims of this kind; but by conceding that these claims are also not *ipso jure* lawful one admits that acceptance by others is necessary to make them opposable. What could a claim which was disputed by all the States concerned in a given legal situation be, if it were not unlawful? But since all States fishing in the Icelandic waters in question are opposed to the extension, what is the reason for not stating this and drawing the necessary conclusion?

There is no escaping the fact that if the States which oppose the extension cannot do so on the basis of a rule of international law, their opposition is ineffective, and this must be said; but if they can base their opposition on such a rule it is equally necessary not to hesitate to say that. It is the accumulation and the constancy of the opposition which should have obliged the Court to make a general pronouncement in the present case.

DISSENTING OPINION OF JUDGE PETRÉN

[Translation]

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As there does not exist between the two States any convention on which the Icelandic decision could be founded, Iceland could seek its justification only in customary international law. The first two United Nations Conferences on the Law of the Sea amply demonstrated that no such general rule of customary international law existed in 1958–1960. If there is any general customary rule that Iceland can rely on, it must have come into being since 1960. Let us therefore consider what evolution may have taken place.

It is true that an increasing number of coastal States, whether by proclaiming the extension of their territorial waters or by claiming fishery zones beyond those waters, have claimed an exclusive fisheries jurisdiction extending up to the 50-mile or even the 200-mile limit. Nevertheless, even if one confines one's attention to the zone lying between the 12-mile and the 50-mile limits, the number of States that have claimed exclusive fisheries jurisdiction therein cannot be considered sufficiently large to justify the conclusion that a new rule of law, generally accepted as valid by the international community, is being applied. Furthermore, the States whose interests are threatened by these claims have constantly protested. Hence another element which is necessary to the formation of a new rule of customary law is missing, namely its acceptance by those States whose interests it affects.

DISSENTING OPINION OF JUDGE ONYEAMA

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16. In the forefront of the submissions of the United Kingdom in the Application and in the Memorial on the merits was a request for a decision by the Court that there is no foundation in international law for the claim by Iceland to be entitled to extend its fisheries jurisdiction by establishing a zone of exclusive fisheries jurisdiction extending to 50 nautical miles. This, it seems to me, was the gravamen of the dispute, but the Court now declines to decide it. The decision appears to approach the dispute, not from the point of view of the conflict of the extension with any conventions or with customary international law, but from the point of view that the extension was an exercise of preferential rights which did not give due regard to established rights. This was not the dispute between the Parties and it forms no part of the claim made by Iceland.

17. I am of the opinion that Article 2 of the High Seas Convention and Article 3 of the Continental Shelf Convention[1] provide a basis in positive international law for deciding that the extension has no basis in international law; and the Court, having found that the concept of the fishery zone, and the extension of that fishery zone up to a 12-mile limit from baselines, appear now to be generally accepted as customary international law, should have drawn the conclusion that the unilateral extension to a 50-mile limit by Iceland with which this case is concerned is contrary to international law, and stated that conclusion in the operative clause of the Judgment. [Footnote 2 omitted.]

Mr. RUPPE. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I rise in support of H.R. 200, which would extend the U.S. exclusive fisheries zone from 12 to 200 miles. The problem facing our domestic fishing industry is straightforward. Our privately owned commercial fishing fleets and boats are in direct competition with the much larger, government-subsidized foreign fishing fleets that are quite literally sweeping the ocean floor clean of all forms of marine life without regard for even the most elemental conservation measures. The Russians and other Soviet bloc countries have moved massive, sophisticated fishing fleets into the Atlantic, frequently operating within sight of our coastline from Maine to the Florida coast. The Cubans are building a large, modern fishing fleet which will soon move into the Gulf of Mexico, and the Mexican Government is now debating extension of its fishing jurisdiction out to 200 miles off its Pacific and gulf coasts. Off our Pacific coast fishing vessels from Japan and South Korea have already destroyed several species of fish.

Because of this overwhelming and concentrated attack on our valuable offshore marine resources, we are rapidly running out of fish. The cod and haddock have been overfished to the point of commercial extinction, just within the last 20 years. The yellowtail flounder, which is now the primary commercial fish stock in New England, has been so overfished that the National Marine Fisheries Service now indicates the overall catch may have to be reduced by 50 percent in some parts of the ocean. U.S. industry sources have made it quite clear that if such a reduction is ordered, foreign overfishing will continue with our domestic fishermen quite possibly the only group adhering to a fish catch reduction. Our industry sources also have indicated that such a reduction in the yellowtail flounder catch could well mean the end of the east coast domestic fishing industry as we know it today, an end that could come within our lifetime. Without regulation and a sound program of conservation, our fishing industry is in very serious trouble.

The Department of State's position on this issue is that the United States cannot take unilateral action in declaring a U.S. 200-mile fish conservation zone when the International Law of the Sea Conference is scheduled to debate this question when it convenes in New York City next spring. This rationale would be valid if it were not for the fact that even the State Department estimates it could take another 5 to 10 years for the 150 invited nations to agree on and implement a new treaty on fishing jurisdiction. However, the Studds-Magnuson bill is an interim measure that would be superseded by any agreement reached by the Law of the Sea Conference and subsequently becoming international law.

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[1] "The coastal State has no jurisdiction over the superjacent waters" [of the continental shelf] (*I.C.J. Reports 1969*, p. 37, para. 59).

I share with Senator MAGNUSON and Congressman STUDDS the strong conviction that if we are to have any fish left for future generations, we must begin to protect them now, this year, to reverse the decline of our fish stocks and our fishing industry. I am pleased to say that this view is also shared by numerous groups, organizations and individuals from all parts of the country.

The 15-member Atlantic States Marine Fisheries Commission, the National Coalition for Marine Conservation, the Organized Fishermen of Florida, the Emergency Committee to Save America's Marine Resources of New Jersey, the 200-member Salmon Trollers Marketing Association of California, the Humboldt Fishermen's Marketing Association of Eureka, California, the Friends of the Earth, and many others support this legislation.

I urge my colleagues to pass H.R. 200 this afternoon, while we still have an industry and resource to protect.

Mr. RUPPE. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Chairman, I rise today in support of H.R. 200, legislation to establish a fisheries conservation zone off U.S. shores and to extend U.S. fishery jurisdiction from 12 to 200 miles. I urge my colleagues to vote in favor of this measure.

The House of Representatives this year will not consider more important legislation than H.R. 200. The last two decades have seen a precipitate decline in the U.S. fishing industry caused almost solely by the intrusion of foreign fishing fleets. On the Atlantic coast alone, domestic take of fish now equals only 50 percent, down from 92.9 percent in 1960. If this trend is allowed to continue, we may well see the extinction of U.S. fishing as a viable industry.

Let us look at the facts.

In the period since 1938, world landings have tripled; during the same period, U.S. landings rose in the aggregate only slightly, from 4.3 billion pounds in 1938 to 4.7 billion in 1973. What is more important, this 4.7 billion figure represents a decline from the 5.3 billion level reached in the 1960's at a time when demand for fishery products in the United States steadily rose. U.S. consumption of fishery products has nearly doubled over the past two decades. This increase in domestic demand, coupled with decreasing U.S. landings, have led to a tripling of U.S. imports between 1959 and 1973—from 1.75 billion pounds to 5.5 billion pounds. In 1950, the United States imported only 23.4 percent of its seafood; in 1974, imports were over 60 percent.

In short, the overall record is one of increasing dependence of the United States on the products of other nations' fisheries. In fish and fisheries products, our 1972 adverse balance of payments equaled $1.3 billion—up 318 percent from 1960.

It is an accepted fact that the U.S. fishing industry is in need of protection. No one contends that current conditions should be allowed to persist; the main disagreement centers about the means of providing that protection.

The alternative to the legislation we are now considering—an alternative supported by the White House and the Department of State—is that the United States should wait for an international, multilateral agreement to be approved by the United Nations Conference on the Law of the Sea. No one would welcome such an agreement more than I. But I take vehement exception to the false optimism of those who have implied that such an agreement awaits us in the near future.

I direct my colleagues' attention to the committee report accompanying H.R. 200:

> If previous law of the sea treaties are any benchmark, an effective treaty may be several years off. Three of the four conventions signed in 1958 entered into force between 4 and 6 years after signature in Geneva. The fourth, the Convention on Fishing and Conservation of the Living Resources of the High Seas, entered into force only in 1966, fully 8 years after it was signed.

The report states further:

> Presently, the United States is party to well over a score of international fishing agreements and periodically engages in bilateral and multilateral negotiations with foreign nations to restructure these treaties and to frame new ones which seek to conserve fish resources. Nearly all of the stocks of fish considered to be depleted or threatened with depletion are subject to these international agreements.

This is the background against which the House must view H.R. 200 and the Law of the Sea Conference. As one who participated in the 1975 Convention on the Law of the Sea, I was a witness to the disagreement and disorder characteristic of that convention. And I can assure my colleagues that an agreement from that body in the near future is unlikely, and an agreement from the 1976 talks in New York is virtually impossible without the impetus provided by enactment of this bill.

Let there be no doubt, Mr. Chairman, if the House shelves H.R. 200 now, we will not be asking U.S. fishermen to wait until March of 1976. We will be asking them to wait another 2, 4, or 6 years.

The second serious objection of those opposed to this legislation is that a unilateral declaration of 200-mile sovereignty will be met with retaliation by other foreign nations; that it will not be recognized by foreign nations who fish off our shores—and I was informed this morning by the Department of Defense that the Soviet Union will not recognize such a declaration—and that it will hamper final agreement of a multilateral accord by the Law of the Sea Conference.

In my judgment, enactment of H.R. 200 will not discourage the negotiators at the Law of the Sea Conference: It will make them show a little movement and work harder to reach a consensus.

As for the other objections to H.R. 200, I have not dismissed them out-of-hand, and I do not do so now. They are serious points the House must consider as it weighs this legislation. And I have been prepared to sustain these objections if proponents of a multilateral agreement would give me a compromise proposal. Yet, none has been forthcoming; and as a member of the Fisheries Subcommittee which reported this legislation, I have heard the almost unanimous support of the public for a 200-mile fishing limit. If we are to protect U.S. fishing interests and yet refrain from acting on a 200-mile fishing limit bill, we have the right to demand from the executive branch a feasible alternative.

Mr. Chairman, we have been given no such alternative, and a prudent assessment of the Law of the Sea Conference does not provide us with any immediate hope. H.R. 200 must be enacted.

I urge my colleagues to join with me in adopting this important and necessary piece of legislation.

Mr. RUPPE. Mr. Chairman, I yield 3 minutes to my colleague, the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, fellow colleagues, today is a great day in American history and a great day for the State of Alaska, because we are going to enact a piece of legislation which is long overdue.

The Members may wonder what I have brought this box into the Chamber for. They will find it in the lobby a little later. It contains a net which the Japanese utilized to catch our salmon in a way that everyone of our scientists and biologists say we should not follow. It is a net made of monofilament. It never destroys itself. It is a 2-inch mesh, and this one net alone, if the Members can imagine, when found upon the beach after it had been cut loose contained one caribou, numerous ducks and over 100 salmon of all sizes.

The Members may ask how in the world that caribou got into the net. We do not know how old that net is, but we do know that it is an illegal method of catching fish. This is what the State Department has been consulting with Japan and allowing them to use.

I can tell the Members that the State of Alaska is tired of being ravished. We have the greatest fishing waters in the world, and yet we have seen our stocks decline to a point where many of them may not be able to be rehabilitated. I heard objections made in the debate that this bill would do irreparable damage to the negotiations which are going to take place in New York and Caracas, but let me remind the Members that Mexico's President came out with the same basic proposal, and we have been told that 13 other countries in Latin America are going to do it also, because they too recognize that we are dealing with a resource that is renewable if we take care of it. If we do not take care of it, the sea will not be able to feed this Nation or this world.

To give the Members an example, bottom fisheries off the coast of Alaska took over $500 million worth of fish, and while they did that the United States imported from that same country $250 million worth of fish which were our fish to begin with.

What we are saying in this bill is that it is time for Americans to speak up for Americans. It is time for Americans to take care of renewable resources that are along our coast, otherwise those foreign vessels would not be 12 miles off.

I can say to the Members that if this bill becomes law, the law of the Sea Conference in New York and possibly Caracas will finalize the negotiations they have been dragging their feet on.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, does the gentleman agree it has been the consistent position of the United States over recent years that the action of Peru, Brazil, and other Latin American countries, in unilaterally extending their claims of fishing rights to 200 miles, was a violation of international law?

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Maine (Mr. COHEN).

Mr. COHEN. Brazil, as a matter of fact, declared a 200-mile limit. Not only did our State Department recognize it, but they asked for an appropriation of a quarter of a million dollars for last year to reimburse the Brazilian Government to pay for the supervision of that.

Mr. FRASER. Mr. Chairman, will the gentleman yield further?

Mr. YOUNG of Alaska. I yield to the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, the gentleman is in error. We did not recognize their right to assert that kind of position.

Mr. COHEN. Mr. Chairman, if the gentleman will yield, I might add that on the committee last year, when the State Department did come before us to testify on another matter, this question was asked: How can you impose a 200-mile limit for one country and a 100- or 200-mile limit for Brazil?

The answer came back: We did not impose a 200-mile limit for Brazil. We came for the right to preserve and support a species.

And that is all we are asking for, the right to preserve our species up to 200 miles.

Mr. YOUNG of Alaska. In regard to our renewable species, as we should have been doing in the past, we will be doing in the future.

Mrs. SULLIVAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Chairman, there has been a misguided notion going around here that amendments adopted by the Merchant Marine and Fisheries Committee to H.R. 200 were suitable to the U.S. tuna industry, and therefore, they are supportive of this bill.

This, absolutely, is not true. The retaliatory effects of this bill will destroy this valuable industry.

Many people have been led to believe that because H.R. 200 was amended to exclude highly migratory species, in other words, tuna, that our tuna fishermen have nothing to worry about when they seek to fish within 200 miles of another nation's shores.

Nothing could be further from the truth. Only 6 percent of tuna caught off our coasts by U.S.-flag tuna vessels is caught within 200 miles. The rest—94 percent—is caught off foreign shores.

This amendment was adopted with the hope other nations would follow our course.

Well, they are following our unilateral action, but that is about it. For instance, Mexico has proposed an exclusive 200-mile economic zone, including tuna.

Mr. Chairman, trying to convince our distinguished colleagues that our tuna fishermen are protected by this bill, is a cruel hoax.

All of us here should realize that if this bill is enacted, the tuna industry—its 30,000 workers, its processing plants valued at over $800 million, and its vessels, which represent over 35 percent of the total value of the entire U.S. fishing fleet—will suffer an economic setback it will never recover from.

Mr. Chairman, there has also been an impression created that labor is supportive of H.R. 200.

I would like to read a recent telegram which was sent to most of our west coast colleagues by Mr. Harry Bridges, president of the International Longshoremen's & Warehousemen's Union, and by Mr. William Chester, the international vice president:

> ILWU opposes any action by the House of Representatives to establish a 200-mile limit as proposed by H.R. 200. This bill will destroy the US tuna industry, which includes the entire membership of the ILWU Fishermen's & Allied Workers Union and would severely damage the income of longshoremen on the West Coast who handle tuna imports. Passage of H.R. 200 would cut the negotiating ability of the US delegation to the Law of the Sea Conference to be held in New York next March. Passage of H.R. 200 will contribute to the failure of the March conference because it will promote and trigger action by other countries to make unilateral declarations of sovereignty and be the excuse for countries to reject international cooperation and stimulate division and strife among the peoples of the world.

The ILWU represents the west coast of continental United States, Alaska, and Hawaii; has 50,000 members; and is one of the most powerful unions on the west coast. It also handles as much fish and fish products, perhaps, as any other west coast union.

In addition, representatives of several other labor unions appeared before our Merchant Marine and Fisheries Subcommittee when we held hearings on the west coast. They were all opposed to H.R. 200.

Mr. Chairman, in discussing this legislation before us here today I would like to say that, in essence, we are considering two very real and fundamental questions.

First. Are we going to live in a world where two-thirds of its surface is peacefully governed by international law and cooperation?

Or will we live in a world wherein its vast oceans are ruled by chaos and confrontation, due to jurisdictional disputes caused by unilateral action?

Mr. Chairman, the law of the sea negotiations must continue. By acting unilaterally in fisheries jurisdiction, as those who advocate H.R. 200 propose, we would be inviting much broader unilateral claims by other nations, thus paralyzing our efforts in attaining a comprehensive Law of the Sea Treaty, and would harm our own overall oceans interests.

For example, the Governments of Mexico and Costa Rica are watching our action—they have already proposed an extension of their jurisdiction. It is quite obvious that they are waiting for us to make the next move. They are not claiming a 200-mile fishery zone. To the contrary, they are claiming all, I repeat, all resources within 200 nautical miles of their shores.

Surely other nations, citing the United States as the example, will pursue this course of unilateralism. Some, we are told, will prohibit our naval forces from venturing within 200 miles of their coasts. Some may halt the navigation of our commercial tankers transporting valuable hydrocarbons to our country—if not halt them, then most assuredly impose outrageous fees on these ships which would make passage impractical, if not impossible.

I am sure you have thought about the confrontation and violence that will occur—not only in our 200-mile zone—but in the other 200-mile zones that will be set up—once we, the United States, made unilateral claims respectable.

The Mediterranean will be all but closed up—the Caribbean will be a puzzle even to consider. What is it—about 90 miles from Key West, Florida to Cuba?

Some nations, I am told, might even claim an exclusive 200-mile zone of sovereignty, to include control of overflight. As chairman of the House Aviation Subcommittee, the prospect of danger inherent in this type of claim is indeed frightening.

Only through international agreement can stability conquer strife in the ocean. Mr. Chairman, to many of us, the Law of the Sea negotiations have moved too slowly. This is true. But what we must remember is that we are embarking on what could be a milestone in the history of the world, perhaps, as important as the creation of the Congress of Vienna, and, our own Constitutional Convention—events where the efforts and cooperation of the many took precedence over individualist self-centered interests.

The Law of the Sea Treaty being worked on, would extend international sovereignty to the oceans of the world, which, incidentally, is two-thirds of the Earth's surface. Over 140 nations are involved in this effort. These are over 140 nations with diverse interests. All are trying to negotiate a single treaty which will benefit all humankind.

We must be deliberate in this effort, and we must be patient. And, above all, we must not put the future of this effort in jeopardy.

Furthermore, Mr. Chairman, I want to point out that, if we were to enact H.R. 200, there would be confrontation with nations who will not recognize our unilateral claims. And, believe me Mr. Chairman, I know what confrontation is. My own tuna fishermen have been literally beaten and imprisoned in foreign countries whose unilateral claims we did not, and still do not recognize. Their catches were confiscated, their boats seized, their lives threatened. Are we now going to tell these people, our people, that these foreign nations did the right thing? Will we condone violence on the high seas?

Mr. Chairman, this bill will destroy the U.S. tuna industry. It will destroy the jobs of thousands of fishermen, processors and canners. And, if we are worried about foreign fishing efforts increasing the price of fish in this country, just wait and see how much tuna will cost when we have to import all of it from Japan or some other foreign country. This high protein source of food is responsible for 25 percent of the fishery food products consumed in the United States—this industry is indeed one of the most significant fisheries in the United States, and should not be sacrificed along with our stake in the law of the sea negotiations by this unilateral action.

Finally, Mr. Chairman, I ask this great body to examine the other consequences of such a unilateral move. The cost—over $140 million for the first year alone, and as I mentioned before, our vital security and economic interests.

We have much to lose, and little to gain by enacting this bill. Thus, I ask for a "no" vote on H.R. 200.

Mr. RUPPE. Mr. Chairman, I yield 5 minutes to the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Chairman, there is no piece of legislation that will be before this Congress this session more important to the State of Maine than this bill.

I have lived on the coast of Maine all my life. I have grown up with fishermen and fishing families. From the time I was born I have seen the Maine fishing industry shrink and decline. Anyone can visit my hometown today and see vacant buildings that canneries once occupied. One can visit with folks who have been a part of the fishing industry and who have made their living from fishing. These people are now watching their industry die. One can now see 45- and 50-year-old draggers rusting as they serve their last days at sea—a shameful sight to the once proud fishing industry.

What has caused this? Many things, but primarily this has been the reason: During the last 15 years or so the Georges Banks off the coast of Maine have been invaded by an armada of foreign vessels, vessels from Japan, from the Soviet Union, from Poland, from East Germany, and from several other countries. These foreign fishermen have modern vessels and modern equipment. They use nets with a weave so fine that practically nothing but the water itself can escape.

They catch all the fish—the edible fish and the fish that we rely on to breed. Some of these fish are essential in the food chain so that the fish we use commercially can exist and thrive.

In fact, the depletion has been so severe that some biologists have told us that the population of haddock, among other commercial varieties, is now so small that they may never again be able to reproduce in sufficient quantities to make them of significant economic interest again. This is sad.

We are suffering from shortages of a great many things in the world today. Oil is one of them, but another is food. We have the ability on the Georges Banks, off Alaska and elsewhere off the coast of the United States to feed not only ourselves but to feed a very large portion of the world if only this resource can be properly managed, if only we can learn to manage those resources in such a way that they can reproduce and provide a source of protein and profit for the people who depend on them.

We cannot wait any longer for international actions. We have to institute some kind of protection for our fishing industry now, whether it is at a Law of the Sea Conference or whether it is through our own actions here in Congress, because if we do not, this is going to be a moot issue. The fish are not going to be there to protect. That, I think, would be a very, very sad occurrence.

The problem of the Law of the Sea Conference has been that it is hung up on issues not directly related to fishing. There are only 20 or 25 nations throughout the world that are directly concerned with fishing, and until those nations can agree on a policy that will promote conservation and management of our resources, then the Law of the Sea Conference will produce nothing of value to protect the fishing resources. However, another major problem has been the Third World countries interested in the deep-sea mining issue. I believe that deep-sea mining considerations should remain entirely away from the question of protecting the fishing industry. Unfortunately it is not, and negotiations are hung up on that point. Until that question can be resolved, there will certainly be no significant progress with respect to fishing at the Law of the Sea Conference.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. EMERY. Yes, I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I want to commend the gentleman in the well for his efforts on the committee in seeing to it that this bill has now been brought to the full House.

I think we could stand here all day and cite many instances about how the fishing industry, at least along our coastline, is dying.

The most important statistic is that we have become the leading importer of fish in the world today. If we are going to reverse that trend, we have to take strong action, which I believe is in order.

If we can support Brazil in trying to preserve its species up to 200 miles offshore, it is unconscionable that we cannot do the same in protecting our own fishing industry. We should not have a double standard.

Mr. Chairman, the fishing industry in Maine—one of my State's oldest and most valuable industries—is dying.

It is dying chiefly because of excessive foreign fishing currently taking place on the Gulf of Maine. It may be difficult for those of my colleagues who come from inland States to understand the extent of the plight of Maine fishermen. There are only 10,000 licensed commercial fishermen in my State, but the value of their annual catch to Maine is about $200 million after processing and marketing. This makes the fishing industry the third largest industry in the State. Over 7,000 families derive their incomes directly from fishing. In most of the towns and villages on Maine's 2,500 miles of coastline, the local economy is based largely on the condition of the fishing industry.

But today, the little fleets of Maine trawlers and gill-netters find themselves locked in an economic war in which they are badly outgunned by vast flotillas of subsidized foreign fishing vessels. In Maine's adjacent waters, more than 20 nations search for and harvest thousands of tons of fish. Many of the foreign vessels involved in this harvest actually contain facilities in which the catch can be processed and packaged for the foreign—and the American—marketplace. These vessels, often owned and operated by foreign governments, move together in fleets and concentrate on small ocean areas in which stocks are found to be plentiful. In the darkness of night, these fleets appear as huge cities of light, but they have cast a pall over the Maine fishing industry that only action by this body can lift.

In order to catch the same amount harvested a decade ago, Maine fishermen must often remain at sea twice or three times as long as they did then. At times, they return to port with little or no fish at all. Maine's traditional fishing grounds are being fished out. They are being fished out by marauding foreign fleets which harvest the product of American coastal waters with no thought to conservation of our precious, but perishable fish resources.

In 1960, Maine fishermen landed 92 million pounds of groundfish—cod, haddock, hake, pollock, and ocean perch. In 1973, 13 years later, the amount landed was 41 million pounds, or less than half of 1960 amount. Similarly, in 1960, the Maine catch of sea herring—sardines—totaled 152 million pounds. In 1973, the amount was 37 million pounds—merely one-fifth of the 1960 total. The sardine canning industry in Maine has been decimated. My State—which once supplied two-thirds of the national sardine catch—now produces less than one-third. Two-thirds now are imported from foreign nations.

Mr. Chairman, the House must approve H.R. 200. The legislation is commonly called the 200-mile limit bill, but I submit its official title—the Marine Fisheries Conservation Act—more accurately describes the bill and its importance to American fishermen, especially those in Maine.

Without this bill and the new controls it will impose on foreign fishing fleets, the Maine fishing industry will not be able to survive. Hundreds, perhaps thousands, more Maine fishermen will be forced out of business. The American consumer will be forced to rely even more than he does now on foreign imports to satisfy his demand for fish. And an important source of protein-rich food—America's fisheries—may be destroyed forever.

Mr. Chairman, Maine's fishing industry cannot wait any longer for the protection the 200-mile limit will afford. They cannot wait to see what—if any—progress is made by international negotiators at the Law of the Sea Conference next spring. They have waited long enough. What we need now is action—action to save our fish and our fishermen. I urge the House to approve this legislation; our fishing industry deserves nothing less.

Mr. EMERY. Mr. Chairman, I thank the gentleman from Maine (Mr. Cohen) for his remarks, and I concur with them entirely.

In conclusion, I would like to correct some common misconceptions that I have heard mentioned on occasion.

First of all, we are not proposing a 200-mile territorial limit. We are not declaring U.S. sovereignty beyond the present 3-mile limit. We are merely talking about the right to protect our fishing industry—and that alone.

Second, there has been some concern that in some areas such as the Bering Straits, that the 200-mile limit would encroach on the territory of another nation. It would not. These limits would simply meet—in other words, simply "split the difference."

Finally, the proposed fishing limit can be enforced. Air surveillance, and cooperation between the Coast Guard and the Navy, would be sufficient to observe the 200-mile zone. The additional cost would be minimal.

The issue we face today is the very existence of our fishing industry and our ability to conserve and manage our marine resources for the benefit of the entire world. Mr. Chairman, I urge the passage of H.R. 200.

Mr. RUPPE. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. Gude).

Mr. GUDE. Mr. Chairman, I am opposed to this bill.

But none of us who are opponents are claiming that this legislation establishes a 200-mile territorial sea. One can get all of the lawyers, pro and con, to debate forever the question of legal rights beyond our shores. Pure and simple, however, the passage of this legislation is more important as to its political impact around the world rather than to its legal effect. This bill is going to be interpreted as an opportunity for other nations such as Mexico and Costa Rica, which the gentleman from California mentioned, to go ahead and make further claims on the Continental Shelf. It will lead to more crisis problems around the world, such as in the case of the *Pueblo* and *Mayaguez*.

Those fisheries which are declining are a problem, but we are just adding to our problems if we pass this legislation.

Unilateral extensions of fishery jurisdictions in the past have led to or encouraged more extreme jurisdictional claims by other nations.

And since we are identified as a power and looked to as a leader in the world, our actions are a catalyst for other nations to follow suit.

Indeed, only 10 days ago agreement was reached in Montreal on a new multilateral agreement on the North Atlantic fisheries which moves in this direction. The agreement sets the allowable catch for 1975 at 850,000 tons to be reduced to 650,000 tons next year, a 23-percent reduction. At the same time the U.S. share of that catch will increase from 211,000 tons to 230,000 tons next year. This agreement continues a trend toward greater conservation in the North Atlantic region. The 1973 authorized catch was 1.1 million tons, meaning that this latest agreement will produce a 43.7-percent reduction from that level. Though this agreement involves only one ocean area, it includes most of the major fishing nations, and it serves as powerful evidence of the merits of a multilateral approach to the problem.

On the other hand, the taking of unilateral action on our part has a host of implications for our future oceans policy as well as for the course of negotiations at the Law of the Sea Conference, and most of them, as I have indicated, are negative.

In the first place, we have historically committed ourselves to multilateral decisionmaking on matters like this, and, in particular reference to oceans issues, unilateral actions have generally been bad precedents. A good example is the case of certain Latin American countries, notably Peru and Ecuador, which claim 200-mile territorial seas and have seized American fishing boats "trespassing" in those waters. Ironically, the precedent the Latin American nations cite is the claim of President Truman in Proclamation 2667 of September 28, 1945, which asserted U.S. jurisdiction and control over the natural resources of the contiguous continental shelf. The Truman proclamation did not mention specific limits and did not stake out territorial claims, but it nonetheless served as a rationale for the South American countries to stake out the 200-mile limit.

Passage of this bill would almost certainly be interpreted by other nations as justification for existing exaggerated claims or as license to assert new unilateral claims, many of which will be more extensive than our own and by no means in our interest. One could say, of course, that rationally our passage of H.R. 200 should not have that effect, that the limited nature of its claims as well as its subordination to any treaty eventually ratified should not provide any exaggerated incentives to anyone else. The fact is, however, that we are not dealing with other countries disposed to act rationally and calmly; rather we are faced with those who have already made policy decisions—or who would clearly like to—and are looking for any excuse to make them stick. Argentina, Brazil, Peru, Ecuador, Chile, Nicaragua, Panama, and Uruguay, to mention a few, have already claimed a 200-mile territorial sea, and as in the Truman case, unilateral action on our part, however limited, will surely lead to exaggerated claims on the part of others.

LEVERAGE

Second, we must remember that the Law of the Sea negotiations are not yet complete, and we retain a formal role in them. Final agreement in those negotiations will depend on numerous concessions by the various parties in order to reach compromise in the many areas under discussion. In order to achieve an acceptable compromise from our point of view, we must have something to concede—in return for other concessions—that we can afford. Passage of this bill could well destroy some of our needed leverage at Geneva next year by surrendering in advance something we should be holding out in order to secure concessions from others. Important topics, such as exploitation of the deep seabeds are far from settled and, in that case, the character of the International Authority to be created and the constraints to be imposed on deep sea exploitation are vitally important to us. Whether that part of the agreement is acceptable depends on what concessions we can wring from the underdeveloped nations—and we must offer something in return. Passage of this bill will surely hamstring those efforts by destroying that leverage.

NATIONAL SECURITY

Whatever form the Law of the Sea Treaty finally takes, it will also have a significant effect on our national security interests. Decisions on territorial waters, unimpeded passage through straits, submerged transit, to mention a few, are all crucial, and all are more likely to be made in ways consistent with our interests through multilateral action rather than unilateral initiatives on our part.

PRINCIPLE OF MULTILATERALISM

There is also an issue of principle at stake which I touched on earlier. Throughout the postwar period this Nation has firmly indicated its support for the United Nations and for multilateral solutions to international problems. We have frequently rejected unilateral efforts to solve problems, particularly in respect to the Law of the Sea, as when we rejected exaggerated territorial waters claims, and we cannot with consistency initiate a practice we have condemned in others, nor can we with logic expect other nations to honor our declarations if we ignore theirs.

ENFORCEMENT

This latter point raises the troublesome issue of enforcement. Attempts to calculate the costs of adequate enforcement of this bill make two assumptions from the beginning—only consenting nations are considered and only spot enforcement is contemplated. That is, no one has realistically suggested that we try to patrol the full fisheries zone claimed, but rather that we conduct spot checks in likely places at appropriate times. State Department estimates of the equipment needed for enforcement include 6 high endurance cutters, 4 medium range search aircraft, and 10 shipboard helicopters at a cost of $63.2 million for initial acquisition or reactivation, plus $47.2 million for annual operations. Thus we are talking about more than $110 million initially and almost $50 million annually for spot enforcement against only those nations who consent to our claims. A number of important nations, notably the Soviet Union and Japan, can be expected to resist both a unilateral declaration and our attempts to enforce it, which will include boarding, inspection, arrest, and seizure, thus complicating our efforts, adding significantly to the costs, and creating major risk of an international incident.

MIGRATORY SPECIES

As our colleagues from the west coast can explain, strictly enforced 200-mile limits pose real problems for tuna fishermen. While this bill reserves migratory species for international management, we must again face the likelihood that unilateral action on our part will produce similar action on the part of others who will not make that reservation. Already our tuna fishing off the western coast of South America has become embroiled in those nations' unilateral claims and our rejection of them. Would not passing this bill remove our rationale for such rejection and thereby compound our difficulties?

ALTERNATIVES

In addition to the damage this bill would do if it is passed, there are alternative means of achieving our conservation objectives that render passage of this measure unnecessary. The administration has already begun planning a similar approach using bilateral agreements rather than unilateral action as its basis. This negotiation plan should result in:

First. Establishment of an effective conservation regime;

Second. Creation of preferential harvesting rights for U.S. fishermen to the full limits of their harvesting capacity, with the surplus allocated among foreign fishermen, thereby substantially reducing foreign catches;

Third. Implementation of a standardized system for collection of fisheries data, with information contributed from both foreign and domestic fishermen;

Fourth. Implementation of an allocation system which will substantially reduce foreign catches to allow U.S. fishermen on a phased basis to increase their catch to the full limits of their harvesting capacity, with the surplus allocated among foreign fishermen. I have already discussed the success of the recent multilateral agreement in Montreal;

Fifth. Introduction of more effective enforcement procedures;

Sixth. Implementation of satisfactory arrangements to resolve gear conflicts, and ensure adequate foreign compensation to U.S. fishermen in cases of negligence by foreign fishermen. With 11 bilateral fisheries agreements due for renegotiation next year, as well as regular meetings of six multilateral fisheries commissions scheduled, ample opportunities exist to achieve our conservation and fisheries objectives through multilateral channels rather than through unilateral action and all the burdens and complications that term implies.

CONCLUSION

In short then, this bill takes us down a dangerous road, one filled with profound dangers for our oceans policy, our national security and our own economic interests. No matter how one defines or interprets this bill, no matter how many mitigating details are added to it, it is still a unilateral bill that will be perceived by the rest of the world as making unilateral claims for the United States at the expense of other fishing nations. No matter that those claims may be just. No matter that they institute sound conservation practices. No matter that the Law of the Sea Treaty will likely reach the same point within a year.

Passage of this bill will violate our own longstanding principles, and it will launch us on a course of action we have rejected and condemned in others. From a pragmatic point of view, the whole rationale for this bill depends on the willingness of other nations to accept our actions and cooperate, and there is no doubt in my mind that that is not going to happen. Our unilateral action is going to provide an excuse for other nations to go farther, and we will have good cause to regret what we have done. For all of these reasons I oppose the passage of this bill.

Mrs. SULLIVAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 200) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to announce that the purpose of having the committee rise, is simply to lay before the House a message received from the Senate which we need to pass in order to adjourn.

The House will proceed with the legislation before it as soon as this action is completed. The Chair will again recognize the gentlewoman from Missouri to go back into the Committee of the Whole.

PROVIDING FOR ADJOURNMENT OF CONGRESS FROM OCTOBER 9, 1975 TO OCTOBER 20, 1975

The SPEAKER laid before the House the concurrent resolution (H. Con. Res. 424) providing for an adjournment of Congress from October 9 until October 20, 1975, with the Senate amendment thereto.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

> Page 1, line 2, strike out all after "concurring)," down to and including "1975." in line 4 and insert: That when the House adjourns on Thursday, October 9, 1975, and when the Senate first adjourns after the final disposition of House Joint Resolution 683, they stand adjourned until 12 o'clock meridian, Monday, October 20, 1975, or until 12 o'clock meridian on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PROVIDING ADDITIONAL FUNDS FOR COMPUTER SERVICE AND MAINTENANCE FOR THE COMMITTEE ON APPROPRIATIONS

Mr. ROSE, from the Committee on House Administration, submitted a privileged report (Rept. No. 94–554) on the resolution (H. Res. 772) providing additional funds for the expenses of the Committee on House Administration to provide for maintenance and improvement of ongoing computer services for the Committee on Appropriations of the House of Representatives, which was referred to the House Calendar and ordered to be printed.

MARINE FISHERIES CONSERVATION ACT OF 1975

Mrs. SULLIVAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 200) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentlewoman from Missouri (Mrs. SULLIVAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 200, with Mr. SMITH of Iowa in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING of Virginia. Mr. Chairman, I wish to urge once again your support for legislative action to extend fisheries jurisdiction for purposes of vital conservation of fishing stocks, of value domestically and to the world's population. I cannot speak too forcefully of the need for strong action by this Congress without further delay.

By now it must seem there can be little said or argued on the subject that has not already been said. The only evidence every passing day without legislative action, brings is of continued adverse impact of overfishing on a number of invaluable commercial species and hence on our domestic fishing industry which is dependent on them.

I have been privileged to serve my constituency and, I hope, the broader public for 17 years in Congress thus far. During that time, I have served on the Committee on Merchant Marine and Fisheries and have followed very closely the issues of concern to this committee and to the welfare of our fisheries and our fishing industry in particular. Some of my colleagues may recall that I sponsored on the House side, the legislation which the 89th Congress passed—Public Law 89–658—by voice vote, I believe, which established our present contiguous fisheries zone of 9 miles beyond our territorial sea. This was in 1966 when we were first becoming aware of the tremendous impact the rapidly increasing fishing effort of foreign fishing fleets was having on the stocks of traditional importance to our domestic fishermen. At the time, we hoped this action would respond adequately to the problem, but do so in a limited and considered fashion cognizant of various international considerations and of the interests of our own distant water fishermen. I recall when we were considering that legislation, that then Assistant Secretary of the Interior, Stanley Cain, pointed out in the Department's official comment on my bill that the 9-mile extension of the fisheries jurisdiction of the United States would in most cases be of relatively little value in solving conservation problems.

A significant proportion of the fish stocks which now support U.S. coastal fisheries move freely from coastal waters to offshore waters. A conservation scheme which admitted of conservation measures in only a part of the area inhabited by these stocks and left exploitations of these stocks in other waters unregulated, would be a half measure at best, and would amount to vain regulation of American fishermen. Sadly, it seems Dr. Cain's comments have proved all too accurate. We should have gone further then and we would not have the problems we have now.

Extending to the 12-mile limit gave the U.S. fishing industry an additional 120,000 square miles of sole and exclusive fishing rights. We thought this was adequate, but we were wrong. Nobody envisioned that within a few years huge, modernized, government-owned foreign fleets would invade our bountiful waters and literally vacuum the resources out of the sea. According to a recent report of the National Oceanic and Atmospheric Administration in April of this year, 574 foreign fishing and fishing support vessels were reported operating off the coasts of the United States.

I have flown over these fleets on several occasions and it is a frightening thing to see. A typical foreign fleet will lie between 12 and 15 miles offshore and will extend more than a hundred miles with modern, efficient "mother ships" or processing vessels, located 20 to 25 miles apart, each being served by several dozen rather dilapidated trawlers. The trawlers compete with each other over the size of their daily catch. The mesh of their nets is much smaller than ours which allows them to capture practically all of the edible and commercial resources. No conservation methods are honored.

Last year, I chaired field hearings of the Subcommittee on Fisheries and Wildlife Conservation and the Environment in Hampton, Va. Just as was true in the other nine cities and States of this country in which this subcommittee held hearings on this issue last year, we heard further evidence of the need for unilateral American action to protect and conserve diminishing species of commercially important fish and to better protect the interests of our fishermen.

For example, James O. Douglas, Jr., commissioner of marine resources for the Commonwealth of Virginia, testified that 1973 landings of river herrings were but 37 percent of the previous 10-year average; of scup but 16 percent; sea bass only 57 percent; and butterfish only 15 percent. Mr. Douglas noted that all four of these fish, important to coastal commercial fishermen, are largely harvested beyond the present fisheries zone of 12 miles. This contrasted starkly with comparable statistics for fluke whose 1973 landings were near the 10-year average; this is because the majority of fluke landed in Virginia are harvested within the contiguous fisheries zone. Other compelling evidence was provided by the eminent Dr. William Hargis, director of the Virginia Institute of Marine Science and chairman, National Advisory Committee on Oceans and Atmosphere, and in Dr. Hargis' words:

> In 1965 before the foreign fleets moved into the middle Atlantic bight—the area extending from Cape Hatteras to Cape Cod and called Virginia Sea by Capt. John Smith—the Virginia fisheries landed 25,000 tons of scup, black sea bass, flounder, and river herrings. Now, after the heavy onslaught of fishing by foreign fleets totaling up to 225 vessels, the aggregate catch of these species in 1973 was only 5,000 tons. This, despite agreements with the Soviet Union, Poland and Romania addressed specifically to protection of these species. Something better is needed. American fishermen deserve better. The American offshore fishery cannot long survive if conditions are not improved. The world community, confronted with an even worsening protein deficiency, cannot afford the wastage caused by overfishing.

Mr. Chairman, I submit there is abundant evidence before us of the damage occurring daily under the present law and practice, and of the improvement which can be expected by acting to extend jurisdiction and hence rational, scientific management capability to coastal and anadromous fish stocks.

We are constantly warned that unilateral action by the United States with respect to extending fisheries jurisdiction would jeopardize the on-going law of the sea negotiations and hence would not be in the best interests of the country. We have heard, and patiently, the advice and judgment of the State Department and our delegates to the Law of the Sea Conference on this question. They advanced the very same arguments when we extended the fishing limit to 12 miles, back in 1966. Frankly, I am not persuaded by their pleas. The Law of the Sea Conference is very important and it probably offers the best long-run prospects for a lasting, stable resolution of a number of perplexing and complex international issues concerning oceans and marine jurisdictions—issues of which fisheries is one of the most important. But let us be realistic. The U.N. Law of the Sea Conference has completed three sessions and is commencing its fourth session in New York in March. Conference President Amerasinghe of Sri Lanka had publicly stated that he had little hope of drafting a new treaty governing the use of the sea at the last Geneva session—and he was proved right. In fact, he had indicated that the 148 participating nations may require as many as three more sessions in order to obtain a signed treaty in "1975 or 1976." Well, 1975 is already here and 1976 is just around the corner and there has been little, if any, progress. Any international agreement appears to be years away. Any treaty that may eventually be signed by participating nations' representatives must then be ratified by some minimum number of them before entering into force. Ratifications of international agreements can easily require 4 to 10 years, or more, before a sufficient number of nations have acted. The situation "in the water" is far too serious for responsible people and responsible nations to defer action on that kind of time scale.

I fervently believe we must move aggressively on both fronts—international negotiation and national action—at the same time we will not be alone in that course. In January last, Norway passed an enabling act giving the Government authority to enforce specified no-trawling zones along the coast of northern Norway. And of course over 40 nations already have unilaterally extended claims to territorial seas beyond 3 miles and/or fisheries zones beyond 12 miles. Just last week Iceland extended its fishing zone to 200 miles and last Tuesday Mexico extended its zone to 200 miles. There is much to be gained and very much to be lost by U.S. failure to act immediately.

This bill, H.R. 200, and others like it have a powerful appeal in providing authority for effective national action on an interim basis. Whenever a new law of the sea is negotiated, signed, and ratified by enough nations to enter into force, our interim action automatically would defer to such new international law. In fact, U.S. response to ultimate law of the sea progress would be much advantaged by action on legislation at this time because such legislation automatically can constitute enacting legislation for that hoped for new law of the sea.

For all these reasons, I hope this House will act and act speedily by passing this interim legislation extending our fisheries jurisdiction as set out in H.R. 200.

Mr. RUPPE. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Chairman and colleagues, every foreign observer of the American system of government has noted what short memories we Americans have. When we consider this bill during our Bicentennial, we seem to have forgotten that our forebears were harvesting the sea long before they reaped broad plains of wheat, and that when it came time to negotiate an end of our War of Independence with the British 194 years ago, one of the most pressing issues at the Peace Conference was American access to the North Atlantic fisheries. We insisted on our historical rights, and we maintained them.

I rise to join with my colleagues in

asserting that here and now is the time to remember—and to act. On a clear day on Long Island, I can look from the beach, out on the Atlantic and see Polish and Russian trawlers vacuuming up the sea. My colleague from Alaska sees their treasure under the sea being carried off to Koshiro and Vladivostok instead of to Kodiak and Juneau.

American housewives are now paying premium prices for the 60 percent of our fish consumed that is imported, prices that are higher than for prime cuts of steak, but these fish were in many cases caught just 13 miles from our coastline.

We must act to protect our dwindling seafood supply. We cannot talk about providing marine protein to the world's hungry if we do not assure ourselves reasonable access to protect and harvest our own fisheries. Our talk of conservation is meaningless unless we have something to conserve and a clear fishing zone off our shores in which to conserve it.

We are told by the opponents of this legislation that we must await action by the fourth Law of the Sea Conference in March, and that our unilateral action here today will prejudice these negotiations. I do not agree. This law does not even take effect until July 1, 1976, after the next conference. And the bill provides that any treaty resulting from the Law of the Sea Conference ratified by the Senate will supersede this law. And it is not unlikely that our action in Congress will go a long way toward promoting general agreement on a 200-mile fishing zone.

There is tremendous interest throughout the land in this bill. Much of it is generated by commercial fishermen, consumers, and game fishermen. They are each suffering, in their own way, the ill effects of our inaction, while foreign fishing fleets have been permitted to continue their mammoth harvesting operations that have seriously—perhaps irreparably—depleted a significant number of fish species.

We cannot ask our citizens to wait for even further exhaustion of our fisheries stocks—particularly when our reason for delay is grounded on the illusory hope for an international agreement that has thus far eluded three international conferences.

Mr. Chairman, we have often troubled ourselves over our national defense perimeters, and at times in our past, they have been extended to the Asian mainland, to the Anatolian plateau, to the Arctic Circle, and to the shores of the Baltic. I suggest that, like charity, our economic defense perimeter ought to begin at home. I urge passage of H.R. 200.

Mr. RUPPE. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. GILMAN).

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. Chairman, I rise in opposition to the enactment of H.R. 200, the Marine Fisheries Conservation Act of 1975.

While I am opposed to the passage of H.R. 200 at this time, I am not unsympathetic to the plight of our fishing industry and have in the past been critical of the callous operations of foreign fleets fishing with sophisticated equipment off our coastlines depleting our fisheries stocks. It is because of the awareness of this problem that I have long maintained the need for a controlled economic zone extending outward from our territorial waters.

Most of us support the concept of a controlled fishing zone off of our shores. So too does the administration support that proposition. That concept is not at issue today. What is at issue is how best and how to most effectively bring about such control and conservation.

In seeking the most effective method for bringing about this offshore regulation and the need to protect our diminishing fish stocks, we must not lose sight of other ocean interests of vital concern to the United States that would be jeopardized by any unilateral action by our Nation.

H.R. 200 presents us with a choice in how best to proceed in developing a U.S. oceans policy. Are we to opt for the rule of law by negotiating a comprehensive international agreement or do we strike out alone, adopting this measure and thereby subjecting ourselves to economic retribution and conflict?

Mr. Chairman, the Law of the Sea Conference, involving 140 nations, is on the threshold of bringing about a workable international agreement regulating coastal fishing. Therefore, let us not act too hastily today, thereby jeopardizing the prospects for achieving a successful comprehensive Law of the Sea Treaty in the negotiations now in progress and the painstaking work of the Law of the Sea Conference. If we adopt a 200-mile law, it would lead other nations to claim unilaterally a 200-mile territorial sea and other competing jurisdictional claims to the oceans damaging to our vital interests in naval mobility or the movement of energy supplies. Passage of this bill would lead to a chain reaction of claim and counterclaim with the further potential for protest and confrontation. Instead of providing a rational, peaceful order for the oceans that a multilateral agreement could produce, the measure before the House would provide instead an impetus for increased unilateralism and continued disorder and crisis on the oceans.

The Law of the Sea Conference is in the process of bringing about a comprehensive restructuring of the law of the oceans. A moving force for such change arises out of the desire of coastal States to protect their fisheries. There is virtual consensus at the Law of the Seas Conference that coastal states shall have exclusive sovereign rights over fish within a 200-mile economic zone with adequate provision for conservation and management. Accordingly, it is reasonably certain that our natural fisheries objectives can be best achieved through the framework of international law and not as part of a unilateral action that would subject us to confrontation and sanctions for violation of international law.

Should H.R. 200 pass, we will also be faced with serious questions of enforcement both in terms of costs of that enforcement and relations with those nations fishing off our coasts, most notably Japan and the U.S.S.R. A conservative estimate for the first year cost of this legislation, not including the potential economic deficit due to a loss of distant water fisheries, would be approximately $140 million over present funding.

We can best achieve the objectives of this legislation by patience and refraining from voting for this type of unilateral action—action that could jeopardize major security, economic, and political interests of vital concern to the United States.

Accordingly, I urge my colleagues to oppose this bill.

Mrs. SULLIVAN. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Chairman, the committee's work on this bill has been orderly, efficient and fair. Moreover the staff report in this bill is one of the most factual I have ever seen prepared on a controversial piece of legislation.

Other speakers have addressed the House on what they see as an economic interest, and an economic peril to their communities—a feeling with which anyone can sympathize.

For my home community of San Diego and southern California in general, this is not just an economic issue. It is an emotional issue as well. The tuna fishing fleet grew in my hometown from the very small beginnings in the twenties by men who went out against the sea—most of them sons of Italy and Portugal—in small craft going for distances of 3,000 to 5,000 miles in pursuit of a fish which goes from one place to another, highly migratory. This is an industry which had built itself up to a multimillion dollar industry by the midthirties, a triumph of self enterprise and free enterprise, unassisted by Government in anyway. It is an industry which in wartime turned over its entire fleet to the U.S. Navy. These vessels, being fast and particularly well refrigerated, were useful to the Navy in supply missions across the far Pacific. This industry, in the postwar years, experienced some dreadful competition from Japan, which enjoyed great assistance from the United States because of efforts that this country was properly making to restore Japan's postwar economy. Finally, in the fifties this industry began to be put upon by Latin nations to the south, trying to keep them 200 miles at sea, seizing their vessels in defiance of all international law, charging huge license fees and imposing outrageous fines. Ecuador's most recent demand was $30,000 for a 40-day fishing fee. Here is an industry which has been swimming upstream all its life.

It is also an industry which provides some of the finest citizens in my area. One of the happy sights before Christmas each year is to see these vessels sailing back in time to celebrate the holiest of holy days with their families after months-long voyages. This is a people, this is an industry very important to us in southern California.

I ask you not to tell these nations to the south that they were right in imposing a 200-mile limit, in seizing our property and imposing fines and license fees. Do not start down that road. Do not put our stamp of approval on piracy.

Mr. RUPPE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. Bob Wilson).

Mr. BOB WILSON. Mr. Chairman, I want to associate myself with my distinguished colleague, the gentleman from San Diego (Mr. Van Deerlin), the previous speaker, in his remarks about the tuna industry in San Diego.

I realize that the committee has worked hard on this legislation. There are real considerations underway and very real prospects of eventually having a 200-mile limit or a 200-mile economic zone, but this is not the time for it.

I have been a member and a delegate of the Law of the Sea Conference in Caracas and in Geneva. Yet here we are, the leader of the free world, one of the greatest nations in the world, that has been encouraging some 140 other nations in the Law of the Sea Conference to get together and talk over the problems of jurisdictional rights and other implications of a 200-mile limit. If we pass this legislation, we will be, in effect, pulling the rug out from under these Law of the Sea negotiations. We will be telling those other 140 nations that we have only been kidding in our desire to try to come out with a Law of the Sea. We are going to act unilaterally if we pass this legislation, something that we have been condemning other nations for doing. We need a Law of the Sea. We need to have regulations propounded that would establish conservation practices and make other nations live up to those conservation practices across the world. We need to be able to fish within the limits of other nations as well and to allow other nations at times to fish within ours, if they use proper conservation practices.

This is truly one of the most important pieces of legislation that this House has ever considered. I am just sorry that we are considering this here in the closing minutes before we go off on recess. Because it is so important I think the entire House should be hearing these arguments and listening to the reasons for and against this legislation.

But, I implore my colleagues not to pull the rug out from under the Law of the Sea Conference. We have another Conference set in the spring of next year in New York, and I am positive, having attended those previous Conferences, that a meaningful Law of the Sea can be developed which will accomplish many of the purposes of this proposed legislation. Do not let this country sabotage the fine work that has been accomplished thus far by 140 other nations at the Law of the Sea Conference.

I urge my colleagues to oppose this legislation.

Mrs. SULLIVAN. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. Breaux).

Mr. BREAUX. Mr. Chairman, for some time now, we have received repeated reports from Law of the Sea sessions that progress was being made on the subject of economic zones.

For some time now, we have received repeated reports from Law of the Sea sessions that a breakdown in negotiations would delay further consideration on the subject of economic zones.

I, for one, Mr. Chairman, feel that international agreements, in some cases, serve the best intended purposes. I feel, however, that Congress has been extremely patient in waiting for appropriate action to be taken on this subject by our negotiators at the Law of the Sea Conference. I challenge the assertion that action by Congress on this matter will cause international confrontation. I am afraid that the United States has become shy and overly concerned with the prospect of international criticism in taking necessary protective steps as regards our fisheries.

I fail to see the logic in statements to the effect that unilateral fisheries legislation will have a harmful impact on U.S. shrimp fisheries. The legislation before us today provides for negotiations between nations to protect the historical fishing areas our shrimpers have used for years off the coasts of various nations.

With the recent announcement by President Echeverria of Mexico that his country will establish an exclusive economic zone extending 200 miles, the Congress must act to make safe an economic zone for the protection of shrimpers and other fishermen.

It is a good assumption that other nations bordering Mexico will move to establish like economic zones. As this occurs, there will be a substantial increase in the amount of foreign shrimp fishing within 200 miles of the United States, since unless H.R. 200 is enacted into law our shrimp resources would be the only ones relatively open to all nations. This year's bad season coupled with increased fishing of the area is not a stab I intend to put to the shrimpers in the name of proper international negotiations.

If we check the record, we will find that the Congress is the only protection our fishermen have had. Administrative policy toward fishermen is and has been weak and of little benefit to the fishermen. Programs enacted by Congress to benefit fishermen are often rescinded, while at the same time ongoing assistance to foreign sources related to fisheries is commonplace with our Government.

The Congress has an obligation to continue protection of the U.S. fishing interest.

The majority of the commercial and recreational fishermen in the Gulf of Mexico are strongly in favor of extending U.S. fisheries jurisdiction and in placing whatever management of gulf fisheries should become necessary at the lowest possible level so that they themselves can participate in the process.

Passage of H.R. 200 will not ruin the U.S. distant-water shrimp fisheries—and it will help the much larger U.S. Gulf of Mexico coastal shrimp fleet which, in 1974, landed over 92 percent of the shrimp by volume, and more than 85 percent of the catch by dollar value in the United States.

Furthermore, whether or not we extend our fishing zone unilaterally, it may well be increasingly difficult, at least for a time, for U.S. distant-water shrimp fishermen to work out agreements like the United States-Brazilian agreement because many Latin nations and other lesser developed countries—LDC's—for nationalistic reasons unrelated to fisheries—are establishing and will establish fisheries zones in which developed nations will not, for a time, be permitted to fish. LDC's attitudes at the Law of the Sea Conference and other United Nations meetings clearly indicate this.

Some claim they worry that the Gulf of Mexico shrimp fishery will become overfished. There is no denying that, for example, both Cuba and Mexico are already planning and building large numbers of vessels to fish for various species in the gulf and in Latin American waters where we now fish—including waters which will become part of our fisheries zone under extended jurisdiction. Surely it is more desirable to have the increase in the fishing vessels off our coast be U.S. vessels.

And if we have jurisdiction over that valuable shrimp resource, we will be better able to protect it against overfishing than we could without clearcut jurisdiction.

When extended jurisdiction does become the case for the Gulf of Mexico shrimp fishery, it will also mean that we could, in a few years, become less dependent on foreign imported shrimp than we now are. And with imported seafood representing over $1.6 billion in balance-of-trade deficits, it seems we should look seriously at the advantages of domestic-caught and processed seafood products over imported products if the domestic products could be available.

Mr. Chairman, in the light of recent international activity in this area, I feel the Congress has an obligation to act on a matter which has been ignored for too long and pass H.R. 200 in the best interest of our Nation's fisheries.

Mr. RUPPE. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I think it is nice that so many of our colleagues can join with the Committee on Merchant Marine and Fisheries at its expanded committee meeting this afternoon to discuss this important international issue. I really am dismayed at the dual quality of the arguments being made against this impressive legislation, which includes among its authors the gentleman from Maryland.

The arguments advanced against this bill do seem to have a dual quality. There is an attractive ring to some of them and yet there is also a sort of repulsive illogic. Rather like a dead mackerel lying on the beach; its beautiful scales glitter and shine, and yet at the same time it stinks.

The proponents and opponents in this House are divided between those whose fingernails are carefully manicured and whose striped pants are very carefully pressed, those who, since 1958, have been attending conferences and cocktail parties in South America, Geneva, and other places. And, on the other hand, there are those whose nails are dirty with grime and who have worked very hard for a living trying to catch fish from the unyielding sea. While all those international conferences have been going on, millions of tons of fish have been sucked up the pipe into foreign vessels and literally stolen from us.

Mr. Chairman, I am pleased to join in supporting this legislation, but I do want to say that while I congratulate my committee chairman, the chairman of my subcommittee, and the gentleman from Massachusetts (Mr. STUDDS) for the work they have done, I only regret that my colleague from Maryland (Mr. GUDE), of prosperous Montgomery County, was unable to support this legislation.

As I listened to his remarks I did recall that his district is in much closer proximity to the State Department than it is to Ocean City, Md. I have called the mayor of Ocean City with the personal request that my colleague's passport be revoked henceforth.

Mr. Chairman, anyone keeping a scorecard of the names of Members appearing on the various colleague letters in support of and in opposition to this bill, H.R. 200, can appreciate the colorful distribution of differences in philosophy and party identification manifest in this dividing issue. Yet, despite these differences, it is evident that we are as one on the need to see that fish are preserved; that the problems of our coastal fishery industry are great and many; and that the area for effectively preserving our coastal water stocks must be 200 miles. Where we disagree, the real focus of this debate, is on the means we are to use to claim this fisheries zone or 200-mile limit which everyone acknowledges will be instituted in time, anyway.

The means which this legislation recommends is rightfully called unilateral. However, a sense of urgency over the state of our marine economy and a mature knowledge of recent history warrant that it is the just, the needed, and the only course of action our Nation can take if we are serious about preserving the sovereignty of our waters and preventing the deterioration of our fishing industry.

The opponents of this so-called unilateral action hold that we must not opt for the 200-mile limit until the International Law of the Sea Conference comes to a final agreement. They hold that despite a tentative agreement for the 200-mile extension, we must wait until the "links and gears of international law" permit the final conferees to grace the document with their delicate signatures. But I submit that those links and gears have rusted. I submit that if we wait until those habitual conference participants of so many different nations, God bless them all, that if we wait until they finally decide to call it a decade and go home, our Nation's fishermen can wave goodby to our fish, and our fishes' fish, as they are finally hauled from our shores by some Russian, Polish, Japanese, or other foreign fishing boat.

We cannot afford to wait. We cannot afford to vote our Nation's fishermen into the position of Hemingway's proverbial "Old Man and the Sea," watching helplessly while the world nibbles away at our sea's national heritage.

The Ocean Education project of Washington, D.C., possesses research facilities and oceanographic studies which conclude that the biomass in the northwest Atlantic has shrunk by 50 percent in the last 15 years. They note that while our Nation has made landmark efforts to conserve these areas in order that they yield larger and future catches of marine life, other nations have not. Foreign nations fish in our waters, foul our nets, pollute our shores, and rip off our more technologically constrained fishing industry with impunity. Since 1938, our national fishing catch has risen by a fraction while foreign nations have tripled their yields. They can do this, because we have operated on the assumption that in keeping our traditional "freedom of the seas," 12-mile limit, we will also see preserved the traditional manners nations of the past have shown regarding each others' unwritten territorial boundaries for commercial usage.

Unfortunately, times have changed. If we are to prevent further depletion of the ocean's fishing stocks by many of the greedy foreign commercial interests interested in robbing our national economy, we must act decisively. That calls for a decisive passage of H.R. 200. It will signify our intent that our Nation is not to be exploited against the backdrop of an International Seas Conference which moves along too slowly at a time when our Nation's vital interests are at stake.

Over 100 nations have informally accepted the 200-mile limit and have already instituted it as part of the Law of the Sea negotiations. Our country should ride the crest of this trend rather than be swept by it.

I urge the passage of H.R. 200.

Mr.. RUPPE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Chairman, I rise in vigorous opposition to H.R. 200, not only for the parochial interests of my home county of San Diego, Calif., but for the general interests of the entire Nation.

To my good friends and colleagues who represent the eastern seacoast, the Pacific Northwest, and the great State of Alaska, their concern and interest in the well-being of their very important fishing industry is understandable, indeed, commendable, although I fear the long-range effects of this bill, if enacted into law, will prove detrimental—even to their States.

I speak now for the tuna fishermen, and for those who build and supply the tuna fleet, the canners, processers, retailers—and ultimately, and most importantly, the American consumers who consume tuna in ever increasing quantities. It is reasonable in price, at least so far, high in protein value, and highly acceptable to the American palate.

Parenthetically, as delicious and nutritious as lobster, crab, salmon, and many other species are—I do not see too many schoolchildren trudging off to school with a lobster or a crab sandwich. But the tuna sandwich or salad is an everyday staple in lunch box, lunch counter, restaurant, and at home.

Tuna is a migratory fish that travels the waters of the world. The supply is not inexhaustible—and the worldwide tuna fishery must be most prudently managed in order to prevent its depletion. That is why 14 nations in the Atlantic Ocean have banded together to form the ICCAT, the International Commission for the Conservation of Atlantic Tuna. That is why eight countries that border the vast Pacific Ocean have joined together to form the IATTC, the Inter-American Tropical Tuna Commission.

The purpose is to conserve the species, have fair competition, and maintain a healthy industry without bloodshed, violence, and the things which may well follow the "staking out" of territorial claims in what have historically been the high seas.

The tuna industry has had firsthand and very painful experiences with countries that have unilaterally claimed exclusive 200-mile fishing jurisdiction. Only Ecuador and Peru have aggressively enforced an exclusive 200-mile limit. Let me tell you how it has worked, and as I do, perhaps it will become understandable why none of the 22 countries belonging to the Atlantic or Pacific Tuna Conservation Commission believes in or will support a 200-mile exclusive concept.

In addition to American tuna boats having been seized 190 miles from Ecuador, in addition to the crews being beaten and jailed, the American taxpayers have paid out some $6 to $7 million in fines to recover the boats, crews, and catch. The tuna industry has recovered this amount, although belatedly, from the U.S. Government. But they have not had a free ride. They have lost some $3 million in these seizures which they cannot recover from anyone. In the case of Ecuador, when you add the Galapagos Islands, which is part of Ecuador, you end up with a "de facto territorial sea" of some 600 miles into what we believe are international waters.

The argument has been raised that we should not worry about the effect of this action on the tuna industry because "the bill specifically exempts tuna." But, what is the actual situation?

There are no significant tuna catches within 200 miles of our shores—but there are massive catches to be had within 200 miles of other countries. What good does it do to exempt tuna from regulation in areas where there are no tuna? None, Mr. Chairman.

View this for a minute from the standpoint of some other country which does have a 200-mile access to tuna fisheries. They see the United States unilaterally claiming a 200-mile limit for the fish products which are located within our coastal region. They see the United States attempting to fish in open waters less than 200 miles from their shores. What are they to do? They will claim their own 200-mile limit for tuna and ignore the fact that we, in our measure, exempted a species not found in our waters anyway.

In summary, Mr. Chairman, I do not claim this bill will result in the total demise of the American tuna industry. But I do claim it will be seriously damaged. I do claim this bill will destroy the 14-nation Atlantic Tuna Commission, and the 8-nation Pacific Tuna Commission—and, therefore, make the conservation of the resource an impossible dream. And these nations have worked 25 years to build this cooperative conservation and management venture.

Who will lose in the end? The American consumer, as always, with tuna growing scarcer and the price going up.

With deference to those who most sincerely support this measure, I urge its defeat.

Mr. RUPPE. Mr. Chairman, I yield 9 minutes to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Chairman, I think we do a terrible thing today. It is not that the goals of this bill are not laudatory, because in Caracas and Geneva, and next spring in New York, we are hoping to achieve these same goals through international law.

But I would like to take the brief time that I have today to point out to the committee that when we take this action we are clearly violating international law.

I have waited in vain for any arguments from the committee after its months of study of this issue to suggest that our action is in accord with international law.

Let me cite to the Members from some authorities that are not unknown, faceless representatives of the Library of Congress who are mentioned here today but not named.

This is Philip C. Jessup, former judge of the International Court of Justice. Mr. Jessup said this on September 30:

> I do not know of any responsible and qualified person who maintains that such a claim—

And that is this extension of fisheries jurisdiction—

> would be in accordance with international law. Nor can the advocates of the proposed law take the position that the United States should abandon its historic position as a defender and upholder of international law, sinking to the level of those other countries which we denounce as lawbreakers.

This is Louis B. Sohn, professor of international law at Harvard Law School, probably one of the most outstanding authorities on international law in the world. He said this on September 25, 1975:

> There is no question in my mind that such an extension would be invalid under international law and would violate the rights of other States. It would be in particular inconsistent with our various agreements on fisheries, especially the Northwest Atlantic Fisheries Convention. Such countries as the Soviet Union in the Atlantic and Japan in the Pacific could validly argue that their rights have been grossly violated by such action of the United States. Such legislation would also constitute a violation of the United States obligations under the Convention on Fishing and Conservation of the Living Resources of the High Seas, concluded in Geneva in 1958.

Louis Henkin, Hamilton Fish Professor of International Law and Diplomacy, said this on March 5, 1975:

> In my view, H.R. 200, if enacted, would not be consistent with the obligations of the United States under existing international law. It is established, and the International Court of Justice has recently reiterated (in the Icelandic Fisheries Case) that a coastal State cannot extend its exclusive fishing jurisdiction into the high seas at will, against all.

The Court in that case said this:

> The concept of preferential rights is not compatible with the exclusion of all fishing activities of other States. A coastal State entitled to preferential rights is not free, unilaterally and according to its own uncontrolled discretion, to determine the extent of those rights.

Let us look back at the title of H.R. 200. What does it say? It says:

> A bill to extend * * * the jurisdiction of the United States over certain ocean areas * * *.

It is understandable perhaps after Vietnam and Cambodia that we might feel some desire to demonstrate our manhood again and plant the flag out 200 miles and unilaterally extend the jurisdiction of the United States to 200 miles offshore. But what do we do when we do this? We abandon both our world leadership and the difficult and painful progress we have made toward international law.

In 1958 we signed a treaty, a Convention on Fishing and Conservation of the Living Resources of the High Seas. We said that all States have the right to engage in fishing on the high seas subject to their treaty obligations and to the interests and rights of coastal States, as provided for in this Convention.

We signed other conventions at that time in 1958, and we said:

> The term "high seas" means all parts of the sea that are not included in the territorial sea or in the internal waters of a State.
>
> The high seas being open to all nations, no State may validly purport to subject any part of them to its sovereignty. Freedom of the high seas is exercised under the conditions laid down by these articles and by the other rules of international law. It comprises, inter alia, both for coastal and non-coastal States: Freedom of fishing; * * *.

How can it be said that these conventions of 1958 and our treaties with other nations can be abrogated by an act of Congress?

But if there is any question about what the law is, let us look at our own Committee on International Relations Report issued yesterday, October 8, 1975. At page 9 of that committee's report, entitled "Potential Impact of the Proposed 200-Mile Fishing Zone on U.S. Foreign Relations," appears the heading: "H.R. 200 Violates U.S. Treaty Obligations."

U.S. treaty obligations are the supreme law of the land, just as is our Constitution. Should the House of Representatives for a laudable purpose violate the treaty obligations of the United States? Is that a valid thing for us to do?

There are only three ways to settle disputes, through the ballot box; through a court of law or by combat.

We have seen a long history in the world of seeing wars ensue from violations and incidents arising on the high seas, from the *Lusitania* to the *Panay* to the *Pueblo* and to the *Mayaguez*.

We have some states claiming jurisdictions of 3 miles, some states claiming jurisdictions of 12 miles, and some states claiming jurisdictions of 200 miles. If we claim a jurisdiction of 200 miles in violation of international law, what do we say to the Chinese or the South Africans if they claim a territorial right out to 200 miles? We would have the same situation as we had with the *Pueblo*.

We claimed then that nations were limited to a 3-mile territorial sea. The North Koreans claimed a 12-mile limit. We tested that by sending the *Pueblo* 8½ miles off the North Korean coast.

In the Cambodian incident involving the *Mayaguez* there was a similar situation.

There would be a tremendous benefit to our national security if we could negotiate a treaty whereby all nations agree on a 20-mile economic and fishery conservation zone and a 12-mile territorial zone.

However, let me go to what is at stake for this Nation if we lose the International Law of the Sea Treaty after seeking for so many years to attain that treaty and the rule of law which is such a basic cornerstone of our own heritage and governmental philosophy.

At the present time we have the right of passage through straits. Our nuclear submarines travel underwater through straits. Our aircraft travel overhead above the seas of those straits.

Let us assume that some of the nations along the straits through which we would supply Israel, for example, through Gibraltar or over the Italian or Portuguese coastal waters, assume those nations claim a 200-mile territorial sea, and deny us flight over or passage through the straits. What does that do to the national security of the United States?

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. Yes, I yield to the gentleman from California.

Mr. LEGGETT. The gentleman is not under the impression that this bill has anything to do with the territorial sea, is he?

Mr. McCLOSKEY. I am saying that we have bound ourselves by treaty to recognize territorial seas in the past and if we take action that violates that treaty, we have no right to say to anyone that there is some sort of difference between fishing and territorial rights.

We signed the 1958 Convention which states that fishing rights extend to all but the territorial seas.

How can we contest some other nations' position if we have gone to 200 miles in violation of our territorial sea treaties? Why should other nations not claim that their territorial sea goes 200 miles as well?

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. Yes, I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think the gentleman is absolutely right.

I am looking here at the Law of the Sea Convention on Fishing and Conservation of the Living Resources on the High Seas, of which the United States is a signatory.

It says:

> The measure which the coastal State adopts under the previous paragraph shall be valid as to other States only if the following requirements are fulfilled. . . . (c) That such measures do not discriminate in form or in fact, against foreign fishermen.

Of course, the convention on the high seas simply guarantees freedom of navigation, freedom of fishing, period.

I note in this bill, in one of the purpose clauses, paragraph (8) on page 12, that one of the purposes is not to authorize any implement to, or interference with, lawful activities on the high seas "except with respect to the protection and conservation of fisheries resources as provided by this Act."

I think the act itself admits its violation in that section.

Mr. McCLOSKEY. I thank the gentleman for making that comment.

The CHAIRMAN. The time of the gentleman from California (Mr. McCloskey) has expired.

Mr. RUPPE. Mr. Chairman, I yield 3 additional minutes to the gentleman from California (Mr. McCloskey).

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman.

I just wanted to commend him on what I think is the finest statement we have heard here this afternoon.

As I have listened to this debate, it is clear that there are sectional interests in this country that go both ways. Some people would be hurt by this bill and some would be helped. That leaves the rest of us in a position to do what is right, and the gentleman from California (Mr. McCloskey) has been explaining what is the right and prudent thing to do in this situation.

Mr. McCLOSKEY. Mr. Chairman, I thank the gentleman. I am not so sure that if the Representatives of the fishing States would look to this area, they might not observe that there is a great deal more to gain if we can proceed to an international treaty protecting our fisheries than by seeking to do so unilaterally.

The three greatest types of fish for the U.S. fishing industry are tuna, salmon, and shrimp.

As to shrimp, 20 percent of them are caught within 200 miles of other countries, and many of them outside of 200 miles of our shores. Most of our tuna are caught within 200 miles of the shores of other countries. The salmon are migratory, leave our coast, and migrate hundreds of miles into the Pacific.

Up until now we have had a bilateral agreement with the Japanese that they will not engage in fishing for salmon beyond a certain point.

The value of those three fishery industries is tremendously greater than the fish within the coastal zone that will be protected by this.

We have seen U.S. fishermen range across the world taking whales and now we are seeking to protect the whales and to protect the seals and to protect the other animals of the ocean, but they can only be protected by international treaty.

It is understandable that those who want this bill are impatient and dismayed by the slow process that is taking place in current international negotiations. But, consider our own progress in the Congress where the country has been asking that we come up with a national energy policy for over the past 3 years. More than anyone else we should understand that both the negotiating and legislative processes are slow and difficult. The legislative process cannot be, and should not be, speeded up at a time when there is such a vast range of differing interests as exists with respect to oceans of the world.

To stop at this point when we are within a year or 2 years of success in achieving an international treaty, would be almost unconscionable for this Nation which has more than any other country in this world so much to lose if we are unable to achieve an international law of the seas.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, one of the problems with the convention the gentleman is referring to is that all of the States we are concerned with are not members. The Soviet Union is not a member, Poland is not a member and Chile is not a member and neither is Panama.

Mr. McCLOSKEY. But the Soviet Union is a member of the High Seas Convention.

Mr. LEGGETT. Of the Law of the Sea they are, but not of the 1958 convention which the gentleman referred to.

Mr. McCLOSKEY. Let me correct the gentleman, they are not a member of the Fisheries Convention, but of the High Seas Convention. They have a treaty right against us under that Convention.

Mr. RUPPE. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. Biester).

Mr. BIESTER. Mr. Chairman, for years the United States has steadfastly advocated the negotiation of comprehensive, equitable international agreements to regulate the exploitation of the world's ocean resources, protect the delicate ocean environment upon which our lives ultimately depend, and ensure our national security by minimizing the risks of international conflict. The Law of the Sea Conference, conceived during the 1967 United Nations General Assembly, has sought to address these complex questions. The resulting negotiations have been lengthy and arduous. Understandably, this has created deep concerns and frustrations with the entire Conference and proposals to take unilateral action in areas where dangers to American interests seem particularly immediate.

H.R. 200 is one result of such frustration. Its major provisions—extending the U.S. exclusive fishery zone from 12 to 200 miles and creating a management resources program governing American and foreign fishermen within the zone—are intended to save from extinction fish stocks which have been severely depleted due to extensive overfishing. Over the past decade, fleets of sophisticated foreign fishing ships—veritable floating factories—have reached into waters where traditionally independent, hardy, but smaller American fishing boats once sailed nearly alone. H.R. 200 seeks to protect these fishermen from their foreign competitors and allow the depleted stocks to grow through marine resource management. The Law of the Sea Conference, it is argued, has been too slow in addressing the fishery problem, and the danger to marine life off the American shores is too imminent to accept further delays.

But the political and economic costs of enacting H.R. 200 clearly outweigh its intended benefits to the American fishing industry. By unilateral action on the fishery issue, the Congress will undercut progress which has already been made at the Law of the Sea Conference in this and even more sensitive areas.

First of all, the prospects of achieving a uniform, internationally accepted code governing ocean fisheries would be irrevocably damaged by enacting H.R. 200. It is true that progress at the Law of the Sea Conference has been slow. But last spring, delegates did, in fact, reach consensus on the basis of an agreement to create a 200-mile economic resource zone which would include fisheries. These negotiation drafts will serve to write formal texts at the next conference in New York this coming May. But if the United States today declares its exclusive 200-mile fishing zone, what will keep other nations who have thus far shown considerable restraint from following our example? Once a series of individual unilateral claims have been enacted, it is unrealistic to expect them to be set aside by an eventual international accord. The good prospect for achieving an orderly, agreed upon international accord on fishing will have been replaced by an uneven, conflicting mosaic of fishing zone claims. Furthermore, there can be no mistake that the targets of this legislation are the Soviet Union and Japan. Are we prepared, with little or no justification in international law, to attempt to enforce the provisions of H.R. 200 against their—and others'—adamant opposition?

Second, once the fishery question has, for all intents and purposes, been removed from the arena of international negotiation, issues which are much more critical for American national interests would likely be declared "nonnegotiable." The reason is clear: Unilateral extensions of jurisdictional claims in one area have repeatedly encouraged similar claims in others. Let us examine but two of these areas.

Of paramount interest to American national security is maintaining the right of free transit through international straits. If, for example, our nuclear submarines and surface navy were unable to transit freely through the Straits of Gibraltar or the Straits of Malacca, our ability to resist local aggression or quickly and secretly maneuver our strategic forces would be severely hampered. Yet Spain, Indonesia, and numerous other nations bordering on international straits are presently considering the declaration of their full national sovereignty over these important passages. In other words, the U.S. Navy could be denied the mobility necessary to its role in our national defense. The straits issue is, as we all know, a major issue before the Law of the Sea Conference. If, as many fear, agreement on the fishery question—for which an international consensus has substantially developed—is short-circuited by legislation such as H.R. 200, we cannot expect a satisfactory resolution to negotiations on the even more important straits issue.

But questions of national security do not stand alone in challenging the wisdom of H.R. 200. The Members of this House have been inundated with statistics relating to the economic importance of protecting our coastal fisheries. I cannot contradict these figures. But while our coastal fishery resources are of great value, so, too, is that wealth of mineral resources which lies on and beneath the ocean floor. I am thinking of the petroleum deposits which can help meet our energy demands of tomorrow, as well as numerous other minerals which can serve our industrial needs as well as those of the developing nations. Our Nation is unquestionably the best-prepared for undertaking exploration and eventual exploitation of the deep sea mineral deposits. And under proposals already announced by the Secretary of State, the entire international community would share in the benefits of these operations. But once again, a comprehensive international agreement is a prerequisite to the full and efficient use of these resources, not to mention the necessity of guaranteeing the security of the enormous private and public investments which may be required. Again, any legislation which jeopardizes the entirety of the Law of the Sea Conference must, by necessity, jeopardize our future access to the ocean's mineral resources.

Other issues presently before the Law of the Sea Conference, such as international cooperation to combat pollution and protect the rights of scientific research on the ocean, are also of significant importance to this country.

The Law of the Sea Conference, then, must be regarded as a "package deal" which concerns several areas of long-range importance to our future generations. We cannot impatiently jump the gun on the fishery issue without compromising our chances for success on all of the others. The advocates of H.R. 200 argue for some illusive immediate relief to our fishermen. I believe, however, that the interests of these rugged Americans, whose courage and pride we have all admired, will ultimately be better served by a comprehensive Law of the Sea Treaty which will be in the common interest of all our people.

For these reasons, Mr. Chairman, I cannot support this legislation.

Mr. RUPPE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I support H.R. 200 and would like to comment briefly on some of the points that its opponents have made.

First, it has been suggested that action on this bill would disrupt the Law of the Sea Conference. I do not think that will happen. The bill specifically provides that it will be superseded by any agreement coming out of the Law of the Sea Conference; it is a virtual copy of the position of the vast majority of countries at the conference; and it provides for reasonable access to our fishery resources by other nations. If the fishing issue could be isolated the position reflected in this bill would be adopted overwhelmingly at the conference. But the Law of the Sea Conference, confronted with the demands of the developing world for a "new world economic order" is deadlocked over other issues and will remain so far years. The question is whether we face this issue now or after several more years of deadlock at the Law of the Sea Conference. The Law of the Sea Conference has great potential and it deserves the best attention that our Nation has to give. But by acting on this bill, we only remove a noncontroversial issue.

Second, it has been suggested that this bill might be in violation of international law. What the bill's opponents fail to recognize is that international law is dynamic nad flexible. It is formed largely by custom and gradually evolving rules of international practice. This bill reflects an international trend toward coastal state jurisdiction over its offshore fisheries. Much of the developing world already has 200-mile fisheries zones. The Congress has recognized this trend, for example, by passing the Brazil Shrimp Agreement whereby U.S. citizens pay for the right to fish in Brazil's 200-mile fisheries zone. Action on this bill then will only reflect the developing international trend.

Third, it has been suggested that if the United States acts to extend its fisheries jurisdiction, other nations will extend their jurisdiction indiscriminately and thereby close straits and hamper commercial and military transit. But closing straits and hampering navigation have not been accepted developing trends in international practice.

Moreover, the vast majority of nations have a vital interest in insuring that the world's international straits are free for navigation. This is particularly true for countries such as the Soviet Union which are vitally dependent on straits just for access to the oceans.

Finally, I think it is important to act on this bill now in order to preserve a world food resource. As long as no nation has jurisdiction over a resource, conservation and management are impossible since a reduction in one nation's effort will merely mean that competing nations get a larger share. The only effective way to stop the rapid depletion of the world's fisheries is to give coastal nations the jurisdiction to manage them.

This bill is well drafted and moderate; it virtually tracks the world's position on fisheries at the Law of the Sea Conference; it reflects a developing trend in international practice; it allows reasonable access by other nations' fishermen; and most importantly it will provide an opportunity to manage one of the world's most important food resources.

I ask all Members to join me in supporting H.R. 200.

Mr. RUPPE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, one of the great dangers of being a speaker following the committee members is the fact that almost everything has been said. We have had legal scholars, and they will argue the legal points. It will not be my intent to speak for the lawyers. I will let the constitutional lawyers present their case. But I should like to speak very forcefully on behalf of the fishermen of northern California.

As the Members can understand, there is a little division of opinion, on this issue, between the Representatives of northern and southern California, the Members will understand why some of us are looking at the possibility of dividing the State. I am saying that somewhat in jest, but sometimes we need to refer to it in order to put this difference of opinion in full perspective.

Let me say this to my colleagues. The issue is not a security issue. The issue is clearly a conservation issue. I speak for the fishermen off the northern coast of California. The Members saw the gentleman from Alaska, Mr. YOUNG, come down here to the well and show you the Japanese net. I have seen large Russian dragnets off of the coast of Oregon, up in Coos Bay, North Bend, Oreg., and off our coast, all with undersized mesh. These massive vessels that the Russians use as they fish off the coast of California are triple tandem, a big dragnet that scoops up everything with undersized mesh, which are illegal under California law. They are followed by a processing vessel, and then followed by a refrigerated vessel that stores the catch and takes it back to the Soviet Union, or to Poland.

I want to appeal to my colleagues to support this legislation for one simple reason. If we can unite behind the executive branch and the Congress on the conservation question, then I believe we can unite to resolve the tuna problem and protect the security concerns of the United States and the U.S. Congress through their people's Representatives as we work together to resolve those basic international issues pending before the International Law of the Sea Conference.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. DON H. CLAUSEN. I yield to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. I thank the gentleman for yielding.

I want to acknowledge that the gentleman in the well was the first man in this House to offer a 200-mile bill. I know he is very pleased to see us come up with a bill in final form, and we are pleased to have his support for the final version.

Mr. DON H. CLAUSEN. I am grateful to the gentleman for his gracious remarks.

I want to bring the Members up to date on what is happening in California. This Mailgram message comes from Dennis Grotting of the Fishermen's Marketing Association from Eureka, Calif. I read as follows:

> California's coastal fishing resource is being depleted by a large fleet of Russian and Polish fishing vessels. State Department

agreements with each country are inadequate and unenforceable. For example, National Marine Fisheries scientists say the sustainable yield of hake is 150,000 tons. Yet negotiated agreements call for the following quotas: Russia, 150,000 tons; Poland, 40,000 tons. Scientists estimate the total catch of hake in 1975 to be 225,000 to 300,000 tons. Salmon and rockfish and sole are also caught but not reported.

I have seen these Russian vessels weaving in and out of the currently established 12-mile limit at night. Is it any wonder that our people on the northern coast of California, our fishermen and their wives, are pleading with us to do something in the Congress to get the Russians off of the backs of the American fishermen and out of the pockets of the American consumer.

Mr. Chairman, the fact that we are debating H.R. 200 here on the House floor today is a significant milestone. Today's debate represents the culmination of nearly 10 years of hard work by many people.

For over a decade, the fish that inhabit our coastal waters have been attacked by foreign fishing fleets with a fervor that exceeds any previous effort in man's history.

We have seen the whales of the world virtually rendered extinct by man over the past two centuries. This was done slowly with limited supplies of what we consider "modern technology."

Today, fish species off our shores are threatened with the same fate in a fraction of the time through the all-out use of every "modern" device employed by foreign fishermen who take our fish to protect their own coastal fishery.

This situation cannot be tolerated any longer. We may be too late already, but we must act now if we are to have any hope of conserving a precious resource.

From the very beginning, American fishermen have recognized the need to adopt practices that reflect an understanding of maintaining fishery stocks for the future. Their continuing livelihood has been based on this practice and they have been faithful to it.

In California, for example, our fishermen began limiting net mesh size in the 1930's—voluntarily. They did so because they were recognizing a decline in production from a growing number of fishermen and boats.

Trawl fishing in California only began in 1876 so it took only about 50 years for the effects of the fishery to be felt in the numbers of fish.

California's fishermen continued to adhere to voluntary regulations on their own and it was not until 1947 that the California Legislature took action to establish a mesh size. When it did, after a good deal of experimenting in conjunction with the Washington State Department of Fisheries, it set a 5-inch mesh size for trawling—the size to which our fishermen were already using on their own.

No fisherman I have spoken to has ever indicated any doubt that restrictions on mesh sizes and seasons are highly beneficial to the continuance of their income and the insurance of future availability of fish for the marketplace.

Into this setting came the Russian fishing fleet in the early sixties. The Russians used larger, more powerful boats than the Americans. They used larger nets with very small mesh sizes. They very literally took every fish that happened to be in their path.

The Russians were fishing 6,000 miles from home and remained at sea for 2 years at a time. The fishing boats traveled with a factory ship that did every conceivable kind of fish processing at the time of the catch. In order to be fairly economically efficient, their catch had to be huge. Only by stripping the sea bare could they be successful.

People familiar with Pacific coast fishing have told me that today the Russian catch of hake, for example, is about the maximum sustainable yield for that particular species. At the same time, our fishermen are catching hake and several other nations, including Poland, are also catching hake. There is only one possible result from this situation and that is an end to hake off our shores.

If these foreign fleets are allowed to fish off our coasts at the current rate, then all our efforts toward conservation are lost. And, equally as important, we will be dependent upon foreign sources for the fish we eat.

We are facing a serious, determined challenge. One that the Congress cannot back down from. We must act.

The past decade has seen a number of possible solutions advanced, but nothing has come of a single one of them. Now it is time to pass H.R. 200 and establish a 200-mile fishery and marine conservation zone off our shores. If we do so, we can guarantee the protection of our coastal fishery forever. If we do not, we can guarantee its ultimate loss.

The foundation of H.R. 200 is the creation of a zone of protection. It is important to note at this point that the zone is a conservation zone and is not an extension of the territorial sea.

The creation of this zone maintains the concept of the "freedom of the seas" which guarantees the retention of traditional navigation passageways. No one argues that we should extend our territorial jurisdiction since our only goal is the protection of our fisheries and other marine resources off our coastline.

Extension of the zone, for which we have already established a precedent with our 12-mile limit, is the only way we have to be able to enforce conservation practices.

The plans for managing the zone are authorized under the bill and provision is made for planning on a regional basis. Each region will have a regional council to consist of representatives from the fishing industry, the States in the region, and the public at large.

The basis for the plans will be the principle of "optimum sustainable yield." This concept, which is being so readily violated by foreign fleets today, recognizes the requirements to utilize our resources to the greatest extent possible, but without risking their ability to replenish themselves.

The legislation recognizes the desirability to continue to manage our resources, and will enable us to more closely control this action. At present we have no means by which to control the number of fish being taken by foreign fishing fleets. Under this bill, these boats will be licensed by the United States and will be made to abide by the regulations established by the councils.

Surveillance and enforcement will be under the jurisdiction of the Coast Guard.

H.R. 200 does not interfere in any way with existing fishery agreements. All the agreements to which the United States are a party to will remain in effect until their negotiated expiration dates. Attempts, however, will be made to renegotiate these agreements where ever possible to have them comply with the provisions of H.R. 200.

The bill also provides that the United States will continue to work within the framework of the Law of the Sea Conference to work toward an international agreement.

The bill we are advocating here today is a highly realistic and practical approach to the fisheries problem because it recognizes the three fundamental types of fish and their relationship to the international fishing industry and to the nations which have a stake in protecting them.

Coastal species are those which will live generally in a limited area of the ocean. These species are primarily fished by the nation whose waters they inhabit and that nation will naturally have an interest in conserving them to the greatest degree possible. Under the philosophy adopted in H.R. 200, each nation would be able to see and obtain tangible rewards for adopting conservation-oriented rules and regulations.

Anadromous species are those fish that live most of their lives in the ocean, but swim up fresh water streams to spawn and die. These are the most fragile species since they must be able to survive their marine life and return successfully to the river of their birth and swim upstream to find a suitable spawning site.

The United States spends millions of dollars each year to insure that those anadromous fish who spawn in our streams are able to get upstream and will find spawning areas when they get there.

This takes a tremendous amount of work and research to be able to do the job and, in my judgment, we are only now beginning to reach an adequate level of effort to retain this resource.

But these fish range as far away from our Pacific coast as Japan. They are gone for 5 years before they return. And, they return at predictable times. All of this makes them relatively easy game for fishermen.

We are the ones who invest our time and money to protect the anadromous fish, we should have a role in protecting them. H.R. 200 will give us that opportunity.

Finally, migratory species—of which tuna is the most controversial today—should be regulated under international agreements, not by one nation alone. These fish are never found in the same location. They travel extensively and no nation can really claim them so no nation should control them.

Mr. Chairman, as I said in testimony before the Senate Commerce Committee in 1966:

> Our fishermen cannot pass laws. Our fishermen cannot stop the invaders of their traditional fishing grounds. The responsibility for any such actions lies with us. And, Mr. Chairman, it is a responsibility that we must accept. We must act with dispatch for our fishermen are faced with the serious implications of this problem right now with every indication that it will grown in scope.

The problem has grown in scope even more disastrously than we could have imagined at that time. We have got to recognize this urgency and respond now.

Mr. Chairman, I, personally, the Congress, the country, and in particular, the fishermen, their families, and the people I represent on the north coast of California are deeply appreciative of the sensitivity, responsiveness, and fairness of the Merchant Marine and Fisheries Committee in their efforts to advance this legislation, the 200-mile marine fisheries conservation zone, through the House of Representatives and hopefully into law.

In particular, I want to thank the very able and talented chairman of the committee, the gentle lady from Missouri, (Mrs. Sullivan). She has been firm in her resolve to bring to the floor a bill that is in keeping with the domestic interests of our fisherman and consistent, on an interim basis, with our official negotiating position at the International Law of the Sea Conference. She has been fair in the handling of participants, witnesses and we, the Members of Congress, most directly involved in advancing this legislation.

Without her factual evaluation of this complex and controversial matter we would not be this far along on the legislative road to enactment. She has performed beautifully in so many ways and we shall be eternally grateful for her extraordinary cooperation on this crucial and vital matter.

My colleague from California (Mr. Leggett), the chairman of the subcommittee has moved positively and objectively to help us achieve our desired goal. He has proven to be an articulate advocate for the 200-mile limit and worked diligently to bring about a final legislative product that protects American interests and accommodated the concerns of many who had earlier reservations. To you, Bob Leggett, I am thankful for the exceptional display of cooperation you have extended to me and all Members involved, and proud of the bipartisan attitudes displayed under your leadership. You have performed magnificently.

To my friend and working partner (Mr. Studds), the gentleman from Massachusetts, with whom I have shared the principal cosponsorship responsibilities, I want to state strongly for the Record how brilliantly he has performed as the lead author of H.R. 200.

Serving as we do on the Committee on Public Works and Transportation, I came to realize during conversations that our congressional districts on the east and west coasts, respectively, had great similarities—one of them being a long and beautiful coastline and another being a very vital fishery area that is extremely important to the economic wellbeing of our people and to the Nation.

Together we have coordinated contents and strategy for nearly 3 years. Someday, Gerry, we should write a book on the establishment of a marine fisheries conservation zone off the coasts of our United States. It would be an extraordinary historic document and certainly a best seller.

You have demonstrated time and again a sense of determination and dedication to our common objective that is exceptional and extraordinary by any standard.

Your leadership in the committee and among your fellow Democrats has dovetailed superbly with efforts of Mr. Forsythe of New Jersey, Mr. Young of Alaska, Mr. Pritchard of Washington, Mr. Cohen and Mr. Emery of Maine, Mr. Lott of Mississippi, Mr. Ruppe of Michigan, and myself as we strategized, met with President Ford and other leaders in an effort to protect and represent all interests of the United States.

Without a coordinated bipartisan effort our objectives could never be realized.

Gerry Studds, you have my everlasting admiration and respect as a skilled legislative craftsman, a brilliant legal scholar, and a dynamic and dedicated Congressman who fights for his district, is sensitive to the needs and concerns of his colleagues and works for the overall conservation interests of the people of the United States.

To the ranking Republicans of the subcommittee, Mr. Forsythe of New Jersey, my everlasting gratitude is extended to you for permitting me to be an ad hoc or ex-officio member of your committee.

Your fairness and management skills plus your unselfish devotion to the 200-mile limit cause will record you in history as one of the champions of marine fisheries conservation in our Nation and the world.

To all the members of the committee and the Congress, words will never adequately express how deeply I appreciate your patience, consideration, and understanding of my north coast of California constituents' plight.

In the future, history will vindicate the support you have given to our efforts. Your children will enjoy the renewable resources of the sea with each passing generation and you will have their undying gratitude.

Mr. RUPPE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Bell).

Mr. BELL. Mr. Chairman, I rise in strong support of H.R. 200.

It is time for the United States to take a strong position.

We have allowed foreign fleets to do terrible long-term damage to the fisheries off our shores.

For year after year, the State Department said it would work out an international agreement to halt the rape of the seas.

The State Department has failed utterly.

In the meantime, the vast fleets of Japan, the Soviet Union, Poland, and South Korea have systematically destroyed our fisheries.

One of our most valuable national resources is being plundered by these foreign fishing fleets.

There is already a general international consensus that 200-mile fishery limits are necessary.

Thirty-seven coastal nations have established exclusive fishery jurisdictions beyond 12 miles.

These were all unilateral actions.

The National Advisory Committee on Oceans and Atmosphere recently recommended that the United States immediately declare a 200-mile economic resource zone.

It is time for the United States to declare a 200-mile fisheries limit.

From this position of strength, we can negotiate a worldwide arrangement.

It is not only the fish that are endangered.

There is great public interest in the United States for action to save the great whales from extinction.

The vast whaling fleets of Japan and the Soviet Union are now launching their deadly harpoons into the last of these huge mammals.

H.R. 200 would severely curtail whaling in the North Pacific Ocean, where the Japanese and Soviet whalers have killed more than 12,000 whales in recent months.

The Soviet whaling fleet brazenly carried out its bloody business just 50 miles off the California coast this summer.

And Japanese whalers are greedily eyeing the California gray whale, which is the State marine mammal.

It seems that the only language the Japanese and Soviet whalers understand is forceful action.

They have ignored repeated appeals by the United Nations for a 10-year moratorium on whaling.

The House of Representatives has endorsed the 10-year moratorium.

Passage of H.R. 200 will not only halt the destruction of our coastal fisheries, it could help save the great whales from extinction.

Mr. RUPPE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 200, as one who represents a coastal district, and who has sat through many hearings on this bill, I believe I know what it does and what it does not do. And I am convinced that passage of this bill by the House would be in the best interest, not just of my constituency, but the entire Nation.

Indeed, an argument can be made that more than our national interest is at stake here, because the basic thrust of this bill is one of international concern, involving the interest of the entire world community.

The coastal waters of the world are the last great resource of this planet. They harbor 95 percent of all life in the sea. They have an enormous capacity for production when conditions are right. But when conditions are wrong, it is a desert. Man has only recently had the capacity to deplete this resource. It is being depleted in two ways—through pollution, and through overfishing.

What the opponents of this bill are really saying is that we should allow this destruction to continue unabated until such time in the future as all nations are able to agree on a solution. What I am saying is that we cannot wait. The Russians and Japanese and others are apparently going to continue this vacuum cleaning of the seas until the victim dies or until we stop them.

Pass this bill today and you will put them on notice that we mean it when we say we are committed to the protection of this resource. Pass this bill and you will have something more than words to take to the next Law of the Sea Conference; you will have a tool for enforcement of our pledge. Pass this bill and save the most promising food resource on this planet.

Let us continue to try to reach international agreement. But in the meantime, let us save the resource.

I urge a "yes" vote.

Mr. RUPPE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in support of this legislation. I certainly support the efforts that the individuals on the committee and in this Congress have made to preserve the fishing stocks of the United States. I would say, however, I am somewhat troubled by one provision of the legislation and do hope that later on the conferees of Members of the House will consider the effective date which will be established in this legislation.

As we all know the effective date for this particular bill is July 1 of next year. There is some possibility that on the Senate side there may be a provision inserted in the legislation that would make the effective date somewhat later in the year, perhaps the end of the year, perhaps December 1, 1976.

Let me say I think the effective date is a very important provision in the final legislation. It has been suggested by the State Department and others that this legislation may be violative of international law. There are other questions raised by the State Department as to whether this legislation does not undo the work that has been undertaken in the Law of the Sea Conference. It has been strongly hinted or suggested that the Law of the Sea Conference may effectively develop an overall convention next year. It is also the opinion of the State Department that if the session in New York early in the year is not successful, there is a strong likelihood of the possibility that a second session would be forthcoming next year and that the second session would produce results in the form of a convention or international arrangement which we could all support.

I think it would be very important and profitable if indeed the Law of the Sea Conference was effective in developing an international convention. This would solve the problem we face in this case while at the same time meeting many of the reservations that have been expressed by the State Department and, I might say, expressed very strongly by the President of the United States.

So I hope that the committee and the conferees later will take into consideration any Senate provision whereby the effective date of this legislation would be extended into late 1976. I believe it would meet many of the objections of the President, many of the legitimate questions raised by the Secretary of State, and it would be a very profitable accommodation as far as the implementation of this law is concerned.

Mr. Chairman, I rise in support of H.R. 200, the Marine Fisheries Conservation Act of 1975. This legislation is the culmination of intensive subcommittee and full committee markup in the Merchant Marine and Fisheries Committee. The committee analyzed and deliberated over each and every section of this bill over a period of weeks. Much of the impetus for this legislation came from Mr. STUDDS, although, of course, a number of changes have been fashioned. It has been fashioned into a comprehensive fisheries conservation and management program, which will provide the means to insure that our fisheries are restored and remain viable for generations to come. This management machinery will be needed whether or not the Law of the Sea Conference ever reaches a conclusion. We are, in effect, implementing prior to ratification what appears to be world consensus with respect to fisheries.

H.R. 200, as reported by the committee, embodies as its cornerstone the concept of optimum sustainable yield. This management concept is based upon an understanding of the biological ability of our fishery resources to reproduce themselves and still withstand a reasonable amount of harvesting. The level at which a fishery can be harvested without triggering an irreversible decline in resources is called the maximum sustainable yield. The concept of optimum yield permits the fisheries managers in establishing quotas to reduce the catch below maximum yield or to increase the catch beyond maximum yield on a temporary basis as circumstances warrant. The key to optimum yield is, therefore, flexibility.

A second fundamental concept embodied in H.R. 200 is that of sharing excess stocks. This is a cornerstone of the U.S. negotiating position in the Law of the Sea treaty. Contrary to the misconceptions that have been circulated regarding this legislation, H.R. 200 does not preclude foreign fishing off our shores. Our recognition of this obligation to share the resources with the world community in effect places the United States in the forefront of worldwide efforts to make available the maximum amount of protein that can be safely harvested from the sea. Clearly, American fishermen cannot harvest the resources within 200 miles of the United States up to the level of optimum yield for most species. Foreign nations will be permitted to continue to fish as they have in the past but under sound management programs.

Foreign and domestic fishing will be conducted under these fundamental principles of optimum yield and sharing of excess stocks by means of management plans which will be promulgated by councils composed largely of State, public, and fishery representatives subject to the overall authority of the Secretary of Commerce.

Three councils have been proposed for the Atlantic coast, recognizing the great diversity of fisheries that range from Maine to Florida. One council has been established for the gulf coast, one for the west coast, and one for Alaska which will include representation from Oregon and Washington. Finally, a council is proposed for the Western Pacific area, including Hawaii, Samoa, and Guam. The councils, by means of hearings at the local level within their respective geographic areas and with expert advice and assistance from the Secretary of Commerce acting through the National Marine Fisheries Service, will develop management plans as needed on a species-by-species basis. These plans upon approval by the Secretary will be the subject of further hearings at the national level. A system of management plan development has been carefully structured to insure that the local interests of the coastal areas, as well as the national interest, will be fully protected and taken into account. Foreign fishing, both for species under management and for those that do not require specific management plans, will be conducted under a permit system.

The permit system developed in H.R. 200 is one of its more innovative features. Foreign nations wishing to have their fishing vessels engage in fishing within the zone will apply to the United States for permits. The Secretary of Commerce after consulting with the Secretary of State, the Coast Guard and the local councils, may grant these permits under appropriate conditions which he will establish to insure that the foreign fishing effort is consistent with the underlying principle of optimum yield. Licenses will be issued to the foreign vessels. The bill contains comprehensive provisions dealing with enforcement of these regulations. The permit system will greatly facilitate Coast Guard enforcement and surveillance. The United States will know specifically which vessels are authorized to engage in fishing within the zone, what species they are taking, and in what quantities. We have carefully avoided imposing criminal sanctions against foreign vessels except in those instances where a boarding officer is physically threatened. Under those circumstances, he would have the authority to arrest.

As my colleagues undoubtedly know, many of our fisheries are now the subject of international agreements. While there are a number of treaties dealing with fisheries off the United States, much of the foreign fishing is conducted under bilateral executive agreements. The legislation does not, and I must repeat, does not abrogate any treaties. It simply directs the Secretary of State to make a good-faith effort to renegotiate these treaties so that they will be conformed to the requirements of this legislation. The Secretary is directed to report annually to Congress beginning next May with respect to these efforts to renegotiate treaties.

So far as the bilateral agreements are

concerned, virtually all of them will expire by their own terms within a year. The legislation states that if either the United States or the foreign nation wishes to extend or renew a bilateral fishery agreement, this can only be done under the terms of this legislation. However, again, the legislation does not abrogate any existing bilateral agreement. They will simply be allowed to die a natural death. Frankly, under the comprehensive management program established in this legislation, the type of bilateral agreements that we have entered into in the past are inappropriate. Essentially, what they did was grant concessions to foreign nations in return for those nations agreeing to refrain from fishing for certain stocks near our shores during specified periods of time. Under the management regime embodied in H.R. 200 and the permit system, the questionable bilaterals of the past decade can be forgotten.

H.R. 200 attempts to deal with the complex question of Federal/State relations. It is an unfortunate fact that many of our coastal States have failed in the past to deal effectively with common resources. Although we have had for many years three marine fishery commissions under federally approved compacts, the commissions have been unsuccessful in achieving uniformity among the laws of their respective States. The fisheries of the United States in most cases are found off the shores of a number of States, and if a fishery is to be managed on an intelligent basis, the management plan must be the same. Conflicts between the States could well undermine our efforts to achieve the goals of this legislation. The legislation does, therefore, authorize the Secretary to override State management of a specific fishery within the territorial sea if he finds that the State has either taken an action or failed to act in such a way that will both substantially and adversely impact upon the management plan. A few comments about this are in order, since a number of States have expressed concern about Federal preemption.

First of all, the finding by the Secretary can only be made with respect to a specific fishery for which a management plan has been promulgated. There can be no blanket Federal override of State management. Second, the finding made by the Secretary is fully subject to the requirements of the Administrative Procedures Act, and any State which feels that it has been adversely affected has the full right of appeal. This is a very narrowly circumscribed Federal override provision. The conditions under which the Secretary might exercise this authority will be extremely limited. I expect that since the management plans are promulgated by councils composed of local and State people, these same people will make every effort to insure that their States are in harmony with the management plans they have developed, and there will be few occasions when an override will become necessary.

H.R. 200, of course, does not attempt to encompass the management of highly migratory species such as tuna which the United States recognizes is only susceptible of international management. This is consistent with the U.S. negotiating position in the Law of the Sea Conference. The legislation does extend the management authority of the United States to anadromous species such as salmon—again, consistent with the U.S. negotiating position. Conservation measures dealing with anadromous species seaward of the 200-mile limit are subject, however, to negotiation with foreign nations under article 7 of the Geneva Convention on Fishing and Conservation of the Living Resources of the High Seas.

The extension of the fisheries zone to the 200-mile limit will occur on July 1, 1976, following the next session of the Law of the Sea Conference. If a treaty is concluded, there is authority granted to the Secretary to conform the regulations of this act to the terms of the treaty. This leadtime is necessary also in order to establish the councils and to put into motion all of the management mechanism created by the act. This is an extremely comprehensive bill. A great deal of thought and time has gone into its preparation. It is not the result of hasty or ill-conceived action. It is the culmination of years of effort.

This morning, at the Republican Conference, several representatives of the Defense and State Departments spoke in opposition to this legislation. Mr. John Norton Moore, the head of the Inter-Agency Task Force on the Law of the Sea, summarized this opposition as follows:

> 1. The enactment of this legislation would be contrary to our fisheries interests;
>
> 2. It has been the policy of the United States to oppose unilateral actions for the past thirty years;
>
> 3. The objectives of H.R. 200 have already been embodied in the so-called "single negotiating text" and thus are, in effect, "in the bag".
>
> 4. Finally, Ambassador Moore announced a new two-year phased program of intensified efforts to negotiate with foreign nations to achieve the same goals embodied in H.R. 200.

The Department of Defense spokesmen concentrated on the possibility that other nations would, as he put it, retaliate against the United States by declaring 200-mile territorial seas, thus closing a third of the ocean waters to our ships and denying us transit through various international straits.

Ambassador Moore brought with him a chart showing the relative importance of our various fisheries to buttress his argument that this legislation would be contrary to our most important fisheries interests. The chart showed that the value of our shrimp fishery at $200 million; our salmon fishery at $120 million; and our tuna fishery at $90 million. In contrast with these figures, he reported that the value of our so-called coastal fisheries was only $50 million. I assume that his dollar figures are correct; however, I have been advised that the overwhelming majority of the shrimp and the salmon are caught within 200 miles and, indeed, within 20 miles of the shores of the United States. The majority of U.S. shrimp fishermen do not fish off the coast of other nations. Of course, our catch off Mexico and Brazil is substantial—there is no question about that. But to assert that the entire fishery is in jeopardy is sheer nonsense. So far as salmon is concerned, virtually all of the U.S. catch is taken close in-shore—well within 200 miles. It is quite true that the Japanese now refrain from fishing for salmon on the high seas under an agreement that has been in effect for many years. But in return for this agreement to abstain from salmon fishing, the Japanese are permitted to harvest tremendous quantities of crab and pollack off our coasts. Indeed, the most important Japanese fishery off the U.S. coast is the Alaska pollack. While the salmon which the Japanese catch is re-exported to the United States, the pollack is consumed in Japan; it is one of the most important elements in the Japanese diet. Ambassador Moore would have us believe that the Japanese are willing to forego the pollack fishery and the crab fishery within 200 miles of Alaska under a permit system in order to engage in the high seas fishing for salmon and that the U.S. would then allow this salmon to be imported into our country. Ambassador Moore's comments in regard to tuna are equally questionable. He has suggested that our $90 million catch of tuna and our very modern tuna fleet will be lost if H.R. 200 is enacted. However, that the single negotiating text of the Law of the Sea Conference fails in itself to protect our tuna industry in that it does not impose upon Ecuador and Peru any obligation to permit our tuna fishermen to come within 200 miles of those nations. There is, therefore, unfortunately, no sure basis for believing that our tuna industry will be protected by this treaty if and when it ever materializes. I believe in fact that H.R. 200 will assist the majority of our fisheries.

So far as our 30-year policy of no unilateral action is concerned, it needs only be noted that President Truman in 1945 by proclamation asserted U.S. jurisdiction over the mineral resources of our continental shelf as far seaward as they are capable of being exploited. This unilateral action was followed in 1953 with the Outer Continental Shelf Lands Act which set forth the mechanism for Federal licensing on the Outer Continental Shelf. In 1966, the Congress, over the strenuous objections of the State Department, unilaterally declared our present 9-mile contiguous fishery zone. So much for a 30-year policy.

Ambassador Moore says that our fisheries policy as embodied in the Law of the Sea "single negotiating text" is, and I quote, "in the bag". Again, however, he fails to state that nothing else is "in the bag"—and the consensus on a 200-mile economic zone can come unglued any time as nations begin negotiations with respect to transit rights, the deep seabed regime, pollution control, scientific research, and all the other issues in the Conference, upon which no consensus has yet been reached. Indeed, the consensus on a 200-mile economic zone is a captive that is being held out to us as a carrot in hopes that we will concede in the Law of the Sea negotiations on a variety of other issues that are close to the hearts of the developing nations. The "single negotiating text" on the regime for the deep seabed is a panacea from the standpoint of the United States. Yet, the United States is going to be under intense pressure to cave in on this issue in order to preserve the consensus on the economic zone and in order to achieve our transit position that is of such concern to the Department of Defense. The United States has maintained throughout this Conference that we will accept only a package deal. Consequently, our acceptance of the consensus on a 200-mile economic zone is dependent upon achieving success in all other areas of the Law of the Sea Conference as well. Consequently, nothing will be "in the bag" until everything is "in the bag."

Ambassador Moore has suggested a new program to achieve by negotiation what we would do by H.R. 200. It is important to note that this was referred to as a 2-year phased program to achieve the results of H.R. 200. Why will this take 2 years of private negotiation outside the scope of the Law of the Sea Conference if, as Ambassador Moore would have us believe, the Law of the Sea Conference will be able to conclude its work in 1976? In this regard, much is made of the recent fortuitous negotiations regarding fisheries off our New England coast in ICNAF. That success was achieved simply because the Soviet Union and the other East European countries decided to support the United States.

Was this decision a result of their concern for the conservation of the resources? If so, how do we explain their lack of concern over the past decade? Clearly, this change of heart is the result of their anticipation that the United States now has the resolve to take action. If we fail to act, I doubt that we will see any more of this new Russian spirit of conciliation at the next meeting of ICNAF in 1976.

I sympathize with the position of the Department of Defense. Even if a 12-mile territorial sea is adopted as a result of the Law of the Sea Conference, a number of very important straits may be affected. Again, however, the "single negotiating text" does not resolve the issue in our favor, but leaves it totally open for further negotiation. The only way which H.R. 200 will adversely affect the Defense Department position will be if all other nations in retaliation declare broad territorial seas and abandon the Conference. No reasoned arguments are given, however, to substantiate this fear that the Conference will collapse. Why will all other nations retaliate against the United States for taking these steps today? Will not the rest of the world perceive that it is in their collective best interest to remain in the Conference and attempt to reach a consensus on the seabed regime and the other vital issues? I question if the position of the Defense Department gives much credit to the intelligence of the developing nations of the world.

Finally, Mr. Chairman, I would like to comment upon the argument that the action we propose to take today is in violation of international law. This argument rests principally upon the decision of the International Court of Justice in the *Icelandic* case wherein the Court ruled that Iceland could not assert its 50-mile fisheries zone against the United Kingdom. Those who cite this decision fail to point out the reason the Court ruled against Iceland. The judgment of the court was based upon the fact that Iceland, prior to extending its fisheries zone, had by treaty agreed to negotiate with the United Kingdom over fishing rights of British vessels that had fished off Iceland for more than half a century. Given Iceland's violation of this treaty commitment, the Court had no choice but to rule in favor of the United Kingdom. Each judge of the Court rendered an opinion. Depending upon which judge one chooses, you can find arguments on every side of the issue. A consistent thread runs through the dicta of most of the judges and that is a coastal State may take action to protect the fisheries upon which it is particularly dependent, provided it gives due recognition of the legitimate interests of other nations that have fished off the coastal State's shores—and that is precisely what H.R. 200 does.

Mr. Chairman, I apologize for taking so long to discuss this bill. It is however, extremely important and merits full consideration. I do not take lightly the concern of the administration. I firmly believe, however, that on balance, we are acting in a responsible manner.

Mr. Chairman, I yield back the balance of my time.

Mrs. SULLIVAN. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, I want to express my very real and strong personal gratitude to the chairman of this committee, the gentlewoman from Missouri (Mrs. SULLIVAN); to the chairman of the subcommittee, the gentleman from California (Mr. LEGGETT); and to the ranking minority member, the gentleman from Michigan (Mr. RUPPE); and, if this does not sound too trite, to all the members of the committee who have approached this legislation in about as nonpartisan a manner as I think any issue can possibly be approached.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I would like to acknowledge that this bill would not be on the floor today if it were not for the gentleman in the well. He has been the sparkplug for my term as chairman of the subcommittee and he has worked to perfect the bill in its present form.

Mr. STUDDS. I thank the gentleman.

I want to say this for those Members who are really echoing the words of the State Department, that the chairman of our committee (Mrs. SULLIVAN), over the very strong objections of this Member in the well and a great many others, for 2 years insisted, in what seems in retrospect an extremely responsible fashion, that we wait and give the Law of the Sea a chance. Over my objections our committee did wait throughout 1973, and over my objections our committee did wait throughout 1974.

I do not think that the Department of State or anyone else can suggest that the gentlewoman from Missouri has been anything other than responsible to a fault with respect to adhering to the wishes of those who said that the Law of the Sea could solve this problem. There is no Member of this House who would not prefer to see the problem resolved by international agreement, no one, and we have waited and we have waited and perhaps some day it will be resolved in that fashion.

Mr. Chairman, as the original sponsor of H.R. 200, I speak in favor of its passage. Since I first introduced the bill in June of 1973, the House Merchant Marine and Fisheries Committee has held almost continuous hearings on the bill, the need for urgent conservation measures to prevent destruction of our marine fisheries, and on the possible international implications of U.S. action. The committee's consideration of the issues involved was most deliberate and exhaustive, and the committee wrote its substitute only after 2 years of extensive hearings and study.

The need for this bill, Mr. Chairman, is urgent.

World fish landings have tripled since 1938. U.S. landings during the same period have remained almost steady, increasing from 4.3 billion pounds in 1938, to only 4.7 billion pounds in 1973. To meet the needs for increased fish consumption in the United States, imports of fish more than tripled between 1959 and 1973. These increased imports led to a 1972 balance of payments deficit of $1.3 billion in fish and fisheries products, up 318 percent over 1960. A recent study conducted for the Commerce Department showed that this trend will continue unless there is a major change in Federal policy.

Foreign fishing fleets began to work the fishing grounds off our shores in earnest in the 1960's, and have since then decimated the populations of some fish species, driving them to commercial extinction. The continued foreign fishing efforts threaten the commercial extinction of still more species in coming years. In addition to exciting the serious concern of conservationists and commercial and sports fishermen, this depletion of fish stocks threatens to destroy a protein-rich food source which should be saved to help feed hungry people throughout the world. If properly managed as a renewable resource, these ocean fisheries can supply large amounts of protein-rich food each year. I believe it would be immoral for the Government of the United States to stand idly by, and by so doing allow this food resource to be destroyed.

I believe the Georges Bank fishing grounds off New England, which are regulated by the International Convention for the Northwest Atlantic Fisheries—ICNAF—provide an obvious and typical example of the failure of current international agreements to meet this problem. Before 1960, Georges Bank was fished almost exclusively by U.S. vessels. In 1961 the Soviet Union entered this fishery, and by 1965 the Soviet catch off our east coast was over half a million tons, far exceeding our own catch. In June 1967, the ICNAF treaty was signed. By 1970 additional countries had joined the fishery and the total foreign catch off our east coast had grown to more than 1 million tons, far above the allowable harvest calculated by fisheries biologists. The U.S. share of the fish catch off our east coast declined from 92.9 percent in 1960, to 50 percent in 1974. In the Georges Bank and southern New England areas regulated by ICNAF, the U.S. share of the catch declined, respectively, from 88 percent and 100 percent in 1960, to 10.4 percent and 11.8 percent in 1972. Haddock had become almost commercially extinct, and other species were severely threatened.

The executive branch is thoroughly aware of the depletion of our coastal fish stocks by foreign fleets. In a June 6, 1973 letter for the records of the House Merchant Marine and Fisheries Committee, John Norton Moore, speaking for the State Department, stated that—

> The Executive Branch appreciates the need for greater control over fisheries off our coasts.

In the State Department's May 1974 official report on fisheries jurisdiction extension legislation, the Department said:

> We recognize that the coastal fishermen of the United States have encountered severe problems in recent years and that overfishing for some species has caused depletion of the stocks involved. Accordingly, we are sympathetic with the need for a solution to the genuine problems which have prompted this bill.

The report went on to admit that—

> Recognizing that the Law of the Sea Conference will take time to complete its work, and that there will be additional delays pending ratification, there is indeed an interim problem with respect to our coastal fisheries.

The Department then announced steps "to enhance the protection of our coastal stocks and to alleviate the problems of our coastal fishermen" until a Law of the Sea Treaty becomes effective. These steps consisted primarily of "working to strengthen both bilateral and multilateral agreements with nations whose nationals conduct fishing operations off our coast."

In support of hopes for this worthy goal, the Department cited a new ICNAF agreement that the catch limits for 1976 would be established at levels low enough to allow the fish stocks to recover to the maximum sustainable yield level. That fine-sounding policy statement by ICNAF was ignored at the annual meeting this spring, and the United States had to formally object to the quota for the taking of finfish off the New England and mid-Atlantic coasts next year, "on the basis that the allowable catch amount is too high and threatens future productivity." ICNAF finally agreed at its special meeting in Montreal last month to reverse its decision and fulfill its promise—but it did so only after one of the most concerted diplomatic efforts the United States has ever undertaken for a fisheries negotiation, including a personal letter from President Ford to the meeting. It is unrealistic to expect that this same kind of concerted diplomatic effort will be conducted for every fishery negotiation in which the United States is involved during the next few years. Consequently, I believe that it is erroneous to use the result of this massive diplomatic effort to predict success in future negotiations on bilateral and multilateral fisheries agreements.

Mr. Chairman, the rape of the fisheries resources off our coasts is still continuing. While a few modest gains have been made in the last 2 years for particular species, and in increasing the U.S. share of the dwindling overall supplies of fish in specific areas, the basic problem remains the same. The State Department efforts to increase the effectiveness of our bilateral and multilateral fisheries agreements have succeeded only in making minimal changes, not in reversing the severe and continuing depletion of fish. The crisis still exists, and is getting more serious as the months and years pass by.

When Under Secretary Maw testified before the Senate Commerce Committee on September 19, he announced a continuation of efforts to increase the effectiveness of the bilateral and multilateral treaties. This is the same effort the State Department has been engaged in for the last 2 years, with minimal effect. The crisis is real. It will not, in my opinion, wait for the diplomats to complete their meetings and negotiations many years in the future. Consequently, I believe the United States must act, in as responsible a way as possible, to unilaterally end the foreign exploitation of the fisheries off our coasts. It is my conclusion that the only way we can get off dead center and protect this food resource is to act promptly and pass H.R. 200 as reported by the Committee on Merchant Marine and Fisheries.

Mr. Chairman, the State Department has urged the Congress to delay passage of H.R. 200 until after conclusion of the Law of the Sea meeting in New York next spring. They have pressed similar requests, coupled with predictions of a completed treaty at the coming session, for each session since the late 1973 preparatory meetings in New York. Following the last session of the Law of the Sea Conference in Geneva, John Norton Moore, who has heretofore been the administration spokesman to the Congress on H.R. 200, finally admitted that these rosy predictions which precede each session are just that—

> In previous testimony before this Committee, I have indicated that there were reasonable prospects of adhering to the General Assembly schedule and completing the work of the Conference during 1975 . . . I regret to report to you that I was wrong and that this schedule was overly optimistic. It is now clear that the negotiations cannot be completed before mid 1976 at the earliest and at this time it is not clear whether or not a treaty can be completed during 1976.

At the oversight hearing held by the International Relations Committee on September 24, Under Secretary of State Maw stated in response to a question that he could not say whether or not the Law of the Sea Conference would conclude negotiation of a treaty within 3 to 5 years. If the United States were to wait that long for truly effective fish conservation and management authority, the continuing foreign fishing would have destroyed the fish, and we would be guilty of standing idly by while an important world food source was destroyed.

While the most controversial feature of H.R. 200 is its provision for extension of U.S. fisheries conservation and management jurisdiction to 200 miles from our coast, effective July 1, 1976, the bill also establishes a structure of regional fisheries management councils charged with responsibility for adopting conservation and management plans for each depleted or threatened species of fish. The regional councils would be created immediately after passage of the bill, and the adoption of conservation rules applying to both U.S. and foreign fishing would be well underway before the July 1, 1976, extension of U.S. fisheries jurisdiction under the bill.

H.R. 200 does not abrogate or violate U.S. obligations under existing treaties. These treaties will continue to be honored until their legal termination, or their renegotiation as provided for in section 202 of the bill.

Mr. Chairman, the United States has long been a leader in establishing international law with respect to the oceans, and has taken previous unilateral actions. President Truman's unilateral proclamation of 1945 that the United States would exercise jurisdiction over the living and mineral resources on and under the Continental Shelf was not codified into international law until the 1958 Law of the Sea Conference concluded its meetings some 13 years later. The extension of United States fisheries jurisdiction by the Congress from 3 to 12 miles in 1966 was also a unilateral action, and is still unrecognized in codified international law. The United States does arrest foreign fishing vessels which violate our 12-mile fisheries jurisdiction, and these arrests have not led to international confrontations.

The current trend in international law, exemplified by the almost universal acceptance by countries at the Law of the Sea Conference, is toward a 200-mile economic or fishing zone for coastal countries. By passing H.R. 200, the United States would not be reversing its long-standing policy, but would be continuing its tradition of recognizing trends in international law regarding conservation and management of fisheries resources, and of acting in accordance with those trends to protect the living resources of the sea.

H.R. 200 is explicitly an interim measure, which would apply only until the Law of the Sea Conference can complete an acceptable treaty. That Conference is basically agreed on the fisheries provisions of such a treaty, but is currently stalemated over deep-sea mining and other issues. It is not possible to predict that the Conference will complete an acceptable treaty within the near future, or even that it will ever complete such a treaty. Passage of H.R. 200, which is consistent with the consensus at the Conference on fisheries jurisdiction, may provide the needed stimulus toward completion of negotiations on the other issues. I believe the United States must take interim action now to stop the destruction of its coastal fisheries, consistent with the developing principles of international law.

Mr. Chairman, H.R. 200 has widespread support throughout the United States. Among the national organizations endorsing H.R. 200 are the AFL–CIO, Friends of the Earth, the Environmental Policy Center, National Fisheries Institute, National Federation of Fishermen, National Coalition for Marine Conservation, American League of Anglers, and the Society for Animal Protective Legislation. Additional organizations which support the 200-mile limit include the Izaak Walton League, National Wildlife Federation, Sport Fishing Institute, American Fishing Tackle Manufacturers Association, National Sporting Goods Association, Emergency Committee to Save America's Marine Resources, National Restaurant Association, Defenders of Wildlife, Animal Protection Institute, the Humane Society of the United States, Fund for Animals, the International Game Fish Association, National Coalition of Patriotic Societies, and the New England Governors' Conference. All of these organizations recognize the need to act immediately to protect the fish off our coasts from elimination by foreign fleets.

The Congress expressed its concern officially in late 1973 by passing Senate Concurrent Resolution 11, which states that—

> It is the policy of the Congress that our fishing industry be afforded all support necessary to have it strengthened, and all steps taken to provide adequate protection for our coastal fisheries against excessive foreign fishing, and further that the Congress is fully prepared to act immediately to provide interim measures to conserve overfished stocks and to protect our domestic fishing industry.

The House version of that resolution, House Concurrent Resolution 173, which contained this same language, passed on December 4, 1973, by a unanimous 405 to 0 record vote. Passage of that resolution made it the policy of the Congress to take action to protect our coastal fisheries, H.R. 200 will provide that protection. H.R. 200 is consistent with the U.S. negotiating position at the Law of the Sea Conference. H.R. 200 is consistent with the evolving trend of international law, which is embodied in the emerging consensus at the Law of the Sea Conference. H.R. 200 will prevent destruction of an important source of protein-rich food. H.R. 200 is a vitally needed conservation measure. I support and urge its passage.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, would the gentleman accept an amendment to the bill providing that nothing in this bill violates the customary law of the high seas or of a treaty that shall be in effect?

Mr. STUDDS. This gentleman will be delighted to accept that if we can agree on the definition of customary law.

Mr. ECKHARDT. Would the gentleman accept that amendment?

Mr. STUDDS. Not until we know what we are talking about.

Mr. ECKHARDT. If we leave out "customary law"?

Mr. STUDDS. There is no clear existing international law of the sea. The claims of nations range from 3 to 200 miles.

The gentleman from California (Mr. DON H. CLAUSEN), through whose courtesy we have the bill number (H.R. 200), made the observation quite rightly that all the arguments have been made.

Finally, then, let me say this.

I would ask the Members of this House, is it really more irresponsible for us to wait until next year or 5 or 6 years for ratification of an international agreement, or to act now on an issue which is basically one of food? If we heed the advice of the Department of State and we wait for an international agreement, we may find ourselves with the finest agreement in the history of international negotiations, but it will also be an entirely academic one, because by the time an agreement can be negotiated and ratified and come into effect, there will be no fish—no fish in the major coastal areas of this Nation for it to protect.

I would suggest that in a world where people are starving to death, for this Nation to stand by and do nothing and to see the largest single sources of protein on the face of the Earth permanently depleted because we, at the urging of the Department of State, chose to be cautious, I suggest that in the long run of history that would probably be the most irresponsible act of all.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, first of all I want to thank the gentleman for yielding to me and to commend him for a very fine statement. He has taken the leadership from the very moment he arrived in Congress, and I think my colleague has shattered beyond any question all the ballyhoo concerning international law and treaties and the suggestions by the State Department that we wait.

Speaking for my own district, my fishing industry is practically destroyed, and one of the major factors is the manner in which the foreign trawlers have just raked our shores of everything in sight. I have just one question which I might pose to the gentleman dealing with what is meant by "highly migratory fish."

I had a question concerning a few species, and I wonder if I could address this question to the chairman or to the gentleman in the well. I want to know whether, for instance, mackerel, Spanish mackerel and bluefish would fall into the category of nonhighly migratory fish.

Mr. STUDDS. Bluefish are not highly migratory, and would therefore be covered by the bill. There are several different kinds of mackerels. Frigate mackerels are highly migratory, and are so listed on page 48 of the committee report. All other mackerels, including Spanish mackerel, are not highly migratory and would be covered by the bill.

Mr. HUGHES. I thank the gentleman.

Mr. STUDDS. Mr. Chairman, members of the committee, I think we have said it all. The hour is late. We have work to do, and I would hope that when we go home on this recess we can say to the people of this country that we remembered what we said 2 years ago in this body when we passed Senate Concurrent Resolution 11. The Congress and this House 2 years ago said that, "It is the opinion of the Congress that all steps be taken to provide adequate protection for our coastal fisheries against excessive foreign fishing, and that the Congress is fully prepared to act immediately to provide interim measures to provide full assistance and protection for our fishing industry."

Two years, even for this Congress, is time enough, and I hope that we will not have any further explaining to do on this recess.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield for two questions?

Mr. STUDDS. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, do I understand the gentleman to urge that this law, if enacted, will be in accordance with international law?

Mr. STUDDS. It is my contention that we are not, in this legislation, violating international law.

Mr. McCLOSKEY. The gentleman is not violating international law. Is he then stating that this is in accordance with international law?

Mr. STUDDS. I would assume that the gentleman himself is a lawyer and would probably draw that implication.

Mr. McCLOSKEY. It is a simple question. It can be answered yes or no.

Mr. STUDDS. It can be answered yes or no, I say to the gentleman——

Mr. McCLOSKEY. Is it in accordance with international law?

Mr. STUDDS. I say to the gentleman that it can only be answered "Yes" or "No" if the two people engaging in the colloquy agree on the definition of international law at the moment.

Mr. McCLOSKEY. The gentleman cannot answer the question, is that what I understand his answer to be?

Mr. STUDDS. I will repeat the argument, if the gentleman wishes.

Mr. McCLOSKEY. My second question is, Is it the gentleman's contention that this bill, if enacted into law, will not violate any treaty we have with other nations?

Mr. STUDDS. It is.

Mr. McCLOSKEY. It is the gentleman's contention that it will not violate any treaty with the Soviets, the Japanese and any other nation?

Mr. STUDDS. Yes.

Mr. McCLOSKEY. If that should be demonstrated to the contrary, with the well-known respect of the gentleman for the law, would he take the bill off the calendar?

Mr. STUDDS. We have spent 3 very full years in examining this matter.

Mr. McCLOSKEY. The gentleman can concede that the law should not be enacted?

Mr. STUDDS. If the gentleman can convince me of that.

Mr. McCLOSKEY. I can, and I mean to offer an amendment that would make any dispute arising under this law subject to International Court of Justice.

Mr. STUDDS. The gentleman has an extraordinary way with logic, may I say. I would assume that whether or not such a provision is included, this Nation would act with respect to the International Court in the way in which it normally does.

May I say to the gentleman that he cited the International Court's decision with respect to the United Kingdom and Iceland. That was a very parochial decision dealing with a particular instance. The gentleman neglected to point out that a key finding of the Court in deciding in favor of the United Kingdom and against Iceland was the fact that the United Kingdom had been fishing for centuries off the coast of Iceland and had established a historic pattern, whereas all the Soviet and Japanese fleets have been off the coast of this Nation for only 15 years.

Mr. McCLOSKEY. What about our fishing off the 200-mile limits of other nations? Have we not been fishing just recently off the coasts of Equador, Brazil, and Peru?

Mr. STUDDS. The gentleman well knows that we have exempted from the bill the highly migratory species.

Mr. McCLOSKEY. That is a nice gesture on our part, to say that we are exempting some species of fish from those territorial waters or other waters, but we will include all territories.

Mr. STUDDS. We did not dream that up, I will say to the gentleman. That is not only the negotiating position of the United States at the Law of the Sea Conference, it is the consensus of the single negotiating text at the Conference.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. I thank the gentleman for yielding. Considering the fact that the gentleman from California wants us to submit to the so-called international court of justice, specifically, in this legislation, to bring us under international law, would it not be obvious that if we are under international law we would not have to make a statement that we are objecting to an international court, No. 1; and, No. 2, if there is an international law on the 200-mile limit, why is it that no case has been brought to the bar with respect to the 10-year-old legislation of all of the Latin American and African states?

Mr. STUDDS. I would agree with the gentleman. And may I point out that the 12-mile jurisdiction of this Nation, fisheries jurisdiction, to which the gentleman from California (Mr. VAN DEERLIN) referred during the debate on the rule as "our time honored 12-mile limit," is precisely 9 years old and came into existence by the unilateral action of this Congress 9 years ago. Although I was not here, I cannot imagine that the Department of State was not saying exactly the same thing then as they are saying now. And may I say, furthermore, to the gentleman that, at worst, international law is arguable; and if it is arguable, for once might I plead with this Congress to act on behalf of the United States and not to bend over backwards in efforts to make that law read that we should not act. We have done it before. There is ample precedent for it. Existing international law is totally undefined, and our action is well within the limits of international law.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield for the purpose of a question?

Mr. STUDDS. I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. I thank the gentleman for yielding. Certainly, I appreciate the gentleman's sincerity and his concern, and we all join in his concern for the best interests of the fishing industry in this country. But will not the gentleman agree that this legislation does have serious foreign policy implications?

Mr. STUDDS. If the distinguished member of the Committee on International Relations is endeavoring to have me concede that his committee has jurisdiction, I do not believe we have enough time for him to do that.

Mr. ZABLOCKI. If the gentleman will yield further, I merely asked whether there is indeed serious foreign policy implications in it.

Mr. STUDDS. There are clearly foreign policy implications.

Mr. ZABLOCKI. Would it not be preferable if this legislation were sequentially referred to both committees?

Mr. STUDDS. It not only would not have been preferable, it would be in violation of the rules of this House, clearly.

Mr. Chairman, I urge the adoption of the bill.

Mr. ZABLOCKI. It would take the rest of the afternoon to discuss that issue.

Mr. Chairman, I am compelled to oppose the bill, H.R. 200. This legislation contains serious and far-reaching foreign policy implications. The measure should have been sequentially referred to the House Committee on International Relations. H.R. 200, in both its language and implications, impinges upon the committee's jurisdiction over relations with foreign countries generally, the establishment of boundary lines between the United States and foreign nations, international conferences and congresses, and the United Nations organizations.

Sequential referral was denied the International Relations Committee; therefore, pursuant to rule X, clause 3(d) of the rules of the House, the committee held hearings and met in open sessions to consider an oversight report on the foreign policy implications of H.R. 200. That report is in the printing process and denied to this body because of the unnecessary hurried consideration today by this House.

In brief, Mr. Chairman, the majority view—15 aye to 5 nay, 1 present—of our committee as expressed in the report is that a unilateral extension of the U.S. fishing zone from 12 to 200 miles as required in H.R. 200 would have serious foreign policy implications for the United States.

The report stresses the following points:

The broad range of U.S. ocean interest can best be protected by international agreements, not by unilateral actions such as those required in H.R. 200.

H.R. 200 would damage U.S. objectives at the Law of the Sea Conference including our efforts to obtain special agreements for salmon and for distant-water fisheries such as tuna and shrimp. With respect to distant-water fisheries, U.S. nationals conduct a significant amount of fishing off the coasts of 17 foreign countries—none of which claim a 200-mile jurisdiction.

There are alternative means now in motion for achieving a transition to a 200-mile coastal economic zone by international agreements, not by unilateral action. In addition to the Law of the Sea Conference, the President has initiated efforts to negotiate an interim 200-mile zone under existing agreements.

Unilateral action will adversely affect other important U.S. foreign policy interests including our vital need to insure freedom of commercial navigation for transport of such crucial commodities as oil.

H.R. 200 could very well provoke retaliatory action by other nations.

The enforcement measures contemplated by the bill are expensive—more than $640 million over the next 5-year period according to the Merchant Marine and Fisheries Committee report—and, by the admission of one of the bill's principal supporters, unenforceable for all practical purposes.

The bill is inconsistent with longstanding U.S. policy in opposition to unilateral ocean claims. If this bill is enacted, the United States would become the first major power to make such a claim.

H.R. 200 would violate or disrupt U.S. obligations with respect to six multilateral treaties in 11 bilateral treaties involving 18 other countries.

H.R. 200 is not an interim measure which would be supplanted by a new law of the sea treaty as claimed by the bill's supporters.

Section 205 of the bill gives the Secretary of Commerce discretionary—not mandatory—authority to conform the proposed legislation to any future law of the sea treaty. There is no assurance that the legislation, if enacted, would be superseded by a new multilateral convention on the seas.

Section 203 of the bill requires the Secretary of State to undertake, within 90 days of enactment, negotiations with foreign nations off whose coasts U.S. vessels fish in order to obtain agreements permitting access of U.S. vessels.

If such a nation refuses to negotiate or violates such an agreement, an embargo on all seafood products of that nation is to be invoked.

The embargo would be mandatory with no waiver provision, thus tying the hands of the Executive even in cases of serious foreign relations problems.

The bill also assumes the Fishermen's Protective Act would remain applicable to some types of seizures within 200 miles of other countries.

Implementation of this provision would be seen as the height of hypocrisy by the rest of the world. If Congress finds, by enacting H.R. 200, that there is no current international law regarding fisheries in the 200-mile zone, what is the legal basis for the United States to assert that a claim to tuna in the zone is legal? We cannot have it both ways.

Mr. Chairman, in this regard the Committee on International Relations has received statements from the American Tunaboat Association, the Tuna Research Foundation, and the National Shrimp Congress—all of these organizations strenuously oppose H.R. 200.

In addition to the serious foreign policy questions raised by H.R. 200, the bill contains other imperfections. For example, the Federal Government will be incapable of immediately implementing the enforcement provisions and it is unclear whether they could ever be fully enforced.

Moreover, as reflected in the Merchant Marine Committee's rule request, the bill contains provisions which violate the germaneness rule and the appropriations process.

Finally, the bill does not contain any provisions for fisheries development which would seem to be a priority step at this point.

For all of these reasons, Mr. Chairman, I urge a "no" vote on H.R. 200.

Mr. DON H. CLAUSEN. Mr. Chairman, the list of people who have worked so hard to achieve enactment of H.R. 200 is virtually endless. It is difficult to single out a few because there are so many, but we owe a special thanks to Fred Phebus, who was secretary-manager of the Fishermen's Marketing Association in Eureka, Calif., during the time we considered the 12-mile limit.

It was Mr. Phebus and I who suggested 200 miles to the Senate Committee at that time.

Dennis Grotting of Eureka and Bill Grader of Fort Bragg have followed up on this issue with great diligence in advancing the views of the fishermen they represent.

And, too, Mr. Chairman, one of the most active groups in Northern California in support of H.R. 200 has been the fishermen's wives associations who have been totally dedicated to this important goal. Their continued efforts have helped bring this bill to where it is today.

At this point in the RECORD, I would like to read an editorial from the Advocate-News in Fort Bragg, Calif. I believe it succinctly sums up clearly the need for H.R. 200.

The article follows:

200-MILE LIMIT NECESSARY

The Law of the Sea conference concluded its session in Geneva two weeks ago, and so far as North Coast fishermen are concerned, it was a flop.

Each year larger foreign fishing fleets operate off the coast of Northern California, Washington, Oregon and Alaska.

The fishing capacity of the foreign fleets is much greater than our own, and though they fish for hake which has no commercial value here, the very size of their take has become a source of increasing concern to the local fishing industry since it can seriously alter the biological balance of the sea.

Further, three weeks ago, two Polish and six Soviet ships were observed taking what our government termed "more than incidental amounts of rock fish," and our government issued a warning to those two nations regarding violations of fishing agreements.

Our own Coast Guard has stepped up its program of enforcement of the agreement between the U.S. and U.S.S.R. which allows the Russians to fish for hake.

Nevertheless, more needs to be done by our government to protect the fisheries beyond our jurisdictional limits off this coast.

Since diplomacy has failed in the Law of the Sea conferences, we feel it is time for our congress to take unilateral action.

Congressman Don Clausen has proposed legislation which the congress should pass and the President should sign.

First, it would extend our territorial limits from three miles to twelve (the present jurisdictional limit) and establish a 200 mile Fisheries and Marine Resources Conservation Zone off our coast where the U.S. could regulate fishing. This would include the setting of seasons, net sizes, etc., but not interfere with nor regulate passage of foreign ships for any other purposes.

Second, it would assert congressional intent that jurisdiction over the taking of anadromous fish, such as salmon, belongs to the nation where the fish spawn; that jurisdiction over coastal species, bottom fish, belongs to the nation off whose shores the fish are taken; and that regulation of the taking of palagic fish, migratory species such as tuna, be set by international agreement.

The administration opposes such unilateral action because the State Department holds the position that all matters regarding the world's fisheries should be handled through bilateral or multilateral agreements.

But that position isn't getting the job done.

We believe that Congressman Clausen's bill not only does the job necessary but does so in a way that all fishing nations can live with it.

We urge the Congress to pass the bill and President Ford to sign it.

We further urge that the Congress provide the necessary funds for the Coast Guard, for the vessels and crews to properly enforce the law in a 200 mile zone.

The matter is urgent and the time to act is now.

Mr. ROGERS. Mr. Chairman, some concern has been expressed regarding the effect of this bill upon the States' regulation of fisheries within 3 miles of their shores.

I would like to say that I, as well as the other members of the committee, were well aware of these concerns, and the bill has been drafted accordingly. As drafted, the bill emphasizes the committee's intent that a State's jurisdiction not be diminished, except in those rare instances where it is found that with respect to a species which ranges both within and without the territorial sea adjacent to a State, a State has acted or failed to act in such a way as to substantially and adversely affect a fishery management plan.

I would emphasize that it is my understanding that this would be a most rare occurrence at most.

Furthermore, it is expected that the management plan will have been developed by the regional council, with the participation of all States concerned.

I am satisfied that this legislation, while containing safeguards to insure the effectiveness of fishery management plans, achieves the intent of leaving State jurisdiction unimpaired to the maximum extent possible.

Mrs. MINK. Mr. Chairman, I rise in opposition to H.R. 200, the bill which would extend the United States exclusive fisheries zone from 12 to 200 miles. The intent of the legislation—protection of certain species of fish and of the domestic fishing industry—is a laudable aim. But the question before us at this time must be viewed in a larger context, in the total picture of other actions by this country and by international negotiators at the Law of the Sea Conference which resumes its work in a few short months. The legislation on which we are asked to vote today is ill timed, extremely costly, and very likely unmanageable.

Extension of our fisheries zone to 200 miles would have obvious benefits for my State of Hawaii, a chain of islands which extends a full 1,300 miles from end to end. Designating the oceans surrounding this archipelago as waters to be under the jurisdiction of Hawaii would create one of the biggest fishing grounds in any ocean, a tremendously significant addition to our State's fishery potential.

Coming from an island area, where we all live close to the sea, I have long been interested in the matter of ocean resources and development of the riches which these waters hold for mankind. As the United Nations convened the Third International Law of the Sea Conference several years ago, this interest heightened when I realized the significance this had for Hawaii and for all ocean-bordering states. Third world nations—the group of 77—pushed for a 200-mile economic zone wherein countries bordering on the oceans could lay claim out to 200 miles on any and all of the economic resources in the water as well as on the ocean bottom.

Obviously, such an effort to preserve the rights of ocean-bordering countries and, hopefully, island states, to the minerals that might be harvested out of the ocean within the 200-mile zone, to establish internationally recognized property rights to these resources, is a tremendously important matter. And the fact of the matter is that this concept is one of the very few such issues at the Law of the Sea Conference to which nearly all nations are agreed.

As the Geneva session of the Conference adjourned, the chairmen of the three committees in which issues were being developed, drafted working texts for the consideration of the delegates in the months before the New York meetings of the Conference are called to order in March of next year. The second committee, addressing questions of the Territorial Sea and Contiguous Zones, has before it a single negotiating text, which, in part III, sets forth the concept of the 200-mile economic zone. Article 45 of this text says, in part:

In an area beyond and adjacent to its territorial sea, described as the exclusive economic zone, the coastal State has:

(a) sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether renewable or non-renewable, of the bed and subsoil and the superadjacent waters;

(b) exclusive rights and jurisdiction with regard to the establishment and use of artificial islands, installations and structures;

(c) exclusive jurisdiction with regard to:

(i) other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds; and

(ii) scientific research;

(d) jurisdiction with regard to the preservation of the marine environment, including pollution control and abatement;

(e) other rights and duties provided for in the present Convention.

We see, Mr. Chairman, the draft language of a major international agreement on this matter of fisheries and other resource conservation before us, and hope and expect that final agreement on this issue can be reached this coming spring.

The unilateral action which H.R. 200 seeks could well jeopardize the consummation of such an international treaty. And for what immediate gain are we willing to risk the loss of such an international agreement?

We are faced with a highly popular plea from supporters of this legislation: Let us keep out the foreigners; pass a law to keep foreign fishing fleets from taking "our" fish. Yet consider what happens when U.S. vessels are captured off the coasts of another country. The popular outcry then is for calling in the "gunboats" to save our fishermen.

The bill we consider today is a highly provocative one. Unilateral action by the United States to throw up this barrier to foreign fishing fleets at this time is an open invitation to other nations to do the same. We risk the probability of further exacerbating our already difficult relations with South America, or, in the alternative, totally eliminating American ships from fishing in the rich tuna grounds off the South American coast.

The largest fish processing firm operating in my State of Hawaii is opposed to any unilateral extension of the fisheries zone by the United States at this time. Bumble Bee Seafoods, a large and diversified fish processor owned by Castle and Cooke of Hawaii, told me that while it stood to gain some in the area of salmon fishing, it stood to lose a great deal in its shrimp and tuna operations. On balance, it was their conclusion that this legislation ought to be opposed, on the grounds that there was more to be lost than gained in the precipitous move proposed in this bill, and that the best solution for resolving fisheries jurisdictional and conservation issues lay in the international forum available in the Law of the Sea Conference. I agree that no rational enforcement of the fisheries zone jurisdiction is possible if this legislation becomes effective.

The question of our international integrity is at stake in this decision. In the interest of our future ability to be of some persuasion at the United Nations Law of the Sea Conference, I urge this House to reject this bill. The next session of the Conference will convene in New York City on March 29, 1976. It would seem to me to be entirely adequate for this Congress to express its endorsement of the 200-mile zone concept by a resolution. Such action by the Congress would serve to strengthen the U.S. position at the Conference and certainly no offense could be taken at that kind of assertion.

But a unilateral declaration of ownership of 200 miles of offshore fishing grounds by statute is contrary to international law of the high seas and existing international maritime policy. Unless we abide by the law, how can we expect any other nation to do so?

I ask the Members of this House to look beyond the immediate horizon, to forgo the promise of an illusory gain and, instead, consider our broader national responsibility and the long-range benefits the resolution of these questions in an international forum could bring to all of us and to the whole world. I, therefore, urge a vote against H.R. 200.

Thank you, Mr. Chairman.

Mr. HUGHES. Mr. Chairman, today the House debates a most important piece of legislation, H.R. 200, the Marine Fisheries Conservation Act. Enactment of this legislation is absolutely vital to protect our coastal fisheries. Not only have I cosponsored this bill introduced by my esteemed colleague, the Honorable GERRY E. STUDDS, but I have also testified on its behalf in June of 1974 before the Merchant Marine and Fisheries Subcommittee on Fisheries and Wildlife Conservation in Toms River, N.J., and more recently on March 10, 1975.

If we do not move decisively today to regain control of our fish resources off our own coasts then we just might not have any commercial fish stock worth saving when and if an international accord is reached at some future Law of the Sea Conference.

But getting 140 or more nations to honor a series of complex agreements of which fishing is but one important consideration may be more than any Law of the Sea Conference can resolve in the foreseeable future.

In ever-increasing number, foreign trawlers have been methodically decimating fish stock in both Atlantic and Pacific waters. It is a mechanized flotilla of pirate ships.

They don't fish. They harvest, but without regard to conservation.

Since the early sixties these floating factories from the Soviet Union, Poland, Japan and other nations have raked our waters scooping aboard everything that floats or swims including, not rarely, an American fisherman's nets or lobster pots.

What's too small to freeze or too strange to filet is ground up for meal or fertilizer.

By contrast, the American "fleet" is actually 144,000 full- and part-time fishermen who put to sea in 88,000 craft that range from skiffs to trawlers, the largest of which in Atlantic waters is still no match for their foreign rivals.

American fishermen were simply unprepared for the competition of foreign fleets operating as seagoing warehouses and processing plants.

To cite but one example, it wasn't 10 years ago that 120 million pounds of haddock a year were being caught from the Georges Bank of Cape Cod. But after Soviet flotillas turned their nets to haddock, the catch of New England fishermen plummeted to where 6 years later only 11.7 million pounds was brought ashore.

The irony, of course, is that the American consumer continued to buy haddock. But now it came imported and frozen, at prices far less than our own fishermen could match.

The consequence of a depressed American fishing fleet has been a necessity to import today 70 percent of our fish products. This added a staggering $1.3 billion to our balance of payments deficit last year.

This, in a nation whose seas teem with fish.

In my youth, I can remember a bustling fishing port in Wildwood, N.J. It was, in fact, the second largest commercial fishing harbor on the Atlantic Ocean.

Today that distinction is gone. We are left with a near-deserted harbor, a victim of neglect and dwindling catches brought about in large measure by overfishing.

We in New Jersey can work on getting the State and the Corps of Engineers to dredge our harbors for the anticipated return of fishing fleets. But today, we need the help of Congress.

We need a 200-mile fishing limit off New Jersey just as sorely as the cod fishermen need a protective zone off New England. We need the time that a fishing limit will bring in order to create a more efficient domestic fleet to satisfy the demands of the U.S. market. In this way, we can put an end to the practice of buying back from others what lies just off our shores.

Without a 200-mile limit and the protection it offers to our outmanned fishing fleet, American fishing will continue its rapid decline from its preeminent position of a generation ago. Last year five nations recorded larger catches, assisted by treaties that provided ready access to our coastal waters.

Less than a decade ago more than 270,000 metric tons of fish was hauled in by New Jersey fishermen. Today that figure has dwindled to barely 100,000 metric tons.

Operating in many instances just beyond the 12-mile limit, vessels from the Soviet Union, Poland, Japan, Romania and other nations remove 800,000 metric tons of fish from Cape Code to Cape Hatteras each year. Our domestic catch, meanwhile, has fallen off to less than 200,000 metric tons.

And while most American fishermen are limited by the size of their craft and facilities for freezing day-to-day fishing, foreign trawlers and their crews operate days and months on end.

Using fine mesh nets which comb the waters clean of all living things, foreign trawlers and their crew operate day and night removing, cleaning, packaging and freezing tons of fish around-the-clock.

It has been estimated that as a direct result of just this overfishing that the entire stock of fish from Cape Cod to Cape Hatteras has been depleted by two-thirds.

In just a decade haddock and porgies, the latter once bountiful off the Jersey coast, are now nearly extinct. Threatened species now include mackerel, flounder, cod, shrimp, halibut, herring and yellowtail. Ben Callaway, fishing editor for The Philadelphia Daily News, recently wrote that 3 years ago foreign trawlers were removing 99.3 percent of the mackerel, 87.5 percent of the herring, 90.1 percent of the red hake and 88.2 percent of the silver hake, all in total disregard to fish conservation.

Eight nations today claim territorial rights of 200 miles while two others—Costa Rica and Nicaragua—claim economic rights to 200 miles. Several of these nations—notably Ecuador, Peru and Chile—have become notoriously aggressive in enforcing 200-mile fishing claims. Ecuador demanded and got $3.5 million for the release of seven American tuna boat crews.

Yet while American fishermen are arrested and hauled into port for fishing 140 miles off Ecuador, we are permitting the depletion of fish stock by foreign trawlers far closer to our shores to the ruination of U.S. commercial and sport fishing.

This simply must stop.

This legislation has been properly termed an interim measure. The long-range solution is to discourage rivalry among nations by ratifying an international accord fixing uniform territorial limits and a worldwide plan for fish management and uses of the sea by all nations.

But in the short term, if we are to shore up the American fishing fleet, we need the temporary protection of a 200-mile fishing limit.

As for enforcement, the U.S. Coast Guard headquarters for the Atlantic region has advised me that it would take only a modest 5-percent increase in their annual budget to enforce a 200-mile limit. This is certainly reasonable and in our interest to provide.

I am not one of those who believes that the imposition of a fishing limit will make it more difficult to reach an international accord on territorial rights and cooperative uses of the sea.

I believe that the reverse is true. It is going to take forceful unilateral action by major countries such as the United States to provide impetus to reach an international agreement. At present there appears to be no urgency among nations to consider the settlement of these issues. We can look forward to protracted negotiations and nation-by-nation ratification, a process that may take several years.

Pending an international agreement, the United States, today, must assert interim control over its contiguous fishing zones. Further delay means further depletion of our fish stocks and a precipitous decline in our domestic fishing industry. We must take this action or face the unhappy prospect of simply ceasing to be a major fishing nation.

Mr. MINISH. Mr. Chairman, I rise in strong support of H.R. 200, a bill to extend the exclusive fishing zone of the United States from 12 to 200 miles.

As a longtime sponsor of this measure, I want to express my gratitude to Chairman LEE SULLIVAN of the Merchant Marine and Fisheries Committee for her support for this bill and her work in bringing it to the floor of the House.

The continuing failure of the United Nations Law of the Sea Conference makes it clear that our country will have to move forward unilaterally to protect our fisheries resources from decimation by foreign fleets. While the international delegates argue and debate, the activities of foreign fishing fleets off our coastline continue to seriously deplete our fishing stocks.

H.R. 200 seeks to halt this increasingly severe depletion of the fisheries resources of the United States. In doing so, it is not a threat to international order and stability; rather it represents a real benefit for a world populace whose protein and other nutrition needs may be increasingly dependent on the bounty of the oceans—a bounty of enormous potential if properly conserved and managed.

H.R. 200 goes much beyond the simple extension to 200 miles to provide for effective conservation of the oceans' resources.

The bill would establish seven regional marine fishery councils whose primary responsibility would be to draw up fishery management plans for the conservation of species within their respective geographic areas. These plans may include detailed provisions to regulate when and where fishing may occur, the size of the catch, types of gear and the number of vessels which may fish in a specific area, and authority to charge for license fees. If the Secretary of Commerce, who has overall responsibility of managing U.S. fishery resources, does not believe a regional plan adequately carries out the purpose of the act, he may implement his own plan for the region until such time as the reasons for his assuming responsibility no longer exist.

In addition, the bill would authorize the charging of license fees for all those fishing within the zone for managed species, the proceeds of which would be earmarked for stock assessment, research activities, and reimbursing U.S. fishermen for license fees imposed on them for foreign fishing.

The bill would also provide civil and criminal penalties for violation of the act and authorize the banning of seafood imports from nations which refuse to preserve the rights of U.S. fishermen to waters which they had previously fished.

Mr. Chairman, it should be emphasized that H.R. 200 would merely serve as interim legislation that would be superseded by an agreement or treaty subsequently entered into with other nations.

However, though an international treaty is clearly the preferable route, we must be realistic about the chances for success and assume the responsibility for protecting our own natural resources.

Failure to enact promptly the 200-mile legislation, in my opinion, would be to allow overfishing by foreign fleets to continue at an accelerated rate, thereby jeopardizing the entire natural balance of marine life off our coasts.

Mr. HANNAFORD. Mr. Chairman, I rise in opposition to H.R. 200. I consider myself an environmentalist, and my aim is certainly not to deplete our oceans of fish. On the contrary, I am concerned about the method of saving them. We cannot move precipitously on such a delicate matter. We must remain mindful not only of the ecological environment, but the broader social, economic, and political environment as well.

I am aware that many of my fellow environmentalists are lined up on the other side of this issue. I can easily understand their reservations about the status quo. But on important and controversial issues such as this, I think we owe it to our divided citizens to balance interests, not to talk in ideological blacks and whites.

So I want to take this last-minute chance to address to this body certain questions which I think we all have to face up to before we really know what we are doing.

First. If we unilaterally declare a 200-mile limit, what do we expect other countries to do in reaction? Is not it true that the Bahamas just enacted a law declaring the spiny lobster a creature of their continental shelf, as a result of the same thing we did concerning the New England lobster?

Second. If other countries do retaliate, is this going to be limited to fishing matters, or might they not also take action against our oil cargoes, submarine transit, passage through strategic straits, and even overflight rights? May this not endanger our energy policy, and even our defense?

Third. Has not the United States strongly denounced other countries in the past for their unilaterally declaring 200-mile limits?

Fourth. Is not such a unilateral declaration totally contrary to international law? How about our fisheries treaty comments, such as the Geneva Convention of the High Seas of 1958, which guarantees the freedom of fishing on the high seas?

Fifth. Are we not supporting the Law of the Seas Conference which is taking up this matter? What will happen to this Conference if the United States ignores it, and what will happen to the related negotiations concerning such things as ocean minerals, oil and gas development, freedom of scientific investigation, and pollution control? Can we dismiss Secretary Kissinger's statement that "no international negotiation is more vital for the long term political and economic stability of our globe"?

Sixth. If, as some argue, the Law of the Seas Conference will take a while to achieve a settlement, cannot we make bilateral arrangements in the meantime, as we did last year with Japan?

Seventh. Are we not undermining the rule of law in the oceans by demonstrating that a country can do whatever it pleases with respect to offcoast jurisdiction? Are we not condoning the Cambodian seizure of the *Mayaguez*—and indeed inviting another?

Eighth. How are we going to enforce our fishing regulations in the huge area within the 200-mile limit—particularly if other nations formally reject our law, and are backed up by a sizable world opinion? Are we not inviting confrontation with the foreign fleets of countries like Russia and Japan?

Ninth. Is it fair to landlocked countries, particularly the underdeveloped ones, if coastal states take advantage of their geographical position like this?

Mr. Chairman, these are the questions I ask myself, and I reluctantly conclude that the answer to them is to vote down H.R. 200.

Mr. BURKE of Massachusetts. Mr. Chairman, I want to express my delight at the fact that we finally have on the floor a bill which I had the pleasure of cosponsoring, and which will help our fishing industry survive. We all know that if help does not arrive, and arrive fast, Atlantic, Pacific, and gulf fishermen just are not going to have anything left to fish. Back in May, a Provincetown, Mass., fisherman told a Boston Globe reporter:

> The foreign boats . . . are cleaning us out faster than they're talking down in Washington.

Needless to say, they are certainly cleaning us out faster than they are talking at the Law of the Sea Conference. When the LOS representatives met in Geneva in May, we were expecting great things to result. But the only thing they could decide was to meet again next year. Even our LOS Ambassador, John Norton Moore, said he was "frankly disappointed" at the lack of progress. The conference representatives did draft a "single negotiating text" which covers "virtually all" of the matters which we are considering here today. But we have been told that at least two more conferences might be necessary before a treaty is signed. I submit to you that if we wait until a multilateral treaty is considered, signed, and approved by the various parties concerned, the question of saving our fisheries will be academic. There will not be any fishing industry left to save.

Make no mistake about it, our fishermen are fighting for their lives—and livelihood—and they are losing the battle.

Let us consider for a moment the results of having to rely on foreign fish and fish products. Obviously, the price the American consumer would have to pay for these items would skyrocket. We have all seen what happened when foreign suppliers have us in their grasp as a captive market. The cost increases would not be limited to fish, either. Fish meal is an important component of the diet of poultry. The National Broiler Council has told me that in 1974, the poultry industry used around 400 tons of fish meal to provide vitally needed protein. It can amount to up to 6 percent of a broiler's diet. So we have price increases extending into another food product, and once again, the American shopper is asked to dig a little deeper into her purse.

The specter of our balance of payments also looms over the situation. The dollar must not be forced to shoulder the burden of another price-gouging foreign supplier. That is exactly what is going to happen if we do not establish some kind of protection for our fishing beds.

We have been told that this bill interferes with the normal diplomatic process, and that we are limiting the bargaining position of our conference representatives if we pass this bill. If we are acting prematurely, we are at least acting. If we sit on our hands and let the diplomatic process take its course, we will create more problems than we will solve. This bill does not negate any action which a Law of the Sea Conference might take. It merely provides for fishing controls until a multilateral agreement is reached.

Madam Chairman, I commend you and your committee, particularly my able colleague and neighbor (Mr. STUDDS) for overcoming many obstacles and bringing us a bill which has some teeth in it, yet still adheres closely to the ideals set forth by the Law of the Sea Conference. I am proud to offer my support to H.R. 200.

Mr. HOWARD. Mr. Chairman, I rise in support of the establishment of a 200-mile fishing limit for the United States. I am sure that Members from coastal States already realize the critical importance of this legislation for not only the fishing industry but also for the American consumer who benefits from protein-rich fish products.

To my distinguished colleagues from the great landlocked States of purple mountains and amber waves of grain, however, the pressing need for a 200-mile fishing limit for the United States may not be apparent.

I have no doubt that many of my able colleagues from these areas would be shocked to learn that there are—at this very moment—foreign fishing vessels literally sweeping the seas of fish with huge mechanized fleets—and this is taking place a mere dozen miles from our shores.

This foreign fleets are so advanced and deadly efficient in their methods that, with some of the larger vessels, live fish actually enter one end and emerge at the other processed, canned, or frozen, and ready for export. The crew size for some of the larger Soviet ships run as high as 500 to 600 men, and even the smaller ones carry 100 or so. One type of Soviet refrigerated transport is capable of carrying over 7,000 tons of frozen fish.

Compare this huge, modern, ocean-going fish factory with the typical American vessel with only a few crew members equipped with modest fishing gear at best. American fishermen simply do not have the capital that is available to the state-owned Soviet and other fleets.

Although the absence of a 200-mile limit is causing financial ruin for the American fishing industry, this is not only an economic issue. What is ultimately at stake is the continued ecological viability of major species of fish in the Continental Shelf. Soviet and other foreign fishing fleets are depleting this valuable national resource at such an alarming rate that scientists predict that certain species may become extinct in a very short period of time if we do not begin to strictly limit the wholesale slaughter that is presently taking place. Permanent environmental damage to the delicate balance of sea life on the Continental Shelf may have already taken place. This is what makes the legislation before us now all the more important.

One need only look at the example of the buffalo if there are any doubts about the capability of man to misuse his technology in such a manner that a valuable national resource is decimated. Without affirmative action by this body, commercial species of fish will certainly go the way of the buffalo.

The legislation which is before us today would extend U.S. jurisdiction over fishing on the Continental Shelf from the present 12 miles from shore to 200 miles.

It would not, as some would have us believe, extend the territorial limits of the United States at all. Every coastal nation in the world could put this 200-mile limit bill into effect and not one shipping lane or strait would be blocked to through traffic. It merely provides for U.S. management of U.S. fish resources on our own Continental Shelf. We would not tolerate a Soviet oil rig off our shores; neither should we allow indiscriminate Soviet fishing in this same area.

Mr. Chairman, I am certainly no stranger to this issue. For the more than 10 years which I have had the honor to serve the people of the Third District of New Jersey, the abuses of foreign fishing vessels—predominantly Soviet—have been a matter of constant irritation and concern.

In looking through my files the other day, I saw newspaper clippings depicting Soviet fishing vessels damaging the gear of U.S. fishermen and literally running them off the high seas with the Soviet's 30 to 40 ship maneuvers in sweeping the seas. The date of the clippings was 1967, more than 8 years ago; but they could have been dated 1975.

Just a few weeks ago, in waters off Monmouth County, a lobster boat owned by Mr. Jack Baker was actually dragged through the ocean for more than a mile by a Soviet trawler that ran afoul of Mr. Baker's lines. I submit that the American fisherman deserves better treatment than that, and this means better protection—protection that only the 200-mile fishing limit can provide.

Some have suggested that the International Law of the Seas Conference might be compromised as far as the U.S. position is concerned by this unilateral action to protect our fish resources. Nothing can be further from the truth. The Law of the Seas Conference has produced nothing thus far except an agreement to meet again. Perhaps the enactment of the 200-mile limit will serve as an inducement to the United States and other negotiators there. In any event, additional years of talking, even if an agreement is reached eventually, would constitute much too little at much too late a stage in the present struggle to save what is left of the sea life on the Continental Shelf. International agreements are futile if we do not demonstrate the will to protect American fishermen in waters close to our own shores.

Mr. Chairman, I submit that if the Soviets began tearing down our forests and hauling away the timber, the Members of this body would be up in arms, and rightly so.

If the Soviets pushed the American farmers aside and planted Soviet wheat in American fields, I am sure that my able colleagues from the great Midwest would be manning the battlements, and I would be joining them.

If the Soviets constructed an auto manufacturing plant in this country, I have no doubt that the howl from this great body would be heard all the way to Red Square.

All that I ask is that the American fisherman be given the same consideration by the enactment of the 200-mile fishing limit.

Mr. AuCOIN. Mr. Chairman, I urge my colleagues to pass this landmark legislation. I know that there are those who are working hard to discredit this bill. They have raised a lot of questions that would trouble any Member of Congress who may not be well acquainted with the central issues involved.

What is the central issue? The issue is the devastating waste and abuse of today's ocean resources.

I am talking about the fact that some species of ocean fish have been overharvested to the point of commercial extinction.

I am talking about the fact that other species are destined for the same fate if we simply sit on our hands and do nothing about it.

I am talking about the fact that foreign fleets are laying siege to America's offshore fisheries—sweeping up fish with little if any regard for the concept of sustained yield or other conservation practices.

I am talking about the fact that the American commercial fishing industry is decaying today because the developments I have described have crippled its annual catch, crippled its ability to attract capital and crippled its ability to attract young fishermen to the industry.

How have these things occurred? They have occurred because the traditional concept of the completely open high seas has—in today's world—not meant freedom so much as a lack of responsibility—a lack of responsibility for the living and mineral resources of the seas.

Mr. Chairman, the law of the sea has almost become the "law of the jungle"—each nation free to exploit the resources of the sea at will; but no nation responsible for the consequences.

Those consequences are tragic, Mr. Chairman.

Beyond the damage to fishing, there are serious environmental losses. The Mediterranean, for example, is in such a tragic state it has been called a "dead sea." Portions of the Pacific and Atlantic are known to scientists as "deserts"—incapable of sustaining significant sea life.

The question today is simply this—are we or are we not going to do anything about these events?

We have an opportunity to do something right now.

This Nation—and every nation—should extend their coastal fishing jurisdictions in order to stop the damage that is currently being done.

Some 40 nations have already done so.

If we can do this, too, we can protect our ocean resources while the world waits for a lasting international treaty to be worked out.

That is the issue here today. No reasonable person opposes an international treaty. But the question is: What will happen to our ocean resources while we wait for the treaty?

We have been waiting in vain for 17 years. As we have waited, our resources have been steadily depleted. And now the State Department tells us to wait once again—until the next round of international negotiations begins in New York next year.

This is the same Department that told us in 1958 to wait until the international conference in Geneva had met. We waited, but the agreements which were reached did not protect our fisheries from continued assault.

In 1960, the Department told us to wait again—until another Geneva conference was concluded. We did, but again the diplomats failed to produce.

Mr. Chairman, this story was reported in 1974 in Caracas and again in 1975 back in Geneva.

And yet the State Department is asking this Congress today to wait again—for yet another international conference.

Those diplomats have been talking for 17 years and all they have agreed on is the form of the document they intend to debate.

Mr. Chairman, this country can wait no longer. The problem of the world's ocean resources can wait no longer.

I contend that passage of this bill will hasten an international treaty, not hinder it, because it will tell the world that on this issue America means business.

Finally, let us pass this bill.

Mr. BONKER. Mr. Chairman, I rise in support of H.R. 200. I ask unanimous consent to revise and extend my remarks.

As a cosponsor of this legislation and as a member of the Merchant Marine and Fisheries Committee, I took part in the many days of hearings and hours of subcommittee and full committee discussion that resulted in the bill before this House today.

This bill would extend the contiguous fisheries zone of the United States to 200 nautical miles and would give the United States management authority over anadromous fish spawned in our waters throughout their migratory range.

The reason for this extension of jurisdiction is to manage and conserve valuable marine resources presently threatened by overfishing. This is an interim measure and will terminate automatically at the time an acceptable international agreement on the question of fisheries jurisdiction is forthcoming from the United Nations Law of the Sea Conference.

We must act now. We cannot afford to sit idly by while the rape of our fisheries resources off our coasts continues. The list of fish stocks off our shores which are being depleted grows each year. Scientists have now concluded that approximately 25 different stocks of fish are at such a low level that they are either considered to be depleted or threatened with depletion. The following is a list though not necessarily complete, of stocks which are either damaged or threatened off U.S. coasts at present and are of direct interest to U.S. fishermen: haddock, halibut, herring, and menhaden in the Atlantic; salmon, mackerel, and hake in the Pacific. It is because of the rapid decline of these and other species of fish that the United States must exert management control over a 200-mile zone, a zone which roughly encompasses nearly all of our Continental Shelf and nearly all of our important coastal species.

This bill is essential if we are going to make a serious effort to prevent depletion of our fisheries resources. Actually the bill is patterned after our U.S. fisheries position as put forth in the Law of the Sea Conference.

At the moment this is the only way we can provide this Nation with the management authority needed to enact and enforce conservation measures. Just Monday of this week I received, as I am sure most of my colleagues in this House did, a wire from the 20,000 members of the National Federation of Fishermen urging the passage of this legislation.

I think it is shocking that approximately 75 percent of all living marine resources harvested off our coasts are taken by foreign fleets. What was once a great industry in our Pacific Northwest is now struggling for its life. The U.S. share of the world catch of fish has been rapidly declining. This in the face of an increasing consumption of fish and fishery products by residents of the United States.

In 1969, the residents of the United States consumed 1.94 million metric tons of seafood and in 1970 that had grown to 2.8 million metric tons. This is an increase of almost 45 percent. Most of this increase was met by imports. To give you an idea of this growth of imports, in 1950 the United States imported only 23.4 percent of its seafood, but in 1972 imports were over 60 percent. This desire for seafood has also led to an adverse balance of payments of $1.3 billion in fish and fisheries products, up 318 percent since 1960. In short, although fisheries play a growing role in our national diet, our domestic fishing fleet catches less and less of the fish consumed.

The decline taking place in many of our fisheries off our coasts are coincidental with the increased foreign fishing in major areas along our Continental Shelf and beyond our existing 12-mile fishery jurisdictional limit.

Mr. Chairman, I have heard only one argument against this legislation. It comes in two parts: First, the U.S. Government should not act unilaterally, but patiently negotiate something at the Law of the Sea Conference; and second, this legislation as it is presently written will tamper with existing U.S. fishing agreements and treaties.

These are unfounded claims.

This bill represents good foreign policy. It recognizes, just as does the Sinai agreement, part of which we passed overwhelmingly yesterday, that reliable and stable international accords are best based upon forthright recognition of national interests. H.R. 200 will hasten and insure the durability of future international treaties regarding marine resources.

It is a gentle push toward international agreement. It follows recent State Department doctrine that we must take small steps when conditions are not ripe for overall international settlements of disputes and problems.

This bill does retain the element of flexibility in diplomacy which is so important to our Secretary of State. In fact, it encourages him in one of his favorite pastimes—renegotiation of treaties and agreements. And as Dr. Kissinger recently stated before the American Bar Association:

> The United States cannot indefinitely accept unregulated and indiscriminate foreign fishing off its coast.

Those who say they are in favor of a 200-mile zone but prefer to go through the Law of the Sea Conference may not understand the immediacy of the worldwide fishing crisis. Even the more optimistic participants at the conference say that nothing will be accomplished in the 1976 session and it may be 5 years before any action is taken. By that time there will be no fishery stock to worry about.

We can no longer afford to sit on our hands waiting for an international agreement. The normal process of negotiating fishery agreements has been time consuming and complex. More and more nations are taking unilateral action and established 100- and 200-mile limits.

At the present time the United States is party to 20 international fishing agreements and periodically engaged in bilateral and multilateral negotiations with foreign nations to restructure these treaties and to frame new ones which seek to conserve fish resources. An indication of the lack of success of these treaties is the fact that nearly all of the stocks of fish considered to be depleted or threatened with depletion are subject to these international agreements. Past experience shows that international agreements have not solved the problem of achieving timely and effective programs for the protection of fish stocks.

Contrary to some views, this bill accomplishes two things in the interest of the United States and the whole world: interim protection of drastically depleted fisheries stocks, and impetus toward action on an international marine resources agreement. Let us get on with both.

My colleagues, action is needed now. If we are to conserve this valuable and finite resource, H.R. 200 must be acted upon favorably by the Members of this House. I urge you to vote "aye". We cannot wait forever for a treaty.

Mr. BOWEN. Mr. Chairman, I appreciate the opportunity to make a statement on the floor today in behalf of H.R. 200, a bill which I am cosponsoring to extend the limits of the U.S. coastal waters from 12 to 200 miles in order to protect our domestic fishing industry from extensive and growing foreign encroachment.

I want to commend the distinguished chairman of the Merchant Marine and Fisheries Committee for her handling of this important legislation in our committee. I have been privileged to serve under her leadership for 3 years on this committee, and I appreciate the job she has done, particularly in bringing this bill to the House floor today.

The fishing industry is very important to the economic well-being of our Nation and my own State of Mississippi. We have an extensive fishing and seafood industry centered on our own Mississippi gulf coast, and our fishermen there are deeply concerned about the growing encroachment in the coastal waters of the United States by foreign fishing fleets from such nations as the Soviet Union, Cuba, Japan, and elsewhere. Our people are concerned that their livelihoods and economic stability have some measure of protection from the advanced technology and predatory nature of these foreign fishing fleets.

I cannot urge too strongly the need for this legislation, and I am sorry that the State Department and the Ford administration have seen fit to oppose it.

Our fishermen in the Atlantic, gulf, and Pacific coastal areas need this legislation. They need it now, before these foreign fishing fleets decimate those traditional fishing beds upon which our domestic fishermen rely for their livelihoods.

The Merchant Marine and Fisheries Committee has worked extensively this year on this legislation. All implications have been thoroughly examined by the committee. This is a good bill. The time has arrived for its passage. I urge my colleagues in the House of Representatives to vote for H.R. 200.

Mrs. HECKLER of Massachusetts. Mr. Chairman, the central issue before us is the question of whether or not the United States should act unilaterally in terms of dealing with the problem of fisheries management, and it is my view that the failure of this year's Law of the Sea Conference to take substantive action in this regard requires a unilateral initiative by the United States.

Even if this legislation is passed today and is later enacted into law, it is too late for many fishermen in my district. One of my constituents, a lobsterman from Westport, Mass., has lost everything—all of his 300 traps and all of his 9,600 fathoms of line. And the fishermen who continue to fight for survival are losing their battle. For years, foreign fleets have displayed a blatant disregard for the American fisherman and his equipment. Foreign ships have been causing untold thousands of dollars in lost and destroyed U.S. fishing equipment by, either intentionally or unintentionally, steaming through clearly marked fishing areas. In some cases, lives of U.S. citizens have been imperiled by these large trawlers cutting dangerously close to U.S. ships. In all cases, the livelihood of our fishermen has been endangered.

Earlier this year, in an effort to express their desperation and symbolize their will to survive, I introduced a letter of marque. Unused since the War of 1812, the letter of marque is a special commission provided for in the Constitution to allow private vessels to go out on the high seas and seize by force the ships of another country which are threatening our national interest.

While I did not expect the Congress to enact this measure, it was my hope that the existence of this resolution in the 94th Congress, 161 years after the last letter of marque was issued, would help focus attention on the plight of fishermen and the danger we confront of losing control of our native fishing grounds.

By international law, all nations have the right to fish the high seas. There is no international provision, however, to assure the conservation and management of these ocean resources—there is no incentive for responsible fishing methods. On the contrary, international law encourages the depletion of ocean resources by offering them on a "first come, first served" basis. Scientists report that 25 stocks are already dangerously depleted, including several vital to U.S. fishermen, and this depletion can be traced to the large and sophisticated foreign fleets—fleets which have modern equipment and are usually subsidized by their respective governments. The American commercial fishing industry has no such subsidy and is composed of many privately owned, small operations. It is therefore at a severe competitive disadvantage. Couple this with the foreign fleets' irresponsible "hit and run" tactics, and there is no competition at all.

It is imperative that we recognize our fishing stock as a vital national resource and act to prevent its continued depletion, just as we prohibit the depletion of our inland resources. The oceans are no longer a great cornucopia of endless supplies of fish. The advent of more efficient fishing techniques and a growing demand for fisheries products have demonstrated that there is a pressing need for a rational conservation and allocation system for the living resources of the oceans.

But we must act now. Time is not on our side. Our fishermen face extermination on the high seas; they see the danger—they face it every day. It is time that we respond to their call for aid and end the callous plunder of our limited ocean resources.

H.R. 200 extends the U.S. exclusive fisheries zone from 12 to 200 miles, although fishing by approved foreign states will be permitted. It also provides for the development of regional management plans and regulatons to control zone fishing and migratory fish over their range. H.R. 200 also authorizes and provides for the administration of seven regional marine fisheries councils. The committee estimates the cost through fiscal year 1981 to be $655,121,000.

AMENDMENTS

To insert a definition of internal waters as those waters shoreward of the outer limit of the territorial sea of the United States.

To amend "highly migratory" species to mean only tuna—to exclude billfish.

To strike section 202 regarding existing treaties and their renegotiation.

To strike section 203 requiring the State Department to renegotiate tuna agreements and the embargo provision.

To strike the embargo provision.

To strike section 206 regarding congressional disapproval of certain international fisheries agreements.

To decrease the number of marine fisheries councils for the Atlantic Coast from three to two.

To require State Fish and Game commissioners to sit on the councils, rather than allowing the State Governors to appoint a member.

To require that management plans must have the consent of the regional councils before implementation.

To strike section 309 allowing the Secretary to override State regulation to impose a Federal management plan.

To insert "knowingly and willingly" in section 310 for civil violations.

Mr. DRINAN. Mr. Chairman, traditionally, a basic principle of freedom of the seas has been that fishermen of the world have open access to the fish stocks of the high seas. Until recently, this historical principle has underscored a workable arrangement for the fishing of the world's oceans. During the last 15 years, however, modern fishing techniques, an increase in the world's fishing activity, the rising world population, an increased demand for fish products, and the absence of meaningful conservation methods have resulted in the depletion of or threatened depletion of approximately 25 stocks of fish.

The realization that the seas' resources are limited and critically threatened has led to national and international movements for greater control over fishing activities. Since 1974, the United Nations' Law of Sea—LOS—Conference has been attempting to reach agreement on various maritime issues, including territorial and economic zones. A consensus seems to have emerged among delegates to the Conference on recognition of 200-mile economic zones. As of July, 1974, this concept has been supported by the United States. The LOS Conference, which is in the process of resolving other pending issues, is scheduled to meet in March of 1976. During the last 25 years, in the absence of an established international agreement, approximately 40 nations have unilaterally extended their fishing domains beyond the traditional 12-mile limit.

This state of affairs has merited a reassessment of the current territorial jurisdiction of the United States. This is particularly true in light of the fact that our domestic fishing industry is seriously threatened as a result of unrestrained foreign competition. Numerous international agreements have to date proved useless as tools for protecting and conserving U.S. coastal fishery stocks and for maintaining a viable fishing industry along America's coastlines. The Merchant Marine Fisheries Conservation Act of 1975 (H.R. 200), the legislation before us today, will guard our coastal fish and our fishing industry against decimation by foreign fishing activities.

Mr. Chairman, I am a cosponsor and supporter of H.R. 200. This legislation would extend on an interim basis the U.S. exclusive fisheries zone from 12 to 200 miles effective July 1, 1976. The bill would establish a comprehensive fishery management program through the creation of seven regional marine fishery councils. The legislation also gives U.S. fishermen preferential rights within the 200-mile zone and mandates that foreign vessels fishing within the zone receive permits from the Secretary of State. In addition, H.R. 200 provides for an embargo of seafood imports from foreign nations which do not grant U.S. fishermen equitable access to waters traditionally fished by those fishermen.

Enactment of H.R. 200 at this time is imperative; the need for this legislation is critical. The present and future welfare of this Nation's fish stocks and of our domestic fishing industry depends on passage of this legislation. I am particularly aware of the difficulties faced by fishermen because the fishing and lobstering industry in my own State of Massachusetts represents a significant part of the economy. The take of fish by New England fishermen off that region's coast has remained relatively stable, or has declined in the past 15 years, while foreign nations fishing in this area have experienced monumental gains. It is clear that the work of foreign fishing fleets off the coasts of the United States must be regulated and curtailed in order to prevent unalterable damage both to our fish stocks and to the American fishing industry.

Mr. Chairman, opponents of H.R. 200 have set forth various arguments against enactment of this bill. Principal among these arguments is the contention that H.R. 200, if enacted, would seriously jeopardize the negotiations at the Law of the Sea Conference. I agree wholeheartedly with those who cite the importance of our commitment to negotiations on this extremely complex issue through the LOS Conference. It is imperative that these negotiations go forward. I believe firmly, however, that immediate interim action by this Nation is necessary to conserve many of our fish stocks and to protect our domestic fishing industry. The accomplishment of these simple goals solely through the LOS Conference negotiations will involve, even in the most optimistic predictions, a matter of years. Action to prevent the further depletion of our fishing resources cannot be postponed. Even with enactment of H.R. 200, the 200-mile limit would not go into effect until July 1976. Since the LOS Conference is meeting in the early spring of 1976, there is still time for the delegates to reach agreement.

Mr. Chairman, I urge my colleagues to support H.R. 200. The fishery resources of the oceans are not inexhaustible; our domestic fishing industry is not being adequately protected against unfair competition by foreign fishing fleets. The Merchant Marine Fisheries Conservation Act of 1975, the most significant fisheries legislation of the past decade, will establish methods for the preservation of the marine environment and will address the plight of the American fishermen. The dangers of inaction are great. Without enactment of this legislation, we face the possibility of irreversible damage to the fish of our coastal waters and to the American fishing industry alike.

Mr. GRASSLEY. Mr. Chairman, I am pleased to see in this bill, proof that those who promote a healthy economy, and those who support a healthy environment need not always be in conflict. Through the passage of H.R. 200, we will save from extinction both our fish and our fishermen, to the benefit of the whole Nation.

Mr. HARRINGTON. Mr. Chairman, the House today takes up the important question of whether or not the United States should establish a 200-mile fishing limit. I strongly support the proposal and wish to briefly explain my reasons for doing so.

By establishing the 200-mile limit and creating fishery conservation zones within it, we would be taking a major step to revitalize the diminishing fish population in our oceans, which have declined drastically in the past 25 years due to the saturation fishing methods used by foreign fishing fleets.

I should point out at the outset that I view the 200-mile-limit extension as an interim solution to an extremely critical problem. I do not usually favor unilateral action of this nature, and I frankly hope that it would not become habit forming particularly during the ongoing discussions of the Law of the Sea Conference.

The fact remains, however, that the existing law of the sea, from the Geneva Accord of 1959, and the present treaty alliance in the Northwest Atlantic have not been successful in managing fisheries resources in the Northwest Atlantic.

So serious is the decline of certain species that the Canadians, facing considerable financial loss and diplomatic risk, closed their Atlantic ports in July to the Russian fleet in protest of continuing over-fishing and inability of the International Commission on Northwest Atlantic Fsheries to reduce quotas and close off certain areas where threatened species have drastically declined.

Only last week, at a special meeting of ICNAF in Montreal, after a 10-percent reduction in quotas has been achieved and certain areas in the Northwest Atlantic were closed off to large—155 feet—fishing trawlers, did the Canadians and Russians restore relations and reopen ports. Those achievements were probably only possible due to the awareness by member nations that action in the 200-mile fisheries jurisdiction was imminent.

Of course, despite the recent events in Montreal, there is no guarantee that over-fishing will cease off our coast and that the 17 member nations of ICNAF will take appropriate action to stop infringements by their own fleets which are cited for offenses. The United States and Canada are powerless, under present jurisdictional laws, to take appropriate action to protect and restore remaining species—other than impounding violating vessels if they come into port.

We have, to date, depended on an international honor system in the northwest Atlantic under ICNAF which has a 25-year record of abuse and failure to protect fisheries resources. We can no longer do so. We should have the power now to establish a rational fisheries management program to establish a threatened resource, which properly managed, could provide more protein for all nations in the long run.

While I remain hopeful that a negotiated settlement will be forthcoming I firmly believe that if we wait for the Law of the Sea decisions which are approximately 3 years away, we will have very little left to protect and restore. We will have witnessed the death of a 350-year-old industry, the domestic fishing industry, upon which the economics of the original colonies were built, during the celebration of our own Bicentennial. Our choices are clear and the need for positive action is evident. I strongly urge my colleagues to join with the 148 cosponsors of H.R. 200 in voting for passage of this important measure.

Mr. BIAGGI. Mr. Chairman, I rise in unqualified support of H.R. 200, legislation which will extend the United States exclusive fisheries zone from 12 to 200 miles. As a cosponsor and a member of the committee which reported out this bill, I consider its passage critical if we are to curb the rapid destruction of our fishing industry.

This bill has other important provisions in addition to the extension of the fishing boundaries. Any foreign vessel fishing within the 200-mile zone would be required to receive a fishing permit from the Secretary of State. The application would be considered as an international agreement and the Congress would have 60 days in which to disapprove of the action. Penalties which could be imposed on the offending nations would include an embargo of all imported fishing products of that nation.

The bill will also establish seven regional marine fishery councils whose primary responsibility it will be to promulgate plans to promote conservation of endangered fish species in their respective geographic areas.

Both the need and the call for extension of our fishing limits have been a long time in coming. As far back as 1945, President Truman proposed a series of conservation zones to control fishing in areas where it would occur on a substantial scale. This was in reaction to repeated Japanese incursions into the Alaskan salmon fishery. As a direct result of Truman's proclamation, nearly 40 nations extended their fishing zones to the present 12 miles.

In recent years the demands and urgency to extend our fishing limit have become more pronounced. This Nation, despite being victimized by the existing fishing limit, chose to participate in international conference which would determine the extension of fishing limits on a universal basis. As a member of the Merchant Marine Committee, I attended this year's Law of the Sea Conference in Geneva and came away from the meeting frustrated by the fact that the conference was years away from taking final action on this important matter. This Nation can ill afford to wait another 2 to 5 years before we implement a 200-mile fishing limit. Both the drastic reduction in the numbers of fish caught by the U.S. fishermen and the overall clamoring of the American people for an extension, have brought us to this point today.

There are those who object to the United States taking this action on a unilateral basis. Yet I contend that this position is justifiable for our Nation has suffered on a unilateral basis from the rampant piracy of our fish supplies and reserves by greedy foreign nations. Several months ago in my capacity as chairman of the Subcommittee on Coast Guard and Navigation, I flew off the coast of New York to determine the extent of violations of our fishing laws by foreign vessels. I was astounded to find no less than 12 different vessels representing various foreign nations to be in violation of our fishing laws. It is imperative from the standpoint of the survival of our own fishing industry that this Nation pass H.R. 200, and by postponing the date of implementation to July 1976 it is hoped that the Law of the Sea Conference will complete action on a similar proposal to be applied multilaterally.

The extent of the destruction of our fishing industry must be noted. In addition to the dramatic increase in the size of the foreign catch of fish, the U.S. share of fish caught off the east coast has declined from 93 percent in 1960, to 50 percent in 1974.

Meanwhile, our consumption of fish has doubled in the past 20 years, causing us to import fish in unprecedented quantities, thus perpetuating our balance of payments deficit in fish products which has increased by over 318 percent since 1960.

I am proud to be associated with a bill so universally acclaimed by the American people. They see no reason why this Nation must tolerate the consistent assaults on our fishing industry by foreign nations. This Nation has sought to adhere to the 12-mile limit yet has encountered innumerable problems. During the past several years, U.S. tuna boats fishing off Ecuadorian waters were seized by the government and the fish caught were confiscated. The government only claimed to recognize a 3-mile fishing limit.

Despite our own adherence to the law, we have been lax in our enforcement of the law as it pertains to foreign vessels operating off our own coast. The citizens of the United States who are great consumers of fish have been forced to endure interminable increases in the price of fish due to the depletion of supplies and reserves. They recognize the importance of fish as a component of a nutritional diet. As mentioned, the U.S. fishing industry has suffered tremendously under existing law. Failure to enact this legislation could result in the ultimate collapse of this very important American industry.

This bill contains important environmental benefits as well. We are seeking to control the seizure of endangered fish species which face extinction unless some form of control is instituted. The Merchant Marine and Fisheries Committee has been in the forefront of the battle to protect endangered species from extinction. I point to the Ocean Mammals Protection Act of 1972 as one bill, today's is another.

Let me add that this bill enjoys widespread support in this Nation. It has received the endorsement of the AFL–CIO, major environmental groups, and the fishing industry, as well as the National Advisory Committee on Oceans and Atmosphere, which in a report to the President, recommended the implementation of a 200-mile fishing limit.

I urge swift passage of this legislation today. It is long overdue and its enactment is important for the benefit of the American fishing industry as well as the American consumer.

Mr. PIKE. Mr. Chairman, I rise in support of H.R. 200. I realize that what we are doing here today in consideration of this bill portends something of a minor annoyance downtown, both at the White House and in the Department of State. Both the President and the Secretary of State are long since on record as opposing any precipitate action by Congress which would preempt what the Law of the Sea Conference is supposed to be doing towards resolving the touchy issue of the sovereignty of nations over their territorial seas, and especially the precious marine resources encompassed within them.

But the fact of the matter is that the stately, slow and measured pace of the Law of the Sea Conference towards resolution of the issue and manifested thus far should give no one any great hopes that they are going to reach the promised land anytime soon. Meanwhile, I can assure you that what remains a minor annoyance downtown continues to flare out as a major, burning issue to U.S. commercial fishermen and sport fishermen, and nowhere more brightly and more heatedly than among the commercial fishermen and sport fishermen in New York's First Congressional District. For too many years now they have had to tolerate the depredations of foreign fishing fleets, as numerous, as modern, as efficient as subsidies paid by their governments can make them, running amuck off our shores, not only thumbing their noses at a few hardy U.S. fishing vessels that venture into their midst, but sometimes literally running roughshod over them. As a result, we are informed, approximately 25 stocks of fish have become dangerously depleted. While I can not attest to the absolute reliability of that data, as an inveterate weekend fisherman on the Atlantic Ocean off the shores of Long Island, I can personally attest that some species formerly in abundance have become rare in my own lifetime.

I have repeatedly introduced bills similar in intent to H.R. 200 and I am happy to lend my support to H.R. 200 today. I commend the work of the Merchant Marine and Fisheries Committee under the distinguished leadership of the gentlelady from Missouri. I wish to assure her that she and her committee colleagues on both sides of the aisle have earned the gratitude of thousands of my constituents in whose behalf I thank the entire committee for this signal and long-awaited legislative accomplishment.

Mr. ST GERMAIN. Mr. Chairman, when I arrived in Washington in 1961 as the newly elected representative of the First Congressional District, I was acutely aware of the plight of a considerable segment of my constituents in Rhode Island whose livelihood was in the greatest jeopardy. My State's domestic fishing industry was, as the result of the depredations of foreign fleets, at the lowest ebb.

Huge, supermodern and Government-subsidized foreign fleets appeared in ever-increasing numbers in our traditional fishing grounds, and their disregard of sensible conservation measures soon depleted our fish resources so alarmingly that it will be generations before we can hope to see the balance restored.

Naturally, one of my first legislative efforts was directed toward the correction of this long neglected abuse through the establishment of a 200-mile coastal limit. That was 14 years ago, and the conditions which then seemed insupportable are now absolutely disastrous. It is imperative that the Congress face the problem positively, and take immediate action to protect and restore one of our most treasured natural resources by voting in favor of H.R. 200.

By the establishment of a 200-mile coastal limit as delineated in H.R. 200, sound conservation measures will be put into effect immediately, and the Nation's fishermen will benefit from clearly defined protective strictures. No more will those enormous fleets from other nations make free with our traditional fishing grounds. Incidents, such as the loss of $150,000 in lobstering equipment suffered by Rhode Island- and Massachusetts-based fishermen early in January 1975 as the result of the reckless and immoderate fishing practices of a foreign power, will no longer be tolerated.

We owe posterity the preservation of our natural resources, and passage of this legislation is but one step toward that great goal.

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 200, which is a bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish, in order to protect the domestic fishing industry and for other purposes.

I was pleased to cosponsor this bill which should prove to be a tremendous help in our efforts to conserve and manage fisheries resources found off the coasts of the United States, and the anadromous fisheries resources of the United States in the high seas.

If we are to safeguard the well being of commercial and recreational fishing off the coast of the United States for American, as well as foreign, commercial and recreational fishing interests, this legislation must be passed.

The vast operations of foreign fishing fleets have caused a vast depletion of stocks in our coastal waters and the area within which this bill is designated to reach. Commercial fishing in the high seas and off the coast of the United States has become a veritable field of exploitation of our limited fisheries stocks.

The United States catch rose only from 4.3 million tons in 1938 to 4.7 million tons in 1973, while the estimated catch for foreign nations have more than tripled in the same time period. Another tragic aspect about the serious depletion of commercial fishing stock is the effect on recreational fishing. All too often dolphins and the beautiful marlin and sailfish are caught within schools of commercial fish and are not returned to the sea. The result has been a severe depletion in the numbers of these beautiful gamefish, which will face extinction without the necessary management and conservation efforts contained in this bill.

I should now like to review the main argument set out by opponents of this bill. It is their position that unilateral action by the United States—that is passage of this bill—would jeopardize any international agreements which might take place between 148 participating nations at the March 1976 Law of the Sea Conference. I should like to emphasize to my colleagues that this bill is an interim measure and would be superseded by any international agreements in which the United States might participate. It is clear that it may take several years before a workable international agreement can be ratified by all the 148 member nations.

In the interim period when this bill would apply, the management and conservation measures provided in this bill would be in effect to insure a continuing supply of commercial and game fish for all nations. This bill is not designed to prejudice any foreign fishing interests. On the contrary, it is designed to protect the availability of the various species for United States and foreign commercial and recreational fishing for years to come.

Now I should like to address myself to a problem I alluded to earlier—the severely depleted gamefish stocks. This bill exempts "highly migratory species" from Federal fisheries management authority. This exemption was placed in the bill in deference to the tuna industry. Opponents of this bill should be pleased to note that the foreign tuna fishing fleets would not be subject to any of the management provisions of this bill. Unfortunately, international agreements define "highly migratory species" as including tuna as well as a wide variety of gamefish such as swordfish, sailfish, sharks, dolphins, white, blue and striped marlin, as well as many other species of gamefish. These gamefish are in danger of virtual extinction in the next decade if we do not take drastic conservation efforts immediately.

Just to serve as an example of the serious state the future holds for recreational fishing, let us review some startling statistics affecting the marlin alone. The overall catch rate—fish per 1,000 hooks—for the beautiful white marlin declined from 2.06 in 1956 to 0.80 in 1970. Also the overall catch rate for the blue marlin fell from 3.81 in 1962 to a serious low of 0.29 in 1970—a 92 percent drop. Recent statistics show that the decline is ever-increasing. To remedy this situation, I plan to offer an amendment to limit the definition of "highly migratory species" to the various species of tuna. This would effectively place the many species of endangered gamefish under the auspices of Federal fisheries management protection.

It is most important that we realize that conservation and respect for inhabitants of the sea is equally as vital as our efforts on the shore. Prolonging legislation such as this will only result in later more drastic conservation efforts. What assurances do we have that the 148 member nations will reach a viable international agreement to accomplish the ends this bill sets out to—none. Even though passage of this bill might be opposed as an unwise unilateral action—we must recognize that it is only an interim measure to stay in force until the 148 member nations of the Law of the Sea Conference reach an agreement.

Fellow Members, let us not forget our recent and most welcomed visit by Emperor Hirohito and Empress Nagako of Japan. On each step of their journey throughout the United States, the royal couple saw signs pleading for their assistance in saving the whale from virtual extinction.

Fellow Members, Americans across this Nation recognize the need for this legislation, as well as the continuing injury that will result from prolonging its long-awaited passage.

Thank you, Mr. Chairman.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

Pursuant to the rule, the Clerk will now read by title the substitute committee amendment printed in the reported bill as an original bill, for the purpose of amendment.

The Clerk read as follows:

H.R. 200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marine Fisheries Conservation Act of 1975".

SEC. 2. CONGRESSIONAL FINDINGS, POLICY, AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares the following:

(1) Coastal species of fish which inhabit the waters adjacent to the United States, highly migratory species of the high seas, species which dwell on or in the Continental Shelf, and anadromous species which spawn in United States rivers and estuaries, constitute an irreplaceable resource which contribute to the food supply and economy of the Nation as well as to the health and recreation of its people.

(2) Stocks of fish which United States fishermen depend upon have been the target of concentrated foreign fishing which has increased dramatically during the past decade. Certain coastal and anadromous species are depleted to the point where the survival of the fisheries is threatened and others have been substantially reduced in number, as the result of continued overfishing and failure to initiate or to observe sound conservation practices.

(3) Commercial and recreational fishing constitutes a major source of employment and contributes significantly to the economy of the Nation. Many coastal areas are dependent upon the fishing industry as the foundation of the local economy. The depletion of fishery resources at an ever-increasing rate over the past decade threatens the social and economic fabric of those coastal regions where fishing and related activities are the principal source of employment.

(4) United States fishermen, confronted by massive foreign fishing fleets in coastal waters of the United States, have suffered extensive interference with their fishing efforts and destruction of their gear under circumstances which render it virtually impossible to secure compensation.

(5) International agreements have not been effective in halting the depletion of valuable coastal and anadromous species caused by such overfishing; and even to the extent that international agreements might ultimately prove to be effective, there is danger that irreversible depletion of such species will take place before such agreements can be negotiated, signed, ratified, and implemented.

(6) Fishing for coastal and anadromous

species is carried out in part on the high seas off the coasts of the United States by United States and foreign vessels where no regime of law, except for specific international agreements, applies to govern fishing or to require conservation practices.

(7) Fisheries resources are renewable and if placed under sound management before depletion has caused irreversible effects, can be restored to provide optimum sustainable yield. It is therefore in the national interest and in the interest of all nations and peoples engaged in fishing on the high seas to provide effective management programs that will both maintain the optimum sustainable yield of fisheries resources and support the commercial and recreational fishing industries.

(8) Developing international law, as proposed in the informal single negotiating text recently prepared at the Third United Nations Conference on the Law of the Sea, proposes primary coastal state management and preference over coastal species in an economic zone extending to 200 miles beyond the baseline of the territorial sea, and primary host state management and preference over anadromous species.

(b) POLICY AND PURPOSES.—It is therefore declared to be the policy and purposes of the Congress under this Act—

(1) to conserve and manage the fisheries resources found off the coasts of the United States and the anadromous fisheries resources of the United States in the high seas by establishing an exclusive fisheries conservation and management zone in the area extending 200 nautical miles seaward of the United States within which the United States will assume management responsibility and authority over all fisheries resources, except highly migratory species, and by declaring fisheries management responsibility and authority on the high seas beyond such zone with respect to anadromous species;

(2) to support and encourage international measures for the conservation and management of highly migratory species on the basis of regulations consistent with the terms of any applicable international fisheries agreement;

(3) to promote the commercial and recreational fishing industries of the United States in order to maximize under sound conservation and management principles the production of food from the sea and the recreational opportunities of the American people;

(4) to establish management programs which will achieve and maintain an optimum sustainable yield from fisheries resources under circumstances which can enable the States, the fishing industry, consumer and environmental organizations and other interested persons to participate in or advise on the establishment of management plans and regulations, and in the development of such programs in regard to stocks of fish, to consider the social and economic needs of the coastal States along which such stocks abound;

(5) to permit foreign fishing within the fisheries zone established by title I of this Act consistent with the conservation requirements of the various stocks, if there are excess stocks of fish not being utilized to the optimum sustainable yield by United States commercial or recreational fishermen, after there is taken into account the efforts of United States fishermen to develop new and expanded fisheries, and the fact that certain stocks of fish which United States fishermen have been heavily dependent upon are now seriously depleted largely as a result of foreign fishing;

(6) to support and encourage continued active United States efforts to obtain an internationally acceptable treaty at the Third United Nations Conference on the Law of the Sea, and particularly to seek effective conservation of living ocean resources;

(7) to maintain without change the existing jurisdiction and rights of the United States in the Continental Shelf and the waters superjacent thereto for all purposes, other than the protection and conservation of fisheries resources as provided by this Act; and

(8) not to authorize any impediment to, or interference with, lawful activities on the high seas, except with respect to the protection and conservation of fisheries resources as provided by this Act.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "anadromous species" means those species of fish which spawn in fresh or estuarine waters of the United States and which migrate to ocean waters.

(2) the term "coastal species" means all species of fish other than any species referred to in paragraphs (1), (3), and (13) of this section.

(3) The term "Continental Shelf species" means any Continental Shelf fishery resource as defined in section 5(a) of the Act of May 20, 1964 (78 Stat. 196; 16 U.S.C. 1085(a)).

(4) The term "depleted", when used with reference to any species of fish, means that a stock of the species has been so reduced, as a result of overfishing or any other cause induced by man, or as a result of any natural cause, that a substantial reduction in fishing effort must be immediately achieved in order that the stock can replenish itself and once again provide an optimum sustainable yield.

(5) The term "fisheries zone" means the fisheries conservation and management zone established by title I of this Act.

(6) The term "fish" means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than birds or marine mammals.

(7) The term "fishery" means the business, organized activity, or act of fishing for a particular stock or species of fish (or for two or more stocks or species which are caught simultaneously or otherwise caught together) which by virtue of its geographical, scientific, technical, recreational, and economic characteristics is capable of being regulated as a unit.

(8) The term "fishing" means the catching, taking, harvesting, or attempted catching, taking, or harvesting, or any action which can reasonably be expected to result in the catching, taking, or harvesting, of fish for any purpose, and any activity at sea in support thereof.

(9) The term "fishing vessel" means any vessel, boat, ship, or other craft which is used for, equipped to be used for, or of a type which is normally used for—

(A) fishing; or

(B) aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including, but not limited to, supply, storage, refrigeration, transportation, or processing.

(10) The term "high seas" means all waters beyond the territorial sea of the United States.

(11) The term "international fisheries agreement" means any bilateral or multilateral treaty, convention, or agreement relating to fishing to which the United States is a party.

(12) The term "Marine Fisheries Commission" includes the Atlantic States Marine Fisheries Commission, the Gulf States Marine Fisheries Commission, and the Pacific Marine Fisheries Commission established by interstate compact.

(13) The term "highly migratory species" means any species of fish which spawn and migrate during their life cycle in waters of the high seas, in and outside the fisheries zone, including, but not limited to, tuna; but excluding halibut, sablefish, and herring.

(14) The term "optimum sustainable yield" means a yield which provides the greatest benefit to the United States as determined on the basis of the maximum sustainable yield of a stock or stocks of fish as modified by relevant ecological, economic, and social factors.

(15) The term "person" means any individual, corporation, partnership, or association (whether or not such individual is a citizen or national of the United States, or such entity is organized or existing under the laws of any State), and any government or entity thereof.

(16) The term "Secretary" means the Secretary of Commerce.

(17) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, Guam, and the possessions of the United States.

(18) The term "stock" means a species, subspecies, geographical grouping, or other category of fish capable of management as a unit.

(19) The term "United States" when used in a geographical context, means all the States thereof.

Mrs. SULLIVAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

Mr. FRASER. Mr. Chairman, reserving the right to object, I might say if it is a matter of reading title by title, I have no objection to the title being considered as read.

The CHAIRMAN. Does the gentlewoman from Missouri wish to renew her request as to title I?

Mrs. SULLIVAN. Mr. Chairman, I ask unanimous consent that the bill be considered as read by title, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

Mr. ECKHARDT. Mr. Chairman, reserving the right to object, I merely want to understand what is meant here. Title I seems to start on page 16.

The CHAIRMAN. As I understand the request, it was as to the first three sections preceding title I.

Mr. ECKHARDT. That they would be read by section?

The CHAIRMAN. The gentlewoman is asking unanimous consent that they be considered as read.

Mr. ECKHARDT. That they be considered as read and then read by title?

The CHAIRMAN. The gentleman is correct.

Mr. ECKHARDT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mr. SIKES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am a supporter of the 200-mile territorial limit proposal.

I think everyone knows that our waters have been grossly violated by ships of foreign nationals. Other nations have harassed our crews and our fishing boats. We should know by now that there is to be no help from the Law of the Sea Conference. It is time for Congress to act, and I support the effort.

I do have a concern that I want to discuss, but before I express it, let me say that I have confidence, respect, and esteem for the gentlewoman from Missouri, the chairman of the committee, for the distinguished ranking member, for the chairman of the subcommittee, and for the gentleman from Massachusetts (Mr. Studds), the sponsor of this legislation, who has worked very hard to bring it to the floor.

Mr. Chairman, concern has been expressed to me from a number of sources about the possible effect of this bill to extend control of the seas to the 200-mile limit. Most of us who support the principle of a 200-mile limit simply want to extend U.S. control to that distance in order to further insure the protection of U.S. interests against the improper fishing practices by other nations in these waters, and to serve as a counter for the claim of 200 miles by other nations, some of which have abused their claim by their actions against U.S.-owned vessels and American crews.

It is the details of the bill that I confess I am worried about. I think they are broader than needed. They present the Federal Government, as I see it, with a vehicle with which to preempt State marine fishing authority. I know that is not the intent of this committee. I respect the members of this committee, and I know that is not what they intend.

But intent will be of little comfort if the Federal Government at some future date decides to fully implement the authority which may be contained in this bill.

Most of the concern appears to be addressed to a failure to define the term, "internal waters." Some amendments are being considered to clarify this situation.

There is also concern that the bill will be costly and that Federal licenses will be imposed against U.S. boats, even though they are licensed by their own respective States.

Florida, with a very long coastline and an extensive fishing industry, has a particular interest in this matter.

Mr. Chairman, I had thought to offer amendments to clarify these points, but I am hopeful that an understanding can be accomplished through a dialogue, and I wonder if at this time I may have the attention of the distinguished chairman of the committee or the chairman of the subcommittee.

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield, I would be glad to respond to the gentleman's inquiry.

Mr. SIKES. Mr. Chairman, I am happy to yield to the distinguished chairman of the subcommittee.

Mr. LEGGETT. Mr. Chairman, I will state that I have reviewed extensively the views of the gentleman which he has communicated to me individually and which have been communicated to the committee by the State of Florida through Mr. Harmon Shields. I have attempted to respond to the inquiries.

Mr. SIKES. The gentleman mentioned is the head of the department of conservation in Florida.

Mr. LEGGETT. Yes. He raises some very important questions. I believe I responded to those in the Record in my statement and in my remarks in general debate.

Very simply stated, we do not intend to usurp State jurisdictions. We intend to give States every right and every opportunity to make their own plans and hopefully they will be in accord with any Federal plan that may be developed. We give the Governors of the States the opportunity to appoint members to this committee.

We are going to ask for local experts from the various States to participate on the Fishery Council to promulgate these plans.

It is only in that rare situation such as when we have two States which may have conflicting views, such as the State of Florida has right now with respect to control of the spiny lobster, where there is a conflict with some of the sister States, that we would attempt to go into that area.

If the gentleman will yield further, I would like to say that then, as in the spiny lobster bill, as soon as States enact legislation conforming or as soon as States conform, the Federal jurisdiction would immediately evaporate.

Again, Federal jurisdiction would not come into play automatically. It would only come in where we had this impasse. States would have an opportunity for notice and for hearing, and it is the intention of our committee to very precisely oversee the interrelationship between these councils and the administrator of NOAA and the Secretary of the Department of Commerce so that we do not get into the situation where the Federal Government is running State fishery activities. That is not our intention whatsoever.

Mr. SIKES. I have seen the remarks of the distinguished gentleman from California (Mr. Leggett), which appear in the Record, at an earlier point. I am reassured by his statement at that time, but I thought it well to have this colloquy so that the intent of the committee on the legislation is clearly understood.

If I might have a similar statement from the distinguished chairman of the committee, I would appreciate it very much.

I had asked for assurance that this legislation is not intended to give the Federal Government a right to preempt State marine authority, nor is it intended to usurp the rights of the States to control their own territorial waters.

Mrs. SULLIVAN. I agree with what my subcommittee chairman just said, because the subcommittee went into that matter thoroughly, and I think his explanation is clear.

Mr. LEGGETT. If the gentleman will yield further, I might state this, that this fishery program is not going to be effective unless we have the full support of the State fish and game departments of each of the various coastal States. There is no way by which we are going to be able to do the job otherwise, so we are going to have to work synergistically, and that is the intention of the committee.

Mr. SIKES. Mr. Chairman, I thank my distinguished friend, the gentleman from California (Mr. Leggett).

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mrs. Fenwick: Page 7, line 16, after the word "the," insert the word "Interim"; page 10, line 20, after the word "establishing" insert the words "until an international agreement on the subject shall have been concluded."

Mrs. FENWICK. Mr. Chairman, I must confess that it is sad that the United States should ever be anywhere but in the forefront of those who uphold international law and security, and the rule of law in the world.

Nevertheless, I think that with certain amendments we can support this as an interim measure.

I draw the attention of the House to the first page of the bill, where the title says "To extend on an interim basis * * *"

The two amendments here, in other words, are merely reiterating the title of the bill itself, which sets the tone of the whole bill.

Mr. Chairman, I urge the adoption of these two changes and of this amendment.

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know the gentlewoman from New Jersey (Mrs. Fenwick) supports the intent of the legislation.

She is concerned about international law.

Her interim amendment would attempt to preserve whatever international law we have and have this bill evaporate when the international law comes into effect as a result of the Law of the Sea.

Unfortunately, I cannot agree, on behalf of the committee, to the amendment because there is a considerable interest in the record which we are setting up in this bill. There are benefits for tuna fishermen which we are setting up in this bill, and we do not intend that these benefits be an interim measure.

If international law does come to fruition as a result of a law of the sea which everybody can agree upon, not conceding for a minute that what we are doing here in this legislation is not totally consistent with international law, we will need this interest record.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. We will need this infrastructure, we will need a bill just like this.

As far as the second amendment that the gentlewoman from New Jersey has brought up, we would have to resist that because it would be substituting in the sanctions provision where the Secretary of the Treasury is called upon to embargo the fish products of other nations that do not cooperate with the United States.

Mrs. FENWICK. Mr. Chairman, if the gentleman will yield further, that is not in this amendment.

Mr. LEGGETT. Mr. Chairman, I am sorry. I will withdraw that.

Mrs. FENWICK. Mr. Chairman, will might comment on his statement?

Mr. LEGGETT. Certainly, I yield to the gentleman yield further so that I the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, the

word "interim" is included in the bill in the original explanation of the bill. It just seems to me that if that is proper and fitting, if we are to mean it that we ought to put it where it would be clearly understood that this would be an interim measure and it would be in effect until an international agreement shall supersede it.

Mr. LEGGETT. Mr. Chairman, I know that the gentlewoman from New Jersey has not been connected with this legislation for the 3 years and the many, many hours that we have, but we have included the word "interim" a number of times in this bill in the proper places. If we put the request of the gentlewoman from New Jersey in the findings, then some smart lawyer might come along and try to condition the bill on the words of the gentlewoman from New Jersey which might cause some confusion, and for that reason we think it is more confusing than it is helpful.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, would the Clerk kindly report the amendment again?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

> Amendment offered by Mrs. FENWICK: Page 7, line 16, after the word "the," insert the word "Interim"; Page 10, line 20, after the word "establishing" insert the words "until an international agreement on the subject shall have been concluded."

Mr. FRASER. Mr. Chairman, I was trying to understand the colloquy between the gentlewoman from New Jersey (Mrs. FENWICK) and the gentleman from California (Mr. LEGGETT).

As I understand the amendments that the gentlewoman has offered, the first one simply describes the act as an interim act. The explanation of the gentlewoman from New Jersey is that in due course we hope there will be a law of the sea agreement.

The second amendment qualifies the extent of an exclusive fisheries conservation management zone by indicating that this would only prevail until a new regime was established under international agreement.

May I ask the gentlewoman from New Jersey, am I interpreting the amendments correctly?

Mrs. FENWICK. Most correctly.

Mr. FRASER. And the qualifications that are added by these amendments do not reach to the provisions of the bill, some of which may be, or some of which are intended to be, permanent.

I must say that I do not see any difficulty with the amendments offered by the gentlewoman from New Jersey.

My purpose in rising was to see if I could understand the thrust of them.

It seems to me that while it would not cure my objection to the bill, it would seem to be an improvement.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I would state that the amendments offered by the gentlewoman from New Jersey (Mrs. FENWICK) are conditioned on an interim agreement on the subject shall have been concluded. It does not indicate that they shall have been ratified by the United States. We cover that situation under section 205, Multilateral Convention, where it states:

> If the United States ratifies a multilateral convention resulting from any United Nations conference on the Law of the Sea which contains provisions with respect to the breath of the territorial sea and the fisheries or economic zone, the Secretary, in consultation with the Secretary of State, may promulgate . . . regulations.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey.

The amendment was rejected.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ECKHARDT: On page 9, strike lines 15 through 20.
>
> On page 12, strike lines 19 through 22.

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. I thank the gentleman for yielding.

I do not have a copy of that amendment. Do we have copies available?

Mr. ECKHARDT. I do not. It is the more striking, if I may state it again, of item 6 on page 9 and item 8 on page 12.

Mr. Chairman, would the Clerk kindly report the amendment again?

Mr. Chairman, I do not believe that this amendment, if passed, would hurt the bill, and it is not offered in that sense. I am not up here to remove from the bill its necessary declarations of policy, but I think that these two declarations are really not soundly based, and I believe that they would also be mischievous to the bill itself if they were included. I shall here attempt to state why.

Item 6 seems to indicate that there is in fact no regime of law governing the right to take fish on the high seas. Of course, it is qualified by saying "except for specific international agreements." But I believe there is in fact a regime of law that covers this subject. It may be that we may have the power to legislate contrary to that regime of law, but there is no point in our stating a matter which is not soundly based in fact in the purpose clause.

The situation is this. In 1958 there were four conventions in the United Nations which codified the prevailing laws of the sea. There was the Convention on the High Seas, which really became customary international law. It was signed by all of the seafaring nations, including the Soviet Union and the United States.

There was the Convention on the Territorial Sea and Contiguous Zone; the Convention on Fishing and Conservation of the Living Resources of the High Seas which, as has been said here, the Soviet Union did not sign but we signed; and the Convention on the Continental Shelf. These four conventions, and particularly the first one, clearly reiterated the rule that had existed since 1608 at least, expounded originally by Hugo Grotius, that on the high seas themselves every nation had equal resource or equal opportunity to fish without limitation.

Since that time a fishing zone of 12 miles enjoys the status of being established as customary law and therefore as international law, because all of the maritime nations and the fishing nations recognize at least that much territory. But with respect to the territory outside 12 miles and up to 200 miles and on out, there does exist in fact a regime of law that controls that situation at the present time. Here freedom of the seas and of fishing is the regime of law.

If it may arguably be said, and I am sure that it will be said by members of the committee, that a State may unilaterally extend its right, its area, its fishing zone beyond 12 miles, it will not add anything to put that self-serving statement in section 6. I think section 6 is at most erroneous and at least confusing.

But the main section that I think should be stricken is that section on page 12 which is paragraph (8), lines 19 through 22. Let me ask the Members to listen to this for a moment and tell me if the very language of the act does not state or imply that it is in violation of international law. It says:

> not to authorize any impediment to, or interference with, lawful activities on the high seas, except with respect to the protection and conservation of fisheries resources as provided by this Act.

That states in effect that there is one interference with lawful activities on the high seas which is purported to be justified under this act and that is the protection and conservation of fisheries resources as provided in this act.

Why should the act itself gratuitously say that we are interfering with lawful activities on the high seas? What does that add? It seems to me it only admits that the act is contrary to international law in that respect.

I would like to ask the members of the committee: What conceivable advantage will these two sections give the law? Do they create an atmosphere in which the courts are likely to uphold the law which is more favorable than that which would exist if they were left out? I would suggest they do not, because the last section even implies that international law is violated by this act.

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the amendment.

The gentleman would seek to strike out paragraph No. 6 which really sets forth in a rather fishermen international kind of way that we have problems with respect to the Law of the Sea and that is the reason we have this legislation and a conference on the Law of the Sea. It points out there is no regime of law now because we have 40 different nations that have all claimed different jurisdictions which have caused considerable confusion.

Second, with respect to paragraph No. 8 where we talk about the only thing we are affecting on the high seas is fishing, it is to reaffirm that the 3-mile limit still applies, but anything beyond 3 miles is the high seas, and that the only activity in that area that we intend to relate to is, not oil, not drilling, not submarine cables, not navigation, but the only thing we relate to is fishing and that is the only place for that language.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield on that point?

Mr. LEGGETT. I yield just for a question.

Mr. ECKHARDT. In this respect I am not trying to hurt the act but I think the gentleman's legislative history here does hurt the act when he says we are admitting that all beyond the 3 miles is the high seas. The only way we can justify this act is to say we have the right to enlarge the fishing zone beyond 12 miles.

Mr. LEGGETT. But that does not change the high seas.

Mr. ECKHARDT. If the gentleman is admitting that he does change the area that constitute the high seas he is running this law directly into the teeth of the convention.

Mr. LEGGETT. No, I am talking about the single text of the Geneva Convention, that we are just negotiating right now.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield.

Mr. BINGHAM. Mr. Chairman, let us get this clear. The gentleman is saying, as I understand it, that the high seas limit as far as the United States is concerned is everything beyond 3 miles?

Mr. LEGGETT. Has been, is now, and always will be.

Mr. BINGHAM. And this bill does not purport to change that except for fisheries?

Mr. LEGGETT. That is right.

Mr. BINGHAM. I thank the gentleman. I will come back to that.

I would say the gentleman's amendment points up a very interesting fact about this law, but all the paragraphs do is claim what the bill does, so I do not see how the paragraphs are in any way inconsistent with the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 15 of H.R. 200, lines 6 through 10, delete the following:

"(13) The term "highly migratory species" means any species of fish which spawn and migrate during their life cycle in waters of the high seas, in and outside the fisheries zone, including, but not limited to, tuna; but excluding halibut, sablefish, and herring."

And insert in lieu thereof, the following:

"(13) The term 'highly migratory species' means those species of tuna which spawn and migrate during their life cycles in waters of the high seas, in and outside the fisheries zone."

Mr. CONTE. Mr. Chairman, I rise to propose an amendment to H.R. 200, designed to protect the various species of gamefish, which are otherwise not included in this bill.

H.R. 200, as drafted, exempts highly migratory species from Federal Fisheries Management Authority. Unfortunately, highly migratory species, as defined in international agreements, contains a wide variety of salt-water gamefish that are in danger of extinction.

One of the reasons for excluding these particular species might be that existing international fisheries organizations and treaties provide sufficient authority for management of highly migratory species and that no conservation problem exists with respect to this classification of fish. I should like to refute these assertions from the onset. International fisheries organizations are not constituted with sufficient legal authority and enforcement capacity to actually manage the fisheries and, therefore, have no effective control. In addition, the greater the exploitation of the fish, the less effective the management mechanism becomes. A prime example of this management problem is the International Whaling Commission—IWC—which has proven to be less than effective.

I would now like to explain the rationale behind my amendment. Section 301 at page 37 of H.R. 200 states that authority under this "act does not extend to highly migratory species." The section continues to state that these species of fish "shall be managed pursuant to international fishery agreements established for such purpose."

I should like to note that, as of this date, no commission agreement or international treaty on billfish, the largest representative of saltwater gamefish, is now in force or even contemplated. We should all keep in mind that highly migratory species is defined by international treaty agreement and international law as including such varieties of gamefish, such as swordfish, sailfish, sharks, dolphins, marlin, and tuna.

Section 3(13) at page 15 of the bill excludes tuna from the jurisdiction of the act, by stating that the tuna shall be considered a "highly migratory species." That section further provides that "highly migratory species" is "not limited to" tuna. The section then goes on to set out halibut, sablefish, and herring as the only exclusions from the meaning of "highly migratory species" within the meaning of this act.

Thus, it is clear gamefish such as swordfish, marlin, sailfish, sharks, dolphins, and so forth, go without the protection of this act. Even if it was the committees' intent to put these gamefish within the protection of the act—it is of no legal consequence. Legislative intent is only considered when a piece of legislation displays a patent ambiguity.

Because the bill does not demonstrate such ambiguity and on its face one can decisively conclude that gamefish do not come under the jurisdiction of the act—the matter is now closed.

I would like to mention that my amendment will not alter the committee's decision to exclude all species of tuna from the jurisdiction of this bill. It is quite simply designed to protect all game fish, which are in such desperate need of conservation and management controls.

We should note that the level of catch remained fairly constant for a substantial period and has declined more than 70 percent since 1964. Further, we should note that the size of the fish suggests that we are suffering from a lack of sufficient medium and large size fish to spawn sufficient juveniles to maintain the young fisheries. Unless there are large numbers of medium and large size fish in areas now unknown to us—the exploitation of the remaining population will leave us with no spawning stock. The end result could be extinction of many valuable species of gamefish within the next decade. The catch rate—fish per 1,000 hooks—for the white marlin declined from 2.06 in 1962 to 0.80 in 1970. This is a 61-percent drop in only 8 years. The blue marlin catch rate fell from 3.81 in 1966 to 0.29 in 1970. This represents a 92-percent decline.

One of the foremost fisheries scientists in the world is Dr. Shojo Ueyanagi—Show-joe Way-na-gee. He has conclusively determined that, with the declining catch rate, there is a simultaneous decline in the size of the fish taken. The conclusion is, unfortunately, a drastic decrease in the relative abundance of the fish. It is clear that stock is being adversely affected by overfishing. Because tuna are excluded from this bill, the United States would still retain a substantial degree of flexibility in any treaty negotiations.

Inclusion of bill fish and other game fish, which have little or no interest to commercial fishermen, would have no impact on treaty negotiations. It is our duty to safeguard the future of these splendid fish before they are rendered to nothing more than museum pieces.

I would like to advise that the language of my amendment is very similar to the corresponding provision in S. 961, which is the Senate version of H.R. 200. The Senate Commerce Committee recognized the need to include game fish in this bill and changed the language in the full committee markup to include game fish. I understand a substitute for S. 961 containing this new language will be filed by the Senate Commerce Committee this afternoon.

Every fisherman has a dream similar to Hemingway's "Old Man and the Sea" who one day caught the prized marlin. Let me riterate the fact that no commission agreement or international treaty on billfish or gamefish is now in force, or even contemplated. If we continue to allow the useless exploitation and destruction of these beautiful inhabitants of the sea, who have little or no commercial value—we must accept the responsibility for their eventual extinction.

Mr. STRATTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

PARLIAMENTARY INQUIRY

Mr. STRATTON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. STRATTON. Mr. Chairman, the time has expired, has it not, so that a regular quorum is required?

The CHAIRMAN. It is within the discretion of the chair to determine whether to wait longer.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The gentleman from Massachusetts (Mr. CONTE) has the floor.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I rise in support of H.R. 200 and do so having once argued in opposition to this legislation. When legislation similar to H.R. 200 was first proposed, I believed that State Department objections to unilateral U.S. action were valid. At that time, the Law of the Sea Conference was in its early stages and international consensus on the 200-mile economic zone was lacking. Since the Geneva session, two factors have coincided which convinced me that the State Department objections were no longer valid. First, it has become apparent that our coastal fisheries resources are precipitously declining, because of foreign overfishing. It is clear that overfishing is causing irreparable injury to fish stocks. Second, the Geneva session concluded with widespread international acceptance of the 200-mile economic zone. The combination of these two factors leads me today to urge prompt action by the House on H.R. 200. There is simply no time left to delay.

In support of H.R. 200, I would like to disagree with the series of arguments that have been propounded by the State Department. In objecting to the legislation, they claim that other countries will be prompted by the U.S. action on a 200-mile economic zone to declare off their waters a 200-mile territorial zone. My first response to this charge is that there is no evidence that other countries are unable to discern the difference between declaring a territorial sea and an economic zone. Quite to the contrary, I would assume that other countries like the United States would be inclined to declare a zone which is consistent with the prevailing international consensus—that is the 200-mile economic zone.

I would also add as a practical matter that as long as the 200-mile economic zone has gained international acceptance, it would be foolish for us to allow our resources to be depleted further while we wait for the Law of the Sea Conference to finish work on other issues such as deep sea mineral rights. I have every reason to believe that foreign fleets would continue to increase their activities off our coastline and to take as much fish out as they can before the 200-mile economic zone becomes effective through the Law of the Sea Convention. It seems we have everything to lose and nothing to gain by delaying any further.

One of the underlying assumptions behind the Department of State opposing this bill is that the Law of the Sea Conference will soon conclude a treaty that will be ratified by the United States. I disagree on two grounds. First, there is evidence that at least two more sessions are needed to complete work on the conference. In addition, one of the most volatile issues still remains to be resolved—the deep sea minerals issue. From what I have seen of negotiating texts, we seem to be a long way away from resolving this question. Second, even if a convention is completed, there is growing evidence that the deep sea mineral provisions may be so unacceptable to U.S. interests that the convention might not be ratified at all by the United States. Given these obstacles, it seems the State Department may be willing to bargain away our fishing resources while the Law of the Sea Conference founders.

There is no question about the need to take drastic steps to restore our depleted fish stocks and as long as the 200-mile economic zone has gained general international acceptance, I can see no valid reason for delaying remedial action any further. I urge all my colleagues to vote favorably for H.R. 200.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, we consulted in the interim.

This side is satisfied with the amendment. The gentleman's definition will probably enhance the bill. This side is agreeable to accepting the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

Mr. FORSYTHE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Chairman, we are pleased on this side also to agree to accept the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Yes, I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I rise in strong support of the amendment offered by the distinguished gentleman from Massachusetts (Mr. CONTE). While the committee should be commended for drafting this excellent piece of legislation, the Marine Fisheries Conservation Act as written does neglect to protect one important segment of our native fishery resources, the billfish—marlins, swordfish, and sailfish.

The billfish are the most prized catch of sport fishermen. In my native south Jersey, visitors and locals alike engage in recreational fishing. Tourism is the second largest industry in New Jersey, and sport fishing attracts a number of these tourists. Nationally some 34 million sport fishermen cast into our oceans. Sport fishing has a tremendous economic impact, for these anglers support a $2.6 billion industry.

Present international fisheries organizations do not provide the necessary protection for these magnificent animals. The current international agreements are toothless and lack effective enforcement procedures. Without inclusion under H.R. 200 these fish are threatened by further depletion, to the detriment of the tourist industry in New Jersey and of sport fishermen everywhere. We cannot abrogate our responsibilities to expand protection under this act to include the billfish, and I wholeheartedly urge my colleagues to join me in voting for this crucial amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

PREFERENTIAL MOTION OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. STRATTON moves that the committee do now rise and report the bill (H.R. 200) back to the House with the recommendation that the enacting clause be stricken.

Mr. STRATTON. Mr. Chairman, I have not been here for all of this debate, but I have been here for a substantial portion of it.

I am disturbed that none of the national security implications of this legislation have so far been addressed in this debate.

I heard one Member complain because the bill had not been referred sequentially to the Committee on International Relations. I think it should have been referred sequentially to the Committee on Armed Services as well, because what we are dealing with here today is something that immediately, perhaps, concerns our fishing industry, but over the longer run could also concern our national defense very seriously.

It is my understanding that the participants in the Law of the Sea Conference are fairly close to agreement on a 200-mile resources limit, but it is my information that if we proceed unilaterally to enforce a 200-mile limit ourselves, we could break up that conference, and that would be very serious, for this reason: There are not one but two important limits for us to be concerned about.

First is the resources limit and that, roughly, is the thing we are talking about in this bill, the area to which you can go out to fish, as well as the mineral rights under the sea and things of that kind.

There seems to be a broad agreement that this 200-mile limit is a good one, although the gentleman from San Diego (Mr. VAN DEERLIN), I think, is opposed because that would complicate the problem of his tuna fishermen down off the coast of Peru and Ecuador. But the limit that everybody has lost sight of is the navigation limit, the territorial limit. Those are the limits that determine what happens to our Navy and to the Navies of the world and also to our important merchant shipping, including our oil imports from the Persian Gulf.

What is likely to happen is that if by

this ill-conceived, unilateral action we destroy the possibility of an agreement in the Law of the Sea Conference, then we are not going to get what we want most of all, a 200-mile resources limit at the same time that we get a 12-mile or even a 3-mile international territorial limit. And it is very likely that what we are doing here today could end up by disrupting the whole conference and with many nations around the world declaring a 200-mile territorial limit on their own.

Let me point out to the Members on this chart just what monumental damage this would do to our defenses as well as to our economy.

What would it do to our Polaris submarine fleet and to our commercial fleet? Well, it would close every major strait in the world. It would close the Straits of Gibralter and so our nuclear submarines at Rota would be unable to get into the Mediterranean and probably the 6th Fleet would be unable to get into the Mediterranean as well.

It would close off all of the Red Sea and the Gulf of Suez; and the important Port of Eilat in Israel, which you may recall was the immediate cause of the 1967 war, would be cut off completely.

It would cut off the Persian Gulf where all of our oil comes from, as well as the oil for much of the rest of the world.

It would cut off the important Straits of Malacca which we have to use to get into the Indian Ocean with our nuclear submarines and our conventional ships. We would have to go south of Australia instead.

Here is another chart which will illustrate what I am talking about even more dramatically.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Chairman, does not the gentleman from New York have to discuss the contents of the bill rather than the contents of his imagination under the pending privileged motion?

The CHAIRMAN (Mr. Smith of Iowa). The Chair will state that the gentleman from New York must discuss the pending bill.

Mr. STRATTON. Mr. Chairman, the Member is addressing the pending bill and what the passage of this bill will do to our naval power. I think it is important that the Members of the Committee of the Whole be aware of what is before this body. That is why I propose to strike the enacting clause, as my motion provides.

Mr. Chairman, all these pink spaces represent the seas that would be denied to us if a 200-mile territorial limit were adopted throughout the world. Thirty-six percent of the ocean will be denied to our submarines and surface ships. Our nuclear, invulnerable deterrent, the Polaris, the Poseidon, and the Trident nuclear submarines would not be able to sail in the pink areas, and that is no joke. That is why the Joint Chiefs of Staff and the Department of Defense oppose this bill in its present form. This is one of the reasons that the State Department opposes it.

If we wanted to get from the Pacific into the Indian Ocean, for example, we would have to go all the way around South of Australia.

Let us not start down that road and place our naval power and also our air power in jeopardy because this limit would of course also apply our rights of overflight. It would seriously cripple our air power.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STUDDS. Mr. Chairman, I rise in opposition to the privileged motion and to the contention of the gentleman from New York that Chicken Little was right.

If the Members would look at the awesome areas of pink on the map which has been presented to us, one would think that the entire Arctic Ocean was gone forever.

The simple response to the gentleman from New York is that the legislation does not extend or affect in any way the territorial sea of this or any other country, and we affect in no way whatsoever the rights of this or any other nation beyond the territorial limits which are now and will remain 3 miles with or without this legislation. In no way do we affect rights of passage in narrow straits or any other freedom of the high seas, other than the jurisdiction over fisheries. The reason the Committee on Armed Services did not receive jurisdiction over this bill is, No. 1, because they have no such jurisdiction under the Rules of the House; and, No. 2, because they did not request it. But it might come as some enlightenment to the Members to know that in the other body where the rules are somewhat different and somewhat looser, the Committee on Armed Services of the U.S. Senate did receive sequential jurisdiction last winter, and, wonder of wonders, it favorably reported this bill by a vote of 9 to 8, as I recall, a favorable report from the Senate Committee on Armed Services.

Testifying at that time was the Chairman of the Joint Chiefs of Staff, General Brown. Although the Members will not find this testimony in the transcript of the hearing because the Department of Defense exercised their privilege of excising it subsequent to clearing it, the Chairman of the Joint Chiefs was asked by Senator McIntyre:

> General, if every nation in the world did precisely what the United States proposed to do in this legislation, would it in any way affect the security of the United States?

The answer was "No."

Then the General was asked:

> Has any nation, to your knowledge, threatened to take any action prejudicial to the national interest and security of the United States if we were to pass this law?

And the Chairman of our Joint Chiefs of Staff said, "No."

Mr. Chairman, I urge defeat of the motion.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York (Mr. Stratton).

The motion was rejected.

The CHAIRMAN. The first three sections of the bill are open for amendment. Are there further amendments to those three sections?

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to every word of this debate, and the only reason I have not talked before now is because of the fact that I was not allowed any time on either side. I do not blame anybody, because the time was already used up. But I wanted to talk, and I wanted to talk along the line that my very eloquent predecessor talked here, because I am chairman of the Seapower Subcommittee and I am on this Advisory Board of the Law of the Sea.

I have never taken any trips in my entire career. I never have been anywhere, but I do go down to the Department of State when they have their backup meetings there working on the law of the sea. I spend days down there, and they are pretty painful days, because the discussions are pretty rough and pretty tough as to how they are going to get a proper type of law of the sea in the end. This is not any striped-pants proposition; it is hard work and very unpleasant. I have to stay down there all day long and listen and try to participate in how we are going to try to work out these matters. There is no champagne; in fact, there is not even a cookie given to us during the whole day. One has to go out and buy it if one wants to get it. I take off some time on my vacations, if I want to do it.

I come from sea towns. The first third of my life I spent in Tampa, Fla. I am familiar with fishermen and their problems. The last two-thirds of my life I spent in Jacksonville, Fla. I have represented a lot of sea towns. Today I represent two, Fernandina and Mayport. These cities are hundreds of years old. They have always been sea towns. One of them is about 400 years old—Mayport. So I am rather familiar with the seaman, the man who goes to sea to get fish.

The fishermen in my area primarily fish for shrimp, and they do not like this bill. Why do they not like the bill? They do not like the bill because their livelihood will be imperiled by this bill, because it will encourage other countries to do the same sort of thing that we are doing here and will cut off the shrimp, just as Mexico did the other day. And the other places where they get shrimp will be cut off. The bulk of the shrimp and fishing industry of the United States of America has nothing to gain by this bill, nothing at all to gain dollarwise.

Our largest fish business in the United States is in shrimp, tuna, salmon, and other fish of that type, so the bulk of it is not going to be helped by this bill at all.

I want to say one other thing. I have seen Congress now in the last week or so do some rather strange things. There was a President of the United States whose name was Teddy Roosevelt. He said, "Speak softly and carry a big stick." We are carrying a little, tiny, "itty-bitty" stick, and we are speaking awfully loud.

If the present situation is that we cannot do anything about enforcement in 12 miles, what do the Members think is going to be done about 200 miles? Do they want the national defense of our country to put hundreds of millions of dollars in policing that area? If we cannot police 12 miles, how are we going to police 200 miles?

Passing this law is just going to be drawing the line and asking somebody to step over it. That is what it is. Do we want to be confronted with that?

The gentleman from New York (Mr. STRATTON) has already pointed out why the Defense Department is opposed to this. General Brown may have said, and it is quite true, and we might well have said it, that if all nations of the world would pass this bill there would not be any great national defense matter. But they would not pass this bill. They did not when President Truman extended the line. What did they do? They extended the lines of their sovereignty over the sea and used President Truman's extension over fishing to say: "Therefore we are entitled to do the whole works." They would use this to keep the submarines out. If the submarines came into their waters our submarines would have to surface.

Incidentally we would not even be able to fly airplanes over that area because absolutely the same law obtains.

It would be a great folly to enact this law. It would be a folly because we pick out only a small portion of the fisheries to help and we would hurt other portions of the fishing industry, the larger part. Those hurt are as entitled to be considered as anybody else.

The retaliation will hurt. It has already hurt. The retaliation has always taken place.

We would be imperiling our Polaris and Poseidon and Trident and other nuclear submarines, because they would not be able to hide in the sea.

We have to admit that our nuclear deterrent force is the most magnificent achievement of our defense, because we have not had a nuclear war; and we do not have a nuclear war because it is known by the Russians that if they strike us with nuclear weapons we can obliterate them after they have obliterated us.

That is a horrible thought, but that is what our deterrent is. That is what a nuclear deterrent is. That is why we have the Polaris and Poseidon and Trident. We ought to be glad we have them as our nuclear defense to deter the starting of nuclear war. The passage of this bill would encourage other nations to unilaterally extend their sovereignty into areas of the ocean where these submarines can now hide.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent, Mr. BENNETT was allowed to proceed for 3 additional minutes.)

Mr. BENNETT. Mr. Chairman, I just want to amplify a little bit on what I said a moment ago about carrying the big stick and speaking softly. We cut $9 billion out of the national defense the other day, after already cutting out billions of dollars in authorizations and then what else did we do the other day?

We said we are going to do something big in the Middle East and take on that big responsibility and place a trigger of 200 technicians there. I ask the Members to remember that may be another war, that may be Armageddon, that may destroy all mankind. We took that on very easily.

But at the same time, when our Navy says absolutely they have to start 35 new ships this year, we gave them only 21 ships. Our Navy is being depleted, our national defense is being destroyed, and we are taking on more responsibilities all the time. We are not credible as a nation today. The world knows we are not credible. Only we do not know it.

I want to say another thing. The heart and the good part of this bill is conservation, but the good part of this bill is already being accomplished. In a meeting on September 28 in Montreal, Russia agreed it would go along with these conservation ideas but they said that they would not agree to the 200-mile proposition we are considering here but that they will work with us on conservation.

Suppose we enact this and the Russian trawlers come off the coast of the United States. Are we going to send our Navy there, our Navy which does not have enough ships to take care of what we already must take care of?

I want to lay this on the conscience of the Members and ask them to defeat this bill because I think it promises something we cannot achieve; and it does something that is dangerous to the fishermen in my district and to most of the fishermen we have in this country; and it is a bluff by us that we are in no position to sustain.

The CHAIRMAN. There being no further amendments to the first three sections, the Clerk will read title I.

The Clerk read as follows:

TITLE I—ESTABLISHMENT OF UNITED STATES FISHERIES CONSERVATION AND MANAGEMENT ZONE EXTENDING TO THE 200-MILE LIMIT

SEC. 101. ESTABLISHMENT OF FISHERIES CONSERVATION AND MANAGEMENT ZONE.

There is hereby established a fisheries conservation and management zone (hereinafter referred to in this title as the "zone") contiguous to the territorial sea of the United States. The seaward boundary of the zone shall be a line drawn so that each point on the line is 200 nautical miles from the baseline from which the breadth of the territorial sea is measured.

SEC. 102. EXCLUSIVE RIGHTS OF UNITED STATES WITHIN ZONE.

The United States will exercise the same exclusive rights in respect to fisheries in the zone as it has in its territorial sea. Fishing by foreign states within the zone will be permitted as may be recognized on or after July 1, 1976, by the United States pursuant to the provisions of this Act.

SEC. 103. ADJUSTMENT OF BOUNDARY.

Whenever the President determines that a portion of the zone conflicts with the territorial waters or fisheries zone of another country, he may establish a seaward boundary for such portion of the zone in substitution for the seaward boundary described in section 101.

SEC. 104. STATE JURISDICTION.

Nothing in this Act shall be construed—

(1) as extending the jurisdiction of any State to any natural resource beneath and in the waters within the zone;

(2) as diminishing the jurisdiction of any State over any natural resource beneath and in its internal waters; or

(3) except as may be provided pursuant to section 309, as diminishing the jurisdiction of any State to any natural resource beneath and in the waters of the territorial sea of the United States.

SEC. 105. REPEALER.

The Act of October 14, 1966 (80 Stat. 908; 16 U.S.C. 1091–1094), is repealed.

SEC. 106. EFFECTIVE DATE.

This title shall take effect July 1, 1976.

Mrs. SULLIVAN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

MOTION OFFERED BY MRS. SULLIVAN

Mrs. SULLIVAN. Mr. Chairman, I move that all debate on title I and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion offered by the gentlewoman from Missouri.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for three-fourths of a minute each.

The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: On page 17, line 4, strike the period and add the following: "or as may be the exercise of a right protected by international law or by any treaty to which the United States is a party."

Mr. ECKHARDT. Mr. Chairman, add to the provision now in the bill, what this does is provide that "Fishing by foreign states within the zone will be permitted as may be recognized on or after July 1, 1976, by the United States pursuant to the provisions of this act." That is what the act now says the provision that the same may be done as an exercise of a right protected by international law or by any treaty to which the United States is a party.

The author of the bill says this bill does not violate any treaty and does not violate international law. All I do is make sure that the bill will not be used for such violation.

Mr. FORSYTHE. Mr. Chairman, I rise in opposition to this amendment. I think it is absolutely redundant. It is not needed. It does not add anything to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ANDERSON).

Mr. VAN DEERLIN. Mr. Chairman, I ask unanimous consent that my fat 40 seconds be yielded to the gentleman from California (Mr. ANDERSON).

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. TALCOTT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ANDERSON of California. Mr. Chairman, I would like to say something about conservation and fish stocks. A moment ago my colleague from California, expressed his concern over the status of California fish stocks.

Although I do not doubt the gentleman's good intention in attempting to protect his people's interests, I do question his source of information regarding the take of fish off the California coast.

We should indeed be concerned if our shores are being "raped" of this valuable food resource. But in California, they are not. In fact, the overall catch of California coastal fishermen has dramatically increased over the past 10 years. This increase reflects the six major stocks of fish off California's shores, according to the California Department of Fish and Game. And, this increase does not include tuna landings, the majority of which is caught off foreign shores.

The following chart indicates the California commercial landings of fish, other than tuna, according to the California Department of Fish and Game:

CALIFORNIA COMMERCIAL LANDINGS—OTHER THAN TUNA AND TUNA RELATED FISH

[In pounds]

Year	Rockfish increase	Sablefish increase	Salmon same	Sole (all) increase	Crab (all)	Squid increase	Total (including other minor species)
1965	9, 392, 424	2, 863, 550	9, 737, 775	20, 158, 546	5, 132, 592	18, 619, 893	95, 289, 198
1966	10, 063, 592	3, 215, 939	9, 446, 995	19, 087, 738	12, 707, 233	19, 025, 879	99, 438, 873
1967	9, 798, 951	3, 798, 493	7, 041, 729	17, 909, 130	12, 040, 874	19, 601, 922	90, 843, 530
1968	9, 444, 396	3, 219, 455	6, 951, 931	19, 465, 137	16, 367, 238	24, 932, 173	103, 257, 521
1969	9, 227, 451	4, 156, 846	6, 150, 906	22, 070, 122	8, 443, 072	20, 779, 382	92, 071, 964
1970	10, 686, 844	4, 428, 077	6, 611, 522	23, 813, 431	15, 954, 200	24, 950, 865	106, 748, 876
1971	11, 168, 746	4, 424, 463	8, 116, 878	22, 692, 905	10, 204, 997	31, 517, 408	104, 946, 351
1972	16, 421, 252	8, 395, 714	6, 423, 289	30, 739, 726	2, 406, 536	20, 159, 312	101, 780, 105
1973	22, 052, 455	8, 550, 071	9, 668, 984	30, 421, 922	2, 074, 336	12, 061, 632	107, 600, 759
1974	21, 447, 169	12, 007, 479	8, 743, 564	27, 983, 345	1, 686, 105	28, 904, 680	130, 006, 619

Note: Tuna is excluded since 96 percent of it is caught in distant waters.

Source: California Department of Fish & Game Annual Catch Bulletins, table 15.

The following chart shows the U.S. landing of fish and shellfish from 1960 to 1974:

EXHIBIT 1

U.S. LANDINGS OF FISH AND SHELLFISH—1960 TO 1974—CORRECTED TO INCLUDE PUERTO RICO TUNA LANDINGS BY U.S. VESSELS

Year	Million pounds	Million dollars
1960	4, 962. 9	[1] 356. 5
1961	5, 218. 1	[1] 365. 8
1962	5, 382. 7	[1] 399. 6
1963	4, 884. 0	380. 7
1964	4, 589. 4	394. 0
1965	4, 831. 6	452. 1
1966	4, 430. 7	481. 4
1967	4, 152. 9	450. 0
1968	4, 267. 7	512. 6
1969	4, 433. 3	541. 9
1970	5, 001. 9	626. 7
1971	5, 146. 8	675. 7
1972	4, 894. 1	765. 5
1973	4, 926. 3	970. 8
1974	5, 118. 8	957. 4

[1] Puerto Rico tuna values calculated using average dollars per pound from U.S. landings each year for Yellowfin and Skipjack.

Source: Fisheries of the United States, Annuals of N.M.F.S. and Fishery Statistics of the U.S., 1971; Statistical Digest No. 65 NMFS

Mr. Chairman, In conclusion, I suggest that what we have here is a species problem, not a national problem. With so much at stake, the law of the sea negotiations, the survival of the tuna industry, and the exhorbitant cost of this bill, I believe we should act to protect those stocks of fish that are in trouble, by legal means through bilateral or multilateral negotiation, rather than unilateral action.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Page 16, strike line 21 and substitute in lieu thereof the following: "measured, subject to supercession by an international agreement.";

Line 23, after the word "Zone" insert the following: "until such time as an international agreement shall have been ratified."

Mrs. FENWICK. Mr. Chairman, this amendment is again in the spirit of the first amendment I offered, and which failed. This is an effort to reiterate that this is an interim agreement, and that we are ready to stand under the law and such treaties as may be agreed to and ratified.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I will use my 40 seconds in objecting to the gentlewoman's amendment.

The community of nations have agreed to a 200-mile limit. It is part of this bill, and there is going to be a 200-mile limit after the new law of the sea, if it is ever enacted, so that to make the 200-mile limit an interim affair would not be reasonable.

With respect to the statement of my colleague from California, if he will look on page 35 of the committee report, he will find that we used to have 97 percent of American fish caught by Americans, but now they only catch 50 percent.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. GUDE).

Mr. GUDE. Mr. Chairman, I rise in support of the gentlewoman's amendment. This legislation has bad features, and this will help to mitigate them to some extent.

I think one important thing that the House should also remember is that, indeed, this legislation is going to cause great difficulty in the transport of oil around the world. We will find that nations will be settling up 200-mile pollution zones and controlling oil transport through their waters by requiring fees. We are going to find that we will have to pay a toll to bring oil to the United States.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK).

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I am sorry that the 20-minute time limitation was put on and that Members only have 40 seconds each. That is what concerns me about agreeing to let the whole bill be read, and now it appears that it is true in letting it be read by title.

Some important amendments are going to be offered but I, for one, am not going to be part of debate which is limited to 40 seconds. So, I hope that the managers of the bill will remember this as the debate goes on. There obviously is a problem in having the bill considered as late in the day as this. I asked for time in general debate and got none.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island (Mr. BEARD).

Mr. BEARD of Rhode Island. Mr. Chairman, I support 100 percent the legislation that is before us today. In Rhode Island we have suffered terribly with tremendous unemployment at the rate of 16 percent. A very great part of our industry which has been swept clean like a vacuum cleaner by foreign ships has been our fishing industry. They have destroyed part of our fishing industry. We have to do something.

I hope the Members will support H.R. 200 and the 200-mile limit.

(By unanimous consent, Mr. DOWNING of Virginia yielded his time to Mr. DOWNEY of New York.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY of New York, Mr. Chairman, I rise in strong support of H.R. 200. For over 300 years one of the basic tenets of freedom of the seas has been that all fishermen have open access to fishing stocks in international waters. Until recently, there has been little or no reason for this Nation to restrict the entry of foreign fishing vessels into its coastal waters. However, as a result of the technological sophistication of modern fleets, coupled with their unwillingness to follow basic conservation measures, the time has come when we, as a Nation, must reassess our basic policies.

The need for this basic reassessment is absolutely clear: Foreign fishing fleets off this Nation's coasts are threatening to cause the extinction of many of our indigenous species of fish by their unlawful and careless fishing activities.

Our commercial and recreational fishing industries are far too important for the Nation to allow these actions to continue. On Long Island alone these industries have a reported worth of $16 million, and the true value might be far greater. Moreover, the industry is the second largest single employer on Long Island.

These domestic fishing activities are absolutely dependent upon the continued stocks of salt water fish off our island's coast. It is well known that Russian trawlers have been threatening our stocks of whiting, ling, herring, and squid, all of which are fished commercially by Long Island's fishing fleet.

Further, New England and the Middle Atlantic fishing regions are now faced with such a drastic decrease in the population of such species as the yellow tail flounder, that we may be forced to reduce the catches of these fish in order to insure their continued existence. Similarly, the press reports have indicated that our coastal fishermen are having to venture farther and farther from our shores in order to find the species they once fished nearby in abundance.

Mr. Chairman, we have before us today a bill that will extend our exclusive fishery zone from 12 miles to 200 miles effective July 1, 1976, and will require foreign vessels fishing within this zone to acquire a permit from the Secretary of State. Given the fact that foreign fishing fleets are larger, better equipped, and more able to travel longer distances than our own coastal fishermen, the need for this legislation is clear.

We have already delayed too long. Forty nations have already declared exclusive fisheries zones beyond 12 miles and the three Law of the Sea Conferences held in the past 17 years have failed to provide any meaningful resolution of the question of ocean jurisdiction. In the meantime, these highly subsidized foreign fleets are moving in on this country's resources and draining them dry. The devastation of fish life off our shores cannot continue.

We, as a Nation, must take affirmative action to require Russia, Japan, and other nations to observe the proper conservation measures of international law in their fishing activities, and we must place a limit on their trawling activities near our coasts. Through the strong leadership of this country we may be able to stop this destruction in time.

The time to act is now. I urge my colleagues to consider these points carefully and press for speedy and affirmative action on this bill before us.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Mr. Chairman, as the Congressman from the seacoast district of Connecticut, I rise to urge my colleagues to vote for this sorely needed measure to establish a 200-mile fishing limit for the United States.

The fishermen from my district, from throughout New England, and from every coastal State in this Nation, need, want, and deserve the protection that this long-overdue legislation can provide.

All the people of this country and of the rest of the world, people who rely on our fish resources for much of the protein they eat, need this 200-mile limit, so that already depleted fish stocks can be replenished and so that we can prevent further depletion of these vital food resources.

Mr. Chairman, the Marine fisheries conservation act of 1975 is a measure designed to promote the orderly management and conservation of these important fish resources, which have been facing increasingly severe depletion for many years through overfishing by foreign fleets.

It is an act designed to give our independent American fishermen the assistance they need to compete on an equal footing with the huge, government subsidized fishing fleets from other countries.

It is a piece of legislation designed to permit our Government to utilize legal means to expand its protection of our fishermen from further repetition of careless destruction of gear and lobster pots by these same foreign fishing vessels.

But what this act is not, Mr. Chairman, and I emphasize the word "not," is a measure to close our coastal waters to foreign vessels or unfairly restrict them from catching the resources many of them have historically been harvesting.

It is not an attempt to sabotage the International Law of the Sea Conference.

Nor will passage of this measure have that effect, despite vague, dire warning from our State Department.

Let me tell you why I support this measure for the 200-mile limit, and why I ask all of you to do so. I will list the reasons:

In the first 3 months of 1975, the National Marine Fisheries Service estimated that the Soviet fishing fleet caught between 30,000 and 70,000 metric tons of mackerel above its internationally agreed to annual quota.

I was just informed today by an expert with the National Marine Fisheries Service that because of past overfishing off our Atlantic coasts, herring have been so hard to catch, the stocks have been so depleted, that no country is expected to make its 1975 quota for that species.

This same expert told me that the recent meeting of the International Commission of Northwest Atlantic Fisheries—ICNAF—set a 1976 total catch quota for all member countries that is a full 100,000 metric tons above what our Fisheries Service biologists regard as the best limit to allow for proper replenishment of our fish stocks.

The commercial lobstermen of my own State reported just 3 months ago that despite an ever-increasing demand, the catch this season along the Connecticut shoreline has greatly diminished from past years.

These lobstermen blame overfishing by foreign fleets as a major cause of this scarcity.

Earlier this year, 12 trawlers from our neighboring State of Rhode Island lost an estimated $160,000 in lobster gear when a large fleet of vessels, believed to be Russian, steamed through their harvesting area and destroyed the equipment.

This list could go on and on, Mr. Chairman, but I think these examples convincingly prove my point—that something must be done as soon as possible to begin protecting our depleted fisheries from unmanaged harvesting, and to protect our American fishermen from unfair, foreign competition and gear destruction.

By providing for regional fisheries management plans, which will limit the number of foreign vessels fishing off our shores and set proper catch quotas to insure the best current and future yields from our limited fish stocks, this bill will provide this needed conservation effort.

By requiring permits for each foreign vessel wishing to fish off our shores, this bill will allow our enforcement agencies to keep better track of who is and is not supposed to be casting their nets in our waters. This will lead to tighter enforcement of our fish conservation laws.

By giving our enforcement agencies the legal authority to apprehend offending vessels and take them to courts, where proper penalties will be set, this bill will provide stronger incentives for foreign fishermen to follow established conservation plans.

Let me give you an example, Mr. Chairman, of the advantage this specific aspect of H.R. 200 has over the major fisheries conservation agreement now in force—ICNAF.

Under ICNAF, each member country is expected to enforce violations of the agreement by levying penalties on those fishermen of its nationality apprehended by other member nations. All an apprehending nation can do is cite a violator, allow him to go free and continue fishing, and pursue the setting of penalties through slow diplomatic processes.

In essence, we have a situation where we are asking violating nations to police themselves, Mr. Chairman, which I think we all can agree is a somewhat optimistic proposition.

My expert at the Marine Fisheries Service informs me that while some countries, including the Soviet Union, are improving their conduct on the seas, somehow there still are situations where this country cannot be sure offending fishermen actually are penalized by their governments under the ICNAF provisions.

This law assures that justice will be fairly and swiftly meted out by our own Federal courts to violators of our fisheries resources. It will be a message to all fishermen that they will be held more accountable for their actions and that they should be more careful to respect our established conservation measures.

Mr. Chairman, I would like to address myself to the three major arguments forwarded against this bill:

That the problem it deals with is only a regional one confined to those of us in the New England States;

That this law is unnecessary now because an international treaty providing for a 200-mile limit will be forthcoming from the United Nations Law of the Sea Conferences;

That unilateral action now by the United States to set a 200-mile limit would set off similar actions by other countries to carve up our ocean resources, and instead of sharing these resources, nations would fight among themselves for them.

First, this is not just a New England problem, Mr. Chairman, and I know this from first-hand experience.

Recenty, I traveled to California and Alaska as a member of the House Ad Hoc Select Committee on the Outer Continental Shelf, which held 2 weeks of hearings in those areas.

I also took the opportunity to speak at length with fishermen from these States, and they are suffering just as badly as we are on the East Coast and in New England from the depletion of stocks from overfishing by foreign fleets, mainly from Japan and Russia.

These conversations convinced me more than ever of the great necessity this country has for a 200-mile fishing limit.

This problem is a national problem, not a regional problem, and if we are going to protect the rich food resources of such waters as the Bering Sea, Gulf of Alaska, and Georges Bank, and protect our fishermen also, then we must pass this legislation immediately.

Second, we cannot rely on the Law of the Sea Conference to act quickly on this issue. It has failed to do so thus far, and it is unclear at best that there will be a satisfactory result from the New York conference in March. There are some predictions we will have to wait until the next session after that one.

We cannot and must not wait, Mr. Chairman, because our fish resources already are dangerously depleted, and our fishermen need the protection now. Further delay will only increase the problem.

I might add, also, that contrary to what opponents of H.R. 200 are saying, this bill will not make agreement at the Law of the Sea Conference impossible, nor will it undercut any treaty which would result from such a gathering.

This bill, in fact, contains a provision allowing for the regulations issued pursuant to this act to be changed to conform to a future Law of the Sea Convention.

Last, Mr. Chairman, unilateral action to extend fisheries zones has already been taken by almost 40 nations in the world. Just recently, Canada warned its ICNAF colleagues that unless its fish stocks were better protected, it was considering extension of its fishing limit beyond 12 miles.

Only Tuesday, the President of Mexico told the United Nations General Assembly his country would establish an exclusive economic zone a full 200 nautical miles from its coasts.

The reason for this action is that Mexico expects there will be a considerable delay in getting a multilateral treaty at the Law of the Sea Conference.

So the argument that U.S. unilateral action will set off a "200-mile-limit race" does not hold. Other countries are not waiting to see what we will do. They are going ahead with actions which they regard as in their best interests to protect their fishermen and fish resources.

This country can do no less, Mr. Chairman, and that is why this Congress must pass H.R. 200.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Talcott).

Mr. TALCOTT. Mr. Chairman, I regret that I have felt obliged to object to the transfer of time, but when time is so limited that we are permitted only 40 seconds on the amendment, I think it is unfair to all of us when we gang up. The purpose of my objection was to avoid this double unfairness.

Mr. Chairman, I speak in support of the bill. I am surprised that many conservationists have abandoned one of our most important conservation bills simply because it pertains to fish. Fish are underwater and out of sight and out of mind, and this valuable resource does not get much attention. Most of the conservationists would be up in arms today if a Russian oil derrick were put up 12½ miles out to sea. We would have immediate unilateral action then and the conservationists would be applauding the action.

The military has neglected fishing, and they ought not to neglect fishing. People involved in the military ought to be concerned about fishing because it is going to be important for our national defense.

Mr. Chairman, there are dozens of reasons why we should have this bill. I regret we have such limited time.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Stratton).

Mr. STRATTON. Mr. Chairman, last night we stayed here late worrying about another Tonkin Gulf. I say that this bill may turn out to be another Tonkin Gulf resolution. The gentleman from Massachusetts (Mr. Studds) said there was nothing in this bill that would set up a 200-mile territorial limit. But as the gentleman from Florida (Mr. Bennett) very eloquently mentioned a moment ago, we are on the verge of an agreement in the Law of the Sea Conference on part of the problem. But if we come up now with this kind of unilateral action it is very likely that the Law of the Sea Conference will break down, and as a result many countries might then go to a 200-mile limit not just for fishing rights but for territorial rights as well. And that would destroy our national security and our deterrent force.

(By unanimous consent, Mr. Cohen yielded his time to Mr. Pritchard.)

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. Pritchard).

Mr. PRITCHARD. Mr. Chairman, nothing could be further from the truth that we are on the verge of an agreement on the law of the seas. Anyone who has read this text knows that is just a fallacy.

Mr. Chairman, we should be honest. There are some good arguments to be made on both sides of this issue, but to say we are on the verge of an agreement on the law of the seas is not true, and we should not kid anybody about it.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. Fascell).

Mr. FASCELL. Mr. Chairman, I am opposed to this bill.

I agree with the preceding speaker at least to the extent that we ought to talk commonsense. I think if you are going to bluff somebody, which this bill seeks to do, then when your bluff is called, as in poker, the bluffer better have an ace in the hole. This bill offers confrontation as a solution to a very serious problem. There is no ace in the hole.

Another fatal flaw in this bill is that it seeks by unilateral action to resolve an international dispute. That gambit has not worked before and will not work now.

Finally, in mandating bilateral negotiations with severe penalties if refused, this bill trods a well traveled path leading nowhere. No other nation is going to knuckle under.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 200, which is a bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish, in order to protect the domestic fishing industry and for other purposes.

I was pleased to cosponsor this bill which should prove to be a tremendous help in our efforts to conserve and manage fisheries resources found off the coasts of the United States, and the anadromous fisheries resources of the United States in the high seas.

If we are to safeguard the well-being of commercial and recreational fishing off the coast of the United States for American, as well as foreign, commercial and recreational fishing interests, this legislation must be passed.

The vast operations of foreign fishing fleets have caused a vast depletion of stocks in our coastal waters and the area within which this bill is designated to reach. Commercial fishing in the high seas and off the coast of the United States has become a vertiable field of exploitation of our limited fisheries stocks.

The U.S. catch rose only from 4.3 billion tons in 1938 to 4.7 billion tons in 1973, while the estimated catch for foreign nations have more than tripled in the same time period. Another tragic aspect about the serious depletion of commercial fishing stock is the effect on recreational fishing. All too often dolphins and the beautiful marlin and sailfish are caught within schools of commercial fish and are not returned to the sea. The result has been a severe depletion in the numbers of these beautiful gamefish, who will face extinction without the necessary management and conservation efforts contained in this bill.

I should now like to review the main argument set out by opponents of this bill. It is their position that unilateral action by the United States—that is passage of this bill—would jeopardize any international agreements which might take place between 148 participating nations at the March 1976, Law of the Sea Conference. I should like to emphasize to my colleagues that this bill is an interim measure and would be superseded by any international agreements in which the United States might participate. It is clear that it may take several years before a workable international agreement can be ratified by all the 148 member nations.

In the interim period when this bill would apply, the management and conservation measures provided in this bill would be in effect to insure a continuing supply of commercial and game fish for all nations. This bill is not designed to prejudice any foreign fishing interests. On the contrary, it is designed to protect the availability of the various species for United States and foreign commercial and recreational fishing for years to come.

Now I should like to address myself to a problem I alluded to earlier—the severely depleted gamefish stocks. This bill exempts "highly migratory species" from Federal fisheries management authority. This exemption was placed in the bill in deference to the tuna industry. Opponents of this bill should be pleased to note that the foreign tuna fishing fleets would not be subject to any of the management provisions of this bill. Unfortunately, international agreements define "highly migratory species" as including tuna as well as a wide variety of gamefish such as swordfish, sailfish, sharks, dolphins, white, blue and striped marlin, as well as many other species of gamefish. These gamefish are in danger of virtual extinction in the next decade if we do not take drastic conservation efforts immediately.

Just to serve as an example of the serious state the future holds for recreational fishing, let us review some startling statistics affecting the marlin alone. The overall catch rate—fish per 1,000 hooks—for the beautiful white marin declined from 2.06 in 1956 to .80 in 1970. Also the overall catch rate for the blue marlin fell from 3.81 in 1962 to a serious low of .29 in 1970—a 92-percent drop. Recent statistics show that the decline is ever-increasing. To remedy this situation, I plan to offer an amendment to limit the definition of "highly migatory species" to the various species of tuna. This would effectively place the many species of endangered gamefish under the auspices of Federal fisheries management protection.

It is most important that we realize that conservation and respect for inhabitants of the sea is equally as vital as our efforts on the shore. Prolonging legislation such as this will only result in later more drastic conservation efforts. What assurances do we have that the 148-member nations will reach a viable international agreement to accomplish the ends this bill sets out to—none. Even though passage of this bill might be opposed as an unwise unilateral action—we must recognize that it is only an interim measure to stay in force until the 148-member nations of the Law of the Sea Conference reach an agreement.

Fellow Members, let us not forget our recent and most welcomed visit by Emperor Hirohito and Empress Nagako of Japan. On each step of their journey throughout the United States, the royal couple saw signs pleading for their assistance in saving the whale from virtual extinction.

Fellow Members, Americans across this Nation recognize the need for this legislation, as well as the continuing injury that will result from prolonging its long-awaited passage.

Thank you, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, let me briefly remind the Members that the little protection we have for our fishermen in our 12-mile zone was achieved through unilateral action 9 years ago by this Congress. Although we were warned of the most dire consequences, there have been none.

The CHAIRMAN. The Chair recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, with respect to the 20-minute time limitation that I asked for, I would like to explain that we only had two very minor amendments to consider and I felt there was no need to provide an inordinate amount of time to discuss two minor amendments. That is why I asked for only 20 minutes.

The CHAIRMAN. If there are no more amendments to title I, the Clerk will report title II.

The Chair will remind the Members that until title II has been read in full no amendments are in order.

The Clerk read as follows:

TITLE II—INTERNATIONAL FISHERIES AGREEMENTS

SEC. 201. Fishing by Foreign Vessels in the Fisheries Zone and Seaward of the Zone for Managed Anadromous Species.

(a) Permits Required of Foreign Vessels.—No fishing vessel, except a vessel documented under the laws of the United States or registered under the laws of any State, shall engage in fishing within the fishery zone, or fishing seaward of the fishery zone for any anadromous species with respect to which a fishery management plan implemented pursuant to title III of this Act applies, unless such vessel has on board a valid permit issued by the Secretary pursuant to this section.

(b) Application for Permits.—Any foreign nation seeking a permit referred to in subsection (a) on behalf of one or more vessels registered under its flag may file an application therefor with the Secretary of State. Any application shall—

(1) state the name and official number of each fishing vessel for which a permit is sought;

(2) set forth the tonnage, capacity, speed, processing equipment, gear, and such other characteristics of each vessel as the Secretary may require;

(3) specify the species of fish for which the vessel or vessels will fish;

(4) specify the amount of fish or tonnage of catch contemplated;

(5) specify the ocean area in which, and the season or period during which, such fishing will be conducted; and

(6) set forth such other pertinent information as the Secretary may require.

(c) Transmission of Application for Action.—Upon receipt of any application referred to in subsection (b), the Secretary of State shall—

(1) promptly transmit such application, together with his comments and recommendations thereon, to the Secretary, and

(2) transmit a copy of the application to the Secretary of the department in which the Coast Guard is operating.

(d) Tentative Approval of Application and Preparation of Statement of Conditions.—Upon receipt of any application, and after consultation with the Secretary of the department in which the Coast Guard is operating with respect to enforcement and after taking into consideration the views and recommendations of the Secretary of State and the appropriate regional marine fisheries council, the Secretary, of he determines that the fishing activity proposed in the application is consistent with the policy and purposes of this Act and with the national fisheries management standards set forth in section 302(c), and after taking into account any traditional or historical patterns of fishing by the applicant nation for the species of fish covered in the application, shall tentatively approve the application (subject to the provisions of subsection (e)) and shall prepare a statement of the conditions and restrictions which will apply to the fishing in which the foreign vessels propose to engage and to which the foreign country must agree before any permit may be issued under this section. Any statement of conditions and restrictions shall include—

(1) any adjustment deemed necessary by the Secretary in the number of fishing vessels for which permits may be issued;

(2) if the vessels will engage in fishing for a species for which a fishery management plan has been implemented pursuant to title III of this Act (hereinafter referred to in this section as a "managed species") all requirements imposed by such plan;

(3) If the vessels will engage in fishing for other than a managed species, such conditions and restrictions with respect to tonnage, season, catch, gear requirements, and statistical reporting as the Secretary deems appropriate for the species concerned;

(4) enforcement conditions, including but not limited to—

(A) procedures which will apply with respect to the boarding and inspection of vessels, including the requirement that the permit issued to any vessel pursuant to this section must be prominently displayed in the wheelhouse of the vessel and must be promptly surrendered to any officer authorized to enforce the provisions of this Act at the time of his boarding,

(B) requirements for on-board observers and reimbursement to the United States for costs of such observers, and

(C) prepayment of any license fees which may be levied in the case of managed species;

(5) in any case in which subsection (e) applies, a further condition that any other condition and restriction imposed pursuant to this subsection shall be provisionally applicable until such time as the fishery management plan is implemented and may be unilaterally amended by the Secretary after such implementation in such manner as may be necessary to conform them to the plan requirements; and

(6) any other conditions and restrictions which the Secretary deems necessary or appropriate.

(e) Special Considerations in Case of Application To Fish for Species for Which

Fishery Management Plan Is Being Developed.—The Secretary may tentatively approve an application for fishing by foreign vessels for a species with respect to which a fishery management plan is being developed by a regional marine fisheries council or by the Secretary under title III of this Act only if the Secretary determines that the species is not depleted.

(f) Congressional Action on Application.—Any application tentatively approved by the Secretary, together with the statement of conditions and restrictions prepared by the Secretary pursuant to subsection (d)—

(1) shall be deemed, for the purposes of section 206, to be an international fisheries agreement; and

(2) shall be transmitted by the Secretary to the President for delivery to Congress pursuant to section 206(a)(1).

(g) Issuance of Permits.—If neither the House of Representatives nor the Senate disapproves an application pursuant to section 206, the Secretary of State shall transmit to the foreign nation concerned a statement of conditions and restrictions prepared by the Secretary with respect to the application. Upon acceptance of the conditions and restrictions by the foreign nation, the Secretary shall issue to the Secretary of State a permit for each fishing vessel entitled thereto. The Secretary of State shall promptly transmit the permits to the foreign nation for distribution to the operators of such vessels.

(h) Suspension or Revocation of Permits.—

(1) Repeated violations.—If the Secretary finds that any fishing vessel to which a permit is issued pursuant to this section has been repeatedly used in the commission of acts prohibited by section 310(2) for which civil penalties are assessed pursuant to section 311, the Secretary may suspend the permit for such period of time as he deems appropriate, or may revoke the permit.

(2) Failure to pay assessment.—In any case in which any fishing vessel to which a permit is issued pursuant to this section—

(A) is used in the commission of any act prohibited by section 310(2) and is not seized pursuant thereto; and

(B) a civil penalty is assessed pursuant to section 311 for such act,

the Secretary shall, if such assessment is not paid within a reasonable time after the date of the assessment, suspend the permit until such time as the assessment is paid.

(3) Penalty for fishing during period of permit revocation or suspension.—Any fishing by a foreign vessel in the fishery zone, or seaward of the fishery zone for any anadromous species with respect to which a fishery management plan is implemented pursuant to title III of this Act, during the period in which any permit issued pursuant to this section to such vessel is suspended or revoked pursuant to this subsection, shall be deemed to be a violation of the Act of May 20, 1964 (as amended by section 402 of this Act).

(i) Issuance of Warnings.—In any case in which any officer authorized to enforce the provisions of this Act finds that a fishing vessel to which a permit has been issued under subsection (g) has been operated in such a manner as to constitute a violation of a condition or restriction accepted by the foreign nation concerned but that such violation is, in his judgment, a minor infraction, the officer may, in lieu of citing the master of such vessel for violation of section 310(2), issue the master of the vessel a warning. Any warning issued pursuant to this subsection shall be noted in writing on the permit.

(j) Application and Permit Forms.—The Secretary, after consultation with the Secretary of State and the Secretary of the department in which the Coast Guard is operating, shall prescribe the form for applications submitted pursuant to subsection (b) and for permits issued pursuant to subsection (g). The form prescribed for permits shall provide for the inclusion of such information as may be necessary to inform officers authorized to enforce the provisions of this Act of those conditions and restrictions accepted pursuant to subsection (g) which apply to the vessel.

(k) Special Treatment for Fishery Management Plans Which Apply Seaward of the Fisheries Zone to Anadromous Species.—

(1) Plans deemed unilateral conservation measures.—Any fishery management plan prepared pursuant to section 304 or 305(d) which in whole or part applies with respect to any anadromous species in any area of the high seas seaward of the fisheries zone shall be deemed to be a unilateral measure of conservation of the United States within the meaning of article 7 of the Convention on Fishing and Conservation of the Living Resources of the High Seas.

(2) Suspension of taking effect of plan.—Notwithstanding any other provision of this Act, no fishery management plan referred to in paragraph (1), to the extent that it applies seaward of the fisheries zone, shall enter into force and effect until the close of the 6-month period immediately following the date of the promulgation of the regulations necessary to implement the plan. During such 6-month period, the Secretary of State shall—

(A) enter into negotiations pursuant to such article 7 with the other contracting parties to such Convention for the purpose of securing the consent of the contracting parties to such plan and the regulations implementing such plan; and

(B) enter into such other bilateral or multilateral negotiations as may be appropriate in order to obtain the consent of any foreign nation to such plan and the regulations implementing such plan.

(3) Entering into force and effect of plan.—After the close of the 6-month period referred to in paragraph (2), the fishery management plan concerned, to the extent that it applies seaward of the fisheries zone, and the regulations implementing such plan shall have force and effect within the area seaward of the fisheries zone to which it applies.

(4) Suspension of enforcement by the United States of plan seaward of the fisheries zone.—If permits are issued pursuant to subsection (g) to fishing vessels of any foreign nation which authorizes them to engage in fishing for any anadromous species to which a mangement plan referred to in paragraph (1) of this subsection applies, the United States shall not enforce the conditions and restrictions imposed with respect to such permits if the foreign nation gives written assurance to the Secretary of State that it will regulate such vessels in accordance with such conditions and restrictions. This paragraph shall only apply if, and during such time as, the Secretary, after consulting with the Secretary of State, finds that—

(A) the penalties imposed by the foreign nation on its vessels are equivalent to the penalties imposed pursuant to section 311 for violation of any such condition or restriction; and

(B) such foreign nation stringently assesses such penalties against its vessels or nationals which violate such conditions and retrictions.

(l) Continental Shelf Species.—Nothing in titles I, II, or III of this Act shall be construed to extend to any vessel not documented under the laws of the United States, or not registered under the laws of any State, the right or privilege to engage in fishing for any Continental Shelf species.

Sec. 202. Treatment of Certain Existing International Fisheries Agreements.

(a) Application of Act to Existing Agreements.—No international fisheries agreement (other than an agreement which is a treaty within the meaning of section 2 of article II of the Constitution) which is in effect on July 1, 1976, and which pertains to fishing in the waters described in title I of this Act or which pertains to species or stocks of fish, or fisheries, with respect to which the United States may exercise management and conservation authority pursuant to this Act, shall be extended or renewed except pursuant to this Act.

(b) Renegotiation of Treaties.—The Secretary of State, in consultation with the Secretary and the Secretary of the department in which the Coast Guard is operating, shall initiate promptly after the date of the enactment of this Act, the renegotiation of all treaties within the meaning of section 2 of article II of the Constitution which pertain to fishing in the waters described in title I of this Act or which pertain to species, or stocks of fish, or fisheries, with respect to which the United States may exercise management and conservation authority pursuant to this Act, in order to conform such treaties to the provisions and requirements of this Act.

(c) Reports to Congress.—The Secretary of State shall submit to the Congress a written report on or before May 15, 1976, and annually thereafter, on the results of the negotiations which he is required to initiate under subsection (b).

Sec. 203. Negotiations To Preserve Certain United States Foreign Fishing Rights.

(a) Commencement of Negotiations.—Within 90 days after the date of enactment of this Act, the Secretary of State shall commence negotiations with each foreign nation, off of whose coast United States vessels are engaged in fishing for specific stocks of fish, for the purpose of entering into an international fishery agreement under which such foreign nation will grant to United States vessels equitable access, consistent with reasonable management and conservation practices, to such fish stocks within 200 nautical miles off the coast of such nation.

(b) Action if Foreign Nation Refuses To Negotiate or Violates Treaty.—(1) If the Secretary of State determines that—

(A) any foreign nation is refusing to commence negotiations, or fails to negotiate in good faith, with the United States in order to achieve the purpose of subsection (a); or

(B) although an international fishery agreement which achieves the purpose of subsection (a) is in force and effect, the foreign nation is not complying with its obligations under the agreement,

he shall certify that determination to the Secretary of the Treasury. Upon receipt of any such certification, the Secretary of the Treasury shall immediately take such action as may be necessary and appropriate to prohibit the importation into the customs territory of the United States of any seafood product of that foreign nation.

(2) For purposes of this subsection, any seizure of a United States vessel which is reimbursable under section 3 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1972) that is made by any foreign nation off whose coast United States vessels are engaged in fishing for specific stocks of fish shall—

(A) if no international fisheries agreement achieving the purpose of subsection (a) is in force and effect, be deemed to be a refusal by that nation to commence negotiations, or failure by that nation to negotiate in good faith, within the meaning of paragraph (1)(A) of this subsection, or

(B) if such an agreement is in force and effect, be deemed to be noncompliance by that nation with its obligations under that agreement within the meaning of paragraph (1)(B) of this subsection,

and the Secretary of State shall immediately make the appropriate certification to the Secretary of the Treasury required by paragraph (1) of this subsection.

(c) Duration of Import Prohibition.—Any import prohibition which is imposed pursuant to subsection (b) shall remain in effect—

(1) if the prohibition was imposed by reason of subsection (b)(1), until such time as the Secretary of State certifies to the Secretary of the Treasury that an international fisheries agreement which achieves the purposes of subsection (a) has entered into force and effect between the United States and that foreign nation; or

(2) if the prohibition was imposed by reason of subsection (b)(2), until such time as the Secretary of State certifies to the Secretary of the Treasury that the foreign nation is complying with its obligations under the international fishery agreement.

(d) Definition.—For purposes of this section, the term "seafood product" means any fish which is the product of a foreign nation, and any article which is the product of such nation and which is composed in whole or part of any fish which is the product of such nation; but excludes during the period of any import prohibition imposed pursuant to subsection (b) any such fish or article if the fish or fish constituting the article are harvested by United States vessels, irrespective of point of harvesting or offloading.

Sec. 204. Negotiations Regarding Highly Migratory Species.

The Secretary of State, upon the request of, and in cooperation with, the Secretary, shall initiate and conduct negotiations with any foreign nation participating in a fishery for any highly migratory species for the purpose of entering into international fisheries agreements that would establish an appropriate international fisheries organization having authority to manage and conserve such highly migratory species.

Sec. 205. Multilateral Convention.

If the United States ratifies a multilateral convention resulting from any United Nations Conference on the Law of the Sea which contains provisions with respect to the breadth of the territorial sea and the fisheries or economic zone, the Secretary, in consultation with the Secretary of State, may promulgate pursuant to section 307 such changes, if any, in the regulations issued pursuant to this Act as may be necessary or desirable to conform such regulations with the provisions of such convention in anticipation of the date when such convention shall come into force and effect or otherwise be applicable to the United States.

Sec. 206. Congressional Disapproval of Certain Fisheries Agreements.

(a) Taking Effect of International Fisheries Agreements.—Any international fishery agreement (other than an agreement which is a treaty within the meaning of section 2 of article II of the Constitution) entered into after the date of the enactment of this Act, and any amendment entered into after such date to any international fishery agreement entered into before such date, shall enter into force and effect with respect to the United States if (and only if)—

(1) the President delivers a copy of the agreement to the House of Representatives and a copy to the Senate; and

(2) before the close of the 60-day period which begins on the day on which copies of such agreement are delivered to the House of Representatives and to the Senate, neither the House of Representatives nor the Senate adopts, by an affirmative vote of the majority of those present and voting in that House, a resolution of disapproval.

(b) Resolution of Disapproval.—For purposes of this section, the term "resolution of disapproval" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the does not favor the taking effect of the international fishery agreement transmitted to the Congress by the President on ", the first blank space therein being filled with the name of the resolving House and the second blank space therein being filled with the day and year.

(c) Procedure in Each House.—

(1) A resolution of disapproval in the House of Representatives shall be referred to the Committee on Merchant Marine and Fisheries. A resolution of disapproval in the Senate shall be referred to the Committee on Commerce.

(2)(A) If the committee to which a resolution of disapproval has been referred has not reported it at the end of 7 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution of disapproval of the same international fishery agreement which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution of disapproval), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution of disapproval of the same international fishery agreement.

(3)(A) When the committee has reported, or has been discharged from further consideration of, a resolution of disapproval, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(B) Debate on the resolution of disapproval shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(4)(A) Motions to postpone, made with respect to the discharge from committee or the consideration of a resolution of disapproval, and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives or the Senate, as the case may be, to the procedure relating to any resolution of disapproval shall be decided without debate.

(5) Whenever the President transmits copies of any international fisheries agreement to the Congress, a copy of such agreement shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

(6) This subsection is enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval described in subsection (b); and they supersede other rules only to the extent that they are inconsistent therewith, and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

Mrs. SULLIVAN during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

Mr. FRASER. Mr. Chairman, reserving the right to object, will the gentlewoman from Missouri (Mrs. Sullivan) tell us, before I withdraw my reservation of objection, what form of motion she intends to offer in the way of limiting debate?

Mrs. SULLIVAN. Yes. Mr. Chairman, if the gentleman will yield, we intend to complete this bill tonight. The Members of the House and the Committee were promised last night that we would stay here until we complete the bill, and I think it would be difficult to get a quorum unless we get this bill completed soon. On this next title we have 3 amendments pending, and I think there are only 2 amendments on the other; one, we know, will be accepted, but on the other there may be a debate.

Mr. FRASER. Mr. Chairman, my question is this: What kind of a time limitation will the gentlewoman ask for?

Mrs. SULLIVAN. Mr. Chairman, if the gentleman will yield further, I was going to ask for 30 minutes. I would like to cut it down to 20 minutes if I could.

Mr. FRASER. Mr. Chairman, I wonder if the gentlewoman would be agreeable to holding off the offering of her motion to limit debate until the 2 amendments are offered, so that we do not have 30 Members standing up and asking to be recognized, which would divide the time into such small segments that it would be meaningless?

Mrs. SULLIVAN. Mr. Chairman, I am sure the gentleman understands the situation we are in.

Mr. FRASER. I understand, but still all of us have a very deep interest in this bill.

Mrs. SULLIVAN. Mr. Chairman, I will withhold the offering of my motion at this time.

Mr. FRASER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

AMENDMENT OFFERED BY MR. WAGGONNER

Mr. WAGGONNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Waggonner: Page 29, strike out line 5 and all that follows thereafter down through line 2 on page 32, and insert the following:

SEC. 203. NEGOTIATIONS TO SECURE CERTAIN UNITED STATES FOREIGN FISHING RIGHTS

(a) COMMENCEMENT OF NEGOTIATIONS.—The Secretary of State, upon the request of and in cooperation with the Secretary, shall initiate and conduct negotiations with any foreign nation in whose fishery conservation zones, or its equivalent, vessels of the United States are engaged, or wish to be engaged, in fishing, or with respect to anadromous species or Continental Shelf fishery resources as to which such nation asserts management authority and for which vessels of the United States fish, or wish to fish. The purpose of such negotiations shall be to conclude international fishery agreements which shall permit United States vessels equitable access to such fish, consistent with reasonable management and conservation practices, within such nation's fishery conservation zone or its equivalent.

(b) ACTION IF FOREIGN NATION REFUSES TO NEGOTIATE OR VIOLATES TREATY.—If the Secretary of State determines that—

(A) any foreign nation is refusing to commence negotiations with the United States in order to achieve the purpose of subsection (a); or

(B) although an international fishery agreement which achieves the purpose of subsection (a) is in force and effect, the foreign nation is not complying with its obligations under the agreement, he may certify that determination to the Secretary of the Treasury. Upon receipt of any such certification, the Secretary of the Treasury shall immediately take such action as may be necessary and appropriate to prohibit the importation into the customs territory of the United States of any seafood product of that foreign nation.

(c) DURATION OF IMPORT PROHIBITION.—Any import prohibition which is imposed pursuant to subsection (b) shall remain in effect—

(1) if the prohibition was imposed by reason of subsection (a) (A), until such time as the Secretary of State certifies to the Secretary of the Treasury that such foreign nation has commenced negotiations in order to achieve the purpose of subsection (a); or

(2) if the prohibition was imposed by reason of subsection (b) (B), until such time as the Secretary of State certifies to the Secretary of the Treasury that the foreign nation is complying with its obligations under the international fishery agreement.

(d) DEFINITION.—For purposes of this section, the term "seafood product" means any fish which is the product of a foreign nation, and any article which is the product of such nation and which is composed in whole or part of any fish which is the product of such nation.

Mr. WAGGONNER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WAGGONNER. Mr. Chairman, the unilateral declaration of a 200-mile fisheries zone by the United States is a tremendously important and necessary action.

For too many years we have seen the buildup of foreign fleets in our coastal waters. We have seen the ravaging effects of these foreign fleets, as one fishery resource after another has been overfished. Last year, we saw how foreign fleets took 7-billion pounds of fish from waters near our shores. The U.S. fleet was able to harvest only 5-billion pounds.

Declaring a 200-mile limit will enable us to manage these valuable resources, setting such quotas as are necessary to allow the declining stocks to rebuild.

The proposed legislation will enable us to allocate to foreign fleets only that portion of the allowable catch that our own fishermen cannot or will not harvest themselves.

There is concern over the unilateral aspects of this legislation. Ideally, control over coastal resources would have been agreed upon formally in an international forum. We have seen the futility of the Law of the Sea Conference to come to this agreement despite their 5 year effort.

We can no longer wait for the Law of the Sea to act if we are to preserve the remaining resources.

However, as we take this unilateral move, we must be consistent. We cannot declare that we have the right to set up a 200-mile fishery zone, and determine whether foreign fleets will be allowed any portion of the resource, and also deny similar action to other nations. The proposed bill is guilty of such inconsistency in section 203. This section threatens a mandatory trade reprisal in the form of a ban on seafood imports against those nations who may be exercising the same control over their resources as we plan to do in our extended jurisdiction.

This is not right. And, for this reason, I introduce an amendment which provides a substitute section 203.

The purpose of section 203 is to assist our distant water shrimp and tuna fishing fleets that fish off the shores of other nations. Many of these nations have already declared 200-mile fishery jurisdiction, and others are expected to do so in the near future.

Presently, section 203 directs the Secretary of State to negotiate with those nations to seek equitable access by U.S. boats to fish stocks within 200 miles of their shores. The present section further calls for a mandatory embargo on seafood products from such nations if they refuse to negotiate or negotiate in good faith. The section continues to provide that an arrest of a U.S. fishing boat automatically triggers the trade reprisal.

This provision, in effect, says that the United States has the right to control its fishery resources, but that other nations cannot have that same right. To be sure, it is our intention to allow other nations to continue to fish in our 200-mile zone, provided there is surplus stocks available. We want other nations to continue to allow our distant water fleets to operate, and we want to encourage negotiations for this purpose. This encouragement should not be as heavyhanded as it appears in the present draft.

As it is now proposed, the section removes all flexibility on the part of the executive. International confrontations and executive decisions are at the mercy of a shrimp or tuna boat captain. Suppose a vessel is arrested by a South Ameircan nation from whom we wish to purchase oil. Automatically, the executive must ban seafood products from that country. One can only surmise that a counter move by the nation would be forthcoming. Trade wars help neither nation.

On the other hand, if the enforcement of our 200-mile zone requires our Coast Guard to arrest a foreign vessel, do we want to be giving that nation a signal that trade reprisals are fair play in such situations?

The provision has other negative implications. Cutting off certain seafood products, especially those not found near our shores, would adversely affect consumer prices.

My amendment merely removes the mandatory nature of the reprisal from section 203. The Secretary of State is still directed to negotiate, to allow U.S. distant water fleets to continue to fish off other nations' shores. If these nations refuse to negotiate, the Secretary has discretionary authority to ban seafood imports from that nation. The Secretary has the right to avoid such a drastic step if total national interest is served by avoiding the confrontation.

This amendment provides help for our distant water fisheries, but does not jeopardize relationships with other nations by imposing on the executive mandatory action we may not wish in a given situation.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I think the intent of the gentleman's amendment is apparent. The gentleman is softening the boycott provisions.

We had thought that the committee would make it mandatory since the executive has not exercised its discretion in the past under the Tuna Fishermen's Protection Act or under the Pelly Act. Undoubtedly the diplomatic thing to do is to make it discretionary.

Mr. Chairman, the Committee on this side is prepared to accept the gentleman's amendment.

Mr. WAGGONNER. Mr. Chairman, I thank the gentleman very much.

Does the minority have the same viewpoint with regard to acceptance of the amendment?

Mr. RUPPE. Mr. Chairman, this side is agreeable to accepting the amendment.

Mr. PEPPER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, and members of the committee, I want to rise in opposition to this bill. I have a letter here from the executive director of the Southeastern Fisheries Association.

He says:

> You may multiply 20 times the impact of the recent Bahamian government controversy over the spiny lobsters if this legislation is passed. Florida has 1500 shrimp boats which rely on the Caribbean and South American waters—they will be forced back into the U.S.—this will be a waste of 10 million pounds of crawfish because the Caribbean and South American countries do not have the fishing capability.

Recently—I believe it was in 1974—the Congress identified the lobster as being indigenous to the coastal shelf of the

United States. We were protecting what we thought legitimately to be our own industry, but the impact of that perhaps was unexpected to those who advocated that lobster legislation.

Immediately after we adopted that legislation, the Bahamian Government, only changing, as it were, the names and the dates, adopted a resolution declaring that the spiny lobster is indigenous to their continental shelf and put a 200-mile limit upon access to the waters of the Bahamas.

Let me tell the Members what the effect of that was upon our fishing industry in Florida, and I am reading here from the Southeastern Fisheries Association communication to the gentlewoman from Missouri (Mrs. SULLIVAN).

The letter says:

> According to figures obtained from NMFS, Florida fishermen in 1974 landed over 4 million pounds of spiny lobsters taken in international waters but on the Bahamian continental shelf. This was accomplished by about 260 boats and 800 fishermen and had a dockside value of over 6 million dollars. As a comparison, according to "Fisheries of the United States, 1974" (page 19), this 6 million dollar fishery that has just been lost to us is more valuable than any one of the following: Cape Charles, Va., Point Judith, R.I., Newport, R.I., Boston, Mass., Cape May, N.J., and Beaufort-Morehead City, N.C.

Mr. Chairman, I know those who advocate this bill mean well, but it is going to hurt very seriously the shrimp fishing industry which is centered largely in the southeast because we get our shrimp largely from the waters of Mexico and South America, particularly off the coast of Brazil.

Brazil and several other Latin American countries have had a 200-mile limit. We have been quarreling with them about it, claiming it was not legal. We have had difficult negotiations with them in trying to get some rights. Now we have to pay the patrol boats of Brazil for our shrimp fishermen going into their 200-mile limit to catch some shrimp.

Therefore, Mr. Chairman, this is going to hurt the fishing industry of the United States.

Second, it is contrary to the fixed policy of this country that any nation unilaterally should extend its authority many miles beyond the accepted 3- or 12-mile limit. If we can extend our authority 200 miles, why not 1,000 miles?

Only 11 countries, most of them Latin American countries, have adopted a 200-mile limit.

We just had a Law of the Sea Conference in Caracas a little bit ago. We are going to have another one in March in New York City.

The United States, we often say, is the greatest power in the world. For us, in between those two conferences, to come out with a unilateral declaration of a 200-mile limit just does not seem to me to be consistent with the declared policy and the best interests of the United States.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I sympathize with my colleague, the gentleman from Florida. The gentleman has mentioned Cape May. That happens to be in my district. I am happy that the gentleman's shrimp industry is still alive but my fishing industry in Cape May is not alive.

I would ask the gentleman from Florida does the gentleman find anything equitable in the fact that we are subsidizing the South American countries to protect their 200-mile limit and yet we are not protecting the fishing industry on the Atlantic and Pacific coasts?

Mr. PEPPER. I cannot altogether agree with the gentleman from New Jersey.

Mr. HUGHES. But, I repeat, Mr. Chairman, does the gentleman from Florida find any equity in that situation?

Again I say that I have a dying fishing industry in my district.

Mr. PEPPER. Mr. Chairman, I think that the better course of action for this country to take is to go on as we are going, try to persuade the other nations of the world to agree upon an acceptable solution of this problem for these purposes and then we will have something that the world can live with and we will not be risking a confrontation with other nations of the world. Thereby we would be adopting the best course I believe for the fishing interests of the United States as well.

Mr. HUGHES. If the gentleman will yield further, let me say that we cannot wait for that, we will not have anything left by the time the Conference of the Sea is over. I might add that right now they pretty well have everything that they wish so why would they want to sit down and negotiate when they have everything they need.

Mr. PEPPER. I realize that off the New England coast they have a problem, but the gentleman must consider that we have a long coast on the Atlantic Ocean and on the Pacific Occean and the Gulf of Mexico.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. WAGGONNER).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mrs. FENWICK:
>
> Page 22, line 18, after the word "deemed" strike ", for the purposes of section 206,";
>
> Line 21, strike out "pursuant" and all that follows thereafter up to and including line 22;
>
> Line 23, strike out "If" and all that follows up to and including the numerals "206" on line 25;
>
> Page 30, line 6, strike out "the" and all that follows thereafter up to and including line 8, and substitute in lieu thereof the following: "any such ships of those countries deemed to be in noncompliance within the meaning of paragraphs (1) (A) and (1) (B) of this subsection from continuing their fishing activities";
>
> Page 31, line 4, strike subsection (c);
>
> Page 31, line 18, strike subsection (d);
>
> Page 33, line 1, strike Sec. 206.

POINT OF ORDER

Mr. LEGGETT. Mr. Chairman, I have a point of order. We have already amended page 30, and this amendment would purport to amend page 30.

Mrs. FENWICK. I was trying to do that, and I did not know how to intervene in time. I do not know the parliamentary procedure. I apologize.

Mr. LEGGETT. It comes too late.

Mrs. FENWICK. No, no; it is still germane—the part that starts on page 31 striking subsection (c); page 31, line 18, striking subsection (d); and page 33, line 1, striking section 206.

The CHAIRMAN. The Chair would advise the gentlewoman from New Jersey that the part of the amendment that appears on page 30 would not be in order at this time. The balance of the amendment would be in order. Without objection, the amendment is modified to delete reference to that portion of title II already amended.

There was no objection.

Mrs. FENWICK. Mr. Chairman, the purpose of this amendment—and I will be brief because I know the Members wish to leave—is to strike this embargo, this mandatory requirement that we embargo the fish products of any nation found to be in violation of this, which is supposed to be and was introduced originally as an interim measure. Although all efforts to bring the interim feeling into the bill have been rejected, although all efforts to say that we do submit ourselves to international law and treaty have been rejected, surely we cannot enter into an embargo of fish products of nations that we find in violation of a unilateral decision that we take without regard to our international obligations. I would urge that this whole section, starting on page 31, going right through to page 32, lines 1 and 2, starting on page 31, line 18, striking all subsection (d), and page 33, line 1, right through page 37, line 9, be stricken and that this unilateral and harsh action against other nations not be taken this way on the floor of this House.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK).

The amendment was rejected.

Mr. FRASER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in part to ask the authors of the bill some questions about the intentions of Titles I and II. The bill purports to establish a 200-mile economic zone effective July 1, 1976. My question is, is it intended that that be effective immediately, notwithstanding the existence of a number of bilateral fishing agreements?

Mr. LEGGETT. If the gentleman will yield, if I could respond to that, the answer would be no, not until July 1, 1976.

Mr. FRASER. Not until when?

Mr. LEGGETT. July 1, 1976.

Mr. FRASER. No; I prefaced my question by making the point that it does not become effective until July 1, 1976, but on that date does the 200-mile regime become effective, notwithstanding the fact that there may be outstanding some bilateral fishing agreements?

Mr. LEGGETT. If the gentleman will yield, it becomes effective and, of course, pursuant to the terms of the bill, we instruct the Secretary of State to renegotiate all bilaterals to come into compliance with the bill. Assuming we cannot renegotiate a bilateral, then we might be at a partial impasse; but fortunately we are in the situation where practically all of our bilateral fishing agreements that are subject to our committee's jurisdiction expire within 1 year.

Mr. FRASER. But if no new agreement is reached, then is that 200-mile regime effective?

Mr. LEGGETT. The 200-mile regime is effective, and then if there are no bilaterals, as each country representing the 1,000 ships that are currently fishing in our waters apply for a permit to fish within the areas, that would be termed a bilateral type of agreement.

Mr. FRASER. If there were a bilateral which did not terminate prior to July 1, 1976? Would it remain in force for the remainder of its life?

Mr. LEGGETT. It would remain in force for its life, until renegotiated.

Mr. FRASER. In other words, the gentleman does not intend to override the bilaterals?

Mr. LEGGETT. No, we do not.

Mr. FRASER. The second question is does the gentleman regard the 200-mile zone as an exercise under article VII of the 1958 Fisheries Convention?

Mr. LEGGETT. The simple answer to that is no. We are taking this action just as a similar country would take action all over the world, and also exactly on the same basis that we extended our jurisdiction in 1966 with the 12-mile legislation.

We are merely extending the 9-mile jurisdiction added onto the 3-mile territorial sea to a total of 200 miles.

Mr. FRASER. In other words, the gentleman does not purport to be acting within the provisions of the 1958 Convention?

Mr. LEGGETT. Not with respect to this.

Mr. FRASER. With respect to the seaward extension from the 200-mile limit for anadromous species, the gentleman agrees that the bill purports to make that an article 7 proceeding under the 1958 Convention. Is that right?

Mr. LEGGETT. That is true.

Mr. FRASER. Is it not the case that in the 1958 Convention two requirements must be met. One is, it must be nondiscriminatory with respect to both domestic and foreign fishermen?

Mr. LEGGETT. That is true.

Mr. FRASER. The second is, does the zone that is involved not have to be contiguous to the territorial sea?

Mr. LEGGETT. It would be contiguous to the fishing zone.

Mr. FRASER. No. I will ask the gentleman to reconsider. The 1958 Convention refers to the territorial sea.

Mr. LEGGETT. Let me answer this. We do envision under the 1958 Convention that there would be certain controls beyond the territorial limit and of course in that bill they are just concerned with the territorial limit. They did not envision a territorial limit and beyond that a fishing limit, et cetera, but that they would envision an extensive control by a littoral state. But they do envision there will not be discrimination. In that respect I might say to the gentleman that we do envision in this bill that there could be discrimination, so in that respect we are at odds with the 1958 Convention.

Mr. FRASER. So with regard to the seaward extension for anadromous species the gentleman does not purport to come within the Convention even though the bill makes that claim?

Mr. LEGGETT. That is right. What we do come within is the lipservice to the single text on the Law of the Sea where they do purport to give lipservice to the 200 miles and then, No. 2, give lipservice to the seaward extension with respect to the anadromous fish.

Mr. FRASER. I understand the effect of the bill. Let me pursue this further. Does the gentleman agree we are not operating within the 1958 Convention?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(On request of Mr. STUDDS, and by unanimous consent, Mr. FRASER was allowed to proceed for 2 additional minutes.)

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Massachusetts.

Mr. STUDDS. I want to correct the RECORD in one respect, that, in our bill, insofar as we claim jurisdiction beyond 200 miles with respect to anadromous species, we do base that on article 7 of the Convention.

Mr. FRASER. I know it says that, but the gentleman from California concedes that one essential requirement is not being met, namely that any conservation measures must be nondiscriminatory.

Mr. STUDDS. The only respect in which action is taken under this bill which is based on that Convention is in that respect, the seaward extension beyond 200 miles.

Mr. FRASER. I understand that but the procedures that are used and standards in the bill do not conform to the Convention. Let me get to the point I want to, which is, through this device, which does not meet the Convention, it is proposed the United States naval authority be extended to deal with fishing vessels outside the 200-mile limit.

Mr. STUDDS. I am not proposing that.

Mr. FRASER. The gentleman from California (Mr. LEGGETT) is proposing that the U.S. Navy's responsibility be extended beyond the 200-mile limit. What if the Japanese and other ships are fishing beyond the zone we have established as in the United States?

Mr. STUDDS. I would not agree with that.

Mr. FRASER. Where have I gone wrong?

Mr. STUDDS. Your statement is based on the assumption that one of the 1958 Conventions to which you refer speaks to the fisheries zone. Neither speaks to that question.

Mr. FRASER. I am making the point that the gentlemen is not proposing conservation measures in the bill which are nondiscriminatory, which is a requisite to exercising article 7 of the 1958 Convention. Despite the gentleman's claim to be operating under article 7, the bill itself will be violating those provisions. But notwithstanding, the gentleman is going to try to give the U.S. Navy authority to deal with the ships on the high seas beyond the 200-mile limit.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words. I yield to the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I ask, how far beyond the 200 miles does the gentleman propose to have the U.S. Navy patrolling and regulating and inspecting ships of other nations fishing for salmon?

Mr. LEGGETT. If the gentleman will yield further, it is generally conceded in the law of the sea that the littoral nations on the basis of conservation plans would have the right to manage the species to the extent of their range.

Mr. FRASER. This is the problem we have heard today. The gentleman is moving ahead of any agreement among the major nations of the world and the world community. The gentleman has decided that the United States has to move now when there is no agreement. On top of that he now looks to something that has not happened to defend his position.

Mr. LEGGETT. We could have ignored article 7. I frankly admit, we, in effect, could violate the nondiscriminatory provision when we implement the fishing plan. Possibly we would not when we implement the fishing plan, because it has to have certain consultation with the Secretary of State and other people, but it is not limited under the act. We give the same authority to the Fishing Council interacting with the Secretary of Commerce and the Secretary of State to develop a plan with the anadromous fish within the zone subject to the conditions that we mentioned on pages 25 and 26.

Mr. FRASER. I thank the gentleman for his point, but I would like to stress to the Committee what we are doing here. We are not only violating the provisions of the 1958 Convention, which the bill claims we are complying with, but we are claiming jurisdictional authority to deal with some nations' vessels not within the 200-mile limit, but beyond. It is a unilateral decision of the United States.

If I may ask the gentleman, using this example, supposing the Soviets continue to come in off our fisheries in the North Atlantic, what does the gentleman propose we do?

Mr. LEGGETT. I believe the Soviet Union is prepared to yield to an exercise of conservation jurisdiction by the United States, insofar as we do not purport to take a total exclusive claim to the area and will allow for the taking of an optimum obtainable yield. We do not believe we can take an optimum obtainable yield ourselves and that will leave a substantial surplus for Bulgaria and Poland and these other countries that are taking 50 percent of the yield off the American coast.

I might say, we have not as yet implemented by legislation the 1958 agreement, which one would anticipate.

Second, I would point out that the agreement that the gentleman talks about that we have signed has not been signed by the Soviet Union, has not been signed by Japan, has not been signed by Korea, has not been signed by most of the people swiping our fish.

Mr. FRASER. I am not talking about intervention on that basis. There are historic fishing rights that Japan, the Federal Republic of Germany and others, have enjoyed. We are purporting unilaterally to restrict that right.

Mr. LEGGETT. No. The countries that have whiskers, I mean substantial whiskers, we are going to respect. The ones that have crept up over the past year, we have just Polish ships off California in the past year, do not have historic rights. We do not intend to recognize the historical rights that nations that have vacuumed our shores over the past few years.

Mr. FRASER. The gentleman would agree that in the North Atlantic fisheries meeting a few weeks ago there was an agreement reducing the catch by 23 percent. Would the gentleman agree that reduction in catch will have the effect of rebuilding stocks in the North Atlantic?

Mr. LEGGETT. That will help; but unfortunately, it is not all that simple.

Mr. FRASER. Is it not true, that this is no emergency situation, and that if we do not act this year, the fish are not going to disappear in the North Atlantic?

Mr. LEGGETT. That is partially true.

Mr. FRASER. Then if we wait for a few more years, it will not be too late.

Mr. LEGGETT. But unfortunately, we are still in a situation where we are taking like 250,000 tons off the Atlantic shores and the Soviet Union and others are taking 700,000, according to the revised agreement; so they are still taking three times more than what we are taking off those particular shores and that is an intolerable situation.

Mr. FRASER. I agree that there is a problem about inequitable division, and I think we have to reclaim our fisheries, but the problem is the way we are doing it. There is no emergency. The fish stocks are going to be rebuilt under the conservation provisions agreed to a few weeks ago. What we should do is work out an orderly arrangement.

The CHAIRMAN. Are there any further amendments to title II? If not, the Clerk will read title III.

The Clerk read as follows:

TITLE III—MANAGEMENT OF THE FISHERIES

SEC. 301. UNITED STATES JURISDICTION OVER CERTAIN FISHERIES.

(a) IN GENERAL.—The fisheries management responsibility and authority of the United States extends to—

(1) any coastal species within the fisheries zone;

(2) any anadromous species wherever found throughout the range of such species in the high seas; and

(3) any Continental Shelf species.

(b) INTERNATIONAL REGULATION OF HIGHLY MIGRATORY SPECIES.—The fisheries management responsibility and authority of the United States under this Act does not extend to highly migratory species, and the United States shall not recognize the right of any foreign country to extend its rights, claims, or jurisdiction to such species. Such species shall be managed pursuant to international fishery agreements established for such purpose.

SEC. 302. FISHERIES MANAGEMENT RESPONSIBILITIES OF THE SECRETARY.

(a) IN GENERAL.—Subject to the provisions of this Act, the Secretary shall manage all fisheries over which the United States has fishery management responsibility and authority under section 301(a). The management of any such fishery shall result in the regulation of fishing in that fishery by any vessel documented under the laws of the United States or registered under the laws of any State and by any other vessel in such manner as is necessary and appropriate to carry out the policy and purposes of this Act.

(b) MANAGEMENT PURSUANT TO MANAGEMENT PLAN.—Except as provided in section 305(d) or 308, the Secretary may not manage any fishery under the authority of subsection (a) except in accordance with a management plan which is prepared pursuant to section 304 for such fishery.

(c) NATIONAL FISHERIES MANAGEMENT STANDARDS.—The management of the fisheries pursuant to this Act shall be consistent with the following national fisheries management standards:

(1) Management and conservation measures shall be based upon the best scientific biological information available.

(2) To the extent possible, an individual stock of fish shall be managed throughout its range.

(3) Management and conservation measures shall not discriminate between residents of different States.

(4) Management and conservation measures shall be designed to achieve the optimum sustainable yield of a stock of fish on a continuing basis.

(5) Management and conservation measures shall promote efficiency in harvesting techniques.

(6) Management and conservation measures shall be formulated to allow for unpredicted variations in fishery resources and their environment and for possible delay in the application of such measures.

(7) Management and conservation measures shall not result in unreasonable administration or enforcement costs.

(8) Management and conservation measures shall be designed to prevent depletion of fisheries resources.

SEC. 303. REGIONAL MARINE FISHERIES COUNCILS.

(a) ESTABLISHMENT.—There are established seven regional marine fisheries councils to be known respectively as the New England Marine Fisheries Council, the Mid-Atlantic Marine Fisheries Council, the Southern Atlantic Marine Fisheries Council, the Gulf Marine Fisheries Council, the Pacific Marine Fisheries Council, the Alaska Marine Fisheries Council, and the Western Pacific Marine Fisheries Council (hereinafter referred to in this Act as the "Council" or the "Councils"). The States represented by each respective Council shall be as follows:

New England Marine Fisheries Council

Maine;
New Hampshire;
Massachusetts;
Rhode Island; and
Connecticut.

Mid-Atlantic Marine Fisheries Council

New York;
New Jersey;
Delaware;
Pennsylvania;
Maryland; and
Virginia.

Southern Atlantic Marine Fisheries Council

North Carolina;
South Carolina;
Georgia;
Florida;
The Commonwealth of Puerto Rico; and
The Virgin Islands.

Gulf Marine Fisheries Council

Texas;
Louisiana;
Mississippi;
Alabama;
Florida;
The Commonwealth of Puerto Rico; and
The Virgin Islands.

Pacific Marine Fisheries Council

California;
Oregon;
Washington; and
Idaho.

Alaska Marine Fisheries Council

Alaska;
Oregon; and
Washington.

Western Pacific Marine Fisheries Council

Hawaii;
American Samoa; and
Guam.

(b) MEMBERSHIP OF COUNCILS.—

(1) NUMBER AND APPOINTMENT.—Each Council established by subsection (a) shall consist of the following members:

(A) the Executive Director of the Marine Fisheries Commission for the geographical area concerned;

(B) one member appointed by, and serving at the pleasure of, the Governor or chief executive officer of each State represented on the Council; except that in the case of the Alaska Marine Fisheries Council, three members appointed by the Governor of Alaska;

(C) the Regional Director of the National Marine Fisheries Service for the geographical area concerned;

(D) the Regional Director of the United States Fish and Wildlife Service for the geographical area concerned;

(E) six members (other than officers or employees of the Federal Government or of any State government) appointed by the Secretary from a list prepared by the members specified in subparagraphs (A), (B), (C), and (D) of this paragraph of not less than 20 individuals having knowledge and experience in commercial or recreational fishing, and such appointments shall fairly reflect the degree to which commercial and recreational fishermen participate in the fisheries in the geographical area concerned: and

(F) two members (other than officers or employees of the Federal Government or of any State government or individuals referred to in subparagraph (E)) who shall represent the public interest and who shall be appointed by the Secretary from a list prepared by the members specified in subparagraphs (A), (B), (C), and (D) of this paragraph of not less than six individuals.

A vacancy in any Council shall be filled in the manner in which the original appointment was made.

(2) CONTINUATION OF MEMBERSHIP.—If any member of any Council who was appointed to such Council pursuant to paragraph (1)(A), (C), or (D) leaves the office he is holding at the time of appointment, or if any member of any Council who was appointed from persons who are not officers or employees of any government becomes an officer or employee of any government, he may continue as a member of such Council for not longer than the 90-day period beginning on the date he leaves that office or becomes such an officer or employee, as the case may be.

(3) TERMS.—

(A) Except as provided in subparagraphs (B) and (C) of this paragraph, any member appointed pursuant to paragraph (1) (E) or (F) shall be appointed for a term of 3 years.

(B) Of the members first appointed pursuant to paragraph (1)(E)—

(i) two shall be appointed for a term of 1 year,

(ii) two shall be appointed for a term of 2 years, and

(iii) two shall be appointed for a term of 3 years,

as designated by the Secretary at the time of appointment.

(C) Of the members first appointed pursuant to paragraph (1)(F)—

(i) one shall be appointed for a term of 2 years; and

(ii) one shall be appointed for a term of 3 years,

as designated by the Secretary at the time of appointment.

(D) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(E) Any individual appointed pursuant to paragraph (1) (E) or (F) is eligible for reappointment.

(c) Pay and Travel Expenses.—

(1) Per diem rate.—Members of each Council, other than members who are full-time officers or employees of the United States or any State, shall each be entitled to receive $100 for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Council.

(2) Travel expenses.—While away from their homes or regular places of business in the performance of services for any Council, the members thereof shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(d) Transaction of Business.—

(1) Quorum.—A majority of the members of any Council shall constitute a quorum, but a lesser number may hold hearings.

(2) Chairmen.—A Chairman for each Council shall be elected by the members of each Council from among members appointed pursuant to subsection (b)(1) (B), (E), and (F).

(3) Meetings.—Each Council shall meet at the call of the Chairman or a majority of its members, but shall meet for at least 1 day during each calendar quarter.

(e) Staff and Administration.—

(1) Council staff.—The Secretary shall make available to each Council such staff, information, and personnel services as it may reasonably require to carry out its functions.

(2) Detail of federal personnel.—Upon request of any Council, and after consultation with the Secretary, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist it in carrying out its functions under this Act.

(3) Support Services.—The Administrator of General Services, after consultation with the Secretary, shall provide to any Council on a reimbursable basis such administrative support services as the Council may request.

(4) Statement of organization.—Each Council, after consultation with the Secretary, shall publish and make available to the public a statement of the organization, procedure, and practices of the Council.

(f) Advisory Panels.—Each Council may establish advisory panels to assist the Council in carrying out its functions under this Act.

(g) Functions.—

(1) In general.—Each Council shall—

(A) solicit, by means of public hearings to the extent practicable, and evaluate on a continuing basis comments and recommendations from all interested persons in the geographical area concerned with respect to the administration and implementation of the provisions of this Act;

(B) develop fishery management plans pursuant to section 304 for adoption by the Secretary, and take such other actions with respect to fishery management plans as may be required by such section; and

(C) submit to the Secretary, within 30 days after the close of each calendar quarter, a report setting forth the results of the Council's activities under this Act during such quarter.

(2) Statement of disagreement.—If any matter submitted to the Secretary pursuant to subparagraph (B) or (C) of paragraph (1) did not receive the unanimous vote of the Council, the members of the Council in disagreement may submit to the Secretary a statement setting forth the reasons for their disagreement.

Sec. 304. Preparation of Fishery Management Plans by Councils.

(a) Plans Prepared on Initiative of Council or at Request of Secretary.—

(1) On initiative of council.—Any Council may at any time prepare a fishery management plan with respect to any species referred to in section 301(a).

(2) At request of secretary.—The Secretary may request any Council to prepare a fishery management plan with respect to any species referred to in section 301(a).

(3) Application of plans.—Any fishery management plan prepared pursuant to paragraph (1) or (2) shall be limited to species in the fisheries zone (and seaward of the zone in the case of anadromous species and Continental Shelf species) adjacent to the States represented on the Council. In any case in which the range of a species includes waters within the fisheries zone which are adjacent to States represented on more than one Council, the Secretary shall designate which Council shall prepare the fishery management plan.

(b) Scope of Management Plans.—

(1) In general.—Any fishery management plan which is prepared by any Council shall—

(A) contain the conservation and other measures which the Council deems appropriate with respect to the management of the species or the fishery concerned; and

(B) specify such conditions and limitations governing fishing by any vessel documented under the laws of the United States or registered under the laws of any State, or by any other vessel, which the Council believes should be implemented to carry out such measures within the territorial sea of the United States, the fisheries zone, and, in the case of any anadromous species or Continental Shelf species, in water seaward of such zone.

(2) Information with respect to relevant international obligations.—Any Council which is preparing a fishery management plan on its own initiative shall request the Secretary to provide, and the Secretary when requesting any Council to prepare any such plan shall provide, to the Council such information as may be appropriate with respect to those international fisheries agreements and any other pertinent information relating to foreign fishing which apply, or may apply, within the fisheries zone and in waters seaward of such zone with respect to the fishery covered by the plan.

(3) Specific plan requirements.—Any fishery management plan prepared by any Council may—

(A) designate zones where, and designate periods when, fishing shall be limited, or shall not be permitted, or shall be permitted only by specified vessels or with specified gear;

(B) establish a system under which access to the fishery shall be limited in order to achieve optimum sustainable yield on a basis which may recognize, among other considerations, present participation in the fishery or fisheries, historical fishing practices and dependence on the fishery, value of existing investments in vessels and gear, capability of existing vessels to engage in other fisheries, history of compliance with fisheries regulations imposed pursuant to this Act, and the cultural and social framework in which the fishery is conducted;

(C) establish limitations on the catch of fish based on area, species, size, number, weight, sex, incidental catch, total biomass, and other factors necessary to carry out the policy and purposes of this Act, including the size or number or nature of the vessels or gear used in such catch;

(D) prohibit, limit, condition, or require the use of specified types of fishing gear, vessels, or equipment for such vessels, including devices which may be required solely or partially to facilitate enforcement of the provisions of this Act;

(E) specify those licenses, permits, or fees (the amount of which may vary between domestic and foreign fishermen, between different categories of domestic fishermen, or between different categories of foreign fishermen) which should be required as a condition to engaging in any fishery or other activity regulated pursuant to this Act;

(F) require the submission to the Secretary of pertinent statistics, including but not limited to information regarding type of fishing gear used, catch by species in numbers of fish or weight thereof, areas in which fishing was engaged in, time of fishing, and number of hauls; and

(G) prescribe such other limitations or requirements as the Council deems necessary and appropriate to carry out the purposes of this Act.

(4) Confidentiality of statistics.—Statistics which are required to be submitted to the Secretary by persons pursuant to paragraph (3)(F) shall be confidential (except when required under court order) and the Secretary shall by regulation prescribe such procedures as may be necessary to preserve such confidentiality. Such statistics may be released or made public in any aggregate or summary form which does not directly or indirectly disclose the identity or business of such persons.

(5) Proposed regulations.—Any Council may prepare such proposed regulations as it deems necessary and appropriate to carry out any fishery management plan prepared by it and the Secretary shall take such regulations into account when developing proposed regulations to be promulgated pursuant to section 307.

Sec. 305. Review, Adoption, or Other Action by Secretary Regarding Fishery Management Plans

(a) Action by Secretary After Receipt of Plan.—Upon receipt of any fishery management plan prepared by any Council, the Secretary, within 60 days after the date on which the plan is received, shall—

(1) review the plan as provided for in subsection (c);

(2) notify in writing the Council of his approval, partial approval, or disapproval of the plan; and

(3) in the case of partial approval or disapproval of the plan, include with such notification his objections thereto and the reasons therefor, and request the Council to amend the plan within 45 days.

(b) Amended Plan.—Within 30 days after receiving an amended fishery management plan requested by him pursuant to subsection (a)(3), the Secretary shall notify in writing the Council of his approval or disapproval and, in the case of disapproval, his reasons therefor.

(c) Review of Plans.—The Secretary shall review any fishery management plan submitted to him by any Council. In carrying out such review, the Secretary shall—

(1) consider existing and projected population levels of the fish involved;

(2) evaluate the need for, and the extent

to which, the plan will contribute to the conservation and management of such fish;

(3) consider existing fishery management programs, statistics, and data relating to such fish;

(4) if the plan will apply to foreign fishing vessels beyond the fisheries zone, consult with the Secretary of State;

(5) examine and evaluate the management procedures proposed in the plan in order to determine if the regulation of the fishery concerned in the fisheries zone will be consistent on an interstate basis and consistent with the management procedures which are in effect in the territorial sea of the United States;

(6) if the plan or proposed regulations involve methods and procedures for enforcement at sea, consult with the Secretary of the department in which the Coast Guard is operating;

(7) consult with other Federal agencies, the commercial and recreational fishing industries, and, to the extent practicable, any other person having an interest in the conservation of the fish involved and in the enhancement of the marine fisheries of the United States;

(8) analyze the proposed plan in order to determine whether it is consistent with the national fisheries management standards set forth in section 302(c); and

(9) consider such other relevant factors as he deems necessary and appropriate to carry out the purposes of this Act.

(d) Preparation of Plans by Secretary.—If any Council which is requested by the Secretary to prepare a fishery management plan fails to do so within such reasonable time as shall be specified by the Secretary, or if the Secretary disapproves an amended plan under subsection (b) and he determines that such a plan is needed, then the Secretary shall prepare a fishery management plan for the fishery concerned. The fishery management plan requirements set forth in section 304(b) apply with respect to any plan prepared by the Secretary.

Sec. 306. License Fees.

(a) Definition.—As used in this section, the term "license fee" means any fee which is imposed on any person under any fishery management plan implemented under this Act for the privilege of fishing.

(b) Collection by Secretary.—All license fees imposed under any fishery management plan implemented under this Act shall be collected by the Secretary.

(c) Credit of License Fees to Separate Treasury Account.—

(1) Establishment of account.—There is established in the Treasury of the United States a separate account into which all license fees collected by the Secretary shall be credited.

(2) Fees collected from foreign fishermen.—Ten percent of all of the license fees collected by the Secretary pursuant to any fisheries management plan from foreign fishermen shall be credited to the account established in paragraph (1) of this subsection and shall remain available without fiscal year limitation to carry out the purposes of subsection (d).

(3) Other fees.—All license fees collected by the Secretary pursuant to any fishery management plan (other than the license fees referred to in paragraph (2) of this subsection) shall be credited to the account established in paragraph (1) of this subsection and shall remain available to carry out the purposes of subsection (e).

(d) Reimbursement of Certain Foreign Fees Imposed on United States Fishermen.—

(1) Fees eligible for reimbursement.—The Secretary, under such regulations as he shall prescribe, shall reimburse any owner or operator of a United States fishing vessel for all or part of any license or permit fee which is imposed on such owner or operator by any foreign nation for the privilege of fishing in waters under the jurisdiction of that nation if—

(A) the United States recognizes the jurisdiction of that nation over fisheries conservation and management in such waters; and

(B) United States vessels have fished or carried out fishing-support activities in such waters.

(2) Limitation on reimbursement.—The Secretary shall reimburse any owner or operator of a United States fishing vessel under paragraph (1) of this subsection for the amount by which the license or permit fee imposed by the foreign nation exceeds the average license fee imposed under all fishery management plans implemented under this Act. Such average license fee shall be computed on the basis of all license fees in effect at the time such foreign fee was imposed.

(3) Reimbursement funding.—Reimbursement by the Secretary under paragraph (1) of this subsection shall be made first out of the fees credited pursuant to subsection (c)(2), and thereafter out of funds which are hereby authorized to be appropriated to carry out the purposes of this subsection.

(e) Fishery Research and Development.—All license fees collected under any fishery management plan and credited pursuant to subsection (c)(3) shall be used by the Secretary to carry out stock assessment and such other research and development which the Secretary deems appropriate with respect to the fishery resources within the geographical area of responsibility of the Council concerned.

Sec. 307. Implementation of Fishery Management Plans.

(a) In General.—After the Secretary has approved any fishery management plan prepared by any Council or prepared by him, the Secretary shall, as soon as practicable thereafter publish in the Federal Register the plan and all regulations which he proposes to promulgate in order to implement the plan. Interested persons shall be afforded a period of not less than 45 days after such publication within which to submit written data, views, or comments on the proposed regulations. Except as provided in subsection (b), the Secretary may, after the expiration of such period and after consideration of all relevant matters presented, promulgate the regulations with such modifications, if any, as he deems appropriate.

(b) Objections to Proposed Regulations.—On or before the last day of a period fixed for the submission of written data, views, or comments under subsection (a), any citizen (which for purposes of this section means any individual, corporation, partnership, or other legal entity domiciled in any State) who, or any State which, may be adversely affected by the plan or the proposed regulations may file with the Secretary written objections to specific provisions of the plan or the proposed regulations, stating the grounds therefor, and may request a public hearing on such objections. If the Secretary determines that the citizen filing objections may be adversely affected and such citizen has requested a hearing, or if a State requests a hearing, the Secretary shall not promulgate the regulations except as provided for by subsection (c).

(c) Hearings After Objections.—As soon as practicable after the period of filing objections has expired, if the Secretary determines that any citizen of the United States filing objections may be adversely affected and such citizen has requested a hearing, or if a State requests a hearing, the Secretary shall publish in the Federal Register a notice specifying the time and place at which a public hearing shall be held, the provisions of the proposed regulations to which such objections have been filed, and such other provisions as he may designate for consideration. The Secretary thereafter shall hold a public hearing in accordance with section 553 of title 5, United States Code, for the purpose of receiving information relevant to the matters identified in the notice of hearing. If two or more citizens of the United States or States request hearings within the prescribed period and the Secretary deems such hearing appropriate, the Secretary may consolidate such hearings in the interest of time and economy. At the hearing any interested citizen or State may be heard. As soon as practicable after the completion of the hearing, the Secretary shall act upon such objections, make his determinations public (including a statement of his reasons therefor), and promulgate the regulations with such modifications, if any, as he deems appropriate.

(d) Revision of Regulations.—The Secretary may from time to time revise any regulation promulgated pursuant to this section in accordance with the procedures prescribed in subsections (a) through (c).

(e) Emergency Regulations.—Notwithstanding subsections (a), (b), and (c), the Secretary may waive, if the Council concerned consents, by the affirmative vote of not less than two-thirds of the membership of the Council, to such waiver, the requirements for notice and public hearing set forth in such subsections with respect to any regulation implementing any fishery management plan if he finds (and incorporates the finding and a brief statement of the reasons therefor in the publication of the regulation) that, due to an emergency situation arising with respect to the fishery concerned, notice and hearing thereon are impracticable, unnecessary, or contrary to the public interest. Written objections to such procedure may be submitted within 30 days after the effective date of any such emergency regulation. If any such written objection is so received, the Secretary shall, not later than 40 days after such effective date, initiate the procedures set forth in subsection (a), (b), and (e). Any emergency regulation promulgated pursuant to this subsection shall remain in effect for one year after the date on which the Secretary publishes notice of proposed rulemaking required by subsection (a), unless the Secretary terminates such regulation by notice in the Federal Register at any earlier date.

Sec. 308. Temporary Emergency Fishery Management Plans Prepared and Implemented by the Secretary With Respect to Certain Fisheries.

(a) In General.—Before the close of the 90-day period beginning on the date of the enactment of this Act, and without regard to sections 304 through 307 except as provided in subsection (d) of this section, the Secretary, on his own initiative or upon the request of any State, shall with respect to any coastal species or Continental Shelf species which he believes to be, as of the date of the enactment of this Act, (1) depleted, (2) in imminent danger of becoming depleted, or (3) under intensive use but unregulated because of the absence of management authority—

(A) prepare, after consultation with appropriate States and fishing industry representatives, a management plan, which shall apply within those waters which comprise the contiguous fisheries zone established by the first section of the Act of October 14, 1966, for the fishery; and

(B) promulgate such regulations as may be necessary and appropriate to implement such plan.

(b) Interim Report.—Before the close of the 45-day period beginning on the date of the enactment of this Act, the Secretary shall submit to the Congress a report which sets forth those fisheries which he will take action on pursuant to subsection (a).

(c) Plan Requirements.—The Secretary, in preparing any plan required by subsection (a), shall include such requirements set forth in section 304(b)(3) as he deems to be necessary and appropriate with respect to the fishery concerned, but may not, pursuant to such plan, impose limited entry or license fees on vessels documented under the laws of the United States or otherwise registered under the laws of any State in any area of the waters comprising such contiguous fisheries zone.

(d) TREATMENT OF REGULATIONS.—Any regulation which is promulgated by the Secretary to implement any fishery management plan prepared pursuant to this section shall be treated as an emergency regulation promulgated under section 307(e); except that any such regulation shall remain in effect for 180 days after the date on which the regulation is promulgated unless the Secretary terminates such regulation at an earlier date.

SEC. 309. STATE JURISDICTION.

(a) IN GENERAL.—Except as provided in subsection (b), nothing in this Act shall be construed as extending or diminishing the jurisdicton of any State seaward of the coastline of the United States.

(b) ASSERTION OF FEDERAL JURISDICTION IN CERTAIN INSTANCES.—

(1) FINDINGS.—The Congress finds that anadromous species, certain coastal species, and certain Continental Shelf species move, during their life cycles, within waters over which more than one State has jurisdiction, and move from such waters to waters that are not within the jurisdiction of any State. The Congress further finds that, although the purpose of this Act is not to affect State jurisdiction over fish principally within waters under State jurisdiction, there may be instances where Federal regulation within such waters of any anadromous species, coastal species, or Continental Shelf species may be necessary in order to insure the effectiveness of a management plan implemented under this Act for a fishery.

(2) FINDINGS AND ACTION BY SECRETARY.—If the Secretary finds, after notice and opportunity for agency hearing, that—

(A) any fishery management plan implemented pursuant to this Act applies to any anadromous species, coastal species, or any Continental Shelf species which are to any extent, or are at any time, under the jurisdiction of any State; and

(B) such State has taken any action, or omitted to take any action, the result of which will substantially and adversely affect the carrying out of the management plan which applies to a fishery,

the Secretary shall promptly declare that such fishery within waters, other than internal waters, under jurisdiction of the State shall be subject to regulation by him pursuant to the management plan, and the Secretary, as soon as practicable thereafter, shall assume responsibility for such regulation.

(c) RESUMPTION OF STATE REGULATION.—If the Secretary, pursuant to subsection (b), assumes responsibility for the regulation of any fishery within waters under the jurisdiction of any State, the State may at any time thereafter apply to the Secretary for reinstatement of State regulation of such fishery. If the Secretary finds, after notice and opportunity for agency hearing, that the reasons for which regulation of the fishery by him was assumed no longer prevail, the Secretary shall promptly declare such fishery to be subject to regulation by the State within that State's waters pursuant to the fishery management plan.

SEC. 310. PROHIBITED ACTS.

It is unlawful for any person—

(1) to violate any provision of this Act or any regulation promulgated under this Act to carry out any fishery management plan implemented pursuant to this Act;

(2) if fishing pursuant to a permit issued under section 201(g), to violate any condition or restriction accepted by the foreign nation concerned pursuant to that section in regard to the permit;

(3) to refuse to permit any authorized representative of the Secretary, or of the Secretary of the Department in which the Coast Guard is operating, to board any fishing vessel under the control of such person if the purpose of the requested boarding is to carry out any inspection relating to the enforcement of this Act, any regulation referred to in paragraph (1), or any condition or restriction referred to in paragraph (2);

(4) to forcibly assault, resist, oppose, impede, intimidate, or interfere with any authorized representative of the Secretary, or of the Secretary of the Department in which the Coast Guard is operating, who is engaged in any reasonable inspection of a kind referred to in paragraph (3); or

(5) to ship, transport, purchase, offer for sale, import, export, or have in custody, possession, or control any fish taken in violation of this Act, any regulation referred to in paragraph (1), or any condition or restriction referred to in paragraph (2).

SEC. 311. CIVIL PENALTIES.

(a) ASSESSMENT OF PENALTY.—Any person who is found by the Secretary, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by paragraph (1), (2), or (5) of section 310 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary, or his designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

(b) REVIEW OF CIVIL PENALTY.—Any person against whom a civil penalty is assessed under subsection (a) may obtain review thereof in the appropriate court of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings of the Secretary shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2) of title 5, United States Code.

(c) ACTION UPON FAILURE TO PAY ASSESSMENT.—If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(d) COMPROMISE OR OTHER ACTION BY SECRETARY.—The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

SEC. 312. CRIMINAL PENALTIES.

Any person who commits any act prohibited by paragraph (3) or (4) of section 310 shall be fined not more than $50,000; except that if such person uses a deadly or dangerous weapon in the commission of any such act, such person shall be fined not more than $100,000, or imprisoned for not more than 10 years, or both.

SEC. 313. FORFEITURE.

(a) APPLICATION FOR FORFEITURE.—Any district court of the United States shall have jurisdiction, upon application by the Secretary or the Attorney General, to order forfeited to the United States any fishing vessel, catch, cargo, fishing gear, or the monetary value thereof as determined by the court, used, intended for use, or acquired in the commission by any person of any act prohibited by section 310. In any such proceeding, such court may at any time enter such restraining orders or prohibitions or take such other actions as are in the interest of justice, including the acceptance of satisfactory performance bonds in connection with any property subject to forfeiture.

(b) SEIZURE.—If a judgment is entered under this section for the United States, the Attorney General is authorized to seize all property or other interest declared forfeited upon such terms and conditions as are in the interest of justice. All provisions of law with respect to violations of the customs laws relating to the disposition of forfeited property, the proceeds from the sale of such property, the remission or mitigation of forfeitures and the compromise of claims and the award of compensation to informants with respect to forfeitures, shall apply to forfeitures incurred, or alleged to have been incurred, under this section, insofar as applicable and not inconsistent with the provisions of this section. Such duties as are imposed upon the collector of customs or any other person with respect to seizure, forfeiture, or disposition of property under the customs laws shall be performed with respect to property used, intended for use, or acquired in the commission of any act prohibited by section 310 by such officers or other persons as may be designated for that purpose by the Secretary.

SEC. 314. ENFORCEMENT.

(a) IN GENERAL.—The provisions of this Act and any regulation promulgated under this Act to carry out any fishery management plan implemented under this Act shall be enforced by the Secretary, and the Secretary of the Department in which the Coast Guard is operating. In carrying out such enforcement, the Secretary and the Secretary of the Department in which the Coast Guard is operating may utilize by agreement, with or without reimbursement, the personnel, services, and facilities—

(1) of any other Federal agency; or

(2) of any State agency, but only for purposes of enforcement with respect to (A) any vessel in the fisheries conservation and management zone, or (B) any vessel documented under the laws of the United States or otherwise registered under the laws of any State, wherever any such vessel may be found.

(b) AUTHORITY.—Any individual authorized pursuant to subsection (a) to enforce the provisions of this Act, any regulation issued thereunder, and any condition or restriction applicable to any permit issued under section 201 may—

(1) with or without a warrant or other process, board and inspect any fishing vessel documented under the laws of the United States or otherwise registered under the laws of any State or any other fishing vessel subject to the jurisdiction of the United States, and its catch and gear, upon the waters of the fisheries conservation and management zone or upon all high seas seaward of such zone;

(2) with or without a warrant or other process, arrest any person committing in his presence or view a violation of section 310 (3) or (4);

(3) execute any warrant or other process issued by any officer or court of competent jurisdiction;

(4) seize any fishing vessel and fishing gear used in, and any fishing vessel on which occurs, the violation of any provision of this Act, any regulation promulgated to carry out any management plan implemented pursuant to this Act, or any condition or restriction

applicable to any permit issued under section 201; and

(5) seize any fish, wherever found, taken in violation of any provision of this Act or any regulation or condition or restriction referred to in paragraph (4) of this subsection.

Any fishing vessel, fishing gear, or fish seized pursuant to paragraph (4) or (5) of this subsection may be disposed of pursuant to an order of a court of competent jurisdiction, or, if perishable, in such manner as may be prescribed by the Secretary by regulation.

(c) STATE OFFICERS.—Any officer of any State, if designated pursuant to subsection (a) to function as a Federal law enforcement agent shall not be considered to be a Federal employee of the United States for the purposes of any laws administered by the Civil Service Commission.

(d) JURISDICTION OF COURTS.—The Federal district courts shall have exclusive jurisdiction over all cases arising under this Act, any regulation promulgated under the Act to carry out any fishery management plan implemented under this Act and any permit issued pursuant to section 201, and may issue any warrants or other processes as may be necessary. In the case of Guam, actions arising under such regulations may be brought in the district court of Guam, and in the case of the Virgin Islands such actions may be brought in the district court of the Virgin Islands. In the case of American Samoa, such actions may be brought in the District Court of the United States for the District of Hawaii and such court shall have jurisdiction of such actions.

(e) PROCEDURE.—Notwithstanding the provisions of section 2464 of title 28, United States Code, when a warrant of arrest or other process in rem is issued in any cause under this section, the marshal or other officer shall stay the execution of such process, or discharge any fish seized if the process has been levied, on receiving from the respondent or claimant of the fish a bond or other surety satisfactory to the court, conditioned to deliver the fish seized, if condemned, without impairment in value or, in the discretion of the court, to pay its equivalent value in money or otherwise to answer the decree of the court in such case. Such bond or other surety shall be returned to the court and judgment thereon against both the principal and sureties may be recovered in the event of any breach of the conditions thereof as determined by the court. In the discretion of the accused, and subject to the direction of the court, the fish may be sold for not less than its reasonable market value and the proceeds of such sale placed in the registry of the court pending judgment in the case.

Mrs. SULLIVAN (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

Mr. ECKHARDT. Mr. Chairman, reserving the right to object, and I think I shall not object, but I likewise would like to know what type of limitation the gentlewoman would put on this title.

Mrs. SULLIVAN. My understanding is that there are three amendments at the desk. I do not know what else is proposed. I would say within 20 minutes.

Mr. ECKHARDT. May we not proceed again as we did the last time? It is so much better than the previous 40-second debate.

Mrs. SULLIVAN. My time is the gentleman's time. I can stay until midnight.

Mr. ECKHARDT. We did not take any more time on the last than we did on the first.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, we only took 30 minutes on this title, which is exactly the limitation the gentlewoman had intended to offer. It would seem to me, Mr. Chairman, that it would be better if the gentlewoman would hold off until we find out what we have.

Mr. ECKHARDT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

AMENDMENT OFFERED BY MR. SLACK

Mr. SLACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SLACK: Page 55, line 21, after "credited" insert ": *Provided*, That, notwithstanding any other provision of this Act, no funds shall be available from said account except as provided in appropriation acts."

Mr. SLACK. Mr. Chairman, section 306 of the pending bill deals with the collection and use of license fees. That section would establish a separate account in the Treasury into which such fees would be paid. The section also establishes certain terms and conditions under which such fees could be used.

As presently written, Mr. Chairman, this would constitute a permanent, indefinite appropriation—backdoor spending.

I realize that House Resolution 760, the rule which makes consideration of the bill in order, carries language waiving points of order for failure to comply with the provisions of clause 5, rule XXI. That clause says:

> No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time.

In spite of the waiver, it seems appropriate, Mr. Chairman, to have any appropriation of funds subjected to the regular appropriation process.

I should like to point out further that section 401(a) of the Congressional Budget Act of 1974 (Public Law 93-344) states:

> It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

Section 402(f) of that act says:

> The Committee on Appropriations of the House of Representatives and the Senate shall study on a continuing basis those provisions of law, in effect on the effective date of this section, which provide spending authority or permanent budget authority. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.

Mr. Chairman, I have no quarrel with the fees and programs discussed in section 306. However, I do not think it would be appropriate to exclude these matters from the normal appropriation process. My amendment simply requires that the license fees which would be paid into the special account be subject to the appropriation process.

I ask for your support of my amendment.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, we have discussed this amendment with the gentleman from West Virginia (Mr. SLACK) and with the minority. We are ready to accept his amendment.

Mr. SLACK. I thank the gentlewoman.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, the distinguished gentleman from West Virginia, chairman of the State, Justice, Commerce Appropriations Subcommittee which has certain funding jurisdiction in the general area, has offered an amendment to section 306 of the bill which sets up a new permanent indefinite appropriation.

I wish to call attention to section 402 (f) of the Congressional Budget Act which, when fully implemented next year, charges the Appropriations Committees of the House and Senate with the responsibility of conducting continuing studies of provisions of law which provide permanent spending authority. There is no question but that this is a problem of serious proportions and I am disturbed by the provision in section 306 of this bill establishing a new permanent financing device.

In enacting the new budget control legislation, the Congress clearly recognized the pitfalls of fragmenting the regular authorization and appropriation process and preempting the ability of the Congress to reorder priorities because of the uncontrollability of the budget. In making financing decisions, we must make every effort not to take actions which mortgage future budgets. While the amount of money involved in the permanent appropriation in this bill is not large in relative terms, the financing principle, in my judgment, is undesirable.

Mr. Chairman, I support the amendment of the gentleman from West Virginia and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. SLACK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Lott: Page 42, strike out lines 4 through 9, inclusive, and insert the following:

"(B) the head of the agency responsible for fisheries management and conservation of each State represented on the Council, except that in the case of the Alaska Marine Fisheries Council, the head of such agency in Alaska and two additional members appointed by, and serving at the pleasure of, the Governor of Alaska;"

Page 43, line 15, after "(A)," insert "(B),"

Mr. LOTT. Mr. Chairman, the Marine Fisheries Conservation Act of 1975, H.R. 200, provides for the appointment of members to each of the seven Regional Marine Fisheries Councils. Among other appointees, the bill presently lists each Council as including one member appointed by the Governor of each State represented on the Council; except that in the case of the Alaskan Marine Fisheries Council, three members shall be appointed by the Governor of Alaska.

This amendment would amend section 303(b) of the bill to require the head of the agency responsible for fisheries management and conservation of each State represented on the Council to be a member of the Council; except that in the case of the Alaska Marine Fisheries Council, the head of such agency in Alaska and two additional members appointed by the Governor of Alaska.

Essentially, all my amendment does is direct that the head of each State's fisheries management and conservation agency be included as a Council member. I feel its acceptance as a part of this measure will go a long way toward making the operation of the Regional Marine Fisheries Councils more efficient and more effective.

It has been my experience since I became familiar with the problems of fishermen and the fishing industry that the director of the State agency for fisheries management and conservation was the individual most knowledgeable with respect to the solutions to these problems. He has an acute awareness of the bounds and limitations of his area's fishery, the habits of his fishery's resources and the best methods for their preservation and propagation.

In addition to these fundamental criteria for an effective Council member, the State director would already have a working knowledge of the requirements of this very legislation to which I offer this amendment. This individual is well acquainted with his State laws as well as any Federal laws which would affect the promotion and implementation of a regional management plan for his area. His access to information and his established channels of communication with other such directors would be an invaluable service to the Council.

In short, Mr. Chairman, I am convinced that the input of the head of each State's fisheries management and conservation agency is absolutely essential to the success of the regional management conservation scheme of this legislation.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, again we have discussed this amendment with the author and with the minority, and we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. Lott).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TREEN

Mr. TREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Treen: On page 62, line 24, strike all on line 24 through the word "(b)" on line 25.

On line 3 of page 63, strike all of Sec. 309 (b) and (c) (All matter commencing on line 3 and continuing through line 23 of page 64.)

Renumber the succeeding sections.

Mr. TREEN. Mr. Chairman, I will try to be brief because I know that the hour is late.

The effect of this amendment would be to strike the Federal preemption section, which is set forth in section 309 of the bill. The major thrust of this legislation is to establish a 200-mile zone. I do not quarrel with that at this point. But there is another aspect of this bill, which has rather far-reaching consequences, and which has not been brought to the attention of the committee. For the very first time the Federal Government, by statute, will attempt to invade the historic and traditional prerogative of the States to manage their fisheries within the 3-mile zone, that is, the territorial sea. I believe that is the first time.

That is done in section 309, which gives the Secretary of Commerce the unfettered right—that is the bottom line—to declare that a fisheries management program put in place by the State must be lifted for any particular species.

The Secretary of Commerce is the czar under the fisheries management program of this bill, because under section 305(d) the Secretary of Commerce may disapprove plans brought in by the Regional Fisheries Councils. He can send them back for amendment. When they come back again, if he does not like them he can rewrite them. And then, after that, under section 309, he can say, "I do not think the State management in this area is consistent with this plan." Actually, he has to determine that State action or inaction would "adversely and substantially" affect the Federal plan. He must use those words.

But there is no question about the fact that if he decides that it is not consistent with the Federal plan, he may, by fiat, preempt the State plan.

The coastal States have agencies to manage their fisheries and, indeed, many of the States have corresponded with me about this and have declared their support of this amendment. They see no reason for the preemption of the State plans. I have a letter from the State of Florida, Department of Natural Resources, in which Mr. Harmon W. Shields, executive director, says:

> Such preemption right up to the coastline, however, is totally unwarranted and should be dropped from this legislation.

I have similar correspondence from the State of California, from the State of Alabama, and I had a call from the State of New Jersey, I might say to the gentleman from New Jersey (Mr. Forsythe), that they are opposed to the preemptory section. It would not hurt this legislation to take section 309 out.

The States have traditionally managed the fisheries within the 3-mile zone. I think they are competent to do that.

I know the argument will be made that this section will be rarely used and that there is lots of protection, but listen to what the committee says in its report, on page 73.

> The committee is most hopeful that appropriate action will be taken by the States to cooperate with the Secretary so that Federal assertion of jurisdiction in such instances will not be necessary.

In other words, they say, "If you do it like we want to do it, we will not have to exercise this authority."

I say let the Federal Government manage the fisheries in the 197-mile belt that they have, and let the States continue to manage the 3-mile zone which has been their traditional prerogative.

Mr. BREAUX. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Louisiana (Mr. Breaux).

Mr. BREAUX. I thank the gentleman for yielding.

As I understand it, the gentleman's amendment only affects the area between the coastline outwards to 3 miles. It does not affect the area outside of it and does not have jurisdiction over it.

Mr. TREEN. That is correct.

I have been trying to preserve that which has been historic and traditional. There is no reason to use this kind of bill to invade the prerogative that the Federal Government has never gone into before.

I am not trying to change the law. I am trying to leave it as it was before this bill was written.

I might say this: The argument has been made that the Federal Government must have this authority in order to manage certain species, and yet this bill does not attempt to manage fisheries in estuarine and bay areas. Certainly, if a fishery can be managed without going into the bays and the estuarine areas, it can be managed without going into the 3-mile zone.

Mr. STUDDS. Mr. Chairman, I rise briefly in opposition to the amendment.

Mr. Chairman, section 309 of H.R. 200 provides a very limited authority in the Secretary of Commerce to temporarily impose a Federal fisheries management plan on a managed species of fish within the territorial sea of the United States where the coastal State would otherwise exercise exclusive management authority.

At this time, there is no authority in either the States or the Federal Government to engage in fisheries management programs beyond the territorial sea. H.R. 200 establishes that authority in the Federal Government beyond the territorial sea and preserves the existing authority of States within the 3-mile territorial sea except under the very limited preemption provision of section 309. This section of the bill is necessary to insure that fisheries under a management plan will be managed throughout their range.

Most coastal species are found off the shores of at least two or more adjacent coastal States and are found both within and beyond the 3-mile territorial sea limit.

If a given fishery stock requires management and a plan is adopted for that species both the council preparing the plan and the Secretary will, of necessity, examine relevant State regulations dealing with that species. The council could recommend that the Federal management plan override inconsistent State regulations which both substantially and adversely impact upon the effectiveness of the Federal plan, but only the Secretary may make the decision to take this step. Bear in mind that this decision by the Secretary can only be made after a full hearing under the Administrative Procedures Act, and that if the Secretary makes the requisite findings, the preemption of the State regulations can only continue so long as the condition which prompted the finding continues.

Thus, if adjacent coastal States off whose shores the managed stock of fish is caught have conflicting regulations, and it is this conflict that has brought about the Federal preemption, once the conflict is resolved the Federal preemption will terminate. It is our understanding that it is the actual and potential conflict between State regulations that has brought about the need for this provision.

Three interstate compacts have been in existence for many years covering the Atlantic, gulf, and Pacific coastal States. The Commissions established pursuant to these compacts have not been successful in resolving interstate disputes over fishery regulation. An effort is underway now to secure the adoption in all coastal States of a uniform State fisheries management act, but this has not yet been accomplished. While the instances of Federal preemption will undoubtedly be few and can only occur on a species-by-species basis, as opposed to a blanket preemption, there is clearly a need for this provision to insure that the objectives of the legislation are realized. This is basically a conservation bill.

I realize that a number of States have complained about this provision, particularly the State of Florida. It is worth noting, however, that while Florida is complaining about Federal preemption in this legislation, it is actively seeking legislation in the House to resolve an interstate conflict over the taking of spiny lobsters, legislation which the Merchant Marine and Fisheries Committee has already held hearings on, H.R. 2473. Very simply, the States cannot have it both ways. I urge the defeat of this amendment.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, just so the record is clear, the statement was made that the Federal Government has never invaded the 3-mile area of States. I believe the record should show that with respect to endangered species legislation, we have invaded the 3-mile area of the States, perhaps not too effectively, but we have attempted to do that.

We are in the process now of reverting some of that jurisdiction back to some of the States.

Under the Marine Mammal Act we are doing exactly the same thing. There again we are attempting to revert some of that jurisdiction to the States under signed cooperative agreements.

So we are not pioneering in some new area here. I would state that this legislation could only be effective with the full cooperation of the States, for instance, with the full cooperation of the people of the State of Louisiana.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. TREEN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. TREEN. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. VAN DEERLIN

Mr. VAN DEERLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN DEERLIN: On page 72, after line 25, insert the following:

"(f) If he deems it to be in the national interest, the President may suspend any provision of this section."

Mr. VAN DEERLIN. Mr. Chairman, I offer this amendment as one who feels his back is to the wall, he is in the shadow of the goalposts, and he seeks to retrieve something. Resigned to its passage, I am trying to improve the bill.

I hope that I will especially have the attention of my colleagues on the west side of the aisle. In case the Members were not listening when the amendment was read, I will direct their attention to the middle of page 69 in the bill. There they will find a section which continues to the bottom of page 72, where my amendment falls.

This section deals with enforcement procedures to be established under this legislation. I would ask the Members, if they have not looked at this closely, to note that it deals with the direction and activity of Coast Guard vessels to a distance of 200 miles from our shores. It deals with the matter of arrests, and issuance of warrants for arrest of persons of any flag violating this law, and it deals with the seizures of ships, of fishing gear, and of the catch aboard fishing vessels. It deals with the disposition of vessels which have been thus seized.

Under the Constitution, it is the President of the United States who is charged with leadership in matters of foreign policy.

This section, it seems to me, dealing with enforcement, starts down a very dangerous trail, one in which the President should be given some hand.

We have not been uniformly successful, we in Congress, in dealing with some foreign policy issues—whether the matter of Rhodesian chrome, or the Panama Canal, or Soviet emigration, or Turkish aid and keeping the peace with our allies in NATO.

Let us not increase our stumbling by setting up here an enforcement procedure which goes far beyond anything that has been proposed or executed except by piratical nations to the south. Let us move at least with discretion. Let us make the President a party to the execution and the enforcement of this law.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. VAN DEERLIN. I will be happy to yield.

Mr. LEGGETT. Mr. Chairman, since this is the last time for "Casey at the Bat," I want to say this: The gentleman made reference to enforcement provisions that only piratical nations to the south enforce or are claiming.

The language in this section of the legislation is exactly what has been the law in the United States with respect to the 12-mile limit since 1966, and likewise, with respect to the endangered species as well as with respect to other things.

Mr. VAN DEERLIN. Does not the gentleman have full confidence in the President of the United States, as do I?

Let us give him the opportunity, where he thinks it is in the national interest, as this amendment provides, to stay provisions of the enforcement section.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. VAN DEERLIN).

The question was taken; and on a division (demanded by Mr. VAN DEERLIN) there were—ayes 20, noes 25.

Mr. VAN DEERLIN. Mr. Chairman, it occurred to me that that does not add up to 100.

I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. The amendment is not agreed to. The gentleman from California (Mr. VAN DEERLIN) makes a point of order that a quorum is not present.

Mr. VAN DEERLIN. And, Mr. Chairman, I demand a recorded vote in pursuance of that request.

The CHAIRMAN. Does the gentleman make a point of order that a quorum is not present?

Mr. VAN DEERLIN. Mr. Chairman, I do not want a quorum call.

The CHAIRMAN. Pending a rollcall?

Mr. VAN DEERLIN. That is what I want, a rollcall.

Mr. FRASER. Mr. Chairman, pending the request for a rollcall, I make a point of order that a quorum is not present.

The CHAIRMAN. Obviously, a quorum is not present.

POINT OF ORDER

Mr. STUDDS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. STUDDS. Mr. Chairman, I make the point of order that the Chair has already ruled that the amendment has been rejected.

The CHAIRMAN. The gentleman is right in seeking recognition to make a point of order that a quorum is not present.

Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 611]

Abdnor
Abzug
Adams
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
Badillo
Barrett
Bedell
Bergland
Bevill
Bonker
Broomfield
Brown, Calif.
Burke, Fla.
Burton, Phillip
Carney
Carter
Chappell
Chisholm
Clawson, Del
Clay
Conyers
Corman
Cotter
Daniels, N.J.
Danielson
Delaney
Dent
Devine
Dickinson
Diggs
Eshleman
Evans, Colo.
Evins, Tenn.
Fary
Findley
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Frey
Fuqua
Gaydos
Gibbons
Goldwater
Green
Guyer
Hall
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heinz
Helstoski
Henderson
Hightower
Hinshaw
Holland
Howe
Jones, Ala.
Kastenmeier
Ketchum
Koch
Landrum
Latta
Lujan
McCollister
McDade
McDonald
McEwen
Madigan
Martin
Mathis
Metcalfe
Meyner
Milford
Moorhead, Calif.
Moss
Mottl
Murtha
Nix
Nolan
Passman
Patman, Tex.
Patterson, Calif.
Pettis
Peyser
Poage
Price
Randall
Riegle
Risenhoover
Rousselot
Roybal
Ryan
St Germain
Santini
Shipley
Shuster
Sisk
Steelman
Steiger, Wis.
Stephens
Symms
Taylor, N.C.
Teague
Thompson
Traxler
Udall
Ullman
Vanik
Walsh
Waxman
Wiggins
Wilson, C. H.
Wilson, Tex.
Yatron
Zeferetti

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 200), and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 313 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time of the quorum call, the Chair had announced the result of a division vote.

PARLIAMENTARY INQUIRY

Mr. LEGGETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEGGETT. Mr. Chairman, is the situation now such that the division vote has been had which struck down the Van Deerlin amendment that gutted the bill and now we are ready for a recorded vote?

The CHAIRMAN. That is not a proper parliamentary inquiry.

RECORDED VOTE

Mr. VAN DEERLIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 128, noes 196, not voting 109, as follows:

[Roll No. 612]

AYES—128

Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Badillo
Baldus
Beard, Tenn.
Bennett
Biester
Bingham
Brademas
Breckinridge
Brooks
Broyhill
Buchanan
Burgener
Burleson, Tex.
Casey
Cederberg
Conable
Cornell
Davis
de la Garza
Derwinski
Duncan, Tenn.
Eckhardt
Erlenborn
Fascell
Fisher
Flowers
Fraser
Frenzel
Gibbons
Gilman
Gonzalez
Gradison
Gude
Hamilton
Hammerschmidt
Hannaford
Harris
Hastings
Hawkins
Hayes, Ind.
Hechler, W. Va.
Holtzman
Horton
Jacobs
Jarman
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Krueger
Landrum
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McClory
McCloskey
McDade
McEwen
McHugh
Mahon
Mann
Matsunaga
Melcher
Mikva
Mills
Mink
Mitchell, N.Y.
Mollohan
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Myers, Pa.
Natcher
Nedzi
Nichols
Nowak
Obey
O'Brien
Pepper
Perkins
Pickle
Preyer
Quie
Railsback
Rees
Regula
Reuss
Roberts
Rostenkowski
Runnels
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shriver
Simon
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stephens
Stratton
Symington
Thone
Treen
Van Deerlin
Whalen
White
Whitten
Wilson, Bob
Winn
Wolff
Wright
Wydler
Yates
Young, Tex.
Zablocki

NOES—196

Addabbo
Alexander
Ambro
Andrews, N.C.
Archer
Armstrong
Aspin
AuCoin
Bafalis
Baucus
Bauman
Beard, R.I.
Bell
Biaggi
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Brinkley
Brodhead
Brown, Mich.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carr
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conte
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, R. W.
Dellums
Derrick
Diggs
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Evans, Ind.
Fish
Fithian
Flood
Florio
Foley
Forsythe
Fountain
Giaimo
Ginn
Goodling
Grassley
Hagedorn
Haley
Hall
Hanley
Hansen
Harkin
Harrington
Heckler, Mass.
Hefner
Hicks
Hillis
Holland
Holt
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kasten
Kelly
Kemp
Kindness
Krebs
LaFalce
Lagomarsino
Leggett
Lehman
Lent
Litton
Long, Md.
Lott
McCormack
McFall
McKay
Macdonald
Madden
Maguire
Mathis
Mazzoli
Meeds
Mezvinsky
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Montgomery
Moore
Murphy, N.Y.
Myers, Ind.
Oberstar
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pattison, N.Y.
Pike
Pressler
Pritchard
Quillen
Rangel
Rhodes
Richmond
Rinaldo
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Ruppe
Russo
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Shuster
Sikes
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Stark
Steed
Steiger, Ariz.
Steiger, Wis.
Stokes
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Thornton
Tsongas
Vander Jagt
Vander Veen
Vigorito
Waggonner
Wampler
Weaver
Whitehurst
Wylie
Young, Alaska
Young, Fla.
Young, Ga.

NOT VOTING—109

Abdnor
Abzug
Adams
Andrews, N. Dak.
Ashbrook
Barrett
Bedell
Bergland
Bevill
Broomfield
Brown, Calif.
Burke, Fla.
Butler
Carney
Carter
Chappell
Chisholm
Clawson, Del
Clay
Conlan
Conyers
Corman
Cotter
Daniels, N.J.
Danielson
Delaney
Dent
Devine
Dickinson
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fary
Fenwick
Findley
Flynt
Ford, Mich.
Ford, Tenn.
Frey
Fuqua
Gaydos
Goldwater
Green
Guyer
Harsha
Hays, Ohio
Hébert
Heinz
Helstoski
Henderson
Hightower
Hinshaw
Howe
Jones, Ala.
Ketchum
Koch
Latta
Lujan
McCollister
McDonald
McKinney
Madigan
Martin
Metcalfe
Meyner
Milford
Moorhead, Calif.
Moss
Mottl
Murtha
Neal
Nix
Nolan
Passman
Patman, Tex.
Patterson, Calif.
Pettis
Peyser
Poage
Price
Randall
Riegle
Risenhoover
Rousselot
Roybal
Ryan
St Germain
Santini
Shipley
Sisk
Skubitz
Steelman
Symms
Taylor, N.C.
Teague
Thompson
Traxler
Udall
Ullman
Vanik
Walsh
Waxman
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Yatron
Zeferetti

The Clerk announced the following pairs.

Messrs. YOUNG of Alaska and KEMP changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mrs. SULLIVAN. Mr. Chairman, I ask unanimous consent to limit debate on this last title, title III, and all amendments to this title to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, may I just add this: On the next title we have one amendment, at the end of the bill. At that time I will again ask for a limitation of 10 minutes on the one amendment to be offered.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: On page 65, on line 16 strike the semicolon and add the following: "unless such refusal is pursuant to a right protected by international law;"

Mr. ECKHARDT. Mr. Chairman, if you would mandate an act of war to protect a mess of haddock, then you should vote against my amendment.

My amendment in no way changes the mandate with respect to fisheries within the 200-mile limit. It only affects the boarding of a vessel where that vessel contends that it is acting under the protection of international law and is so protected.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. Yes, I yield to the gentleman from California.

Mr. LEGGETT. Do I understand that the intent of the gentleman's amendment is to condition actions in this bill on no violation of international law?

Mr. ECKHARDT. The intent of this amendment is to say that when a vessel is acting under a right extended by international law, it may refuse to be boarded.

All I am attempting to do is to prevent the same kind of thing I was attempting to do with the amendment I had on the Sinai bill the other day.

I just do not want an act of war to be committed and mandated in order to protect a bunch of haddock. That is the point.

Mr. LEGGETT. If the gentleman will yield further, without answering the gentleman's allegations with respect to the value of haddock, I think we all want to respect international law.

With that in mind, we will accept the gentleman's amendment on this side.

Mr. RUPPE. Mr. Chairman, if the gentleman will yield, we accept it on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt).

The amendment was agreed to.

The CHAIRMAN. There being no further amendments to title III, the Clerk will read:

The Clerk read as follows:

TITLE IV—AMENDMENTS TO OTHER LAWS RELATING TO THE FISHERIES AND MISCELLANEOUS PROVISIONS

SEC. 401. FISHERMEN'S PROTECTIVE ACT AMENDMENTS.

(a) Seizure Provision.—Section 2 of the Fishermen's Protective Act of 1967 (68 Stat. 883; 22 U.S.C. 1972) is amended to read as follows:

"Sec. 2. In any case where—

"(1) any vessel of the United States is seized by a foreign country on the basis of rights or claims in territorial waters or the high seas which are not recognized by the United States; or

"(2) any vessel of the United States is seized by a foreign country while such vessel is engaged in fishing in any area of the high seas (and the rights or claims to fisheries conservation and management jurisdiction in such area by such country are recognized by the United States) for a specific stock of fish (including, but not limited to, tuna and any other highly migratory species of fish), and vessels of the United States have previously fished in such area for such stock, and there is no dispute of material facts with respect to the location or activity of such vessel at the time of such seizure, the Secretary of State shall as soon as practicable take action to attend to the welfare of such vessel and its crew while it is held by such country to secure the release of such vessel and crew, and to immediately ascertain the amount of any fine, license, fee, registration fee, or any other direct charge which may be reimbursable under section 3(a) of this Act,".

(b) Reimbursement Provision.—

(1) Section 3(a) of such Act of 1967 (22 U.S.C. 1973(a)) is amended by inserting immediately before the last sentence thereof the following new sentence: "For purposes of this section, the term 'other direct charge' means any levy, however characterized or computed (including, but not limited to, computation based on the value of a vessel or the value of fish or other property on board a vessel), which is imposed in addition to any fine, license fee, or registration fee.".

(2) The amendment made by paragraph (1) of this subsection shall apply with respect to seizures of vessels of the United States occurring on or after December 31, 1974.

SEC. 402. AMENDMENTS TO THE ACT OF MAY 20, 1964.

(a) Amendments.—The Act of May 20, 1964 (78 Stat. 194–196; 16 U.S.C. 1081–1086) is amended—

(1) by amending the first section to read as follows:

"That (a) it is unlawful for any vessel, except a vessel of the United States, or for any master or other person in charge of such a vessel, to engage in fishing—

"(1) within the territorial waters of the United States, its territories and possessions, and the Commonwealth of Puerto Rico;

"(2) within the fisheries conservation and management zone established by title I of the Marine Fisheries Conservation Act of 1975 unless such fishing is authorized under a permit issued pursuant to section 201 of such Act;

"(3) for any anadromous species beyond such fisheries conservation and management zone for which a fishery management plan has been implemented under title III of such Act of 1975 unless such fishing is authorized under a permit issued pursuant to section 201 of such Act of 1975; and

"(4) for any Continental Shelf fishery resource.

"(b) Notwithstanding any other provision of law, the Secretary of Commerce, with the concurrence of the Secretary of State, may permit a vessel, other than a vessel of the United States, owned or operated by an international organization of which the United States is a member, to engage in fishery research within the territorial waters of the United States or within the fisheries conservation and management zone established by title I of the Marine Fisheries Conservation Act of 1975 or for Continental Shelf fisheries resources and to land its catch in a port of the United States in accordance with such conditions as the Secretary may prescribe whenever they determine such action is in the national interest."; and

(2) by amending section 5(c) by striking out " 'fisheries' " and inserting in lieu thereof " 'fishing' ".

(b) Effective Date.—The amendment made by subsection (a) shall take effect July 1, 1976.

SEC. 4093. ATLANTIC TUNAS CONVENTION ACT AMENDMENT.

(a) Amendment.—Section 2(4) of the Atlantic Tunas Convention Act of 1975 (Public Law 94–70) is amended by striking out "the entire zone established by the United States under the Act of October 14, 1966 (80 Stat. 908; 16 U.S.C. 1091–1094)," and inserting in lieu thereof "the fisheries conservation and management zone established by title I of the Marine Fisheries Conservation Act of 1975,".

(b) Effective Date.—The amendment made by subsection (a) shall take effect July 1, 1976.

SEC. 404. MARINE MAMMAL PROTECTION ACT AMENDMENT.

(a) Amendment.—Section 3(15) (B) of the Marine Mammal Protection Act of 1972 (86 Stat. 1029; 16 U.S.C. 1362(15)(B)) is amended by striking out "the fisheries zone established pursuant to the Act of October 14, 1966 (80 Stat. 908; 16 U.S.C. 1091–1094)." and inserting in lieu thereof "the fisheries conservation and management zone established by title I of the Marine Fisheries Conservation Act of 1975.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect July 1, 1976.

SEC. 405. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act (other than section 36(d) (3)).

SEC. 406. SEVERABILITY.

The provisions of this Act shall be severable and if any part of the Act is declared unconstitutional or the applicability thereof is held invalid, the constitutionality of the remainder and the applicability thereof shall not be affected thereby.

Amend the title so as to read: "A bill to provide for the conservation and management of the fisheries, and for other purposes.".

Mrs. SULLIVAN (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, I move that all debate on the pending amendment to title IV and all amendments thereto be limited to 10 minutes.

The CHAIRMAN. The Chair would prefer to wait until the amendment has been offered.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCloskey: On page 77 at line 18 add a new section as follows:

"Sec. 407. The United States hereby consents to the jurisdiction of the International Court of Justice with respect to any claim or controversy arising as a result of the enactment or the implementation of this Act.

The CHAIRMAN. Does the gentlewoman from Missouri (Mrs. Sullivan) move to limit debate on this title and all amendments thereto to 10 minutes?

Mrs. SULLIVAN. I do, Mr. Chairman.

The CHAIRMAN. The question is on the motion offered by the gentlewoman from Missouri (Mr. Sullivan).

The motion was agreed to.

Mr. McCLOSKEY. Mr. Chairman, may I ask if I will have 5 minutes to explain my amendment?

The CHAIRMAN. The gentleman from California is correct, he will have 5 minutes.

Mr. McCLOSKEY. Mr. Chairman, I retain a hope that the Committee will accept this amendment in the same spirit that it accepted the last amendment.

The amendment only does one thing, it agrees that any dispute that arises out of the passage of this bill will be subject to decision by the International Court of Justice.

Let me say why I think it is extremely important when this House enacts this bill, as it will, that this amendment be added.

First, the proponents of the bill have urged today that this bill is in accord with international law or at least it is not in violation of international law.

Second, that it is not in violation of any of our treaties. The opponents objected to that. But regardless of who is right or wrong on that issue the proponents also concede that we seek the same goal, an international treaty which recognizes each nation having a 200-mile fishing zone. Both sides to this debate agree that we must continue to seek international treaties to protect those of our fisheries which are not protected within the 200 miles.

You will note that within the bill the proponents of the bill have a provision that it is only an interim measure, we are extending this on an interim basis the jurisdiction of the United States over certain ocean areas. And not are we only doing that on an interim basis but that if a treaty is adopted that that treaty will supersede this bill which we enact today.

The proponents of the bill are rightfully concerned that if we do not adopt a treaty by 1977, if a treaty is not adopted and ratified until 1980, there might not be any fishing to protect.

So that there is this agreement between both proponents and opponents of this bill that we seek both international law and respect for international law along with the interim extension of our jurisdiction to protect it in the interim.

Going back to the history of the protection of fisheries, we must look at the recent ICNAF agreement that was reached on September 28, which authorizes a 23 percent decrease in the tonnage. Look back to 1958 when the United States was a signatory to the four international conventions. We have taken the lead in the protection of whales and of all creatures of the sea and in seeking international agreement and international law.

In 1958 we and the Russians signed the Convention of the High Seas. We agreed that the term "high seas" meant all parts of the sea, not including the territorial seas, and with the ocean open to all nations where feasible.

Now when we go to the 200-mile zone, conflicts will develop between the Russians and us with respect to the action we have taken.

But also look at the treaty on Fish and Conservation of Living Resources Convention. There in 1958 we agreed that in order to settle disputes, nations that are concerned with the conservation of fisheries would refer those disputes to five representatives for decision by judicial action.

I think it is entirely consistent with the motivation of the proponents of this bill and with the desire and the historic leadership of the United States to have the international law be respected and to recognize that only by international treaty and by judicial decision can we assure protection for all of the endangered species of the seas and the protection of our fishing zones, and that is through judicial decisions by the International Court of Justice.

Mr. Chairman, I submit the amendment should be agreed to on that basis.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the amendment. I agree with the gentleman's contention that international disputes should be decided by negotiation and by justice rather than by force of arms and the U.S. Coast Guard; but to put a provision in this bill that every single dispute will be subject to the International Court, a court which has decided, I think, a total of three cases in the last 10 years, means we are going to be on a docket for a long, long period of time before we solve many of these problems. Many of the problems can be solved by negotiation, many by bilaterals, many by treaty, many by arbitration. Certainly it would also cover the situation between citizens of the United States and citizens claiming against the Government. Why should the International Court be in on that at all?

Mr. Chairman, particularly I want to thank and compliment our staff who drafted this bill.

Ernie Carrado, chief counsel, and particularly the bill authors, Ned Everett and Dick Sheroud.

They were magnificent, as were the members of my subcommittee; members of the full committee and the committee chairman, LEE SULLIVAN.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from California. I think many of us would be inclined to go along, but when we think of turning over arbitrarily all of these decisions to the World Court at this point and at this time in the bill, I do not think it would be a wise move. This is one of the purposes of the law of the seas—to set up a dispute-settlement process. I think that is something that has got to be done, but for us to arbitrarily say we must do this is not wise. We can do this. We can turn to the World Court anytime we want to, particularly if the other party is willing to go. But I think for us to write it in that we must go to the World Court at this time would be a mistake.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, the amendment offered by the gentleman from California raises grave and highly serious questions concerning the international policy of this Nation. Whether or not we would wish to submit ourselves to the International Court of Justice, there are highly divergent and highly emotional opinions in the House on this subject. I suspect my own might be closer to that of the gentleman from California than many others.

However, this kind of overriding policy matter should not be raised in this bill at this time.

Mr. Chairman, I urge defeat of the amendment offered by the gentleman from California.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. Mr. Chairman, I am opposed to this bill. If passed, it would hinder, rather than help our fishing industry and could destroy any chance to get the rule of law applied to the seas of the world.

The United States has been engaged for a number of years in the Law of the Sea Conference, trying to work out an equitable solution between the countries of the world that border on the sea and use them to contribute to their national food supplies.

Until now, the United States has always maintained a position against unilaterally—and I repeat, unilaterally—imposing a 200-mile limit, and has vigorously protested actions by other sea-bordering countries in setting up their own 200-mile limits. If we go against our past record and impose such a limit, other countries will be encouraged to follow suit. The result would be chaos for the fishing industry of the United States.

For example, our tuna industry catches only about 10 percent of its total tuna take within 200 miles of our own shores, but takes almost 90 percent within 200 miles of other shores. If we impose a 200-mile limit and other countries follow our example, it would virtually destroy the tuna industry.

The tuna appears around the world. Albacore migrate from the coast of Japan to the west coast of North America each year. Bigeye tuna migrate across the Pacific, southern bluefin tuna are distributed from the South Atlantic through the Pacific and Indian Oceans, northern bluefins move from the east coast of the United States to northwestern Europe and down to Brazil.

All species of tuna move around constantly, following food supplies, and it is obvious that as a species, the tuna has no home. It ranges over vast expanses of the world's oceans, and appears at a wide range of latitudes. If we are to depend on the seas for more food, we must manage this renewable crop with care. A series of jealously guarded 200-mile zones would make any intelligent management program virtually impossible, and would put our tuna industry out of business.

We are already penalizing our tuna fishermen enough by enforcing an international agreement which the other signatories are not. By enforcing a quota system on the taking of yellowfin tuna, we are telling our fishermen that, while other countries can either catch yellowfin or not as they choose, our fishermen cannot. This is an example of a grossly unfair situation being allowed to exist by our Government.

And what of other nations that choose to violate this proposed 200-mile limit? Are we, by our actions, to raise the specter of confrontations on the high seas between our patrol boats and the fishing fleets of other countries. We have already seen what can happen if such confrontations do occur. In resisting the claims of other countries to a 200-mile limit, our fishermen have been harassed, imprisoned, beaten, their boats seized, their cargoes confiscated and severe fines levied.

This is a bad bill. It would detrimentally affect our fishing industry rather than promote its interests. It would go against the principles of law and would cast the United States in the role of vigilantes, taking the law into our own hands. It would virtually force international confrontation on the high seas. It would encourage other sea-bordering countries—some of which are already considering imposing their own 200-mile limits—to follow our example. It would strain already delicate relations between our country and the U.S.S.R. and could badly damage our relations with Japan.

Instead of promoting conservation of our sea resources, as it claims it will do, it will eliminate any incentive on the part of the fishing countries of the world to voluntarily engage in such conservation, as the seas beyond 200 miles will be considered open and the fish free for the taking.

What is needed is international agreement and cooperation. We are trying to get some rule of law applied to the seas, that all sea-using nations can agree to and abide by. A law that will work for the benefit of all; that would allow for the intelligent harvesting of sea resources; that will promote international cooperation.

What we do not need is a heavyhanded, unilateral imposition of a 200-mile limit. I suggest that we continue to pursue a mutually agreeable international pact designed to protect and preserve our fishery resources, while allowing our fishermen the opportunity to pursue their trades. I urge my colleagues on both sides of the aisle to vote "No" to a bill that would be of limited use and could jeopardize our international reputation.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from New York.

Mr. BINGHAM. I appreciate the gentleman's yielding.

I just want to say that I think the sponsors of this bill have done a remarkable job in bringing forth one of the worst bills that have been brought before the House in this session. When we have people like the gentleman from California (Mr. McCloskey) the gentleman from California (Mr. Bob Wilson) the gentleman from New York (Mr. Stratton) and the gentleman from Minnesota (Mr. Fraser) against a bill, they have really done something.

Mr. O'NEILL. Mr. Chairman, I rise in support of H.R. 200, the Marine Fisheries Conservation Act of 1975. This measure is the result of long, thoughtful, and thorough deliberations by the Committee on Merchant Marine and Fisheries. Under the able leadership of the gentlewoman from Missouri and the gentleman from California (Mr. Leggett) that committee has formulated a sensible policy to meet a sensitive problem. I want to pay special tribute to my colleague from Massachusetts (Mr. Studds) who has, from the day he came to Congress, been pressing for a revision of U.S. fisheries policy.

H.R. 200, which enjoys the virtually unanimous support of the members of the Committee on Merchant Marine and Fisheries, is in its most controversial aspect, a legitimate attempt to meet what is hopefully a short-term problem. We all would have preferred a consensus at the Law of the Sea Conference to a legislative initiative extending the exclusive fisheries zone to 200 miles. But Congress could not stand back and watch the depletion of our fisheries resources forever. When it became clear that the latest session of the Law of the Sea Conference would not successfully contend with the problems in this area, it became incumbent on Congress to act expeditiously.

The committee was well aware of the situation. Based on its long record of expertise in these matters, it was able to report H.R. 200 soon after the latest session of the Law of the Sea Conference failed to reach an agreement. Should the next session of the Conference meet with more success and an agreement be adopted by this Nation, it would supersede H.R. 200. In the interim, this bill will protect against the depletion of our stocks.

However, H.R. 200 is not just a stopgap measure. It promotes a national policy of marine conservation and planning keyed to regional interests. The seven regional councils to be established under this legislation will, under supervision by the Secretary of Commerce, promulgate management plans to conserve and protect fisheries.

I urge my colleagues to join with me in voting for H.R. 200.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCloskey).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. McCLOSKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments? If there are no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Smith of Iowa, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 200) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes, pursuant to House Resolution 760, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 208, nays 101, answered "present" 1, not voting 123, as follows:

[Roll No. 613]

YEAS—208

Addabbo
Ambro
Andrews, N.C.
Archer
Armstrong
Aspin
AuCoin
Bafalis
Baucus
Bauman
Beard, R.I.
Biaggi
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Brinkley
Brodhead
Brown, Mich.
Brown, Ohio
Broyhill
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Byron
Carr
Casey
Cederberg
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conte
Cornell
Coughlin
Crane
D'Amours
Daniel, Dan
Davis
Dingell
Dodd
Downey, N.Y.
Downing, Va.
Drinan
Duncan, Oreg.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Evans, Ind.
Fish
Fithian
Flood
Florio
Flowers
Foley
Forsythe
Fountain
Ginn
Goodling
Grassley
Hagedorn
Hammerschmidt
Hanley
Hansen
Harrington
Hechler, W. Va.
Heckler, Mass.
Hefner
Hicks
Hillis
Holland
Holt
Howard
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Kasten
Kelly
Kemp
Keys
Kindness
Krebs
Lagomarsino
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Tenn.
Long, La.
Lott
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Maguire
Mathis
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Myers, Ind.
Nedzi
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Patten, N.J.
Pattison, N.Y.
Perkins
Pickle
Pike
Pressler
Pritchard
Quillen
Rhodes
Richmond
Rinaldo
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Runnels
Ruppe
Russo
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Shriver
Shuster
Sikes
Slack
Snyder
Solarz
Spence
Staggers
Stark
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Thone
Treen
Tsongas
Vander Jagt
Vander Veen
Waggonner
Wampler
Weaver
Whitehurst
Wirth
Wolff
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Ga.

NAYS—101

Alexander
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Badillo
Baldus
Beard, Tenn.
Bennett
Biester
Bingham
Blouin
Brademas
Breckinridge
Brooks
Buchanan
Burgener
Burke, Calif.
Burton, Phillip
Conable
Daniel, R. W.
de la Garza
Dellums
Derrick
Diggs
Eckhardt
Erlenborn
Fascell
Fisher

Fraser
Frenzel
Gibbons
Gilman
Gonzalez
Gradison
Gude
Haley
Hall
Hamilton
Hannaford
Harkin
Harris
Hastings
Hawkins
Holtzman
Jacobs
Jones, Okla.
Karth
Kastenmeier
Kazen
Krueger
LaFalce
Lloyd, Calif.
McClory
McCloskey
McEwen
McHugh
Mahon
Mann
Matsunaga
Mikva
Mills
Mink
Mollohan
Morgan
Mosher
Murphy, Ill.
Myers, Pa.
Natcher
Nichols
Obey
O'Brien
Pepper
Preyer
Quie
Railsback
Rangel
Regula
Reuss
Roberts
Rostenkowski
Scheuer
Schroeder
Seiberling
Sharp
Simon
Smith, Iowa
Spellman
Stanton, J. William
Stanton, James V.
Steed
Stratton
Van Deerlin
Vigorito
Whalen
White
Whitten
Wright
Yates
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Wilson, Bob

NOT VOTING—123

Abdnor
Abzug
Adams
Andrews, N. Dak.
Ashbrook
Barrett
Bedell
Bell
Bergland
Bevill
Broomfield
Brown, Calif.
Burke, Fla.
Butler
Carney
Carter
Chappell
Chisholm
Clancy
Clawson, Del
Clay
Conlan
Conyers
Corman
Cotter
Daniels, N.J.
Danielson
Delaney
Dent
Derwinski
Devine
Dickinson
Duncan, Tenn.
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fary
Fenwick
Findley
Flynt
Ford, Mich.
Ford, Tenn.
Frey
Fuqua
Gaydos
Giaimo
Goldwater
Green
Guyer
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heinz
Helstoski
Henderson
Hightower
Hinshaw
Horton
Howe
Hungate
Jones, Ala.
Jordan
Ketchum
Koch
Latta
Long, Md.
Lujan
McCollister
McDonald
Madden
Madigan
Martin
Metcalfe
Meyner
Milford
Moorhead, Calif.
Moss
Mottl
Murphy, N.Y.
Murtha
Neal
Nix
Nolan
Passman
Patman, Tex.
Patterson, Calif.
Pettis
Peyser
Poage
Price
Randall
Rees
Riegle
Risenhoover
Rousselot
Roybal
Ryan
St Germain
Santini
Shipley
Sisk
Skubitz
Smith, Nebr.
Steelman
Symms
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Udall
Ullman
Vanik
Walsh
Waxman
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Yatron
Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Hays of Ohio for, with Mr. Patman against.

Mr. Hébert for, with Mrs. Meyner against.

Mr. Passman for, with Mr. Nix against.

Mr. Adams for, with Mr. Santini against.

Mr. Mottl for, with Mr. Waxman against.

Mr. Koch for, with Mr. Hayes of Indiana against.

Mr. Green for, with Mr. Moss against.

Mr. St Germain for, with Mr. Bob Wilson against.

Mr. Zeferetti for, with Mr. Fary against.

Mr. Dickinson for, with Mr. Horton against.

Mr. Skubitz for, with Mrs. Fenwick against.

Mr. Butler for, with Mrs. Smith of Nebraska against.

Mr. Murphy of New York for, with Mr. Bevill against.

Mr. Dent for, with Mr. Price against.

Mr. Dominick V. Daniels for, with Mr. Conyers against.

Until further notice:

Mr. Fuqua with Mr. Risenhoover.

Mr. Giaimo with Mr. Ryan.

Ms. Abzug with Mr. Corman.

Mr. Barrett with Mr. Teague.

Mr. Nolan with Mr. Sisk.

Mr. Riegle with Mr. Charles H. Wilson of California.

Mr. Shipley with Mr. Udall.

Mr. Taylor of North Carolina with Mr. Evans of Colorado.

Mr. Thompson with Mr. Metcalfe.

Mr. Delaney with Mr. Chappell.

Mrs. Chisholm with Mr. Brown of California.

Mr. Henderson with Mr. Hungate.

Mr. Murtha with Mr. Clay.

Mr. Vanik with Mr. Danielson.

Mr. Yatron with Mr. Randall.

Mr. Cotter with Mr. Hightower.

Mr. Carney with Mr. Long of Maryland.

Mr. Ford of Michigan with Miss Jordan.

Mr. Gaydos with Mr. Howe.

Mr. Helstoski with Mr. Rees.

Mr. Ullman with Mr. Milford.

Mr. Bedell with Mr. Madden.

Mr. Evins of Tennessee with Mr. Roybal.

Mr. Flynt with Mr. Neal.

Mr. Jones of Alabama with Mr. Traxler.

Mr. Thornton with Mr. Charles Wilson of Texas.

Mr. Abdnor with Mr. Bell.

Mr. Andrews of North Dakota with Mr. Burke of Florida.

Mr. Bergland with Mr. Carter.

Mr. Duncan of Tennessee with Mr. Ashbrook.

Mr. Broomfield with Mr. Clancy.

Mr. Del Clawson with Mr. Conlan.

Mr. Devine with Mr. Derwinski.

Mr. Goldwater with Mr. Esch.

Mr. Guyer with Mr. Eshleman.

Mr. Harsha with Mr. Findley.

Mr. Frey with Mr. Ford of Tennessee.

Mr. Hinshaw with Mr. Heinz.

Mr. Ketchum with Mr. Lujan.

Mr. Latta with Mr. Madigan.

Mr. McDonald of Georgia with Mr. Martin.

Mr. Peyser with Mr. McCollister.

Mr. Steelman with Mr. Moorhead of California.

Mr. Symms with Mr. Patterson of California.

Mr. Walsh with Mrs. Pettis.

Mr. Rousselot with Mr. Winn.

Messrs. BOB WILSON and NICHOLS changed their vote from "yea" to "nay."

Mr. BOB WILSON. Mr. Speaker, I have a live pair with the gentleman from Rhode Island (Mr. St Germain). If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to provide for the conservation and management of the fisheries, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 200, the bill just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL MIDNIGHT, WEDNESDAY, OCTOBER 15, 1975, TO FILE CERTAIN REPORTS

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations has until midnight Wednesday, October 15, 1975, to file reports on the following four measures:

First. H.R. 8948, to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms;

Second. H.R. 9924, to direct the National Commission on the Observance of International Women's Year, 1975, to organize and convene a National Women's Conference, and for other purposes;

Third. Federal Aviation Administration's procurement of the electronic voice switching system; and

Fourth. Improved procedures needed by FAA for implementing NTSB safety recommendations.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Texas?

There was no objection.

PERSONAL EXPLANATION

Mr. MIKVA. Mr. Speaker, on October 7, 1975, I was present and voting on rollcall No. 599 and voted in the affirmative. Apparently the machine did not so record my vote. I ask that this explanation be inserted in the Record to reflect that I voted for H.R. 9500, the Construction Industry Collective Bargaining Act of 1975.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time in order to ask the distinguished majority leader if he is in a position at this time to inform the House as to the remainder of the program for this week and the program for next week or the program for the week following the recess.

Mr. O'NEILL. Mr. Speaker, if the minority leader will be kind enough to yield, I will announce the program.

Mr. RHODES. I yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of October 20, 1975, is as follows:

On Monday we will call the Consent Calendar, and we will consider bills under suspension of the rules. The votes on suspensions will be postponed until the end of all suspensions. There are seven suspensions to be considered, as follows:

H.R. 9852, Housing Act amendments;

H.R. 3427, Bicentennial medals for ethnic Americans;

H.R. 7808, Charles Carroll Bicentennial Medal;

H.R. 8151, Brig. Gen. Charles E. Yeager Medal;

H.Res.780, disapproval of Federal Elections Commission proposed regulation;

H.R. 9924, National Women's Conference, 1976; and

H.R. 8948, audit of Internal Revenue Service.

After that we will consider H.R. 7988, heart, lung, and blood research, research training, and genetic diseases amendments, under an open rule, with 1 hour of debate; and S. 584, retirement credit for National Guard technician service, votes on amendments and bill, the rule having already been adopted.

On Tuesday we call the Private Calendar. There are no bills scheduled to be considered under suspension of the rules on that date at this time.

Then we will take up the following bills:

H.R. 8617, Federal Employees Political Activities Act, under an open rule, with 1 hour of debate;

H.R. 6227, right to representation during questioning, votes on amendments and bill; and

H.R. 7222, Federal employees' group life insurance, votes on amendments and bill.

On Wednesday and Thursday we will consider the following bills:

H.R. 6844, Consumer Product Safety Commission improvements, conclude consideration;

H.R. 8672, emergency rail transportation improvement and employment, under an open rule, with 1 hour of debate;

H.R. 9472, TVA bonding authority, under an open rule. with 1 hour of debate; and

H.R. 6184, referees in bankruptcy salaries, under an open rule, with 1 hour of debate.

Conference reports may be brought up at any time, and any further program would be announced at a later date.

The House will adjourn at the close of business on Thursday, October 23, 1975, to noon on Tuesday, October 28, 1975.

Mr. Speaker, I want to thank the gentleman from Arizona (Mr. RHODES) for yielding, and I trust that he will have a nice sojourn down in Arizona and will be doing good work for the American people.

Mr. RHODES. Mr. Speaker, I thank the majority leader. As he reports back to the grassroots, I trust that he will spend some time in his district and learn the temper of the American people.

Mr. O'NEILL. The gentleman from Arizona can be sure that I will, and I will make a true report on inflation and the other things that beset the Nation, including baseball.

Mr. RHODES. I was thinking more about that sport, the World Series between the Boston Red Sox and the Cincinnati Reds.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS ONLY PASSED BY THE TWO HOUSES AND FOUND TRULY ENROLLED, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until October 20, 1975, the clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore (Mr. MCFALL). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until October 20, 1975. The Speaker be authorized to accept resignations and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, OCTOBER 22, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday, October 22, 1975, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE PRIVILEGED REPORT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a privileged report on House Resolution 710.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE RESPONSIBILITY OF THE CONGRESS TO THE UNEMPLOYED

(Mr. HEINZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEINZ. Mr. Speaker, I feel compelled to rise today to express my deep concern about the priorites this body has established for itself and for the Nation. Millions of Americans who are willing and able to work for a decent wage cannot do so because there are not enough jobs to go around. Instead, these unemployed men and women are forced onto the public relief roles, at great expense to the taxpayer and to their own sense of pride and dignity.

This Congress is not doing nearly enough to put the unemployed back to work. We have not enacted into law one bill that would provide useful employment for the countless men and women who would like nothing better than to once again play a productive role in the American economy.

Mr. Speaker, the real tragedy is that this Congress now has an opportunity to help the jobless, yet this Congress is not acting quickly enough to meet the challenge. The Commerce Committee reported H.R. 8672, the Emergency Rail Transportation Improvement and Employment Act, 4 weeks ago and the Rules Committee acted several weeks ago in granting the bill a rule. But since then the bill has met with nothing but delay and more delay. Now we discover that the emergency rail jobs bill will not be before the House until after the Columbus Day recess at the earliest.

This week the House acted on a bill granting special pay provisions for armed services veterinarians and optometrists. Why is it then that we cannot act swiftly to provide jobs to men and women who have none at all? We have provided for Bicentennial commemoration and for Bicentennial medals. Why have we not provided productive jobs for the unemployed? We have passed a bill allowing for special tax treatment of irrigation facilities obligations. I think it is time we met our obligations to the jobless. I believe that we must give the unemployed the simple, decent treatment they deserve and have a right to expect before we begin to give special treatment to the special interests.

Finally, Mr. Speaker, we have just voted on a resolution that gives us a 1-week rest period for Columbus Day. How do we explain to the unemployed men and women of this Nation why our recess is more important than their livelihood? How can we possibly explain the speedy action we have taken on our recess resolution when a sound jobs bill meets with nothing but delay? How do we explain to the taxpayer a month's delay during which time the taxpayer must pay for an ever-mounting cost for welfare and unemployment? This is nothing more or less than a matter of priorities. I do not think we can afford to put the unemployed and the taxpayers off any longer. It is no wonder the people of America think Congress is doing a poor job. The record we have written this week is only more proof. I do not think our people should put up with these upside down priorities. It is time we took the jobless off the relief roles and put them back to work by passing, not postponing good legislation like H.R. 8672.

PORTUGAL—A TESTING GROUND FOR THE REALITY OF THE SOVIET UNION'S COMMITMENT TO DÉTENTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the recent resignation of Portugal's Communist President Vasco Goncalves was greeted with relief by a free world that had been anxiously watching the disturbing leftwing upheaval within the Portuguese Government for a year and a half.

Since the overthrow of the "benevolent dictatorship" of Dr. Marcello Caetano—who like his predecessor, Dr. Antonio de Oliveira Salazar, had cemented his authoritarian administration with censorship and the suppression of "opposition" parties—Portugal's growing political instability has jeopardized many previously solid alliances within the West. Throughout Portugal's internal struggle to resist the steady inroads being forged by the Soviet-supported Portuguese Communist Party—PCP—NATO allies have stood by helplessly.

WHAT HAS HAPPENED IN PORTUGAL IN RECENT YEARS?

The present turmoil within Portugal began with a bloodless military coup led by Gen. Antonio de Spinola on April 25, 1974. It was caused more by compounded frustrations over the protracted colonial war in Angola, resentment over low military pay and slow promotion, and a vague revolutionary idealism, rather than by an ideological opposition to Salazar's and Caetano's general policies.

The military revolutionists established an interim system of government comprised of a traditional Junta of National Salvation, a Provisional President who was designated as the Supreme Commander of the Armed Forces, and a Prime Minister, appointed by the President to rule the civil government. The Armed Forces Movement established itself as the official trustee of internal security and government power. Elections for a Constituent Assembly were promised within a year, and once opposition political parties and trade unions were permitted.

The Portuguese Communist Party, which had been operating underground since a ban on political activism went into effect in 1928, now emerged as a small but very well-organized political force. The PCP was led by Gen. Alvaro Cunhal, a well-known public figure who had built his political base over the years on a vocal opposition to Caetano's authoritarian regime. Cunhal is known as one of the Kremlin's top non-Soviet Communist Party leaders, having been for many years personal friends with both Soviet party leader Leonid Brezhnev and Cuba's Premier Fidel Castro. In 1960 Cunhal escaped from a Portuguese prison where he had been jailed for plotting an overthrow of the government along Czechoslovakian lines. He then lived in Prague for 14 years, where he worked with the Soviet intelligence and espionage forces and studied the application of the tactics of the 1968 Soviet invasion of Czechoslovakia to the Portuguese situation. He is known as the only Communist leader in Western Europe to have openly endorsed and supported the Czech invasion.

The other major leftist party to emerge at this time was the Socialist Movement led by party chairman Mario Soares, another figure strongly opposed to the former Salazar and Caetano regimes, but one not as well organized as Cunhal.

Central to an understanding of the situation in Portugal today is the reality that the Communist Party is not the farthest left party on the political spectrum. There are numerous parties actually farther to the left than the five hammer and sickle Communist parties. The most conservative group in the whole country is Mario Soares' Socialist Movement, which has declared its principles to be the "pursuit of socialism through democracy."

Between the April coup and January of the following year, the size of the Communist party grew from an estimated 1,500 members to an estimated 15,000. Its support was concentrated among the armed forces, and was able to reach very quickly into all levels of the largely military government—from high officials down to the local election boards.

President Spinola's moderate course soon clashed with the now heavily Communist dominated MFA, and the Coordinating Council of the Armed Forces Movement began a subtle but effective campaign of opposition to his government. On September 28, 1974, matters came to a head when 70,000 supporters of Spinola's more restrained and more centrist policies tried to stage a rally in his support in Lisbon. Communist strong men set up roadblocks to prevent busloads of Spinola supporters from entering the city, and threatened violence if the rally continued as planned. To avoid bloodshed, a dejected General Spinola called off the rally. Two days later he handed in his resignation, frustrated at the impossibility of building an "authentic democracy" in such a "climate of anarchy."

Spinola's place was now quickly taken by former Defense Chief, Gen. Francisco da Costa Gomes, who had served under the Caetano regime. He is still in office. Costa Gomes was considered a moderate at the time of his accession, but even veteran analysts of the Portuguese political situation were not sure exactly where he stood. He had been dubbed "the cork" in some Portuguese circles because of his ability to bob to the top in the most diverse ideological and political situations.

Although he was out of office, General Spinola remained within the country and was rebuilding his own support—with an eye to regaining control of the government. On March 10, 1975, however, he learned that the Communists were preparing to execute up to 1,000 of his supporters, himself included, within the week. In a hastily-organized effort, Spinola led supporters in a coup attempt against the government which failed. He subsequently fled to Spain. Later Spinola was to testify from Brazil that he did not believe such a massacre had actually been planned at all—that and the fact of the clumsiness of the attempt led to many independent speculations that the massacre rumor and coup attempt were deliberately engineered by Communists in order to rid the country of their most formidable opponent. The coup did indeed fall neatly into the PCP's plans. It was used as an excuse to thoroughly purge the armed forces of any remaining centrist, moderate and conservative elements by declaring them to be in league with conspirators who were plotting against the wishes of the people.

One week after the March 11 coup attempt, the newly created center of political power—the Revolutionary Council—announced the "suspension" of activities by the Christian Democrat Party, the Movement for the Reorganization of the Proletariat Party—MRPP—and the Alliance for Peasants and Workers—AOC. The Christian Democrats were the political party supported in large part by the Catholic Church, and it was the more conservative of the 15 political parties that had sprung up under the aura of political liberalism after the 1974 Portuguese revolution. Both of the other two parties considered themselves farther left than even the Communist Party—one being Maoist and the other doctrinaire Marxist.

The most immediate effect the ban on political activities had on these groups—and the effect obviously planned—was to prevent them from taking part in the upcoming elections. The significance of the MFA's actions was clear. Each of these three parties was in a position to challenge, perhaps strongly, the influence of the Communist Party in the elections. As the church-supported political party, the Christian Democrats had the support of most of the rural areas, which constituted an immense voting bloc. The AOC had recently joined in an effort to block the Communist takeover of the Portuguese labor unions. The MFA was obviously taking every precaution to insure that the maximum possible opposition by anticommunist groups would be eliminated from the election results.

By the end of March, the situation in Portugal was so bad that Newsweek magazine wrote that the country seemed to be "racing down the path toward authoritarian socialism." The State Department received a cable from Gen. Otelo Saraiva de Carvalho, acting commander of the Continental Operations Command—COPCON—which declared:

> The results of the spring elections will not necessarily represent the will and the best interests of a majority of the Portuguese people.

Only a month before the scheduled elections, the Revolutionary Council seized control over virtually the entire country.

First, it nationalized the insurance companies and the banks—and with the banks, most of Portugal's bank-owned media, especially the newspapers.

Soon after, the state confiscated the country's oil, steel, and electric companies, and then the transportation, cement, cellulose, and tobacco industries.

It took control of all the large unirrigated estates in southern Portugal, and limited the ownership of irrigated farm property to 125 acres.

The actions prompted international comment that Portugal was going the way of Bulgaria, with sandy beaches for the tourists and poverty and hunger for the people.

The nationalization of industry was soon followed by the imprisonment of over a hundred centrists and conservatives without trial or charges. There was then a reshuffling of the provisional government's cabinet to include more Communists and Communist sympathizers.

There was a curious absence of official concern over exposure of these blatant violations of individual rights and due process in the Western democracies.

SOVIET SUPPORT CONTINUES: SERIOUS QUESTIONS ABOUT SOVIET COMPLIANCE WITH DÉTENTE

The steady growth in power by the Communists in the face of their strident political opposition by a preponderant majority of the Portuguese people was a feat of almost impossible magnitude for a party to accomplish without outside funds and support.

On April 4, 1975, the Washington Post reported that the Kremlin had sent an ambassador to Lisbon, Arnold I. Kalinin, 3 months after the 1974 coup, to open up the first Soviet embassy in Portugal. Although the official size of the Russian embassy is roughly the same as that of the United States, it has been estimated that there are at least 120 Soviet officials and "representatives" now in Lisbon, representing such Soviet interests as the Tass News Agency, Aeroflot, and the Novotny Bank. Some are known to be highly skilled and trained KGB agents. The new ambassador has been described by the Post as "the most successful diplomat in Portugal today," moving "discretely amid headlines stressing Moscow's support and sympathy for the Portuguese revolution." Ambassador Kalinin came directly to Portugal from his post as Soviet Chargé d'Affaires in Havana, Cuba. The significance of that cannot go unmentioned.

Three weeks later an article appeared in Time magazine entitled, "Those Friendly Russians." Time's writers concentrated in particular on the amount of economic support being provided the Portuguese Communist Party by the U.S.S.R. and how that contrasted with what we are being told by our own Secretary of State about present Soviet behavior—that one of the behavior charges we are getting from détente is much less Soviet fostering of revolution in other countries.

Time commented that while "how much the Soviets are giving to Portugal's resurgent Communist Party is a matter of conjecture in Lisbon, some estimates put the figure at $40 million to $50 million over the past year, much of it donated by Russian and East European trade union movements." For a country presently faced with a budget deficit of $850 million, these are indeed substantial figures.

Many others put the amount of probable Soviet support at a much higher dollar level. British Prime Minister Harold Wilson stated last spring that his intelligence sources had informed him that a more realistic figure of Soviet support into the Portuguese Communist Party was approximately $100 million a year. Prime Minister Wilson's statements were corroborated by Swedish Prime Minister Olaf Palme, who expressed his concern for the weakening of an old NATO ally:

> The Russians are pouring in money in enormous sums.

Despite repeated denials of assistance and assurances of good faith by the Soviet Union, allegations of millions of dollars of Soviet money pouring into Portuguese coffers continue to gain weight. A U.S. News & World Report article confirms Soviet cash donations to the PCP "despite a Portuguese law which makes it illegal for political parties to accept foreign funds or help." Soviet support has not been limited to dollar aid, either. Trade agreements with very generous credit terms have been recently concluded between Portugal and the Soviet Union, through which Lisbon has agreed to buy 1 million tons of crude oil from Russia. In addition, reliable sources report that large shipments of weapons have arrived in Portuguese ports from the U.S.S.R. and other Communist-governed countries in Eastern Europe.

Despite the signing of the Helsinki agreement of nonintervention in mid-July, support from the Soviet Union of revolutionary forces within Portugal has increased dramatically in the past 3 months. On August 20 the Washington Post reported directly from Moscow that the Soviet Communist Party newspaper Pravda had just called for a display of "Soviet solidarity" with the Portuguese Communist Party.

Ignoring warnings from the United States and a number of participants in the Helsinki summit conference that continuation of the attempted Communist takeover in Lisbon would "strike a severe blow" at détente, the Soviet Union persists in interpreting "détente" in its own unique way. To the Soviet Union, there is nothing contradictory in sending millions of dollars of direct aid to Portugal earmarked for revolutionary activities, while committing to international nonintervention in a signed document for all to see.

To a critical eye, however, it is questionable whether the Helsinki document, by which the Soviet Union has agreed to abide, leaves such broad room for interpretation. I would like to quote from three sections of the final act of the Conference on Security and Cooperation in Europe signed by the Soviet Union on July 21, 1975. These sections clearly prohibit the kind of support that has been displayed by the Soviet Union in the affairs of another independent country:

> SECTION I. SOVEREIGN EQUALITY, RESPECT FOR THE RIGHTS INHERENT IN SOVEREIGNTY
>
> The participating States will respect each other's sovereign equality and individuality as well as all the rights inherent in and encompassed by its sovereignty, including in particular the right of every State to juridical equality, to territorial integrity and to freedom and political independence. They will also respect each other's right freely to choose and develop its political, social, economic and cultural systems as well as its right to determine its laws and regulations.
>
> SECTION II. REFRAINING FROM THE THREAT OR USE OF FORCE
>
> The participating States will refrain in their mutual relations, as well as in their international relations in general, from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations and with the present Declaration. No consideration may be invoked to serve to warrant resort to the threat or use of force in contravention of this principle.
>
> SECTION VI. NONINTERVENTION IN INTERNAL AFFAIRS
>
> The participating States will refrain from any intervention, direct or indirect, individual or collective, in the internal or external affairs falling within the domestic jurisdiction of another participating State, regardless of their mutual relations.
>
> They will accordingly refrain from any form of armed intervention or threat of such intervention against another participating State.
>
> They will likewise in all circumstances refrain from any other act of military, or of political, economic or other coercion designed to subordinate to their own interest the exercise by another participating State of the rights inherent in its sovereignty and thus to secure advantages of any kind.
>
> Accordingly, they will, inter alia, refrain from direct or indirect assistance to terrorist activities, or to subversive or other activities directed towards the violent overthrow of the regime of another participating State.

Against this background the New York Times editorialized last March that—

> The détente atmosphere, which has contributed to the retraction of American and NATO military power, appears to be having the opposite effect on the Soviet Union. In the Indian Ocean, in the Mediterranean, in the Red Sea and the South Atlantic, there are growing signs of an outward thrust of Soviet military power.

Whereas the United States has consistently resisted the temptation to send in military or economic aid to the beleaguered Portuguese citizens out of respect to our "spirit of détente" with the Soviet Union, it appears that no reciprocity was ever part of the plans of the Soviet leadership.

Not only was the Soviet Union giving millions of dollars' worth of direct economic aid and indirect in-kind contributions into an effort for the overthrow of one of our Western allies, but was in fact dictating the preferred methods of that overthrow from Soviet Communist headquarters.

This summer, the Socialist newspaper Republica printed a top-secret Soviet document allegedly sent to the PCP by the Secretary of the Soviet Communist Party in charge of relations with foreign Communist parties, Boris N. Ponamaraev. Because of its courageous action the Republica was summarily seized by the PCP, and remains in Communist hands to this day.

The following month the Parisian daily Quotidien de Paris acquired a copy of the document, and published it in full. The Soviet document made five points, instructing the PCP on how it could insure a successful revolution:

> 1. Operational groups under the Communist Party's control are to reinforce its power in the Portuguese administration, sabotage its directives and destroy efficiency.
>
> 2. A single trade union is to be set up and "deviationists" rigorously dealth with.
>
> 3. There is to be a tactical alliance with the Armed Forces, coupled with "conversion or subversion" of leaders in the military hierarchy. In particular (in view of the experience in Chile) security commanders must be eliminated.
>
> 4. On coming into power, the Western communist parties must deprive "enemies of the working class" of all mass media and means of propaganda and win the "battle of slogans".
>
> 5. Speedy action must be taken to consolidate a government of the Left, and to destroy the private sector of the economy by nationalization measures.

After reading the document, former NATO Ambassador Elbridge Durbrow testified:

> Ponamaraev's document was in effect a refinement of a 15,000-word set of new, agreed directives adopted by over 70 Communist parties at a 1969 Moscow meeting.

That outlined the plans of the Communists in their efforts eventually to take over all non-communistic governments.

NATO CONSIDERATIONS

The international community has been understandably worried over the significance of the threat of an increasingly leftward turn in Portugal. While news of the ouster of Portuguese Communist Premier Vasco Goncalves gave some hope to many that the anti-Communist forces in Portugal were finally gathering strength, recent reports indicate that the Portuguese political situation is in a state of constant turmoil.

The Communists still have control of the country's radio stations and newspapers and are using them to air emotional anti-American slogans and flaming indictments of the more moderate philosophy of Prime Minister Azevedo. PCP leader Alvaro Cunhal has publicly stated that "Portugal will never become a democratic state." And, as Soviet aid continues to flow generously into Communist bank accounts, traditional allies of the NATO country are going through an agonizing reappraisal of their hitherto unquestionable foreign alliances.

On March 19, 1975, an editorial appeared in the New York Times that reflected the deep concern of the Western World over the unsettling state of affairs in the North Atlantic. That editorial said:

> The rapidity with which the Soviet Union has moved in to seek refueling facilities on the Atlantic island of Madeira for its merchant ships indicates that Western concern over Portugal's lurch to the left is well-founded.

Since Portugal signed the NATO Treaty on April 4, 1949, its military bases have provided the nucleus of NATO's defense activities in that sector of the North Atlantic and in the Mediterranean Sea at whose western entrance it is strategically located.

During the October 1973 Middle East war Lisbon's strongly pro-Western government was the only European country to allow the United States to use her facilities to airlift urgently needed supplies to an embattled Israel. Giant U.S. C–5 Galaxy transport planes and smaller C–141 cargo aircraft were able to refuel at Lajes Air Force Base on Terceira Island in the Portuguese Azores over 565 times, and enabled U.S. planes to airlift more than 20,000 tons of supplies and equipment to the cordoned-off Israeli troops. In addition, F–4 fighters, supplied by the United States as the backbone of the Israeli Air Force, were also refueled enroute to the Middle East by KC–135 tanker planes based at Lajes.

Until the 1974 coup, there was never in the history of the NATO Alliance a threat to its very existence such as is now being felt. The original purpose behind the creation of the NATO Alliance was after all a defense pact against the Soviet-alined nations of the Warsaw Pact. A Communist regime in Portugal will necessarily call into question the meaning of the entire NATO treaty, and at the minimum cause major realliances among the NATO pact countries.

Since the Portuguese Communist Party has virtually taken contol over the entire Portuguese Government regardless of who holds titular control over the civil government, a steady push toward ideological alinement with the Soviet satellite countries has taken place, bringing the Portuguese nation into a decidedly less friendly relationship with Western countries. The agreement with Portugal by which the United States was allowed the use of the Azores Islands expired in February of 1974, and so far the liberal Portuguese Government has not signed a renewal of the treaty. Fortunately, under the terms of the original agreement, the United States is allowed to continue its use of the bases until a final decision is reached.

However, in his first press conference last April since taking office, former Prime Minister Vasco Goncalves reversed his country's previous stand on close relations with Western countries—and specifically the United States—by expressly forbidding all further relief operations by the United States from the Azores Islands—such as the one that occurred during the Middle East war.

Israel's security in the event of another breakout of war in the Middle East would be directly affected by the loss of a Portugal alined with the Soviet Union. Perhaps this explains why the Israelis are now reopening doors with the Soviet Union.

STRATEGIC SIGNIFICANCE OF PORTUGAL AND AZORES

The Portuguese Azores islands lie between 900 and 1,000 miles off the coast of Portugal, approximately parallel to Washington, D.C., to the west, and the Straits of Gibraltar to the east. They are one of four NATO patrol bases in the North Atlantic Ocean, and provide a crucially important refueling point for U.S. ships and aircraft.

Last spring the Baltimore News American did a detailed analysis of Portugal's actual military value, and it came up with some startling facts.

When the war broke out in the Middle East in 1973, the United States responded almost immediately with a rescue airlift from the Azores Islands that turned the tide of the Middle East war. Without the Portuguese Azores, the nearest U.S. base would have been in Bermuda, a minimum 7 hours' flying time across the ocean. Without the critical support of the Caetano regime, the United States would have had to refuel all its flights in flight at a fantastic cost to the American taxpayers, and at the same time cut down its support by smaller planes unable to refuel in flight.

More important than a refueling stop, however, the Portuguese Azores house a vital satellite communications center and highly technical submarine surveillance system that, along with wide-ranging spotter aircraft monitor the entire North Atlantic Ocean for Soviet submarine activity. In particular the Azores scan the two major sea lanes between the Norwegian Sea and Iceland's Giuk Gap, and between the Azores and Portugal down through the strategic Straits of Gibraltar. Without the Azores Islands as part of the Western defense system it would be virtually impossible to effectively monitor any Soviet submarine activity in the Atlantic Ocean, or to take appropriate countermilitary measures if necessary.

In December 1966, NATO's North Atlantic Council created the Iberian Atlantic Command—IBERLANT—specifically for the protection of these vital sea lanes. NATO recognized that this protection was necessary, not only for the sake of military preparedness, but for the safety of international commercial vessels as well.

Particularly important to the Western World were the supplies of oil that are shipped daily from the Middle East and North Africa by supertanker through the Straits of Gibraltar. Although Europe and America are presently satisfactorily energy self-sufficient to be able to cope with short-term delays in oil shipments, the Arab oil boycott of 1973 proved, to the world's discomfort, that even the United States must be concerned enough about the world situation to insure the continuity of imported oil shipments to our borders.

On the average, more than 400 ships a day pass through the IBERLANT area, and the volume of the cargo they carry increases every year. Sixty-five percent of all oil imports to Europe alone pass through the area of the North Atlantic presently protected by NATO's IBERLANT Command. This area contains approximately 600,000 square miles of ocean, extends from the Tropic of Cancer on the south to Portugal's northern border, and stretches some 700 nautical miles westward from the Straits of Gibraltar into the Atlantic Ocean. It is a crucial area of major significance crossed at some point by every ship traveling through the Mediterranean as well as those navigating between northwest Europe and South America, Western and Southern Africa, the Persian Gulf and the Far East. The area is particularly critical when the Suez Canal is closed—then oil tankers sail through this area after rounding the Cape of Good Hope on their way to Europe.

In addition to the oil transported by

the supertankers, over 57 percent of Europe's foodstuff imports also travel through these waters in the course of a year, although in times of war the oil tankers are particularly vulnerable to attack, since supertankers offer such easy and obvious targets. In addition, the loss of only one or two oil ships would definitely have a considerable international impact.

Headquarters for the IBERLANT Command, the watchdog of these waters, are located only a few miles outside of Lisbon. They consist of an aboveground administration building, and an underground war headquarters which is presently equipped with a modern, efficient communications network aimed at controlling and protecting shipping in the vital sea lanes. Because of the Soviet Union's recent thrust in increasing its military forces, and in particular its navy and nuclear submarine fleet, and with the development of increasingly effective submarine-launched ballistic and cruise missiles, IBERLANT's major responsibility is intelligence gathering on the number and location of the Soviet fleet in the North Atlantic.

Rear Adm. Eugene B. Fluckey, USN, former commander of the international crew of naval officers who staff the IBERLANT headquarters, outlined for the NATO community the purpose for the Portuguese-based intelligence operation.

Admiral Fluckey stated:

> Having spent most of my life in submarines, I know from experience there are two ways to beat them. Either you can beat them with your antisubmarine forces, or you can isolate and avoid them. Even without a great number of protective forces, provided we have good intelligence, we can outsmart them.

In addition to the main IBERLANT base outside of Lisbon, NATO has a number of other bases in Portugal that of necessity have been heavily supported in the past by IBERLANT's host country. As well as providing the site for the headquarters itself, and roughly one-third of its staff, Portugal participates in surface and air surveillance of Russian forces during their transit through the IBERLANT area. It also from time to time lends a frigate to the Supreme Allied Commander Atlantic's—SACLANT—Standing Naval Force Atlantic—an international squadron of ships from NATO countries which regularly patrol the ocean. In addition, Portugal has made available a number of facilities which are essential to back up the forces themselves.

Admiral Fluckey explained:

> The infrastructure value of Portugal from the SACLANT viewpoint, is only second to that of Great Britain.
>
> We have an airfield at Espinho, near Porto, which was built by NATO for maritime patrol aircraft. We have the Montijo airforce base near Lisbon which was extended and expanded and which has a NATO section for maritime patrol aircraft. We have the big ammunition and fuel depots on the other side of the River Tagus on the coast of Caparica. We also have our transmitter and receiver stations there for the headquarters. Other than that, there are such things as LORAN [long-range] navigational networks. I have an island subordinate commander, the Military Commander of Madeira, at Funchal. We have another airfield down there at Porto Santo for maritime patrol aircraft. Then there is an infrastructure complex outside my area in the Azores Islands, which comes under Commander-in-Chief Western Atlantic, which includes a POL deport (petrol, oil and lubricants) and port facility, and a LORAN station and other communications facilities. . . . It is to be hoped that IBERLANT's most active role will be confined to conducting exercises but, if the worst comes to the worst, it is NATO commands such as this which will ensure that Western Europe continues to get the supplies which constitute its very life blood.

Any threat to Portuguese independence is of particular importance at this time to NATO, in light of its weakening southern flank. With the Greek and Turkish conflict over Cyprus, with the large gains made by the Communist parties in France and in Italy's last elections, and with Spain's recent refusal to grant the United States base rights within its borders without a $1.5-billion weapons agreement, Western defenses within the Mediterranean have become particularly vulnerable.

Secretary of Defense James R. Schlesinger testified only last month that should Portugal fall within the Soviet sphere of influence the ability of the U.S. 6th Fleet stationed in the Mediterranean to function in times of war would be severely endangered. Asked what the consequences would be if Soviet submarines were ever based in Portuguese ports, the Secretary replied:

> I think that any movement of that sort, which we of course hope would not take place, would endanger the viability of the Sixth Fleet.

Mr. Schlesinger noted that the Soviet Mediterranean fleet outnumbered the 6th Fleet 3 to 2 during the 1973 Middle East war, and that the Soviet Union is presently spending in excess of 30 percent more than the United States on defense.

In addition to the important part a free Portugal plays to the 6th Fleet, the Azores air bases and the IBERLANT headquarters, the preservation of a non-Soviet Portuguese coastline has been the subject of very serious speculation. Should the Soviet Union prevail in her influence over the Portuguese people, she will have gained the "window on the Atlantic" she has never been able to get. The Times London of last May 22 outlined its fear of just such a situation:

> The air base in the Azores proved invaluable to the Americans during the October War. But . . . the loss of Portugal's Atlantic seaboard would be the most hurtful of all. Indeed, with so much concern over the ability of the Soviet Navy's submarine fleet to slice through the Atlantic sea lanes in times of strife, the loss might be seen as a major setback—if it ever occurred.

Indeed, the Soviet Union has already requested, and obtained, a permit for a so-called fishing port at Figueras do Foz, at the entrance to the Lisbon estuary.

Now it appears that because of the wording of the NATO constitution, there is no way that Portugal can be excluded from NATO if she indeed becomes Communist-controlled. This was not a contingency foreseen at the time of its drafting. Because of the open nature of NATO communications to member countries, the prospects of the possible funneling of highly sensitive, classified material into a Soviet-linked nation has caused a great deal of concern to the hierarchy of the NATO alliance.

So far Portugal has sidestepped a direct confrontation on this matter by voluntarily excepting herself from vital NATO nuclear security talks last winter, reportedly as the result of intense pressure from the United States. Should Portugal decide to demand her "full rights" as a NATO member, however, repercussions are sure to have an immediate effect on the whole NATO alliance. Even though the present Azevedo government has reaffirmed its commitment to the NATO alliance, NATO officials are voicing fears that the Communist infiltration has penetrated the Portuguese Government so deeply that it would be a definite security risk to allow Portugal access to top secret NATO security plans at this time.

Present contingency plans for dealing with an attempt to acquire such information call for the exclusion of Portugal from sensitive committees and denied access to secret papers except on a "need-to-know" basis. As a last resort, if Portuguese delegates demand to attend key committee meetings, NATO officials will dissolve the committees themselves and conduct business in informal ad hoc groups.

The Soviet Union is definitely up to something in Europe. In the past year it has added 85,000 men to its forces in central Europe, an area where it had already enjoyed a 20 percent manpower superiority over the West. At present the Warsaw Pact Alliance has 230 divisions on its Western front, 170 of them Russian. By contrast, the entire U.S. Army is less than 16 divisions. The Soviet Union has developed a new submarine-launched missile, the SSN–8, which is said to be at least 2 years ahead of its American counterpart, and which will be able to comb the Atlantic almost undetected without the NATO submarine detection headquarters on the Azores Islands.

In addition, the U.S.S.R. has now launched its first conventional aircraft carrier, the 40,000-ton *Kiev*, with a second one already on its way. This and the equipping of Warsaw Pact air forces with what has been called possibly the best jet interceptor in the world, the Mig 25 Foxbat, has led Western military analysts to believe that the Soviet Union's real military budget is at least twice the published figure. Last year, too, for the first time in several years the Russians did not hold their normal autumn or winter military maneuvers. This strange silence on Russian military capabilities is decidedly out of character with the Kremlin's usual insistence on asserting its worldwide military superiority.

The repercussions of a Soviet takeover of Portugal would be astronomical. In March the New York Times editorialized that—

> A forcible Communist takeover in Portugal might encourage a similar trend in Italy and France, create problems in Greece and Turkey, affect the succession in Spain and

Yugoslavia, and send tremors throughout Western Europe.

NATO's northern flank is already questioning its participation in the alliance's activities—Norway, Denmark, Holland, and Belgium have been reported to be showing "less enthusiasm" for the NATO alliance than they had displayed before.

RECENT DEVELOPMENTS

Within the past 6 months many hectic changes have taken place within the Portuguese power struggle.

The promised elections were held on April 25, in which the Socialists, Popular Democrats and the Social Democratic Center Party received a combined total of 71.8 percent of the vote, and the Portuguese Communist Party received only 12.5 percent of the vote. As expected, however, the elections proved to be no more than an intellectual exercise. "Political elections," said MFA Information Minister Jesunio, "do not change governments."

In June the government began a systematic persecution of the Catholic Church. Realizing that the major opposition movement was backed by the anti-Communist Catholics, the strongly Communist Portuguese military government began its attack by seizing control with the help of the now-Communist trade union of the church-owned Radio Renascenca, and forbidding any further broadcasting of the Roman Catholic Mass. The church retaliated with a work slowdown by the remaining nonunion workers, and on June 5 the Cardinal Patriarch of Portugal demanded that Radio Renascenca be returned to its rightful owners. His demand was refused by Gen. Otelo de Carvalho, ruthless commander of the COPCON forces and self-proclaimed enemy of the forces of anti-Communism.

On June 18 Catholics and pro-Communist demonstrators clashed outside the palace of Portugal's Cardinal Patriarch. Three hundred Catholics attempted to halt the approach of the leftist demonstrators who were marching in support of the Communist takeover of the Catholic Church-owned Radio Renascenca. The outnumbered Catholics were pelted with rocks and iron bars as they sought refuge within the palace.

Two weeks later on July 3 the Government announced its decision to nationalize all radio stations including Radio Renascenca, but the following day Portugal's bishops jointly denounced the government's directive and refused to comply. Matters have remained at a stalemate since then, but the Portuguese Communist Party has continued its efforts to undermine the influence of the Catholic Church upon the workers.

On June 27 the High Council of the Revolution announced the formation of an 11-member Central Committee, that included the "triumvirate" of President Francisco da Costa Gomes, Prime Minister Vasco Goncalves, and COPCON commander Otelo Saraiva de Carvalho, as well as Navy Chief of Staff Jose Batista Pinheiro de Azevedo.

But the pepole of Portugal were beginning to see that this new "liberated" breed of dictators was even more iron-fisted than the authoritarian regimes of former Presidents Salazar and Caetano. Long-promised reforms showed no signs of being delivered, private property was being confiscated daily, and religious persecution in a highly Catholic country were spurring the country into revolt.

Goncalves' bitter feuds with the anti-Communist factions of the Armed Forces Movement brought the Government to a virtual standstill, and he was unable to take much needed measures to counter the over 30 percent rate of annual inflation and riots by jobless Angolan refugees from the colonial wars that left dozens wounded in a country where more than one-tenth of the population was unemployed and facing an expected winter influx of over 300,000 more refugees from the war-torn Angolan territory. Social unrest attached itself to Goncalves' quagmired government, and inspired more bloody demonstrations and attacks against over 50 Communist party headquarters all over Portugal.

Inspired by the vehemence of the resistance movements throughout Portugal, on August 7 nine dissident anti-Communist military officers drew up a "Socialist Statement" which listed their grievances against Goncalves and enlisted the support of over 400 of the most influential members of the MFA. President Costa Gomes was finally forced to ask for Goncalves' resignation, and Goncalves was ousted from his powerful office on August 29.

The new Prime Minister, Adm. Jose Pinheiro d'Azevedo, is the sixth person to hold that position since the original Portuguese revolution 17 months ago. He is by Portuguese terms a moderate—he favors achieving socialism through democratic means—and is trying to counter the general collapse of public morale while setting the country economically and socially back into a semblance of order.

But Azevedo is encountering trouble in recruiting capable talent for his Cabinet posts. No one is willing to become identified with a Government that will soon be held responsible by a desperate Portuguese people if it fails to make a sizable improvement in their rapidly deteriorating economy. Factionalized armies, supplied with everything but tanks from secret sources within the MFA, roam the countryside recruiting guerrilla fighters for the next coup which most Portuguese believe is not far away.

REPERCUSSIONS FOR THE WEST

Mr. Speaker, the pattern of Soviet infiltration into the Portuguese Government holds some frightening parallels in 20th century history. Soviet takeovers of the military, the trade unions, the press, and finally the Catholic Church follow almost exactly the same "salami strategy" employed by the Communists in many of the Eastern European countries, Cuba and Czechoslovakia.

Like Portugal, Czechoslovakia was a country dominated by moderates: Before its takeover the Communist Party there had the support of only 10 percent of the people. In fact, in none of the satellite countries were the Communists in the majority before they took total control. Through the manipulation of the trade union movement and terrorization of the opposition, the Communists took over Czechoslovakia without a shot being fired.

Like in Czechoslovakia, the small Portuguese Communist Party led by General Cunhal quickly set up a strong, well-disciplined organization with the help of millions of dollars from the Soviet Union, and swiftly seized control of many of the local government posts and, eventually, the Portuguese press. By making himself very useful to the MFA, Cunhal infiltrated the armed forces movement and became a forceful power even the more popular moderate factions could not ignore. He maneuvered the consolidation of the Portuguese trade unions into the unified intersindical, which he quickly allied with the international Communist-controlled World Trade Movement over the vehement protestations of the Socialist and Popular Democrat parties.

More indicative of the Communists' accumulated power, Cunhal was able to effectively launch a masterminded rumor campaign that successfully removed the opposition forces of former President Antonio Spinola and his supporters from the country.

Should the Communist forces in Portugal win the present power struggle within that country, the ramifications would be great. The NATO alliance would suffer a critical blow that could in fact be sufficient to be its undoing.

In a March 22, 1975 article entitled, "Portugal: A Soviet Testing Ground?" syndicated columnists Rowland Evans and Robert Novak reported on the reaction of our West European allies to the growing threat of a Communist takeover in Portugal. Evans and Novak wrote:

> Stuck without any plan of their own to retrieve Portugal from Moscow-dominated Communists, the Western European democracies have sent an SOS to Washington warning that a Communist takeover of a NATO member could have catastrophic results.

Secretary of State Henry Kissinger's little-reported "vaccination theory"—the theory that the loss of Portugal might scare the remaining free countries of Western Europe into tightening their security against a Communist takeover—can only be received with complete shock that it was spoken by an official spokesman for the American credo of freedom for all men. Weren't Vietnam and Cambodia sufficient?

Mr. Speaker, I cannot accept an attitude so callous that it would doom 10 million people to a slavery of the spirit immeasurably more cruel than mere physical imprisonment.

Last year suspicions were confirmed that PCP leader Alvaro Cunhal was receiving secret caches of money from the Soviet Union to fund his party's activities, but no action was taken by either NATO or U.N. peacekeeping forces. Secretary Kissinger issued a statement condemning the Soviet Union's active interference in the affairs of a foreign government, but the Kremlin remained silent and continued to send millions of dollars a month into the small, violence-torn country. Recent reports from reliable sources indicate that the Communist Party in Portugal has merely gone underground, and has not given up its plans to take over the Government at the nearest opportunity.

The September 1 issue of Newsweek magazine reports that the apparent Communist withdrawal from overt power was in direct compliance with a missive quietly communicated by the Kremlin instructing the PCP to lay low for the time being. Recent tactics interpreted by the Portuguese people as being unusually highhanded and repressive were also being closely observed by other West European countries who had just recently begun to accept a sizable headway by the Communist Party within their own boundaries.

France and Italy, two countries where the Communist Party has been making its most noticeable advances, were on the verge of acting to curtail the Communists' influence in their respective countries. The Kremlin apparently believed that an all-out war in Portugal would endanger the chances of communism throughout Europe at this time, and chose to play down their parties' influence in order to allay fears of a growing dictator-like Communist force within Western allied countries.

One theory has been advanced that, in fact, pro-Communist Prime Minister Vasco Goncalves may have been set up as a strawman without his knowledge, as an integral part of long-range Soviet plans. Since Goncalves has been known for a long time to be a political radical with a tendency toward terrorist tactics, it was inevitable that his term would not be a long one. Whereas under Azevedo the Communists now hold only one minor cabinet post, they also know that to take an active part in the Government today that is faced with an impending economic collapse and virtual riots in the streets, could only be fatal to the Communist Party. In fact, cabinet posts were recently turned down for this very same reason by both the Socialist and the Popular Democrat parties.

Very astutely, the Communists are waiting until the government breaks down totally, and the Portuguese people have fully identified the country's troubles with the ruling Revolutionary Council and its moderate and centrist ministers. Like a Trojan Horse, the Communists could then move in while the West is still in a state of artificially induced relaxation over the Portuguese situation, and with the help of massive economic aid from the Soviet Union and the hamstrung CIA, claim both the allegiance and the economic dependence of the Portuguese people.

America prides herself in being the "Land of the Free." How can we open our doors to the "tired, the poor, the huddled masses yearning to breathe free," while watching with open eyes one of our allies' gasps for her last breath of freedom.

If this country gives its tacit approval to such a blatant defiance of all of Russia's rhetoric about "détente," then the United States must resign herself to the position of being the No. 2 power in the eyes of the world. To let ourselves stand by while yet another country succumbs to communism will put us in the position of being the "helpless giant" our lopsided policies of détente have led us to.

America should immediately communicate our support of Prime Minister Azevedo's efforts to preserve a Portugal free of the Soviet Union, along with a demand for the immediate cessation of all Soviet military and economic support to the Portuguese Communist Party.

If the Soviet Union refuses such a request after its signing of the Helsinki accord, we must be prepared to take appropriate action in support of the anticommunist forces in Portugal.

Any country that proves her unwillingness to abide by her own word cannot be trusted. What happens next in Portugal may turn out to be the true test of détente.

A NATIONAL HEALTH POLICY PAPER: "THE IMPLICATIONS OF CHANGING PATTERNS OF ILLNESS ON OUR HEALTH SYSTEM"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HASTINGS) is recognized for 20 minutes.

Mr. HASTINGS. Mr. Speaker, on July 30, I spoke of the need to improve our ability to formulate and implement national health policies for the Nation. At that time, I pointed to the great need of reassessing our priorities between health and other efforts to improve our standard of living, as well as our priorities within the health industry itself.

One of the reasons for this conclusion was the apparent ineffectiveness of the health industry in improving the health of Americans. The evidence I cited at that time was the fact that crude death rates have not changed over the last 25 years despite the fact that health expenditures have increased from $12 billion in 1950 to a projected $116 billion in 1975. I think all of you would agree that such sweeping a statement deserves elaboration and qualification, both of which I plan to do today.

The three major measures of illness are mortality, morbidity, and disability. The most accurate of the three measures is mortality, although the causes of death are sometimes inaccurate either because of recording error or the difficulty of determining causes of death. Such data has been reported in the United States for over 100 years. Morbidity data is further classified into acute and chronic illness. Acute illness is defined by the National Center for Health Statistics as any condition lasting less than 3 months which requires either medical attention or results in restriction of activity. Chronic illness is defined as any illness of relatively long-term duration. In addition, certain diseases, by definition, such as arthritis, diabetes, or heart troubles are defined as chronic by the National Center for Health Statistics. Morbidity data, understandably, are not as accurate as mortality figures. Disability is defined as any condition causing a temporary or long-term reduction of a person's activity and resulting from an acute or chronic condition. I am going to discuss historical changes in all three.

MORTALITY

In 1900, the leading causes of death were first pneumonia and influenza, second tuberculosis, and third intestinal diseases. By 1940, pneumonia and influenza had dropped to the fifth leading cause of death, tuberculosis to seventh, and deaths from intestinal diseases had disappeared from the ten most frequent causes of death. The leading causes of death became heart disease, cancer and other malignant tumors, and cerebrovascular disease. These still rank as the top three causes of death in the United States today.

In 1900, the three leading causes of death were infectious and communicable diseases. The three leading causes of death by 1940, and still the leading causes today, are noninfectious disease, frequently referred to as chronic diseases or diseases of aging. More precisely, they might be considered diseases most prevalent for persons over 40.

The major change in death rates in the United States has been the dramatic reduction in deaths during the first year of life. In 1900, approximately 175 children per 1,000 live births died before they reached the age of one. Today, less than 20 children per 1,000 die during the same period. This is the major reason why the average life expectancy at birth increased from 47 years in 1900 to 71 years in 1970.

The decline in infant mortality has been continuous since 1900, although it is beginning to level off somewhat. The dramatic improvement in infant mortality has tended to mask another fact about mortality in the United States.

Whereas the life expectancy at birth increased by 24 years between 1900 and 1970, longevity increased only slightly more than 6 years once a person reached the age of 40 and only slightly more than 3 years once a person had reached age 65. The reason is cited by Alexander Leaf, a well-known medical teacher and clinician, in an article in the Scientific American:

> Little progress has been made in controlling the major causes of death in adults: heart disease, cancer, and stroke.

Another measure of change is the overall death rate per 1,000 persons. In 1900, the death rate per 1,000 persons was 17.2. In 1973, the rate was 9.4. The death rate has changed little over the past 25 years, ranging between 9.3 and 9.7 during the period from 1950 through 1973.

Overall crude death rates tend to mask changes within age groups and to make comparability between time periods difficult. This is because of changes in the age composition of populations at different points in time. According to the National Center for Health Statistics, the following changes occurred in age-adjusted death rates between 1960 and 1969:

> Between 1960 and 1969 there was an appreciable lowering of the death rates for persons 45 years and older. The largest decreases occurred for the age group 75–79 years (with a decrease of 8.3 percent) and 80–84 years (with a decrease of 14.0 percent).
>
> For the same period there were also decreases in the death rate for children under 15 years of age. The largest of these decreases

> were for ages under 1 year (with a decrease of 20.3 percent) and for ages 1–4 years (with a decrease of 22.1 percent).
>
> But the effect on the crude death rate for 1969 for these decreases in the death rates at both the beginning and later years of the lifespan was cancelled out in part by the even more marked increases in the death rates for persons in each 5-year age group from 15 years through 44 years.

The death rate for persons aged 10 to 24 increased from 106.3 per 100,000 in 1960 to 129.8 per 100,000 in 1969. For the age group 25 to 44, there was a 1-percent rise in the death rate from 225 per 100,000 to 238.5 per 100,000 persons in that age group.

Amidst all this discussion of rates it is useful to look at some numerical increases. For the period from 1950 through 1970, we find that deaths from cancer have increased from approximately 210,000 to 330,000. Deaths from heart disease increased from approximately 540,000 to 735,000. Deaths from accidents increased from approximately 91,000 to 115,000.

One of the encouraging signs has been a decline in mortality from heart disease, beginning in the early 1960's. For the period from 1962 through 1967, there was a decline in death rates among white males of 2.7 percent and among females, 6.8 percent. For the period from 1969 through 1973, there was a mortality decline of 4.9 percent among white men and a decline of 8.8 percent among white women. These data were reported by the Metropolitan Life Insurance Co.

What appears to emerge from these figures is a pattern of rapid improvement in the first half of this century, followed by a slowing down and leveling off of mortality indicators. Although we have made progress in medicine in the last 25 years, and some age groups have benefited to some degree, we must ask ourselves whether it has been a sufficient rationale for a tenfold increase in health care expenditures, and more importantly, whether we should continue to expand the health industry at the same rate as we have in the past.

MORBIDITY

Like mortality, there appears to be little relationship for our increases in health care spending and morbidity. The incidence of many diseases such as venereal disease continue to climb along with health care expenditures.

In 1974, reported syphilis cases reached a 23-year high of slightly over 84,000 cases.

Reported gonorrhea cases reached an all-time high in 1974 of over 899,000 cases.

Reported cases for both syphilis and gonorrhea are estimated to be less than half the cases actually occurring.

For the period between 1960 and 1974, there was a substantial jump in hepatitis from 42,000 reported cases to almost 60,000 reported cases per year.

There has been a substantial growth in the number of alcoholics in the United States. According to a report by the Congressional Research Service, there was a 1,500,000 increase in the number of alcoholics between 1955 and 1965. Noting that the precise number of alcoholics is unknown, the report estimated that there will be between 9,000,000 and 10,000,000 alcoholics in the United States by the end of 1975

However, there have been some improvements. For measles and polio, the 1960's saw remarkable progress due to the development of effective vaccines for both. In 1960, there were 441,000 cases of measles. In 1974, there were 22,000. Polio cases dropped from 3,200 to 7 in the same period.

Although these data represent trends in significant diseases, they do not represent the majority of illnesses contracted by man. About half of the acute conditions people experience are upper respiratory illness, the major number being colds and the flu. Roughly 15 percent of all acute conditions are caused by accidents, with injuries occurring in the home the major contributor.

The National Center for Health Statistics examined acute conditions for the years 1962 through 1969. They found the number of conditions per capita have remained remarkably constant during that period, not only overall but within the classifications of respiratory, infective, and parasitic, and digestive conditions, and injuries.

I have not discussed mental illness up to this point. Data on mental illness has not been gathered in any systematic manner and there are no useful data comparing the incidence of mental illness over time. Helen Avnet, in her book entitled Psychiatric Insurance, cited the reasons why:

> This is because there is no universally accepted standards of mental health, no consistent criteria to define mental illnesses. We do not know how much mental illness is diagnosed and treated under another name, either because it is not recognized as such, or to spare the patient's feelings, or to qualify the medical treatment as an insured service.

Current estimates, recognizing the limitation noted by Avnet, are that 10 percent of our population, or over 20 million persons, have some form of mental illness.

I am not aware of any estimates of change over time in the incidence of severity of mental illness, although there is clearly an increase in socially deviant behavior, such as crime, alcoholism, and drug abuse.

DISABILITY

Data is available from the National Center for Health Statistics since the period 1957–58 through the period 1969–70 on the limitation of activity due to chronic conditions. The data reported by the National Center shows almost no change from the earliest reporting period until the latest one. During the first period, 89.9 percent of the persons showed no limitation of activity from chronic conditions, while in the 1969–70 period, the figure was 88.3, a decrease of 1.6 percent. The extent of limitation experienced was also similar. Unlike the data on death rates, the information was not age adjusted for comparability purposes. In addition, I understand there were certain problems with comparability because of changes in survey techniques used in different survey periods.

Disability data comparisons show a slight overall decline between 1963–65 and 1969–70 in days of restricted activity caused by illness from 16 to 15 days per person per year, according to the National Center for Health Statistics. Bed disability and work loss also declined slightly during the same reporting period.

OBSERVATIONS

The information on mortality, morbidity, and disability I have presented today does show that we have achieved relatively insignificant improvements in our health over the last 25 years. Progress during the first 50 years of this century was far more substantial, judging from declines in mortality rates. By 1950, changes and improvements in the crude death rate had ceased and there appears to be little change in the incidence of acute and chronic conditions, or their impact in terms of limitations of activity. No one can deny that we have made progress in some areas. For example, vaccines have attributed to remarkable reductions in measles and polio. Recently, we have seen encouraging data on reductions in deaths from heart disease. But such progress has been minor.

I am aware that what I have said may be subject to the interpretation that there is little of value produced by the health industry. That is not true, as all of you are personally aware. Doctors and other professionals do relieve pain and suffering, limit disability, and in many cases, effect cures and prevent illness. What is nevertheless clear, is that we are not getting improved health for each additional dollar we spend for health services.

I think it is fair to conclude that, as Rene Dubos, one of the world's most respected authorities has said:

> Therapeutic medicine is probably now entering a phase of medically diminishing returns.

The information I have shows that we reached that stage some time ago.

Critics might argue that my position cannot be supported by evidence. If medicine is not the major determinant of health, then what is? This is a very difficult question, which puzzles experts and layman alike. John Dingle, writing in the "Scientific American" in 1973, noted that improvements in life expectancy and reduction in disease began in England before the etiology of disease was understood. It was begun by reformers who intuitively felt that better living conditions would contribute to health. They were right. Experts attribute improvements that continued through the first half of this century in the United States to improvements in environmental sanitation, better housing, and nutrition. They also acknowledge the contribution of vaccines, and antibiotics, and the use of certain other drugs. Dubos noted that man adapts to or develops effective responses to disease. In speaking of tuberculosis, Dubos stated:

> Evidence indicates that the virulence of tubercle bacilli has not changed; what has changed is the response of Western man to tuberculous infection.

Does the health industry play a useful role? Of course. Health workers apply the discoveries and developments of our scientists such as vaccines and antibiotics, and transmit to patients useful new health information.

But health professionals will acknowledge their ineffectiveness in substantially reducing the incidence of heart disease and cancer because their understanding of the causes of these diseases is imperfect. Because they do know what causes cancers, for example, and because they therefore do not know how to cure them, scientists and physicians find themselves in the same position today relative to cancers that we were in regarding polio before the discovery of the Salk and Sabin vaccines. Only in the cases of cancers and heart diseases, the problems are far more difficult to solve.

The purpose of my remarks today are to support my earlier contention that more money for health, based on the performance of the health industry over the last 25 years, is not going to buy the American people better health. At the same time, I think it is possible for the Government and the private sectors to formulate policies and programs which will improve the health of the American people.

Such improvements will require greater attention to improvements in the environment, in our understanding of the causes and cures for the major diseases and illness afflicting the American people, and in the individual health practices.

At the same time as I am advocating reconsideration of our policies and investments within the health field, I think we also need to consider the importance of additional investments in the health field beside other priorities.

The evidence I have reviewed convinces me that we are suffering from a dangerous delusion if we believe we can achieve a near perfect state of health, if only we are willing to spend enough.

There is no scientific basis for such a conclusion, as many scientists have told us. We are already investing more of our gross national product for health than most other countries in the world. I think it is time we begin to put the search for better health in its proper perspective—recognizing we have other equally important national priorities—including the creation and wise use of energy, the protection of our environment, assuring an adequate food supply, attaining and sustaining a health economy, and the protection of our freedom. We may even be surprised to find that success in meeting our goals for these "nonhealth" priorities may be the best possible course for improving the health of the people in this country.

PAST ADMINISTRATION OF FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT BY DEPARTMENT OF AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. JOHNSON) is recognized for 5 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, during recent weeks public comment has been made by private parties and governmental officials regarding the lack of activity of the United States Department of Agriculture when that Department was responsible for the administration of the Federal Insecticide, Fungicide, and Rodenticide Act of 1947. In general, these comments have been derogatory.

No one has bothered to point out that the Federal Insecticide, Fungicide, and Rodenticide Act that was administered by the Department of Agriculture and the one presently being administered by the Environmental Protection Agency are not the same. The act, as administered by Agriculture, was essentially a labeling law.

The Federal Environmental Pesticide Control Act of 1972 (Public Law 92-516) substituted a use classification and regulation scheme for the labeling scheme of the act administered by Agriculture. Under the new law the Environmental Protection Agency was given new authority to proceed against persons or individuals who engaged in the misuse of a pesticide(s) by applying them in a manner "inconsistent with their labeling." In addition, EPA could place pesticides in a "restricted use" category, making them subject to controls in distribution and use that were not possible under the older act. Federal authority was extended, by the new law, to cover all pesticides. Under the older act only those pesticides in interstate commerce were under Federal control. The new law for the first time required registration of pesticide-producing establishments as well as the keeping of specific records on production and sales. In addition to these authorities the new legislation made substantial amendments to the registration procedures, and the mechanisms for administrative hearings on refusals to register, changes in classification, suspension, and cancellation.

These changes in the provisions for the regulation of pesticides seem to have been overlooked by some.

During the period that the Department of Agriculture was responsible for the administration of the Federal Insecticide, Fungicide, and Rodenticide Act the Department issued a suspension order against the organic mercury containing products of the Nor-Am Agricultural Products, Inc. This case was heard in the appropriate courts and finally in the U.S. Court of Appeals for the Seventh Circuit which held that suspension orders were not judicially reviewable. The amended FIFRA now provides for judicial review in the court of appeals if the registrant, upon receiving notice of the administrator's intent to issue a suspension order, requests a hearing. This new provision is a direct result of the findings under the older regulation. The suspension order issued by the Department against the products of Nor-Am was upheld and the products removed from the market.

In January 1972, the U.S. Court of Appeals for the 10th Circuit reversed the injunction against the United States Department of Agriculture which had prohibited it from taking action to cancel certain pesticide products registered by the Pax Co. of Utah.

In a case between the environmental defense fund and Secretary Hardin, which was later transferred to the Environmental Defense Fund versus Administrator Ruckelshaus—when EPA assumed administration of FIFRA—the court found that "whenever there is a substantial question about the safety of a registered pesticide" initiation of cancellation proceedings should be undertaken. This was a sharp departure from the procedures that had been followed and allowed an entirely new approach to the cancellation proceedings.

These are some of the major differences between the administration of FIFRA by the Department of Agriculture and the Environmental Protection Agency. EPA is administering a different set of regulations. The Department of Agriculture worked cooperatively with Congress in the development of the amendments to FIFRA.

THE PROBLEMS OF THE ELDERLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BELL) is recognized for 15 minutes.

Mr. BELL. Mr. Speaker, today, I have introduced several bills focusing on specific problems that affect one very important segment of our population—the elderly.

In my many years in Congress, I have worked diligently to help our senior citizens. I am pleased to say that we in Congress have done much in recent years to assist the elderly; however, much remains to be done.

As ranking member of the Special Education Subcommittee of the House Education and Labor Committee, I was active in the recent formulation of a series of amendments to the Older American Act of 1965 that will provide greater assistance to our senior citizens in such areas as nutrition, home and legal services, transportation and age discrimination.

Another portion of the elderly population—those living in nursing homes—have been victimized by both deceptive and erring proprietors and overly complicated Federal machinery. Because of my concerns in this area, I joined many of my colleagues in sponsoring legislation aimed at correcting abuses in the nursing home industry. This legislation provides for grants to higher education geriatric departments, special services for those persons confined in nursing homes, and special provisions for home health care and delivery to the elderly.

There are, however, other areas of concern to me that I feel deserve special consideration by my colleagues. For this reason, I have introduced legislation pertaining to the areas of elderly crime prevention, property tax relief for the elderly, and a social security retirement test revision.

The first of these is a simple resolution requesting all Federal agencies that administer programs for older Americans to study the causes of crimes against these persons and to recommend programs to reduce the frequency of such crimes.

A recently released report of a survey

conducted by Louis Harris & Associates, "The Myth and Reality of Aging in America," indicated that the elderly rank "fear of crime" as the most serious problem confronting them. The 1971 White House Conference on Aging also recognized crime as a serious problem for the elderly and offered a series of recommendations to deal with such crime. However, at this time, no serious attention has been given to this problem at either the Federal or State level.

The impact of crime on our older Americans is indeed great. The senior citizen—especially the poor senior citizen—is one of the most vulnerable segments of our society. These people are more likely to be victimized repeatedly; they are more likely to be physically injured; they are more likely to live in high-crime neighborhoods.

However, we do not know enough about crime and its effects on the elderly. Traditional crime statistics do not adequately reflect this problem. The necessary data is just not being collected, yet we must learn to deal with this problem now. Consequently, I believe that those agencies in the Federal Government who administer aging programs have the additional responsibility to study the causes of crime against the elderly and recommend solutions to this problem.

Another bill I am introducing today would provide for the needed property tax and rent relief for older Americans. Between 1953 and 1972, the property tax burden rose slightly more than 50 percent. Those who have suffered the most from these increased taxes and increased rents are low-income persons—specifically the elderly.

The bill I am introducing today would allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes, or an equivalent portion of rent paid on their residences, by individuals who have attained age 65.

My final companion measure would amend the Social Security Act by increasing the amount of outside earnings a person might earn before his benefits are reduced.

I believe that such relief is now necessary because of the current economic conditions of our country and the high cost of living. I recognize the problems that we are now having relative to the social security program; however, I do not feel that we should place any undue burden upon our senior citizens because of our bureaucratic inadequacies. Until such time that we can find an equitable solution to this problem, I strongly believe that we should provide some relief for the older American who is receiving social security benefits and still trying to maintain a decent standard of living.

The text of these measures follows:

H. RES. 783

Resolution to request Federal agencies administering programs for older Americans to study the causes of crimes against older Americans and to recommend programs to reduce the frequency of such crimes

Whereas older Americans, particularly those with lower incomes, are more likely to be victims of crimes than many other groups of citizens in the Nation;

Whereas the rate of personal larceny involving assault against older Americans is the highest in the Nation;

Whereas the fear of crime is the most serious problem affecting older Americans;

Whereas older Americans are more likely than any other group of citizens in the Nation to be victimized repeatedly by the same offender and, because of the lower incomes of many older Americans, to live in localities with high rates of crime;

Whereas one-half of those older Americans who are victims of crimes suffer physical injury as a result of such crimes; and

Whereas the 1971 White House Conference on Aging and the Administration on Aging have recognized crimes against older Americans as a serious national problem: Now therefore, be it

Resolved, That the House of Representatives requests each Federal agency which administers any program or activity relating to older Americans—

(1) to collect and publish statistics and other information with respect to the causes, types, and frequency of crimes against older Americans;

(2) to conduct studies designed to develop methods and programs to reduce the frequency of crimes against older Americans; and

(3) to transmit reports, no later than 6 months after the date of the adoption of this resolution, to appropriate committees of the House of Representatives containing recommendations for such legislative or other action as may be necessary with respect to the problem of crimes against older Americans.

H.R. 10124

A bill to allow a credit against Federal income taxes or a payment from the United States Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by renumbering section 40 as 41, and by inserting after section 39 the following new section:

"SEC. 40. RESIDENTIAL REAL PROPERTY TAXES OR EQUIVALENT RENT PAID BY INDIVIDUALS WHO HAVE ATTAINED AGE 65.

"(a) GENERAL RULE.—In the case of an individual who has attained the age of 65 before the close of the taxable year, there shall be allowed as a credit against the tax imposed by this chapter the amount of real property taxes paid by him during the taxable year which were imposed by a State or political subdivision thereof on property owned and used by him as his principal residence, or the amount of rent constituting such taxes, as defined in subsection (c)(6). To the extent that the tax imposed by this chapter is less than such real property taxes, said individual shall be allowed a payment from the United States Treasury equal to the difference between the amount of the tax credit allowed and the amount of such real property taxes paid.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—The total tax credit and payment from the Treasury under subsection (a) for any taxable year shall not exceed $300 ($150, in the case of a married individual filing a separate return).

"(2) ADJUSTED GROSS INCOME OVER $6,500.—The credit otherwise allowable under subsection (a) for any taxable year (determined with the application of paragraph (1)) shall be reduced by an amount equal to the amount by which the taxpayer's adjusted gross income for the taxable year exceeds $6,500 ($3,250, in the case of a married individual filing a separate return).

"(3) JOINT OWNERSHIP.—In the case of property owned and used by two or more individuals (other than a husband and wife) as their principal residence, the limitations provided by paragraphs (1) and (2) shall, under regulations prescribed by the Secretary or his delegate, be applied collectively to such individuals.

"(4) APPLICATION WITH OTHER CREDITS.—The credit under subsection (a) for any taxable year shall not exceed the tax imposed by this chapter reduced by the credits allowable under sections 33, 35, 37, and 38 for the taxable year.

"(c) SPECIAL RULES.—

"(1) HUSBAND AND WIFE.—In the case of a husband and wife who file a single return jointly under section 6013, the age requirement contained in subsection (a) shall, with respect to property owned jointly and used by them as their principal residence, be treated as satisfied if either spouse has attained the age of 65 before the close of the taxable year.

"(2) PROPERTY USED IN PART AS PRINCIPAL RESIDENCE.—In the case of property only a portion of which is used by the taxpayer as his principal residence, there shall be taken into account, for purposes of subsection (a), so much of the real property taxes paid by him on such property as is determined, under regulations prescribed by the Secretary or his delegate, to be attributable to the portion of such property so used by him. For purposes of this paragraph, in the case of a principal residence located on a farm, so much of the land comprising such farm as does not exceed 40 acres shall be treated as a part of such residence.

"(3) COOPERATIVE HOUSING.—For purposes of subsection (a), an individual who is a tenant-stockholder in a cooperative housing corporation (as defined in section 216(b))—

"(A) shall be treated as owning the house or apartment which he is entitled to occupy by reason of his ownership of stock in such corporation, and

"(B) shall be treated as having paid real property taxes during the taxable year equal to the portion of the deduction allowable to him under section 216(a) which represents such taxes paid or accrued by such corporation.

"(4) CHANGE OF PRINCIPAL RESIDENCE.—If during a taxable year a taxpayer changes his principal residence, subsection (a) shall apply only to that portion of the real property taxes or rent paid by him with respect to each such principal residence as is properly allocable to the period during which it is used by him as his principal residence.

"(5) SALE OR PURCHASE OF PRINCIPAL RESIDENCE.—If during a taxable year a taxpayer sells or purchases property used by him as his principal residence, subsection (a) shall apply only to the portion of the real property taxes with respect to such property as is treated as imposed on him under section 164(d), and, for purposes of subsection (a), the taxpayer shall be treated as having paid such taxes as are treated as paid by him under such section.

"(6) RENT CONSTITUTING PROPERTY TAXES.—The term 'rent constituting property taxes' means an amount equal to 25 percent of the rent paid during a taxable year by a taxpayer for the right to occupy his dwelling during that year, exclusive of any charges for utilities, services, furnishings, or appliances furnished by the landlord as a part of the rental agreement.

"(d) ADJUSTMENT FOR REFUNDS.—

"(1) IN GENERAL.—The amount of real property taxes paid by an individual during any taxable year shall be reduced by the amount of any refund of such taxes, whether or not received during the taxable year.

"(2) INTEREST.—In the case of an underpayment of the tax imposed by this chapter for a taxable year resulting from the application of paragraph (1), no interest shall be assessed or collected on such underpayment if the amount thereof is paid within 60 days after the taxpayer receives the refund of real property taxes which caused such underpayment.

"(e) DEDUCTION NOT AFFECTED.—The credit allowed by subsection (a) shall not affect the deduction under section 164 for State and local real property taxes."

(b) The table of sections for such subpart A is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 40. Residential real property taxes or equivalent rent paid by individuals who have attained age 65.

"Sec. 41. Overpayments of tax."

(c) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after the date of the enactment of this Act.

H.R. 10125

A bill to amend title II of the Social Security Act to increase to $4,200 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (f)(3) of section 203 of the Social Security Act is amended by striking out "$200" and inserting in lieu thereof "$350".

(b) Subsections (f)(1), (f)(4)(B), and (h)(1)(A) of such section 203 are each amended by striking out "$200" and inserting in lieu thereof "$350".

SEC. 2. The amendments made by the first section of this Act shall be effective with respect to taxable years ending after the date of the enactment of this Act.

MANDATORY COMMODITY MARKET FOR OIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, it is hardly necessary to remind my colleagues of the current deadlock over energy policy and price decontrol of domestically produced oil. If this impasse is to be broken, a program must be found which will insure that the U.S. oil industry has the capability and incentive to expand domestic production, without making the industry a de facto member or beneficiary of the OPEC cartel. It is doubtful that any energy program which does not attempt to accomplish both of these goals will ever attract sufficient support to become law.

Today I am introducing legislation to accomplish both of these objectives by encouraging the normal competitive forces of the marketplace to work in the oil industry, rather than through government intervention and regulation, divestiture, or nationalization. This proposal relies upon the free market system to establish a fair price for oil. So far, the market has played little or no part in setting oil prices.

The proposal calls for the creation of a commodity market for crude oil, through which all domestic sales of crude oil would be required by law to be made. As you know, the American oil industry is dominated by "vertically integrated" companies, which are involved in all phases of the industry, from exploration and production to refining and marketing. This industry structure, which is typical of the major foreign as well as domestic oil companies, eliminates the role of competition in setting the price of crude oil. Instead of being sold by producers to refiners, most crude oil is simply transported by the producer to its own refinery and, after processing, to its own retail outlets. Foreign crude is priced by the political decisions of the OPEC cartel.

Since there is no competitive price for crude oil, decontrolling the price of domestic crude oil may well bring this oil under OPEC's price umbrella.

In addition, the vertically integrated oil companies' power arbitrarily to set prices for oil at intermediate stages of production has probably operated to the disadvantage of the independent sector of the industry, which must depend on the integrated "majors" for a significant portion of its basic raw materials; one can hardly expect a company which must rely on its competition for its supplies to be a wholly effective competitor. It is this fact which created the necessity for the complicated "entitlement" program by which the majors have been required to share their supplies of price-controlled crude oil with the independent refiners.

If controls on domestic crude were simply lifted, one of two things would happen: First, the price of this oil would rise to the OPEC price, or second, the price would rise, but to a level below the OPEC price. If the former were to take place, the majors would in effect become partners in the OPEC cartel. If the latter occurred, demands for continuation of the present Government program dividing available supplies of lower priced domestic crude would be strong indeed. Neither alternative is acceptable from a political or economic standpoint. Dilemmas of this kind have undoubtedly contributed to the inability of the administration and the Congress to agree on an energy program, despite the universal recognition of the necessity of such a program.

A mandatory commodity market for crude oil could prove to be a practical and effective remedy for these difficult problems, one which could attract the bipartisan support necessary to bring it about. Channeling domestic sales of crude oil through a commodity market would have the following effects:

First. The price of oil would be determined by competitive forces in the market, rather than by OPEC, the private decisions of the major oil companies, or by the Federal Government;

Second. The independent sector of the oil industry would have free access to crude oil on the same basis as its integrated competitors;

Third. By including sales of imported crude oil, this country would obtain some badly needed leverage over the OPEC cartel; and

Fourth. The information generated by the operation of such a market would permit much more informed public scrutiny of the oil industry's performance than is presently possible.

Since the totality of the competitive forces present in the marketplace would determine the price of oil, our scarce energy resources would be allocated by the market to their most efficient uses, and inefficient and wasteful consumption would be discouraged.

I have been assured by the professional staff of the Commodity Futures Trading Commission that this proposal is technically and operationally feasible. There seems to be no question that it would work. The precise form which such a commodity market should take is still unclear. At my request, the Commodity Futures Trading Commission has undertaken a thorough analysis. It may be that it is not necessary to mandate that 100 percent of all sales be conducted in such a market in order to achieve the desired effect. On the other hand, it may be found desirable to include first sales of refined petroleum products in the mandatory market in addition to crude oil sales.

The mandatory commodity market for petroleum is not only a logical, effective, and comprehensive plan for accomplishing many of the objectives of national energy policy, it also maximizes reliance on the discipline of the free market system and minimizes interference by Government. It could attract the bipartisan support which so far has been sorely lacking and which will be essential to any energy policy. I believe it merits each Members serious consideration.

This proposal first came to my attention last year when I read an article in the Washington Post by a Washington attorney, Allan Hoffman. Mr. Hoffman urged the mandatory market, basing it on his experience in the Antitrust Division of the Justice Department.

Text of bill follows:

H.R. 10131

A bill to to establish a mandatory commodity market for crude oil

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That six months after the effective date of this Act all sales of domestically produced crude oil and crude oil sold for use or resale within the United States shall be made through a commodity exchange by auction pursuant to rules and regulations promulgated by the President and under the supervision of the Commodity Futures Trading Commission.

INTERNATIONAL ECONOMICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 10 minutes.

Mr. TALCOTT. Mr. Speaker, during the past few years a number of factors have resulted in new and far-reaching imbalances in international economics.

The United States is in a unique situation. Depending, on the one hand, on a sizable percentage of its petroleum requirements coming from high-priced imports while on the other hand, being favorably endowed with a sizable surplus of agricultural products that are in short supply in other parts of the world.

The solutions to these two vexing problems proposed so far could result in higher prices to American consumers of both gasoline and bread.

However, there is an alternate solution which I believe will deflate the pressures that force higher prices for gasoline and bread. In addition, it would cause no adverse impact on our balance of payments.

This solution is embodied in a bill (H.R. 10110) which I have introduced in the House of Representatives. My proposal would prohibit the export of grain to any petroleum-producing country which has petroleum production in excess of its domestic requirements—except pursuant to an agreement providing for the exchange of such grain for petroleum.

In principle, my proposal would call on the American grain exporters to negotiate the sale of petroleum to American refineries at a predetermined price. The grain exporters would negotiate a barter agreement to exchange grain for oil. The net result would be that the American grain exporters would receive U.S. dollars from U.S. refiners. The U.S. refiners would receive oil from American grain dealers. U.S. dollars would not leave the country. Quite possibly, the cost per barrel of oil would be lower than the cost per barrel the United States must pay at present.

There will be those who will say my proposal is too hardnosed; to those I reply that it is about time we address the problem confronting our Nation in a hardnosed manner.

For too long we have dispersed our largess to all corners of the Earth without considering the impact of these actions on the American economy.

Let me set out some of the things my proposal will do and some of the things it will not do.

It will enable American grain exports to be handled through normal commercial channels.

It will enable our refiners to purchase oil from our grain exporters.

Because our refiners will pay our grain exporters dollars for the oil, the grain exporters will receive payment in U.S. currency.

Because these dollars will not leave the United States, there will be a salutory impact on our balance of payments.

Because prices for the grain and petroleum will be prevailing prices, this transaction will not force prices for these commodities to rise—thus relieving the pressure of higher costs to American consumers for products utilizing grain as well as heating oil, gasoline, and other energy uses.

It will not adversely affect other industrial nations because these oil producing countries will have ample excess production to meet their needs.

It will not require a new government bureaucracy because the Commerce Department is presently equipped to review these contracts.

It will not discriminate against independent refiners because the grain exporters can negotiate contracts for the oil with any American refiners.

It will not discriminate against any petroleum exporting country because it can sell its excess petroleum above the amount it exchanges for grain.

It will not limit the amount of grain a country can buy because they are permitted to buy additional grain for hard currency if their requirements exceed their surplus petroleum.

In summary, my proposal will provide a realistic approach to the disposition of our excess agricultural products and, at the same time, partially alleviate the short-fall in domestic petroleum production until such a time as a long-range program is developed for energy self-sufficiency in our country.

REPORT OF EUROPEAN TRIP OF CERTAIN MEMBERS OF THE SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION, REGULATION, AND INSURANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WYLIE) is recognized for 30 minutes.

Mr. WYLIE. Mr. Speaker, the purpose of the trip was to study international banking activities of branches and subsidiaries of U.S. banks and to discuss foreign bank operations in the United States.

The problem reared its ugly head with a major failure of the New York branch of a Lebanese bank in 1967 which caused Senator JAVITS to introduce a bill to regulate foreign branching in the United States.

Congressman WRIGHT PATMAN also introduced a bill in 1967 and again in 1969 which would apply the laws applicable to U.S. national banks to foreign branches. Not much interest was generated in the bill in 1969. There was no real concern because the number of branches of foreign banks in the United States was small. The total assets of foreign banks in the United States in 1967 was $7 billion. But today foreign banks' assets in the United States total more than $50 billion.

By 1973 there was a substantial amount of foreign bank activity in the United States. The Patman bill was introduced again and would treat foreign branches as national banks. Then the Federal Reserve Board became concerned and in 1974 recommended a bill which would treat foreign branches as member banks. Because of the enormous activities in banking and security dealings already undertaken by foreign banks, the Federal Reserve bill provided a grandfather clause for foreign banks already in existence in the United States. Congressman TOM REES of California recently recommended a bill which would phase out all nonbank related activity by foreign banks over a 10-year period.

OUTLINE OF MEETINGS

With this backdrop, certain members of the Subcommittee on Financial Institutions Supervision, Regulation, and Insurance undertook a fact-finding trip to Europe. Our first stop was London where we visited with Mr. James E Ammerman, Financial Attaché to the American Embassy, and Mr. Bill Wisner, the Embassy Officer in Charge of the Political Section. At 10:30 a.m., on the 4th, our group had a meeting at the Bank of England with Mr. George Blunden, Senior Official in Charge of Foreign Bank Regulations; Mr. John Kirbyshire, Senior Adviser to the Bank of England; Mr. Gill, Assistant Chief of Banking, Monetary, Marketing Supervisors; Mr. D. A. H. Byatt, Adviser, Cashier's Department; and Mr. A. T. Bell, Adviser, Overseas Department.

At 11:30, we met with Mr. Cathles from National Westminster Bank, Mr. Seeley from Barclays Bank, Mr. Ryder from Midland Bank, Mr. Davies, the deputy secretary of Lloyds Bank, and Mr. Murphy, vice president and executive head of Schroder Wagg & Co.

At 1 o'clock Members of Congress had lunch with certain Members of the House of Commons hosted by the Honorable Roger Moate, Conservative Member from Faversham and Honorary Secretary of the British American Parliamentary Group. Other Members of Parliament attending were the Honorable Roland Moyle from Lewisham East, Minister of State for Northern Ireland, the Honorable Eric Deakins from Walthampton, Under Secretary of State at the Department of Trade; the Honorable David Howell, Conservative Member from Guildford, Minister of State for Energy and other posts in the Conservative Government; the Honorable Norman Lamont, merchant banker, Secretary of the Conservative Finance Committee, Conservative from Kingston upon Thames; the Honorable Michael Cocks, Labor Government pairing whip; and the Honorable David Stoddart, Member of the Labor Party from Swinton. Congressman MATTHEW J. RINALDO, Congressman GILLIS W. LONG and Mrs. Long, Congressman JERRY M. PATTERSON, Congresswoman LINDY BOGGS, Mrs. Wylie, and I were among those in attendance at the luncheon. That evening the group attended a reception hosted by U.S. Ambassador and Mrs. Elliot Richardson at the Ambassador's residence in London.

On Tuesday, August 5 at 9:30 a.m., our group met with officials of the Bank of America. Mr. Alvin C. Rice, executive vice president and executive head of the division for Europe, the Middle East, and Africa, met us along with Mr. Paul Vergungt, second vice president and head of the money market and foreign exchange operations for the division; Mr. Dick Puz, second vice president and head of credit operations for the division; and Mr. Dave Yelton, second vice president, head of the United Kingdom division. We discussed at considerable length the mechanism by which branches of American banks provide foreign exchange through the Eurocurrency market to facilitate the activities of American and foreign firms. This meeting broke up shortly after noon.

On Wednesday, August 6, we had a briefing at the Embassy in Paris with Mr. Rizick, Assistant Treasurer in the Political Section in Paris; Mr. Schubert Dyche, Control Officer; and other financial attachés to the American Embassy in Paris.

That afternoon we met with officials of Morgan Guaranty Bank at the Paris branch. The participants in the meeting were Mr. Jean-Louis Masurel, vice president and general manager; Mr. Paul Caron, vice president for general banking; Mr. Jean-Paul Glenisson, vice president and senior lending officer; and Mr. Marcel Malenfant, comptroller. At 5 we met with Mr. Denis de Cazotte, the chief executive officer at the Pittsburgh National Bank branch in Paris.

On Thursday, August 7, we had a meeting with officials of the Bank of France. We met with Mr. Gabriel Le Fort, Director General, Foreign Department of the Bank of France; Mr. Fanet, Inspection Service Officer of Financial Banking Institutions, Supervision Section of the Bank of France; Mr. M. J. Medrano, Deputy Director, Regulation Section; Mr. T. R. Aubanel, Deputy Director of Credit Exchange; Mr. Y.R.E.N. Brunel, Deputy Director, Officer of Foreign Relations; and Mr. Breton, Director, General Foreign Relations.

On Friday, August 8, we journeyed to West Berlin where we first had a briefing at the U.S. Mission with U.S. Minister Scott George, Chief of the Mission of West Berlin; and 1st Lt. Michael E. Fankell, U.S. Army, Commander's Office.

After the briefing at the U.S. Mission, we met with German Bank Supervisory Authorities and Bundesbank Officials. Present at the meeting were Dr. Guenter Duerre, President of the Bundesaufsichtsamt fuer das Kreditwesen, Frau Dr. Baehre Herr Mayer, Mr. Beham and Mr. Zoths; and Dr. Weber and Mr. Fitzenriter of the Deutsche Bundesbank.

On Saturday from 5 to 6 o'clock we attended a reception hosted by U.S. Ambassador and Mrs. John Sherman Cooper at the Ambassador's residence in East Berlin.

On Monday, August 11, we met with officials of the Continental Illinois Bank in Frankfurt. Participants in the meeting were Mr. George Conrad, Manager of the Branch; Mr. Thomas Dowen, Jr., Vice President and Senior Officer for Europe; Mr. Maurice Jacques, Vice President, Head of Foreign Exchange Operations (London); and Mr. Edzard Hermberg, U.S. Treasury Attache, Embassy in Bonn.

On Tuesday, August 12, we met with the Swiss Banking Commission, officials of the Swiss National Bank, and other representatives of the Swiss Government. Members from the Swiss Banking Commission included Dr. Albert Matter, President; Dr. H. Bodenmann, State Counselor and Vice President; Dr. Duri Capual, Member; Mr. A. Rousselet, Member; Dr. D. Bodmer, Director of the Secretariat; Mr. J. B. Schuster, Deputy Director, Administrative Assistant, and General Director of the Swiss National Bank; and Dr. Thappel. From the Swiss National Bank, present were Mr. A. Hay, General Director; Dr. de Rivaz, Director; and Dr. P. Gutzwiller, Legal Adviser. Present from the Federal Political Department were Mr. E. Thurnheer, Specialist, and Mr. E. Fetscherin, Specialist. And attending the meeting from the Federal Finance and Customs Department were Mr. B. Muller, Vice Director, and Dr. M. Boehringer.

A SUMMARY OF THE PRINCIPAL ISSUES

The enormity of the problem of defining reciprocity in international banking and the questions raised by legislative proposals which would regulate foreign branch bank activity in the United States were brought forcibly home by our meetings with the people mentioned above. Out of the 20 largest banks in the world only 4 are U.S. banks. The three largest are Bank of America, First National City, and Chase Manhattan. Four of the largest banks are Japanese, four are German, four are United Kingdom banks, three are French, and one is Canadian. Additionally, we were told at the London meeting that there are more American banks operating in the city of London than there are domestic banks in New York City.

To sum up, I think it is fair to say that the officials we talked with would accept the foreign bank bill proposed by the Federal Reserve Board which would include membership in the Federal Reserve System and compliance with its reserve requirements. One of the significant questions which remains unanswered is whether the Federal Reserve System would then become the lender of last resort for the foreign branches in the United States. At the meeting in the United Kingdom, I asked the question of Mr. John Kirbyshire as to whether the Federal Reserve Board or the Federal Deposit Insurance Corporation should cover deposit losses in U.S. branch banks in foreign countries. I mentioned I had in mind questions relating to deposit runoffs at the London branch of Franklin National Bank. Mr. Kirbyshire said it was his opinion that in order to maintain the integrity of the U.S. banking system and, indeed, the U.S. Government, some U.S. Government agency should use funds to bail out foreign depositors.

Recently Mr. John Kirbyshire came to the United States as a delegate to the International Monetary Fund meeting and brought to my office a written response to my question. Mr. Kirbyshire felt that in any legislation regulating the operation of foreign branches in the United States, consideration should be given to some form of reciprocity on the issue of lender of last resort. It would be politically impossible for the Bank of England to be the lender of last resort to a U.S. branch in the United Kingdom, for example. The United Kingdom representatives suggested that foreign branches of U.S. banks be included in the Federal Deposit Insurance Corporation program, but at the same time, pointed out that the United Kingdom has no comparable agency. He suggested that foreign banks in the United States should become members of the Federal Reserve System and perhaps members of the FDIC. Another advantage for a foreign bank becoming a member of the Federal Reserve System would be that it would have access to the discount window in time of a credit crunch.

European banking authorities said they could tolerate the bill suggested by the Federal Reserve Board but that they were opposed to the bill which would require foreign banks to choose one state in which they would confine their operations and divest their nonbank related activities within 10 years. The consensus of opinion was somewhat surprising in view of the fact that there is such a variance in the laws which govern foreign bank operations in the countries we visited. In the United Kingdom, the banks are regulated more or less by informal agreement. The Bank of England has no legislative or rulemaking power. There is no legislative definition of what constitutes banking. In Switzerland on the other hand, the legislation regulating foreign banks is very specific and provides for strict reciprocity. Reciprocity for the foreign branches of U.S. banks is based on laws and regulations of individual States of the United States in which the banks are incorporated rather than Federal law.

The general attitude of the French bank officials seemed to be one of maintaining a liberal licensing policy for the establishment of branches and subsidiaries both on their part and ours. There is no difficulty in establishing an American branch bank in France, and they do not feel there should be any difficulty in establishing a branch of a French bank in the United States. They feel that the laws are adequate and take a laissez-faire attitude—"What you do with your laws is up to you."

The German officials with whom we met were violently opposed to the Rees bill. They appear to be apprehensive about U.S. banks in Germany allowing extensive domestic credit. The Germans feel they have the best banking system in the world now, that they have taken the best of the American system and improved on it.

The Swiss have great concern about any Federal legislation which would affect the Swiss foreign banks functioning in the United States. They indicated that if legislation is passed affecting the Swiss foreign banks in the States, reaction would be swift and sure; and a reciprocity law would be passed immediately. It should be noted that only one member of Swiss Banking Commission is a banker.

We found the Europeans do not always understand our system of government. They are more familiar with the parliamentary system which does not provide for a separation of powers. When new activities evolve within the international financial system, there is always a question as to how much authority or discretion the Federal Reserve Board should have and the extent to which it is appropriate for Congress to impose new guidelines. In our system there is a requirement for legislative action. When monetary or fiscal problems arise in the United Kingdom or other countries with a parlimentary system, the central bank carries out the policies of the Treasury. These are the policies of the party in control of both executive and legislative branches of government. If the policy of the Treasury is being questioned in the House of Commons, the policy will be that of the majority party in that body. Any change in policy will reflect the position of the government in power.

The Bank of England restricts the inflow and outflow of domestic currency and how much can be borrowed from overseas. This is also true of the Bank of France, the Central Bank of West Germany, and the Swiss Central Bank. In the case of France, Germany, and Switzerland, there is more concern about inflows of currencies. Switzerland is concerned about inflows of Swiss francs. Foreign deposits of Swiss francs are taxed 40 percent over 50,000. The British regulate sterling operations. Germany regulates inflows of all currencies by restricting interest payments on nonresident deposits. In France a bank has to get permission directly to lend or borrow where a nonresident is involved. In the case of a resident of France, if he borrows from outside, for instance, from the U.S.A., he has to get permission.

The central banks we visited seem to approach bank regulation on a "gentleman's agreement" basis. Banking laws in Switzerland are quite specific and strict in some areas but not as comprehensive as in the United States.

All countries are concerned about our passing a reciprocity law on foreign bank operations in the United States. Switzerland is the only country which now has a reciprocity law. As noted above, the Swiss go to the law of the state where the bank is incorporated when granting the privilege of branching. [New York has a liberal law; its banks are getting the best treatment.]

The Federal Reserve has not taken action in any way comparable to action taken by European central banks to reduce the inflow and outflow of funds from Eurocurrency markets. One of the reasons is the structure of the system which is not as homogenous as European systems.

In the course of these discussions we covered a number of other topics of interest to members of the subcommittee and learned of some of the policies and concerns of other governments. We found, for instance, that the Germans were concerned about retail banking or buying on credit. The Germans pay cash for most small items. Central bank officials are afraid extensive credit would harm the whole economy and increase inflationary pressures. The Germans have a real fear of inflation. Their unemployment rate is 5.5 percent. They have never had any wage and price controls and take the position that wage and price controls are bound to failure from the beginning. Their inflation rate is about 6 percent and going down. Interest rates on mortgages in Germany are 8½ to 9 percent and the prime rate of interest is 5 percent.

The national debt in Switzerland is about $2.6 billion which is 6 percent of 1 year's Federal spending. The Swiss vote on any new program; any new tax must be voted on by the people. The income tax rate is 16 percent, so they have a very different situation than we do. There are only 6½ million people in Switzerland.

The British have a substantial public debt. So do the Germans, but it is not comparable to ours. German officials said it will be reduced substantially this year. The French have no public debt. The word is, however, that they will run a deficit before the end of this year because of the emergency with reference to inflation.

All in all the trip was most educational and pointed up the difficulties we in Congress face in this area. The real and imagined worries of foreign bank competition and how we respond will certainly have its effects on how other countries treat U.S. banks in their countries.

During the meetings, I and others in the delegation, took extensive notes. My notes were intended for my own use. However, to give some indication of the actual discussions which took place, I am including the notes taken in London with this report. I have not attempted to develop this material further because, as I stated, the notes were intended for my own use and are in rough form. Also, notes taken by staff members are being collated and edited and will form the basis for a more extensive report.

INFORMATION GATHERED FROM MEETINGS IN THE UNITED KINGDOM

Relations between the United States and United Kingdom are the best since World War II. The United Kingdom's main problem is inflation. Unemployment is also a problem. The Labor Party is dependent on the labor unions. If the Labor Party wants to stay in power it will have to crack down on labor union wage demands. If the Labor Party does crack down on wage demands it risks alienating the trade unions and falling from power.

The United Kingdom suffers from home grown inflation. From May 1974 to 1975 the following events occurred:

a. Wage increases got out of hand;

b. A 25-percent increase in C.P.I.;

c. A 5-percent increase in cost of raw materials;

d. A 32-percent wage increase;

e. A minus 8-percent increase in industrial production;

f. A 3.7 percent unemployment rate up from 2.8 percent;

g. The pound sterling dropped from $2.60 on August 4 went down to $2.09 for 1 day.

The Government has imposed a limitation on employers on wage increases. The issue of wage and price controls is before the Parliament.

There is a 35-percent base tax rate. The United Kingdom authorities tax 83 percent for over 20,000 pounds in earnings. That is 2½ times the rate in the United States and five times the Swiss rate.

BANKING REGULATIONS

In the United Kingdom regulations are informal by agreement. The Bank of England has no legislative or rulemaking power. There is no legislative definition of what constitutes banking.

Supervision is very flexible and informal. There is careful supervision of discount and acceptance houses—trade credit.

The Bank of England's philosophy is that it does not know best. It consults on a daily basis with the five large banks.

There are over 300 foreign banks in the United Kingdom. The year 1973 saw the collapse of the property market. In 1974 there were several foreign bank failures. There were no bank failures among major foreign banks. Some domestic fringe banks failed.

The Bank of England increased its professional supervisory staff from 4 to 7 and its support staff for this area from 15 to 30. The United Kingdom has no FDIC. They use the "life boat" rescue method for a bank in trouble.

The difference between foreign and domestic banking is defined by law. So-called fringe banks do no foreign trade, they do consumer finance, small loan and money lending. The United Kingdom does have building societies which do mortgage lending.

I think it is fair to say that interest rate regulation in the United Kingdom is done by a cartel arrangement among the five large banks. Housing mortgages are of the variable rate variety.

Our discussions mainly were with Mr. George Blunden, senior official in charge of foreign operations with the Bank of England, and Mr. John Kirbyshire, senior adviser for the Bank of England. These gentlemen discussed the requirements for the establishment of foreign branches in the United Kingdom. The requirements are minimal. It is easy to start a foreign bank. It is difficult to conduct domestic banking.

To conduct foreign exchange operations, it is necessary to receive what is called authorized status. Branches of foreign banks will not compete for domestic business; they just do not do it. The foreign branches do not accept domestic deposits by general agreement. If a foreign branch engages in business beyond a certain minimum, it must put up reserves. Eurocurrency operations are covered by minimum reserve requirements. The collapse of the property market was primarily caused by the failure of fringe banks. The clearinghouse banks set up a rescue operation. Four billion pounds were pumped into the market.

Since these failures, all banks are examined quarterly. An American bank which has a branch in the United Kingdom is regarded as a British bank for examination purposes. Each of the five clearinghouse banks is examined yearly.

I asked the question as to what would happen if branches of American banks with the assistance of Congress or a regulatory agency were to force the issue of domestic banking, in effect saying: If your branches are free to do domestic business in the United States, why shouldn't American banks be free to do domestic business in the United Kingdom? Mr. Blunden answered that the reason was for monetary control and that the Central Bank has a wonderful working relationship with American banks and has developed the understanding that they simply will not engage in domestic deposit business.

Because the banking system in the United Kingdom is subject to no legal restraints, a bank can do almost anything. The examinations are flexible, personal, progressive, and participatory. When a bank is in trouble, the Bank of England becomes the lender of last resort. For example, money was sent to Lloyds of Switzerland when it developed financial trouble due to foreign exchange losses. An analogy was drawn to this situation and to the failure of Franklin National where the Federal Reserve Board "bailed out" the customers. The FDIC has announced that it has no legal obligation to insure foreign branch customers and it will not accept such a burden again. I asked Mr. Kirbyshire why the U.S. taxpayer should "pick up the tab" for the failure of a foreign branch involving customers who are not nationals and where the examination procedure does not afford an opportunity to maintain close surveillance over the bank's operations. There was a rather lengthy discussion but, to sum up, the answer was the United States should assume the obligation to maintain the integrity of the United States and its role in international banking. It was suggested by Mr. Blunden that we ought to consider requiring FDIC insurance on foreign branches. There is the additional problem of nonbanking related activities under the holding company umbrella in the United Kingdom. Mr. Blunden is the Chairman of the Blunden Commission which is working on uniform regulation and reciprocity in the common market countries. The Commission is attempting to obtain a written understanding of what role a country would play when the foreign branch of one of its national banks fails.

It was pointed out that nonbanking activities are not permitted under the holding company umbrella in the United States any longer. Whereupon, Mr. Ryder of Midland Bank said that, in his opinion, without a grandfather clause, prohibiting nonbanking related activities by banks would be expropriation of property without due process of the law which is unconstitutional under the U.S. Constitution. He felt the 10-year divestiture idea was not enough time, and there is just no way to compensate a bank holding company for its loss under such a bill.

Mr. Murphy of Schroders said that he felt there was no justification for the Glass-Steagall Act in today's banking world. Mr. Blunden, Mr. Kirbyshire, representatives of the four United Kingdom national banks present, and American representatives of foreign branches were all basically against any legislation regulating foreign branch banking activities in the United States because of the fear of unfavorable reciprocity. They just did not want the One Bank Holding Company Act to apply to them.

We next met with Alvin C. Rice, Executive Vice President and Executive Head of the Europe, Middle East, and Africa Division of the Bank of America and other officials of the Bank who rather summed up the significance of the American branch banking operations in Europe.

Bank of America is quite satisfied to see its foreign profits at less than 50 percent. Last year foreign profits amounted to 49 percent of its total profits. Bank of America expanded its operations in Europe to the Middle East and Africa to gain additional access to the Eurocurrency market. The foreign exchange operation is only incidental to doing business with bank customers. Bank of America has several Edge Act corporations. Most of their foreign banking business is wholesale banking. Wholesale banking is generally in the neighborhood of $50 million per loan. Bank of America does little sterling business and no securities underwriting business except for the convenience of a bank customer. The direction of the flow of funds is toward San Francisco. Privacy so far has not been a problem with the Bank of England.

It was Mr. Rice's understanding that the Treasury Department, the Federal Reserve, and the State Department worked on the so-called Fed bill to regulate foreign banks in the United States. There is anxiety among the operators of foreign branches of U.S. banks that they could be hurt by reciprocity if the Fed Bill or any similar bill is passed by Congress. Mr. Rice expressed the feeling that it would be better to let domestic banks do what foreign banks do in the United States. Sixty to seventy percent of the lending of the Bank of America in Europe goes to non-American companies. While the prime rate in the United States was 7½ percent, it was 9½ percent in the United Kingdom, 5 percent in West Germany, and 3½ percent in Switzerland. Bank of America does not deal in money per se. So it does not try to take advantage of arbitrage but rather it makes every effort to equalize the price differential in currencies.

I asked the question as to whether political pressure has been brought to bear on the Bank of America because of FDIC Chairman Frank Wille's stand on letters of credit with reference to the failure of U.S. National Bank of San Diego. Alvin Rice said he thought Frank Wille is right and that although the subject had been brought up by officials of the Bank of England, no particular political pressure had been brought to bear. A letter of credit is a mutual trust arrangement which does not really involve the U.S. Government except as to the American banks' stability. It was mentioned that the English banks were very emphatic in believing that the U.S. Government should make good on the letters of credit. Alvin Rice said that since the Penn Central failure, the letters of credit market is more than a "name" market.

Mr. St Germain raised the question as to whether Congress should have copies of reports made by foreign branches to the parent company and gave his own views in the affirmative.

I asked the question about the "Fed" bill and the Rees bill on foreign branching. Mr. Rice expressed the opinion that they would not like to contemplate the possibility of reciprocity as they were thinking of opening a branch in Geneva, and reciprocity would surely follow in Switzerland. I asked Alvin Rice about the so-called Credit Uses Reporting Act and characterized it as ludicrous. Alvin Rice thought it was ludicrous, too.

As a footnote, the rate on home mortgages was 16 percent on that date in London.

As mentioned earlier, Mr. John Kirbyshire, senior adviser to the Bank of England, met with me in my office and expanded upon his earlier response to my question concerning the duty of central banks to come to the assistance of foreign depositers in a failing bank. The full text of Mr. Kirbyshire's expanded response follows:

The Central Bank's Lender of Last Resort Function and Its International Application

(By John Kirbyshire, Senior Advisor to the Bank of England)

Following the alarms and excursions of the summer of 1974, the central banks of the main Western countries have had a good deal of discussion among themselves of the division of responsibility for helping banks in temporary liquidity difficulties—to use the jargon, the international application of the lender of last resort principle. While no final agreement has been reached all the participants in the discussion have felt that support for a commercial bank's liquidity problems should be forthcoming whether the problem arises from domestic or foreign operations. We believe that it is both helpful and necessary that monetary authorities' responsibilities should be clearly defined in this way, but we are well aware of the possible political problems for some authorities if a bank were to get into difficulties because of the operations of a foreign branch or subsidiary or, as in the Franklin case, because of its foreign exchange operations. This was a point which you raised when you called at the Bank recently with some other members of the House's Sub-Committee on Financial Institutions. You mentioned the likelihood of criticism if Government agencies used funds "to bail out foreign depositors".

Not only is this a very real point of difficulty in itself but it is also an aspect of a wider problem affecting the international economic system as a whole. For all countries, and for the U.S. in particular—because of its relatively small foreign economic sector, an accurate assessment of the costs and benefits of the international activities of financial and non-financial corporations is as necessary as it is difficult to make. It is usually easier to quantify the costs than the benefits.

It is with these considerations in mind that I thought that it might be useful to set out our thinking on the point you raised more fully than we were able to do orally.

If we set the discussion in terms of U.S. banks—although it could apply equally to others—it seems to us that to question the need to assist foreign depositors in certain circumstances is to pose two more fundamental questions:

(i) what benefit does the foreign banking business of U.S. banks bring to the U.S.?; and

(ii) would it matter, except to those immediately concerned, if a bank were allowed to default on its foreign obligations?

Both these questions raise wide issues concerning the benefits to be derived from broad and comprehensive financial markets through which trading and investment transactions can be financed smoothly and efficiently. There is room for different opinions about the scale and precise nature of these benefits, but few would deny that the growth of international trade and commerce—which benefits all the participants—would have been impeded if the financial mechanisms had been less efficient. It is perhaps worth recalling that, by and large, the banks who have substantially increased their foreign business have done so in response to the needs of domestic customers desiring to expand internationally.

As well as such broad international considerations, there are domestic advantages to be considered. The foreign operations of (say) U.S. banks attract deposits which can be channelled into U.S. financial markets and add to the resources which the bank concerned has available for domestic as well as for foreign customers. Direct deposits of overseas funds with the large commercial banks amount at present to nearly $20 bn.—i.e., some 5 percent of their total deposits.

Over and above this, substantial funds are channelled back to the parents by overseas branches at particular times. Nor should the profits on overseas business be overlooked at a time when the strengthening of banks' capital resources is so necessary; for some banks, foreign branches alone account for 7–10 percent of total earnings. No doubt this proportion would drop substantially if large U.S. banks had greater opportunities for expansion within the U.S., although even then it seems doubtful whether the absolute size of their foreign operations would diminish.

When one considers the second question—whether it would matter all that much if the foreign depositors in a failing bank were not protected—one is really looking at the obverse of the factors already mentioned. It has been amply demonstrated that the failure of one bank which is important in international markets can, if not carefully handled, have widespread effects throughout those markets. The problems spread outwards from purely banking considerations to affect not only the volume of foreign trade and investment which can be financed but also to impinge upon the scale of activity in domestic financial markets and hence in the domestic economy. It would be a mistake, too, to think that the effects of a refusal by the authorities to support the foreign deposits in one failing bank—in our example a U.S. bank—could be confined to that particular bank.

Almost certainly U.S. banks as a group, irrespective of their individual soundness, would be faced with withdrawals of foreign funds which could very well strain their resources. As holders tried to divest themselves of dollars, there could also be implications for the dollar exchange rate and thus for costs and prices in the United States.

Given the close inter-relationship between banks' domestic and foreign operations, a refusal of the monetary authorities in a particular country to support the foreign deposits in a failing bank, simply because they are foreign, could have wide implications for that country's banks, for its financial markets and, probably, for economic conditions more generally. In short, the argument for not discriminating against foreign depositors is much the same as the argument in favour of helping domestic depositors in appropriate circumstances.

August 27, 1975.

STRINGENT CONTROLS ON FEDERAL SPENDING ARE NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Nebraska (Mrs. SMITH) is recognized for 5 minutes.

Mrs. SMITH of Nebraska. Mr. Speaker, I am today introducing a concurrent resolution designed to place the Congress squarely on record in support of President Ford's proposed $395 billion spending limit for fiscal year 1977.

Mr. Speaker, I believe President Ford has correctly read the mood of the American people in recommending his tax- and spending-reduction proposal. He knows, as they do, of the enormous tax burden the American people have been asked to bear, and he has recommended long-term and far-reaching reductions in that burden in order to permit the individual American citizen to regain greater control over the product of his labors.

I know the people of Nebraska's Third District would welcome a major and permanent tax reduction every bit as much as people all over the country. But I also know that they recognize that a reduction of the magnitude recommended is both self-defeating and dangerous to our economy if it is not accompanied by stringent controls on Federal spending.

President Ford recognizes this, too, and for that reason has challenged the Congress to tie to the tax cut a spending limitation for fiscal year 1977 of $395 billion.

I would like to make clear right now that my support for the tax cut will be wholly dependent on a similar reduction in proposed Federal spending. The figure the President has recommended is $28 billion; reduce taxes by $28 billion and hold Federal spending to $395 billion—$28 billion less than it would be if no ceiling were placed on spending next year.

But, Mr. Speaker, this ceiling the President proposes is no miserly amount, either. In fact, I consider it much too high. In fact, it is a whopping $28 billion more than the congressional target for the current fiscal year, and even this limit will no doubt produce another budget deficit.

However, to allow spending to rise even higher and at the same time cut Federal revenues by another $28 billion would be the height of fiscal irresponsibility.

It is for that reason that I have introduced this concurrent resolution. If adopted by the Congress it will let the American people know that we intend to act responsibly; that we recognize the importance of easing the tax burden on the American people and accept the discipline that a spending limitation would impose on us.

Mr. Speaker, this spending limit is a goal we can reach and we must reach if we are ever to halt the inflationary spiral which has caused so much havoc in our economy in recent years.

SMALL BUSINESS SURVIVAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, in times of economic hardship, it is often difficult for small businesses to survive. Since these firms are a vital part of our society, it is heartening to know that there are those who are willing to devote their time and energies to help struggling entrepreneurs to keep their feet on the ground. Of particular note is the Service Corps of Retired Executives—SCORE, a volunteer organization sponsored by the Small Business Administration.

I would especially like to pay tribute to the Dayton Chapter 107 of SCORE. Under the outstanding leadership of its chairman, Mr. William B. Fischoff, this group has provided invaluable counseling and educational services to small business operators in Ohio's Third Congressional District. Dayton SCORE's primary emphasis is on person-to-person consultation rather than academic training sessions and seminars. The members provided the benefit of their business management experience to executives experiencing problems in either initiating or operating their firms. They are assigned to clients as advisers to examine problems and to help implement solutions. SCORE volunteers receive no financial remuneration for their services. Their only reward is the satisfaction of knowing that their experience can help others succeed.

In only 15 months the Dayton chapter of SCORE has grown from a 4-member group to an operation of 19 advisers. The number of businessmen who have benefited from their services has increased by over 900 percent. Several of the chapter's members have received Certificates of Achievement from the office of SBA's region 5, which includes the States of Minnesota, Wisconsin, Michigan, Illinois, Indiana, and Ohio. Mr. Harold Berry, an active member and former chairman of Dayton SCORE, was recently appointed to the Internal Revenue Service's Small Business Advisory Committee by the Commissioner of the IRS. Dayton SCORE has also been nationally recognized for a unique program of communication.

Mr. Speaker, the Service Corps of Retired Executives is dedicated to the concept of "people helping people." These unselfish and talented volunteers have contributed a great deal to our free enterprise system by helping small businessmen help themselves. They deserve our commendation.

CHICAGO'S 1975 COLUMBUS DAY PARADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on Monday, October 13, the people of the city of Chicago will celebrate the discovery of America by Christopher Columbus in our traditional grand style with a gigantic parade on State Street. The extravaganza will be televised live by WGN–TV.

The theme for this year's parade will be "From the American Revolution to the Present—the Contributions of the Italians." Americans of Italian descent have made enormous and lasting contributions to the greatness and strength of the United States and three generals and one admiral, representing each of the four American military services, will be the guests of honor in the 1975 parade. These four dedicated men are descendents of Italian immigrants to this country and are part of the new-world tradition of determination, hard work, and courage begun by Christopher Columbus and carried forward by Italians who followed him to build a new life in the New World.

Rear Adm. Lucien Capone, Jr., graduated from the U.S. Naval Academy in 1949 and spent the next 5 years as a junior officer in destroyers of the Atlantic Fleet. Rear Admiral Capone's career includes service as the commanding officer on the U.S.S. *Hammerberg*, the U.S.S. *Dahlgren*, and the U.S.S. *Richmond K. Turner*, and he is now the Deputy Director, National Military Command System Technical Support, Defense Communication Agency, Washington, D.C., a position he has held since June 1974.

Army Brig. Gen. T. B. Mancinelli is currently the Director of the Personnel Information Systems Directorate of the U.S. Army's Military Personnel Center in Alexandria, Va. General Mancinelli served in Vietnam and holds the Bronze Star Medal, the Legion of Merit Medal, the Joint Service Commendation Medal, and the Army Commendation Medal.

Marine Brig. Gen. Francis W. Tief, whose maternal grandparents were born in Potenza, near Naples, Italy, is Assistant Division Commander, 2d Marine Division, Camp Lejeune, N.C. General Tief participated in combat operations in Korea as a tank platoon commander and a company commander with the Seventh Marines. He was awarded the Silver Star Medal for action in Korea and the Navy Commendation Medal for his service in Vietnam.

Maj. Gen. Ralph J. Maglione is Director, Legislative Liaison, Office of the Secretary of the Air Force in Washington, D.C. General Maglione flew 104 combat missions during his service in Korea and in 1956 he set an overwater distance record for single-engine fighter aircraft when he flew his F-83F nonstop from Sturgate, England, to Austin, Tex. He was also Commander/Leader of the U.S. Air Force Thunderbirds from 1965 to 1967 and during those years the aerial demonstration team performed throughout the world.

These four outstanding Italian-Americans have indeed followed the vision and unshakeable faith of Christopher Columbus. Their participation in Chicago's Columbus Day parade as guests of honor will lift the spirits of all Chicagoans as they enjoy this tremendous patriotic event.

Monday's Columbus Day celebration will begin with a concelebrated Mass at Our Lady of Pompeii Church at 9 a.m. Auxiliary Bishop Alfred L. Abramowicz, D.D., will preside, and the concelebrants will include Rev. Umberto Rizzi, C.S., Provincial of the Scalabrini Fathers; Rev. Monsignor Edward Pellicore, Rev. Angelo Calandra, C.S., Rev. Lawrence Cozzi, C.S., Rev. Angelo Garbin, and Rev. Leonard H. Mattei, who will give the homily.

Following the Mass, there will be a Laying of the Wreath Ceremony across the street at the Columbus Statue in Arrigo Park, and at 3:30 p.m., following the parade, the Order of Sons of Italy in America will lay a wreath at the Columbus Statue in Grant Park.

Chicago's monumental Columbus Day parade will step off from the corner of State Street and Wacker Drive at 1 p.m. and will include 61 floats depicting the theme of the parade and approximately 80 bands and marching groups. Authentic native costumes of Italy will be worn by participants in the parade in addition to costumes portraying various periods of American history from the Revolution to the present. Christopher Columbus, the father of all immigrants, will be portrayed by Jim Sabatino, 2005 North 72d Court in Elmwood Park, who is a member of the Young Adults Division of the Joint Civic Committee of Italian Americans.

In addition to our four honored guests, the parade will be led by the Honorable Richard J. Daley, mayor of Chicago; Congressman FRANK ANNUNZIO, honorary parade chairman; the Honorable Dan Walker, Governor of Illinois; Dr. Alvaro V. Beltrani, the distinguished Consul General of Italy in Chicago; Anthony Fornelli, president of the Joint Civic Committee; Pasquale M. De Marco, parade grand marshal; Joseph Lizzadro, Jr., parade general chairman, 1975; and many other political dignitaries, civic leaders, members of the judiciary, businessmen from the community and labor leaders.

Each year the Joint Civic Committee of Italian Americans, comprised of more than 40 Italo-American civic organizations in the Chicagoland area, sponsors the Columbus Day Parade and other related activities. Many local groups cooperate with the Joint Civic Committee in this communitywide tribute to Columbus, and Anthony Sorrentino, consultant for the Joint Civic Committee, has helped to coordinate the various activities of the parade for many years.

One of the highlights of Chicago's Columbus Day celebration is the selection of the queen of the parade. This year, one of my constituents from the 11th Congressional District I am honored to represent, Celeste Del Guidice, 6319 West Warwick, was chosen to reign as queen of the Columbus Day Parade. I extend to Miss Del Guidice my heartiest congratulations on this honor.

Judged on her beauty, poise, and personality, Celeste Del Guidice, as winner of the Columbus Day Queen Contest, received a round trip to New York City from the Daprata Travel Service; a weekend trip to Las Vegas from the Nick Nitti Travel Agency, $100 from Mr. Joseph Lizzadro, Jr., the Parade's General Chairman for 1975; an Air Style hair dryer from Mr. Joseph Pope; jewelry donated by Mr. John Lizzadro, Mr. Ron Valentine of Vista Jewelers, and Mrs. Josephine Bianco and Anita Louise Bianco, who are cochairmen and special assistant for the Queen Contest; a $25 gift certificate from Marilyn Miglen Make-Up Artists; and a memento donated by Mr. Fred Mazzei, the chairman of the Queen Contest.

The queen is also making appearances on the Mary Jane Hayes Show, the Ray Rayner Show, the Louis Farina Show, the A.M. Show, the Bob Del Giorno Show, all on Chicago TV and radio.

The members of the Queen's Court are first runner-up Marilyn Levatino, 2800 Lake Shore Drive, Chicago; second runner-up Genevieve Battisto, 1805 South Cuyler Avenue, Berwyn; third runner-up Louise Storino, 6141 South Fairfield Avenue, Chicago; and fourth runner-up Catherine Battaglia, 5658 South Mason Avenue, Chicago.

Judges for the final Columbus Day Queen Contest were the Honorable Philip Romiti, judge of Cook County circuit court; Mary Jane Hayes, hostess for the Channel 2 TV program "It's Worth Knowing;" Don Case, a public relations and advertising executive; Franz Benteler, a violinist; Bob Del Giorno, a disc jockey for radio station WIND; and Theresa Petrone, Area "C" Delegate to the PTA Board of Education.

On October 5, some 200 persons participated in a fashion show, a "Festa Della Moda," held at the Hyatt Regency O'Hare Hotel. This is one of the highlights of the Columbus Day festivities and the men, women, and children participating dress in traditional handmade costumes representing the culture native to various areas of the Italian peninsula. Dr. Mary Ellen Batinich, chairman, and her committee outdid themselves again and, along with Chairman Lawrence Spallitta and the float personnel committee members, they can all be proud of their contribution to the success and beauty of the Columbus Day extravaganza.

The colorful and distinctive costumes, worn by the people who made them by hand, will be an enormous contribution to the parade's ethnic flavor and one of those "special touches" which make an event memorable.

The Columbus Day Parade in Chicago is one of the highlights of the year and over 750,000 people will view the parade in person and over 1 million will view it on television. The parade will be sponsored over WGN-TV by Anthony Paterno, of the Pacific Wine Co.; Dominick Di Matteo, of Dominick's Finer Foods; Frank Armanetti, of Armanetti Liquor Stores; and the Banco di Roma. The telecast of the parade will be narrated by Domenick Di Frisco and Vince Lloyd, and the reviewing stand commentators will be Bob Del Giorno and Lou Farina.

The massive Columbus Day celebration will close with a reception at the Chateau Royale, 5743 West Chicago Avenue, in honor of all of the guests, the officers, subcommittee chairmen, and members who participated in making this grand event a success.

As Honorary Parade Chairman on this sixth celebration of Columbus Day as a national holiday, I commend the members and officers of the Joint Civic Committee of Italian Americans for their dedication, careful planning, and hard work that went into the creation of a tremendous civic and patriotic event such as the Chicago Columbus Day Parade. Our city and our people are proud of these outstanding citizens.

Mr. Speaker, the officers and members of the 1974 Chicago Columbus Day Parade Committee are as follows:

CHICAGO COLUMBUS DAY PARADE COMMITTEE

HONORARY PARADE CHAIRMEN

Mayor Richard J. Daley
Congressman Frank Annunzio

GENERAL CHAIRMAN 1975

Joseph Lizzadro, Jr.

GRAND MARSHAL

Pasquale M. De Marco

JOINT CIVIC COMMITTEE OF ITALIAN AMERICANS OFFICERS

Anthony J. Fornelli, President
Dr. James F. Greco, 1st Vice President
James E. Coli, 2nd Vice President
John C. Porcelli, 3rd Vice President
Joseph Tolitano, 4th Vice President
Jerome Zurla, 5th Vice President
Joseph DeLetto, Treasurer (Deceased)
Charles Carosella, Secretary

SUBCOMMITTEES

Chaplain: Reverend Armando Pierini, C.S.

Television and Radio Sponsors: Anthony

Paterno, Chairman; Frank Armanetti; and Dominick DiMatteo.

Finance and Souvenir Book: Joseph DeLetto, Chairman (deceased); Frank N. Catrambone, Sr., Co-Chairman; Sam Cerniglia, Co-Chairman; Mrs. Serafina Ferrara, Co-Chairman (deceased); Mathew J. Alagna; Anthony Apa; Charles Carosella; Hon. John D'Arco, Jr.; Joseph Fusco; Peter Lavorata; Marino Mazzei; Michael R. Rosinia; George Salerno; and Joseph Scilabra.

Religious Program & Organizations: Josephine DeSerto, Chairman; Louis Moretti, Co-Chairman; Rev. Armando Pierini, C.S. Advisor; Chief Anthony Pilas; and John Spatuzza.

Bands, Marchers & Transportation: Louis H. Rago, Chairman; Dr. James F. Greco, Chairman Emeritus; Jordan Canzone.

Program & Arrangements: Domenick Difrisco, Chairman; Louis Farina; Dr. Joseph H. Dileonarde; Mrs. Theresa Petrone; Mrs. Marie Palello; Mrs. Ann Sorrentino; Joseph Bianco; Anthony Sulla; and Jerome Zurla.

Queen Contest: Fred Mazzei, Chairman; Mrs. Josephine Bianco, Co-Chairman; Ms. Anita Louise Bianco, Special Assistant; Domenick Difrisco, Advisor; Sam Bruno, Photographer; Joseph Caliendo; Ms. Mary Jane DeRosa; Steve Fiorentino; Mike Galgano; Anthony Morizzo; Mrs. Marie Palello; and Jerome Zurla.

Business & Professional: Carl DeMoon, Chairman; Anthony Terlato, Co-Chairman; Vincent Lucania, Co-Chairman; Jack Cerone; James L. Coli; Charles P. DeVito; Dominick P. Dolci; Peter Ingraffia; Albert Litterio; Dr. Frank Motto; John Paterno; Paul Paterno; Lawrence X. Pusateri; Louis Ranieri; Judge Philip Romiti; Dr. Joseph J. Sirchio; Peter Tatooles; and Amedeo Yelmini.

Parade Marshals: Marco DeStefano, Chairman; Alex Batinich; Ettore Divito; Neil Francis; Michael Palese; Chief Anthony Pilas; Ronald Marra; and Frank J. Tomaso.

Floats: Tom Ardino, Chairman; Sam J. Coco, Co-Chairman; Carlo D'Amico; Edward S. Fusek; Frank Vechiola; and Joseph Pope.

Float Personnel: Lawrence Spallitta, Chairman; Nick Bianco; Michael Galgano; Mrs. Carol Ann Lopez; Joseph Pantaleo; Mrs. Mary Spallitta; and Domenick Zagone.

Authentic Italian Costumes: Dr. Mary Ellen (Mancina) Batinich, Chairman; Mrs. Millie DeSerto, Co-Chairman; Mrs. Tena, Amico; Mrs. Norma Battisti; Mrs. Stella Boschelli; Mrs. Gene Bruno; Mrs. Maryann Cervi; Mrs. Elena Frigoletti; Mrs. Rose Galluzzo; Mrs. Jennie Giampa; Mrs. Judith Guzaldo; Mrs. Barbara Intihar; Mrs. Mary Mento; Mrs. Ann Parisi; Mrs. Marie Pedi; Mrs. Annette Salvatore; Mrs. Mary Spallitta; Mrs. Phyllis Schoene; Mrs. Aurelia Tornabene; Mrs. Angeline Tufano; and Mrs. Ann Yelmini.

Cuisine & Culture: Mrs. Ann Sorrentino, Chairman; Mario Avignone; Rudolph Leone; and Mrs. Eugenia Wells.

Labor: James E. Coli, Chairman; Thomas Siracusa; Edward Coco; John Serpico; Angelo Fosco; John Parise; and Joseph Spingola.

Public Officials: Hon. Alexander Adduci; Hon. Frank Belmonte; Hon. Elmer Conti; Hon. John D'Arco; Hon. Lawrence DiPrima; Hon. Louis Garippo; Hon. Frank Giglio; Hon. Anthony Laurino; Hon. Vito Marzullo; Hon. Lawrence Petta; Hon. Paul Ross; and Hon. Martin Russo.

WOMEN'S DIVISION

Mrs. Gene Bruno, Chairman.

WEST SUBURBAN CHAPTER, WOMEN'S DIVISION

Mrs. Louise DeBartolo, Chairman.

YOUNG ADULTS DIVISION

Mike Galgano, Chairman.

A NATIONAL DEVELOPMENT BANK: THE ANSWER TO FEDERAL RESERVE MISTAKES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the Nation's State and local governments once again are confronted with an approaching crisis in terms of being able to finance the construction of urgently needed public works and facilities.

Once again, State and local units of government are finding it extremely difficult to market long-term debt instruments to finance construction of schools, health clinics, pollution control facilities, and similar public works on terms which they can afford.

Earlier this week, the Fairfax County, Va., supervisors were forced to sell $2.9 million in school bonds at a record high tax-free interest rate of 7.05 percent.

Alexandria, Va., had to pay 6.19 percent to borrow $19.6 million in the bond market, and Prince George County, Va., is paying 6.19 percent on a $27 million bond issue. Both these tax-free interest rates are also record highs for these local governments.

This situation is being duplicated throughout the Nation.

Mr. Speaker, the high interest rate circumstances prevailing in the State and municipal bond market cannot be explained away by simply pointing to the uncertainty produced by the fiscal problems of New York City and New York State.

The Federal Reserve Board's monetary policies have much greater overall importance. The Board's restrictive monetary policies are pushing interest rates higher throughout the entire financial system of the Nation.

This is exemplified by the fact that the Board's policies have utterly failed to compensate for the massive Federal borrowing that is taking place in the open market.

As a result, State and local governments again are finding themselves having to pay intolerable interest rates to finance urgently needed public works and facilities. Some of the details in today's picture are new, but in an overall sense, this is an old and needlessly recurring story which can best be described as financial strangulation for priority areas of our economy.

It goes without saying that the situation extends beyond the State and local government bond market. Soaring interest rates on open market debt instruments are again draining deposits away from savings and loan associations and mutual savings banks, the institutions which provide the bulk of the credit for the Nation's home buying families. Thus, another blow is being dealt our crippled housing industry.

Mr. Speaker, these painfully recurring circumstances again clearly point to the need for establishment of a vehicle which will dampen the effect of the Federal Reserve's continual inability to implement and maintain monetary policies establishing and maintaining a stable economy.

In my judgment, one of the best approaches to this problem is the establishment of a national bank which would be authorized and directed to purchase and to guarantee the obligations of State and local governments as well as provide direct loans on reasonable terms for low- and moderate-income family housing and small- and medium-sized businesses—the three areas of the economy which gyrating Federal Reserve monetary policies strike first and longest. H.R. 1955, which I have introduced would achieve this purpose.

It goes without saying that a National Development Bank must be designed to restrict the assistance it would provide only to those who are credit worthy but cannot obtain needed funds on reasonable terms in any other way. Under these conditions, New York City would not qualify unless specific conditions were met to place its fiscal house in order.

But aside from that important point, the existence of a National Development Bank would mean that creditworthy State and local government borrowers, plagued by the uncertainties instilled in the municipal bond market from any source could turn to a lender of last resort.

A National Development Bank would provide a beneficial influence far beyond its ability to make direct loans through the purchase of State and local government debt obligations and to guarantee those obligations issued for sale in the open market. The mere fact that a National Development Bank could stand ready to help creditworthy State and local government borrowers would tend to create acceptance of their debt obligations on the most reasonable of terms even without direct intervention by such a bank.

The National Development Bank I am advocating could be patterned after the Reconstruction Finance Corporation which played a major role in restoring the Nation's economy during the Great Depression and marshaling the economic tools necessary to guard the Nation's industry for the all-out effort required by World War II. The bank should be capitalized at a level which would give it the stature needed to be effective. For example, it should be authorized to issue a total of $2 billion worth of stock subscribed to by the Treasury and purchased in amounts and at time the bank considers necessary to fulfill its purpose. Maximum indebtedness of the bank would be 20 times the amount of its paid-in capital. The bank would also be empowered to issue federally guaranteed obligations for sale in the open market so that it would not have to rely exclusively on tax funds. It could establish offices on a regional basis throughout the Nation and fully promote awareness of its existence and the services which it could provide to State and local government and other priority area borrowers.

THE ENERGY INDEPENDENCE AUTHORITY: THE WRONG WAY TO SOLVE OUR ENERGY PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

Mr. LAFALCE. Mr. Speaker, I rise today to sound a note of warning about the Ford-Rockefeller proposal to establish a Federal Energy Independence Authority—EIA—and provide it with some $100 billion in funds to participate in the energy research and development efforts of the Nation during the next decade. Important as this issue is, and crucial as is the need to move forward rapidly with research and development, this proposed approach to carrying out these efforts warrants, in my judgment, a quick and decent burial.

I believe that this proposal raises a number of very important issues which must be addressed as we decide how to implement national energy research and development policies. Among the issues are the following:

Accountability of Federal agencies to the President and to Congress;

Financial and budgetary honesty versus "off-budget" legerdemain;

How and when to engage in public-private "partnerships"; and

Whether or not Congress and the executive should keep energy near the top of the agenda during the next decade.

Before we endorse an ambiguous "plan" to create an agency, endow it with $100 billion to use for relatively unspecified purposes, and give it the independence apparently desired by the administration so it can, in effect, go away and come back 10 years from now with its "solution" to the problem, we should take a careful look at a number of things.

PUBLIC AUTHORITIES—GENERALLY

Public authorities—essentially publicly owned corporate bodies—are not particularly new. Originally this concept was used to finance, construct and manage a revenue-producing public facility, such as a toll bridge, tunnel or highway. In theory the revenues produced by the facility would be enough to maintain the facility and to repay the funds which were borrowed by the authority for its construction. Once the borrowings were repaid the authority would cease to exist and the tolls would be removed.

But in this century, particularly during and since the Great Depression, governments at all levels have found it increasingly more difficult to meet the demand for public and publicly assisted facilities from the normal capital budget process. To help meet the need a number of governments turned to the public authority concept and adapted it in ways not foreseen by its creators.

Thus was born the large, multipurpose authority. These agencies did not finance, construct and manage only one facility; they became involved in many. And the theoretical lifetime of these authorities was infinite as revenues from earlier facilities were pledged toward borrowings for later projects. The idea that ultimately the tolls or other charges would be reduced or eliminated was put aside, for the leverage which could be obtained by pledging those revenues against additional borrowing was more important.

The best example of this kind of large, multipurpose authority at the Federal level is the Tennessee Valley Authority, one of the largest and most successful ever devised. Yet the most pervasive and comprehensive use of the concept occurred at the State level—in New York.

PUBLIC AUTHORITIES IN NEW YORK STATE

Most of you have heard of Robert Moses, America's closest comparison to a "Masterbuilder." Moses' mind conceived very large—and very expensive—projects, but he was no dreamer. He was perhaps the most adept public official there ever was at taking plans from the dream stage to actual construction. He did not just build, he found the money and, when necessary, created the governmental machinery with which to raise and spend the money. He would use any technique possible, but one of his favorites was the public authority.

Prior to Moses, New York had had a few small authorities set up and operating along the lines of the original concept. After nearly 40 years during which Moses was a force to be reckoned with in State and city government, there were almost 40 public authorities with regional or Statewide jurisdiction. Almost all of them were multipurpose-type authorities; the largest of them, including the Triborough Bridge and Tunnel Authority and the State Power Authority, regularly reported financial dealings in the billions of dollars. Robert Moses created and controlled both of these authorities—at the same time.

If there is one man, however, who has a claim to having put the authority concept to even more innovative use than Moses, that man is our current Vice President, NELSON ROCKEFELLER. Inasmuch as Mr. ROCKEFELLER is credited with devising the proposed Energy Independence Authority, it is relevant to review what he did at the State level during his 15 years as Governor of New York.

THE ROCKEFELLER ERA IN NEW YORK

Governor ROCKEFELLER's first few years in office—phase I—was the "pay-as-you-go" period. Renouncing almost all credit approaches to financing State needs, even capital needs, his administration went beyond even a traditional American family's approach to finance—almost all of us have a mortgage on our home. He forsake using borrowing authority which had been approved by the State's voters at referendum, refusing to use bonding authority which would have provided funds at an interest rate which would make most of us green with envy today—less than 3 percent.

But NELSON ROCKFELLER's background—one of his first jobs was to supervise the development of Rockefeller Center in Manhattan; he was also intimately involved in putting together the arrangements for the site for the United Nations headquarters—and the growing demand for capital facilities in the State, brought about the demise of the "pay-as-you-go" philosophy. Phase II—the big plans period—commenced.

ROCKEFELLER came up with financing approaches which were immensely intricate and new, and he also used older techniques to an extent unprecedented in the past. One was called the "moral obligation bond." This was used to make the bonds of an authority marketable when the projects the authority was designed to develop themselves did not give adequate collateral to support investor confidence in the bonds. So these bonds were given the "moral backing" of the State, even though the debt represented by the bonds had not been approved by the voters and, by the late sixties and early seventies, far exceeded the voter-approved constitutional debt of the State.

This was an "off-budget" gimmick which circumvented the State constitution's prohibition against excessive borrowing.

Arthur Levitt, who was reelected last year to his sixth term as New York State Comptroller, has had the opportunity to study this situation longer and in more depth than anyone. He has consistently pointed out the risks of using the authority concept to excess, and particularly the "hidden debt" created by use of the "moral obligation" approach. His reports in recent years are illuminating.

In January of 1973 Levitt titled a report "The Debt-Like Commitments of the State of New York." His choice of words itself is of interest. He found that the State's full faith and credit—that is, voter-approved "constitutional" debt—was less than $3.4 billion. But the "off-budget" debt of the authorities and similar agencies came to over $5.6 billion, over 60 percent of New York's total potential liability.

When times were good the risk seemed minimal. The authorities' bonds were selling; investors were confident. But ours is, after all, a cyclical economy. The recent downturn, more severe than most, brought the crunch to New York's financial house of cards.

The New York State Urban Development Corporation, one of ROCKEFELLER's "pet" agencies which had, indeed, accomplished a good deal since its creation in 1968, was one of the "moral obligation" authorities, and a big one. Already suffering from the moratorium on Federal housing subsidies, the economic climate was the last straw and the inherent weakness of the "moral obligation" technique was exposed for all to see.

The State had to back UDC up when investors refused to purchase more bonds. And, given the additional uncertainties in the municipal bond market caused by the New York City crisis, it is not unlikely that additional State support for a number of the authorities will have to follow. The chicken has come home to roost.

FEDERAL OFF-BUDGET AGENCIES

The Federal Government has not been totally true to the idea that Government or Government-backed financing should be reflected in the budget. There are a number of Federal agencies, federally sponsored private institutions, and Federal programs which guarantee private borrowing which are not reflected in the budget. Yet, according to the Congressional Research Service, they have a large impact on the Nation's financial markets.

The debt created by these agencies and programs—which totalled $25.5 billion in fiscal year 1973—is not subject to the statutory debt limitation even though this federally backed debt can and does achieve priority status in the credit market because of the Federal backing.

Use of the "off-budget" concept at the Federal level began very recently, in 1971, when the Export-Import Bank was excluded from the budget. Since then a number of other agencies, including the Postal Service, have been removed.

The growth of the use of this off-budget concept since it began in 1971 has been huge—some 271 percent—versus a 16-percent increase in the unified budget—in terms of outlays from fiscal year 1971 to fiscal year 1974. A number of concerns arise over this practice.

HIDDEN DEFICITS

The Congressional Research Service estimated that if the operations of the "off-budget" agencies and programs had been included in the unified budget during fiscal year 1974 the announced deficit of $3.5 billion would have been $20.9 billion. In other words, $17.4 billion in debt for which the Federal Government is ultimately responsible was created that year outside the debt ceiling. Not a lot, perhaps, given the size of the national debt. But the first use of this technique in New York was not particularly significant either.

Congress has enacted new budget procedures designed to insure that we are completely aware of the ramifications of our actions in approving appropriations bills. Should we not be aware of everything that has an effect on our budget situation—anything which can add to the actual Federal deficit, as these off-budget agencies have been shown to do?

CREDIT ALLOCATION

Perhaps even more significant than the fact that these agencies and programs can affect the Federal deficit is the impact they make on the credit markets of the Nation. I quote from the Congressional Research Service's report on these agencies and programs:

> Much of the growth of federal borrowing has occurred in order to operate credit programs which provide credit to groups which either could not otherwise obtain it, or could not get it at a reasonable price. This was done for what was deemed socially, politically or economically desirable purposes which the private sector could not accomplish at an acceptable cost. Therefore, over the years a host of federal credit programs has grown up to serve a variety of groups. The result to a significant degree is an allocation by the federal government of a large portion of the nation's credit with no clear, publicly debated overall strategy.

To be sure, many of the programs set up to use the credit-worthiness of the Federal Government are very important to the social fabric. And it is equally clear that in many of these instances the normal operations of the private sector would exclude or severely limit the access of these worthwhile activities to funds.

I have no particular problem with the concept of extending the power of the Federal Government to useful programs which cannot raise needed funds alone, Mr. Speaker. But I do feel that Congress owes it to itself and to the Nation to know what it is doing when it sets up programs of this kind and to know what effect it will have, individually and as part of a large group of such programs, on the credit markets of the country. For there is a national interest in preserving the stability of those markets, and there is also a national interest, perhaps slightly less compelling, to try to make sure that all causes have at least some access to the market. Our free enterprise system, after all, is based on the concept that open competition for support will result in the best products and services for the lowest costs.

THE POTENTIAL IMPACT OF THE ENERGY INDEPENDENCE AUTHORITY

Everyone in Washington is aware, I believe, of the importance of dealing with the energy issue during the coming years. We have a long way to go to even approach energy independence, a goal which warrants being pursued not only because of the international political situation but also because, in coming generations, the world's energy supply system itself will have to undergo radical transformation as we run out of fossil fuels.

In the short run we will have to reduce consumption and try to find ways to spread the hardships which may occur in doing that. We will have to make major policy decisions about our energy research and development priorities.

These are hard questions—issues which we, as the Nation's policymaking body, must face. How does the EIA proposal affect these questions and other important national issues?

MEETING NATIONAL GOALS

In 1961 the newly elected President, John F. Kennedy, enunciated a national goal—to put a man on the Moon by the end of the decade. Getting a man to the Moon, of course, was symbolic in part; the President was really saying that the United States should get into space development in a big way. That national priority decision was questioned then by some who felt that other issues were more important, but the decision was put to Congress and we all know the results.

How did we choose to meet this goal? We did not set up an authority to do it. Rather, NASA was created and was told to act within the normal budget and appropriations processes. Did this impair the effort? I do not think so. In fact, it can be said that going through that rigorous process may well have made the program more efficient than it would have been if the experts had been told, as the EIA proposal would have us do in the energy situation, to take a massive sum of money, go away, and come back in 10 years with a "solution."

And in the interim Congress and the Executive had a continuing say in what our space priorities should be. Each year new nuances were reviewed, new directions explored.

My point, simply put, is that national goals can be achieved through the established process and that process can, through its continuing review of priorities, actually improve performance and effectiveness.

ACCOUNTABILITY AND RESPONSIBILITY

The Ford-Rockefeller proposal for an EIA calls, in effect, for this Congress to abdicate its responsibilities in the energy research and development field. We are asked to authorize authority—which, we will be told, will not suffer from bureaucratic malaise—and give it sufficient borrowing capacity so it will have $100 billion to work, on its own and in "partnership" with private enterprise, on energy research and development during the next decade.

I suggest, Mr. Speaker, that, like war, energy development is too important to be left to the "experts." Congress is the Nation's sounding board where the interests of a large and pluralistic society can be aired and compromised. The priority decisions which need to be made—should we concentrate more resources on nuclear energy or solar energy? Is coal more important than oil shale? And so forth—are ones over which reasonable men can and probably will differ. The place to settle these differences is in Congress, not behind the doors of an independent authority's offices.

Resource allocation is one of the Government's most important functions. It is almost incredible that President Ford, supposedly a fiscal conservative, would propose that we set up an independent agency, with far less of the usual Executive and congressional review than other agencies, to allocate $100 billion of our gross national product during the next 10 years.

NASA and our space program was accountable to the President and the Congress and achieved its goals. So can our energy research and development effort.

CREDIT ALLOCATION

Giving a Federal agency, particularly one which is less than fully responsible to the Executive and Congress, $100 billion in borrowing authority, is extremely risky and may well be very disruptive. What will happen is that the agency will borrow these funds from the general market and reloan or otherwise invest them in a much more specific market. This is credit allocation no matter what name you give it.

And this is credit allocation without the justification which exists for the other kinds of Federal "off-budget" activities I discussed before. For in many—most—of those instances the private sector is unable to supply as much financing as the perceived national need requires. But in this case, the energy industry has not even asked for this special treatment. Almost all credit market experts agree that there will be ample credit available for almost all segments of the energy field—electric utilities may be the one exception. So we do not face a situation where it is likely that insufficient resources will be available for a clear national purpose. Rather, the credit will be there in the normal course, without disrupting the credit market and diluting other investment opportunities by making energy so special—a Federal guarantee is as close as one can get to a sure thing—that others suffer by comparison.

PUBLIC/PRIVATE PARTNERSHIP

There are instances where a joint venture between Government and private enterprise makes sense. But the potential for abuse and favoritism is always there, and we should be very careful, in my judgment, to make sure the need is so overriding that the risk of abuse is justified.

Here we are asked to authorize an independent authority to spend up to $100 billion—400 times larger than the Lockheed loan guarantee—in partnership with one of the most profitable industries in the country. I for one cannot see my way clear to providing this much money, at low federally guaranteed interest rates, to an industry which needs help so little. Rather, I think Congress should appropriate those amounts needed to start research going in areas where private capital is unwilling or unable to go and take these aspects of the program to the point where the private sector will take over. We have done this in the past and we can again, and without sacrificing time.

CONCLUSION

Mr. Speaker, I have gone to great length to present my analysis of the Energy Independence Authority because I feel very strongly that serious consideration of this proposal would be a mistake. It would take up valuable time which could be put to a more useful purpose.

But I have also gone into such depth because, as a former member of the New York State Legislature, I have had experience with proposals of this kind before.

An extremely wise philosopher once said that those who do not learn from history's mistakes are doomed to repeat them. I am aware of the mistakes in New York's history and I learned from them. I have elaborated them today, Mr. Speaker, in the hopes that my colleagues will benefit from the history I have outlined and join me in making sure that we do not repeat, on a grand scale, the mistakes which are endemic in the house of cards which was built in New York.

BOYCOTTING ISRAEL AND CONGRESSIONAL OVERSIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Moss) is recognized for 5 minutes.

Mr. MOSS. Mr. Speaker, in a statement following yesterday's action sending civilian technicians to the Sinai, I offered the reminder that the Sinai peace proposal offers no guarantee that the Arab boycott will end and that American firms will no longer be requested to support that boycott against Israel—page 32416 of October 8 CONGRESSIONAL RECORD.

I also took that occasion to stress the need for congressional oversight to determine whether U.S. policy and laws are being violated by these practices and, if so, to what extent.

By the terms of the boycott, American firms, in order to do business with Arab nations, are being required to refrain from doing business with Israel, or with other firms who do business with Israel or firms which have persons of the Jewish faith as members of their boards of directors or with controlling stock interests. On their face, these practices are clearly violative of the fundamental American concepts of free trade and freedom from religious discrimination.

A recent editorial in the Los Angeles Times underscored the importance of congressional oversight regarding this matter and the seriousness of the Secretary of Commerce's refusal to comply with a subpena issued by the Oversight and Investigations Subcommittee for information on the boycott.

With the permission of my colleagues, that editorial follows:

BOYCOTTING ISRAEL—AND U.S. POLICY

American policy, stated in law, specifically opposes restrictive trade practices or boycotts imposed by foreign countries against other countries friendly to the United States. U.S. law also forbids secondary boycotts.

Congress thinks there may be violations in both of these areas of law in the way the Arab boycott of Israel impinges on American business activity. It is seeking information to shed light on these matters, but its search has run head on into a roadblock erected by the Ford Administration.

Evidence has come to light that the Commerce Department—contrary to explicit policy—has on occasion cooperated with the Arab boycott of Israel by transmitting to American businessmen requests for information that would support the boycott, and possibly adversely affect other U.S. businesses.

The department admits that this has happened, but says that no useful purpose would be served if it refused to act as a channel for Arab-boycott information. The contradiction between policy and practice seems self-evident, to everyone except the Commerce Department.

In an effort to find out just what's going on, the House Commerce Committee has subpoenaed from the department the list of all American companies that have been asked to support the Arab boycott. Commerce Secretary Rogers C. B. Morton has refused to comply with the subpoena, citing an opinion by Atty. Gen. Edward H. Levi that the confidentiality of the information requested is protected by law.

Rep. John E. Moss (D-Calif.), chairman of the commerce subcommittee immediately involved in the confrontation, doesn't agree. He correctly argues that the questions here are whether U.S. law is being upheld and whether the executive branch can withhold from Congress information necessary to determining if and how well laws enacted by Congress are being enforced.

The answer to the second question is clear: Congress must have the information it has asked for. When it gets it, we will know the answer to the first question of how well U.S. laws are being enforced.

LEGISLATION TO AMEND THE FAIR LABOR STANDARDS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 5 minutes.

Mr. DENT. Mr. Speaker, I am today introducing a bill to amend the Fair Labor Standards Act to increase the Federal minimum wage rate, to provide for greater compensation for overtime hours worked, and to phase out and ultimately repeal the provision of existing law which generally limits tipped employees to the receipt of only one-half of the applicable minimum wage. The bill increases the minimum wage rate, in graduated steps, to $3 an hour, and provides that increases thereafter will be pegged to cost-of-living changes as reflected by the Consumer Price Index. This feature will, at the same time, bring the statutory rate in to some accord with the dramatic erosion of the dollar since the 1974 amendments first became effective, and insure that minimum wage earners will no longer be dependent upon the ability or proclivity of the Congress to react to the economic realities of their plight; but rather, will have the integrity of their wages protected by a mechanism upon which we currently rely to secure the retirement benefits of our Federal employees.

The overtime compensation adjustment is a response to our high rate of unemployment and is designed solely to promote employment by discouraging the continued reliance of employers on overtime hours of work in lieu of expanding their workforces. The "tip credit" repeal is simply a recognition that all workers, be they tipped employees or not, are entitled at least to the minimum wage rate, and should not be expected to supplement their employers' obligations by the rewards from their own personal and gratuitous services.

The Subcommittee on Labor Standards has scheduled hearings on this measure for October 21–23, and we hope to expedite its consideration consistent with both fairness and feasibility. For the benefit of all interested parties, a copy of the introduced bill follows my remarks at this point in the RECORD:

H.R. 10130

A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that Act, to provide for an automatic increase in such wage rate based on increases in the price index, to require an overtime rate equal to two and one-half times the regular wage rate, and to reduce and then repeal the credit against the minimum wage which is based on tips received by tipped employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Fair Labor Standards Amendments of 1975".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201–219).

STATUTORY INCREASE IN MINIMUM WAGE

SEC. 2. (a) Section 6(a)(1) (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) not less than $2.30 an hour during the period ending June 30, 1976, not less than $2.65 an hour during the period beginning July 1, 1976, and ending December 31, 1976, and not less than $3 an hour after December 31, 1976, except as otherwise provided in this section;".

(b) Section 6(a)(5) (29 U.S.C. 206(a)(5)) is amended to read as follows:

"(5) if such employee is employed in agriculture, not less than—

"(A) $1.80 an hour during the year beginning January 1, 1975,

"(B) $2 an hour during the period beginning January 1, 1976, and ending June 30, 1976,

"(C) $2.35 an hour during the period beginning July 1, 1976, and ending December 31, 1976,

"(D) $2.60 an hour during the year beginning January 1, 1977, and

"(E) $3 an hour after December 31, 1977, except as provided in subsection (g)."

(c) Section 6(b) (29 U.S.C. 206(b)) is amended to read as follows:

"(b) Every employer shall, except as provided in subsection (g), pay to each of his employees (other than an employee to whom subsection (a)(5) applies) who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, and who in such workweek was brought within the purview of this section by the amendments made to this Act by title IX of the Education Amendments of 1972 or by the Fair Labor Standards Amendments of 1974, wages at the following rates:

"(1) Not less than $2 an hour during the year beginning January 1, 1975.

"(2) Not less than $2.20 an hour during the period beginning January 1, 1976, and ending June 30, 1976.

"(3) Not less than $2.50 an hour during the period beginning July 1, 1976, and ending December 31, 1976.

"(4) Not less than $2.75 an hour during the year beginning January 1, 1977.

"(5) Not less than $3 an hour after December 31, 1977."

Cost-of-Living Adjustment in Minimum Wage

Sec. 3. (a) Section 6 (29 U.S.C. 206) is amended by adding at the end the following new subsection:

"(g)(1) The wage rates prescribed by subsections (a) and (b) shall be adjusted as follows:

"(A) After January 1, 1977, the wage rate prescribed by subsection (a)(1) shall be adjusted as follows: Effective the first day of the third month that begins after the percent change in the price index equals a rise, after December 31, 1976, of at least 3 percent for 3 consecutive months over the price index for the base month, the wage rate prescribed by subsection (a)(1) or that rate as adjusted in accordance with this subparagraph, whichever is applicable, shall be increased by 1 percent plus the percent rise in the price index (calculated on the highest level of the price index during the 3 consecutive months) adjusted to the nearest 1/10 of 1 percent.

"(B) Effective on and after January 1, 1978, the wage rate in effect under subsections (a)(5) and (b) shall be the wage rate prescribed by subsection (a)(1) as adjusted under subparagraph (A).

Each month the Secretary shall determine the percent change in the price index.

"(2) For purposes of paragraph (1) of this subsection—

"(A) The term 'price index' means the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics of the Department of Labor.

"(B) The term 'base month' means the month in which the Fair Labor Standards Amendments of 1975 were enacted or a subsequent month for which the price index showed a percent rise forming the basis for a cost-of-living adjustment under paragraph (1)."

(b)(1) Section 6(c)(1) (29 U.S.C. 206(c)(1)) is amended by inserting ", as adjusted in accordance with subsection (g)," after "this section".

(2) Section 6(c)(5) (29 U.S.C. 206(c)(5)) is amended by inserting ", as adjusted in accordance with subsection (g)," after "subsection (a) or (b)" and after "such subsection".

(3) Section 6(f) (29 U.S.C. 206(f)) is amended by inserting ", as adjusted in accordance with subsection (g)," after "section 6(b)".

OVERTIME COMPENSATION

Sec. 4. Effective with respect to workweeks beginning on or after July 1, 1976, sections 7, 13(b), and 13(h) (29 U.S.C. 207, 213(b), 213(h)) are each amended by striking out "one and one-half times" each place it occurs and inserting in lieu thereof "two and one-half times".

TIP CREDIT

Sec. 5. (a) Effective on the first day of the second full month which begins after the date of the enactment of this Act, the next to last sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "50" and inserting in lieu thereof "25".

(b) Effective one year after the effective date of the amendment made by subsection (a), the last two sentences of section 3(m) are repealed.

WAYS AND MEANS HEARINGS ON SUPPLEMENTAL SECURITY INCOME PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, in cooperation with the Public Assistance Subcommittee which has been developing legislation to improve the supplemental security income program for the aged, blind, and disabled, the Ways and Means Oversight Subcommittee will hold the second in its series of SSI hearings on Monday, October 20, 1975.

As in the first hearing, the October 20 hearing will be chaired by the subcommittee's ranking majority member, the Honorable Sam Gibbons of Florida.

The subcommittee will again hear from Social Security Administration officials and will concentrate on staffing and outreach problems. The hearing room and time will be announced at a later date.

Copies of the subcommittee's first volume of SSI hearings are available through the subcommittee's office, 1539 Longworth House Office Building, Washington, D.C. 20515.

IN HONOR OF COLUMBUS DAY 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, I want to take this opportunity to remind my colleagues of the major national holiday which this Nation will be celebrating on Monday, October 13, Christopher Columbus Day. I take this time to reflect upon Christopher Columbus, because I believe that the spirit and destiny of this man have a very special message for all of us during this period when the problems facing our Nation seem so overwhelming.

I believe that this year our Columbus Day celebration should serve as a day for reaffirmation by the American people of their faith in the future, their ability to meet the challenges of the unknown, and their can-do spirit which sustained Columbus in 1492, strengthened the Founding Fathers in 1776 and cannot help but revive us in 1976. Let us celebrate the spirit of adventure and ethnic diversity that made this country great. Let us conquer the fear of the unknown and explore the uncharted course of the future just as Christopher Columbus conquered fear and ignorance as he sailed the Atlantic to the discovery of a new land, rich beyond his wildest dreams.

To combat the worst recession in 40 years, to deal with high unemployment, and high prices at the same time, to adjust our economy and our foreign policy to the new realities of international economics, to preserve our environment and at the same time develop new sources of energy, will call for an effort of historic proportions from our public servants, and unselfish sacrifice from all our people.

Mr. Speaker, we have much to be done, but I believe we are equal to the task. I believe that we can call once again on the bold and daring spirit which impelled a navigator from Genoa, with Spanish officers and boatloads of Portuguese sailors, across an unknown ocean in search of a dreamed-of land. We can call upon the rich tapestry of diverse ethnic backgrounds, education, and experience which created and maintained this land to rescue us from our current woes and keep our course on a brighter tomorrow.

Mr. Speaker, I am proud to have authored the legislation which created Columbus Day and am equally proud of the countless contributions made throughout our history by Americans of Italian heritage. But the Columbian legacy is much more than a source of pride for Italo-Americans; it has been a gift to all Americans. We are all sons and daughters of Columbus who carry his spirit, courage, and fortitude through to this day.

REINTRODUCTION OF FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Vigorito) is recognized for 10 minutes.

Mr. VIGORITO. Mr. Speaker, I am reintroducing today, with an expanded number of cosponsors, a revised version of the bill to encourage the direct marketing of agricultural commodities from farmers to consumers.

The bill introduced today is the amended version of H.R. 7488, as approved on Tuesday of this week by the Subcommittee on Domestic Marketing and Consumer Relations of the House Agriculture Committee.

I am taking this opportunity briefly to discuss the subcommittee action on the bill, and also to make a few points about what the bill would, and would not, do.

Tuesday's subcommittee action, in my view, perfected and improved the bill in several ways. One significant change was the inclusion of the State departments of agriculture, along with the extension service of the U.S. Department of Agriculture, as the two agencies within the States responsible for carrying out technical and other assistance for direct marketing that is authorized by the bill. Since on a State-by-State basis both the State departments of agriculture and the extension service have experienced personnel in the area and are in a position to assist with farmer-to-consumer marketing, it is only logical to involve both of them.

The bill as reintroduced today retains its essential purposes: to provide a measure of primarily technical assistance to private individuals and groups in order to assist direct marketing of fruits and vegetables and other food commodities, in a manner calculated to increase financial returns to farmers and to reduce the cost and increase the quality of food to consumers.

Given those purposes, however, it is important not to balloon out of proportions the type of impact that should realistically be expected from the bill.

One would anticipate that the preponderance of direct marketing on which this bill has an impact will involve fresh, unprocessed fruits and vegetables. Furthermore, those fruits and vegetables will be mostly in-season produce, from smaller farms that are within shortdistance trucking range of towns or cities of substantial size.

Certainly the direct marketing that results from this bill will operate within the context of the complex system through which food is prepared, transported, and marketed in the United States. There is nothing in the bill that ignores the demands and essential functions of that system, or that envisages change in it in any fundamental way. No doubt the overwhelming proportion of farm produce, including fresh and processed fruits and vegetables, will continue to move through the regular commercial channels of trade.

The successful operation of a direct food marketing facility within a town or city can have beneficial side effects for the business community. For example, such a market can attract people into the downtown shopping district, thus stimulating retail trade. Farmers markets in Louisville, Ky., and Syracuse, N.Y., are instances where downtown business has benefited from such marketing operations.

The bill is, of course, completely voluntary as to whether any particular farmer elects to market any part of his produce directly to consumers. Most farmers have neither the time nor the inclination directly to market their produce, and will continue to market through regular commercial outlets.

At the same time, this bill can have quite substantial, beneficial effects. It can allow smaller farmers whose farms are interspersed with urban concentrations throughout the more populated areas of the country, in particular, to stay in business, by providing backup assistance to help them to market their produce directly. It can allow more consumers to purchase fresh, field-ripened produce, often at lower prices than are otherwise available.

Furthermore, although the bill places primary reliance upon private individuals and groups to take initiatives toward new methods of direct marketing, on a self-sustaining basis, it encourages flexibility and innovation in those instances where direct marketing appears to be feasible and beneficial.

Mr. Speaker, I am convinced that those who are involved in every stage of the food marketing system, from the farmer to the consumer, are served by the legislation that I am reintroducing, with cosponsors, today.

COSPONSORS

Mr. Vigorito (for himself, Mr. Baldus, Mr. Bergland, Mr. Bowen, Mr. Breckinridge, Mr. Brown of California, Mr. D'Amours, Mr. English, Mr. Fithian, Mr. Harkin, Mrs. Heckler of Massachusetts, Mr. Jeffords, Mr. Jenrette, Mr. Jones of Tennessee, Mr. Litton, Mr. Melcher, Mr. Mezvinsky, Mr. Nolan, Mr. Peyser, Mr. Richmond, Mr. Rose, and Mr. Weaver).

Text of the bill:

H.R.—

A bill to encourage the direct marketing of agricultural commodities from farmers to consumers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farmer-to-Consumer Direct Marketing Act of 1975".

FINDINGS AND PURPOSES

Sec. 2. (a) The Congress finds that—

(1) direct sales from farmers to consumers of fresh or processed farm produce and commodities can improve the markets of and financial returns to farmers, assist small-scale farmers in becoming economically viable, and improve the quality and reduce the cost of foods to consumers;

(2) because of increased transportation and fuel costs, consumer preferences for fresh or natural foods, increased prices of food marketed through conventional retailing channels, and other reasons, there is an enhanced interest among farmers and consumers for direct farmer-to-consumer marketing channels;

(3) there is a need to provide information, technical assistance, and other assistance to individuals and groups undertaking the establishment and operation of traditional methods of direct marketing from farmers to consumers; and

(4) there is a need for planning, incentives, and other assistance to develop innovative commercial arrangements that can facilitate, on a continuing basis, the interface of farmers as sellers and consumers as buyers for their mutual benefit.

(d) It is the purpose of this Act to foster and promote, through appropriate means on an economically sustainable basis, the development and expansion of both traditional and innovative approaches to direct marketing of agricultural commodities from farmers to consumers. To accomplish this objective, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall initiate and coordinate a program, which includes the activities described in sections 4 through 7, designed to facilitate direct marketing from farmers to consumers for the mutual benefit of consumers and farmers.

DEFINITION

Sec. 3. For purposes of this Act, the term "direct marketing from farmers to consumers" shall mean the marketing of agricultural commodities at any marketplace (including, but not limited to, roadside stands, city markets, and vehicles used for house-to-house marketing of agricultural commodities) established and maintained for the purpose of enabling farmers to sell (either individually or through a farmers' organization directly representing the farmers who produced the commodities being sold) their agricultural commodities directly to individual consumers, or organizations representing consumers, in a manner calculated to lower the cost and increase the quality of food to such consumers while providing increased financial returns to the farmers.

SURVEY

Sec. 4. The Secretary shall provide, through the Economic Research Service of the United States Department of Agriculture, or whatever agency or agencies the Secretary considers appropriate, a continuing survey of existing methods of direct marketing from farmers to consumers in each State. The initial survey, which shall be completed no later than one year following the date of enactment of this Act, shall include the number and types of such marketing methods in existence, the volume of business conducted through each such marketing method, and the impact of such marketing methods upon financial returns to farmers (including their impact upon improving the economic viability of smaller farmers) and food quality and costs to consumers. This survey shall be updated every five years.

TRADITIONAL METHODS OF DIRECT MARKETING FROM FARMERS TO CONSUMERS

Sec. 5. (a) In order to foster and promote the establishment and operation of traditional methods of direct marketing from farmers to consumers, the Secretary shall provide that funds appropriated to carry out this section be utilized by State departments of agriculture and the Extension Service of the United States Department of Agriculture for the purpose of conducting or facilitating activities which will initiate, encourage, develop or coordinate methods of direct marketing from farmers to consumers within or among the States. Such funds shall be allocated to a State on the basis of the feasibility of direct marketing from farmers to consumers within that State as compared to other States and shall be allocated within a State to the State department of agriculture and to the Extension Service on the basis of the types of activities which are needed in the State and on the basis of which of these two agencies, or combination thereof, can best perform these activities. The activities shall include, but shall not be limited to—

(1) sponsoring regional and statewide conferences within each State which are designed to facilitate the sharing of information (among farm producers, consumers, and other interested persons or groups) concerning the establishment and operation of direct marketing from farmers to consumers;

(2) compiling laws and regulations relevant to the conduct of the various methods of such direct marketing within the State, formulating drafts of enabling legislation needed to facilitate such direct marketing, determining feasible locations for additional facilities for such direct marketing, and preparing and disseminating through appropriate means (including mass communication media and conferences as described in paragraph (1) of this section) practical information on the establishment and operation of such direct marketing; and

(3) providing technical and other assistance for the purpose of aiding interested individuals or groups in the establishment of arrangements for direct marketing from farmers to consumers.

(b) In the implementation of this section, the Secretary shall take into account consumer preferences and needs which may bear upon the establishment and operation of arrangements for direct marketing from farmers to consumers.

INNOVATIVE METHODS OF DIRECT MARKETING FROM FARMERS TO CONSUMERS

Sec. 6. (a) The purpose of this section is to foster the development of innovative farmer-to-consumer marketing arrangements and networks designed to encourage the interface of farmers and consumers, including organized farmers and consumers, on a sustainable basis, for the purposes of facilitating direct marketing from farmers to consumers.

(b) To achieve the purpose of this section, the Secretary shall foster activities including, but not limited to, the establishment of—

(1) bona fide cooperative enterprises, for the benefit of farmers and consumers, which are designed to enhance a sense of identification, participation, and an economic stake in the enterprise on the part of individual farmers and consumers;

(2) arrangements for organizations of farmers and consumers, acting jointly or otherwise, to contract with processors for the preparation of farm commodities which require processing prior to their sale directly from farmers to consumers;

(3) methods and procedures to facilitate the interface of organized farmers and consumers (including food buying organizations), on an economically stable and routine basis, for the purpose of providing for the direct sale of farm commodities to consumers; such methods and procedures may include the following: joint planning between farmers, labor unions, and other consumer groups; contractual arrangements between farmer and consumer groups; joint ownership of physical facilities used in the direct marketing from farmers to consumers; and single corporate organizations with joint representation of farmers and consumers on the policymaking bodies of such organizations; and

(4) methods of cooperation among farmers involved in direct marketing of agricultural commodities to consumers within a State or across State boundaries, including the development of—

(A) facilities at which farmers may pool their agricultural commodities for the purpose of having them sold directly to consumers;

(B) methods for moving agricultural commodities from one marketing area to another for the purpose of affording greater balance of supply and demand; and

(C) methods whereby marketplaces engaged in direct marketing from farmers to consumers may legally associate with one another for the purpose of developing a common label by which they can market their produce, and for other purposes.

(c) Within three years of the date of enactment of this Act, the Secretary shall establish and maintain, under the auspices of the Farmer Cooperative Service of the United States Department of Agriculture, at least five distinctively different projects involving the formation of innovative methods of direct marketing from farmers to consumers. These projects shall be established in different regions of the United States and shall be concerned with different economic and social situations. In carrying out such projects, the Administrator of the Farmer Cooperative Service—

(1) shall consult and cooperate with the Bank for Cooperatives, the Extension Service of the United States Department of Agriculture, State departments of agriculture, the United States Department of Health, Education, and Welfare, and any Federal agency hereafter established which is charged with the promotion of consumer interests within the Government; and

(2) is authorized, for the purpose of administering projects developed under this section, to enter into contracts with, and make grants to, public or private nonprofit agencies or organizations, agencies of a State government or a political subdivision of a State, or a combination of such political subdivisions; the Administrator is authorized to prescribe and amend regulations which are necessary to administer effectively such contracts and grants.

(d) In the implementation of this section, the Secretary shall take into account consumer preferences and needs which may bear upon the establishment and operation of arrangements for direct marketing from farmers to consumers.

ANNUAL REPORT

Sec. 7. The Secretary shall periodically review the activities carried out under sections 4, 5, and 6 of this Act and shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate, within one year of the date of enactment of this Act, and annually thereafter, with respect to the effectiveness of this Act. The Secretary shall include in such report at least a State-by-State summary of the results of the survey conducted under section 4 of this Act, a summary of the activities and accomplishments of the Extension Service and the State departments of agriculture in the development of direct marketing from farmers to consumers during the previous year, and a description of activities carried out by the Secretary during the previous year to develop innovative farmer-to-consumer cooperative marketing arrangements (including the status of projects under contract with the Farmer Cooperative Service).

AUTHORIZATION OF APPROPRIATIONS

Sec. 8. (a) For purposes of carrying out the provisions of sections 4 and 7, there are authorized to be appropriated such sums as are necessary.

(b) For purposes of carrying out the provisions of section 5, there is authorized to be appropriated $1,500,000 for each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978.

(c) For purposes of carrying out the provisions of section 6, there is authorized to be appropriated $1,000,000 for each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978.

FREEING NORTHERN IRELAND FROM BRITISH CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ZEFERETTI) is recognized for 10 minutes.

Mr. ZEFERETTI. Mr. Speaker, for several long centuries, the people of Ireland have lived under foreign domination in the form of British rule. Throughout that period, the Irish have had to struggle bitterly and at times violently for the enjoyment of liberties and rights that any democracy takes for granted.

From the very first moment of British domination, the Irish people have fought to be masters of their own house. Generations of patriots have shed their blood and laid down their lives for this principle. In the face of this determined resistance, the British have responded with repression, military rule, and overt discrimination against the Irish in their own lands.

For centuries, Irish men and women were not allowed to practice their own religious faith freely. A foreign state church was imposed upon them, and they were forced to support it financially. A landed British aristocracy exploited Irish resources, oppressing the common people of that land, with an all-encompassing indifference to the consequence to their policy. Privation beset these Irish people, and the centuries of British rule are littered with the bones of hundreds of thousands of Irish who died as a result of this.

Again and again, these people rebelled, seeking only a chance to live as a free people. Again and again, the British put down these rebellions, drowning them in a sea of fire, and blood.

England's insensitivity has been matched and exceeded only by Ireland's determination to be free. Southern Ireland has achieved some measure of freedom. Eamon De Valera went to his grave with his fondest dream unfulfilled; a totally free and unified Ireland. Today, Britain still rules those six of divided Ulster's nine counties known as Northern Ireland. The Roman Catholics of that area still face the same discrimination and oppression that their forebears bared and endured in past centuries. Today, British military rule oppresses these people despite the outrage of the Western world. British troops roam the streets of Northern Ireland's towns and cities, suppressing full political expression. The detention policy, odious to all civilized men and women, still detains thousands of Irish citizens in violation of all accepted rules of law.

The U.S. Government has maintained a steadfast silence in the face of this situation. By our silence, our Government lends de facto support to Britain's policy in the North. Such a continued refusal to stand up for what is right is unacceptable to me and to the overwhelming majority of Americans. Should the United States vigorously protest these policies, Britain would have to relax them, and allow some type of plebiscite for all Ireland that would change the situation drastically. Until we move, there will be no change. And, we have it within our power to do something.

Therefore, I am introducing a sense of the House resolution that calls for self-determination for Northern Ireland. It is a no-nonsense expression of how Americans feel, and it is my fervent hope that it will commend enough support here to make an impression upon the administration, the State Department in particular, and the British Government. These people have a right to determine for themselves the form of government they wish.

As of today, they have no such freedom, and it remains a mockery of democracy for Britain and the United States to continue mouthing the catch phrases of liberty while continuing to support or carry through the aforementioned policies.

DR. ARMEN SARAFIAN—DISTINGUISHED EDUCATOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, on October 23, 1975, Dr. Armen Sarafian, president of Pasadena City College and a personal friend of mine, will be honored at a testimonial luncheon on the occasion of his retirement after 10 years of distinguished service to Pasadena City College. Not only will Pasadena City College lose an able and dedicated leader, but the field of education is losing one of its most vigorous participants. It is only fitting that such service should be recognized.

As an educator for more than 27 years, Dr. Sarafian has contributed much to the young people and the communities of southern California. He has taught at 12 different colleges and universities, including UCLA, USC, Occidental College, the Claremont Colleges, and California State University at Los Angeles. In addition to his active role as an instructor in the classroom, he has taken part in the formulation and structuring of higher education in California as a member of the Select Committee on Restudy of the California Master Plan on Higher Education. The high standard of California higher education is due to such men as Dr Sarafian.

But, higher education has not been the sole field of his endeavors, he has also been a leader in community affairs. Dr. Sarafian has served as president-elect of the Pasadena Chamber of Commerce and as president of the California Conservation Council. As founder and adult adviser of the Pasadena Youth Council and as honorary adviser of the Pasadena Chapter of the American Red Cross, Dr. Sarafian has served his community with the same dedication that he has given to the field of education.

It is a great privilege to have had a man such as Dr. Sarafian working for the people of California and providing guidance and inspiration to its young people.

DOUBLE-BOTTOM TANKSHIPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 10 minutes.

Mr. MURPHY of New York. Mr. Speaker, the question of whether or not to impose double bottoms on oil tankers is one which seems to recur regularly. In light of U.S. Coast Guard regulations to be published shortly concerning U.S. oil tankers operating in domestic waters, I believe it is time to lay this issue to rest once and for all. The Coast Guard will be issuing final and proposed regulations regarding the design, construction, and operation of domestic oil tankers in an effort to reduce operational and accidental oil pollution. I have dealt at length with this subject in a speech given on October 7, 1975, at the Statler Hilton Hotel in Washington D.C., before the Ship Structure Symposium 1975.

I am repeating those remarks here tonight and have asked unanimous consent to include some letters documenting and substantiating certain facts I have stated.

The articles follow:

Statement of Congressman John M. Murphy Before the Ship Structure Symposium 1975

In the two years since the IMCO convention, I have continued to work closely with Admiral Benkert, serving as chairman and now as a member of the House Coast Guard Committee. As a member of this committee, I have watched closely and with satisfaction as the Coast Guard has proceeded to carry out the mandates of the IMCO convention and the Ports and Waterways Safety Act.

Mike Benkert is a Coast Guard officer serving his country in the highest tradition. He has devoted his many talents to keeping the Coast Guard abreast of the accelerating developments of technology and the rapidly changing needs of society. This has often been in the face of adversity, but through the courage of his convictions Admiral Benkert has ensured that the Coast Guard is making a valuable contribution to progress.

I am deeply honored to have been invited to speak to this distinguished group tonight. The proceedings of this symposium and the individual contributions of the participants are certain to have a significant impact in the fields of Naval architecture and Marine engineering. It is indeed a pleasure to be with you here this evening.

I would like to address an issue this evening which is of great concern to me, and I'm sure is of concern to all of you. It is an issue which has sparked a controversy in Marine circles throughout the world, and will continue to be hotly debated in the months ahead.

The question at hand is: "What shall we do about double bottoms on oil tankers?" As I see it, we have three alternatives. One, we can pass legislation that requires double bottoms, as some members of Congress would have us do. Two, we can bar double bottoms tankers from the world's oceans, as the French would have us do. Or, three, we can stress flexibility. We can allow individual shipbuilders to arrange segregated ballast tanks as they wish, according to a flexible formula.

Obviously, all three of these alternatives have arguments in their favor. But before I discuss their relative merits, let me emphasize that they all have a common purpose: To reduce the amount of oil pollution in our oceans.

There is no question that this is an important goal. We are all concerned about the marine environment, about the beauty of our beaches, and the survival of the fish, birds and plants that thrive in and near the sea.

And there is no question that oil pollution does threaten the marine environment. We have all heard stories and seen pictures of the devastating short-term effects of oil pollution on the oceans, beaches and wildlife.

It is obvious—in fact, imperative—that we minimize the amount of oil discharged into the sea. Since one-third of all the oil which flows into the sea comes from marine transportation, that is an important target in our efforts to reduce oil pollution.

Now let us examine each of these three alternatives to see which one is most effective in reducing oil pollution.

Those who favor double bottoms argue that, by placing two layers of steel between the cargo and the ocean, they are providing a defensive space in the case of a grounding accident. It makes sense that in some cases, where a single bottom tanker would run aground and spill some of its oil into the ocean, a second layer of steel would prevent that outflow.

In addition, proponents of double bottoms argue that in cases where both hulls are ruptured, containment of the cargo would be helped by the double bottoms, and the rate of discharge of the oil would be slower, thus allowing more time for response.

Finally, advocates of the double bottoms point to the fact that a smooth inner surface of the cargo tanks means there is less surface area and less clingage when the cargo is removed. This in turn means that there is less residue following unloading of a tanker; cargo tanks need to be cleaned less frequently; and oil pollution from tank cleaning operations is reduced—U.S. Congress, Office of Technology Assessment, "Oil Transportation by Tankers: An Analysis of Marine Pollution and Safety Measures."

Now, let us turn to the opponents of double bottoms. This faction argues that double bottom tankers pose an even greater threat to the marine environment than single-bottom tankers. They contend that a minor grounding accident in a single bottom tanker could turn into an accident of catastrophic proportions if the tanker had a double bottom. Their argument runs like this:

When a single bottom tanker runs aground, it loses some of its cargo and becomes lighter. As a result, it rises slightly out of the water, thus automatically helping to free itself.

However, if the same tanker had a double bottom, then instead of losing cargo, water would rush into the empty ballast space between the two layers of steel, make the tanker heavier, and the vessel would sink deeper in the water.

Now, it is argued by opponents of double bottoms that by sinking deeper, the tanker settles more firmly aground and there is a greater chance of major damage, including the total breakup and loss of the ship.

This means that what might have been only a minor spill from a single bottom tanker could become a major accident in a double bottom tanker, involving the loss of the entire cargo and possibly the loss of lives.

Opponents of double bottoms also argue, as did the Norwegians at the 1973 IMCO conference, that there is a possibility that flammable vapors will accumulate in the spaces between the outer hull and the cargo tanks. This could result in disastrous explosions, also involving the loss of the entire cargo and the loss of lives.

The final argument made by opponents of double bottoms is that by placing empty ballast spaces below a loaded cargo tank, you raise the ship's center of gravity. A higher center of gravity, of course, means reduced stability and a greater chance of capsizing. This is a particularly important consideration in rough seas. Thus, requiring double bottoms could actually increase the number of tanker accidents.—American Institute of Merchant Shipping, "Tanker Double Bottoms. Yes or No?"

Now between those who want to require and those who want to prohibit the use of double bottoms in tankers, stand those who demand flexibility in the regulations. This group is not convinced by the arguments of either side, and prefers to wait until more evidence is collected. This group recognizes that there are now only seven double bottom oil tankers in the crude oil trade in operation worldwide and that this hardly constitutes an adequate data base. Indeed, most of the arguments on both sides are based on speculation—speculation about the safety of the ships and about their effectiveness. The arguments of this third group, therefore, stress the uncertainty surrounding the arguments of the first two groups.

Let us now look at the arguments presented by this third group: those who see flexibility as the most effective way of reducing oil pollution.

First, they dispute the claims of double bottom tanker advocates with regard to the effectiveness of double bottoms. Those who favor double bottoms frequently cite a published analysis of 30 grounding accidents.

In 27 of these, vertical damage was less than one-fifteenth of the vessel's beam. That means that in 90 percent of the groundings, the cargo tank would not have ruptured if there had been a double bottom of about 2 meters in depth. This seems to be a persuasive argument in favor of the effectiveness of double bottoms. However, there are two important factors which raise doubts about the validity of this argument.

For one, there is evidence that the inner layer of steel might still rupture, just from the integral structural connection between the two layers. An IMCO study found this to be the case in many groundings of double bottom dry cargo vessels.

Also, this fails to take into account the possibility of greater damage occurring as the tanker sinks deeper in the water. Therefore, the actual effectiveness of double bottoms is undoubtedly less than the 90 percent figure cited in this Coast Guard study.

Indeed, this estimate has been reduced several times in subsequent studies. The Coast Guard did a second study and judged the effectiveness of double bottoms to be on the order of 73 percent. Later, the U.S. Department of Commerce Maritime Administration re-evaluated the Coast Guard's findings and estimated that only 35 percent of the oil discharged from groundings could have been avoided if the ships involved had had double bottoms.

Second, this group that demands flexibility in the arrangement of segregated ballast tanks, questions the arguments presented by those who oppose double bottoms. As stated above, opponents of double bottoms have argued that a firmly grounded double bottom tanker could cause salvage problems and result in a greater outflow of oil. However, some advocates of double bottoms argue exactly the opposite, that a firmly grounded tanker makes salvage easier, and many salvage experts view double bottoms with favor.

Again, the differing views stem from a lack of experience with double bottom tankers, and one cannot argue with certainty that double bottom tankers are more dangerous and will increase pollution.

Those who seek flexibility in the regulations also dispute opponents' concern over explosive vapors accumulating in empty spaces. These spaces, they claim, can be inerted and monitored and made as safe as any empty ballast tank.

A final concern of this third group is over the cost of requiring double bottoms. Estimates of the added cost of fitting tankers with double bottoms range from 2 to 13 percent. As I stated earlier, the benefits accruing from this added cost are, at best, difficult to assess. But let us try to put these benefits into perspective.

As I stated in the beginning, the National Academy of Sciences has estimated that marine transportation accounted for one-third of the total flow of oil into the world's oceans. That is, 2 million out of approximately 6 million tons of oil. Now, not all of the oil pollution from marine transportation comes from tankers—only about two-thirds. And of the oil pollution caused by tankers, only 15 percent is caused by tanker accidents; the rest is intentional from normal tanker operations. Now, of the 200,000 tons of oil flowing from tanker accidents, only one-fourth results from groundings. Most result from structural failures and collisions. So what have we arrived at? We have found that only 50,000 tons out of 6 million tons of oil pollution is caused by tanker groundings. That is less than one percent of all the oil flowing into the oceans from all sources. Less than 1 percent—National Academy of Sciences, "Petroleum in the Marine Environment."

So if we could eliminate all oil pollution caused by tanker groundings, we would only reduce the total amount of oil flowing into the oceans by one percent. And it is clear that we could never hope to eliminate *all* oil pollution resulting from groundings. In fact, we cannot even be certain whether by requiring double bottoms we would reduce or would increase the total oil outflow.

It is clear to me at this point that it would be a mistake to require double bottoms on all oil tankers. There is simply not enough evidence to justify the claims made by advocates of the double bottoms. Nor is there enough evidence to justify banning the double bottom tankers from the world's oceans. We must maintain a degree of flexibility and gather more evidence before setting up regulations.

In stating these views, I am supporting the actions of two impressive organizations: the Inter-Governmental Maritime Consultative Organization, or IMCO, and the United States Coast Guard. Both of these organizations have considered a number of measures designed to reduce oil pollution, including requiring double bottoms. Both, upon review of the evidence, decided *not* to impose the double bottom requirement.

In October 1973 IMCO held the International Convention for the Prevention of Pollution from Ships, in London. Representatives from 79 maritime nations presented their views and reached an agreement on an international convention.

One of the American positions at the beginning of the conference was in favor of requiring segregated ballast by the use of double bottoms on all new tankers. However, other nations which had experience with double bottom tankers were opposed to making double bottoms mandatory. At that time, in 1973, here were only 6 double bottom oil tankers in crude oil trade operating and they were all registered under foreign flags. The question of mandatory double bottoms was twice put to a vote at the conference and was defeated soundly both times: 22 to 9 as a requirement for larger tankers, and 21 to 5 for the smaller tankers.

The conference did adopt a number of measures which will go far toward minimizing the amount of oil pollution in the oceans. The regulations agreed to, deal with three aspects of operational oil pollution from tankers.

First the convention sets discharge criteria, including the requirement that the amount of oil discharged in a ballast voyage of new oil tankers cannot exceed 1/30,000 of the amount of cargo carried. This standard is twice as strict as the old standard. In addition, specified areas which are considered to be particularly vulnerable to pollution by oil have been designated as "special areas" in which oil discharges have been completely prohibited. The main special areas are the Mediterranean Sea, the Red Sea, the Baltic Sea, the Black Sea, and the Persian Gulf area.

Second the convention sets standards which will govern the cleaning of oil cargo tanks. All tankers must be capable of operating with the method of retention on board in association with the "load-on-top" system. To effect this, all tankers must be fitted with appropriate equipment, which will include an oil discharge monitoring and control system, oily water separating equipment or filtering system, slop tanks, sludge tanks, piping and pumping arrangements.

Third the convention sets construction standards. New oil tankers greater than 70,000 deadweight tons will be required to be fitted with segregated ballast tanks. These must be sufficient in capacity to provide adequate operating draft without a need to carry ballast water in oil cargo tanks. Also, subdivision and damage stability requirements have been set.

All of these actions will serve to greatly reduce the amount of oil flowing from normal tanker operation—bilge discharge and tank cleaning and ballasting—which constitute 80 percent of all the oil pollution caused by tankers.

The U.S. Coast Guard has also had a chance to set regulations designed to mitigate oil pollution. Under the Ports and Waterways Safety Act of 1972, the Coast Guard has broad authority to establish vessel traffic control systems and to set standards governing the design, construction, maintenance, and operation of oil-carrying vessels. In January 1973, the Coast Guard proposed regulations in compliance with the Act. Among the regulations was one requiring segregated ballast capability achieved in part by fitting in the cargo length a double bottom of a minimum height of one-fifteenth of the beam. This was the position that the United States was to take at the October IMCO convention.

However, subsequent to the IMCO Convention, and based in part on the evidence presented there, the Coast Guard decided not to make double bottoms mandatory.

The Coast Guard will be issuing final regulations this week regarding domestic tankers operating in domestic waters. The Coast Guard regulations will in effect enforce those international regulations adopted at the 1973 IMCO Convention. They will set discharge limits, specify required equipment, require segregated ballast tanks, and limit the size of cargo tanks.

In addition, the Coast Guard will go even further in a proposed regulation to be published this week. This proposed regulation will establish a formula for how the segregated ballast tanks should be distributed. This formula will not make double bottoms mandatory, but will allow a degree of flexibility in how the ballast tanks are arranged. This will allow for "J" wing tanks, "L" wing tanks, and other combinations of wing tanks, double bottoms and double sides. By allowing this flexibility in the distribution of ballast tanks, the Coast Guard has recognized two essential facts. One, defensive spaces can be effective in minimizing oil outflow in tanker accidents. And, two, groundings only account for one-fourth of the oil discharged in tanker accidents. Protection on the sides of the hull is also needed in case of collisions and rammings. The Coast Guard has wisely ascertained that double bottoms are not the panacea for oil pollution that proponents claim them to be—U.S. Coast Guard, "Final Environmental Impact Statement." Regulations for Tank Vessels engaged in the carriage of oil in domestic trade.

In addition to the final regulations and the proposed regulations that will be issued by the Coast Guard this week, the Coast Guard is also pursuing a number of other courses of action to help mitigate oil pollution.

In a few months, the Coast Guard will extend these regulations governing U.S. vessels in U.S. waters to U.S. vessels operating in foreign waters, and to foreign vessels operating in U.S. waters.

The Coast Guard is also studying the need for construction requirements for inland tank barges.

They are also considering regulations dealing with vessel traffic management systems, and improved vessel controllability and maneuverability.

Finally, the Coast Guard is doing all it can to encourage ratification of the 1973 IMCO Convention by the maritime nations of the world.

You may be wondering why a Member of the House of Representatives is telling you about an issue that has twice been debated in distinguished forums, and twice been resolved. I have brought up the subject tonight because the issue is before us once again. Several distinguished Members of Congress will apparently settle for nothing short of mandatory full double bottoms.

Last year an amendment was added to the Energy Transportation Security Act that would require double bottoms on vessels operating in the inland waters of the west coast. This provision was passed by both the House of Representatives and the Senate, but was vetoed by President Ford.

Again, in January of this year, a separate piece of legislation was introduced that would make double bottoms mandatory for new

U.S. tankers operating not only on the west coast, but in all U.S. waters. This bill is now under consideration by the Senate Commerce Committee.

The committee seems determined to have this legislation enacted. One of the courses of action the committee has taken, was to request a study of the entire issue of tanker safety by the congressional Office of Technology Assessment.

Now the Office of Technology Assessment, or OTA, was established in 1972 to provide competent, unbiased information concerning the physical, biological, economic, social, and political effects of advanced technological applications. The office is charged with providing early indications of the probable beneficial and adverse impacts of these applications of technology.

One can hardly say that the report that OTA issued in July of this year on tanker safety was a competent and unbiased study. The study draws conclusions favoring double bottoms after considering only a portion of the available information. It never really gives a strong argument for why double bottoms should be required. Instead, it refutes arguments from opponents of double bottoms and presents irrelevant information as though it supported their conclusion.

For instance, the study gives two tables showing the number of double bottom tankers in operation and on order worldwide as if the mere fact that some shipbuilders are building double bottoms were proof that they were effective in reducing oil pollution.

Also, the study discusses at length the various cost estimates for double bottom tankers and concluded that the actual increase in cost is less than feared by the shipbuilding industry. Does this in itself constitute an argument for requiring double bottoms?

When it comes to the effectiveness of double bottoms in mitigating oil discharges from tanker accidents, the OTA report is definitely short on evidence. It cites the Coast Guard study I mentioned earlier which claimed double bottoms to be 90 percent effective, but fails to fully consider how erroneous that estimate is and the fact that the original estimate was subsequently substantially reduced—by the Coast Guard.

And yet, for all their lack of evidence and the speculative nature of their arguments, the OTA still finds it possible to state, and I quote, "from a technical standpoint, it is generally accepted that double bottoms will prevent most oil spillage which results from limited intensity hull ruptures due to groundings. This report supports the finding that double bottoms offer a significant degree of protection from oil pollution in the event of a grounding accident."

What this report fails to point out is that double bottoms will only protect against groundings, and will have no utility in the case of collisions or rammings. Since collisions and rammings occur even more frequently than groundings, and result in about the same amount of oil outflow, there is no reason to require full double bottoms and not allow for flexibility in how the defensive spaces are arranged.

Clearly, this report was never intended to be a competent and unbiased study, but was prepared merely to provide support to the Senate bill. This is a clear distortion of the purpose of the OTA.

Just how one-sided this OTA report actually is, becomes clear when one reads the comments of the members of the review panel. This panel, charged with reviewing the OTA study on tanker safety, was made up of university professors, consultants, members of the National Research Council, and representatives of the petroleum, salvage, and tanker industries. Three of the review panel members objected to the conclusions drawn with regard to double bottoms and suggested that both sides of the controversial issue be fully presented. One panel member even requested that if counter-arguments were not presented in the report, then his letter, which outlined some of these counter-arguments, should be added as a minority opinion. All of these requests for full and fair treatment of the issue were denied by OTA. In the face of such evidence, how can one even pretend that this study is competent and unbiased?

Mr. Speaker, I will include the texts of three documents containing the concerns I have just referred to at the conclusion of my remarks, including a letter of July 8, 1975, from W. O. Gray to Mr. Peter A. Johnson, a letter of June 25, 1975, from Mr. E. C. Broun, Jr., to Mr. Robert W. Niblock and a memo dated June 27, 1975, from Mr. James E. Mielke to Mr. Lester S. Jayson.

Let us now look at what the effect would be if this bill were to pass.

First, it is certain that requiring double bottoms would increase construction costs. As I stated earlier, estimates of the amount of the increase vary widely, from 2 to 13 percent. But there is no question that construction costs will rise. This cost increase will be reflected in required freight rates and will, in turn, be passed on to consumers of the petroleum products. Since everyone either uses oil and gas directly, or uses some product or service which uses oil and gas, every American would face price increases as a result of mandatory double bottoms.

Although this bill only requires double bottoms on U.S.-flag ships operating in U.S. waters, the Ports and Waterways Safety Act states that the same regulations must apply to foreign vessels operating in U.S. waters. Therefore, it seems that the increased cost of double bottoms would not disrupt the competitive balance between U.S. and foreign-flag vessels. However, the mandatory double bottom requirement only applies to vessels constructed after a certain date.

Now, foreign fleets have made major expansions in the past decade with vessels that do not meet the new specifications. Under the proposed bill, they would not be subject to the new requirements. Neither would they be required to retrofit to meet the new requirements.

Conversely, this country's tanker fleet is in the beginning stages of its expansion. The new U.S. vessels would be much more expensive because they would be subject to the standards and be in competition with existing lower-cost foreign tankers. Thus our fleet would be put in a crippling competitive economic position. One expert suggested the "net result would probably be to bring the U.S. shipbuilding program to a halt because our U.S. market would continue to be served by foreign vessels contracted for and built before the relevant dates."

Finally, in light of all the evidence I have presented here tonight it seems totally unreasonable to me to require a technological innovation whose benefits are not generally accepted, and whose opponents have a great deal more experience with double bottoms than we do. And to impose a standard that can only hurt American interests, while providing no visible benefits to the marine environment or to the marine industry seems totally senseless to me.

I can only urge you tonight to join me in opposition to this bill. Judging from the support that the mandatory double bottom amendment received last year from both Houses of Congress, it seems clear to me that the Members of Congress are not familiar with all the arguments regarding double bottoms. I ask that you help me in presenting the full story on double bottoms, and clarify this controversial, complex, and potentially harmful issue.

The material previously referred to follows:

EXXON CORP.,
New York, July 8, 1975.

Mr. PETER A. JOHNSON,
Congress of the United States, Office of Technology Assessment, Washington, D.C.

DEAR PETER: In confirmation of our phone conversation last week, I thought it would be well if I recorded here some of my principal views on the May 1975 draft "Oil Transport by Tankers—Analysis of Marine Pollution and Safety Measures."

First I certainly support the comments which Mr. C. L. Crane, Jr. made in my absence by his letter to you of June 16, 1975 and those of Mr. Don Cornett of Exxon USA which you indicated had been received through another channel.

Unfortunately, as a result of my lengthy absence, I have still not had time to review the entire draft report but I do appreciate your indication that our comments will be considered seriously for the final edition of this report.

Since both of my Exxon colleagues indicated that they felt the section of the draft report relating to double bottoms did not appear to reflect full consideration of the various viewpoints, I have briefly reviewed that section and certainly agree with their feelings.

To me the data presented in Tables IV–1, IV–2, IV–3 and IV–4 together with the text of that chapter still give a very distorted view of the work which has been accomplished. As chairman of the joint group some years ago which produced the original U.S. studies of segregated ballast, and the group which produced the AIMS publication, "Tanker Double Bottoms—Yes or No?" it is my firm conviction that the correct answer as to the value of double bottoms in regard to accidental pollution cannot be shown by ranges of cost estimates, numbers of ships so constructed and most particularly by the alleged values for effectiveness given in Table IV–4. The fundamental fact disclosed in the AIMS booklet is that roughly two-thirds of accidental oil outflow from groundings is attributable to total ship losses which, in my recollection, all who have studied the double bottom question agree, would be totally unaffected by the presence of a double bottom. Thus, the values shown in Table IV–4 are in my view erroneous and misleading. Similarly, the wide range of cost increases shown in Table IV–3 also provide a distorted view.

In particular, the lower figures shown near the bottom of the Table clearly reflect unrealistically low values which could only be quoted by yards already tooled up for and with an incentive to produce such vessels in series, whereas for a totally new design approach the proper values would unquestionably be near the middle of the various ranges shown. In fact, however, it is not economics which has persuaded the vast majority of world yards and owners to stay away from this construction, but rather the firm belief that little if anything is to be gained environmentally. These views were expressed not only at the IMCO 1973 Conference, but also in the preparatory meetings both by governments and owners with far broader experience of this construction than is possessed in the U.S. It is about time that U.S. consultants with no practical operating experience start to listen to the broad experience available around the world.

As I am sure I expressed at our one meeting in April, the environmental problems still posed by tankers are not in my estimation going to be solved by a proliferation of U.S. design feature requirements of questionable value. Instead what we need is stronger enforcement of those international laws already in existence and strong U.S. support of as yet unratified acts, notably the 1973 Marine Pollution Prevention Convention, the 1969 Civil Liability Convention, the 1971 International Compensation Fund Convention and the 1974 SOLAS Convention. These acts together with more stringent future requirements for training and qualification of personnel will provide the improvements desired.

I do not know what form your final report may take, but I must request that if the viewpoints expressed above are not explicitly stated in the report, that this letter be appended to the report as a more accurate representation of the views of at least one of your consultative group.

Very truly yours,

W. O. GRAY.

DRESSER INDUSTRIES, INC.,
Houston, Tex., June 25, 1975.

Mr. ROBERT W. NIBLOCK,
Ocean Program Manager, Office of Technology Assessment, Congress of the United States, Washington, D.C.

DEAR BOB: After a careful reading of the report "Oil Transportation by Tankers—An Analysis of Marine Pollution and Safety Measures" I would like to offer the following comments:

Preface: The stated principal purpose of the report "is to provide a broad factual basis for use by the Congress in further investigation of major issues and resolution of policy questions." I find this purpose to have been accomplished in most all areas except the treatment of double bottoms. There is considerable evidence that double bottoms are not a good single solution to prevention of pollution from groundings and collisions. I refer you to a booklet prepared by the American Institute of Merchant Shipping entitled "Tanker Double Bottoms Yes or No?" and to the report recently submitted to the Senate Commerce Committee by Admiral R. I. Price of the United States Coast Guard having to do with defensive placement of segregated ballast spaces.

ii: It should be pointed out that S.B. 333 in mandating double bottoms for all new tankers greater than 20,000 DWT completely ignores the recent IMCO convention and the advice of the U.S. Coast Guard and the EPA Administrator. It also fails to recognize the desirability of uniform international maritime standards.

iii: The last half of the last sentence on the page "the content of any regulations now proposed are considered as the basis of judging how previous legislation has been implemented." This is a strange remark. If my interpretation is correct, one could state the corollary inference that previous legislation has left room for the judgment of the implementors, which judgment is now questioned by those who would legislate the fine details of the regulations (i.e. double bottoms requirement of S.B. 333). It is difficult not to interpret this statement as a jab aimed at the Coast Guard for not requiring double bottoms after the IMCO Convention had refused to.

DEFINITION OF TERMS

Supertanker

This term has been used to define large ships relative to a given point in time. For instance, a 28,000 tonner was once billed as a supertanker. Because of the adverse connotations that have been given to the terms "supertanker" and "supership", I would prefer to see terminology such as "large tankers" or actually describe the range when it is necessary to refer to large tankers.

Supertanker dimensions

Suggest striking out the comparison of a tanker's cargo to the number of automobile gas tanks that it would fill.

Double bottom

The last line in the double bottom definition appears to be disconnected from the rest of the definition.

Port state

Definition should end after "ship."

Coastal state

Definition should end after the word "ship." Remainder of sentence not related to definition of "coastal state."

I–2—First sentence should read "Tankers offer one of the most efficient means of transporting oil over long distances and the only practical method across oceans.

I–7—Every effort should be made to support ratification of the 1973 Pollution Convention and the other unratified IMCO Conventions such as the 1969 Civil Liability Convention and the 1971 International Compensation Fund Convention.

II–5—Next to last line. "marker" should be changed to "market."

II–14—Footnote to Table II–7 says "plans are underway to increase the size of capacity of each port." Believe new Washington law will adversely affect these plans.

III–1—Last sentence. Relative damage potential should be fairly easy to predict because most tanker accidents occur in areas inaccessible to VLCC's, and the vast majority of VLCC spills will occur several miles from shore.

III–4—Second paragraph. Believe data is available through API or AIMS for tanker oil retention records for Mideast loading ports, where most seaborne oil originates. Extrapolation may not be as large as implied by this paragraph.

III–8—What is definition of "significant environmental hazard," second and third lines from bottom. Do not understand meaning of "migratory habits of marine life can also spread and propagate initial damages."

III–10—The METULA accident. Damage to beaches, birds and marine life as a result of this accident has been reported by Dr. Jennifer Baker of England to be minimal. This report should at least indicate that there is a difference of opinion rather than classify the damage as "substantial."

III–16—Something is missing at the bottom of the page.

III–17—What existing measures to reduce explosions are not widely adopted?

III–18—Last sentence. Do not see how deepwater ports located far offshore can present safety problems to coastal areas.

IV–2—Mid page. It is true that double bottoms have "received greatest attention" primarily as the result of the unrelenting efforts of a few Senators to impose their will upon the entire shipping industry with or without the support of the regulatory bodies.

IV–6—Last paragraph. The statement that "it would appear from the various analyses conducted that double sides and double bottoms can distinctly provide protection" is not correct. It appears true from Mr. Card's analysis but is not substantiated by the AIMS study.

IV–6a—All the data included in Table IV–4 was submitted to IMCO 1973, and that Conference after such deliberation did not impose double bottom requirements.

IV–7—This report should at least enumerate the arguments that are widely made against double bottoms, the primary one being that salvage could be complicated or in some cases made impossible by a severe stranding of a double bottom tanker.

IV–14—Full throttle stopping distance is almost meaningless in the real world of tanker operations. Tankers are not required to stop in areas where full speeds are attained. In areas where short stopping distances are important, tankers move at slow speeds and utilize tugs if needed.

IV–18—In the middle paragraph it is not clear what "the combined turning moment generated at three knots by the rudder and the thruster is two and one-half times greater" than.

IV–55—Last paragraph, first sentence. Most, if not all, tanker operators already maintain contingency plans for oil spills from tankers.

V–10—Item 6. Civil Liability Convention went into effect June 19, 1975. However, not in U.S. because it lacks ratification.

V–14—Something missing between lines 2 and 3.

V–15—Item 4, line 4, "shield" should be changed to "shied."

IV–18—Strike out second and third lines and first word of first line from bottom (lines repeated).

With the exception of the apparent intent to promote double bottoms through this report, I find it to be well balanced and a thorough analysis of most aspects of oil transportation by tankers as related to marine pollution and safety. It could benefit from a more in-depth analysis of the problems being created by the state and national proliferation of oil spill liability and compensation laws.

Sincerely,

E. C. BROWN, Jr.

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., June 27, 1975.

To: Lester S. Jayson, Director.
From: James E. Mielke, Analyst in Marine and Earth Sciences, Science Policy Research Division.
Subject: Comments on "Oil Transportation by Tankers—An Analysis of Marine Pollution and Safety Measures," a report by the Office of Technology Assessment.

In the overview, the OTA Tanker study represents a fairly comprehensive review of the problems involving oil transport by tanker. The study attempts to maintain a level of objectivity and present all sides of each issue. In most cases this is accomplished very well. However, in the area of technology assessment, particularly with regard to the controversial issue of double bottoms/double hulls some additions could be made for the sake of completeness. The report omits to mention one of the major concerns over the use of double bottoms, namely the increased instability derived from a higher center of gravity. This concern has been repeatedly raised in congressional hearings and before the IMCO Conference in 1973.[1] Furthermore, the findings of the British, French, Greeks, and Japanese, and the experience in Norway where double bottom tankers have been in use with less than satisfactory results were not mentioned. The Norwegians have experienced difficulty in mooring, difficulty in salvaging, the necessity to install detection devices to monitor gas seepage between the bottoms, and have found that double bottoms contributed to pollution from leakage of oil into the double bottom and subsequent discharge through the bilge.[2] The French have suggested that IMCO prohibit double bottoms as a threat to the world's oceans.

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[1] U.S. Congress. House of Representatives. House Report No. 93–1663. Report of the Activities of the Merchant Marine and Fisheries Committee 93d Congress. U.S. Govt. Print. Office 1975.

[2] *Ibid.* p. 123.

A further consideration in this regard, though more a policy matter than technology assessment, is the dilemma repeatedly raised by the Coast Guard and others that enforcement of construction and safety standards in U.S. waters, which the rest of the world will not accept, would result in excluding the 94 percent of our oil imports that are carried in foreign flag vessels.[3] This would, of course, be one means of achieving energy independence.

In general, the report is well researched and should provide a valuable reference of background information for the use of Congress in considering legislation in this area.

PULASKI DAY—OCTOBER 11, 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. NEDZI) is recognized for 5 minutes.

Mr. NEDZI. Mr. Speaker, we study the lives of great men not only to honor them but to learn from them. Casimir Pulaski is an important figure in American history.

On the surface there is some understandable difficulty in appreciating a remote figure in history, be it Pulaski or anyone else. After all, Pulaski died in a battle that took place 196 years ago. Anyone who conceivably might have met him has been gone from the scene a long, long time. The stage was smaller then; the American colonies numbered barely 2 million people, now our Nation has a population well over 200,000,000.

What, one may ask, can we learn from reaching into the distant past for a man's life story?

There are at least two lessons.

The first is that the ideal of freedom has no national boundaries.

The second is that America won its freedom, and preserved it, with the help of men and women who came here from all over the world.

Pulaski himself came from Poland, which was then under Russian occupation. Exiled from his homeland because of his fight for freedom he was attracted to America's struggle.

George Washington recognized Pulaski's excellence of character and his abilities as a soldier. And gave him important responsibilities.

Pulaski was only 31 years old when he died on October 11, 1779, in the Battle of Savannah.

Generations of Americans still honor him because his life clearly helped make possible a better life for the millions who came after him.

He ventured forth, he took risks on matters of principle, and he excelled, Pulaski's was no ordinary life. We will go on learning from it as long as there is a United States of America.

THE AMERICAN WAY OF CANCER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, the CBS television network will broadcast a documentary next Wednesday, October 15, called The American Way of Cancer. I think it will be a timely, thought-provoking and immensely beneficial program. The subject matter is one of special concern to me as chairman of the Subcommittee on Consumer Protection and Finance of the House Interstate and Foreign Commerce Committee.

The subcommittee's jurisdiction includes, of course, toxic substances control legislation. Many of us have been concerned for some time that new chemical substances are constantly being introduced into the environment without thoroughly gauging their potential for causing harm to health or to the environment. Legislation pending before my subcommittee seeks to provide the public with needed knowledge in this important area. It seems time to end the present casual national attitude we have about the introduction of chemical substances into the air we breathe, into our water, into the food we consume, into the atmosphere and into our work places.

In two previous Congresses, we have come very close to enacting toxic substances control legislation. I sincerely hope we can succeed in this Congress.

The CBS documentary next week will focus our attention on what some have called "the cancer epidemic." It is an epidemic we can do something about. There are reasonable and prudent steps that we can take to protect living Americans and future generations of Americans from exposure to cancer-causing substances. We would be derelict if we failed to act when we have the opportunity. Too many Americans die of cancers which can be prevented.

I hope next week's show will have a wide audience in our country, and I commend it to my colleagues in the House.

ARMS CONTROL IN LATIN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 10 minutes.

Mr. FASCELL. Mr. Speaker, the September issue of Arms Control Today, published by the Arms Control Association, contains excellent articles on the Western Hemisphere. While the issue focuses primarily on nuclear technology and arms control efforts it also discusses conventional arms transfers and efforts at control. In addition to the articles the issue includes a useful bibliography on arms.

Over the years, Congress has evidenced considerable concern over the level of arms purchases by Latin American countries. Many of us have felt, and continue to feel, that the nations of this hemisphere could best use scarce resources to foster economic and social development. To that end we have attempted to legislate restrictions on U.S. arms sales but, as many in this Chamber know, our restrictions have not worked as intended.

But while Latin American arms purchases have continued to mount there are still considerable reasons to be hopeful about the future. The region's overall performance has been good when compared with other regions of the world. Indeed Latin American countries continue to spend relatively little on arms and have made progress in both nuclear and conventional arms control.

Because of the widespread interest in Congress in Latin America in military sales and in nuclear proliferation, I want to bring to the attention of the House three articles from the current issue of Arms Control Today.

PROSPECTS FOR ARMS CONTROL IN LATIN AMERICA

(By John R. Redick)

Conventional wisdom in this country often portrays Latin America as prone to violence, military coups and chronic instability. Such views have an element of truth but overlook the fact that, in comparison to other regions, Latin American countries spend relatively little on military armaments. In addition, no Latin American nation has detonated a nuclear explosive device—although that situation may change in the near future. Latin America is also noted as a region that has produced one partially successful attempt to eliminate nuclear weapons and several conventional arms control proposals (including the recent "Declaration of Ayacucho," see p. 3).

BANNING NUCLEAR ARMS FROM LATIN AMERICA

The effort to eliminate nuclear weapons in Latin America culminated in the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco) signed on February 14, 1967, following over three years of intensive negotiations. Negotiations occurred primarily through meetings of the Comision Preparatoria Para la Desnuclearizacion de la America Latina (COPREDAL) in Mexico City and to a lesser degree at the United Nations. The Tlatelolco Treaty is currently in force for 20 Latin American nations (excluding several important states such as Argentina, Brazil and Chile) and provides for the complete military denuclearization of the Latin American area. The Treaty's machinery—the Organization for the Prohibition of Nuclear Weapons (OPANAL) with a small secretariat—permanently resides in Mexico City.

The Treaty prohibits the development or production as well as the receipt or installation of nuclear weapons by any Latin American country. The Tlatelolco Treaty restrictions are more extensive than those of the Non-Proliferation Treaty, as Latin American nations pledge not to permit the deployment of nuclear weapons on their territories under the control of foreign nuclear powers (i.e. no nuclear weapons bases). Under the terms of the Treaty, the Latin American parties are to negotiate safeguard agreements with the International Atomic Energy Agency (IAEA). Although progress in some cases has been slow, this regional treaty obligation has been instrumental in facilitating Latin American acceptance of international safeguards.

Two additional protocols to the Treaty concerned non-Latin American nations. Protocol I pledges non-Latin American countries with possession within the Treaty zone to place them under the same restrictions as parties to the Treaty. Thus far the U.S. and France have refused to sign this protocol (see *Perspectives*, p. 4). Protocol II involves a pledge by nuclear weapons states not to use or threaten to use nuclear weapons against parties to the Treaty. Four of the five nuclear weapons states (excluding only the U.S.S.R.) have signed the protocol. This protocol provoked considerable study and some doubt within the U.S. government prior to its ratification since it represents a self-denying obligation which the United States has avoided elsewhere.

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[3] U.S. Congress. Senate, Tankers and the Marine Environment. Committee on Commerce. National Ocean Policy Study. Hearings January 29 and 30, 1975. U.S. Govt. Print. Office, 1975 pp. 24, 84.

However, the current situation as regards the nuclear weapons free zone treaty is uncertain at best. Gaining full support by all Latin American and nuclear weapons states is of vital importance to the ultimate success of the Treaty. The issues are, of course, inter-related—ratification of additional protocols by all five nuclear weapons states will have a bearing on future decisions by Argentina, Brazil and Chile to allow the Treaty to enter into force for themselves. Conversely, nuclear weapons states are likely to give greater credence to a nuclear weapons free zone agreement if supported by all Latin American nations.

For the Tlatelolco Treaty to become a completely effective arms control mechanism, it is essential that there be some degree of accordance among both the states within the zone and significant non-zonal states as to the intent and meaning of the important provisions of the agreement. At present, harmony of views on such issues as "peaceful nuclear explosives" (some Latin American nations interpret the Treaty as permitting them while others do not) and the transportation of nuclear weapons through the territory of Latin American nations does not exist. More significantly, however, at least two Latin American nations, Argentina and Brazil, have publicly announced their intention to detonate "peaceful" nuclear explosives and appear to be on the verge of acquiring a capacity to do just that. Nevertheless, twenty Latin American states have formally renounced nuclear weapons and consequently enjoy the pledge of four of the five nuclear weapon states "not to use or threaten to use" nuclear weapons against their territory. Thus, although incomplete, the Latin American nuclear free zone is an important model for other regions as well as a significant regional step toward general and complete disarmament.

THE SPREAD OF NUCLEAR TECHNOLOGY

While the current situation is extremely fluid, nuclear technology with all its military implications is clearly accelerating in the region. Ambitious nuclear power programs of varying types and sophistication are (or soon will be) producing an unavoidable by-product, plutonium. Although estimates differ it is generally believed that a 1,000 megawatt (mw) power reactor using slightly enriched uranium will produce between 200-300 kilograms of plutonium in a year. Natural uranium reactors produce a far greater quantity of plutonium and the fuel-load may be removed far more easily without a shutdown of the reactor. Approximately five kilograms of plutonium are sufficient for a nuclear device capable of destroying a high-population density portion of a major city such as New York's Wall Street or a similar section of Buenos Aires or Sao Paulo.

Since 1974 Argentina has had an operating 320mw natural uranium power reactor which was supplied by West Germany. A second 600mw natural uranium (CANDU) reactor supplied by Canada will be completed by 1979, and the recent Argentine Nuclear Program 1975–1985, prepared by the national atomic energy agency (CNEA), calls for three additional CANDU reactors in the early to mid-1980s. A heavy water production plant is to be completed by 1980; construction has begun on an industrial scale fuel fabrication facility, and with French assistance, a chemical reprocessing plant capable of separating a militarily significant portion of plutonium will be constructed to supplement the small pilot plants Argentina has possessed for several years.

The Argentine Nuclear Program with its reliance on natural uranium technology, careful insulation from internal politics, and stress on independence is strikingly similar to the Indian program. In addition, a July 1975 inquiry by Senator Abraham Ribicoff revealed the existence of a U.S. intelligence report of a fifty kilogram diversion of plutonium from the Atucha power reactor. Although the U.S. Energy Research and Development Administration has denied that the incident occurred (several influential Senators remain unconvinced) it nonetheless illustrates what could and may easily happen—and the limited U.S. response.

Brazil's first nuclear power reactor, a 626 mw enriched uranium facility, supplied by the U.S., will come into operation in 1977. In a much publicized and highly criticized (in the U.S.) sale, West Germany agreed in June 1975 to build four 1300 mw enriched uranium reactors in Brazil by 1986, and four more by 1990. More significantly, the Germans agreed to supply Brazil with a nuclear package of fuel fabrication, plutonium separation and a "nozzle" enrichment plant. While the agreement is subject to far-reaching IAEA safeguards, and Brazil has pledged not to use the equipment received for the production of nuclear explosive devices, there can be no ignoring the fact that an independent and parallel military program is a clear possibility. This factor, coupled with Brazil's posture concerning peaceful nuclear explosives, opposition to the Tlateloco and Non-Proliferation Treaties, and the extreme secrecy which cloaks all aspects of the Brazilian nuclear program lend credence to a military interpretation.

Elsewhere in Latin America the shift toward nuclear power is also apparent. Currently under construction in Mexico are twin 660mw enriched uranium reactors scheduled for completion in 1977 and 1978, and a larger unit is under serious consideration. Venezuela is reportedly negotiating with Canada and European suppliers for a multiple unit natural uranium facility, and Chile will construct a small power reactor by the early 1980s. The Soviet Union has agreed to assist Cuba in constructing two 400-500mw reactors by 1980 (Cuba has announced its intention to construct a total of nine reactors).

Tlateloco and Ayacucho—both names have a legacy of violence: the former is the site where the last of the Aztec kings fell before the power of Cortes; the latter is the location of one of the great Latin American revolutionary battles. While neither attempt to legally prohibit nuclear or conventional armaments can be considered fully successful—each is significant if only for its promise. For Tlateloco to succeed several factors are necessary: (1) the fostering of regional cooperative measures in the nuclear fuel cycle (including joint or multilateral fabrication, reprocessing and possibly enrichment facilities); (2) cooperation between the region's two principal threshold nuclear powers, Argentina and Brazil, as has been suggested recently by a respected Argentine military figure; (3) resolution of the difficult peaceful explosive issue (including perhaps a cooperative peaceful nuclear explosive service between OPANAL and the IAEA) and, most importantly; (4) a greater degree of cooperation between the principal exporters of nuclear technology. Finally, it is of great importance that Latin American nations continue to develop or perfect all the essential mechanisms and machinery to insure the success of agreements.

Latin America has established an enviable record, compared to other areas, in the regional management of armaments. It is an ongoing process that should be both nurtured and emulated.

AYACUCHO—CONTROLLING CONVENTIONAL ARMS

According to the U.S. Arms Control and Disarmament Agency, 23 Latin American nations received a total of $476 million in armaments in 1973, or considerably less than recent U.S. sales to any one of a number of Middle East nations. In the same year Latin America imported only 5.1% of the world's arms exports, an amount dwarfed by the imports of other regions such as the Middle East, Europe and East Asia. However, the total amounts of weapons imported into the Latin American region have been and remain miniscule on the world scale. And, as Latin American nations are, at present, almost totally dependent on extra-regional sources for advanced weapons (Brazil is a growing exception) bilateral and multilateral agreements of weapons abstinence can have a major positive impact on the peace and security of the region.

The most recent and interesting Latin American endeavor is the so-called "Declaration of Ayacucho" signed on December 9, 1974 in Lima by Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, Peru and Venezuela. The eight-nation declaration, primarily a nostalgic call for Latin American unity, did include a significant paragraph which stated their intention to "create the conditions which will make possible the effective limitations of armaments and an end to their acquisition for offensive purposes so that all possible resources may be devoted to the economic and social development of every country in Latin America." The declaration which was proposed by Peru's former president, General Juan Valasco Alvarado, drew strong praise from U.S. Assistant Secretary of State for Latin American Affairs, William D. Rogers, who declared it "an extraordinary and unprecedented step which could substantially reduce tensions in the hemisphere."

This declaration of principle must be considered in the context of the historical rivalry between Chile and Peru, as well as recent ambitious arms purchases by Peru (including the acquisition of Soviet tanks in 1974 giving Peru apparent military superiority over its southern neighbor). The Peruvian initiative may have been an effort to freeze its advantage, or it may have represented a genuine attempt by an economically strapped military regime sincerely dedicated to promoting national development. Whatever their motivations, Chile and Peru have made significant progress in recent months in defusing their long-standing border controversy.

Obviously, motivating factors impelling the Andes nations to sign the Declaration (Brazil has not joined the effort, and Argentina is backing off) were of a mixed nature. The Ayacucho meeting was followed by a meeting of technical delegations of six of the eight signatories which considered such questions as establishing demilitarized zones and monitoring weapons inventories. A high-level meeting is scheduled for Fall 1975 to discuss further moves in regional arms control. For Ayacucho, the willingness of all Latin American states to translate noble declarations into concrete agreements is essential. Equally important is a willingness of the major exporting nations to respect the will of Latin American nations when clearly expressed.—(*J.R.R.*)

THE TREATY OF TLATELOLCO: THE LATIN AMERICA NUCLEAR-FREE ZONE

As noted in this month's editorial, there are presently twenty parties which are bound by the Treaty of Tlatelolco. The map above shows the Latin American nations which are full parties of the Treaty of Tlatelolco as well as the Non-Proliferation Treaty.

The Treaty of Tlatelolco pledges its members to use nuclear material and facilities exclusively for peaceful purposes, and places all nuclear activities under the International Atomic Energy Agency safeguards system. The primary provisions of the Treaty further obligate its members to prohibit and prevent the following activities in their respective territories:

(1) The testing, use, manufacture, production or acquisition of nuclear weapons.

(2) The receipt, storage, installation, deployment and possession in any form of any nuclear weapons.

One shortcoming of the Treaty of Tlatelolco is that three of the most important Latin American countries with significant nuclear power capabilities are not bound by its provisions. These nations are Argentina, Brazil, and Chile. Argentina has signed the Treaty but has not ratified it. The Treaty is also not in force for Brazil and Chile, although both nations have signed and ratified it. This is due to the fact that, unlike the other parties to the Treaty, Brazil and Chile have chosen not to waive the various requirements outlined in Article 28 of the Treaty which must be met before the Treaty is binding. These requirements include: (a) that all eligible nations within the zone ratify the Treaty; (b) that the two additional protocols to the Treaty be ratified by the appropriate states; and (c) that agreements on safeguards be concluded with the International Atomic Energy Agency.

Supplementing the Treaty of Tlatelolco are two protocols dealing with nations outside of the Treaty zone. Protocol I requires that outside powers which have territories in Latin America agree to place their territories under the same pledges as the parties to the Treaty. Of the few nations in this category, the United Kingdom and the Netherlands have signed the Protocol, while France and the U.S. have not.

American territories within the Treaty zone include Puerto Rico, the Virgin Islands, the Canal Zone, the Guantanamo naval base in Cuba. The U.S. has declined to sign Protocol I mainly on the grounds that since Puerto Rico and the Virgin Islands have such an "integral relationship" with the U.S., the U.S. "must deal with disarmament policies affecting other nuclear powers." However, U.S. officials have stated that America will act consistent with the spirit of the Treaty.

Protocol II obligates the nuclear weapon states which have signed it to respect the denuclearized status of the Treaty zone and not to contribute to violations of the Treaty. Most importantly, its signatories pledge to "undertake not to us or threaten to use nuclear weapons against the Contracting Parties of the Treaty . . ." Of the nuclear weapons states, the U.S., France, the United Kingdom, and the People's Republic of China have given this pledge, while the U.S.S.R. has not.

This protocol is especially noteworthy for two reasons: it is the first international arms control agreement that the People's Republic of China has signed, and it is the first time that the U.S. has even entered into an obligation that restricts the use of nuclear weapons. The U.S. "non-use" of nuclear weapons pledge concerning the parties to the Treaty of Tlatelolco was given with certain understandings. These primarily include the American understanding that the pledge not to use nuclear weapons applied only to treaty powers and not to other nuclear powers, states outside the Treaty zone that have territory within it, or to Cuba since it is not a party to the Treaty. Furthermore, the U.S. stated that it would consider an armed attack by a member of the Treaty which was assisted by a nuclear weapon state as incompatible with the member's obligations to the Treaty. The United States signed Protocol II on April 1, 1968, and it entered into force for the U.S. on May 12, 1971.

POSTING OF INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, last March I introduced legislation, H.R. 4990, to require lending institutions to post their current interest rates charged for various categories of loans made to consumers. The bill would amend chapter 3 of the Truth in Lending Act to require the Board of Governors of the Federal Reserve System to establish through regulations the various categories of consumer loans. The lending institution would be required to post the current interest rates in clear and conspicuous language and to situate the notice so that it would be easily visible to individuals entering the creditor's premises.

This legislation is necessary because consumers are either unable to obtain from a central source, such as the Fed, or from many lending institutions, the basic lending rates for various consumer loans. In this time of tight money, as well as in good times, it is important for a consumer to be able to shop around for what she or he wants, whether it be a new TV, a car, or a loan.

On March 6, the House Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, of which I am a member, received testimony from Dr. Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System, on the availability of consumer interest rate information. Dr. Burns stated that neither he nor the Fed, had the proper authority to release any of the consumer interest rate information which they had solicited from a number of banks across the country. Further, Dr. Burns felt that because this information had been solicited by the Fed under a promise of confidentiality, the primary responsibility was to the banks rather than to the people.

After Dr. Burns delivered his statement, I asked him if there were any way, in his judgment, that the American people could get this data on a broad scale. In reply, he said:

> You could have legislation requiring each commercial bank to post its interest rates on certain types of loans.

H.R. 4990 is a product of that colloquy. This legislation will enable consumers to easily and readily gather interest rate data from lending institutions in their communities and to decide which institution offers the most reasonable rates. This will increase the competitive spirit among various lending institutions in any given community to the benefit of loan seekers.

Mr. Speaker, this is legislation which requires serious and immediate attention. It is my hope that the 94th Congress will be able to report to the American people that it has surged forward in a variety of ways to insure that they will be able to better cope with the present economic conditions.

THE LIBERTY AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. McDONALD), is recognized for 30 minutes.

Mr. McDONALD of Georgia. Mr. Speaker, the average American is acutely aware that he is rapidly losing his liberty. Government takes 48 percent of his income in taxes, while inflation devalues the remaining 52 percent. The marvelous, highly productive economy, of which he is a part, once free, is now grinding to a halt under the massive weight of Government controls. Decisions that were once his to make—the kind of food he eats, the kind of car he drives, how and where his children are educated—are now being made by Government bureaucrats.

In short, he is losing control over his life and faces a bleak and uncertain future. But what can he do about it? The Government has grown so huge and complex that he feels helpless in attempting to control it. Where would he begin. Going about it piecemeal—abolishing a welfare program here, a regulation there, and restoring a few freedoms along the way—would take forever.

There is, however, a much faster and simpler way of reducing the size and power of Government and restoring individual liberties: amend the Contsitution to reinstate the constitutionally limited Government envisioned by our Founding Fathers. The Constitution is a document designed to limit the power of Government and it is because Government has grown far outside the bounds of the Constitution that we are losing our liberty. An amendment that restored proper limits on Government power would automatically eliminate programs and policies that have infringed on the rights and freedoms of Americans.

Such an amendment already exists. It was introduced in the present Congress as House Joint Resolution 23 by JOHN ROUSSELOT of California, STEVE SYMMS of Idaho, and myself. Known as the Liberty amendment, it has been introduced in previous Congresses and has been approved by the legislatures of seven States, including my own State of Georgia. Its text is as follows:

> SEC. 1. The Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution.
>
> SEC. 2. The constitution or laws of any State, or the laws of the United States, shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.
>
> SEC. 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.
>
> SEC. 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts.

Since its introduction on January 14 of this year, I have had numerous requests for information on just what it would accomplish. Often these requests are in the form of questions, the answers to which in turn generate further questions. In response, I have prepared the following series of questions and answers on the Liberty amendment.

1. "What is the Liberty amendment?"

The Liberty amendment is a proposed amendment to the U.S. Constitution which would put an end to the Government engaging in business enterprises that are not constitutionally authorized.

Getting the Government out of these businesses, returning them to State jurisdiction and private taxpaying enterprise, would cut the cost of Government more than half, and thereby end the need for the Federal individual income tax, which would be repealed.

The first section provides:

> The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

This clause will cut the cost of Government in half, making possible the repeal of the 16th—income tax—amendment, cut the national debt tremendously, get us back to a balanced budget and stop inflation.

2. "Just what are some of the businesses the Government is in? Name a few."

Some of the larger are the Commodity Credit Corporation, a loan company; the Tennessee Valley Authority, a gigantic producer and distributor of electric power and fertilizer; and the Federal Crop Insurance Corporation, an intrusion into the insurance field. The book, "Where the Money Went," by Willis Stone, gives the details of these and many more and lists over 500 others.

3. "But how about all those people who will lose their jobs if the Liberty amendment is adopted? What will they do?"

Employees of Government businesses that are bought will be better off than before because under private ownership and management the business will prosper. This happened in the case of the General Aniline & Film Co.—now the GAF—and others already sold. Employees of Government businesses with no valid economic purpose, will probably have to look for other jobs, but if they want work they will have no problems. When people have money now taken by the income tax, their increased purchasing power will expand all kinds of business which will create a great need for more employees. There will be more jobs than people to fill them.

4. "How would you get the Government out of these businesses? Who would buy them?"

These business enterprises would be bought by people who want to invest their money, just as other businesses are bought and sold. In 1965 the General Aniline & Film Co., which the Government seized at the beginning of World War II, was sold as a stock corporation. The shares were offered on the open market, and in 1 day 11 million shares of stock were bought for more than $300 million.

A few years earlier the Inland Waterways Corp. was sold in a matter of days for $11 million, although its book value at the time was only slightly over $3 million.

Any businesses that have a valid economic reason for existing would be salable. Those which are economically unsound and guaranteed money losers would be liquidated through the sale of their assets. The proceeds of these sales would reduce our national debt by approximately 25 percent.

All of this would make practical the fourth section of the Liberty amendment which provides:

> Congress shall not levy taxes on personal incomes, estates and/or gifts.

5. "How can Government get along if the income tax is repealed? What will they do for money?"

The latest Federal budget shows that individual income taxes supply only 42 percent of the Federal revenue; the rest comes from other sources. There is ample documentation to prove that getting the Federal Government out of these unauthorized businesses would cut the cost of Government at least 50 percent, while revenue is reduced only 42 percent, would give a surplus of 8 percent.

6. "Is the only purpose of the Liberty Amendment just to get the Government out of business and to repeal the income tax?"

Partially. The Liberty Amendment will get the Government out of those businesses it operates without constitutional authority. As a consequence, Government costs will be reduced to such an extent that the Federal Government will not need the personal income tax. The main purpose of the Liberty Amendment, however, is to restore the Constitution to full force and effect. Then the Government will be confined to the business of governing—of protecting individual liberties—and no longer compete with its own citizens.

By confining the Government to its constitutional functions, we solve our major problem—inflation. Repeal of the income tax will increase take home pay 20 percent without changing the rate of pay or the price of things.

7. "Why amend the Constitution? Is not there an easier and quicker way?"

In almost two centuries our Constitution has been amended a comparatively few times. The first 10 amendments—Bill of Rights—were added almost immediately after the Constitution was ratified—in December, 1791—and there have been only 16 added since then. This may seem too slow, but any amendment is unique in that it supersedes anything preceding it which is contrary to it.

Only through an amendment, will we be able to correct the present distortion of our basic law. The Liberty Amendment will clarify the terms of our freedom, rectify the current conflict between Government and people, define our economic liberties and force the Government to abide by that definition. The 16th amendment—a direct tax upon incomes—can only be nullified by another constitutional amendment which repeals it. There is no other way.

8. "You talk of Government taking away our freedoms. What freedoms have I lost?"

Year after year our freedoms have been shrinking, by restriction upon restriction, tax upon tax, edict upon edict. Here are a few of the many freedoms lost which were once considered your natural right as Americans.

You do not have sound money any more.

You are not free to plan your future as inflation makes your dollar buy less and less.

You can neither rent, sell, buy, nor exchange without political control.

Neither an employer nor an employee can establish a wage by mutual consent.

You can not operate a business without Government consent and restrictions, and without acting as tax collector.

A farmer can no longer grow crops without permission.

A doctor can no longer keep his patient's history confidential, or serve patients without Government intervention.

You no longer can receive a full day's pay for a full day's work.

You no longer have any real privacy.

Bank accounts are open to scrutiny, personal affairs are fed into computers, and the last vestiges of privacy are fading into memory. Your private life is no longer private.

9. "If Government continues to grow bigger and bigger, what is going to be the outcome?"

The answer is simple. Growing at its present rate, there is but one ultimate answer—we shall soon have a totalitarian government. Whether we call it communism or by some other name, the despotism imposed will be as terrifying as any other in history. This trend can be reversed through the application of the Liberty Amendment.

10. "Haven't there always been waste and corruption in government?"

Waste and corruption in government are nothing new. The bigger government grows, the greater are the opportunities for pork-barrel politics, and the takeover of economic power and resources.

It was this that caused the American Revolution, and our Founding Fathers tried to prevent its recurrence through our Constitution of strictly limited powers. The Liberty Amendment is designed to bring these violations of the Constitution to a screeching halt.

11. "Was the progressive income tax invented by Karl Marx?"

No, Karl Marx did not invent it. The progressive income tax is almost as old as recorded history, and is the historic way by which people have been subjugated. Every tyrant in history has used it successfully, in one way or another, so Karl Marx included it as one of his 10 rules in the Communist Manifesto. The men who drafted our Constitution carefully prohibited a progressive income tax, but this was nullified in 1913. Therefore, the income tax is part of the Constitution and part of our law and the only way to get rid of it is through another amendment.

12. "Is not the Federal income tax unconstitutional?"

The Federal income tax is completely constitutional as long as we have the 16th amendment. The state that it is unconstitutional is wishful thinking. All of the hideous consequences of the 16th amendment will remain with us until it is repealed as the Liberty Amendment provides.

13. "Is not the progressive income tax the fairest kind of tax because it is based on ability to pay?"

It may be made to sound fair, but it does not work that way. Actually, it is a form of slavery, draining the life energy of a person, penalizing success, and destroying initiative.

If you are poor enough, you do not pay; and if you are rich enough, you do not pay either. If you are a responsible productive worker, you carry the load. Tax foundation figures prove you work until the middle of May each year just to pay taxes.

14. "Why eliminate the personal income tax? Why not reduce taxes gradually?"

This question is usually asked to divert attention from the Liberty amendment, designed to cut spending not authorized by the Constitution, which will remove the need for the income tax. Eliminating the Federal income tax is the only way to get tax relief for the people.

Political candidates may talk about cutting taxes, but historically this never happens. The application of the Liberty amendment can actually do it.

15. "But what will replace the income tax?"

Nothing need replace the income tax. Reduced spending imposed by the Liberty amendment will remove the need for income taxes. Recent Government budgets estimate that only 42 percent of revenue comes from individual income taxes. Excise taxes, duties, and imposts and other miscellaneous revenues provide the other 58 percent of revenues. The amendment will cut spending 50 percent, removing the need for income taxes and make tax cuts possible in other areas.

16. "How are you going about getting the Liberty amendment passed?"

The fifth article of the Constitution prescribes two valid methods for amending the Constitution. An amendment may be proposed by two-thirds of both Houses of Congress concurring; or the legislatures of two-thirds of the several States—34—may require Congress to call a Constitutional Convention to propose such amendments, which, in either case, become a part of the Constitution when three-quarters—38 States—ratify a proposed amendment.

The Liberty Amendment resolution is being advanced in both ways. It is now pending in Congress as House Joint Resolution 23. It has also been approved by the Legislatures in seven of the sovereign States and is pending in several others.

17. "Why are you going to State legislatures to amend the Federal Constitution?"

The fifth article of the Constitution provides this method of causing the amendments to be proposed. Then, too, the States must eventually ratify to make it a part of the Constitution. This country consists of a union of sovereign States which hold the only power to ratify amendments and State legislatures hold concurrent power under the Constitution to initiate such amendments as they, the States and the people within them, require.

18. "Who's behind the Liberty Amendment? Where does the money come from?"

The folks behind the Liberty Amendment are just ordinary people with an extraordinary desire to hold fast to the ideals on which this country was founded. The organization is nonpolitical, nonpartisan, nonbigoted, nonsectarian, and certainly nonprofitable. Its aim is to educate the public on the values of the Constitution and the means of restoring it before it is too late. Neither big business nor big labor, per se, has subscribed to the Liberty Amendment. Its financial support depends upon contributions—some small, some larger—from folks in every State. With the exception of an understaffed headquarters office, everyone is an unpaid volunteer, including national chairman, directors, State chairmen, committeemen and members.

19. "Why allow only 3 years for the Government to sell all those businesses? Won't they need more time than?"

Section 3 of the Liberty Amendment specifies that:

> "The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold."

Three years is adequate and we have ample proof of it. Inland Waterways Corp. was sold in a matter of days. The General Aniline and Film Corp., nationalized in World War II, was sold on the open market in a single day for more than $300,000,000. The liquidation of the entire synthetic rubber industry, was accomplished and fully paid for by private enterprise in less than 9 months. These and many other cases are discussed in the book, "Where the Money Went."

Properties and facilities affected that are not sold within the 3 years will revert to state jurisdiction.

20. "I think the Liberty Amendment is a good idea, but isn't it too late to do anything?"

No. It is not too late. It is never too late to stop the process of political confiscation as long as the amendment process can still be employed.

21. "Why do politicians make wild promises to give 'something to everybody' even when they know they cannot according to the Constitution?"

Men of high integrity in their personal lives often enter politics and adopt a new set of values in a game of bargaining for power. When they acquire a thirst for power, they resent being hampered by the Constitution, the Liberty Amendment, or anything else.

Legislators can be restrained, however, by the voter at the polls who will vote against every candidate who violates the Constitution. Know what the Constitution guarantees, and then require all candidates and officeholders to support basic American principles.

22. "Is not the Constitution too old-fashioned for today's complex, computerized society?"

Our Constitution, written almost 200 years ago, appears made for today's world which accents youth and change. The Constitution of the United States is a most revolutionary document, because it was based upon the radical idea that men should be left largely free to pursue their own affairs.

The men who drafted the Constitution foresaw that our life style would change, but human nature would not.

They built into the Constitution safeguards to make it possible for people to control the avarice and bullying instincts of politicians when they taste power. As Thomas Jefferson said:

> Let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.

23. "Does the 'general welfare' clause in the Constitution mean that the Government is responsible for our well-being?"

Probably one of the most misused phrases is the "general welfare clause." It is often taken out of context and distorted unmercifully. The term "general welfare" appears only twice in the Constitution: once, in the Preamble as one of the general purposes of the Constitution, and again in article 1, section 8, as one of the reasons why the Constitution grants to Congress certain specified powers. The two words—general welfare—are just two descriptive words in a phrase, within a clause, within a single sentence which is 18 paragraphs in length. It is used by the unscrupulous as a peg on which to hang their pet schemes which violate the intent and purposes of the Constitution.

24. "Do you think the courts that now ignore the Constitution will abide by the terms of the Liberty Amendment when it is added to the Constitution?"

Of course they will. Once the people speak, and the Liberty Amendment is added to the Constitution, all courts and other Federal agencies will be compelled to abide by it.

As a classic precedent for this: more than a century ago slavery was lawful in certain States. The courts were ruling that it was lawful in other States, regardless of State laws and State constitutions. This was the conflict which brought about the Civil War. The 13th amendment resolved the question by abolishing slavery and involuntary servitude. That amendment invalidated hundreds of court decisions and statutes, and the question was settled with apparent permanence. Similarly, the Liberty Amendment will restore the equities and justice of the Constitution as written and wipe out all court decisions, statutes, Executive orders, or bureaucratic directives and regulations which are contrary to it.

25. "If only Congress has the power to write Federal laws, where does the President get his authority to issue Executive Orders, such as ceilings on rents, prices, and wages. And how about all these other edicts?"

Executive orders originally were issued by the Chief Executive to members of the executive branch relating to the conduct of their assigned duties. This has changed until now they have the power of law. The fact that it has been accepted as law by the administration does not make it any more legal.

An Executive order which assumes a legislative power is improper as it has no constitutional authority. The President has no legitimate power to issue Executive orders that legislate. Neither does any agency of Government have any power to issue "regulations" which legislate. Congress alone has the power to legislate, as provided for in article 1, section 1 of the Constitution and limited as article 6, paragraph 2 provides.

26. "The book, 'Where the Money Went,' says the Patent Office, the Central Intelligence Agency, Defense Department, and other agencies will be affected by the Liberty amendment. Would these have to be sold?"

No, these agencies and a great many others on the list will not be abolished, because they do have important constitutional functions, but those activities which are not constitutionally authorized will end.

These agencies appear in the book because their activities have extended into areas not constitutionally authorized.

The Patent Office, for instance, has produced electronic equipment in competition with private enterprise. The Defense Department is operating railroads, barge lines, hotels, restaurants, saloons, and they even manufacture ladies underwear. The Central Intelligence Agency, according to the U.S. budget, is engaged also in roadbuilding, real estate, and property management.

27. "Who, other than the Federal Government, could possibly carry out the really big jobs, such as flood control, or drought relief?"

Individuals, local districts, and States have the ability to handle all such problems themselves without depending upon Washington, D.C.

Actually, the Federal Government spends our tax money lavishly, while pretending to do for us what we can do better for ourselves. The big jobs they undertake almost invariably are badly done and cost twice as much as they should. When a crisis arises the problems are of a local nature, interest is high, and the people directly affected are far better able to know and work out their own problems than someone from the Federal Government.

Hoover Dam was built by private enterprise, whereas Tennessee Valley Authority was built by the Federal Government and so far it has cost the taxpayers billions of dollars. Our Constitution grants to the Federal Government no authority to take on responsibility for such things as disaster relief or flood control.

28. "How could local and State government get along without Federal aid to finance such things as care of the handicapped and the needy?"

The only way the people within our States and localities can ever handle these local problems is by stopping federal intrusion into our domestic affairs. The Federal Government's job is to govern and regulate and protect us from external dangers. It is failing in this, its assigned task, while assuming the power to invade sovereign States to meddle in the problems of people and their localities.

It is commonly believed that the Federal Government owes its citizens help in every form, but it has no such authority. When the Federal Government gives to one person, it must take from someone else. If you are a taxpayer, it is your money that is being thus misused. As a people, Americans are the first to rush to the aid of those less fortunate. If we could take home a full pay check, we would provide our local facilities and private charities with the means for handling all problems of the handicapped and needy.

29. "Will the Liberty amendment force use to abandon such projects as space exploration and super-highways?"

Not necessarily. It will return to the people only those activities which the Federal Government has taken over without constitutional authority. A great highway system was built under local jurisdiction and paid for by local taxes or gasoline taxes at the pump. These expanded from country lanes to super-highways, and only recently has the Federal Government invaded this field, expanding the costs and producing not a single mile of road that could not have been done better within the local jurisdiction at far less cost.

The Federal Government has a valid interest in space from a military standpoint, but the assumption that only Government can carry through large projects is not correct. For example, Telstar was designed, built, and launched by American Telephone & Telegraph Co.

30. "Do you not believe that Federal aid to education is essential if every child is to have an equal opportunity?"

No one will dispute that every child should have a good education. The question is, whose responsibility is it? The Constitution clearly does NOT give that responsibility to the Federal Government, therefore Federal aid to education lacks constitutional basis.

"Education" per se is not mentioned in the Constitution, and, consequently under the 10th amendment, this activity is reserved to the States. Federal aid to education produces Federal control of education; and this has proved most detrimental.

31. "How will the Liberty amendment affect civil right for all minority groups?"

When the Constitution is restored, everyone, regardless of race, will enjoy equity and equality before the law. The Liberty Amendment is a friend to all minority groups, for its purpose is to preserve and guarantee true civil rights to all people—equally. Some people have been encouraged by certain politicians to expect very unequal "civil rights," through the enactment of special interest laws and special subsidies.

The only rights anyone is guaranteed as a U.S. citizen are those that are granted by legal means, and these clearly delineated in the Constitution.

32. "What effect, if any, will the Liberty Amendment have on veterans' benefits?"

Almost every family numbers a veteran among its members. Adding the Liberty Amendment to the Constitution would in no way nullify the obligation of Congress to recruit and provide for an armed force and to care for that force and everyone in it. Service-connected disabilities would be an obligation, as always, and the powers and obligations to care for the Armed Forces would be in no way affected. The abuses developed in this field will, of course, stop.

33. "How will the Liberty Amendment affect the Indian lands, the Indians and their reservations?"

The Liberty Amendment will emancipate Indians, as the 13th amendment emancipated the slaves in 1863. Few people realize the utter poverty of the Indians who are wards of Government. The incident at Wounded Knee brought attention to the plight of the American Indians, who are supposed to own their own reservation land, but have no real control of it. The Bureau of Indian Affairs controls those lands, and the Indians cannot improve their environment or themselves.

Indians must be elevated to the status of first-class citizens, rather than wards of the Government. Because the Liberty Amendment deals specifically with economic freedom for all people, the Indians will be set free—free to administer their own lands, to improve, develop, buy and sell—just the same as every other person in this country.

34. "If the Federal urban renewal program should end, how could we possibly modernize our cities?"

The modernization of cities must rest with the people, at the local level of government, for that responsibility is not given to the Federal Government under the Constitution.

The Federal urban renewal program has used our tax dollars to drive out property owners, often in the lower income group, and then turn them over to affluent and generally politically powerful persons for renewal devised by the bureaucrats.

Private citizens, unhampered by the horrendous burden of taxes, Government restrictions and regulations, would pridefully invest their money and effort to keep their cities up to date.

35. "What will happen to farm subsidies? Can the American farmer survive without help from the Federal Government?"

The farm subsidy program is probably the most tragic example of what happens when government disregards the Constitution and intervenes in free enterprise.

Farm subsidies have raised the price of farm products and consequently increased the consumer's food bill. The bulk of the billions in subsidies go to the factory-type operations which have driven out the real farmers. And every farmer—big and small—has lost the freedom to plant the crops of his choice and sell the product of his toil at the best possible price in the free market.

John Scott of Gilby, N.C., states the case:

> We who remain on the farms and ranches of this nation are fighting for survival. We simply cannot endure a continuation of the restrictions, regulations, and meddling that beset us these forty years . . . We need an end to federal farm programs . . . We ask for freedom to run our own farm business; for a free market of supply and demand.

And we, who pay the food bill, ask for the same.

36. "What about the social security system under the Liberty amendment?"

Until recently there were few dissenting voices on the subject of social security, but it is now being given much scrutiny. The facts now being revealed show social security is: First, not insurance because the so-called premiums we are forced to pay are really a tax on wages, paid into a general fund. Then Congress appropriates those funds to many Government agencies. The tax on wages and funds appropriated to social security are not necessarily similar. Second, the operation is not social, because it is compulsory. Third, it is not secure, as it is subject to any alteration at any time, and there is no contract. Neither is it solvent, because it operates without funding as required of insurance companies, and is, therefore, hopelessly in debt with contingent liabilities of almost half a trillion dollars.

Unfortunately, social security is so many different things that its ultimate fate must be left to the Supreme Court for decision. If the Supreme Court decides it is not constitutional, benefits will stop instantly, which would be a tragic situation for many elder citizens.

The Liberty amendment, on the other hand, provides 3 years in which to transfer the operation from unfunded political mismanagement to funded, ecomonically sound, private management, controlled by law so that present and future beneficiaries will go right on receiving their checks.

37. "What about medicare? Will this be eliminated by the Liberty amendment?"

The "medicare" program is similar to that of the social security system as a whole. With or without the Liberty Amendment the Supreme Court will some day have to settle the question. With the Liberty amendment in force, the basic structure can be returned to private enterprise which has adequate medical and hospital plans working advantageously. The present system is unfunded and deeply in debt because of its contingent liabilities.

Actually, all our people will be in much better position with private insurers, under a firm contract supervised by law.

38. "Is not the Federal Government responsibile for seeing our air and water is not polluted?"

Polluted water and smog-filled air is of deepest concern to the people of the community. Only they can solve the problem. Absentee bureaucrats in Washington, D.C. can not. As an example, Pittsburgh was once our dirtiest city and politicians kept it that way. A Smoke Committee was organized by private manufacturers and industrialists and whipped the problem, with the result that today it is a clean city. The same can be done elsewhere.

39. "Our entire transportation system is in terrible shape, particularly railroads and local rapid transit operations. If the Federal Government does not take over and operate our transportation, who will?"

Once upon a time we had the most efficient transportation system the world ever knew, all built and operated by private enterprise. Over an interval of a great many years, our local and national systems have been destroyed by the strategy of freezing revenue while increasing costs and taxes to the point of bankruptcy. This has been followed by a "takeover" by the same political schemers and bunglers who created the problem, pretending to save them "for the people."

The only solution is to confine the Government to constitutional limits and permit the people themselves to build the network of transportation needed by today's mobile millions.

40. "If the Liberty amendment gets the Government out of business, what will prevent large companies and wealthy individuals from creating monopolies?"

Competition in a free market prevents monopolies, because the rewards for production, invention, development, and service are profits. Profits are dependent upon giving the customer what he needs or wants to survive. If one fails to serve the customer, he is out of business and his competition takes over.

The exception to this is when political pressure is applied, and politicians take over. Watergate illustrated how this system works. The Liberty amendment would tend to eliminate monopoly and open up a truly free market.

41. "How did the Federal Government get so much land? What will happen to all the 'public lands' under the Liberty amendment?"

The Federal Government had no authority to hold back any public lands from the States as they were created, or to "take" any land in any State except as the Constitution provides.

Herbstreith & King's book, "Action for Americans," tells how much land Government has taken.

The Constitution confirmed the terms of the Northwest Ordinance. All States were to come into the Union with rights and powers equal to the original States—in which the Federal Government had no property rights whatsoever—except first, as land might be purchased, second, with the consent of the legislature of the State in which the same shall be, and third, for agreed upon and needful purposes, such as arsenals, magazines, forts, dockyards, et cetera.

Now we find that only two-tenths of 1 percent of Alaska was originally subject to the jurisdiction of the State. In Nevada the Federal Government holds 87 percent of the land area, in Utah 66 percent, and in Oregon 52 percent, in Idaho 64 percent, and in California 45 percent of the land area. Under the Liberty amendment the 40 percent of the land area now under Federal control will be restored to State jurisdiction.

42. "Much of the land under Federal control seems to be worthless desert or rugged mountains. Who would buy land like that?"

Land that appears worthless to one may be highly regarded by another. An example is the land just north of the California-Mexico border which was the most barren area imaginable, but men of vision saw possibilities in this arid desert land well below sea level, and now the Imperial Valley is a garden without compare. There is no worthless land.

43. "If private land developers get control of this land, would not they destroy the natural beauties and add to the problems of ecology?"

Federally controlled lands, turned back to State jurisdiction, will be under the watchful eye of the people most concerned with preserving their beauty and usefulness. State and local authorities will make the laws regarding them. An absentee landlord in Washington is not as concerned with the future of the land as are the people of the community involved.

44. "What will happen to our national parks and forests when the Liberty amendment is adopted?"

There is no reason to fear that parks and forests will be destroyed because they will be in State jurisdiction. There is nothing to indicate that Federal control has any merit. State, city, and county parks are generally better maintained then national parks, because the local interest is higher.

The same may be said of forests. Records show that the ravages of fire and disease in a national forest are far greater than in State forests, and greater in State forests than in private forests. The obvious reason is that trees in a private forest represent a salable crop, while in public hands they are an avenue to political power.

45. "Can the States be trusted to maintain their parks and monuments and preserve these for posterity?"

Under the Constitution each State was sovereign and held complete jurisdiction over the land and activities within its boundaries. As the Parks and Monuments are located within States, the States are naturally better stewards of their own property than any Federal agency could be.

The Constitution intended the State would hold exclusive jurisdiction over all land and activities within its own boundaries. The Liberty amendment will restore that concept.

46. "What will be the effect on the Federal Trade Commission when the Liberty amendment is put into operation?"

According to the U.S. Government Organizational Manual of 1971–72 (page 439), the Federal Trade Commission was established to "promote free and fair competition in interstate commerce through prevention of price-fixing agreements, boycotts, combinations in restraint of trade, and other unfair methods of competition." Nice words, but this agency has become, along with others, the proponent of price fixing, boycotts, and various restraints of trade that hamper private enterprise. This may well be an attempt to cripple private enterprise and clamp a tighter political grip on private affairs. Under the Liberty amendment the Federal Trade Commission will hold limited regulatory powers.

47. "How will the application of the Liberty amendment affect the Federal Communications Commission?"

The Federal Communications Commission holds some valid regulatory powers, but they have no constitutional authority to control, punish, or dismember any channels of communication. Like so many Government agencies, the Federal Communications Commission has assumed powers that it simply does not have. Media slanting is one of these. The Liberty amendment will stop the despotic control of broadcasting privileges of stations at odds with FCC bias.

48. "What about the effect of the Liberty amendment on the Labor Relations Board?"

The National Labor Relations Act of 1935 authorized a National Labor Relations Board to investigate and settle labor disputes. It has no constitutional authority for existence, but it has wielded enormous power. We can assume the Liberty amendment will stop the arbitrary control of labor, management, and industry by edicts that have no constitutional authority. Realistically, the only legitimate jurisdiction the Federal Government has over labor and management is within the ranks of Federal employees.

With the National Labor Relations confined to its proper sphere, the terrifying power of the labor unions over workers will be drastically reduced.

49. "Is not the Food and Drug Administration too valuable to be terminated by the Liberty amendment?"

The Food and Drug Act came into being in 1907 as a regulatory power to clear up the practices of unscrupulous meatpackers, unsanitary stores, and quacks in the field of medicine.

As a check on the purity and safety of the foods and drugs we consume, this agency appears to be within the constitutional intent; but like all political organizations, it has gradually expanded. Without adequate proof or legal justification, it has attacked and prohibited many products that are not the concern of this agency. The constitutionally authorized functions of the Pure Food and Drug Administration will not be affected by the Liberty amendment. Their excesses will be stopped.

50. "How will Government be able to control labor and business monopolies if the Liberty amendment removes or limits the regulatory powers of the Federal Government?"

It is ironic that so many people are worried about labor and business monopolies, and yet it apparently never occurs to them that the monopolist to fear most is Government itself. In Communist countries government has a monopoly on all activities, and the people have no economic freedom. With our Federal Government controlling 40 percent of the land area and 20 percent of the industrial capacity of this Nation, we are facing the same disaster.

Free enterprise destroys monopolies faster than can government control.

51. "What is the value of the land and personal property held by the Federal bureaus?"

The Committee on Government Operations of the House of Representatives maintains a continuing inventory of the real and personal property held by the Government. Their June 30, 1970, report gives a figure of $435 billion for the worldwide holdings as of that date. The estimate is extremely low and some properties—such as the famous Presidio in San Francisco inventoried at $1—are undervalued in their appraisal. One thing is certain, if even half of these properties—the ones held without constitutional authorization—are sold at half of book value, the recovered amount will be well over $100 billion.

52. "Supposing all these properties and facilities are not sold off as expected, or do not sell for the prices expected, then what happens?"

If the properties are not sold within 3 years, the Federal Government must relinquish them anyway, and anything left unsold will revert to State jurisdiction for disposal or retention, as the case may be. Prices may vary in the liquidation process, but the main point is that these properties will be removed from Federal hands and restored to State jurisdiction and private taxpaying ownership. The consequent saving from not maintaining these bureaucratic empires will exceed what we now pay in income taxes. There is a bargain to the American taxpayer worth working for.

53. "Now that you have the activities of these agencies that are not authorized and listed, why not get Congress to eliminate them?"

Theoretically this sounds like a good idea, but do you know of anyone who has enough power in Congress to override the pressure of the Federal bureaucracy? The bureaucracy has billions of our tax dollars at their disposal every year, and their lobby keeps the pressure on Congress for more power and more appropriations, endlessly. The only way to remove their power is to dry up the tax fountain with the Liberty Amendment.

54. "What effect would the Liberty Amendment have on the plan for regional government, which would concentrate all power in Washington?"

A concerted effort is being made to brainwash the American people into accepting not only regional government, but a new Constitution. Books advance the idea, articles in prominent magazines, TV programs and speeches by people who must be misinformed or are outright enemies.

The Liberty Amendment will stop these attacks and restore the sovereignty of the States. It will automatically outlaw all such designs for the concentration of power from either regional government or a Constitution other than the one we now have, which provides for individual freedom.

55. "Will the Liberty Amendment have any effect on unemployment?"

Unemployment is a tragic fact of life to many people. Surprisingly, the Liberty Amendment will solve much of the unemployment problem. Getting the Government out of business enterprises it operates without constitutional authority would eliminate the staggering losses. This would make possible the elimination of income tax. Workers would then receive about 20 percent more take home pay without any change in their rate of pay. This increased purchasing power would stimulate production and make the economy boom. There would be a demand for new plants, better machinery, more crops, more raw materials and more finished products to meet the accelerated purchasing power. This expansion would create enough jobs to absorb all the labor potential in this country for years to come.

56. "Isn't the Liberty Amendment just a scheme to shift the load of responsibility from the Federal Government onto the back of the State government?"

Not at all. The idea is to get the responsibility back into the hands of each individual. When Government deprives the individual of self determination and individual responsibility, it tends toward a nation of slaves or robots. In a free society, a free man must be self-reliant and help maintain the society of which he is a part. Our Government was limited in power by the Constitution. The purpose of the Liberty Amendment is to stop the concentration of despotic power and redistribute it to the people.

57. "Does not Congress already have the power to sell such properties and repeal or reduce taxes?"

Yes, Congress has such power and has used it on various occasions, sometimes very strangely. For example, Congress did abolish the Reconstruction Finance Corporation, after it had dissipated an estimated $50 billions in tax dollars. While title I of the act abolished the Reconstruction Finance Corporation, title II of the same act created the Small Business Administration, enlarged the General Services Administration, and divided all the residuary powers of RFC between them. The name on the door changed, but now there were two doors instead of one.

The sale of the Synthetic Rubber Industry and General Aniline and Film Corp. was accomplished, but while these were being sold, other businesses were issuing from the prolific bureaucracy. Reinforcing the Constitution will stop this sleight-of-hand process.

58. "If Federal agencies are operating businesses without constitutional authority, why do you not take them to court?"

A good idea, and many persons have tried it; but there is a catch—there is no way to sue Government without the Government's permission, and this is rarely given. The Constitution provides that we, the people, shall be able to "petition the Government for redress of grievances," but the courts have repeatedly shut their eyes to the flagrant assaults against the constitutional rights and powers of the people, and have contended that they have no "jurisdiction" when a bureaucratic "regulation" is involved. The only real court available that can change this situation is the court of public opinion which can restore the Constitution by applying the Liberty Amendment.

59. "Do you not think it is necessary for our Government to keep ahead of Russia in the space race, or the arms race, or the merchant marine, or anything else you may name?"

The United States for a long time has been in first place in most fields. We should continue in that position. The question is, why are we lagging behind now? Is it possible our Government has been so busy playing the dangerous game of world power politics and trying to run everyone else's affairs that they have neglected our safety and liberty? Now we are warned that we need to hurry to keep up, but we are increasingly being hampered in our efforts by regulations and directives and competition from tax-free governmental agencies that prevent it. The Liberty Amendment will release the vast resources of American inventive genius and production know-how and again give workers the incentive of a full paycheck.

So far as the space race is concerned, the Space Act strangled private incentive by declaring that all inventions dealing with space belong to the Government, instead of to the inventors, as the Constitution provides.

60. "Exactly what is the Federal Reserve System and what will the Liberty Amendment do about it?"

There is probably more misinformation about the Federal Reserve System than about any other one thing. Some say it is a Federal agency; others say that it is privately owned. In 1913 an act of Congress created the IRS to provide us with what was defined as "an elastic currency." This has been done, and in the process our stable currency, based on silver and gold standards, has been replaced by printing press money. The Hoover report of 1955 declared the Federal Reserve to be the first of the 104 banking and lending organizations then being operated by Government. A recent U.S. Government Organizational Manual confirms this. The article "Who Gets The Plunder?" in Freedom magazine reproduced a page from the 57th Federal Reserve report to Congress, showing that in 1970 the U.S. Treasury received 98.9 percent of the earnings, while only 1.2 percent went to the banks compelled to own FRS bank stock. The Liberty Amendment will remove the Government from the banking business.

61. "Can the inflation we have experienced for years be stopped by the Liberty Amendment?"

The spiral of inflation will be stopped when the Federal Reserve System's endless stream of printing press money is stopped. Webster's International Dictionary defines "inflation" as "an increase in the volume of money and credit relative to available goods resulting in a substantial and continuing rise in the general price level." In other words, when money is printed faster than actual production of goods and services, we have inflation.

Our President and Congress constantly spend more money than all the American people combined can funnel into Washington through taxes. Then they translate these deficits into unredeemable printing press money and we have inflation. In 1971, $40 billion of new paper money was printed for the FRS to cover the Government's deficit—thus was created that much inflation.

Yes, the Liberty Amendment can stop inflation.

62. "Does the Government have anything to do with setting interest rates, and what will the Liberty Amendment do about it?"

Economists and the news media have a great deal to say about interest rates, although it is baffling to most ordinary individuals. These days our credit is at the mercy of the bureaucracy that controls money. Interest rates are manipulated by the politically appointed directors of the Federal Reserve System. This manipulation will stop when the Liberty Amendment is in operation. When the happy day comes, credit arrangements will be strictly between the borrower and the lender, based upon the borrower's integrity and ability to repay. Interest rates will become realistic, also, when they are no longer manipulated through political control. After all, it is on this basis America was built.

63. "How about all the tax money that is spent on wars. Will the Liberty Amendment change this?"

The sole function of the Defense Department is to defend this country from foreign aggression. The Liberty Amendment will not cut the obligations of the Defense Department to carry out its specified duties, to defend this Nation on the ground, in the air, at sea, and even in space. The Constitution enforced by the Liberty Amendment, will not permit undeclared "no win" wars, and our defense posture will be improved enormously by getting our defense establishment back into the business of defending, rather than competing with us, as they do now, through thousands of business, industrial and commercial establishments.

64. "Will the Liberty Amendment have any effect on the present law regarding the draft?"

While there is no longer a draft in this country, every eligible male who attains the age of 18 years must register and carry a draft card, presumably to keep a record of eligible strength in case of emergency.

The 13th amendment very distinctly provides that:

> Neither slavery nor involuntary servitude, except as punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

If we have learned anything from history it is that no conscripted army has ever proved the equal of a free people defending themselves. Returning to the Constitution will prevent the draft, and increase our defense posture because we will be free to defend the most priceless possession of all—Liberty.

65. "Exactly what effect will the Liberty Amendment have on our membership in the United Nations?"

The United Nations building is located in New York City. This country contributes by far the largest amount of money in support of this organization. Some people believe that the United Nations Charter supersedes our Constitution, but this is not true. Nothing supersedes our Constitution as the supreme law, and certainly not the United Nations Charter. The Liberty Amendment will end the pretense that treaty law, the Genocide Treaty, or any other such device can have any valid impact upon our domestic affairs, our industries, our lands, or our activities. It will reduce the United Nations Organization to a forum for the discussion of international affairs and international relations.

66. "Will the Liberty Amendment have any effect upon Communist countries?"

Time and again the wealth and resources of the United States have been diverted to the aid of Communist controlled countries. Apparently the Communist system is incapable of sustaining its own existence. When our Government is confined again to the terms of the Constitution, it can no longer bail out Communist countries when their economy falters, and the enslaved people may be able to establish forms of government of their own free choice.

67. "Unless we have a hand in managing the affairs of some small nations, is there not danger that they will fall under Communist control?"

When the torch of freedom burns brighter in this country through the reestablishment of our Constitution, we will be in a better position to set an example for other nations. The Constitution does not permit this country to maintain the economy of other nations or control their political lives, yet that is what we have been doing. Foreign aid around the world cost the United States people, from 1946 through 1971, a total of $212,880,797,000. The rulers of 3½ billion inhabitants of this world have received aid from the United States. The Liberty Amendment will stop this madness which is destroying us.

68. "Would it not be a good idea to continue foreign aid to help the more friendly countries?"

Foreign aid does not reach the people of any country, friendly or otherwise. It is a gift from the Chief of State here to the Chief of State elsewhere. It only enriches the tyrant. Our Constitution protects us from this device for plunder. Our Government was empowered to gather taxes to protect this Nation from the avarice and cupidity of all the other nations on Earth. It did not grant any administration the power to hand our tax dollars, or the production of our people, to any foreign power. The Liberty Amendment will stop this dissipation of our substance by Government, and will restore the right of people to assist whomever they wish around the world, as they once did.

69. "How will the Liberty Amendment affect such treaties and alliances as NATO, SEATO, and others like them?"

The Liberty Amendment will not alter the right and power of the President, with the advice and consent of the Senate, to enter into any treaty that may be within the authority of the Constitution. A review of the Constitution shows that no treaty can be valid which in any way jeopardized the independence of the United States or any of the separate States or permits any foreign power or combination of foreign powers to exercise jurisdiction or control over the internal affairs of the United States or any of the individual States, whether it be with the U.N., NATO, SEATO, or any other.

70. "Will we be able to defend our country properly under the Liberty Amendment?"

We have already touched on this subject of defense, and should be reassured that the Liberty Amendment will accomplish miracles in this area. At the present time the Defense Department is involved in thousands of businesses without constitutional authority. Divorced from these activities, their total attention will be given to the defense of this Nation, and with the Constitution back in force and effect we will not be involved in undeclared wars. The Constitution wisely separated the power of declaring war from the power of waging war, to prevent its being declared for the sake of waging it.

71. "Will we still be able to have a strong economy in the fields of mining, agriculture, manufacturing and transportation with the Liberty Amendment?"

All of these activities will flourish incredibly well. Gold and silver production has been stifled; agriculture has been hampered; manufacturers have been in bureaucratic straitjackets; transportation has been strangled. There is no open market. We can expect spectacular new developments in all these fields and every other area of production when the Liberty Amendment is in force.

72. "If the Government does not finance or underwrite research and development, who will?"

The only research and development the Government has any right to be involved in is in the defense of this Nation. Even here, it has been individuals and companies that have researched and devised all methods of production. A man named Colt invented the revolver, and the Army was reluctant to adopt it. An American invented the submarine, and our Navy would not even look at it. The airplane was invented here, and the U.S. was one of the last to adopt it to our defense. Gen. Billy Mitchell was discharged from the Armed Forces because he advocated air power. Government has curtailed real research and development, and our weaponry has suffered.

73. "Exactly what effect will the Liberty Amendment have on our local State and city governments?"

Federal aid to state and city governments sounds good, but the Federal Government has manipulated the States into very dangerous financial situations through "sharing," "matching funds" and managed inflation.

Cities have been drained of vitality by the Federal individual income tax, which syphons away their potential resources, and federal agencies which inject themselves into essential municipal services and make them more costly. Both states and cities will be better off under the Liberty Amendment.

74. "What will happen to the Government's revenue sharing plan if the Liberty Amendment is passed?"

At first glance revenue sharing looks like a splendid idea. The Federal Government gathers a wealth of taxes from the people and then dribbles a little money back to the States and local governments for their own use. Upon further examination, this new device proves to be a take-over of the states, for it is only a small subsidy, and when government subsidizes anything it exerts control.

There are already too many subsidies in existence that undermine our states' prerogatives. Now even their boundaries are being threatened by "regional government" which would replace the individual states with 10 regions.

Restoring the Constitution, as the Liberty Amendment is capable of doing, would take care of all of these questions—regional government included.

A TRIBUTE TO CHRISTOPHER COLUMBUS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, today I am introducing legislation which would confer honorary citizenship upon the great world explorer, Christopher Columbus.

It was the genius of Christopher Columbus, reflecting the genius of his Italian heritage, which led to the discovery and settlement of America. In so doing, he altered, irrevocably, the course of human history.

It has been observed that the Columbus expedition was multinational in character, and so it was—an Italian captain, commanding Spanish vessels, guided by a Negro pilot reading Portuguese charts. Yet it was the influence of Columbus that was to predominate, and it was in keeping with his pioneering efforts that all the other magnificent European explorations of that period were later launched.

For more than 4½ centuries since that time, the name of Christopher Columbus has been honored, throughout the world, by people of vision, courage, and imagination. Of all the brave explorers in history, none can be said to have exceeded Columbus in daring, skill, and perseverance.

It is difficult to overstate the importance of the Columbian expedition of 1492. Within a few years thereafter an astounding change came over Europe. It was noted by an observer of the time that—

> Men are no longer sighing after the imaginary golden age that lay in the distant past, but speculating as to the golden age that might possibly lie in the oncoming future.

Regathering her strength, England recovered, suddenly, from the fratricidal Wars of the Roses. The church put its house in order. Italy, France, and Prussia were revitalized by a flow of new ideas. The colonizers of America were inspired by Columbus as they opened up the new world.

Thus it is a most fitting tribute that we commemorate this great world figure, Christopher Columbus, as we near the national holiday we have established in his name, by recognizing him as an honorary citizen of the United States of America.

The resolution follows:

H.J. Res. 701

Joint resolution to confer honorary U.S. citizenship upon Christopher Columbus

Whereas Christopher Columbus is recognized as one of the greatest explorers in world history;

Whereas the United States has recognized the extraordinary accomplishments of Christopher Columbus by establishing a national holiday in his name; and

Whereas it is fitting and proper for this Nation to further commemorate this individual who so greatly contributed to the history of mankind, by recognizing him as an honorary citizen of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That honorary United States citizenship is hereby conferred upon Christopher Columbus.

COMMUNITY DAY IN CHAPPAQUA

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, each year the village of Chappaqua, N.Y., celebrates "Community Day," during which local civic, business, recreational, educational, and religious groups set up booths exhibiting their areas of concern and the services they provide.

This year a group of local women, calling themselves WHEAT, organized a booth on the topic of world hunger. They provided information, bumper stickers, balloons, and other items and gave a slide presentation in an effort to call attention to this important issue. A large number of people who visited that booth were inspired to write to me regarding this problem to ask my support for legislation that will help end hunger and malnutrition throughout the world.

I believe that the women who formed WHEAT and set up that booth have performed a great service and deserve ample recognition for their efforts. For my part, I certainly do redouble my longstanding efforts on behalf of proposals to bring about a better distribution of the world's food supply and to encourage more research into how we might best use the Earth's resources to make an adequate diet available to everyone. The recent passage of H.R. 9005, the International Development and Food Assistance Act of 1975, is certainly a step in the right direction, and I am happy to have had the opportunity to support this bill.

Mr. Chairman, I would like at this time to insert into the Record the letter which has been signed by many of my constituents and mailed to my Washington office. I think this expresses in a simple, yet poignant way the feelings of so many Americans that this country has a tremendous responsibility to use its vast potential to aid in the fight against hunger:

Chappaqua, N.Y.,
September 13, 1975.

Dear Representative Ottinger: Hunger is a reality that won't go away. People here in the United States as well as in other parts of the world are suffering. Many private agencies are trying to help. But the problem is far too massive. The resources of our Government must be used, especially in terms of long-range strategies that deal with the causes of hunger.

As a congressman, you have the power to work for, to vote for, policies that would identify this country as one which is concerned, as one that is willing to share its resources not for political gain, but because we are all part of the human race.

Too often, our own economic difficulties cause us to lose sight of the desperate plight of others. Today, as we celebrate "Community Day" in Chappaqua, we have been made aware of greater needs than our own. We urge you, as our representative, to support the *Fight Against Hunger* and to take a leadership role in this matter.

CONGRATULATIONS TO BOTH JOHN LENNON AND HIS ATTORNEY, LEON WILDES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the U.S. Court of Appeals for the Second Circuit issued a decision on Tuesday, October 7, barring the U.S. Immigration and Naturalization Service from deporting John Lennon for a 1968 conviction in Britain for the possession of marihuana found in his London apartment.

The court action was based primarily on two reasons: First, that British law does not require a person to have "guilty" knowledge that marihuana is in his possession, and second, that John Lennon had been singled out and selectively prosecuted as evidenced by the discovery of certain documents and letters to government officials.

Mr. Lennon's attorney, Leon Wildes, is to be greatly commended for his diligence and persistence in seeing this case through to a successful conclusion as well as for his excellent legal skills in shepherding this case through the courts.

However, it is a great source of concern to me that most aliens in this same situation but who are unable to afford such excellent legal counsel as John Lennon could, are still subject to deportation because of the way the law is written.

I have introduced legislation since 1973—H.R. 567 in this Congress—which would amend the Immigration and Nationality Act to allow the Attorney General, at his discretion, to waive the now automatic bar to immigration of aliens who have been convicted, at any time in their lives, of marihuana possession. This bill has been introduced in the Senate by Senator Alan Cranston.

The wording in the law was decided upon in 1960 when marihuana was a felony under both Federal and State law. Now, every State in the union treats possession of minimal amounts of marihuana as misdemeanors or less. In six States, it is decriminalized and a civil fine imposed.

If Jack Ford, who has very courageously admitted to using marihuana, were a citizen of Britain and convicted of possession there and sought residence here, would it not be shameful if he were arbitrarily kept out of this country?

And, additional good news. Yoko Lennon gave birth to a baby boy today, name: Sean Ono Lennon.

The article from the New York Times on the court decision follows:

[From the New York Times, Oct. 8, 1975]

Deportation of Lennon Barred by Court of Appeals

(By Arnold H. Lubasch)

John Lennon yesterday won a major court decision here barring United States immigration officials from deporting him for a marihuana conviction in Britain.

The conviction is not sufficient reason to deport the popular British rock musician from the United States, according to the decision, written by Chief Judge Irving R. Kaufman of the United States Court of Appeals for the Second Circuit.

In the 24-page decision, Judge Kaufman issued a strong warning that "the courts will not condone selective deportation based upon secret political grounds."

This alluded to Government documents that were submitted to the court, indicating that the Nixon Administration started deportation proceedings against Mr. Lennon in 1972 for fear that the former Beatle would make appearances in the United States promoting opposition to the then President.

Judge Kaufman declared in the decision that the 1968 conviction of Mr. Lennon, which resulted in a fine for possession of marijuana found in his London apartment, failed to provide sufficient grounds to exclude Mr. Lennon from the United States.

DECISION IS 2 TO 1

In the 2 to 1 decision by the Court of Appeals, written with the consent of Judge Murray I. Gurfein and a dissent by Judge William H. Mulligan, Judge Kaufman ruled that the conviction did not make Mr. Lennon an "excludable alien" because the British law did not require him to have "guilty knowledge" that there was marijuana in his apartment.

Mr. Lennon, who said that tomorrow was his 35th birthday, has been living here with his wife, Yoko Ono, who is expected to have a baby next month.

"It's a great birthday gift from America for me, Yoko and the baby," Mr. Lennon said of the court decision.

Last month, the Immigration and Naturalization Service, citing Mrs. Lennon's pregnancy as "humanitarian grounds," said that it was temporarily suspending its efforts to deport Mr. Lennon, but that the deportation case would remain pending.

According to the Government documents, which Mr. Lennon's lawyer, Leon Wildes, obtained from the Government under court orders, Senator Strom Thurmond, Republican of South Carolina, wrote a "personal and confidential" letter to the then Attorney General, John N. Mitchell, on Feb. 4, 1972, suggesting that action against Mr. Lennon could avoid "many headaches."

Attached to the Thurmond letter was a memorandum from the files of the Senate Internal Security Subcommittee asserting that "a commune group" was preparing to go to California to disrupt the 1972 Republican National Convention and that "a confidential source has learned that the activities of this group are being financed by John Lennon."

A second memo from the same files contended that "radical New Left leaders" planned to use Mr. Lennon "as a drawing card to promote the success of rock festivals" to obtain funds for a "dump Nixon" program.

"If Lennon's visa is terminated," the memo added, "it would be a strategy countermeasure."

A subsequent memo from the Deputy Attorney General Richard G. Kleindienst to Raymond F. Farrell, then Immigration Commissioner, turned over the Thurmond letter and the memo that had accompanied it to the Immigration Service on Feb. 14. 1972.

Mr. Kleindienst asked in his memo to Mr. Farrell if there was "any basis" to bar Mr. Lennon from the United States.

Then, Sol Marks, the Immigration Service's New York district director, noted in a memo for his files on March 2, 1972, that an immigration official in Washington had informed him by telephone to begin the deportation proceedings against Mr. Lennon.

Citing these documents, Mr. Lennon's lawyer told the Court of Appeals that "there is substantial reason to believe that official governmental action was based principally on a desire to silence political opposition squarely protected by the First Amendment."

In his ruling yesterday, Judge Kaufman said that the decision to bar Mr. Lennon's deportation was based on the court's interpretation of the immigration law regarding foreign convictions, but added "a brief word on Lennon's contention that he was singled out for deportation because of his political activities and beliefs."

"We do not take his claim lightly," Judge Kaufman said, adding his warning against deportation for political reasons.

"If, in our 200 years of independence," the judge said, "we have in some measure realized our ideals, it is in large part because we have always found a place for those committed to the spirit of liberty and willing to help implement it.

"Lennon's four-year battle to remain in our country is testimony to his faith in this American dream."

COMMERCE DEPARTMENT AIDS ARAB BOYCOTT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I find it shocking that the Department of Commerce is using Government resources to circulate Arab invitations to bid that contain anti-Israel boycott provisions. This is in direct contravention to our country's antiboycott policies and further abets religious discrimination against certain of our American citizens. I have protested this practice by the Department of Commerce in a letter to Secretary of Commerce Rogers Morton today. I might also note that the Anti-Defamation League of B'nai B'rith has filed suit in Federal court to stop the Department from circulating Arab tenders that contain these boycott provisions. I hope that the Secretary will change the Department's policy and we will not have to wait for court action.

My letter to the Secretary follows:

House of Representatives,
Washington, D.C., October 9, 1975.

Hon. Rogers Morton,
Secretary, Department of Commerce,
Washington, D.C.

Dear Mr. Secretary: We have had correspondence in the past couple of months about the Department's refusal to disclose the list of American firms which reported Arab requests to participate in their boycott of Israel. As I previously indicated, I find it reprehensible that the Commerce Department should shield such boycott requests, particularly since they are in direct violation of the country's anti-boycott policies.

Today, I am writing about a similar abetment of Arab boycott efforts by the Department in circulating Arab bid invitations containing restrictive trade and boycott provisions against American companies or individuals who trade with or otherwise support Israel. How can the Department justify using American government resources to further Arab boycott practices? Not only is the Department contradicting the country's anti-boycott policy as legislated by the Export Administration Act, it also is effectively promoting discrimination against certain citizens because of religion.

It is my understanding that the Department has acceded to the Arab demands for inclusion of these boycott provisions because of its concern that the United States not lose Arab business. The fact is that while the Arab countries may be rich in petro dollars, they do not have the industrial resources of our country. And so they need our products and it is we who should be demanding concessions, not acceding to them. If the Arabs see the United States cow before this demand, the dollar impact of which is probably relatively small, they will much more readily attempt to coerce us in the future into even greater concessions. Coercion unchallenged begets greater coercion. Even were the dollars to be important, a more important matter is involved and that is the honor of the United States. Don't you agree with me that by cooperating in a boycott against our own citizens, the United States is forfeiting its honor, if not violating the law. In my opinion you are violating the law.

The Department's offer to stamp Arab bid invitations containing boycott provisions with a reminder of American policy, while perhaps better than nothing, is a little ludicrous. The Department is joining in the circulation of bids whose provisions run contrary to the very anti-boycott policy it is charged with implementing. Have any companies listed the Department of Commerce as a co-conspirator with an Arab company in reporting requests for boycott compliance? Effectively, your circulating such boycott demands makes you a party of the Arab boycott operations.

Sincerely,

EDWARD I. KOCH.

ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS SUBCOMMITTEE HEARINGS ON FEDERAL BUREAUCRACY RULEMAKING

(Mr. FLOWERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FLOWERS. Mr. Speaker, I wish to announce that the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary will hold hearings on October 21, 22, 23, and 29, 1975, on the bills H.R. 3658 and H.R. 7689 and companion measures, dealing with congressional review of administrative rulemaking.

How many times have we all heard our constitutents complain about the runaway rulemaking of Federal agencies? How many times, Mr. Speaker, have we in this House individually and collectively voiced our own frustration and disapproval of various agencies seemingly thwarting the will of Congress through their promulgated rules and regulations?

It seems to me that our people deserve accountability in their National Government, and not only in the legislative branch. These proposed bills to be considered by my subcommittee offer some promise of achieving a greater degree of accountability and responsibility in administrative rulemaking by the vast Federal bureaucracy.

ENERGY EXTENSION SERVICE TO BE ESTABLISHED IN ERDA

(Mr. THORNTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THORNTON. Mr. Speaker, I am introducing, today, legislation calling for the establishment in ERDA of an Energy Extension Service to analyze, develop, and extend to the American public, information and assistance in making good use of energy conservation opportunities.

The Service would be patterned after the Agriculture Extension Service of the Department of Agriculture and would, where possible, use existing institutional resources to achieve energy conservation goals which would not adversely affect our Nation's economy and productivity.

I hope this bill will also focus attention on the need to place greater emphasis on the role of energy conservation and the avoidance of waste of energy resources.

No single piece of legislation will answer all of the energy problems but I think an Energy Extension Service can be an important part of an answer.

A CANADIAN SALUTE TO OUR BICENTENNIAL

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, 200 years ago when the American revolution began there were many in our country who hoped that the citizens of our great northern neighbor, Canada, would join us in our endeavor. Canadians, however, chose otherwise and went on later to achieve their own independence in their characteristic way. That outcome of history has been most fortunate for us both. That North America can boast two of the world's foremost democracies and not just one has been of great mutual benefit to both our nations. Each of us has been able to learn from the experiences of the other and to enrich our own cultures as a result of the cross fertilization of peoples and ideas across our border.

Next week our long history of friendship with Canada will be marked by a significant cultural event as Canada joins in our Bicentennial celebration by sharing with the people of the United States the best of Canadian cultural life. For 2 weeks, beginning next Monday, the largest Canadian cultural program to be seen outside of Canada will be presented at the Kennedy Center and at various locations throughout the Washington area.

I want to take this opportunity to express my own appreciation to the people and Government of Canada for so generously contributing to our Bicentennial celebration.

Mr. Speaker, knowing of the great affection of the Members of the House toward Canada and the great respect for the quality of Canada's cultural achievements throughout the United States I want to share with our colleagues both the text of a Bicentennial greeting to the American people from the Honorable J. H. Warren, Ambassador of Canada, and the schedule of events of the Canada Bicentennial Festival:

A MESSAGE FROM CANADA

Your Bicentennial Celebrations, in which Canada is so glad to play a part, are far more than just an Anniversary. They mark a reaffirmation of the principles and ideals upon which your nation was founded—a restatement of the faith, optimism and creative vision which have kindled your history and inspired your great achievements.

Canadians join in your celebrations with the special warmth and pleasure of close friends and neighbours. In the year ahead countless Canadian hands will be joined to yours in greetings throughout the land. And we do not forget the spirit of your splendid participation in our own Centennial Celebrations, especially EXPO '67.

The Government of Canada will be expressing its good wishes in many and various ways. The first salute will be here in the Nation's Capital. Internationally renowned Canadian artists and companies will be bringing you the best of our theatre, opera, ballet, choral and popular music as a Festival gift to the people of the United States.

For two weeks in mid-October you will be able to enjoy the largest cultural presentation ever offered by Canada outside its borders and the most comprehensive programme of the performing arts ever brought to Washington by another country.

We wish to celebrate with you. Come celebrate together at The John F. Kennedy Centre and the National Theatre Oct. 13–Oct. 26, 1975.

Many Happy Returns from the Government and people of Canada.

J. H. WARREN,
Ambassador.

CANADA—BICENTENNIAL FESTIVAL WASHINGTON OCTOBER 13–26, 1975

SCHEDULE OF EVENTS—OCTOBER 1975

Concert Hall—Kennedy Center

Friday 17—Monique Leyrac.

Sunday 19 (Matinee Recital)—Maureen Forrester.

Saturday 25—Mendelssohn Choir and Canadian Brass.

Sunday 26 (Matine)—National Arts Centre Orchestra with Louis Quilico.

Opera House—Kennedy Center

Tues. 14; Wed. 15; Thur. 16; Fri. 17; Sat. 18 (Mat. & Eve.).

Sun. 19 (Mat. Only)—Royal Winnipeg Ballet.

Wed. 22; Fri. 24; Sat. 25—"La Belle Helene" (NAC Opera).

Thursday 23—"Louis Riel" (Canadian Opera Co.).

National Theatre

Mon. 13 thru Sat. 25—Shaw Festival Co. "The Devil's Disciple."

Opening Night (Wednesday, October 15)—7:30 p.m.

Mon.-Thur. Eve. 8:00 & Sat. Mat. 2:00.

Friday-Saturday Eve. 8:00.

Matinees Thursday, October 16, Wednesday, October 22, and Saturdays, October 18 and 25—2:00.

CANADA BICENTENNIAL FESTIVAL—EXHIBITS AND OTHER PRESENTATIONS

Inuit (Eskimo) sculpture, carvings and prints, Sept. 30–Oct. 18, Franz Bader Gallery, 2124 Pennsylvania Avenue, N.W.

Toni Onley watercolours and prints, October 14–November 16, Gallery 4, Alexandria, Virginia.

Charles Pachter Paintings, October 5–31, McLean Gallery, 1372 Chain Bridge Road, McLean, Va.

Eskimo wall-hangings, appliqué and creative stitchery, Oct. 5–31, McLean Gallery, McLean, Virginia.

Collected work of Billy the Kid by Canadian Playwright Michael Ondaatje, October 10–November 9, Folger Theatre.

Alma Houston, Director Fine Arts, Canadian Arctive Producers Ltd. "Traditional Eskimo Art and Contemporary Form"—a discussion with National Film Board films at luncheon. Monday, October 20—Woman's National Democratic Club.

Canadian landscapes, an exhibit of contemporary Canadian prints will be exhibited at the International Monetary Fund Building, Nineteenth Street, Northwest, October 21–31.

A crafts show with six native craftsmen will be featured by Hecht Company at Tysons Corner, Virginia and Columbia Plaza, Columbia, Maryland, October 9–25.

The Royal Canadian Mounted Police will

schedule concerts in and around Washington, October 9–13.

The Pellan collection of costumes by Alfred Pellan created for Le Theatre du Nouveau Monde along with prints and masks will be exhibited in the south end of the Grand Foyer at Kennedy Center, October 13–26.

Canadian Film Festival at the AFI Theater, Kennedy Center, Washington, D.C., October 13–30, 1975

Monday, October 13: 6:00 and 8:30 p.m., Lies My Father Told Me (1975).

Tuesday, October 14: 9:00 p.m., Once Upon a Time in the East (1974).

Wednesday, October 15: 6:30 p.m., Friday, October 17: 9:00 p.m., Wedding in White (1973).

Wednesday, October 15: 9:00 p.m., Friday, October 17: 6:30 p.m., Bar Salon (1974).

Monday, October 20: 6:30 p.m., The Last Anniversary (1973).

Tuesday, October 21: 9:00 p.m., Sudden Fury (1975).

Friday, October 24: 7:30 p.m., The Orders (1974).

Saturday, October 25: 2:00 p.m., Saturday, November 1: 2:00 p.m., Lions for Breakfast (1974).

Monday, October 27: 6:30 p.m., Montreal Main (1974).

Wednesday, October 29: 6:30 p.m., Thursday, October 30: 6:30 p.m., Ordinary Tenderness (1973).

Wednesday, October 29: 9:00 p.m., Action (1974).

WAR POWERS: ZABLOCKI CONTINUES EFFORTS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, our colleague Clement J. Zablocki has been an outstanding leader in Congress with respect to taking action to clarify and specify the constitutional role of the Congress and the President with respect to the power to make war. Clem Zablocki took the initiative to hold hearings in his National Security Subcommittee immediately following the so-called Cambodian incursion. From those hearings emerged the war powers resolution which ultimately became the law of the land despite a Presidential veto.

Clem Zablocki has not been content with the momentous achievement of the passage of a major piece of constitutionally significant legislation by a more than two-thirds majority in both the House and Senate. He has vigorously continued to pursue this issue to insure that the intent of Congress is carried out by an all too reluctant executive branch.

Earlier this year Clem Zablocki, as chairman of the International Relations Subcommittee on National Security and Scientific Affairs, called in witnesses from the Departments of State and Defense to account for their implementation of the war powers resolution. Testimony was received on the U.S. evacuation from Cambodia and Vietnam and on the *Mayaguez* incident which my own International Political and Military Affairs Subcommittee continues to investigate. Those hearings, entitled "War Powers: A Test of Compliance," have now been printed and undoubtedly will be of great interest to every Member of Congress.

Mr. Speaker, Chairman Zablocki summarized the findings of his subcommittee's hearings both in a press statement accompanying release of the hearings and in an introduction to the hearings. Both indicate that more must be done by the Executive to fully comply with the letter and spirit of the war powers resolution and I would like to take this opportunity to bring both statements to the attention of the House.

The materials follow:

Executive Criticized for Not Fully Complying With War Powers

The adequacy of the Executive Branch's compliance with the War Powers Resolution received only "mixed marks," according to Rep. Clement J. Zablocki (D.-Wis.), chairman of the House International Relations Subcommittee responsible for Congressional oversight of the historic legislation.

In an Introduction to recent hearings conducted by the Subcommittee which were released today Zablocki said the Executive Branch was "prompt and seemingly complete" in fulfilling the law's Reporting requirement. In evaluating the Executive Branch's compliance with the Congressional intent relative to the Consultation provision "the record is considerably less adequate," noted Zablocki.

The War Powers Resolution was enacted on November 7, 1973, when Congress overrode a Presidential veto. The law was cited at the time as "historically significant" in that it represented a reclaiming of Congressional power from the Executive.

The law was in force for nearly 17 months before it was implemented and then on four different occasions in a 41-day span between April 4 and May 15. In each instance the implementation was only partial in that it was limited to the Section 4 Reporting provision of the law.

Under the War Powers Resolution (P.L. 93–148) the President is required to report to Congress whenever he commits U.S. armed forces to hostilities or situations involving imminent hostilities. It also requires the President to consult with Congress "in every possible instance" before committing troops.

The hearings conducted by the Zablocki Subcommittee on International Security and Scientific Affairs dealt with reports filed by President Ford on troop commitments involved in the Danang Sealift, the evacuation of Phnom Penh, the evacuation of Saigon, and the Mayaguez incident.

Zablocki described the purpose of the hearings as that of exploring all relevant circumstances surrounding the incidents covered in the four reports. In fulfillment of the Subcommittee's oversight responsibilities it was also the Subcommittee's objective to "assure further effective implementation of the Resolution" by evaluating the nature of the Reporting provision and the relative adequacy or inadequacy of the Consultation effort undertaken by the Executive Branch.

"Given the rather elementary and partial trial runs to which the Resolution has been subjected, it would be unwise to crystalize opinions too soon," said Zablocki. "However, it is not too soon to say that those portions of the War Powers Resolution which have been exercised have worked reasonably well thus far," he added.

In evaluating the relative adequacy or inadequacy of compliance with the Consultation provision Zablocki stressed the importance of Congressional intent as measured against Executive Branch interpretation of that intent. Congress' clear desire was to have a participatory role in the process of decision-making—to be fully and accurately advised of all developing circumstances in any given situation requiring the possible commitment of troops sufficiently in time to have meaningful input into the formulation of such a decision. "It was not the intent of Congress to be merely informed of decisions already made," said Zablocki.

"Measured against that clear directive of intent it is apparent, as reflected by the testimony of Executive Branch witnesses in these hearings, that the Executive Branch proclivity is toward evasive and selective interpretation of the War Powers Resolution," said Zablocki.

War Powers: A Test of Compliance

INTRODUCTION

The War Powers Resolution was enacted on November 7, 1973, by the overriding of a Presidential veto. That fact was perhaps appropriate—albeit no less regrettable—since the underlying basis of the legislation was a reassertion of Congress' constitutional authority regarding war powers. What had been usurped over the years by strong Presidencies was being reclaimed; it was therefore ultimately fitting that this reclamation was accomplished by the full force of congressional assertion in overriding a veto.

Aside from the legal aspects of placing that law on the statute books as Public Law 93–148, there were three frequent but largely unspoken considerations in the minds of the resolution's sponsors.

First, its effectiveness as law would depend as much on the good faith effort of the executive branch's adequacy of compliance as on the determined and vigilant oversight of the Congress;

Second, it would require a war to test the statute fully; and

Third, since it dealt essentially with the awesome and horrible scourge of war, there was the silent hope that it would, as such, never have to be tested.

As it turned out, the law was in force for nearly 17 months before it was implemented and then only partially. In fact, between April 4 and May 15, 1975—a span of only 41 days—the law was implemented on four different occasions, although in each instance the action was limited to the section 4 reporting provisions of the resolution.

Given the historic significance of the War Powers Resolution itself and the rapid fire record in which it came into play, it was not only desirable but necessary that a review of that record be undertaken. In fulfillment of its oversight responsibility for the resolution, that review was executed by the Subcommittee on International Security and Scientific Affairs. Thus, the hearings presented here were called to receive testimony from appropriate administration spokesmen and other interested witnesses.

In large measure the record presented here speaks for itself. Basically, the hearings succeeded in the objective of exploring—in a thorough, impartial, and dispassionate manner—all relevant circumstances surrounding the incidents covered in the four reports.

While the subcommittee's interest was broad, its specific and appropriate concern was to assure further effective implementation of the resolution. To that end the subcommittee concentrated on two key areas: first, the nature of the reporting, and second, the relative adequacy or inadequacy of the consultation effort provided for in section 3 of the resolution.

In attempting any evaluation of complex and challenging questions one is always well-advised to avoid rash judgments. Given the rather elementary and partial trial runs to which the resolution has been subjected, it would be unwise to crystalize opinions too soon. Additional time and study is required before reaching final conclusions or deciding on the need for any possible amendments.

Even with those qualifications, however, it is not too soon to say that those portions of the War Powers Resolution which have been exercised have worked reasonably well thus far. For example, the executive branch reports have provided Congress with a grasp on the incidents to which they referred—a focal point around which to center informed debate. It is also reasonable to assume that the potential for precipitous military action evidenced in the past has been mitigated. Those and other benefits accruing from the enactment of the War Powers Resolution are not to be taken lightly.

A preliminary analysis based in the partial evidence presented here gives the executive branch only mixed marks on the adequacy of its compliance effort. On the one hand, response was prompt and seemingly complete in fulfilling the report requirement. However, in evaluating the executive branch's compliance with the congressional intent contained in the consultation provision, the record is considerably less adequate. In that area, there are many unanswered questions which require further review and clarification.

Any proper appraisal of the executive branch's relative adequacy or inadequacy of compliance with the consultation provision of the War Powers Resolution must begin with a reaffirmation of congressional intent as measured against executive branch interpretation of that intent. Basically, the question centers on the issue of the timing and form of communication between the branches. In brief, Congress intent was that it be fully and accurately advised of all developing circumstances in any given situation requiring the possible commitment of U.S. Armed Forces sufficiently in time to have meaningful input into the formulation of such a decision. Clearly, it was not the intent of Congress to be merely informed of decisions already made. In the fullest meaning of partnership and shared responsibility in foreign affairs, it was the desire of Congress to have a participatory role in the process of decisionmaking. To cite the language of the resolution itself ("Purpose and Policy," section 2): "It is the purpose of this joint resolution to fulfill the intent of the framers of the Constitution of the United States and *insure that the collective judgment of both the Congress and the President* will apply to the introduction of United States Armed Forces into hostilities. . . ." (Emphasis added)

In further elaborating on congressional intent relative to consultation, language from the House committee report on the War Powers Resolution perhaps also bears repeating. That report (House Report No. 93–287) made clear that consultation was not "synonymous with merely being informed." Rather, the report stated, "consultation in this provision means that a decision is pending on a problem and that Members of Congress are being asked by the President for their advice and opinions, and in appropriate circumstances their approval of action contemplated. Furthermore, for consultation to be meaningful, the President himself must participate, and all information relevant to the situation must be made available."

Measured against that clear directive of intent, it is apparent, as reflected by the testimony of executive branch witnesses in these hearings, that the executive branch proclivity is toward evasive and selective interpretation of the War Powers Resolution.

This is not to question motives. Indeed, honest men can and do differ, but one would hope that they do so honorably. In one sure and final analysis, we all—legislative and executive—have the collective responsibility to uphold and abide by the law. To that end these hearings were held. They are now offered to all Members of Congress and the public as a means of stimulating further careful and balanced review. In due time hopefully there will emerge a more effective joint effort of cooperation and full implementation of the War Powers Resolution.

CLEMENT J. ZABLOCKI,
Chairman, Subcommittee on International Security and Scientific Affairs.
SEPTEMBER 22, 1975.

FOOD STAMP FIASCO

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, one of the most pressing issues that this Congress faces is complete reform of the Federal food stamp program. This year alone we are spending over $6.5 billion on the program. The program has gotten totally out of control and must be brought back in line. Earlier this year I joined with 58 of my House colleagues in sponsoring the comprehensive Food Stamp Reform Act of 1975. I feel this legislation contains the answer to ending the waste now present in the program. A recent editorial in the Chicago Tribune accurately points out the sorry state of the current program. For the information of my colleagues I wish to insert it in the RECORD at this point:

THE FOOD STAMP FIASCO

President Ford had his ears pinned back last winter when he sought to raise the price recipients are required to pay for food stamps, and perhaps his critics were right. Raising the price to everybody, including the genuinely needy, was a clumsy way of calling attention to a disgrace that demands immediate attention.

With nearly one out of every 11 Americans getting food stamps paid for at least in part by the taxpayer [in Puerto Rico, the figure is one out of every two], the extent of the fiasco is apparent to almost everybody. Many of us have seen the program abused at first hand: neighbors who seem to have money to spend freely standing ahead of us at the checkout counter to buy steaks with food stamps; or people loading up on snacks with food stamps and explaining blandly that they're for a beach party.

Food stamps have become a way of life at most of our colleges, even among students from wealthy families, and taxpayers are being forced to support strikes by paying for food stamps for strikers [tho steps are being taken to correct both of these abuses]. Last week's News and World Report tells of outright fraud in the use of food stamps and a thriving black market where $1 in food stamps will bring about 80 cents in cash, which can then be used for liquor, drugs, or anything else. Secretary of the Treasury Simon recently called the food stamp program "a well-known haven for chiselers and rip-off artists."

Food stamps were conceived back in the 1930s and revived in 1964 as a double-barreled program to provide a market for farm products and "to provide for improved levels of nutrition among economically needy households." Food stamps are provided on the basis of a family's size and income. A family of four is entitled to a monthly allotment of food stamps worth $154. The amount it pays for them rises from zero if its income is $30 a month or less to $138 if its income approaches $540 a month; beyond that, it is ineligible.

The program has long outlived its first purpose; the problem has become one of a food shortage and rising prices [and while critics wail about relatively small sales of grain to the Soviet Union, almost nothing is said about the vastly greater effect on prices caused by the food stamp program.]

Whatever food stamps have done to achieve improved nutrition has been dwarfed by the cost of abuses and waste. In the last 10 years, the number of people receiving food stamps has multiplied nearly 50-fold from an average of 424,000 in 1965 to nearly 19 million this year. The cost in federal money alone has soared even faster, from about $85 million to $4.9 billion, and this year's cost is expected to be about $6.6 billion. The states pay another $250 or $300 million in administrative costs. What's more, this has happened during a decade in which other welfare costs have grown almost as fast. And as if this weren't enough, Sen. George McGovern says that most of those eligible for food stamps under present rules are not even getting them; if they applied, the cost would rise by another $12 billion or so.

These appalling figures and conspicuous abuses tend to obscure what may be the most wasteful aspect of all: Instead of providing 'improved levels of nuturition,' food stamps are used in large measure to buy status or convenience foods which often provide less nutrition than the cheaper staples that would have been used without food stamps.

This tendency is documented in a study recently made for the American Enterprise Institute by Kenneth Clarkson of the University of Virginia. The study concludes that "if problems of malnutrition are to be reduced, an alternative solution appears to be necessary." It suggests food labeling as to nutritive value, educational programs, and a distribution program handled by local communities.

Whatever the best solution, the present program must be tamed before it gets any more out of hand. Tighter restrictions have already been proposed by New York Sen. James Buckley and Congressmen Philip Crane and Robert Michel of Illinois. When the taxpayers provide money to improve nutrition, they have every right to expect that every dollar they spend will provide a dollar's worth of nutrition and not squandered thoughtlessly. And if the people who need the nutrition can't use the money wisely, then some other way of improving nutrition must be sought.

FEDERAL DEFICITS STILL THREATEN CAPITAL INVESTMENT NEEDS

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, we have been told recently that the budget projections for next year, fiscal year 1977, are for a total budget of around $423 billion. Once again we will be faced with a huge deficit in an economy already facing a Federal deficit this year of at least $70 billion. In order to meet this problem in a timely fashion and to respond to the President's call for a tax cut combined with a budget ceiling, I have introduced a resolution today setting a ceiling on next year's budget of $395 billion. An editorial in the Wall Street Journal from last spring points out the consequences for private investment needs if we fail to practice such restraint as this budget ceiling would impose. The points expressed in the editorial are as true today as they were 6 months ago and I wish to share it with my colleagues:

CROWDING OUT—III

When it finished opening all the envelopes from the April tax returns, the Treasury found itself with $5 billion more than it had expected. Announcement of this pleasant discovery sparked a rally in the bond markets, and by nightfall bond traders who had been cheering our "crowding out" editorials had switched their tune.

One expects bond traders to have that kind of time horizon, but one hopes those thinking seriously about the economy will look further ahead. "Crowding out" does not primarily concern chaos in the bond markets; that can happen, but it is merely a bizarre symptom. The disease itself centers on two far more fundamental things, the rate of inflation, and the rate of capital investment. Bond markets aside, these two fundamentals will shape the progress of the economy over the next several years.

The crowding-out argument consists of a

series of very simple statements: Government borrowing competes with private borrowing. Government borrowing finances government deficits. Private borrowing finances capital investment. Capital investment is a central determinant of future economic growth.

Borrowing is possible only to the extent savings are available to finance it. When borrowing demands exceed savings supply, interest rates rise. At this point the Federal Reserve System has two choices:

The Fed can allow the rates to rise. This means that someone who would have borrowed at the lower rates must drop out of the market. The government will not drop out by reducing its deficit. So private borrowers must drop out by reducing capital investment. Thus the government crowds out investment.

Or the Fed can create enough money to accommodate both government and private borrowers. If the Fed creates money too rapidly, it causes inflation.

We are a bit startled, frankly, that this series of truisms should engender such controversy. There are of course differences over magnitudes, and these differences are important in assessing the likelihood of bond-market chaos and other crises. But the magnitudes are not so important in assessing the impact of government borrowing on capital formation. For whatever the interest rates are, and whether they are at a given moment headed up or down, they would be lower if the government demands were less. These lower rates would mean more private borrowing, and more capital formation. In this sense, the cancellation of planned bond issues over the last six weeks is simple proof that crowding out is now taking place.

Now to say that government deficits are never without costs is not to say the costs should never be borne. We have previously expressed our skepticism about the standard Keynesian view that deficits are in themselves stimulative. We have trouble seeing how it helps for the government to give money to B that it took from A, whether it took from A by taxing or borrowing. The real reasons the truisms evoke such controversy is that while they are truisms, lining them up seriatim points to the Achilles heel of Keynesian doctrine. But the world works in mysterious ways, and just possibly there is some truth to the Keynesian prescription.

In any event, up to some limits a deficit is not very damaging during a recession. Since private loan demand naturally falls, there is room for additional government borrowing before interest rates are dramatically affected. In any event, existing income-support programs will drive up spending as more people collect unemployment payments and the like. Surely we want to support incomes, both for social purposes and economic ones. And the process reverses itself as recovery starts; the deficit shrinks to make room for rising private loan demand.

There are limits to this natural adjustment process, however, and the current deficits are very large. To cover the deficit, the Treasury will borrow some $70 billion of new money in the credit markets this year. By comparison, the largest previous deficit for any calendar year since World War II was $21.9 billion. The strains of Treasury demands are already apparent. Bond issues are in fact being postponed, though since the beginning of the year the Federal Reserve has created money at an annual rate of 7% to 7.5%, already at the top of the range the Fed considers non-inflationary over the next year.

Now comes Secretary Simon's announcement last week that during 1976 the Treasury will need to borrow another $86 billion on top of the $70 billion this year. We all hope, of course, that 1976 will be a recovery year, when private borrowing needs start to climb. And Secretary Simon's estimate is predicated on the assumption that Congress will stick to the spending ceilings set by the House Budget Committee. With this kind of borrowing, it's hard for us to see how the Fed can avoid the choice of allowing a credit crunch to crowd out investment, or boosting the money supply in ways that will unleash a new round of inflation. In fact it will choose the second, and we will be on a new roller-coaster of boom and bust.

Which brings us to the most annoying of all the various criticisms of the crowding-out thesis, that it is fundamentally correct but "premature." This warning comes from both the First National City Bank and Ronald A. Krieger of Goucher College, writing in The New York Times. The crowding-out crisis will not occur until 1976 or 1977, they argue, and to warn of it during 1975 is to cry wolf too early.

Whether or not crowding out goes beyond an erosion of the potential capital stock and becomes a full-blown crisis depends on Congress' spending and taxing decisions, in particular on whether it tries to fight recession by putting into place spending programs that will persist into the recovery phase. In case Professor Krieger and Citibank haven't noticed, Congress is making those decisions right now, every day.

PROVIDING CREDIT ASSISTANCE TO MUNICIPALITIES

Mr. BARRETT. Mr. Speaker, an integral feature of our Federal system of governments has been the ability of State and local governments to borrow needed funds at moderate interest rates in the tax-sheltered municipal securities market. Investors willingly bought municipal securities in the belief that, next to U.S. Treasury obligations, municipal bonds or notes are the safest kind of investments. Brochures issued by bond dealers and underwriters stressed the high quality of municipal securities, particularly if they constituted the general obligation indebtedness of well-managed cities or counties, large or small.

DETERIORATING MUNICIPAL SECURITIES MARKET

Today, the municipal securities market has fallen apart. Investors are reluctant to buy the tax-exempt securities, unless they can be compensated for the high risks they now perceive. In the wake of the temporary default by the New York State Urban Development Corp., investors have lost faith in the "moral obligation" that supposedly backs the securities issued by State housing finance agencies.

Even more devastating are the fears aroused by the financial difficulties now being experienced by New York City. Investors have lost confidence in the ability of municipalities to repay their debts. According to Fred H. Branditz, senior vice president of the Equibank in Pittsburgh:

> There has been a substantial pullback from all kinds of municipal credits by individuals and investors who just are concerned about the unknown.

It does not really matter how well the local government is managed or how affluent its residents may be, they are all paying higher interest rates on their new security issues. For example, Clarence C. Barksdale, president of the First National Bank of St. Louis, reports that affluent suburbs are already paying more on their borrowing because of New York's effect on investor confidence.

Jack Miller, vice president of the Bank of California, noted that the continuing possibility of default on New York obligations "is of such a magnitude to impact negatively on financial markets nationwide." He observed:

> Municipalities in general already have to pay more for their money. And a default would raise questions about the soundness of all municipal financing and would be a severe jolt to all financial markets.

The chaotic condition of the municipal securities market is evidenced by the rapid rise of municipal interest rates. In mid-February 1975, the Bond Buyer Index, a widely recognized barometer of municipal interest rates, stood at 6.27 percent. A month ago it was at 7.34 percent and by last week it had advanced to 7.54 percent, a record high. The Bond Buyer Index covers 20 well-seasoned general obligation bond issues, monthly rated AA or AAA.

Municipalities that have to borrow in this market are forced to pay inordinately high interest rates. The city of Philadelphia sold $60 million of bonds in late July at a net interest cost of 8.83 percent and last week it had to pay 8.8 percent for another $50 million. In mid-August, Detroit sold $20 billion of bonds at 9.90 percent interest. Last week, Cleveland sold $14.3 million of short-term notes at 7.7 percent interest. In addition, a number of small municipalities had to pay in excess of 8 percent for borrowed funds.

Bear in mind, the interest income on these municipal bonds is exempt from the Federal income tax and from State or local income taxes for investors who reside in the same State in which the municipality is located. For an individual in the 50 percent tax bracket, an 8.8 percent yield is equivalent to a before tax return of 17.6 percent, and if he can avoid the State income tax his pretax yield exceeds 19 percent.

High interest rates on municipal securities increase the interest expenses a city or county has to bear out of its limited tax revenues. Thus, at the very time our cities and counties are seeking ways to cut costs in order to avoid raising their tax rates they are confronted with higher interest costs reflecting a deteriorating municipal securities market, in addition to the inflation premium now built into interest rates.

A number of our large cities are on the brink of default on their outstanding indebtedness if they fail to hold down burgeoning costs of public services, especially escalating wages of municipal employees. But their bargaining positions are immeasurably weakened if their interest costs soar to record highs at the very time they are negotiating to limit pay raises and to increase worker productivity.

Under the circumstances, the possibility of defaults on municipal securities is very real, and, notwithstanding the "head in the sand" viewpoint of the Wall Street Journal, if one large city defaults, others are likely to follow soon thereafter. In a letter, dated September 27, to the mayor of Syracuse Dennis Longwell, president of the Chase Manhattan Bank of New York, declared:

> Throughout the country the capital market for municipal securities is in turmoil.

Think what will happen if New York City or any other large city were to default. Mr. Longwell concluded:

> It can be safely assumed that any failure by either New York State or City to meet maturing obligations will further erode the national market for municipal securities and cause vital government programs at the state, county and local level to go unfunded through the nation.

On September 24, a contingent of mayors testified before the Joint Economic Committee on the need for some form of Federal financial assistance to municipalities facing imminent default such as Federal guarantees of taxable municipal bonds or emerging loans. Now that the mayors have finally recognized that the only kind of Federal financial assistance that can avoid a Presidential veto would involve taxable municipal securities, I think it is time for the Congress to act.

PROPOSED FEDERAL FINANCIAL ASSISTANCE

I have introduced today a bill, to be called the Emergency Municipal Credit Assistance Act of 1975, to alleviate the distress in the municipal securities market and to expand the market for municipal securities. Briefly, the bill would authorize Federal guarantees of taxable municipal securities, coupled with one-third interest reduction payments, that would enable municipalities to borrow funds from private lenders at net interest costs appreciably lower than they can obtain in the congested tax-exempt market.

Moreover, as will be shown later, this assistance will produce a net revenue gain to the U.S. Treasury, with minimal risk to the Federal Government. In addition, the bill would rechannel municipal borrowing for federally aided projects to the Federal Financing Bank, as was contemplated when the Bank was created in 1973.

The idea of Federal guarantees of taxable municipal bonds, coupled with an interest reduction payment is not a new one. It has been around since early 1968 when it was proposed by Congressman PATMAN, following hearings held by the Joint Economic Committee. In 1969 it was included in a tax reform package assembled by Congressman REUSS.

Since 1969, Federal guarantees of taxable municipal bonds have been authorized by the Congress for: First, rural water and sewer loans—by the Farmers Home Administration; second, hospital loans—by the Public Health Service; third, Washington, D.C. Metro bonds—by the Department of Transportation; fourth, new community debentures—by the Department of Housing and Urban Development; and fifth, State housing finance agency bonds—also by the Department of HUD. However, aside from the Metro bonds, there has been negligible use of these Federal guarantees.

In view of the chaotic conditions now prevailing in the municipal securities market and the glum fiscal situation confronting a number of our larger cities, the time has come to make wider use of Federal guarantees of taxable municipal securities. In introducing this legislation, I am mindful of the negative attitude of the administration, especially by the Secretary of the Treasury, toward efforts to rescue municipalities in fiscal distress. But, I am confident that when Mr. Simon studies this bill, he will find that it is fiscally sound from the standpoint of the Treasury.

As will be recalled, on April 30, 1973, the Treasury Department submitted proposed legislation to the Congress that would authorize a 30-percent-interest subsidy on taxable State or local government obligations. Federal guarantees of such taxable municipal securities would appreciably reduce the interest rates at which they could be sold, producing a net savings to both the U.S. Treasury and to the borrowing municipality.

I concur with the long-standing Treasury Department view that Federal guarantees of tax-exempt obligations would result in excessive Federal revenue losses without achieving comparable cost savings for the borrowing units. I also question the wisdom of creating through a Federal guarantee of tax-exempt securities, securities that would be superior to those of the Federal Government itself. However, a Federal guarantee of taxable securities does not result in a security superior to a Treasury bond, but does produce a great deal of cost savings and a net revenue gain to the U.S. Treasury.

Studies by the Treasury Department and by the Joint Economic Committee found that the Treasury loses over 40 cents on every interest dollar paid by municipalities on tax-exempt securities, whereas the interest savings to the municipalities as a result of the tax exemption is less than 30 cents. A Federal interest reduction payment of 33 percent of the interest cost of the taxable bonds would be around 10 percent less than the average marginal tax rate of the investors who are likely to buy such bonds, producing a net revenue gain to the U.S. Treasury.

The borrowing municipality will also achieve a net gain by issuing taxable securities in lieu of tax-exempt bonds, as illustrated by the following. On September 24, 1975, $65 million of U.S. Government guaranteedship financing bonds, maturing in 25 to 28 years, were issued at an interest cost of 9.30 percent. Since federally guaranteed taxable municipal bonds would be of similar quality, but probably with shorter maturities, their net interest costs, after a one-third interest reduction payment, would be about 6 to 6.20 percent.

I doubt whether any city or county that is in financial trouble can borrow in the tax-exempt market on equally favorable terms. However, they do not have to take my word for this comparison. Any municipality that elects to apply for a Government guarantee of its taxable bonds is free to solicit bonds from underwriters on both a tax-exempt and a taxable basis. It could then choose the method of financing that results in the lowest net interest cost.

Over the years, the municipal organizations were reluctant to support taxable municipal security proposals, fearing that they would weaken, if not destroy, the traditional tax immunity accorded to State and local government debt. But today they now recognize that the coexistence of taxable and tax-exempt municipal securities will preserve the tax-exempt option available to State and local public bodies. Sales of taxable securities can be directed at financial institutions that have little or no investment interest in tax-free income. They include private noninsured pension funds and State and local government retirement funds, which are tax exempt, and savings and loan associations, mutual savings banks, and life insurance companies that are in relatively low tax brackets.

To the extent that sales of taxable municipal bonds and rechanneling of the financing for federally aided projects to the Federal Financing Bank, which I shall describe shortly, succeed in reducing the volume of borrowing in the tax-exempt market, there should be a corresponding decrease in tax-exempt municipal interest rates. Investors, such as commercial banks, casualty insurance companies, nonfinancial corporations, personal trusts and wealthy individuals, when confronted with a smaller supply of tax-exempt securities will likely bid up their prices, causing a reduction in tax-exempt interest rates.

Lower tax-exempt interest rates will redound to the benefit of all State and local governments that continue to borrow in the traditional tax-exempt market. In other words, by siphoning out the excess credit demands now prevailing in the tax-exempt market, federally guaranteed taxable securities will help relieve the upward pressure on municipal interest rates. Furthermore, by supporting through security guarantees the fiscally distressed municipalities, the Federal guarantee program will help restore investor confidence in the financial viability of most municipalites, irrespective of whether their securities have Federal backing or whether they continue to borrow in the tax-exempt market without a Federal guarantee.

At this point I would like to introduce a note of caution to the effect that the Federal loan guarantees that would be authorized by my bill would not be automatically given to every municipality that applies for the assistance. Instead, the administering agency, to be called the Municipal Debt Guarantee Corporation, could not enter into a guarantee commitment or contract unless it first finds that the debt service on the securities to be guaranteed is within the financial capability of the borrowing municipality.

In making this determination, the Corporation would take account of the municipality's current and prospective revenues, expenditures and indebtedness and the extent to which the State government irrevocably agrees to provide such assistance as may be necessary to pay the debt service as it becomes due. If the Corporation concludes that the municipality has a fiscal deficit that cannot be met from the existing structure of revenues, it would have to reject the application for the Federal guarantee of the forthcoming security issue of the municipality.

EMERGENCY GUARANTEES

Where a municipality faces a high probability of default on its outstanding security issues because of budget deficiencies, and is unable to obtain a Federal guarantee of its forthcoming security issues, it may, nonetheless, apply for a Federal guarantee of its outstanding indebtedness.

Under such dire circumstances, and as a means of avoiding a wave of defaults on municipal securities, the bill authorizes the Municipal Debt Guarantee Corporation to guarantee the payment of principal and interest on each of the outstanding security issues of the financially distressed municipality and to make interest reduction payments for the guaranteed securities.

However, the bill expressly prohibits a Federal guarantee or interest reduction payments for securities where the interest thereon is exempt from the Federal income tax. Therefore, to qualify for these emergency Federal guarantees and interest reduction payments, the municipality must arrange for a conversion of its tax-exempt indebtedness into taxable securities. To do so, the municipality would have to offer to the holders of the outstanding securities to exchange taxable bonds and notes for the tax-exempt bonds and notes. The bill prescribes that, aside from their changed tax status, the substitute bonds and notes must be identical to the securities they replace with respect to interest rate, maturity and other terms and conditions.

Holders of the outstanding securities of the financially distressed municipality that are in jeopardy of default are given a choice. They can continue to hold the tax-exempt bonds and notes and take their chances as to what they will recover in the event of default. Or they can safeguard their investment by consenting to exchange their tax-exempt securities for bonds or notes where the interest income is taxable. They would thereafter be required to pay a Federal income tax on the interest income depending on their tax bracket.

In effect, this emergency loan guarantee legislation provides a means for the cautious, prudent bondholder to save his investment from the perils of default. In exchange he gives up part of his potential earnings, depending upon his tax bracket. Bondholders who prefer to speculate on the future, can turn down the exchange offer and continue to hold the tax-exempt securities.

For the financially distressed municipality these emergency loan guarantees permit them to reduce their net budgetary outlays for interest costs on outstanding indebtedness without having to go through bankruptcy proceedings. The bill provides that for every tax-exempt bond or note that is converted into a guaranteed security, the Municipal Debt Guarantee Corporation will thereafter pay one-third of the interest cost so long as the security is outstanding. If the aggregate interest cost on the converted securities is $300 million per year, the municipality's cost would decrease to $200 million. The $100 million savings could very well be the difference between a balanced budget and a deficit for the municipality.

The U.S. Treasury stands to gain from the security exchanges since the tax revenues it will receive on the taxable interest income paid to bond holders will outweigh the 33 percent interest reduction payments by a ratio of about four to three.

I fully recognize that the municipal security guarantees authorized by the bill, whether for future bond or note issues or emergency guarantees for outstanding debt, creates some risk to the Federal Government in the event a municipality fails to pay the debt service on the guaranteed securities. To minimize any losses to the U.S. Treasury, the bill prescribes that before a municipality can obtain a Federal guarantee of its securities, it must pledge its receipts of payments under the State and Local Fiscal Assistance Act of 1972 to reimburse the Government for any losses it may sustain as a result of the security guarantee.

This requirement should help assure that the municipalities benefiting from the Federal security guarantees will make every effort to make their debt service payments on the indebtedness as they become due. They cannot afford to do otherwise because they will have to pay for any losses that arise out of their receipts of general revenue sharing payments. Incidentally, this pledge would not apply to any of the municipality's securities, which are not guaranteed.

In his testimony before the Government Operations Committee on September 25, Secretary of the Treasury Simon stated that—

> The general revenue sharing funds have done much to strengthen the viability of our Federal system of Government, a system that is predicated upon the shared exercise of powers and responsibilities. A strong working partnership between Federal, State, and local government is necessary if our democracy is to respond effectively to the needs of our citizens.

What better use can be made of these revenue sharing funds than to provide an incentive to local governments to balance their budgets and to operate within their means? By linking the Federal security guarantees to the general revenue sharing program, my bill provides the critical restraint on local government spending, which Secretary Simon spoke of in his testimony before the Joint Economic Committee on September 24. No large Federal bureaucracies would be needed to monitor this restraint. If a municipality causes a loss to occur under a security guarantee, the loss would be deducted from future general revenue sharing payments, which the Treasury Department administers with a minimum of staff.

FEDERALLY AIDED FINANCING

Contributing importantly to the congestion in the short-term municipal securities market has been the heavy volume of sales of federally guaranteed public housing and urban renewal notes. Of the $17 billion of short-term notes sold by State and local governments in the first half of 1975, $5.9 billion or 35 percent were federally supported public housing and urban renewal notes.

When the Congress established the Federal Financing Bank in 1973, it made provision in section 16 of the enabling legislation for the Bank to purchase these obligations directly so that they would not have to be financed in the crowded tax-exempt municipal securities market.

Recognizing that continued sales of federally aided public housing and urban renewal notes in the tax-exempt market causes upward pressures on municipal interest rates, the Joint Economic Committee in a bipartisan report issued on December 30, 1974 and entitled "Achieving Price Stability Through Economic Growth" recommended that all public housing and urban renewal bonds or notes, secured by an indirect Federal guarantee should be sold directly to the Federal Financing Bank, instead of to investors in the tax-exempt municipal securities market.

Despite these statutory provisions and the recommendations of a key congressional committee, federally aided public housing and urban renewal continues to be financed in the tight tax-exempt municipal securities market, exacerbating the borrowing problems of financially distressed local governments.

I think it is time for this legislative intent and the JEC recommendation to be carried out. Accordingly, my bill makes it mandatory that beginning January 1, 1976 all public housing and urban renewal obligations issued by local agencies for federally aided projects must be sold directly to the Federal Financing Bank.

To facilitate a prompt review of this crucial legislation I have appended the bill H.R. 10113, the Emergency Municipal Credit Assistance Act of 1975, to my statement so that it will appear in the CONGRESSIONAL RECORD.

H.R. 10113

A bill to provide credit assistance to municipalities by expanding the market for their securities through debt service guarantees and other support, while decreasing the cost of borrowing for such municipalities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Municipal Credit Assistance Act of 1975."

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2(a) The Congress finds that:

(1) many municipalities are unable to borrow needed funds in the tax exempt municipal securities market except at unduly high interest rates that reflect the loss of investor confidence in municipal securities;

(2) such high municipal interest rates largely eroded the value of the tax exemption accorded to the interest income on these securities;

(3) the resultant high interest costs have become extra burdensome in the budgets of local governments; and

(4) the consequent financial difficulties now being encountered by municipalities could lead to a wave of defaults that would be catastrophic to the municipal securities market, particularly the banks and other financial institutions that hold much of the outstanding municipal debt.

(b) It is the purpose of this Act to alleviate the distress in the municipal securities market and to expand the market for municipal securities by providing debt service guarantees and rechanneling municipal borrowing for Federally aided projects, coupled with Federal interest reduction payments. Such assistance would enable municipalities to borrow funds from private lenders at net interest costs lower than are now obtainable in the congested municipal security market; and the Federal financial assistance would produce a net gain to the United States Treasury.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Corporation" means the "Municipal Debt Guarantee Corporation."

(b) The term "Secretary" means the Secretary of Housing and Urban Development.

(c) The term "municipality" means any city, county or any other general purpose political subdivision of a State and any Indian tribe.

(d) The term "municipal securities" means any bonds, notes or other obligations issued by a municipality that are secured by a pledge of the "full faith and credit" of said municipality.

(e) The term "Federally aided projects" means any public housing project assisted or contracted to be assisted by the Secretary pursuant to United States Housing Act of 1937, as amended or any urban renewal project assisted or contracted to be assisted by the Secretary pursuant to Title I of the Housing Act of 1949, as amended.

ESTABLISHMENT OF CORPORATION

SEC. 101. There is hereby established within the Department of Housing and Urban Development a body corporate to be known as the "Municipal Debt Guarantee Corporation." The Corporation shall have its principal offices in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident of the District of Columbia. The Corporation may establish offices in such other places as it deems necessary or appropriate in the conduct of its business.

BOARD OF DIRECTORS

SEC. 102. (a) The Corporation shall have a Board of Directors (hereinafter referred to as the "Board") which shall consist of five members as follows:

(1) the Secretary, who shall be Chairman of the Board;

(2) one person appointed by the President from a list of three mayors submitted by the National League of Cities;

(3) one person appointed by the President from a list of three mayors submitted by the United States Conference of Mayors;

(4) one person appointed by the President from a list of three county executives submitted by the National Association of County Officials; and

(5) one person appointed by the President from a list of three municipal finance officers submitted by the Municipal Finance Officers Association.

(b) The Board shall be responsible for overall policymaking and general supervision of the Corporation.

(c) The Board shall meet at the call of the Chairman which shall not be less often than four times a year.

(d) Members of the Board, other than the Chairman, shall receive for their services when engaged in the performance of their duties the per diem equivalent to the rate for level IV of the Federal Executive Salary Schedule under section 5315 of title 5 of the United States Code. Each member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of such title for persons in the Government service intermittently.

EXECUTIVE DIRECTOR

SEC. 103. (a) Subject to the general supervision and overall policymaking of the Board, the management of the Corporation shall be vested in an Executive Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) Section 5315 of title 5, United States Code, is amended by inserting at the end thereof a new paragraph as follows:

"(90) Executive Director, Municipal Debt Guarantee Corporation."

GENERAL POWERS OF CORPORATION

SEC. 104. (a) For the purpose of carrying out its functions under this Act, the Corporation shall have power—

(1) to have a corporate seal which may be altered at pleasure and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

(2) to sue and be sued;

(3) to enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as the Corporation may deem appropriate, and consent to modification thereof, without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U.S.C. 529 and 41 U.S.C. 5), and section 322 of the Act of June 30, 1932, as amended (40 U.S.C. 278a);

(4) to appoint and fix the compensation of such personnel as may be necessary for the conduct of its business in accordance with the provisions of title 5, United States Code, governing appointment in the competitive service, and chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, and to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates for individuals not to exceed the per diem equivalent for GS-18;

(5) except as may be otherwise provided in this title, in the Government Corporation Control Act, or in any other laws specifically applicable to Government corporations, to determine the necessity for and the character and amount of its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for;

(6) to issue such rules and regulations as may be deemed necessary or appropriate to carry out the purposes of this Act; and

(7) to exercise all powers specifically granted by the provisions of this Act and such incidental powers as are necessary to carry out the purposes of this Act.

(b) All suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States, except that no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property.

SERVICES AND FACILITIES OF OTHER AGENCIES

SEC. 105. The Corporation may, with the consent of the agency concerned, accept and utilize on a reimbursable basis, the officers, employees, services, facilities, and information of any agency of the Federal Government, except that any such agency having custody of any data relating to any of the matters within the jurisdiction of the Corporation shall, to the extent permitted by law, upon request of the Corporation, make such data available to the Corporation without reimbursement.

FINALITY OF CERTAIN FINANCIAL TRANSACTIONS

SEC. 106. Notwithstanding the provisions of any other law, any financial transaction authorized under this Act shall be final and conclusive upon all officers of the United States.

TAXATION

SEC. 107. The Corporation, including its reserves, surplus, and income shall be exempt from all taxation now or hereafter imposed by the United States, or by any State, or any subdivision thereof, except any real property acquired by the Corporation shall be subject to taxation by any State or political subdivision thereof, to the same extent, according to its value as other real property is taxed.

GOVERNMENT CORPORATION CONTROL ACT

SEC. 108. Section 101 of the Government Corporation Control Act is amended by inserting after "Federal Housing Administration," the following: "Municipal Debt Guarantee Corporation,".

ANNUAL REPORT

SEC. 109. The Corporation shall submit to the President, for transmission to the Congress, a comprehensive annual report of its activities under this Act.

APPROPRIATIONS

SEC. 110. Except as otherwise specifically provided for in this Act, there are authorized to be appropriated such sums as may be necessary to enable the Corporation to carry out its functions under this Act.

DEBT SERVICE GUARANTEES

SEC. 201(a). Upon the application of any municipality, the Corporation is authorized to guarantee, and enter into commitments to guarantee, the payment of principal and interest on the municipal securities issued by said municipality. Any such guarantee contract shall obligate the Corporation to pay to the paying agent for the guaranteed securities during the period in which they are outstanding such amounts as may be needed, when added to the moneys available from taxes, revenues or other funds of the municipality to make payments of principal and interest when due.

(b) No security shall be guaranteed or otherwise assisted under this Act unless the interest income thereon is subject to Federal taxation. With respect to any municipal security for which the issuer has elected to receive the benefits of the assistance provided under this Act, the interest paid on such security and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purpose of Chapter 1 of the Internal Revenue Code of 1954.

(c) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section with respect to principal and interest. Any such guarantee made by the Corporation shall be conclusive evidence of the eligibility of the securities for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed security.

(d) The Corporation shall not make a guarantee, or enter into a commitment to guarantee, the securities of a municipality unless:

(1) the Corporation finds that the debt service on such securities is within the financial capability of the borrowing municipality, after taking account of its current and prospective revenues, expenditures and indebtedness or the State government irrevocably agrees to provide such assistance as may be necessary to pay the debt service as it become due; and

(2) the municipality pledges to reimburse the Corporation for any losses it may sustain because of its guarantee of said securities out of its receipt of payments under the State and Local Fiscal Assistance Act of 1972.

(e) The Corporation is authorized to establish and collect such fees and charges for and in connection with guarantees made under this section, provided that they do not exceed one quarter of 1 per centum per annum of the securities covered by the guarantee which are outstanding at the beginning of each year.

Sec. 202. The Corporation is authorized to establish a revolving fund to provide for the timely payment of any liabilities incurred as a result of guarantees under Section 201 and for the payment of obligations issued to the Secretary of the Treasury under Section 203. Such revolving fund shall be comprised of (A) receipts from fees and charges; (B) recoveries under security, subrogation, and other rights; (C) repayments, interest income, and any other receipts obtained in connection with guarantees made under Section 201; (D) proceeds of the obligations issued to the Secretary of the Treasury pursuant to section 203; and (E) such sums, which are hereby authorized to be appropriated, as may be required for such purposes. Money in the revolving fund not currently needed for the purpose of this section shall be kept on hand or on deposit, or invested in obligations of the United States or guaranteed thereby.

SEC. 203(a). The Corporation is authorized to issue to the Secretary of the Treasury from time to time notes or other obligations for purchase by the Secretary in amounts sufficient, together with moneys in the fund, to make payments of principal and interest on all securities guaranteed under section 201 in accordance with a debt service guarantee contract. Such obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury.

(b) The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Corporation issued under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act; and the purposes for which securities may be issued under such Act are extended to include the purchase of any such notes or other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

SEC. 204 (a). Section 103(a)(1)(H) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1222) is amended by striking "financial administration" and substituting therefor "financial administration, including reimbursement of losses sustained by a Federal guarantor of the local government's securities."

INTEREST REDUCTION PAYMENTS

SEC. 205. (a) In order to achieve a decrease in the interest cost burdens arising from the guaranteed securities, the Corporation is authorized to enter into contracts to make interest reduction payments to the borrowing municipality, provided that the interest income on said securities is not exempt from Federal taxation.

(b) The amount of any payment made under this section shall be equal to 33⅓ per centum of the annual interest charge payable each year by the municipality on the securities guaranteed under section 201. Any such payment shall be payable for each of the years in which any of the guaranteed securities are outstanding.

(c) No payment shall be made under this section unless (1) the municipality has entered into a debt service guaranty contract pursuant to section 201, and (2) the Corporation finds that the interest charges on the securities are reasonable, after taking into account the taxable status of the securities, the availability of a Government guarantee, and the general level of interest rates then prevailing.

(d) In addition, the Corporation is authorized to enter into agreements with the Federal Financing Bank (12 U.S.C. 2282) to make interest reduction payments on behalf of Federally aided public housing and urban renewal securities purchased by the Bank. Such payments shall be equal to 33⅓ per centum of the interest cost to the Bank for its borrowings of comparable maturities.

(e) The Corporation may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes.

(f) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Any sums so appropriated shall remain available until expended.

EMERGENCY GUARANTEES

SEC. 301. (a) Where a municipality faces a high probability of default on its outstanding security issues because of budget deficiencies, it may apply for Federal guarantees of its outstanding indebtedness. Under such dire circumstances, and as a means of avoiding a wave of defaults on municipal securities, the Corporation is authorized to enter into contracts to guarantee the payment of principal and interest on each of the outstanding security issues of the financially distressed municipality, as authorized by section 201 above. The Corporation is also authorized to make interest reduction payments for such guaranteed securities, as authorized by section 205 of this Act; *Provided, however*, no such municipal security shall be guaranteed and no interest reduction payments shall be made on behalf of such municipal securities unless the interest income thereon is subject to Federal taxation. Therefore, to obtain such benefits, the municipality must explicitly agree to offer to the holders of its outstanding indebtedness to exchange bonds and notes, the interest income of which is subject to Federal taxation, for its bonds and notes, the interest income of which is exempt from Federal taxation. Aside from their changed tax status, the substitute bonds and notes shall be identical to the securities they replace with respect to interest rate maturity and other terms and conditions.

(b) Holders of the outstanding securities of the municipalities offering to exchange Federally guaranteed securities for non-guaranteed securities under the conditions prescribed in section 301(a) may elect to accept such offers or may elect to hold the non-guaranteed tax-exempt securities.

(c) Municipalities that apply for, and obtain from the Corporation, an agreement to guarantee their outstanding indebtedness and to make therefor interest reduction payments, shall be required to advertise the above described offer to exchange guaranteed securities for their non-guaranteed debt in financial newspapers and other publications of national circulation or direct notice shall be given to the bond holders within 30 days following the effective date of the agreement with the Corporation. The offers to exchange must be available to the holders of the outstanding securities for a period of 60 days from the date of the published advertisement.

(d) The Federal Reserve Banks are authorized and directed to act as depositories, custodians and fiscal agents for the Corporation to facilitate the security exchanges authorized in section 301(a).

FEDERALLY AIDED FINANCING

SEC. 401. (a) The Congress recognizes that the Federally aided borrowing for public housing, authorized by the United States Housing Act of 1937, as amended, and for urban renewal, authorized by Title I of the Housing Act of 1949, as amended, competes inordinately with non-Federally aided borrowing by State and local public bodies for the limited supply of funds available in the tax exempt securities market. The resultant higher interest rates reduce the interest cost savings arising from the tax exemption accorded to the interest income on securities issued by State and local public bodies, causing a reduction of needed public facilities or an indefinite postponement of their financing.

(b) With the establishment of the Federal Financing Bank in 1973 (12 U.S.C. 2282) an alternate means of financing for Government supported securities is now available. To alleviate the congestion in the tax exempt market for municipal securities, the Secretary is authorized and directed to arrange for the sale of Federally supported notes or bonds hereafter issued by local agencies to finance Federally aided public housing and urban renewal projects directly to the Federal Financing Bank.

(c) Section 5(d) of the United States Housing Act of 1937, as amended, (42 U.S.C. 1401) is amended by adding: "However, effective January 1, 1976, all obligations issued by a public housing agency in connection with such projects shall be sold directly to the Federal Financing Bank (12 U.S.C. 2282) upon such terms and conditions as may be necessary to avoid an increase in borrowing costs to such agency as a result of the purchase by the Bank of its obligations."

(d) Section 102(c) of Title I of the Housing Act of 1949, as amended, (42 U.S.C. 1450) is amended by adding: "However, effective January 1, 1976, all obligations issued by a local public agency in connection with a Federally aided project shall be sold directly to the Federal Financing Bank (12 U.S.C. 2282) upon such terms and conditions as may be necessary to avoid an increase in borrowing costs to such agency as a result of the purchase by the Bank of its obligations."

(e)(1) Section 16 of the Federal Financing Bank Act of 1973 (12 U.S.C. 2282) is amended by striking the second sentence of subsection (a) and substituting in lieu thereof the following: "In this connection, the Municipal Debt Guarantee Corporation, established by the "Emergency Municipal Credit Assistance Act of 1975," is authorized to enter into agreements with the Bank to make interest reduction payments on behalf of Federally aided public housing and urban renewal securities purchased by the Bank."

(2) Section 16 of the Federal Financing Bank Act of 1973 is further amended by striking the first sentence of subsection (b) and substituting in lieu thereof the following:

"(b) Such payments shall be equal to 33⅓ per centum of the interest cost to the Bank for comparable maturities."

EXIMBANK, FEA, CONTRIBUTING TO ENERGY SHORTAGES

(Mr. HUGHES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUGHES. Mr. Speaker, only a few short weeks ago, President Ford told the AFL–CIO construction trades meeting that we must "bring an end to the intolerable situation in which America exports more than $25 billion a year to pay for imported oil, while plenty of energy is potentially available at home." What Mr. Ford did not tell the AFL–CIO is that one of the reasons why we are not realizing our potential is that the Export-Import Bank as well as the Federal Energy Administration which is staffed by many former oil company employees, have been encouraging the export of billions of dollars worth of American technology and equipment to the North Sea and other areas of the world—

technology and equipment which is in short supply here at home and desperately needed to accelerate the production of our own oil and gas reserves.

What we are exporting is a portion of our already limited capacity to accelerate production of oil and gas reserves for the United States, and reduce our dependency upon expensive and unreliable foreign sources. There is no way to justify a policy of encouraging exports at a time when our own domestic production is lagging because of equipment shortages.

This is one of those absurd instances in which the Government is working at cross-purposes against its own policies. On the one hand is the Department of the Interior, which is about to embark upon the most ambitious offshore leasing program ever, leasing six Outer Continental Shelf areas a year from 1976 to 1978, amounting to many millions of acres of submerged Federal lands.

On the other hand is the U.S. Export-Import Bank, which has extended more than $579 million in loans, credits, and guarantees to various oil producers, including some subsidiaries of U.S. oil companies, to buy and export American-made equipment for development of the North Sea; $500 million more in such financing is being considered for the North Sea alone. The Federal Energy Administration has been participating in the Eximbank's decisions to make loans, credits, and guarantees for development of oil and gas resources in other parts of the world.

It may come as a shock and surprise to many to know that America is not, at the present time, in a position to develop those reserves of oil and gas in the Gulf of Mexico which we already know about, let alone the many millions of new OCS acres which will be leased in the coming months and years, and one of the primary reasons is that we do not have enough equipment. In light of those shortages, we must question the wisdom of a policy which encourages exportation of our equipment.

It is becoming increasingly clear that we cannot develop our own OCS resources. For example, a March 1975 report of the General Accounting Office has stated that shortages of rigs, platforms, and other drilling and related equipment is one of the major obstacles to the success of the Department of the Interior's accelerated leasing program. The House Interstate and Foreign Commerce Committee's report, to accompany H.R. 7014, indicated that drilling rigs ordered in 1974 cannot be delivered until the first quarter of 1977. The report also listed tight supply situations with respect to steel products and oil country tubular goods, which reduced a potential 171 million feet that could have been drilled in 1974 down to 160 million feet.

Based on information I have received, the demand for rigs is as strong as ever, and shows little sign of slackening. In south Louisiana, as of August, there was only one idle rig, which puts the rig utilization figure at 99.64 percent. In spite of that extraordinarily high utilization figure, recent Senate testimony by Dr. Walter Measday, an economist with the Senate Antitrust Subcommittee, indicates that Federal oil and gas leases in that area are producing at less than one-half the maximum efficient rate, or 710,000 barrels per day below capacity.

I intervened in a Federal Power Commission investigation of nonproducing oil and gas reservoirs in the Gulf of Mexico. Time after time I asked witnesses for oil and gas producers why gas was not being produced from reservoirs which were known to contain oil and gas in commercially producible quantities, and I got the answer "equipment shortages" more often than any other answer.

But when I went to the North Sea this June, as a member of the Select Committee on the Outer Continental Shelf, I did not see any equipment shortages. In fact, I was astounded by the massive presence of American equipment and technology, some of which belong to the same U.S. oil companies which had been before the Federal Power Commission citing delays of as much as 4 years in obtaining certain types of equipment.

Obviously, one of the reasons that we cannot develop our own resources is that our major oil companies have determined that, for the present, the action is in the North Sea, even though little, if any, of the oil they produce there will help the United States meet its own energy needs. There is a simple reason for that—the oil companies make money whether they are producing American oil for Americans, or North Sea oil for Europeans. No matter where the oil is coming out of the ground, the money is going into the same pockets. This approach to oil and gas development has the extra added bonus of contributing to our shortages here at home, and thereby helping to keep the pressure up for deregulation.

Under the Federal statute which governs the procedures for the Eximbank the bank is required to consider whether any loans it makes may have an adverse impact on the domestic economy. Eximbank's procedures for determining such adverse impacts can be described, at best, as haphazard and slipshod. Since 1974, Eximbank has been submitting energy-related lending proposals to the Federal Energy Administration's office of International Affairs for clearance, but the procedures for determining adverse impact are very unclear. It appears that many clearances have been given on the basis of secondhand or thirdhand information and an occasional news clipping. Little has been done in the way of independent analysis. In fact, it came as a surprise to the FEA to learn that the Federal Power Commission has had an ongoing investigation of nonproducing shut-ins in the Gulf of Mexico.

It is very difficult to dismiss this entire situation as just another bureaucratic snafu. That is because three out of the four upper-echelon officials and seven out of eight in position to exercise influence in the decisionmaking process at FEA at one time or another had ties to the oil industry, including some oil companies such as Exxon and Mobil which are heavily into development of the North Sea where the equipment is destined for delivery. It is very difficult to escape the suspicion that these individuals have brought into the Federal Energy Administration not just a pro-oil industry bias, but an outright conflict of interests as well.

The FEA and Eximbank are operating on the assumption that none of the products which they help to export are in short supply. That assumption conflicts with every scrap of information which I have been able to obtain. Eximbank and FEA are apparently relying upon industry sources and the Department of Commerce for their information. Yet every time I have attempted to pin down a source, the claims of surplus seem to evaporate into thin air.

It seems that the major oil companies are shouting "shortage" before the Federal Power Commission, but whispering "surplus into the ears of officials at Eximbank and the Federal Energy Administration.

This is not a question of providing jobs for U.S. workers through increased exports. The demand for rigs and drilling and production equipment is very great now, and with the addition of many millions of acres of OCS lands to the portfolios of the major oil companies, we will not need foreign orders to keep our shipyards busy. In fact, the United Kingdom is now engaged in an intensive "buy British" campaign to encourage oil companies to purchase equipment from British manufacturers, who now have only 40 percent of the North Sea market. I would think that an end to U.S. support for export of energy goods would not only be well received here in the United States, but in the United Kingdom as well.

The FEA estimates that domestic manufacturers are operating at capacity at the present time, without the additional orders that will come when frontier OCS lands are leased. A total of 57 exploratory rigs will be built by manufacturers through 1976 of which the General Accounting Office estimates from 50 to 60 percent will be shipped overseas. At that rate, new exploratory rigs for use in U.S. water will be between 20 and 30—20 or 30 rigs to explore an OCS area which will be many times larger than all of the previous lease sales combined. Then the oil and gas producers can point to even greater equipment shortages.

Mr. Speaker, this situation is intolerable. I have forwarded all the information I have on this subject to the chairman of the House and Senate subcommittees which have oversight jurisdiction of the Federal Energy Administration and the Eximbank. I have also contacted the General Accounting Office with certain further information I have on this subject.

Knowing of the deep concern of my colleagues for the Nation's serious energy situation, I am appending to this statement some tables and charts which provide further documentation for the questions and charges I have raised in my statement:

TABLE I.—EXIMBANK CREDITS FOR NORTH SEA DEVELOPMENT AND EQUIPMENT, AS OF JUNE 30, 1975

Country (credit No.) and obligor	Description	EIB exposure (thousands)
Denmark:		
3719—Corino Shipping	2 drilling vessels	$17,583
4124—Maersk Oil Drilling	1 offshore rig	6,300
Netherlands:		
3096—Placid International Oil Ltd	Production of gas reserves	4,698
4053—Nederlandse Zeeboormettack	Semisubmersible drilling rig	3,600
4237—International Drilling	Land based drilling rig and equipment.	1,575
4487—Placid International Oil Ltd	Offshore gas field	3,600
4933—Curacao Offshore Equipment	Crane and pipe handling equipment	3,051
Norway:		
3064—Heken & NR Bugge	Supply vessels—oil drilling	1,179
3190—Phillip Petroleum Norway (Nowsh Hydro Produksjon).	Ekofisk phase I development	56,250
3207—Zapata North Sea, Inc	Offshore drilling rig and equipment	2,187
5160—K/S Dyoi Drilling	Offshore drilling equipment	2,700
5210—Fred Olsen Group	2 tug supply vessels	2,566
5471—A/S Akers Mekverksted	Cranes for shipyard	800
5706—Skibs A/S Aramis	3 tug boats	4,200
United Kingdom:		
3881—Wimpey Highlands Fab	Offshore drilling yard	4,442
3930—Shell International Petroleum	Goods for petroleum operations	1,500
3909—Laing Offshore	Heavy cranes	1,792
4097—Salvensen Offshore Drilling	Cargo vessel for drilling	5,670
4388—Shell International Petroleum	Miscellaneous capital goods	2,700
4654—Viking Jersey Equipment Ltd	Equipment for pipelaying barge	4,974
4800—Shell International Petroleum	Miscellaneous capital goods	7,500
3519—Kommandiltselskapet Waage Drilling.	2 semisubmersible drilling rigs	$21,398
3792—Ugland Shipping Co. A/S	Semisubmersible drilling rig	10,946
3886—Wilhemsan Offshore Services	4 offshore supply vessels	1,998
4241—K/S Viking Offshore A/S	Semisubmersible drilling rig	8,000
4391—Norskald	do	4,012
4594—Nordic Offshore Drilling Co	Blowout prevention equipment	810
4614—Fred Olsen Group	Drilling equipment	2,363
4634—Gotaas Larsen Drilling	do	3,240
4642—Skaugen-Offshore Co	do	4,275
4688—Ekofisk Co-Venturers	Oil and gas field development	67,950
4689—Ekofisk Co-Venturers	Construct oil pipeline	126,900
4735—Wilk. Wilhelmsen Offshore	2 supply vessels	1,520
4840—5 Norwegian supply companies	do	1,727
5006—K/S A.S. Viking Offshore II	Semisubmersible drilling rig	2,250
4906—Geopresco Overseas Ltd	Oil drilling equipment	693
5062—Kingsworth Maine Drilling Ltd	do	6,300
5063—British Petroleum Co	Development of Forties production field.	38,250
5074—Friggs Gas Field Co-Venturers	Gas field development	13,500
5076—Friggs Pipeline Co-Venturers	Gas field pipeline	22,500
5112—4 Millbank Investments Ltd	Oil drilling rig	2,704
5449—Piper Field Co-Venturers	Platform development and pipeline	35,235
5510—S. & A. Geophysical Ltd	Semisubmersible survey equipment	576
4655—Theriot Offshore International	6 offshore supply vessels	7,000
Total Eximbank exposure		579,264

TABLE II.—EXCERPTS FROM STATEMENTS OF PRODUCER RESPONDENTS BEFORE THE FEDERAL POWER COMMISSION

Name	Company	Case and No.	Page No.	Date	Statement
Honeycott, Baxter D	ARCO	FPC-RI75-112	2856	July 22, 1975	They (production platforms) are getting more and more difficul to find.
			2857		Delay of rigs—it is the type of rigs (150 ft). Rigs are very tight there has been a three year wait for the above rig.
			2858		To get a drill ship it takes a matter of months.
			2860		There is no indication that the delays will decrease.
Oliver, Donald	Cities Service	FPC-RI75-112	3009	July 23, 1975	The mobile drilling rig or jackup rig capable of water depth to 300 ft anticipate probably 1978–79.
			3009		The semisubmersible drilling rig you may find by 1978–79.
			3010		The production platforms lags are about 1979 deliverability.
			3011		The tubing shortage will ease in vicinity of 1978.
Bent, Norman J	Burmah Oil Gas Co	FPC-RI75-112	3324	July 28, 1975	Concerning the C-6 well (lease 1198), we have been having a great deal of difficulty trying to get a rig into the field.
			3325		Has taken over a year of communication to get a rig.
			3326		We do not know when we can get a rig.
			3385		To obtain an 18 pile, 200 ft rig it would take over 2 years.
Clark, Billy P	Mobil	FPC-RI75-112	3928	July 31, 1975	For a shallow water rig, we are having trouble in getting it. Placed the order in 1975 and have no idea when it will be available.
			3992		If ordered rig today, under normal delivery we can get it within a year, maybe a little sooner.
Jones, Donald R	Trans Ocean Oil Inc	FPC-RI75-112	4507	Aug. 22, 1975	It would depend on whether you were talking about a platform rig or a mobile drilling rig. For a mobile drilling rig it has taken over 2 yr, 2½ yrs.
			4508		The jack up rigs for shallow water use is in the vicinity of 6 mo to a year to obtain.
			4508		In ordering a production platform it takes 2 years.
			4508–09		The drilling rig situation has improved, but the platform situation has gotten wrose.
Pacher, H. G	Marathon Oil	FPC-RI75-112	4626	Aug. 25, 1975	The availability of a 4 pile, 6 to 8 slot platform is now mid 1977, but more likely it would be the spring of 1978.
			4627		The availability of a 8 pile, 18 to 24 slot platform, is mid 78 or early 1979.
			4627		There has been no dramatic improvement in this area.
Miesch, Ed P	ODECO	FPC-RI75-112	4,911	Aug. 28, 1975	Question: Is the unavilability of a certain rig the thing that interferes with your doing that type of workover? Answer: Yes.
Jensen, Jr. Walter P	Superior Oil Co	FPC-RI75-112	4,998	Aug. 29, 1975	This is in reference to Y South Sand: I am not prepared to give you a specific date of when we might obtain a rig. They are very scarce—I know there is a waiting list.
Manson, Eugene R	C & K Petroleum	FPC-RI75-112	3,591	July 29, 1075	We are looking for a rig of a depth for 13,500 zone the earliest possible date is 7 or 8 mo.
Bell, Edwin O	Mobil	FPC-RI75-112	3,773	July 30, 1975	There is no question as to the shortage, all the trade journals have carried articles about rig shortages and tubular shortages.
			3,783		Concerning drilling equipment, it is next to impossible now to get a rig that will drill in shallow depths (30–125 ft).
			3,783–84		Concerning well tubulars—Sending our order requistions for steel a full half-year ahead—mills are running a quarter behind—it is a 6 month delay.
			3,785		Concerning the platform delivery time is now 1979.
Bechter, Paul W	Superior Oil Co	FPC-RI75-112	5,239	Sept. 4, 1975	Referring to a defect in the tubing we have now found that we will be not in production till 1976 because there is a lag in time for shipment.
Faircloth, Allen R	Dixilyn Corp	FPC-RI75-112	5417	Sept. 8, 1975	For a mobile jackup rig (depth up to 370) there is a 3 to 4 mo wait, this is an improvement from last year.
			5417		In ordering a platform there is a 2-year wait. This has not eased up as much as the rig problem has.
			5417–18		The semisubmersible drilling rig (beyond the 250 ft depth) now takes about 4 mo.
			5418		The ship type drilling rigs takes from 3 to 4 mo to obtain, it functions in water depth beyond 250 ft.
Dupuy, Harvey J	The Cal. Co. (Chevron)	FPC-RI75-112	5701–02	Sept. 12, 1975	Question: If ordered a drilling rig today, when expected? Answer: I am sure the time lag would be on the order of 6 mo to a year. (referring-mobile jackup unit)
			5702		The time of ordering rigs could always be longer than the 6 mo to a year wait.
Dolan, Pat M	Kerr-McGee	FPC-RI75-112	5976	Sept. 18, 1957	Are you saying Kerr-McGee is unable to determine the delivery date for the availability of platform rigs and equipment after Jan. 1, 1976.
			5976		In making reference to 1975, he stated, and the use of these rigs is a priority matter * * * They are tight right now, they are very tight.

Name	Company	Case and No.	Page No.	Date	Statement
			5977		To order a platform, it will take a year to get (order here is mean a contract to rent 1).
			5977		To order a specifically built 1 we are able to obtain it in 1979.
			5978		In placing order for nonspecific built 1 is 4 mo.
Hunt, John W.	Hunt Oil Co.	FPC–RI75–112	5869	Sept. 17, 1975	Question: What type of delays are you experiencing in getting rigs? Answer: It is a 9 mo wait for a full work over rig.
Moore, Donald W.	Amoco	FPC–RI75–112	6188	Sept. 23, 1975	One reason for the nonproducing well is that they are shut in, waiting for a workover program on the platform.
			6208		In reference to Eugene Island Block, 208 field well A–6; the development of this block will take place in 1976, the reason for this delay is the shortage of the "tender type drilling rig" which will be obtainable in either March of 1976 or in March 1978 (the later date may be found on page 6287).
			6288		There is only 45 minimum self-contained platform rigs and at the present moment you can not contact for them.
Harper, George M.	Placid	FPC–RI75–112	6344	Sept. 24, 1975	Question: How did you arrive at the estimated dates of production? Answer: The 1970's were determined by the rig availability.
			6346		The platform availability is now 2 years and in some case so too are the rigs.
			6391	Sept. 25, 1975	The availability of workover rigs is 1977, that is the earliest that you could put a well in. When you got to 1977, you once again have the problem of where will the workover rigs come from in years 1977 to 1980. Our company will not use the mobile jackup rig, it will be double to the workover rig, so we will wait to 1980.

TABLE III.—*Industry backgrounds of Federal Energy Administration officials involved in Eximbank loan clearances*

OFFICE OF INTERNATIONAL AFFAIRS

Melvin A. Conant, Assistant Administrator for International Affairs (Exxon, 12 years, Director for Government Relations, Separated 1974).

Clement B. Malin, Deputy Assistant Administrator for International Affairs (Mobil, 10 years plus, Latin America and Europe regional manager, Separated 1974).

James A. West, Associate Assistant Administrator for International Affairs (Arabian-American Oil Company, Aramco, 5 years, Separated 1965).

Cecil B. Thompson, Associate Assistant Administrator for International Affairs (No industry background).

STAFF

James P. Morris (Career federal employee, spent 1, year, 1972, with Mobil Oil under Presidential Interchange program).

Bernard Kritzer (No industry background).

Denice Dwyer (No industry background).

Lawrence Heller (No industry background).

FEDERAL ENERGY ADMINISTRATION OFFICE OF OIL AND GAS

(Section consulted by Office of International Affairs to survey equipment surplus/shortage situations).

James R. Gill, Associate Assistant Administrator Office of Oil and Gas (former president, Gill Oil Company; Sunray, Eason Oil Companies).

Robert Kahl (former Vice-President, Kewanee Oil Company).

Ira Mayfield (former employee, Atlantic-Richfield Oil Company).

TABLE IV.—DRILLING RIGS IN DOMESTIC USE, 1975

Region	Production platforms	Mobil rigs (drill ships Jack-ups, semisubmersibles)
Gulf of Mexico (offshore Louisiana) [1]	48	40
Gulf of Mexico (offshore Texas)	4	13
California	4	5
Total (all regions)	56	58

[1] 1974 crude production on leases 49.3 percent below maximum efficient rate (MER); 1975 crude production from January to June 30, 1975 was 50.7 percent below MER—Sept. 23, 1975 testimony of Dr. Walter S. Measday, Chief Economist of the Senate Antitrust and Monopoly Subcommittee before the same subcommittee.

TABLE V.—ACCELERATED LEASING SCHEDULE

	Date
Gulf of Alaska	December 1975.
Southern California	Do.
Gulf of Mexico	February 1976.
Atlantic Ocean	May 1976 (Mid-Atlantic).
Atlantic Ocean (Georges Bank)	August 1976.
Atlantic Ocean (South)	November 1976.

	Oil (billions of barrels)	Natural gas (trillions of cubic feet)
Potential undiscovered reserves:		
All Alaska	3–31	8–80
All Pacific	2–5	2–6
All Gulf	3–8	18–91
All Atlantic	2–4	5–14

TABLE VI.—DRILLING RIG PRODUCTION, 1975–80 [1]

Year	Production platforms	Mobile rigs
1975	42	27
1976	52	30
1977	58	24
1978	56	27
1979	56	27
1980	56	27
Total	320	162

[1] Federal Energy Administration Office of Oil and Gas reports U.S. rig manufacturers operating at capacity. They are J. Ray McDermott; Brown & Root; Alabama Dry Dock; Kaiser; Avondale; Bethlehem; Marathon; Livingston,

Note: 1975–76 subtotal: 20 to 30 rigs for frontier waters in the United States—50 to 60 percent of the rigs being built domestically are believed destined for foreign areas—General Accounting Office Report: "Outlook For Federal Goals To Accelerate Leasing Of Oil And Gas Resources On The Outer Continental Shelf," Mar. 19, 1975.

TABLE VII.—*Oil and gas production equipment shortages*

"Outlook for Federal Goals to Accelerate Leasing of Oil and Gas Resources on the Outer Continental Shelf," Report to the Congress by the Comptroller General of the United States (RED–75–343), March 19, 1975.

"According to the PI report, the domestic demand for fixed and mobile offshore drilling rigs is predicted to exceed the most optimistic current forecasts of domestic availability under an accelerated exploration and development program. Even with optimistic assumptions on mobile rig production and world fleet movement to U.S. waters, requirements are expected to exceed projected availability." p. 18.

(The report also cited severe shortages of drillpipe, casing, tubing, rig equipment and steel supplies as imposing severe constraints on increased U.S. oil and gas production from OCS areas. In other words, equipment shortages are one of the most serious obstacles to the Department of Interior's accelerated leasing program which is intended to lessen our dependence upon foreign oil).

House Report No. 94–340, to accompany H.R. 7014, the Energy Conservation and Oil Policy Act of 1975 (94th Congress, 1st Session), p. 46.

This report stated that drilling rigs ordered in 1974 cannot be delivered until the first quarter of 1977. Steel products, such as steel plates, forgings and castings, are in tight supply. Oil country tubular goods (OCTG) are in tight supply, reducing a potential 171 million feet that could have been drilled in 1974 to 160 million cubic feet.

"Rig Demand Keeps Owners Scrambling," by Chad L. Wiley. *Oil & Gas* Journal, August 1975.

"Rig availability still may be the principal constraint on the expanding U.S. drilling program. Speculation to the contrary notwithstanding, there has been no significant 'softening' of demand for drilling equipment.

"Nationwide, rig utilization stood at 92.55 percent this mid-August, off a gnat's whisker from 93.40 percent a year earlier . . . In South Louisiana and the Southeastern States, only one rig was tallied as idle this August, producing a utilization figure of 99.64 percent." (Note: South Louisiana is the area which the Senate Antitrust Subcommittee said was operating at less than half the MER, or 710,000 barrels per days below maximum capacity).

"Offshore investigation: Producible Shut-In Lease," January, 1974 Staff Report, Office of Economics, Bureau of Natural Gas, Federal Power Commission.

This report surveyed 96 leases which were classified as producible shut-ins on extended term status at the time the report was written. Of those 96, 21 were waiting on platform, production or pipeline facilities, and another four were waiting on drilling rigs. In other words, more than 25 percent of those leases on extended term status were not producing because of equipment shortages.

(This report is cited to show that shortages of rigs and other equipment were known at the time that Eximbank credits, etc., were made).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BAFALIS, for today, on account of personal reasons.

Mr. CHAPPELL (at the request of Mr.

Bennett), for the balance of Thursday from 5 p.m., on account of illness in the family.

Mr. Taylor of North Carolina (at the request of Mr. O'Neill), for today, on account of illness.

Mr. Waxman (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Sarasin) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 30 minutes, today.
Mr. Hastings, for 20 minutes, today.
Mr. Bell, for 15 minutes, today.
Mr. Findley, for 5 minutes, today.
Mr. Talcott, for 10 minutes, today.
Mr. Wylie, for 30 minutes, today.
Mrs. Smith of Nebraska, for 5 minutes, today.
Mr. Whalen, for 5 minutes, today.

(The following Members (at the request of Mr. LaFalce) to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Patman, for 30 minutes, today.
Mr. LaFalce, for 15 minutes, today.
Mr. Moss, for 5 minutes, today.
Mr. Preyer, for 10 minutes, today.
Mr. Dent, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Barrett, for 5 minutes, today.
Mr. Rodino, for 15 minutes, today.
Mr. Vigorito, for 10 minutes, today.
Mr. Zeferetti, for 10 minutes, today.
Mr. Bingham, for 5 minutes, today.
Mr. Danielson, for 5 minutes, today.
Mr. Oberstar, for 5 minutes, today.
Mr. Murphy of New York, for 10 minutes, today.
Mr. Nedzi, for 5 minutes, today.
Mr. Van Deerlin, for 5 minutes, today.
Mr. Koch, for 5 minutes, today.
Mr. Fascell, for 10 minutes, today.
Mrs. Collins of Illinois, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. O'Neill, to revise and extend his remarks on H.R. 200 just prior to the rising of the Committee of the Whole.

Mr. Barrett, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,501.50.

Mr. Hughes, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,073.

(The following Members (at the request of Mr. Sarasin), and to include extraneous matter:)

Mr. Findley.
Mr. Esch.
Mr. Crane.
Mr. Fish.
Mr. Gilman in two instances.
Mr. Steiger of Arizona.
Mr. Michel in two instances.
Mr. Abdnor.
Mr. Sarasin.
Mr. Erlenborn.
Mr. Shuster in two instances.
Mr. Horton in four instances.
Mr. du Pont.
Mr. Steiger of Wisconsin.
Mr. Don H. Clausen in two instances.
Mr. Bob Wilson in two instances.
Mr. Heinz.
Mr. Quie.
Mr. Gradison.
Mr. Ashbrook in two instances.
Mr. Anderson of Illinois in two instances.
Mr. Carter.
Mr. Hansen in eight instances.
Mr. Talcott.

(The following Members (at the request of Mr. LaFalce) and to include extraneous matter):

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Edgar.
Mr. Murphy of New York.
Mr. Howe.
Mr. St Germain.
Mr. Nix.
Mr. Vanik in 12 instances.
Mr. Waxman in two instances.
Mr. Dan Daniel.
Mr. Edwards of California in three instances.
Mr. Ottinger.
Mr. Preyer.
Mr. Vigorito.
Mr. McHugh.
Mr. Fisher in two instances.
Mr. Richmond.
Mr. Mazzoli.
Mr. Milford in three instances.
Mr. Eilberg.
Mr. Hawkins in two instances.
Mr. Reuss.
Mr. Fauntroy.
Mr. Solarz.
Mr. Mineta.
Mr. Brown of California.
Mr. Roush.
Mr. Mills.
Mr. Brademas.
Mr. Moffett in two instances.
Mr. Rosenthal.
Mr. Won Pat in three instances.
Mr. Helstoski.
Mr. Mottl in two instances.
Mr. Annunzio in four instances.
Mr. Roybal in two instances.
Mr. Conyers.
Mr. Fascell.
Mr. Simon.
Mr. Thompson.
Mr. Rees.
Mr. Oberstar in two instances.
Mr. Moss.
Mr. Rangel.
Mr. Perkins.
Mr. Drinan in two instances.
Mr. Blanchard in two instances.
Mr. Harrington in four instances.
Mrs. Spellman.
Mr. Scheuer in four instances.
Mr. John L. Burton in two instances.
Mr. Ambro in three instances.
Mr. Jones of Tennessee.
Mr. Maguire.
Mr. Minish.
Mr. Diggs.
Mr. Sarbanes.
Mr. LaFalce.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2308. An act to provide for the modification of the boundaries of the Bristol Cliffs Wilderness Area; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5708. An act to provide for the striking of medals in commemoration of the bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps;

H.R. 6151. An act to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center; and

H.R. 8121. An act making appropriations for the Department of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 5708. An act to provide for the striking of medals in commemoration of the bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps;

H.R. 6151. An act to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center;

H.R. 8121. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.R. 8561. An act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

ADJOURNMENT

Mr. LaFALCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 424, 94th Congress, the Chair declares the House adjourned until 12 o'clock noon on Monday, October 20, 1975.

Thereupon (at 7 o'clock and 56 minutes p.m.), pursuant to House Concurrent Resolution 424, the House adjourned until Monday, October 20, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1863. A letter from the Secretary of the Treasury, transmitting the fourth annual report of the Emergency Loan Guarantee Board, covering the year ended July 31, 1975, pursuant to section 12 of Public Law 92-70; to the Committee on Banking, Currency and Housing.

1864. A letter from the Director, Defense Security Assistance Agency; transmitting notice of the intention of the Department of the Air Force to offer to sell certain military equipment to Korea, pursuant to section 36 (b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1865. A letter from the president, Communications Satellite Corporation, transmitting the 12th annual report of the Corporation, pursuant to section 404(b) of the Communications Satellite Act of 1962; to the Committee on Interstate and Foreign Commerce.

1866. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of International Labor Organization Convention No. 139 and Recommendation No. 147, concerning the prevention and control of occupational hazards caused by carcinogenic substances and agents, pursuant to Article 19 of the ILO Constitution (H. Doc. No. 94-280); jointly, to the Committees on International Relations, and Education and Labor and ordered to be printed.

1867. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of International Labor Organization Convention No. 139 and Recommendation No. 148, concerning paid educational leave, pursuant to Article 19 of the ILO Constitution (H. Doc. No. 94-281); jointly, to the Committees on International Relations, and Education and Labor and ordered to be printed.

RECEIVED FROM THE COMPTROLLER GENERAL

1868. A letter from the Comptroller General of the United States, transmitting a report on opportunities for improving civilian payroll operations of the U.S. Army Military District of Washington; jointly, to the Committees on Government Operations, and Armed Services.

1869. A letter from the Comptroller General of the United States, transmitting the second in a series of reports on the audit of the Small Business Administration, discussing improvements needed in the small business investment company program under section 301(d) of the Small Business Investment Act, pursuant to section 13 of Public Law 93-386; jointly, to the Committees on Government Operations, and Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATTISON of New York. Committee on the Judiciary. S. 611. An act for the relief of Southeastern University of the District of Columbia; with amendment (Rept. No. 94-551). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS of Ohio. Committee on House Administration. House Resolution 780. Resolution disapproving a regulation proposed by the Federal Election Commission (Rept. No. 94-552). Referred to the House Calendar.

Mr. HAYS of Ohio. Committee on House Administration. House Resolution 744. Resolution to provide funds for the expenses of investigations, hearings, and studies to be conducted by the Select Committee on Missing Persons in Southeast Asia; with amendment (Rept. No. 94-553). Ordered to be printed.

Mr. HAYS of Ohio. Committee on House Administration. House Resolution 772. Resolution providing additional funds for the expenses of the Committee on House Administration to provide for maintenance and improvement of ongoing computer services for the Committee on Appropriations of the House of Representatives. (Rept. No. 94-554). Referred to the House Calendar.

Mr. MOORHEAD of California. Committee on the Judiciary. S. 240. An act to amend the act entitled "An Act granting a charter to the General Federation of Women's Clubs"; with amendment (Rept. No. 94-555). Referred to the House Calendar.

Mr. HAYS of Ohio. Committee on House Administration. House Resolution 710. Resolution disapproving certain provisions of the regulations issued and proposed by the Administrator of General Services under the Presidential Recordings and Materials Preservation Act (Rept. No. 94-560). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATTISON of New York. Committee on the Judiciary. H.R. 4654. A bill for the relief of Day's Sportswear, Inc. (Rept. No. 94-556). Referred to the Committee of the Whole House.

Mr. DANIELSON. Committee on the Judiciary. House Resolution 222. Resolution referring the bill (H.R. 3374) for the relief of John J. Egan to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, (Rept. No. 94-557). Referred to the Committee of the Whole House.

Mr. MAZZOLI. Committee on the Judiciary. H.R. 2943. A bill for the relief of the estate of James J. Caldwell. (Rept. No. 94-558). Referred to the Committee of the Whole House.

Mr. FLOWERS. Committee on the Judiciary. H.R. 6852. A bill for the relief of John T. Knight; with amendment (Rept. No. 94-559). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOTTL:

H.R. 10122. A bill to restore and promote competition in the petroleum industry and for other purposes; to the Committee on the Judiciary.

By Mr. ARMSTRONG (for himself, Mr. EVANS of Colorado, Mr. ANDREWS of North Dakota, Mr. JOHNSON of Colorado, Mr. KETCHUM, Mr. MOORE, Mr. OBERSTAR, and Mr. THONE):

H.R. 10123. A bill to limit the liability of a broker who sells any agricultural commodity on behalf of his principal when that commodity serves as security for any loan made, insured, or guaranteed under a program administered by the Farmers Home Administration; to the Committee on Agriculture.

By Mr. BELL:

H.R. 10124. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

H.R. 10125. A bill to amend title II of the Social Security Act to increase to $4,200 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 10126. A bill to establish a Department of Aging, and for other purposes; to the Committee on Government Operations.

By Mr. BIESTER:

H.R. 10127. A bill to amend the Internal Revenue Code of 1954 to provide, for purposes of the estate tax, an alternative method of valuing certain property which is farmland, woodland or open spaces or which has historic value in order to encourage the preservation of such property, and to provide a deduction from the gross estate for a certain portion of the farming interests held by the decedent; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS:

H.R. 10128. A bill to amend the Regional Rail Reorganization Act of 1973 to permit the analysis of light density railroad lines on the basis of their costs and benefits, to aid in the transition tó the final system plan by assuring the continuation of local freight services and rail passenger and commuter services, to provide assistance and additional time for the States to prepare their State rail plans, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DOMINICK V. DANIELS (for himself, Mr. EILBERG, Mr. SOLARZ, Mr. BEARD of Rhode Island, Mr. ROE, Mr. BEVILL, Mr. RODINO, and Ms. HECKLER of Massachusetts):

H.R. 10129. A bill to provide for a reduction in charges imposed on oil imports in proportion to OPEC price increases; to the Committee on Ways and Means.

By Mr. DENT:

10130. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to provide for an automatic increase in such wage rate based on increases in the price index, to require an overtime rate equal to 2½ times the regular wage rate, and to reduce and then repeal the credit against the minimum wage which is based on tips received by tipped employees; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 10131. A bill to establish a mandatory commodity market for crude oil; to the Committee on Interstate and Foreign Commerce.

By Mr. FITHIAN (for himself, Mr. MATHIS, Mr. BEVILL, Mr. GUDE, Mr. CORMAN, Mr. ABDNOR, Mr. HANNAFORD, Mr. MITCHELL of New York, Mr. OBERSTAR, Mr. BALDUS, and Mr. D'AMOURS):

H.R. 10132. A bill to carry out a coordinated agricultural energy research program through the State agricultural experiment stations, and for other purposes; jointly to the Committees on Science and Technology, and Agriculture.

By Mr. FOLEY:

H.R. 10133. A bill to upgrade the position of Under Secretary of Agriculture to Deputy Secretary of Agriculture; to provide for two additional Assistant Secretaries of Agriculture; to increase the compensation of certain officials of the Department of Agriculture; to provide for an additional member of the Board of Directors, Commodity Credit Corporation; and for other purposes; jointly to the Committees on Post Office and Civil Service, and Agriculture.

By Mr. FORD of Michigan (for himself, Mr. Ashbrook, Mr. Bedell, Mr. Bevill, Mr. Boland, Mr. Brown of Michigan, Mr. Burlison of Missouri, Mr. Conyers, Mr. Derwinski, Mr. Devine, Mr. Diggs, Mr. du Pont, Mr. Eilberg, Mr. Emery, Mr. Esch, Mr. Evins of Tennessee, Mr. Gibbons, and Mr. Gonzalez):

H.R. 10134. A bill to amend section 552a of title 5, United States Code, to authorize the disclosure to Members of Congress or their designates of information regarding individuals for casework purposes; to the Committee on Government Operations.

By Mr. FORD of Michigan (for himself, Mr. Harris, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Howe, Mr. Hughes, Mr. Ichord, Mr. Jeffords, Mr. Johnson of California, Miss Jordan, Mr. LaFalce, Mr. Lent, Mr. Long of Maryland, Mr. McKinney, Mr. Maguire, Mr. Mazzoli, and Mr. Meeds):

H.R. 10135. A bill to amend section 552a of title 5, United States Code, to authorize the disclosure to Members of Congress or their designates of information regarding individuals for casework purposes; to the Committee on Government Operations.

By Mr. FORD of Michigan (for himself, Mr. Melcher, Mr. Nix, Mr. Patterson of California, Mr. Pattison of New York, Mr. Pepper, Mr. Railsback, Mr. Rostenkowski, Mr. Shipley, Mr. Simon, Mr. Solarz, Mr. Stratton, Mr. Thompson, Mr. Van Deerlin, Mr. Vander Veen, Mr. Vigorito, Mr. Waxman, Mr. White, and Mr. Yatron):

H.R. 10136. A bill to amend section 552a of title 5, United States Code, to authorize the disclosure to Members of Congress or their designates of information regarding individuals for casework purposes; to the Committee on Government Operations.

By Mr. KOCH (for himself and Mr. Downey of New York):

H.R. 10137. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. MEEDS (for himself, Mr. Perkins, and Mr. Dominick V. Daniels):

H.R. 10138. A bill to create the Young Adult Conservation Corps to complement the Youth Conservation Corps; to the Committee on Education and Labor.

By Mr. MEEDS:

H.R. 10139. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 10140. A bill to incorporate the National Ski Patrol System, Inc.; to the Committee on the Judiciary.

H.R. 10141. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes; to the Committee on the Judiciary.

By Mr. MIKVA (for himself, Mr. Mosher, Mr. Jeffords, and Mr. Pattison of New York):

H.R. 10142. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open-market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. MINK:

H.R. 10143. A bill to amend title II of the Social Security Act to exclude all of a woman's child-rearing years in the computation of her benefits, to permit an uninsured wife of an insured individual to qualify for wife's benefits at age 62 even though such individual has not yet become eligible for old-age or disability benefits, to provide that a person entitled to mother's benefits may continue to receive such benefits (without regard to age) even after the children of the insured individual have ceased to be entitled to child's benefits; and to further amend title II of the Social Security and chapter 21 of the Internal Revenue Code of 1954 to provide coverage under the old-age survivors, and disability program for service performed by an individual in the employ of his or her spouse; to the Committee on Ways and Means.

By Mr. NIX (for himself, Mr. Whalen, Mr. Solarz, Mr. Biester, and Mr. Hamilton):

H.R. 10144. A bill to require that certain reports to the Congress with respect to sales of military equipment to foreign countries contain the names of any sales agents involved in such sales and the amount of any fees received by such sales agents in conjunction with such sales; to the Committee on International Relations.

By Mr. PERKINS:

H.R. 10145. A bill to establish a permanent Federal program of assistance for elementary and secondary education; to the Committee on Education and Labor.

By Mr. PREYER (for himself, Mr. Hamilton, and Mr. Symington):

H.R. 10146. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools; to the Committee on Education and Labor.

By Mr. RHODES (for himself and Mr. Gradison):

H.R. 10147. A bill to provide for the phased decontrol of crude oil prices to provide for a gradual transition from mandatory price and allocation controls, to amend the Emergency Petroleum Allocation Act of 1973, as amended, to provide for a deregulation tax, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. RICHMOND (for himself, Mr. Moorhead of California, Mr. Treen, Mr. Wolff, Mr. Ryan, and Ms. Heckler of Massachusetts):

H.R. 10148. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 10149. A bill to expedite construction starts on certain approved public works projects, and to eliminate certain procedural requirements in order to reduce delays and accelerate certain public works programs and projects in the nature of flood control; to the Committee on Public Works and Transportation.

By Mr. ROE:

H.R. 10150. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominium units, by providing for the establishment of national minimum standards for condominiums (to be administered by a newly created Assistant Secretary in the Department of Housing and Urban Development), to encourage the States to establish similar standards, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. RUPPE:

H.R. 10151. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. SARASIN:

H.R. 10152. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize the Secretary of Transportation to enter into agreements for purposes of repairing the Poughkeepsie Bridge in New York; to the Committee on Interstate and Foreign Commerce.

Mrs. SCHROEDER:

H.R. 10153. A bill to authorize the sale, and shipment incident to such sale, of the chemical substance carbonyl chloride by the Department of Defense; to the Committee on Armed Services.

By Mr. THORNTON (for himself, Mr. Teague, Mr. Brown of California, and Mr. McCormack):

H.R. 10154. A bill to establish in the Energy Research and Development Administration an Energy Extension Service to develop, demonstrate, and analyze energy conservation opportunities, and to develop programs to encourage acceptance and adoption of energy conservation opportunities by energy consumers; to the Committee on Science and Technology.

By Mr. VANDER VEEN:

H.R. 10155. A bill to amend the Internal Revenue Code of 1954 with respect to the exempt function income of a political organization; to the Committee on Ways and Means.

By Mr. YOUNG of Florida (for himself and Mr. Bafalis):

H.R. 10156. A bill to amend title 10 of the United States Code in order to remove the limitation on the number of Junior Reserve Officers' Training Corps units which may be established and other limitations regarding such units; to the Committee on Armed Services.

By Mr. YOUNG of Florida (for himself, Mr. Bafalis, Mr. Burgener, Mr. Cohen, Mr. Cornell, Mr. Duncan of Tennessee, Mr. Eilberg, Mr. Fascell, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Hyde, Mr. Lagomarsino, Mrs. Mink, Mr. Moakley, Mr. Ottinger, Mr. Patten, Mr. Pattison of New York, Mr. Pressler, Mr. Regula, Mr. Roe, Mr. Roush, Mr. Russo, Mr. Santini, Mr. Sarbanes, and Mr. Solarz):

H.R. 10157. A bill to amend part A of title XVIII of the Social Security Act to freeze the inpatient hospital deductible under the medicare program at its 1975 level; to the Committee on Ways and Means.

By Mr. YOUNG of Florida (for himself, Mr. Thompson, Mr. Walsh, Mr. Charles Wilson of Texas, and Mr. Edgar):

H.R. 10158. A bill to amend part A of title XVIII of the Social Security Act to freeze the inpatient hospital deductible under the medicare program at its 1975 level; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Lloyd of California, Mrs. Pettis, Mr. Burgener, Mr. McCormack, Mr. Charles Wilson of Texas, Mr. Pattison of New York, Mr. Boland, Mr. Waxman and Mrs. Heckler of Massachusetts):

H.R. 10159. A bill to amend section 552a of title 5, United States Code, to permit Members of Congress to receive information from Federal agencies regarding individuals; to the Committee on Government Operations.

By Mr. ESCH:

H.R. 10160. A bill to improve the delivery of essential manpower services authorized by the Comprehensive Employment and Training Act, to extend and improve programs authorized by the Emergency Jobs and Unemployment Assistance Act of 1974, to improve manpower programs for the Nation's youth and disadvantaged, and for other purposes; jointly to the Committees on Ways and Means, and Education and Labor.

By Mr. ASPIN (for himself and Mr. Simon):

H.R. 10161. A bill to require the U.S. Postal Service to provide postal lock boxes for certain persons who reside in rural areas; to the Committee on Post Office and Civil Service.

By Mr. BERGLAND:

H.R. 10162. A bill to redetermine wheat, feed grain, and upland cotton allotments on the basis of current actual acreages planted for harvest; to the Committee on Agriculture.

By Mr. CARTER:

H.R. 10163. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. DEL CLAWSON (for himself, Mrs. Burke of California, Mr. Carter, Mrs. Sullivan, Mr. Symms, Mr. White, Mr. Whitehurst, Mr. Wydler, Mr. Frenzel, Mr. Grassley, and Mr. Yates):

H.R. 10164. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly to the Committees on the Judiciary and Rules.

By Mr. D'AMOURS:

H.R. 10165. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. DEL CLAWSON (for himself, Mr. Abdnor, Mr. Clancy, Mr. Conlan, Mr. Derwinski, Mr. Downey of New York, Mr. Goldwater, Mr. Guyer, Mr. Hansen, Mrs. Heckler of Massachusetts, Mr. Hefner, Mr. Hughes, Mr. Jeffords, Mr. Jenrette, Mr. Johnson of Colorado, Mr. Kasten, Mr. Landrum, Mr. Lloyd of California, Mr. McKinney, Mr. Mazzoli, Mr. Montgomery, Mr. Moore, Mr. Regula, Mr. Santini, and Mr. Spence):

H.R. 10166. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly to the Committees on the Judiciary, and Rules.

By Mr. DRINAN:

H.R. 10167. A bill to require the Federal Energy Administration to preserve all fees collected under the oil import fee program for eventual distribution to the consuming public; jointly to the Committees on Ways and Means, and the Judiciary.

By Mr. EILBERG:

H.R. 10168. A bill to facilitate and encourage the implementation by States of child day care services programs conducted pursuant to title XX of the Social Security Act, and to promote the employment of welfare recipients in the provision of child day care services; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 10169. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress during certain periods before elections; to the Committee on Post Office and Civil Service.

By Mr. HEINZ:

H.R. 10170. A bill to amend title 18 of the United States Code in order to provide for greater penalties on persons convicted of conspiring to commit any offense against the United States or to defraud the United States; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. Vander Veen, Mr. Ford of Michigan, Mrs. Meyner, Mr. Riegle, Mr. McKinney, Mr. Wolff, Mr. Patterson of California, Mr. Simon, Mr. Santini, Mr. Bedell, Mr. Neal, Mr. Litton, Mr. D'Amours, Mr. Runnels, Mr. Roush, Mr. O'Brien, and Mr. Giaimo):

H.R. 10171. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself, Ms. Chisholm, Mr. Roe, Mr. Fascell, Ms. Abzug, Mr. D'Amours, Mr. Scheuer, Mr. Waxman, Mr. Wirth, Mr. Bob Wilson, Mr. Bonker, Mr. Pepper, Mr. McDade, Mr. Sarasin, Mr. Gude, Mr. Cleveland, and Mr. Lagomarsino):

H.R. 10172. A bill to amend title XX of the Social Security Act to provide that no State shall be required to administer individual means tests for provision of education, nutrition, transportation, recreation, socialization, or associated services provided thereunder to groups of low-income individuals aged 60 or older; to the Committee on Ways and Means.

By Mr. HELSTOSKI (for himself, Mr. Dominick V. Daniels, Mrs. Fenwick, Mr. Florio, Mr. Forsythe, Mr. Howard, Mr. Hughes, Mr. Maguire, Mrs. Meyner, Mr. Minish, Mr. Patten, Mr. Rinaldo, Mr. Rodino, Mr. Roe, and Mr. Thompson):

H.R. 10173. A bill to amend title II of the Social Security Act to permit a State, under its section 218 Agreement, to terminate social security coverage for State or local policemen or firemen without affecting the coverage of other public employees who may be members of the same coverage group (and to permit the reinstatement of coverage for such other employees in certain cases where the group's coverage has previously been terminated); to the Committee on Ways and Means.

By Mr. HILLIS:

H.R. 10174. A bill to repeal the Real Estate Settlement Procedures Act of 1974; to the Committee on Banking, Currency and Housing.

By Mr. JONES of Oklahoma:

H.R. 10175. A bill to authorize the Secretary of the Army to expedite accomplishment of urban flood control and flood plain management plans; to the Committee on Public Works and Transportation.

By Mr. MILLS:

H.R. 10176. A bill to amend the Tariff Schedules of the United States with respect to the tariff treatment accorded to technologically advanced, high precision watches and watch movements; to the Committee on Ways and Means.

By Mr. MOSS (for himself, Mr. Dingell, and Mr. Van Deerlin):

H.R. 10177. A bill to regulate commerce by establishing uniform test protocols for consumer products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTTL (for himself, and Mr. Hawkins):

H.R. 10178. A bill to restore and promote competition in the petroleum industry, and for other purposes; to the Committe on the Judiciary.

By Mr. OBERSTAR:

H.R. 10179. A bill to designate the new Poe lock on the Saint Marys River at Sault Sainte Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works and Transportation.

By Mr. PATTERSON of California:

H.R. 10180. A bill to provide for tax reform; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 10181. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 10182. A bill to establish an independent agency, to be known as the Visa and Naturalization Administration, in order to improve the efficiency and economy of the operations of the Federal Government with respect to immigration, and for other purposes; to the Committee on Government Operations.

By Mr. St GERMAIN:

H.R. 10183. A bill to strengthen the supervisory authority of the Federal banking agencies over financial institutions and their affiliates, to amend section 5146 of the Revised Statutes with respect to the qualifications of directors of national banks, to amend the Bank Holding Company Act of 1956 to provide special procedures for the acquisition of failing banks or bank holding companies and for the acquisition of banks or bank holding companies in emergencies, and to amend the Federal Deposit Insurance Act, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. STAGGERS (by request):

H.R. 10184. A bill to amend the Regional Rail Reorganization Act of 1973 to facilitate implementation of the final system plan by broadening the purposes for which assistance is available under title IV, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES V. STANTON:

H.R. 10185. A bill to restore and promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

By Mr. STEIGER of Wisconsin:

H.R. 10186. A bill to amend title II of the Social Security Act to permit the payment of child's insurance benefits to a minor child legally adopted by an individual entitled to old-age or disability insurance benefits (whether the adoption occurred before or after such individual became so entitled) if such child was living with and being supported by such individual for a year immediately before filing application for such child's insurance benefits; to the Committee on Ways and Means.

By Mr. SYMINGTON:

H.R. 10187. A bill to amend the act of May 23, 1908, and the act of March 1, 1911, for the purpose of increasing the amount of money paid to States and counties under such acts; to the Committee on Agriculture.

By Mr. TRAXLER:

H.R. 10188. A bill to amend chapter 61 of title 18, United States Code, to permit the transportation, mailing, and broadcasting of advertising and other information concerning a bingo game authorized by and licensed under State law, and for other purposes; to the Committee on the Judiciary.

By Mr. TRAXLER (for himself, Mr. Vander Veen, Mr. Brodhead, Mr. Ford of Michigan, Mr. Riegle, Mr. Carr, and Mr. Blanchard):

H.R. 10189. A bill to amend the regional Rail Reorganization Act of 1973 to require the Consolidated Rail Corporation to provide rail service over certain light density lines, to provide increased financial assistance for local rail services, to direct the Rail Services Planning Office to conduct an analysis of certain rail lines not designated for inclusion in the final system plan, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VIGORITO (for himself, Mr. Baldus, Mr. Bergland, Mr. Bowen, Mr. Breckinridge, Mr. Brown of California, Mr. D'Amours, Mr. English, Mr. Fithian, Mr. Harkin, Mrs. Heckler of Massachusetts, Mr. Jeffords, Mr. Jenrette, Mr. Jones of Tennessee, Mr. Litton, Mr. Melcher, Mr. Mezvinsky, Mr. Nolan, Mr. Peyser, Mr. Richmond, Mr. Rose, and Mr. Weaver):

H.R. 10190. A bill to encourage the direct marketing or agricultural commodities from farmers to consumers; to the Committee on Agriculture.

By Mr. ANNUNZIO (for himself, Mrs. Fenwick, Mrs. Sullivan, Mrs. Spellman, Mr. Barrett, Mr. Gonzalez and Mr. Fauntroy):

H.R. 10191. A bill to amend the Consumer Credit Protection Act to prohibit abusive practices by debt collectors; to the Committee on Banking, Currency and Housing.

By Mr. BIAGGI (for himself, Mr. Wolff, Mr. Jones of North Carolina, Mr. de la Garza, Mr. Sarbanes, Mr. de Lugo, Mr. Rooney, Mr. AuCoin, Mr. Patterson of California, Mr. du Pont, Mr. Young of Alaska, Mr. Emery, and Mr. Ruppe):

H.R. 10192. A bill to amend title 14, United States Code, to provide for the nondiscriminatory appointment of cadets to the U.S. Coast Guard Academy; to the Committee on Merchant Marine and Fisheries.

By Mrs. FENWICK (for herself, Mr. Yates, Mr. Gilman, Mr. Pressler, Mr. Hyde, Mr. Pattison of New York, Mr. Latta, Mr. Annunzio, Mr. Zablocki, Mr. Danielson, Mrs. Meyner, and Mrs. Spellman):

H.R. 10193. A bill to establish a Commission on Security and Cooperation in Europe; to the Committee on International Relations.

By Mr. FLOWERS:

H.R. 10194. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 10195. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 10196. A bill to amend chapter 5, subchapter II, of title I, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 10197. A bill to amend chapter 5 of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 10198. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 10199. A bill to amend chapter 7, title 5, United States Code, with respect to procedure for judicial review of certain administrative agency action, and for other purposes; to the Committee on the Judiciary.

By Mr. HANNAFORD:

H.R. 10200. A bill to abolish certain Federal regulatory agencies and to cause the termination of certain other Federal regulatory agencies or their successor agencies after a specified period of time, and to establish procedures for periodic evaluation of regulatory agencies; jointly to the Committees on Government Operations, and Rules.

By Mr. HARRIS:

H.R. 10201. A bill to increase the contribution by the Federal Government to the costs of employees' health benefits insurance; to the Committee on Post Office and Civil Service.

By Mr. KEMP:

H.R. 10202. A bill to amend the Comprehensive Employment and Training Act of 1973 to require eligible applicants to hire veterans in connection with filling transitional public service jobs; to the Committee on Education and Labor.

H.R. 10203. A bill to reform programs administered under the Comprehensive Employment and Training Act; to the Committee on Education and Labor.

By Mr. MEZVINSKY:

H.R. 10204. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mrs. SPELLMAN:

H.R. 10205. A bill to establish as part of the Outdoor Recreation Programs a program to permit certain residents to cultivate gardens on dormant Federal lands; to the Committee on Interior and Insular Affairs.

By Mr. WAGGONNER:

H.R. 10206. A bill to recognize the joint development by the State of Louisiana and the State of Texas of a recurring and environmentally sound source of energy represented by the Toledo Bend Dam and Reservoir and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from charges for the use occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Tex.; to the Committee on Agriculture.

By Mr. MYERS of Indiana (for himself, Mr. Abdnor, Ms. Abzug, Mr. Adams, Mr. Addabbo, Mr. Alexander, Mr. Ambro, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Annunzio, Mr. Armstrong, Mr. Ashbrook, Mr. Ashley, Mr. Baldus, Mr. Bauman, Mr. Bedell, Mr. Bell, Mr. Bennett, Mr. Bergland, Mr. Biaggi, Mrs. Boggs, Mr. Bolling, Mr. Brademas, Mr. Breaux, and Mr. Dent):

H.J. Res. 690. Joint resolution to authorize the President to issue a proclamation designating the week of November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Breckinridge, Mr. Brinkley, Mr. Broomfield, Mr. Brown of Ohio, Mr. Brown of Michigan, Mr. Brown of Calilifornia, Mr. Buchanan, Mr. Burke of Massachusetts, Mrs. Burke of California, Mr. Phillip Burton, Mr. Butler, Mr. Byron, Mr. Carr, Mr. Carter, Mr. Casey, Mr. Chappell, Mrs. Chisholm, Mr. Clancy, Mr. Don H. Clausen, Mr. Clay, Mr. Cochran, Mr. Cohen, Mr. Conable, and Mr. John L. Burton):

H.J. 691. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Cornell, Mr. Crane, Mr. Dominick V. Daniels, Mr. Danielson, Mr. de la Garza, Mr. Dellums, Mr. Devine, Mr. Dickinson, Mr. Diggs, Mr. Downing of Virginia, Mr. Duncan of Oregon, Mr. du Pont, Mr. Early, Mr. Edgar, Mr. Edwards of Alabama, Mr. Emery, and Mr. Lujan):

H.J. Res. 692. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Esch, Mr. Evans of Indiana, Mr. Evans of Colorado, Mr. Evins of Tennessee, Mrs. Fenwick, Mr. Findley, Mr. Fish, Mr. Fisher, Mr. Flood, Mr. Flynt, Mr. Foley, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Forsythe, Mr. Fountain, Mr. Frey, Mr. Gaydos, Mr. Giaimo, Mr. Gibbons, Mr. Gilman, Mr. Ginn, Mr. Goldwater, Mr. Gonzalez, and Mr. Gude):

H.J. Res. 693. Joint resolution to authorize the President to issue a proclamation designating the week of November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Hagedorn, Mr. Haley, Mr. Hall, Mr. Hamilton, Mr. Hanley, Mr. Hansen, Mr. Harris, Mr. Hastings, Mr. Hawkins, Mr. Hayes of Indiana, Mr. Hébert, Mrs. Heckler of Massachusetts, Mr. Hefner, Mr. Heinz, Mr. Hicks, Mr. Hightower, Mr. Hillis, Ms. Holtzman, Mr. Howard, Mr. Hughes, Mr. Hungate, and Mr. Hutchinson):

H.J. Res. 694. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Ichord, Mr. Jeffords, Mr. Johnson of Pennsylvania, Mr. Johnson of California, Mr. Johnson of Colorado, Mr. Jones of Tennessee, Mr. Jones of Oklahoma, Mr. Jones of North Carolina, Miss Jordan, Mr. Karth, Mr. Kazen, Mr. Kelly, Mr. Ketchum, Ms. Keys, Mr. Kindness, Mr. Koch, Mr. Krebs, Mr. Lagomarsino, Mr. Landrum, Mr. Latta, Mr. Leggett, Mr. Lehman, Mr. Lent, and Mr. Lloyd of California):

H.J. Res. 695. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Long of Louisiana, Mr. McClory, Mr. McCloskey, Mr. McCollister, Mr. McDade, Mr. McDonald of Georgia, Mr. McEwen, Mr. McFall, Mr. McKinney, Mr. Macdonald of Massachusetts, Mr. Madden, Mr. Madigan, Mr. Maguire, Mr. Mahon, Mr. Martin, Mr. Mathis, Mr. Matsunaga, Mr. Meeds, Mrs. Meyner, Mr. Mezvinsky, Mr. Milford, Mr. Miller of Ohio, Mr. Mills, and Mr. Mineta):

H.J. Res. 696. Joint resolution to authorize the President to issue a proclamation designating the week of November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Minish, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moore, Mr. Morgan, Mr. Moss, Mr. Mottl, Mr. Murphy of Illinois, Mr. Murtha, Mr. Natcher, Mr. Neal, Mr. Nedzi, Mr. Nichols, Mr. Nix, Mr. Nolan, Mr. O'Hara, Mr. O'Neill, Mr. Passman, Mr. Patman, Mr. Patten, Mrs. Pettis, Mr. Peyser, and Mr. Pickle):

H.J. Res. 697. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Pike, Mr. Poage, Mr. Pressler, Mr. Preyer, Mr. Price, Mr. Quie, Mr. Quillen, Mr. Railsback, Mr. Randall, Mr. Rangel, Mr. Regula, Mr. Richmond, Mr. Rinaldo, Mr.

Risenhoover, Mr. Rodino, Mr. Rogers, Mr. Roncalio, Mr. Rose, Mr. Rosenthal, Mr. Roush, Mr. Rousselot, Mr. Roybal, Mrs. Lloyd of Tennessee and Mr. Long of Maryland).

H.J. Res. 698. Joint resolution to authorize the President to issue a proclamation designating the week of November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Runnels, Mr. Ruppe, Mr. Russo, Mr. St Germain, Mr. Santini, Mr. Satterfield, Mr. Scheuer, Mr. Sharp, Mr. Shipley, Mr. Shriver, Mr. Shuster, Mr. Sikes, Mr. Skubitz, Mr. Slack, Mr. Smith of Iowa, Mrs. Smith of Nebraska, Mr. Solarz, Mrs. Spellman, Mr. Spence, Mr. James V. Stanton, Mr. Stark, Mr. Steed, Mr. Steelman, and Mr. Steiger of Wisconsin):

H.J. Res. 699. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. Stephens, Mr. Stuckey, Mr. Symms, Mr. Taylor of Missouri, Mr. Taylor of North Carolina, Mr. Teague, Mr. Traxler, Mr. Udall, Mr. Vander Veen, Mr. Vigorito, Mr. Whalen, Mr. White, Mr. Whitten, Mr. Wiggins, Mr. Charles Wilson of Texas, Mr. Wright, Mr. Wydler, Mr. Wylie, Mr. Yates, Mr. Young of Georgia, Mr. Young of Alaska, and Mr. Zablocki):

H.J. Res. 700. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H.J. Res. 701. Joint resolution to confer honorary U.S. citizenship upon Christopher Columbus; to the Committee on the Judiciary.

By Mr. CLEVELAND (for himself, Mr. Collins of Texas, Mr. D'Amours, Mr. Foley, Mr. Jeffords, Mr. Johnson of Colorado, Mr. McEwen, Mr. McHugh, Mr. Mitchell of New York, Mr. Moorhead of Pennsylvania, Mr. Roe, Mr. Ruppe, and Mr. Scheuer):

H.J. Res. 702. Joint resolution to authorize the President of the United States to designate National Ski Week; to the Committee on Post Office and Civil Service.

By Mr. ARCHER:

H. Con. Res. 427. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. BELL:

H. Con. Res. 428. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. BROWN of Michigan:

H. Con. Res. 429. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. CEDERBERG:

H. Con. Res. 430. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. DEL CLAWSON:

H. Con. Res. 431. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. DICKINSON:

H. Con. Res. 432. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. FRENZEL:

H. Con. Res. 433. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. GUYER:

H. Con. Res. 434. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. HANSEN:

H. Con. Res. 435. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion to the Committee on the Budget.

By Mr. MICHEL:

H. Con. Res. 436. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. MILLER of Ohio:

H. Con. Res. 437. A concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. SIMON:

H. Con. Res. 438. Concurrent resolution relating to broadening the observance of Thanksgiving to an occasion of sharing our plenty with the hungry in other lands; to the Committee on Post Office and Civil Service.

By Mrs. SMITH of Nebraska:

H. Con. Res. 439. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. STEIGER of Wisconsin:

H. Con. Res. 440. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. WHITEHURST:

H. Con. Res. 441. Concurrent resolution to declare that total Federal budget outlays for fiscal year 1977 shall not exceed $395 billion; to the Committee on the Budget.

By Mr. ZEFERETTI:

H. Con. Res. 442. Concurrent resolution expressing the sense of the Congress with respect to the right of all of the people of Ireland to control Ireland's destiny; to the Committee on International Relations.

By Mr. BELL:

H. Res. 783. Resolution to request Federal agencies administering programs for older Americans to study the causes of crime against older Americans and to recommend programs to reduce the frequency of such crimes; to the Committee on the Judiciary.

By Mr. DENT (for himself and Mr. Carney):

H. Res. 784. Resolution to express concern over the attempted takeover of the Copperweld Corp., by a foreign corporation; to the Committee on Rules.

By Mr. RHODES (for himself, Mr. Edwards of Alabama, Mr. Steelman, Mr. Butler, Mr. Moorhead of California, Mr. Hinshaw, Mr. Lott, Mr. McKinney, Mr. Andrews of North Dakota, Mr. Coughlin, Mr. Young of Alaska, and Mrs. Heckler of Massachusetts:

H. Res. 785. Resolution to create a Select Committee on Energy; to the Committee on Rules.

By Mrs. BURKE of California:

H. Res. 786. Resolution to provide that employees of the House Beauty Shop shall be subject to the compensation classification system established by the House Employees Position Classification Act, and for other purposes; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. RUPPE introduced a bill (H.R. 10207) for the relief of Capt. Arthur K. Bennett, Jr., U.S. Navy, Retired; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

256. By the SPEAKER: Petition of the Pancyprian Committee of Parents and Relatives of Undeclared Prisoners and Missing Persons, Nicosia, Cyprus, relative to release of prisoners of war and an accounting of missing persons in Cyprus; to the Committee on International Relations.

257. Also, petition of the 57th National Convention of the American Legion, Minneapolis, Minn., relative to the Federal Bureau of Investigation; to the Committee on the Judiciary.

SENATE—*Thursday, October 9, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by Hon. Jesse Helms, a Senator from the State of North Carolina.

PRAYER

The Reverend Dr. Thomas L. Cashwell, Jr., pastor, Hayes Barton Baptist Church, Raleigh, N.C., offered the following prayer:

O God and Father of us all, in whose love we learn the meaning of life, and through whose strength we bear life's burdens more easily, we seek entrance now into Thy hearing room to speak our prayers and to be blessed of Thee.

We have been given a new day, the hours of which are our own to invest in the high adventure of building a better world. May we be good stewards so that these irreplaceable moments will be put to profitable use.

Spirit of the living God, fall fresh this day upon our Vice President and these assembled in this Chamber, and upon all who share in the affairs of government so that with honesty, moral integrity, and calm conviction they may administer adequate service for the people of this Nation and the nations of the world.

O Lord, bless their loved ones and their families. May their homes be sanctuaries of love and peace wherein they may find spiritual resources for the strain and pressures of their duties.

We pray in the name of Him who is our strength and our Redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 9, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JESSE HELMS, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HELMS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, October 8, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination for the Federal Energy Administration and a nomination for the judiciary only.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

FEDERAL ENERGY ADMINISTRATION

The assistant legislative clerk read the nomination of William G. Rosenberg, of Michigan, to be an assistant administrator of the Federal Energy Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

THE JUDICIARY

The assistant legislative clerk read the nomination of Ralph G. Thompson, of Oklahoma, to be U.S. district judge for the western district of Oklahoma.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield back my time. I also yield back the time under special orders. I ask unanimous consent that, due to the traffic this morning, the distinguished Senator from Ohio (Mr. GLENN) be recognized later in the morning for the full 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SINAI EARLY WARNING SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 138) to implement the United States proposal for the early-warning system in Sinai.

The Senate resumed the consideration of the joint resolution.

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. LEAHY). The pending question is a motion to recommit by the Senator from South Dakota.

Mr. MANSFIELD. How much time is there on that amendment?

The PRESIDING OFFICER. An hour for the Senator from South Dakota and a half hour for the Senator from New Jersey.

Mr. MANSFIELD. Mr. President, the control of the time will be either in the hands of the manager of the joint resolution, the chairman of the Committee on Foreign Relations, or the Senator from Minnesota (Mr. HUMPHREY), or the ranking minority member, the Senator from New Jersey (Mr. CASE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time will the time for the quorum be charged?

Mr. MANSFIELD. No one's time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDER

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate proceed to the consideration of Calendars Nos. 403, 404, and 410.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUSPENSION OF CERTAIN SECTIONS OF THE REAL ESTATE SETTLEMENT PROCEDURES ACT

The Senate proceeded to consider the bill (S. 2327) to suspend sections 4, 6, and 7 of the Real Estate Settlement Procedures Act of 1974, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

That (a) section 4 of the Real Estate Settlement Procedures Act is amended by inserting "(a)" after "SEC. 4." and by adding the following subsection:

"(b) The provisions of this section are suspended for one year after date of enactment of this subsection.".

(b) Section 6 of the Real Estate Settlement Procedures Act is amended by adding the following subsection:

"(f) The provisions of this section are suspended for one year after date of enactment of this subsection.".

(c) Section 7 of the Real Estate Settlement Procedures Act is amended by adding the following subsection:

"(d) The provisions of this section are suspended for one year after date of enactment of this subsection.".

SEC. 2. Section 121 of the Truth in Lending Act (15 U.S.C. 1631) is amended by repealing subsection (c).

Mr. ABOUREZK. Mr. President, today we are asked to suspend for 1 year sections 6 and 7 of RESPA. There have been some important problems with implementation of the act, and time is needed to make changes and reconcile the interests of lenders and consumers.

But I believe we are not so far from general agreement on reasonable regulations and compromises that a yearlong suspension is justified. I understand that interested parties have already discussed a revision of RESPA which would, first, repeal the two provisions most objectionable to lenders; second, maintain the meaningful advance disclosure of real estate settlement costs which are of most value to consumers; and third, accommodate the technical changes which HUD sought.

Considering that the substantive concerns that those involved have expressed are susceptible to prompt action and, hopefully, agreement, it seems to me inappropriate to jump for a 1-year suspension, when we would like to be able to have a more lasting solution within weeks or months.

The House Banking Committee has scheduled hearings on this issue for October 28–30. With that in mind, and Senate consideration of substantive changes also very likely this fall, the urgency of suspending for 1 year escapes me.

Although I do not oppose S. 2327, I would hope that we can move to resolve the difficulties lenders face in a substantive way without suspending important consumer protections contained in RESPA.

Mr. PROXMIRE. Mr. President, the Banking Committee held 3 days of hearings last month on the Real Estate Settlement Procedures Act of 1974, commonly known as RESPA. On the basis of testimony received, the committee has concluded that the disclosure provisions of RESPA as presently drafted are largely unworkable, and we are recommending a 1-year suspension of sections 4, 6 and 7, to give lenders, borrowers, and realtors some relief from this act while the committee devises an acceptable substitute.

RESPA was enacted last year on the premise that real estate closings often involve excessive settlement charges. This was and still is true. But rather than regulate these charges or require that the lender absorb them, the Congress passed a rather elaborate disclosure statute. The idea was that if the consumer had advance warning of the costs, he could shop around among providers. This theory was wrong in several respects. Most borrowers are essentially captive customers; they lack the bargaining power to act on the information that is disclosed. As I warned last year in my dissenting views when RESPA was reported, the average homebuyer is a babe in the woods. The lenders and the title companies possess most of the sophistication and the bargaining power. I feared then that RESPA would be a very weak remedy. It now turns out that in addition to being weak, RESPA is excessive, because it buries all parties to the transaction in paperwork and delay. The 12-day waiting period after the RESPA statement is received by the borrower is too short to do him much good if he wants to shop around, but it is long enough to cause great inconvenience if a particular homebuyer has the moving van loaded and wants to settle in a hurry. So we have the worst of both worlds: A great deal of redtape that is not even doing the consumer much good.

Therefore, the committee has unanimously voted to report S. 2327, which mandates a 1-year suspension of three sections of RESPA: Section 4, which requires the uniform settlement statement; section 6, which mandates advance disclosure; and section 7, which calls for the advance disclosure, in certain cases, of the previous selling prices.

Mr. President, while these suspensions are in effect, the committee will attempt to devise a more reasonable approach. In principle, we support the idea that the consumer is entitled to know what his closing costs will be. I hope we can devise a simplified procedure that provides that information, but eliminates the elaborate paperwork and the mandatory waiting period. I also hope we can tighten the loopholes in RESPA which permit the lender to dictate who shall provide the settlement services, with the result that even if a buyer has advance disclosure and the sophistication to act on it, he may still be the captive customer of a particular provider who makes exorbitant charges.

This law has only been on the books for some 3 months, but the complaints from consumers as well as lenders and realtors have been overwhelming. Nothing like this happened when we passed truth in lending. Disclosure is usually a valid remedy. I am still convinced that sunlight is the best disinfectant, but unless each application is well-conceived, we could all perish from sunstroke.

We are leaving intact other provisions of RESPA that are not controversial—section 8, for example, prohibits kickbacks and unnecessary charges. The committee received information that this section has cut title search costs up to 50 percent in some areas. The committee also plans to work with HUD to clarify that certain practices, such as multiple listings and out-of-town referrals by realtors, are not prohibited by section 8.

I hope the Senate will approve S. 2327, and that the Banking Committee will take advantage of the 1-year respite from RESPA to think through and report a more acceptable substitute. Normally, we would simply do this as a matter of course, but in this case the public deserves some relief and I urge that the suspension be enacted while the committee devises something better.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PEACE CORPS ACT AMENDMENT

The Senate proceeded to consider the bill (H.R. 6334) to amend further the Peace Corps Act, which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 1, line 6, strike "$88,468,000" and insert "$80,826,000";

On page 1, line 8, strike "$27,887,000" and insert "$25,729,000"; and

On page 2, line 19, strike:

SEC. 5. Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "$75" and inserting in lieu thereof "$125".

And insert in lieu thereof:

SEC. 5. (a) Section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(a)(1)) is amended by striking out "$50" and inserting in lieu thereof "$75".

(b) There are authorized to be appropriated, in addition to the sums authorized to be appropriated pursuant to section 501 of such Act, such additional sums as may be necessary to carry out the amendments made by subsection (a) of this section. Such amendments are to be effective for each fiscal year only to such extent and for such amounts as are specifically provided for such purpose in such appropriation Acts.

SEC. 6. (a) Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "$75" and inserting in lieu thereof "$125".

(b) There are authorized to be appropriated to carry out the amendment made by subsection (a) of this section, $7,642,000 for the fiscal year ending June 30, 1976, and $2,158,000 for the period beginning July 1, 1976, and ending September 30, 1976. Such amendment is to be effective for any fiscal year only to such extent and in such amounts as are specifically provided for such purpose in appropriation Acts.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: An Act to amend further the Peace Corps Act, and for other purposes.

HAYM SALOMON DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 99) to authorize and request the President to issue a proclamation designating January 4, 1976, as "Haym Salomon Day."

Mr. HUGH SCOTT. Mr. President, on the eve of our Bicentennial it is most fitting that we now consider Senate Joint Resolution 99, a resolution to authorize and request the President to issue a proclamation designating January 4, 1976, as "Haym Salomon Day."

The story of Haym Salomon poses the most fascinating picture of any Jew in the American Revolution. He was the patriot financier who helped raise money to carry on the American Revolution and later saved our emerging Nation from economic collapse.

Haym Salomon came to Philadelphia penniless in 1778, the British having confiscated his property in New York. But in the Capital City of the new Nation there were business and speculative opportunities for a trader with imagination. His business prospered, and within the next few years he became a leading broker in Philadelphia and one of the largest depositors in the Bank of North America, to which he was a subscriber.

In June, 1781, Robert Morris, the Superintendent of Finance, engaged Salomon to help with the young country's finances. He negotiated all the loans raised in France and Holland, pledging his personal faith and fortune, and personally advanced large sums to such men as James Madison, Thomas Jefferson, and other patriotic leaders who testified that without his aid they could not have carried on in the cause.

Salomon died on January 4, 1785, at the age of 44. His fortune had been devoured equipping military units, paying foreign agents, and the salaries of Government officials.

At this milestone in American history, it is increasingly important to recognize the great people that labored and sacrificed for American independence. Haym Salomon stands among our country's great who during crucial times labored and sacrificed for this cause.

I urge my colleagues to join me in support of Senate Joint Resolution 99. As a symbol, as a man, and as a Jewish American, Salomon deserves this tribute.

The joint resolution (S.J. Res. 99) was engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 99

Joint resolution to authorize and request the President to issue a proclamation designating January 4, 1976, as "Haym Salomon Day"

Whereas Haym Salomon, financier, banker, and patriot, risked life, limb, and personal fortune in order to support the American Revolution and to save the emerging United States from economic collapse; and

Whereas Haym Salomon died on January 4, 1785, of complications from an illness contracted while a British prisoner; and

Whereas Haym Salomon left a legacy of dedication, loyalty, and altruism to his family, friends, and his country: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to recognize the contribution made by Haym Salomon to the cause of the American Revolution, the President is authorized and requested to issue a proclamation designating January 4, 1976, as "Haym Salomon Day", and calling upon the people of the United States and interested groups and organizations to observe that day with appropriate ceremonies and activities.

MARITIME APPROPRIATION AUTHORIZATION ACT OF 1975—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President I submit a report of the committee of conference on S. 1542, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The conference report is as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Maritime Appropriation Authorization Act of 1975".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitations as the Appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(1) For acquisition, construction, or reconstruction of vessels and for construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $195,000,000.

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $315,936,000.

(3) For expenses necessary for research and development activities, not to exceed $12,232,000.

(4) For reserve fleet expenses, not to exceed $4,242,000.

(5) For maritime training at the Merchant Marine Academy at Kings Point, New York, not to exceed $195,000,000.

(6) For financial assistance to State marine schools, not to exceed $4,708,000.

SEC. 3. There are authorized to be appropriated for the fiscal year 1976, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts, for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. Section 809(a) of the Merchant Marine **Act**, 1936, as amended (46 U.S.C. 1213(a)) **is** amended by inserting immediately after the first sentence thereof the following: "In order to assure equitable treatment for each range of ports referred to in the preceding sentence, not less than 10 percent of the funds appropriated for construction differential subsidy contracts and operating differential subsidy contracts pursuant to this Act or any law authorizing funds for the purposes of this Act shall be allocated to each such port range: *Provided, however,* That such allocation shall apply to the extent that subsidy contracts are approved by the Secretary of Commerce. Not later than March 1, 1976, and annually thereafter, the Secretary shall submit to Congress a detailed report (1) describing the actions that have been taken pursuant to this Act to assure insofar as possible that direct and adequate service is provided by United States-flag commercial vessels to each range of ports referred to in this section; and (2) including any recommendations for additional legislation that may be necessary to achieve the purpose of this section."

SEC. 5. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273 (f)) is amended by striking "$5,000,000,000", and inserting in lieu thereof "$7,000,000,000".

And the House agree to the same.

WARREN G. MAGNUSON,
RUSSELL B. LONG,
ERNEST F. HOLLINGS,
J. GLENN BEALL, Jr.,
Managers on the Part of the Senate.

LEONOR K. SULLIVAN,
THOMAS L. ASHLEY,
THOMAS N. DOWNING,
JOHN D. DINGELL,
PAUL G. ROGERS,
PHILIP E. RUPPE,
PAUL N. MCCLOSKEY,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1542), to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE OF THE ACT

Section 1 of the Senate bill provides "That this Act may be cited as the 'Maritime Appropriation Authorization Act of 1975'." The House amendment does not contain a comparable provision. The conferees agreed to the title in the Senate bill, and accompanying technical changes in the numbering of the sections.

CONSTRUCTION-DIFFERENTIAL SUBSIDY

Section 2(1) of the Senate bill authorizes $195 million for construction-differential subsidy, whereas section 1(a) of the House amendment authorizes $240 million for this activity. The conferees agreed to $195 million because the Maritime Administration reduced its fiscal year 1976 appropriations request to that amount due to the cancellation of several ship construction orders.

STATE MARINE SCHOOLS

Section 2(6) of the Senate bill authorizes $4,708,000 for financial assistance to the State marine schools, whereas section 1(f) of the House amendment authorizes $5,808,000 for this activity. The increase of $1.1 million in the House amendment would authorize funding of section 4 of the House amendment which was not adopted by the Conferees. The managers on the part of the House receded on the issue; therefore, the Conferees agreed to the lesser amount of $4,708,000.

Section 4 of the House Amendment amends 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385(a)), to increase the ceiling on the Federal subsistence payments which the Secretary of Commerce may pay to students at the State marine schools from $600 to $1200 per academic year. The Senate bill does not contain a comparable provision. This provision of the House amendment was not agreed to in Conference.

The Conferees did not feel that an adequate background had been developed to justify the increase. Hearings on the issue have not been held in either the House or the Senate. Furthermore, the House Merchant Marine and Fisheries Committee has not considered the report of its Ad Hoc Committee on Maritime Education and Training, which made a detailed 18-month survey of the State and Federal Maritime Academies and issued a report. The report was unanimously approved by the House Merchant Marine Subcommittee.

Legislation similar to section 4 of the House amendment is pending before the House Committee on Merchant Marine and Fisheries and the Conferees concluded that consideration of that bill would be the most appropriate means for resolving this matter. The House Committee expects to act on the bill expeditiously.

CAPITAL CONSTRUCTION FUND

Section 4 of the Senate bill amends section 607(g) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177(g)), to clarify the intent of the Congress with respect to the relationship between the Capital Construction Fund provided by section 607 and the Investment Tax Credit provided by section 38 of the Internal Revenue Code of 1954 (26 U.S.C. 38). The House amendment does not contain a comparable provision. The managers on the part of the House agree with the merits of section 4 of the Senate bill and with the language of Senate Report 94-96 concerning that provision. However, both the Merchant Marine and Fisheries Committee and the Ways and Means Committee, of the House of Representatives, have an interest in the issue. In the interest of avoiding further delay in the enactment of S. 1542, the Conferees determined to delete the provision.

When section 607 of the Merchant Marine Act, 1936, was substantially revised in the Merchant Marine Act, 1970 (P.L. 91-469), the Ways and Means Committee and the Merchant Marine and Fisheries Committee agreed that the latter committee should take jurisdiction of the matter. The Chairman of the Merchant Marine and Fisheries Committee sought the same arrangement with the Ways and Means Committee with respect to Section 4 of the present Senate bill. After several months delay, thc Ways and Means Committee determined that it should review the subject matter of section 4 of the Senate bill. The Ways and Means Committee also stated that it would take up the matter expeditiously and the managers on the part of the House intend to keep in close touch with the Ways and Means Committee with respect to this matter.

In view of the conferees, the amendment to section 607 contained in Section 4 of the Senate bill was solely a clarifying amendment, intended to bring administrative practice into conformity with Congressional intent. Although properly understood by the Department of Commerce, section 607 has heretofore been erroneously interpreted by the Treasury Department. In the view of the conferees, section 4 of the Senate bill accurately represents the state of existing law and appropriate Federal maritime policy. It is hoped that the manifest Congressional purpose of stimulating the growth of the U.S.-flag merchant marine will now be recognized by the Treasury Department and that no further legislation will be required. However, in the event that further legislation is needed to correct administrative practice, the conferees look to the commitment of the Ways and Means Committee to take up the matter expeditiously. For the present, however, the conferees have determined that the amendment to section 607 should be deleted in order to prevent further delay in the enactment of the maritime authorization bill.

SUBSIDY ALLOCATION

Section 5 of the Senate bill amends section 809(a) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1213(a)), to require that not less than 10 percent of the Maritime Administration program funds be allocated to serve the foreign trade requirements of the ports of each of the four seacoasts of the United States. The amendment limits the 10 percent requirement by providing that this allocation applies only "to the extent that subsidy contracts have been approved by the Secretary of Commerce." The House bill does not contain a comparable provision.

The amendment recognizes the unique problems confronting the Great Lakes-St. Lawrence Seaway. It is intended to respond to the special needs and problems confronting this range of ports which was designated in the Merchant Marine Act, 1970, as the "fourth seacoast" of the United States.

The conferees agreed to this section of the Senate bill after amending it to apply solely to construction and operating-differential subsidy funds and concluded that the provision shall apply to all operating-differential subsidy contracts and not be limited to just new and renewed contracts.

TITLE XI GUARANTEES

Section 6 of the Senate bill increases the statutory limitation on obligations guaranteed by the Title XI Federal ship mortgage guarantee program from $5 billion to $8 billion, whereas section 3 of the House amendment raises the ceiling on guaranteed obligations from $5 billion to $7 billion. The Conferees agreed to the lesser amount of $7 billion because the amount should be sufficient to cover revised anticipated obligations during Fiscal Year 1976.

WARREN G. MAGNUSON,
RUSSELL B. LONG,
ERNEST F. HOLLINGS,
J. GLENN BEALL, Jr.,
Managers on the Part of the Senate.

LEONOR K. SULLIVAN,
THOMAS L. ASHLEY,
THOMAS N. DOWNING,
JOHN D. DINGELL,
PAUL G. ROGERS,
PHILIP E. RUPPE,
PAUL N. MCCLOSKEY,
Managers on the Part of the House.

The ACTING PRESIDENT pro tempore. The question is an agreeing to the conference report.

The conference report was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time which the distinguished Senator from Ohio requested yesterday, and which was granted by the Senate, begin running now; that immediately upon the conclusion of his remarks, the Senate return to the pending business, and that then the time begin to run.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Ohio is recognized for not to exceed 15 minutes.

Mr. GLENN. I thank the distinguished majority leader.

TOLEDO: AN EXAMPLE OF NATURAL GAS WOES

Mr. GLENN. Mr. President, I was visited yesterday by a group of business and Government leaders representing several major industrial areas of my State. Their mission in coming to Washington was to determine what we are doing to alleviate the impending natural gas crisis and to outline the severity of the potential unemployment disaster in their metropolitan areas. This was a surprise visit. I did not know they were coming.

During the present debate on S. 2310, we have heard grim projections concerning State and national estimates of shortage-related unemployment. The Federal Energy Administration, for instance, contemplates layoffs of up to 500,000 Americans due to natural gas curtailments.

Of all the areas in my State affected by this crisis, Toledo and adjacent regions of Northwest Ohio face the grimmest winter because they are served, virtually exclusively, by pipelines that are scheduled for the severest curtailments at the producers' end.

Mr. Richard Pohlad, director for transportation and international commerce of the Toledo Area Chamber of Commerce, was one of the representatives attending our meeting yesterday, and I feel the information he and Mayor Harry Kessler imparted about the Toledo situation warrants the attention of my colleagues.

Mr. President, I have said repeatedly on the floor during this debate that Ohio and the 13 other impacted States may die on the economic vine unless we take immediate action to ease the natural gas crisis that looms in the very near future. What more chilling evidence could there be than the results of this unbiased survey taken by, and for, concerned businessmen who turn to us for leadership and direction.

Toledo offers a deep and diverse labor pool to draw from, an outstanding harbor, excellent transportation facilities, and many other features that have traditionally made it a Mecca for companies seeking industrial locations. Now, with the days ticking off rapidly toward the November 1 curtailment deadline, Government, business and labor leaders contemplate the potential for an industrial wasteland devoid of the basic ingredient of energy to power their plants. The rich economic promise of a budding recovery may soon be trampled and reversed by banked furnaces and lengthening unemployment lines.

One need look no further than the findings of the Toledo Area Chamber of Commerce to face the shocking realities continued inaction will bring.

The Toledo chamber has conducted an in-depth survey of local industrial concerns served by Columbia Gas of Ohio to determine what the area can expect this winter. The results are absolutely devastating, and anyone who can contemplate them without realizing the necessity of passing an emergency bill defies good sense.

Allow me to summarize a few of the findings.

Fully 58 percent of Toledo industries interviewed plan production cutbacks because of already announced curtailments. The firms contemplate a dropoff in production of more than 36 percent.

Total dollar loss from these cutbacks amounts to more than $65 million for the period November 1, 1975, to March 31, 1976.

Almost 60 percent of the firms predict they will have to lay off workers, and the total number of affected men and women in this one metropolitan area lies somewhere between 5,000 and 7,000, according to this study.

Especially disturbing in terms of the long-term economic development of Toledo, was the finding that 78 percent of the industries interviewed will not consider expanding there because of the gas situation.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of this significant report and urge that my colleagues review the findings with an eye toward what they hold for the economy as a whole. Toledo is atypical only in the severity of its crisis; throughout 14 States beginning within weeks there will be hundreds of cities like this facing the spectre of unemployment, economic chaos and human suffering that can be at least partially averted if we take action immediately here in Congress.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

TOLEDO AREA
CHAMBER OF COMMERCE,
Toledo, Ohio, October 7, 1975.

NATURAL GAS CURTAILMENT SURVEY

Major users of natural gas in the Toledo area which is served by Columbia Gas of Ohio were surveyed in September of 1975 to determine what the effects might be if cut backs in natural gas are implemented as announced.

Announced was a minimum 60 percent pro-rata plan, effective November 1, 1975 and a proposed end-use curtailment, affecting industrial boiler loads, also effective November 1.

Indications are that the curtailment under the pro-rata plan will exceed 60 percent and therefore this survey is contemplating a curtailment of 70 percent.

Question 1: Do you contemplate production being cut or curtailed in your Toledo area operations because of the announced natural gas curtailment?

Yes, 45 (58%).

No, 32 (42%).

Question 2: Assuming the curtailment period continues from November 1 through

March 31, what percentage of production do you estimate will be lost?

No loss, 20 (25%); loss, 42 (55%); unknown, 3 (4%).

No answer, 12 (15%).

Average of those reporting lost production, 36.5%; high, 100%; low, 5%.

Question 3: If a loss of production is indicated in number two above, what is your estimated dollar value of that loss of production?

39 companies reported dollar value loss of $65,199,600.

6 companies reported dollar value loss unknown.

Question 4: Will you fully or partially lay off employees in the Toledo area because of the upcoming natural gas cutback?

Yes, 44 (57%).
No, 30 (39%).
No answer, 3 (4%).

If so, how many jobs will be involved in whole or in part, and how many man days per month do you contemplate will be lost?

38 companies reported 5,432 jobs involved.

34 companies reported 33,454 man days lost.

Question 5: Are adjustments in numbers or lengths of shifts being considered because of the impending gas shortage?

23 companies answered yes.

Elimination of some shifts	13
Four day work week	5
Overtime production before November 1	4
Three day work week	1

Question 6: What, if any, is the additional cost you expect to incur because of the use of standby fuel or energy? Explain.

60 companies reported $9,764,377.

Reasons for cost increase:

Added cost of alternate fuel	54
Added cost of fuel oil	
Added cost of propane	
Conversion cost	14
Storage cost	3

Question 7: What operational procedures is your company taking to lessen the impact of the natural gas curtailment:

Conversion to oil	26
Conversion to propane	7
Conversion to electric	2
Conservation for example, weekend shut down, lowering temperature, and heat recapture	34

Question 8: Do you contemplate a production shift to other sites because of the announced natural gas shortage? If so, to where?

Yes, 22 (29%).
No, 51 (66%).
No answer, 4 (5%).

Southern States	4
Michigan	9
Other areas	9

Question 9: With the impending natural gas shortages, would your company consider expanding in the Toledo area?

Yes, 10 (13%).
No, 60 (78%).
No answer, 7 (9%).

END-USE CURTAILMENT

Columbia Gas has requested approval of an end-use curtailment plan to be partially effective on November 1, 1975. The plan is partially that all industrial boiler loads of 1,000 Mcf or more in any month shall be curtailed first and up to 100 percent before any other loads are curtailed. The comments asked for were changes that would result from that proposed plan.

41 companies answered: 15 reported no change; 26 reported:

Production loss (question 2):	
Increased loss from 15% to 100%	4
Move to other facilities	1
Dollar loss of production (question 3):	
Total increased cost to $5,000,000	2
Possible lay offs (question 4):	
2,220 additional employees	3
Additional energy costs (question 6):	
Increased costs $247,000	4
Increased costs unknown	4
Increased conversion cost of $950,000	2
Companies reporting shut down if end-use enforced	6

Mr. GLENN. Mr. President, in addition to this statement, I should like to say I was thinking, as I drove in this morning, that it is a little like a statement from my old days in the Marine Corps, that I will paraphrase only for obvious reasons, that if I am up to my tail end in alligators, do not talk to me about draining the swamp. It seems to me that is about where we stand with natural gas, that we have the alligators all around us and we are about to get ourselves in deep trouble in this country, not only for those particular States and the particular cities involved. While we have debated, the situation has gotten worse and will continue to get worse as we go on the recess that I wish we could somehow avoid to stay here and work on this most important problem. It does involve not only our States and our cities, but the Nation as a whole with the impending unemployment and with the economic impact that can have on our whole society.

If we take, in this winter period, the 500,000 estimate that has been made by Mr. Zarb as the unemployment that will occur, if we just take a conservative estimate, $12,000 per job involved, and multiply that, it comes out to about a $6 billion annual wage loss. That is not even going into the ripple effect or the doubling effect of the $10 or $12 billion annualized rate of economic impact on this country. Just at a time when we are about to start recovering, to see the emergency aspects held hostage, to me, is just not right.

FOOD STAMP REFORM ACT

Mr. GLENN. Mr. President, this morning I will testify with my colleagues, Senators CHILES and NUNN of the Government Operations Committee's Subcommittee on Federal Spending Practices, Efficiency and Open Government before the Agriculture Committee's Subcommittee on Agricultural Research and General Legislation. The subject of my testimony was our bill, S. 2369, a Food Stamp Reform Act, introduced September 17.

Mr. President, Senators CHILES, NUNN and I introduced this bill after extensive subcommittee hearings the week of April 28. Since those hearings and even since the introduction of our bill, the national debate on the food stamp program has grown in intensity with many additional viewpoints and ideas being expressed.

S. 2369 had attempted to embody, legislatively, our findings that it was the itemized deduction procedure in the eligibility determination process in the food stamp program that had largely been responsible for turning a laudable program originally intended to help the poor into a bureaucratic, chaotic monstrosity that wastes taxpayer money by being inefficient, error-laden, and subject to fraud.

Our bill proposed that this complicated process of determining eligibility be scrapped and replaced with an uncomplicated standard deduction feature in which a recipient's eligibility would be determined by simply subtracting $120 plus $60 for households with members 60 years of age or older in computing net income. This standard deduction could be modified on a regional basis to reflect variations in the cost of living in different areas of the United States.

We estimated that we would reduce by 12 percent the number of households participating—650,000—and produce a cost savings of from $250–$500 million for fiscal year 1976.

Additionally, we calculated that we would affect great administrative savings by this streamlined procedure, savings that would be redirected to bring into the program those low-income people that the program currently is not reaching.

Mr. President, it is this itemized deduction procedure that is at the core of the problems besetting the food stamp program. Here is where the huge error rates lie, rates of error so high as to lead to estimates that $1 of every $6 spent by the USDA on the food stamp program is misspent. Further projections for fiscal year 1976 show that a continuation of error and fraud rates could lead to a taxpayer loss of $983 million, almost a billion dollars. The complicated itemized deduction calculation procedure not only leads to these huge error rate figures but works to the disadvantage of lower-income people not attuned to the bureaucratic maze. On the other hand, this procedure simply invites and encourages people with ample means to become "food stamp lawyers," bending and twisting regulations so as to become eligible for food stamps.

I have here an example, an insert in the Sunday, October 5, New York Times. This is an advertisement for a magazine subscription. As a lure for taking a subscription, the advertisement offers a free booklet purporting to tell families earning up to $16,000 per year how to become eligible for food stamps. This advertisement is merely symptomatic of what itemized deductions have led to.

So, I was very pleased to see that the USDA, in testimony before the Agriculture Subcommittee on Tuesday, October 7, has indicated administration support of the standard deduction idea. I was pleased to see that the distinguished Senator from Kansas (Mr. DOLE) and the distinguished Senator from South Dakota (Mr. MCGOVERN) have also placed the standard deduction eligibility determination feature in their food stamp reform bill, introduced October 2.

Mr. President, this is a change that can be enacted quickly and promptly and that can help disentangle this program from being a bureaucratic nightmare and make it what is was originally intended to be, a program to help those genuinely in need feed themselves.

Finally, Mr. President, although we must enact an immediate reform of the food stamp program, the problem does not stop with this program. Many of our public welfare programs are filled with errors and misspent money. I am hopeful that we can begin to find better and more efficient ways of helping people help themselves rather than the current maze of haphazard, uncoordinated and often poorly run programs. I expect to be back with some specific ideas in this vital area in the near future.

Mr. President, I ask unanimous consent that the advertisement to which I previously referred be printed in the RECORD at this point.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

> Now Americans from all walks of life—office workers, students, executives, housewives—are eligible for food stamps. In fact, the government's food-stamp program is so generous, it amounts to giving away free food.
>
> No longer is the food-stamp program limited to the poor. In fact, under certain circumstances you can qualify for food stamps even if you earn over $15,000 a year. As Senator George McGovern, one of the nation's top food-stamp experts, declares, "Increasingly, food stamps are becoming a middle-class phenomenon."
>
> Twenty million Americans—nearly one in ten—are now benefiting from food stamps. But here's the most astonishing fact of all: Twenty million others are eligible and don't know it!
>
> Are you one of them? Don't you owe it to yourself to find out if you're eligible?
>
> Exactly what are food stamps and how do you qualify for them? Food stamps are a form of "currency" redeemable at most supermarkets, groceries, and (in some cases) meals-on-wheels home-delivery food services. You buy them from the government at a discount that is determined by the size of your income, household, and living expenses. In top brackets, food stamps can triple or quadruple the buying power of your food dollar—and, if you're like the average American, food is the single biggest item in your budget.
>
> Some families are now deriving as much as $4,000 a year in additional buying power thanks to food stamps. Shouldn't you find out if you qualify?
>
> The facts about food stamps are not easy to get. Senator McGovern and other experts have accused the government of deliberately trying to hide the facts in order to curtail the size of the foodstamp program. But Moneysworth, the crusading consumer-affairs and personal-finance newspaper, is pleased to announce publication of a daring, enriching, honey of a booklet that reveals all. Its title is Your Piece of the Pie: How To Cash In On Food Stamps, and a copy is yours absolutely free with a 32-week subscription.
>
> How much does a subscription cost? Incredibly, only $2.99!!

Mr. ALLEN. Will the Senator yield?

Mr. GLENN. I certainly will.

Mr. ALLEN. I commend the distinguished Senator from Ohio for his remarks. I state to him that the Subcommittee on General Legislation of the Committee on Agriculture is presently holding hearings. It will have hearings on Tuesday and Wednesday and hearings today and tomorrow, with respect to the food stamp program. I ask the distinguished Senator's permission to insert as part of that hearing his statement on the floor. I think it would be a splendid addition to the record of the hearing. With his permission, I shall insert that in the RECORD.

Mr. GLENN. Fine. I thank the distinguished Senator from Alabama and I shall be glad to comply with his wishes.

SINAI EARLY WARNING SYSTEM

The Senate continued with the consideration of the Joint Resolution (S.J. Res. 138) to implement the U.S. proposal for the early warning system in Sinai.

The PRESIDING OFFICER. The Senate will resume consideration of Senate Joint Resolution 138. Who yields time?

Mr. HUMPHREY. Mr. President, I rise for the purpose of offering a committee amendment to the pending measure, Senate Joint Resolution 138.

The PRESIDING OFFICER. The amendment will be stated.

Mr. ABOUREZK. Mr. President, is it in order to offer committee amendments?

The PRESIDING OFFICER. If there is no objection.

Without objection, it is so ordered.

The assistant legislative clerk read as follows:

> On page 3, line 11, strike out "reducing" and insert in lieu thereof "ending or reducing as soon as possible".

Mr. HUMPHREY. Mr. President, I ask that it be passed.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. ABOUREZK. Mr. President, I wish to have a chance to look at these amendments.

Mr. HUMPHREY. May I say respectfully, all it does is add the word "ending" along with "reducing."

Mr. ABOUREZK. The Chair has not given me a chance to object to this. Has the Chair ordered that that amendment be agreed to?

Mr. HUMPHREY. That is correct.

Mr. ABOUREZK. I respectfully object, Mr. President, because I did not have a chance to object to it. I should like to have a look at it first.

Mr. HUMPHREY. May I just say to the Senator that there is no secret about it. It is simply adding the goal of, "ending," along with reducing, our participation.

Mr. ABOUREZK. If there is no secret to it, I ask unanimous consent, Mr. President, that the order be rescinded.

Mr. HUMPHREY. I am happy to have it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ABOUREZK. Will the Senator from Minnesota repeat what the amendment says?

Mr. HUMPHREY. On page 3 of the resolution, on line 11, item 2, it says, "The feasibility of reducing." My amendment says that after the words "feasibility of" we make it read, "the feasibility of ending or reducing as soon as possible their participation." In other words, it strengthens the feature there. I am calling for ending or reducing.

Mr. ABOUREZK. What is the reason for this amendment? Is that to conform with the House language?

Mr. HUMPHREY. That is correct, to conform with the House language.

Mr. ABOUREZK. I understand that the Senator said yesterday that he did not want any amendments for fear there would have to be a conference.

Mr. HUMPHREY. That is correct. The purpose here is to make it similar to the House language.

We have two ways of doing this, as the Senator knows. We can either amend the Senate resolution as we have it now, or, at the conclusion of the work on the Senate resolution, we can move for the adoption of the House measure. I thought this was a cleaner way of doing it, so we will know what our bill is all the way through.

Mr. ABOUREZK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MANSFIELD. Both.

The PRESIDING OFFICER. The time will be equally divided. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the Senator from South Dakota, I believe, has had an opportunity to look at that language.

Mr. ABOUREZK. Yes.

Mr. HUMPHREY. Does the Senator have any objection?

Mr. ABOUREZK. No.

Mr. HUMPHREY. I thank the Senator.

The PRESIDING OFFICER. Is all time yielded back on the amendment? Does the Senator from South Dakota yield back his time?

Mr. ABOUREZK. I yield back my time on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, the amendment is agreed to.

Mr. HUMPHREY. Mr. President, may I suggest to the Senator that there is another amendment which I shall offer.

I call to the attention of the Senate that on page 2, line 10, following the period, I contemplate offering the House-adopted language that reads as follows, and I shall send over a copy:

> That nothing contained in this resolution shall be construed as granting any authority to the President with respect to the introduction of the United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances, which authority he would not have had in the absence of this joint resolution.

This is language very similar to the War Powers Act. What it simply does is put a brake on the use of the American Armed Forces in any interpretation of this resolution, which I know is a matter of concern to the Senator from South Dakota.

We do not rely only upon the War Powers Act. The purpose of the resolution is to say, "No involvement of American Armed Forces."

This amendment comes at that point in the resolution where the resolution states:

> That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary.

Mr. ABOUREZK. Does the Senator have a copy of that amendment so I can look at it.

Mr. HUMPHREY. Yes, I am sending it over right now.

Apparently, Mr. ECKHARDT of the other body wanted to make sure the concerns that some Members have that this resolution could authorize or be interpreted as authorizing directly or indirectly the Presidential use of Armed Forces. This particular amendment by the House makes it clear that this resolution does not so authorize, directly or indirectly.

In other words, it ties down the feeling that has been expressed, the report that accompanies this bill, to the effect that there is to be no use of American Armed Forces. That is interpreted in the hearings, that is stated in the report, but the Members of the other body voted into this bill this specific language that says:

> Nothing contained in this resolution shall be construed as granting any authority with respect to the introduction of the United States Armed Forces. . . .

I think it is a very useful amendment, quite honestly.

Mr. ABOUREZK. If I can interrupt the Senator from Minnesota in reading this, if I might just read it back to my colleague:

> Nothing contained in this resolution shall be construed as granting any authority to the President with respect to the introduction of the United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances, which authority he would not have had in the absence of this joint resolution.

Mr. HUMPHREY. Right.

Mr. ABOUREZK. Under the War Powers Act—and I see the Senator from New York (Mr. JAVITS) is here, he might be able to help us with this—would not the President, without this resolution, have authority?

Mr. HUMPHREY. For 30 days.

Mr. ABOUREZK. For 30 days?

Mr. HUMPHREY. Yes. This eliminates that, in this instance.

Mr. ABOUREZK. What does it do?

Mr. HUMPHREY. This prevents even that use of 30 days. This is an absolute prohibition of the use of armed forces.

Mr. ABOUREZK. The language is not all that clear to me.

I have an amendment which I intend to offer later today.

Mr. HUMPHREY. May I say to the Senator, the whole purpose of this exercise this morning is to put the Senate in line with the House bill because the leaders of the House have informed me that they will be out this afternoon. There are those of us who feel—indeed, the executive branch feels very strongly—that we should get the resolution adopted before we go off on this week of absence from our legislative halls.

I have tried, and I will try to the best of my ability, along with others here that are in the majority on the committee, to keep this bill in the Senate identical with the bill in the House so as to avoid the necessity of conference, which would have to take place 10 days from now, or so. There is a reason for that, because if this resolution is delayed it may necessitate some renegotiation under the terms of the original agreement.

This resolution was to be, hopefully, adopted this week so that the Israelis could sign the agreement, so that they could start their program of disengagement, so that they could start to remove their facilities from the oil producing areas of the Sinai.

Also, President Sadat of Egypt is on his way, coming here next week to visit with the President of the United States, and it is considered to be vitally important that this resolution, or our action, whatever action we take, be finalized befor the arrival of the President of Egypt.

This particular amendment adopted in the House, I think, is the sort of thing that the Senator from South Dakota and some of his associates are very interested in. It is not as complicated as it appears, unless we want to make it so.

What it simply says that this resolution in no way can be construed as authorizing the President to use armed forces.

In other words, if there are hostilities in the area that necessitate our getting these people out, we cannot use the armed forces, and Mr. ECKHARDT who offered the amendment in the other body said as follows:

> What my amendment does is merely restate the precise last paragraph of the War Powers Act, which says that the War Powers Act does not extend to the President any additional authority granted by Congress to engage in the warmaking power. It does not restrict the President's authority, nor add to it. I have adopted the precise language of that act.

So what the Member of the House was attempting to do was to place in this resolution the precise language of the War Powers Act so that there could be no interpretation of the resolution that went beyond the War Powers Act under these emergency conditions.

I think that in light of that, since it is currently already the law, that there surely should be no objection in placing the same language in the bill that is in the War Powers Act.

Again I repeat that what it does, it says here:

> Nothing contained in this resolution shall be construed as granting any authority to the President with respect to the introduction of the United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances, which authority he would not have had in the absence of this joint resolution.

It says to the President of the United States, "Mr. President, do not interpret this resolution as giving you any additional authority over and beyond what you already have under the current law of the land as adopted by the Congress."

I hope we might put that in here because it is an additional safeguard.

Mr. ABOUREZK. Well, that is my problem, I guess, with this language.

The amendment the Senator is offering, I do not think the War Powers Act does us much good in the circumstances at all because the War Powers Act allows the President to introduce armed forces under certain conditions for a period of 30 days, and there has not been a war in the Middle East that has lasted 30 days, not one of the four that have gone on over there, so it does not help us much.

What I was going to suggest to the Senator from Minnesota is that if he would accept the amendment I intend to offer today which—let me just read it to him.

Mr. HUMPHREY. I cannot accept the Senator's amendment, but go ahead and read it.

Mr. ABOUREZK. Well, I will read it anyhow.

> Notwithstanding any provision of the War Powers Resolution, the President or any other officer, employee of the United States Government is expressly prohibited from using any funds or issuing any orders to use the United States armed forces personnel or equipment operated to protect the civilian personnel assigned to the Sinai authorized under section 1 of this resolution.

It goes on to say:

> Nor shall an funds or personnel or equipment be used to protect, insure or guarantee any oil shipments to Israel.

Now, if the Senator is concerned—and I believe he is concerned—about the introduction of U.S. troops, that is the protection. Language of that nature will protect, not the language contained in the Senator's amendment.

Mr. HUMPHREY. Well, may I say, most respectfully that the language which we have here in the resolution, plus the Eckhardt amendment, will give you all the protection that man can conceive. First of all, the language in the resolution states:

> That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary.

So you have got a directive that they shall be removed immediately. You have got the authority that Congress, if it so feels, can have them removed even if their safety is not jeopardized.

Mr. ABOUREZK. Will the Senator offer his amendment so that we can be operating on that time?

Mr. HUMPHREY. I offer the amendment.

The PRESIDING OFFICER. It will take a unanimous consent to offer the amendment.

Mr. HUMPHREY. I ask unanimous consent to offer the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. The amendment has been read, so I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 10, after the period, add the following:

"Nothing contained in this resolution shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this joint resolution."

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the time that has been used in the discussion of that amendment start when I first read it.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ABOUREZK. Parliamentary inquiry, Mr. President. What is the time now for this amendment? Is it an hour on each side?

The PRESIDING OFFICER. Fifteen minutes on each side.

Mr. ABOUREZK. Fifteen minutes on each side?

The PRESIDING OFFICER. Yes; 15 minutes on each side.

Mr. HUMPHREY. Mr. President, I believe I have made the case as best I can in reference to this amendment. The House accepted this amendment. This amendment, Mr. President, fits into the resolve section of Senate Joint Resolution 138. That section assigns American personnel, and that section reads as follows:

That the President is authorized to implement the "United States proposal for the Early Warning System in Sinai:" *Provided, however,* That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary.

The PRESIDING OFFICER. All of the time of the Senator from Minnesota has expired. The Senator from South Dakota has 15 minutes.

Mr. ABOUREZK. I ask unanimous consent that the manager of the bill be allowed 5 more minutes.

Mr. HUMPHREY. Can we take it that we have been discussing this matter——

The PRESIDING OFFICER. Is the Senator from South Dakota yielding his time?

Mr. ABOUREZK. I ask unanimous consent that the Senator be given 5 additional minutes.

Mr. HUMPHREY. I do not want to take up the time of the Senate.

Mr. ABOUREZK. Senator JAVITS has something to say.

Mr. HUMPHREY. It was my understanding that my unanimous-consent request was for the purpose of having the time divided when I offered the amendment. The preliminary discussion with respect to the amendment was taking place between the Senator from South Dakota and the Senator from Minnesota. I know there were 30 minutes on the amendment, and I said let the time run on the amendment.

The PRESIDING OFFICER. It ran on the amendment. As I understand it, the Senator did not ask that it be immediately divided.

Mr. HUMPHREY. That was surely the intent. After all, we have been two people discussing the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Is there objection to what?

The PRESIDING OFFICER. To the time being equally divided, the earlier discussion being equally divided, between the sides.

Mr. ABOUREZK. Yes, I object because the Senator from Minnesota used a lot more time than I did.

Mr. HUMPHREY. Mr. President, I yield some time from the time on the joint resolution to the Senator from New York.

Mr. JAVITS. Mr. President, that is not necessary. Senator ABOUREZK has just given 5 minutes.

Mr. HUMPHREY. No, I object to additional time.

The PRESIDING OFFICER. Objection is heard to additional time.

Mr. ABOUREZK. I yield how much time, 2 minutes, to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is yielded 2 minutes.

Mr. JAVITS. Mr. President, this is really a technical proposition which I would like to explain because it involves the war powers resolution with which I have had a good deal to do, as everyone knows.

The war powers resolution calls for notice to Congress if the President introduces troops into a situation where there are hostilities in operation or where they are clearly indicated, within—the important word is "within"—within 60 days after the submission of that notice the Congress may act in order to require him to pull out the troops. The 60 days, however, is the aggregate time in which they may remain where they are without congressional action.

So that in the absence of congressional action he loses all authority at the end of 60 days. But we may curtail that at any moment.

What Representative Eckhardt is doing is, notwithstanding the self-canceling element which is contained in the resolution before us, to wit, that they shall be pulled out the moment there is an outbreak of hostilities, is to simply abort that 60-day period whether we act or not, and to say in the law that he may not even introduce them in this particular situation.

Mr. ABOUREZK. May I just interrupt the Senator from New York? The only way I read the Eckhardt amendment is to read it as saying that the President is not granted any additional authority beyond what he has now in the War Powers Act or any other act. Am I correct in reading it that way?

The PRESIDING OFFICER. The Senator from New York's allotted 2 minutes have expired.

Mr. ABOUREZK. The Senator can use my time in this period.

Mr. JAVITS. I thank the Senator.

I think 1 minute is all I would need. Eckhardt says this authority is authority he would not have had in the absence of this joint resolution. He does not have any such authority.

Mr. ABOUREZK. He has authority to introduce U.S. troops.

Mr. JAVITS. He has authority to introduce U.S. troops as commander-in-chief, but we have authority to immediately cancel it out.

Mr. ABOUREZK. That is what I was trying to discuss. Does he have authority to introduce U.S. troops in Sinai without this Sinai resolution, if he deemed it necessary?

Mr. JAVITS. In the absence of this resolution?

Mr. ABOUREZK. Yes.

Mr. JAVITS. Really, I do not think that there is anything in the Sinai resolution which would give him that authority.

Mr. ABOUREZK. This is a very important point. If the Sinai resolution were not in existence and the President felt a necessity to send U.S. troops into the Sinai today, does he have that authority under the War Powers Act?

Mr. JAVITS. I do not believe he would have authority. I must say this is one of the difficulties of the war powers resolution. Will the Senator consult section 2 (c)? If the Senator does not have it before him, I will read it.

(c) The constitutional powers of the President as Commander-in-Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces.

What we sought to do there was to spell out the only circumstances under which the President can act under section 4(a), which is the operative section.

The Senator will notice that in sections 4(b) and 4(c) there are other cases in which the President can move the forces as Commander in Chief, in which case he is supposed to give us notice. But the operative part of the War Powers Resolution requiring him to pull out only relates to the situation where he introduces troops into hostilities or where hostilities are imminent. That we sought to limit by this declaration of what is his constitutional power.

It is not as strong as the Senate bill on the war powers which we had to compromise with the House, but it is the best we could do. That is the fundamental effect. I say definitively that in the absence of a declaration of war, specific statutory authorization, or an attack upon the United States or its armed forces, he does not have, in my judgment, authority to introduce American troops into hostilities or into a situation in which hostilities are imminent, without the consent of the Congress.

Mr. ABOUREZK. Would he have authority to introduce American troops to protect American technicians who would be stationed in the Sinai? Let me give a "for instance." Let us say 20 of our technicians were taken hostage by some guerrilla group or terrorist group and their death was imminent. Say it was a month before the election next year. Would the President, under the War Powers Act, have the authority to introduce U.S. troops to try to save those people?

Mr. JAVITS. That is a big dispute between us and the President. He asserted that authority in respect to the *Mayaguez* and at the same time he gave us notice that he was doing it. The President construes his constitutional powers, that is, this President—every President can have a different view—this President construes his constitutional powers to include the protection of Americans. We did not include it in section 2(c) of the war powers resolution.

Mr. GRIFFIN. Will the Senator yield to me for a brief comment on the question?

Mr. ABOUREZK. Yes.

Mr. GRIFFIN. I would just like to register my view that if the President would have such authority, it would not be by virtue of the Sinai resolution, which we are about to adopt. It would be by virtue of the Constitution, which the amendment of the Senator cannot alter or modify.

Mr. JAVITS. What Senator GRIFFIN said is absolutely right. May I point out that we have civilians now with the United Nations observer forces. It would apply to them as well. So there is nothing that this resolution makes or unmakes in that regard.

Mr. ABOUREZK. What I am trying to get at is with regard to the Sinai Agreement. Does the President of the United States have the authority under the resolution as well as the War Powers Act to introduce U.S. troops to save Americans?

Mr. JAVITS. My answer to that is no, not under this resolution. It is not under the War Powers Act. It is what he claims to be his constitutional authority.

Mr. ABOUREZK. The Constitution only provides that the President can defend the United States, and any other activities have to be undertaken pursuant to a war declared by Congress. That is all the Constitution says, I say in response to the Senator from Michigan and the Senator from New York.

Mr. JAVITS. The Constitution says no such thing. The Constitution makes him Commander in Chief. That is all it says. That is a very different thing from what the Senator said. That gives him a very twilight zone set of powers. I could write a book on the subject to justify the war powers resolution. The war powers resolution does a lot. It is landmark legislation. But it does not settle this question of constitutional power which remains in controversy between the President and the Congress as to what he can do to rescue Americans. We did not include that in the war powers and it is in no way added to or subtracted from by this resolution. He can do it for any commercial attaché or any businessman in any country in the world, if he asserts that power, and he does.

Mr. ABOUREZK. I understand the statement of the Senator now. He does not believe that the War Powers Act gives the President that authority to go in and rescue Americans if they are in danger.

Mr. JAVITS. It does not.

Mr. ABOUREZK. After the *Mayaguez* incident I recall the speech the Senator made on the floor of the Senate, that he thought the War Powers Act worked very well in that instance. What is the difference between the *Mayaguez* and the situation I just propounded?

Mr. JAVITS. I do not recall the exact terms of the speech I made. My assistant, Mr. Lakeland, tells me that it referred to the three instances, that is, the two evacuations, one from Cambodia and one from Vietnam, and the *Mayaguez*. But in all of these cases, the President did immediately report and make himself amenable to the authority of the Congress to cause him to stop doing anything he was doing. But it is a fact that this resolution and the War Powers resolution cannot, obviously, make any change in the President's Presidential power. If he claims a power, we would have to contest it. Upon occasion he may do that. But this Sinai thing does not make or break that particular argument.

Mr. ABOUREZK. It does, if I might just state this to my colleague, change things in view of the fact that we are placing, under this resolution, 200 American civilians, former CIA men or whoever they will be, 200 American Government employees, in the front lines in the Middle East war. That is where it changes it.

Mr. JAVITS. May I state to my colleague there are people in the front lines in Portugal, there are Americans in the front lines in Angola, and there will be Americans in the front lines of almost any other struggle waged in the world because we are a people who have a lot of responsibility and a lot of authority. We are everywhere. This does not make that or break it. It does not create a new situation.

Mr. ABOUREZK. It creates a new situation in that the involvement we have had in the Middle East conflict has been, so far, only providing military and monetary support to Israel. What I would like to try to prevent is that kind of emotional involvement on the part of this country, this Congress and this President from escalating into a shooting war or a nuclear war on the part of the United States. I think it is an extremely important point that is being too casually treated by the Foreign Relations Committee and by some Members of this Senate. I think it is essential, it is absolutely essential, that we understand the risk of involvement, and it is absolutely essential that we try to curtail the risk of that involvement as much as possible. That is why I believe that the amendment that Congressman ECKHARDT succeeded in attaching to the House version does nothing to protect America's deeper involvement in the Middle East conflict.

Mr. JAVITS. Mr. President, will the Senator yield to me for one observation?

Mr. ABOUREZK. I yield.

Mr. JAVITS. Let us remember that the Senator has in this resolution a provision by which, by concurrent resolution, we can immediately pull out the 200. We cannot get very deeply involved with that.

Under the war powers resolution, we can terminate the President's authority in a much shorter time than 60 days, again by passing a concurrent resolution.

So I think the controls remain effective, and that is all human minds can encompass.

What the President may claim as his constitutional authority we can always challenge, but we cannot prevent him, by this or any other resolution, from acting.

Mr. ABOUREZK. Mr. President, we have already lost 41 American personnel in the *Mayaguez* operation. We might have been fortunate, in the respect that it could keep us out of future conflicts; but what the President did was notify Congress in some kind of backhanded way that he was going to do what he did. We lost the lives of 41 Americans, I believe uselessly, although there were shouts of American approval of what he did.

Knowing what the President is capable of doing by putting 200 American technicians into Sinai, what the Senator is stating we could do would not work very well if they were taken hostage. If they were taken hostage, what is he going to do, withdraw them? He has got to go in with a gun and withdraw them; and if he is going to take a gun in, he has to send the Marines in. And when he does that, the potential is there for major U.S. involvement.

When that happens, I am not going to stand on this floor and shout approval, nor would I say "I told you so." I would feel very badly about it.

Mr. GRIFFIN. Mr. President, will the Senator yield for an observation?

Mr. ABOUREZK. One minute.

Mr. GRIFFIN. It seems to me, with all due respect, that the Senator from South Dakota is stating his reasons for being against the resolution, which I can respect. There are some risks involved. I think they are overstated, and are much less than people would have us believe, but there are some risks involved.

But if the President has authority under the Constitution to use armed forces to protect the rights of Americans abroad, and I, for one, am glad he does have that authority, then no amendment that the Senator from South Dakota can dream up will affect or change that constitutional authority of the President of the United States. I assume that even if such amendment were adopted, the Senator from South Dakota, realizing his amendment could not amend the Constitution, would still not be for the resolution. I do not know if that is the case; perhaps the Senator from South Dakota would comment.

The PRESIDING OFFICER. All time for debate on the amendment has expired. The question is on agreeing——

Mr. ABOUREZK. Mr. President, I send to the desk an amendment to the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes an amendment to the amendment by Mr. HUMPHREY, as follows:

At the end of the resolution, add the following new section:

The PRESIDING OFFICER. As worded, the amendment is not to the amendment, but to the resolution, and would not be in order.

Mr. ABOUREZK. Will the Chair state that again?

The PRESIDING OFFICER. As the amendment was sent to the desk, it was not an amendment to the Humphrey amendment. It was an amendment to new matter at the end of the resolution, and thus would not be in order.

Mr. ABOUREZK. I offer it as a substitute for the Humphrey amendment.

The PRESIDING OFFICER. Will the Senator send his substitute amendment to the desk?

Mr. ABOUREZK. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. ABOUREZK) proposes an amendment to the Humphrey amendment in the nature of a substitute as follows:

In lieu of the language proposed to be inserted, insert the following:

Notwithstanding any provision of the War Powers Resolution (Pub. L. 93–148, 87 Stat. 555, November 7, 1973) the President or any other officer or employee of the United States Government is expressly prohibited from using any funds or issuing any order to use the United States Armed Forces personnel, or equipment operated by United States military personnel, to protect the civilian personnel assigned to Sinai authorized under section 1 of this resolution.

Mr. HUMPHREY. Mr. President, did the clerk complete the reading?

The PRESIDING OFFICER. Yes.

Mr. ABOUREZK. We have changed it.

Mr. HUMPHREY. I am sorry.

Mr. ABOUREZK. Mr. President, by way of brief response to the Senator from Michigan, I do not know of any place in the Constitution that the President is authorized or permitted to use the U.S. Armed Forces personnel, without a declaration of war, to do anything outside of protecting the United States itself. There is nothing in the Constitution, and I hope we can show it.

Mr. GRIFFIN. Mr. President, may I respond that if that is the case, there is nothing in this resolution that adds anything to the powers the President otherwise has. It is made clear by the language that Mr. ECKHARDT has written in, but it would be so even if that language was not offered by the Senator from South Dakota; so I fail to understand its significance.

Mr. ABOUREZK. The Senator is overlooking the fact that the War Powers Act is now the law of this country.

Mr. GRIFFIN. But it does not give the President any powers he did not already have.

Mr. ABOUREZK. It gives him many powers he did not already have; in fact, too many, I think. It gives him the power to introduce United States troops into the Sinai Desert if he feels it is necessary to protect the American technicians.

Mr. GRIFFIN. I am sorry; I just do not agree with the Senator. I mean the War Powers Act is an attempt to limit the powers the President already had. Whether it affects the Constitution or not is a matter of debate among constitutional scholars; but it does not grant him any powers other than those he already had.

Mr. ABOUREZK. I believe it does. I believe he had no authority to go outside the United States in the absence of a declaration of war, and I believe the War Powers Act gave him authority to do that.

Mr. President, in regard to the substitute I have offered to the Humphrey amendment, to my mind it is the only way to prevent another *Mayaguez* situation from happening.

If Members of the Senate want to allow the President of the United States, for whatever purpose he thinks necessary, to introduce United States troops for the purpose of confrontation in the Middle East, if we want that to happen—and I cannot believe anyone in this body wants it to happen—but if Senators want it to happen, they should support the Humphrey amendment. But if Senators want to prevent the introduction of United States troops under any pretext or excuse whatever, they should support the Abourezk amendment, which absolutely and plainly prohibits it, notwithstanding the War Powers Act or any other provision of law.

I state again, the Constitution does not authorize the President to introduce troops in the absence of a declaration of war.

Everyone here can easily imagine what would happen if 20, 30, or 50 of those American technicians, U.S. Government personnel, hired by the Government, paid by the Government, and representing the U.S. Government in the Middle East conflict, what would happen if some guerrilla force came in and grabbed 40 or 50 of them and held them hostage. The Senator cannot tell me that the President of the United States would not immediately become angry about that, and would not immediately send American military personnel in with planes and guns and whatever else to try to protect those people. There would be an outcry in this country to go in and save our technicians, and he would be hard put to resist it. There would be an outcry in Congress, and most of the people in Congress would probably be on their feet, as they were during the *Mayaguez* incident, demanding it be done.

This is the first step toward that happening. We are going into it voluntarily. The *Mayaguez* incident was a little different: Here was a ship going from one port to another, that was taken over by a Cambodian gunboat following the takeover by the new Cambodian Government. This is totally different; we are sending them there.

Is anyone here so naive enough to believe that he would not go in after them? The President would do it, he would notify us, and then that would be the end of it.

That would be the beginning, in my mind, of a very dangerous potential confrontation. It seems to me that we would want to avoid that.

I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, I understand there are 15 minutes to a side on the amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Mr. President, first of all the amendment of the Senator from South Dakota is patently unconstitutional because this amendment simply says that the President of the United States is expressly prohibited from using any funds or issuing any order to use the U.S. Armed Forces personnel or equipment operated by U.S. military personnel, to protect the civilian personnel assigned to the Sinai authorized under section 1 of this resolution.

First of all, Mr. President, we cannot go around and select American personnel who are to be protected. If they are American citizens, whether they are in the Sinai or whether they are in Sioux Falls, S. Dak., or whether they are in London, or whether they are down some place in Africa, they are American personnel, they are American citizens, and they are entitled to the protection of the laws of the United States of America and of this Government.

For example, if an American consul general is taken hostage, as they have been, this Government has an obligation to protect that person. How the Government protects them is another matter.

I think it is fair to say that sometimes our Government has not acted precipitately. It has acted with measured response.

But the important thing I think that we ought to keep in mind is the amendment that was offered in the House of Representatives, which was attached to this bill. Its author was of the same mind as the Senator from South Dakota. So he offered the amendment to make sure that this resolution did not give the President any additional authority, and here is what he said:

> And I do not believe that we want at this time to write a provision comparable to the Tonkin Bay resolution. I think that is precisely what we are doing if we do not limit this granted authority by the language of the substitute.

He is speaking of the Eckhardt amendment.

So Congressman ECKHARDT offered this amendment, by the way, it was opposed by the chairman of the committee, and yet the House of Representatives, by a vote of 124 to 71, on a standing vote, voted for the Eckhardt amendment.

Frankly, I do not think it is necessary. But in order to make the Senate resolution comply with the House resolution, which I think is essential if we are going to get any action, I have on a procedural motion moved to take the House amendments.

Now comes along the distinguished Senator from South Dakota with his substitute, and what his substitute says is that we are going to rewrite the Constitution by the Abourezk amendment.

It just so happens we cannot do that. It takes a little longer to rewrite the Constitution.

The Senator from South Dakota can say all he wants to about curbing the powers of the President. But Thomas Jefferson knew that he could use the Armed Forces of the United States, and other Presidents have known it.

But what the resolution says, which I think is so important for us, is that this resolution states very categorically that the U.S. civilian personnel assigned to Sinai under such proposals shall be removed immediately in the event of the outbreak of hostilities between Egypt and Israel, or if Congress by concurrent resolution determines that the safety of such personnel, even before hostilities, is jeopardized or the continuation of their role is no longer necessary.

So the Senate Committee on Foreign Relations and the House of Representatives Committee on International Affairs have both determined that in case there is any possibility of jeopardizing their safety they shall be removed; not ought to be, not could be, not may be; the language is a directive: shall immediately be removed.

Mr. President, that removal may require that we at least send in a camel or a donkey owned by the Government of the United States. It may require that they go on in with someone who is a sergeant leading the donkey. More likely, it will require only one thing, that they be promptly removed under guard of the United Nations, or that they be removed in an orderly manner, without any military uses whatsoever, except possibly the use of a helicopter.

The issue here is not these amendments. The issue is, as the Senator from Michigan put it, are we willing to have 200 American civilian technicians in the Sinai? That is a debatable issue.

There are people who feel very strongly that they should not be there. That is a position that can be held with good conscience and with strong feeling.

I happen to think it is a risk worth taking, that those 200 technicians, who are civilians, ought to be there. I think we ought to make it very clear that in case of any trouble they should be removed immediately, that they should not be a cause for war or for hostilities. To the contrary, even if their safety is jeopardized, much less their lives, they can and should be removed.

So that is what the issue is about here.

The Senator from South Dakota just does not want the Sinai resolution. He does not want the 200 personnel, and he is going to move to recommit this resolution. That is all proper. That is his sincere conviction, and he is a very sincere man.

I can only disagree with him on the basis of judgment, surely not on the basis of motivation.

But here is an amendment that says that, even if we have them there, we cannot use any equipment to get them out. In other words, if this Senate should put them there, since the House of Representatives has already acted overwhelmingly to agree—let us assume that the Senate now passes this resolution and we put those 200 men there, the Senator from South Dakota says to let them die if something goes wrong. He says we cannot use any way to get them out.

I do not think that is the way this Government ought to operate. The issue is whether we want them there, if the 200 men are going to be there, then I think what we put in this resolution makes sense, namely, that, if they are jeopardized or if their safety is jeopardized, out; if there are any hostilities between Egypt and Israel, immediately out. And that is what it says.

> The United States civilian personnel shall be removed immediately in the event of outbreak of hostilities.

What better language can we have?

Congressman ECKHARDT comes along and says:

> Look. I want to make sure that this resolution does not give the President any more wiggle room. I want to be sure that the President understands that they are to be gotten out of there immediately. I want to be sure that this resolution does not water down the War Powers Act. I want to be sure that it does not in any way give the President any authority that he does not already have.

There is no one in this body who studies any constitutional law who can say that the President of the United States, as Commander in Chief, does not have some authority to protect the lives of Americans.

I hope so. I hope so. That is what we have consul generals all over the world for. I hope if someone is arrested in the Soviet Union on some trumped-up charge that the President of the United States, through his officers, can go to the Soviet Union and say, "Get that person out of there." I hope that we have not crippled our Government to a point where we are going to sit here supinely or lie here supinely on our backs while people trample on us.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HUMPHREY. This resolution is not a war resolution. This resolution is a peace resolution. The Abourezk amendment would make it a resolution to leave the American personnel helpless. That resolution, if we adopt Senator ABOUREZK's substitute, simply says:

> Too bad, boys. We got you over there. Something went wrong. Stay. Die.

That is exactly what the Senator from South Dakota is saying. He is saying point-blank that we cannot use even the equipment, he is saying we cannot use a Jeep, he is saying we cannot use a helicopter, and he is saying we cannot use a plane to get those people out in case their lives are jeopardized.

If the Senator wants to say they ought not to go there, and that is what he is really for and that is his position, that is the one we ought to be voting on and not be voting on all this little trickle of stuff we have here.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield on the time of the Senator from South Dakota.

Mr. ABOUREZK. That is fine.

I suppose that the reason I offered this amendment was to elicit a confession from the Senator from Minnesota that indeed we will go in and try to protect those Americans if something should happen to them. The Senator has just admitted it, and I am very grateful for that admission. I knew that was what the case was in the first place, and I am glad that this particular substitute amendment brought it out.

Second, the Senator talked about an embassy official going to the Russian authorities and demanding the release of an American. That is a great comparison, because I do not know of a time in our recent history when we have gone to Russia with an army and demanded that something be done.

We have only done that recently to countries that we thought could not fight back too much. We did it to the Cambodians recently. We went in with full armed forces. But we do not do that with Russia. That is a very bad analogy to use, I think. We certainly do it in the Middle East, because if the Senator surveys all the countries over there, we probably could whip them all. That means that that is the easiest way for us to enter with our military forces in the Middle East; because after we had looked it over and decided that we could whip them with very little risk to us, we would do it.

That is exactly the point of this amendment—that American Government employees are going to be put into a situation where American Armed Forces personnel will become involved and will involve this country and eventually involve us against Russia and a potential nuclear confrontation. That is exactly what it is going to be.

Mr. HUMPHREY. On my time, I say to the Senator from South Dakota that his amendment does not alter the powers of the President of the United States. That is No. 1.

No. 2, so far as the protection of the lives of the American people is concerned, the Senator can have adopted all the amendments he wishes, from now to doomsday, and fill up the Sears, Roebuck catalog with this language, and that is not going to change the powers of the President of the United States.

This resolution, on which, hopefully, we will vote by Friday, says specifically that if there is any danger to these personnel, they should be removed immediately. So let us not read something in here that is not there.

No one is denying that there is some risk. The greater risk is the outbreak of hostilities. If the United States wanted war in the Middle East, it has had plenty of provocation. This Government is not looking for that kind of tragedy. The Senator from South Dakota knows it and I know it.

These are civilians. These are personnel who, under this resolution, will be removed immediately; and, by a concurrent resolution of Congress, they can be taken out at any time, or if their safety seems to be jeopardized at any time.

If their safety is jeopardized and if they have to be removed immediately, the Senator from South Dakota apparently is going to depend on their walking out. I do not know who is going to protect them. He says that no equipment——

Mr. ABOUREZK. Will the Senator answer one question for me?

The Senator has established it fairly well by saying a number of times that they can be removed in the event there is some kind of danger to them.

Mr. HUMPHREY. That is right.

Mr. ABOUREZK. Will the Senator explain to me how they would be removed if they were captured and held hostage by some hostile forces?

Mr. HUMPHREY. The first thing is that it says that immediately upon the outbreak of hostilities, they shall be removed immediately. They can be removed by the United Nations forces. We are a member of the United Nations. They could be removed by negotiation. They possibly would have to be extricated by U.S. helicopter. That is a possibility.

I am not one to underestimate that there are some dangers in a matter of this kind. This is not a matter of going to a Methodist Sunday school picnic, with chocolate ice cream and lollipops. That is not the kind of world in which we live.

There are some risks in doing anything, and that is what the debate is all about.

Mr. JAVITS. Mr. President, will the Senator yield me 2 minutes?

Mr. HUMPHREY. I yield.

Mr. JAVITS. One thing has to be made very clear, and that is as to the power the President asserts. Let us remember that the distinguished manager of the bill was Vice President of the United States, and he is speaking in terms of presidential power. I do not speak in those terms. I think it is a very twilight zone, a doubtful question. But everybody concedes that Congress can make him pull out, whatever he is proposing to do.

That is the critical point in the war powers resolution, and that is what Representative ECKHARDT wanted to leave absolutely unimpaired. Whether or not the President can get by with a rescue as he did with the *Mayaguez*, or we will stop him if he tries to be protracted about it, is a matter much better left to the situation when it occurs, because we cannot resolve the question of the constitutional power.

Therefore, Senator HUMPHREY is absolutely right about the Abourezk amendment. The Senator from South Dakota does try to resolve the question of constitutional power. We cannot, and hence we derogate from our own authority if we try it; because it will just be wastepaper. We are better off leaving the law exactly as it is, and that is what Representative ECKHARDT's amendment sought. It was unnecessary. He just wanted to take the precaution of leaving the law as it is.

So I really believe that the Humphrey argument is right on that ground, whether one takes his position on Presidential power or mine. That is strictly an argument neither of us can make or unmake by the record on this measure.

Mr. ABOUREZK. Mr. President, I should like to get the yeas and nays on this amendment, but I do not see a sufficient number of Senators in the Chamber at this time. However, I wish to let the manager of the bill know of my intention.

Mr. HUMPHREY. Mr. President, I am going to move to table the amendment which has been offered by the Senator from South Dakota.

The ACTING PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be charged to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I am not going to move to table. We will vote on the substance of the amendment.

Mr. ABOUREZK. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from South Dakota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

The result was announced—yeas 16, nays 75, as follows:

[Rollcall Vote No. 435 Leg.]

YEAS—16

Abourezk
Burdick
Clark
Cranston
Hatfield
Hathaway
Helms
Hollings
Magnuson
Mansfield
McClure
McGovern
Muskie
Nelson
Proxmire
Talmadge

NAYS—75

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary W.
Hartke
Haskell
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mathias
McClellan
McIntyre
Mondale
Montoya
Morgan
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—9

Bayh
Gravel
Hart, Philip A.
Inouye
Laxalt
McGee
Metcalf
Randolph
Sparkman

So Mr. ABOUREZK's amendment in the nature of a substitute for Mr. HUMPHREY's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY and Mr. ABOUREZK addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Mr. President, is the pending amendment the one that I had offered known as the Eckhardt amendment from the House that would bring the Senate bill in conformity with this?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. Time for debate has expired.

The Senator from South Dakota.

Mr. ABOUREZK. Mr. President, just for a few seconds, I suggest the absence of a quorum—just for a very short time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it so so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that Dr. Dorothy Fosdick and Mr. Richard Pearle of my staff be granted privilege of the floor in connection with the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island.

Mr. PASTORE. Mr. President, while we are waiting for some agreement to be reached, I merely want to say that I voted "no" on the last amendment, but so that my vote will not be misunderstood, I voted "no" and had I been on the floor—I was at a meeting—I would have moved to lay that on the table because that amendment had no place at this time in this matter.

There has been no commitment by the United States to use any troops. I want that clearly understood. As I understand it, the commitment is only as to civilians, which are about 200 in number, and this idea that we had to vote on this particular amendment where someone could construe that because one voted against it he is for the commitment of American troops in that part of the world, we understand the United States is not involved. It is no agreement, and there is no intention to do it.

I want the record to show it so that if anyone should ask me, at least they would have my explanation.

The PRESIDING OFFICER. The question is on the——

Mr. ABOUREZK addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABOUREZK. Might I say, just in response——

The PRESIDING OFFICER. Debate is not in order.

Mr. ABOUREZK. Mr. President, I want to take time off the general time.

The PRESIDING OFFICER. Only the two Senators in control of time on the bill can yield time.

Mr. ABOUREZK. I am yielding myself the time.

Mr. HUMPHREY. Mr. President, what is the ruling?

Mr. ABOUREZK. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. On whose time is the Senator speaking?

The PRESIDING OFFICER. The Senator has 4 hours.

Mr. HUMPHREY. That is all I wanted to know.

The PRESIDING OFFICER. The Chair understands the Senator from South Dakota is taking his time.

Mr. ABOUREZK. That is right. I want to respond briefly to the Senator from Rhode Island.

Mr. TUNNEY. Will the Senator yield for a unanimous-consent request?

Mr. ABOUREZK. To ask a question?

Mr. TUNNEY. No; for a unanimous-consent request.

Mr. ABOUREZK. Yes.

Mr. TUNNEY. Mr. President, I ask unanimous consent that Mark Moran of my staff be granted privileges of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, will the Senator yield for a similar request?

Mr. ABOUREZK. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Frank DuBois of my staff be granted privilege of the floor during consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, while most Members are in the Chamber.

The PRESIDING OFFICER. May we have order in the Chamber?

Will Senators please clear the aisles?

The Chair would appreciate it if Senators wishing to converse would retire to the cloakroom.

The Senator from South Dakota has the floor and he has a right to be heard.

The Senator from South Dakota.

Mr. ABOUREZK. Mr. President, while many of the Members are now present that were not in the Chamber during the debate on this and the Humphrey amendment, let me try to clarify exactly what I proposed to do. That is, to prevent the President from having an excuse to introduce U.S. troops into the Middle East conflict.

I am sorry that more Members were not present during the debate, but if they were here they would have learned from the Senator from Minnesota that, indeed, there would be occasions that we might have to introduce U.S. troops to protect the technicians we are putting in. We have a situation where our actions could be a potential for a nuclear confrontation with the Soviet Union.

Now, had he been here and other Members been here, they would have learned that there was a great deal of concern on the part of some Members that voting for the substitute that I offered would prevent the use of American helicopters, for example, just to evacuate American technicians.

At this time Senator McClure is drafting a modification, which I understand he is ready to introduce, that would provide for that action to be taken, but it would still prevent the use of American troops to engage in any military activities, and that would allow American helicopters to go in and evacuate our people.

So I yield now to the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator for yielding.

The amendment which I am preparing has been sent up and copies made so that others may have copies to see the language.

I think the Senator from South Dakota in the amendment which he offered fell into the same position that occurred in the other body yesterday in the debate on a similar matter, and that was the question of whether or not the personnel and equipment of the U.S. military forces could be used to effect a removal of the observers in nonhostile conditions.

I am certain there are Members of this body who voted against the Abourezk substitute simply because they felt that we ought to be able to send helicopters in from the U.S. Navy or use military trucks to remove these people in a condition where there was no fighting; that they could get them out quicker, and go ahead and get them out.

The amendment I am drafting seeks to answer that particular question by distinguishing between the peaceful use of military equipment and personnel to effect the removal of these observers, or the technicians, to limit the use of the equipment and personnel to noncombat operations.

I think the Senator from South Dakota has raised a point which must be confronted by the Senate before we vote on passage of this resolution, and that is the simple fact that the presence of 200 nonmilitary American civilians in that particular area can, indeed, involve us in hostile action. And if we are going to involve ourselves in that kind of confrontation between forces, either side of which is our enemy at the present time, then the Senate ought to know that, ought to make that decision now, ought to vote upon the conditions under which we expect that to be done.

I am told that the Constitution, for instance, prohibits any interference with the use of—Mr. President, I wonder if we might have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until there is order in the Senate. Senators will take their seats. They will suspend conversations. Staff will please remain quiet. The Senate will be in order. The Senate is not in order. The Senate will be in order.

The Senator from Idaho.

Mr. McCLURE. I thank the Chair.

Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

In lieu of the language proposed by the Senator from Minnesota (Mr. Humphrey), insert the following:

Notwithstanding any provision of the War Powers Resolution (Pub. L. 93–148, 87 Stat. 555, November 7, 1973) the President or any other officer or employee of the United States Government is expressly prohibited from using any funds or issuing any order to use the United States Armed Forces personnel, or equipment operated by United States Armed Forces personnel in combat at operations for the purpose of protecting or rescuing American personnel assigned to Sinai authorized under section 1 of this resolution."

Mr. McCLURE. Mr. President, I think it should be understood that at this point, if the Senator from South Dakota will yield to me, the time that is consumed on this amendment would be charged to the time allotted to me. Is that satisfactory?

Mr. ABOUREZK. Yes.

The PRESIDING OFFICER. The Senator has 15 minutes.

Mr. McCLURE. I think under the unanimous-consent agreement I have more time than that.

Mr. DOLE. Will the Senator yield for a question?

The PRESIDING OFFICER. Is this the amendment on which the Senator from Idaho wishes to use the 1 hour?

Mr. DOLE. Yes, it is.

Mr. BEALL. Will the Senator yield for a unanimous-consent request?

Mr. McCLURE. I yield.

Mr. BEALL. I ask unanimous consent that David Rust and Charles Morrison of the staff of Senator Roth be granted the privileges of the floor during the debate on this whole matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I ask unanimous consent that Michael Hathaway of my staff be granted the privilege of the floor during the consideration of this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order. The Senator will suspend until there is order in the Senate. The Senate is not in order. The Senator will suspend until there is order in the Senate.

Mr. JAVITS. Will the Senator yield for a parliamentary inquiry?

Mr. McCLURE. I yield.

Mr. JAVITS. I have a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Will there be 15 minutes in opposition to this amendment, half of a half hour, even though the Senator is using his own time?

The PRESIDING OFFICER. The Senator from New York is advised there will be 30 minutes in opposition to the amendment.

Mr. FONG. Will the Senator yield for a unanimous-consent request?

Mr. McCLURE. I yield.

Mr. FONG. I ask unanimous consent that my administrative assistant, William Kinaka, be granted the privilege of the floor during the consideration of this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Will the Senator yield for a question?

Mr. McCLURE. I yield for a question.

Mr. DOLE. Let me state that the Senator from Kansas is not yet convinced we should send technicians to this area, but if I understand the import of the amendment, if that in fact happens and there should be hostile action, then the amendment of the Senator from Idaho would preclude any military effort to rescue the technicians. Is that correct?

Mr. McCLURE. If it involved combat operations to do so it would have that effect. If they could get in and get out without hostile action, we could do that.

Mr. DOLE. Who makes that determination?

Mr. McCLURE. The President of the United States.

Mr. DOLE. Let us take the *Mayaguez* incident. They could not be rescued in that kind of an operation?

Mr. McCLURE. That is correct. They could not be rescued in that kind of an operation.

Mr. DOLE. Then what happens? Are they just at the mercy of whoever may be there?

Mr. McCLURE. I think whatever would happen would depend upon the combatants in the area, not upon the forces of the United States in that circumstance.

Mr. DOLE. I do not want to become involved in the Mideast, but I certainly do not want to leave totally unprotected, 200 American technicians, helpless and at the mercy of those who may be engaged in hostile activities. I do not believe there will ever be a time when you could fly in peacefully and pick them up in helicopters or drive in with an army truck or van. Once the hostilities start, they would be in jeopardy. It seems to this Senator that the last thing we want to do is to announce in advance to the countries involved and to the technicians that they might be deserted if anything happens.

Mr. McCLURE. I understand the concern of the Senator from Kansas.

Mr. ABOUREZK. Will the Senator yield?

Mr. McCLURE. I think the time to make the decision and to clearly understand what we are doing is now. The Senator from Kansas may very well be right, that we do not want to be in a position of not sending our Armed Forces in there to get these technicians out. But if we are making that decision, let us say so clearly and say so now. Let us not get ourselves into a trap of not having any options and then wring our hands and say, "We really did not understand that this might occur." Let us face up squarely to the fact that if these technicians go in, we may indeed involve ourselves in sending Armed Forces in to fight a battle to try to get them out, with all the consequences that that might have.

Mr. DOLE. The President has a constitutional duty to protect the lives of Americans. We are not going to alter that duty with this amendment. It just does not seem that under this amendment we give the technician any option if he goes to that area. He would go, as I understand, with the full knowledge that his country will not be there if he is in desperate straits. I do not agree that this is the way we should proceed.

Mr. McCLURE. May I say to the Senator from Kansas a number of years ago we were flying some U-2 airplanes. The U-2 airplanes penetrated the national air space of foreign powers. The pilots of those spy aircraft were notified in advance as a condition of their employment that if, for any reason, they went down behind the frontiers of those foreign countries, they understood, as a condition of their employment, we not only would not try to get them back but we would deny they existed. As I recall, that was the condition of their employment, although in the celebrated Powers case we did not really follow through exactly as we had said we were committed because of political pressures. But that underscores, I believe, the seriousness of the situation. I do not think any Member of this body can say that we are going to really walk away from 200 American technicians stationed in these passes and allow them to be the pawns of a conflict between two other powers when we sent them there. This amendment which I am offering gives the Senate the opportunity to stand foursquare to assist in the event of intervention or to say we will not.

Mr. DOLE. I just have the view that we are, in effect, denying in advance any effort to rescue these men in the event of hostile action. It could be one rifle shot or one raid or whatever. We continue to express our proper concern about the MIA's in Southeast Asia and, on the other hand, the amendment says in effect, "We do not care what happens to 200 Americans in the Middle East. We will make no effort to rescue them if there should be hostile action."

Based on that, I cannot see that the Senator's amendment would add anything. It certainly would not encourage me to volunteer for that duty.

Mr. McCLURE. I was not aware that the Senator from Kansas was going to volunteer in the absence of this amendment.

Mr. DOLE. I did not have it in mind, but it is so attractive that it is almost as easy as being reelected these days.

Mr. McCLURE. I understand the concern of the Senator from Kansas. My purpose is to sharpen the focus of our attention upon the consequences, the expected and likely consequences of our action, and to require the Senate to face up to the consequences of those actions now, not later.

I yield to the Senator from South Dakota.

Mr. ABOUREZK. In reference to Senator DOLE's question, his concern points up and puts in focus exactly what we ought to be looking at so far as sending these technicians there.

I have been saying from the beginning, and that is what my amendment says and what the Senator's modification says, that once we put the technicians in there, despite all the soothing reassurances from the Secretary of State and the President, once they are in there Congress is going to be hard put to complain about sending American troops in to protect them. The Senator from Kansas (Mr. DOLE) just made that remark; and I think that is probably the feeling of a great many Senators. That is why the amendment has been offered, to try to determine whether or not people really realize what they are getting into by sending 200 Americans and putting them in a combat zone, right in the middle of two hostile parties.

I am not a great one at predicting, but I do not think that that agreement, if approved and signed, will last more than a few months. I think it will fall apart within a year, and I think we will find ourselves in the pot the Senator from Kansas thinks we will be in. I think he is correct.

Mr. McCLURE. I thank the Senator. I yield to the Senator from Tennessee.

Mr. BROCK. Mr. President, I can understand the Senator's feeling about the potential dangers in the agreement. I do not object to that at all. But I hope the Senate will soundly and thoroughly defeat the amendment, because I cannot understand the logic of saying we want to take a risk for peace, but we are unwilling to take any risk. That is the essence of what we are debating on this whole resolution.

I appreciate the Senator's concern, but I would point out to him that we have men stationed in I do not know how many countries around the world, and never once have I heard the Senate ask the President to give us a guarantee, nor have we written into a statute a limitation, which would inhibit his opportunity to take whatever action was necessary to defend those personnel.

The PRESIDING OFFICER (Mr. CULVER). The Senate will be in order.

The Senator from Tennessee may proceed.

Mr. BROCK. I grant that there are military personnel—in Germany, Korea, Taiwan, Japan, and throughout Asia, Europe, and Latin America.

But we also have embassy personnel. We have private citizens traveling the world. And it is incumbent on the President of the United States, under the Constitution, to provide for their protection to the extent of his ability. There is no question that this whole process will involve the United States in some additional risks.

The reason I am for the joint resolution is that I think the alternative risk is far, far greater; that to do nothing would be to beg for war, and ultimately the involvement of the United States in that war.

I share the Senator's reluctance. I share his concern. But under no circumstances do I think we can further define the War Powers Act in this specific instance to try to hamper the President. I think that would be a terribly wrong thing to do, and I hope the Senator, by his amendment, is trying to bring the issue into focus. I know he would not see fit to abandon any of our men, and I know that is not his purpose. But I am concerned with the way the amendment is phrased and presented. I think that might be the interpretation.

Mr. McCLURE. I thank the Senator from Tennessee for his remarks. Let me comment, if I may, for a moment about the dilemma that confronts the Senate as we are walking that fine line that we are asked to draw on this resolution—not on my amendment, but on the joint resolution itself.

I am mindful, as the Senator from Tennessee has expressed it, of the risks of doing nothing; and I am also, as is the Senator from Tennessee, aware of the risks that are involved in the resolution that we have before us. But I do not wish to hear Senators say, sometime later, that if these technicians are involved in the midst of a shooting war, a conflict, and the President of the United States is called upon to send elements of the armed services of the United States in there to die in that conflict, that they did not know that might happen, that somehow this was something outside of the realm of the possibilities considered, that we did not address ourselves specifically to that problem.

I think there is only one way to confront that problem, and that is to do it in the debate on the floor of the Senate today. That is the purpose of my amendment, to draw attention and to focus very narrowly and precisely on that specific question, because I agree with the Senator from Tennessee, the Senator from Kansas, and others who have spoken and will speak, that the U.S. Government has an obligation to any of its citizens anywhere in the world, that it has a particular obligation to those that we have sent overseas for some specific mission on behalf of the United States, and it would be the normal expectation in any of those circumstances that we are going to use whatever legitimate power we can focus to prevent any damage or loss of life to those personnel.

If we are going to vary from that basic presumption, now is the time to do it, not sometime later. Now is the time. I do not want us proceeding on some vague presumption of our commitment to these people. If we are going to have a commitment, let us spell it out precisely. If we are unwilling to have that commitment at some time in the future, let us say so now.

Mr. BROCK. I appreciate the Senator's statement. If I may, I ask him to yield for 1 additional minute.

Mr. McCLURE. I yield.

Mr. BROCK. I entered into the debate, not because I had any concern about the Senator from Idaho. I think he knows I have as much respect for him as for any Member of this body, and I recognize his interest in our American personnel wherever they may be.

I think the Senator's point is well taken, and for myself I want it to be absolutely categorical. I want the record to show that I believe the President not only can, but must take whatever action is necessary to protect any American wherever he happens to be in the world. I think that is a part of this process, this whole debate. The Senator has raised a valid point.

As for myself, the Senator and I are in disagreement on the action, and I, therefore, am sorry that I cannot support the Senator, but nevertheless I think he has the obligation to raise the issue. I think too often in the past we have turned our backs on our people and walked away from them. We must not let that happen. But I think we should walk into this agreement with our eyes wide open, recognizing that we are also declaring ourselves willing to take some risk in the interest of ultimate and lasting peace. That is why I support the joint resolution.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from New York.

Mr. BUCKLEY. I wish to underscore what I think are the very sound observations made by the Senator from Tennessee.

I, too, think the action taken by the Senator from Idaho is entirely appropriate. This is a serious matter, and recognized as such by this body. We should also understand that the amendment that is offered, in order to focus our attention on the possible consequences of the approval of the joint resolution, does not in any way affect the normal obligations of an American President and of the American Nation to protect the lives of American citizens legitimately situated anywhere on the globe. Therefore, a vote against this amendment, in my judgment, does not in any way affect the circumstances or the flavor of the obligations of the United States with respect to 200 volunteer civilian technicians who may find themselves trapped between fighting forces in the Sinai.

This is, as the Senator from Tennessee has stated, a risk. Everything we do in the interest of peace is a risk. Anyone who goes to any embassy anywhere in the world these days is engaged in taking risks, now that terrorism has become commonplace, with no country exempt from the acts of terrorism.

I believe, therefore, that the record should show that the effect of the amendment that is being offered by the Senator from Idaho is purely to focus our attention to the possible consequences.

But a vote on this, if this is rejected, does not in any way add to the moral commitment of the United States to look after its own citizens, wherever they are, if they are in trouble.

Mr. BROCK. Nor would it detract from it.

Mr. BUCKLEY. Nor would it detract from it.

Mr. BROCK. We have this fundamental obligation regardless.

Mr. McCLURE. Mr. President, I say to the Senator from New York and the Senator from Tennessee it would not change the assumed responsibility that we attempt to discharge in every instance, but it would be a specific statement by this Senate that we expect, in this specific instance, to discharge that responsibility in that way.

Mr. BUCKLEY. To that extent it is superfluous, if the Senator would forgive me.

Mr. McCLURE. I say to the Senator from New York if he had done, as I have done for the last 2 days, that is, go back and read the Gulf of Tonkin resolution debate in this body, he would not say it is superfluous, because one cannot read that debate about the very clear understanding, that there were Members of this body who said they were willing to do something, and then when we got into it they were not willing at all.

They seem surprised, and I am not surprised at the comments of the Senator from Tennessee or the Senator from New York. I know how they would have reacted had they been in this body when the Gulf of Tonkin resolution was passed, and I know what kind of commitment they would have been willing to follow through with afterwards.

But one cannot read that debate without coming away with the sick feeling that here we go again with people getting us into something that they are not willing to face up to later. There is page after page, after page, argument after argument after argument, where every one said, "Yes, we are willing." Then when the going got tough where were they?

Mr. DOLE. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from Kansas.

Mr. DOLE. It seems to this Senator, as indicated earlier, the basic question is whether or not we send the technicians. Once we have crossed that bridge or made that decision, then there is the President's constitutional responsibility to protect. This Senator is not certain how he will vote on sending technicians, but if they can only be helped or removed under conditions that are not hostile they do not need this amendment. They can take a taxi. They do not need a Government helicopter or truck.

Mr. BROCK. Or take a camel.

Mr. DOLE. They could just call a cab. If there are hostilities in the area they may need some assistance from U.S. military forces. The President of the United States, whether President Ford, or the Senator from Minnesota (Mr. HUMPHREY), or whoever, would have authority to take the action. But this Senator believes the basic question is do we send the technicians? Once that has been resolved the amendment probably is not necessary.

Mr. McCLURE. I say to the Senator from Kansas that is the basic question. But I think before that question is answered, this Senate should know clearly what may be required of them and be willing to face up to that requirement when, as, and if the time comes.

Mr. DOLE. I agree with the Senator from Idaho on that. I think he is doing a service in bringing this to the Chamber and this body will be doing a service by tabling the amendment.

Mr. McCLURE. Let me just read, if I may, some of the debate from that Gulf of Tonkin resolution because I think it focuses again on the absolute necessity who votes for the stationing of personnel in the Middle East to be willing to vote for the follow-up actions that may be necessary as an outgrowth of that action.

In the original debate, Senator Fulbright was one of the two principal floor managers in behalf of the Gulf of Tonkin resolution, and this appears on page 18399 of the RECORD on August 6, 1964. I will delete some of the language that has pertinence only to the Southeast Asia situation, but I think it still applies here, and it does not distort the meaning.

> The action taken by the United States . . . must be understood both in terms of the immediate situation and in terms of the broader pattern of . . . activities in Southeast Asia over the past 10 years.

A little later in the same debate, Senator Brewster said. His question was:

> . . . whether there is anything in the resolution which would authorize or recommend or approve the landing of large American armies in Vietnam or in China.

Senator Fulbright responded:

> . . . the language of the resolution would not prevent it.

On the next page in that debate Senator Fulbright said:

> That is a further responsibility that we undertook in aligning ourselves with other countries in trying to bring peace and stability into this area.

At another point the Senator from Wisconsin (Mr. NELSON) made this statement:

> Am I to understand that it is the sense of Congress that we are saying to the executive branch if it becomes necessary to prevent further aggression we agree now in advance that you may land as many divisions as deemed necessary and engage in a direct military assault on North Vietnam if it becomes the judgment of the executive, the commander in chief, that this is the only way to prevent further aggression?

The answer by Senator Fulbright was in the affirmative. It did have that implication.

We go on to a further statement by Senator Fulbright in response to further questions from Senator NELSON. This appears on page 18407.

> But in all frankness I cannot say to the Senator that I think the joint resolution would in any way be a deterrent, a prohibition, a limitation, or an expansion of the President's power to use the Armed Forces in a different way or more extensively than he is now using them.

But it became a springboard for the action which President Johnson took in the spring of 1965 in ordering a massive buildup of our commitment and the troops in South Vietnam.

Statement is made by my senior colleague from Idaho in the same colloquy at another point in which he said:

> There is a time to question the route of the flag, and there is a time to rally around it, lest it be routed. This is the time for the latter course.

What will Members of this body say when, as, and if out technicians are involved except to reaffirm what my senior colleague from Idaho said at the time the torpedo boats attacked U.S. naval forces in the Gulf of Tonkin, but again to repeat the language that he uttered on August 6, 1964:

> There is a time to question the route of the flag, and there is a time to rally around it, lest it be routed. This is the time for the latter course.

I think that the course of conduct that we are involved in here today must necessarily draw parallels that we are injecting ourselves into a situation where we are not now personally physically involved, and that, if our personnel are threatened, damaged, or harmed by the outbreak of hostilities, we will be called upon to use force to protect them.

The Senator from Tennessee says he is ready to do that. The Senator from New York says that is U.S. policy generally. The Senator from Kansas says he is ready to do that.

But are all of the other 96 Senators in this body ready to do that? Will all of those who vote for this resolution be ready to do that? Will they, when that time comes, reaffirm as many did on those stirring 2 days of debate on Auguest 6 and 7, 1964, say:

> We are helpless now because of a course of events. We have been involved in Southeast Asia for 10 years and now we have been attacked. We must fight back.

Mr. BUCKLEY and Mr. BROCK addressed the Chair.

Mr. McCLURE. I will yield to the Senator from New York.

Mr. BUCKLEY. I thank the Senator from Idaho.

I just think the record should reflect a very important distinction between the current situation, the current proposal, and the circumstances at the time of the Gulf of Tonkin resolution.

We were partisans, we were parties before that resolution. Under President Kennedy, we had in effect transformed our normal advisory functions into a group of men—our military—who were actively advising and instructing the armed forces of the South Vietnamese in a military action against the Communist forces. We were, in the words quoted by the Senator from Idaho, alined with other nations in a common endeavor.

What we are speaking about now is not intruding civilians or any other American personnel on one side or the other.

Mr. ABOUREZK. Mr. President, will the Senator yield at that point?

Mr. BUCKLEY. I should like to complete my statement, and then I will be glad to yield.

We are inserting people between two parties, with a specific function. There may be an outbreak of conflict. We do not know from which direction it might come.

We are talking purely of limiting or permitting the normal rescue function that I believe is the moral obligation of the United States; and if we have to send in troops to retrieve our 200 men, I am sure they will be shooting with great impartiality to the North or to the South. The one mission is to get them out, and there is no residue.

In other words, I do not see how the resolution we are asked to approve in any way is comparable to the Tonkin Gulf resolution, because the only purpose of sending them in would be to get men out and to allow the combatants to follow their normal course.

Mr. McCLURE. I say to the Senator from New York that I understand that that argument has been made very forcefully by a great number of people, and I am certain that the Senator believes it or he would not make it.

There are differences between this situation and the situation in Southeast Asia. The distinction which the Senator has outlined, in which we were a participant on one side, I hope does not exist in the Middle East. I think there is some doubt about the balance of the current memoranda and understandings which cast some doubt as to whether or not that is really correct—that we are unalined in this particular set of agreements.

However, regardless of our present intentions, what is the necessary outgrowth of a course of events? Much of the debate on the Gulf of Tonkin resolution came from people who had questioned our Southeast Asia policy, who, in the Committee on Foreign Relations or on the floor of the Senate or in other public statements, had said that we were overcommitted in Southeast Asia; but they said, in effect, that we were trapped by the course of events into a situation in which we could respond in no other way, except to defend the honor and dignity of the United States by retaliatory action.

We in this body then passed a resolution which even the people who were critics of our involvement in Southeast Asia confessed was a carte blanche delegation of authority to the President of the United States to involve us at whatever level he thought was necessary. That is what I want to avoid as we debate this question of the U.S. policy in the Middle East.

The people on the side of Israel certainly are not our enemies, and it is equally true that the people in the Arab nations are not our enemies. So I might question this balance, but I also question very strongly where this course of conduct will lead inevitably, if there is an outbreak.

The Senator from New York, I am sure, shares my desire that we have an evenhanded policy, that we not aline ourselves with either side.

However, let me ask the Senate this: What happens if one side attacks, regardless of what the provocation may be, regardless of the truth of the matter that may be involved, and we perceive, rightly or wrongly, that one side has attacked and that that one side is responsible for the threat to our personnel? We send in our troops, in response to what we perceive to be the provocation on one side of the question, and some of our civilian personnel and some of the Armed Forces that are sent in to rescue them lose their lives in that operation. Does this leave us in an evenhanded policy? Does this leave us without alinement on either side? Does this leave us uncommitted to a future course of conduct? Or does this not perhaps lend itself to that inexorable chain of events from which we would then lose control of our own future commitments?

Mr. BUCKLEY. Mr. President, I think that this debate is serving to prevent the contingency of which the Senator from Idaho is rightfully concerned. I believe we are underscoring the limits of the mission of the American technicians. We are acknowledging that any time any American, for any reason, goes into any area in which conflict is possible, there are risks and that there might be the necessity to send in American troops to assure their rescue. This is a normal risk. In my judgment, it does not in any way require or even presuppose that this would cause the country or Congress then to wish to initiate hostilities as a result of the incident from which we are rescuing or retracting our personnel.

Mr. McCLURE. In response, I read one more excerpt from that debate, and I do this with no purpose at all in any way embarrassing any of the participants in that debate. I do it only to illustrate what happens and how we lose control of the course of events.

The Senator from Missouri (Mr. SYMINGTON), on page 18412 of the RECORD, had these words to say in that debate:

> If we allow these attacks to proceed without any resistance, the position, the prestige of the United States abroad, that part of the world, very possibly in all other parts of the world, would suffer a serious loss of respect. The free world continues free today because of the physical, economic, and, above all, spiritual strength of the United States.

All I am trying to say is that the events themselves have a way of impelling action which we do not now contemplate but which we should have the wisdom to anticipate.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from Tennessee.

Mr. BROCK. Mr. President, I appreciate what the Senator is trying to do in terms of drawing the issue to focus. But I do wish to make a couple of points with regard to the testimony and the debate that he cites.

I was one of those who was abused by the Gulf of Tonkin resolution. I was in the other body at the time, and I supported it. I think many of us felt a remarkable, patriotic fervor at that time to respond to an attack on the integrity and personnel of the United States. But, in retrospect, I think it is fair to point out that the Gulf on Tonkin resolution was a fraud, it was a sham, and it was a device by which Congress was impelled to take a position far broader than that on which it was premised.

It is important to note that the Gulf of Tonkin resolution had no purpose in legal terms. Because there was no war powers bill and because of the precedents of Korea and other incidents, the President of the United States had power to involve U.S. personnel, without regard to limit. What he was seeking was the support of Congress to justify an intended course of action. That was the situation then. I do not see the parallel today.

I take great pride in the fact that I was a major or original sponsor of the war powers resolution, and I think that is one of the finest things I have been able to do since I have been in Congress, in joining a number of my colleagues in supporting that measure. The war powers bill gives, again, a categorical right of action to the President of the United States; but then it puts a limit on that right and says that he must report to Congress, and ultimately it is the responsibility, under the Constitution, for Congress to decide whether or not this Nation should be involved in war. That is the reason why we wrote that bill, because most of us feel that the Constitution is abundantly clear as to where the responsibility lies.

What the Senator proposes to do in this resolution is adopt a line item amendment to the War Powers Act which says that the war powers law shall apply except in this prescribed geographical area. That, to me, would be an act of insanity, for a legislative body to start legislating line-item amendments to the war powers bill.

Where do we stop then? What we do is denude the War Powers Act of its effect. That act is fundamental to the preservation of the constitutional processes in this Republic of ours.

As I say, I respect the Senator's desire to draw the debate to a focus, but I do not believe that we can possibly support the amendment without, first of all, abrogating our fundamental support of the War Powers Act; and second, the right of our President to send men wherever they may be needed, under whatever circumstances may be the occasion.

Last, I do not think we can abrogate the rights and responsibilities of the Members of this body to the people of this country.

Mr. McCLURE. I understand the Senator's comments and I share his enthusiasm for the passage of the War Powers Act. I voted for it, I supported it, I support its principles now. I am not talking about the limitations which may be legal limitations. I am not talking about the legal commitments which may be taken. I am talking about, at this time, the course of events that make us a prisoner and deprive us of any real legitimate options on future conduct. To show how that happens, let me read again from the RECORD in the Gulf of Tonkin resolution debate. Again, it was my senior colleague from Idaho speaking. This appears on page 18415:

> I am in wholehearted agreement with the emphasis he has given to the peaceful goals we hope to serve, and to the fact that it is not the policy of the United States to extend the war in Southeast Asia.
>
> But, Mr. President, it would not be either candid nor correct to consider this resolution on such narrow grounds.
>
> It is necessary to recognize that our situation today must be viewed within the context of American policy in the Far East; otherwise, our ships would not be in the Gulf of Tonkin, and the serious events of the past few days would not have occurred.

A little later, he says:

> Because who can say that these events are not the natural consequences of the hazards we have assumed by the policy we have adopted in this part of the world. . . .
>
> It is a risk we assumed . . .

All I am asking in this debate today is that we clearly understand what kind of a risk it is we assume. I stand with the Senator from Tennessee in being willing to assume some risk. I am also willing to pay some price. I have spoken at some length at times in the past, asking the great people of Israel to assume the risks of peace rather than a continuation of the risks of war. I am willing to share in those risks if, indeed, they are reasonable risks. But I do not want to get ourselves put into a position where, once the commitment is made, there will be Members of this body who will say, "Oh, I did not mean that; oh, my goodness gracious sakes, this is going too far;" or, "For heaven's sake, how did this happen?"

Let us look for a moment at what we can expect may happen and confront that now with a clear mind and without the fervor of a patriotic, emotional upswelling that seemed to sweep this body on August 6 and 7, 1964. Let us do it at a time when our heads are cool and we are not involved and we are willing, then, to take a look at the kind of involvement we are willing to undertake, and then make that commitment openly and freely, and live with it.

I yield to the Senator from Wisconsin.

Mr. NELSON. Will the Senator yield for a question as well as an observation?

Mr. McCLURE. Surely.

Mr. NELSON. Is the Senator's amendment an unprinted amendment?

Mr. McCLURE. Yes; it is an unprinted amendment.

Mr. NELSON. Are there any copies available?

Mr. McCLURE. I think both the minority and the majority have copies. There may be other copies, also.

Mr. NELSON. I thank the Senator.

If I may be permitted a comment, the distinguished Senator from Tennessee makes the argument, if I understand it correctly, in part, at least, that the amendment of the Senator from Idaho is unnecessary because of the War Powers Act. That is precisely the point that concerns me. The War Powers Act was part of the law of the land at the time of the *Mayaguez* incident. I think it is a fairly reasonable parallel situation respecting the purpose of the amendment of the Senator from Idaho. The President did not give Congress a chance to be consulted in any way under the War Powers Act respecting the *Mayaguez* incident. Of course, as history now shows, it was a disastrous mistake. We moved in with force in a circumstance where force was not necessary and sacrificed the lives of 50 men in order to recover 31, all 31 of whom were safe and would have arrived back in our hands without any intervention at all.

I attacked our Government's action the morning it happened and received all kinds of critical mail. It was a circumstance in which there was an emotional explosion all over the country against the seizure. The Congress and the country were almost unanimous in support of the President's intervention to stop this little country from interfering with our ship and our commerce. We did not know what we were doing; we did not negotiate with that government; and the War Powers Act was totally ineffective.

What is to prevent precisely the same circumstance from arising in the Middle East with the President making the same kind of arbitrary, unilateral decision as in *Mayaguez*, without consulting Congress, to send troops in to rescue our personnel? Nothing is to prevent that.

The War Powers Act did not work in the *Mayaguez* circumstance and I doubt whether it will work here, and I doubt whether Congress would be consulted here. The event would probably be over in 48 hours, as it was with the *Mayaguez*, and we would be faced with a fait accompli, as we were then.

If Congress had been consulted and those of us who opposed what happened in the *Mayaguez* incident had had a chance to debate it, our men would all have been back safe, we would not have violated the territorial integrity of Thailand, and we would not have killed, unnecessarily, 50 of our own people in that unnecessary, dramatic intervention by the President. The same principle applies here.

The argument was also made by several here, including the Senator from Tennessee, that we always have the right to protect American personnel; the President can intervene to do that. Well, that may be so, and it may be an arguable question from a constitutional standpoint. But let us assume it is so. This circumstance, again, is not parallel. It is not a case of our Government warning American citizens in advance to get out of a country where hostilities may be in prospect. It is a case where we are sending in American personnel.

Then, once we send them in, the argument is made that if they get into trouble, the President has the constitutional authority ot make a military intervention to rescue the people that we put in. That is quite different from the circumstances where we send in our ships to get people out of a potentially dangerous situation in some foreign country.

Mr. McCLURE. Mr. President, could I be informed as to how much I have remaining?

The PRESIDING OFFICER. Nine minutes remaining.

Mr. McCLURE. I say to the Senator from Wisconsin, I do not like to interrupt him, but I think I had better reserve the remainder of my time so that I can better respond to the opponents of the amendment.

Mr. NELSON. Mr. President, may I ask what the time situation is.

Mr. CASE. It is too complicated.

The PRESIDING OFFICER. The Senator from Idaho has 9 minutes; the Senator from New Jersey has 30.

Mr. CASE. Mr. President, I think it is important for this Senator, Senator NELSON, to have some time from other allotments, if anybody wants to give it to him.

Mr. CLARK. We are certainly prepared to give the Senator whatever time the Senator thinks necessary on the bill.

Mr. MANSFIELD. I would like 15 minutes on the bill, too, after the distinguished Senator from Wisconsin.

Mr. NELSON. May I have 15 minutes?

The PRESIDING OFFICER. The Senator from Delaware and the Senator from New Jersey have time on the bill. The Senator from New Jersey has 43 minutes and the Senator from Delaware 57 minutes.

Mr. CASE. I was talking about several hours available to several Members by unanimous consent.

Mr. MANSFIELD. This is part of the time.

Mr. CLARK. Speaking for the Senator from Delaware, who controls the time on this side, our side has 57 minutes remaining on the bill in its entirety, so we will——

The PRESIDING OFFICER. The Chair might clarify this, if the Senator will suspend for just a moment here. Under the order, Senator ABOUREZK has 4 hours, Senator BIDEN 1 hour, Senator BYRD of Virginia 1 hour, Senator HELMS 30 minutes, Senator McCLURE 30 minutes, and Senator SCOTT of Virginia 1 hour. That is in addition to those times mentioned earlier, so there are several sources.

Mr. CLARK. Yes.

Mr. NELSON. Does the Senator from South Dakota, Mr. President, have ample time?

The PRESIDING OFFICER. The Senator from Iowa, acting on behalf of the Senator from Delaware.

Mr. ABOUREZK. Yes, that is what I stated.

Mr. MANSFIELD. How much will the Senator from Wisconsin use?

Mr. NELSON. May I have 10 or 15 minutes?

Mr. ABOUREZK. I yield 15 minutes to the Senator from Wisconsin of my time.

Mr. MANSFIELD. Would the Senator yield me 15 minutes?

Mr. ABOUREZK. I yield Senator MANSFIELD 15 minutes of my time after the completion by the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Montana is yielded 15 minutes and the Senator from Wisconsin 15 minutes.

Mr. CASE. We ought to have a general discussion. I think it would be desirable and fair to people who have been waiting around here for about an hour, like Mr. STONE of Florida and the Senator from Mississippi, also on this particular amendment, to dispose of this if we can and then deal with what I think all of us are interested in, the general matter, under other time.

Mr. ABOUREZK. I ask for the yeas and nays on the McClure amendment.

Mr. CASE. Mr. President, will the Senator please withhold that because we have given notice that we will move to table the amendment.

Mr. MANSFIELD. The Senator can do that.

The PRESIDING OFFICER. The yeas and nays would not prevent a tabling motion.

Mr. CASE. It would not prevent a tabling motion even though a time limitation has occurred? That only occurs when there is an agreement to vote at a fixed time.

The PRESIDING OFFICER. The Senator is correct.

Mr. CASE. I do not object.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ABOUREZK. Mr. President, has the motion to lay on the table been offered yet?

Mr. CASE. It will not be offered until everybody has had a reasonable time under the amendment itself. There are 9 minutes left to the Senator from Idaho and the opposition has 30 minutes.

The PRESIDING OFFICER. The motion to lay on the table will not be in order until all time has been used or yielded back.

Mr. ABOUREZK. A parliamentary inquiry, Mr. President. My understanding was that on unscheduled amendments, not on unprinted but unscheduled amendments, there would be 15 minutes to a side; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ABOUREZK. How is it that Senator Case has 30 minutes left on this amendment?

The PRESIDING OFFICER. This is a scheduled amendment.

Mr. McCLURE. I had an hour reserved.

The PRESIDING OFFICER. This is a scheduled amendment of the Senator from Idaho.

Mr. NELSON. Mr. President, the time yielded to the Senator from Wisconsin is from the time of the Senator from South Dakota?

The PRESIDING OFFICER. The Senator is correct.

Mr. NELSON. In response to the Senator from New Jersey, I have an additional brief comment to make on the pending amendment. However, I would like to make my remarks now because I wish to comment on some of the remarks made respecting the parallel between the Gulf of Tonkin and this situation. So I would rather use my 15 minutes now so that it is in context with the discussion that has been going on here on the Tonkin resolution.

Mr. CASE. We will never work this thing out except on the basis of comity. That is the reason why I suggested, perhaps in fairness to the Senator from Florida, that he might be permitted to go ahead now. He has been waiting for an hour for a few minutes in opposition to the amendment itself.

I think it would be rather appropriate to let him have his time in opposition, then Senator STENNIS 2 or 3 minutes. I have no objection myself at all, but I think it is only fair to try to proceed in a fairly orderly way on this.

I do understand this, Mr. President, of course, that this amendment, and most all amendments, are really not offered so much for themselves as they are for expressing a point of view on the resolution in its broadest phases, and I do not object to that at all. But I do think in order to permit reasonable accommodation of the Senator from Florida and the Senator from Mississippi we ought to let them have their way at this point before the Senator takes off on a rather extended discussion of the general proposition.

Mr. NELSON. I might say to my great and good friend I have been here a half-hour longer than the other two, if they have been here for only an hour. I want my remarks to be in the context of the debate that the Senator from Idaho was making, and if it is a very important point to the other two Senators I will sit down and make them after the amendment is over with.

Mr. CASE. Let the Senators speak for themselves.

Mr. STONE. Mr. President, if the Senator will yield, the Senator from Florida is most anxious to hear the comments of the Senator from Wisconsin, and the Senator from Florida will wait until the Senator is through.

Mr. NELSON. The only reason I ask it—and ordinarily I would not—is that I am responding to some comments made by the Senator from Idaho respecting his pending amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. NELSON. I yield to the Senator from Iowa for a unanimous-consent request without losing my right to the floor.

Mr. CULVER. I thank the Senator for yielding.

I ask unanimous consent that Mr. Charles Stevenson of my staff be permitted floor privileges during the course of the consideration of this legislation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NELSON. Mr. President, I intend to vote for the amendment of the Senator from Idaho or against tabling, if that is what the pending motion will be, precisely for the reason that I want to be sure that we do not get into another disastrous *Mayaguez* incident without any consultation with the Congress.

The President's action on *Mayaguez* made a farce out of the War Powers Act so far as that incident is concerned. We ought to face it and we ought to admit it.

Now, just because everybody was on an emotional binge and thought it was a great idea to show our power and because it appeared to have succeeded, does not mean we should not stick to what the law is. As I said a few moments ago, if we had, we would have lost none of our troops, we would have gotten all the other 30 sailors back, and we would not have had to suffer the effects of this foolish and unnecessary incident.

Now, Mr. President, I would like to comment a little bit on Tonkin. I think there may be some vague parallels, but I must say I think the Senator from Idaho overdraws the parallel between the Tonkin resolution and the pending proposal.

I was on the floor at that time for 2 solid days in the consideration of the Gulf of Tonkin resolution. That was on August 6 and 7, 1964. A Presidential campaign was on. The President of the United States and the Democratic Party were saying that we are not going to get into any war, and we were raising the alarms that the Republican candidate for President would get us into a big war which we Democrats opposed. That is the context and the political climate in which that resolution was considered by the Congress.

I offered an amendment to the Gulf of Tonkin resolution which spelled out quite specifically the intent of the Congress respecting that resolution. In that amendment it was provided that nothing in the Gulf of Tonkin resolution shall be interpreted to change our role from a role of technical aid, advice, and material assistance. That nothing in the resolution was intended to change that role.

Our role for years had been technical aid, materiel, and no more.

I was trying to make it perfectly clear that that resolution did not authorize the sending in of any ground troops into Vietnam.

The legislative history is absolutely clear, though the interpretations written by many historians about what the Gulf of Tonkin authorized are plainly incorrect and should be set straight.

The historians are writing and saying the Gulf of Tonkin resolution authorized the President to send ground troops into Vietnam. Let us look at the political climate at the time.

At the time the resolution was pending, before we acted on the resolution, and on October 2, almost 2 months after we adopted the resolution, President Johnson said:

> I am not going to send American boys to fight a war that Asian boys should fight for themselves.

Could it be clearer what our interest was in the context of the debate, discussion, politics, and statements of the President, before and after Tonkin?

If the Senator from Arkansas, Mr. Fulbright had stood on the floor of the Senate those 2 days while my amendment was pending and said, "Yes, this authorizes sending an army into South Vietnam and that is our intent." President Johnson would have repudiated him in 30 minutes. The attack at the time on the Republican candidate was that that was what he wanted to do.

So when we interpret the action of the Congress, we have got to interpret it in terms of what was going on at that period.

What did happen was that after the Gulf of Tonkin and several months later when Vietnam was deteriorating, President Johnson chose to use the loose language of Gulf of Tonkin resolution for a purpose and an intent that was not expressed by him or anybody else at the time it was adopted. When the situation further deteriorated in February the President started calling Members of this body to the White House, and everybody who was a Member then and is here now was called there. I was there.

The President said, "We need to send in some ground troops."

As I recall it, he wanted to send in about 55,000 troops at that time. That would have been, and was when it happened, a conversion of our role in Vietnam from one of technical aid and assistance to one of a direct military participation in that war with our troops.

I left the White House that night and rode home with the Vice President. I said to the Vice President, "Hubert, if we do that, we are going to get into a big war in Vietnam."

I can remember almost exactly the response. The Vice President said "Do you know, Gaylord, there are people in the Pentagon and people in the State Department who want to send in 300,000 troops? The President will never get sucked into that." That was the response of the Vice President.

In early April, about 6 weeks later, the President then asked for action on a $900 million appropriation support sending the ground troops. The Presidential request came to the House of Representatives and was acted upon within hours.

I got a call from Congressman Kastenmeier as to what I was going to do about this $900 million which was going to be used to support ground troops in Vietnam. I said, "I have not heard of it. Is there a committee report?"

There was none. They acted within 24 hours and then it came to the floor of the Senate. I stood up on the floor of the Senate and opposed it along with Senator Gruening and Senator Morse and the three of us voted against the appropriation when we had the rollcall. That is when our role in Vietnam changed. It occurred when the Congress voted the appropriations to endorse what the President told them he was going to do.

If there had never been a Tonkin resolution, if we had never heard of Tonkin, the same event would have occurred. Tonkin did not authorize it, Congress did.

I want to be certain in this instance that it is clear that we do not authorize sending any troops into the Sinai to rescue civilians who are going in as volunteers. They are hired and paid for their services, and have been invited by both sides. If they get hurt, that is their problem, but we should not send our troops into that situation.

So I am going to vote for the amendment.

The PRESIDING OFFICER (Mr. Glenn). The Senator from Montana.

Mr. MANSFIELD. Mr. President, it was refreshing once again, in a moment of potential crisis, to listen to the distinguished Senator from Wisconsin (Mr. Nelson) state the true history of the Gulf of Tonkin resolution and the part he played in it, about which I will have something to say shortly.

But I would point out, Mr. President, that we had better stop, look and listen now, and recognize the potentialities involved in the legislation before the Senate today.

This is just the first small and probably least expensive step on a long journey which will begin with the stationing, I assume, of American civilian technicians in the Sinai between the Israeli and the Egyptian troops located thereon.

It takes nothing into consideration concerning what will happen on the Golan Heights. Will there be American technicians stationed there? And at what cost?

Nothing is being said about the next step, probably the West Bank of the Jordan. Will American civilian technicians be stationed there? Perhaps. And at what cost?

It says nothing about the difficulties inherent in bringing about a settlement for the old city of Jerusalem.

It says nothing about Sharm al-Sheikh.

It says nothing about the PLO.

So I want to raise a warning, if I may, that this is the first small step toward what can become a real involvement as far as this Nation is concerned and, for the first time in this situation, a direct involvement.

Mr. President, I oppose this resolution. Senators should not be under any illusion. This is not simply a resolution to authorize the President to send 200 civilian technicians to the Sinai.

It is a resolution to alter radically the United States' role in the Middle East, the most volatile and dangerous area in the world.

It is a resolution which would result in the Senate's ignoring the treaty provisions of the Constitution.

It is a resolution which will trigger far-reaching commitments to Israel and Egypt without either Congress or the American people knowing the extent of those commitments.

Finally, it is a resolution which has ominous parallels to Congress consideration of the Gulf of Tonkin resolution.

Eleven years ago the Congress, in great haste, approved the Gulf of Tonkin resolution. Then, as now, there were pleas from the executive branch for speedy action. No member of this body contemplated that his vote for that resolution would lead to 11 years of war and more than a third of a million American casualties.

The 303,000 Americans were wounded, more than 55,000 Americans are dead, and the cost will reach about $400 billion before the end of the first half of the next century.

At that time our role in Vietnam was only as advisers. No change in that role was intended by Congress in passing that resolution, as the distinguished Senator from Wisconsin has so aptly brought out. He referred not to the Gulf of Tonkin resolution as being responsible for our participation in Vietnam, that is, the Congress, but when we voted the first appropriation bill.

Here, too, we have a resolution rather innocuous on its face, contemplating only the sending of a limited number of civilian technicians. But, as we should have learned from our experience in Indochina, all too often, events, not good intentions, shape, and control policy.

There is another uncanny reminder of the Gulf of Tonkin resolution here. On Wednesday, the Foreign Relations Committee initially approved an amendment to the text of the House resolution which would have eliminated the implication in section 5 of the resolution before us that the President has inherent authority to make the commitments contained in the underlying secret agreements with Israel and Egypt. Later, the committee reversed itself and struck out that amendment on the grounds that changing the resolution would risk having to go to conference with the House and delay final congressional action on the measure. We are seeing some of the results of that today.

I recall that during the closing moments of the debate on the Gulf of Tonkin resolution Senator NELSON proposed an amendment which would have reiterated that the American role in Vietnam was to be limited to the giving of aid and advice. Senator FULBRIGHT, the floor manager of the resolution, said that, although the amendment reflected President Johnson's policy, adoption of it by the Senate would probably require a conference with the House and delay final passage. History may have taken a different turn if the Senate had done what was right rather than what was expedient, and had followed the advice of the distinguished Senator from Wisconsin (Mr. NELSON).

Mr. President, the sending of American technicians to the Sinai changes the nature of our involvement in the Middle East. By placing the American flag in the middle of the conflict the chances of our involvement in the next round of fighting, should it occur, will be greatly increased, as will the danger of a confrontation with the Soviet Union. This action demeans the peacekeeping role of the United Nations, because they are the ones who should have furnished the technicians. Instead of strengthening that role we are weakening it. I fear that this arrangement for an Israeli withdrawal from some 1,500 square miles of sand—possibly one-tenth, certainly no more, of the entire Sinai—has not enhanced, but has diminished, the prospects for an overall settlement.

It will be argued that Congress has minimized the danger that the technicians will serve as a tripwire to U.S. military involvement in specifying in the resolution that the technicians must be removed if fighting breaks out and that they can be removed by concurrent resolution if Congress thinks they are in danger. Congress is deluding itself if it thinks that these technicians can be pulled out without thereby virtually insuring an outbreak of fighting. Does the Senate want to take on the responsibility for triggering another round of fighting?

And how would we get the technicians out? By use of our military forces, of course.

There are too many potential pitfalls which have not been adequately examined in connection with this proposal.

Much stress has been placed on the fact that civilians, not military men, will be sent to the Sinai. I find no comfort in this argument.

Is the American flag any less involved because they will be civilians?

Are assigned civilians any less deserving of protection by their Nation?

I think not. A national commitment will be involved, either way.

Although the resolution states that passage will not constitute approval of the underlying agreements, this is but an attempt to allow Congress to have its cake and eat it, too. No language in this resolution, the committee report, or assurances from Secretary Kissinger can change the essential fact that the technicians are a part of a package deal. Israel did not sign the pullback agreement in isolation from the assurances contained in the secret agreements. These agreements are part and parcel of the overall arrangement.

If there is any doubt on this score, the State Department has told the Congress that two of the agreements with Israel will not be signed until after Congress has approved the sending of the technicians. No congressional approval is sought for those agreements. It is alleged by the State Department that they are within the President's power to make unilaterally. Once the Congress approves the sending of the technicians, it is morally and politically bound to support the package. Congress cannot wash its hands of the pledges in the other agreements, without a specific statement of disapproval. Its action will be construed as consent.

The disclaimer in the resolution reminds me of the provision the Senate put on the initial Cambodia aid bill in 1970, following the beginning of our military involvement there. The provision stated that by giving aid, the United States was not committing itself to defend Cambodia, thus allowing Congress to say that it had not approved any commitment to the Lon Nol government. But that was followed by more than 4 years of doing precisely what Congress said we were not committed to do. The underlying agreements with Israel and Egypt are there and in this resolution Congress has done nothing to challenge their validity.

Executive branch spokesmen have attempted to downplay the significance of the underlying agreements, which will not be presented to the Congress for approval. Yet the Senate's legislative counsel conclude:

> Constitutionally, Agreement E (with Israel), and possible G (with Israel), and H (with Egypt), are beyond the power of the President to enter into without the advice and consent of the Senate.

For the last several years the Senate has attempted in various ways to restore Congress' proper role in the making of foreign policy. This has focused on efforts to restrain the Presidential practice of making unilateral commitments to foreign countries without congressional approval. Three years ago, for example, the Senate by a vote of 50 to 6 said that any base agreement of foreign aid pledge to Portugal or Bahrein should be submitted as a treaty, subjects of infinitely less significance than the agreements involved here. As distinguished witnesses such as George Ball and Paul Warnke told the committee, several of the provisions in the agreements involved here could be interpreted as military commitments to Israel.

But, the Senate is unable to debate the executive branch's interpretation of these agreements, which will be signed when Congress approves this resolution, because the State Department's legal opinion is classified "secret." How many Members of this body know what is in that document? How many can say, in the view of the executive branch, what the United States is legally committed to?

Yet, in voting for this resolution we will be saying to the President, "I do not contest your right or authority to make the kind of commitments contained in these four agreements." Congress will again be passing the buck to the President, sanctioning his making—unilaterally—major commitments to foreign countries. The Senate will be turning back the clock, repudiating the policy endorsed in the national commitments resolution, by a vote of 70 to 16, that a commitment to another nation can come only by "means of a treaty, statute, or concurrent resolution of both Houses of Congress specifically providing for such commitment."

Mr. President, this resolution does not face squarely the issue of American policy and commitments in the Middle East. It represents only the tip of the iceberg of the Sinai package of agreements. In voting for the resloution, Senators will not be voting only on sending 200 technicians to the Sinai. They will be committed to this entire package of agreements and the significant change in American policy they represent. Throughout the course of our involvement in Indochina the best intentions of Presidents and Secretaries of State were overridden by events. The costs of this package are too high. The risks of the course contemplated by this resolution are too great.

Mr. STONE. Mr. President, I ask for 10 minutes.

Mr. HUMPHREY. Mr. President, how much time do we have?

The PRESIDING OFFICER. Thirty minutes.

Mr. HUMPHREY. I yield the Senator from Florida 10 minutes.

Mr. GOLDWATER. Mr. President, will the manager of the bill on the other side yield me 5 minutes after the Senator from Florida is through?

Mr. HUMPHREY. The Senator from Mississippi has requested 5 minutes. Then I shall be happy to yield to the Senator from Arizona.

Mr. GOLDWATER. The reason for the request is that the Republican candidate for President in 1964 was mentioned. I happen to know him, and I would like to say something about that.

Mr. HUMPHREY. I would like to say a few kind words about him myself—a little late in life, but I would like to take the opportunity.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. STONE. Mr. President, when terrorists invaded the Egyptian Embassy in Spain and held its representatives hostage demanding the repudiation of this Sinai agreement, the response of President Sadat of Egypt was to stand firm. Will we deny him this chance for peace?

When the Prime Minister of Israel was pressured and urged to give up strategic military Sinai passes held by Israel, and he did so in this agreement, thus jeopardizing the domestic political existence of his government, which rests on a very narrow political coalition in the Parliament of Israel, he took that chance. Will the Senate deny him this chance for peace?

The figure of 200 is a figure that has been placed before this body repeatedly: 200 technicians; 200, 200, 200. The Senator from Florida wishes to advance another figure. That figure is 260.

There have been 260 Americans stationed in the Golan Heights and on the Lebanon border as a part of the United Nations peace-keeping force since 1949, without major losses and without troops being called upon to rescue them. In fact, how many of my colleagues even knew they were there?

There are, at this moment, the State Department confirms to my staff, 36 such technicians present there now, and they are military technicians. Has there been any protest? There have been three wars since those American technicians have been stationed in that area. Has there been any major incident? Are we being called upon to rescue them? Were we called upon to rescue them during the three wars in the area?

With whom are they working? They are working with the United Nations. And with whom else? With the Soviet Union, whose technicians are stationed right beside them.

So when the distinguished majority leader, whom this Senator loves and reveres, cautions us that we might be called upon some day to send technicians to the Golan Heights, I say we have had them there since 1949 without major incident, and with much profit to the cause of peace.

To what are we being asked to liken the Sinai agreement? To the Gulf of Tonkin resolution. To what are we being asked to liken this chance for peace, and it is only a chance? To the Vietnamese conflict, in which the United States participated militarily on one side.

The Senator from Florida would suggest a more apt—at least to the Senator from Florida—historical parallel. That parallel occurred when the President of the United States, at the end of the war to end wars, President Woodrow Wilson, tried to set in motion a process for peace. After negotiating skillfully and using everything he had—his heart, soul, and the strength of the American presidency he came back to the Senate, came back to this body, and tried to have the League of Nations ratified, and he was denied it by the Senate. That is the more accurate parallel.

If we wish to have a chance for peace, we have to take a chance for peace. During all the months that Israel was being reassessed against by the United States and being urged by some—and many of the same Senators and leaders who now wish to deny this peace opportunity—to take a chance for peace by getting out of strategic military Sinai passes, what was the call? The call was, "you must take a chance for peace."

You must take a chance for peace. Now Israel has done it. And just as much to the point, the major, the largest, the most significant country in the Arab world, the country of Egypt, also took that chance and proved that it really meant it when its own ambassador was seized to try to back Egypt down

Shortly the President of Egypt will visit this Nation. Will he visit this Nation on the ashes of an agreement that has been initialed but not signed, because we forbid it to be signed? That would be ridiculous.

The Senator from Idaho has said, in the course of supporting his amendment, that we are not now personally physically involved. We have 36 physical involvements there now—the U.S. technicians on the Golan. The Senator from Idaho has asked, in support of his amendment, "Where does this course of conduct lead inevitably if there is a conflict?"

I admit there is a risk. The Senator from Tennessee was man enough to face up to the risk and say of course, if we take a risk by sending our peace-keeping monitors it means protecting our people, just as it means protecting our Ambassadors in Israel, in Egypt, and everywhere else. Or the 36 U.S. peacekeeping technicians that are there now, and the 260 that have been there since 1949.

But I ask, is this course of conduct inexorable? Does this course of conduct inevitably mean that it must lead to a conflict?

The President of Egypt has said no, and he faced an overt challenge, not merely a threat.

In conclusion, Mr. President, it is wrong, it is not only inaccurate but it is wrong, to try to make us think that taking a chance by extending peace is the same as what we did when we took a chance by extending war in Vietnam. This is not yet 1984. Doublethink is not yet here.

War is not peace. Peace agreements are not war agreements.

The Senator from Florida urges that we defeat this and all other crippling amendments and give peace a chance.

Mr. HUMPHREY. Mr. President, I yield 5 minutes to the able Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I feel compelled to say something on this subject because of the assertion of similarity between this matter and our going into South Vietnam.

Preliminarily, though, let us remember the background: that this is the first time, so far as I know, that Israel and Egypt have ever sat down at the same table. It is a great event in history, to me anyway. It is progress. The two nations have made an attempt, apparently, an honest attempt, to set up some kind of a structure here that will lead further.

I am not particularly happy about what has evolved in the negotiations requiring of us a presence there in the desert.

I am one of those who was here in 1954—not 1964, 1954—when we sent the first uniformed military men into South Vietnam. They were airplane mechanics. There were 200 of them. We sent them there for the purpose of keeping the French airplanes flying. They were mechanics. They had the necessary skills. We had already given them the planes.

I, as a country boy, knew that it was a committal of those men. I thought we owed the men everything should they get in trouble, because we sent them there.

But we are not sending anyone this time. No one is going to fight on either side. These volunteers will be civilians, not under military orders or control, or any control, except the President of the United States. They are going not to fight, but to serve. It is possible they may get into something else, but they are not going to fight.

The avowed purpose, on the other hand, in Vietnam was to take sides, to fight and to win.

Now we are taking this step to keep the peace; not even as arbitrators, but simply to insure that these people on both sides get the same intelligence. That may be a big step forward.

I am one who took very seriously this war in South Vietnam. I am as responsible as anyone else and I do not claim any kind of immunity. But I was opposed to the mechanics going in there in the beginning in 1954.

Now we have a situation that is altogether different. Let us not try to smother this by the Bay of Tonkin matter when a resolution passed, as I said before, in a spirit of patriotic outburst. I move on from that. I do not dwell on that.

I want these volunteers notified, and this resolution covers it. No one has to go. They are going voluntarily; they are taking the chance; it is their choice.

Of course we cannot cut them off, though, and make them a target for guerrillas, or other irresponsible people, or in any way make them targets. With great definiteness, I think the amendment goes too far, to put in cold print: "We disown you. We are not responsible under any circumstances. Therefore, anyone who wants to jump on you can do it and we wash our hands now."

That would be misunderstood and put them in an unusual undue hazard, and would work against the whole operation perhaps of this unusual procedure. It is an unusual procedure, true, but we cannot ignore the fact that we have some stakes there. We have some stakes for the time being at least in that area because of the oil that comes out of that area. If there is a slim chance that we can be a part of the processes whereby this thing could evolve and be turned around I think it is a chance that I am willing to take.

Mr. President, I reserve the right to review carefully the amount of money or anything else involved in military aid. I make full reservations on that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I thank the Chair.

Mr. HUMPHREY. I will yield 3 minutes.

Mr. GOLDWATER. I think 3 minutes might do it.

Mr. HUMPHREY. Three minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona has 3 minutes.

Mr. GOLDWATER. Mr. President, during the time my good friend from Wisconsin was discussing the Gulf of Tonkin resolution, he referred to the Republican candidate of 1964. I knew him well.

I just would like to put the record straight, not intending any discourtesy to my friend from Wisconsin. I recall discussing with the Republican candidate at that time that we were already at war in South Vietnam. President Kennedy had sent 16,500 troops with orders to shoot back.

I opposed the Gulf of Tonkin as much as I could, and I advised the Presidential candidate of the Republican Party to oppose it, but he was in no such position. However, he indicated his displeasure with it.

What the Presidential candidate of the Republican Party advocated in 1964 was no ground troops in Southeast Asia, and he did that because he had served in that part of the world, and it is no place for American boys to be.

But what the Presidential candidate of the Republican Party did advocate was the proper use of air power, inasmuch as we were at war, the proper use of the troops that we already had, taking them out from under the misdirection of probably the worst Secretary of Defense this country has ever had and plain win the war.

You know, the longer I live, the stronger I grow in the belief that in my heart I know he was right.

Mr. HUMPHREY. Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. FORD). The Senator has 12 minutes remaining.

Mr. HUMPHREY. Mr. President, I yield myself at this time 8 minutes.

Mr. President, the effort to equate the Tonkin Gulf resolution, known as the Gulf of Tonkin agreement, with the current resolution Senate Joint Resolution 138 is not only like trying to compare apples and oranges but it is, more importantly, like trying to compare a rabbit with a rhinoceros.

Let us just take a look at the facts.

I shall read the operative section of the Gulf of Tonkin resolution, section 2, the first part being the whereases. It states:

> SEC. 2. The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in southeast Asia. Consonant with the Constitution of the United States and the Charter of the United Nations and in accordance with its obligations under the Southeast Asia Collective Defense Treaty, the United States is, therefore, prepared, as the President determines, to take all necessary steps, including the use of armed force, to assist any member or protocol state of the Southeast Asia Collective Defense Treaty requesting assistance in defense of its freedom.

Now I say to our colleagues that is a statement of purpose by the Government of the United States to fulfill a treaty obligation as it saw it at that time with the President having the full power to determine, as it says here, to take all necessary steps, including the use of armed force and the Armed Forces of the United States, to assist any nations that signed up under the Southeast Treaty Organization. That was a specific commitment of the use of Armed Forces of the Government of the United States.

By the way, I say once again that the Members of this body knew exactly what they were voting for. There was no doubt about it. I was not Vice President at that time. I was sitting here as the majority whip. I was involved in that debate, and I asked specifically members of the Committee on Foreign Relations, including the chairman, "Does this resolution contemplate the possible use of troops?" The answer was, "Yes." We knew what we were doing. We cannot erase history.

What are we talking about here? The resolution before us refers to the assignment of no more than 200 U.S. civilian personnel to carry out certain specified noncombatant functions. I want to underscore noncombatant civilian personnel. Then it goes on to say that the proposal would permit the Government of the United States to withdraw such personnel if it concludes that their safety is jeopardized or the continuation of their role is no longer necessary. It goes on to stay, further, that the whole purpose is to enhance the prospect of compliance in good faith with the terms of the Egyptian-Israel agreements and thereby promote the cause of peace.

There is not a word here about the use of armed forces. There is not a word here that, somehow or other, the President can just determine anything he wishes. The President has put before us a specific proposal, and the issue is clearly drawn: Do you want to send 200 civilians, volunteers, for noncombatant purposes, under the restraints in this resolution?

What are the restraints? The restraints are that the United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of outbreak of hostilities between Egypt and Israel, or if Congress, by concurrent resolution, determines that the safety of such personnel is jeopardized, or the continuation of their role is no longer necessary.

What did the Gulf of Tonkin resolution say? It said, "We will use armed forces."

Not only that, President Kennedy and President Johnson had given orders to our forces that were there—not civilians but armed forces—to defend themselves. They were in the Army of the United States. The Green Barets, as Senator GOLDWATER said, were there already—more than 16,000 of them. Many already had been killed.

The Senator from Florida is correct in saying that a large number of Americans has been assigned in the Middle East before. The presence reached a high point in 1947–48, when 357 Americans were assigned to the U.N. Truce Supervisory Organization. Between 1950 and 1973, the number varied between 8 and 20. Following the 1973 war, it was agreed there would be 36 Americans as well as an equal number of Soviets. The Russians are there with the U.N. Truce Supervisory Organization and so are the Americans. There have been no incidents. We have not sent in any troops, nor have the Russians sent in any troops.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not now.

Here is a request that 200 Americans be sent to the Sinai. In 1954, says the Senator from Mississippi, 200 military were sent to South Vietnam—military technicians, to repair French airplanes so that the airplanes could fly and fight. We are sending 200 over to insure that airplanes do not fly. We are sending 200 over as surveillance officers, with the most sophisticated radar, to see that there are no military operations. We are sending them there and putting them in a buffer zone, not in a war zone. We are sending them there with the protection of the United Nations forces, where we already have 36 Americans.

There is no comparison with the Gulf of Tonkin resolution. We are not saying to the President, "Mr. President, go ahead and use armed forces." We are not saying to the President, "We have a treaty that you have to back up."

The President of the United States is saying to us, to the Members of Congress, "Will you authorize the use of 200 civilians for a noncombatant purpose, for the purpose of insuring the validity of an agreement between Egypt and Israel?"

Both Israel and Egypt have asked us to play this role. It is not that we have forced them in. They are American civilians who have been required and asked for by President Sadat and Prime Minister Rabin.

This is not like somebody saying we are sending the Marines. This is not like somebody saying we are sending in the Green Berets. It is like somebody saying we are sending in the keepers of the peace—hopefully.

A risk? Of course. It is a risk to walk out of this building. It is a risk to walk across the street. The only people who have no risk are in tombs. It is a risk to be born. Where are these riskless people?

But I want to talk today about the necessity of our having enough courage to take a risk for peace. There have been resolutions in this body, such as the Middle East resolution of 1956 that had a great deal about sending American forces over, which we readily passed. Now, for the first time, somebody comes to us and says to Conrgess, "Will you put 200 Americans in the Sinai to prevent forces moving across the buffer zone? Will you put 200 Americans with radar and electronic surveillance equipment to give advance warning if there is any movement of troops, so that we can prevent a war? Will you take a little step to assure the possibility of peace?" Peace does not come because you ask for it. Peace comes because you work for it and you take a risk for it. We are not telling the President to use armed forces. We are telling him to use the instruments of peace.

The only other argument is that once you have asked an American, as a duty or as a patriotic duty, to volunteer for this particular assignment, the question then arises that if something happens to him, does this Government have any responsibility? The Government has the responsibility for 36 who are there right now. The Government of the United States has the responsibility for a student who gets caught some place in Europe. You do not always send armed forces.

These 200 will have more protection than any 200 Americans any place else in the world. The 200 hundred Americans asked for by Israel and Egypt in the Sinai will have the protection of the U.N. Forces.

We are being told today that this is Vietnam all over again. I wish to God—and I say it reverently—that we had had as much sense about Vietnam as we have about this matter. I wish we could have had 200 observers over there to come back and faithfully report what was going on. I wish we had had 200 people who understood the political consequences of that war. Everybody in this body who served in it has his own responsibility. I do not shirk mine. I have never backed away from it.

Yes, I think we made a mistake. That is exactly why we have a resolution such as this, that says that we are going to see that the War Powers Act applies. It says, further, that nothing in this resolution, according to the amendment I have offered, shall in any way be interpreted as giving the President any extra powers.

You cannot repeal the Constitution on the floor of the Senate. You will have to do that by the vote of the States. The Constitution of the United States does give the President of the United States certain powers, exactly as it gives Members of Congress immunity from arrest during their service in this body. There are certain powers that are there, and all the talk and all the rhetoric and all the amendments and all the resolutions to the contrary do not change the fundamental document; and that document gives the President certain powers. We have tried to restrain and restrict those powers because of the tragic experiences we have had.

One of the reasons for this resolution, plus the amendment that the Senator from Minnesota just offered, as passed by the House of Representatives, is to see to it that as we search for peace, we do not unwittingly fall into a trap of war. That is it. We are searching for peace. We are doing the work of peace, and blessed are the peacemakers.

It takes guts to work for peace. It takes risk. The Israelis gave up a lot. They gave up plenty. And the Egyptian leader takes his life in his hands to sign this agreement. The militant radical forces of the Arab world do not want this agreement. They threaten the President of Egypt. The Israelis have hard-core people there, too, hard-liners. The Government of Israel is a very fragile government today.

All we are saying, simply, is, peace is a process. These are first steps, first steps toward an ultimate settlement in the Middle East.

As the distinguished majority leader said, great problems lie ahead. Sinai, yes. Golan Heights, Sharm al-Sheikh, Gaza Strip, West Bank, PLO, Jerusalem—those are monumental steps ahead of us.

I want to tell the Senate something: It is not going to be any better if we pretend that we can do nothing about them. The fact that there is some movement, the fact that our Government has pledged itself to seek more movement, the fact that we are acceptable in that area by the Egyptians, in light of our past history, is to be a great forward step.

I want President Sadat, when he comes here, to be impressed by one fact, that the Senate of the United States and the Congress of the United States are willing to take a risk for peace, just as he is willing to put his life on the line. We want to be able to say to that President, "Mr. President, let us move further." We have to say to the President of Syria and the Prime Minister of Israel, "We must move further." And we can do it.

I would not be standing here at this chair—this is not my duty—unless I believed this. I am asking the Senate to reject these amendments. Senate Joint Resolution 138 has been well worked out. It needs to be adopted, and as promptly as possible.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Idaho has 9 minutes. The Senator from Minnesota has 4.

Mr. CLARK. Will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. Mr. President, first, I ask unanimous consent to have the full text of the Tonkin Gulf resolution printed in the RECORD, as well as the full text of this resolution, with the proposed Humphrey amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TONKIN GULF RESOLUTION

[Public Law 88–408 [H.J. Res. 1145] 78 Stat. 384, approved August 10, 1964

[A JOINT RESOLUTION To promote the maintenance of international peace and security in southeast Asia.

[Whereas naval units of the Communist regime in Vietnam, in violation of the principles of the Charter of the United Nations and of international law, have deliberately and repeatedly attacked United States naval vessels lawfully present in international waters, and have thereby created a serious threat to international peace; and

[Whereas these attacks are part of a deliberate and systematic campaign of aggression that the Communist regime in North Vietnam has been waging against its neighbors and the nations joined with them in the collective defense of their freedom; and

[Whereas the United States is assisting the peoples of southeast Asia to protect their freedom and has no territorial, military or political ambitions in that area, but desires only that these peoples should be left in peace to work out their own destinies in their own way: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress approves and supports the determination of the President, as Commander in Chief, to take all necessary measures to repel any armed attack against the forces of the United States and to prevent further aggression.

[Sec. 2. The United States regards as vital to its national interest and to world peace the maintenance of international peace and security in southeast Asia. Consonant with the Constitution of the United States and the Charter of the United Nations and in accordance with its obligations under the Southeast Asia Collective Defense Treaty, the United States is, therefore, prepared, as the President determines, to take all necessary steps, including the use of armed force, to assist any member or protocol state of the Southeast Asia Collective Defense Treaty requesting assistance in defense of its freedom.

[Sec. 3. This resolution shall expire when the President shall determine that the peace and security of the area is reasonably assured by international conditions created by action of the United Nations or otherwise, except that it may be terminated earlier by concurrent resolution of the Congress.]

S.J. Res. 138

Joint resolution to implement the United States proposal for the early-warning system in Sinai

Whereas an agreement signed on September 4, 1975, by the Government of the Arab Republic of Egypt and the Government of Israel may, when it enters into force, constitute a significant step toward peace in the Middle East;

Whereas the President of the United States on September 1, 1975, transmitted to the Government of the Arab Republic of Egypt and to the Government of Israel identical proposals for United States participation in an early-warning system, the text of which has been submitted to the Congress, providing for the assignment of no more than two hundred United States civilian personnel to carry out certain specified noncombatant functions and setting forth the terms and conditions thereof;

Whereas that proposal would permit the Government of the United States to withdraw such personnel if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary; and

Whereas the implementation of the United States proposal for the early-warning system in Sinai may enhance the prospect of compliance in good faith with the terms of the Egyptian-Israeli agreements and thereby promote the cause of peace: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to implement the "United States Proposal for the Early-Warning System in Sinai": *Provided, however,* That United States civilian personnel assigned to Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized or that continuation of their role is no longer necessary. Nothing contained in this resolution shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this joint resolution.

Sec. 2. Any concurrent resolution of the type described in the first section of this resolution which is introduced in either House of Congress shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of Public Law 93-148 is privileged under section 7 of such law.

Sec. 3. The United States civilian personnel participating in the early warning system in Sinai shall include only individuals who have volunteered to participate in such system.

Sec. 4. Whenever United States civilian personnel, pursuant to this resolution, participate in an early warning system, the President shall, so long as the participation of such personnel continues, submit written reports to the Congress periodically, but no less frequently than once every six months, on (1) the status, scope, and anticipated duration of their participation, and (2) the feasibility of ending or reducing as soon as possible their participation by substituting nationals of other countries or by making technological changes. The appropriate committees of the Congress shall promptly hold hearings on each report of the President and report to the Congress any findings, conclusions, and recommendations.

Sec. 5. The authority contained in this joint resolution to implement the "United States Proposal for the Early-Warning System in Sinai" does not signify approval of the Congress or any other agreement, understanding, or commitment made by the executive branch.

Mr. CLARK. Will the Senator yield on his time for 1 minute for a question?

Mr. HUMPHREY. I yield on the Senator's time. He has so much.

Mr. CLARK. Do I have time, Mr. President?

The PRESIDING OFFICER. The Senator has time on the resolution.

Mr. CLARK. I yield on my time.

It seems to me, listening to the debate that has taken place the statement by the distinguished majority leader and the statement by the Senator from Wisconsin, that the very point was not that the content of the Gulf of Tonkin resolution is comparable to this. I interpreted both of their statements differently. It is not the content, but, rather, the haste with which these are being considered and with which—that is the comparison—with which the Gulf of Tonkin was being considered.

What do I mean by the haste? I mean precisely the point that the Senator from Montana made, that when an amendment was offered in the Senate Committee on Foreign Relations that I certainly felt that the majority agreed was a good amendment, it was said, "No, we cannot accept that amendment, because it means we are going to have to go to conference."

I suspect that we are going to hear the argument all afternoon, and all day tomorrow, that we cannot accept amendments because it is going to mean that the House may have to stay here one more day and go to conference. To me that is the comparison that the Senator from Wisconsin and the Senator from Montana were making. We are going to be offering amendments here this afternoon. I know I have three and others are going to be offering amendments. I think that is the comparison. If the argument is not going to be made that we ought to consider these amendments on their merits, rather than whether we are going to delay the recess one more day, or whether we are going to argue that, somehow, we cannot possibly go to conference with these because we do not have time, then I think the comparison which they make is a very good one.

Mr. HUMPHREY. Mr. President, I shall respond on my time.

First, the argument will be made against the merits of the amendment as well as the procedure because there is a matter of substance called timing. If this agreement should unravel, if this agreement should not be signed at the time that a man who has put his political life on the line comes to visit, it can have serious political and international repercussions. That is the judgment of the Senator from Minnesota.

But let me talk about haste. I was here, on the Senate Committee on Foreign Relations, when we considered the Gulf of Tonkin resolution. It was considered in the morning, it was marked up at noon, and it was voted on in the afternoon. One day.

Mr. NELSON. I think the issue was on the floor 2 days, August 6 and 7.

Mr. HUMPHREY. It was a half day in the committee, brought in in the afternoon, and voted on the next day. The Senator is correct. That is the equivalent of 1 day, the equivalent in time of 1 day.

We have had this resolution before us since the first of September. We have had hours of hearings. It has had its documentation disclosed in the public press. It has been debated all across the Nation. We had the Secretary of State before us for 8 hours, I believe, approximately. We had the Assistant Secretary of State for the Middle East for many hours. It is not as if it has not been ventilated.

The real truth is, let us face it, there is an honest disagreement. I do not impugn the motives of anybody else. My goodness, there is good reason to be concerned about this. That is why we are here. There are people, such as my able and brilliant friend, the Senator from Montana, who do not believe that we should have this resolution. He makes a powerful case. I am for voting on the merits. But it is not as if somebody is trying to put a quickie through here, not at all.

May I say that many of the amendments which are being contemplated—I do not know all that will come—do not substantively change this resolution at all. Some of them are very modest. Some are basic. We will meet them on the basis of substance.

Mr. NELSON. Mr. President, will the Senator from South Dakota yield to me just 1 minute so I may make clarification of the record on my previous remarks, and in order to make an insertion in the Record?

Mr. ABOUREZK. I yield 2 minutes.

Mr. NELSON. Mr. President, in making my remarks respecting the vote on the appropriation to send ground troops into Vietnam in April of 1965, since I did quote, as best I could remember, the remarks of the distinguished Vice President at that time, I want the record to be clear that Vice President Humphrey was appalled by the idea that was advanced by people in the Department of State and in the Pentagon, that we should send in 300,000 troops. I think perhaps, in reading what I said, someone might interpret what I said to mean that the Vice President thought it was a good idea. He thought it was a very bad idea and was appalled that anybody was considering it.

In mentioning the Republican candidate for President (Mr. Goldwater), I did not wish to leave the impression that he wanted to start a ground war. What I was saying was that, in the context of the debate in the campaign, the Republican candidate was being attacked as one who wanted to start a big war. In viewing Tonkin in that context, it is pretty clear that neither the President of the United States nor this body intended to say that we were going to start a ground war in Vietnam.

THE CAMBODIAN VIEW OF "MAYAGUEZ"

Mr. President, last month the Deputy Premier of Cambodia, Mr. Ieng Sary, was interviewed in New York City. During the course of that interview, Mr. Sary discussed the Cambodia seizure of the American cargo vessel, the *Mayaguez*, last May, and the U.S. military action which quickly followed. Mr. Sary's remarks are particularly noteworthy since he handled the crisis for the Cambodian Government from Phnom Penh. He makes it perfectly clear that they were returning our crew and were getting them back as fast as they could and we bombed them anyway and sacrificed 50 lives. Mr. Sary states that Cambodian leaders in Phnom Penh did not know that their armed forces had captured the *Mayaguez* and in fact learned about the seizure only through American broadcasts, because in his words, "American technology enables them to bring information much faster than our armed forces." Their prompt response upon meeting with the military commanders involved was to order the immediate release of the *Mayaguez* and its crew. The release could not be effected, however, before American military action had begun. "We regret this incident" says Mr. Sary, "Death is unnecessary."

I submit for the Record the text of the *Mayaguez* portion of Mr. Sary's New York interview, as provided by the Indochina Resource Center of Washington, D.C., along with two press accounts of the interview which also appeared earlier last month, and ask unanimous consent that they be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Remarks by Mr. Ieng Sary, Deputy Premier of the Royal Government of National Union of Cambodia, Concerning the Evacuation of Cambodia's Cities and the "Mayaguez" Incident

Concerning CIA activities in Cambodia and the Mayaguez incident:

According to the documents we found, there are Cambodians—not Americans—and they have joined the CIA organization. Because of this, we know that the CIA has continued its activities. Because of this our people have organized our vigilance.

On this point, we would like to tell you about the *Mayaguez* boat. This problem actually should not have brought about a big bloodbath. This affair I handled myself with my own hands.

In Cambodia there are two islands, Wei (sic) Island and Tang Island. The ship *Mayaguez* came from the east to the west (with gestures and two water glasses Mr. Sary demonstrated the ship's course). With the spirit of revolutionary vigilance the armed forces watched the ship *Mayaguez* come very close to the island, so our fighters had to capture it. From our information the ship *Mayaguez* came within six kilometers of the island, and the armed forces then captured the ship.

The leaders in Phnom Penh did not know it. This shows that our armed forces are very vigilant, preventing this from creating more problems. The armed forces are workers. In the ship they have the equipment—the radio equipment—and the armed forces knew that this ship was operated for information-gathering.

When the armed forces captured the *Mayaguez* ship, we in Phnom Penh did not know it and we learned only through the American broadcasts, because the American technology enables them to bring information much faster than our armed forces. After learning about the *Mayaguez*, we got in touch with the armed forces on the island and we called upon the commander in Kompong Som to come to Phnom Penh and inform us about all the activities in this affair.

Around 2:00 P.M. they arrived in Phom Penh. At 5:00 P.M. we ordered them back with instructions to release the *Mayaguez* ship immediately, conscious that we do not want to have any difficulties with the US government. While we were ordering the release of the ship the Americans bombed Koh Tang with the forces from Thailand. They bombed Koh Tang so hard that they thought everyone who stayed on Koh Tang had been killed. But our armed forces remained there waiting for the American troops to come and then we started to attack them. According to the US press they reported that 50 or 80 killed or wounded—but in reality, there were more than 100 killed or wounded.

We regret this affair, this problem. Death is unnecessary. We gave orders at Sihanoukville to release all Americans and American crew, yet the Americans came and bombed us, the Sihanoukville and Ream harbor, causing a lot of casualties to innocent peasants.

The CIA will continue to interfere in our problems and other activities. This is the reason that we have to continue to raise our vigilance. We have enough experience with the CIA, we know we cannot completely eliminate the problem, but we can deal with them.

[From the Washington Post, Sept. 8, 1975]

Cambodia: Didn't Order Ship Seized

(By Elizabeth Becker)

The Cambodian government did not order the capture of the American merchant ship Mayaguez and first learned that its forces had seized it from an American radio broadcast monitored in Phnom Penh, according to a high Cambodian official.

Ieng Sary, deputy premier and foreign minister, said in a speech Saturday night in New York that after Cambodian leaders learned of the May 12 incident they ordered the leader of the local troops who seized the ship to travel to Phnom Penh to explain the seizure. He was then told to return to the area where the ship had been captured and release it.

Before these orders could be carried out, Ieng Sary said, American forces began their attack to recover the ship.

A State Department spokesman declined to comment on Ieng Sary's remarks.

According to official American reports, the capture of the ship occurred early the morning of May 12, and more than 50 hours elapsed before U.S. troops landed, after numerous warnings, on Tang Island on May 14. The boat and crew were recovered later. The incident occurred shortly after the American withdrawal from Cambodia and South Vietnam.

Ieng Sary's remarks are believed to be the first detailed public explanation of the Mayaguez incident by a Cambodian official.

Speaking before a friendly audience of peace group members, the Cambodian official said that he personally handled the Cambodian side of the affair.

The foreign minister, who was in New York to attend a special session of the U.N. General Assembly, defended the capture of the ship, saying: "The armed forces are workers. They saw the ship within six kilometers (3 miles) of the island and captured it without the leaders knowing it."

Ieng Sary did not deviate from the initial claim by the Cambodian government on May 14 that the ship was in his country's territorial waters when it was captured. He did say, however, that Cambodia did not want "to have any difficulty with the U.S. government."

Referring to the radio report, he said, "The American technology enabled them to bring us the information much faster than our own armed forces could."

About 130 representatives of various American and foreign anti-war groups attended the speech and reception given by the Group of Khmer Residents in America.

Ieng Sary said that, after hearing the broadcast, the leaders "got in touch" with the armed forces on the island and then called the head of the coastal naval base at Sihanoukville port, ordering him to come to Phnom Penh at once.

"He arrived at 2 p.m.," the foreign minister said. But he did not give the date. "He informed us of this affair and around 5 p.m. we ordered him back with the order to release the Mayaguez ship immediately."

Ieng Sary then said that the "bombs came down" and American troops attacked the island before the order could be carried out. He also added that "a lot of peasants" were wounded in the American bombing of Ream harbor.

In his considerably compressed version of the Cambodian strategy, Ieng Sary did not mention any of the numerous American attempts to contact the Phnom Penh leadership.

On May 12, when President Ford first heard of the capture, which he branded as "an act of piracy," he convened the National Security Council for a 45-minute session. Diplomatic efforts were then made to secure the release of the ship, according to official reports, but the new government, in power for less than one month, did not respond.

A spokesman for the Voice of America said that news of the ship's capture was broadcast shortly after it occurred.

It was more than 48 hours later, at 7:07 p.m., Washington time May 14, that American officials said they heard the first Cambodian announcement read over radio by Information Minister Hu Nim, saying the ship would be released. The American assault began at 6:30 p.m. Washington time, according to U.S. officials.

[From the New York Times, Sept. 9, 1975]

A Cambodian View of Mayaguez Case—Phnom Penh Was Not Aware Ship Had Been Seized, Deputy Premier Says

(By Paul Hofmann)

Cambodian gunboats seized the American containership Mayaguez last May 12 without the knowledge of the Communist Government in Phnom Penh, according to Ieng Sary, the Cambodian Deputy Premier.

He said the authorities in Phnom Penh learned of the seizure "through American broadcasts, because the American technology is able to convey information much faster than our armed forces can."

He maintained that "a blood-bath" had been unnecessary, saying that the Phnom Penh Government had ordered the release of the ship and its crew but that American forces attacked while the release was being arranged.

Mr. Ieng Sary, who left the United States yesterday after a week's visit to the United Nations, gave this account here Saturday at a reception arranged at the Union Theological Seminary by a small group of Cambodians living in the United States.

According to a transcript of his remarks made available by Gareth Porter, director of the Indochina Resource Center in Washington, D.C., and George Hildebrand, an associate, Mr. Ieng Sary also explained that the forced evacuation of large numbers of people from Phnom Penh after the Communist takeover of April 17 was dictated by a lack of food.

The Deputy Premier noted that the population of Phnom Penh had swollen in the last stage of the former Government to three million from two million. The new authorities, he said, carried out an evacuation "without bloodshed in a week" because the countryside offered some possibilities to feed the evacuees.

This version contrasted with reports soon after the Communist take-over, that the new rulers had begun a peasant revolution, forcing as many as three million or four million people out of Cambodia's cities to the countryside, to till the soil.

"I HANDLED THAT AFFAIR"

The Deputy Premier, who spoke in Cambodian, with an English translation provided by a leader of the Cambodian community here, Sok Hom Hing, an economist, gave his versions of the Mayagüez case and of the evacuation of Phnom Penh in reply to questions from the audience at the seminary, Broadway at 120th Street. The reception was attended by more than 100 members of groups that opposed the war in Indochina.

According to the transcript, Mr. Ieng Sary said of the Mayagüez crisis: "I handled that affair with my own hands."

He said the ship was sailing westward within six kilometers of the small Wai Islands when Cambodian forces, "in a spirit of revolutionary vigilance," captured her. American accounts at the time had said the ship was eight miles—which would be about 13 kilometers—off the island when seized.

"The leaders in Phnom Penh didn't know" of the seizure, Mr. Ieng Sary went on, praising the "vigilance" of the Cambodian soldiers, whom he described as "workers." He asserted that the armed forces knew that the Mayagüez was being "operated for information-gathering." The Deputy Premier said that, on learning of the incident, the authorities contacted the forces on the islands and their commander in Sihanoukville on the mainland, ordering him to report to Phnom Penh.

The commander, according to Mr. Ieng Sary, arrived in the capital at 2 P.M. on an unspecified day "and at 5 P.M. we ordered him back under instructions to release the Mayagüez immediately."

The day after her capture off the Wai Islands, the Mayagüez was moved to Tang Island, and the crew was put on fishing boats and eventually taken to Sihanoukville before being released.

While the release of the vessel was being arranged, the Deputy Premier said, the Americans bombed Tang Island—"bombed so hard that they thought everyone who had stayed on the island had been killed." However, according to Mr. Ieng Sary, Cambodian units held out and attacked the United States forces when they landed.

He asserted that orders had been given to release all captured Americans but that the United States forces bombed the island, Sihanoukville, the nearby mainland harbor of Ream, causing many casualties.

The Deputy Premier charged that "the CIA will continue to interfere in our problems" and that such activities by the Central Intelligence Agency were the reason why "we must continue to raise our vigilance."

Speaking of conditions in Phnom Penh, Mr. Ieng Sary said that before the capital's capture by the revolutionary forces the "imperialists," meaning the United States, had supplied 30,000 to 40,000 tons of food to the city every month. He asserted that, in the revolution's spirit of self-reliance, the authorities did not want to depend on any help from abroad, and so decided to "disperse" the capital's population.

Mr. McCLURE. Mr. President, I will not prolong this debate. I think it has been a very useful and constructive debate about what our policy is and about what our understanding is. But I should have known that when the very able Senator from Minnesota, and my good friend, started out by quoting narrow legalisms, that he was going to try to get us off the subject, and the Senator from Iowa, very aptly, replied by saying it is not the narrow language of the Gulf of Tonkin resolution that any of us are worried about in terms of the parallels; it is not even, in my mind, simply the question of timing and, to refresh the Senator's memory, I would say this debate started on the Gulf of Tonkin resolution on August 6. The Senate came in—that was on a Thursday, incidentally—and on Friday, August 7, 1964, the Senate came in at 10 a.m. and debated it until it concluded and voted on it at the end of 2 full days of debate on the floor, and it was not any more truncated a debate than the one we are enjoined here today.

As a matter of fact, if we want to look at the record—and the Senator from Wisconsin is exactly correct that he did try to get the Senate to adopt an amendment which would have limited the effect of the Gulf of Tonkin resolution, and that debate appears 50 pages later in the CONGRESSIONAL RECORD after the debate in which Senator Cooper and Senator Fulbright had the exchange in which Senator Fulbright said that the President of the United States could commit troops to a land war in Asia under the Gulf of Tonkin resolution.

But it is not my purpose to debate all of the facts, the rights or the wrongs, or who did what in regard to the Gulf of Tonkin resolution except to draw the parallel that some of those who voted for the Gulf of Tonkin resolution later found themselves unable or unwilling to live up to the commitment they made on August 7, 1964.

I do not want us to do that again. If we vote for this resolution let us clearly understand what its implications are and let us, as the Senator from Minnesota has said, have the guts to stand up for it later because there were some who found themselves short on that score later on, on the Vietnam question.

I hope when we get around to the question of the vote on this resolution and, consistent with our purposes to bring peace to the Middle East, we will have the courage to take some risks. I hope we will have the honesty to live up to the commitment made when we take those risks. I hope we are willing to pay some price, and I hope when it comes time to vote for the appropriations that are the price that we will vote that price.

Let us debate whether or not those prices and those risks are appropriate to the gains we will make, but let us not try to kid ourselves that somehow this formula has no risks in it. To equate it with the danger of walking out the front door is to demean the debate by attempting to belittle the size of the risks that are involved.

It has been said we can withdraw the people. Surely we could have withdrawn the people from Vietnam at any time. As a matter of fact, that was debated in the Gulf of Tonkin resolution. It is frightening how many parallels there are because they made the point that Congress could at any time vote by congressional resolution to stop our commitment to Vietnam.

What was the fact? It became politically and tactically impossible for Congress to do that for many, many, many long years.

We are going down a course that has some inexorable events that are predictable, and if we are going to go down that road let us say we are willing to face those.

I want to read again from that debate because I think again it is instructive, and I do it only because I think it lends some credence to the argument that we know where we are going. Again it was my senior colleague from Idaho who made these remarks:

> A country must live with the policy it adopts whether it is wise or foolish. We have adopted the policy.

He said:

> So, Mr. President, we must accept the consequences of our own actions. We must now face the fact that the difficulties in which we find ourselves are our responsibility in having chosen to pursue a course of action which exposed us to such hazards.

What are the hazards? It is said we can get these men out. The Senator from Kansas indicated that all they have to do is call a cab if there is no conflict at that particular time. I would suggest the Senator from Kansas has not been in the Mitla and Giddi Passes, and cabs are quite some distance away. But the point he makes if there is no conflict it is easy to get them out is very true. But it was also mentioned by another Senator on the floor that if the tension begins to grow and the likelihood of an outburst of any kind of conflict becomes greater, it becomes correspondingly impossible to withdraw the observers, because that would send the wrong signal at the very worst time possible, and so, as the tensions build and the likelihood of hostilities becomes greater, our ability to withdraw the technicians becomes correspondingly smaller, until the point where it becomes absolutely impossible to withdraw the observers until the beginning of conflict.

What happens if the conflict actually does break out, how long does it take before our observers, our technicians, our American, U.S. civilian personnel are in the thick of the conflict? Look at the map. Look at the little area carved out of the Israeli frontline in which to place these. Look at the distance from the Egyptian lines where they would be, and you would have to know, if you know anything at all, it will be a matter of only minutes or, at the very most, 2 or 3 hours until they would be involved in the midst of the fighting.

What are our options in that period of time? Our options are very limited. They do not indicate, as my friend from Kansas facetiously indicated, the possibility of calling a cab. It does not even, in my judgment, necessarily yield itself to the safe extrication of these people by sending helicopters in from some naval force in the Mediterranean; nor can we rely, as some would have us say that we can, on the offices of the United Nations to get our observers and technicians out by the route of the U.N. forces. So I think we must face up to the likelihood if there is an outbreak of hostilities—and I hope there is not, but if there is an outbreak of hostilities—our men will be in the midst of it, and then what is our response? Is our response to abandon them? Is our response to be, as the Senator from Wisconsin would have us say, they would be safe because they will be in somebody else's prison as the men of the *Mayaguez* were? Or is our response going to be what the President of the United States did under the War Powers Act and as he could do under the amendment offered by the Senator from Minnesota, send troops in to get our people out.

That is what we are confronted with today. That is the issue presented by my substitute for the Humphrey amendment. That is the issue that this Senate must vote on. I do not want any Senator anywhere at any time to say he did not understand it. If he votes against this amendment he cannot say that he does not want troops sent in because if he votes against this amendment he is saying he does want troops sent in, and I think there is absolutely no equivocation on that point. The only question is what is the result then of having sent troops in.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator's time has now expired.

Mr. McCLURE. I thank the Presiding Officer.

Mr. HUMPHREY. Mr. President, I yield the remainder of my time on this side to Senator CASE.

The PRESIDING OFFICER. The Senator from New Jersey has 2 minutes.

Mr. CASE. Mr. President, it is not necessary to support the Senator from Minnesota. I have not heard many speeches more eloquent; in fact, I never heard any more eloquent; and beyond that, more filled with wisdom and the fruit of experience.

I underscore only one or two points. The first point I want to underscore is that we are not going in here as a volunteer. The United States is going in, as we emphasized again and again, and I wish to underscore myself, at the request of the parties. Israel and Egypt said to us, "Please help us make peace, please help us make peace."

Will we say to them, "No, we will not help you make peace"

That is the question, Mr. President, on the broad issue of our participation in this limited peacekeeping mission.

The broad question comes up in the debate on this amendment, properly so, because the amendment is not offered for its own sake. It is offered to raise the main question.

But I do point out this, in my final word on the amendment itself, whether one is against or for this resolution one would certainly vote against this amendment because it introduces a strange, an unnatural, a repulsive concept into the relations between the U.S. Government and its citizens who are carrying out a mission for the peace of the world.

I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I now move to table the amendment in the nature of a substitute by the distinguished Senator from Idaho.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota. The yeas and nays have been ordered and the clerk will call the roll.

The legisvlative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. CANNON), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. McGEE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

The result was announced—yeas 68, nays 25, as follows:

[Rollcall Vote No. 436 Leg.]

YEAS—68

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Culver
Curtis
Dole
Domenici
Durkin
Eagleton
Eastland

Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hartke
Haskell
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mathias
McClellan
McIntyre

Mondale
Montoya
Moss
Pastore
Pell
Percy
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—25

Abourezk
Biden
Burdick
Clark
Cranston
Fannin
Hatfield
Hathaway
Helms

Hollings
Magnuson
Mansfield
McClure
McGovern
Metcalf
Morgan
Muskie
Nelson

Nunn
Packwood
Pearson
Proxmire
Randolph
Scott,
  William L.
Talmadge

NOT VOTING—7

Bayh
Cannon
Hart, Philip A.

Inouye
Laxalt
McGee

Sparkman

So the motion to lay on the table was agreed to.

Mr. CASE. Mr. President, I move to reconsider the vote by which the motion to table the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment.

The amendment was agreed to.

Mr. CASE. I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, will the Senator yield for action on a concurrent resolution?

Mr. HUMPHREY. I yield the Senator 1 minute.

ADJOURNMENT OF THE TWO HOUSES OVER THE COLUMBUS DAY HOLIDAY

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 424.

The PRESIDING OFFICER (Mr. DURKIN). The Chair lays before the Senate House Concurrent Resolution 424, which the clerk will state.

The assistant legislative clerk read as follows:

H. CON. RES 424

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, October 9, 1975, they stand adjourned until 12 o'clock meridian, Monday, October 20, 1975.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Clerk of the House and the Secretary of the Senate, respectively, be, and they hereby are, authorized to receive messages, including veto messages, from the President of the United States.

Mr. MANSFIELD. I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Strike out Sec. 1 of the Resolution and insert:

That when the House adjourns on Thursday, October 9, 1975, and when the Senate first adjourns after the final disposition of H.J. Res. 683, they stand adjourned until 12 o'clock meridian Monday, October 20, 1975, or until 12 o'clock meridian on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MANSFIELD. In other words, Mr. President, the Senate will not adjourn in accordance with what the House is contemplating doing until and unless the Sinai resolution is finally disposed of.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. PERCY. I would like to ask a question of the majority leader as to what his judgment is as to what our position is going to be now. We will stay in session until we finish this. There are material differences between our version and the House version. Will there be a conference after that?

Mr. MANSFIELD. I doubt very much that there will be a conference next week, but I believe there will be the week following.

Mr. ABOUREZK. Mr. President, will the majority leader use his microphone, so we can all hear?

Mr. MANSFIELD. Unless, of course, the conferees come back, which would not do them much good, because it would take a majority of the House to dispose of any amendment agreed to in conference.

Mr. ABOUREZK. What is the motion made by the majority leader?

Mr. MANSFIELD. The motion is to adjourn, and do so on the basis of completing work on the Sinai agreement now under consideration.

Mr. ABOUREZK. Was it the majority leader's statement that we could not have a conference on this Sinai agreement in any event?

Mr. MANSFIELD. I said it was highly doubtful, because the House will go out tonight. We will go out, hopefully, tomorrow or Saturday, or Monday or Tuesday of next week. I said it would be possible if the conferees came back, but they could not accomplish too much because they would have to wait for final disposition by the House and the Senate.

Mr. ABOUREZK. So the agreement would still lay over for another week in any event; is that correct?

Mr. MANSFIELD. It all depends. This is a pro forma procedure which is usually acceded to, and I think the distinguished Senator from South Dakota was one of those who were most interested in the schedule the leadership was trying to follow at the time.

Mr. CURTIS. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. Yes.

Mr. CURTIS. By completing work on the Sinai matter, the Senator means completion by the Senate?

Mr. MANSFIELD. That is correct.

Mr. CURTIS. And not completion of the conference.

Mr. RANDOLPH. Mr. President, reserving the right to object, would the majority leader tell me when he feels we might have a final vote on Sinai?

Mr. MANSFIELD. We have the unanimous-consent agreement to vote not later than 4 o'clock tomorrow afternoon.

Mr. RANDOLPH. Would he think we could perhaps finish before that hour?

Mr. MANSFIELD. Yes, indeed.

Mr. ABOUREZK. Mr. President, was it the request of the majority leader that the adjournment would take place upon completion of the work on the House Sinai agreement?

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. ABOUREZK. Just a minute.

Mr. MANSFIELD. All right, I will withhold it.

Mr. ABOUREZK. I object to the unanimous-consent request.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. It is not a unanimous-consent request. There is an amendment pending. The yeas and nays have been requested. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana to House Concurrent Resolution 424. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Virginia (Mr. BYRD), the Senator from Nevada (Mr. CANNON), the Senator from Hawaii (Mr. INOUYE), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Wyoming (Mr. MCGEE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

The result was announced—yeas 86, nays 5, as follows:

[Rollcall Vote No. 437 Leg.]

YEAS—86

Bartlett
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClure
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
William L.
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—5

Abourezk
Allen
Durkin
Glenn
Weicker

NOT VOTING—9

Baker
Bayh
Byrd,
Harry F., Jr.
Cannon
Hart, Philip A.
Inouye
McClellan
McGee
Sparkman

So Mr. MANSFIELD's amendment was agreed to.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

Without objection, the resolution, as amended, is agreed to, as follows:

H. CON. RES. 424

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, October 9, 1975, and when the Senate first adjourns after the final disposition of H.J. Res. 683, they stand adjourned until 12 o'clock meridian, Monday, October 20, 1975, or until 12 o'clock meridian on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and the Senate, respectively, to reassemble whenever in their opinion the public interest shall warrant it or whenever the majority leader of the House and the majority leader of the Senate, acting jointly, or the minority leader of the House and the minority leader of the Senate, acting jointly, file a written request with the Clerk of the House and the Secretary of the Senate that the Congress reassemble for the consideration of legislation.

SEC. 3. During the adjournment of both Houses of Congress as provided in section 1, the Clerk of the House and the Secretary of the Senate, respectively, be, and they hereby are, authorized to receive messages, including veto messages from the President of the United States.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SINAI EARLY WARNING SYSTEM

The Senate continued with the consideration of the joint resolution (S.J. Res. 138) to implement the U.S. proposal for the early warning system in Sinai.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question recurs on the motion of the Senator from South Dakota to recommit.

Who yields time?

Mr. ABOUREZK. Mr. President, for the information of the Senate, last night I made the motion to recommit; and under an agreement, we were to bring it up today. We have had the intervening amendments by further agreement. I want to debate briefly the motion to recommit and the reasons why I am making the motion.

Mr. HUMPHREY. How much time is there on this motion?

Mr. ABOUREZK. I have 1 hour.

The reason why I have made the motion to recommit is that the Sinai agreement has been submitted as a resolution, which requires a simple majority in both Houses. That is the way it has been brought up. It was not really necessary to do it that way. But I believe that the agreements contained in the Sinai resolution constitute agreements of sufficient magnitude and sufficient commitment on the part of the United States that it should be made into a treaty.

The motion to recommit is made so that if the Sinai resolution is passed, it will go back to the Committee on Foreign Relations, with the hope—on my part, at least—that the Foreign Relations Committee will require the administration to submit it as a treaty, so that it could be debated as a treaty, considered as a treaty, and voted upon as a treaty.

The obligations we are undertaking in this Sinai agreement are of tremendous magnitude. The debate this morning brought out a great deal of those commitments and what they mean in their interpretation.

I do not think there is any question that if we approve the Sinai agreement and we place 200 American technicians in the Sinai and something happens, we are going to send troops in to protect them. I think that was conceded by many Members who are supporting the Humphrey amendment and who oppose the McClure amendment and the Abourezk amendment.

Second, as the distinguished majority leader has said, we cannot separate the 200 technician portion of the agreements from the other commitments that were made and were called separate agreements by the Secretary of State.

There is no way to separate them, in spite of what he says, that they stand or fall on their own.

Once the resolution we are considering today is passed, I cannot conceive of Congress denying Israel military aid in the amount Israel requests, following the approval of this resolution. If we tried to do that—Senators must understand that this is hypothetical—if we tried to deny Israel the military aid agreed upon in the other portions of the agreement, there would be an outcry on the part of everybody involved that we were breaking our commitments, even though today we are being told that we have no other commitments.

So I think that these agreements that bind the United States to heavy involvement in the Middle East, that bring us to a potential nuclear showdown, nuclear confrontation, with Russia, must of necessity be submitted as a treaty and debated and voted on as such.

I reserve the remainder of my time.

Mr. JAVITS. I yield myself 3 minutes.

Mr. President, I believe that the arguments which have been made on the amendments this morning, though not particularly relevant to those amendments, very adequately set forth the situation and dealt with the problems which are raised by Senator ABOUREZK's motion to recommit. I am very pleased that he has defined clearly that his purpose is to require that this particular submittal be a treaty.

This is a question in American constitutional law that is by no means novel. Whether or not the President will submit whatever he calls it—an agreement or a treaty or any other document—for consideration by the Senate as a treaty is his prerogative, and the reason is this: So far as we are concerned, we are not in anyway committing the United States in terms of paramount law, a treaty being the only law that can be passed that is equal to the Constitution, insofar as it affects domestic problems; but normally the treaty is so imprecise in that regard, or just states general principles, that it must be implemented by domestic law.

However, conceivably, a treaty could be so specific as to be law, in which case it would be paramount. If the President does not submit it as a treaty, then it has no force of law whatever. If the President claims, as he does in this case, that it is an agreement by him, then, except as Congress passes on it, either by what we are doing today in some specific detail, such as the 200 technicians, or as a treaty, it has no force—and I am now trying to separate the word "law" from the words "force or effect."

It has no force or effect except as to this particular President, who has pledged his good faith to do this, that, and the other thing. There is no court in which he can be sued, and there is no international tribunal in which he can be arraigned. If he is satisfied that what he has done is effective enough for his purposes and for the purposes of our country to simply have his signature on it, it is very hard for us to complain because no law is involved. There is only a law if we pass a law or if we ratify a treaty.

Therefore, in American practice, it has been in the province of the President as to whether he would or would not submit something as a treaty. The President has not chosen to submit this as a treaty. Indeed, he has only chosen to submit one thing here, which is the matter of the 200 technicians. As to everything else—this has been argued very hotly, and I am sure it was argued in respect of the previous amendments—they are simply undertakings which he makes for himself, as the President of the United States.

We have analyzed the situation as to his authority or power to do the things he says he is going to do.

The general feeling that I have, but it is based partly upon the legal memoranda of the State Department and also upon my own review of the documents, is that the only thing that he undertakes to do which is operative is to deal with the oil question. That is No. 3 in the memorandum which is one of the four major documents involved here, which has been put on every Senator's desk.

There, the authority is claimed to be a statutory authority, based upon laws of the United States already in existence. Insofar as it requires payment of money, the administration makes it very clear that it has no money to pay, that if it wants money for those purposes, it will seek an authorization and appropriation through the proper action of Congress.

Under those circumstances, Mr. President, I do not see how a recommittal of this measure to the Committee on Foreign Relations will do anything but cause us to meet on one day, hear what I have just stated to the Senate, and return the measure for 200 technicians to the Senate, just where we have it today. Mr. President, I see nothing in this but an interval of time to no purpose whatever. Therefore, I believe the motion should be rejected.

Mr. CLARK. Will the Senator from New York yield for a question?

Mr. JAVITS. Yes. I yield myself 2 more minutes.

Mr. CLARK. It is my interpretation of what the Senator just said that Executive agreements have no standing beyond the present administration—the administration that makes it.

Mr. JAVITS. I would not say that, I say to the Senator, for this reason: Succeeding Presidents could be bound to do what this particular President says he will do and impliedly says Presidents that follow him will do. But I see no obligation in the law to that effect. In other words, as I said before, I do not know what court he could be sued in or what international forum in which he could be arraigned. But our country is a noble country. I should believe that unless there were some very, very strong and persuasive reasons to the contrary, a successor to President Ford would feel that he should do what President Ford said he would do.

That, I am arguing, does not constitute a treaty or the law of the United States. If the Senator will recall our argument in the committee which paralleled this one, if the President of the United States has a right—and I believe he does—to say he will consult, he will recommend, he will study, he will use his best efforts with other countries, many of the things, most of the things which are contained in this memorandum—that is fine. We can have no complaint about that. The reason for the Case commitment resolution, and I was very much a party to it, was that Senator CASE believed that executive agreements had been entered into, and we had a lot of evidence on that, which said the President would do X, Y, or Z, and we never knew about it. That was the thing.

I come to the last point, which is a credible one. Suppose a President enters into an Executive agreement which we think is ultra vires—in other words, what we think he can do himself. We have a perfect right not only to complain about it publicly, but to pass a sense of the Senate resolution, serving notice on the President that we believe he has no such authority as he says he is going to assert in his Executive agreement. That, I think, is a perfectly permissible thing.

Also, we may take a substantive position against something we think the President should not do. For example, the President, in this memorandum, says, "I am going to do certain things about oil and I base my authority upon this law." We can repeal that law, we can amend that law, and just sweep the ground out from under his feet. It does not have to remain there. So there is a serious purpose about our knowledgeability about the executive agreement.

Mr. CLARK. Is the position of the Senator from New York that Mr. Monroe

Leigh, legal adviser to the State Department, in his letter of September 18 that has been referred to a number of times, is accurate in identifying these memorandums of agreement as executive agreements? Are they executive agreements, in the Senator's judgment?

Mr. JAVITS. I prefer not to deal with that question, because, in substance, they have sent them to us and, therefore, I have a right to consider that they have sent them to us under the Case Act. I do not want to preempt the attitude of Secretary Kissinger, who seemed to have some difference with the counsel in the State Department about how those were to be designated. I do not wish to get into that, except to say that I am glad they did send them. I am glad that, even with Kissinger's reservations, they decided the question substantively, rather than what might be the technical words of the Case commitment resolution.

I have already volunteered, which one should never do, to Senator Clark, whose good faith I hold in the highest respect—I wish him to know that, and the same with my colleagues, Senator ABOUREZK and Senator BIDEN—what the Senate could do, just to demonstrate, and I do not want to get into a discussion on what is or is not an executive agreement.

Mr. CLARK. Will the Senator yield 10 minutes?

Mr. ABOUREZK. How much time do I have on this resolution?

The PRESIDING OFFICER. The Senator has 54 minutes remaining.

Mr. ABOUREZK. I yield 14 minutes to the Senator from Iowa.

Mr. CLARK. I thank the Senator.

Mr. President, I can say in all honesty that I do not know how I am going to vote on this recommittal motion. On the one hand, I tend to feel, with great reluctance, that it may be necessary to send the 200 technicians to the Middle East. Nevertheless, I think the argument that the Senator from South Dakota makes, that this should be sent to the Senate as a treaty, makes eminently good sense. I must say that we do not stand alone in that respect. It is my recollection that virtually every professional witness that came before our committee testified exactly the same way. That testimony can stand for anyone to read.

It is my recollection, also, that as one looks—in fact, if I may turn to it—at the State Department's own criteria for what constitutes a treaty—and I have them before me—one would have to conclude that the nature and the seriousness of these matters that are being brought before Congress, that are being given to Congress to look at—not to pass on—the so-called memorandums of agreements, do indeed meet the State Department's own criteria as a treaty.

Let me read this first criterion to distinguish between an executive agreement and a treaty. This comes from Foreign Affairs manual, S. 721.3, dated October 25, 1974.

> The extent to which the agreement involves commitments or risks affecting the Nation as a whole.

The seriousness, in other words, of the commitment.

This body, in the last several years—certainly the last 2 or 3 years—has taken the theoretical position, as the Committee on Foreign Relations has, over and over again, that we have too many executive agreements, that we ought to insist that when legal commitments, binding commitments of the United States, are made, they ought to be sent up here as treaties. I think the major single criterion is the seriousness of the nature of that commitment.

What, in fact, has happened? We have found, year after year, that the Senate allows the President of the United States—not just this President, but Presidents back for some time—to take the most serious matters in terms of commitments and write them as executive agreements and send up to us treaties that are of much, much less significance.

Let me quote some of those that have, in the last few months or years, come up. I am speaking here from the executive calendar of the 94th Congress, dated September 30, 1975. Here are the treaties that this body is allowed to advise and consent on. I am not saying they are inappropriate, but compare them to this agreement that is before us today, the associated agreements in the so-called memoranda of agreement with Israel and Egypt. Here are the things that we are asked to talk about. Here are the things in which the Senate is being asked to advise and consent.

June 15, 1972, International Convention on Tonnage Measurement of Ships, signed for the United States at London, June 23, 1969.

Customs Convention on Containers, 1972; International Convention for Safe Containers, both signed at Geneva on September 5, 1972.

Again, more recently, just to take a look at three of the last five that the Senate has been asked to ratify:

Protocol for the Continuation in Force of the International Coffee Agreement of 1968 as extended, adopted September 26, 1974.

Again, partial revision of the Radio Regulations, with the final protocol signed at Geneva June 8, 1974.

The very last one that this distinguished body considered: Agreement between the Government of the United States of America and the Government of the Federated Republic of Brazil concerning shrimp, signed at Brasilia, March 14, 1975. That is the kind of agreement that this body is asked to pass on to advise and consent. But agreements which, in my judgment, could go so far as to involve the Armed Forces of the United States do not qualify as treaties. Those are not treaties.

I happen to disagree with the idea that it is up to the President to decide which of these are to come before this body as treaties and which as Executive agreements. I think this body has to make that decision for itself. The President has the choice as to what he wants to send up, but we have the choice as to what we want to accept.

I cannot, for the life of me, understand why the commitments that are contained here, which the State Department has identified as legally binding commitments on the United States in six of the several cases, should not be determined to be, would not fit under the criteria of, a treaty.

I frankly have heard very few people in this body or in the Foreign Relations Committee make the case that somehow these are not of a significant nature or not of a nature, in light of other criteria, that the Senate indeed should not advise and consent on them.

Senator Sam Ervin, who did a considerable amount of study on this subject of executive agreements and treaties, points out in hearings he held last year the trends that have taken place, that the Senate indeed has allowed to take place, with regard to treaties and Executive agreements.

If I may quote from the U.S. Government Printing Office document on Hearings Before the Subcommittee on Separation of Powers of the Committee on the Judiciary, U.S. Senate, 92d Congress, he makes the following points:

> The trend toward using executive agreements rather than treaties has accelerated in recent years. In 1930 the United States concluded 25 treaties and only nine executive agreements. In 1968, however, the United States concluded 16 treaties and 266 executive agreements. But by January 1 of 1972, 947 treaties and 4,359 executive agreements were in force for the United States.

That is the trend, and we see the nature of the treaties that are being sent up before this body to consider, and yet theoretically we say over and over again we ought not to allow it to happen; we ought to insist that significant agreements get the advice and consent of the Senate.

Here is just one more example, just one more excellent example. We are committing ourselves to legally binding commitments, in the opinion of the Secretary or State or his legal adviser in a memorandum which the people of this country are not even allowed to see, and yet we say, no, let them go through. They really are only executive agreements.

Now, what is an executive agreement in relation to a treaty in terms of how binding it is? In my judgment it is just as binding in international law as a treaty.

I would like to cite some evidence of that. In other words, the case that I would like to present to the Senate is that in international law executive agreements have the same standing as treaties, and when we pass this particular measure with respect to the 200 technicians, the measure that is before us, the joint resolution on 200 technicians, that will trigger the signing of these agreements which will have all the force in international law of a treaty. Now, that is what we really are talking about here. Let no one be mistaken about the fact that it will trigger the signing. These two documents, the joint resolution before us and the secret memorandum of agreement, are inextricably tied.

Let me read the legal adviser's opinion on this, Monroe Leigh, Secretary Kissinger's legal adviser. Here is what he says:

> You know, these two documents were initialed in Israel on September 1.

Speaking of the memorandum of agreement—

> It was understood on both sides that the memorandum of agreement would not come into force until signed by representatives of the two governments, and that no such signing would take place until the Congress acted on the proposal.

When we act on this proposal, the Secretary of State, on behalf of our Government, will sign them and, in my judgment, they will have all the force of a treaty on which this body has not been given the right to advise and consent.

Now, why do I say that they would have all the force in international law of a treaty? In my judgment, the State Department itself recognized that each is equally binding and obligatory. In a letter to Secretary of Defense Johnson on January 17, 1950, Under Secretary of State Webb stated as follows:

> In international law, treaties and executive agreements both constitute equally binding obligations on the nation.

It could not be much clearer.

This is from the Digest of International Law. All available evidence, Mr. President, indicates that the conclusion of the Department of State is beyond challenge. The 1969 Vienna Convention on the Law of Treaties defines the term "treaty" to include executive agreements, and makes no distinction between the two. Let me quote:

> Treaties mean an international agreement concluded between states in written form and governed by international law whether they are embodied in a single instrument or in 2 or more related instruments and whatever its particular designation.

Continuing to quote:

> The provisions of paragraph 1 regarding the use of terms in the present convention are without prejudice to the use of those terms or to the meaning which may be given to them in the internal law of any State.

Now, the International Law Commission commented on this definition of a treaty as follows. Here is the third authority:

> The juridical differences, insofar as they really exist at all, between formal treaties and treaties in simplified form, lie almost exclusively in the method of conclusion and entry into force. The law relating to such matters as validity, operation and effect, execution and enforcement, interpretation and termination applies to all classes of international agreements. The use of the term "treaty" as a generic term embraces all kinds of international agreements in written form and is accepted by the majority of jurists.

This is from the Yearbook of International Law Commissions. One could go on and on.

In the Harvard Review on International Law it concluded as follows:

> The distinction between the so-called executive agreements and treaties is purely a constitutional one and has no international significance.

I have to conclude from that, Mr. President, it is the opinion of all of the authorities I have cited plus, I believe, virtually every public witness who came before our committee, that these should be sent up as a treaty. We may or may not want to accept them, but the Senate ought to insist, it seems to me, that they have the advice and consent of the Senate, that they be considered. As it is now, we have no consideration at all over these legally binding commitments that are going to go into force as soon as we pass, Congress passes, on these 200 technicians.

Mr. President, I yield back my time.

Mr. ABOUREZK. I want to thank the Senator from Iowa for that very erudite exposition on the law and the facts on this question of treaties.

Mr. President, the State Department, as the Senator from Iowa said, has time and again defined treaties to encompass what we are considering here today.

I want to read a quotation from the Assistant Secretary of State in 1939 that is quoted in the Columbia Law Review, volume 59, page 751:

> International agreements involving political issues or changes of national policy and those involving international arrangements of a permanent character usually take the form of treaties. But international agreements embodying adjustments of detail carrying out well-established national policies and traditions and those involving arrangements of a more or less temporary nature usually take the form of executive agreements.

Time and again, the State Department has identified an agreement such as we are considering here today and the attendant agreements that were kept secret from the public so long as statements which would constitute a treaty.

I agree that I do not believe the President or the Secretary of State ought to be allowed to define on their own terms what a treaty is or what an Executive agreement is. I believe that should be up to the Senate and not to the Executive.

I reserve the remainder of my time.

Mr. President, I would like to say one thing, I would like to get the yeas and nays on this motion.

The PRESIDING OFFICER. The yeas and nays were ordered last night.

Mr. ABOUREZK. Pardon?

The PRESIDING OFFICER. They were ordered last night.

Mr. ABOUREZK. That is right, we did, and I am ready.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, I know of no reason why the time cannot be yielded back on this, it is fine, we agreed that by 2 o'clock we would be protected, and we will be now.

May I ask how long the vote will take, what is the time limit?

The PRESIDING OFFICER. Fifteen minutes.

Mr. CASE. I yield back the time on our side.

Mr. ABOUREZK. Under the order, I am entitled to use the remainder of my time on other amendments. Is that not correct?

The PRESIDING OFFICER. Not the remainder of time on this motion, but the Senator has 206 minutes remaining under the order.

Mr. ABOUREZK. I yield back the remainder of my time on this motion, I am ready for a vote.

Mr. CASE. Is this up or down, or tabling?

The PRESIDING OFFICER. Up or down.

Mr. CASE. It is the Senator's motion to recommit?

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit of the Senator from South Dakota. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Nevada (Mr. Cannon), the Senator from Hawaii (Mr. Inouye), the Senator from Wyoming (Mr. McGee), and the Senator from Alabama (Mr. Sparkman), are necessarily absent.

I also announce that the Senator from Michigan (Mr. Hart), is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada (Mr. Cannon), would vote "nay."

The result was announced—yeas 9, nays 85, as follows:

[Rollcall Vote No. 438 Leg.]

YEAS—9

Abourezk
Biden
Curtis
Durkin
Helms
Hollings
McClure
Scott,
William L.
Stevenson

NAYS—85

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hartke
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—6

Bayh
Cannon
Hart, Philip A.
Inouye
McGee
Sparkman

So the motion to recommit was rejected.

The PRESIDING OFFICER. The Senator from Iowa.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, will the Senator from Iowa yield for a unanimous-consent request?

Mr. CLARK. I yield to the Senator from Massachusetts, and then to the Senator from West Virginia.

Mr. KENNEDY. I ask unanimous consent that Mr. Ginsburg, a member of the staff, be accorded the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. CLARK. I yield to the Senator from West Virginia.

SENATOR PROXMIRE BREAKS HIS RECORD

Mr. ROBERT C. BYRD. Mr. President, the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) has just cast his 4,000th consecutive vote. He had previously held the record of 3,000 consecutive votes. He had held the record of 3,001 consecutive votes. He had held the record of 3,002 consecutive votes. He had held the record of 3,050 consecutive votes. He had held the record of 3,500 consecutive votes. He had held the record of 3,999 consecutive votes; and today he again broke his own record. On the rollcall just finished, in fact, he has broken all of his previous records by casting his 4,000th consecutive rollcall vote. He has answered more consecutive rollcall votes than has any other Senator in the history of this body.

Mr. President, I think this meticulous attention to his duties indicates the sensitivity of conscience, the independence of mind, and the supreme dedication to his constituents that Senator PROXMIRE has always demonstrated to all of us. I personally congratulate him, and I feel that it is a great credit to the Senate that a Member would cast so many consecutive rollcall votes without an absence. I would certainly hope, and I daresay there is a pretty good chance, that this record will never be equaled, certainly not in the lifetime of any of us here, and possibly not in this century.

I salute the distinguished Senator from Wisconsin (Mr. PROXMIRE) in absentia, he not being at his desk. [Laughter.]

Mr. PERCY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. The Senator from Iowa has the floor.

Mr. PERCY. Would it be possible for the Senator to yield for half a second, for a commentary?

Mr. CLARK. I yield.

Mr. PERCY. I would like to register my objection to the record attained by our distinguished colleague from Wisconsin (Mr. PROXMIRE). It is bad enough to have had him make me feel like a sluggard, as I pass him every day as he is running to the Senate and I am driving by in my automobile; but to have him also outdistance the rest of us on consecutive rollcall votes, and by such a distance, is insufferable. I think he ought to take that into account as he goes for number 5,000.

Mr. ROBERT C. BYRD. Perhaps the Senator from Wisconsin will consider the Senator's objection.

SINAI EARLY WARNING SYSTEM

The Senate continued with the consideration of the joint resolution—Senate Joint Resolution 138—to implement the United States proposal for the early-warning system in Sinai.

Mr. CLARK. I yield to the Senator from California.

PRIVILEGE OF THE FLOOR

Mr. CRANSTON. Mr. President, I ask unanimous consent that Chris Cohagen, a member of my staff, may have the privilege of the floor during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that Andy Loewi, of my staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I yield to the Senator from Colorado.

Mr. HASKELL. Mr. President, I ask unanimous consent that John Cevette be accorded the privilege of the floor during the consideration of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I yield to the Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent that Wes Barthelmes and Miss Dale Lewis of my staff be granted floor privileges during the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. CLARK), for himself and others, proposes an amendment as follows:

At the end of the joint resolution add the following new section:

SEC. 6. (a) For the purposes of Rule XXXVI of the Standing Rules of the Senate, it is the sense of the Senate that leave of the Senate is granted that the "Legal Memorandum" transmitted in connection with the letter of October 6, 1976, of Monroe Leigh, Legal Adviser, Department of State, to Honorable John J. Sparkman shall no longer be considered confidential.

(b) The provisions of this section may not be construed as indicating agreement or disagreement on the part of the Senate or any Member thereof with respect to anything contained in such Memorandum.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. With regard to the time, it is my understanding that I have 60 minutes, and that Senators HUMPHREY and CASE have 30 minutes. Is that correct?

The PRESIDING OFFICER. That is the Chair's understanding, but let me check to be sure.

That is correct.

Mr. BIDEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIDEN. It is my understanding that according to the unanimous-consent agreement, the Senator from Colorado (Mr. HASKELL) and I would each be allotted an hour on this amendment also. We had indicated that there would be three amendments we would be calling up, which we would attempt to merge. This is one of the amendments that has been merged. I do not intend to take anywhere near a full hour, but I want a clarification as to whether that is the understanding of the Chair.

The PRESIDING OFFICER. The Chair is advised that the Senator from Delaware, indeed, has an hour, but there is no provision for the Senator from Colorado.

Mr. HASKELL. Mr. President, I had understood the unanimous-consent agreement of yesterday evening provided the Senator from Colorado an hour to be used on an amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. HASKELL. Well, that amendment has been merged with the amendment of the Senator from Delaware and the Senator from Iowa.

The PRESIDING OFFICER. In that event, the Senator has the time.

Mr. CLARK. Mr. President, this amendment, introduced by Senators BIDEN, HASKELL, STEVENSON, and myself, would do one thing, and one thing only: Make available to our colleagues and our constituents a State Department legal memorandum stating the administration's view as to which of the provisions of the memorandum of agreement associated with the Sinai Accord represent legally binding commitments on the United States.

The memorandum is now classified as secret.

Mr. President, the question before us is really much larger than the Middle Eastern agreement. The question is, What is the role of Congress and the people in the conduct of American foreign policy?

In speaking to the press on September 4, Secretary of State Henry Kissinger declared:

> The American people will know all we are committed to.

He stated as a fact, at a press conference on September 4, that the American people will know all that we are committed to.

Mr. President, unfortunately the administration has done absolutely nothing to date to fulfill that pledge. If it were not for two facts, the American people would still know absolutely nothing about what is in those agreements.

First, obviously, a newspaper was able to obtain copies, and printed them. That is how the American people learned of these commitments.

Second, last Friday, 1 week ago today, the Committee on Foreign Relations moved to declassify these documents. If it had not been for those two actions, the American people would be totally in the dark as to what is involved in these agreements. The Secretary of State has still not fulfilled his pledge that the American people will know all that we are committed to.

The problem is that although, through a leak and through the action of the Foreign Relations Committee, the basic agreements have become known to the American people, the fact is that the memorandum, the so-called Leigh memorandum, which describes the specific paragraphs which the State Department feels are legally binding on this Nation, is still not public. It is classified as secret.

So, Mr. President, the only real question before us with regard to this amendment is whether or not we believe that the American people, who are going to be legally bound by these commitments, ought to know what they are. It is as simple as that.

Should the American people be told what the State Department believes to be legally binding commitments on this country, not only on this administration, because there is no time limit whatsoever in this legislation?

From time to time, the question has been raised as to whether there ought to be a time limit, but no amendment has been so offered. If it is passed as it is, there are commitments without limit in terms of time.

So, simply put, this vote is to ask Members of the Senate whether they feel their constituents have a right to know what the State Department interprets to be legally binding commitments on the United States. So that is what this vote is all about.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, on my own time, I associate myself with the remarks made by the Senator from Iowa (Mr. CLARK), and I add a few other comments.

In an attempt to reassure us in committee over the past several weeks, the Secretary of State and/or one of his designees have time and again in executive session explained to us that certain provisions either contained in the Memoranda of Agreements, that we have all come to know about by now, do not mean quite what they say, or they, in fact, may not be as binding as they appear, and there was really no intention for them to have the effect that is ascribed to them by some members of the press and some of our colleagues.

I found myself in the dubious position, having been for the 2½ years I have been here in the United States a strong supporter of the State of Israel, of voting as the only Member of the Committee on Foreign Relations, along with Senator MANSFIELD, against reporting out a resolution which I do not have that much objection to in substance.

What I do object to is the fact that the assurances given to us by the State Department—which I might add, parenthetically, would I think reassure the American people, and make them less apprehensive if they knew what the State Department was, in fact, binding us to—are less broad than they have been alleged to be. Without us telling the American people and our colleagues what in fact this administration says it is bound to do, what we are about to do is to approve the technicians' resolution tied to a lot of hollow assurances that breakdown in terms of semantic arguments at a future date as to whether or not the Secretary of State really meant thus and so. He told us in closed session whether or not the President really did not mean that he, as President, could, under certain circumstances, take such and such an action based on those agreements. Do we really know whether or not the Secretary of State was correct when he said such and such a provision is not legally binding upon the United States of America?

In the absence of this memorandum, which is a legal interpretation by the State Department of its own documents, it seems to me, as reasonable men, we must assume that every single solitary paragraph, sentence, and word in the memorandum of agreement between Israel and the United States and between Egypt and the United States is, in fact, legally binding. If we recall the scenario that we have gone through, the administration says, once Congress reports this resolution as to these 200 technicians, we are going to sign all the memoranda of agreement involved. Once we sign those memoranda they automatically become executive agreements. Our position is that executive agreements have a binding force of a treaty in international law, and they bind the U.S. Government domestically to that nation.

Then the State Department memo goes on to say, "But not everything is legally binding." Yet, unless the memo is disclosed, assuring us what is binding and not binding that, in part, I feel is the reason why many of my colleagues on the Committee on Foreign Relations were not willing to vote this out. Unless they are willing to go on the public record before the American people and tell us the degree to which they feel these things are binding, how are we to be able to hold them to that, if in fact at a later date this administration or the next administration decides to put a much broader interpretation on what everyone, I submit, must agree is at least an ambiguous document. That is the Memorandum of Accords between Israel and the United States.

Secretary Ball, testifying before the Committee on Foreign Relations, spoke to the question of ambiguity in this specific memo time and again. He said he thought it was an extremely bad practice in international affairs to leave things in such an ambiguous state.

The retort by some on the committee, and in closed session by the Secretary of State, was that ambiguity is a necessary diplomatic tool.

That is all wonderful. It is a necessary diplomatic tool. That would be fine if it only spoke to this administration for tomorrow or the next day. But everyone agrees, including the distinguished manager of the bill, that once these people have an accord go into effect, which will happen when we vote this out, that at least future Presidents are bound by what we are allowing to go out of this Chamber and take the full force and effect of an effective agreement tomorrow, the next day, or whenever we report it out.

Again, how can we justify not letting the American people know what our President's interpretation of ambiguous agreements is? How can we justify keeping that interpretation secret and then turn around and say to the American public but accept it and accept our good faith, that they really do not mean very much, that we really are not committing to send American troops, that we really are not selling in advance our vote on the Security Council, that we really are not guaranteeing passage in the Straits of Gibraltar and the Suez Canal, and use of military force if need be?

I believe the Ford administration when it says it does not mean all of that. But I happen to be a little bit more skeptical.

Someone said a little earlier that we have to accept someone's word. When the United States of America, all its power, and all its dollars are potentially on the line, I am reluctant to accept anyone's word under any circumstances other than those which are tightly drawn, as a matter of law, or as a matter of treaty so that reasonable men at a future date cannot go back and say, "But we really meant thus-and-so."

I dislike standing here having to refer to these agreements in terms of thus-and-so, this-and-that, if we do, if we do not, instead of being able to specifically cite what we have agreed to.

Evidence of the fact that this should all be public is borne out by the fact that in debate, I cannot even say to my colleagues that paragraph 10 means blank, paragraph 8 means such and such: Here we are with open covenants, openly arrived at in this great deliberative body, and I say that the ladies and gentlemen of the press should write to all our constituents and tell them that they now know it all, they in fact are fully informed, and we have nothing really to worry about.

If I can digress for a moment, do Senators recall the last year and a half of adventure at the executive level? A year and a half ago, when we made a change in the guard of the Presidency, we all stood and said:

> This proves we are a Nation of laws and not of men. We, in fact, are a nation that abides by laws, not having to rely on the good faith of whomever happens to sit in that executive branch.

I submit to the Senate that if in fact we keep this memorandum classified, if in fact we vote out the technicians' resolution without spelling out the ensuing commitments, we will have taken one more step to confirm that we are not a Nation of laws, and that we continue to rely upon the good faith of whomever holds the Office of the Presidency to do what is in the best interests of America.

I am sure there will be some who will say that all they are really interested in is the safety and security of America and that those who insist on debate and revelation will jeopardize peace in the Middle East. As someone said yesterday, "I love America more than I love both political parties." That is a bunch of claptrap.

All I am asking for, and all the Senator from Iowa is asking for, is just to put it on the table. Quite frankly, if it were put on the table, I could vote for this. I think the extent of what the administration in its secret memorandum interprets as being legally binding and not legally binding is a reassurance. But I am not going to count on the good faith of the next President to abide by a noncommitting interpretation of the past administration.

I do not want to be in the position, in this Chamber, in 1977, when we have a Democratic President in the White House who favors a point of view different from that of the Republican President and who is more adventurous than this President, to say: "You know, what we really agreed to in paragraph 10, Senator CLARK, was that it was a treaty, a mutual defense pact. Therefore, we are obliged, under paragraph 10, to take such action."

As to the counterargument, I always like to give the other fellow's argument because I can slant it as much as I wish. The argument given back to us as to why this could not be released was a very interesting and intriguing one. Dr. Kissinger testified in response to a question by me and others as to why we could not declassify the legal memorandums—even though, by the way, we had declassified the things to which it refers. I am paraphrasing. He said:

> You can understand, Senator, that we still have the four documents referred to, which are classified. Therefore, when we give you an interpretation of what we still consider to be classified, we of necessity have to classify it.

I said:

> Wait a minute. We declassified it. The American public has seen it, even though we have not debated the particulars of it. The American public has seen it. I am at a loss to understand why you cannot declassify your interpretation of what declassified documents mean.

Well, what that might do, it was told to me and others, is that it might give a greater binding effect to what we intended than the administration wants to give. Again, the administration, in closed hearings, time and again—and I hope my colleagues will correct me if I am wrong—leaned in the direction of trying to convince us that this had a significantly less binding effect than it might even appear, but we did not want to tell people that, because if we told people that, perhaps the parties in the Middle East would not think we are such good guys.

So what we are going to do in the meantime—paraphrasing former Secretary Ball—is to let Cairo and Tel Aviv believe what they want to believe about these assurances.

I refer to page 63 of the testimony, in response to a comment by one of the most articulate men I have ever run across, Senator JACOB JAVITS. These were open hearings, and they are declassified. I say to Senator CASE that I want to make sure I do not say anything that is classified.

This is what Senator JAVITS said:

> I don't care how Jerusalem or Cairo interpret what they think is an undertaking or an assurance, but I care everything about what we think and what we represent to the Congress, which is in my judgment the only binding assurance or commitment to be an assurance or commitment by the United States. Sadat and Rabin may say they understand anything, but it is what we understand that will determine what we will do, and that is in my judgment why it was so critically important to get that representation which we will get and we have gotten already from the President of the United States.

He was referring back to the door being locked, front and back, where he said the President says, "I have given you all there is to give. I have assured you of everything we have assured."

The response of Mr. Ball is very persuasive. He said, in response to Senator JAVITS:

> Well, with all due respect I care very much how Jerusalem interprets this. I care very much how Cairo interprets this. They are going to base their action and conduct in the future on how they interpret it. If they interpret it one way and assume these are binding commitments we have put them in a very, very false position. If the Congress does not think they are binding commitments, I think that this comes back to the central point I was making a while ago—ambiguity is a very, very dangerous element in international exchange and I think it is extremely important that we make it clear to these other capitals what we mean or otherwise we are going to head into greatest international misunderstanding.

I do not know how to escape the logic of former Secretary Ball's assertion. The only way that we in this Chamber and the American people can be sure that Cairo and Jerusalem know precisely what we mean, the only way we can be assured that the President of the United States means no more than he is saying he means in that confidential memorandum, the only way we can proscribe our adventures in the Middle East, is at least to declassify this document, which takes every paragraph of the memorandum, the "Sinai accord," and gives the State Department's interpretation as to what it means.

Unfortunately, not many of our colleagues are presently in the Chamber to hear this argument. I suspect that when they walk into the Chamber, the argument on disclosure will be cast in the following way: If you disclose, you are likely to jeopardize peace in the Middle East. The best way to assure that there will be peace in the Middle East is not to disclose, not to let these sensitive documents, which are of the highest national interest, be known by the American people or be known by my colleagues in this Chamber.

To the best of my knowledge, no one but members of the Committee on Foreign Relations have even seen this memorandum. I may be wrong.

Finally—and I will reserve the remainder of my time as I end with this comment—I am going to offer an amendment immediately after this one, on behalf of Senators CLARK, STEVENSON, and HASKELL, which speaks to a portion of the resolution and states that we, in Congress, in effect view all of the memoranda of agreement—and by the way, I reiterate that those memoranda are going into effect once this resolution is voted upon—that the statements, commitments, and assertions in that memorandum of agreement are nothing more than assurances of the good faith of this administration.

I believe we stand an even chance of not declassifying this. If, in fact, we do not declassify this and then if the amendment which I referred to were defeated, we in Congress would be saying that we are willing to vote out 200 technicians, which immediately puts into effect at least 16 points with regard to Israel and I believe 3 or 4 with regard to Egypt. We are willing to do that without even knowing what the effects of those points are, according to the State Department.

It seems incredible to me that we could do that. It is sort of like: "Don't tell me. Let me close my eyes. I don't want to know what we are committing ourselves to. Just give me broad assurances and tell me about peace in the Middle East and that I've got to trust somebody," even though we have before us in the Committee on Foreign Relations a detailed document explaining what they believe to be the extent of the commitment. I fail to understand how we can put our head in the sand. Somebody pointed out to me, one of my colleagues, "You know, Joe, Senator CLARK and you and the others are raising good points here, but the problem is, you are probably going to get whipped. And then, you know what? Then we will not be able to argue ambiguity later, because we will have known or have had the access to know and decided not to."

So we will have precluded ourselves at a later date from coming back and saying, "Mr. President, we didn't mean to give you that authority," because the President says, "This is what I think my authority is." That is incredible. It is absolutely incredible. In the name of peace, in the name of honor, in the name of the flag—in the name of God—we are going to go forward with our head in the sand and not only not stop what is a stupid occurrence, but preclude ourselves or, as we lawyers say, stop ourselves at a future date from arguing that they did not have the power to do what they did.

If I keep talking, I am even going to get angry with myself. So I guess what I will do is reserve the remainder of my time and hope that someone can put my mind at ease and explain to me how what I have said does not have the effect of what I have said; because, as I said in the beginning, I would love an excuse to vote for this resolution. I would love an excuse to be able to be put in the posture of, once again, backing a nation which I feel a strong commitment to. But what is at odds here, it seems to me, is not whether or not I, or anyone else, am willing to commit myself to Israel or to peace in the Middle East, but whether or not we are willing to commit to the constitutional processes and responsibilities of this functioning U.S. Senate.

I thank the Chair. If I have any time left, I reserve the remainder of it.

Mr. HASKELL. Mr. President, I associate myself with the remarks of Senator CLARK and Senator BIDEN. It is the height of absurdity not to know, at least, what one's own government thinks he is being asked to commit. Admittedly, if the amendment is attached to this resolution, it is not going to help us very much this time. By the time we will have seen it, we will have cast our vote in the dark, or semidark. However, I think it is very important, from a precedent-setting viewpoint, that when we enter into agreements with foreign countries—when the Senate and the House of Representatives are asked to vote, one way or another—they have the benefit of their Government's official views.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, am I correct that this is a resolution jointly introduced by Mr. BIDEN, Mr. HASKELL, Mr. CLARK, and Mr. STEVENSON?

Mr. BIDEN. If the Senator will yield, yes, that is correct.

Mr. CASE. Senator BIDEN has used his time on the proposal. How much time is available still?

The PRESIDING OFFICER. The Chair advises the Senator that the amendment was offered by the Senator from Iowa on behalf of himself and the Senator from Delaware, the Senator from Colorado, and the Senator from Illinois. The Senator from Iowa has 54 minutes; the Senator from Delaware has 37 minutes; the Senator from Colorado has 59 minutes.

Mr. HASKELL. If the Senator will yield, I shall transfer the remainder of my 59 minutes to the next amendment that is going to be brought up by the Senator from Delaware. I have nothing further to say on this amendment.

The PRESIDING OFFICER. As the Senator recalls from the unanimous-consent agreement of yesterday, that, in itself, requiries unanimous consent.

Mr. HASKELL. May I ask the Chair, I had understood that I had an hour of time, to be used in connection with an amendment or amendments. I cosponsored, with Senators CLARK, BIDEN, and STEVENSON, two amendments. I certainly hope that it will be the ruling of the Chair that I can use my time in support of whichever amendment I wish.

Mr. CASE. If the Chair will permit an intervention here, I understand that the Senator from Colorado is quite correct about his understanding of the unanimous-consent agreement.

Mr. HASKELL. I thank the Senator.

The PRESIDING OFFICER. In order to have no doubt about it, does the Senator want to ask unanimous consent? There seems to be some disagreement between the Parliamentarian and him.

Mr. HASKELL. I ask unanimous consent that the time allotted to Senator CLARK, Senator BIDEN, and myself be used as we wish in connection with the amendments which we have offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I thank the Chair.

Mr. CASE. Mr. President, I have two feelings about this amendment. The first is that the amendment is not necessary in order to make this memorandum available to all Members of the Senate. It is available now. It is here. Anyone can have it, so it is not necessary for our consideration to have the resolution itself amended in order to make it available.

Since that is so, it comes within my second consideration; namely, that this is not only, as I think, an inappropriate addition to a joint resolution, particularly this joint resolution, but it runs directly into the effort that we are making, so far as we can, without prejudicing anybody's rights or limiting his wish, to have a substantive matter considered and voted upon by this body, to have our action conform to the action of the House. In all matters of purely formal arrangements or preferences as to wording, I think we are entitled to ask our colleagues to consider that objective.

In respect to procedural matters of this sort, the objective of which can be accomplished without adding it to the resolution itself, I think, to me, at least, that consideration is compelling.

I have no further desire to discuss it. I shall be quite content, if my colleague from Minnesota is ready, for us to yield our time so we may come to a vote on this amendment.

Mr. CLARK. Mr. President, I have some questions to ask about it, but I notice that the Senator from New York is on his feet, so I shall wait.

Mr. CASE. I am sorry, I did not see my colleague.

Mr. JAVITS. I shall wait until the Senator asks his questions, then I shall ask for 3 minutes.

Mr. CLARK. Does the Senator from New Jersey have any doubts about this amendment being in order? There was some indication, it seems to me, that he felt it was not in order to offer an amendment of this kind to a joint resolution of this type.

Mr. CASE. I think I used the word, "inappropriate," which perhaps could be referred to as a matter of stylistic preference, if the Senator would like.

The point I wanted to emphasize, really, was that it is not necessary to do this to this joint resolution in order to accomplish the perfectly understandable and laudable purpose of the sponsors of this amendment.

Mr. CLARK. Well, how would the American people be advised as to what these legally binding commitments, as interpreted by the administration, meant; how would they express themselves to their representatives in Congress prior to the time that we vote on it if it is not made public prior to that time? Obviously, it could be made public at some time after the action was completed. I think the question before us is—on my time, Mr. President—whether the Members of this body believe the commitments that are being made on behalf of the American people ought to be known to the American people before we vote on it. That is a pretty clear question.

If there are Members of this body who feel we ought to make commitments on behalf of the United States and its people, as interpreted by the administration, let us say it clearly by the President because this memorandum stands for the administration. The Secretary of State has made that clear.

If there are Members of this body who believe the American people are not entitled to know what their President and this administration interprets to be legally binding commitments on them then they can vote no.

Mr. CASE addressed the Chair.

Mr. CLARK. I yield.

Mr. CASE. I am sorry, I thought the Senator was asking me a question or asking for my comment on that admirably-stated point.

Mr. CLARK. I did ask for the Senator's comment.

Mr. CASE. I will tell the Senator how I feel about it, and this is probably completely unorthodox. I do not think this legal document, this opinion of a lawyer, a perfectly fine lawyer, has any real bearing on the issues in this case. Now, that sounds like a funny thing for a lawyer to say, someone who at one time in his life, in his early stages, was himself a lawyer.

We know what the undertakings and assurances are because first, they have been published in newspapers; second, we have made them public through the action of our committee. Whether we should have or not, we did, and they are now available in printed form not only for distribution generally but for convenient reference here on the floor.

This document here is a strange one to me. I do not find it a very happy kind of document myself. It is not clear to me what the counsel for the State Department is doing when he labels each of these items paragraph by paragraph as legally binding or not legally binding, and so forth. I think he is talking about two things. Sometimes they are confused, at least they are in my mind. One, what can the executive branch do without affirmative approval of Congress? What can it do is involved in this very much.

Another thing is whether a certain expression is a binding promise to guide this country or the executive branch in future actions. Well, that gets into the question of what is a binding promise. When I was a boy I was told, as a matter of contract law, you did not have a contract unless it could be enforced. Well, this cannot be enforced anywhere. None of these things can be enforced except by force of arms—not one.

All that we are doing, therefore, when we are talking about the expressions of this lawyer is looking at what one man says are legally binding, which means how much weight, how heavy is the assurance. This we do not need any lawyer to tell us.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CASE. To promise to consult is what it is; it is a promise to consult, and if you do not consult you have broken a promise that is not a contract. It is not legally binding.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. CASE. And it is wrong to give all the emphasis that we have in all this discussion with respect to this document. It could be embarrassing to have any representative of our Government appraise its own assurances to the two countries here involved, saying "We do not really mean this; we mean this a little bit more, we mean this other thing all the way, boys, all the way, but do not ask us to fulfill it because we might change our mind."

Look, the thing speaks for itself, and that is my judgment about it.

Anybody in this Chamber who wants to see what this lawyer said about these things—and I think it is a poor document—anybody who wants to see it can. It is here. It is available in many copies, as many as anybody wants. It can be seen if we want in closed session and I certainly would not resist—I could not, I guess, effectively resist if I wanted to. But I do not resist having a closed session in which each one of these things is discussed by every Member of this body.

But for us to place a subordinate employee of the State Department in position to embarrass the Government of the United States in these matters I think would be wrong. That would be the effect of what is suggested here.

People have different views about this. I do not yield, as my beloved colleagues know, to either of them or to any of them in my determination to have the American public know what our Government has promised. But I do not think it is necessary or desirable in any degree. I think it is indeed highly undesirable to have a legal counselor in the Department of State rate the weight to be given to assurances made by our Government which can be read by every one who runs, including every Member of this Chamber.

Mr. CLARK. Mr. President, I would like to address myself to the comments the distinguished Senator from New Jersey has just made.

It is interesting to me that this memorandum has now been relegated to the position of a subordinate in the executive branch of Government.

Mr. CASE. I do make that assertion. He is not the policymaker. He is not the person who negotiates. He is not the person who speaks for our Government. His standing as a lawyer is involved here in an appraisal which, I think, was vacuous from the beginning unless it meant to find whether there is something the administration can do without Congress approval.

That has been turned around now. He does not attempt, at least he does not say, that he is answering that question. I would be very much interested in that, although if that is what he meant when he said, for example, that certain of these things could be done by the executive without Congress approval, I do not agree.

Mr. CLARK. If we may have an exchange on that point, I think I still have the floor, do I not?

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. CLARK. If we may have an exchange on this point, I was certainly under the impression sitting in on these hearings, and I have been at every one of those meetings——

Mr. CASE. The Senator is most faithful.

Mr. CLARK. The Secretary of State ordered this memorandum to be submitted.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I will as soon as I make this point.

Mr. JAVITS. On that point.

Mr. CLARK. The Secretary of State, Henry Kissinger, specifically asked his legal adviser to give to our committee on an official basis the administration's position as to which of these are legally binding. It is not simply some subordinate bureaucrat who is doing it, but someone on behalf of the President of the United States. If the President of the United States and the Secretary of State are not prepared to stand behind that memorandum, then I think somebody ought to be prepared to represent them to say no, this does not represent the President's position, the Secretary of State's position, even if he had sent it to us, even if he asked that the opinion be written, and conveyed it to us. Now, does this mean that the so-called legally binding commitments, in fact, are not legally binding in the judgment of the administration?

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, it is a good thing that the Senator does because I asked for it. The record will disclose that this was not asked for by Kissinger or sent to us by the President. I asked for it. I asked Leigh to prepare the memorandum for exactly the purpose, and in open session, and he looked at Kissinger, and Kissinger shook his head, what else was he to do, but I asked for it only on the point, and precisely on the point, that Senator Case has just referred to, what powers can the President exercise himself without the concurrence of Congress, and what powers must he have the concurrence of Congress upon, and in describing this memorandum since, not on one but on many occasions, I pointed out that the only place there was anything operative in terms of law was the oil proposition, which was absolute. It was not consult, not study, et cetera. I pointed out that there he gave us legal authority, and I thoroughly agree with Senator Case that he went way beyond what he was asked to do. He was nothing but a volunteer, and it is but one lawyer's opinion, and that is that.

Mr. CLARK. Mr. President, will the Senator from New York permit me, if I may, to just answer that?

Mr. JAVITS. Of course.

Mr. CLARK. I am reading from U.S. Senate Report of Proceedings, Hearing Held Before the Committee on Foreign Relations, Sinai Agreement, Tuesday, October 7. The Secretary of State is speaking about this memorandum which we have under discussion now, and I think he says very clearly that "This memorandum represents our position, the State Department's position." He says:

> **Thus, to speak of a memorandum of agreement as an executive agreement is by no means to say that each of their individual provisions is binding upon the United States. That depends entirely upon the contents of the specific provisions in question, and we have submitted our legal analysis with respect to those.**

If that does not stand for the Secretary of State speaking for the United States, then I do not know what does. What we are saying here is that the American people are being committed legally, in the judgment of the President, and the administration and the Secretary of State do not have the right to know which of those are binding in the opinion of the administration before their Representatives in Congress vote on it.

Mr. BIDEN. Will the Senator yield?

Mr. CLARK. Yes.

Mr. BIDEN. To refresh everyone's recollection—and correct mine if it is incorrect—as usual it was the penetrating question of the Senator from New York of the Secretary of State in a closed session on his very use of the word "binding," and put him in a position where he started to respond on what is binding and not binding.

As that session was about to break up and the distinguished Senator from New York was leaving to go to another hearing, I recall having said, "Before the Senator from New York leaves, do I understand, Mr. Chairman, one thing," and turning to the Secretary of State, and Mr. Monroe Leigh, the legal adviser of the State Department, was sitting next to me, I said, "Is it my understanding that the request of the Senator from New York will be fulfilled in that every single paragraph of this agreement"—referring then to the memorandum agreement—"will be interpreted by the State Department as to binding and not binding, is this in the context which we have been discussing today?"

Dr. Kissinger at that time said, "Yes." The chairman said, "Yes." Senator Javits said, "Thank you." I said, "Thank you."

From that point on, I began to ask every day, "Where is that memorandum from the State Department?"

The Senator from New Jersey is an extremely persuasive fellow, by the way, he stands there and talks, he sort of does a Northern version of what Senator Fritz Hollings does on a Southern version. Fritz Hollings says, "Lawyer types downtown; that lawyer crowd."

Well, the Senator from New Jersey in a Northeastern fashion takes off his glasses and says in a very persuasive manner, "Well, it is just a lawyer downtown." I used to be a lawyer. By the time we are finished, I was convinced it was something else. I had to jog my memory. It was the Secretary. He said, "We stand behind this analysis, this is my analysis, gentlemen." Is it any more than if I said to my staff member, "Would you prepare for me an analysis of the speech I just gave?" He prepared it.

Mr. HUMPHREY. Will the Senator yield?

Mr. CLARK. I yield to the Senator.

Mr. HUMPHREY. We are all getting into that act.

My colleagues may recall on one particular day, when we had the sheet before us as to the summary of the so-called commitments, assurances and understandings, as compared to the actual language, that I asked at that particular time that we go item by item and see what each of these items meant.

So we have all been in the act, we have all wanted to find out what was binding, we have all wanted to find out what was "good intentions," we have all wanted to find out what was "assurances," and we have carefully used the words, "assurances, undertakings," and have not really used the word, "commitments."

May I point this out, that what the Senator from Iowa wants to do is to lock in for the Congress an interpretation that is made by the attorney for the State Department.

Now an attorney is an adviser. Even the Attorney General of the United States is but an adviser to the President. This is not a court that has ruled, nor is this the President that has ruled.

I think this is a precedent that violates a singularly important act of this Congress known as the National Commitments Resolution.

What is sought here? The Senator from Iowa and the Senator from Delaware and others, are seeking to lay out as if it were holy writ—rediscovered Dead Sea scrolls—that the opinions given by this one adviser and counsellor in the State Department is the word, the law. It is the word.

What does the commitments resolution say? The commitments resolution takes into consideration the historic argument between the legislative branch and the executive branch as to what the President can commit us to. This is as old as the days of George Washington to this moment. What can be a President commit the Congress to?

All that the Senator from Iowa and the Senator from Delaware are saying is that when the counsellor to the State Department says that it is legally binding, then that is it. We poor souls in Congress want some leeway. We put in our resolution that the authority contained in this joint resolution to implement the U.S. proposal for the early warning system in the Sinai does not signify approval of the Congress of any other agreement, understanding or commitment made by the executive branch.

Several Senators addressed the Chair.

Mr. HUMPHREY. Now, wait a minute. Wait a minute.

That is what we have done. We have said, "Look, you are not going to bind us from taking a look at things as they come down the road, one by one. Don't give us the whole book at one time. Give it to us one by one, and we are going to take up, first, these 200 observers, and, Mr. President in the White House and Mr. Secretary of State, you come on down here later on with this other stuff and we will look at it."

Why do we say that? Because in the past we have had people say to us, "Well, you know when you voted for this resolution, you voted for the whole thing, you voted for our dreams, you voted for our nightmares, you voted for what Uncle Ned had to say, you voted for what my mother commented."

We have had all that down here. It is a dramatic exaggeration of the painful truth.

Therefore, a man that is a Member of this Congress, and a brilliant man, by the name of Senator SYMINGTON, and others, concocted and proposed for debate, and held hearings upon, and Congress passed the following:

> It is the sense of the Senate that a national commitment by the United States results only from the affirmative action taken by the executive and legislative branches of the United States Government by means of a treaty, statute or concurrent resolution of both Houses of Congress, specifically providing for such commitment.

We are not ready to provide for such a commitment. We know what the executive branch has done. It is published.

First of all, they put it in the New York Times, then Jack Anderson and the Washington Post published it. We did not want to be left out, so we said that we would publish it at Government expense. The Times printed it free for us, but we have got to get it in our little old document here.

So we published all of these binding agreements—binding, quote and unquote—that we had made it clear in this resolution does not involve this resolution—does not signify approval of the Congress of any other agreement, understanding or commitment.

What do we have here? We have the proposition that now we have got to get this lawyer's opinion that is not worth any more than any other lawyer's opinion spread on the RECORD. We are going to put that out and say all that.

We have debated the amendment offered by the Senator from Iowa, if that amendment was adopted, then everything that that lawyer can file—a lawyer who did not get elected to a thing, who is no policymaker whatsoever—that lawyer's interpretation suddenly becomes the law of the land.

I can think of nothing that would be worse to lock us in.

Mr. CLARK. Will the Senator yield?

Mr. HUMPHREY. It leaves one no wiggle room at all.

I will give an example. Not long ago, when President Kennedy was President of the United States, I went over to see Mr. Douglas Dillion—it was either the latter days of the Eisenhower administration or when President Kennedy was in the first year of his office, I forget now—but I was author of the Food for Peace program.

I remember they had a lawyer over there in the State Department that told then Under Secretary of State of Economic Affairs Douglas Dillion that a certain proposition that had been brought to the attention of the State Department was not within the law.

Here is what it was. There was a provision in the Public Law 480 that said that certain amounts of the foreign currencies generated by the sale of American agricultural commodities were to be made available to American companies doing business overseas on the basis of a very favorable loan for the development of that company in said country.

Well, they had a lawyer who did not like companies, who did not believe in profits. Frankly, he did not like agriculture, I found out. He just did not like it.

This lawyer started to tell the Under Secretary that this proposition is illegal; we cannot do that; the law does not provide for it.

So I went on over and I saw the Under Secretary. The Under Secretary had this lawyer in. I listened to them, I listened to all this nonsense, and finally I said, "Mr. Secretary, could you dismiss the lawyer for just a while so we can talk privately?" He said, "Yes," and the lawyer went out.

I said, "Listen, Mr. Secretary, I do not mind you privately assuming that I am stupid, but publicly declaring it offends me. You have some fellow here," and I had a name that described him. He kind of had long ears. I described his anatomy. I said ,"You have a fellow who is telling me I did not know what I was doing when I wrote that law. I have a suggestion for you: I know what I was doing as a legislator. I know more about Public Law 480 than all the lawyers you have here put together. It is my baby. I wrote it out. I brought it out. I have a suggestion, Mr. Secretary. I will be back tomorrow. Get yourself a new lawyer."

The next day I came back and they had a new lawyer. We sat down and the lawyer said "Absolutely, Senator HUMPHREY is absolutely right. The law is perfectly clear." It was just a different lawyer from the same law school.

If we are going to let some counsel who is an appointee, who has no standing in fact except as an advisor lock us in and tell us that every comma, period, semicolon, whereas, resolve, and so on, becomes binding law, I submit that we have violated not only the executive functions of government but the legislative functions of government.

Mr. CLARK. Mr. President——

Mr. HUMPHREY. If we want all of this to be binding, if we want every word to be binding, I have a suggestion: Offer an amendment to take all of the provisions that were negotiated and put them up here as an amendment and lock us in. See how far that sells. That is not going to sell at all. The reason it is not going to sell is because any man who is President of the United States has his first duty to protect the interests of the United States.

Those things that one commits oneself to at one time may be found intolerable at another time. The first duty of the President of the United States is to look out after the national security interests of this country. It may be that the next President of the United States, whoever he may be, may find that some of these declarations, some of these assurances and undertakings, do not fit circumstances of that kind.

If we go around here and lock these assurances and undertakings in by legislative enactment, we are committed. But if they are there as understandings and assurances, we have some flexibility.

What we have here is an academic exercise in constitutional law. We have an academic exercise in diplomacy.

Save this country from academics who go on out and have to have all of this kind of finale, when we do not even know who is going to be the President of Egypt next year, when we cannot predict 6 months ahead what is going to happen in that part of the world.

The President of the United States has to have some mobility, some flexibility. We only have one President at a time.

I submit that the worst thing that we can do is to let some junior grade officer start to tell us in this body that something that is written on a memorandum that is an interpretation of something that was an understanding suddenly becomes the law of the land.

Mr. CLARK. Mr. President——

Mr. HUMPHREY. Save me from such kind of perfection. It will drive us into an early grave as a country and lock us into positions that no responsible government ought to be in.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. Mr. President, I would like to ask the clerk to read section (b) of the amendment which is before the Senate to see whether or not the Senator is right about whether in passing this amendment we bind this body to this memorandum in law. I ask that that section be read, without relinquishing the floor.

The PRESIDING OFFICER. The clerk will read that portion.

The assistant legislative clerk read as follows:

> The provisions of this section may not be construed as indicating agreement or disagreement on the part of the Senate or any Member thereof with respect to anything contained in such memorandum.

Mr. HUMPHREY. That is what it says in the resolution.

Mr. CLARK. That is exactly what it says in the amendment. For that amendment to be described somehow as binding is just the opposite.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HUMPHREY. Will the Senator yield?

Mr. CLARK. I will yield following my statement.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. CLARK. I will yield following my statement.

Mr. HUMPHREY. I will get back to the Senator.

Mr. CLARK. We have just heard a long dissertation about how if we, in fact, pass this amendment it will bind this body legally to the contents of this memorandum. That is specifically why we wrote section (b) into the amendment. Let me read it again. Apparently there is some misunderstanding about whether, in passing this amendment, we are going to bind the Congress to the contents of that memorandum.

> The provisions of this section may not be construed as indicating agreement or disagreement on the part of the Senate or any Member thereof with respect to anything contained in such memorandum.

There should be no question in the world about declassifying this document we are somehow giving it some kind of new or stronger status.

The other point I want to make before yielding is this——

Mr. CASE. Will the Senator yield?

Mr. CLARK. Before yielding, let me make this point.

It has been said first by the Senator from New Jersey and then the Senator from Minnesota that this is just another lawyer, this is just a bureaucrat, just somebody interpreting it legally. Let me quote the Secretary of State in the public hearings before the Foreign Relations Committee. Then I would like to have somebody tell me that this memorandum does not have the complete support and standing of the Secretary of State.

I am reading from hearings before the Committee on Foreign Relations of the U.S. Senate dated October 6 and 7, 1975, page 228.

> Senator CLARK. Mr. Secretary, now in addition to these secret agreements, you have today transmitted to us a memorandum which you referred to with Senator Pell, a very important memorandum, which states what the administration considers to be legally binding commitments.
>
> Secretary KISSINGER. That is correct.

Let me read that last part again so that it is very clear.

I am asking the Secretary of State "what the administration considers to be legally binding commitments."

> Secretary KISSINGER. That is correct.

Before yielding, Mr. President, let me say, No. 1, the passage of this amendment, in accordance with section (b), in no way binds this Congress. In fact, it specifically states that it does not bind this Congress to the contents of that memorandum. I disagree with the memorandum. That is not the point. The point is that the President and the Secretary of State, the administration of this country, believes that they are legally binding and they are going to implement them, not some country lawyer.

Second, this does represent, as Secretary Kissinger confirmed in the hearings, the official position of this administration.

I yield.

Mr. CASE. I thank my colleague.

I would like to go back to the beginning of this and remind all of us what we are talking about. We are talking about an amendment which would add a provision to the resolution stating that it is the sense of the Senate that leave be granted to declassify this legal memorandum. That is what we are talking about.

If I could again sum up the matter, this came about because Senator JAVITS, of New York, asked that the administration's view as to its powers in making these various statements be expressed to the Senate. What he wanted was to know—and if I am wrong in any sense, I know he will correct me—was what the administration thought it could do without the approval of Congress.

That was the question. And that was the question that the lawyer was supposed to be answering.

That, somehow or other, got turned around in this process, and a memorandum was given us which seems to show what the administration's view of its several statements was, in respect not to what the President could do without congressional approval, but whether these several statements were binding in some sense—and that is a very loose word when it comes to agreements for which there is no legal means of enforcement.

It finally has seemed, now, to represent that almost exclusively, and therefore to be an appraisal of the weight which the administration has given to the several undertakings, assurances, statements, or whatever you want to call them, and therefore a document which would, I think, be highly embarrassing to the Government to have made a matter of public record.

It makes a certain statement to Israel. This is said to be not binding. It makes another statement to Egypt. That is said to be binding. Some of these things I characterize as statements of intention, others as indications of a present mood about something.

This is the stuff of which negotiations are made. It is not the stuff of which commitments of a country, intended to be permanent and, as has sometimes been stated, put into concrete, should be regarded as consisting.

I yield to no one in my feeling that this matter is one that we all ought to understand fully before we go to any kind of legislative action.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. CASE. Yes.

Mr. BIDEN. The Senator from Minnesota asked a question as to why, if in fact Congress is not being bound by the legal interpretation of the State Department, we should want to know.

Mr. HUMPHREY. That is right.

Mr. BIDEN. I would like to answer that, if I can. We want to know because we have to remember the chain of events here.

Once we vote out this resolution, all those provisions of the act which have been interpreted by the State Department will take the force of an executive agreement, and at that point they will have the standing of executive agreements, and the Executive feels that it, at least, will be bound by it.

So it seems to me that when we take the first step which puts everything else in motion, which is all in the memorandum of accord, we should be able to tell the American people what the intention of the administration is.

I read from the record of the hearing in the Committee on Foreign Relations of October 7, 1975, public hearings, Dr. Kissinger testifying, at page 321. This is Senator CLARK, following up where the Senator left off. The Senator said:

> Several of those agreements will be binding agreements in accordance with the memorandum that you have given to this committee.
>
> Secretary KISSINGER. Several of the provisions.

Senator CLARK. Several of the provisions will be binding which our country obviously will have to honor.

Secretary KISSINGER. Correct.

Our country will have to honor, at least in the minds of this administration, several of the commitments which we in this Congress are saying will become operative once we pass this measure, because we agree that immediately the memorandum of agreement will take on the suggestion of an executive agreement.

So the reason why we want this disclosure is not so much to lock in Congress to agree to what the legal memorandum says. We do not want that, but we want to make bloody well sure that everybody in the United States of America knows precisely what the administration says they intend, under their prerogative under an executive agreement, as they see it—some of the things should be treaties, but that begs the question—what they believe they are going to have an obligation to in fact fulfill, so that, to put it in very practical terms—and I think the Senator from Minnesota made a wise choice in not going to law school; when he talked about lawyers and how often they change their opinions he was right; maybe that is a failing some of us lawyers have: We make these things too perfect.

But let us be practical. The practical effect is, in everyday language, that once we vote this joint resolution out, the President of the United States of America is going to take certain actions which are going to commit the resources, at least, of this country.

He knows what those actions are going to be. He told us what they are going to be. He told us in a second document what he thinks he has to do. All I want to do is, before the fact, before we vote and make this a fait accompli, simply to tell the American people. Just tell them what the President is going to do, strip away all the legalistic jargon. What is the President of the United States going to do next Wednesday? What is he going to do next Thursday with regard to this agreement? He is going to commit your dollar, your people, your country.

So let us let them in on the secret. Let us tell the American people what is going to happen, that is all. No stylistic legalisms need be employed.

Mr. CASE. Mr. President, will the Senator yield to me?

Mr. BIDEN. I yield.

Mr. CASE. We are not wasting our time, I guess, although some of this might seem rather irrelevant hilarity. I think it is important to keep our distinctions clear as to what we are talking about.

Senator JAVITS asked a question. Another question was answered. That is what happened here.

What he wanted to know, if the Senator will permit me to continue—if I can be charged with having the wrong view or expressing it poorly, please do not hesitate to interrupt; otherwise let me finish what I have to say.

The witness was asked what the President of the United States regarded as within his power to do without congressional approval. That is what he was asked. That was what Senator JAVITS wanted to know.

The administration came back with answers to quite a different question.

What those answers consisted of was a rating of the relative weight of undertakings, assurances, agreements, or whatnot, in terms of international law, international relations, diplomatic communications, and the rest of it.

That was not the question asked at all. The reason they did this—this was not staged on his part. He was directed to do this, because what the administration was trying to do, I think, and I think I am fair about it, was make it clear that hardly anything in here was a matter which the President could not do on his own. That is what he was trying to do in answering a different question than that which the Senator from New York asked that he answer, as a matter of law.

Mr. BIDEN. Mr. President, let me respond to that.

Mr. CASE. So what we get into is that this document is not a matter of opinion or law as to what the President can do without the approval of Congress. It is a rating of the various statements made by the administration in these several documents. That, I think, is a matter for diplomacy. It is a matter which could be highly embarrassing, which we have, I think, the right to say, whatever its purpose, the administration is entitled not to have made generally public.

Mr. BIDEN. On that point——

Mr. CASE. Because its only purpose is one of embarrassment. We can do the same thing that someone did by looking at these documents here. Because he was not answering a legal question; he was just putting a diplomatic weight on various statements made by the administration.

Let me show you some of these things.

Mr. CLARK. Is the Senator now speaking from the classified secret document?

Mr. CASE. I am speaking as I feel that I should.

Mr. CLARK. I am just asking.

Mr. CASE. I do not think—if anyone regards what I do as improper, or as leading to disclosure of anything that I should not be disclosing, please tell me. I am only trying sufficiently to identify what this document is, by reference to various categories of or classifications in which he places these several agreements.

For example, I recall a statement that the United States, and this is not taken from classified documents, reviewed one of the party's requests sympathetically.

That is familiar to the Senator.

We do not need a lawyer to tell us that that is not legally binding but merely an assurance of U.S. policy and intent. We do not need lawyers to do that. This man was not answering a legal question. He was trying to show that a certain thing was not intended to be the kind of commitment of the U.S. Government that would require congressional approval. That is what he was trying to show.

Because he has made a mistake and the administration was wrong, I think, in presenting this kind of analysis of its own documents, it is quite wrong for us not to honor the request that it be kept confidential to our own membership. That is all my view is. That is the whole point.

If it would serve any useful value making that kind of thing public I would do it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. BIDEN. Mr. President, in response to the Senator from New Jersey, he makes a very valid distinction that what was requested of the State Department, or the legal advisers of the State Department, and what came back to us from the State Department were two different things.

I point out that that is irrelevant. What we are dealing with here is what came back, not what was asked.

By way of analogy, if I go to a doctor and I say: "Doctor, I would like you to check my son's back to determine whether or not he has a slipped disc."

I leave my son, and my son, instead of getting sent to an orthopedic man, gets sent to an internist, and the internist comes back and says "God forbid, I am sorry, Mr. BIDEN; in fact your son does have cancer."

What am I to say? I received an answer back different than the question I asked, that has serious implications. But should I ignore it because it is not the question I asked?

We asked the question. We asked the question which in fact was not answered, maybe, but the answer we received back has serious implications.

The President gave us a blueprint of what he is going to do.

Again, I go back. We all admitted in committee that, once we vote this out, the President is going to be able to do what he says he is going to do.

All I am saying, again is forget the legalistic jargon; let us tell the American people what the President is going to do. Let our colleagues know what the President is going to do because we might not want to vote it out if, in fact, we know what he is going to do. Then, I am prepared to vote it out because I think he hardly has anything that is binding in there. I do not think it does have the effect that some are ascribing to it.

I think the Senator from Minnesota is correct that in fact we are not going down some great path that is going to lead us into war and the President has the 6th Fleet poised in the Suez.

I agree with all of that. But I do not trust anyone. I do not trust this administration not to change their mind. I do not trust the next administration to not place them there.

Mr. CASE. Wait. Would the Senator not want an administration to change its mind if it were in the interest of the country it should do so?

Mr. BIDEN. I do not reserve the right to the President of the United States to determine on his own what is in the interest of America when it comes to committing American forces or billions of American dollars.

Mr. CASE. That is not the question.

Mr. BIDEN. I thought it was.

Mr. CASE. No one disagrees that, first, the President of the United States has only the authority in these matters that exists in law and the Constitution gives the President. That is all. To project that he has any authority because of statements here beyond which the Constitution and the statutes of the country and acts of Congress gives him is to, I think, upset the balance.

Mr. BIDEN. Let me follow up on that. As the Senator knows, we get back to a very basic question. We get back to lawyers again. How do we always get back to lawyers?

The administration interprets some of the paragraphs to the effect that they do not have the force of treaties. They are not that grave. In fact, the President intends on carrying them out, it would not be as a treaty. It would not have the effect of allowing the President to take some action that he does not have the power to take. The administration says that.

But we had constitutional lawyers up here before our committee, including Prof. Raoul Berger, and other eminent scholars on the Constitution, who said, as they read them, that some of the provisions of this agreement are so grave that they should be a treaty.

The President comes back and says, "But that is not how I read them."

Professor Berger would be the first to say, "If that is what you mean beyond what is on their face"—and remember the Secretary of State's saying these are deliberately ambiguous, some of them—"If in fact that is what you mean, then they are not a treaty, you are right."

But in the absence of assurances from them as to what they believe them to mean, we are left only with the documents and, God forbid something happens to Dr. Kissinger and to the President of the United States tomorrow night. The next President would be Vice President Rockefeller. Then he gets the chance to determine what it means on its face and, if on its face, he interprets it the way Prof. Raul Berger interprets it, interprets it as having the gravity of a treaty, we will have in the meantime given the President of the United States, via an executive agreement, the right to take an action which only should be treated in treaty language, and we will have precluded ourselves from going back and saying, "No, it is not a mutual defense pact."

For example, Vice President Rockefeller when he was first sworn in, came around to see us all. He gave me a lecture on the Navy—I do not mean a lecture—he talked about his view of the Navy, how we are falling behind, and how we had to go after the Russians; and he went on and on.

He has a scary view of what this place should be, in my opinion.

He might just turn around and say: "Paragraph 10 is a mutual defense treaty pact; therefore, I am commissioning *x* number of marines to go."

Well, he cannot do that if, in fact, he is locked into position by the words of this administration as to what they mean as contained in the memorandum I want declassified. He will be confronted with a legislative history. His lawyers will advised him, "You cannot do that."

But I sometimes in this Chamber when I speak say some things which have been pointed out to me by staff, and others, are inappropriate, and I wish to make it clear that the only reason I picked NELSON ROCKEFELLER is because he is Vice President. He has a decidedly different view than the incumbent President of what of our world role to be—or potentially he does—let me put it that way.

But whomever he be, this President or a future President, I say to the Senator, unless we lock in Presidents, unless we lock them into what is minimum, and I think what they have said in binding is minimum, at least then we know we have a feeling they cannot do any more than that, and we can still argue they cannot even do that.

Maybe, I say to Senator HUMPHREY, it is just that I am just really—Senator HUMPHREY and I have discussed time and again these kinds of issues.

We did it when he took me to England with him. We have done it in the corridors. He—and I really and truly mean this—I think he and probably Senator JAVITS are two of the brightest men I have ever met in my life. I have no one for whom I have a greater respect, and I can say in the Chamber of this U.S. Senate that I think he should be President of the United States. I clearly think he should be off the Committee on Foreign Relations because he acts like a President there. He views Presidential policy the way the President should so he should be in the White House. So he should be President of the United States.

Mr. HUMPHREY. Do not take that back. [Laughter.]

Mr. BIDEN. But the point is, and I do not want to get off too far, but the point is that he and I disagree basically on one thing, and I am just—and probably have considerably less reason than he to be this way—but I am just not at all trusting.

I do not have a warm feeling about what heretofore has been the normal operating procedure of the way things go, and maybe I am trying to alter more than I should. Maybe I am erring on the side of trying to be too legalistic. Maybe by being too legalistic I may have the effect of binding us more than we intended. That is not my intent. My intent here I hope is clear. My intent here is to state that, although I think Gerald Ford might be an honorable man and that Dr. Kissinger might be an honorable man, what, in fact, is the case is that Dr. Kissinger is one of the most persuasive doubletalkers in the world.

So I hope we understand that we are not binding the U.S. Senate or the U.S. Congress to what that legal memorandum says. Senator CLARK is taking care of that and puts in subparagraph (b) an exclusion that that is not the case.

Second, what we, in fact, are addressing ourselves to is that the President has told us his game plan. We know his game plan only goes into effect when we vote out the 200 technicians. We know, therefore, that we are the ones who trigger his game plan. I want to know, when I vote to trigger it, that at least the American people know what we are putting into effect.

I made a serious parliamentary mistake. I made my last best argument before the best debater in the Senate stood up—Senator JAVITS. He is getting ready to speak for 3 minutes. So I reserve a few minutes to respond to what Senator JAVITS may have to say.

I yield the floor.

Mr. CASE. I yield myself such time as I may require.

Mr. President, so far as I am concerned, I think we have ventilated this matter, as a former occupant of this seat used to say, perhaps enough, though not as eloquently as my colleague on the other side of the aisle, Senator HUMPHREY, has done.

We have just about come to the end of everything that can be said; and, when Senator JAVITS concludes, we will have finished.

I want to make one point, and it is this: The fact that in this legal memorandum certain things are stated to be either binding or not binding does not mean that they are not serious assurances or statements of intention by the United States.

Let me read what he says in that respect. I do not think anything should be downgraded by reference to that criterion only.

First, he says:

> In any case, it is my judgment that all the assurances, undertakings, and commitments which are now or hereafter may become legally binding are included within the four documents identified above.

Of course, that was the main purpose of our insistence for an assurance.

Mr. HUMPHREY. Will the Senator read that again, please?

Mr. CASE. He says:

> In any case, it is my judgment that all the assurances, undertakings, and commitments which are now or hereafter may become legally binding are included within the four documents identified above.

Those documents, as my colleagues know, are the four documents which were printed in the papers and which have been released from classification by the Senate, so that they are available to us and to all the world.

When he goes on:

> The converse is not true, since not all the provisions of the documents rise to the level of international agreements.

This is the point I rose to speak to at this point:

> The fact that many provisions are not by any standard international commitments does not mean, of course, that the United States is morally or politically free to act as if they did not exist. On the contrary, they are important statements of diplomatic policy and they engage the good faith of the United States so long as the circumstances that gave rise to them continue.

I believe it is very important that the world should know that we do not lightly regard even those assurances and undertakings, which a lawyer has said do not constitute legally binding commitments, as of no effect. On the contrary, as he says, they stand as important statements of intention and diplomatic policy, and they engage the good faith of the United States as a government as long as the circumstances which gave rise to them continue. I think that should be firmly kept in mind by everyone.

These things are serious. That is why we are concerned to know what they are.

Mr. JAVITS. Mr. President, will the Senator yield me 5 minutes?

Mr. HUMPHREY. I yield.

Mr. JAVITS. Mr. President, I think we have now cut through to the heart of the issue to which I wish to address myself, and the heart of the issue is this: What will the President do? All the legal opinions in the world do not tell us what he will do. That is why we, the Committee on Foreign Relations, caused the paper headed "Memorandum," which is in mimeograph form on the desk of each Senator. We must assume that the President will do everything that memorandum says.

So, for the sake of this discussion, to be lawyerlike, I say to Senator BIDEN, this is a demurrer to his motion, and we assume that the President will do everything it says.

The way to block him from doing this is to turn down the resolution for 200 technicians. That is the acid test. Let us be very clear about this. If you do not want him to do everything in this memorandum, whether the lawyer said it is binding or not binding—and I will explain that in a minute—becomes immaterial. You must assume that he is going to do everything he says he is going to do in that memorandum. Even if he does it, you still want him to go right ahead, and that is why you are letting these 200 technicians go. If you want to block him, turn down this resolution. That is the essence, the substance, of what we are talking about.

When we get to the procedural question as to whether to release this legal memorandum or not—and that is what the argument has been about—the real question is, do you want this interim peace plan to work? Do you consider it an important step to peace in the Middle East, or do you not? If you do, then you assume that the President is going to do everything he says in the memoranda that he is going to do, and you approve the 200 technicians. But if you want to undo the agreement, you present all the demagogs in the world, including the Middle East, with the lawyer's analysis, that he says this is binding and that is not binding and the other is half-binding and this is not specific enough, and then you are finished; it is undone.

We are trying to participate with the President of the United States in the foreign policy of the United States. It is a very fuzzy area, but it is necessary for our people, having learned the lesson in blood and treasure. Therefore, we have to exercise the utmost responsibility. Even if we want to undo this agreement, we should not do it this way, by vitiating it if it passes. That, I suggest, is a sense of responsibility which in this case those who oppose the technician resolution have to have. Often, we have had a sense of responsibility in the things we have opposed. That is very essential, because whether or not you are for it or against it, if it passes, you do not want it undone. If that is what Congress thinks we should do, at least we want to do so in a helpful and auspicious way. This is the way to do it, to publish this memorandum, much of which is valueless.

The legal adviser did not listen carefully and Secretary Kissinger was in my judgment inaccurate in his description and improvident in what he said about the memorandum. And I say this as one of his best friends. He just did not listen carefully. He was passing on international law. He said this is binding and that is not binding under international law, but international law is a very fine, highly esoteric, legal doctrine much debated about and quite unsettled. In his memorandum the legal adviser is not telling you it is not binding because the President does not intend to do it. We must assume that the President intends to do everything in this memorandum with the greatest dispatch and the greatest good faith.

So why should we vitiate it by publishing this document, and when it is directed at a totally different target?

So, Mr. President, I believe the Senate should reject this amendment decisively.

In addition, the Senate should know—and I do not make this as an argument—that this resolution, this amendment, proceeds upon the theory of rule XXXVI, which says:

> All confidential communications made by the President of the United States to the Senate shall be by the Senators and the officers of the Senate kept secret; and all treaties which may be laid before the Senate, and all remarks, votes, and proceedings thereon shall also be kept secret, until the Senate shall, by their resolution, take off the injunction of secrecy, or unless the same shall be considered in open Executive session.

Mr. President, I doubt that this resolution qualifies under this rule, because I believe that it does not refer to a treaty; it is a confidential communication and I have argued it was not yet agreed to by the President when delivered to the committee. But I say that only for the Senate's information. We can go into executive session and read the whole thing, and I think Members will find that what I have just said is absolutely correct. But it is not necessary to do that or to invoke the rule. The fact is that the President will do every single thing that is said in the published document, so the legal opinion does not add or subtract. Therefore, why run the risk of undoing what a majority may wish to do as a monumental, historic act in the search for peace in the Middle East by publishing a document which does not prove it one way or the other?

Mr. HUMPHREY and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. HUMPHREY. How much time do I have remaining?

The PRESIDING OFFICER. Thirty-two minutes.

Mr. HUMPHREY. I yield myself such time as I may need to make one or two observations. The Senator from Iowa was very proper in noting that subsection (b) of section 6 of his amendment notes that the provisions of this section "may not be construed as indicating agreement or disagreement on the part of the Senate or any Member thereof in respect of anything contained in such memorandum"—of course, referring back to the legal memorandum.

So, Mr. President, what we are getting really, is, as I said before, the publication of a legal opinion and that elevates the so-called assurances and understandings which have already been published, are in the public domain, to a threshold which they may not deserve or, more significantly, elevates them to a standing which becomes more flexible.

While it is true that lawyers sometimes have said that executive agreements have the force of treaties, they are not treaties. Treaties are provided for specifically in the Constitution. There is a process for treaties. That process requires a two-thirds vote of the United States for confirmation or ratification. Treaties are the same as an amendment to the Constitution. They are the supreme law of the land.

So, while we may have a legal opinion that an executive agreement may have the force of a treaty, it is not a treaty, nor does it have the standing of a treaty.

Beyond that, Mr. President, I think it is important that we note that the documents that have been released—the four documents—contain all of the assurances, understanding, commitments, and intentions that have been negotiated by the Secretary of State on behalf of the United States of America. Even if the so-called legal memorandum were declassified, it would add nothing to what is already in the public domain.

As the Senator from New Jersey has properly said, fortified by the remarks of the Senator from New York (Mr. JAVITS) it should be understood that those assurances and undertakings were arrived at in good faith, and that it is our intention to fulfill them. But we cannot predict the future. We cannot predict what is going to happen in the Government of Israel or the Government of Egypt 6 months from now. Those assurances and undertakings are predicted upon circumstances that existed at the time of their negotiation and agreement. It is to be hoped that those assurances and undertakings will lend themselves toward peace between the countries and the peoples, as well as the leaders. But any responsible person knows that it is literally impossible to predict the future.

Treaties have been entered into, formal treaties, where the circumstances were changed to such a degree that what was once a friend turned out to be an enemy. Quite obviously, that treaty can no longer remain binding, even if we do not have the time to disassociate ourselves under the terms of the treaty.

Mr. President, I have noted very carefully, on page 211 of the printed hearings, what the Secretary of State had to say. He has been quoted here a great deal today. He said:

> We have submitted all documents containing U.S. commitments. Not all provisions in

> these documents amount to binding undertakings. They include:
>
> First, assurances by the United States of our political intentions. These are often statements typical of diplomatic exchange; in some instances they are merely formal reaffirmations of existing American policy. Other provisions refer to contingencies which may never arise and are related sometimes explicitly to present circumstances subject to rapid change.
>
> Second, undertakings or assurances by the United States which are conditional on existing or prior authorization and appropriation of the Congress or which fall within the constitutional authority of the President to conduct the foreign relations of the United States.
>
> Thus, to speak of memoranda of agreement as executive agreements is by no means to say that each of their individual provisions is binding upon the United States. That depends entirely upon the content of the specific provisions in question. And we have submitted our legal analysis with respect to those.
>
> Moreover, nothing in these particular documents constrains congressional action in any issue involving the future legislative process.
>
> The fact that many provisions are not by any standard international commitments does not mean, of course, that the United States is morally or politically free to act as if they did not exist. On the contrary, they are important statements of diplomatic policy and they engage the good faith of the United States so long as the circumstances that gave rise to them continue. But they are not binding commitments of the United States.

I could quote other portions in which the Secretary has very carefully tried to note to us that there is no duplicity. There is no duplicity in the understandings and the assurances that were arrived at; nor is there any denial of certain parts of these which, at the time, under the foreseen circumstances, are not binding. To the contrary, they are binding, providing that the circumstances pertain that make them binding.

All that I am concerned about in this particular amendment is that, by declassifying and adding to this particular resolution the legal memorandum transmitted in connection with the letter of October 6, 1975, of Monroe Leigh, Legal Adviser of the Department of State, to Hon. JOHN J. SPARKMAN—by adding that to this resolution, we, in a very real sense, vitiate the language which is so specific. It says as follows:

> The authority contained in this joint resolution to implement the U.S. proposal for an early warning system in Sinai does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch.

I do not say that the legal memorandum has the force of law, but I say that it does weaken that very succinct provision which this committee of ours insisted upon having in this legislation. The committee, in its own report, says:

> Further, the Committee has taken pains, both in the language of the resolution before the Senate and in its legislative history, to nail down the point that Congressional approval of the proposal to send 200 technicians to the Sinai Peninsula is precisely that—and that it does not imply approval or disapproval of anything else.

I make the point: It does not vitiate, but it does not rule on the other agreements, assurances, and understandings. By adding the language of the legal memorandum to this Senate Joint Resolution 138, it is my honest judgment, trying to be as objective as I can, that what it does is say, "Look, we said on the one hand that we were not bound; but we said on the other hand, there is a document that floated around in the Committee on Foreign Relations that says, 'Yes, we are bound.' "

What the Secretary of State has asked for, and I think this is most fitting and proper for the man who has to conduct much of our foreign policy, is some degree of flexibility within the framework of a moral position and a political intention or commitment. This is exactly what a President needs. It is exactly what a Secretary of State must have.

Had we kept these documents, the four that give us all these assurances and undertakings, under wraps, had they not been released—first of all, they were released in violation of law to the newspaper. They appeared in full text. Second, they were released by a declassification order of the Senate Committee on Foreign Relations and, I might say, in violation of the rules of the Senate. They have been printed, they are available to every single citizen of the United States and surely to every Member of Congress.

Furthermore, the legal memorandum that seems to be the subject of such concern here does in no way change what the four documents have within them. Those four documents that give the commitments, the assurances, the understandings and the intentions are all there, and they are there for interpretation, they are there for application, and another lawyer may very well interpret it differently than this lawyer. That happens. But they will be fulfilled to the best of our ability if the circumstances that prevail make it possible for them to be fulfilled. But I am quite sure, that if tomorrow morning the Government of Israel, for some peculiar reason—and I do not imagine it would, but should it suddenly enter into some kind of a special relationship with the Soviet Union and, thereby became closely associated with the Soviet Union, I doubt that we would feel the same degree of commitment that the assurances in the four documents reveal at this particular time.

Or, for example, if within a year the Government of Egypt should turn hostile, and should become bitterly anti-American, unwilling to even abide by the agreements, not in open violation but in a sense making them difficult if not impossible to enforce, I doubt that we would be wanting to be bound by some lawyer's interpretation of what is legally binding.

I do not downgrade the importance of the counsel or the Legal Adviser to the State Department. I simply say they come and they go. I also know that it is the fact that Presidents and Secretaries of State frequently change Legal Advisers. Sometimes they do that because they do not like the advice they are getting, just as they change Secretaries of State. If this legal memorandum is so important that we ought to know what is binding and what is not binding, then I suggest that the author of the amendment, who wants to release this legal memorandum, change that amendment to take the legal memorandum and make it the force of law. Then we know exactly what it is all about, because all you have now is an advisory opinion, and if you are going to do that you can do it under the commitments resolution. That commitments resolution, as I read earlier here today, says:

> It is the sense of the Senate that a national commitment—

And that means binding—

> by the United States results only from the affirmative action taken by the executive and legislative branches of the United States Government by means of a treaty, statute or concurrent resolution of both Houses of Congress specifically providing for such commitment.

That final paragraph of the resolution which is section 5, says specifically that if we approve these 200 observers that this does not signify approval of Congress of any other agreement, understanding or commitment by the executive branch. If we add that legal memorandum there we, in a sense, dilute that provision, we weaken that provision. We, in a sense, say that we understand the lawyer who gave that opinion was right. We understand that that has, if not a binding effect, at least a sense of moral purpose. I prefer that we do not go that extra step, and I want to say to every Member of this body, including the Members of the House of Representatives, if they wish to, the documents have been on file for 3 days, they are down in the Senate, they are available to any Member of the Senate, and they are here, right here on the floor, and any Member of the Senate can see them, that those documents will do nothing for the public that the four documents that have been released have not already done.

It is all there, and it is to be assumed in the four documents that have been released and declassified that is what we will do.

I do not think we ought to assume for a minute that President Ford and Secretary Kissinger will not follow through on what are in the four memorandums that have been declassified. I assume that is what they will do under the prevailing circumstances. I do not think you can presume, if circumstances change radically, that they would be followed through. But if we tried to make them more binding than they are, we make it more difficult for our country to conduct negotiations, and we weaken our opportunity to be a mediator in the Middle East.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. Yes, I yield.

Mr. PASTORE. If we do not codify that advisory opinion by making it a part of the resolution, then where does it leave us?

Mr. HUMPHREY. It leaves us with two choices: First of all, it is available to any Member of Congress. That is No. 1. So it is not as if it is a secret right now, at this very moment.

Second, if you wish you can offer it as a separate resolution so it is not tied to this, because this resolution specifically states that we do not want the approval of the 200 observers in the Sinai to in any way indicate approval or disapproval of anything else.

So if there is a great desire that we have this other matter of the legal memorandum become a sense of the Senate, then I think it ought to be done as a sense-of-the-Senate resolution and not add it on here.

Mr. PASTORE. When the Senator says it does not bind us to any other part of the overall agreement, would that include, of course, the amount of money that might be given to Egypt or to anybody else?

Mr. HUMPHREY. Exactly. That is in the testimony from the Secretary of State. He has made it clear that we will have to consider all budget items and any other items that are recommended here on their own, separate and distinct.

Mr. PASTORE. In other words, what we are doing with this resolution is we are confining ourselves without obligation to anything else to this particular matter of the civilian volunteers.

Mr. HUMPHREY. The agreement itself, the U.S. Government will make every effort to be fully responsive within the limits of the resources of the congressional authorization and appropriation process, and then our committee report makes it very clear that, as we said here;

> That approval of the proposal—

That is of the resolution—

> to send 200 technicians to the Sinai Peninsula is precisely that, no more, no less, and that it does not imply approval or disapproval of anything else.

We go on to say that the committee has taken pains, both in the language of the resolution before the Senate and in its legislative history, to nail down the points that congressional approval of this proposal to send 200 technicians to the Sinai Peninsula is precisely only that, no more, no less, and that it does not imply approval or disapproval of anything else.

Mr. PASTORE. That is language in the report, which is not law.

Mr. HUMPHREY. That is correct.

Mr. PASTORE. Is there anything in the resolution that carries that out? That is the important thing.

Mr. HUMPHREY. That is correct.

Mr. PASTORE. Will the Senator read that?

Mr. HUMPHREY. Section 5, page 4 of the resolution:

> The authority contained in this joint resolution to implement the United States Proposal for the Early Warning System in Sinai does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch.

Mr. PASTORE. I thank the Senator.

Mr. HUMPHREY. That is my argument.

Mr. STEVENSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. STEVENSON. Is the Senator now suggesting that in the future this Congress and future Congresses, this President and future Presidents, can act with respect to appropriations, authorizations, other measures as if this accord did not exist?

Mr. HUMPHREY. We will act as we see fit. The President undoubtedly will send down to Congress the matters he has agreed to. The President and the Secretary of State have indicated, I believe, they would like us to authorize and appropriate a little over $2 billion for military and economic aid to Israel, and approximately $500 million to Egypt. But it is perfectly clear, and they have made it clear, and the resolution makes it clear, that our sending 200 technicians to the Sinai does not commit us to the executive agreement for that amount of money; that we are free to act as we wish, of course.

Mr. PASTORE. Take it or leave it.

Mr. STEVENSON. Is the Senator saying—perhaps I misunderstood him earlier—that the good faith of the United States is not engaged, that our actions in Congress as well as in the executive branch will not be influenced by the assurances, the moral obligations, the good faith?

Mr. HUMPHREY. The good faith of the President and of the Government of the United States is engaged, but may I say that that good faith does not specify any sum of money. There is no specification in the four documents of any particular sum of money.

There is a specification that we will aid Israel with military assistance, that we will provide economic assistance to Egypt, that we will consult on further weapons needs, that we will consult on matters that come to the Security Council.

There are many things that the President has committed himself to as the head of the Government, the Chief of State, and as our chief spokesman on foreign affairs.

But that does not commit the Congress of the United States insofar as anything that relates to the legislative responsibilities of this body.

Mr. STEVENSON. I can understand that any Executive, any President, has no authority to commit this Congress to any future act. For that matter, this Congress has no legal authority to commit a future act.

Mr. HUMPHREY. Exactly right.

Mr. STEVENSON. But it is certainly possible to take action short of the legally binding action which will influence the force of the conduct of this Congress and of future Presidents.

The point that I think should be made in response to the question that was raised by the distinguished Senator from Rhode Island and that the Senator himself, I believe, was making very clearly and explicitly earlier, is that notwithstanding that these assurances, undertakings, and so on, may not rise to the level or degree of a legally binding commitment, that may be a moral obligation, or an engagement of the good faith of the United States, to quote the Secretary of State.

They will affect the actions of this Congress, they will affect the actions of future Presidents. In the future, at some point, this Congress will be called upon, apparently, to act upon a proposal for the supply of oil to Israel.

Mr. HUMPHREY. Yes, by the way——

Mr. STEVENSON. Cannot its action be influenced on that question?

Mr. HUMPHREY. May I say to the Senator that oil supply was specifically spelled out by the Secretary of State as a matter in which there has been an agreement that is legally binding, that the President will send to the Congress that particular proposal, and that is very specific in terms of what it will be.

Others are in much more general language.

I do not deny for a single minute that if the President of the United States enters an agreement such as this, which has received such worldwide attention, that the Congress will be influenced by it.

But may I say, if we did not have the Sinai agreement here, there is no doubt but what there would be Senators in this body would take initiative. One, Senator JACKSON of this body, just a few months ago added an amendment for military assistance for Israel on a defense bill, just like that, he did not wait for the executive branch, we did it on our own.

Obviously we will be and we are being influenced.

I believe, and I want my position clear, that we do find it in our national interest to provide a substantial amount of economic and military assistance to Israel. I think it is important to have relationships between Egypt and Israel on a more friendly basis, and I am willing to go a long way to see it accomplished.

But I do not commit myself as a member of the Foreign Relations Committee to the President's request of $2.5 billion. I may finally end up voting $1.9 billion or $2.1 billion. There will be Senators here who are going to vote for this resolution that will vote against all foreign aid. They will go against it.

It is not that we have obligated ourselves. I am simply saying that the President hopefully can deliver on his commitments—hopefully.

Why did we put this language in here? Because we have had experiences in the past where we did not have this kind of language that separated a resolution for a particular purpose from other follow-ons.

We have had some experiences with former Presidents and by former actions of the Congress. So what we have done here, we simply put up a warning flag to all parties, simply saying that this approval of Senate Joint Resolution 138 stands on its own.

I am sure that the Senator from Illinois is correct when he says that if the President comes forth and makes a recommendation in light of the assurances he has given in these agreements that it will have an effect upon us. Of course, it will.

Mr. STEVENSON. I do not want to prolong this, if the Senator will yield just for one final question.

The Senator said a moment ago, and I do not know if he intended to do so or not, but that the obligation contained in these with respect to oil, which includes a 1-year reserve for Israel, was a legally binding obligation.

Is the Senator also saying that in the case of that legally binding operation the Congress is free to disregard it?

Mr. HUMPHREY. Yes, it is an obligation by the President on a specific item to present that to the Congress of the United States in specificity.

There is a time period involved in it, there is an amount that is involved in it, that is explicit within the understandings.

I submit that on other items, like weapons systems, for example, and other economic assistance, it is in general terms.

My point was that the President of the United States has specifically committed himself, the honor of his office and of the executive branch of this Government, on the oil question, and in precise terms.

The Secretary of State spelled that out for us. He took that out as a very unique provision in all of the assurances or understandings.

Mr. STEVENSON. Then, if I ask the Senator to finally clarify his position, is it the position of the Senator that Congress will be free to ignore any commitment in here that is regarded, such as the oil commitment, as a legal obligation?

Mr. HUMPHREY. The Senator says to us, and the committee—not HUBERT HUMPHREY, that is inconsequential here—the majority of the committee by a vote of 14 to 2 said just exactly that.

Mr. STEVENSON. No, I beg——

Mr. HUMPHREY. It is right here. It says, and specifically in this section 5——

Mr. STEVENSON. I beg the Senator's—the resolution which I have read very closely says that Congress does not approve. It does not say that Congress disapproves or that it retains its freedom to take a position.

Mr. HUMPHREY. It says that Congress does not approve. In our report, we make it clear that disapprove or approve, we are not committed, and furthermore, the Secretary of State in his own statement to the Congress says we are not committed.

I personally would feel a moral obligation to go along with a good deal of it, speaking for myself. But I think it ought to be clear that the whole history of this legislation, which is precisely spelled out on page 9 of our report, that the committee has taken great care.

This is the language that has been approved.

The committee has taken pains, both in the language of the resolution before the Senate and its legislative history to nail down the point that congressional approval of the proposal to send 200 technicians to the Sinai peninsula is precisely that—no more, no less—and it does not apply either approval or disapproval of anything else.

Mr. PASTORE. Will the Senator yield?

Mr. HUMPHREY. I cannot do more than that.

Mr. PASTORE. I am afraid we have developed a habit in the Senate of complicating a very simple subject.

As I understand what we are actually saying, it is that this is the only part of that overall agreement that we are deciding today.

Mr. HUMPHREY. That is correct.

Mr. PASTORE. It does not bind us on anything else and we can take it or leave it.

Mr. HUMPHREY. The Senator is correct.

Mr. PASTORE. Is that not it?

Mr. HUMPHREY. Exactly.

Mr. PASTORE. I do not know what we are all excited about.

Mr. BIDEN. Will the Senator yield so I can explain to the Senator from Rhode Island why we are getting excited?

Mr. HUMPHREY. On his time.

Mr. BIDEN. On my time.

Mr. PASTORE. All right.

Mr. BIDEN. Why we are getting excited.

Mr. PASTORE. Do not look so calm. Get excited.

Mr. BIDEN. I will in a moment. I have to work myself up to it. I got excited while the Senator was not here and, unfortunately, he did not get a chance to hear that.

But the Senator from New York (Mr. JAVITS), who is an ardent, staunch supporter of this position, the position taken by a majority of the Foreign Relations Committee, said something about 20 minutes ago that I think is absolutely correct.

Again, he has been a defender of the majority position of the committee, consistently.

He said that there should be no mistake made that voting out the 200, is, in fact, assuming that the President is going to do everything he says in the memorandums of accord, and that he has the authority to do that.

Senator JAVITS went on to tell us, and I will say again, and I will state it time and again before this debate is over today, but for the Senator from Rhode Island, everyone, including the Secretary of State, agrees that immediately upon this resolution being reported out, which authorizes 200 technicians to be sent to the Sinai, immediately upon this happening, the Secretary of State will sign the memorandums of agreement which exists between Israel and the United States and the United States and Egypt.

Immediately upon that signing, it is the position of the administration and of many on the committee and on this floor, it will have the full force and effect of a treaty. In international law, an executive agreement will have a binding effect, and if not legally binding, it will have a morally binding effect on the U.S. Government.

The United States of America will be on the line via that executive agreement.

Everyone now agrees with that who has been involved in that debate.

Prior to the time when the Senator from Iowa (Mr. CLARK) and I raised this point in committee, the majority insisted they were separable. Now the same majority agrees they are inextricably tied together. Once we vote out the 200-technicians resolution we vote into effect the executive agreements between us, Israel, and Egypt. The Senator from New York has stated that we must assume each single solitary paragraph of those agreements will be put into full force and effect by the Executive of the United States. Therefore, to make the legalistic argument that all we are doing by voting on this resolution is voting to put 200 technicians in the Sinai is begging the question. What we are doing is setting in motion a chain of events that we must assume will culminate in the President of the United States putting into effect every single aspect of the Memoranda of Agreement—as he interprets them.

Mr. PASTORE. Will the Senator yield?

Mr. BIDEN. I yield for a response from the Senator from Rhode Island.

Mr. PASTORE. That is not the way I have been hearing it here this afternoon. I hope Mr. CASE or Mr. HUMPHREY will get up and give us a rebuttal or refutation of what the Senator just said.

Mr. BIDEN. I can read their statements if they do not have time.

Mr. PASTORE. I am reading the law. The law, as they read it to me, was that this was being separated from all else. Now the Senator from Delaware is telling me that the administration is taking the position that if we do separate this, without coming to Congress they are going to get themselves into a Memoranda of Agreement.

Mr. BIDEN. Absolutely. Unequivocally.

Mr. PASTORE. I would like to hear that answered. We are not separating this, if that is the case. That is what I have been trying to find out.

Mr. BIDEN. The Secretary of State himself says that. I will be able to quote, if I may have just a moment, what the Secretary has said in closed and open hearings. He has said just that. I would like to quote specifically for the Senator from Rhode Island the Secretary of State where he responds to questions by me and others that it is, in fact, the intention of the executive branch to put into effect immediately the Sinai Accords, and that this can only be done if the Congress authorizes that 200 American technicians be sent to the Sinai.

I read from the open hearings in response to questions by me to the Secretary of State. I start off and said:

> Mr. Leigh's memorandum indicates there are certain provisions of the published documents which are viewed as being more binding than others, and so assuming that we in fact vote out a resolution which has the 200 technicians, approve 200 technicians—

Mr. PASTORE. May we have order, please? I would like to hear this.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BIDEN. I will try to begin again. Again, this is in the context of my trying to find out from the Secretary of State whether or not these two items are separable—that is, the four documents and the 200 technicians. I said:

> Now, as I understand it, and I would like to thank Mr. Leigh for getting up this memo, even though it is secret and the committee has not taken a stand on it. I thought we had, by the way. I thought when it was declassified, we could talk about whether the aspects are binding or not, but I will honor that commitment by not doing that. Mr.

> Leigh's memorandum indicates there are certain provisions of the published documents which are viewed as being more binding than others, and so assuming that we in fact vote out a resolution which has the 200 technicians, approve the 200 technicians, then as Senator Clark pointed out is the intention of the State Department to recommend that there be a signature, a signing of the documents which are now just merely initiated published documents? Is that correct?
>
> Secretary Kissinger. That is correct.
>
> Senator Biden. Now, so that automatically at that point, since it is the administration's position that the binding provisions are binding with the force of an executive agreement—is that correct?
>
> Secretary Kissinger. That is correct.
>
> Senator Biden. That when that signature is affixed that there are certain provisions of the memorandum agreement that will become binding upon the United States both in international law and as far as the administration is concerned, binding the U.S. Government by her own laws. Is that correct?
>
> Secretary Kissinger. That is correct, but, of course, one has to analyze what is binding in fact.

Then the Secretary goes on and analyzes the binding effect in the legal memorandum the State Department sent up to us which we cannot declassify. I said: "Of course, we are not allowed to do that."

He said:

> No, but the difficulty that this discussion has raised and your questions are—they do go to the heart of the problem. Inevitably in these negotiations the United States, as the central factor in the diplomacy has had to supply an ingredient because otherwise nobody else could have done these negotiations and statements of our intentions, analysis of the situation, given the importance the parties have attached to our views, have played a major role.
>
> Now, in the past these have been handled in a less legalistic manner and therefore have in fact never given rise to any major controversy with any of the parties.

Dr. Kissinger goes on to talk about the degree of how binding each of these provisions are. I do not have this all marked out and I do not want to take the time of the Senate to read the entire discourse. But let me read just a bit:

> Senator Biden. But we tie into those agreements, don't we?
>
> Secretary Kissinger. That we tie into by signing.

Signing occurs upon voting out the resolution.

Israel has said they will not enter into this Memorandum of Agreement until the 200 are put in place. We—this is the administration—have said that immediately upon putting the 200 in place, we will sign the agreement.

It has been pointed out to me that I should read the agreement, section 16 of the memorandum of accord with Israel:

> The United States and Israel agree that the signature of the protocol of the Egyptian-Israeli agreement and its full entry into effect shall not take place before approval of the United States Congress of the U.S. role in connection with surveillance and observation functions described in the agreement and its annex. The United States has informed the Government of Israel that it has obtained the Government of Egypt——

And it goes on from there.

That refers to the agreement between Israel and Egypt. What I am referring to is in addition to that. There is a legal memorandum which I will dig up for the Senator from, again, the State Department, whereby the State Department says that the condition for signing the Memorandum of Agreement is the placement of the 200 technicians. Immediately upon the passage of this resolution, the administration will affix its signature and immediately therein we will, in fact, have an executive agreement. The point which the Senator——

Mr. PASTORE. Binding us to what?

Mr. BIDEN. Tying us to God only knows what, as interpreted by the administration and as contained in those 16 points. As Senator Javits said, we must assume that the President is going to put into force all 16 points of that agreement and thereby bind the United States of America to all of them.

My concern, I say to the Senator from Rhode Island, is that I want this agreement. I have no objection to putting 200 technicians, if we can separate the question of sending them from everything else. That is why I have another amendment which I will offer after this one. I have another amendment which speaks to that question, which says that, by voting out the 200 technicians, the President, in effect, agrees—and we all agree—that the provisions in the Memorandum of Agreement, are good faith intentions only; they do not bind the United States of America. I am prepared to be bound by some of them, but I am not prepared to be bound through this backdoor measure of sending 200 technicians and implying that that is all we are doing.

Mr. ROBERT C. BYRD. Will the Senator yield for a request?

Mr. BIDEN. Yes.

UNANIMOUS-CONSENT REQUEST TO CONSIDER HOUSE JOINT RESOLUTION 683

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately upon the third reading of Senate Joint Resolution 138 the Senate proceed to the consideration of House Joint Resolution 683, without debate thereon.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Iowa reserves the right to object.

Mr. CLARK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. STONE. Mr. President, will the Senator yield?

Mr. BIDEN. Permit me one more comment, and then I will yield, in response to the Senator's question. I will take only a minute.

I say to the Senator from Rhode Island, I think that the vast majority of the Members of this body truly believe, as the Senator does, that by voting 200 technicians, we are merely voting 200 technicians, and we are willing to take a gamble for peace on 200 technicians. So is Joe Biden.

But the fact of the matter is, unfortunately as Mr. Warnke said, we pay the price for knowledge. At least we in the committee, and those who have listened to the debate, know that the question of the 200 technicians is not all by itself now. We cannot, after this is all over, cover our eyes and say, "We did not know those executive agreements were going into effect; we did not know they were being triggered."

Like the Senator, I would like to see these executive agreements taken up by Congress one at a time. But I submit that once this goes into effect, we in effect waive our right to challenge them, other than by appropriations.

It has been pointed out to me, by the staff and others, that we did that in Cambodia. We cut off the funds. We did it in Vietnam, eventually, and in other places. It is true that through the appropriations process, we can challenge these agreements.

But one other comment about the point Senator Stevenson was making. He asked the Senator from Minnesota (Mr. Humphrey), "Are we not binding ourselves morally when we do that? Are we not going to hear that kind of argument, at least?" I am not doing justice to the Senator's question.

The response was, "Yes, we are. We are doing that, but we can always cut off the money."

Secretary Ball speaks to that question in his testimony. He talks about the ambiguities that exist. I think we have an obligation to Israel and everyone else to say what we mean. But Secretary Ball goes on to point out, in the hearings, that it does matter to him what the capitals of Cairo and Tel Aviv think about what we are committing ourselves to, and it does matter to him what the American people think about what we are committing ourselves to. It is a practical matter, and the Senator from Rhode Island is a very knowledgeable politician, in addition to being a statesman.

The political implications in this, it seems to me, are inescapable. How will we be able to stand on this floor—after knowing what we have set into motion—when Senator Humphrey or someone else gets up in years to come and says, "You are right. We do not have a legally binding commitment, but we put our moral obligation on the line to Israel and to the world when we did this in 1975. We knew what we were doing. We knew the moral implications of our action." What do we say? Do we say, "No, we did not know that?" But we do know what we are doing——

Mr. STONE. Mr. President, will the Senator yield?

Mr. BIDEN. I yield for a question, a comment, a criticism, whatever.

Mr. STONE. Would the Senator assume that the executive agreements had already been signed, and now answer the question as to what prerogative Congress would have, and what prerogatives Congress would not have, that would worry the Senator?

Mr. BIDEN. Congress would——

Mr. STONE. Which specifics worry the Senator, assuming the agreements have already been signed?

Mr. BIDEN. Assuming the agreements had already gone into effect?

Mr. STONE. Already been signed.

Mr. BIDEN. All right. I would like to start off with paragraph 10. Paragraph 10 sounds to me like a mutual defense pact. It looks to me like saying we will go to war. It has been interpreted in closed committee, and we have had glib assurances that that is not what it means; we have constitutional lawyers, including Prof. Raoul Berger and Professor Fisher——

Mr. STONE. Is the Senator saying that by paragraph 10 we have given the President permission to go to war? Is that what the Senator says?

Mr. BIDEN. That is what this Senator says it could mean.

Mr. STONE. The Senator from Florida disagrees with that, and does not see how, by any stretch of the imagination, an advance approval of going to war is given by that paragraph.

Mr. BIDEN. I would like to read that. It says:

> 10. In view of the long-standing United States commitment to the survival and security of Israel, the United States Government will view with particular gravity—

Mr. STONE. "View with gravity" means going to war?

Mr. BIDEN. Wait a second, if you will. That is the same language that is used in SEATO and NATO and other treaties by which we have said we bound ourselves to go to war.

Mr. STONE. But that paragraph in those other treaties——

Mr. BIDEN. If you will let me finish, then we can talk about it more, if you like.

> In view of the long-standing United States commitment to the survival and security of Israel, the United States Government will view with particular gravity threats to Israel's security or sovereignty by a world power. In support of this objective, the United States Government will in the event of such threat consult promptly with the Government of Israel with respect to what support, diplomatic or otherwise—

Mr. STONE. "Consult" was the active word there?

Mr. BIDEN. Sure was.

Mr. STONE. Is consulting fighting?

Mr. BIDEN. "Consult," in fact, is an action word. We would not consult unless we intended to do something about it.

Several Senators addressed the Chair.

Mr. HASKELL. Mr. President, will the Senator from Delaware yield for a comment?

Mr. BIDEN. I yield.

Mr. HASKELL. I would like to address the question of the Senator from Florida.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. HASKELL. I yield myself 5 minutes.

The PRESIDING OFFICER. Does the Senator yield from his own time?

Mr. HASKELL. I yield on my own time.

Mr. CASE. Mr. President, I ask unanimous consent that the Senator from Colorado may have back the time he already yielded back or transferred to the other amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HASKELL. I thank the Senator very much.

I am glad that the Senator from Florida raised that question, although the subject really should be debated in connection with the next amendment.

I think it is very important to point out here that really these agreements, at least in my opinion, from a clear reading of them, could bring U.S. Armed Forces into action in at least two circumstances. I will later go into how they all tie together.

Mr. STONE. Mr. President, will the Senator yield?

Mr. HASKELL. Yes.

Mr. STONE. Without the action of Congress?

Mr. HASKELL. Without anything more than the approval of this memorandum. In at least two circumstances, in my judgment, the United States could be involved.

The PRESIDING OFFICER. Will the Senator from Colorado kindly use his microphone, so that Senators can hear him?

Mr. HASKELL. Yes.

I would call the attention of the Senator from Florida to what appears to be paragraph 14:

> In accordance with the principle of freedom of navigation on the high seas and free and unimpeded passage through and over straits connecting international waters, the United States Government regards the Straits of Bab-el-Mandeb and the Strait of Gibraltar as international waterways.

Here is the operative language. Would it be possible to have the attention of the Senator from Florida?

Mr. STONE. Yes.

Mr. HASKELL (continuing):

> It—

Meaning the United States—

> will support Israel's right to free and unimpeded passage through such straits.

I emphasize "will support." I make the assumption that if someone blocks the Strait of Babel Mandeb, for example, we are committed to break that blockade. And I would stress that if we look at the next sentence, it becomes doubly clear:

> Similarly, the United States Government recognizes Israel's right to freedom of flights over the Red Sea and such straits and will support diplomatically the exercise of that right.

That is freedom of flights.

I would ask the Senator to notice the distinction. We will support diplomatically the flights and freedom of air space. There is no such qualifying word on the support of freedom of access.

Mr. STONE. Will the Senator answer the question as to whether this has not been the long-standing rule of the United States of America, with no change, which has been supported in the Law of the Seas Conference specifically, almost word for word?

Mr. HASKELL. No, I am not aware of any commitment of the United States to use force to keep any straits in the world open.

Mr. STONE. There is no use of the word "force" in here.

Mr. HASKELL. How does one "support"? I ask the Senator to please look at the difference in the two sentences. In the one case, we support Israel's right to free and unimpeded access, in the other case of airspace we support diplomatically——

Mr. STONE. If the Senator from Colorado wishes to escalate by putting planes—that is not the point in the paragraph—that is his prerogative. But economically it can be imported in as well as militarily. Support can be economic as well as military. It can be political as well as diplomatic. It can be in many forms and ways.

But for either Senator from Colorado to escalate what is here from consultation, to commitment, to go to war, to escalate, from support, to support militarily is to raise a strawman, in the opinion of the Senator from Florida.

The Senator from Florida wishes to obtain this answer: Does the Senator from Colorado assert that without action of Congress the President, the Executive, could go to war over those straits?

Mr. HASKELL. Unless we adopt as part of the resolution the amendment next to be offered.

I yield the remainder of my 5 minutes.

Mr. CLARK. Mr. President, will the Senator from Colorado yield a few minutes?

The PRESIDING OFFICER. Who yields time?

Mr. STONE. Mr. President, I yield myself 2 minutes on my own time.

The PRESIDING OFFICER. The Chair advises that the Senator has no time remaining.

Mr. CASE. That is the truth.

Mr. CLARK. Mr. President, I ask a question of the Senator from Colorado with regard to that point.

He makes an excellent point. A reasonable interpretation of point 14 could indeed lead one to believe that military commitments could be involved. As the Senator from Florida said, it could mean economic support, it could mean some other kind of support, and it could mean military support.

I ask unanimous consent to have printed in the RECORD a memorandum that has been prepared on this matter by the Senate Legislative Counsel.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF LAW

This memorandum addresses three questions:

I. Constitutionally, in view of the far-reaching nature of the agreement with Israel, should the commitments incorporated in the agreement with Israel more properly be handled in the form of a treaty rather than as an executive agreement?

II. Assuming that Congress does not take any action of approval or disapproval concerning the secret agreements, what will be their status in international and domestic law?

III. Could S. Con. Res. 64, if passed by Congress without amendment, be interpreted as constituting congressional approval of the entire package of Middle East agreements in stating that "The President is accordingly encouraged to take such action as may be necessary to fulfill their purposes"?

SUMMARY

I. Constitutionally, Agreement E, and possibly Agreements G and H, are beyond the power of the President to enter into without the advice and consent of the Senate. Agreement F is within the President's power to make and constitute a valid executive agreement.

II. A. Absent the advice and consent of the Senate, under domestic law Agreement E and possibly Agreements G and H will be without force and effect. The advice and consent of the Senate is not required with respect to Agreement F, and it has full force and effect under domestic law.

B. Because Agreement E is without force and effect under domestic constitutional law, and because Israel should reasonably have known of such constitutional defect, this Office has concluded that such Agreement will be without force and effect under international law in the absence of the advice and consent of the Senate.

If, as we have concluded, Agreement F is a valid executive agreement, it has full force and effect under international law.

Because we are uncertain as to the validity of Agreement G under domestic constitutional law, it would probably be unfair to conclude that Israel should reasonably have known of any such potential constitutional defect. We therefore conclude that Agreement G is probably of force and effect under international law.

Because we are uncertain as to the validity of Agreement H under domestic constitutional law, it would probably be unfair to conclude that Egypt should reasonably have known of any such potential constitutional defect. We therefore conclude that Agreement H is probably of force and effect under international law.

ANALYSIS

I. Constitutionally, in view of the far-reaching nature of the agreement with Israel, should the commitments incorporated in the agreement with Israel more properly be handled in the form of a treaty rather than as an executive agreement?

In answering this question it is necessary to examine (A) the constitutional distinction between a treaty and an executive agreement; (B) the precise nature and extent of United States commitments to Israel in each of the four agreements; and (C) the application of constitutional principles to each agreement.

(A) Constitutional Law: Treaties and Executive agreements under the Separation of Powers Doctrine

The scope of the President's authority to make executive agreements is unclear. No test is prescribed by the Constitution for determining whether a Presidential agreement involving a particular subject matter is *ultra vires*. Nor is any one test universally accepted. Rather, the standards must be determined from an examination of various sources. Considerations relevant to this separation-of-powers issue include (1) the text of the Constitution; (2) the intent of the framers; (3) actual practice; (4) Supreme Court and other cases; (5) criteria suggested by various authorities; and (6) criteria employed by the Department of State.

(1) The text of the Constitution

The Constitution confers no express authority upon the President to enter into agreements wholly on his own. While article II, section 1 does provide that "executive Power shall be vested in a President of the United States," section 2 of that article more specifically states that the President "shall have the power, by and with the consent of the Senate, to make Treaties, provided two thirds of the Senators present concur."

(2) Intent of the Framers

In the absence of a more explicit assignment of power by the constitutional text, the way in which the Framers understood the separation of powers in this context takes on added significance. It is clear that the Framers intended not only to circumscribe narrowly the authority of the President to act unilaterally in this area, but also that they contemplated the closest possible collaboration between the President and the Senate in entering into international agreements. The observations of several Framers are both representative and illustrative of their intent.

(a) John Jay cautioned against delegation of the treaty-making power:

"The power of making treaties is an important one especially as it relates to war, peace, and commerce; and it should not be delegated but in such a mode, and with such precautions, as will afford the highest security that it will be exercised by men the best qualified for the purpose, and in the manner most conducive to the public good." *The Federalist* No. 64, at 420.

(b) James Madison regarded treaty-making as more a legislative than an executive function:

". . . There are sufficient indications that the power of treaties is regarded by the constitution as materially different from mere executive power, and as having more affinity to the legislative than to the executive character." 6 *J. Madison, Writings* 138 (Hunt ed. 1910), Chapter II, note 12.

(c) Even Hamilton, no advocate of legislative power, believed that the legislative branch had to be included in the powers of making international commitments:

"The power in question seems therefore to form a distinct department, and to belong, properly, neither to the legislative nor to the executive. The qualities elsewhere detailed as indispensable in the management of foreign negotiations, point out the Executive as the most fit agent in those transactions; while the vast importance of the trust, and the operation of treaties as laws, plead strongly for the participation of the whole or a portion of the legislative body in the office of making them." Hamilton, *The Federalist* No. 75.

Hamilton noted that although the King of Great Britain could make treaties by himself, this power was denied to the President:

"In this respect, therefore, there is no comparison between the intended power of the President and the actual power of the British sovereign." *The Federalist* No. 69.

(3) Actual practice

(a) *Treaties vs. executive agreements.* Custom and usage reveal no consistent pattern by which executive agreements and treaties might be distinguished and suggest that various Presidents have not adhered to the intent of the Framers. Important international agreements have been entered into on the President's own motion:

"In 1817, the Rush-Bagot Agreement disarmed the Great Lakes. *Root-Takahira* and *Lansing-Ishii* defined American policy in the Far East. A Gentlemen's Agreement with Japan (1907) limited Japanese immigration into the United States. Theodore Roosevelt put the bankrupt customs houses of Santo Domingo under American control to prevent European creditors from seizing them. McKinley agreed to contribute troops to protect Western legations during the Boxer Rebellion and later accepted the Boxer Indemnity Protocol for the United States. Franklin Roosevelt exchanged over-age destroyers for British bases. Potsdam and Yalta shaped the political face of the world after the Second World War. Many Presidents have concluded agreements settling claims between the United States and foreign governments." L. Henkin, *Foreign Affairs and the Constitution* (1972) at 179–180.

At the same time, agreements have been transmitted to the Senate as treaties which involve matters of less than momentous international import. Only last week, for example, the Committee on Foreign Relations concluded hearings on treaties relating to the status of three uninhabited coral reefs in the Caribbean; the regulation of shrimp fishing off the coast of Brazil; and international regulations for preventing collisions at sea.

The trend toward using executive agreements rather than treaties has accelerated in recent years. In 1930, the United States concluded twenty-five treaties and only nine executive agreements.

In 1968, however, the United States concluded sixteen treaties and 266 executive agreements, and by January 1, 1972, 974 treaties and 4,359 executive agreements were in force for the United States. (Testimony of Hon. Sam Ervin, "Congressional Oversight of Executive Agreements," hearings before the subcommittee on Separation of Powers of the Committee on the Judiciary, United States Senate, 92d Cong., 2d Sess., on S. 3475 (U.S. Government Printing Office: Washington, 1972) at 3.)

(b) *Congressional efforts to restore the constitutional balance.* The Congress has by recent legislation attempted to restore the constitutional balance.

In 1969 the Senate agreed to the National Commitments Resolution, which warned Presidents that the Senate intends to exercise its constitutional role and reserves the right to decline to implement presidential commitments.[1]

In 1972 the Senate agreed to S. Res. 214, expressing its sense that a 1971 presidential agreement with Bahrain, which provided for the use of military facilities by the United States in Bahrain, should be submitted to the Senate as a treaty.

And in 1973 the Congress enacted the War Powers Resolution, which prohibits the inference from any treaty, of authority to introduce the armed forces into hostilities unless such treaty is implemented by legislation specifically authorizing the introduction of the armed forces into hostilities (sec. 8 (a) (2)).

(c) *The "Congressional-Executive Agreement"*. In addition to the extremes of the "sole" executive agreement and the treaty, an intermediate vehicle has developed. The "Congressional-Executive" agreement—an agreement made by joint authority of the President and a majority of each House of the Congress—dates from the early days of the Nation's constitutional history. It has been used to negotiate agreements on a range of subjects, including postal relations, lend-lease, nuclear reactors, copyright, and most notably trade agreements. Normally executive agreements of this type are entered into pursuant to specific statutory authority, and even then may be subject to congressional approval or disapproval after they have been entered into (see, e.g., the Trade Act of 1974). Controversy regarding the interchangeability of such agreements with treaties has abated in recent years, but the question of their legal equivalence has not been fully settled.

(4) Supreme Court cases

We have not been able to locate any case in which the Supreme Court considered whether an executive agreement was *ultra vires* for lack of Senate advice and consent. We have located three tangentially relevant Supreme Court cases, however, and one Court of Appeals case which may provide some guidance.

(a) In *Holmes* v. *Jennison,* 14 Peters 540, 572 (1840), the Supreme Court held that, when the Governor of Vermont sought to extradite one Holmes to Canada, the Governor was in effect entering into an agreement with Canada which Vermont could not do without congressional consent. Chief Justice Taney adopted Vattel's description of a treaty as a compact made "for perpetuity, or for a considerable time" requiring "repeated acts". Executive agreements, on the other hand, had "temporary matters for their object" and were "accomplished by one single act."

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[1] For the text of Resolution see page 41 of this Memorandum.

(b) In *Valentine* v. *U.S. ex rel Neidecker,* 299 U.S. 5 (1936), another extradition case, the Supreme Court held that the President did not have the power to extradite to France one Neidecker in the absence of a treaty or Act of Congress requiring such extradition. The Court did not treat the case as one involving an executive agreement, but it seems likely that at least an informal one had been made. By implication, the Court thus seems to have held that the making of such agreement was beyond the President's power.

(c) In *United States* v. *Belmont,* 301 U.S. 324 (1937), the Supreme Court appeared to take a step in the opposite direction. Mr. Justice Sutherland sustained presidential authority to enter into an executive agreement with the Soviet Union (the Litvinov Agreement) involving an assignment to the United States of all claims by the Soviet Union against United States nationals. The Court failed to discuss, however, the distinction between the President's authority to *negotiate* with the Soviet Government and his authority, or lack thereof, to determine the *form* which any resulting agreement should take. Furthermore, Sutherland's opinion emphasized that the agreement was part of one transaction which included the recognition of the Soviet Union. Since the power to recognize foreign governments is exclusively granted to the President by the Constitution, arguably this case validates the use of executive agreements only where such a specific constitutional power exists.

(d) In *United States* v. *Capps,* 204 F. 2d 655 (4th Cir. 1953), the acting Secretary of State and the Canadian Ambassador to the United States entered into an agreement regarding the export of Canadian potatoes into the United States. The United States alleged that the importing company had breached the agreement and sued the company for damages. The Court of Appeals affirmed a judgment for the company on the ground that the executive agreement was void. But, significantly, the court invalidated the agreement not because it found that a treaty was required to accomplish the end sought, but rather because the executive failed to comply with a specific statute limiting its power to ban imports. Thus, although the court suggested that the executive lacked inherent power to regulate interstate and foreign commerce, it did not actually base its holding on that theory.

(5) Comments of authorities and views of the Committee on Foreign Relations

Various commentators and authorities have viewed the distinction between treaties and executive agreements as turning on the importance of the subject matter.

(a) In 1939 an Assistant Secretary of State wrote:

"International agreements involving political issues or changes of national policy and those involving international arrangements of a permanent character usually take the form of treaties. But international agreements embodying adjustments of detail carrying out well-established national policies and traditions and those involving arrangements of a more or less temporary nature usually take the form of executive agreements." Sayer, *The Constitutionality of the Trade Agreements Act,* 39 Colum. L. Rev. 751, 755 (1939).

(b) An Attorney General's opinion of 1940, dealing with the exchange of over-age destroyers and obsolescent military materials for the acquisition of optional naval and air bases, also focused on the extent of future commitments promised by the United States, suggesting that Senate consent is not necessary for agreements which impose no obligation upon Congress, such as the obligation to appropriate money. 39 Op. Att'y. Gen. 484, 487 (1940).

(c) This Committee has also endorsed a test based on the importance of the subject matter of the agreement. It noted that the "traditional distinction between the treaty as the appropriate means of making significant political commitments and the executive agreement as the appropriate instrument for routine, nonpolitical arrangements has substantially broken down." "National Commitments," Report of the Committee on Foreign Relations of the United States Senate, S. Rept. No. 91–129, 91st Cong., 1st Sess., 26 (1969). It continued that "in some instances we have come close to reversing the traditional distinction between the treaty as the instrument of a major commitment and the executive agreement as the instrument of a minor one." *Id.* at 28.

(d) Finally, the Senate expressed the belief that an agreement with Portugal and an agreement with Bahrain regarding bases each was "clearly a matter of sufficient importance to necessitate its submission to the Senate as a treaty". S. Res. 214, 92d Cong., 1st Sess., Mar. 3, 1972.

(6) Criteria employed by the Department of State

The Department of State, in its so-called "Circular 175 Procedure", has codified standards to which it gives "due consideration" in determining whether to employ the treaty or executive agreement mode:

a. The extent to which the agreement involves commitments or risks affecting the nation as a whole;

b. Whether the agreement is intended to affect State laws;

c. Whether the agreement can be given effect without the enactment of subsequent legislation by the Congress;

d. Past United States practice with respect to similar agreements;

e. The preference of the Congress with respect to a particular type of agreement;

f. The degree of formality desired for an agreement;

g. The proposed duration of the agreement, the need for prompt conclusion of an agreement, and the desirability of concluding a routine or short-term agreement; and

h. The general international practice with respect to similar agreements. 11 *Foreign Affairs Manual* § 721.3 (October 25, 1974).

Conclusion

Strong support exists for the proposition that an agreement which—

(1) relates to a subject matter of exceptional national importance;

(2) constitutes a commitment within the meaning of the National Commitments Resolution; or

(3) qualifies as a treaty under the "Circular 175" criteria employed by the Department of State

is in violation of the Constitution if entered into by the President without the advice and consent of the Senate.

(B) Nature and Extent of United States Commitments to Israel

In order to determine whether any of the four secret agreements should constitutionally be regarded as a treaty, the precise nature and extent of the commitments of the United States under each must be examined.

(1) Agreement E—Memorandum of Agreement Between the Governments of Israel and the United States, September 1, 1975

Agreement E is written in such broad and general terms that any attempt to determine the specific nature and scope of United States commitments under such agreement is, in most instances, totally impracticable. The attention of the Committee is directed to each paragraph of such Agreement, as follows:

¶1. *Israeli defense requirements.* What is meant by "fully responsive"? No termination or renewal date is set forth; does "on an on-going and long-term basis" mean in perpetuity? What do "other defense requirements" include? Military advisors? Combat forces? Covert activities? What does "military equipment" include? Sophisticated weapons systems? Delivery systems for nuclear warheads? If so, has Israel promised not to use nuclear weapons in connection with such delivery systems? Does such promise refer only to first use? Does it apply even if Israel's survival as a nation is threatened? If such a promise exists, is it in writing? Is it a part of Agreement E? Has it or will it be transmitted to the Congress? In the event the United Nations takes "preventive or enforcement action" against Israel within the meaning of article 2, paragraph 5 of the United Nations charter,[2] does the United States undertake to continue giving such assistance in violation of the charter?

¶2. *Long-term supply needs.* To what extent may Congress contribute to the "joint study by military experts"? Will its results be made known to the Congress? Will congressional approval be sought? What does "sympathetic" mean? Does this preclude careful scrutiny? As to "advanced and sophisticated weapons", see comments on ¶1 above.

¶3. *Oil arrangements.* The one-year's notice requirement prior to termination applies only with respect to paragraph 3; does this imply that the rest of the Agreement is not subject to termination by either side? What are Israel's "normal requirements"? As of what date will such requirements be determined? Does "domestic consumption" include domestic *military* consumption? At what price and on what terms and conditions will the United States "promptly make oil available for purchase by Israel"? Will the annual review of "Israel's continuing oil requirement" include any congressional contribution? Will such sales continue if Israel acts in violation of the U.N. charter or international law?

¶7. *Effect of Egyptian violation of Egypt-Israel Agreement.* Does "any Egyptian violation" include a non-material violation? Which party, the United States or Israel, determines whether Egypt is in violation? Does this provision apply even if Israel is also in violation? What does "possible remedial action by the United States" include? Military advisors? Combat forces? Covert activities? Is congressional approval of any such action required?

¶8. *Security Council votes.* Does this provision apply even if Israel is in violation of international law or the United Nations charter or its agreement with Egypt?

¶9. *Proposals detrimental to Israel.* (See comments on ¶8.) Does this apply only with respect to the United Nations? If so, does it relate to the Security Council, or to the General Assembly as well?

¶10. *Threats to Israeli security.* (See comments on ¶1 and ¶8 above.) What does "view with particular gravity" mean? What constitutes a "threat to Israel's security or sovereignty"? Which nations are world powers? Would it include a "preventive or enforcement action" under article 2, paragraph 5 of the United Nations charter sponsored by the United Nations? Does "support, diplomatic or otherwise" include the introduction of the United States armed forces into hostilities? How does the executive branch presently interpret United States "constitutional practice"? Section 8 of the War Powers Resolution prohibits the inference of congressional authority to introduce the armed forces into hostilities, from a treaty or statute except under certain conditions; because Agreement E is neither a treaty nor a statute, but rather is an executive agreement, might the executive branch and Israel conceivably draw such an inference from it?

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[2] 5. All Members shall give the United Nations every assistance in any action it takes in accordance with the present Charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action. United Nations Charter, article 2, paragraph 5.

¶11. *Emergency military supply operation.* What weapons will be re-supplied? At what cost and under what terms and conditions? Will such operation be undertaken if Israel is in violation of the United Nations charter or international law? If it constitutes a violation by the United States of article 2, paragraph 5 of the charter? If it requires introduction of the armed forces into hostilities? Is congressional authorization required?

¶12. *Validity of Egypt-Israel Agreement.* If the "validity and duration" of the Egypt-Israel Agreement are "not conditional upon any act or developments between the other Arab states and Israel", does the United States view Egypt as being bound by that Agreement even if Israel commits an act of aggression against another Arab state which may be an ally of Egypt?

¶13. *Negotiations with Jordan.* Does this provision apply with respect to negotiations between the United States and Jordan or between Israel and Jordan, or both? To what extent does this provision preclude the consideration of topics other than "an overall peace settlement"?

¶14. *Freedom of navigation and flights.* Is the commitment of the United States to "support Israel's right to free and unimpeded passage" a commitment to do so militarily? Is it a commitment to do so even if Israel exercises such right of passage for aggressive purposes? Should Congress infer from the absence of any reference to United States "constitutional practices" (in this and in ¶¶2, 10, & 11) that the executive branch intends to decide upon support measures without consulting or seeking the authorization of Congress? Will the United States "support diplomatically" Israel's "right to freedom of flights over the Red Sea" even if such flights are for aggressive purposes? What is the significance of omitting the word "diplomatically" before "support" in the first sentence?

¶16. *Effective date.* What does "approval by the United States Congress" mean? If the Congress were by resolution simply to express its sense that the President already has the constitutional and statutory authority to carry out the surveillance and observation functions, would it be deemed to have approved the role of the United States for purposes of this paragraph?

Conclusion. This Office can provide little assistance in determining what specific obligations are undertaken by the U.S. under Agreement E. There are various "canons of construction" for the interpretation of treaties, as there are for statutes, but these are primarily matters of common sense.[3] (The committee may wish to determine whether the executive branch has entered into oral understandings, informal or otherwise, for the purpose of providing clarification.)

Because of the vagueness and numerous uncertainties of Agreement E, which the above analysis reveals, it is difficult to predict the ultimate impact of the agreement. This unpredictability is contrary to a basic purpose of legal systems, and has often been condemned by courts. In criminal law, for example, statutes have been held "void for vagueness" when they were "so vague that men of common intelligence must necessarily guess at [their] meaning and differ as to [their] application". *Connaly* v. *General Construction Co.*, 269 U.S. 385 (1926). In civil law, a contract may be void unless it sets forth precisely what performance obligations are undertaken by each party. As one court held, "an offer must be so definite in its terms, or require such definite terms in the acceptance, that the promises and performances to be rendered by each party are reasonably certain." *Michell Novelty Co.* v. *United Manufacturing Co.*, 94 F. Supp. 612 (N.D. Ill. 1950). One reason for the law's dislike for ambiguity is that it makes possible broad but still reasonable interpretations, thereby engendering unpredictable results. Thus in assessing the nature, extent, and desirability of the commitments made in Agreement E by the United States, the Committee may wish to view the Agreement in terms of the broadest reasonable construction to which it could be subjected either by Israel or by a United States President. So viewed, the Agreement may be construed to provide, *inter alia*, as follows:

1. The United States will introduce its armed forces into hostilities for the purpose of—

(A) taking remedial action in the case of an Egyptian violation of any of the provisions of the Agreement (¶ 7);

(B) defending Israel against threats by a world power (¶ 10);

(C) maintaining Israel's right to free and unimpeded passage through the straights of Bab-el-Mandeb and the Straight of Gibraltar (¶ 14); and

(D) carrying out a military supply operation to Israel in an emergency situation (¶ 11).

2. United States economic and military assistance to Israel will be substantial and will include sophisticated weapons systems and systems capable of delivering nuclear weapons.

3. The above obligations are undertaken without regard to—

(A) the financial cost to the United States;

(B) the aggressive nature of any act by Israel;

(C) any preventive or enforcement action by the United Nations against Israel, or the fact that the fulfillment of such commitments could under certain circumstances be in violation of the United Nations charter;

(D) any lapse of time or change in the relationship between the United States and Israel; or

(E) except in the case of commitments set forth in paragraph 1 of Agreement E, the absence of approval of the Congress.

(2) Agreement F—Memorandum of agreement between the countries of Israel and the United States: The Geneva Peace Conference

Agreement F deals with United States policy with respect to recognition of the Palestine Liberation Organization and with matters of diplomacy and strategy to be followed at the Geneva Peace Conference and in the United Nations. No further commitments appear to be made.

(3) Agreement G—Assurances from United States Government to Israel

The language of this Agreement raises questions similar to those raised by Agreement E. Does "resolved" mean that the United States is "committed" or simply "intends" to "maintain Israel's defensive strength"? How "advanced" is the equipment involved? Does "supply" mean "delivery", and, if so, is the U.S. bound to deliver equipment during outbreaks of hostilities? On what terms and conditions will the items be supplied? Must supply be continued in the event Israel commits an act of aggression or in the event such supply would constitute a violation of article 2, paragraph 5 of the United Nations Charter by the United States? Does the United States intend to supply F-16 aircraft without a "joint study" of the kind to which provision of the Pershing ground-to-ground missiles is subject? Will items provided be drawn from existing inventories or from new production? At what price will they be provided? Is "the view to giving a positive response" strong enough to constitute a commitment?

(4) Agreement H—Assurances from United States Government to Egypt

The language of this Agreement raises questions similar to those raised by Agreements E and G. On what date does the Agreement take effect? Specifically:

¶1. Does "in the first instance" imply that economic channels may be resorted to in the event diplomatic channels fail?

¶2. Does "an Israeli violation" include a non-material violation? Which party, the United States or Egypt, determines whether Israel is in violation? Does this provision apply even if Egypt is also in violation? What does "possible remedial action by the United States" include? Military advisors? Combat forces? Covert activities? Must Congress approve such remedial action? Must "remedial action" be taken by the United States even if Egypt commits an act of aggression against Israel or violates the Egypt-Israel agreement?

¶3. Will such technical assistance be provided on a grant basis or under a sales arrangement? If the latter, at what price? Must assistance continue if its provisions would constitute a violation of article 2, paragraph 5 of the United Nations Charter?

¶4. (See ¶3 above.) Must such assistance continue regardless of a change in the relationship between Egypt and the United States? For what period of time will such assistance continue? In what amount will it be requested of the Congress?

(C) Application of Constitutional Principles to Each Agreement

(1) Agreement E—Memorandum of agreement between the governments of Israel and the United States, September 1, 1975

(a) *Importance of Subject Matter.* As indicated, the provisions of Agreement E are subject to varying interpretations. Under the broadest reasonable construction, this office would conclude that the subject matter is one of exceptional national importance.

(b) *National Commitments Resolution.* Under the broadest reasonable interpretation, Agreement E seems clearly to be a "promise to assist" Israel at least "by the use of the armed forces" and without question "by the use of the . . . financial resources of the United States", both "immediately" and also "upon the happening of certain events". Thus, the obligations undertaken in Agreement E clearly constitute a "national commitment" within the meaning of clause 1 of the National Commitments Resolution. In clause 2 of that resolution the Senate expressed its sense that a national commitment "results only from affirmative action taken by the executive and legislative branches of the United States Government by means of a treaty, statute, or concurrent resolution of both Houses of Congress specifically providing for such commitment." Inasmuch as Agreement E does not take the form of a "treaty, statute, or concurrent resolution", that agreement cannot, according to the National Commitments Resolution, result in a commitment by the United States.

(c) *"Circular 175" Criteria.* In determining the application of the "Circular 175" criteria. Agreement E will again be given its broadest reasonable construction.

a. *Commitments and risks.* As discussed in section (b) above, it seems clear that Agreement E involves both commitments and risks affecting the Nation as a whole.

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[3] E.g., it is not permissible to interpret what has no need of interpretation; the duty is to give effect to the expressed intention of the parties; the whole of the treaty must be taken into consideration; words must be given their ordinary and natural meaning in the context in which they occur; all treaties must be interpreted so as to exclude fraud. *See generally* 14 Whiteman, *Digest of International Law*, section 39 (1970). In drafting legislation, it is the policy of this office that statutory language should be sufficiently clear as to make unnecessary resort to canons of construction.

b. *Effect on State laws.* As far as we can determine, no provision of the Agreement is intended to affect any State laws.

c. *Need for subsequent legislation.* Paragraph (1) of Agreement E refers to "congressional authorization" as a possible restriction upon United States responsiveness to Israel's defense, economic, and energy requirements. Presumably, the Agreement thereby contemplates military and economic assistance, to the extent authorized by Congress. Thus it appears that key portions of the Agreement cannot be given effect without the enactment of subsequent legislation by the Congress.

d. *Past practice regarding similar agreements.* A review of mutual defense treaties and collective security treaties in effect between the United States and various countries reveals that a number of such treaties contain language roughly comparable to paragraph 10 of Agreement E.

For example the North Atlantic Treaty, 66 Stat. 2241; TIAS 1964; 34 UNTS 243, provides as follows:

"Article 5

"The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

The Mutual Defense Treaty between the United States of America and the Republic of the Philippines, 3 UST 3947; TIAS 2529; 177 UNTS 133, provides as follows:

"Article III

"The Parties, through their Foreign Ministers or their deputies, will consult together from time to time regarding the implementation of this Treaty and whenever in the opinion of either of them the territorial integrity, political independence or security of either of the Parties is threatened by external armed attack in the Pacific."

The Security Treaty between Australia, New Zealand, and the United States of America, 3 UST 3420; TIAS 2493; 131 UNTS 83, provides as follows:

"Article III

"The Parties will consult together whenever in the opinion of any of them the territorial integrity, political independence or security of any of the Parties is threatened in the Pacific."

The Mutual Defense Treaty between the United States of America and the Republic of Korea, 5 UST 2368; TIAS 3097; 238 UNTS 199, provides as follows:

"Article II

"The Parties will consult together whenever, in the opinion of either of them, the political independence or security of either of the Parties is threatened by external armed attack. Separately and jointly, by self help and mutual aid, the Parties will maintain and develop appropriate means to deter armed attack and will take suitable measures in consultation and agreement to implement this Treaty and to further its purposes."

And the Southeast Asia Collective Defense Treaty and protocol thereto, 6 UST 81; TIAS 3170, provides as follows:

"Article IV

"1. Each Party recognizes that aggression by means of armed attack in the treaty area against any of the Parties or against any State or territory which the Parties by unanimous agreement may hereafter designate, would endanger its own peace and safety, and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes. Measures taken under this paragraph shall be immediately reported to the Security Council of the United Nations."

Accordingly, we would conclude that past United States' practice with respect to similar agreements indicates that such agreements have been transmitted to the Senate as treaties.

e. *Preference of the Congress.* On June 25, 1969, the Senate agreed to the National Commitments Resolution expressing its sense that a national commitment within the meaning of clause (1) thereof results only when a treaty, statute, or concurrent resolution provides for such commitment. As indicated above, the obligations undertaken in Agreement E undoubtedly constitute a commitment within the meaning of clause (1). We thus conclude that the Senate has expressed its preference that the commitments made by an agreement of this particlular type be embodied in a treaty, statute, or concurrent resolution specifically providing for such commitment, and that the Congressional preference would be that Agreement E not be dealt with as an executive agreement.

f. *Degree of formality desired.* This Office is of course unable to determine what degree of formality was desired by the executive branch for Agreement E. From the standpoint of the Congress, however, as the subject matter becomes more important, the formality of the treaty mode may be more desirable.

g. *Proposed duration, need for prompt conclusion, and desirability of concluding a routine or short-term agreement.* With the exception of the provision relating to oil sales and supply, it appears that Agreement E is intended to be of indefinite duration. The Agreement clearly is not "routine"; however, the policy judgments inherent in the other two criteria of paragraph g. preclude an evaluation by this Office.

h. *General international practice.* Because of time limitations we have been unable to survey general international practice with respect to similar agreements.

Conclusion. It is the opinion of this Office, having considered the "Circular 175" criteria as applied to Agreement E, that those which we are able to evaluate weigh heavily in favor of the conclusion that Agreement E should be treated as a treaty rather than an executive agreement.

(d) *Conclusion Regarding Agreement E.* Agreement E, given its broadest reasonable construction, relates to a subject matter of exceptional national importance, constitutes a commitment within the meaning of the National Commitments Resolution, and requires, as a treaty, the advice and consent of the Senate under the "Circular 175" criteria employed by the Department of State.

(2) Agreement F—The Geneva Peace Conference

(a) *Importance of the Subject Matter.* As indicated, the provisions of Agreement F relate solely to matters of diplomatic relations and international negotiations. It is questionable whether the subject matter is one of exceptional national importance, and in any event, it is the opinion of this Office that the conduct of diplomatic relations and international negotiations is ancillary to the President's "recognition power" of section 3, article II of the United States Constitution and is thus exclusively presidential.

(b) *National Commitments Resolution.* Agreement F does not contain "a promise to assist" Israel "by use of the Armed Forces or financial resources of the United States". Accordingly, for purposes of the National Commitments Resolution, it is not regarded as a commitment and thus may result in a binding commitment in the absence of a treaty, statute, or concurrent resolution providing for such commitment.

(c) *"Circular 175" Criteria.*

a. *Commitments and risks.* Agreement F would not appear to involve any substantial commitment or risk affecting the Nation as a whole.

b. *Effect on State Laws.* There is no indication that Agreement F is intended to affect State laws.

c. *Need for subsequent legislation.* The Agreement can be given effect without the enactment of subsequent legislation by the Congress.

d. *Past practice regarding similar agreements.* We have not been able to locate any instance in which a similar agreement has been submitted as a treaty.

e. *Preference of the Congress.* There is no indication that the Congress prefers that this particular type of agreement be dealt with as a treaty.

f. *Degree of formality desired.* There is no reason to assume that a high degree of formality is desired on the part of either the executive branch or the Congress.

g. *Proposed duration, need for prompt conclusion, and desirability of concluding a routine or short-term agreement.* The portions of the Agreement dealing with recognition of the Palestine Liberation Organization apparently are of indefinite duration, although other provisions relate to obligations undertaken within definite periods of time.

h. *General international practice.* Because of time limitations we have been unable to survey general international practice with respect to similar agreements.

Conclusion. It is the opinion of this Office that under the "Circular 175" criteria Agreement F should be considered an executive agreement.

(d) *Conclusion Regarding Agreement F.* Agreement F does not appear to relate to a subject matter of exceptional national importance, and, in any event, relates to matters within the exclusive constitutional power of the President. It does not constitute a commitment within the meaning of the National Commitments Resolution, nor does it qualify as a treaty under the "Circular 175" criteria employed by the Department of State. Accordingly, it is the conclusion of this Office that under the United States Constitution Agreement F constitutes a valid executive agreement and will have full force and effect under domestic law without the advice and consent of the Senate.

(3) Agreement G—Assurances from United States Government to Israel

(a) *Importance of Subject Matter.* Under the broadest reasonable construction it appears that the United States is committed to providing certain types of advanced and sophisticated military equipment. But because the words "resolved" and "with the view to giving a positive response" are ambiguous, the legal status of the United States commitment is unclear. There appears to be no language which could be cited to support the introduction of the United States Armed Forces into hostilities. Although Agreement G may be one of exceptional national importance, this is not necessarily so, and the Agreement may not be a treaty under this subjective test.

(b) *National Commitments Resolution.* Under the broadest reasonable interpretation, Agreement G clearly constitutes a "promise to assist" Israel "buy the use of . . . financial resources of the United States," possibly not "immediately" but clearly "upon the happening of certain events," namely, upon the conclusion of the "joint study of high technology and sophisticated items". Inasmuch as no "treaty, statute, or concurrent resolution" provides for the commitments contained in Agreement G, under the National Commitments Resolution no commitment of the United States has resulted under Agreement G.

(c) *"Circular 175" Criteria.* The application of the "Circular 175" criteria will assume that Agreement G will also be given its broadest reasonable construction by each party thereto.

a. *Commitments and risks.* Agreement G clearly involves commitments affecting the Nation as a whole. Whether risks are also involved is uncertain because the provision regarding Pershing missiles and other high technology and sophisticated items is vague regarding the terms and conditions under which the United States would provide such material to Israel.

b. *Effect on State laws.* As far as we can determine no provision of Agreement G is intended to affect any State laws.

c. *Need for subsequent legislation.* The ability of the executive to provide the items indicated clearly is dependent upon sufficient congressional authorizations. The final sentence refers specifically to "approval by the U.S. Congress".

d. *Past practice regarding similar agreements.* Agreements for the provision of military equipment, including high technology and sophisticated items, have seldom taken the form of treaties.

e. *Preference of the Congress.* As indicated above, there seems little question that the obligations undertaken in Agreement G constitute a commitment within the meaning of clause 1 of the National Commitment Resolution. We would thus conclude that the Senate has expressed its preference that the commitments made by an agreement of this particular type be embodied in a treaty, statute, or concurrent resolution specifically providing for such commitment, rather than in an executive agreement.

f. *Degree of formality desired.* Again, this Office is unable to determine what degree of formality was desired by the executive branch for Agreement G. From the standpoint of the Congress, however, the degree of formality desired may be viewed as a function of the degree of importance attached to the subject matter, with matters of prime importance submitted as treaties and matters of a routine or minor nature transmitted in the less formal mode of an executive agreement. Under such a standard, a relatively high degree of formality may be desired here.

g. *Proposed duration, need for prompt conclusion, and desirability of concluding a routine or short-term agreement.* It appears that Agreement G is proposed to have indefinite duration. The Agreement would not appear to be "routine"; however, the policy judgments inherent in the other two criteria of paragraph g. preclude an evaluation by this Office.

h. *General international practice.* Because of the time limitations we have been unable to survey general international practice with respect to similar agreements.

Conclusion. It is the opinion of this Office that the "Circular 175" criteria which we are able to apply suggests that Agreement G may be properly considered either a treaty or an executive agreement.

(d) *Conclusion Regarding Agreement G.* Agreement G, given its broadest reasonable construction, relates to a subject matter which may be one of exceptional national importance; constitutes a commitment within the meaning of the National Commitments Resolution; and may be considered either as a treaty or an executive agreement under the "Circular 175" criteria employed by the Department of State. Accordingly, it is the conclusion of this Office that the United States Constitution may require the advice and consent of the Senate.

(4) Agreement H—Assurances from United States Government to Egypt

(a) *Importance of Subject Matter.* Under the broadest reasonable construction, it appears that the United States is committed to the provision of economic assistance to Egypt. Moreover, the language "possible remedial action by the United States" could conceivably be construed, as could the similar language in Agreement E, as including a military commitment.

Assistance to Syria could be implied in ¶1 of Agreement H if the "channel" of economic assistance is contemplated in the event of the failure of the diplomatic channel. In addition, it is clear that technical assistance is promised for the Egyptian Early Warning System under paragraph 3. Agreement H may thus be one of exceptional national importance, but because of the subjective nature of this test whether it should be regarded as a treaty is not clear.

(b) *National Commitments Resolution.* Under the broadest reasonable interpretation, Agreement H clearly constitutes a "promise to assist" Egypt "by the use of . . . financial resources of the United States", possibly not "immediately" but clearly "upon the happening of certain events", namely, congressional authorization and appropriation. Inasmuch as Agreement H is not expressed as a "treaty, statute, or concurrent resolution", no commitment of the United States under the National Commitments Resolution has resulted from Agreement H.

(c) *"Circular 175" Criteria.* The application of "Circular 175" criteria will assume that Agreement H will also be given its broadest reasonable construction by each party thereto.

a. *Commitments and risks.* Agreement H clearly involves commitments affecting the Nation as a whole. Whether risks are also involved by virtue of United States technical assistance for the Egyptian Early Warning System is unclear.

b. *Effect on State laws.* As far as we can determine, no provision of Agreement H is intended to affect any State laws.

c. *Need for subsequent legislation.* The "policy of assisting Egypt in its economic development" clearly is dependent upon sufficient congressional authorizations. The final sentence refers specifically to "congressional authorization and appropriation."

d. *Past practice regarding similar agreements.* Agreements for the provision of economic assistance have seldom taken the form of treaties. However, depending on what "technical assistance", as used in paragraph 3, includes, a treaty may be appropriate.

e. *Preference of the Congress.* As indicated above, there is little question that the commitments undertaken in Agreement H constitute a commitment within the meaning of clause 1 of the National Commitments Resolution. We would thus conclude that the Senate has expressed its preference that the commitments made by an agreement of this particular type be embodied in a treaty, statute, or concurrent resolution specifically providing for such commitments, rather than in an executive agreement.

f. *Degree of formality desired.* Again, this Office is unable to determine what degree of formality was desired by the executive branch for Agreement H. From the standpoint of the Congress, however, the degree of formality desired may be viewed as a function of the degree of importance attached to the subject matter, with matters of prime importance transmitted as treaties and matters of a routine or minor nature transmitted in the less formal mode of an executive agreement. Under such a standard, depending on what "technical assistance" includes, a relatively high degree of formality may be desirable.

g. *Proposed duration, need for prompt conclusion, and desirability of concluding a routine or short-term agreement.* It appears that Agreement H is proposed to have indefinite duration. The policy judgments inherent in the other two criteria of paragraph 4 preclude an evaluation by this Office.

h. *General international practice.* Because of the time limitations we have been unable to survey general international practice with respect to similar agreements.

Conclusion. It is the conclusion of this Office that the "Circular 175" criteria which we can apply suggest that Agreement H could be considered either a treaty or an executive agreement.

(d) *Conclusion Regarding Agreement H.* Agreement H, given its broadest reasonable construction, relates to a matter which may be one of exceptional national importance; constitutes a commitment within the meaning of the National Commitments Resolution; and may be considered either as a treaty or as an executive agreement under the "Circular 175" criteria employed by the Department of State. Accordingly, it is the conclusion of this Office that the United States Constitution may require the advice and consent of the Senate.

II. *Assuming that Congress does not take any action of approval or disapproval concerning the secret agreements, what will be their status in domestic and international law?*

(A) Domestic Law

In answering this question with respect to domestic law, it is necessary to examine (1) relevant principles of constitutional law; and (2) the application of those principles to the agreements in question.

(1) *Relevant principles of constitutional law.*

In contrast to the unsettled state of constitutional law regarding the distinction between treaties and executive agreements, constitutional law is clear-cut and well-established regarding the status of an agreement which is beyond the President's sole power to make and which has not been given the advice and consent of the Senate. Such an agreement is without force and effect under domestic law. A contrary rule would render the advice and consent requirement of article II, section 2, clause 2 a nullity.

(2) *Application to the Agreements.*

(a) *Agreement* E. If, as we have concluded, it was beyond the authority of the President to enter into Agreement E without the advice and consent of the Senate, then in the absence of such advice and consent Agreement E is without force and effect under domestic United States law.

(b) *Agreement* F. If, as we have concluded, the President had the authority to enter into Agreement F on his own, that Agreement is of full force and effect under domestic United States law without the advice and consent of the Senate.

(c) *Agreement G.* If, as we have concluded, it may have been beyond the authority of the President to enter into Agreement G without the advice and consent of the Senate, then such Agreement may be without force and effect under domestic United States law.

(d) *Agreement H.* If, as we have concluded, it may have been beyond the authority of the President to enter into Agreement H without the advice and consent of the Senate, then such Agreement may be without force and effect under domestic United States law.

(B) International Law

In answering question II with respect to international law, it is necessary to examine (1) relevant principles of international law; and (2) the application of those principles to the Agreements in question.

(1) *Relevant principles of international law.*

Unlike domestic constitutional or statutory law, international law provides no text for use as a point of departure. Rather, its principles must be gleaned from various sources, including international conventions, international custom, judicial decisions and teachings of highly qualified publicists, and general principles of law recognized by civilized nations.

The question of whether an agreement which is *ultra vires* under the constitutional law of a nation is binding upon that nation under international law has been answered in similar fashion by a variety of authorities who have reviewed the sources:

(a) The Harvard Research in International Law reached the following conclusion:

"A State is not bound by a treaty made on its behalf by an organ or authority not competent under its law to conclude the treaty; however, a State may be responsible for an injury resulting to another State from reasonable reliance by the latter upon a representation that such organ or authority was competent to conclude the treaty.

* * * * *

"In the United States, where the advice and consent of two-thirds of the members of the Senate present is required by the constitution before the President can make certain treaties, a treaty of that type, if concluded by the President without the advice and consent of the Senate or with the advice and consent of less than two-thirds of the senators present would be one concluded by an incompetent organ or authority. In short, an organ to be competent must be the whole organ or such part of it, where it is a collective organ, as the constitution or law of the State on behalf of which it acts, requires." 29 Am. J. Intl. ? Supp. 992 (1935).

(b) The United Nations International Law Commission formulated existing law as follows:

"Capacity of agents—Constitutional limitation upon the treaty-making power

"1. A treaty is voidable, at the option of the party concerned, if it has been entered in disregard of the limitations of its constitutional law and practice.

"2. A contracting party may be deemed, according to the circumstances of the case, to have waived its right to assert the invalidity of a treaty concluded in disregard of constitutional limitations if for a prolonged period it has failed to invoke the invalidity of the treaty or if it has acted upon or obtained an advantage from it.

"3. In cases in which a treaty is held to be invalid on account of disregard of the constitutional limitations imposed by the law or practice of a contracting party that party is responsible for any resulting damage to the other contracting party which cannot properly be held to have been affected with knowledge of the constitutional limitation in question.

"4. A party cannot invoke the invalidity of a treaty on the ground that it has been entered into in disregard of the constitutional limitations of the other contracting party.

"5. A party asserting the invalidity of a treaty on account of any failure to comply with constitutional limitations is bound, in case of disagreement, to submit the substance of the dispute or the question of damage to the International Court of Justice or to any other international tribunal agreed upon by the parties." II *Yearbook of the International Law Commission*, 1953 at 141.

(c) The Vienna Convention on the Law of Treaties provides as follows:

"Article 45

"Loss of a right to invoke a ground for invalidating, terminating, withdrawing from or suspending the operation of a treaty

"A State may no longer invoke a ground for invalidating, terminating, withdrawing from or suspending the operation of a treaty under articles 46 to 50 or articles 60 and 62 if, after becoming aware of the facts:

"(a) it shall have expressly agreed that the treaty is valid or remains in force or continues in operation, as the case may be; or

"(b) it must by reason of its conduct be considered as having acquiesced in the validity of the treaty or in its maintenance in force or in operation, as the case may be.

"Article 46

"Provisions of internal law regarding competence to conclude treaties

"1. A State may not invoke the fact that its consent to be bound by a treaty has been expressed in violation of a provision of its internal law regarding competence to conclude treaties as invalidating its consent unless that violation was manifest and concerned a rule of its internal law of fundamental importance.

"2. A violation is manifest if it would be objectively evident to any State conducting itself in the matter in accordance with normal practice and in good faith." U.N. Conference on the Law of Treaties, Doc. A/Conf. 39/27, May 23, 1969.

The Senate's consent has been cited as an example of a fundamental requirement. A. McNair, *The Law of Treaties* 63 (1961).

(d) Professor Lewis Henkin concludes as follows:

"It is now accepted that a treaty made in violation of a nation's constitution is nevertheless binding upon it unless the violation is "fundamental" and the other party knew or *had reason to know* the lack of authority to make it." Henkin, *Foreign Affairs and the Constitution* (1973) at 137 (emphasis added).

(e) McNair settles upon a similar test:

"[I]n concluding a treaty if one party produces an instrument 'complete and regular on the face of it' (to borrow an expression from another department of law) though in fact constitutionally defective, the other party, if it is ignorant and *reasonably ignorant* of the defect, is entitled to assume that the instrument is in order and to hold the former to the obligations of the treaty. If that view is correct then the repudiation of such a treaty constitutes an international wrong." Bishop, *International Law, Cases and Materials* (2d Ed., 1962) at 107 (emphasis added). *See also,* Whiteman *Digest of International Law,* § 26 at 260–261.

Conclusion.—We conclude, on the basis of these authorities, that under international law—

(1) a State may be bound, under international law, by an agreement made in violation of its constitutional process;

(2) a State is not bound if (A) such violation is fundamental; and (B) the other party to such agreement should reasonably have known of the constitutional defect;

(3) such State is bound, however, if its subsequent conduct indicates acquiescence in the validity of the agreement.

(2) *Application of international law to agreements.*

It is the opinion of this Office that entering into an agreement beyond the President's constitutional authority, without the advice and consent of the Senate, would constitute a "fundamental" violation of the United States Constitution. We would apply this principle to each Agreement as follows:

(a) *Agreement E.* If, as we have concluded, Agreement E is beyond the authority of the President to make without the advice and consent of the Senate, such Agreement is nonetheless binding on the United States under international law unless Israel should reasonably have known of the constitutional defect. Whether Israel may reasonably be held to such knowledge may be determined from a variety of sources, including legal, political and diplomatic ones.

(i) *Legal.* Foreign nations entering into international agreements with the United States may fairly be regarded to be on notice with respect to essential provisions of United States law and major expressions of relevant congressional opinion. Such provisions would appear to be embodied in the War Powers Resolution and in the National Commitment Resolution.

The War Powers Resolution. Section 8(a) of the War Powers Resolution prohibits the inference of authority to introduce the armed forces into hostilities, from any treaty unless such treaty is implemented by legislation specifically authorizing such introduction. Although the provision applies on its face only to treaties, it would seem unreasonable to conclude that the Congress intended to allow the inference of such authority to be drawn from an executive agreement.

The National Commitments Resolution provides as follows:

"Resolution

"Whereas accurate definition of the term "national commitment" in recent years has become obscured: Now, therefore, be it

"Resolved, That (1) a national commitment for the purpose of this resolution means the use of the Armed Forces of the United States on foreign territory, or a promise to assist a foreign country, government, or people by the use of the Armed Forces or financial resources of the United States, either immediately or upon the happening of certain events, and (2) it is the sense of the Senate that a national commitment by the United States results only from affirmative action taken by the executive and legislative branches of the United States Government by means of a treaty, statute, or concurent resolution of both Houses of Congress specifically providing for such commitment." Senate Resolution 85, 91st Congress, Report No. 91–129, agreed to June 25, 1969.

A leading constitutional scholar has observed that the National Commitment Resolution "was obviously intended . . . as a reminder to foreign governments that the Senate for its part reserves the right not to implement Presidential commitments, and it may effectively serve that end." L. Henkin, *Foreign Affairs and the Constitution* (1973) at 183.

(ii) *Political.* Less easy to identify but nonetheless pertinent are political indicia. These appear to suggest a desire by the Congress to play a more significant role in the conduct of the Nation's foreign relations and to reclaim power that has been exercised by the executive. In this climate an international agreement might reasonably be expected to receive greater congressional attention than it might have several years ago (see, e.g., the "Case Act", 1 U.S.C. 112a; 86 Stat. 619, requiring the transmittal to Congress of all executive agreements).

(iii) *Diplomatic.* This Office is, of course, not privy to information communicated to Israel through diplomatic channels, and cannot determine whether Israel received actual notice of the advice and consent requirement. Regardless of the nature of such communication, however, basic constitutional precepts cannot have been altered.

Conclusions regarding Agreement E. It would be unfair to require a State to make fine distinction with respect to the domestic law of another State. In this instance, however, the violation of the United States Constitution is fundamental in nature. Moreover, legal and political warning lights have been readily visible.

Accordingly, it is the conclusion of this Office that Israel should reasonably have known of the constitutional defectiveness of Agreement E, and that the United States is therefore not bound under international law.

(b) *Agreement "F".* If, as we have concluded, Agreement F is a valid executive agreement, it is of full force and effect under international law.

(c) *Agreement "G".* Because we are uncertain as to the validity of Agreement G under domestic constitutional law, it would probably be unfair to conclude that Israel should reasonably have known of any such potential constitutional defect. We therefore conclude that Agreement G is probably of force and effect under international law.

(d) *Agreement "H"*. Because we are uncertain as to the validity of Agreement H under domestic constitutional law, it would probably be unfair to conclude that Egypt should reasonably have known of any such potential constitutional defect. We therefore conclude that Agreement H is probably of force and effect under international law.

III. Could S. Con. Res. 64, if passed by Congress without amendment, be interpreted as constituting congressional approval of the entire package of Middle East agreements in stating that "the President is accordingly encouraged to take such action as may be necessary to fulfill their purposes"?

S. Con. Res. 64 provides that "the President is accordingly encouraged to take such action as may be necessary to fulfill their purposes," with "their" referring to "identical proposals" transmitted by the President on September 1, 1975, to the Government of the Arab Republic of Egypt and to the Government of Israel. Under the broadest reasonable construction, the "purposes" of such identical proposals might be viewed as being the establishment of "a just and lasting peace in the Middle East" and the reduction of "the threat to the peace and to the security and economy of the United States" (2d "whereas clause"). Agreements E–H, discussed in this memorandum above, might also reasonably be construed as directed at those same purposes. Accordingly, it is our conclusion that the adoption by the Congress of S. Con. Res. 64, in the form in which it was introduced, could be construed as constituting approval of Agreements E–H.

Moreover, even if the adoption of S. Con. Res. 64 were not regarded as approval under domestic constitutional law, under international law such adoption could conceivably be construed as subsequent conduct indicating acquiescence in the validity of Agreement E, which we have concluded is otherwise invalid.

Respectfully submitted,
MICHAEL J. GLENNON,
Assistant Counsel.

SEPTEMBER 24, 1975.

APPENDIX 1. MEMORANDUM

SUBJECT: EQUIVALENCE OF TREATIES AND EXECUTIVE AGREEMENTS UNDER INTERNATIONAL LAW

You have requested clarification with respect to several points made in the memorandum of law of September 24, 1975 of this Office regarding the standing of treaties and executive agreements under international law.

A. Treaties and executive agreements are of equal force and effect under international law.[1]

B. Agreement E, an executive agreement, is of no force and effect under international law.

Question 1. Are these two propositions inconsistent?

Answer. No. A *valid* treaty and a *valid* executive agreement are of equal force and effect under international law. Each is equally binding. An *invalid* treaty or an *invalid* executive agreement is of no force or effect under international law. Neither is binding. Our memorandum of September 24, 1975 concluded that, because entry by himself into Agreement E was (or will be) an *ultra vires* act on the part of the President and should reasonably be known to be such by Israel, Agreement E represents an *invalid* executive agreement. It can become binding under international law only if accorded the advice and consent of the Senate.

Question 2. Then what difference does it make whether Agreement E, now simply initialed, is on some future date signed and therefore purportedly entered into?

Answer. Legally, none. The Agreement is and will be an *invalid* executive agreement. The unwanted impact is entirely diplomatic and political. Invalid international agreements can lead to misunderstandings, recriminations, and generally undesirable international and domestic repercussions.

A recent example is illustrative. Former President Nixon reportedly promised President Thieu that the United States would "respond with full force" in the event of certain violations of the Paris Agreement by North Vietnam. Letter of January 5, 1973 from President Nixon to President Thieu, *New York Times*, May 1, 1975, p. 16. President Nixon had earlier written that "You have my absolute assurance that if Hanoi fails to abide by the terms of [the Paris Agreement] it is my intention to take swift and severe retaliatory action." Letter of November 14, 1972 from President Nixon to President Thieu, *id.*

Was the United States in violation of international law as the result of its failure to comply with this executive agreement? The answer fairly clearly is no, for the reasons that (1) the agreement was beyond the constitutional authority of the President, acting alone, to make; (2) South Vietnam should reasonably have known of such defect; and (3) the Agreement was, as an invalid executive agreement;[2] without force and effect under international law.

Summary and Conclusion. It is the position of the Department of State that Agreement E is a *valid* executive agreement (which has, because it was initialed rather than signed, not yet entered into force). Letter of Monroe Leigh, Legal Adviser, Department of State, to Hon. Thomas E. Morgan, September 18, 1975. It was the conclusion of this Office in our memorandum of law of September 24 that Agreement E is an *invalid* executive agreement because the President lacks the constitutional power to make such Agreement by himself. However, if Agreement E is accorded the advice and consent of the Senate, that Agreement will, as a valid *treaty*, have full force and effect under international law—the same force and effect it would have had if it had been a *valid* executive agreement.

APPENDIX 2. MEMORANDUM OF LAW

STANDING OF TREATIES AND EXECUTIVE AGREEMENTS UNDER INTERNATIONAL LAW

It is undisputed that under international law a treaty and an executive agreement are of equal force and effect.

The Department of State has itself recognized that each is equally binding and obligatory. In a letter to Secretary of Defense Johnson on January 17, 1950, Under Secretary of State Webb stated as follows:

"In international law, . . . treaties and executive agreements both constitute equally binding obligations on the Nation. The binding effect of international law takes place as soon as the State has properly consented to the obligations and does not depend upon the form of the particular undertaking." MS. Department of State, file 811 F.06/1–1750, quoted in 14 Whiteman, *Digest of International Law*, § 22 at 212.

All available evidence indicates that the conclusion of the Department of State is beyond challenge.

The 1969 Vienna Convention on the law of treaties[3] defines the term "treaty" to include executive agreements and makes no distinction between the two:

"1. For the purposes of the present Convention:

"(a) 'Treaty' means an international agreement concluded between States in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments and whatever its particular designation;

* * * * *

"2. The provisions of paragraph 1 regarding the use of terms in the present Convention are without prejudice to the use of those terms or to the meanings which may be given to them in the internal law of any State." U.N. Conference on the Law of Treaties, Doc. A/CONF.39/27, May 23, 1969, Art. 2.

The International Law Commission commented on this definition of treaty as follows:

". . . the juridical differences, insofar as they really exist at all, between formal treaties and treaties in simplified form lie almost exclusively in the method of conclusion and entry into force. The law relating to such matters as validity, operation and effect, execution and enforcement, interpretation, and termination, applies to all classes of international agreements . . . the use of the term 'treaty' as a generic term embracing all kinds of international agreements in written form is accepted by the majority of jurists." *II Yearbook of the International Law Commission* 1966, pp. 188, 190.

The Harvard Research in International Law concluded as follows: "The distinction between so called 'executive agreements' and 'treaties' is purely a constitutional one and has no international significance. . . ." Harvard Research in International Law, Draft Convention on the Law of Treaties, Comment, 29 Am. J. Int'l L. Supp. (1935) 653, 697.

Conclusion. Accordingly, it is the opinion of this Office that the Department of State is undoubtedly correct in its view that "treaties and executive agreements both constitute equally binding obligations on the Nation".

Respectfully submitted,
MICHAEL J. GLENNON,
Assistant Counsel.

APPENDIX 3. MEMORANDUM OF LAW

SUBJECT: COMPARABILITY OF PARAGRAPH 10 OF AGREEMENT E WITH OTHER TREATIES

This Memorandum of Law is submitted in response to the request of your staff of October 3, 1975.

The point is made that unlike paragraph 10[4] of Agreement E, which contains only a consultation requirement, each mutual defense treaty contains a requirement to *act*.

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[1] See attached memorandum of law.

[2] "Because these letters were international agreements they were required under the law to be transmitted to the Congress. They were not transmitted. In fact, the President continues to withhold the letters from us. They have been requested, first on April 10, 1975 and again on May 1, 1975, by the Chairman of the Foreign Relations Committee." Hon. Clifford Case, testimony before Subcommittee on Separation of Powers, Senate Judiciary Committee, May 13, 1975.

[3] The Convention is not in effect with respect to the United States, but it is strong evidence of the current state of inernational law and has been cited by the Department of State as such. See, eg., "United States says it is now free to breach Viet Nam pact", *New York Times*, January 15, 1975, in which it is reported that Department spokesmen cite the Vienna Convention regarding the effect of a material breach of an international agreement of the obligations of other parties.

[4] "In view of the long-standing United States commitment to the survival and security of Israel, the United States Government will view with particular gravity threats to Israel's security or sovereignty by a world power. In support of this objective, the United States Government will in the event of such threat consult promptly with the Government of Israel with respect to what support, diplomatic or otherwise, or

This is not so. At least four such treaties contain no action requirement. Article IV of the Mutual Defense Treaty Between the United States of America and the Republic of the Philippines, 3 UST 3947; TIAS 2529; 177 UNTS 133, provides as follows:

"Article IV

"Each Party recognizes that an armed attack in the Pacific Area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes.

"Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security."

Article IV of the Security Treaty Between Australia, New Zealand, and the United States of America, 3 UST 3420; TIAS 2493; 131 UNTS 83, provides as follows:

"Article IV

"Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

"Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security."

Article IV of the "SEATO" Treaty, 6 UST 81; TIAS 3170, provides as follows:

Article IV

"1. Each Party recognizes that aggression by means of armed attack in the treaty area against any of the Parties or against any State or territory which the Parties by unanimous agreement may hereafter designate, would endanger its own peace and safety, and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes. Measures taken under this paragraph shall be immediately reported to the Security Council of the United Nations."

* * * * *

Article III of the Mutual Defense Treaty Between the United States of America and the Republic of Korea, 5 UST 2368; TIAS 3097, provides as follows:

Article III

"Each Party recognizes that an armed attack in the Pacific area on either of the Parties in territories now under their respective administrative control, or hereafter recognized by one of the Parties as lawfully brought under the administrative control of the other, would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes."

These are not action requirements. In each case, the "requirement" to act is modified by the language *"in accordance with its constitutional processes."* This language makes the "requirement" non-mandatory and conditional upon approval in accordance with constitutional processes. In the case of the United States, this process presumably includes the possibility that Congress may decide against action.

A true action requirement is contained in article 5 of the North Atlantic Treaty, 66 Stat. 2241; TIAS 1964; 34 UNTS 243, which provides as follows:

"Article 5

"The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

"Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security."

No such unconditional action requirement is contained in the four treaties discussed above, however. In this respect those treaties are therefore similar to paragraph 10 of Agreement E.

APPENDIX 4

DEPARTMENT OF STATE,
Washington, D.C., September 18, 1975.

Hon. THOMAS E. MORGAN,
Chairman, International Relations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: During the hearings on September 11 before the Committee, Under Secretary Sisco was asked whether he regarded the two Memoranda of Agreement between the United States and Israel, which he supplied for the Committee's information on a confidential basis, were properly characterized as "executive agreements." He offered to provide an opinion from the Legal Adviser's Office. This letter is supplied as a result.

It is my opinion that both the two Memoranda of Agreement referred to above are properly described under United States constitutional practice as "executive agreements". As you know, these two documents were initialled in Israel on September 1st. It was understood on both sides that the Memoranda of Agreement would not come into force until signed by representatives of the two governments and that no such signing would take place until after Congress had acted on the Proposal for placing United States technicians in Sinai in connection with the Early Warning System.

It is clear that the Memoranda of Agreement when executed will become international agreements. It is also clear that since they are international agreements they must be reported to the Congress within 60 days after taking effect. At the present time both Memoranda are classified "secret"; it is anticipated that it will be necessary to maintain this classification indefinitely. Accordingly, we expect to transmit the two Memoranda after execution to the House International Relations Committee and the Senate Foreign Relations Committee under an injunction of secrecy as contemplated by the Case Act. (1 U.S.C.A. § 112b).

As you know, we are not asking the Congress for specific approval of these two Memoranda of Agreement. The only document on which specific Congressional approval is sought is the Proposal relating to the placing of American technicians in Sinai. With respect to the two Memoranda of Agreement, the undertakings by the United States fall in the category either of those which the President is already authorized to make under existing legislation or under the traditional powers of the President to make statements of political intention in the conduct of foreign affairs.

Moreover, implementation of any United States undertaking requiring Congressional appropriation or authorization is expressly conditioned upon affirmative Congressional action.

Respectfully submitted,
MONROE LEIGH,
Legal Adviser.

Mr. CLARK. This is a memorandum that was made available to me and to the committee by the U.S. Senate legislative counsel which addresses itself to these interpretations. I quote from the memorandum:

One reason for the law's dislike for ambiguity is that it makes possible broad but still reasonable interpretations, thereby engendering unpredictable results. Thus in assessing the nature, extent, and desirability of the commitments made in Agreement E by the United States, the Committee may wish to view the agreement in terms of the broadest reasonable construction to which it could be subjected either by Israel or by a United States President. So viewed, the agreement may be construed to provide as follows:

1. The United States will introduce its armed forces into hostilities for the purpose of,——

It lists several points, one of which is precisely the one which the Senator from Colorado made.

(c) maintaining Israel's right to free and unimpeded passage through the Straits of Bab-el-Mandeb and the Straits of Gibraltar;

Certainly it is the judgment of the U.S. Senate's legislative counsel that this section, referred to as paragraph 14, clearly can be so interpreted either by this President or Secretary of State, or by the Prime Minister of Israel, or by their successors, because, after all, there is no time limitation on this agreement.

So I ask the Senator from Colorado if he does not agree that this is a broad but reasonable interpretation?

Mr. HASKELL. In response to the Senator from Iowa, there is no question in my mind that it is. I think it underscores the desirability of adopting the next amendment to be offered. It really will carry out what the floor managers of the resolution said in the Chamber today: we are really looking just at today and we have "freedom of flight." The next amendment will reserve to the United States of America "freedom of flight." We should not be talking on this point in relation to this amendment, but the Senator from Florida raised the question.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I would like to summarize in 2 minutes the purpose of the amendment which I offered on behalf of Senator STEVENSON, Senator HASKELL, Senator BIDEN, and myself.

The debate really has covered the points very thoroughly, and it comes down to this question.

As one looks at what we are doing here chronologically, we realize that, if and when we pass the joint resolution to commit 200 technicians to the Middle East, that will then trigger the implementation of the other memoranda of agreement. We have had testimony to that effect from the Secretary of State read here, and we have the legal adviser's opinion on that. It will become effective.

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assistance it can lend to Israel in accordance with its constitutional practices."

The question then is, What does it mean? What becomes effective?

That precisely was why we asked the Secretary of State to provide us with a legal memorandum to tell us what in the judgment of the administration would be legally binding on this country. He did so.

We cannot discuss it here in open session because it is secret.

The purpose of this amendment is simple: It is to make that memorandum public, to say that we are not going to vote, and commit the people of the United States to binding commitments—as interpreted by the administration—without their being made public.

I fail to understand how stating the President's position——

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. CLARK. I yield.

Mr. PASTORE. Have we had an explanation of why it is secret? I mean here I am. I have to vote on this.

Mr. CLARK. We had none of which I am aware.

Mr. PASTORE. Does the Senator mean that the administration was prodded by the committee to reveal what is in the documents and they have not been told?

Mr. CLARK. I asked the Secretary of State in public testimony 3 or 4 days ago how he planned to fulfill his commitment to the American people to let them know all of the commitments that are being made if he did not propose to make this public. He said he knew of no other way unless he could make a summary of it. He has not made a summary of it.

Mr. PASTORE. I realize that in dealing with another government there are many sensitive areas. The chances are one cannot tell universally for the simple reason that he would not only tell it to his friends but he would tell it to his adversaries. But we are here to vote.

Mr. CLARK. That is right.

Mr. PASTORE. We can go into executive session. If he cannot tell the Congress of the United States that has to vote on this what is in these agreements, then are we not voting in the dark?

Mr. CLARK. No. I do not want to be misunderstood.

The Congress of the United States, the members of the Committee on Foreign Relations have that document, and that is available to all Senators. The point of the amendment is it ought to be made public.

Mr. PASTORE. What purpose will it serve at this time giving it universal exposure?

Mr. CLARK. That is precisely my summary. That is what I intended to turn to.

Mr. PASTORE. All right. Let me hear it.

Mr. CLARK. I fail to understand why how stating the President's position will undermine, undo, or destroy the agreement, how publishing this memorandum could do, as Senator Javits has suggested.

If this agreement in the Middle East is so fragile that we cannot know what the President believes to be the legally binding commitments of this country, then it is indeed on very unsound ground.

I do not believe it is. I think the people of this country and the people of the world, if they knew what the President's view as to which of these commitments are legally binding, certainly would not destroy that agreement.

The reasons for this amendment then briefly, Mr. President, are clear. We believe that the American people have the right to know what they are being committed to as seen by the President or this administration. That is all the amendment does.

Our opponents do not think that they should have that right or that privilege. That is what this vote is all about.

We have just passed through a very difficult period in our history: the Vietnam war and the secret war in Cambodia.

Before our Committee on Foreign Relations in the first day of hearings we agreed to take a long look at American policy. We had 8 or 10 of the most distinguished pollsters in this country. They disagreed on a number of things, but one thing they agreed upon was the American people want to know what they are being committed to. They do not like secrecy. They do not want us committing ourselves in domestic or foreign affairs without being privy to it, without being a part of it, without knowing what is in it.

If there is one thing that I think any of us in this body knows it is that the American people have had enough of that; that the American people are sick of being committed in foreign affairs without even being told to what they are being committed.

That is why on last Friday we moved, in spite of the Secretary of State, to make these other documents public. We believe they had the right to do it, that they had the right to know.

This amendment does one thing. It says, "All right, now you also have the right to know what the President of the United States is committing us to in these agreements." I do not think that is asking too much.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment of the distinguished Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, so that there may be no doubt as to what the United States of America is committed to, just what the Secretary of State negotiated, just what the President of the United States feels we are obligated to, those matters to which he feels both a legal and a moral obligation, and those matters to which he feels a moral and a political obligation, I ask unanimous consent to have the following documents printed in the Record: The documents that appear on page 249 of the committee hearings, noted as "Appendix," the first one being a memorandum of agreement between the governments of Israel and the United States, dated September 1, 1975, giving United States-Israeli assurances, to be signed by the Deputy Prime Minister and the Minister of Foreign Affairs of Israel, Mr. Allon, and the Secretary of State for the Government of the United States, Henry Kissinger; the memorandum of agreement between the Governments of Israel and the United States, entitled "The Geneva Peace Conference," to be signed by the same two distinguished public servants, Mr. Allon and Mr. Kissinger; the document labeled "Assurances From USG to Israel," on pages 252 to 253; and the document labeled "Assurances From USG to Egypt," on page 253.

There being no objection, the material was ordered to be printed in the Record, as follows:

Appendix, September 1, 1975; Memorandum of Agreement Between the Governments of Israel and the United States

The United States recognizes that the Egypt-Israel Agreement initialed on September 1, 1975, (hereinafter referred to as the Agreement), entailing the withdrawal from vital areas in Sinai, constitutes an act of great significance on Israel's part in the pursuit of final peace. That Agreement has full United States support.

UNITED STATES-ISRAELI ASSURANCES

1. The United States Government will make every effort to be fully responsive, within the limits of its resources and Congressional authorization and appropriation, on an on-going and long-term basis to Israel's military equipment and other defense requirements, to its energy requirements and to its economic needs. The needs specified in paragraphs 2, 3 and 4 below shall be deemed eligible for inclusion within the annual total to be requested in FY76 and later fiscal years.

2. Israel's long-term military supply needs from the United States shall be the subject of periodic consultations between representatives of the United States and Israeli defense establishments, with agreement reached on specific items to be included in a separate United States-Israeli memorandum. To this end, a joint study by military experts will be undertaken within 3 weeks. In conducting this study, which will include Israel's 1976 needs, the United States will view Israel's requests sympathetically, including its request for advanced and sophisticated weapons.

3. Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel, will act as follows for five years, at the end of which period either side can terminate this arrangement on one-year's notice.

(a) If the oil Israel needs to meet all its normal requirements for domestic consumption is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, for purchase by Israel to meet all of the aforementioned normal requirements of Israel. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula as applied by the United States Government, in order to meet Israel's essential requirements. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

Israeli and United States experts will meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement.

4. In order to help Israel meet its energy needs, and as part of the overall annual figure in paragraph 1 above, the United States agrees.

(a) In determining the overall annual figure which will be requested from Congress, the United States Government will give special attention to Israel's oil import requirements and, for a period as determined by Article 3 above, will take into account in calculating that figure Israel's additional expenditures for the import of oil to replace that which would have ordinarily come from Abu Rodeis and Ras Sudar (4.5 million tons in 1975).

(b) To ask Congress to make available funds, the amount to be determined by mutual agreement, to the Government of Israel necessary for a project for the construction and stocking of the oil reserves to be stored in Israel, bringing storage reserve capacity and reserve stocks now standing at approximately six months, up to one-year's need at the time of the completion of the project. The project will be implemented within four years. The construction, operation and financing and other relevant questions of the project will be the subject of early and detailed talks between the two Governments.

5. The United States Government will not expect Israel to begin to implement the Agreement before Egypt fulfills its undertaking under the January 1974 Disengagement Agreement to permit passage of all Israeli cargoes to and from Israeli ports through the Suez Canal.

6. The United States Government agrees with Israel that the next agreement with Egypt should be a final peace agreement.

7. In case of an Egyptian violation of any of the provisions of the Agrement, the United States Government is prepared to consult with Israel as to the significance of the violation and possible remedial action by the United States Government.

8. The United States Government will vote against any Security Council resolution which in its judgment affects or alters adversely the Agreement.

9. The United States Government will not join in and will seek to prevent efforts by others to bring about consideration of proposals which it and Israel agree are detrimental to the interests of Israel.

10. In view of the long-standing United States commitment to the survival and security of Israel, the United States Government will view with particular gravity threats to Israel's security or sovereignty by a world power. In support of this objective, the United States Government will in the event of such threat consult promptly with the Government of Israel with respect to what support, diplomatic or otherwise, or assistance it can lend to Israel in accordance with its constitutional practices.

11. The United States Government and the Government of Israel will, at the earliest possible time, and if possible, within two months after the signature of this document, conclude the contingency plan for a military supply operation to Israel in an emergency situation.

12. It is the United States Government's position that Egyptian commitments under the Egypt-Israel Agreement, its implementation, validity and duration are not conditional upon any act or developments between the other Arab states and Israel. The United States Government regards the Agreement as standing on its own.

13. The United States Government shares the Israel position that under existing political circumstances negotiations with Jordan will be directed toward an overall peace settlement.

14. In accordance with the principle of freedom of navigation on the high seas and free and unimpeded passage through and over straits connecting international waters, the United States Government regards the Straits of Bab-El-Mandeb and the Strait of Gibraltar as international waterways. It will support Israel's right to free and unimpeded passage through such straits. Similarly, the United States Government recognizes Israel's right to freedom of flights over the Red Sea and such straits and will support diplomatically the exercise of that right.

15. In the event that the United Nations Emergency Force or any other United Nations organ is withdrawn without the prior agreement of both Parties to the Egypt-Israel Agreement and the United States before this Agreement is superseded by another agreement, it is the United States view that the Agreement shall remain binding in all its parts.

16. The United States and Israel agree that signature of the Protocol of the Egypt-Israel Agreement and its full entry into effect shall not take place before approval by the United States Congress of the United States role in connection with the surveillance and observation functions described in the Agreement and its Annex. The United States has informed the Government of Israel that it has obtained the Government of Egypt agreement to the above.

Yigal Allon,
Deputy Prime Minister and Minister of Foreign Affairs (For the Government of Israel).
Henry A. Kissinger,
Secretary of State (For the Government of the United States).

Memorandum of Agreement Between the Governments of Israel and the United States

THE GENEVA PEACE CONFERENCE

1. The Geneva Peace Conference will be reconvened at a time coordinated between the United States and Israel.

2. The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338. The United States Government will consult fully and seek to concert its position and strategy at the Geneva Peace Conference on this issue with the Government of Israel. Similarly, the United States will consult fully and seek to concert its position and strategy with Israel with regard to the participation of any other additional states. It is understood that the participation at a subsequent phase of the Conference of any possible additional state, group or organization will require the agreement of all the initial participants.

3. The United States will make every effort to ensure at the Conference that all the substantive negotiations will be on a bilateral basis.

4. The United States will oppose and, if necessary, vote against any initiative in the Security Council to alter adversely the terms of reference of the Geneva Peace Conference or to change Resolutions 242 and 338 in ways which are incompatible with their original purpose.

5. The United States will seek to ensure that the role of the cosponsors will be consistent with what was agreed in the Memorandum of Understanding between the United States Government and the Government of Israel of December 20, 1973.

6. The United States and Israel will concert action to assure that the Conference will be conducted in a manner consonant with the objectives of this document and with the declared purpose of the Conference, namely the advancement of a negotiated peace between Israel and each one of its neighbors.

Yigal Allon,
Deputy Prime Minister and Minister of Foreign Affairs (For the Government of Israel).
Henry A. Kissinger,
Secretary of State (For the Government of the United States).

Assurances From USG to Israel

On the question of military and economic assistance to Israel, the following conveyed by the U.S. to Israel augments what the Memorandum of Agreement states.

The United States is resolved to continue to maintain Israel's defensive strength through the supply of advanced types of equipment, such as the F–16 aircraft. The United States Government agrees to an early meeting to undertake a joint study of high technology and sophisticated items, including the Pershing ground-to-ground missiles with conventional warheads, with the view to giving a positive response. The U.S. Administration will submit annually for approval by the U.S. Congress a request for military and economic assistance in order to help meet Israel's economic and military needs.

Assurances From USG to Egypt

1. The United States intends to make a serious effort to help bring about further negotiations between Syria and Israel, in the first instance through diplomatic channels.

2. In the event of an Israeli violation of the Agreement, the United States is prepared to consult with Egypt as to the significance of the violation and possible remedial action by the United States.

3. The United States will provide technical assistance to Egypt for the Egyptian Early Warning Station.

4. The U.S. reaffirms its policy of assisting Egypt in its economic development, the specific amount to be subject to Congressional authorization and appropriation.

Mr. HUMPHREY. Mr. President, the American people are to assume that those are the obligations, the assurances, the understandings, and the intentions that this Government will fulfill. That is what you are to assume. In other words, if you are against this bill, this is the worst case you can make. This is the worst that could happen to you.

It is not a secret. It is all here. The only question is whether or not you want a counsel in the State Department to tell you that he thinks that item No. 1 in the United States-Israeli assurance is more important than item No. 4.

I want the Senate to know that I consider them all important. I want the Senate to know that I consider them obligations, moral and political, of this Government. I want the Senate to know that I consider them assurances and understandings of this Government. I want the Senate to know that they were negotiated in the belief that they would help bring peace to the Middle East. I want the Senate to know that those agreements were entered into under conditions that prevail as of today, in the hope that those conditions will improve as of tomorrow; that if there is a breakup in the matter of the Middle East, where governments change, where policies of governments change, everybody in this body is sufficiently sensible to know that those commitments, assurances, understandings, and obligations will have to be reassessed in light of the new circumstances.

This is not child's play. This is a job for men and women of maturity. We know what we are doing. All that is there, Mr. and Mrs. America, and you do not need to have a lawyer come in and tell you what is there. It is all there, Mr. and Mrs. America, and you had better assume that every bit of it can happen. You should assume that every bit of that can take place. You should not downgrade it a bit.

I am simply saying, however, that Congress is not legally bound to it. I am simply saying that Congress is not bound to these words. I am saying that the Executive and the Secretary of State are bound by these words. I am saying that these assurances will help promote peace. I am not going to try to find out how many angels can dance on the head of a pin, when I know that there is a potential conflagration out there that could envelop us all.

Let us be clear: Senators should not vote for the 200 observers—and that is what the issue is—if they find that these assurances and these obligations which the President and the Secretary of State have entered into are so disturbing to them that they could not live with them. I do not want to encourage anybody to be fooled.

Having said that, let us assume, for the purpose of this argument, that they are all legally binding on the President and the Secretary of State. I think it is clear that the committee report states and the resolution states that there is no presumption of binding obligation on the Congress of the United States.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ABOUREZK. I ask a question of the Senator from Minnesota. Is the administration bound by the oil assurances contained in part of these agreements?

Mr. HUMPHREY. That is correct.

Mr. ABOUREZK. To what extent, in the Senator's opinion, is the administration bound by them? Does that mean we assure oil to Israel? In the event one of the tankers that is carrying oil is attacked, does that mean that U.S. military forces will be used to protect that tanker?

Mr. HUMPHREY. It does not say that.

Mr. ABOUREZK. No, but does it mean that?

Mr. HUMPHREY. I do not know. It does not say that; and since it does not say that, I do not think we should read into it.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired. The Senator from Iowa has 28 minutes.

Mr. CLARK. I yield 5 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. ABOUREZK. I would like to ask the distinguished floor manager of the bill this question: Did anyone from the State Department or the administration indicate to the Committee on Foreign Relations during any of these proceedings what they believed their commitments to be so far as oil assurances were concerned?

Mr. HUMPHREY. The Secretary of State indicated to us that before that agreement was negotiated, they had sought an opinion from the Attorney General of the United States, who is the highest legal officer of the Government, as to the power of the President to negotiate such an agreement under existing statutory law.

I ask my colleagues who are members of the committee. I particularly ask the attention of my lawyer over here, Senator JAVITS. I am simply saying that it is my understanding that the Secretary of State said specifically that the provision or the agreement on oil was negotiated as included in the memorandum of agreement, the Government had sought the opinion of the Attorney General as to whether or not it was within the power of the President of the United States, through the Secretary of State, under existing statutory law, to negotiate such an agreement, and the Attorney General ruled that it was. Is that correct?

Mr. JAVITS. That is correct, but I should like to add to that the citation given in that regard, which the Senate should have before it.

The operative law is contained in section 12(d) of the Outer Continental Shelf Lands Act, coupled with section 607 of the Foreign Assistance Act of 1961, authorizing the sale of commodities and services to friendly countries on the advance of funds by reimbursement basis.

Therefore, the money side of it would depend on the nature of the transaction, as to whether the President would have to seek additional legislative authority. But he had enough legislative authority to say that the oil would be delivered without dealing with the money question at that point.

Mr. CASE. I have 3 minutes, I understand, Mr. President, that come from Mr. HASKELL.

The PRESIDING OFFICER. The Senator has 3 minutes and is recognized for that period of time.

Mr. CASE. I just want to indicate that I do not necessarily agree with the opinion of the Attorney General as to the President's authority. I question that he has authority to make any such commitment, even though he may have authority to carry out ministerial acts in connection with the Outer Continental Shelf legislation.

Mr. JAVITS. I say to my colleague, if he will yield to me, that I see nothing in this that deprives the Senator or myself or anybody else of challenging that authority.

Mr. ABOUREZK. What I should like to determine is, did the administration or the Secretary of State, whoever talked to the Senator about it after they had gotten this opinion from the Attorney General saying that they could bind the administration—perhaps not Congress—did they indicate at all that there was a chance they could use U.S. military personnel to protect oil shipments to Israel? Was there any discussion of that at all during the deliberations?

Mr. HUMPHREY. I cannot say, because I was not there every minute of every hour of the hearings. I am asking the staff director to look that up.

Mr. JAVITS. Mr. President, I can answer that.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. ABOUREZK. The Chair was not allowing all that discussion to go on my time; was he?

The PRESIDING OFFICER. The Chair was not. The Senator from South Dakota has had his 5 minutes, in addition to the other 3.

Mr. ABOUREZK. I asked one question.

The PRESIDING OFFICER. The Senator got a long answer.

Mr. CASE. The Senator knew what he was getting into.

Mr. ABOUREZK. Yes, I did.

Mr. HUMPHREY. Has all time expired?

Mr. ABOUREZK. I have 5 more minutes coming to me.

Mr. CLARK. I yield 5 minutes.

Mr. ABOUREZK. May I ask the Senator from New York what took place during the committee's deliberation on this bill?

Mr. JAVITS. To my best recollection—I was there, so I can give my best recollection—is that the Secretary's rebuttal was that any military means would not be used to bring about delivery of oil. He said there would not.

Mr. ABOUREZK. There would not?

Mr. JAVITS. He said there would be no military means used. That is my best recollection, and I was there.

Mr. ABOUREZK. I thank the Senator. Mr. President, I reserve the remainder of my time.

Mr. HUMPHREY. Mr. President, I move to lay the amendment of the Senator from Iowa, for himself and others, on the table.

The PRESIDING OFFICER. The Chair is advised that such a motion is not in order unless the Senator from Iowa yields back the remainder of his time.

Mr. CLARK. If no other Member of the Senate wishes to speak on this amendment, I am prepared to yield back my time.

Mr. HUMPHREY. If there is any time here, we are prepared to. I think we have exhausted this time.

The PRESIDING OFFICER. The Chair is advised there is no other time, so if the Senator from Iowa yields back his time, the motion would be in order.

Mr. CLARK. I yield back my time.

Mr. HUMPHREY. I thank my colleagues.

Mr. President, I move that the amendment of the Senator from Iowa be laid on the table.

Mr. CLARK. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. McGEE), the Senator from South Dakota (Mr. McGOVERN), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Idaho (Mr. McCLURE) is necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. McCLURE) would vote "nay."

The result was announced—yeas 59, nays 32, as follows:

[Rollcall Vote No. 439 Leg.]

YEAS—59

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Case
Chiles
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hruska
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Long
Mathias
McClellan
McIntyre
Mondale
Montoya
Morgan
Moss
Nunn
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—32

Abourezk
Biden
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Church
Clark
Cranston
Culver
Durkin
Eagleton
Hart, Gary W.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Leahy
Magnuson
Mansfield
Metcalf
Muskie
Nelson
Packwood
Proxmire
Scott, William L.
Stevenson
Symington
Weicker

NOT VOTING—9

Bayh
Cannon
Gravel
Hart, Philip A.
Inouye
McClure
McGee
McGovern
Sparkman

So the motion to lay on the table Mr. CLARK's amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 966

Mr. BIDEN. Mr. President, I call up my amendment, No. 966, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. BIDEN), for himself, Mr. CLARK, Mr. HASKELL, and Mr. STEVENSON, proposes an amendment numbered 966.

The amendment is as follows:

On page 3, beginning with line 17, strike out through line 21 and insert in lieu thereof the following:

SEC. 5. Any agreement entered into, understanding arrived at, or assurance made by any United States official with respect to any foreign country in connection with the "Basic Agreement" signed on September 4, 1975, by the Government of the Arab Republic of Egypt and the Government of Israel—

(1) is simply a statement of the present intentions of the executive branch;

(2) is not binding under domestic or international law; and

(3) may not be construed as limiting the freedom of the United States in pursuing its national interest in the Middle East.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. BIDEN. I will yield to the Senator from Virginia, maintaining that this is the pending business, and on the Senator's hour that he has on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair inquires, is this one of those amendments on which the Senator from Delaware wishes to designate his 1 hour?

Mr. BIDEN. Yes; this is one of the amendments the Senator from Delaware has 1 hour, I believe the Senator from Iowa (Mr. CLARK) has an hour, Mr. HASKELL has a portion of an hour, and I am not sure, but I believe that Mr. STEVENSON has an hour.

This amendment is called up by me on behalf of Senators CLARK, HASKELL, and STEVENSON.

The PRESIDING OFFICER. The Chair thanks the Senator from Delaware.

The Senator from Virginia.

Mr. TAFT. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. WILLIAM L. SCOTT. I am glad to yield to the Senator.

Mr. TAFT. I thank the Senator.

Mr. President, I ask unanimous consent that Mr. William Lind be granted the privilege of the floor during debate and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senate please come to order?

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent that Charles Conneely of the Senate Armed Services Committee staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Senators will kindly take their seats and Senators will cease conversation or withdraw to the cloakroom.

The Senate will be in order.

Mr. WILLIAM L. SCOTT. Mr. President, I also ask unanimous consent that Mr. Jack White of my staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, we all undoubtedly realize the seriousness of the matter under consideration today. The conflict in Southeast Asia is still vivid in our minds and, in my opinion, there is a similarity between the Gulf of Tonkin resolution that led to the involvement of 3.3 million American military personnel in Indochina, that resulted in the death of more than 56,000 Americans, and the wounding of more than 300,000, with a monetary cost the President has estimated at $150 billion. I realize that if this resolution is approved we will be on a peacekeeping mission and that civilian American personnel will be involved. Yet, the Middle East is a volatile part of the world. Recent conflicts date from 1947 although the Christians, Jews, and Moslems living in this area have been engaged in conflicts of various kinds for thousands of years, some of which have related to religion and some have not.

My concern is that the action we take this week not lay the foundation for our involvement in either a Middle Eastern war or a conflict between the major world powers. Frankly, I doubt that the Members of Congress have had time to read and to digest all of the available material on this subject or that there has been a full disclosure made by the administration. The matter has come upon us rather suddenly, 1 day after it was reported by the committee, and we are now committed to a final vote at 4 o'clock tomorrow afternoon. Therefore, I would like to take this time to analyze some of the facts, as I understand them, and to express deep concern.

Perhaps the best way to proceed is to look not only at the resolution before us but consider the memoranda of agreement between the Governments of Israel and the United States. I understand that these agreements, were included with documents released by the Committee on Foreign Relations on October 3, has been initialed by the Secretary of State on behalf of the Government of the United States but are awaiting action on this resolution before being signed.

Mr. President, I ask unanimous consent to have printed the documents released by the Committee on Foreign Relations in the RECORD.

Mr. CASE. Will the Senator yield? I think they have been.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CASE. I think they have been introduced already, I may be mistaken.

Mr. HUMPHREY. Yes, they have, I introduced them.

Mr. CASE. I think the Senator from Minnesota did that.

Mr. WILLIAM L. SCOTT. Mr. President, the Chair has authorized the printing of them at this point and I am going to speak on them and to discuss those, so I would prefer that they be accompanying my remarks.

Mr. CASE. I am sorry, I did not realize that.

Mr. WILLIAM L. SCOTT. I appreciate the Senator's understanding.

EXHIBIT NO. 1

U.S. SENATE, COMMITTEE ON FOREIGN RELATIONS, October 3, 1975

The Committee on Foreign Relations today voted 12 to 2 to release the attached documents provided by the Department of State in connection with the Sinai disengagement proposal. Senators Sparkman, Church, McGee, McGovern, Humphrey, Clark, Biden, Case, Javits, Scott, Pearson and Percy voted aye. Senators Pell and Griffin voted no.

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENTS OF ISRAEL AND THE UNITED STATES

The United States recognizes that the Egypt-Israel Agreement initialed on September 1, 1975, (hereinafter referred to as the Agreement), entailing the withdrawal from vital areas in Sinai, constitutes an act of great significance on Israel's part in the pursuit of final peace. That Agreement has full United States support.

UNITED STATES-ISRAELI ASSURANCES

1. The United States Government will make every effort to be fully responsive, within the limits of its resources and Congressional authorization and appropriation, on an on-going and long-term basis to Israel's military equipment and other defense requirements, to its energy requirements and to its economic needs. The needs specified in paragraphs 2, 3 and 4 below shall be deemed eligible for inclusion within the annual total to be requested in FY76 and later fiscal years.

2. Israel's long-term military supply needs from the United States shall be the subject of periodic consultations between representatives of the United States and Israeli defense establishments, with agreement reached on specific items to be included in a separate United States-Israeli memorandum. To this end, a joint study by military experts will be undertaken within 3 weeks. In conducting this study, which will include Israel's 1976 needs, the United States will view Israel's requests sympathetically, including its requests for advanced and sophisticated weapons.

3. Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel, will act as follows for five years, at the end of which period either side can terminate this arrangement on one-year's notice.

(a) If the oil Israel needs to meet all its normal requirements for domestic consumption is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet all of the aforementioned normal requirements of Israel. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula as applied by the United States Government, in order to meet Israel's essential requirements.

If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

Israeli and United States experts will meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement.

4. In order to help Israel meet its energy needs, and as part of the overall annual figure in paragraph 1 above, the United States agrees:

(a) In determining the overall annual figure which will be requested from Congress, the United States Government will give special attention to Israel's oil import requirements and, for a period as determined by Article 3 above, will take into account in calculating that figure Israel's additional expenditures for the import of oil to replace that which would have ordinarily come from Abu Rodeis and Ras Sudar (4.5 million tons in 1975).

(b) To ask Congress to make available funds, the amount to be determined by mutual agreement, to the Government of Israel necessary for a project for the constuction and stocking of the oil reserves to be stored in Israel, bringing storage reserve capacity and reserve stocks now standing at approximately six months, up to one-year's need at the time of the completion of the project. The project will be implemented within four years. The construction, operation and financing and other relevant questions of the project will be the subject of early and detailed talks between the two Governments.

5. The United States Government will not expect Israel to begin to implement the Agreement before Egypt fulfills its undertaking under the January 1974 Disengagement Agreement to permit passage of all Israeli cargoes to and from Israeli ports through the Suez Canal.

6. The United States Government agrees with Israel that the next agreement with Egypt should be a final peace agreement.

7. In case of an Egyptian violation of any of the provisions of the Agreement, the United States Government is prepared to consult with Israel as to the significance of the violation and possible remedial action by the United States Government.

8. The United States Government will vote against any Security Council resolution which in its judgment affects or alters adversely the Agreement.

9. The United States Government will not join in and will seek to prevent efforts by others to bring about consideration of proposals which it and Israel agree are detrimental to the interests of Israel.

10. In view of the long-standing United States commitment to the survival and security of Israel, the United States Government will view with particular gravity threats to Israel's security or sovereignty by a world power. In support of this objective, the United States Government will in the event of such threat consult promptly with the Government of Israel with respect to what support, diplomatic or otherwise, or assistance it can lend to Israel in accordance with its constitutional practices.

11. The United States Government and the Government of Israel will, at the earliest possible time, and if possible, within two months after the signature of this document, conclude the contingency plan for a military supply operation to Israel in an emergency situation.

12. It is the United States Government's position that Egyptian commitments under the Egypt-Israel Agreement, its implementation, validity and duration are not conditional upon any act or developments between the other Arab states and Israel. The United States Government regards the Agreement as standing on its own.

13. The United States Government shares the Israeli position that under existing political circumstances negotiations with Jordan will be directed toward an overall peace settlement.

14. In accordance with the principle of freedom of navigation on the high seas and free and unimpeded passage through and over straits connecting international waters, the United States Government regards the Straits of Bab-el-Mandab and the Strait of Gibraltar as international waterways. It will support Israel's right to free and unimpeded passage through such straits. Similarly, the United States Government recognizes Israel's right to freedom of flights over the Red Sea and such straits and will support diplomatically the exercise of that right.

15. In the event that the United Nations Emergency Force or any other United Nations organ is withdrawn without the prior agreement of both Parties to the Egypt-Israel Agreement and the United States before this Agreement is superseded by another agreement, it is the United States view that the Agreement shall remain binding in all its parts.

16. The United States and Israel agree that signature of the Protocol of the Egypt-Israel Agreement and its full entry into effect shall not take place before approval by the United States Congress of the United States role in connection with the surveillance and observation functions described in the Agreement and its Annex. The United States has informed the Government of Israel that it has obtained the Government of Egypt agreement to the above.

YIGAL ALLON,
Deputy Prime Minister and Minister of Foreign Affairs, For the Government of Israel.

HENRY A. KISSINGER,
Secretary of State, For the Government of the United States.

MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENTS OF ISRAEL AND THE UNITED STATES

THE GENEVA PEACE CONFERENCE

1. The Geneva Peace Conference will be reconvened at a time coordinated between the United States and Israel.

2. The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338. The United States Government will consult fully and seek to concert its position and strategy at the Geneva Peace Conference on this issue with the Government of Israel. Similarly, the United States will consult fully and seek to concert its position and strategy with Israel with regard to the participation of any other additional states. It is understood that the participation at a subsequent phase of the Conference of any possible additional state, group or organization will require the agreement of all the initial participants.

3. The United States will make every effort to ensure at the Conference that all the substantive negotiations will be on a bilateral basis.

4. The United States will oppose and, if necessary, vote against any initiative in the Security Council to alter adversely the terms of reference of the Geneva Peace Conference or to change Resolutions 242 and 338 in ways

which are incompatible with their original purpose.

5. The United States will seek to ensure that the role of the cosponsors will be consistent with what was agreed in the Memorandum of Understanding between the United States Government and the Government of Israel of December 20, 1973.

6. The United States and Israel will concert action to assure that the Conference will be conducted in a manner consonant with the objectives of this document and with the declared purpose of the Conference, namely the advancement of a negotiated peace between Israel and each one of its neighbors.

YIGAL ALLON,
Deputy Prime Minister and Minister of Foreign Affairs, For the Government of Israel.

HENRY A. KISSINGER,
Secretary of State, For the Government of the United States.

ASSURANCES FROM USG TO ISRAEL

On the question of military and economic assistance to Israel, the following conveyed by the U.S. to Israel augments what the Memorandum of Agreement states.

The United States is resolved to continue to maintain Israel's defensive strength through the supply of advanced types of equipment, such as the F-16 aircraft. The United States Government agrees to an early meeting to undertake a joint study of high technology and sophisticated items, including the Pershing ground-to-ground missiles with conventional warheads, with the view to giving a positive response. The U.S. Administration will submit annually for approval by the U.S. Congress a request for military and economic assistance in order to help meet Israel's economic and military needs.

ASSURANCES FROM USG TO EGYPT

1. The United States intends to make a serious effort to help bring about further negotiations between Syria and Israel, in the first instance through diplomatic channels.

2. In the event of an Israeli violation of the Agreement, the United States is prepared to consult with Egypt as to the significance of the violation and possible remedial action by the United States.

3. The United States will provide technical assistance to Egypt for the Egyptian Early Warning Station.

4. The U.S. reaffirms its policy of assisting Egypt in its economic development, the specific amount to be subject to Congressional authorization and appropriation.

Mr. WILLIAM L. SCOTT. Mr. President, I understand that the media has reported the Secretary of State, in testimony before the Committee on Foreign Relations, testified that the approval of the resolution now under consideration would trigger the signing of memoranda of agreement set forth above by the United States. The Secretary also confirmed this in testimony before the Armed Services Committee. Ordinarily, Mr. President, I would not disclose information from an executive session of our Armed Services Committee but just as a judge is justified in taking judicial notice of what the world knows, a Member of the Senate is justified, in my opinion, in stating a fact that has previously been disclosed in newspaper accounts, as this material has.

Mr. President, our action on this resolution can well commit the United States to a course of action which could continue for a long period of time. Certainly there is more involved than the ratification of a tentative commitment to send 200 observers to the passes separating the forces of Egypt and Israel.

I was quite pleased, Mr. President, to note that the distinguished Senator from Minnesota (Mr. HUMPHREY) indicated that if we did not feel that we could support, or that the administration would be committed to all of these side agreements, then we should not support this resolution.

He was very frank in his discussion here on the floor just a few minutes ago.

You may remember, Mr. President, that an amendment by the distinguished Senator from South Carolina (Mr. HOLLINGS) was tabled last night. As I understood this amendment, it merely reaffirmed our Government's commitment to the United Nations Resolution 242. The reasoning of the opponents to the resolution was that all nations in the Middle East favor resolution 242 and that it was superfluous to include it in this resolution.

However, as we know, the United Nations resolution, among other things, calls for Israel withdrawing its troops to the 1967 borders. However, as you know, the United Nations resolution, among other things, calls for Israel withdrawing its troops to its 1967 borders and the United Nations recognizing and approving the sovereignty of Israel over all the territory within the 1967 borders. I would like to hope that this is true. However, as you know, Israel continues to occupy territory of three nations outside of the 1967 borders and the proposal before us would send our observers to an area in the Sinai outside of these borders.

Let us, however, examine some of the documents released by the Committee on Foreign Relations on October 3. The first is a memorandum of agreement between the Governments of Israel and the United States, with the heading, "United States-Israeli Assurances," numbered paragraph 1, reads as follows:

> The United States Government will make every effort to be fully responsive, within the limits of its resources and congressional authorization and appropriation, on an ongoing and long-term basis to Israel's military equipment and other defense requirements, to its energy requirements and to its economic needs. The needs specified in paragraphs 2, 3 and 4 below shall be deemed eligible for inclusion within the annual total to be requested in FY 76 and later fiscal years.

From the reading of this paragraph, one can see the far-reaching commitment we are contemplating. Yet, it is only the first paragraph of an agreement that would be triggered by our approval of the resolution now before us.

I hope Senators will examine the entire memorandum but paragraph 4(b) indicates the administration will ask Congress to make funds available "for the construction and stocking of the oil reserves to be stored in Israel, bringing storage reserve capacity and reserve stocks, now standing at approximately 6 months, up to 1 year's needs at the time of the completion of the project." If our supply of oil from abroad was cut off, would we have a full year's supply stored to meet our own needs? I am advised that our own storage supply would last from 6 to 8 weeks.

There are roughly 5,000 United Nations observers in the area. I understand they are drawn primarily from the smaller nations of the world. Frankly, I fail to see the need for Americans to be placed in a position between two hostile nations even though at this moment they express a desire to settle their differences in a peaceful manner. My mail from Virginia is running 15 to 1 against this proposal. While this ratio may be too one-sided to reflect the feelings of the American people generally, I believe, if the American public were made aware of all of the facts agreed to or contemplated to be executed upon approval of this resolution, they would overwhelmingly reject the matter before us today.

To my way of thinking, it is not in the national interest to commit ourselves so deeply to any one nation. My own ancestors came from Ireland, Scotland, and England. Yet, it would be very repugnant to my thinking for us to become involved in the conflict in Northern Ireland. Many of our ancestors came here to avoid conflicts of the Old World. The Arab nations profess their friendship for the United States. They indicate they are reconciled to the continued existence of Israel as a sovereign nation. It would appear to be in our own national interest to accept their friendship, to continue our friendship with Israel, to attempt to be more evenhanded in our relationship with all of the nations of the Middle East.

Now, Mr. President, I understand that both Egypt and Israel are agreeable to the stationing of American observers at the passes in the Sinai but I wonder if either they, the American people, or even the Members of the Senate are aware of all of the agreements legally or morally binding upon this country if this resolution is approved.

Returning, Mr. President, to the memorandum of agreement between our Government and the Government of Israel, included in the documents released by the Committee on Foreign Relations on October 3, we find the statement in numbered paragraph 10:

> In view of the long-standing United States commitment to the survival and security of Israel, the United States Government will view with particular gravity threats to Israel's security or sovereignty by a world power. In support of this objective, the United States Government will in the event of such threat consult promptly with the Government of Israel with respect to what support, diplomatic or otherwise, or assistance it can lend to Israel in accordance with its constitutional practices.

Now remember, Mr. President, this is a part of the memorandum of agreement between the Government of Israel and the United States which our Government would agree to in the event this resolution is passed. The media has said that the Secretary of State, in his testimony before the Committee on Foreign Relations, has said our approval would trigger his signature on behalf of the United States; and the Secretary confirmed this fact in his testimony before the Committee on Armed Services.

It is my understanding from a reading of article II, section 2 of the Constitution, that the President, "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." The President, however, has chosen to take a different course and to submit this agreement to both the House and Senate. Frankly, the question of Executive agreements is a nebulous thing, something that is not sanctioned by the Constitution; and I am not aware of a provision of the Constitution that specifically authorizes the course we are taking today. It would certainly satisfy the constitutional provision if we considered this a treaty and it was confirmed by a two-thirds vote of the Senate. To me this was the intention of the framers of the Constitution. However, we might return to the language of paragraph 10 of the memorandum. What is meant by the phrase that "our Government would view with particular gravity"? What is meant by "a threat to Israel's security or sovereignty"? What nations of the world are considered to be "world power"? What do we mean by the phrase that "our Government would support Israel diplomatically or otherwise"? Would this "otherwise" include the introduction of U.S. military forces into the Middle East? What is meant by the phrase "with our Government assisting in accordance with its constitutional practices"? Would this attempt to commit the Congress to a declaration of war or commit the President to recommend a declaration of war when the survival or security of Israel is threatened?

Mr. President, my reason for dwelling on this paragraph 10 of what was a secret agreement, published by the news media and later made public by the Committee on Foreign Relations, is to simply indicate that we are considering a whole lot more than merely committing 200 civilian observers to the passes separating the forces of Israel and Egypt.

In my opinion we are committing this Government on a course of action that could very well involve us militarily in the Middle Eastern conflict.

This is further indicated by another memorandum of agreement designated as "G" in the group of documents, which reads as follows:

ASSURANCES FROM USG

I assume that means the U.S. Government—

TO ISRAEL

> On the question of military and economic assistance to Israel, the following conveyed by the U.S. to Israel augments what the memorandum of agreement states.
>
> The United States is resolved to continue to maintain Israel's defensive strength through the supply of advanced types of equipment, such as the F-16 aricraft. The United States Government agrees to an early meeting to undertake a joint study of high technology and sophisticated items, including the Pershing ground-to-ground missiles with conventional warheads, with the view to giving a positive response. The U.S. administration will submit annually for approval by the U.S. Congress a request for military and economic assistance in order to help meet Israel's economic and military needs.

A casual reading of the "G" portion of the agreement indicates we are committing ourselves to provide Israel with some of the most advanced and sophisticated military equipment we possess. In fact, the F-16, a lightweight fighter plane, is not yet in general use by our own military forces, and it may well be several years before we have an adequate supply of this new aircraft to meet our own needs. I have been informally advised that it will probably be 1979 before this aircraft is in general use by our own military forces. We might question whether the F-16 aircraft, the Pershing missile, and other sophisticated weaponry will be drawn from existing inventories or from new production. Will we actually put the welfare of Israel ahead of the welfare of our own country? Such a thought seems untenable but I do urge you to read these documents.

Mr. President, by way of summation, the main thrust of this resolution is that of approving the stationing of up to 200 U.S. civilian technicians in the Sinai between the forces of Israel and Egypt. The question readily comes to mind: Why U.S. observers? Why not utilize some of the existing 5,000 United Nations observers already in the Middle East?

Why not use observers from some of the smaller nations of the world? Are the primary parties in interest asking the U.S. personnel to be more than observers? Are they asking that we be the referee between two hostile nations? Are they holding the U.S. observers as hostage over a period of years to guarantee that no attacks will be made through the passes? The threat of world peace would not be as great if personnel of smaller nations were utilized. We might consider the question some have raised as to whether the use of our personnel might be a prelude to the use of Soviet Russian personnel on the Golan Heights between Israel and Syria.

I am also concerned, Mr. President, whether even the documents released by the Foreign Relations Committee constitutes all agreements made on behalf of the United States that are legally or morally binding upon us. In this connection I would call attention to page 4 of the report on this resolution by the committee. In the middle of the page it reads as follows:

> Mr. Kissinger said that the executive branch also included excerpts from other classified documents "in the negotiating record which the administration believes are legally binding assurances, undertakings, or commitments. We have included in this category certain provisions which, although not regarded by the administration as binding, might be so regarded by others."

Now, Mr. President, I believe the word "excerpt" is important in this paragraph. As I understand it the chairman of the Committee of Foreign Relations and the ranking member have been shown these documents but, by the language of the report itself, they have only been shown excerpts from classified documents, not the full original documents, or copies of the full documents. We are still legislating without complete knowledge of the facts and it is very difficult, if not impossible, to make the correct decision without all of the facts.

If we consider what is in the best interest of the United States and our own national welfare ahead of all other factors, I believe we will reject this resolution, and I hope that each of us will reflect very deeply on all the implications of this proposal before casting our vote at 4 o'clock tomorrow afternoon.

Mr. CASE. Mr. President, will the Senator yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to the distinguished Senator from New Jersey.

Mr. CASE. The Senator is dealing with a very important point, one which engaged the close attention of the committee for a number of days. As a Member who was very much involved in the question that the Senator has raised, I can say only this: That the record as stated here is absolutely as the report indicates. We were concerned that we should see everything that represented an undertaking or assurance by the administration on which either party is entitled to rely. We made a public statement to that effect, which was picked up by the committee and embodied in a resolution of the committee which appears here on page 2:

> *Resolved*, That the President is requested to inform the Committee on Foreign Relations of all the assurances and undertakings by the United States on which Israel and Egypt are relying in entering into the Sinai agreement and that there are no other assurances or undertakings.

We did not request all documents. We requested undertakings and assurances. We wanted to be more complete and comprehensive than just an examination of written documents would permit. So we asked for it in this fashion, and it was in this fashion that the President, through the Secretary of State, certified that we had everything.

The committee responded to that request, and, as Senators know, certain of the documents and assurances were shown to Senator Sparkman and to me. In respect to them, we made the certification which appears here on page 6.

That really is the whole story. So I feel, myself, that we have seen everything on which the parties are relying here, assuming we can believe the Secretary of State and the President, and I do assume that. I would not have acted if I had thought otherwise.

Mr. WILLIAM L. SCOTT. Mr. President, I do not suggest that the Secretary of State has in any way misled either the Committee on Foreign Relations or the Committee on Armed Services; but I would like to have a little additional colloquy with the distinguished Senator from New Jersey.

The word "excerpts" is used here. I assume those are the classified documents that only the chairman and the ranking Republican member were permitted to see. Is that what it refers to, in the middle of page 4, that they were made available so that the chairman and the ranking Republican member of the Committee on Foreign Relations could look at them?

If those are not the documents, how would the distinguished Senator describe the documents that only he and the chairman were permitted to examine? I believe two members of the Senate Armed Services Committee were also afforded that privilege. I do not know whether they exercised it or not.

Mr. CASE. I do not know either, about that. As far as Senator SPARKMAN and I are concerned, we saw some material—may I have the attention of the staff director? Senator SPARKMAN and I saw 11 pieces of paper. Was it 10? Well, whatever it was. Of which I think all but one were original documents, a letter or agreement of some kind.

One document was, I think, a single sheet or maybe two sheets of paper on which there were maybe three or four different paragraphs, each of which related to a specific different kind of assurance. It is that, I think, that the Secretary was thinking about and in that he responded to our request. It was my understanding, and I am sure that I am correct about it, that that responded to our request that we be given not only written documents, but also any kind of statement contained in oral communications which represented either assurance or undertaking which the parties could properly say was an amendment to them to enter into this.

Mr. WILLIAM L. SCOTT. Let me ask the distinguished Senator, Is it not true that the Secretary of State had his legal advisers go through these documents to determine what should be made available to the committee and to the committee as a whole and then also what should be made available to the chairman and the ranking member. This word "excerpts" would indicate as the distinguished Senator has said that this is correct, that this paragraph on page 4 is correct, that that would indicate that the distinguished Senator from New Jersey, even in his more distinguished capacity, or more privileged capacity than the balance of the Senate, still did not see every part of every document that in any way related to the overall Middle Eastern situation. Would that be a fair statement that he did not see all documents in their entirety?

Mr. CASE. I do not understand that that is true. I believe that we have received everything that represented assurance or an undertaking on which the parties here were entitled to rely.

Mr. WILLIAM L. SCOTT. Who made the decision as to what the Senator would see and what he would not see?

Mr. CASE. On this there is no question about this fact. We certainly relied upon the President's assurance and upon the Secretary's assurance to that effect. That means that they made this examination on their own. I believe, knowing the Secretary's deep concern about this, that he and Under Secretary Sisco actually made the choice that there was no reference——

Mr. WILLIAM L. SCOTT. I am not trying to attack the Secretary of State.

Mr. CASE. I know that is true, because it was not for this purpose as I understand it, that the legal counsel was brought in.

He was brought in later to deal with a question of whether these particular documents already in the public record now were what he called legally binding or not.

Mr. WILLIAM L. SCOTT. It was my understanding that he reviewed the documents and made the decision as to what should be sent to the committee and what was pertinent for the committee.

I again ask the Senator whether this statement in the middle of page 4 of the committee's report is accurate that "Mr. Kissinger said that the executive branch also included excerpts from other classified documents"? The word "excerpts" is the word that I am getting at. Of course, excerpts, taken from the document, would not include the document in its entirety. This is the thrust, really, of my question to the distinguished Senator.

Mr. CASE. I think the Senator really is reading in too much, reading perhaps the words a little too closely, and drawing too much significance from such a reading.

I am quite sure that when he talked about excerpts he is talking about in the negotiating record.

Mr. WILLIAM L. SCOTT. I am reading from the report.

Mr. CASE. I am quite sure he was referring there, and I am sure that he said this to me, that classified documents included transcripts of oral communications, and that he drew from the transcripts. Obviously, we do not have the complete transcript of all their discussions. We do not. But he was asked, and I rely on the fact and all of us in the committee relied on the fact—whether they are for or against this agreement—and the assurance that these were all the documents that constituted undertakings or assurances on which the parties were relying.

Mr. WILLIAM L. SCOTT. I have one further question, if the distinguished Senator would bear with me.

Mr. CASE. Surely.

Mr. WILLIAM L. SCOTT. Are there documents that the distinguished Senator from New Jersey and the distinguished chairman (Mr. SPARKMAN), of Alabama, have seen that have not been available to all Members of the Senate?

Mr. CASE. That is true. There are some 10, I guess, such documents, and those are the ones referred to in our statement to our colleagues on the committee which appears on page 6.

Mr. WILLIAM L. SCOTT. Would it be a breach of trust for the Senator to tell us in some broad sense what these documents are?

Mr. CASE. Our statement covers that, I think, and I would be glad to repeat the statement. There were, in the first place, in those documents—and I think everyone understood that this was true—certain assurances that were given by Egypt to us for communication to Israel and certain communications given to us by Israel for communication to Egypt. These were excluded from concern by all of us by mutual consent.

For the rest of it, the documents consisted, as I recall it, of several communications by the President, some to Israel and, I think, some to Egypt. That is about the sum and substance of their general nature.

Mr. WILLIAM L. SCOTT. Those would not be the letters that are included in another group of papers. I see here a letter from the President on the Secretary of State's stationery. Even though it has Secretary of State, Washington, as the heading, it is signed by Gerald R. Ford, so it is from the President to His Excellency Anwar Sadat, President of the Arab Republic of Egypt in Cairo. Is this what the distinguished Senator is talking about? I believe this has been released by the committee. It must be something else.

Mr. CASE. This document was one of the documents released by the administration and which is in the public record. It is not one of those.

Mr. WILLIAM L. SCOTT. It is not?

Mr. CASE. No.

Mr. WILLIAM L. SCOTT. It is not that.

Mr. President, I appreciate the position in which the distinguished Senator from New Jersey finds himself.

Mr. CASE. I am more than happy to be just as cooperative as I can, because I believe, as much as any other Member and more than perhaps some, I was deeply concerned about the matter of seeing that Members of Congress who had to pass on any part of this arrangement should know what the whole arrangement was.

Mr. WILLIAM L. SCOTT. Mr. President, the Committee on Foreign Relations has done a service to the entire Senate in declassifying by its own action a number of these documents.

The distinguished Senator from Minnesota, who has been the manager of the bill for a major part of it today, has done a service when he indicated a few minutes ago, that he felt, unless the Members of the Senate believed it to be in the best interest of our Government, to go ahead, not only with the stationing of the 200 observers in the Sinai, but also to the execution of the other agreements, they should vote against this resolution.

Mr. President, I do not believe it is in the best interests of this Nation, when we not only look at the 200 observers to be stationed there but also only look at the other agreements that will be triggered into being executed on behalf of the United States if this resolution is approved. If we consider what is in the best interests of the United States, if we consider our own national welfare ahead of that of all other factors, I believe we will reject this resolution.

I hope that each of us will reflect very deeply on the implications of this proposal before casting our vote at 4 o'clock tomorrow afternoon.

Mr. President, I reserve the remainder of my time.

Mr. CASE. Mr. President, what is the time situation on my colleague's allotment?

The PRESIDING OFFICER. The Senator from Virginia has 19 minutes remaining.

Mr. CASE. Mr. President, there is an interesting absence of Members, but certain significant Members are here. Does anyone wish to address himself to the question and wish time which he may have himself?

Mr. ALLEN. Mr. President, will the Senator yield me 3 minutes?

Mr. CASE. On this matter or for some other purpose?

Mr. ALLEN. On this issue.

Mr. CASE. Mr. President, how much time do we have on our side?

The PRESIDING OFFICER. Eighty-six minutes.

Mr. CASE. I am happy to yield 3 minutes to the Senator.

Mr. ALLEN. Mr. President, I shall vote against the resolution when it comes up for a vote.

I outlined my misgivings as to the so-called interim peace agreement on September 8, 1975, in an article that I wrote for Alabama newspapers, which I made the subject of a radio speech back to Alabama. On September 22, 1975. I took a definite stand against sending American technicians into this no man's land.

I ask unanimous consent that these two statements be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Middle East Accord To Cost U.S. Billions of Dollars

Unquestionably the President and Secretary of State Kissinger deserve high marks for their efforts in obtaining a three year interim peace agreement between Israel and Egypt. No doubt the agreement will go far in assuring that there will be no new and disastrous oil embargo imposed by the Arab countries during the three year period of the agreement, and it should go far in helping ease international tensions over a Middle East stalemate.

But having said that, I must also say that I am deeply concerned about the escalating involvement of the United States in the Middle East as the guarantor of peace—and let's face it—the United States is in effect buying the peace with billions of American taxpayers' dollars.

Then too, Egypt and Israel have said that the single most important factor that brought about their agreement is that the United States will station 200 or more American civilian technicians in the Sinai Desert to operate electronic early attack warning stations located in the no-man's land between the two opposing armies.

This American presence is supposed to reassure the two sides that they will be given advance information of any military buildup by the other side, reducing the dangers of a surprise attack.

But what would happen if this American force was attacked, accidentally by either side or by design by Palestinian forces determined to block any peace agreement? I have not forgotten that a small handful of American advisors was the beginning of our involvement in Southeast Asia, and I certainly don't want another Vietnam situation.

In addition to supplying technicians, the United States is to guarantee that Israel will receive oil to replace what they will be giving up from the Sinai oilfields which will be returned to Egypt. Uncle Sam will pick up most, if not all, of the $350 million cost. Why, we can't even guarantee oil to our own citizens.

Then, on top of that, the United States is to give some $9 billion over the next three years in economic and military aid to Israel, to Egypt and perhaps to other Arab countries. How much are the Russians paying? A great big zero.

In return for our commitments, Israel will move back into the Sinai Desert 12 to 30 miles along a 300 mile line stretching from the Mediterranean Sea to just below the oil fields half way down the Sinai along the Red Sea. This will permit Egyptian forces to advance up to 10 miles from their present lines.

Figuring the price tag at 9 billion dollars over 3 years and an almost average drawback of 20 miles, this means that the United States is going to pay $90,000 for every foot the Egyptians go forward in the desolate, barren desert wasteland. It seems to me that the asking price is far more than the United States will receive in value. If we pay $9 billion for this withdrawal, how many billions will the next withdrawal cost.

If this interim agreement is supposed to bring peace to the Middle East, why is the United States being asked to supply both sides with additional billions of dollars worth of the newest, most sophisticated weapons in our arsenal? If peace is the aim, shouldn't there be a reduction in weapons and armies?

Peace in the Middle East—or anywhere else—cannot be imposed or purchased by the United States or by any other country. A binding and permanent peace can only come from direct face-to-face negotiations between the Arab countries and Israel in which both sides give as well as take, and without further involvement by the United States.

The President has said that the Congress will be fully informed of all U.S. commitments under the Middle East interim agreement, and I intend to make sure that everything is placed face-up on the table so it can be read and understood by the American people. I anticipate a full scale and lengthy debate in the Senate on this matter. Let us read the fine print of the agreement and let us learn of all of the secret agreements, if any.

T.V. Script, September 22, 1975

The President's proposals for U.S. involvement in the Middle East interim peace will probably be sent to the Senate within a few days. When asked his views regarding the agreements and particularly the use of 200 American technicians, Senator Jim Allen said:

"It is a strange peace agreement that calls for the United States to pay an estimated $9 billion over the next three years building up both sides militarily, but let's lay this aside for a moment.

"Putting Americans in a buffer zone between the warring forces is not my idea of putting American interests first. These American technicians are not needed because each side will have its own early warning system. They will be hostages to insure our further involvement in a Mid-East War in the event there is no final settlement, and could be the basis for American intervention if anything happened to them.

"I will oppose sending American technicians into a new No-Man's land, for this could well be the start of World War III. Is technician a new word for the American advisors who preceded American troops in Viet Nam? Haven't we learned any lessons from Viet Nam?"

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Delaware.

Mr. BIDEN. I yield to the Senator from Illinois.

Mr. STEVENSON. Mr. President, this amendment, offered by the Senator from Delaware and others, including myself, simply codifies the expressions of the proponents of this resolution and, among others, the Secretary of State.

This amendment says that any assurance or commitment by the United States in connection with the Sinai accord is simply a statement of the present intentions of the executive branch, is not binding under domestic or international law, and may not be construed as limiting the freedom of the United States in pursuing its national interests in the Middle East.

Those are all statements which have been made in connection with this resolution by the Senator from Minnesota and by others of the opponents.

Mr. President, there seems to be an impression on the part of some Members of this body that the issue before us is the American technicians to be placed in the Sinai. That is not the issue. The issue is twofold.

First of all, it is the accord, the four corners of the accord which fall into place upon enactment by Congress of a resolution which simply approves the stationing of those technicians in the Sinai. The issue is the accords. Is it a statement of this administration's present intentions? Is it binding or not binding under law? Will it be construed to limit the freedom of the United States in the future? The issue is the commitment, the undertakings, of the United States in that accord and whether and to what extent they are binding.

Mr. President, under this accord, Egypt is promised about $600 million in economic assistance. Israel is promised $2.3 billion in economic and military assistance. The total dollar costs of aid to Israel and Egypt was estimated to be $15 billion or more for 5 years. Since the first stage of disengagement, when the President and the Secretary of State offered nuclear reactors to Egypt and to Israel, the ante has been upped.

Those dollars are the smallest part of the price for the second stage, a few more miles into Sinai. Israel's longer term military supply needs are promised a positive response by the United States. The Egyptians are also promised technical assistance for an early-warning system and, in the future, the possibility of military aid.

The United States assures Israel of oil supply, including a 1-year reserve, and, in case of a boycott, oil from the U.S. domestic supplies. Among other things, the United States supports, with an implied promise of intervention if needed, Israel's freedom to navigate the Strait of Gibraltar and the Bab-el-Mandeb Strait.

By reference to the wording of the mutual defense agreement, section 10 of the accord appears to be a commitment of the United States to defend Israel in the event of attack.

Mr. President, some of Israel's stoutest friends and defenders—and I am among them—are deeply disturbed by these undertakings. We know too well what can befall the United States when it makes promises beyond its power to keep.

That is not all. Weapons, including the F-16's, cannot fail to spur an arms race in the Middle East. Particularly disturbing is the promise that the United States will consider Pershing missiles and other items of high technology.

The Pershing is designed to carry a nuclear warhead, and very few states in the area, of whatever political stripe, will be reassured by the statement that these particular Pershings will carry conventional warheads.

Israel has Jericho missiles capable of delivering nuclear warheads to the capitals of its neighbors. It would seem that the purpose of the Pershings is to make the U.S. commitment to Israel more formidable to the other Mideast states. We then open wider the Middle East door to the Soviet Union, after having sought to close it.

Mr. President, those are but a few of the undertakings. Others would appear to limit action of the United States in the Security Council of the United Nations and at a reconvened Geneva Conference.

All those commitments, however binding they may be, would be well worth the price if they served Israel, if they served the cause of peace—above all, if they served the United States.

That, Mr. President, brings me to the second part of this issue, the real issue: What does this accord, whatever its interpretation, achieve? Does it only buy time, or a few more miles in the Sinai? If so, Mr. President, that price, whatever the interpretation, may be too high. The time which this accord may buy has disadvantaged Israel. It has disadvantaged moderate elements in the Middle East. It has disadvantaged the cause of peace in the Middle East.

Mr. President, about this time last year, I was the recipient of the Man of the Year Award at the annual Israel Bond dinner in Chicago. I have, in all my years of political life, been a faithful, if not among the very most faithful, friend and supporter of Israel. I say what I say now largely for that reason: It is time for the friends of Israel to say what is in their hearts. Many of them share the misgivings which I express but do not speak them.

This accord, Mr. President, may postpone the next battle in what has been one long war since the late 1940's. This provisional settlement has many of the earmarks of previous settlements, in which the opposing sides were bought off during the hiatus between battles to rearm for the next one. So it was in 1967, in 1970, in 1973. In each case, the United States helped relieve the warring parties of the responsibility for settling their differences on a permanent basis by offering them tempting alternatives, alternatives that have been expensive to the American taxpayer, alternatives that have been expensive to the Israeli, that have escalated the quantity and the sophistication of the weaponry, guaranteeing, always, a higher level of violence in the next battle.

This accord, Mr. President, may buy time, but time has disadvantaged Israel. It has disadvantaged the moderate elements in the Middle East. It has disadvantaged the cause of peace. After the 1968 war, it was possible to piece together the elements of a comprehensive settlement, leaving aside the knotty question of Jerusalem, which, in fact, might then have been left aside. Now the Arab world has acquired the oil wealth. The greater wealth is on its side. The Israeli economic condition has deteriorated. Its isolation in the world is greater than before. Its sources of financial support in the outside world are stretched thin.

The Arabs have acquired a new degree of unity. Jordan and Syria are composing a joint command. The PLO has been recognized by the Arabs as the agent for the Palestinians. All the while, the arms have poured in. Now, the next battle will be accompanied by another oil embargo, a world recession, and, quite possibly, by nuclear violence.

Mr. President, more time—time alone—is not enough to justify this accord and the risks that we are asked to take. The step-by-step approach to peace in the Middle East of the Secretaries is valid if one step leads logically to another, if the end result in view is a coherent and permanent settlement.

If that were the prospect, the risks that we are asked to assume for the United States would be worthwhile. But the documents to which the American people have been made privy, by accident as well as by design, and the public statements of the President and the Secretary of State, do not encourage one to believe that there is any coherent plan for progress toward a final settlement.

We have been given vague references to a possible resumption of the Geneva Conference. The references to a bilateral settlement in Syria made one day were discounted almost the next. If there is a plan, Mr. President, if there is something to be gained with the terrible price that we are asked to assume, what is it? A pledge by the Secretary of State to the General Assembly of the United Nations that the United States would "support whatever process seems most promising" is not reassuring.

Is there at last, Mr. President, to be an effort to win the cooperation of the other arms suppliers and cut off the flow of arms to that troubled part of the world, creating at last a climate for peace instead of for war? The Secretary has admitted that there has been no such effort.

This accord would appear to preclude such an effort that seems to commit more arms and more sophisticated arms to Israel, to Egypt, and then, independently, to Jordan.

Those, Mr. President, are the real issues. What is achieved? Without knowing the answer to that first question, it is impossible for Congress to determine whether the price, the cost, is worth assuming.

The second part of that issue is the cost itself. What is the cost we are asked to assume for the country?

Mr. President, it has been said these commitments are not decisive, that the risk is minimal and, indeed, the risk of our not acting is far greater; that the alternative to the enactment by Congress of the resolution is war.

If that is so, Mr. President, this resolution should be adopted, for all it does is codify what has been represented to Congress and to the Members of the Senate today. It does not prevent the executive branch from binding itself, from engaging its own good faith. All it does is take the administration at its word. All it does is say that these commitments are statements of present intention; they are not legally binding, and they do not restrict the freedom of action of the United States for the future.

If those statements and those representations are true than there should be no objection to this amendment. If, Mr. President, there is objection, then every Member of this body will have notice that these statements, these assurances, these undertakings have a far greater significance for the United States than has been avowed by their supporters.

Others have drawn an analogy to the Gulf of Tonkin resolution. I was not a Member of this body at that time. I probably would have been unwise enough to have voted for it, but I hope not unwise to have made the same mistake twice. But that episode is not a fair analogy.

A better analogy, Mr. President, is the so-called Paris peace accords which preceded the Sinai accord. It, too, was followed by euphoria. Peace, as the Members will recall, was just around the corner, it was at hand. But the administration then made a mistake. There were very few Members of Congress who saw it, as did one or two, for what it really was, just a face-saving device for removing American troops without the expense of perpetuating an increasing American involvement in that continent, but in a different form.

The administration made a mistake. It did not then implicate Congress, and it was Congress which, as a result, subsequently was free to disengage the United States from the conflict in Vietnam. It was not a party to any commitments. It had no knowledge of the letter from President Nixon to Mr. Thieu.

In that case, Mr. President, the Congress of the United States was in a position to maintain its freedom of action. In that case, Mr. President, the Congress did its duty. It ceased the funding of American involvement in that conflict—belatedly.

In this case, Mr. President, unless such an amendment as this is adopted, it will forfeit its freedom of action, and not alone Congress but also the executive branch and Presidents to follow this one.

All this amendment does is to codify into the law the assurances which we have received, and if that is not acceptable or if it is not done, then we had all better be aware that we are taking a very high risk with no assurance, no indication of what is to come, of what, Mr. President, we are achieving with that risk.

So I urge the adoption of this amendment which has been offered by the

Senator from Delaware. I thank the Senator for yielding me the time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HASKELL. Mr. President, as the Senator from Illinois said, the issue is not the 200 technicians. Under the resolution reported by the Foreign Relations Committee they are to be volunteers. They will be of age and they will know what they are doing. If they run into trouble that is a necessary risk we must assume.

The issue really is do we commit the United States of America to certain very dangerous agreements. I will read two portions of the memorandum of agreement which, I think would obligate the United States of America to go to war. I read from the memorandum, paragraph 3(a), the last sentence:

> If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

Now, Mr. President, please note the use of the word "every" which, obviously, would include military as well as economic and diplomatic effort.

Then, Mr. President, I refer to paragraph 14, as I did earlier today in the debate on the previous amendment, on the support to be provided Israel to free and unimpeded access through the Strait of Bab-el-Mandeb, and the Strait of Gibraltar is absolutely unqualified. However, the guarantee to Israel as far as freedom of flights over the Red Sea and such straits, the support is diplomatic. I think the only conclusion at which one can arrive is the right of passage through the Strait of Bab-el-Mandeb will be guaranteed by military force.

Mr. President, these agreements are without a termination date, and I am not willing to commit the United States to go to war at some undisclosed future time should the Strait of Bab-el-Mandeb be closed to Israel or should we have to transport oil to Israel.

Therefore, Mr. President, I joined with the distinguished Senators from Delaware, Iowa, and Illinois in this amendment.

This amendment is a substitute for paragraph 5 of the Joint Resolution 138, and that paragraph 5, as read, purports to disassociate Congress from any of these agreements.

I will read it:

> Does not signify approval of the Congress of any other agreement, understanding or commitment made by the executive branch.

This is an attempt to wash our hands of the whole thing, but it will not wash, for a couple of very clear reasons.

First, paragraph 16 of the memorandum states:

> United States and Israel will agree that signature of the protocol of the Egypt-Israel agreement and its full entry into effect shall not take place before approval by the United States Congress of the U.S. role in connection with the surveillance and operations, functions, described in the agreement.

Right there is the action of Congress which probably will be approved this evening or tomorrow. Its approval will trigger the entire network of agreements. If further evidence of this is necessary, I ask unanimous consent to have printed in the RECORD, two letters addressed to the Honorable THOMAS E. MORGAN from Monroe Leigh, legal adviser to the State Department, one dated September 18, 1975, one dated September 29, 1975.

I ask that these be placed following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. HASKELL. Mr. President, the Congress is thoroughly involved, thoroughly committed, despite what we say. We have committed to agreements which in my reading in at least two instances is quite clear the U.S. Government is committed to involve its Armed Forces.

Mr. President, the amendment which the Senate is being asked to adopt says what at one time I thought the floor manager of the bill, the Senator from Minnesota, said. It says that the agreements are simply a statement of present intent and may not be construed as limiting the freedom of the action of the United States in pursuing its national interests.

If this amendment is adopted, Mr. President, I will very happily vote for the resolution itself, which involves the sending of the technicians. I think the sending of the technicians is probably symbolic only, because I assume that instrumentation would be such it would not be quite necessary to station them there. I am sure the electronics could be worked out, but I understand the symbolism. I understand that it symbolizes the desire of the United States to effectuate peace.

Mr. President, if this amendment is adopted, I would be very pleased to vote for the resolution. But Mr. President, I cannot vote for the resolution when I am absolutely convinced that we have committed ourselves to involve our Armed Forces in at least two situations.

There is one other reason why I believe this amendment might be desirable. Mr. President, put one's self in the position of Egypt whose adversary Israel is now neutralized, who is also guaranteed moneys from the United States. What incentive is there to Egypt to influence her Arab friends for a permanent settlement?

Put one's self in the position of a member of the Parliament in Israel and imagine that one's principal adversary is nullified. Whose country is guaranteed economic and military assistance by the United States and is guaranteed that the United States will under all the circumstances deliver oil. What incentive, Mr. President, is there for that member of the Parliament of Israel to make a settlement of the very difficult Palestinian issue, the very difficult issue of Jerusalem, and the very difficult issue of the Golan Heights?

I submit, Mr. President, that there would be very little incentive. As a matter of fact, there is a disincentive for any further forward movement if the resolution in its present form is adopted. But I would submit that if the amendment is adopted, then both nations have the necessary incentive. For that reason I hope that the amendment will be adopted.

I yield the floor.

EXHIBIT 1

DEPARTMENT OF STATE,
Washington, D.C., September 18, 1975.

Hon. THOMAS E. MORGAN,
Chairman, International Relations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: During the hearings on September 11 before the Committee, Under Secretary Sisco was asked whether he regarded the two Memoranda of Agreement between the United States and Israel, which he supplied for the Committee's information on a confidential basis, were properly characterized as "executive agreements." He offered to provide an opinion from the Legal Adviser's Office. This letter is supplied as a result.

It is my opinion that both the two Memoranda of Agreement referred to above are properly described under United States constitutional practice as "executive agreements". As you know, these two documents were initialed in Israel on September 1st. It was understood on both sides that the Memoranda of Agreement would not come into force until signed by representatives of the two governments and that no such signing would take place until after Congress had acted on the Proposal for placing United States technicians in Sinai in connection with the Early Warning System.

It is clear that the Memoranda of Agreement when executed will become international agreements. It is also clear that since they are international agreements they must be reported to the Congress within 60 days after taking effect. At the present time both Memoranda are classified "secret"; it is anticipated that it will be necessary to maintain this classification indefinitely. Accordingly, we expect to transmit the two Memoranda after execution to the House International Relations Committee and the Senate Foreign Relations Committee under an injunction of secrecy as contemplated by the Case Act. (1 U.S.C.A. § 112b).

As you know, we are not asking the Congress for specific approval of these two Memoranda of Agreement. The only document on which specific Congressional approval is sought is the Proposal relating to the placing of American technicians in Sinai. With respect to the two Memoranda of Agreement, the undertakings by the United States fall in the category either of those which the President is already authorized to make under existing legislation or under the traditional powers of the President to make statements of political intention in the conduct of foreign affairs.

Moreover, implementation of any United States undertaking requiring Congressional appropriation or authorization is expressly conditioned upon affirmative Congressional action.

Respectfully submitted,
MONROE LEIGH,
Legal Adviser.

DEPARTMENT OF STATE,
Washington, D.C., September 29, 1975.

Hon. THOMAS E. MORGAN,
Chairman, International Relations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is written in amplification of my letter to you of September 18. Since reports in the press have, in the Department's view, misconstrued the purport of that letter, I write now in clarification of it.

As you will recall, question was raised in hearings of the International Relations Committee as to whether the Memoranda of Agreement between the United States and Israel which were initialed in Jerusalem on September 1 should be considered Executive Agreements. The point of the question appears to have been whether the Executive Branch of the Government will submit the two Agreements with Israel to the Congress pursuant to the Case Act.

While many of the provisions of the documents in question do not by any standard rise to the level of international commitments, being no more than statements of intention typical of diplomatic correspondence, there are some provisions by which the United States commits itself to undertakings which, under customary criteria, require that they be reported to the Congress under the Case Act. The Administration accordingly plans to treat these Memoranda of Agreement as a whole as Executive Agreements—and to make a formal transmittal to the Congress at the appropriate time, even though it is plain on the face of the texts that many provisions of the Agreements are not binding upon the United States.

My letter of September 18 endeavored to make this distinction between binding commitments and statements of political intention by pointing out that the undertakings of the United States pursuant to these Agreements "fall in the category either of those which the President is already authorized to make under existing legislation or under the traditional powers of the President to make statements of political intention in the conduct of foreign affairs." My letter added that: "Moreover, implementation of any United States undertaking requiring Congressional appropriation or authorization is expressly conditioned upon affirmative Congressional action." In other words, Congressional appropriation and authorization is in no way preempted by these Agreements.

It should be noted that an article in The Washington Post of September 26 is misleading in suggesting that the Memoranda of Agreement are an integral part of the Sinai Agreement Between Egypt and Israel. The U.S.-Israeli Memoranda of Agreement are legally distinct from and not an integral part of the Agreement between Egypt and Israel. As I stated in my letter of September 18, the Memoranda of Agreement will not come into force until signed by representatives of the United States and Israel, and this signing will not take place until after Congress has approved the proposal respecting United States technicians. This earlier statement merely described the schedule for signing.

Since the Memoranda of Agreement are classified, they were transmitted to the Chairman of the House International Relations Committee and the Senate Foreign Relations Committee on a classified basis for the interim use of the Committees. When these Agreements have been brought into force by signature, the Administration will, in accordance with the provisions of the Case Act, make a formal transmission to the Congress within the sixty-day period provided in that Act.

Sincerely,

MONROE LEIGH,
Legal Adviser.

Mr. BIDEN. Mr. President, as has been mentioned, the Senator from Colorado, the Senator from Illinois, the Senator from Iowa, and I all share the same reservations regarding this so-called early warning system resolution before us tonight.

I think some of us, at least I will speak for myself, I would be able to see my way clear to vote for this resolution if, in fact, we could amend it along the lines that the administration says it intends it to be.

I would like to, if I can, point out that our amendment does nothing more than the administration says it, in fact, wants done.

I would like to read the amendment. It says:

> Any agreement entered into, understanding arrived at, or assurance made by any United States official with respect to any foreign country in connection with the "Basic Agreement" signed on September 4, 1975, by the Government of the Arab Republic of Egypt and the Government of Israel; (1) is simply a statement of the present intentions of the executive branch.

Time and again we were told here, time and again we have been told in committee, that that is all that the administration meant they have to be. They did not find them binding assurances, they did not intend to bind the U.S. Congress and, in fact, what they are attempting to do is set out what the present posture of the administration is with regard to commitments down the road to the State of Israel and to Egypt.

In the open, public hearings with Secretary Kissinger testifying, he was asked whether or not he could accept modifying language of this nature which had been suggested by one of his former colleagues, a professor at Harvard University regarding the Sinai agreement.

The language that Professor Fisher suggested was something along the lines that we, in fact, have come up with, with the same intent; that what we do is in fact to be assured that the President is not attempting to lock the U.S. Congress and/or lock future administrations into commitments which we are not prepared at this moment to make without there being a different forum in which to discuss them.

In response to questions by Senator PELL, Dr. Kissinger was commenting on the limiting language offered by Professor Fisher. He was asked by Senator PELL whether or not he could accept the language of Professor Fisher, which was of the same intent as ours.

He went on to say that he could accept that language because it was only the present intention that the administration intended these agreements to state, and nothing more than that.

Professor Fisher's language said:

> Provided, all assurances, commitments and undertakings made to one of the parties on behalf of the United States in connection with the Sinai agreement but embodied in documents not submitted to the Congress for its approval shall be construed by the United States as good faith statements of intention rather than as binding commitments.

Senator PELL asked Secretary Kissinger whether or not he could, in fact, accept this type of language. Secretary Kissinger said:

> Secretary KISSINGER. Well, Mr. Fisher let me glance at the paper while I was waiting to testify but I do not have it here.
>
> Senator PELL. By coincidence I have an extra copy.
>
> Secretary KISSINGER. I had to meet my old colleague before the committee.
>
> Senator PELL. I think in light of your testimony he may take out the middle phrase.
>
> Secretary KISSINGER. Senator Pell, I think we could accept the second, as I have already commented.

The second is the "provided" that I read, "provided that all assurances, commitments, undertakings," and so on.

> Secretary KISSINGER. I have already commented on the first provisions of this amendment limited to 3 years. The second provision we could accept, which specifically defines the nature of the obligation.

Let me read that again.

> The second provision we could accept, which specifically defines the nature of the obligation.

That provision he is referring to is, and I will read that again.

> Provided, all assurances, commitments and undertakings made to one of the parties on behalf of the United States in connection with the Sinai Agreement but embodied in documents not submitted to the Congress for its approval shall be construed by the United States as good faith statements of intention rather than as binding commitments.

The amendment which my colleagues and I have introduced is essentially the same thing.

We say, instead of all of that language, on line 7 of our amendment, page 1,

> (1) is simply a statement of present intentions of the Executive Branch.

We go on to say,

> (2) It not binding under domestic or international law.

And then we say,

> (3) May not be construed as limiting the freedom of the United States in pursuing its national interest in the Middle East.

The reason we laid it out that way was to make it crystal clear to our colleagues what we were talking about, and to put in paragraph form, in outline form, almost, the essence of what Professor Fisher and former Secretary Warnke suggested was a necessary limitation in order to insure that by voting out this resolution we were not, in fact, giving the Executive the power to make binding commitments of the nature and to the extent that a future Executive may want to as set out in the 16 points in the Israeli-American Agreement and the three points, or so, in the Egyptian-American agreements.

I should point out we have been harping on and talking to the Israel agreement most of the day. Well, there is a memorandum of accord with Egypt, also. That memorandum of accord with Egypt has some significant implications. The first which we have seen is a request, a significant request, for somewhere over a half billion dollars in aid. There is talk that there has been a commitment made, which has been denied by the administration, that we have committed to give Egypt military aid. It is suggested that we will, in fact, give to Egypt at least economic aid, and it is acknowledged that they will come with a "shopping list" early on, the beginning of next year at the latest, for military hardware.

The reason I point that up is that unless we adopt language that is contained in this amendment, or something very, very close to that language, making it crystal clear that what is contained in the memorandum of agreement with those two countries are nothing more than a good faith intentions—today—on the part of this administration to carry out the provisions of those agreements, unless we do that, we, I firmly believe, give to those agreements a force and effect which, in fact, the executive has no right to give.

As I said time and again, some of us believe that provisions in this agreement, without it being strictly limited, have the effect of treaty language.

There are others of us who have said that we, in fact, think that the Executive has overstepped his bounds if he attempts to put these into effect without congressional acquiescence. Unfortunately, if, in fact, we do not limit the language this way today, I am afraid we, at least by implication, will have given that acquiescence.

Again, we go back to the basic question which, unfortunately, I am getting tired of repeating. The same people are here in the Chamber who have heard it again and again. No one else is here but at least it will be in the record at this point in the debate. Once we vote into effect this agreement, the 200 technicians, we put into effect the 4 classified documents. The only way I see that we are able to protect ourselves that they not mean more than they, in fact, are intended to mean is if we amend the present resolution to see to it that they are read as only a good faith intention on the part of the Executive and in no way bind the Congress, morally or otherwise, to operate in a way that they believe is different or inconsistent with those provisions in an effort to pursue its, the United States', national interests in the Middle East.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I yield myself such time as I may need from my own time.

This amendment, of course, does not deal with the question of the 200 technicians. Rather, this amendment deals with the status of the related U.S. agreements, assurances, and understandings with Egypt and Israel.

The administration contends that these are separate issues. In fact, they are integrally related. The disengagement accord and the secret agreements were obviously negotiated together. They were sent up to the Committee on Foreign Relations together. To argue that there is no relationship between the two simply cannot stand. They are interdependent.

Israel and Egypt would not have signed the accords without the related agreements. The United States would not have made the agreements without Egypt and Israel signing the accords. An even more direct relationship stems from the fact that most of the U.S. commitments to Israel contained in the two memoranda of agreement have only been initialed, and that they will not be signed until Congress approves of the technicians.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from the State Department legal adviser, Monroe Leigh, dated September 18, 1975, to the chairman of the International Relations Committee of the House of Representatives.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., September 18, 1975.
Hon. THOMAS E. MORGAN,
Chairman, International Relations Committee, House of Representatives.

DEAR MR. CHAIRMAN: During the hearings on September 11 before the Committee, Under Secretary Sisco was asked whether he regarded the two Memoranda of Agreement between the United States and Israel, which he supplied for the Committee's information on a confidential basis, were properly characterized as "executive agreements." He offered to provide an opinion from the Legal Adviser's Office. This letter is supplied as a result.

It is my opinion that both the two Memoranda of Agreement referred to above are properly described under United States constitutional practice as "executive agreements". As you know, these two documents were initialed in Israel on September 1st. It was understood on both sides that the Memoranda of Agreement would not come into force until signed by representatives of the two governments and that no such signing would take place until after Congress had acted on the Proposal for placing United States technicians in Sinai in connection with the Early Warning System.

It is clear that the Memoranda of Agreement when executed will become international agreements. It is also clear that since they are international agreements they must be reported to the Congress within 60 days after taking effect. At the present time both Memoranda are classified "secret"; it is anticipated that it will be necessary to maintain this classification indefinitely. Accordingly, we expect to transmit the two Memoranda after execution to the House International Relations Committee and the Senate Foreign Relations Committee under an injunction of secrecy as contemplated by the Case Act. (1 U.S.C.A. § 112b).

As you know, we are not asking the Congress for specific approval of these two Memoranda of Agreement. The only document on which specific Congressional approval is sought is the Proposal relating to the placing of American technicians in Sinai. With respect to the two Memoranda of Agreement, the undertakings by the United States fall in the category either of those which the President is already authorized to make under existing legislation or under the traditional powers of the President to make statements of political intention in the conduct of foreign affairs.

Moreover, implementation of any United States undertaking requiring Congressional appropriation or authorization is expressly conditioned upon affirmative Congressional action.

Respectfully submitted,
MONROE LEIGH,
Legal Adviser.

Mr. CLARK. That letter sets out very clearly that one triggers the other, that the congressional approval of the 200 technicians has the effect of causing the signature of the agreements themselves. In other words, passage of Senate Joint Resolution 138 will directly trigger the signing of these agreements with Israel, agreements the administration contends make binding commitments to Israel.

The House joint resolution and the joint resolution now before us state, in section 5, that by passing this resolution we are not approving the related agreement. Let me read section 5:

> SEC. 5. The authority contained in this joint resolution to implement the "United States Proposal for the Early Warning System in Sinai" does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch.

The Senators who offer the amendment that is pending now, I think, have no quarrel with section 5. It is just that we do not feel that it goes far enough. That section simply makes Congress neutral on these agreements—these agreements which, I think again, have been very clearly identified as executive agreements. Certainly in the opinion of the legal adviser to the Secretary of State they are referred to as executive agreements. I ask Senators again to refer to the letter which just has been made a part of the record, where they are so identified.

We also know that the Secretary of State has indicated that these agreements will be sent to the Committee on Foreign Relations under the Case Act, as is required for such executive agreements. We know that Congress will not be asked to pass on them, but that we will receive them simply as a report.

Furthermore, we know that in international law there is no distinction between treaties and executive agreements, but that they are equally binding.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a memorandum which includes several citations in evidence of that fact, which has been drafted for me by the Office of the Legislative Counsel of the Senate.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF LAW

STANDING OF TREATIES AND EXECUTIVE AGREEMENTS UNDER INTERNATIONAL LAW

It is undisputed that under international law a treaty and an executive agreement are of equal force and effect.

The Department of State has itself recognized that each is equally binding and obligatory. In a letter to Secretary of Defense Johnson on January 17, 1950, Under Secretary of State Webb stated as follows:

"In international law, . . . treaties and executive agreements both constitute equally binding obligations on the Nation. The binding effect of international law takes place as soon as the State has properly consented to the obligation and does not depend upon the form of the particular undertaking. MS. Department of State, file 811 F.06/1-1750, quoted in 14 Whiteman, *Digest of International Law*, § 22 at 212."

All available evidence indicates that the conclusion of the Department of State is beyond challenge.

The 1969 Vienna Convention on the law of treaties [1] defines the term "treaty" to include executive agreements and makes no distinction between the two:

Mr. CLARK. So, while we are not approving these agreements in the joint resolution that is before us, our action in approving the technicians will result directly in their being signed as formal international agreements. Yet neither we nor the American people really know how the agreements will be interpreted. We have had every conceivable interpretation of them here today. Some say they mean military; others say they could not possibly mean military. Others say they mean many other things. The language, we all agree, is extremely vague and imprecise, and can be interpreted in many different ways.

1. For the purposes of the present Convention:

(a) "Treaty" means an international agreement concluded between States in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments and whatever its particular designation;

* * * * *

2. The provisions of paragraph 1 regarding the use of terms in the present Convention are without prejudice to the use of those terms or to the meanings which may be given to them in the internal law of any State. U.N. Conference on the Law of Treaties, Doc. A/CONF. 39/27, May 23, 1969, Art. 2.

The International Law Commission commented on this definition of treaty as follows:

> . . . the juridical differences, in so far as they really exist at all, between formal treaties and treaties in simplified form lie almost exclusively in the method of conclusion and entry into force. The law relating to such matters as validity, operation and effect, execution and enforcement, interpretation, and termination, applies to all classes of international agreements . . . the use of the term "treaty" as a generic term embracing all kinds of international agreements in written form is accepted by the majority of jurists. II Yearbook of the International Law Commission 1966, pp. 188, 190.

The Harvard Research in International Law concluded as follows: "The distinction between so called 'executive agreements' and 'treaties' is purely a constitutional one and has no international significance. . . ." Harvard Research in International Law, Draft Convention on the Law of Treaties, Comment, 29 Am. J. Int'l L. Supp. (1935) 653, 697.

Conclusion. Accordingly, it is the opinion of this Office that the Department of State is undoubtedly correct in its view that "treaties and executive agreements both constitute equally binding obligations on the Nation".

Respectfully submitted,

MICHAEL J. GLENNON,
Assistant Counsel.

Let me simply cite two or three examples. I think one could almost pick at random any of these agreements to have some understanding of the difficulty of trying to interpret what they may mean to this President, to the Prime Minister of Israel, to the President of Egypt, or to their successors.

Point No. 3, for example, in the major memorandum of agreement with Israel, commits us to supply oil to Israel, even in the event of an embargo.

Suppose an embargo is touched off by a preemptive strike by Israel. Are we still committed to provide Israel with oil? I think it is clear that we are. No exemption is made as to preemptive strikes. I asked the Secretary of State that specific point, and each Member can judge for himself the meaning of that answer. I interpret his answer very clearly to mean yes, under the terms of the agreement, that even if there is a preemptive strike it could be interpreted that we would have to fulfill that agreement.

He went on to state that he did not think we would. But the language is the language, and this Secretary of State and this President may not be in their present positions in 2 years, 3 years, 4 years, or 5 years; and there is no time limitation on these memorandum agreements.

Let us look at point No. 7. It deals with possible remedial action by the United States in the event of an Egyptian violation of the disengagement accords. Could that mean military action? The Secretary has testified no. But we have had several expert witnesses who have come before our committee, who have also served in government in very high positions, who say yes. Obviously, it is open to interpretation. Who is going to interpret it? This President, this Secretary of State now? Others later, perhaps?

I do not subscribe to the idea that every executive agreement that this country has made—we have some 4,000 of them in effect now—is going to die at the end of this administration, and that none of them, therefore, have any effect beyond that point. That suggestion has been made here earlier this afternoon. I do not think the administration would agree to that. I do not think any constitutional lawyer would agree to it, that somehow executive agreements end and are no longer enforced when an administration ends. If so, we do not have very many in effect. We would have only those in effect which have been agreed to under the Ford administration, in the last 14 months.

Obviously, they are in effect.

There is one other point that I cite. Paragraph 10 states that in the event of a great power threat to Israel the United States will consult with Israel with respect to what support, diplomatic or otherwise, it can lend.

What does this "otherwise" mean?

Obviously, it does not mean diplomatic. It means otherwise. The Secretary of State, in my judgment, has clearly stated that otherwise could mean military action, although he says there is no commitment to take such action.

Is there not as much a commitment here as in most of our mutual defense treaties? I believe there is.

I believe that it would qualify as a treaty. I think that the testimony which we received from expert witnesses bears that out.

Again, as to point 14, support, the whole issue of support, that was discussed earlier with the Senator from Colorado, as to whether in this point we will support Israel if the Straits are cut off. There is no qualification, no qualification of any kind. It does not say to consult. It says to support.

Again, I think it is clear that this would qualify under the criteria of a treaty.

Yet, we are saying here that we do not want to consider it as a treaty, even though it will have the force in international law of a treaty provision.

The Secretary of State, when this was pointed out, that in one section of paragraph 14 the words "diplomatic support" are used, in another section the "diplomatic" is left out and we are simply left with "support," said:

> That was because we were writing it late at night. We inadvertently left that out.

I submit that the next Secretary of State, President, Prime Minister of Israel, or President of Egypt may not be aware of how late at night this document was written. We are going to have to live by the words that are in that document, in that executive agreement.

We cannot simply say that certain words may have been left out for certain purposes. The fact is that the words must speak for themselves, not only for this administration, but for future administrations.

The real danger is that the Secretary of State and the President's interpretations somehow are interpreted by this body to mean that they only apply to this President. That impression has been given over and over and over again; that somehow these are just intentions, they have no standing beyond that.

Yet the documents themselves are supposed to contain legally binding commitments, according to the memorandum that the Secretary of State has provided us.

What is to prevent future Presidents from interpreting these agreements as binding commitments on the United States to take military action? Nothing, unless we are prepared to exclude that possibility.

What is to say that the leaders of Egypt or Israel now or in the future might not construe these commitments to mean much more than the present administration says they mean?

We had an interesting exchange from the former Under Secretary of State, George Ball, on this very point:

> Mr. BALL. Well, with all due respect I care very much how Jerusalem interprets this. I care very much how Cairo interprets this. They are going to base their action and conduct in the future on how they interpret it. If they interpret it one way and assume these are binding commitments we have put them in a very, very false position. If the Congress does not think they are binding commitments, I think that this comes back to the central point I was making a while ago—am-

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[1] The Convention is not in effect with respect to the United States, but it is strong evidence of the current state of international law and has been cited by the Department of State as such. See, eg., "United States says it is now free to breach Viet Nam pact", New York Times, January 15, 1975, in which it is reported that Department spokesmen cite the Vienna Convention regarding the effect of a material breach of an international agreement of the obligations of other parties.

biguity is a very, very dangerous element in international exchange and I think it is extremely important that we make it clear to these other capitals what we mean or otherwise we are going to head into greatest international misunderstanding.

Mr. President, this amendment gives us the opportunity to approve or disapprove of these executive agreements from the Congressional point of view. We are not going to have any other opportunity. I felt very strongly, as many of the witnesses did, that we ought to insist that these be sent up as treaties and considered as treaties. That clearly is not going to happen. That leaves us with only one alternative, and that is to specify these agreements do not contain binding commitments.

I read into the record and I will not do so again, the number, and the trend toward executive agreements over the years, the fact that in 1930 we had only nine executive agreements, and that by now we have 4,359. I have read into the record earlier today the kinds of treaties that are being sent up by recent administrations.

It is a fact that we are asked to advise and consent on regulations, agreements, containers, shrimp, and coffee, but not on the most basic commitments that this country makes.

This then is our opportunity to state our position that indeed these agreements are from our point of view only executive intentions.

If we do not adopt this amendment, we are left simply with the language in section 5, which takes a neutral position, which says that Congress takes a neutral position on how binding these agreements really are.

Mr. President, I ask unanimous consent that the testimony given before the Committee on Foreign Relations by Senator EAGLETON be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

THE MIDDLE EAST AGREEMENT

Mr. Chairman, I very much appreciate this opportunity to testify before the Committee on a matter involving an important diplomatic initiative. I want first to commend the Committee for its work on the Middle East Agreement. Your willingness to pursue the constitutional prerogatives of the Senate has enhanced the public's understanding of this complex agreement.

As has been widely reported, the Middle East Agreement has gained wide acceptance in Congress. I count myself among those who strongly support this initiative. I believe that the alternative to this agreement might have been war. There is now the opportunity for cooperation between adversaries in the Middle East which could build the confidence necessary to bring about a final peace.

But perhaps because of the general support this agreement has received, the Committee's refusal to rush to maintain the Administration's timetable has appeared paradoxical and therefore confusing to the public. I have even heard the charge that the Committee has engaged in "irrelevancies" in emphasizing legal questions. Certainly, the Administration has hardly concealed its exasperation over the process.

Mr. Chairman, nothing could be more relevant to the constitutional duty of the Senate than to determine the status of international agreements which the Executive wishes to consummate without the advice and consent of this body. And nothing could be more relevant to the very delicate matter before us than to determine the nature and the extent of the commitments undertaken by the Executive and contained in the four so-called "secret" agreements made public by this Committee last week.

I would like to comment today on the first of these relevancies—the status of international agreements consummated in the absence of congressional approval. As for the second, I have not had the opportunity to hear the explanatory testimony of Administration witnesses, so I will await the report of the Committee before making specific judgments as to the nature and extent of some of the more ambiguous articles contained in these agreements.

Mr. Chairman, the commendable actions of this Committee over the past three weeks have, as I have suggested, engendered the wildest speculation. I have seen every stripe of punditry—from the assertion that members of the Committee are waging a personal vendetta against Secretary Kissinger to the conspiratorial notion that friends of Israel were trying to kill the agreement.

Such speculation, however erroneous, is not surprising. For the Senate has not been a paragon of constancy in the exercise of its constitutional prerogatives.

With respect to the issue before us—the unilateral consummation of international agreements by the President—we have been dormant, with minor exceptions, since we enacted the Case Act three years ago. That legislation, which is the product of the dedicated work of the Senator from New Jersey, was a reaction to the most blatant abuses of the Senate's treaty power. Such executive agreements as those involving the deployment of forces in Spain, the Azores and Bahrain, consummated at the height of concern over our involvement in Vietnam, inspired Congress to take action to curb this activity.

What came out of that controversial period was simply the first step in regaining congressional control over national commitments. Senator Case—and indeed the entire Senate—wanted to give Congress the power to veto executive agreements within 60 days, but the House did not consent. The compromise, the Case Act, simply requires the submission of executive agreements within 60 days after they take effect.

While this procedure has had a positive effect, it has not begun to address the central problem—the executive's usurpation of the Senate's treaty power. I am hopeful that one outgrowth of the controversy over the Middle East Agreement will be a renewed effort to provide Congress with the mechanism necessary to reassert our legitimate powers in this area. Without such a mechanism our actions will continue to appear arbitrary and even capricious.

As we consider this particular agreement, we must be sensitive to the political commitments undertaken by Egypt and Israel at the behest of our government. In particular, we must expeditiously consider the proposal to station American technicians in the Sinai since favorable action on this item will initiate the disengagement.

Obviously, we cannot afford to engage in a prolonged constitutional struggle. But it would be equally unfair to Israel and/or Egypt to do nothing to clarify the legal status of the agreements they will consumate with our government. As the Office of the Legislative Counsel has pointed out, at least one of these agreements may be without force and effect without the advice and consent of the Senate.

The question has been raised as to whether an executive agreement which commits the economic, diplomatic and military resources of the United States is valid. It seems clear that for the sake of the foreign governments involved, we must find an answer to that question. Yet in doing so we must guard against either inadvertently acknowledging or acquiescing in an Executive power to consumate international agreements which does not exist.

Mr. Chairman, this Committee has heard numerous constitutional experts on the subject of executive agreements and you have received expert advice with respect to the matter at hand. I see no reason, therefore, to exhaust your patience with a long recitation of the constitutional precepts involved.

Suffice it to say that the Constitution specifically acknowledges only one form of international agreement, the treaty. I am not prepared to argue that executive agreements are ipso facto invalid under our Constitution. I believe that such agreements are valid when entered into pursuant to specific treaties or statutes.

But I do dispute the claim that the Executive has an "inherent power" to commit the nation in any substantial way in the absence of congressional approval. This is exactly the contention rejected by Alexander Hamilton when he wrote:

"This history of human conduct does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind, as those which concern its intercourse with the rest of the world, to the sole disposal of a magistrate created and circumstanced as would be President of United States."

Mr. Chairman, a number of tests have been devised to determine whether a particular agreement should be submitted for ratification by the Senate as a treaty. One standard, called the "Circular 175 Procedure," has been used by the State Department for a number of years. Yet, at least one criterion used to determine whether an agreement should be submitted seems to have been ignored in this instance. I refer to Paragraph A under the Circular 175 Procedure which states that the Executive decisionmaker must consider "the extent to which the agreement involves commitments or risks affecting the nation as a whole."

It is by now obvious that good faith and common sense do not prevail among those who are deciding these matters. Recognizing this, Congress must act to protect its prerogatives. Failure to do so will only contribute to a chaotic legal situation. Foreign governments themselves may begin to doubt the validity of agreements they have entered into with the Executive Branch of our government.

Interestingly, one of the first of the so-called "executive agreements" did result in uncertainty. The way President Monroe resolved that problem is particularly instructive.

In 1817, the United States and Great Britain agreed, by an exchange of notes between Acting Secretary of State Rush and the British Minister in Washington, to limit naval forces on the Great Lakes. A year later, due mainly to concern expressed by the British that succeeding Presidents might not honor the agreement, President Monroe submitted it to the Senate for ratification.

Mr. Chairman, in 1969 the Senate passed a "National Commitments Resolution" stating:

"That it is the sense of the Senate that a national commitment by the United States to a foreign power necessarily and exclusively results from affirmative action taken by the executive and legislative branches of the United States Government through means of a treaty, convention, or other legislative instrumentality specifically intended to give effect to such a commitment."

If that resolution has any meaning, then we must apply it to these agreements by either endorsing or rejecting at least those sections which clearly constitute a national commitment. If we fail to do so, Israel or Egypt, like Great Britain in 1817, would be justifiably apprehensive over whether future Presidents will be bound by Secretary Kissinger's agreements.

Mr. Chairman, in proceeding toward the possible consideration of one or more of these agreements, either as a treaty or by statutory authorization, we must obviously consider the impact on the countries involved. I do not believe, for example, that either Egypt or Israel was aware during the negotiations that its agreement with the United States might not be valid under international law due to the constitutional questions I have raised. In addition, the final signing of the Egyptian-Israeli accord is being held up pending Congress' approval of the proposal to introduce 200 American technicians into the Sinai.

With these considerations in mind, I would recommend, as a supporter of the Middle East Agreement, that the Committee report out a resolution approving the technicians. This resolution should be carefully drawn along the lines of the Resolution reported by the House Committee on International Relations, to assure that it cannot be construed as approving of or acquiescing in the commitments contained in the memoranda of agreement.

In a totally separate action I would then recommend that the Committee report a Sense of the Senate Resolution requesting the President to approach Egypt and Israel for the purpose of ascertaining whether those nations would object to the submission to the Senate of any portion of their agreement with the United States which constitutes a commitment for ratification as a treaty. As part of this resolution, I would request a report by the President to this Committee within 30 days providing the results of his negotiations.

The Committee would, of course, take the President's report into consideration in deciding whether or in what form it would recommend that Congress consider the commitment in question. It is conceivable, of course, that the foreign nation involved would be willing to let the agreement stand without any congressional action taken, thereby taking its chances as to its validity during another American Administration.

Whatever the choice, we must no longer acquiesce in a procedure which nullifies the constitutional powers of this body. It is clearly time to put the Executive Branch and the governments of other nations on notice: to wit, that executive agreements which entail commitments by the United States may be no more enduring than the current occupant of the White House and no more valid than the President's personal ability to fulfill them.

Mr. CLARK. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, I yield myself such time as I might take.

I wonder if I could inquire of our colleagues what their general views are as to the remaining time on the amendment. How much more time do they think they would like to take? I am prepared to take 2 or 3 minutes and then move at the proper time, if that is the proper time.

Mr. CLARK. It is agreeable to me.

Mr. BIDEN. I take 2 or 3 minutes to sum up and that will be the extent.

Mr. CASE. Does the Senator wish to do it now?

Mr. BIDEN. I defer to the Senator.

Mr. CASE. I am happy to defer to our colleague.

Mr. BIDEN. Go ahead.

Mr. CASE. Mr. President, I think we all understand the position pretty well. The resolution before us does contain in section 5 an expressed provision that the approval of this resolution does not constitute approval of any other agreement, understanding, or commitment made by the executive branch. To me that satisfies the needs of the situation.

The amendment offered by Mr. BIDEN for himself and Mr. CLARK, Mr. HASKELL, and Mr. STEVENSON, now pending before us, goes very considerably beyond that, of course.

If this resolution is enacted and signed by the President as being a joint resolution, it would become law, and override everything else with respect to the agreement made by this Government as to the assurances or the undertakings given by the Government. It would prevent any of them from having binding effect, whether or not in the absence of such an amendment as this it would have binding effect. It would state, further, that it is simply a statement of present intentions and is not binding under domestic or international law.

Then it goes further, in a quite gratuitous way, to say that it cannot be construed as limiting the freedom of the United States to pursue its national interest in the Middle East.

If I thought this was necessary in order to prevent aggressive action on the part of the administration or any administration in the Middle East, without approval of Congress under the War Powers Act, under the Constitution, I certainly would be willing to enlarge the disclaimer that the present resolution contains. I do not believe that.

Quite extraordinary consideration that has been given by our Committee on Foreign Relations and by the Senate when I say "extraordinary" I do not in any sense mean improper. I believe it is altogether right and proper. As my colleagues know, I had some considerable part in insisting that all the documents, all the undertakings and assurances, on which the parties—Israel and Egypt—rely in making their agreement be made available to the committee. I think that so far as this is humanly possible, it has been done. Having looked at the whole gamut of assurances and undertakings, I, for one, am prepared to adopt the resolution, letting those assurances and undertakings stand for what they are, without attempting any kind of gloss upon them, without attempting to eviscerate them, as this amendment would do—at least, to the extent that they have an effect in international law.

This would be wrong. These countries, Israel and Egypt, have made considerable sacrifices and have taken considerable risks in reliance upon our assurances and undertakings, and to say that none of them is of any effect would be unfair.

Beyond that, it would be a very dangerous thing, because it would have the effect of giving the irresponsible elements, the more radical elements, in each of those countries the chance to say to the moderate elements now in control of those countries, "You fools, to rely upon the assurances of the United States in taking any risk for peace."

I am not prepared to do that. I think it would be wrong for us to do that, when we have said, as we do say in our own resolution, in section 5, that our action approving the proposal of the United States for the early-warning system and the technicians does not signify approval by Congress of any other agreement, understanding, or commitment made by the executive branch.

I believe we have done exactly what we should do. We have negated any effect as approval, if congressional approval is required, to make any of those assurances, undertakings, or commitments binding when they would not be without our approval. We have taken care of that, but we do not in any way alter or remove such effect as they may have in the absence of that approval, and I think we should not.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. CASE. I yield.

Mr. BIDEN. The Senator pointed out that the effect of our adopting this amendment might very well be to put the moderate elements in Egypt and Israel in a bit of jeopardy, put themselves in the position of having been foolish to rely upon or to make an agreement or to make concessions for only good faith assurances. Then the Senator pointed out that we in Congress are saying that we are not bound by anything other than the 200 technicians.

The Senator read paragraph 5—and he read it accurately—of the existing resolution, which says that we in Congress are not bound. Does it not seem as though we are saying, on the one hand, that we do not want to take away the right of Israel and Egypt to rely on something that we are saying we are not prepared to be bound to? I am not sure what that gets us.

Mr. CASE. I am sure I understand the thought that the Senator has.

I think that both Israel and Egypt are required to take note of the constitutional system of the United States and its laws, its public laws. Those include a requirement in the Constitution of a declaration of war by Congress before war may be engaged in by the United States and, for matters less than all-out war, the procedures required and stipulated in the War Powers Act. They are not entitled to assume that the President of the United States can take this country into war, except in those circumstances.

I do not hesitate for one moment to say that, having gone through this whole exercise and laying these things out and explaining to ourselves and to the world the limits of the words used by the administration in these various undertakings and assurances under our constitutional system, I think we have done a useful service. But I do not think we should take away that vitality from such parts of these assurances as have vitality in themselves.

The amendment of the Senator from Delaware says that this is simply a statement of the present intentions of the executive branch. I think that in some cases it is more than that. But we go beyond that, and we say that no agreement, understanding, or assurance made by any U.S. official is binding under domestic or international law. That means that they are negated entirely, rendered nugatory.

I do not believe that is the right way to do this business. If I were the President and this resolution were submitted to me with this in it, I would say that I cannot sign it, whether or not the agreement between Israel and Egypt went down the drain by reason of the failure of my putting my name on there. That is because it would be an action entirely destructive of the various statements and assurances and undertakings that were made in the diplomatic intercourse, and we must preserve the executive branch's right to undertake that within its proper limits. I believe the proper limits are established by the Constitution and by law, and we should go no further than we propose here.

Mr. BIDEN. Mr. President, will the Senator yield for another question?

Mr. CASE. I yield.

Mr. BIDEN. Perhaps the Senator can explain, then, why Dr. Kissinger, in open hearing, stated that he could accept Professor Fisher's language—and I will read it:

> That all assurances, commitments, and undertakings made to one of the parties on behalf of the United States in connection with the Sinai agreement, but embodied in documents not submitted to the Congress—

Meaning the four documents we are talking about—

> for its approval, shall be construed by the United States as good faith statements of intention rather than binding commitments.

Dr. Kissinger indicated that he could accept that type of language, that provision. I wonder why he said that, if unless he did not mean it.

Mr. CASE. I want to be sure that I understand precisely that exchange. In the absence of having adverted to it at the time it occurred, I do not want to comment on that.

Mr. BIDEN. May I read this specific language?

Mr. CASE. Perhaps my colleague from New York (Mr. Javits) was there when that assurance was given and was conscious of it, or my colleague (Mr. Griffin) was there at that time and was conscious of it. We are talking, gentlemen, about some response Secretary Kissinger may have made when he was presented with the substance of this proposed amendment at the hearing.

Mr. BIDEN. If I may be permitted, may I read the exchange and then give the explanation?

Mr. CASE. Surely.

Mr. BIDEN. On page 285 of the hearings held before the Committee on Foreign Relations on Tuesday, October 7, Senator Pell is speaking. Not all this applies, but I shall read from the beginning:

> Senator Pell. That is kind of a backhanded way of doing it, I think.
>
> Then the other limitation that could be included is a limitation along the lines again that Mr. Warnke yesterday—and Mr. Fisher had in his proposed statement—specifically saying that all these agreements that are submitted, that are separate from the Sinai, the 200 technicians, our good faith in the main, and would you have any objection to that? Are you familiar with the Warnke proposal?
>
> Secretary Kissinger. Well, Mr. Fisher let me glance at a paper while I was waiting to testify but I do not have it here. If I could be——
>
> Senator Pell. By coincidence he has an extra copy.
>
> Secretary Kissinger. I have to meet my old colleagues before the committee.

Apparently he and Fisher were colleagues.

> Senator Pell. I think in the light of your testimony he may take out the middle phrase.
>
> Secretary Kissinger. Senator Pell, I think we could accept the second——

That is the provision I read—

> I have already commented.
>
> Senator Pell. Your testimony is very popular, Mr. Secretary.

That is with relation to newsmen diving over the table to get the testimony.

> Secretary Kissinger. I have already commented on the first provision——

If I may interrupt, the provision reads:

> Provided that this authorization shall expire at the end of 3 years unless extended by the Congress.

In response to that, Secretary Kissinger said:

> I have already commented on the first provision of this amendment limiting it to 3 years. The second provision we could accept which specifically defines the nature of the obligation.
>
> Senator Pell. Right. I thank you. And I thank you very much indeed.

Mr. PELL. Will the Senator yield?

Mr. BIDEN. Yes, I yield to the Senator from Rhode Island.

Mr. PELL. I well recall that exchange and well recall the Secretary's stating his willingness to live with the provisions of that particular paragraph of this amendment. I also believe that those provisions are clearly parallel to the provisions that the Senator from Delaware has introduced. While I would prefer to see the excellent language of Dr. Fisher, I also think the language of the Senator from Delaware is excellent. I feel that it meets the objectives of many Members of the Senate. Moreover, in view of the fact of the Secretary's words, I do not believe it would be an embarrassment to him or the United States. I, therefore, intend to support the amendment of the Senator from Delaware.

Mr. BIDEN. If I may follow up on page 335 of this same testimony, Professor Fisher, who is testifying after Dr. Kissinger, in responding to questions by Senator McGovern relating to this area, said:

> Yes, Senator McGovern. I did hear that, but I want to indicate to some members of this committee how important it is to get that proviso into the agreement, because in a sense we have heard, although I have not seen the secret analysis, we have heard that there are some of these which are considered binding. The Secretary of State this morning said he would accept the approval of the committee of the 200-man unit, even if it said it was provided that all those were to be treated simply as statements of intention.
>
> Senator McGovern. That is correct. He said that on the public record.
>
> Mr. Fisher. He said that on the record and Mr. Leigh confirmed it except for the time limit paragraph that I had, that that was his understanding, but it is—I want to bring home to the committee how important it is to put in the proviso that your approval of the 200 men is provided that these other statements, whatever they are, are treated as good faith statements of intention and not as binding commitments, because as binding commitments they will seriously handicap the Secretary's own freedom to go forward.
>
> Senator Biden. If the Senator will yield on that point, the Secretary did say that he would go along with that type of language, but after that he said that they would be binding anyway, as I understood it, that he said they are binding, they are executive agreements. We don't have the right to limit an executive agreement and they are binding.
>
> Mr. Fisher. Senator Biden, my interpretation of Secretary Kissinger's remarks to the committee, to me before the committee, to you in discussion, is that if you approve the 200-man unit and say we do not approve the rest of the agreement, that they will become in effect as Executive agreements and some of them will be binding in their effect. He did, however, say that if the committee wished to do so, it could grant its approval of the 200-man unit with the proviso that all the other ones be treated as statements of intent.

I shall not read any further, but everyone who listened to the debate at that time—Senator McGovern, Senator Pell, myself, Professor Fisher, and Dr. Kissinger—their understanding was that we could accept this language. I am at a loss now to understand why we cannot accept this language on the floor.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the reason we cannot accept this language on the floor is twofold. In the first place, Secretary Kissinger was reacting off the top of his head with respect to a matter which he had given no deliberation to, but just heard. It struck him as substantively backing up his thought that whatever powers the President was exercising were powers which the President had and that, therefore, he could, in good faith, make promises which related to his own authority and his own power. Therefore, in my judgment, as I listened to Dr. Kissinger, he construed this to mean the role of Congress, whether or not the Nation was committed to things which the President had no power to commit the Nation to.

I believe that we should have rejected this language even if offered, because it tends to negate even the powers of the President's offer to study or to consult or to recommend to the Congress. There is no question about his authority to do that. Yet this would tend to negate that and they could look to the negotiating parties, which would be very unfair to our country, as the mediator, as if he really did not mean what he was saying when he said he would either study or negotiate or consult or recommend.

So I believe that this was highly improper. I believe if we adopt it, it will tend to result in this agreement falling apart, because nobody can have any faith in it if we, ourselves, say, well, it is only a very light promise, it is our present intention, we do not know what we will do tomorrow. As far as the President is concerned, and I again affirm this—I said it before and I will say it again— we have to assume when we vote for this resolution that he will do every single one of the 16 things which are contained in the secret memorandum which we now make public. That includes consult, recommend, deliver oil if he can—he may not have the money, he may not have the means. But everything he said, he will do.

I cannot see how we, as a dignified nation, can then water that down and denigrate it by saying, "Oh, well, this is just really not binding in domestic or international law." It is not, as a matter of fact, because international law is not enforceable and domestic law does not obtain except where he has the power. And he does have the power to say the things that he said.

So, Mr. President, I believe that whatever may have been Secretary Kissinger's assertion off the top of his head, it was off the top of his head and it does not belong and we should reject it. That is being absolutely frank about what was the situation.

Second, Mr. President, the Senator knows and I know that if we let this thing hang fire for the next 2 weeks, it could easily fall apart, and most likely will. That is why the Senate, by a decisive majority, has been turning down everything here which is not considered essential. Therefore, if the Senator construes what the President has done in the memorandum as being within the confines of this amendment, he does not need the amendment. He does not need the amendment.

Mr. BIDEN. Will the Senator repeat that?

Mr. JAVITS. I said if you construe what the President has done respecting these various points in the memorandum to be just a promise or however you wish to describe it, you do not need this amendment. That is the Senator's construction; that is not our construction.

Mr. BIDEN. If the Senator will yield on that point, Mr. President. How the Senator from Delaware construes the amendment does not really carry a whole lot of weight except in Delaware, so I am not sure how I view it has any relevance unless I can get it into the form of the Biden-Clark-Haskell-Stevenson amendment attached to this legislation.

I would like to take issue with one of several things the Senator said. He said the Senator from Delaware knows as well as he does that if we do put this agreement into effect within 2 weeks, it may break down. I do not buy that argument about it breaking down. I do not believe that. We do not have the evidence of that. We have not heard any utterances of that other than from our State Department and, again, I remind the Senator of something that I had nothing to do with, this idea that we must act now because if we do not act now, if we have any amendments that are not in conformity with the House, that we are going to, in fact, be the prime mover in seeing to it that the thing breaks down and we will have war in the Middle East.

I would like to read from the CONGRESSIONAL RECORD and quoting Senator Fulbright—this is August 7, 1964 during debate on the Gulf of Tonkin resolution—in response to Senator NELSON's having an amendment to be considered. Senator Fulbright said:

> The Senator (Mr. Nelson) put into his amendment a statement of policy that is unobjectionable.

Skipping three lines:

> The House Joint Resolution is about to be presented to us. I cannot accept an amendment and go to the conference and thus take responsibility for delaying matters. I do not object to it as a statement of policy. I believe it an accurate reflection of what I believe is the President's policy, judging from his own statement. That does not mean that, as a practical matter, I can accept the amendment. It would delay matters to do so. It would cause confusion and require a conference and present us with all the other difficulties that are involved in this kind of legislative action. I regret that I cannot, even though I do not at all disagree with the amendment as a general statement of policy.

Now, I realize the Senator from New York does not agree with this as a statement of policy, but I wish he and others would leave out the argument and assertion that if we do not act immediately—and I have no hard evidence of the fact that if we do not act immediately—things are going to break down. I wish we would stick to the issue. This is either good on its face or not good on its face, and if it makes sense we should do it whether or not it takes us to a House-Senate conference, and if it is not good on its face then we should reject it.

Now, speaking to the specific merits of this amendment, the Senator from New York is an eloquent spokesman for Dr. Kissinger. He, in fact, has become a tremendous advocate for Dr. Kissinger the entire day here on the floor. We have explained away everything Dr. Kissinger said, so I am not sure that it would make any sense to have him up for a hearing. The Senator from New York makes very, very persuasive arguments as to why Dr. Kissinger should not have said the things he said. He has explained why he should not have sent up the memorandum; he explained why he made a mistake; explained why Dr. Kissinger said this; explained this because had he known better he would not have done it.

Now that he has acted as an apologist for Dr. Kissinger and explained how he did not know what he was doing, I submit maybe he did not know what he was doing when he was drafting these agreements, possibly. They were done late at night. They were done in the heat of shuttle diplomacy, and maybe he made a mistake there, too, off the top of his head.

But now we are going pell-mell to make sure that we accept it, as the Senator points out, and he is the only one who said it, and he is the only one who is blunt enough to point it out, that when we vote on this amendment we vote on the whole ball of wax. We put all the provisions into effect as the President determines them to be effective and to the extent he determines them to be effective.

I think the constant assurances, not just from the language I read from Dr. Kissinger, but I think the Senator from New York, the Senator from Minnesota, the Senator from New Jersey, the eloquent spokesmen for this position, will all admit that for the 6 or so hours we spoke with Secretary Kissinger, for the hours we spoke with Assistant Secretary Sisco, for the hours, I do not know, I guess I would have to ask Pat Holt, the chief of staff of the committee or someone else, to correct me, but I think we probably spent 15 hours with Ford administration spokesmen in one way or the other, public or private, here on this agreement, and consistently they kept trying to tell us, "Don't worry, it is not as binding as you think; it is not as broad as it appears; it is a good faith statement."

Now when Senator CLARK and I ask that you just assure that in the legislation we are told they really did not think about it, they would not have said it had they known.

Well, you know, I wonder how it is going to be interpreted down the road. I wonder how it is going to be interpreted when we are told 3 years from now of some significant action in accordance with the memorandums that have taken effect, and the consequences of the Executive's putting it into effect; I wonder if we are going to be told then, "Had we known what we said back there 3 years ago it would not have been done, we would not have done it. We did not know what we were doing then." Really it has a much broader implication than, in fact, we are told it does.

So, at any rate, I just think it does not do damage to the agreement, but it does put it in perspective. It does, in fact, do it the only way I know Congress can do it, which is to assert Congress prerogative that we do not concede before the fact, before debate on every one of the provisions, that the Executive has this right to put in full force and effect every one of these agreements; and if, in fact, we do not have limiting language of this nature, we are saying the converse. We are conceding that the President has the right by the executive agreement route to make all the commitments that are set out and, as the Senator from New York points out, we must assume that he intends to put them into effect.

So we are back to the same old question, the same basic question: What is the role of this body in this entire agreement?

We have established beyond a question of a doubt that these matters are not separable. We are agreed to that. The opposition has conceded that. Now we are at the point: are we going to say to preserve a little bit of our prerogative, "Mr. President, you can say them, you can go ahead and attempt to do them. But, in fact, we are not willing to give them the full force and effect of a binding executive agreement. We do not concede that at this point in time."

If we do not put in this kind of language, we will have conceded that, in fact, we will have washed our hands of it and said—you know, I have not heard—talk about language that is solicitous, let me read from the bill in paragraph five. If this is not a handwashing exercise I do not know what is.

Five as it reads now says:

> The authority contained in this joint joint resolution to implement the "United States proposal for the early warning system in the Sinai" does not signify approval of the Congress of any other agreement, understanding or commitment made by the executive branch.

"Mea culpa, mea culpa, mea maxima culpa. We are not doing anything. We wash our hands. We are not a party to it, but you go ahead, Mr. Executive, Mr. President; you make all these binding commitments which bind the United States of America, but we are not binding ourselves."

Talk about a cop-out, that is the cop-out, and I do not see how it ruins these accords.

Nobody whom I have heard, other than members of the committee, no one from the administration, no one from either of the Egyptian and Israel Governments involved, has said it will do irreparable damage, cause this thing to topple and send us, propel us, into war in the Middle East.

We are preserving our rights here. Every person who testified before our committee suggested it was essential that we do this. Even the Secretary of State, in a misguided moment, suggested he could accept it. But we, on the floor, are going to be satisfied with a hand-wringing exercise that we are not responsible; we do not take any part of this. We wash ourselves of blame.

So if the whole thing blows up in our face, we can say, and go back to our constituency and say, "But we said we were not responsible." As suggested by some on the floor, that is a pretty good idea.

I just wish Senators would accept it because I would love to be able to vote for this. I would like to be able to go back to my constituency—but it is being made impossible for me to vote for this without some kind of limiting language.

For those who think I may be going through an exercise, and I do not want the whole thing undone, I am prepared to comment that if this is accepted I will vote for sending the 200. But I want the Congress to exercise its role, as this Senator sees it.

I realize that reasonable men differ, but I am beginning to wonder how we can ignore what, in fact, we are doing here.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, is there anybody who wants to talk on these amendments?

The PRESIDING OFFICER. Is there anyone who wishes to talk on the amendments?

Mr. CLARK. Mr. President, I am prepared to yield my time back, but I would like to take 30 seconds and then I shall finish. I yield myself only that amount of time.

I think, Mr. President and Members of the Senate, that the issue is a very clear one. If Senators do not wish to express themselves on these executive agreements, if they prefer to have these commitments interpreted solely by the administration, they should vote against the amendment which we offer.

If Senators do not wish to participate in restricting the President, or future Presidents, in the power of interpreting these commitments, then they should vote "No."

If on the other hand, Senators feel we should further restrict the President's authority in this regard, to simply say that these agreements are, as our amendment says, simply a statement of present intentions of the executive branch, then Senators should vote for this amendment.

I thank the Chair.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, we are prepared to yield back our time, if there is any time here.

Mr. CLARK. I am prepared to yield back.

Mr. HUMPHREY. Mr. President, therefore, I move to table the amendment.

Mr. BIDEN. Before the tabling——

Mr. HUMPHREY. I withhold that.

Mr. BIDEN. I would like to take 1 minute.

Mr. President, when in fact, and if in fact, we vote against this amendment, I think everyone should understand pretty clearly what we are doing. In addition to what Senator CLARK just stated, we are saying that the Executive, the President of the United States, has the right to do every one of the things that are set out in the agreement.

We do not dispute that right and, furthermore, he has the right to interpret them and enforce them as he sees it within the proviso that it has to be according to the constitutional processes of the U.S. Government.

Mr. President, I yield back the remainder of my time.

ADDITIONAL STATEMENT SUBMITTED ON BIDEN AMENDMENT NO. 966

Mr. ROTH. Mr. President, it is never a pleasant task to send Americans to a dangerous part of the world, even when that is done in the interests of peace. I have given a great deal of thought to the proposal that the United States send up to 200 civilians to man an early warning system in the Sinai Desert and the possible alternatives. I believe the resolution before us minimizes the risks as much as possible. It provides that only volunteers will be sent and that they will be removed immediately in the event of hostilities. Congress may also remove them at any time by privileged joint resolution if it determines that their safety is in jeopardy or that they are no longer needed. I have come to the conclusion that it is necessary, in our best interests, to authorize the sending of the civilian monitors.

It should be borne in mind that this resolution explicity does not commit the Congress to approval of other agreements or understandings made in connection with the Sinai Pact. Future levels of military and economic aid to Israel and Egypt and the provision of Pershing missiles will require separate congressional action. These other questions can await further congressional consideration, but it is necessary that the civilian technicians be authorized now if the interim peace accord, so painstakingly negotiated over many months, is to survive. President Sadat's moderate line has been under heavy fire from Arab radicals. Delay in implementing the Israel pullback which depends on our action today, could scuttle the entire accord. This would greatly increase the chances of a new war with grave consequences for the United States.

I can understand the desire of many Americans to stay uninvolved in the hopes that this country could somehow escape the consequences of a new Middle Eastern war. This is, however, wishful thinking. It should be remembered that the 1973 Arab oil embargo was applied against countries like the Netherlands and Japan which had no involvement whatsoever in the conflict. Because of its oil, the Middle East has become one of the most important strategic assets in the world. Without Arab oil, the economies of our allies in Western Europe and Japan would simply collapse. If the Middle East fell into the hands of a hostile power, it could be a greater danger to the United States than the loss of any other area outside our own hemisphere.

Some people have asked me why the United Nations could not provide the technicians. I wish the United Nations were the kind of international organization in which Israel and Egypt could have confidence, but it is not. Both sides have insisted on American technicians, and the history of the negotiations shows that neither will accept any alternative. It should be remembered, however, that the Americans are not alone. There are about 5,000 United Nations troops, donated by various small countries around the world, that are also situated between Israel and Egyptian forces.

Other people have expressed fear that the sending of technicians will be the first step in a new Vietnam. I believe that a distinction must be made between our military advisers who were sent to Vietnam in the early 1960's for the express purpose of helping the South Vietnamese fight the war and the civilian technicians of today which would be sent to protect a peace. The resolution not only provides for their removal in the event of war, but the War Powers Act, enacted 2 years ago, prevents U.S. involvement in any prolonged hostilities without approval by Congress.

There can be no absolute assurance that there will not be another conflict in the Middle East. If tensions between Egypt and Israel have been eased, there is still the very dangerous situation along the Israeli-Syrian border. An assassin's bullet in Egypt could change that country's policies overnight. But this agreement, in my judgment reduces the risk of war during the next 2 to 3 years. It continues the step-by-step process toward the consolidation of a lasting peace. There are risks to the United States of the current agreement, but the risks of no agreement are much higher. I am hopeful that we will look back upon the agreement as an important and necessary step that led to an end to bloodshed in the Middle East.

Mr. HUMPHREY. With that understanding, Mr. President, I move that the amendment be tabled and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. McCLELLAN. Mr. President, on this vote I have a live pair with the distinguished majority leader, Senator MANSFIELD. I understand if he were present and voting he would vote "Nay." If I were permitted to vote I would vote "Yea." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. McGEE), the Senator from South Dakota (Mr. McGOVERN), the Senator from Alabama (Mr. SPARKMAN), the Senator from Montana (Mr. MANSFIELD), the Senator from Montana (Mr. METCALF), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Nevada (Mr. LAXALT), the Senator from Idaho (Mr. McCLURE), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The result was announced—yeas 51, nays 32, as follows:

[Rollcall Vote No. 440 Leg.]

YEAS—51

Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Byrd, Robert C.
Case
Chiles
Church
Culver
Curtis
Dole
Domenici
Fannin
Fong
Garn
Glenn
Goldwater
Griffin
Hansen
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Kennedy
McIntyre
Mondale
Montoya
Moss
Packwood
Pastore
Pearson
Percy
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stone
Symington
Taft
Thurmond
Tower
Tunney
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Mansfield
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Metcalf
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Sparkman
Stevens

So the motion to table Mr. BIDEN's amendment (No. 966) was agreed to.

Mr. HELMS. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, line 10, change the period to a semicolon and insert the following:

"*Provided further, however,* That in no case shall any United States civilian personnel be assigned to Sinai one year after the implementation of the Egyptian-Israeli Agreement of September 4, 1975, unless Congress by concurrent resolution directs the President to renew such assignment for another year."

The PRESIDING OFFICER. The Senate will be in order. Senators will kindly take their seats.

Mr. HELMS. Mr. President, for the information of Senators, I shall try to be brief. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, is it still in order to move to lay the amendment on the table, at the proper time?

The PRESIDING OFFICER. It is in order when all the time has been used or yielded back by the proponent. It would then be in order to move to lay on the table.

The yeas and nays have been ordered. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, there is no mystery about the intent of my amendment. It is simple and straightforward. It merely provides that Congress retain the initiative on the continued implementation of the Sinai agreement. It puts a 1-year ceiling on the length of time during which the U.S. technicians can be stationed in the Sinai. If necessary, Congress can very easily extend the time by concurrent resolution.

This is a very reasonable restraint. It does not affect the implementation of the U.S. proposal in anyway. It allows the Egyptian-Israeli agreement of September 4 to go into effect. If everything proceeds on schedule and according to the way it has been described to us, my amendment will have no practical impact whatsoever. Indeed, we have been told many times that the Egyptian-Israeli accord is only an interim step to a final agreement, that progress demonstrated by this first step is essential to a lasting agreement, and that we can well hope for better things in the future.

But let us suppose that things do not quite develop the way in which Congress imagines they will develop. Let us suppose that developments in the Arab world take an unexpected turn, or that the Israeli interpretation of the implementation of the agreement differs from ours in substantial matters. Such things often happen; everyone looks upon events from their own perspective, shaped by events unique to their own experience. It may very well be that 1 year from now, Congress may look upon what we are doing here today in a different light. We will regret that we gave permanence or at least an indefinite duration, to an untested and unique arrangement.

Now I realize fully that Senate Joint Resolution 138 clearly makes provisions for the abrogation of our arrangement to station technicians in the Sinai. But what happens if the Senate takes the initiative, using the method of a concurrent resolution as provided in the resolution, to break off an arrangement that is already in place? It is a much more rash action. It suggests the betrayal of a trust, a shifting of opinion, a rejection of an agreed-upon role. At such a time, we could argue all we liked about changing conditions or other factors that we thought altered our agreement; the fact would still remain that our withdrawal would create a traumatic event of far-reaching consequences. If the situation deteriorated we would be faced with a dilemma: Either maintain the U.S. technicians in place with unacceptable consequences, or suffer an upheaval in the Middle East that could well be the general collapse we all fear.

In short, the procedure provided in the resolution is far too drastic, and limits our options under unfavorable circumstances. It is essentially a negative procedure, and unworkable in most cases. It is good to have such an ultimate safety valve, but it does not provide us with the flexibility we need.

Under my amendment, Congress would play a positive role in maintaining U.S. technicians in the Sinai. We would have the advantage of a year's perspective on the operation of the proposal. If the proposal does not work out, Congress can let the plan die quietly without a divisive debate between the executive and legislative branches. The conclusion of the plan under such circumstances would have less international impact, since every one would understand from the beginning that the authorization was only for 1 year.

Moreover, the congressional time limit would put quiet pressure on both parties to the Egyptian-Israeli agreement to come to mutual terms for a permanent settlement. Congress would be abrogating its responsibilities if we were to approve an open-ended authorization for a short-term plan. There is always the possibility that the plan would continue long past its usefulness, and be ignored in the swirl of other events, only to become the focus of an international incident when we least expect it. It is far better to require an annual renewal of the authority, rather than a mere review, or Presidential report, or other device whereby the topic would receive scant attention.

On the other hand, the procedures set up under Senate Joint Resolution 138 would insure that any concurrent resolution directing the President to continue the plan for another year would get prompt attention. It would be privileged in the same manner and to the same extent as the resolutions authorized in lines 5 through 10 of Senate Joint Resolution 138, that is to say, in the same manner and to the same extent as a concurrent resolution introduced under the terms of the War Powers Act. This would guarantee that if it were really necessary to continue the technicians in the Sinai, it would receive prompt attention and would not be killed by being pigeonholed.

Let me sum up, then, the advantages of my amendment:

First. It would not affect implementation of the plan to station U.S. technicians in the Sinai.

Second. It would not affect the immediate implementation of the Egyptian-Israeli agreement.

Third. It would not affect the right of Congress to call a halt to the technician stationing plan if hostilities broke out, or if the stationing were no longer necessary.

Fourth. It would place reasonable pressure upon both Egypt and Israel to come to further concessions within a responsible time frame.

Fifth. It would maintain congressional rights to keep a positive role in the continued implementation of the stationing agreement.

Sixth. It would diminish the international impact of ending the plan if Congress chose not to extend it.

Seventh. It would give Congress a year's time to study the operation of the plan while keeping open the options of congressional action.

In short, by accepting my amendment, the Senate will be saying whether or not it is prepared to accept a responsible and creative role. It does not reject the plan out of hand; neither does it provide a blank check, open-ended commitment of the kind that has given this Nation so much agony in the past. In the judgment of the Senator from North Carolina, we will be falling far short of our duty to the people of the United States if we fail to approve this reasonable restraint.

Mr. President, I am well aware that a motion to lay on the table is forthcoming. I have learned to expect that. I really wish we could get an up or down vote on this proposal, but I understand the name of the game under the prevailing circumstances. I hope I am wrong, but I suspect the Senate may, in the future, regret the scant attention being given many worthy amendments offered in good faith by those of us who are concerned about this agreement and its implications.

Before that motion to table comes, let me state the advantages of my amendment to this almost-empty Chamber.

First, it would not, I will say to the distinguished Senator from Minnesota, affect implementation of the plan to station technicians in the Sinai.

I assume he agrees with that.

Second, it would not affect the immediate implementation of the Egyptian-Israeli agreement.

Third, it would not affect the right of Congress to call a halt to the technicians-stationing plan if hostilities broke out or if the stationing were no longer necessary.

Fourth, it would place reasonable pressure upon both Egypt and Israel to come to further concession within a responsible time frame.

Fifth, it would maintain congressional rights to keep a positive role in the continued implementation of the stationing agreement.

Sixth, it would diminish the international impact of ending the plan if Congress chose not to extend it.

Seventh, it would give Congress a full year's time to study the operation of the plan while keeping open the option for congressional action.

In short, by accepting this amendment, Mr. President, the Senate will be able to say whether or not it is prepared to accept a responsible and creative role. It does not, I emphasize, reject the plan out of hand; neither does it provide a blank check, open-ended commitment of the kind that has given this Nation so much agony in the past.

In the judgment of the Senator from North Carolina, we will be falling far short of our duty to the people of the United States if we fail to approve what I hope is a reasonable restraint.

Mr. WILLIAM L. SCOTT and Mr. RANDOLPH addressed the Chair.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HELMS. I am delighted to yield to the able Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I rise in support of the amendment by your distinguished colleague. We are moving rather fast here on this measure. It was only brought to the floor yesterday. It was reported by the committee yesterday.

But, Mr. President, this proposal does give us time to think by just making a temporary 1-year commitment on the assignment of these observers to the Sinai. It is an excellent amendment. It may be that in time we will find that we are doing the right thing. I do not think we are. But it may be that we will find we are or are not doing the right thing.

As I understand the agreement we read in one paragraph that we will keep our observers, our technicians there for the duration of the agreement. Then when we look at the following paragraph, it indicates that we can remove them in the event we feel there is no longer a need for it, or in the event we feel that they are endangered. So, first, it giveth, and then it taketh away.

I believe that where we put a 1-year limitation unless Congress again acts is a very responsible thing to do, and I hope that this amendment will receive support.

Let me just add that when we make decisions as quickly as we are trying to make them, there are only a half dozen Senators here in the Chamber tonight listening to this. I believe that they should be able to read the Record tomorrow morning before they decide how they are going to vote on final passage and see the statement that is made by the distinguished Senator from North Carolina. I made some comments. Various Senators have commented on the merits of this entire resolution. Some of our colleagues do read the Record in the morning, and it is wrong for us to vote on final passage tonight.

I commend the Senator on his amendment.

Mr. HELMS. I thank the able Senator for his comments.

Did the Senator from West Virginia wish me to yield to him?

Mr. RANDOLPH. I would appreciate my colleague yielding at this time.

Mr. HELMS. I am delighted to yield to the able Senator.

Mr. RANDOLPH. Mr. President, regardless of amendments that will be added to the proposal, which would implement the action of the United States in reference to the early-warning system in the Sinai, I take this opportunity to state my views for the Record. My feelings will be reflected, of course, on the final rollcall on the resolution itself, but I use this occasion to ask our colleague if he feels there is any amendment, or any group of amendments, that will make the pending proposal acceptable to him?

Mr. HELMS. This amendment I will say to the distinguished Senator would make it somewhat less unpalatable to me, because it would require affirmative action 12 months hence.

I hope the distinguished Senator from Minnesota, before he makes his motion to table, will tell me what harm my amendment will do. The truth is, it could not possibly do harm. To the contrary it could keep us out of an agonizing situation, I say to the Senator. Unless Congress affirmatively acts 12 months from now, the agreement would expire. But Congress would be required to review it, and vote affirmatively to continue it. It is, I think, our duty to accept that responsibility.

Mr. RANDOLPH. Mr. President, will our colleague yield further?

Mr. HELMS. I am delighted to yield to my able friend from West Virginia.

Mr. RANDOLPH. It is my belief that over a long period of time the United States of America has spread itself too thin over too wide an area of the Earth. This has happened in many, many ways, and certainly in matters of the nature contemplated here. I cannot subscribe to such a proposal as is pending in the Senate. I have studied the issue. I have said to my constituency in West Virginia that I will cast my vote when the rollcall comes, whether it is tonight or tomorrow, against the agreement between Israel and Egypt as represented by the U.S. proposal for the early-warning system in the Sinai.

I am not a Senator who is a carping critic. I feel that Secretary of State Kissinger is a man of substantial talent. But in his attempt to cope with problems throughout the world—wherever they may be—I have stressed that when he brings parties together for a cease-fire, a pause, a better relationship, or whatever it is, there always follows the giving of substance of the United States of America to both parties. That is what is happening over and over and over and over again. This is happening as the result of executive branch activities without appropriate consultation with the Congress. We are then expected to rubberstamp the proposals of the Executive.

What do I have as an answer from our colleague from North Carolina as to the final cost of this proposal if implemented by the Congress?

Mr. HELMS. I am sure the Senator has heard various figures. That is the point. Nobody knows how many billions of the taxpayers' money is being committed by this overall agreement.

I share the distinguished Senator's concern about spreading ourselves thin around the world. I share his view we had better get this country safe and strong again.

The purpose of my amendment, I reiterate to the Senator, is to limit what otherwise could be an interminable commitment, stretching out into years and demanding billions upon billions of dollars and, worse than that, the possibility of many thousands of lives. Needless to say, I hope that I am wrong in both cases, but I believe there should be a safety valve, so that Congress will be required, in the coming year, to make another assessment and a fresh judgment and to take a stand on whether to continue this agreement after 1 year.

Mr. RANDOLPH. I ask the Senator to yield further, so that I may ask if it is the intent of the able Senator from Minnesota (Mr. HUMPHREY) to have an up-and-down vote; or, I ask the Senator from New Jersey, the able comanager of the measure, whether we will have the opportunity for an up-and-down or do we face a tabling motion?

Mr. CASE. We do intend to offer a motion to table the amendment, when Senators have discussed it as long as they wish.

Mr. HELMS. On my time, I wonder whether I might ask the able Senator from Minnesota or my friend from New Jersey—both of them are my friends, and they know it—what is wrong with letting the Senate vote on this amendment up and down. Why constantly table things? Let the Senate speak. This appearance of Senators ducking out by a parliamentary tabling motion is getting sort of old. The Senator from Minnesota is taking over where Senator JAVITS left off on my busing amendments.

Mr. HUMPHREY. Not a bad idea. [Laughter.]

Mr. HELMS. I think it is a terrible idea. Where is the Senate's courage? Let the Senate vote up and down, and I will be glad to yield back the remainder of my time right now.

Mr. CASE. How long will the Senator take if we do not? [Laughter.]

The Senator assured us at the outset that he would talk for 2 or 3 minutes.

Mr. HELMS. I do not believe the record will substantiate the Senator. I availed myself of the privilege of engaging in a colloquy with the distinguished Senator from West Virginia.

Mr. CASE. That is always a pleasure for his colleagues.

Mr. HELMS. I knew the Senator would agree with that.

I reiterate the hope that the Senator will let the Senate vote on this proposition and not duck out on a tabling motion.

Mr. HUMPHREY. Mr. President, will the Senator yield, on his time?

Mr. HELMS. I yield on the time of the Senator from Minnesota.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HELMS. Mr. President, how much time do I have remaining?

Mr. ABOUREZK. I yield on my time. I have about 3 hours or so remaining. [Laughter.]

Mr. HELMS. I am going to yield to the Senator from South Dakota, but I want to find out how much time I have remaining.

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. HELMS. I yield to the distinguished Senator.

Mr. ABOUREZK. Put this on my time, Mr. President.

Mr. HELMS. The Senator can have my time if he needs it.

Mr. ABOUREZK. I ask the distinguished floor managers of the bill if they will accede to the request of Senator HELMS to allow an up-and-down vote. I think that Senators who are offering amendments and calling them up are entitled to an up-and-down vote on those amendments.

It is a bit personally offensive to me, at least, to have an amendment that I call up in good faith tabled or to have a motion to table. I do not think the Senators have anything to worry about on any of these amendments, at least the ones I have seen so far.

Mr. CASE. There is one good answer to the Senator, and it is that we do not oppose many of these suggestions in substance. We did not oppose last night the idea that we were willing to reaffirm our support of Resolution 242.

On the appropriate occasion, it seems to me that is a reasonable thing to do, if necessary. Having treated that amendment in that fashion, I think a tabling motion is really equivalent to a vote up and down.

The only thing I object to—and I believe we have pretty well cured ourselves of this practice—is the use of a tabling motion to cut off debate, to take a Senator off his feet. As the Senator knows, this has not been the way in which that motion has been used in this matter, nor, so far as I can remember, has it been used in this body at all since the memorable occasion on which we were talking about Bobby Baker.

Apart from that, I see no evil in a tabling motion. It leaves people entitled to say that there are peculiar circumstances why at this particular time that idea was not a good one. I think it is a very fair thing to do. If people do not want to do that, they can vote against tabling and then vote against the proposition itself.

Mr. HELMS. The Senator knows that the steamroller is rolling. The pressure is on.

Mr. CASE. Mr. President, I object. That is a general statement. I do not think it pertains to anyone involved in this matter.

Mr. ABOUREZK. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from South Dakota yielded himself time, so the Senator from South Dakota has the floor.

Mr. HUMPHREY. Mr. President, a point of order.

Mr. ABOUREZK. Mr. President——

Mr. HUMPHREY. Mr. President, a point of order is in line. The Senator from North Carolina did not sit down; he did not yield the floor. The only thing the Senator from North Carolina did was to yield to the Senator from South Dakota under the Senator's time. I ask for a ruling.

Mr. HELMS. I yielded the floor and reserved the remainder of my time.

The PRESIDING OFFICER. The Chair observed that the Senator from North Carolina did sit down, and the Senator from South Dakota did yield himself time—in fact, he insisted that the time be charged to him. So the Senator from South Dakota is recognized.

Mr. HUMPHREY. I stand corrected. I did not observe that the Senator from North Carolina had in any way rested or inclined, nor was he seated, nor did he look fatigued.

The PRESIDING OFFICER. The Senator from North Carolina sat down and stood up again.

Mr. HUMPHREY. If the Chair says he sat down, I respect the Chair.

Mr. HELMS. I do not recall sitting down. I yielded the floor intentionally, and reserved the balance of my time. The question is academic. [Laughter.]

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. ABOUREZK. I hope the argument over there was not taken out of my time.

The PRESIDING OFFICER. No. The Chair reluctantly observes that the argument was on the time of the Senator from South Dakota.

Mr. ABOUREZK. I will yield to Senator RANDOLPH, but before I yield to him, I just want to say to my good friend Senator CASE that it would be impossible to cut off debate on a tabling motion on a time agreement. That is why no Senator has been taken off his feet by virtue of a tabling motion during this debate, because we do have a time agreement.

I want to yield a few minutes to the Senator from West Virginia. How much times does the Senator desire?

Mr. RANDOLPH. Will the Senator yield to me for a question, perhaps a colloquy?

Mr. ABOUREZK. I yield 5 minutes to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I believe the three Senators who have been talking on this matter are all in agreement that was shall vote against the implementation of the Sinai proposal. I ask the Senator from South Dakota (Mr. ABOUREZK) is that right?

Mr. ABOUREZK. I am on the record as being against the Sinai proposal.

Mr. RANDOLPH. The Senator from North Carolina stated his opposition to the proposal, and the Senator from West Virginia, who is now in colloquy with the Senator from South Dakota, will vote against the agreement.

This is not a matter of emotion. It is not a matter of so-called choosing sides. It is not one country against another—Israel or Egypt. The record will show that I have consistently supported measures to strengthen and maintain the independence of Israel. These are goals which Israel rightfully seeks to achieve. The critical question here is the methods of seeking peace that the Senate is being asked to sanction.

Mr. President, this is a matter on which Senators must search themselves very carefully in making a decision. I repeat what I said earlier. I think the United States of America fails, really, to serve itself. It fails, also, to serve any other area of the Earth, when it attempts to do what it is doing in connection with this so-called arrangement to which, now, we are called to give our approval. I say that quietly and earnestly, and I wish the record to reflect my views before a final vote comes. Regardless of the amendments—some of them, of course, well designed and possibly helpful—the basic proposition is a matter which concerns me and which I cannot support and which, on rollcall, I shall vote against. The Sinai proposal, in my judgment, will be counterproductive to peace in the Middle East.

I understand that there will not be many votes for the position that I and others have taken in this body.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ABOUREZK. Mr. President, if I may take a few minutes to express my thoughts, I think we are approaching final passage on this measure, or it will come very shortly. I should like, at this point, to express the reasons for my strong opposition to passage of this resolution or this agreement.

My opposition goes beyond the tremendous dollar cost to both the U.S. Treasury and the taxpayer to implement this agreement, and all the ancillary agreements that have been talked about as being either secret or not secret. It goes beyond the guarantee and assurance of oil to Israel during the 5-year life of the oil agreement; and it is more than the 200 technicians being placed in the Sinai in a potential position of great danger. It goes right to the heart of the Middle East conflict—the Palestinian problem. The Palestinian people have been dispersed as a result of the creation of the State of Israel. After this agreement, they are further away from obtaining their own homeland than they ever were. In fact, it has been the objective of the State of Israel, for some 27 or 28 years, to try to freeze out the Palestinians from any kind of negotiation, from any position of power, so that they could try to regain some kind of homeland for themselves.

What Israel could not accomplish in more than a quarter of a century, the Secretary of State, Henry Kissinger, and the U.S. Congress are accomplishing with one fell swoop in this agreement—the exclusion of the Palestinians. They are the people who are trapped in the Middle East. I know a lot of Members of this Senate have traveled to the Middle East and have seen the camps as well as I have. I have talked to the Palestinians and I have listened to them. I have seen what kind of people they are and how they feel about this whole issue of a homeland for themselves.

I am continually asked by Palestinians, whenever I go to the Middle East or whenever I meet them here: Why is it that the U.S. Senate is so concerned over the security of Israel and have no concern whatsoever for a homeland for the Palestinians? That question consistently comes up, and I am honestly hard put to explain why. In fact, I do not even know if anybody can give an explanation. I do not believe there is a satisfactory explanation that can be given for the question.

The more that the U.S. Senate, and the entire Government, for that matter, continues to support Israel with military armaments, which insures its overpowering military superiority over its Arab neighbors, the less chance there is for a final peace settlement in the Middle East.

Make no mistake about it: The U.S. Senate is contributing to the continued conflict in the Middle East. We only delude ourselves if we think that more arms for Israel means more peace in the area. The past 27 years have proved that to be so.

We have now come to the point where we believe that our balance-of-payments problems, aside from the problem of Israel and the Arabs, are so serious that we have to start arming the other side in the conflict. We are now arms to the Arab Nations selling while giving them to Israel. That is the kind of philosophy that we are following at this point, and regretfully unthinkingly following, because there are pressures upon Members in this body, pressures on the administration to get these agreements through, to provide support for Israel, pressures, that a lot of people cannot resist. I do not criticize them for that.

What I am saying is that the passage of this agreement is not going to bring peace. The passage of this agreement is going to continue the conflict. It is going to tear up Lebanon; it is going to destroy Syria; and it may destroy Israel in the long run. We all have to realize that as well. It has to be something that we have to take into account.

We just cannot lightly vote for these arms shipments and these agreements that separate the Palestinians, divide the Egyptians, and weaken one side of that negotiating bloc. If we really want a peaceful settlement in the Middle East, if we really want it—and I have no delusions that we are going to defeat this amendment—we will withhold arms shipments to the state of Israel until Israel agrees to sit down and face the Palestinian question. The minute the United States has guaranteed an annual arms shipment to Israel, we have lost any leverage this Government might have had to make that peace settlement come about.

I just want to make a prediction that it is not going to be too much longer, in fact, we can start the countdown right now, before we see the explosion starting in the Middle East.

Henry Kissinger might have put it off until after the 1976 elections with this agreement. He might have succeeded in doing that. But if he did, that means that the explosion is only going to be that much larger than it ever would have been before the 1976 elections.

Most of us play politics. We all have elections on our minds. But it would seem to me that we could put an end to the suffering of hundreds of thousands of people in the Palestinian refugee camps at some point in our careers by facing this crucial issue here and now, before implementation.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. ABOUREZK. I yield.

Mr. RANDOLPH. It is my colleague's reasoning, and I think realistic reasoning, peace in the world is not brought about by the shipment of armaments to one country, no matter what the name of that country might be, and then the shipment of armaments to another country, whatever that country's name might be. He feels, as I understand, that the shipment from the United States of armaments to countries throughout the world may jeopardize the prospects for peace. Is that correct?

Mr. ABOUREZK. That is correct. In addition to that, if I might reiterate to my colleague from West Virginia what I said earlier, the United States is paying for both kind of armaments. We are giving the armaments to Israel and we are selling them to the Arab oil countries. And we are paying a higher oil price because of it. In fact, the Arab oil countries tell me that we are paying both ways. The Saudis have told me on more than one occasion that they would reduce the price of oil if they did not have to buy arms because of their fear of what is going to happen in the Middle East—whether it be an overthrow of their monarchy or an attack from the Shah of Iran, or some invasion on the part of the United States to take over their oil fields, either by the United States directly or by Israel. We are paying both ways.

Mr. RANDOLPH. Mr. President, one further question. Then I shall close my colloquy.

Does the Senator not feel that the time has come, for a "relook" at our entire foreign policy? This is felt, not by the Members within the Senate, but by the people of the United States. This, perhaps, would be a good time to take this "relook" and to express in the Senate the belief that we cannot go into every section of the Earth—no matter the countries involved—and attempt to establish the machinery by which a cease-fire or an agreement might occur?

Is there not a higher obligation to work for lasting peace, I say to my friend from South Dakota, that the American people believe in? I feel there is, and I believe it will be expressed. We must not resort to expedient short-term measures. I am not critical of any colleague who disagrees with me. This, perhaps is not a crucial vote, so to speak, from the standpoint of its closeness. It is one, however, that encompasses the larger question of whether we strive for ultimate and lasting peace for the peoples of the world, and not continue a strategy or maneuver in one part of the world or another to settle on a temporary basis situations of conflict.

Mr. ABOUREZK. I agree.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? Is all time yielded?

Mr. HUMPHREY. Is the Senator prepared to yield back his time?

Mr. HELMS. I will be delighted to yield back if the distinguished Senator is willing to do so, after he tells me of any harmful effects my amendment would have.

Mr. HUMPHREY. I will take 3 minutes to tell the Senator of the harmful effects.

Mr. HELMS. Very well.

Mr. HUMPHREY. Mr. Sadat, the President of Egypt, has assured this Government that there will be a 3-year extension of U.N. forces in the Sinai; that was a part of the understanding that has been arrived at, and until now you never knew whether it would be 3 or 6 months. It always precipitated a dangerous proposition.

Second, I will quickly say that the resolution we have before us provides for withdrawal of these forces, provides for Congress to have a concurrent resolution and provides for priority of attention on the part of the appropriate committees of Congress for that resolution.

It is my sincere judgment, may I say to the distinguished Senator from North Carolina, that his amendment will unravel a part of this agreement that is fundamental to peace in that part of the world; namely, the presence of the U.N. forces not to be withdrawn for at least 3 years. I think that is vital.

I want to remind the Senator that those U.N. forces, if withdrawn, can again precipitate hostilities. That is my reason.

Mr. HELMS. I will say to the distinguished Senator that the Senator from North Carolina fails to see how it can logically be said that the Senate would adversely affect this agreement. If it is a good one, as the Senator proclaims it to be, what can be wrong with retaining the right to stipulate the absolute obligation of the Senate to act affirmatively in continuing it after 1 year. If the agreement is as worthy as the Senator says it is, continuation of it a year hence would be perfunctory. If, on the other hand, it proves to be an unwise agreement, then we will have a built-in safety valve.

I think it is the duty of the Senate to spell out and to make clear that it must take another look at this thing a year from now because, as the Senator knows, if no action is taken it rides right along, whether it is a good agreement or whether it is a bad agreement.

Mr. President, I am well aware that a motion to table is coming. I regret it. I hope that my fears are unfounded that the Senate will regret it in the future.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HELMS. Yes, I yield to my distinguished friend from Arizona.

Mr. GOLDWATER. As the Senator knows, I am one of his staunchest admirers. I campaigned in his State for him. I think it is very obvious that any tabling motion is going to succeed. I think they could table the Lord's Prayer if they took a mind to do it.

Mr. HELMS. No question about it.

Mr. GOLDWATER. I suggest, because it is quite obvious what the final outcome is going to be, and I am going to vote against this measure, in order to take care of people sitting here day after day and hour after hour, that the Senator withdraw his amendment. I offer it as a friend. I think it will help him, will help the Senate, and help us get to a vote so that we can get this thing over with.

Mr. HELMS. Well, there is no Member of the Senate whom I respect more than the Senator from Arizona, and his suggestion is well taken. I will allow it to be tabled on a voice vote, because as the Senator says, the Lord's Prayer would run the risk of being tabled tonight—either by rollcall or voice vote.

Mr. GOLDWATER. I am not going to argue.

Mr. HELMS. I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I yield back the remainder of the time.

Mr. President, I now move to lay on the table the amendment of the Senator from North Carolina.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that we have a 10-minute rollcall.

The PRESIDING OFFICER. The yeas and nays——

Mr. GRIFFIN. I must reluctantly object. There are several Members away from the Hill.

The PRESIDING OFFICER. There is objection.

Mr. HUMPHREY. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered on the up-or-down vote but the yeas and nays have not been asked for on the motion to lay on the table.

Mr. HUMPHREY. Does the Senator want the yeas and nays?

Mr. HELMS. I think not.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina.

The motion was agreed to.

AMENDMENT NO. 964

Mr. MATHIAS. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 17, insert after "SEC. 5." and before "The authority contained in this joint resolution" the following: "The authority of the President to implement the 'United States Proposal for the Early-Warning System in Sinai' shall terminate on February 1, 1977, unless extended by joint resolution.".

Mr. MATHIAS. Mr. President, this amendment is similar in its thrust to the amendment of the Senator from North Carolina which we have just been discussing, but there is one important difference. That amendment would have brought this question to the Senate again next October, because it called for a 1-year termination. That would have been at a time within 30 days of a Presidential election. It would have been a time when presumably Congress would have been in recess or in adjournment because of that, and this proposes that we start a process of annual renewal beginning on the 1st of February 1977.

The prime aim of this amendment is really to provide some facility to terminate this at some time, and I am moved to seek that aim as a result of the work of the Senate Committee on Terminating National Emergencies, to which the Senator from New Jersey, one of the managers, has contributed so very well and to which he has brought so much wisdom and knowledge.

The examples of history are very sobering. We have the example of the Formosa resolution in which we vested special powers in the Presidency, and which has now been repealed by Congress, but which persisted for 18 years like a time bomb in which the executive could have called up and used and, unhappily possibly abused, powers which were contained in the Formosa resolution.

I do not have to expound on the dangers that were involved in the Gulf of Tonkin resolution. There again we had an open-ended resolution.

I consider that my vote in favor of the Gulf of Tonkin resolution was the biggest single mistake I made in my years in Congress, and I do not want to repeat that mistake. I feel obligated, even though the hour is late and we have been working on this thing for a long time, to raise this question with the Senate.

We cannot, I think, go to the American people and say, "No matter how great the cause, no matter how noble the motivation, no matter how important the question, we have neglected one of the lessons we learned in the Gulf of Tonkin experience."

And, of course, there is the previous Middle East resolution which was adopted at the time of the Lebanon crisis during the Eisenhower administration, which is still active law on our books, and which still vests with the Executive very serious powers, and it is open ended. There is no terminal date. Nobody knows when these powers might be summoned up, Congress really having delegated this authority, having obtained no way to get back its authority, and has become, in effect, kind of a hostage to the will of the Executive.

There are even more serious examples than these. There is on the statute books of the United States an old statute called the Food and Forage Act. It was designed for the simple purpose of enabling the cavalry during the Indian wars to go out and supply themselves with hay for their horses if they happened to be out somewhere in an operational area and their appropriation expired.

There was no terminal date on the Feed and Forage Act, it just laid dormant on the books.

Nearly 100 years after its enactment, the Secretary of Defense came to the Congress and said, "We will run the Vietnam war whether you give us any money or not, we don't care if you pass a resolution which cuts off our appropriations to run the war, we have got the Feed and Forage Act, we can run it on a deficit basis under that act."

I am sure that our predecessors here who enacted that act never dreamed that the United States would ever be in a war in Vietnam, they never dreamed that a Secretary of Defense would threaten defiance to the Congress under the circumstances in which that occurred, and yet it did occur.

So while we can rationalize the situation and say, "Well, we do not need a terminal date in this resolution," the fact is that no one can fully foresee what the future may hold, and I am concerned that we launch a vessel on the waves tonight to a destination no person can foresee.

I cannot accept this without a serious objection.

Mr. President, there is one further point I would like to make. I think if this is left open-ended we not only have a statute on our books for which there is no terminal date, no opportunity in which the Congress must shoulder the responsibility of deciding whether to continue or terminate, but we also create a situation in which the United States becomes a sort of permanent caretaker. A static situation is created in which the parties may have less desire to move forward than if it were clearly understood that there was going to be an annual review and annual debate in the Congress of the United States.

While I am talking about February 1, 1977, I am not necessarily talking about termination of this arrangement. I am talking about a renewal of this arrangement in 1977.

But I do have several questions that I would like to ask the managers of the bill and the members of the committee, because this resolution has some signal differences from the Tonkin Gulf resolution, from the Formosa Straits resolution, from the Middle East resolution and from the Food and Forage Act.

I am referring to those provisions which call for immediate annual reports by the President to the Congress and, even more particularly, for the unique language which is in this resolution, which does not appear in any of the previous resolution, which allow for termination of the President's authority to implement the U.S. proposal for the early warning system in Sinai, upon the concurrent resolution of the Congress.

We all know that a concurrent resolution does not require the signature of the President, it is an act independent of the President.

In the Tonkin Gulf situation, the great difficulty was that we could not repeal it because the Executive would not agree. It would have required a two-thirds majority to override a veto of a repealer.

This is a different situation, or at least on its face it is different, but I want to be sure it is different.

Could the managers of the bill give us any assurance about what they, as members of the Foreign Relations Committee, foresee as their responsibility and their duty when they get these reports from the President, or if between reports from the President there should be events occurring which would lead them to believe that we should terminate the agreement?

Mr. HUMPHREY. Will the Senator permit me to reply to him?

Mr. MATHIAS. I am happy to yield to the distinguished Senator.

Mr. HUMPHREY. Might I say, as the Senator himself has well noted, there is deep concern over any resolution that seems to have no termination date to it, and that was taken under advisement by the Senate Foreign Relations Committee. It was discussed and appropriate language, we believe, was placed in this resolution to take care of that possible danger.

The Senator has alluded to the concurrent resolution provision and on page 2 of the resolution, Senate Joint Resolution 138, it reads:

> Not only that the United States civilian personnel assigned to the Sinai under such proposal shall be removed immediately in the event of an outbreak of hostilities between Egypt and Israel, or if the Congress by concurrent resolution determines that the safety of such personnel is jeopardized—

Now, this is the language that is important:

> or that continuation of their role is no longer necessary.

That means that any Member of the Senate, any Member of the Congress, can move that these observers in the early warning system are no longer necessary. That is in our provision.

As the Senator from Maryland noted, a concurrent resolution does not require this Presidential signature to have force of law. So there is no danger of veto, and it only requires a majority vote of those present once a quorum has been established.

The other part that I would note is that any concurrent resolution, wherever it may emanate, out of a committee or by the work of a particular Senator, of the type described in the first section of this resolution which is introduced, shall be privileged in the same manner and to the same extent as a concurrent resolution of the type described in section 5(c) of Public Law 93-148, is privileged under section 7 of such law.

That is the War Powers Act. The Senator from New York is the main architect of that act, along with the cooperation, may I say, of the Senator from Maryland, and others.

The other part that is important here that I think relates directly to the concern expressed by the Senator from Maryland is as follows:

> That whenever the United States civilian personnel, pursuant to this resolution, participate in any early-warning system, the President shall—

Not "may" but "shall."

> so long as the participation of such personnel continues, submit written reports to the Congress periodically, but not less frequently than every 6 months.

So he cannot go over 6 months.

> And those reports shall be, 1, on the status, scope and anticipated duration of their participation; 2, on the feasibility of ending or reducing as soon as possible their participation by substituting nationals of other countries or by making technological changes.

Then it says:

> The appropriate committee of the Congress shall promptly hold hearings on each report of the President and report to the Congress any findings, conclusions or recommendations.

I cite this language because it has built within it the initiative that is required; in other words, it is self-starting.

Once the President has submitted the report, and he must do it every 6 months, he can do it the first month but no later than 6 months, once that is submitted to the appropriate committee of the Congress, then that committee must promptly hold hearings and make its recommendations.

So we have a built-in safeguard, and I want to assure the Senator that as one Member of the Senate Foreign Relations Committee, I take that language on its face.

The word "promptly" means exactly what it says. The President must make his report in written form.

The committee of the Congress can offer a concurrent resolution to cut off at any time or to make any other adjustments or recommendations—to cut off the number, reduce the number, or pull them out. All of that is there. I believe that this legislative history that we develop will even more succinctly and precisely define it.

Mr. MATHIAS. I would like to respond very briefly to the Senator. As he says, the language is self-starting. That is the one point where I have trouble following the Senator. There is no such thing as self-starting language. The language is here, the machinery is made available here, but it will not be self-starting. It will take responsible Members of the Senate to operate it.

Mr. HUMPHREY. The Senator from Maryland is one of those responsible ones. What I meant by self-starting, and I shall not take time, is that it says, "The appropriate committees of the Congress" and I imagine this would be the Senate Foreign Relations Committee and Armed Services Committee, "shall promptly hold hearings on each report and report to the Congress their findings."

Mr. MATHIAS. What I was saying, and I want to yield to the Senator from New Jersey, is what I am reaching for is the personal assurance of the Senator from Minnesota, whose word is good, and the word of the Senator from New Jersey, whose word is good, and the word of other members of the Foreign Relations Committee, that they will actually make this machinery work; that they will not consider it is self-starting; that they know somebody is going to have to push the button if the occasion arises.

Mr. HUMPHREY. I assure the Senator from Maryland from the point of view of the Senator from Minnesota that I will give him my word that if there is any delay, we will charge the battery and it will be self-starting.

Mr. CASE. If the Senator will yield, I would like to repeat that assurance for myself. I know that all members of our committee, and Senator JAVITS can speak for himself, feel exactly the same way. In addition, let me say this: It is self-starting in the sense that any Member of this body or any Member of the House, one Member of Congress, can put into motion this machinery if through any mischance the committees, or any of the members thereof, should fail in their duty in this respect. When any such resolution is introduced by any Member of either House, it has to be considered within 15 days by the appropriate committee and reported out promptly. A time is fixed for that, too. It is within 15 days.

Mr. MATHIAS. Congress cannot be the hostage of a committee that is unresponsive.

Mr. CASE. It is not a hostage of a committee. The committee must report within 15 days. The body which that committee serves in must act within a definite time, which is fixed here at 3 calendar days, unless by the yeas and nays they extend that time. This is automatic upon the initiative of any single Member. So in addition to the assurance which I repeat, because I would not want to have any doubts in the Senator's mind of my own personal commitment to his proposition, which I agree with fully, I think that this is more than amply covered.

May I say that in view of the coverage, which is so clear, in view of the safeguards built in which can be brought into action by any single Member of Congress, of either House, it seemed to us wise not to put a terminal date on this, because we do not want any implication that we are in this except for the duration. We are not in this for a 1-year period. We are in this for as long as is reasonably necessary and so regarded by the Congress.

Of course, we have pointed out the section which makes it possible for the thing to be terminated upon action by the Congress, initiated in the same way, with the same privilege of any Member to bring it to the attention of Congress and to require action.

Mr. MATHIAS. The Senator knows I share with him the concept of as long as it is needed. That is why I have called this amendment the annual renewal amendment, and not termination.

Mr. CASE. I appreciate that.

Mr. MATHIAS. I would appreciate the views of the Senator from New York, who is not on the Foreign Relations Committee, but who is the principal architect of the War Powers Act.

I would like to know whether he feels that the resolution as it stands preserves the constitutional control that the Congress ought to have over a situation of this kind.

Mr. JAVITS. May I say to my colleague in this particular respect I feel a special responsibility. I have worked on this resolution for a considerable time. I have done it in the greatest good faith, believing that this will mark the turn to peace, away from a drift to war. Therefore, I feel a special responsibility to see that it works, having devoted myself to this concept as a way out of a wicked dilemma.

I have the deepest sympathy for what Senator ABOUREZK said on that score in this sense: We may disagree on the history, we may disagree on the facts, we may disagree on the floor, but I feel exactly as I know he does underlying his own views, in the words of Golda Mier that her heart breaks as much when an Arab boy is killed or injured in war as it does when an Israeli boy is killed or injured in war. So I have a depth of feeling about this matter.

I can assure the Senator that I will be a faithful, honorable, and highly diligent guardian of what our country is doing in this regard, which is designed to facilitate the peace.

May I say, too—and I thought it was rather simplistic—to those who try to lay side by side our experience in Vietnam with this resolution, aside from all the other points which have been pointed out this is welcomed, invited, asked for by both sides. We must remember that we have learned a lot, and there has been interposed between the terrible experience of Vietnam and now the war powers resolution which gives us the power. The Congress does not have to wait 60 days, it does not have to wait 1 day, similarly by concurrent resolution, to pull troops out of any situation in which we do not want to see them involved.

Therefore, the technique adopted in the war powers resolution to deal with the concurrent resolution, as so very well described by Senator CASE, is the tightest that I and other experts were able to invent. It is far more strong than that under the Reorganization Act, which has been our classic use for accelerating consideration by the Congress. It goes even into the detail, if the Senator will look at section 7(d) of the war powers resolution, which is incorporated in this resolution by reference, as to regulate the number of days in which we can have a conference. That is the way we wanted it. So the toughest possible stand on vigorous congressional action has been introduced here.

May I say to the Senator that what he is trying to do, which is entirely understandable and even laudable, also must face what we have been contending with right along. The purpose of this is to move toward peace. The purpose of it is to also get an opportunity, an interregnum, in which we might move toward peace. Therefore, the fact that it is based upon the duration of the agreement itself—in other words, it is the same 3-year commitment—but we do not say so, we do not limit, conduces to our good faith of making this a stimulating effort for peace, while the reassurance to the Congress and to the Senator from Maryland is contained in these absolute provisions that enable one Member to set in motion a course of action with the greatest celerity which can be looked at any time, not with any implication that it is going to be 3 years, which might come from the Senator's amendment, to terminate this responsibility.

Mr. MATHIAS. Could I ask the Senator from New York one final question? Would he feel that, in light of the provisions of the War Powers Act, we are in any way restricting our options to terminate by the language which appears on line 10 of page 2; that we can terminate it if the continuation of their role is no longer necessary?

Mr. JAVITS. We can terminate it, in my judgment, absolutely and with the greatest celerity. We have all of the advantage and none of the disadvantage, in respect of what we are trying to effectuate, of the fixed date. Yet we have all the advantage of being able to call it off overnight. After all, we have to have a vote anyhow. The Senate can manifest its will and the House can manifest its will any moment we feel it is desirable. The criteria, which are really self-imposed by us, are so open. For example, continuance of their role is no longer necessary. Well, it may no longer be necessary because we do not want them there, because we do not think it is necessary for our country.

Mr. MATHIAS. That is our determination.

Mr. JAVITS. Exactly. Or because we do not think they are necessary in the cause of peace. It works both ways.

Mr. MATHIAS. Or that it is necessary in the interests of the welfare of our country.

Mr. JAVITS. That we pull them out, exactly.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. DOMENICI. I commend the Senator from Maryland. I have been listening attentively to the debate today and yesterday, and I support the resolution.

However, in my short time here, I would say to the distinguished managers of this bill, it has seemed to me that every time we have a serious matter, we end up the last night with no time for Senators to vote on amendments, facing a situation where we are not going to get a law because the House of Representatives is out. It happened to us on the Voting Rights Act, for example. We could have improved that measure considerably, and there were a number of Senators who were interested.

I do wish to say, for all the excellent work of the committee, there would have been a very close vote on whether or not the version of the Senator from Maryland or that of the Senator from New York would be accepted, had we had the opportunity to vote. But we are not going to get a chance to vote on that. The Senator from Maryland will either withdraw his amendment or it will be tabled.

I think there is a serious difference between what the Senator from New York proposes and the explanation, not only from the standpoint of some Senators, but from the standpoint of the

American people. It would have been far more palatable to them, and, as I understand it, in no way destructive of the other agreements that might be implemented, if we approve them; nor would it be violative of the opportunity for acceptance, if we had done it in the manner the Senator from Maryland has suggested. I do not think any of us could stand here and say that was not so. The President of Egypt could have come here and been just as happy—talking about the concern of the Senator from Minnesota—whether we had used the other version or this one.

But I think the American people would clearly have understood that as a matter of fact we are going to look at it on a regular basis, and they would have understood that far more readily than they will the open-ended concept, even with the review mechanisms in it.

I do not deny the Senator's enthusiasm or good motives, nor doubt that what the Senator has described will as a matter of fact occur. But somehow or other, when we have these open-ended resolutions, we find that what we thought, what we planned, and what we enacted in the past just was not enough. On the emergency energy bill, for example, we had provided 5 days to turn down the President. We had never thought of a filibuster, and it turned out to be a waste of 5 days.

We will profit by what we learned from that one next December. But might we not learn in this case in the future that the approach of the Senator from Maryland might have better satisfied the concerns many Senators have expressed here as well as the concerns of the American people?

So, from my standpoint, while I shall support the resolution, I think it is time we begin to understand either that our amending process has some merit, or that we are abdicating to the people in committees in toto, as we are today, not being in any way critical of the committee, they having done a splendid job; but I do believe this amendment would have done a far better job. I commend the Senator from Maryland for suggesting it.

Mr. MATHIAS. I thank the Senator for his kind words. I wish to say that he has anticipated correctly; I am going to withdraw the amendment, but not on the ground he has suggested.

I have made a point, as I think the point was made by the Secretary of Defense when he tried to used the thieve-and-borrow-back procedure against Congress several years ago. The point is made by history; the point is not made tonight.

As I say, I am going to withdraw the amendment on a different ground: the ground of the solemn assurances that the Senate and the country have had tonight from the Senator from Minnesota, the Senator from New Jersey, and the Senator from New York, their personal assurances and the assurances they make on behalf of the committees they represent. That is the ground on which I am going to withdraw the amendment, because there is a mechanism in this resolution different from any previous one in our experience, by which men of responsibility and trust can terminate these powers. Congress is not delegating as it has in the past.

So this is different because we have those assurances on which I think we can rely.

I think we all enter into this agreement about this resolution with a sense that we stand in the shadow of history, and that we assume grave responsibility when we do it.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The bill is open to further amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 3, insert the following new section: "SEC. 6. It is the sense of the Senate that the President should attempt to negotiate an equitable share of participation by the countries of Western Europe, Japan and the United Nations in providing assistance to Israel or Egypt".

Mr. DOLE. Mr. President, I will not delay the Senate, and, following my explanation, I shall withdraw my amendment on the basis that I have discussed with the distinguished Senator from Minnesota and the distinguished Senator from New Jersey.

Mr. President, this amendment would simply express the sense of the Senate that the President should negotiate with other nations benefiting from the Egypt-Israel peace accord that they might share part of the $2.5 billion pledge of assistance included in the assurances given by the Secretary of State.

At the outset, the Senator from Kansas recognizes the importance of passing this resolution promptly—so that the peace agreement between Egypt and Israel will not be delayed. The Senator from Kansas also recognizes that section 5 of the resolution specifically disavows approval of any part of the $2.5 billion in foreign assistance.

But the Senator from Kansas feels that unless the Congress expresses some concern and reservation about the United States bearing the entire cost of $2.5 billion alone, the next thing we will see will be a request for a $2.5 billion foreign assistance bill.

PEACE IMPORTANT

This Senator is not opposed to peace in the Middle East—I am for peace; and I am not opposed to American resources being use to create that peace.

But there are many countries that benefit as much or more than we do from peace in the Middle East. It seems only fair that they should bear part of the expense.

And now is the time to express that concern—not after we pass this resolution, and not when we receive a request for $2.5 billion in assistance.

By expressing our concern about the foreign assistance aspect now in a timely manner, then hopefully the Secretary of State can begin negotiating with other governments before he sends up the $2.5 billion request, and not after.

TIMELY MATTER

Today, as the Senate extends approval to stationing of American technicians in the buffer zone, it is time that we look further down the road at those provisions for assistance which this body will be asked to approve in coming weeks. It is important that this issue relating to the financial aspects of U.S. "assurances to Egypt and Israel be addressed now, not later.

COMES OUT OF DEFENSE BUDGET

Mr. President, a $2.5 billion program of assistance to these two governments would have a significant impact upon our defense budget for the present fiscal year.

As I understand from the budget committee staff, the $2.5 billion, or a large part of it, would come out of our own defense budget. Since Congress has already cut the defense budget by $3.3 billion below the President's request, we would be faced with further cuts in defense, or with going over the budget target.

Beyond this immediate interim agreement, we can realistically conceive or later agreements—between Isarel and Syria, or between Israel and the Palestinian movement, for example—which may also call for commitments of aid to the adversaries. How much will we, as a Nation, be expected to bear alone as the "price for peace"? Surely the petroleum resources of the Middle East are just as valuable to Europe, to Japan, and to other nations, and they should be asked to bear a fair share of that price.

BENEFITS TO OTHER NATIONS

We should realize that political and military stability in the Middle East serves the interests of all those nations who rely heavily upon that area for oil and for trade.

The United Kingdom, West Germany, and France respectively imported 58 percent, 64 per cent, and 76 percent of their petroleum from the Mideast in July 1975. That was a total of 4.3 million barrels per day.

The Japanese imported 2.4 million barrels per day from the Mideast, which was 55.1 percent of their total imports in July 1975.

The United States by comparison imported only 804,000 barrels per day, or about 13 percent of our total imports and only about 5 percent of our total petroleum consumption from the Mideast nations in the second quarter of 1975.

So clearly, Western Europe and Japan stand to lose much more than we do from another war and another oil embargo in the Mideast.

There is also the benefit gained from keeping the Suez Canal open. I do not have tonnage figures for European and Russian shipping through the canal compared to the United States, but the closer physical proximity indicates the greater benefit to them than to us.

Although the U.S. Government commendably took the forefront in negotiating this initial settlement, peace is by no means important only to the welfare of this country. Just as the benefits of peace will be shared by our allies, so should they share the expense of maintaining it.

I do not believe it is unfair or unrealistic to expect the governments of Western Europe, of Japan, and of the U.N. to participate in providing the valuable forms of aid which will strengthen this peace. An equitable sharing of the costs of this assistance among ourselves and our allies will prevent an undue economic strain upon our own budget, or that of any other nation. I believe that these allied governments will favorably consider a request by our President to join in this effort to maintain peace in the Middle East.

For this reason, I ask that my colleagues in the Senate join me in supporting at this time a declaration of intent to that effect, so that appropriate executive negotiations can begin immediately. In that way, we in Congress will be prepared to act knowledgeably upon an authorization request for such assistance at a later date when a request is submitted by the administration.

Recognizing the importance of passing this resolution promptly, the Senator from Kansas would think that it might be adequate for our purposes here today if the majority and minority managers of the resolution would give their assurances that they will work with the Secretary of State to share the expense of the $2.5 billion pledge with other benefiting nations.

Mr. HUMPHREY. Mr. President, I say to the Senator from Kansas that this type of sense of the Senate resolution belongs on the Foreign Assistance Act, and it would be most appropriate for him to put it there. When that measure is brought before the Senate, and then rereferred to the Committee on Agriculture on the food section, as the Senator will recall we do, I would more than welcome the amendment the Senator now suggests. I think that is where it belongs, and I assure the Senator of my cooperation to get it on the Foreign Assistance Act.

Mr. CASE. Mr. President, I join the Senator from Minnesota in that assurance, because it is a very sound thing. It is in line with present policy, and ought to be the position of the Senate.

Mr. DOLE. Mr. President, with that assurance, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, and was read for the third time.

The PRESIDING OFFICER. Does the Senator from Nebraska seek recognition?

Mr. CURTIS. Yes.

Mr. President, the resolution before us would grant the consent of Congress to the placing of American citizens in the Middle East to play a role in keeping the peace between Israel and Egypt. Regardless of the technical situation, the passage of this resolution would constitute an approval of the so-called Mideast settlement. In reality, it charts a course that is not limited to Israel and Egypt but is related to all the countries which have been involved in conflict in that area of the world. The sole criterion in deciding to approve or disapprove this resolution must be, "What is best for the United States?"

This proposal does not constitute a settlement of all the controversies over territory and other issues that exist in the Middle East. It is but a partial settlement. It has been described as an important first step. The fact remains that there is more left unsettled than is settled. If the United States is to be called upon to support a settlement that involves billions of dollars and the use of Americans, it should be one of two things. It should either be a complete settlement so that there would be no more war, or it should be a settlement wherein all of the countries involved agree to binding arbitration. This is neither.

It has been charged that the United States is in effect buying this peace agreement. This charge is not without some validity. We are committing ourselves to putting up some $9 billion over a period of 3 years, and the United States takes on an obligation to assist Israel in obtaining her needed oil supplies.

The PRESIDING OFFICER. Will the Senate kindly come to order? The Senate is not in order.

The Senator from Nebraska.

Mr. CURTIS. In addition to that, of course, we are called upon to provide American technicians who will serve in an official capacity along the Israeli-Egyptian border. The United States is asked to do these things when there has been no complete peace agreement nor has there been an agreement for all the parties involved to arbitrate.

Mr. President, to my mind it appears that the United States is making a commitment of enormous magnitude. If we impliedly agree to this settlement, the United States undertakes unilaterally to underwrite the military and economic situation in the Middle East. We will have to continue throughout the years or be responsible for the failure of the agreement. If this so-called peace agreement is worthy of a trial, it should not be undertaken unilaterally by the United States but by many other nations working through the United Nations. I am convinced that the approval of this agreement means that the taxpayers of the United States are committed to underwriting certain aspects of the economic and military situation in the Middle East amounting to billions of dollars for each year in the future. There is no termination of the U.S. obligation.

I believe the concern over the involvement of American technicians on the Israeli-Egyptian border is well-founded. I am aware that in some aspects it differs from Vietnam. Nevertheless, it is the beginning of the involvement of the United States economically, militarily, and with personnel in the entire Middle East in a unilateral way, under a situation where there is neither a complete peace agreement nor consent to arbitrate such an agreement.

Mr. President, I am not unaware of the heavy burdens that President Ford is called upon to bear. It is not easy for me to oppose the President of the United States. I must, however, be true to my own lights and feelings. Therefore, I shall vote against the pending resolution.

I yield the floor.

Mr. STENNIS. Mr. President, will the Senator yield me 3 minutes?

Mr. HUMPHREY. Yes.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I shall be quite brief indeed.

At the beginning of this proposal, I had understood that there would be something very much more definite about the extent of the military aid. We were prepared in the Committee on Armed Services to hold hearings on the facts, not formally, but on the facts with reference to the extent of the aid, not only in amount, but the nature of it, the extent that we planned to compare the list with what might be our own shortcomings for our own deficiencies, trying to be sure that no other nation would be preferred over our own needs. But perhaps no one was at fault. The list was not available.

We were never given any bill of particulars and never had any proof along that line because it just was not available, and as we understood it had not been worked out.

We were not seeking to interfere with the Committee on Foreign Relations passing on the authorization of this aid.

But when I got into the facts and announced that I felt like there was no proper alternative, that this resolution deserved my own support and I thought that of Congress, I said then and repeat now that I am not thereby committing myself to any particular amount of military aid. I doubtlessly support some.

But I realized a good while ago, Mr. President, we are not going to really practice any economy at home of consequence until we start practicing it also with reference to some of our aid programs. We have had to bear down on ourselves, and we will have to do the same with others.

These civilian all-volunteer technicians are in an entirely different status than the military mechanics we sent to South Vietnam back in 1954. These were military men in military uniforms and under military orders. They were there to assist South Vietnam militarily in its battle with the Vietcong and North Vietnam. The civilian technicians involved here are going in at the invitation and request of both sides and their responsibilities will extend only to manning the listening posts and making reports to both sides. They will be there as guests to perform technical services for both groups. Therefore, I see no parallel between having these men manning the listening posts and our first commitment of military men to South Vietnam to assist in keeping military aircraft flying.

In addition, we now have the War Powers Act on the statute books and Congress is now in a much stronger position to control the engagement of our men in hostilities than ever before.

My decision to support this agreement

is based on several important considerations. In the first place, if this agreement should collapse, renewed warfare involving Israel, on one side, and Egypt and other Arab nations on the other, would be virtually inevitable. Such warfare would again bring about a real danger of a confrontation of some kind between the United States and the U.S.S.R.

Second, if we should withdraw our support for the agreement and abandon our efforts to stabilize the situation between Israel and Egypt and other Arab nations, we can be sure that sooner or later we will find that the entire Middle East area, with all of its rich oil producing nations, will be completely lost to us as a source of the vital crude oil we need so badly.

Third, it is clear that some world power will exercise tremendous influence, if not dominance, in this area. If it is not us—if we withdraw and leave the Middle East to its fate—we can be sure that the Soviets will quickly move in, fill the vacuum and dominate the area. If the Soviets should gain control of the oil supply of the Middle East in addition to that of the Communist world, they would then control 60 percent of the world's petroleum reserves. This would be an intolerable situation for the United States and would seriously threaten our economy as well as our national security.

These are the primary reasons why I feel that it is in our best national self-interest to support the interim Sinai Compact.

This is not merely a question of doing something for someone else. It is also a question of doing something that is highly beneficial to us.

The safeguards in this joint resolution should be emphasized— the fact that the civilians shall be removed in the event of any hostilities between Egypt and Israel or at any time that the President or the Congress by concurrent resolution decides their saefty is jeopardized or that their role is no longer necessary.

I would also emphasize the far-reaching significance of section 5 of this resolution which states that this proposal "does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch."

Mr. President, I wish to make the record clear that no one should construe my support for this resolution as implying at this time my commitment to the full military assistance package for Israel or any other proposals or understandings that may be under consideration in the executive branch.

As one Senator, I will make a judgment on all future items as they are submitted and considered in the U.S. Senate.

I speak only for myself and not for the Committee on Armed Services with what I have reference to, with what I have said with reference to the military aid support.

I thank the Senator for yielding me time.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, for nearly 20 years I have kept on my desk in my Winchester, Va., office a statement by President Eisenhower.

He called the Middle East the most strategic area of the world.

Time has proved him right.

Not only is it the most strategic area, but it is potentially the most explosive.

In this region, a strong Israel is an asset to the United States.

In addition, Israel is a democracy that shares the basic principles, morality, and way of life of the United States.

For many years the United States has been firmly committed to helping Israel maintain her political independence and territorial integrity. The United States strongly opposes aggression by anyone in the area.

Secretary Kissinger has made some progress in bringing about a better understanding between the nations of the Middle East.

But stability and peace can only come to the Middle East by actions of the nations of that region.

As I see it, a peace imposed from without is unlikely to endure.

I have been to Israel several times, and to Egypt several times. Indeed, I was the first U.S. Senator to visit Egypt after the Six-Day War in 1967.

My last visit to Israel, during which I talked privately with most of the leaders of government, convinced me that Israel is willing to make reasonable concessions.

Several months later, I left Egypt with the same view in regard to leaders of that country. I was much impressed with President Sadat.

Before those visits and since, Secretary Kissinger has made some progress in bringing about a better understanding among the nations of the Middle East. But a lasting peace is not in sight.

Direct negotiations between Israel and her Arab neighbors will be necessary, if peace is to be preserved, and this can only be done if the territorial integrity of all nations is recognized, and a military balance in the Middle East exists.

This brings me to the Middle East interim accords negotiated by Secretary of State Kissinger. The agreements were reached by the American Secretary of State through shuttle diplomacy. Mr. Kissinger spent long hours and a multitude of trips to and from Israel and Egypt.

The Secretary of State deserves much credit for his industry and his determination.

But the agreements he has negotiated—and I use the plural—seem to put the United States squarely in the middle.

Indeed, it is proposed that the United States become the guarantor for future Middle East stability.

The Kissinger negotiated agreements require U.S. presence, undetermined amounts of American military and economic aid and, perhaps, other unforeseen responsibilities.

Secretary Kissinger has confirmed that approval of the joint resolution authorizing 200 Americans will trigger U.S. signature on the other documents.

Surely the other countries of the Middle East will refuse to accept terms less advantageous than those the United States has proposed for Israel and Egypt. The cost in aid alone could become astronomical.

In addition, after the Kissinger-induced accords between Israel and Egypt are approved by the Congress, will the future status of the Golan Heights, a sensitive and critical issue with Syria, require the presence of U.S. technicians? In response to my question to him, Secretary Kissinger said he did not anticipate it, but could not rule out the possibility.

The Kissinger-Israel-Egypt accords represent a small step forward. Though a small step, it could be an important one—or it could have unforeseen repercussions.

We must remember that the agreements involve only about 20 percent of the Sinai. Israel still holds the other 80 percent.

The agreements, of course, do not touch the difficult issue of the Golan Heights. They do not touch the West Bank. They do not deal with the problem of the old city of Jerusalem. They do not touch Sharm al-Sheikh. They do not address the Palestinian refugee problem.

It is important to realize that a difficult road lies ahead, with many twists and turns around which none can see.

In determining how I should vote on authorizing the posting of American citizens between two hostile forces, it seems to me I need to consider the entire package of commitments made by Secretary Kissinger, even though we will be voting on only one part of the package at the present time.

I find the decision a most difficult one, as this is only the first of many steps leading to an overall settlement. The process promises to be long and arduous.

Former Under Secretary of State George Ball, whose judgment in regard to U.S. involvement in Vietnam was much better than most, made an important point when he testified before the Senate Foreign Relations Committee. He said that a negative response by the Congress for the use of 200 Americans in the Sinai could bring an unraveling of Secretary Kissinger's painstaking work there.

But then Mr. Ball dramatized the dilemma when he questioned the wisdom of the total Kissinger package and Mr. Kissinger's piece-by-piece attempt at settlement of the Middle East problem. He warned that the use of Americans was "misconceived" and could create a new and "extremely dangerous stalemate in the Middle East."

Secretary Kissinger makes much of the fact that the American technicians will be civilian rather than military. This is preferable, I agree.

But it is a fact which I have heard none deny that our Government's obligation for the safety of the 200 civilians is equally as great as would be our obligation to 200 Americans wearing the uniform of our country.

The question of economic and military aid to the Middle East must also be carefully examined.

The total U.S. economic and military aid package for the Mideast this year will be around $3.5 billion, and the cost for 5 years will be around $15 billion. The secret agreement with Israel is open-ended, and without time limitation. In response to one of my questions, Secretary Kissinger conceded that additional dollars for Egypt would be a realistic assumption.

Another aspect of the aid proposal is the U.S. agreement to guarantee Israel oil equivalent to the supply it has been getting from Sinai oil fields, which Israel is returning to Egypt. The United States also is guaranteeing the money necessary to buy the oil.

The price tag at present OPEC rates is $350 million.

If for any reason Israel cannot obtain the oil, the United States has committed itself to provide the oil from its own supplies, and to guarantee transportation.

Israel also wants to build up her oil reservoir equal to 1 year's supply, and Mr. Kissinger has committed the United States to such an undertaking. The United States will underwrite the $700 million cost—and the cost of constructing the storage facilities.

It should be noted that a 1-year reserve of oil is an objective which the United States, at this time, finds it impossible to achieve. Proponents of a strategic reserve of oil for the United States are talking in terms of a supply for about 90 days—and even this goal cannot be reached immediately.

A part of the Kissinger package of commitments is discussions leading to a positive response to furnishing Israel Pershing missiles.

The Pershing missile with a range of 450 miles could strike at all of Israel's neighbors, including Egypt, Jordan, Saudi Arabia, Syria, and Iran.

This missile is designed for nuclear warheads.

Indeed, there exists no conventional warhead for the Pershing missile.

This weapon, then, could add a whole new dimension to the conflict in the Middle East, and it could force some countries to turn to the Soviet sphere to counter-balance the military escalation.

A true move toward peace would seem to lead to less weaponry instead of more.

Finding it difficult myself to reach an appropriate decision on the pending resolution, I do not fault anyone who may take a different view.

I should like to support the Secretary of State. His Mideast work has been painstaking.

But balanced against this, are fundamental facts.

The United States, by official action of its Government, would be placing American citizens between two admittedly hostile nations, and, in addition, assuming the role of Middle East policeman.

Also, the whole basis of the Kissinger package is an attempt unilaterally to buy an uncertain solution to but one of the many problems that must be solved if an effective peace is to be achieved in the Middle East.

I have great hesitancy in voting to commit the United States to direct, official involvement when the dangers ahead seem without limit.

The alternative is for the United States to continue to take a sympathetic interest, without assuming an official and direct responsibility.

I believe this is a wiser course, and I feel I cannot support the joint resolution.

ADDITIONAL STATEMENTS SUBMITTED ON SENATE JOINT RESOLUTION 138

Mr. BENTSEN. Mr. President, the Senate now has before it an issue which is enormously important, not only to peace in the Middle East but indeed to world peace and our own national security. I speak, of course, of Senate Resolution 138 approving the stationing of American technicians in a demilitarized zone in the Sinai Desert.

Since the accord was announced I have received hundreds of letters from constituents, both opposing and supporting the stationing of American civilians in the Middle East. I am well aware of the controversy this proposal has sparked across the Nation. After having given a great deal of thought to the proposal and after having carefully studied the documents relating to the agreement, I have decided to support placing American civilians in the Sinai. I endorse the committee's efforts to insure that approval of this proposal in no way shall be construed as congressional endorsement of any other commitment made to Egypt or Israel by the United States.

No one in this Chamber has less desire than I to see the United States become embroiled in another foreign military confrontation. But the role of the United States in implementing this agreement will not be a military one. It will be a role of peacemaker, operating an early-warning system in a fair and impartial manner. It will not be a role of taking sides with either nation against the other as in Vietnam. Rather, both sides have requested our presence, both sides have confidence in our ability to carry out our responsibilities there in a mature and even-handed fashion. It is a unique opportunity for the United States to play the responsible international role that our greater power status requires of us.

Mr. President, I would have preferred that the force of technicians provided for in the Sinai agreement not be composed solely of Americans. I would have preferred that it be a strictly United Nations force, or a force comprised of delegations from countries other than the United States or the Soviet Union. But it is clear that only an American contingent would have the full confidence of both Israel and Egypt. And without the presence of Americans, as an added weight to the United Nations buffer force in the Sinai, there would undoubtedly be no Middle East agreement.

I continue to be concerned over the ultimate safety of our citizens in the Sinai. But I believe that the Senate Foreign Relations and House International Relations Committees have developed language which will insure the safety of these technicians to the extent that it is humanly feasible. Not only will our citizens be physically located in an area of the tightest security but also they will be protected by a buffer force of 5,000 United Nations troops. In addition, in the legislation pending before us today, the Congress permits the withdrawal of these technicians if it determines that their safety is in jeopardy or their role is no longer necessary.

Congressional approval of the pending resolution will be an indispensable step toward encouraging compliance with the Sinai agreement. Certainly further progress in the Middle East and the eventual negotiation of an overall Middle East settlement depend to a considerable extent on the successful implementation by all parties of the recent agreement.

There is a direct relationship between implementation of the agreement and security in the Middle East. If the Sinai agreement is adhered to both in letter and in spirit, it will be proof that the moderate, pro-U.S. policies of Egyptian President Anwar Sadat work. The agreement will also enhance the national security of Israel, long a major goal of U.S. foreign policy and today an essential ingredient of a stable Middle East.

Our own national security will be strengthened as a result of the implementation of the agreement. We are all familiar with the enormous cost to our economy of the 1973–1974 Arab oil embargo. This agreement is an important step towards ensuring that that embargo will not be repeated. There are strategic advantages as well. In view of the growing Soviet naval presence in the Mediterranean and the number of sources of tension in that area—Cyprus, Turkey, Lebanon, Spain, Portugal—it is essential that Israeli-Arab tensions be moderated and pro-Western forces in the Middle East be strengthened. A strong Israel and a stable Egypt, both with strong ties to the United States, will be important anchors for a future Middle East settlement and a major bulwark against further Soviet expansion into the vital air and sea lanes comprising the Middle East.

In short, the Sinai agreement offers the United States an opportunity to play a unique and important role in world history, that of peacemaker. There are always a certain number of risks involved in such an undertaking but I am convinced the risks are minimal. This is an opportunity that we as a nation cannot afford to miss. Peace in the Middle East—and our own national security—are at stake.

AMERICAN TECHNICIANS IN THE SINAI

Mr. PEARSON. Mr. President. I support the entry of up to 200 American technicians in the Sinai.

Naturally, I am concerned that every precaution be taken to assure the safety and well-being of these American volunteers. Obviously, they will be withdrawn at the first sign of serious danger.

But, I am also concerned that our actions not be misconstrued by others. Senate approval of this narrow involvement is not tantamount to acceptance of the much broader undertakings that the administration apparently supports.

It is important that the American public, the administration, Israel, Egypt and the rest of the world understand that by our actions the Congress neither approves nor acquiesces in anything but the limited U.S. role in the early-warning system.

In due course we will review the other issues and decide them on the basis of what is in the best interest of the United States and world peace.

Mr. President. Our overriding goal continues to be the preservation of peace in the Middle East. We have learned that the breakdown of peace there can seriously affect the rest of the world.

A new Middle East war carries with it grave dangers of worldwide economic chaos and superpower confrontation. All of our political and diplomatic skills are required to avoid such a disaster.

The use of American technicians is a first step toward a permanent peace. We must take it, for we cannot afford the alternative.

But the next step is for the parties in that area to take. Israel and Egypt must implement the Sinai agreements. Then the Arabs and the Israelis must constructively confront the difficult issues still to be resolved. Either at Geneva or through another mechanism, they must deal with the remaining Sinai territory, the Golan Heights, the West Bank, Jerusalem, and the critically important Palestinian question.

The United States has a role to play in this next step. But we must have the support and assistance of others. We are not the only country with vital interests in the Middle East. Others must now contribute their fair share—politically and economically—to peace in the Middle East.

Mr. President, our continued reliance on bilateral negotiations is not in the best interest of the United States. We must lend our support to peacekeeping efforts in an international context.

The use of American technicians provides time. And during that interval we should move toward multilateral problem solving and away from bilateral approaches.

The American technicians should be withdrawn at the earliest practicable time in favor of a multinational group. I urge the Secretary of State to work diligently toward that goal.

We have the assurance of the President and of the Secretary of State that the American people and the Congress have been told all. We must continue to insist on candor and forthrightness. That is the only basis on which we can properly judge foreign policy initiatives in the Middle East and elsewhere. And it is the only basis on which the American public will support our peace efforts.

Mr. BAKER. Mr. President, for over a month now, the Foreign Relations Committee has struggled with the question of Senate approval of the role of the United States in the recently negotiated Sinai Agreement. The deliberations of the committee have been long and not without controversy, and I sincerely commend the members of that committee for their professional devotion to the interests of this Nation during this difficult period.

In a similar vein, I would like to take this opportunity to commend Secretary of State Kissinger and Assistant Secretary of State Joseph Sisco for the many long hours they have spent in assisting the committee to reach a full and comprehensive understanding of this most important agreement. Their forthright approach in bringing this agreement to the Congress merits our appreciation and respect.

As we all know, the Sinai Agreement has raised serious questions, questions of national policy so serious, in fact, that I am tempted to suggest that what we are really discussing here is not the Sinai Agreement, but the Sinai Dis-Agreement. I do not say this critically, because the questions that have been raised are questions that deserve our serious consideration. They are questions that go to the very foundations of our national foreign policy and to the foundations of the relationship between the Congress and the executive. This is not the first time that these questions have arisen; and, perhaps, it is because we have not dealt more fully with them in the past that they have risen to plague us once again.

The first is the inherent difficulty in reconciling the mechanics of diplomacy and, particularly in this case, diplomacy in a highly charged and volatile atmosphere with the need for an openly-acknowledged and publicly-supported foreign policy. In this light, I want to make clear my unreserved admiration for Secretary Kissinger in persistently pursuing the diplomatic efforts involved in bringing Israel and Egypt at least one step closer to peace. In like manner, I admire the determination of the Foreign Relations Committee in their effort to ensure that the American people are fully apprised of the express and implied commitments involved in this undertaking. I feel that a sincere effort has been made to accommodate this need with the diplomatic needs of the Executive. However, I would hope that, in the interest of the much-needed spirit of cooperation between the Congress and the executive branches of our Government, the Congress will not lightly presume to disclose those documents that, for diplomatic reasons, the Executive would not have us disclose. The ramifications of such actions are far reaching and would not be in the long-term interest of either the Congress or the American people. The commitments of the United States arising under the Sinai agreement can be and should be made known to the public, but not in a manner that constitutes a breach of faith between the two branches of Government.

The second question, the importance of which also transcends the agreement itself, is the binding effect of the understandings between our Government and another concluded without the advice and consent of the Senate. I believe strongly that the concern of the Foreign Relations Committee in this area was legitimate and well justified, and I believe that the approach that they have taken, as evidenced by the resolution now before us, was correct.

The troubling ambiguities that continue to cloud the distinction between Executive agreements and treaties is a problem that must be resolved, and the difficulties we have faced in considering this agreement point out once again the urgency of this need. It is the responsibility of the Congress as representatives of the American people to establish the policies and goals to which the United States is committed. There can be no national commitment that is not an implementation of the pursuit of these goals in what we as the Congress perceive to be in the national interest. Therefore, let it be clearly understood that in agreeing to this resolution, we imply no further commitments on the part of the American people.

Finally, in asking that we pass this resolution, I would urge that we dedicate ourselves to the end to which this agreement is designed to bring us one step closer. We must continue to nourish and support the voices of moderation in the Middle East that have made this agreement possible. We must endorse whatever steps are necessary to ensure that the momentum and progress toward a comprehensive agreement is sustained.

Mr. TUNNEY. Mr. President, we are faced today with the difficult, and if I may say so, unpleasant task of passing judgment on one part of the Sinai agreement negotiated by Secretary Kissinger between Egypt and Israel. It is doubly unfortunate that this is perhaps the most controversial part of the agreement insofar as the United States is concerned. In the light of our experience in Vietnam, it is an issue which must receive the deepest scrutiny and be examined with the utmost of skepticism.

In my earlier statements on the interim disengagement accord, I stated that while I was cautiously optimistic about the agreement, I insisted on two safeguards. The first was complete disclosure of all provisions of the accords—including heretofore secret understandings. The second was the mandatory and immediate withdrawal of American technicians in the event of renewed hostilities.

Both those concerns have been met. The President has assured the committee in writing that all provisions of the agreement have been disclosed. And the resolution reported Tuesday from the Senate Foreign Relations Committee contains a mandatory withdrawal provision.

I think that the committee has done an excellent job in seriously examining this understanding and in creating a measure which makes the maximum contribution toward peace with minimum danger of American involvement.

Proponents of the plan to place American technicians in the Sinai truce zone say that our failure to approve this will mean collapse of the Sinai agreement and a new war in the Middle East in the near future.

But if there is one thing worse than another war in the Middle East it is another war there in which the United

States is directly involved. We must not approve an agreement which can bring that about.

Nor do we want to overlook what this agreement might cost. We are talking about $2.4 billion for Israel and some $600 million for Egypt in the months ahead.

The costs of the agreement are high. That certainly should not be a reason for sabotaging what might very well be our last real chance for peace in the Middle East. And we must weigh those figures in the light of what another war there would cost us.

The October 1973 war cost the United States almost $5 billion in the resupply of Israeli losses in the conflict. Beyond that, the October war produced an oil embargo that cost Americans half a million jobs and over 1 percent of gross national product. The embargo added five points to the price index and set the stage for the most severe recession since the Great Depression.

The financial costs of this agreement, high as they are, may be a bargain compared to the cost if it fails.

While we today are considering a single part of the Sinai pact, we must not overlook the fact that by approving it we would be giving implicit approval to the existence of that pact. The stationing of Americans in the Sinai is part of a package, a package that was negotiated with great difficulty by Secretary Kissinger between two hostile nations with a bloody history.

There are many standards by which Secretary Kissinger's arrangements can be judged. We do not have to be happy with each of those arrangements in order to consider the sum of them desirable.

The overriding question—and I cannot emphasize this enough—must be whether this agreement brings closer peace in the Middle East. If it does that, the risk to any of our citizens in that area is decreased.

There already are thousands of Americans and their families in the Middle East, both in official positions and in private industry. We must consider their fate as well as the fate of these 200 technicians.

From a strictly American viewpoint, should these American technicians be stationed in the Sinai truce zone? Obviously there is some risk. The troops of other members of the United Nations have suffered casualties there, largely from land mines left over from the October battles. If this move were merely to improve our own intelligence capabilities, I most certainly would vote against it.

But both the Egyptians and the Israelis are urging us to do this. Does that change the picture? It certainly makes it different from Vietnam where we went in on behalf of one side in an ongoing war and with no clearcut stand that would prevent expansion of our presence.

With both the Egyptians and Israelis agreed on the desirability of an American presence in the Sinai—and let us not delude ourselves, that is what we are discussing, not just 200 technicians—with both sides agreed, it should be noted that this is one of the few things those two nations have agreed upon in the more than 25 years of existence of the Israeli State.

Much has been made of the risk these technicians will undergo from attacks by Palestinian terrorists.

First, has there been a single attack by Palestinian terrorists on the U.N. forces already in the Sinai between Egyptian and Israeli forces? No.

Second, if the Palestinian terrorists want to bring U.S. intervention in the Middle East, there are much easier targets for them than a handful of technicians surrounded by armed U.N. troops in a remote desert.

There are, for example, hundreds of American children attending school in Beirut, the heartland of the Palestinian terrorists. Many American businesses base in Lebanon. American aircraft, both civilian and military, land at Beirut's airport, overflying Palestinian camps on the final approach.

If the Palestinian terrorists wanted to bring American intervention in the Middle East, they could have done it many times in the past. Indeed, warships, of the U.S. 6th Fleet several times have steamed offshore in readiness to protect Americans and American interests in Lebanon if the fighting there escalated to the point where such intervention became necessary. Bringing 200 technicians out of the Sinai would be a far easier proposition, if it came to that.

Americans already in the Middle East live in a far more vulnerable environment to attack than the Sinai desert.

I call your attention to the article in the October 6 issue of Newsweek in which Beirut bureau chief Nicholas Proffitt quotes his own 3-year-old son as asking "Guns finished, Daddy? Guns go home?"

American businessmen, educators, journalists and their families in Lebanon have been in far more danger in recent weeks than the technicians in the Sinai would be.

What it comes down to is this: Will the stationing of these American technicians in the Sinai contribute to peace and stability in the area? It is clear to me that it will.

Yes, there are risks involved. Landmines are a hazard. There is a possibility of assassination or kidnapping when the technicians are off duty in Egypt or Israel. But as anyone who has been there knows, the truce zone itself is one of the most peaceful areas in the Middle East.

I am not happy about the entry of Americans into the Middle East equation. It might be better if they were joined in their role by Russians, or Brazilians or Italians or whomever. But that is not what Egypt and Israel have asked.

If we do vote in favor of placing these technicians in the Sinai, we must be assured their numbers will not be increased without approval by this body. We must be assured that they will be pulled out of the Sinai as soon as the parties concerned agree their presence is no longer necessary.

And we must be assured that this new Sinai pact will not be considered the end of the road. We must move ahead toward a lasting Middle East peace.

It is significant that Syria is not happy about the new agreement. Syrian President Hafez Assad, in his own context, is an Arab moderate also. We must build our friendship with Syria and work toward a satisfactory arrangement on Syria's Golan Heights frontier with Israel.

King Hussein of Jordan has always been one of this country's staunchest friends in the Middle East and we must not neglect him because of that. I opposed the original terms of the transfer of Hawk missile batteries because I believed the arrangement to be out of all proportion to Jordan's true defense needs. I hope we now are arriving at a compromise that will avoid destabilizing the arms balance in that region while still meeting the valid defense needs of a good American friend.

A way must be found to satisfy the legitimate right of the Palestinians to a homeland of their own.

There must, always, be assurance of secure borders for Israel, our close friend.

If approval of American technicians for the Sinai truce zone will keep us moving in that direction and widen the opportunities for real peace in the Middle East—if we say, "Dr. Kissinger, we will agree but do not stop, keep things moving,"—then there is reason to approve this part of the pact.

While I will remain reluctant at any time to vote for the commitment of Americans overseas, I will vote in favor of the proposal stationing American technicians in the Sinai because I sincerely believe the opportunity for a lasting Middle East peace outweighs the risks involved.

Mr. President, I ask unanimous consent that two excellent editorials from the Los Angeles Times and the Washington Post be included in the RECORD following my remarks. I also ask for inclusion of an insightful article by Mr. Stephen Rosenfeld on the same subject, the approval of the Proposal for an Early Warning System contained in the Mideast Interim Disengagement Agreement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Aug. 24, 1975]

SINAI: ODDS-ON BET FOR PEACE

The new Sinai accord that is being shaped into final form as Secretary of State Kissinger shuttles between Egypt and Israel will involve the United States more directly, formally and expensively than ever before in the effort to bring peace to the Middle East. There are undeniable risks to that involvement. But there are also promises of considerable gains. We believe those benefits make this a worthwhile agreement that deserves the support of Congress and the American people

The major potential risk in the augmented US role, one that deeply concerns Senate Majority Leader Mike Mansfield among others, is the participation of the 150 or so civilian technicians who will be sent to the Sinai to operate the electronic gear that is designed to detect surprise military moves by either Egypt or Israel.

In a worst-case scenario, a sudden breakdown in the armistice could find these Americans caught in the middle of a new war, their lives in danger, the need to evacuate them requiring U.S. military intervention and conceivably American involvement in the fighting, a circumstance that could lead to a Soviet response and the big-power confrontation that all fear.

In a world of uncertainty that could happen. But in a world of uncertainty anything can happen, and policymakers, recognizing this, can only play the odds, can make their decisions only on the basis of what is credible and likely. The odds favor a Sinai agreement that will hold. Those odds would be strengthened, we think, by the very presence on the ground of the American technicians, as well as by the incentives to keep faith with the agreement that will be provided in the substantial economic aid package for both Egypt and Israel that the Ford Administration will recommend to Congress.

Simply put, both sides by any rational calculation would lose infinitely more than they could hope to gain by violating an agreement in which the United States is serving as a guarantor, thus sacrificing their relationships with this country. Common sense and self-interest weigh heavily against that happening.

The advantages of a durable agreement to Egypt and Israel are many: reduced psychological tensions, U.S. aid, most of all the chance to go about improving their war-weakened internal economies. In those advantages to others inhere benefits to the United States.

The new Sinai accord is scheduled to run for three years. That probably means three years of no major fighting in the Middle East, because Egyptian participation is essential if any Arab-initiated conflict is to have hope of success. Three years of no-war probably means three years without an oil embargo by the Arab producing states, a matter of vital concern to the United States and other industrial countries.

None of this will be inexpensive for the United States. Aid programs running into the billions for Israel, Egypt and perhaps other Arab countries are being talked about. But compared to the manifold effects of a new war—not least on the world economy—the costs will be cheap.

The full extent of those costs and of the American role in the Middle East in the years ahead await explanations by Kissinger and the President once the Sinai accord is signed. It is essential that these explanations be complete and candid. Congress, which must approve of the American undertakings before they can be implemented, must be made wholly aware of all implicit and explicit commitments that have been made. From what is known the Sinai accord and the American role in it are clearly in the national interest. But the national interest also requires that all the facts be openly presented.

[From the Washington Post, Sept. 5, 1975]

Mideast: The Larger U.S. Role

(By Stephen S. Rosenfeld)

The new Egyptian-Israeli agreement makes conspicuous and probably irreversible what was only dim and tentative before—that deepening American engagement is the key to what promise there now is of bringing a settlement to the Middle East.

It remains no less vital than ever for Arabs and Israelis to adopt the new perceptions and habits that alone will allow them to live side by side in true peace. But pending their mutual maturing, which may take decades, there remains a need for a framework in which war can be avoided, tensions reduced and sub-issues defused.

Only the United States can provide such a framework. Only the United States has the standing with all the regional parties, including (just barely) coexistence-minded Palestinians, to act as a mediator. Only the United States has the military and diplomatic credibility to make promises and take on burdens in a manner satisfactory to the parties. Communist propaganda and New Left rhetoric notwithstanding, only the United States is free of the disabling suspicion that its motives are too impure.

Accordingly, the latest agreement must be seen for what it is: not merely as a personal achievement of the diplomatic legerdemain of Henry Kissinger; certainly not in itself as an increment of the "just and lasting peace" that is everyone's putative goal; but as an example of and a precedent for the growing American involvement that has become essential if the settlement process is to go on.

Uadav Safran of Harvard presciently pointed out in Foreign Affairs magazine a year ago that it was American commitments that had brought the first Israeli-Egyptian and Israeli-Syrian disengagement accords into being and that "additional and increasingly weighty American commitments" would be required and, he suggested, would be made to move negotiations forward on the much more difficult issues that remained.

Precisely in this mode of the United States' offer of civilian technicians, military and economic aid, and other assurances (not all of them yet public) collectively became the crucial ingredient that made possible the new agreement. "Mediation" does not even begin to describe the scope of the role the United States is assuming in the Mideast. Overseer, patron or guarantor are all better words.

I chatted with Safran the other day, and he said the American role will likely widen similarly in the Syrian-Israeli negotiation, which is the necessary sequel to the Egyptian-Israeli accord just concluded: An American Golan presence will let Israel withdraw further. With the precedent for Americans as a buffer now set, he suggests, the United Nations peace units—much more vulnerable to political juggling—may fade out. At the end of the line, he believes, lies an American-Israeli defense treaty that may appear in its context as an easing of the American burden, a welcome clarification of the U.S. role.

The search for a settlement must not be sidetracked by American election-year politics or uncertainties over who will be President or Secretary of State after 1976, Safran warned.

Will the Congress and the country go along with this major new development in American policy? I would say, yes, if . . .

If the administration properly explains the difference between participation in a military capacity on one side in a civil war in Vietnam and participation in a broad political role on both sides in a regional dispute in the Mideast.

If Americans come to understand that the great moral, political and economic stakes for the United States in the Mideast do in fact compel a significant American role—with all of its undeniable though, with care, reducible risks.

If the administration consults with Congress constantly and honestly so as to minimize the possibility that the new American Mideast role will fall victim to the strictly institutional conflict of Congress and the executive branch that has plagued policy in so many other areas.

If the United States grasps that an imaginative, expeditious and unrelenting quest for a settlement of all of the outstanding issues—none of which has yet been meaningfully addressed—is the only basis on which it makes any sense to head into this brutal thicket.

On tactics and details a hundred questions remain open: whether to go to Geneva, what to do about Jerusalem, and so on. But on grand strategy, Congress and the rest of us ought to look at the latest Israeli-Egyptian accord as the wave of a future in which, under the American lead, peace could eventually come to the Mideast.

[From the Washington Post, Sept. 3, 1975]

The Mideast: A Chance for Peace

Secretary Kissinger: I think it gives peace a chance in this area, and the consequences the U.S. pointed out repeatedly of stalemate are simply unacceptable.

President Ford: I am sure there will be some critics, but I think in all honesty they have to understand what the alternatives would have been.

Secretary Kissinger: Exactly, Mr. President. That is the problem, that the continuation of the stalemate would have had both military and economic consequences for the world—that we had to do something.

That exchange was all but lost in the torrent of hyperbole and general bonhommie that poured forth in the tape-recorded telephone conversations conducted by President Ford with Secretary of State Kissinger, Israel's Prime Minister Rabin and Egypt's President Sadat in celebration of the latest Israeli-Egyptian disengagement agreement on the Sinai. But it seems to us to sum up pretty well what has—and has not—been accomplished by Mr. Kissinger's tireless labors and by the commendable willingness of both the Israelis and the Egyptians to accept some risks for the sake of further movement away from increased tension and instability in the Mideast and toward a comprehensive settlement. It is idle to speculate about which party got the better of an intricate three-cornered deal which combines Israeli territorial concessions with Egyptian political commitments and American pledges of military and/or economic aid to both parties, with all the elements delicately interlocked and some still secret; one can only assume that agreement was reached because both parties were satisfied that they were getting all they could in a situation where concessions from both sides were not easy to come by. Similarly, it would be silly for anybody to be impressed, at this stage, by the President's loose resort to superlatives. There will be ample time for history to judge whether this accord, which differs only in degree from the earlier disengagements on both the Syrian and the Egyptian fronts, is a "great achievement, one of the most historic, certainly of this decade and perhaps in this century," as Mr. Ford would have us all believe. This is one of those flights of rhetoric that Presidents seem to be unable to resist when they are trying both to sell something to Congress and to prepare for an election campaign.

Still, it would be useful, in our view, if the impulse to oversell could be resisted in this case for the very reason suggested by Secretary Kissinger. "The consequences of stalemate," he said, "are simply unacceptable." What he might have added is that the consequences of stalemate, at any point short of a final Mideast settlement are unacceptable—which is to say, they will be no more acceptable in the months and years ahead than they were in the months leading up to Monday's interim accord. Nobody can be certain, of course, what would be the consequences if there was no further progress with respect to the Israeli-Syrian front on the Golan Heights, for example, or with respect to the West Bank. What is clear is that these issues remain unresolved, that the grievances of the Palestinians are still unanswered, that the Egyptians have reclaimed no more that a fraction of their Sinai territory, and that continuing stalemate on these matters will swiftly create a circumstance little different from the one that Mr. Kissinger described in defense of Monday's interim agreement: a circumstance threatening "both military and economic consequences for the world that we had to do something about."

That, it seems to us, is the real significance of the latest Sinai disengagement agreement. For if the U.S. felt a heavy obligation to break the statement of the past few months, it has incurred an even heavier obligation under the terms of that agreement to promote the sort of comprehensive Mideast settlement that would put an end to stalemates in the area, once and for all. A case can be made, of course, that the President and Mr. Kissinger had no right to deepen the American involvement by agreeing to deploy United States civilians in the Sinai desert to monitor early warning devices, and by making American military and economic assistance so integral a part of an accord between Israel and Egypt. No doubt that issue will be sharply debated in Congress, judging from the firm opposition already announced by Senators Mansfield and Jackson. But it will not be, in our view, a very profitable debate. For one thing, the Vietnam analogy so loosely invoked against the dispatch of civilian technicians is scarcely applicable to a purely non-partisan peace-keeping mission requested by both sides. For another, the Congress is not being offered a narrow choice; to oppose any part of this interconnected agreement would be to torpedo it altogether, and that is not something that very many members of Congress are likely to want to do.

So we would hope that the debate in Congress and in the administration will turn quickly to what comes next. Should the United States take the lead in reconvening the Geneva Conference? Should this country advance a comprehensive settlement plan of its own? How can American diplomacy best be brought to bear on all the particpants? How much leverage is left to the United States now that so much in American military and economic assistance has already been firmly pledged? These are the questions that will have to be answered, once the welcome-home ceremonies are over and the claims of historic achievements have been fully aired. For what has been achieved is no more than a thoroughly welcome—but temporary—foreclosing of an intolerable alternative. And what has been provided, as Secretary Kissinger correctly stressed, is no more than a "chance" for peace.

Mr. MORGAN. Mr. President, after a great deal of soul searching, I have decided I shall vote for the resolution to station observers in the Sinai. There is no doubt this is one of the hardest decisions we have had to make. In order to decide this question with any real peace of mind, we would have to be able to see into the future, and we cannot do that—especially not in the Middle East.

Frankly, I do not like the alternatives we have. In my opinion, this ought to be a United Nations responsibility. But it does not appear that in the U.N.'s present political climate it will take up this duty. Nor would Israel be well advised to accept United Nations observers as the key to their safety, given the widespread animosity to Israel among the U.N. membership.

They will have no observer but the United States. They trust us, and history has shown very recently that we are perhaps the only major nation they can trust.

Thus we have the alternatives of putting 200 American volunteers in harm's way, or of doing nothing. The first course of action of course does involve the possibility of conflict. But the second course of action, that of doing nothing, involves not only the possibility, but the certainty, of conflict. Two governments—in Egypt and in Israel—have put their existence on the line. Should they be repudiated, the war parties in each nation would surely take over.

This agreement attempts to take advantage of the slightest possibility that there can be peace in the Middle East. If we do not seize the advantage, and war results, there will not be the slightest practical advantage to us; it will be a course forced on us by a history of events which have been too long in the saddle, riding us.

Since the last Mideast war, three important things have happened. First, the level of armament on both sides has risen to a terrible level. A war would approach the scope of a holocaust, with terrible loss of human life. War would also mean an absolutely huge expense of materiel, which we will have to replace at an equally huge cost.

Second, a resupply operation of the type which saved Israel last time has become diplomatically inadvisable for us. We used our bases in the Azores, a Portuguese possession, to refuel the transport planes resupplying Israel. Now, with a revolution in Portugal, there is no party to the government there which is not hostile to Israel, and which would take lightly our landing Israel-bound planes there. With a Socialist or Communist government in Portugal, and with OPEC's economic blackmail of other European nations, we could well court the destruction of NATO with another Mideast war.

Third, the United States has finally begun to move toward a more even-handed foreign policy in the Middle East—one which recognizes that we have valuable economic interests in the oil-producing states. If war comes, that hopeful beginning will be given up.

These matters argue for our taking the course of peace, even if it is a dangerous course.

Now, I think the point is well taken that there is no real comparison between the situation in Vietnam and the one in the Sinai, or between the Tonkin agreement and the measure we are considering here. In Vietnam, we already had 16,500 soldiers in a shooting war, and the Tonkin resolution was an agreement to defend one of the parties to the conflict by force of arms. In the Middle East, we have an armistice in effect, and we agree to come in at the expressed invitation of both parties. Moreover, we come in to keep the peace, not by force of arms, but by observing and keeping both sides honest.

These people will be civilians, and they will be going in as volunteers. The State Department is already keeping a file of people—some of them my own constituents—who have said they want to go do this job. Besides, this is nothing new. We have had observers in the war zone since 1949, without a casualty, and we presently have 36 on the Golan Heights.

I do not intend to suggest by this that I believe this resolution cannot get us into some kind of trouble. It could very well do that, especially given the danger of unilateral action by terrorists. But we will be in trouble for sure if we do not act. As they say in my home State, we are between a rock and a hard place. The point is, when you are in such a position, you eventually have to choose one or the other. The resolution appears to me to be by far the better choice.

Mr. President, there has been a lot of talk about what will happen if the representatives of the "poor little" United States are swept aside in the onslaught of attacking armies in the Middle East. But I do not believe we are as helpless as we seem to think. It might do us good to stop thinking of ourselves as helpless pawns caught between opposing armies. It would be a lot healthier to see ourselves as the strong and mature person who steps between two adversaries and stops their fight, because both respect us, more than they hate each other.

Mr. TAFT. Mr. President, I support Senate Joint Resolution 138, and I support it in the form passed by the House of Representatives.

The basic necessity for approval of the resolution is clear. Without it, the Sinai agreement is abrogated. If the agreement is abrogated, our peace efforts in the Middle East will have failed and a new and intensified state of confrontation between Israel and Egypt will develop. Such a state of confrontation is likely to result in a new war which could, because of our existing policy of defining our interests in the Middle East as vital, lead to American involvement and a clash between the great powers. We already had a taste in the oil embargo of the economic effect—$10 billion, at least—of such a confrontation, even if it did not involve general hostilities. It is this basic and correct line of reasoning which necessitates approval of Senate Joint Resolution 138.

Several arguments have been advanced during this debate which, while they do not affect the above reasoning, do require some comment.

One is that the agreement creates a new level of American commitment in the Middle East. This is not true. The agreement is merely an expression of our long-standing policy of supporting Israel's right to exist and of working with all the regional powers to further a generally acceptable peace. In particular, the agreement merely recognizes our long-standing commitment to support as necessary to preserve the basic existence of the state of Israel—it does not create or enlarge that commitment. Our military forces have not been asked or pledged as part of that commitment. Those who oppose the agreement with this line of argument should, to be consistent, go to the root of their disagreement and ask for a reconsideration of our existing national commitment to Israel.

Another argument which has been advanced, in the form of several amendments which I have opposed, is that we should incorporate into Senate Joint Resolution 138 strict prohibitions of the executive's use of U.S. military forces in any way to protect the technicians. Really, this is not the question being debated. The fear is not that a Marine helicopter might be used to evacuate some technicians. The real fear is that the executive might deliberately misinterpret the agreement so as to use an attack on the technicians as a casus belli, as a pretext for sending in U.S. troops for purposes far larger than protecting the technicians. Let us admit it: That is the real fear being expressed in this Chamber by those raising this issue.

I do not share their fear, and the reason I do not is not naivete. I recognize how executives have, in history, engaged in this sort of manipulation of laws and of legislatures—Bismarck was a good example of a practitioner of such manipulation. So was Theodore Roosevelt. But I do not fear that happening at this time, in this country, in relation to this issue, simply because I know that we, in the Congress, would never permit such a subterfuge on the part of the Executive. I know that not only those who have raised this fear today, but many other Senators, myself included, would act immediately and decisively to call to account any administration which tried to initiate an American military commitment into the Middle East by subterfuge.

Such an action is just not politically possible. It is not possible in terms of the way the Congress would react; it is not possible in terms of the way the American public would react; it is not possible in terms of the War Powers Act, or of the legislative history of this joint resolution. And the legislative history is clear: There is no intention by Congress, directly or by implication, that anything in this resolution shall constitute reason or excuse for the United States to undertake to further its policy in the Middle East by force of arms. Using the Clausewitzian definition of military action as, "the furtherance of politics by other means," there is nothing in this resolution calling for military action. An administration would have to be deaf, dumb, blind, and stupid to attempt to twist this resolution into a justification for such military action. And it would not get away with it, if it did try it.

Mr. President, I return again to the fact that, all these peripheral arguments notwithstanding, the basic logic which requires our support of the resolution is clear. The same logic indicates that we have a responsibility to complete action on the resolution in both Houses of Congress as quickly as possible. The agreement must be implemented as quickly as possible, to avoid the danger of a possible breakdown of the agreement and a new confrontation. Accordingly, I will support the House language, so that we may avoid a conference and complete action before the recess. I expect to oppose all amendments, which in any case cannot affect the compelling logic behind the resolution. I suggest to my colleagues that they consider doing likewise.

Mr. **RIBICOFF.** Mr. President, I strongly support the proposal to station an American peacekeeping team in the Sinai. If approved by the Congress, this proposal will help protect and insure the peace that now exists between Israel and Egypt.

The interim agreement initialed last month by the Prime Minister Rabin and President Sadat represents an urgently needed first step toward a lasting and final peace in the area. It was not easy for the leaders of either nation to come to this point. Military and political questions for both sides were highly sensitive and it was only through imaginative and courageous statesmanship that an accord was finally reached.

Coming as it does after so many decades of frustration, bitterness and war, this agreement has brought about new opportunities for peace between the people of Israel and the people of Egypt.

The signing of the interim accord again proves that peaceful solutions to difficult problems can be found if there is enough determination, flexibility and understanding. This accord reflects the strong determination of Israelis and Egyptians alike to alter the course of their past relations.

It has always been the goal of the United States to promote peace wherever possible. That goal is the backbone of our foreign policy, whether in détente with the Soviet Union, in our foreign aid programs, or in the Middle East.

Now, an opportunity for peace between Israel and Egypt exists. Both sides have demonstrated their commitment to peace by compromising on difficult questions and finding common answers for agreement. It is our turn to show our commitment to our longstanding goal of peace, and any hesitation on our part will not only jeopardize the fragile peace between Israel and Egypt, it will also cast doubt on our commitment to such a peace.

Both Israel and Egypt are asking us to station an American peacekeeping team in the Sinai to monitor the peace that these two nations have achieved. The Senate Foreign Relations Committee has carefully investigated the terms of this request, and has recommended that the Senate act favorably on this resolution. The report of that committee states:

> The Committee wishes to emphasize that by approving the limited proposal for technicians in the Sinai the Congress does not in any way bind itself to any particular course of action with respect to future proposals.

Let me point out that Americans have been stationed in the Sinai as part of the United Nations peacekeeping force during the past few years. In essence, this proposal will simply separate the American contingent from the rest of the United Nations force. And the size of the United Nations team will be almost doubled as a result of this agreement.

Militarily, the fact that both sides will be using the same equipment and receiving the same information from common and impartial advisors will greatly diminish the possibility of dangerous misunderstandings. And the same sophisticated equipment that will warn both sides of any movement in the area will help protect the safety of the American contingent.

Supporting this proposal and helping to protect the peace in the Sinai is vital to our worldwide interests. Political stability will help create a climate in which the nations in that part of the world can begin to turn their attention away from war, and toward necessary economic development. Such a development will increasingly lead the major nations of the Middle East to seek the counsel and support of the United States. The successful conclusion of the agreement after so many months of negotiation has brought the United States new friends without costing us any of our old ones. With this peace, the United States has the opportunity to expand our special relationships in the Middle East.

The interim agreement has already helped to stabilize the political situation in the Middle East. Finding a lasting peace is a long and difficult path for two nations to take. But this agreement is the start of peace in the Middle East, and the United States must do whatever it can to help Israel and Egypt preserve that peace. I urge swift passage of the proposal before us today. It will be a vote of confidence, in the two nations that have committed themselves with their strong determination to establishing peace, and a vote of confidence in our own commitment to our goal of peace.

Mr. **McINTYRE.** Mr. President, I would like to express a sense of dissatisfaction with the way this resolution was presented to the Senate and the circumstances surrounding the votes we have had on the Sinai issue.

I believe the Sinai disengagement agreement could be a first step toward a lasting peace in the Mideast. I have also stated that untoward delay in congressional approval of the American technician provision of the agreement could result in undermining the shaky peace, and perhaps more importantly, undermining the stature of moderate Arab leaders like President Sadat. So I desired speedy congressional approval after there had been ample time for study of the relevant documents and the commitments outlined therein.

Many legitimate concerns have been voiced, Mr. President, about certain aspects of the Sinai agreement, and several amendments have been offered to alleviate these concerns. I agree with the proponents of the amendments that Congress must be informed of all possible commitments in the Mideast and that the approval of the technicians provisions should not be construed to commit the United States to any other actions. I, too, am concerned about the possibility of escalation of the U.S. role, and would have liked to see some provisions to lessen that possibility.

Unfortunately, Mr President, we were faced with a parliamentary situation that did not permit some of these worthwhile amendments. It was imperative that we adopt a resolution identical to the version passed by the House before it adjourned. Otherwise, a conference would have been necessary and final action delayed for at least 10 days. In that context, I believed it was more important to achieve prompt approval of the resolution. But I would hope that the Foreign Relations Committee will continue to consider the problem and, if necessary, report out further legislation to clarify some of the issues raised during the debate on this resolution.

Mr. **MUSKIE.** Mr. President, I stand in support of the proposal submitted to the Senate by the Committee on Foreign Relations to authorize the stationing of up to 200 U.S. civilian technicians in the Sinai desert. In my judgment, the American Sinai surveillance mission is an acceptable arrangement on behalf of the September 4, 1975, disengagement agreement between Israel and Egypt.

The United States, through the good offices of our Secretary of State, served as the honest broker in mediating the Sinai agreement between Jerusalem and Cairo. The accord's center piece is the placement of 200 American technicians in a demilitarized zone for the purpose of observing the activities of Israeli and Egyptian military forces.

As an indication of the confidence in the United States, both parties requested the United States to perform not a military role nor be a participant in the conflict, but to act as an agent of peace. This is a high tribute to our Nation's position in the world. It is the very reason the Governments of Israel and Egypt did not ask the United Nations to man the early warning system in the Sinai.

Ironically, the international organization is not looked upon as a fair and reasonable peace party; only the United States has the prestige and influence over the conflicting parties to mediate. Both sides agree the other side would be reluctant to ask the United States to withdraw. This reluctance, I know, would not exist in Jerusalem if the United Nations force alone were in the Sinai. Egypt's President Sadat has referred to the American civilian technicians as being true "witnesses" to the agreement and Israel's Prime Minister Rabin has said he only trusts Americans in the demilitarized zone.

Monitoring an armistice on behalf of both parties is quite different from our recent Vietnam experience. In that tragic episode, the United States sided with one of the warring parties, leaving the other side actively hostile to our involvement. In this case, without the presence of Americans no Sinai agreement would have been possible.

Some Americans have expressed concern that the Americans posted in the demilitarized zone face potential harm by one of the belligerents. If bloodshed took place, the argument goes, it would lead to a deeper and deeper U.S. involvement. I understand such a concern, in fact I share it to some extent. However, our technicians will be in an area surrounded by 5,000 United Nations troops, protected from attacking armies or Arab terrorists.

Also, the joint resolution we are voting on authorizes the Preident to implement the U.S. proposal for the early warning system in the Sinai, subject to the provision American technicians will be removed immediately when an outbreak of hostilities between Egypt and Israel occurs or when Congress determines the safety of our personnel is jeopardized or their role is no longer necessary.

With regard to the issue of U.S. commitments, I am satisfied that Senate Joint Resolution 138 does not signify approval or disapproval by Congress of any other agreement, understanding, or commitment made by the executive branch. By approving this limited proposal for technicians, Congress does not bind itself to any particular course of action with respect to future proposals.

The Sinai arrangement is a major step toward a peaceful settlement of the dangerous and tragic Arab-Israeli conflict. Without the agreement, and the U.S. part in it, there is a grave risk of a renewed threat to war, a war which Middle East officials and observers agree would be devastating due to the highly sophisticated and powerful weapons both sides now possess. There have been four wars between Israel and Egypt since 1947, each has been deadlier than the last, none have settled the conflict, neither would a sequel.

In fact, another war, besides the destruction to cities and civilian populations, would mean another oil embargo, which would result in the disruption of the economies of advanced industrial countries, including our own, with the attendant inflation, recession, and unemployment. The State of Maine, for instance, could not afford such a development. Another war would also push the two nuclear super powers—the United States and the U.S.S.R.—toward renewed tension and confrontation.

Enhancing the prospect of peace and stability between two bitter belligerents in the Middle East is a vital interest of the United States. The Sinai agreement, which establishes an American-manned early-warning system, strengthens that cherished prospect. This diplomatic development is the best chance the American people have to influence peace in the area. Indeed, the accord is the first positive agreement reached by the parties to the conflict without having been immediately preceded by warfare. That is a favorable omen. It is necessary then to maintain a momentum in the Middle East peace process. This joint resolution helps. I shall vote for the proposal to place American civilian technicians in the Sinai.

Mr. CLARK. Mr. President, I vote in favor of Senate Joint Resolution 138 with the greatest reluctance. As I have repeatedly stated during the course of this debate, I have grave misgivings about the nature and extent of the commitments to which we may be binding this Nation in the agreements with Israel and Egypt.

Nevertheless, I am convinced that the sending of U.S. technicians to the Sinai may, indeed, be necessary if the Egyptian-Israeli disengagement accord is to be implemented. In the hope that this accord will lead—in the near future—to the overall settlement that is so necessary if we are to achieve peace in this troubled area, I shall vote for final passage of Senate Joint Resolution 138.

Mr. President, I ask unanimous consent that a speech on this matter by former Senator J. William Fulbright be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BEYOND THE INTERIM AGREEMENT

(By J. W. Fulbright)

The significance of the Egyptian-Israeli interim agreement of 1975 is less in its specifications than in its implications, and these, as matters stand, are by no means clear. If the disengagement generates momentum toward further, more substantial agreements and toward a general settlement, Dr. Kissinger's diplomacy will be vindicated as successful and far-sighted. If, on the other hand, the agreement becomes an excuse for Israeli intransigence, extremism on the part of one or more of the Arab parties, and a holiday from statesmanship during the forthcoming American political season, the Sinai accord will stand—depending upon events—as something between a futile exercise and an outright disaster.

One point I cannot emphasize too strongly is that this interim agreement should not, in any respect, be approved until its full implications have been thoroughly examined by the relevant Committees of Congress. It is just 11 years since the Congress, under a misapprehension of its significance, approved the Tonkin Gulf Resolution under heavy pressure from the President and without thorough consideration, and the results were disastrous.

Given the extraordinary difficulties which had to be overcome to reach the Egyptian-Israeli agreement, the temptation to overcelebrate is natural. If arduous effort were the sole criterion of diplomatic success, President Ford would perhaps be justified in hailing the Sinai agreement as "a great achievement, one of the most historic certainly of this decade and perhaps of this century." If, on the other hand, we take the scope and sweep of an achievement as the measure of its significance, I do not think the Sinai accord is to be compared with, say, the Treaty of Versailles, the World War II peace treaties, or even more recent agreements with the Soviet Union on SALT or on the status of Berlin. Perhaps, where Arabs and Israelis are concerned, the truly remarkable fact is that, after decades of intransigence, they finally agreed on something, however limited. As Dr. Johnson said of the dog walking on his hind legs, "It is not done well; but you are surprised to find it done at all."

An objective evaluation of the agreement requires a close, dispassionate examination of its specifications—explicit and implicit, public and secret—and also for its costs. Equally if not more important is an appreciation of the interests and objectives of all those involved. Before commenting further on the interim agreement itself, therefore, and on what may be beyond it, I would like to suggest that I believe to be the central, crucial interests of the United States in the Middle East—interests which must serve as guideposts to a rational, responsible policy.

I. UNITED STATES INTERESTS

The catalogue of our interests is well-known and hardly contested: the survival of Israel; access to oil and the friendship of the Arabs; the avoidance of confrontation with the Soviet Union; and the strengthening of the United Nations as an international peace-keeping agency. What we evidently do not agree upon among ourselves is the priority of these interests and the appropriate means of reconciling them where they conflict. To the Israel lobby if I may use the newspaper term—with its extraordinary influence on our politics—the requirements of Israeli security, as judged by the Israelis themselves, are the commanding objective of American policy. In my view—which is a minority view in Congress and the press but which I have a hunch is more widely shared among the people at large—the commanding American interest in the Middle East is access to oil. Our interest in Israel is emotional and ideological; it is in our interests for Israel to survive because we wish Israel to survive. Our interest in Arab oil is a matter of vital economic necessity, tangible and urgent—more urgent indeed than is now recognized by any but a few energy experts.

There is little reason to hope—and much reason to doubt—that the trumpeted "Project Independence" in energy is going to succeed within the next five or ten years. One reason for this is political: as of now Congress simply does not have the will or capacity to adopt a rational program of energy conservation and of incentives for new production. Beset by political pressures, the majority in Congress seem committed to a national policy—if it can be called that—allowing rising consumption of a diminishing resource at artificially suppressed prices.

Since even the United States Congress cannot legislate into being resources which do not exist, the inevitable result has been rapidly rising imports. Between 1967 and 1974, while our overall oil consumption rose from something over 12.5 million barrels a day to more than 16.5 million barrels a day, the proportion of our overall oil requirements imported rose from just over 20 percent to almost 37 percent, while the proportion of overall imports coming from the Middle East and North Africa more than doubled—rising from 10.2 percent to 20.6 percent.

Of and by itself there is nothing wrong with moderately increased dependence on Arab oil. But Congress, while allowing the dependency to grow, at the same time gives all-out military and political support to the Arab oil producers' most feared enemy, Israel. Doubly reckless, Congress both refuses domestic conservation and jeopardizes foreign sources, and with this there is a great deal wrong. One does not have to be a master political strategist—one only needs an iota of common sense—to recognize that it is not prudent to allow yourself to become economically dependent on a foreign supplier while at the same time you pursue political policies guaranteed to antagonize that supplier.

We may denounce the threat of embargo as blackmail, and perhaps that is the right name for it, but it is more to the point to note that if the Arabs did not use their economic power in their national interest, they would be the only nations in the world—most assuredly including the United States—and perhaps the first nations in history—who declined to do so. In short, to give priority to Israeli interests would logically require draconian measures of conservation, such as high prices and rationing, while to give priority to domestic energy requirements would require an Israeli pull-back to the '67 borders and a comprehensive settlement in accord with Resolution 242. It is a hard dilemma, but it is inescapable.

Besides the political reasons, there are weighty economic and technological reasons why "Project Independence" is unlikely to succeed within the next ten years. The so-called exotic new sources of energy—nuclear fusion, solar and geothermal energy—cannot be expected to contribute in any important degree to our energy supply within the next decade. The more practical short term alternative to petroleum—coal and nuclear energy—will certainly be used in far greater quantities, but it now seems unlikely that they can come anywhere near filling our fast-rising domestic energy deficit over the next ten years. The opening of the Alaska pipeline, expected in 1977, will give a welcome boost to our domestic oil supply, and the decontrol of domestic oil prices—if it occurs—may provide incentive for new domestic exploration and production. But these too will be insufficient to fill the gap, all the more for the fact that any short-term gains in domestic oil production will be counteracted by the steady, rapid decline in our domestic natural gas production.

Not only is energy self-sufficiency a virtual impossibility over the next decade or more; our dependency on imported oil is almost certain to increase—unless we are prepared to pay the price of deep, long term recession in our national economy. There is an historically established link between economic growth and rising energy consumption. Perhaps some day the two can be decoupled, but that does not seem imminent. Undoubtedly too a depressed economy would have beneficial energy-saving and environmental effects. The price, however—high unemployment, under-financed education, deteriorating cities and rising crime—is clearly unacceptable, both socially and politically.

The alternative—the only alternative—is rising oil imports—which brings us to the question of where the imports are to come from. Throughout the 1950's and 60's at least two-thirds of our oil imports came from Western Hemisphere sources, primarily Canada and Venezuela. But Venezuelan production has peaked and is now declining, and Canada has adopted an official policy of phasing out oil and gas exports to the United States—a policy, I might note parenthetically, which has elicited no calls for the invasion of Canada. By 1975 only 60 percent of our oil imports were coming from the Western Hemisphere. At the same time—as already noted—the proportion of our imports coming from the Middle East and North Africa doubled between 1967 and 1974—rising from 10 to over 20 percent of total imports.

We may expect in the next few years to buy more oil from Nigeria and Indonesia and a few other countries, but most of our rising import requirement is going to have to come from the Middle East. The reason, quite simply, is that that is where the large reserves are; that is where production can be increased to meet our needs. And there is no other place in the world, so far as anyone knows, with comparable reserves—except possibly Soviet Siberia. A forthcoming Library of Congress study projects that within the next decade we will be getting about half of our total oil and natural gas imports from the Middle East.

Saudi Arabia possesses no less than 25 percent of the world's oil reserves, and another 22 percent lies beneath the territory of the neighboring countries of the Arabian peninsula. These countries—especially Saudi Arabia—have governments which greatly desire to cooperate with the United States for reasons of their own national interests. The Saudis have made it abundantly clear that they wish to trade their oil, in effect, for our technology, and further that they wish to invest much of their surplus capital in our economy, while relying primarily upon their association with the United States for their national security. The Saudis do not propose—nor should we seek—an exclusive association to the detriment of others. But they offer us an arrangement of special cooperation and mutual advantage which I have no doubt the French or Japanese, for example, would seize upon as a gift from Heaven.

If all this does not add up to something which deserves the name of "vital national interest," I cannot conceive of what would. And the importance of our good relations with Saudi Arabia and the other Gulf states is reinforced by the fact that as our short term import dependency grows, we are going to have to ask the Saudis to do certain things which are not necessarily to their own advantage. When the current recession of the Western economies ends and the demand for oil rises accordingly, soaking up OPEC's current spare production capacity, we shall have to ask the Saudis to take the lead in resisting large new price increases—as they are now doing—and in increasing oil production beyond the level of their own greatest advantage. As of now there is reason to hope that they will do both, but their future responsiveness to our needs will of course depend upon our overall good relations.

To this end it would seem prudent, to say the least, to reconsider our current attitude of ambivalence and suspicion toward the Arab oil producing countries. Instead of treating their prospective investments as a threat, we ought to welcome them as a boon to our economy. Even indeed if we do mistrust them, we should know from our own foreign investment experience that sizable assets in a foreign country serve more nearly as a hostage than as a threat to that country. Similarly, I think it both unfair to the Saudis and detrimental to our own national interest when the press and Congressional committees reap harvests of self-serving publicity from the fact that certain companies have sought to advance their business by the payment of what in some cases may have been commissions, and in other more accurately bribes, to certain Saudi nationals. It is rumored that the practices in question are not unknown here in our country. One wonders, therefore, whether the righteous indignation now being directed toward reforming the business ethics of foreigners could not more usefully be applied at home.

The deep suspicion directed toward Arabs in general—and toward the Saudis in particular—is not, I think, really rooted in questions of business ethics, or fear of the takeover of important segments of our economy. Nor, I suspect, is it rooted in genuine fear that a close association with Saudi Arabia and the other Arab oil producing countries will be bad for the United States. It is rather rooted, I suspect, in a deep-seated, perhaps not even wholly conscious fear that the association will be good for the United States—so very good indeed as to erode or undercut our all-out, emotional commitment to Israel.

It is at this precise point that our interests in Israel and in the Arab world intersect. Far from being separate and distinct, as we are often asked to believe, the interests involved are inseparable, so much so, in my opinion, that neither can be realized in any satisfactory, enduring way except with reference to the other. To state the matter in concrete terms: our emotional and ideological interests in Israel must be reconciled—not sacrificed but reconciled—with our inevitably growing economic dependency on the Arab oil-producing countries.

This necessity, if we are rational, need not strike gloom and fear into our hearts. The Arab states, for reasons of their own security and economic development—with perhaps one or two minor exceptions—are willing and even eager to cooperate with the United States. Nor is there any direct conflict of interests between the Arab countries in general and the United States. The only issue that sets us against each other is our continuing support, through military assistance, of Israeli occupation of Arab lands taken in 1967. The Arab leaders who play decisive roles in this issue—Presidents Sadat and Assad, King Khalid and Prince Fahd of Saudi Arabia, King Hussein, and I believe too Mr. Arafat—are rational and moderate men who are prepared to accept Israel within its 1967 boundaries with all appropriate foreign and international guarantees. "The Arabs," King Khalid said recently, "have learned to be moderate, reasonable. Gone are the days of Nasser's period when the Arabs threatened to exterminate the Israelis."

Our job is to get Israel to withdraw—not to sacrifice or sell Israel out, but to persuade her to a course consistent with United Nations resolutions, with the United Nations Charter itself, with declared American objectives such as the Rogers Plan of 1969, and with our own traditional principle of the right of peoples to self-determination. We do not have forever to carry the assignment out: if the interim Sinai agreement is not soon followed by other, more substantial steps—especially with respect to the central question of Palestinian rights—frustrations will increase and tensions will rise; moderate Arab leaders will either be radicalized or displaced; and a fifth war will follow. Now is the time of opportunity—and it may not soon be repeated.

As we concentrate our attention on the interim agreement, we should not overlook the seriousness of the tragedy which is unfolding in Lebanon. It has been estimated that as many as 3500 have been killed and 13,000 wounded in Lebanon since April. It is reported that radical terrorists have been infiltrated from various areas and that arms and money are supplied to them from the most extreme, radical revolutionary sources. If Lebanon is torn apart by violence, and a radical left wing authoritarian government is set up, all the plans for present or future peace agreements will be seriously undermined. The seriousness of the situation in Lebanon emphasizes the urgency of a comprehensive peace settlement between Israel and her neighbors and the fact that we cannot afford to delay that settlement.

II. THE SINAI AGREEMENT

Measured against the danger and opportunity, and also in terms of our own national interest, the Sinai agreement can be represented as no more than a modest gain at best, purchased at an exceptionally high cost. It is not my purpose here, however, to review its specific terms, which have been much discussed in the press in recent weeks. Reluctantly, I have concluded that I would not wish at this late date, despite my apprehensions and reservations, to see the pact completely rejected, but I think it could be modified. I would hope indeed that all concerned would proceed to make the best of it—the Israelis by entering negotiations in good faith with Syria, and for something more than a "cosmetic" agreement; the Egyptians by carrying out their reported promises in good faith, especially those pertaining to matters on which the Israelis are most sensitive such as the Suez Canal, the boycott of firms which deal with Israel, and the suppression of obsolete propaganda. The United States, for its part, must not slide into a period of election-year complacency on the strength of Dr. Kissinger's "constructive ambiguities." Like the 1973 Paris accord on Vietnam, the artful generalities in the Sinai agreement are fraught with peril for the future—and not necessarily the far distant future—unless the United States acts promptly and vigorously to lead the Middle East parties toward a general settlement based on Security Council Resolution 242. In short, since the interim agreement has been made, what now follows it is of utmost importance.

Through the courtesy of the New York Times and the Washington Post, interested observers have been able to make a close study of many of the "secret" as well as public specifications of the Sinai accords. I point to certain potentially troublesome problems not with a view to undercutting the agreement but in the hope that care will be taken to overcome the dangers and difficulties involved. I might mention that although I would have preferred the use of United Nations personnel, I am not absolutely opposed to the participation of American technicians in the early warning system under the restrictions imposed by Congress—their immediate removal in the event of hostilities and the right of Congress to require their removal at any time.

My more serious apprehensions are directed toward two basic and potentially dangerous shortcomings in the overall agreement: one is the excessive, sweeping United States commitment to Israeli military, energy and economic needs as these are perceived by Israel; the other is what could be a de facto American acquiescence in the new status quo for an indefinite period, masked behind several less-than-constructive ambiguities.

It may be no more than a codification of long-standing practice, but there is potential trouble in the American promise, however qualified, to be "fully responsive" to Israel's military, energy and economic needs as Israel perceives them. The prospective sale—or gift—of Pershing ground-to-ground missiles seems particularly unwise and dangerous. Designed to carry either nuclear or conventional warheads, the Pershing has a range of 450 miles—sufficient to strike Cairo or the Aswan dam; all of Jordan, most of Syria and parts of Saudi Arabia and Iraq. Defense Minister Peres's pledge not to use nuclear warheads is welcome but insufficiently reassuring, owing to the high probability that Israel has in fact a store of nuclear arms, owing too to the fact that even a conventional rocket attack on Cairo or Damascus—or by the Arabs on Tel Aviv—would represent a radical escalation over the previous Arab-Israeli wars, greatly increasing the risk of Soviet-American involvement and confrontation.

At the very least Israeli acquisition of sophisticated new American weapons will add fuel to the Middle East arms race. Egypt and Syria already possess Soviet Scud missiles, shorter in range than the Pershing but still lethal and also capable of carrying nuclear warheads. Israeli acquisition of the Pershing may well provoke Arab countries to seek Soviet missiles of equal range and yield. And if Congress is as lavish as it has been in the past in providing sophisticated arms to Israel, and at the same time as unreceptive to the arms requests President Sadat has warned us to expect, we may succeed in driving Egypt back into close association with the Soviet Union—something the Russians can have little hope of accomplishing without an assist from the Americans. In any event it now seems probable that another Arab-Israeli war will extend beyond desert battlefields to population centers on both sides.

The asymmetry of our military aid policy is highlighted by the difficulties attending the proposed sale of Hawk ground-to-air missiles to Jordan. On the one side we are ready to provide Israel with a full panoply of sophisticated offensive weapons, including the Pershing and Lance missiles and the forthcoming F–16 aircraft. On the other hand the grudging, suspicious attitude of certain Senators and Congressmen toward the sale to Jordan of an effective air defense system has had the effect of insulting, humiliating, and perhaps alienating one of the post moderate, responsible and pro-American leaders in the Arab world.

The American commitment to sustain Israel's economy and satisfy her energy requirements is no less sweeping than the underwriting of Israel's military arsenal. The language of the specific economic commitments, as reported in the press, is provisional, but hardly so provisional that Israel will not charge—and be justified in charging—betrayal if we fail to deliver in all categories. It is technically true, as State Department officials have pointed out, that the Egyptian-Israeli disengagement agreement will remain binding regardless of American compliance or non-compliance with ancillary military, economic and political inducements. But as was discovered following the Paris accords on Vietnam, there is danger in this kind of sleight of hand—danger of misunderstanding and miscalculation, of bluffs being called and delicately balanced structures coming unglued.

I note with particular apprehension the United States commitment to provide oil to Israel even in the event of an embargo, and also to compensate Israel through foreign aid for the loss of the Abu Rudeis fields in Sinai. One wonders why it should be necessary to compensate a country for giving up resources which did not belong to that country in the first place. Consider too the possibility of a general embargo—one against the United States as well as Israel—in which event we would still be bound to make oil available to Israel, under the allocation formula of the International Energy Agency, and also help to transport it. A period of substantial oil embargo would not seem the ideal time for the United States to take on added economic burdens. Extrapolating from the experience of the 1973 embargo, a Library of Congress expert calculates that a six-months' embargo in 1977 would result in additional unemployment in the United States of a million to a million and a half and a loss in gross national product ranging from $39 billion to $56 billion.

In view of the fact that an embargo is only likely to occur in the event of another Arab-Israel war, the question arises whether we would provide Israel with oil regardless of the circumstances which gave rise to the embargo and to the consequent hardships imposed on the American people. Would we provide Israel with oil even if the embargo were precipitated by a war started by Israel? Under the agreement as it stands, it would seem we would be bound to do exactly that. How much preferable—and how much more responsible—it would have been if we had qualified this commitment, and use it as leverage, to discourage any possible Israeli preemptive strike.

The overall cost of the Sinai agreement to the American taxpayers is not easily calculated—among other reasons because the commitment—or provisional commitment—to "make every effort to be fully responsive" to Israel's military, energy and general economic requirements is open-ended as to time, amount and circumstances. The "memorandum of agreement" defines no conditions under which the United States would be released from its promises, even if Israel were to initiate a future conflict. The cost of the foreign aid commitments in the package, however, are more predictable. It has been widely reported that the cost of the Sinai agreement for this fiscal year will be about $2.9 billion—$2.3 billion for Israel and $600 million for Egypt. And Israel's Defense Minister, Mr. Peres, was recently quoted as saying that Israel will need $1.5 billion in military aid annually for at least four or five years. In addition there will be the cost of the commitment to pay for the oil Israel was drawing from Egypt's fields in the Sinai, at least $350 million annually. All these elements add up to a total of about $1.9 billion for the annual foreign aid package for Israel. Projecting this conservative estimate over a five-year period, total aid to Israel will come to $9.9 billion. When aid to Egypt at the level now being discussed is added in, the total direct cost over five years for this modest pullback, in foreign aid alone, will come to $12.9 billion. This turns out to be some $7.5 million for every square mile of sand to be given up by Israel, more per square mile than we paid for all of Alaska back in 1867. It staggers the imagination to contemplate what an agreement on the Golan Heights might cost. The cost to our economy of continuing uncertainty regarding access to oil is incalculable, quite impossible to estimate, but is surely very great.

The second basic difficulty with the Sinai accords is the far-ranging, potentially conflicting political and diplomatic promises made by the United States, which seem to add up to a *de facto* underwriting, for an indefinite period, of the new *status quo*. There would seem to be no *technical* inconsistencies in the language of the accords—only substantive ones which are not easy to reconcile, especially with regard to the withdrawal from the Golan Heights, a serious and difficult problem for Israel as well as Syria.

The Syrian Government has been denouncing the Sinai accords both longer and more intensely than their erstwhile Egyptian allies expected, even to the extent of threatening that Syria will not deal with Egypt as long as the "strange and disgraceful" agreement—as they describe it—stands. The Egyptians, embarrassed and discomfited, point wistfully to the United States assurance that it "intends to make a serious effort to help bring about further negotiations between Syria and Israel . . ." The Israelis, for their part, note with satisfaction the United States assurance that in its view the agreement with Egypt stands on its own and that the Egyptian commitments are "not conditional upon any act or developments between the other Arab states and Israel." This is unquestionably read by the Israelis—and perhaps meant to be read by them—as a promise that the United States will not apply pressure on them to negotiate with Syria. Though not inconsistent in a purely technical way, the American assurances to Egypt and to Israel regarding Syria are scarcely reconcilable in substance. Behind the artful diplomatic language we seem to have come perilously close to having promised one thing to one side, something quite different to the other.

At least for public consumption the Israelis have made it clear that they expect no agreement with Syria, except perhaps a "cosmetic," which is to say, meaningless, agreement. Prime Minister Rabin declared in Jerusalem on September 17, "I see the possibility for an interim agreement in the Golan as very doubtful. And even this may be an understatement." And on September 5 he had said that there was "virtually no chance" for an interim agreement with Syria, among other reasons because the extensive Israeli settlements on the occupied lands "were not established in order to be evacuated." Perhaps secret arrangements have already been made for serious negotiation on the Golan Heights and the tough Israeli rhetoric is only a smokescreen for domestic opinion. But until and unless evidence of this is forthcoming, interested observers must base their judgments on what is publicly known. With this qualification, my own judgment is that prospects for a new, significant Syrian-Israeli agreement are bleak.

What now of step-by-step? Where and how is further momentum to be generated toward peace? In the basic Egyptian-Israeli agreement the parties solemnly affirm that their agreement is not final, that they are "determined" to reach a "final and just peace settlement." As we consider how this general resolve may be realized, it is pertinent to note that in the two memoranda of agreement the United States concurs with Israel that any further agreements with Egypt or Jordan should be part of a final settlement, and the United States further promises that it will continue to boycott the Palestine Liberation Organization as long as the PLO does not recognize Israel. Adding these conditions to Israel's adamancy about Syria, one does not readily discern where the next step is going to be taken, or how and in what form progress may be expected at a reconvened Geneva conference.

There may be promise in Secretary Kissinger's proposal of September 22 to the United Nations General Assembly that a "more informal multilateral meeting" be convened to "assess conditions," but the proposal needs to be thought through and spelled out, especially as to the central question of the Palestinians, which cannot be forever postponed and evaded, however convenient that might seem diplomatically and politically. Pending further clarification of the Ford Administration's future policy—or some as yet unavailable evidence that there really are going to be serious negotiations between Israel and Syria—one can only discern from the package of Sinai agreements a *de facto* American acceptance of the new *status quo*.

Important constitutional questions arise in connection with the American role in these agreements. In addition to the far-reaching American commitment to meet Israel's military, economic and energy needs, the United States is committed to "view with particular gravity threats to Israel's security or sovereignty by a world power," and also in the immediate future to "conclude the contingency plan for a military supply operation to Israel in an emergency situation." These are not absolute, unqualified commitments, but neither are the NATO treaty or our security treaties with Japan and others, all of which allow for action through our constitutional procedures. If these were thought of sufficient solemnity to justify treaties ratified by the Senate, why are the equally if not more far-ranging promises to Israel in the Sinai accords contracted through semi-secret "memoranda of agreement?" Was the Congress's vigorous and vaunted reassertion of its foreign policy powers restricted to matters of the late war in southeast Asia, or trade with the Soviet Union, or aid to Turkey? In short, does the constitutional principle vary with the issue? As Congress considers the various aid packages and other proposals connected with the Sinai agreements, I most respectfully urge my former colleagues to bear in mind the responsibilities which they themselves affirmed through the War Powers Act of 1973, the Case Act of 1972 requiring the reporting of all executive agreements, and the National Commitments Resolution of 1969 in which the Senate expressed its sense that "a national commitment by the United States to a foreign power necessarily and exclusively results from affirmative action taken by the executive and legislative branches of the United States Government through means of a treaty, convention, or other legislative instrumentality specifically intended to give effect to such a commitment."

The Ford Administration in general—and Secretary Kissinger in particular—are undoubtedly taken aback to see their Middle East handiwork criticized for its limited achievement and high cost. In their view—and I believe it to be accurate—they were doing all they could do within the confines of political reality, foreign and domestic. How, they ask, could Israel and the Arab states have been brought to a general settlement when it took all the diplomatic skill we could muster—and billions of dollars besides—to bring Egypt and Israel to this very limited agreement? How too, they must ask—and this with no small irony and vexation—can Congress express apprehension at the magnitude of our military and economic commitment to Israel when only five months ago 76 Senators signed a letter virtually demanding—and in effect compelling—these very commitments?

All of which points up one very crucial, central fact: that the key to peace in the Middle East is in the internal politics of the United States. As long as the Israeli lobby retains its extraordinary power to mobilize large majorities in Congress, the executive will be accordingly hobbled in any efforts it may care to make to bring the Middle East antagonists to a peace based on Security Council Resolution 242. As long as Congressmen and Senators are unwilling to face the political risk, possible loss of campaign contributions, and personal unpleasantness of well-organized pressure campaigns, we can expect little in the Middle East except deadlock, terrorism, tedious negotiations with little if any result, and in due course, sooner or later, the fifth Arab-Israeli war.

Perhaps, not for the first time, the American people are ahead of their leaders. A poll taken for the Gannett News Service in early September showed 64 percent opposed to the United States compensating Israel for the loss of Egyptian oil. A National Observer readership "plebiscite" taken in mid-September showed almost 77 percent opposed to the assignment of American technicians to the Sinai. A poll taken by Congressman McClory in his Illinois district earlier this year showed 60 percent favoring Israel's withdrawal to secure pre-1967 borders, as established by the United Nations, as a condition of continued American military aid.

Public opinion polls should not be allowed to dictate foreign policy, but neither should organized minorities. A rational American policy in the Middle East must be solidly rooted in the American national interest, modified so far as necessary by a sense of decency and compassion toward those who have suffered so much in this decades-long tragedy. The aspirations of all concerned—of Israel to a secure national existence, of the Arab states to the recovery of their territories, of the Palestinians to a national homeland, and of the United States and the rest of the world to a reliable supply of oil—are, I believe, essentially reconcilable with each other. Sacrifices will be required, to be sure, especially on the part of Israelis and Palestinians who have been rival claimants to the same land. But if they can bring themselves—or be brought by others—to reconcile themselves to each other's national existence, the way will be open to a new era of peace and unrivalled prosperity in the Middle East.

It is in this respect, from an American standpoint, that the Middle East differs so radically from southeast Asia. There never was anything good to be accomplished from the Indochina war, only a tragedy to be liquidated. In the Middle East there is more than a conflict to be ended and confrontations to be avoided. Great benefits are waiting to be reaped from a peaceful Middle East, and they can benefit the whole world. One can envision a whole new set of economic and political relationships through which the industrialized world would exchange technology for a steady and reliable supply of oil while developing new energy sources; the Arab countries would be free to devote their new wealth to the development of their societies; and the developing countries might benefit through development programs jointly supported by the industrial and oil producing countries. In such surroundings there would surely be a special role—in such fields as science, management and education—for those Middle Eastern peoples most noted for their rich human resources: the Jews of Israel and the Arabs of Palestine.

All this might seem like a distant, if not altogether fanciful, vision of the future. But it is not impossible, and if reason can be brought to bear, neither is it unrealistic. It is, I believe, the objective on which we must fix our view as we look beyond the interim agreement.

Mr. MONTOYA. Mr. President, the question which is before us today is a serious one: Congressional support and approval of Senate Joint Resolution 138, a resolution authorizing the President to implement the "U.S. proposal for the early-warning system in Sinai."

There has been heated discussion of this resolution in the press, and by the President and the Secretary of State in various speeches and statements. The Foreign Relations Committee of the Senate has held hearings and has finally reported this resolution out with their blessing.

I am sure that many of my colleagues share some of my feeling of concern about this matter. I have decided that I will support the resolution. I want to briefly outline my reasons for deciding to support this resolution in spite of my reservations.

American interests in the Middle East are clear. We must encourage the peaceful resolution of problems there. I have always supported our efforts to do that. As a part of that effort, I have strongly supported aid to Israel in her struggle to continue to exist as a democratic nation without harassment by her neighbors. I will continue to fully support our efforts to achieve that goal. This small nation has always been a friend to the United

States, and I am sure will continue to be a friend and an ally in the future, no matter what we decide here today.

I am convinced that this resolution will provide some additional confidence and support to Israel in this first step toward a final resolution of her problems with Egypt.

My reservations about putting the stamp of congressional approval on this agreement concern four issues: The dangers to American civilians who will be stationed in the Sinai, the possible misunderstanding in the world community about the extent of congressional commitment to the full list of agreements, the possible expansion of cost to the American taxpayer through later commitments of aid, and the danger which I see in the practice of using executive agreements as a too frequent tool in foreign policy.

Our experience in Vietnam has taught us that there are very definite limits to what America can do in international conflicts short of actual involvement in war. We know that "token" forces and "symbolic" commitments seldom provide permanent solutions to long standing disagreements. Moreover, we have learned through bitter experience the danger of committing the United States to either military aid or action through the use of secret Executive agreements or private assurances by the President or the Secretary of State. The fact that the President has requested congressional approval of this particular portion of the Sinai agreements is an indication that the administration is also aware of the inherent danger of such agreements. The President and the Secretary of State cannot act alone in matters which commit this Nation to international action or to the expenditure of tax dollars. By asking for congressional approval of this particular commitment, the President has taken a step in the right direction.

I do not believe that the technicians who would be sent to the Sinai under this agreement are in any way similar to the military advisers who were sent to Vietnam. These technicians will be civilians, they will be volunteers, and they will be neutral in their position and goals. For that reason, I do not feel that positioning these men in the Sinai at this time is a commitment by the United States which will involve us in future conflict in that area.

The Secretary of State has told the Foreign Relations Committee in hearings that other commitments in these agreements are "not legally binding" and that we are only bound to consult and not necessarily to accept the results of that consultation. He has indicated that these agreements are merely "formal reaffirmation of existing American policy." I accept his interpretation of those other portions of the Sinai agreements as being valid. However, it was with great reluctance that the administration revealed to the Congress the full text of those agreements. Other than the agreement relating to the establishment of the early warning system, there appear to be a whole complex set of understandings and informal commitments for aid to Arab nations as well as to Israel. This would mean the expenditure of American tax dollars.

Today we are being asked to approve only one segment of the total plan. By agreeing to this first segment, I hope that we are not opening the door to expected approval of all other segments. I want to make it clear that my approval of this resolution does not imply automatic approval of military aid to Arab nations who have consistently refused in the past to control Palestinian terrorists within their own borders or to recognize and negotiate with the State of Israel. I hope other Members will speak out to indicate that approval today does not include support in the future of aid to nations who do not now and have not in the recent past supported the United States in either international disagreements at the United Nations or in solving the difficult problem of controlling oil prices.

Finally, I think we should all be aware that the 200 men we place in the Sinai will be subject to criticism by one or both sides in this conflict if there is any failure of the system. I would much prefer that the United States not be seen as the sole "keeper of the peace" in this arrangement, and I am pleased that the United Nations forces will remain in the area to act as the official peace watch.

There is an additional danger to our civilian volunteers in this project. They will be vulnerable to attack by terrorist groups who have already threatened such attack openly. I think it is imperative for other nations in the world community to understand that an immediate and firm stand against such terrorist activity or terrorist threats in this situation would be the most helpful contribution which they could make.

I believe, Mr. President, that it is in the best interest of both Israel and Egypt to approve and implement their welcome steps toward peace. I hope that our contribution of help in manning the early-warning system will make it possible for Israel and Egypt to proceed. I hope that our continued efforts toward finding peaceful and permanent solutions will help to insure the territorial integrity of all nations in that troubled area, and will make it possible for us to begin to plan for economic rather than military aid to those Middle Eastern nations who need our help.

Mr. President, I will vote yea on this resolution. I hope I have made my reservations in this matter clear. Even more strongly, I hope that by taking this one step—admittedly a step which presents some dangers to us—we will be moving toward a resolution of the conflicts which have plagued this vital geographical area for so long.

Mr. STEVENSON. Mr. President, the provisional Sinai accord buys a little time and gains a few miles of disengagement in the Sinai. It postpones the next battle in what has been one long war since the 1940's. This provisional settlement has many of the earmarks of previous settlements in which the opposing sides were bought off and during the hiatus between battles, rearmed for the next one. So it was in 1967, 1970 and 1973. In each case the United States helped relieve the warring parties of the responsibility for settling their differences on a permanent basis by offering them tempting alternatives—alternatives that have been expensive to the American taxpayer and have escalated the quantity and sophistication of the weaponry, guaranteeing a higher level of violence in the next battle.

Time has disadvantaged Israel. It has disadvantaged the moderate elements in the Middle East, it has disadvantaged the cause of peace. After the 1968 war it was possible to piece together the elements of a comprehensive settlement—leaving aside the knotty question of Jerusalem which, in fact, might then have been left aside. Now the Arab world has acquired the oil weapon. The greater wealth is on its side. The Israeli economic condition has deteriorated. Its isolation in the world is greater than before. Its sources of financial support in the outside world are stretched thin. The Arabs have acquired a new degree of unity.

Jordan and Syria are composing a joint command. The PLO has been recognized by the Arabs as the agent for the Palestinians. And all the while the arms have poured in. Now war would be accompanied by another oil embargo, a world recession and quite possibly, by nuclear violence.

Time and a few miles in the Sinai could operate again against the cause of peace. Patience in the Middle East could continue to wear thin. The more radical elements would continue to gain the upper hand. Already this accord has isolated Sadat, endangering his political existence. He defends himself by imputing still more secret promises to the Secretary of State.

Time alone is not enough to warrant a greater risk of active U.S. involvement in the next Middle East battle—yet, that is what this accord is all about. Israel and Egypt upped the ante. Last time, Mr. Kissinger offered nuclear reactors. This time he has implied the involvement of U.S. forces, as well as more money and arms.

The step by step approach to peace in the Middle East is valid if one step leads logically to another, if the end result in view is a coherent and permanent settlement. If that was the prospect, the risks we are asked to assume would be worthwhile. But the documents to which the American people have been made privy, by accident or by design, and the public statements of the President and the Secretary of State do not encourage one to believe that there is any coherent plan for progress toward a final settlement. References to a possible resumption of the Geneva Conference are disconcertingly vague. References to a bilateral settlement in Syria made one day are discounted the next. If there is a plan—what is it? The pledge by the Secretary of State to the General Assembly of the United Nations that the United States would support "whatever process seems most promising" is not reassuring.

Is there at last to be an effort to win the cooperation of the other arms' suppliers and cut off the flow of arms to that troubled part of the world, creating at last a climate for peace instead of for war? The Secretary has admitted there has been no such effort. This accord would appear to preclude it. It seems to commit more arms and more sophisticated arms to Israel, Egypt—and, independently, to Jordan.

This resolution assures that the United States will be in a legally tenable position to get its technicians out should their safety be jeopardized. I am also relieved that the resolution is specifically disassociated from other commitments made to the Israelis and the Egyptians as a "lubricant," as Secretary Kissinger has described them, to obtain the accord. It states that its enactment does not signify "approval of the Congress of any other agreement, understanding or commitment made by the executive branch."

But, unhappily, such language is little more than a nullity. The Congress does not signify its disapproval of apparent commitments to maintain Israel's right to free and unimpeded passage through the Straits of Bab-El-Mandeb and the Straits of Gibraltar. It does not disapprove the apparent commitment of the United States to support Israeli tactics and policies in the Security Council of the United Nations and at a Geneva peace conference. As soon as the Congress approves this resolution and the placement of U.S. technicians in the Sinai, the Sinai accord, all its parts, go into effect without congressional approval.

We have seen four documents but not the memorandum which the legal adviser of the State Department has submitted to the Committee on Foreign Relations which purportedly explains which commitments are legally binding and which are not. They should be made public, not only to help the American people understand how deeply we are engaged in the Middle East, but to eliminate ambiguities which may be misunderstood by both Israelis and Arabs. I regret that the amendment I cosponsored to declassify this memorandum was not adopted. It should have been made public by now in order to permit us to learn just what it is we are being asked to do.

We do not know the price tag in economic and military aid to both sides. It may be $15 billion over 5 years, perhaps higher. We do not know if the promise to discuss weaponry such as the F–16 and the Pershing missile is one the Israelis seriously expect us to keep. The Pershing is a destabilizing weapons system to be introduced in the Middle East arms race. It was designed to carry nuclear warheads.

We do not know if paragraphs 7 through 14 of the memorandum of agreement contain provisions which are binding or if, as the Secretary of State told the Foreign Relations Committee—they "merely engage the good faith of the United States." And how do we differentiate between a binding commitment, a legal commitment, and one that is morally binding, or one which merely "engages the good faith of the United States."

The Secretary of State says that the resolution we are asked to approve today is not linked to other understandings. But he also says that if we approve this resolution the way will be cleared to sign other documents which he says are not executive agreements, but will be submitted to the Foreign Relations Committee as if they were. So they are, after all, linked together. He says these statements of intention should "not be given a legal binding character which was never intended and is not inherent in them." And yet the administration has opposed such a statement in this resolution—anything that says the commitments are only statements of intention. In fact, the State Department memorandum reportedly says that many of them are binding—legally. The Secretary refers to "documents in the negotiating record which the administration believes are legally binding assurances, understandings or commitments." He says "many provisions are not by any standard international commitments" but that "this does not mean that the United States is morally or politically free to act as if they did not exist." So we have, evidently, at least a moral obligation on many accounts, a legal obligation on some, as if there was any practical difference. Where have we come if the United States is no longer to consider a moral obligation a commitment? Is not the engagement of "good faith" a commitment?

Such subtleties are typical of the Secretary of State. They are subtleties without meaning—intended to entrap but not to enlighten. They do not comport with one another. They are inconsistent. Their purpose is to entrap the Congress and other parties in the Secretary's web—without disclosing what the web is.

More than one expert witness at the public hearings this week has maintained that the language of paragraph 10 is at least as binding as that in defense treaties with the Philippines or the Republic of Korea which are also conditioned upon constitutional practices. The Secretary has maintained at the hearings that these undertakings are no more than an expression of the prevailing state of our relations with Israel, that they have changed nothing. Why, then, are they reduced to writing? The statement is disingenuous. The United States never had a commitment to supply Israel with oil, including a 1-year reserve. There is no purpose to this whole accord, except to make commitments, codify a policy and, therefore, limit U.S. freedom of action in the Middle East.

We do not have an informed appreciation of how the Israelis, the Egyptians and the other Middle Eastern states look upon these undertakings. It is all very well for the Secretary of State to say that they are not binding. But do the conflicting states take the view that they are not binding?

Mr. President, I have no difficulty supporting U.S. technicians in the Sinai. The analogy to the American advisers in Vietnam is imperfect. These technicians are invited by both sides to help maintain a peace, not by one side to maintain a war. But that, unhappily, is not the issue before us. By approving technicians, we trigger secret, dangerous and expensive commitments with no assurance that they will lead to the peace—and with, in fact, a large danger that they will lead to nuclear war. If I had it within my means to vote to approve only the technicians for the Sinai, I would do so. But that is not our option.

For the sake of a little more time, perhaps enough to take the country through the next election, the administration seeks to implicate the Congress and future administrations in a policy that restricts American freedom to do whatever is in its national interest in the future.

Mr. President, again and again in the debate today we have heard references to the Tonkin Gulf resolution of August 1964, when, as now, we were asked to support a commitment of far-reaching implications, imperfectly understood. The analogy is far from perfect, but is sufficient to raise the flag of warning. I submit it that we should also remember—and be warned by—another episode in that darkest chapter of American foreign policy: the Paris accords. "Peace is at hand," we were told, "the war is over, the guns are stilled." What a deception. We bought time with a meaningless accord with more billions in military aid. The Vietnamese people paid for it with tens of thousands of their lives. Later, much later, we learned of the secret commitments to President Thieu with which we bought his agreement. The war was finally ended for the United States because the Congress preserved its freedom of action; it voted to terminate U.S. support for the war. It was not implicated in support for General Thieu upon the terms agreed by Mr. Nixon—as subsequently disclosed. Mr. President, there is no similarity between the Thieu regime and the free Government of Israel. But this time the administration is seeking to involve the Congress—as it did not in the Paris accord. That is the similarity.

Mr. President, it is the habit of the Congress to go along. It went along in Southeast Asia. And it is doing so in the Middle East. But I will register my support for peace in the Middle East by voting against this resolution. This arrangement only buys time for another round of armaments on both sides, to which we shall be making a dangerous multibillion dollar contribution. It settles only the most easily settled of the outstanding issues. It relieves the warring factions of the immediate obligation of pursuing a genuine and lasting peace. It increases the probability of a more dangerous clash of arms than the last one. I do not believe this provisional accord is in the long-term interests of Israel or of Egypt, or of the United States. And I regret that the Senate was not afforded an opportunity to approve the Sinai technicians without far larger commitments—as Senators BIDEN, CLARK, HASKELL and I proposed.

Mr. PERCY. Mr. President, let us be candid and admit that there are risks for all involved in the Egyptian-Israeli Sinai disengagement agreement.

President Sadat is risking the good will of many Arab States at the expense of Egypt's long-acknowledged leadership role in the Arab world; he risks, as well, repercussions from Palestinian terrorists who regard even the smallest accommodation with the Israelis as a major betrayal of their cause.

Israel risks still more. Even though Prime Minister Rabin, his Cabinet and the Knesset have agreed to relinquish only about a sixth of the territory Israel occupies on the Sinai Peninsula, it is a critical sixth, including as it does the Mitla and Gidi Passes and the Abu Rudeis oil fields. Some observers have regarded the passes as crucial to Israel's defense.

Finally, of course, as Congress agrees to station some 200 American civilians in the passes to man electronic surveillance posts, the United States itself will be taking some risks. The primary gamble is that the Americans might come under attack, thus heightening the possibility of direct U.S. military involvement in that most volatile region of the world. It is not hard to imagine that, even now, Palestinian guerrillas are plotting ways to sabotage the prospective American surveillance effort.

To me, however, the question confronting Congress in this matter is not simply one of risk versus no risk. Ultimately it is a choice between risks: the danger of placing essentially unarmed Americans in the midst of armed and opposing forces half a world away versus the danger of doing nothing at all.

While there is simply no way to assure danger-free American participation in the Sinai accord, President Ford and Secretary Kissinger have sought to minimize the hazards both to our country and to our countrymen who would be actually stationed in the Sinai.

The contingent of U.S. observers will be strictly limited to no more than 200, and Secretary Kissinger agreed when I stated the contingent should not and will not be increased at any time without the specific additional authorization of Congress. The contingent will be composed of civilians; it will not be a military force. And if for any reason the United States concludes that their safety is jeopardized, the Americans can be withdrawn unilaterally on short notice. In addition to the new U.S. personnel, U.N. forces—which already include some 36 Americans—will remain in the U.N. buffer zone; the U.S. monitoring team will be accorded the same rights and immunities now provided those U.N. personnel.

It has been suggested that the use of American civilian technicians at listening posts in the Sinai is the first step toward another Vietnam. I emphatically disagree; I see no analogy at all. In Vietnam, the United States sent military men into an ongoing war at the request of only one side in order to serve that side's military interests. In the Sinai, the administration proposes to send civilians into a U.N. buffer zone at the request of both sides to serve the peaceful interests of both sides. In Vietnam, we escalated a war; in the Sinai, our presence will serve as a deterrent to war.

Without congressional approval of the proposed American role in the Sinai, it is more than likely that the entire interim agreement will collapse. And without that agreement, the Middle East stalemate will resume—a stalemate which Jordan's King Hussein correctly characterized as "a false peace that is shrinking by the hour." During the 13-nation Middle East trip I took earlier this year for the Senate Foreign Relations Committtee, I was repeatedly warned that unless significant negotiating progress was made by the end of this year, the danger of a fifth Arab-Israel war would be very great. There is every reason to believe that the collapse of this new Sinai accord would heighten that danger.

The consequences of a new Middle East war could be catastrophic. It would inflict a human price in casualties that Israel in particular—a nation of barely 3 million—cannot afford. It would undermine the already shaky economies of both Egypt and Israel. It would almost surely trigger a new oil embargo that could prove economically disastrous to the West. And it would raise once more the awful specter of a direct United States-Soviet confrontation.

By comparison, the risks of stationing 200 American technicians in the Sinai U.N. buffer zone seem fairly small. For a long time, the United States has urged the Israelis and the Egyptians to take some risks for peace. Now that they finally have agreed to do so, we should be willing to do no less.

Mr. KENNEDY. Mr. President, both Senator HUMPHREY, and I have traveled to the Middle East many times, and have many close friends in Israel—and friends in Arab countries, as well. Should we not be making clear to all concerned that the best way of securing a real American commitment to the future is to continue working in the directions now begun by Israel and Egypt? That time is really on no one's side—unless it is used wisely now for the next step, and the next, toward peace?

Mr. HUMPHREY. I agree with my distinguished colleague from Massachusetts. The Sinai agreement is a step toward peace. It offers both sides an opportunity for further initiatives toward a final settlement in the Middle East.

I strongly believe that both Israel and Egypt cannot regard this recently concluded agreement as an end in and of itself—it is a beginning. The Sinai agreement will allow both sides to calm the tensions that were pushing the parties toward inevitable war. But I know that both you and I regard this process as a continuing one. Neither side can afford to lose the momentum of negotiation. If this should happen, hostilities could consume both nations. The word must go forth from this body to our friends in Israel and Egypt that we expect both countries to continue to take risks for peace. This will take leadership and it will take courage. I am confident that both Prime Minister Rabin and President Sadat are committed to the process of negotiation toward a full peace agreement. And these men of foresight deserve our support.

Mr. KENNEDY. The Foreign Relations Committee, and now the full Senate, have been engaged in lengthy debate about the nature of U.S. commitments under the Sinai agreement. We have made it clear that this resolution of approval is limited, and that we have not endorsed or rejected any of the specific agreements, commitments, or undertakings of the administration. There has been discussion about the proper role that the Congress should be playing, on what action we should be taking now.

But is not our real objective here to take those actions in the Middle East that are best designed to lead to peace? Our approval of this resolution is based on our view that it moves the process forward, is it not? Is not the best insurance that what we do here will be the right course, a clear understanding that this agreement is viewed not as the end of the search for peace, but only one significant step on the way?

Mr. HUMPHREY. I am glad that the Senator has raised this point. Throughout this debate, we have been preoccupied with what the Congress has not committed itself to. I think we are in agreement on that. But there is a risk that we will lose sight of the real significance in what has been gained in this Sinai agreement: that it marks real and substantial progress on the way to bringing about the final settlement of this conflict, so that all the peoples of the Middle East can live at peace.

If what has been achieved here—by Secretary Kissinger, by Israel, by Egypt—can move forward, then there will never be a question of the nature of the U.S. commitment in the event of trouble. There will be no question of the circumstances under which the U.S. technicians would be removed. There would only be the question of what efforts the United States can make, along with the local parties themselves, to get the final peace settlement signed and sealed.

The only risk lies in stopping now—in seeing this agreement not as the hopeful start toward peace, but as an end to the effort. Now we in the Senate are quite clear in looking to further progress in the future. The Secretary of State has committed himself to working tirelessly for peace. I know that the State of Israel wants nothing else but to be able to live at peace with all its neighbors—and the sooner the better. And President Sadat of Egypt has committed himself to that process in the documents he signed.

So I welcome the chance at this point in the debate to cast our eyes forward, to the next steps, and the next, that will bring a hopeful new era of peace to the Middle East.

Mr. KENNEDY. As we look to the future, in seeing the Sinai agreement as part of a longer process leading to peace, we certainly should be focusing more on what happens now, rather than on what has already been done. During the deliberations of the Foreign Relations Committee—particularly the appearances by Secretary Kissinger—were you given a sense that there is momentum now at work?

Mr. HUMPHREY. Throughout our many hours of deliberation in both executive and public session, there was a widely held belief that this agreement will not be a success unless it is followed by future negotiations in the Sinai and the Golan Heights. Secretary Kissinger was adamant about this point. He spoke of it often. He viewed his work in the context of beginning a process—not concluding a negotiation. He made it clear to the members of the Foreign Relations Committee that the administration was committed to encouraging strongly both sides to continue their efforts at negotiation once this agreement comes into force. He said that the alternatives to the continuation of the process of negotiation was certain war.

Mr. KENNEDY. I believe we are all in agreement that the administration cannot make U.S. commitments in any area of the world without congressional participation, through the exercise of its varied constitutional responsibilities. This is an issue that we have often debated here—and we have a War Powers Act, authorization and appropriations process, and treaty powers that involve advice and consent responsibilities.

Do you agree that there is no specific commitment here beyond that stated in the resolution approving these technicians?

Is it not also clear, from the wording of the resolution as reported by the committee, that we are restating that the President may develop policy for his administration, but that he cannot commit the Nation in areas where the Constitution clearly gives the Congress its own role?

And is it not also clear that every other commitment he enters into on behalf of the United States, anywhere in the world, is similarly subject to our proper constitutional role?

Mr. HUMPHREY. I think that the point we have tried to make over and over in the Foreign Relations Committee, and again here on the floor, is that the Congress of the United States has clear responsibilities—clear prerogatives under the Constitution—in the making of U.S. foreign policy. What those responsibilities and prerogatives are has been the subject of long debate here in the Senate, right from the moment I was privileged to come here in 1949. And we have been particularly concerned during the last few years, with the Vietnam war, and the War Powers Act, to spell out just what the Congress should do, under the Constitution, in foreign policy, and what is not appropriate for us to do.

What we are considering tonight is just one part of the overall Sinai agreements—the part relating to the stationing of U.S. technicians. We have not taken any stand, pro or con, on any of the rest of the agreements, though I am sure every member of this Chamber has his views on particular points.

This is not the end of congressional action. There are appropriations to follow—appropriations that are an essential part of the process of peace. And we have the War Powers Act, which spells out clearly what the President can and cannot do, and what the role of the Congress is.

So I am not at all concerned that by approving this resolution we are giving the administration a "blank check," or giving our unspoken approval to agreements we have not formally approved. Some of these merely put in formal language the diplomatic practice of the United States for many years. A few break some new ground. But in limiting ourselves here to the agreement on technicians, we have given up none of our prerogatives—and certainly not given up any of our responsibilities under the Constitution.

That applies to agreements affecting the Middle East. And it certainly applies as well to other parts of the world.

Let me say one other thing. What we are embarked upon here is not something we see as an adversary process, where the Congress will oppose simply because the administration proposes. Rather we see this as an essential way for the Congress and administration to work together in formulating the best foreign policy possible to serve America's interests.

Mr. KENNEDY. What we are talking about, today, is the stationing of up to 200 American civilians in the Sinai. We understand that there is political importance to the parties concerned that these be Americans, and not some other nationality, whether or not under the United Nations. But since in the long run we are concerned about strengthening the role of the United Nations, and reestablishing its credibility, particularly in the Middle East—and since we hope that a real peace will develop—is not there merit in seeking agreement for the training of U.N. personnel in the surveillance techniques, in the use of the associated equipment as a valuable backup force, in the event that the Americans were for any reason withdrawn—as potentially envisioned in this resolution—and when it would still be valuable to have monitors?

Mr. HUMPHREY. For many years I have believed that there should be a greater role for the United Nations—including its peacekeeping forces—in many parts of the world. So I think this idea has merit, it is something we should look at. Of course, it is important that training U.N. personnel in these techniques should not be misinterpreted as detracting from the U.S. commitment we are making in this resolution. That is an important political commitment that can help bring about peace. But for the contingencies you mention—and as a way of strengthening the capabilities of the United Nations, here and elsewhere—this is an idea I would like to see pursued.

Mr. KENNEDY. I thank the distinguished Senator from Minnesota for answering these questions. And I would like to compliment him for his leadership in managing this resolution, at this important time in the search for peace in the Middle East.

Mr. HRUSKA. Mr. President, I rise in support of Senate Joint Resolution 138, favorably reported by the Senate Foreign Relations Committee. That committee has held extensive hearings on the proposal to station as many as 200 American civilian technicians in the Mitla and Giddi Passes in the Sinai Peninsula. Distinguished witnesses have been heard and the committee has reported out its resolution. The other body has acted. It is now up to the Senate to determine whether this proposal will be approved and put into effect.

Given our long and unhappy experience in Indochina, it is understandable that many questions have surfaced regarding the nature and extent of any U.S. commitments which would flow from congressional approval of this proposal. It is all to the good that any proposal which involves our country in this Middle Eastern dispute should be most carefully considered; lest the American people, or we, their elected representatives, fail to understand the full ramifications of our actions. The Foreign Relations Committee is to be commended for the thoroughness of its deliberations on this matter.

WHAT RESOLUTION DOES NOT DO

Mr. President, in discussing the merits of Senate Resolution 138 perhaps it is helpful first to state what it does not purport to do.

First, it does not provide for the stationing of any American military forces in these key Sinai passes. The technicians would be entirely civilian. They would be volunteers and would not be under the control of either the CIA or the Department of Defense.

This is an important point because fears have been voiced that we run the risk of taking the first step down that same path that led us into Vietnam. The difference between our Vietnam military involvement and the action being contemplated now is, however, vital to the very nature of this proposal.

American troops will not be sent to the Sinai either to man the early warning system or to protect those civilians who will operate that system. This is quite different from the slow, piecemeal process of our Vietnam involvement which can be traced to the sending of American military advisers to that country.

Furthermore, unlike the situation in which we found ourselves in Vietnam, both sides to this current dispute have requested the American presence in the Sinai. In Vietnam there were military forces involved, and this was at the invitation of only one of the opposing enemy countries, namely South Vietnam.

This resolution further provides that those technicians would be removed immediately should hostilities break out between Egypt and Israel or—and this is extremely important—if the Congress determines that the safety of these civilians is either jeopardized or that their presence is no longer required. Therefore, if the Congress approves the stationing of these technicians in the Sinai it also retains the authority to remove them. Thus, this is no open-ended resolution as the Congress remains very much in control.

Second, this resolution does not commit the United States to any course of action other than that expressly contained in the wording of the resolution. Approval of the resolution in no way commits the U.S. Government to do anything further for anybody. No one, be he Egyptian, Israeli, or American, should be misinformed on this point.

Likewise, the resolution does not provide any authority which the executive branch can use to justify actions which by itself would constitute an abuse of the Executive's right to conduct our country's foreign policy.

Any agreements or understandings which fall outside of the Executive's authority to conduct that foreign policy and not contained in Senate Joint Resolution 138 as approved by the Congress are nonbinding upon the Congress and the America people.

WHAT RESOLUTION WOULD ACCOMPLISH

Mr. President, having stated what this resolution does not do, let me now briefly point out what passage of this resolution would accomplish.

First, it gets the search for a lasting peace in the Middle East off dead center. This is vital because so long as there are signs of progress towards an eventual settlement of the dispute there is much less likelihood of hostilities breaking out.

Any outbreak of new fighting in the Middle East would have a direct and harmful effect upon the United States. I am opposed to U.S. military involvement. Even if we were able to avoid such military involvement, however, we could not avoid the adverse economic consequences. One must assume that there would again be a disruption in the flow of oil from this area of the world to the industrialized nations of Western Europe and possibly Japan. The free world is still recovering from the effects of the first oil embargo and resultant increases in price. Should this happen again, the economic, social, and political pressures within the affected countries would be tremendous. While no one can safely predict what direction the results of such pressures would take, it seems safe to conclude that resulting changes within those countries would not be in harmony with our policy of peace and security through free world economic cooperation and growth.

Since the affected countries would be our main trading partners, the United States would necessarily be affected as similar pressures within our own society are released.

Thus the structure of the free world societies would become weakened, offering the Communist world a tempting opportunity for adventurism. We cannot afford that risk.

Second, passage of this resolution would strengthen the position of Egyptian President Anwar El-Sadat. President Sadat has proven himself to be willing to join in the quest for a peaceful settlement in the Middle East. At the risk of great political and personal danger he has rejected the position of Arab extremists who want to destroy Israel. Such an attitude in the Arab world has been all too rare in the past. Should the Congress reject the proposal to place the American civilians in the Sinai, it is questionable whether President Sadat could remain in control of events in either Egypt or the Arab world. The loss of his leadership would be a grave blow to the search for peace and it would be difficult for another Arab leader of a moderate outlook to take his place.

WHAT IS AT STAKE

The last point I want to make is this. We live in a world where all of our tomorrows can be destroyed at the press of a button. While we hope that the finger on the button is controlled by a reasonable mind, we can never forget that the 20th century is a living example of terrible wars that men of reason should have avoided.

The Middle East is the Balkans of the 1970's. So long as the dispute festers, there is a great chance of war which could well involve the superpowers against their will. If that should happen, no one would be safe from destruction. Any opportunity to seek a fair and peaceful settlement must be pursued.

CONCLUSION

Mr. President, in conclusion I would like to make the observation that this plan is the only one that has been offered which has the potential of bringing peace to the Middle East.

What are our alternatives?

There are none.

We must give this plan a chance to work.

Mr. KENNEDY. Mr. President, today, the Senate is considering Senate Joint Resolution 138, "To implement the U.S. proposal for the early-warning system in Sinai."

This proposal is part of a long and patient effort to secure a further disengagement of Israeli and Egyptian forces, and to lay the groundwork to end conflict in the Middle East. We therefore approach our task today in a spirit of hope—hope that conflict will give way to a time of reconciliation and peaceful development for the peoples of the Middle East, so that tomorrow's generations will not know the war and suffering of the past.

This proposal for U.S. technicians is not a commitment into which the United States can enter lightly. It implies, above all, a continuing and direct involvement of the United States in relations between Israel and Egypt, and in future efforts to secure a just and lasting peace in the Middle East. The 200 technicians who will serve in the Sinai will be civilian, not military, personnel. But the implications for U.S. foreign policy are still serious ones, requiring the most thorough consideration and debate by both Houses of Congress.

Mr. President, I believe that U.S. policy in the Middle East should be guided by one overriding priority: the ending of a quarter-century of conflict in that troubled part of the world, and the promoting of steady progress toward the day when Israel can live in peace and genuine security with its neighbors.

The Senate Foreign Relations Committee has deliberated at length on the resolution before us, today, and has received testimony from many witnesses, including the Secretary of State. On the basis of their deliberations, I am satisfied that the Senate should approve this resolution.

I am also gratified that Senate Joint Resolution 138 provides specifically for circumstances under which these American civilian technicians would be removed, by either Executive or congressional action. And section 5 specifically indicates that this resolution "does not signify approval of the Congress of any other agreements, understanding, or commitment made by the executive branch." For this agreement should not in any way be construed as sanctioning a future, direct American role in any Middle East hostilities.

While I support Senate Joint Resolution 138, I regret that the Congress will not have a chance to consider and vote on the entire package of agreements. Such consideration is not only in our own interest—but, I believe, in that of the local parties themselves.

For example, our longstanding commitment to the secure and independent future of Israel is clear, and has the firm backing of the Congress and the American people. Even so, the detailing of that commitment in documents presented to the Congress for its approval would be far more meaningful both for us and for Israel, in that it would permit the Congress and the American people to understand clearly all that is either stated or implied in them, and what is not.

I have one suggestion and one additional comment. First, despite the political value to both Israel and Egypt of having American technicians present in Sinai, as opposed to those of other nations, I believe it is important that backup personnel from other nations be trained in the appropriate surveillance techniques and use of associated equipment. In the event that American technicians were withdrawn, for whatever reason, while the function of surveillance still remained critical, I believe that personnel should be available for this task.

Accordingly, I propose that the administration approach both the governments of Israel and Egypt, and the United Nations, to seek agreement that personnel of other nations, under the authority and auspices of the United Nations, also be trained to carry out the agreed surveillance function. Thus there would always be a backup team available, to perform this essential task.

Second, I support this resolution on the clear understanding that what has been achieved in the Sinai so far will be only part of the process of seeking peace between Israel and its neighbors, not the end of that process. This is the best way of resolving the issue of U.S. commitments under the Sinai Agreements: To go beyond the debate here in the Senate the last 3 days, and focus on the next steps for peace.

It seems clear to me that the best hope of securing the peace lies in steady, concerted efforts to move onward, building each step or series of steps on what has gone before. Resting on what has been accomplished, by contrast, would be likely to play into the hands of those elements in the Middle East that do not necessarily share our commitment—or that of Israel and Egypt—to a final end to this long-lasting conflict.

We in the Congress must continually monitor what is being done to move toward peace, in order to form our own judgments about the continued effectiveness of this resolution, and the other agreements made between the administration and the other parties to the Sinai agreements.

There is no "blank check": rather a continuing congressional responsibility to perform its constitutional role in U.S. foreign policy.

Mr. President, with this suggestion and this comment, I would like to add my support for this resolution and the specific restrictions placed on it by the Senate Foreign Relations Committee.

Mr. PACKWOOD. Mr. President, I shall vote in favor of the Senate Joint Resolution 138 authorizing not more than 200 civilian volunteer technicians to be sent to the Sinai. These volunteer technicians will assist in manning the early-warning system in the Sinai desert separating the countries of Israel and Egypt. I consider this a positive step toward a negotiated general peace in the area.

I shall vote in favor of this resolution for three reasons: First, the resolution was narrowly defined and clearly drawn; second, Congress has not delegated ultimate responsibility for these men and the situation in the Middle East to the executive branch; and third, both Israel and Egypt requested these technicians.

The agreement between the United States and Israel and the United States and Egypt as well as the agreement between Egypt and Israel itself has been subject to tremendous scrutiny by both the House and Senate Foreign Relations Committees. Secretary Kissinger has testified that the administration provided the committees with "all of the assurances, undertakings, and commitments which we consider to be legally binding upon the United States," and that "there are no other assurances or undertakings, beyond those already submitted to the Congress, which are binding upon the United States." Thus we have been given the assurances of the administration that all relevant documents were viewed by the committees in reaching their determination.

The resolution itself, the language we voted on today, has been consciously limited to sanctioning not more than 200 civilian volunteer technicians. Each of these words is significant. Not more than 200: This precludes escalation of the number of volunteers to greater and greater amounts. Congress must approve the change in numbers. These 200 must be civilians; they cannot be associated with the military or the CIA in any fashion. They must be volunteers, willing to go to the Sinai desert on their own initiative. They must be technicians capable of manning technical equipment needed for the peacekeeping effort.

Under the terms of the resolution, these volunteers will be removed immediately in the event of any hostilities between Egypt and Israel or if Congress determines that their safety is jeopardized. Perhaps most importantly, the resolution, and I quote, "does not signify approval of the Congress of any other agreement, understanding, or commitment made by the executive branch." The language of the resolution precludes an extension of executive powers in the Middle East or anywhere else.

This clear language of the resolution and the statements of our intent will prevent misunderstandings between the United States and the two parties involved in the agreement. It will also prevent misunderstandings between the administration and the Congress. If we can prevent misunderstandings, we are well on the road to preventing abuses and mishaps.

Second, Congress has not delegated ultimate responsibility for these men or the Middle East situation to the executive branch. Congress retains authority to remove these men if necessary. Congress retains authority over authorizations and appropriations of each future request. Further, the President must submit reports at least every 6 months on: First, the status, scope, and anticipated duration of the participation of our volunteers; and, second, the feasibility of reducing their participation by substituting nationals of other countries or by making technological changes. Congress must review these reports. Ultimately, Congress retains responsibility. To view the situation otherwise is to neglect that responsibility.

Last, we are acting at the request of both governments; Israel and Egypt specifically asked for U.S. volunteers to be stationed in the demilitarized zone. This in no way parallels our action in the initial stages of our involvement in Vietnam when we sent 16,000 military advisers to one side only. The Sinai technicians will be stationed between the two sides to monitor and thus help assure the peace. In Vietnam, the advisers joined one army against another to assist in fighting a war.

Mr. President, the Egyptian-Israeli agreement signed on September 4 is a first step toward peace in the Middle East. It hinges on the willingness of the United States to send 200 volunteers to the Mitla and Giddi Passes in the Sinai Peninsula to operate three watch stations and oversee operations of Egyptian and Israeli surveillance stations. We cannot afford to break the momentum of peace.

Mr. HUMPHREY. Mr. President, the Senate has now, under Senate Joint Resolution 138, passed identical language to the House joint resolution, and in order to fulfill parliamentary procedure and expedite action, I ask unanimous consent to proceed to the consideration of House Joint Resolution 683.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

> A joint resolution (H.J. Res. 683) to implement the U.S. proposal for the early-warning system in Sinai.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read twice, and the Senate will proceed to its immediate consideration.

Mr. HUMPHREY. Mr. President, I know that the Members of this body wish a rollcall vote on it, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution was ordered to be read a third time and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. METCALF), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

On this vote, the Senator from Hawaii (Mr. INOUYE) is paired with the Senator from Idaho (Mr. MCCLURE). If present and voting, the Senator from Hawaii would vote "yea" and the Senator from Idaho would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Idaho (Mr. MCCLURE), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

The result was announced—yeas 70, nays 18, as follows:

[Rollcall Vote No. 441 Leg.]

YEAS—70

Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Eastland
Fong
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hartke
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Mathias
McClellan
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—18

Abourezk
Allen
Biden
Burdick
Byrd, Harry F., Jr.
Curtis
Durkin
Fannin

Goldwater
Haskell
Hatfield
Helms
Hollings
Magnuson
Mansfield
Randolph
Scott, William L.
Stevenson

NOT VOTING—12

Bayh
Cannon
Gravel
Hart, Philip A.
Inouye
Laxalt
McClure
McGee
McGovern
Metcalf
Sparkman
Stevens

So the joint resolution (H.J. Res. 683) was passed.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which that joint resolution was passed.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was passed.

Mr. HUMPHREY. Mr. President, I move that the Senate joint resolution (S.J. Res. 138) be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR INDEFINITE POSTPONEMENT OF SENATE JOINT RESOLUTION 271

Mr. MANSFIELD. Mr. President, I ask unanimous consent that calendar No. 397, Senate Resolution 271, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar Nos. 407, 408, and 411.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS TO THE SECRETARY OF THE INTERIOR

The bill (S. 1922) to amend the act of July 7, 1970 (84 Stat. 409) to authorize appropriations to the Secretary of the Interior without reference to the agencies involved, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Touchet Division, Walla Walla project, Oregon-Washington, and for other purposes", approved July 7, 1970 (84 Stat. 409), is amended to read as follows:

"SEC. 6. There are authorized to be appropriated for construction of the works involved in the Touchet Division the sum of $22,774,000 (January 1969 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes, and, in addition thereto, such sums as may be required to operate and maintain such division.".

AMENDMENT OF THE HORSE PROTECTION ACT

The Senate proceeded to consider the bill (S. 811) to amend the Horse Protection Act of 1970 to better effectuate its purposes, which had been reported from the Committee on Commerce with amendments.

Mr. TUNNEY. Mr. President, 8 months have passed since I introduced this bill, during which time several hundred walking horse shows have been held. There are 1,800 horse shows affected by such legislation each year. Of those 1,800, the Department of Agriculture can only be on hand to inspect horses at 25. This bill would increase the appropriations so officials of the Department could be on hand to inspect more.

There are approximately 41,000 cases presently pending which cannot be prosecuted because of lack of funds. Additionally, the sored horses discovered at various shows cannot be confiscated, nor can any of the equipment, making it difficult to prosecute later. S. 811 provides for the detention of sored horses and forfeiture or seizure of equipment used in violation of the act.

Many legitimate breeders are being forced out of the show ring because they cannot compete with the sored horses. Great strides were made when we passed the Horse Protection Act of 1970, however, the industry is now at a turning point where those who ceased soring may well be forced to return to the practice in order to stay in business. Unless this legislation is enacted, it is my belief that soring will again be on the increase. The nonaffiliated shows continue to present many problems. Reports indicate that walking horses are being sored before a show, then the horse's feet are covered with a freezing agent which allows the horse to pass the steward's inspection. By the time the horse enters the ring, the freezing action has disappeared, and the horse enters completely sored, and is ultimately placed high by the judges. Under my bill, the acts prohibited by law are expanded in scope and in number and if enacted, would place under the obligation of the law owners, trainers, shippers, judges, and managers or producers of shows. This would force judges to meet their responsibility in dismissing sore horses from competition.

I cannot stress the importance of passing this legislation quickly. The House is ready to act on this measure. The bill has the support of the American Horse Protection Association, the Department of Agriculture, the Tennessee Walking Horse Breeders' and Exhibitors' Association, and the American Horse Council. In a recent letter James Rowland, commissioner of the Breeders' and Exhibitors' Association, said the following:

> We feel the enactment of this bill (S. 811) is to the best interest of the entire Walking Horse Industry and, certainly, of the public. For this reason, we urge your support of this bill with the hope that it will be acted upon favorably and promptly by the United States Senate.

With that Mr. President, I would ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill, as amended, was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Horse Protection Act Amendments of 1975".

SEC. 2. Section 1 of the Horse Protection Act of 1970 (Public Law 91-540) is amended to read as follows: "That this Act may be cited as the 'Horse Protection Act'.".

SEC. 3. Section 2 of the Horse Protection Act of 1970 (15 U.S.C. 1821) is amended to read as follows:

"DEFINITIONS

"SEC. 2. As used in this Act, unless the context otherwise requires—

"(1) 'commerce' means commerce among the several States or with foreign nations or in or through any State or between any State and a foreign nation;

"(2) 'management' refers to any person who organizes, exercises control over, or is responsible for organizing, directing, or administering;

"(3) 'Secretary' means the Secretary of Agriculture, or his delegate;

"(4) 'sore', with respect to a horse, means that (A) an irritating or blistering agent has been applied, internally or externally, to any of its limbs; (B) any burn, cut, or laceration has been inflicted on any of its limbs; (C) any tack, nail, screw, or chemical agents has been injected into or used on any of its limbs; or (D) any other method or device has been uesd on any of its limbs, and, as a consequence of such application, infliction, injection, or other use, the subject of such use suffers, or reasonably can be expected to suffer, physical pain, physical distress, inflammation, or lameness when walking, trotting, or otherwise moving. A horse shall be considered sore if it manifests abnormal sensitivity of the hoof, pastern, or fetlock;

"(5) 'State' means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and any territory or possession of the United States; and

"(6) 'unsound limb', with respect to a horse means any condition in any of its limbs that results in, or reasonably can be expected to result in, physical pain, physical distress, inflammation, or lameness to such horse when it is walking, trotting, or otherwise moving.".

SEC. 4. (a) GENERAL.—(1) (A) Section 3 of the Horse Protection Act of 1970 (15 U.S.C. 1822) is amended to read as follows:

"FINDINGS

"SEC. 3. The Congress finds and declares that—

"(1) the soring of horses is cruel and inhumane;

"(2) horses shown or exhibited which are sore or which have any unsound limb, may, where such soreness or unsoundness improves the performance of such horse, compete unfairly with horses which are not sore and which have sound limbs;

"(3) the movement, showing, exhibition, or sale of sore horses in intrastate commerce adversely affects and burdens interstate or foreign commerce;

"(4) the showing or exhibition of horses that have any unsound limb is cruel and inhumane and adversely affects and burdens interstate or foreign commerce;

"(5) all horses which are subject to regulation under this Act are either in interstate or foreign commerce or substantially affect such commerce; and

"(6) regulation by the Secretary is appropriate to prevent and eliminate burdens upon commerce and to effectively regulate commerce.".

SEC. 5. Section 4 of the Horse Protection

Act of 1970 (15 U.S.C. 1823) is amended to read as follows:

"RESPONSIBILITIES

"Sec. 4. (a) General.—(1) (A) The management of any horse show or horse exhibition shall disqualify any horse which is sore or which has any unsound limb from being shown or exhibited; and

"(B) The management of any public horse sale or auction shall prohibit the sale or auction of any horse which is sore; or

"(2) The management of any horse show, horse exhibition, or public horse sale or auction, in accordance with regulations which the Secretary shall issue, may appoint and retain any person who is qualified to detect and diagnose a sore horse and a horse with any unsound limb, other than a person who has been disqualified by the Secretary, after notice and an opportunity for a hearing, to inspect horses for purposes of this Act, at any place or at any time on the show or exhibition grounds and before, during and after the horses are shown, exhibited, or sold: *Provided*, That if any such qualified person is appointed by management (A) the management of any horse show or horse exhibition shall disqualify from being shown or exhibited any horse which, in the opinion of such qualified person, is sore or has an unsound limb or limbs; and (B) the management of any public horse sale or auction shall prohibit the sale of any horse which, in the opinion of such qualified person, is sore.

"(b) Records.—Each person who organizes, promotes, directs, manages, or conducts a horse show, horse exhibition, or public horse sale or auction shall keep such records relating thereto as the Secretary may by regulation prescribe. Such person shall submit to the Secretary, in such form and with such content as the Secretary shall prescribe, any notification, report, or other material relating to any matter regulated under this Act as the Secretary shall by regulation prescribe. Any such regulation and any amendment thereto shall be issued on the record after an opportunity for a hearing.

"(c) Inspection.—The Secretary is authorized to conduct such inspections, of any horse show, horse exhibition, or public horse sale or auction, or of any horse at any horse show, horse exhibition, or public horse sale or auction, as he may by regulation prescribe or as he deems necessary for the effective enforcement of this Act. The Secretary is further authorized to inspect and copy, at all reasonable times, such records as are required to be kept under subsection (b) of this section.".

Sec. 6. Section 5 of the Horse Protection Act of 1970 (15 U.S.C. 1824) is amended to read as follows:

"PROHIBITED CONDUCT

"Sec. 5. The following conduct is prohibited:

"(1) shipping, transporting, moving, delivering, or receiving any horse which is sore (except a horse which is sore as a result of therapeutic treatment by a person licensed to practice veterinary medicine in the State or political subdivision thereof in which such treatment was given), with reason to believe that such horse may be shown, or exhibited, or entered for the purpose of being shown or exhibited, or sold, auctioned, or offered for sale, in any horse show, horse exhibition, or public horse sale or auction: *Provided*, That this provision shall not apply to an act performed by a person engaged in the transport of horses for hire in the course of such transport unless such person has reason to believe such horse is sore;

"(2) showing, exhibiting, or entering for the purpose of showing or exhibiting, or selling, auctioning, or offering for sale, in any horse show, horse exhibition, or public horse sale or auction, any horse which is sore;

"(3) showing, exhibiting, or allowing to be shown or exhibited, any horse, after having been advised by a qualified person, in accordance with section 4(a)(2) of this Act, management, or the Secretary that the horse has an unsound limb;

"(4) failure by the management of any horse show or horse exhibition, which does not appoint and retain a qualified person in accordance with section 4(a)(2) of this Act, to disqualify from being shown or exhibited any horse which is sore or which has any unsound limb;

"(5) failure by the management of any public horse sale or auction, which does not appoint and retain a qualified person in accordance with section 4(a)(2) of this Act, to prohibit the sale, offering for sale, or auction of any horse which is sore;

"(6) failure by the management of any horse show or horse exhibition, which has appointed and retained a qualified person in accordance with section 4(a)(2) of this Act, to disqualify from being shown or exhibited any horse, which, in the opinion of such qualified person, is sore or has any unsound limb;

"(7) failure by the management of any public horse sale or auction, which has appointed and retained a qualified person in accordance with section 4(a)(2) of this Act, to prohibit the sale, offering for sale, or auction of any horse which, in the opinion of such qualified person, is sore;

"(8) showing or exhibiting at a horse show or horse exhibition; selling or auctioning at a public horse sale or auction; allowing to be shown, exhibited, or sold at a horse show, horse exhibition, or public horse sale or auction; entering for the purpose of showing or exhibiting in any horse show or horse exhibition; or entering for the purpose of selling at a public horse sale or auction, any horse which is wearing or bearing any equipment, device, paraphernalia, or substance which the Secretary does not allow to be used on the limbs of a horse, in the interest of preventing the practice of soring and pursuant to regulations to be issued under this Act;

"(9) failing to maintain or submit records, notices, reports, or other material required by this Act or regulations issued under this Act;

"(10) refusing to permit the Secretary to enter and to conduct any inspection of any horse show, horse exhibition, or public horse sale or auction, or of any horse at any horse show, horse exhibition, or public horse sale or auction, for purposes of determining compliance with this Act or any regulations issued under this Act; and

"(11) failing to provide the Secretary with adequate space or facilities, as the Secretary may by regulation prescribe, in which to conduct inspections or any other activity authorized to be performed by the Secretary under this Act.".

Sec. 7. Section 6 of the Horse Protection Act of 1970 (15 U.S.C. 1825) is amended to read as follows:

"ENFORCEMENT

"Sec. 6. (a) Criminal Violation.—Except as otherwise provided in paragraphs (5) and (6) of subsection (d) of this section and in section 9 of this Act, any person who knowingly engages in any conduct prohibited under section 5 of this Act shall be subject to criminal prosecution and, upon conviction thereof, shall be fined not more than $3,000, or imprisoned for not more than 6 months, or both. An action against such person may be brought before any United States magistrate in the district court of the United States in any judicial district in which such person is found, and such magistrate shall have jurisdiction to hear and decide such action.

"(b) Civil Action.—(1) Except as otherwise provided in subsection (d)(7) of this section, any person who commits any act prohibited under section 5 of this Act shall be liable to the United States for a civil penalty of not more than $500 for each day of violation. No penalty shall be assessed unless such person is given notice and opportunity for a hearing before the Secretary with respect to such violation. The amount of such civil penalty shall be assesed by the Secretary, or his delegate, by written notice. In determining the amount of such penalty, the Secretary shall take into account all factors relevant to such determination, including the nature, circumstances, extent, and gravity of the prohibited conduct and, with respect to the person found to have engaged in such conduct, the degree of culpability, any history or prior offenses, ability to pay, effect on ability to continue to do busines, and such other matters as justice may require.

"(2) Any person against whom a violation is found and a civil penalty assessed under paragraph (1) of this subsection may obtain review in the appropriate court of appeals of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings of the Secretary shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

"(3) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

"(4) The Secretary may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty assessed under this subsection.

"(c) Disqualification.—In addition to any fine, imprisonment, or civil penalty authorized under this Act, any person convicted or assessed a civil penalty for any violation of any provision of this Act or any regulation issued under this Act may be disqualified by order of the Secretary, after notice and an opportunity for a hearing before the Secretary, from showing or exhibiting any horse, judging or managing any horse show, horse exhibition, or public horse sale or auction, horse exhibition, or public horse sale or auction, for a period of not more than one year for the first offense and not less than one year for any subsequent offense. Any person who knowingly fails to obey an order of disqualification shall be subject to a civil penalty of ot more than $1,000 for each offense. Each day during which such failure continues shall be a separate offense. Any horse show, horse exhibition, or public horse sale or auction, or the management thereof, collectively and severally, which knowingly allows any person who is under an order of disqualification to show or exhibit any horse, to enter for the purpose of showing or exhibiting any horse, to take part in managing or judging, horse exhibition, or public horse sale or auction in violation of an order shall be subject to a civil penalty of not more than $1,000 for each offense, to be assessed by the Secretary in accordance with subsection (b) of this section. Each day during which the violation continues shall be a separate offense.

"(d) Procedure.—

"(1) The Secretary may require by subpena the attendance and testimony of witnesses and the production of books, papers, and documents relating to any matter under investigation or the subject of a proceeding. Witnesses summoned before the Secretary shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(2) The attendance of witnesses, and the production of books, papers, and documents, may be required at any designated place from any place in the United States. In case of disobedience to a subpena the Secretary, or any party to a proceeding before the Secretary, may invoke the aid of any appropriate district court of the United States in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the provisions of this Act.

"(3) The Secretary may order testimony to be taken by deposition under oath in any proceeding or investigation pending before him, at any stage of the proceeding or investigation. Depositions may be taken before any person designated by the Secretary who has power to administer oaths. The Secretary may also require the production of books, papers, and documents at the taking of depositions.

"(4) Witnesses whose depositions are taken and the persons taking them shall be entitled to the same fees as paid for like services in the courts of the United States or in other jurisdictions in which they may appear.

"(5) Any person who knowingly neglects or refuses to attend and testify, or to produce books, papers, and documents in reply to a subpena, or to submit a report required by the Secretary, shall be guilty of an offense against the United States, and upon conviction thereof shall be fined not more than $1,000, or imprisoned for more than 1 year, or both.

"(6) Any person who willfully makes, or causes to be made, a false entry or statement in any report required under this Act; who willfully makes, or causes to be made, any false entry in any account, record, or memorandum kept by any person subject to this Act or in any notification or other material required to be submitted to the Secretary under section 4(b) of this Act; who willfully neglects or fails to make or causes to be made, full, true, and correct entries in such accounts, records, memoranda, notification, or other materials; who willfully removes any such documentary evidence of any person subject to this Act out of the jurisdiction of the United States; who willfully mutilates, alters, or by any other means falsifies any such documentary evidence of any person subject to this Act; or who willfully refuses to submit any such documentary evidence to the Secretary for inspection and making shall be guilty of an offense against the United States, and upon conviction thereof shall be fined not more than $1,000, or imprisoned for not more than 3 years, or both.

(7) If any person required by this Act to file an annual or special report fails to do so within the time fixed by the Secretary, and his failure continues for 30 days after notice of his default, he shall forfeit to the United States $100 for each day such failure continues. Such forfeiture shall be recoverable in a civil suit in the name of the United States brought in any district where the person may be found, resides, or transacts business.

(8) The United States district courts, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories, are vested with jurisdiction specifically to enforce, and to prevent and restrain violations of this Act, and shall have jurisdiction in all other kinds of cases arising under this Act, except as provided in sections 6 (b) and (c) of this Act.

"(e) Detention and Seizure.—The Secretary is authorized to—

"(1) detain for further examination any horse at any horse show, horse exhibition, or public horse sale or auction, which is sore, or which is suspected by the Secretary of being sore, for a period not to exceed 24 hours;

"(2) disqualify from competition at any horse show or horse exhibition any horse which he has probable cause to believe is sore or has any unsound limb;

"(3) prohibit the sale of any horse at any public horse sale or auction which he has probable cause to believe is sore;

"(4) seize any equipment, device, paraphernalia, or substance which he has probable cause to believe was used in violation of any provision of this Act or any regulation issued under this Act or which he has probable cause to believe contributed to the soring of any horse at or prior to any horse show, horse exhibition, or public horse sale or auction.".

Sec. 8. Section 11 of the Horse Protection Act of 1970 (15 U.S.C. 1830) is amended by striking out "twenty-four-calendar-month period" and inserting in lieu thereof "12-calendar-month period".

Sec. 9. Section 12 of the Horse Protection Act of 1970 (15 U.S.C. 1831) is amended to read as follows: "There are authorized to be appropriated to the Secretary for purposes of carrying out the provisions of this Act not to exceed $1,000,000 for the fiscal year ending June 30, 1976, $250,000 for the fiscal year transition period ending September 30, 1976, and $1,000,000 for the fiscal year ending September 30, 1977.".

NATIONAL SECURITY COUNCIL MEMBERSHIP FOR THE SECRETARY OF THE TREASURY

The bill (S. 2350) to amend the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the fourth paragraph of section 101(a) of such Act is amended by redesignating clauses (5), (6), and (7) as clauses (6), (7), and (8), respectively, and by adding after clause (4) a new clause (5) as follows:

"(5) The Secretary of the Treasury;".

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations of Roderick M. Hills, of California, to be a member of the Securities and Exchange Commission and Thomas S. Kleppe, of North Dakota, to be Secretary of the Interior.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

SECURITIES AND EXCHANGE COMMISSION

The assistant legislative clerk read the nomination of Roderick M. Hills, of California, to be a member of the Securiites and Exchange Commission.

THE NOMINATION OF RODERICK HILLS TO THE SEC

Mr. PROXMIRE. Mr. President, I rise today to oppose, reluctantly, the nomination of Mr. Roderick Hills to the SEC.

Last week the President sent to the Congress Mr. Hills' nomination to be a member of the Securities and Exchange Commission and announced his intention of appointing Mr. Hills to be Chairman if he is confirmed by the Senate. I am reluctant to oppose this nomination because Mr. Hills has a distinguished career in the law and in business. He is articulate and able. Further he is a charming and likeable person. And, so far as I know, he has absolutely no conflicts of interest or any past associations or incidents which would bar his confirmation.

But I find it necessary to oppose him for two very important reasons.

First, unlike almost every one of his predecessors, Mr. Hills has had absolutely no experience to qualify him for this particular job.

Second, he comes directly from the White House staff to head an "independent" agency. There is great danger that any such appointment will diminish the independence of the regulatory agencies. Mr. Hills has no independent political base. He has had no experience in the subject area. He will owe his position to one fact; namely, that he was the friend and counselor of the President.

REASONS FOR OPPOSITION

Let us examine my primary reason for opposing Mr. Hills—his lack of experience in securities regulation. The administration of our securities laws is, of course, a highly technical job calling for considerable professional expertise on the part of the Commissioners. For these reasons, previous Chairmen of the SEC have generally had a substantial background in securities law. For example a study by the Library of Congress shows that 15 of the last 18 SEC Chairmen have either been SEC Commissioners or members of the SEC staff before they became Chairman. Of the 15 with prior SEC experience, 12 were Commissioners and 3 held senior staff positions. This study does not count the first SEC Chairman, Joseph P. Kennedy, since there was no SEC prior to his appointment.

I ask unanimous consent that the study prepared by the Library of Congress at my request be inserted at this point in the Record.

There being no objection, the study was ordered to be printed in the Record, as follows:

The Library of Congress,
Congressional Research Service,
Washington, D.C., October 3, 1975.

To: Senate Committee on Banking, Housing, and Urban Affairs. Attn: H. Shuman.

From: Frederick M. Kaiser, Analyst, Gov.

ernment and General Research Division, (Frederick L. Scott, Assistant Division Chief)

Subject: Chairmen of the Securities and Exchange Commission.

The attached report is in response to your request for information regarding the background and professional experience of the chairmen of the Securities and Exchange Commission. As well, a brief biography of Roderick Hills, President Ford's nominee for the chairmanship, is included.

If I may be of further assistance, please call me at 426-5824.

CHAIRMEN OF THE SECURITIES AND EXCHANGE COMMISSION

This report focuses upon the chairmen of the Securities and Exchange Commission (SEC). Since its inception in 1934 under the Securities and Exchange Act (48 Stat. 381; 15 U.S.C. 78a and 78jj), the SEC has had nineteen chairmen. Because of time limitations, this report can only provide a brief account of the experience and background of each of the chairmen. The concentration is on their relevant governmental experience and professional training prior to assuming the position of chairman of the Commission. A brief biography of Roderick Hills, President Ford's nominee for chairman of the SEC, follows the biographical sketches for the chairmen. A concluding section summarizes some of the major findings regarding the professional experience and training of the Commission chairmen.

The following chart lists the chairmen of the Securities and Exchange Commission (in chronological order), the President who nominated them, the dates of membership on the SEC, and the dates of chairmanship of the SEC.

CHAIRMEN OF SEC

Chairmen, nominated by, dates of membership, and dates of chairmanship

Joseph P. Kennedy (D), Roosevelt, July 2, 1934 to September 23, 1935, July 2, 1934 to September 23, 1935.

James M. Landis (D), Roosevelt, July 2, 1934 to September 15, 1935, September 24, 1935 to September 15, 1937.

William O. Douglas (D), Roosevelt, January 31, 1936 to April 16, 1939, September 21, 1937 to April 16, 1939.

Jerome Frank (D), Roosevelt, December 27, 1937 to April 30, 1941, May 18, 1939 to April 9, 1941.

Edward C. Etcher (D), Roosevelt, December 3, 1938 to February 2, 1942, April 9, 1941 to January 20, 1942.

Granson Purcell (D), Roosevelt, June 17, 1941 to June 30, 1946, January 20, 1942 to June 30, 1946.

James J. Caffrey (D) Roosevelt (Truman),* May 2, 1945 to December 31, 1947, July 23, 1946 to December 31, 1947.

Edmund M. Hanrahan (D), Truman, July 22, 1946 to November 3, 1949, May 18, 1948 to November 3, 1949.

Harry A. McDonald (R) Truman, March 26, 1947 to February 25, 1952, November 4, 1949, to February 25, 1952.

Donald C. Cook (D), Truman, November 1, 1949 to June 17, 1953, February 26, 1952 to June 17, 1953.

Ralph H. Demler (R) Eisenhower, June 17, 1953 to May 25, 1955, June 17, 1953 to May 25, 1955.

J. Sinclair Armstrong (R) Eisenhower, July 16, 1953 to June 27, 1957, May 25, 1955 to June 27, 1957.

Edward N. Cadsby (R), Eisenhower, August 20, 1957 to August 4, 1961, August 20, 1957, to March, 26, 1961.

William L. Cary (D) Kennedy, March 27, 1961 to August 20, 1964, March 27, 1961 to August 20, 1964.

Manual F. Cohen (D), Kennedy (Johnson)*** October 11, 1961 to February 22, 1969, March 20, 1964 to February 22, 1969.

Hamer H. Budge (R) Johnson (Nixon),** July 8, 1964 to January 2, 1971, February 22, 1969 to January 2, 1971.

William J. Casey (R), Nixon, April 14, 1971 to February 1, 1973, April 14, 1971 to February 1, 1973.

G, Bradford Cook (R), Nixon, March 3, 1973 to May 16, 1973, March 3, 1973 to May 16, 1973.

Ray Garrett, Jr. (R), Nixon, August 6, 1973–August 6, 1973–.

BIOGRAPHICAL SKETCHES

Joseph P. Kennedy, the first chairman of the SEC (1934–35) and nominated by President Roosevelt, had been chairman of the board of Pathe Exchange, Inc. during 1929–1930 and was active in the field of corporate finance until his appointment to the SEC in 1934. He later served as chairman of the U.S. Maritime Commission, as U.S. Ambassador to Great Britain, and as chairman of a special commission relative to establishing the Department of Commerce.

James McCauley Landis had been a commissioner with the SEC since its inception, assuming the chairmanship in 1935 (1935–37). His extensive governmental experience prior to service with the SEC included law clerk to Justice Brandeis on the U.S. Supreme Court (1925), member of the Commission on Uniform State Laws of Massachusetts (1931), and membership on the Federal Trade Commission (1933–34). Receiving his LL.B. (1924) and S.I.D. (1925) at Harvard, Landis returned to his alma mater as a professor of law. During this period, he authored several books of related interest: Editor of "Selected Readings of the Law of Contracts" (1931) and author (with Felix Frankfurther) of "The Business of the Supreme Court" (1927).

William O. Douglas succeeded Landis and, like his predecessor, was a member of the SEC one year prior to his appointment to the chairmanship (1937–39). Douglas had taught law at Columbia University, where he had received his LL.B. and edited the law review, and Yale University. His professional interests focused on bankruptcy studies, which he developed at the Yale Institute for Human Relations and on which he collaborated with the U.S. Department of Commerce. Immediately prior to his appointment to the Securities and Exchange Commission, Douglas directed a study for the SEC from 1934 to 1936. Before his service with the SEC, he authored a number of law journal articles and five books dealing with the business community, finance, corporate organizations, business partnerships, and management.

Jerome Frank served as the fourth chairman of the SEC (1939–41), after tenure of more than a year on the Commission as a member. Besides practicing law before joining the SEC, Frank was a research associate at the Yale Law School (1932). His governmental responsibilities included serving as special counsel to the City of Chicago in traction settlements (1921–25), general counsel to the Agricultural Adjustment Administration (1933–1935), general counsel to the Federal Surplus Relief Corporation (1933–1935), special counsel to R.F.C. in railway reorganization matters (1935). He had contributed articles to numerous law reviews and authored Law and the Modern Mind in 1930.

Edward C. Eicher, who succeeded Jerome Frank, again held membership on the SEC for over two years before becoming chairman (1941–42). His varied professional experiences included serving as registrar at the University of Chicago and as attorney of law both in private practice and for the C.B. and Q. Railroad. Immediately prior to his appointment to the SEC, Eicher represented his Iowa district in the House of Representatives, 73d through 75th Congresses (1933–39). In 1938 he was a member of the Temporary National Economic Committee.

Granson Purcell was the last chairman of the SEC (1942–46) named by President Roosevelt, again serving in that was becoming an "apprenticeship," as a member of the SEC for six months before being selected as chairman. Having earned his LL.B. at Harvard in 1930, Purcell was admitted to the bar of the Supreme Court, D.C. (1931); Court of Appeals, D.C. (1931); Supreme Court of the United States (1937). Purcell was a law assistant on the staff of the legislative counsel to the United States Senate (1930–32) and assistant legislative counsel from 1932 to 1934. Prior to membership on the SEC, he served as an attorney on the legal staff of the Commission (1934–36) and as assistant director and then director of the trading and exchange division of the SEC (1936–37) and 1937–41, respectively.

James J. Caffrey was the final Roosevelt nominee to the Securities and Exchange Commission to eventually become chairman (1946–47). His appointment as chairman, however, was affected by President Truman in 1946, following SEC membership of one year. He practiced law in Massachusetts after receiving the LL.B. from Harvard and prior to his governmental experience. Caffrey in 1935 was trial counsel to the National Recovery Administration and in 1935–36 was an attorney on the general counsel staff of the SEC. He served in another capacity with the SEC as well—administrator, the Boston regional office (1935–38) and the New York regional office (1939–45).

Edmond D. Hanrahan, the first Truman nominee as member and chairman (1948–49) of the SEC, continued the trend of being a member of the Commission for nearly two years before chairing it. Hanrahan had been a member of the bar of New York and practiced law in New York City.

Harry A. McDonald assumed the chairmanship (1949–52) of the SEC after nearly three years as a commissioner. He had spent a lengthy period of time in private business and as an investment banker (1919–1932), after receiving the Ph.D. from the University of Chicago (1917). McDonald was also active in governmental affairs, as chairman of the Commission (1939–41) and member (1930–36) and chairman (1936) of the Michigan State Fair Board.

Donald C. Cook was the final Truman appointee to the chairmanship (1952–53) of the SEC and continued the practice of previous Commission membership (for more than two years in this case) before the appointment. After receiving his M.B.A. from the University of Michigan in 1935, Cook received the J.D. (1939) and L.L.M. (1940) from George Washington University. His governmental experience was varied, including service as financial examiner in the registration division of the Securities and Exchange Commission (1935–36) and utilities analyst in the public utilities division on the Commission (1937–42), a division in which he was assistant director (1943–45). He also served as special counsel to the Committee on Naval Affairs of the U.S. House of Representatives (1943–45) and for a period of time as chief counsel to the preparedness subcommittee of the Senate Armed

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* James J. Caffrey was nominated by President Roosevelt for membership on the SEC but was named Chairman by President Truman in 1946.

*** Manuel F. Cohen was nominated for SEC membership by President Kennedy but appointed Chairman of the SEC by President Johnson in 1964.

** Hamer H. Budge was nominated for membership by President Johnson in 1964 but was named Chairman of the SEC by President Nixon in 1969.

Services Committee. Cook also was executive assistant to the Attorney General of the United States (1945–46) and directed the Office of Alien Property (1946–47). Relevant memberships included the Michigan Bar Association and the American Accounting Association. Cook became a certified public accountant in 1940.

Ralph H. Demmler was the first nominee of President Eisenhower to the chairmanship (1953–55) of the SEC and the first to become chairman without previous SEC membership (except, of course, for the initial chairman of the Commission). Demmler had limited political experience, save for being a member of school boards in the Pittsburgh, Pa. vicinity. However, he was a member of the American, Pennsylvania, and Allegheny County bar associations and chaired the committee on legal education of the last of the three. He also was a faculty fellow in the School of Law, University of Pittsburgh, in 1923, where he received the LL.B. the same year.

J(ames) Sinclair Armstrong was the second of three Eisenhower nominees. He also served as a member of the SEC for two years before becoming chairman (1955–57). A graduate of Harvard (1938) and Harvard Law (1941), Armstrong continued as a graduate student in the School of Commerce at Northwestern University (1942–44). His military service included assignment to the office of general counsel, Navy (1945–46). Armstrong was admitted to the bar of New York (1941), Illinois (1941), U.S. District Court, U.S. Court of Appeals, and U.S. Supreme Court, prior to membership on the Commission.

Edward N. Gadsby was the final Eisenhower nominee as chairman (1957–61). Gadsby's professional experience was in law and state regulatory activity. He earned the J.D. at New York University in 1929. He was admitted to the New York and Massachusetts bars and was a member of the Massachusetts and American bar associations prior to the SEC chairmanship. Gadsby's governmental experience was primarily on the state level, serving as commissioner of the Massachusetts Department of Public Utilities (1947–52), as chairman (1947–49), and after the end of his term, as counsel (1952–56). Gadsby, interestingly, remained on the Commission for five months following the end of his term as chairman. (This was during the Kennedy Administration and the successor chairman was nominated by President Kennedy.

William L. Cary, one of two appointments by President Kennedy, assumed membership and chairmanship (1961–64) at the same time. However, his extensive governmental experience included a staff assignment with the SEC in 1938–40. Following the duty, Cary served as special assistant to the Attorney General, Tax Division of the Justice Department (1940–42) and as counsel in the Office of Coordinator for Inter-American Affairs (1942). In 1951 he was deputy department counsellor for procurement for the Army. During the late 1940's and 1950's, Cary was a lecturer in finance and law at the Harvard Graduate School of Business Administration (1946–47), a professor of law at Northwestern University School of Law (1947–55), and Columbia (1955–61), and a visiting professor at the University of California at Berkeley, Stanford, and Yale. Cary received the LL.B. from Yale in 1934 and M.B.A. from Harvard in 1938.

Manual F. Cohen, appointed chairman (1964–69) by President Johnson, served as a commissioner for nearly three years before heading the SEC. He also had served with the Commission in various capacities during the previous decades—on the legal staff from 1942–1952, chief counsel of the division of corporate finance (1952–59), adviser to the Commission (1959–60), and director of the division of corporate finance (1960–61). He also was a member of the council of the Administrative Conference, United States (1961). Cohen earned the LL.B. cum laude from St. Lawrence University in 1936, lectured at the George Washington Universty Law School, and authored numerous articles in professional and legal journals. He was a recipient of the Rockefeller Public Service award in 1956 and the National Civil Service League Career Service award in 1961.

Hamer H. Budge was nominated for membership on the SEC by President Johnson and served as Commissioner for more than four years before being appointed chairman (1969–71) by President Nixon in 1969. His professional background includes private legal practice in Idaho, following receipt of the LL.B. from the University of Idaho (1936), and membership in the Idaho Legislature, where has was majority floor leader. Budge represented the 2d District of Idaho in the U.S. House of Representatives from the 82d through the 86th Congresses.

William J. Casey served on the SEC exclusively in the capacity of chairman (1971–73). Nominated by President Nixon, Casey previously served as a member of the General Advisory Committee on Area Control (1969–70), as a member of the Presidential Task Force on International Development (1969–70), and as president of the International Rescue Committee (1969–70). A trustee of Fordham University (1966–71) where he had received his A.B., Casey had been chairman of the board of editors of the Research Institute of American (1938–49) and chairman of Institutional Business Planning (1953–79). He received the LL.B from St. John's Law School in 1937 and authored several relevant books, including the "Lawyers Desk Book" (1965), "Tax Shelter Investments" (1952), and "Forms of Business Agreements" (1966).

G(eorge) Bradford Cook, one of four nominees of President Nixon to the chairmanship of the SEC (1973), served briefly for two months in that capacity. Prior to chairing the Commission, Cook had been general counsel and director of the then new Division of Market Regulation of the SEC for two years (1971–73). He joined the Commission staff at the behest of then-Chairman William Casey, whom Cook succeeded. Prior to his service with the SEC, Cook gained experience in securities law as a partner in the Chicago law firm of Winston and Strawn, specializing in corporate and securities law.

Ray Garrett, the present SEC chairman, was nominated for the position in 1973 by President Nixon. Although he had not been a member of the Commission prior to his appointment as chairman, he had been a staff member for a five year period in the 1950's. Garrett had been associate executive director of communications and director of the division of corporate regulation during the 1954–58 period. Having received the LL.B. from Harvard in 1949, he was admitted to the Illinois bar (1952) and the U.S. Supreme Court bar (1957). He taught at Harvard Law School (1949–50) and as assistant professor at the New York University School of Law (1950–52). While in private practice, Garrett was an active member of the American Bar Association. He served as chairman of the Advisory Committee for Corporate Debt Financing projects of the American Bar Foundation (1965), as a member of the Board of editors of the American Bar Association Journal, and as a consultant to the "Reporter" for the American Law Institute's Federal Securities Code project.

Roderick Hills, President Ford's nominee for the SEC chairmanship, has served in government as White House Counsel during 1975. As deputy to chief counsel Philip W. Buchen, Hills has acted as liaison on exchanges of information to the Rockefeller Commission and to the House Select Committee on Intelligence. Since mid-June, Hills has headed a Presidential task force on regulatory reform, titled the Domestic Council Review Group for Regulatory Reform.[1] Prior to this executive branch experience, Hills was a former chairman of Republic Corporation and a founding partner in the law firm of Munger, Tolles, Hills, and Rickershauser (1962–75). Hills received his LL.B. from Stanford University and served as a law clerk to Supreme Court Justice Stanley Reed (1955–57).

By way of summary, even the abbreviated biographies of the SEC chairman reveal common characteristics of background and professional experience. Most obvious is the "apprenticeship" on the Commission prior to selection as chairman. Excluding the initial chairman, twelve of the remaining eighteen chairmen had been commissioners before becoming chairmen of the SEC. In addition, three of the five who were not members of the SEC before chairing it had been staff members of the Commission. Thus, a total of fifteen of the eighteen chairmen who had the opportunity had been formally affiliated with the SEC before assuming the chairmanship. Eight of the eighteen had served on the staff of the Commission prior to their appointments as commissioners or chairmen.

Moreover, all of the chairmen had experience in elected office or administrative governmental positions before assuming the chairmanship. The legal profession dominates the educational backgfround of the chairman, with several having been admitted to the bar of the U.S. Supreme Court, authors of relevant articles and texts, instructors at law schools, and active members of the American Bar Association.—FREDERICK M. KAISER, Analyst in American National Government, Government and General Research Division, October 3, 1975.

DEPARTURE FROM TRADITION

Mr. PROXMIRE. The Hills nomination is a sharp departure from this tradition. Such a departure might be justified if Mr. Hills had extensive experience as a securities lawyer, or if he had served as a State security regulator, or if he had taught securities law at a university, or if he had written scholarly articles on the administration of our securities laws. But Mr. Hills has done none of these things. By his own admission during his confirmation hearings, his legal background is primarily in corporate and labor law and not securities law.

PRESENT SEC A STRONG AGENCY

I have followed the SEC very closely in recent time. I am Chairman of the Banking Committee which has primary jurisdiction over its legislation. I am chairman of the Subcommittee of the Senate Appropriations Committee which until this year has had jurisdiction over its funds. At the present time I believe the SEC is the strongest and the best regulatory agency in the Government. It is one of the few which is not dominated by the industry it regulates. It has an extremely strong and able staff.

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[1] A survey of the efforts of this task force is available in and article by Richard Cohen, "Regulatory Report/Ford building framework for attempt to change policy," National Journal Reports, July 26, 1975, pp. 1078–1083.

And one of the reasons this agency is so strong and effective is its history and tradition and pride. And a very important part of that history is the fact that almost every chairman in its history has been an experienced man.

I am puzzled by the attitude of some that it is alright and even desirable to head up departments and agencies with persons who have had no previous experience at all. This is the British idea that anyone who has had a training in Greek and Latin is equipped to make foreign policy. But the effect is often the other way around. It takes months and years of on-the-job training before the man or woman becomes effective. And it puts far too much power in the hands of the bureaucracy when the top man or woman is unsure of his or her actions for months upon end.

POLICY NOT APPLICABLE IN OTHER AREAS

Society would not dream of taking such action in other areas.

For example, it would be considered outrageous to appoint an inexperienced person to:

Manage Muhamad Ali;
To coach the Redskins;
To manage the New York Yankees;
To serve as the Senate Parliamentarian;
To command an aircraft carrier;
To operate a dairy farm;
To run the mortgage loan department of a bank in Oshkosh;
To sell farm equipment in Fargo, N. Dak.

If we demand experienced professionals in all of these jobs, why, then is the chairmanship of the SEC which requires a far greater degree of technical competence any different? I believe it is time for the Congress to set higher standards of excellence in the Federal service. It is time to put an end to the erroneous notion that talented amateurs can run major departments of government. This was not true in the 19th century. And Heaven knows, it is not true today.

SEC FACES CRITICAL CHALLENGES

Mr. President, the SEC faces its most critical challenge in its 42-year history. The Congress has just passed a series of far-reaching amendments to our securities laws. These revisions call upon the SEC to make a number of critical judgments to protect investors and to improve the operation of our securities markets. The Commission must help guide the development of a central market system; it must impose new controls on municipal bond underwriters; it must monitor the transfer to a competitive commission rate system; it must put an end to restrictive trade rules and practices; and it has a continuing responsibility to eliminate conflicts of interest in the securities industry. All of these issues are extremely controversial, extremely complex, and extremely difficult. Accordingly, this is no time to have an amateur to head the SEC, no matter how able he might be in other areas.

RELATIONSHIP TO WHITE HOUSE AND THE INDEPENDENCE OF THE SEC

Mr. President, the second reason I oppose the nomination of Mr. Hills to the chairmanship of the SEC is because of his close association with the White House. Mr. Hills now serves as counsel to the President and is the principal White House spokesman on the issue of regulatory reform. Now I have no doubt that many of our regulatory agencies need to be reformed. In fact, some of them can be abolished. However, properly limiting the immense power of the Presidency to keep our institutions independent, while permitting a strong President is one of the great challenges of our Government. How independent can the SEC be, when the President or member of the White House staff can call its chairman, and urge him, as their former staffer, to modify a rule or regulation to conform to the latest White House party line? The SEC is an independent regulatory commission exercising legislative powers delegated to it by the Congress. It is not an arm of the executive branch created to do the bidding of the White House.

INDUSTRY AFTER THE SEC

Why is this issue so important at this time? The fact is that the securities industry is now making a major effort to reduce the power and authority of the SEC.

The SEC has a tough regulatory and enforcement staff which is acting in the public interest. As a result, it is the subject of charges from the industry day in and day out. Some of them, including that the staff is too tough on industry attorneys, appear to be foolish or absurd. I know of no attorneys who are not able to take care of themselves. What has happened is that this Agency, instead of acting like a toothless tiger, is actually functioning on behalf of the consumer and the investor and the general public.

Secondly, there is a major issue before the SEC now as to whether or not companies who have made bribes and illegal political contributions, shall have to disclose those facts.

I ask unanimous consent that an article from the Sunday, October 5, 1975, New York Times entitled "SEC's Tough Guy" outlining these issues be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. On the same page another article points out that Mr. Hills is "inexperienced in securities law."

THE POINT ABOUT HILLS NOMINATION

Now here is the major point about the Hills nomination. The SEC is under attack from business and Wall Street. We all know that. They are under attack because they are doing a first-rate job.

Second, the Ford administration has been the spokesman and ally of big business, major companies in the military-industrial complex who have bribed officials abroad, and the banking and industrial firms, Wall Street brokers, and others who make up the financial community.

Third, the President has appointed to that Commission an able and intelligent White House lawyer who has had little or no experience in the securities area—either in the industry, on a regulatory commission, or as an academic expert. The appointee has no political base or standing of his own. He is entirely dependent for his position on the support of the President.

Fourth, the question then becomes how tough will this new Chairman be? Where will he stand in the struggle between first-rate, tough, intelligent regulation, on the one hand, the pressures from the industry and the White House on the other?

Remember too, that we are entering an election year when the pressures, may be even tougher than before.

Will this man with no experience and no independent standing be able to take the heat in the kitchen without flinching and without giving in, compromising, or weakening what is now a first-rate regulatory commission.

That is the question and that is the issue that the Hills nomination represents.

Now I am sure that Mr. Hills is a man of character and integrity who will do what he regards to be in the public interest. However, our perception of the public interest is inevitably shaped by our past associations and experiences. Given Mr. Hills' association with the White House, it will be extremely difficult for him to exercise the independent judgment that Congress had in mind when it created the SEC.

Mr. President, I take a much stricter view of the proper role of the Senate in advising and consenting to nominations than my colleagues. Therefore, I have no doubt that the nomination of Mr. Hills will be approved by the Senate. Nonetheless, I do want the record to reflect my opposition to the nomination for the reasons I have indicated. Even though Mr. Hills will be approved, I believe we must begin building the case for better qualified appointees so that in the future, our departments and agencies will be run by those who are best able to do the job.

Mr. President, the New York Times for today, Thursday, October 9, 1975 has an editorial on the nomination of Mr. Hills and other recent appointees.

It makes precisely the points I have made today, namely that Mr. Hills is almost entirely inexperienced for the job he is appointed to and that he comes directly from the White House to an independent agency which above all should eschew pressures from the White House, from Congress, and from institutions it regulates.

I ask unanimous consent that this fine editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TWO DOWN . . . AND TWO TO GO?

Roderick M. Hills is an experienced and personable lawyer. He has served for the last several months as counsel to President Ford, and he is also the husband of Carla A. Hills, the Secretary of Housing and Urban Development. By his own admission, he knows very little about the securities industry or about the day-to-day work of the Securities and Exchange Commission. Yet President Ford has nominated Mr. Hills to be chairman of the S.E.C.

The Small Business Administration would make any list of the three worst-run Federal agencies. Under the guidance of Thomas S. Kleppe, an amiable North Dakota businessman-turned-politician, the S.B.A. has continued for the last four years along its customary path of slothful incompetence. President Ford has now nominated—and the Senate is about to confirm—Mr. Kleppe for the far more substantial post of Secretary of the Interior.

Because Mr. Hills is highly intelligent, he could be expected gradually to learn the ropes of his important new job. But as Senator Proxmire, Wisconsin Democrat and chairman of the Senate Banking Committee, observed in opposing Mr. Mills' confirmation, 14 of the 19 men who have headed the S.E.C. had previously served either as a commissioner or as a senior staff member. Others were qualified as academic experts on securities law. Thus, the Hills appointment breaches a tradition of demonstrated competence in a complex field. Mr. Hills could better serve elsewhere in Government.

Similarly, Mr. Kleppe is in no way qualified to head the vast Interior Department with its numerous and diverse responsibilities. His dim record on environmental issues as a member of the House and his mediocre career at S.B.A. should have been enough to disqualify him.

As if the Hills and Kleppe appointments were not sufficient cause for concern, President Ford has chosen two other nominees for significant posts whose qualifications—or lack of them—are even more disturbing.

For chairman of the Federal Home Loan Bank Board Mr. Ford has nominated former Representative Benjamin B. Blackburn of Georgia. Only the President's partiality for an old House pal could explain this appointment. Mr. Blackburn showed himself in Congress not only to be an extreme reactionary but also one whose ideological zeal and lack of judgment made him conspicuous.

If cronyism explains the Blackburn nomination, nothing can justify it. The Home Loan Bank Board regulates the thousands of savings-and-loan associations across the country whose integrity and stability are vitally important to millions of shareholders and to the housing industry that depends upon the S-and-L's for mortgage money. The Home Loan Bank Board chairmanship is no place for on-the-job training.

Equally depressing is President Ford's selection of James F. Hooper to fill a vacancy on the three-member board of the Tennessee Valley Authority. Mr. Hooper has been a tree farmer and a dairy cattle raiser. His chief claims for appointment seem to be that his wife is the G.O.P. national committeewoman from Mississippi, and Mississippi Republicans want some recognition.

The Senate Public Works Committee has held up the Hooper nomination for more than three months while it explores allegations concerning the bankruptcies of various business firms in which he has been involved. But even if all the details of these business reverses are satisfactorily explained, the real weight of the opposition to his confirmation would still remain. That is Mr. Hooper's unfamiliarity with most of the critical issues that now confront the giant T.V.A. public utility.

Inexperience, mediocrity, cronyism—these are the distinguishing features of too many of President Ford's appointments to high office. If the President continues unmindful of the seriousness of his attitude, the Senate has a duty to defend the public service by rejecting these nominations.

EXHIBIT 1

S.E.C.'S TOUGH GUY

(By Robert M. Smith)

WASHINGTON.—Listening to Stanley Sporkin talk is like watching a good tennis game. Your head goes back and forth, as he paces restlessly up and down in his plain fourth-floor office at the Securities and Exchange Commission.

Can this roly-poly, intense, nonstop middle-aged man be the terror of the securities industry, of those high-price Manhattan lawyers and their corporate clients?

Can this chunky, 43-year-old with clothes that look as if they are going to burst at any moment be at the center of a drive to make America's biggest companies embarrass themselves by telling whom, how and when they bribed overseas?

Worse, is Mr. Sporkin—certified public accountant, lawyer and chief of the S.E.C.'s Enforcement Division, operating without legal authority, failing to observe due-process standards and browbeating corporations into admissions of guilt by not providing guidelines on what they do have to confess?

The way Mr. Sporkin tells it, this is all nonsense. His favorite word these days is "smokescreen," as in, "that charge is clearly a smokescreen to impede the commission from doing its work." "It's an old tactic that we have seen time and time again—that when you have a very poor case, you try to attack the investigative agency."

Everyone, including his secretary and subordinates, calls Mr. Sporkin Stanley in part because he is so roughhewn, in part because he eschews bureaucracy, and in part because he casts a powerful net of direct, manly cordiality around comrades and colleagues as a hard-driving basketball coach whose players are a foot shorter and a lot poorer than their constant rivals, the corporate corrupters.

As you would expect, any team and any coach who are the underdogs in frequent contests with the corporate corrupters get a pretty good press. But recently Mr. Sporkin has been having a little problem with the press, and—while he will not say it for the record—that bothers him.

While it may seem strange to talk about Mr. Sporkin rather than the commission—those five Presidential appointees who are his bosses—lawyers representing corporations with securities problems deal with him and he serves as the filter for the commission, deciding which enforcement matters will go to it. It is also Mr. Sporkin who often initiates such policies as the forced disclosure of corporate bribery. Many things some of those lawyers say about Mr. Sporkin are unkind, not to say slanderous; in their more generous moments, they simply call him unreasonable.

Those who work at the S.E.C. do not see Mr. Sporkin as unreasonable—or at least they do not put it that way. "He gets emotional and messianic when he talks about issues," one staff member said.

He added that he felt that the commission did not give Mr. Sporkin's recommendations enough scrutiny and that S.E.C. employes hesitated for a long time before arguing with Mr. Sporkin over something he felt strongly about.

"He is apt to simplify and emotionalize issues to the point where he is Mr. Goody and everybody else is evil," the staff member said. "In it takes a rare institutional courage to oppose him."

There are two basic kinds of criticism being directed at Mr. Sporkin and his agency.

The first and more general concerns whether the S.E.C. is dealing fairly with lawyers and the adversary process in which they participate.

The second is whether the S.E.C. should make companies disclose that they have either made illegal political contributions in this country or paid bribes to foreign officials and political parties or who they paid.

In his recent book, "Lawyers' Ethics in an Adversary System," Monroe H. Freedman, dean of the Hofstra University Law School, said:

"The S.E.C. has succeeded in intimidating the attorneys who appear before it, with the result that zealous advocacy has been sharply curtailed in securities matters,"

Mr. Freedman charged that the commission had asserted that lawyers owed a higher duty to it than to their own clients; rewarded cooperative lawyers by letting them appear before it "at a critical stage of the proceedings before their clients," an opportunity denied other lawyers; engendered a "climate of fear" among lawyers practicing before it by threatening that they would be prosecuted for failing to inform it of possibly incriminating information about their clients, and instituted its own disciplinary proceedings against lawyers who displeased its staff members.

While Mr. Sporkin would obviously not be responsible for all these alleged evils, the allegations from a general backdrop in which he has to work.

The enforcement chief is unequivocal in his denials. "Nobody has ever substantiated those charges," he said. "They are clearly a smokescreen.

Mr. Sporkin's language oscillates. When he speaks, man-to-man, off the record, it is direct, vigorous and salty. When he speaks for the record, the lawyer emerges, and a very tight wrapping of balanced legalisms almost but not quite obscures his soul, or at least his fire.

For example, regarding the criticism that the S.E.C. was exceeding its jurisdictional authority by requiring companies to disclose their contributions and bribes, Mr. Sporkin said for the record:

"The shareholders [whom the S.E.C. is supposed to protect] are entitled to know about the quality of the company's earnings and the risks associated with the business. If there is anything that is material, it is certainly information that pertains to the quality of a company's earnings and the high-risk methods of a company's doing business.

"If a company has to obtain business through bribery and other nefarious means, the risk of the earnings statement is substantial if it becomes impossible to continue to do business that way or if it is disclosed that the company is doing business that way and it cannot any longer."

Companies that the S.E.C. has forced to make public the extent of their domestic or foreign payments to politicians and parties include American Ship Building, Ashland Oil and Northrop.

Currently on the S.E.C. griddle is Lockheed Aircraft. Lockheed argues that what is important is the "nature" of the at least $22-million in payments it has made since 1970 to foreign Government officials and political parties. Translated, that means Lockheed badly does not want to make public the names of its foreign recipients, presumably on the theory that embarrassed Government officials would not renew contracts with the same manufacturer and might be so angered as to cancel current contracts.

Senator Clifford P. Case of New Jersey, the ranking Republican on a Senate subcommittee also has been looking into the foreign payments, said in a recent interview that, while Lockheed's conduct was "certainly immoral and probably illegal," he was not sure the subcommittee should force the company to disclose the names of the recipients. "The main thing," he added, "is to get at the practice," not the culprits.

While there is a difference in purpose between the subcommittee and the S.E.C., the remark is typical of some sentiment here.

There is no question that Mr. Sporkin has problems. One is the small size of his staff (200 to 250 lawyers around the country) relative to the enormous job of policing the securities laws. Another is his fear—some in his own agency regard it as paranoia—that big business and big law are out to do him and the S.E.C. in, tying them up in a tangle of restrictive procedures.

Still another is his feeling that law-enforcement agencies such as his own are in such disfavor because of abuses disclosed during Watergate that "the pendlum has swung too far to the side" and the S.E.C. will not get the public support it needs to police big business.

On the other hand, the enforcement director has some powerful advantages: an energetic and loyal staff, a securities market that relies on investor confidence that in turn relies on the work of his agency, considerable statutory power and, by no means least, his own reputation for honesty.

Honesty is a crucial quality in an agency like the S.E.C., which is in constant touch with corporations that sometimes have both the incentive and means to bribe civil servants or make illegal political contributions.

Thus, the commission's departing chairman, Ray Garrett Jr. was brought in to revive the S.E.C.'s reputation in the wake of scandals that involved allegations of improper treatment of individuals and businesses that had found favor with the Nixon Administration.

Honesty is perhaps a particularly important quality in the Enforcement Division since it begins investigations into potentially wrongful corporation behavior with a view toward civil or administrative proceedings. In the last fiscal year, a third of the commission's budget went to finance the Enforcement Division's activities.

Whatever makes Mr. Sporkin endlessly complain, negotiate, excoriate, vituperate, expound and sometimes sue, it is not money—he earns $36,000 a year.

Mr. Sporkin has a wife, who is trying to establish herself as an artist, a daughter in her second year at Vassar and two younger sons.

He would someday like to be a judge. (His father is a common-pleas judge in Pennsylvania.) It is worth noting that the road to judgeships is not infrequently paved with vigorous, honest public service—particularly in areas that, like bribery, excite public interest.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR

The assistant legislative clerk read the nomination of Thomas S. Kleppe, of North Dakota, to be the Secretary of the Interior.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from North Dakota (Mr. YOUNG).

Mr. YOUNG. Mr. President, this is a very important and meaningful day for us in North Dakota. If Tom Kleppe is confirmed by the Senate as Secretary of the Interior he will be the first Cabinet Member North Dakota has ever had. I cannot help but believe that he will be an excellent Secretary of Interior. His whole background, experience and makeup ideally qualify him for this very important and difficult assignment.

Tom Kleppe's whole life is characterized by success. His is a most outstanding record. His has been a rural, outdoor life which has created in him a very special interest in most of the important activities of the Department of Interior.

From an employee he rose to president of the Gold Seal Co., where he frankly admits he did well financially for both himself and the company.

Tom Kleppe has established an honorable and enviable record in everything he undertook, both in private business and public life. He was a highly esteemed mayor of the city of Bismarck, N. Dak., and the youngest mayor they ever had. From this first public office he was elected to the U.S. House of Representatives, where he served with distinction for two terms. His record and experience as a Member of the House will be very helpful to him as Secretary of the Interior.

Following his service in the House, he became Administrator of the Small Business Administration, in which capacity he has served for almost 5 years. His record as Administrator again is commendable and I think the best in that agency's history. I had always wanted the Small Business Administration to be more progressive in its loan policy.

Nearly half of all the business loans made by SBA in its 22-year history have been made during Tom Kleppe's 4½-year administration. The SBA has, in that period, made 122,000 business loans for $7.9 billion. This is what the agency was set up for—to help small businessmen—and he has done a good job of it.

I draw your attention to one particular loan which is typical of Tom Kleppe. An SBA loan program for minority groups made possible a manufacturing plant on the Fort Totten Indian Reservation in North Dakota. As a result of this loan to the Devils Lake Sioux Tribe, the Brunswick Corp. established a sizable manufacturing plant on this Indian reservation.

Tom made the biggest SBA loan ever at that time to a minority group. This has proved to be a good loan. This industry, which eventually will be owned entirely by the tribe, is doing very well. It not only provides many jobs for needy Indians, but at the same time has reduced welfare payments by a very substantial amount on this reservation.

I cite this particular loan because it is so typical of Tom Kleppe. It did not take him forever to make this decision. One of Tom Kleppe's outstanding characteristics is that he is a decisionmaker and I do not know of any department of Government where we need a decisionmaker more than the Department of Interior. He is the kind who will listen to both sides of every controversy but when he makes a decision he will fight hard for that position.

North Dakota is a State that is deeply involved in all of the varied functions of the Interior Department. We are the No. 1 duck propagation State. The management of our wetlands and large game reserves come under the jurisdiction of the Fish and Wildlife Service, a part of the Department of Interior.

We have four Indian reservations which are closely related to the activities of the Bureau of Indian Affairs, an agency of Interior. We have one of the most beautiful national parks in the Nation—Theodore Roosevelt National Memorial Park, administered by the National Park Service.

North Dakota is a major coal State. We have huge deposits of low-sulfur lignite coal which is strip mined, primarily for the production of low-cost power. Over half of the coal deposits in our State are owned by the Federal Government. We are a sizable oil- and gas-producing State and the Interior Department administers the leasing of much of this land. The Forest Service and the Bureau of Land Management control thousands of acres of Federal land in North Dakota.

We have one of the largest mainstem dams on the Missouri River, Garrison Dam, which generates vast amounts of hydroelectric power, marketed by the Bureau of Reclamation, an agency of Interior.

North Dakota is one of the 17 reclamation States and our interest in reclamation goes back about when we first became a State. In fact, the basic Reclamation Act of 1902 was sponsored on the Senate side by the late Senator Henry Clay Hansbrough of North Dakota.

Mr. President, having lived his life in a State that has all this close involvement with the Interior Department and its agencies, along with his excellent administrative and legislative experience, ideally qualifies Tom Kleppe to be Secretary of the Interior.

Tom Kleppe has received strong and bipartisan support from the whole upper Midwest area. Governor Link of North Dakota and Governor Kneip of South Dakota speak well of this nomination. Former Governor William L. Guy of North Dakota, who is now executive director and spokesman for 10 western Governors through their Energy Policy Council, also praised the Kleppe nomination.

Mr. President, I cannot help but feel that if Tom Kleppe is confirmed by the Senate he will make an outstanding Secretary of the Interior. North Dakota would be happy and proud if he is confirmed and I sincerely hope he will be.

Mr. BURDICK. Mr. President, I join my colleague in recommending the approval of the nomination of Thomas S. Kleppe to the office of Secretary of the Interior. I believe he has the necessary qualifications for the office, and I ask my colleagues to consent to the nomination.

Mr. DURKIN. Mr. President, I oppose the nomination of Mr. Thomas Kleppe to serve as Secretary of the Interior.

I oppose his nomination for three reasons: First, his lack of background in the crucial area of natural resources management; second, a Civil Service Commission report which charged that Mr.

Kleppe, while serving as the Director of the Small Business Administration, responding to political pressures and acting contrary to law, acquiesced, in 1973, in easing out of office the District Director in Concord, N.H., Mr. Josephat Benoit; and third, it is time for President Ford to reach beyond the circle of Nixon cronies to staff and direct major governmental departments.

Strong and effective leadership is needed at the Interior Department to meet the economic, energy, and environmental needs of this country. I am not optimistic that such leadership will be forthcoming from Mr. Kleppe. Certainly his tenure at SBA gives no indication that he has the ability or the inclination to resist political pressures and stand up to the oil octopus which cherishes the idea of ravishing our planet in its search of bloated profits.

Mr. President, the Civil Service Commission, in a report entitled "A Report on Alleged Political Influence in Personnel Actions of the Small Business Administration," dated August 19, 1974, charged that the SBA, while Mr. Kleppe was Director, in response to "political pressures" acted in violation of Civil Service Rules in easing Mr. Josephat Benoit out as District Director of the SBA in Concord, N.H. The report further stated that the SBA's approach to the staffing of these Director positions was contrary to, and involved violations of law.

Mr. Josephat Benoit, a dedicated and outstanding public servant, served as the mayor of Manchester, N.H., for 18 years, prior to his many years of exemplary service as District Director. In easing Mr. Benoit out of office as District Director in Concord, N.H., the Small Business Administration, while Mr. Kleppe was Director, acted contrary to the letter and spirit of Civil Service Regulations. Such conduct should not be condoned, let alone rewarded with appointment as Secretary of the Interior.

Finally, Mr. President, it is high time that President Ford look beyond the small circle of Nixon cronies for his high level appointments. Already too many Nixon cronies are still occupying too many high-ranking Government positions.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. YOUNG. Mr. President, I ask unanimous consent that the President of the United States be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

VETERANS' ADMINISTRATION PHYSICIAN AND DENTIST PAY COMPARABILITY ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 8240.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the bill (H.R. 8240) to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes, as follows:

In lieu of the matter proposed by the Senate engrossed amendment, insert:

That this Act may be cited as the "Veterans' Administration Physician and Dentist Pay Comparability Act of 1975".

SEC. 2. (a) The Congress hereby finds and declares (1) that the ceiling on the salary of physicians employed in the Department of Medicine and Surgery due to the Federal salary limitation under the Executive Schedule rates of pay in title 5, United States Code, accompanied by the sharp escalation in the cost of living since those rates of pay were last increased in 1969, has seriously impaired the recruitment and retention of qualified physicians by the Department of Medicine and Surgery in the Veterans' Administration; and (2) that the compensation provided to physicians and dentists in the Department of Medicine and Surgery has been rendered noncompetitive by virtue of the payment of special pay of up to $13,500 per annum, in addition to basic compensation and other benefits, to certain medical officers, and monthly special and continuation pay cumulating appropriately half such amount to certain dental officers, of the uniformed services, pursuant to title 37 of the United States Code and Public Law 93-274. The Congress further finds and declares that these recruitment and retention difficulties have created an inequitable and demoralizing situation in the Department of Medicine and Surgery that threatens to erode seriously the ability of the Department to compete for the services of necessary health care professionals and thereby to continue to provide quality health care to eligible veterans.

(b) Section 4107 of title 38, United States Code, is amended by—

(1) striking out the comma and "other than Chief Medical Director and Deputy Chief Medical Director," after "title" in the first sentence of subsection (a);

(2) striking out in subsection (a) the following:

"Associate Deputy Chief Medical Director, at the annual rate provided in section 5316 of title 5 of the United States Code for positions in level V of the Executive Schedule.

"Assistant Chief Medical Director, $41,734.

"Medical Director, $36,103 minimum to $40,915 maximum.

and inserting in lieu thereof the following:

"Chief Medical Director, $54,000.

"Deputy Chief Medical Director, $52,000.

"Associate Deputy Chief Medical Director, $50,000.

"Assistant Chief Medical Director, $48,654.

"Medical Director, $42,066 minimum to $47,674 maximum.";

(3) amending the Physician and Dentist Schedule in section (b) (1) to read as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $36,338 minimum to $46,026 maximum.

"Executive grade, $33,736 minimum to $43,861 maximum.

"Chief grade, $31,309 minimum to $40,705 maximum.

"Senior grade, $26,861 minimum to $34,916 maximum.

"Intermediate grade, $22,906 minimum to $29,782 maximum.

"Full grade, $19,386 minimum to $25,200 maximum.

"Associate grade, $16,255 minimum to $21,133 maximum."; and

(4) amending subsection (d) to read as follows:

"(d) Notwithstanding any other provision of law, and except as provided in section 4118 of this title, pay may not be paid at a rate in excess of the rate of basic pay for an appropriate level authorized by section 5314, 5315, or 5316 of title 5 for positions in the Executive Schedule, as follows:

"(1) Level III for the Chief Medical Director;

"(2) Level IV for the Deputy Chief Medical Director; and

"(3) Level V for all other positions for which such basic pay is paid under this section.".

(c) Title 5, United States Code, is amended by—

(1) striking out in section 5314 the following:

"(38) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration."; and

(2) striking out in section 5315 the following:

"(31) Deputy Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.".

(d) (1) Subchapter I of chapter 73 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 4118. Special pay for physicians and dentists

"(a) (1) Notwithstanding the provisions of section 4107(d) or any other provision of law, in order to recruit and retain highly qualified physicians and dentists in the Department of Medicine and Surgery, the Administrator, pursuant to the provisions of this section and regulations which he shall prescribe hereunder, shall provide, in addition to any pay or allowance to which such physician or dentist is entitled, special pay in an amount not more than (A) $13,500 per annum to any physician employed in the Department of Medicine and Surgery, or (B) $6,750 per annum to any dentist so employed, except as provided in paragraphs (2) and (3) of this subsection, upon the execution, and for the duration of, a written agreement by such physician or dentist to complete a specified number of years of service in the Department.

"(2) Special pay may not be paid under this section to any physician or dentist who—

"(A) is employed on less than a half-time or intermittent basis,

"(B) occupies an internship or residency training position, or

"(C) is a reemployed annuitant.

"(3) The Chief Medical Director, pursuant to such regulations, may determine categories of positions applicable to both physicians and dentists in the Department of Medicine and Surgery as to which there is no significant recruitment and retention problem. Physicians and dentists serving in such positions shall not be eligible for special pay under this section.

"(b) The Administrator shall exercise the authority contained in this section to provide—

"(1) the maximum amount of such special pay to the Chief Medical Director and Deputy Chief Medical Director;

"(2) primary special pay of $5,000 to any eligible full-time physician, or $2,500 to any eligible full-time dentist, appointed under this chapter; and

"(3) a proportional amount of primary special pay of $5,000 to any eligible part-time physician, or of $2,500 to any eligible part-time dentist, appointed under this chapter, which proportional amount shall be calculated on the basis of the proportion which the part-time employment in the Department of Medicine and Surgery of such physician or dentist bears to full-time employment.

"(c) The Administrator shall, in accordance with such regulations, provide, in addition to the primary special pay provided for in subsection (b) of this section, incentive special pay of no more than $8,500 to any eligible physician, or $4,250 to any eligible dentist, described in clauses (2) and (3) of subsection (b) of this section. In prescribing regulations to carry out this subsection, the Administrator shall take into account only the following factors and may pay no more than the following per annum amounts of incentive special pay to any full-time physician eligible therefor, one-half the following per annum amounts to any full-time dentist eligible therefor (except that the full amount as specified in clause (1)(A)(iii) may be paid), or a proportional amount of the following per annum amounts to any part-time physician or dentist to the extent eligible therefor which proportional amount shall be calculated on the basis of the proportion which the part-time employment in the Department of Medicine and Surgery of such physician or dentist bears to full-time employment:

"(1)(A)(i) full-time status, $2,000, and

"(ii) tenure of service within the Department of Medicine and Surgery as follows:

"(aa) completion of probationary period or three years, whichever is the lesser, $1,000, or

"(bb) completion of seven years $2,000; and

"(iii) scarcity of medical or dental specialty $2,000; or

"(B) professional responsibility as follows:

"(i) Service Chief not in a scarce medical or dental specialty or Associate Chief of Staff, $5,500,

"(ii) Service Chief in a scarce medical or dental specialty, $7,000,

"(iii) Chief of Staff or Executive Grade, $7,000,

"(iv) Director Grade or Deputy Service Director, $7,250,

"(v) Service Director, $7,500,

"(vi) Deputy Assistant Chief Medical Director, $8,000, or

"(vii) Associate Deputy Chief Medical Director or Assistant Chief Medical Director, $8,500; and

"(2) continuing education certification, $500.

"(d)(1) The annual rate of special pay provided pursuant to this section shall be reduced by an amount calculated as of the effective date of an agreement entered into under this section, as follows: the difference between the annual rate of basic pay for the grade and step of a physician or dentist in effect and payable on the day before the effective date of this section and the annual rate of basic pay in effect and payable on such effective date for such grade and step.

"(2) No part-time physician may be paid an aggregate amount of basic pay, pursuant to the rates applicable on the effective date of this section to physicians employed under this title, and special pay under this section in excess of $42,000 per annum, and no part-time dentist may be paid an aggregate amount of basic pay, pursuant to the rates applicable on the effective date of this section to dentists employed under this title, and special pay under this section in excess of $37,000 per annum.

"(e)(1) Any agreement entered into by a physician or dentist under this section shall be with respect to a period of one year of service in the Department of Medicine and Surgery unless the physician or dentist requests an agreement for a longer period of service not to exceed four years.

"(2)(A) Any such agreement shall provide that the physician or dentist, in the event that such physician or dentist voluntarily, or because of misconduct, fails to complete at least one year of service pursuant to such agreement, shall be required to refund the total amount received under this section, unless the Chief Medical Director, pursuant to the regulations prescribed under this section, determines that such failure is necessitated by circumstances beyond the control of the physician or dentist.

"(B) Any such agreement shall specify the terms under which the Veterans' Administration and the physician or dentist may elect to terminate such agreement.

"(3) Any amount of special pay payable under this section shall be paid in biweekly installments.

"(4)(A) Any physician or dentist who is employed in the Department of Medicine and Surgery on or before the effective date of this section and who enters into an agreement under this section during the forty-five-day period beginning on the date of the enactment of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 is entitled to special pay beginning on the effective date of this section.

"(B) Any physician or dentist who becomes employed in the Department of Medicine and Surgery after the effective date of this section and who enters into an agreement under this section before the close of the forty-five-day period beginning on the date of the enactment of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 is entitled to special pay beginning on the date on which the physician or dentist becomes employed.

"(C) Any physician or dentist who becomes employed in the Department of Medicine and Surgery after the close of the forty-five-day period beginning on the date of the enactment of the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975, or who does not enter into any agreement under this section before the close of such 45-day period, and who thereafter enters into an agreement under this section is entitled to special pay beginning on the date on which the agreement is entered into or the date on which the physician or dentist becomes employed, whichever date is later.

"(f) Any additional compensation provided as special pay under this section shall not be considered as basic pay for the purposes of subchapter VI and section 5595 of chapter 55, chapter 81, 83, or 87 of title 5, or other benefits related to basic pay.".

(2) The table of sections at the beginning of chapter 73 of title 38, United States Code, is amended by inserting

"4118. Special pay for physicians and dentists."

immediately after

"4117. Contracts for scarce medical specialist services.".

Sec. 3. The Administrator of Veterans' Affairs shall submit a report each year to the Committees on Veterans' Affairs of the House of Representatives and the Senate regarding the operation of the special pay program authorized by section 4118 of title 38, United States Code, as added by section 2(d)(1) of this Act. The report shall be on a fiscal year basis and shall contain—

(1) a review of the program to date for the fiscal year during which the report is submitted and for such portion of the preceding fiscal year as was not included in the previous annual report; and

(2) any plan in connection with the program for the remainder of such fiscal year and for the succeeding fiscal year.

This report shall be submitted no later than April 30 of each year.

Sec. 4. (a) No later than August 31, 1976, the Comptroller General of the United States and the Director of the Office of Management and Budget shall complete the following activities and shall each submit a report thereon to the Congress:

(1) An investigation of the short-term and long-term problems facing the departments and agencies of the Federal Government (including the uniformed services) in recruiting and retaining qualified physicians and dentists.

(2) An evaluation of the extent to which the implementation of a uniform system of pay, allowances, and benefits for all physicians and dentists employed in such Federal departments and agencies would alleviate or solve such recruitment and retention problems.

(3) An investigation and evaluation of such other solutions to such recruitment and retention problems as each deems appropriate.

(4) On the basis of the investigations and evaluations required to be made under paragraphs (1), (2), and (3) of this subsection, (A) an identification of appropriate alternative suggested courses of legislative or administrative action (including proposed legislation) and cost estimates therefor, which in the judgment of the Comptroller General or Director, as the case may be, will solve such recruitment and retention problems, and (B) a recommendation, and justification therefore, of which such course should be undertaken.

(b) The reports required by subsection (a) of this section shall also include—

(1) a comprehensive analysis of—

(A) the existing laws and regulations relating to the employment of physicians and dentists by such departments and agencies of the Government, including an analysis of the various pay systems established pursuant to such laws,

(B) the existing physician and dentist recruitment, selection, utilization, and promotion practices of such departments and agencies, and

(C) the degree to which the various pay systems referred to in subparagraph (A), the practices referred to in subparagraph (B), and other relevant departmental and agency practices are effective in alleviating or solving such recruitment and retention problems; and

(2) a comparison of the remuneration received by physicians and dentists employed by such departments and agencies with the remuneration received by physicians and dentists in private practice or academic medicine who have equivalent professional or administrative qualifications, based upon information available through medical, dental, and health associations and other available sources.

(c) In preparing their respective reports required by subsection (a) of this section, the Comptroller General and the Director of the Office of Management and Budget shall consult, to the maximum extent feasible, with each other as well as with the Administrator of Veterans' Affairs, the Secretary of Defense, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, and the heads of other appropriate Federal departments and agencies.

(d) No later than March 1, 1977, the Comptroller General shall complete, and shall submit a report thereon to the Congress, a comprehensive investigation and analysis of recruitment and retention problems, both nationwide and geographically, of health care personnel other than physicians and dentists in the Department of Medicine and Surgery with respect to basic pay and premium and overtime pay rates.

(e) The report required by subsection (d) of this section shall specify—

(1) pay relationships which exist, both nationwide and geographically, between such personnel and similar employees of non-Federal health care facilities;

(2) pay relationships which exist, both nationwide and geographically, among such personnel in the Department of Medicine and Surgery (including an analysis of the effect of differing pay systems);

(3) the degree to which the pay relationships referred to in clauses (1) and (2) of this subsection create recruitment and retention or other personnel or related problems in the effective administration and achievement of the mission of the Department of Medicine and Surgery;

(4) the degree to which existing title 38 and title 5, United States Code, authorities have been able to be exercised in a way adequate to deal with any such recruitment and retention and pay problems as to such personnel; and

(5)(A) alternative suggested courses of legislative or administrative action (including proposed legislation) and cost estimates therefor, which in the judgment of the Comptroller General will alleviate or solve any such recruitment and retention and pay problems, and (B) a recommendation, and justification therefor, of which such course should be undertaken.

(f) In preparing the report required by subsection (d) of this section, the Comptroller General shall consult with the Chief Medical Director of the Veterans' Administration and with the heads of other appropriate Federal departments and agencies.

(g) The heads of all Federal departments and agencies shall fully cooperate with and respond expeditiously to all reasonable requests for information and assistance in connection with the preparation of the reports required by this section.

(h) The Administrator of Veterans' Affairs shall submit to the appropriate Committees of the House of Representatives and the Senate reports, prepared by the Chief Medical Director, specifying the effect on the administration and achievement of the mission of the Department of Medicine and Surgery of the alternative courses and recommended course of action identified in the reports required by this section. Each such report shall be submitted no later than one hundred and twenty days after the date on which such other report in question is submitted to the Congress.

SEC. 5. Chapter 73 of title 38, United States Code is amended as follows:

(a) Clause (1) of section 4104 is amended to read as follows:

"(1) Physicians, dentists, nurses, physicians' assistants, and expanded-duty dental auxiliaries;".

(b) Section 4105 is amended by—

(1) inserting at the end of subsection (a) the following new paragraph:

"(8) Physicians' assistants and expanded-duty dental auxiliaries shall, have such medical or dental and technical qualifications and experience as the Administrator shall prescribe."; and

(2) striking out in subsection (b) "or nurse unless he" and inserting in lieu thereof "nurse, physicians' assistant, or expanded-duty dental auxiliary unless such person".

(c) Section 4106 is amended by adding at the end thereof the following new subsection:

"(f) The provisions of this section shall apply to physicians' assistants and expanded-duty dental auxiliaries.".

(d) Section 4107 is amended by—

(1) inserting before the period at the end of the third sentence of paragraph (5) of subsection (e) a comma and "except as voluntarily requested in writing by the nurse in question"; and

(2) inserting at the end thereof the following new subsection:

"(f) Under standards which the Administrator shall prescribe in regulations, physicians' assistants and expanded-duty dental auxiliaries shall be compensated by use of Nurse Schedule grade titles and related pay ranges and shall be entitled to additional pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of this section.".

(e) Section 4108 is amended by—

(1) striking out in the language preceding clause (1) in subsection (a) "and nurses" and inserting in lieu thereof a comma and "nurses, physicians' assistants, and expanded-duty dental auxiliaries"; and

(2) striking out "or nurse" in the same language in such subsection and in clause (6)(B) thereof and inserting in lieu thereof in each place "nurse, physicians' assistant, or expanded-duty dental auxiliary".

SEC. 6. (a) (1) The amendments made by section 2 of this Act shall become effective on October 12, 1975.

(2) No agreement to provide special pay may be entered into pursuant to section 4118 of title 38, United States Code (as added by section 2(d)(1) of this Act), after October 11, 1976.

(b) Except as provided in subsection (a) (1) of this section, the amendments made by this Act shall become effective beginning the first pay period following thirty days after the date of the enactment of this Act.

Mr. CRANSTON. Mr. President, I have a detailed statement outlining the provisions of the compromise version which we have worked out with the House Committee on Veterans' Affairs on this very important VA Physicians and Dentist Pay Comparability Act of 1975. We reached this agreement after intensive negotiations over the last several months following passage of this legislation in both Houses shortly before the August recess.

Mr. President, this is not a bill which I can totally endorse in every respect, but I can assure the Senate that generally it is a sound and fiscally prudent measure and a generally equitable one. Moreover, in my opinion, it preserves all of the most critical features and principles of the original Senate version, as set forth in S. 1711 as reported from the Veterans' Affairs Committee which comprised the Senate amendment.

I have discussed this compromise version and our proceeding to act on it today with the distinguished chairman of the Committee on Veterans' Affairs (Mr. HARTKE), the ranking minority member of the full committee (Mr. HANSEN), and the ranking minority member of the subcommittee (Mr. THURMOND), all of whom support this version and urge its immediate adoption by the Senate.

Mr. President, today we complete congressional action on the measure in which I first introduced as S. 1711 on May 12, now embodied in a compromise version of H.R. 8240, the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975. This vitally needed legislation will provide the Administrator of Veterans' Affairs with the authority he needs, or point the way to future actions, to stem one of the most serious crisis ever to confront the VA health care system: the accelerating exodus of highly qualified physicians, dentists, and other health care personnel from the VA hospital system because of the inadequacy of salaries available to them in the VA.

BACKGROUND

Mr. President, no factor bears more directly on the quality of patient care provided to veterans in the VA health care system of hospitals, nursing homes and domiciliary facilities than the qualifications and professional skills of the health care personnel in the Department of Medicine and Surgery. For several years, the Department has experienced growing difficulty in obtaining and retaining the services of qualified physicians, and, to a lesser extent, of qualified dentists and nurses. In the spring of 1974, the VA, at the request of the President, conducted a major study of the quality of patient care at hospitals and clinics administered by the Department. That study, prepared under the direction of Dr. John D. Chase, the Department's then newly appointed Chief Medical Director concluded:

> The most critical problem confronting the Department of Medicine and Surgery is the recruitment and retention of an adequate staff of well qualified personnel essential to providing high quality health care. The most urgent of these needs focuses on the physician. Simultaneously, attention must be directed to dentists and nurses.

The single greatest barrier to successful recruitment and retention, the report found, was the inadequacy of the salaries which could be paid to VA physicians and dentists in the Department of Medicine and Surgery. The principal reason for the low level of compensation was the $36,000 ceiling imposed by statute on all Federal executive and white-collar employee salaries—technically called basic pay. That ceiling was first imposed in 1969. Today, 4 out of every 10 full-time physicians and 2 out of every 10 full-time dentists in the Department of Medicine and Surgery have their salaries effectively frozen at that maximum figure. The ceiling, of course, becomes particularly significant in light of the tremendous increase in the cost of living since 1969.

The inevitable result has been an exodus of experienced doctors from the VA Department of Medicine and Surgery, an exodus that now threatens to reach critical proportions. In the 12-month period ending June 30, 1975, more than 300 full-time physicians resigned because they considered their salaries inadequate, and fully two-thirds of the physicians who were recruited to take their places rejected offers of full-time employment, citing the inadequacy of compensation as their reason for doing so. A highly disturbing 21 percent of all physician slots in the Department of Medicine and Surgery are vacant today—representing over 1,200 vacancies—because the Department cannot offer the salaries necessary to attract qualified physicians.

The Department, in other words, is essentially operating at four-fifths strength, at a time when the patient population in the VA hospital system is steadily growing.

The situation with respect to dentists in D.M. & S. seems to be somewhat similar with respect to retention, although not on the same scale as for physicians. The number of dentists who have resigned from the system because of the inadequacy of their salaries has grown during the last 12 months. Although the 18 vacant dentist slots 2 months ago—about 2 percent of the 856 total slots—has increased to more than 50—or more than 6 percent of the total—that still does not seem to constitute significant recruitment problem.

LACK OF COMPARABILITY WITH UNIFORMED SERVICES

Mr. President, the exodus of physicians from the VA accelerated a year ago with the enactment of Public Law 93–274 to assist the uniformed services in recruiting and retaining badly needed medical officers. Under the terms of that 1974 act and its implementing regulations, certain physicians in the Armed Forces and the U.S. Public Health Service who agree to serve 1 to 4 years of additional active duty as medical officers are eligible for special incentive bonuses of up to $13,500 annually for each additional year of service.

With the enactment of this legislation and regulations issued thereunder in September 1974, and by virtue of dentists' special monthly and continuation pay already on the statute books, physicians employed in the VA's Department of Medicine and Surgery no longer had any semblance of salary comparability with their peers in the two other major Federal agencies providing health care.

A comparison of the incomes of VA physicians, uniformed services physicians, and non-Federal physicians—made by the Congressional Research Service on April 21, 1975, and reprinted on pages 31 to 38 of House Report No. 94–339 on H.R. 8240—illustrates the significant recruitment and retention disadvantages of the VA relative to other public-and private-sector health care systems. The $36,000 top salary for VA physicians is substantially lower than the top salary in the other two Federal health services, where the highest paid physicians—although relatively few in number—earn $55,594, 54 percent higher than the maximum physician salary in the VA. Prior to this year's comparability pay increase, the average military physician earned $37,335, whereas the average VA full-time physician in D.M. & S. earned $33,614. It should be noted with regard to these average figures that over 75 percent of the physicians in the Armed Forces have less than 12 years of experience, so that the average figure is misleadingly low. For military physicians, the average salary—prior to this year's comparability pay increase—was $43,039. The average salary for VA physicians with 12 years' experience was less than $36,000. The salaries of non-Federal physicians range considerably higher. In the private sector, the average physician earns more than $50,000, 15.8 percent of physicians net over $71,000 annually, and an income exceeding $100,000 is not at all uncommon.

TREND TOWARD PART-TIME AND FOREIGN MEDICAL GRADUATE PHYSICIANS

Because of the acceleration of full-time physicians and dentists leaving the VA for better-paying jobs elsewhere, the VA has grown increasingly reliant on two sources of physicians to which it has been increasingly reluctant to turn—part-time physicians, and graduates of foreign medical schools. Of the 732 physicians who were recruited to join D.M. & S. in the 3 fiscal years ending with 1975, only 52—7 percent of the total—elected to serve full time. The remaining 680 physicians chose part-time service.

Since 1968, the number of full-time physicians in D.M. & S. has increased by 8 percent. During the same period, the number of physicians serving part time has grown by 209 percent.

Almost 32 percent of all full-time physicians in the VA health care system today were trained in foreign medical schools, as compared to a 20-percent representation of foreign medical graduates in the general physician population of this country. Most significantly, Mr. President, the number of foreign medical graduates in VA health care facilities has increased by 25 percent in the last 2 years alone. While the vast majority of foreign-trained physicians are competent and dedicated individuals, many of them have not received the intensive clinical training that is now a standard part of the curriculum at American medical schools. In addition, lack of fluency in English may create problems in communicating effectively to support staff the exact medication to be administered to the patient and the overall treatment regimen to be followed, and may foster substantial communications barriers with veterans from different linguistic and cultural backgrounds.

Mr. President, we are at the crossroads, and the direction in which we turn could well determine the future of the Department of Medicine and Surgery and of the hospitals and clinics which the Department administers. The survival of the VA health care system as a first-rate provider of hospital, clinic, and extended care treatment is critically dependent on the Department's ability to attract top-quality physicians, dentists, and health care personnel to careers in the VA. If the VA is not empowered to pay the price for well-qualified medical and dental talent, then its hospitals and clinics will be condemned to a second-rate status that is neither befitting for the Federal Government to administer nor equitable to the millions of veterans who depend on the VA for most or all of their hospital and health care needs.

CONGRESSIONAL CONSIDERATION

On May 12, I introduced S. 1711, a bill principally designed to authorize the Administrator of Veterans' Affairs to pay up to $13,500 in special pay to eligible physicians in the Department of Medicine and Surgery. The bill was modeled after section 313 of title 37 as added by Public Law 93–274, and was designed to extend to physicians in the VA annual special pay benefits comparable to those offered to physicians in the uniformed services. Cosponsoring S. 1711 were the distinguished chairman of the Committee on Veterans' Affairs (Mr. HARTKE), the Committee's ranking majority member (Mr. RANDOLPH), the ranking minority members of the committee (Mr. HANSEN) and of the Subcommittee on Health and Hospitals (Mr. THURMOND), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Vermont (Mr. STAFFORD). The Senators from Georgia (Mr. TALMADGE), Florida (Mr. STONE), and Wyoming (Mr. McGEE) later joined as cosponsors on the bill as reported from the Committee on Veterans' Affairs.

On May 22 and 23, the Subcommittee on Health and Hospitals, which I am privileged to chair on that committee, conducted 2 days of hearings on S. 1711 and related legislation. On July 16, the bill was ordered reported on an 8-to-1 rollcall vote by the Committee on Veterans' Affairs, and I filed the committee report on July 23.

On July 21, the House of Representatives, by an overwhelming 382-to-3 vote, passed H.R. 8240, a bill similar in concept but different in certain important particulars from S. 1711. On August 1, the Senate substituted the text of S. 1711 for the text of the House bill, and then, by a 79-to-6 vote, passed the amended version of H.R. 8240.

For the past 2 months, staff members of the House and Senate Committees on Veterans' Affairs have labored to reconcile the differences between the House-passed and Senate-passed versions of H.R. 8240, and a compromise version has now been agreed to by the two committees. On October 8, the House of Representatives again in approved H.R. 8240, with an amendment, incorporating the agreed-upon compromise text, as a substitute for the Senate amendment—the provisions of S. 1711—to the bill. By approving the compromise text today, the Senate completes congressional action on this important measure, so that it can be sent to the President for his consideration.

RESOLUTION OF MAJOR DIFFERENCES BETWEEN HOUSE AND SENATE VERSIONS

Mr. President, to facilitate an understanding of the compromise version, I ask unanimous consent that a table, showing the major differences between the House bill and the Senate amendment, and the way each is treated in the compromise version before us, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MAJOR RESOLVED DIFFERENCES BETWEEN HOUSE AND SENATE VERSIONS OF H.R. 8240/S. 1711: THE "VETERANS' ADMINISTRATION PHYSICIAN AND DENTIST PAY COMPARABILITY ACT OF 1975"

Subject: 1. Salaries for three top officials in DM&S.

HOUSE BILL PROVISION	SENATE SUBSTITUTE AMENDMENT	COMPROMISE VERSION	
$56,000 for Chief Medical Director, and $54,000 and $52,000 for other two top officials.	$49,700 for Chief Medical Director, and $48,500 and $47,300 for other two top officials.	Ch. Med. Dir	$54, 000
		Dep. CMD	$52, 000
		Assoc. DCMD	$50, 000

MAJOR RESOLVED DIFFERENCES BETWEEN HOUSE AND SENATE VERSIONS OF H.R. 8240/S. 1711: THE "VETERANS' ADMINISTRATION PHYSICIAN AND DENTIST PAY COMPARABILITY ACT OF 1975"—Continued

	Subject: 2. New Physician and Dentist Schedule.	
Struck existing Schedule in § 4107 and replaced it with new Schedule, with salaries as much as 18% higher in some grades.	No provision; kept existing Schedule.	Strikes existing Schedule, substitutes a new Schedule with salaries a uniform 5% higher; codified pending pay comparability increase effective 10/12/75 for DM & S.
	Subject: 3. Fixed portion of special pay.	
(a) Called it "special pay";	(a) Called it "base special pay";	(a) Called "primary special pay";
(b) Set it at $5,000 for full-time physicians;	(b) Set it at $6,075 for full-time physicians;	(b) Sets it at $5,000 for full-time physicians;
(c) Made its award discretionary.	(c) Mandated its payment subject to categorical exceptions (see item 8).	(c) Mandates its payment subject to categorical exceptions (see item 8).
	Subject: 4. Variable portion of special pay.	
(a) Called "incentive pay";	(a) Called "additional special pay";	(a) Called "incentive special pay";
(b) Paid according to dollar amounts and standards specified by statute.	(b) Dollar amounts and standards left to the Administrator through regulations subject to five specified criteria, except with respect to the full-time-service criterion (see item 5(c)).	(b) Revised dollar amounts and standards specified by statute.
	Subject: 5. Part-time service.	
(a) Included only half-time-or-more service;	(a) Included all part-time service;	(a) Includes only half-time-or-more service;
(b) Set a total compensation ceiling (basic pay plus special pay) of $41,000 for part-time physicians and $36,000 for part-time dentists;	(b) Set no total compensation ceiling;	(b) Sets a total compensation ceiling of $42,000 for a part-time physician and $37,000 for a part-time dentist;
(c) Gave $1,000 in "incentive pay" for full-time service.	(c) Gave $2,025 in "additional special pay" for full-time service.	(c) Gives $2,000 in "incentive special pay" for full-time service.
	Subject: 6. Inclusion of dentists.	
Made dentists eligible for special pay, but at a 50% rate.	Limited special pay to physicians; dentists not eligible.	Makes dentists eligible for special pay, at a 50% rate, generally.
	Subject: 7. Special pay effective date.	
September 28, 1975.	July 1, 1975.	October 12, 1975.
	Subject: 8. Categorical exceptions.	
(a) Because all special pay was discretionary, any physcian or dentist could be excluded by decision of the Administrator.	(a) Permitted the exclusion of categories of physicians, after specific finding by Chief Medical Director;	(a) Permits the exclusion of categories equally applicable to physicians and dentists;
(b) Physician and dentist hospital directors excludable.	(b) Physician hospital directors not excludable.	(b) Permits the exclusion of physician and dentist hospital directors;
		(c) Excludes by law interns, residents, and certain other specified categories.
	Subject: 9. Multi-year agreements.	
Limited to one year of special pay eligibility.	Gave to each physician the option of signing agreements for up to four years of DM & S service and special pay eligibility.	Gives to each physician and dentist the option of signing agreements for up to four years of DM & S service and special pay eligibility.
	Subject: 10. Refund provision	
No provision.	Required any physician who failed to complete one year of service to refund all special pay received.	Requires any physician or dentist who fails to complete one year of service to refund all special pay received.
	Subject: 11. Effect of the October pay raise	
Provided for reduction of special pay amount by the amount of basic pay increase due to the new Physician and Dentist Schedule (see item 2).	No applicable provision.	Subtracts the 5% cost-of-living pay raise from special pay, so that physicians and dentists receive special pay over and above increased basic pay rate.
	Subject: 12. Independent review and report on Government-wide physician and dentist pay systems and recruitment and retention.	
(a) Report prepared by Comptroller General;	(a) Report prepared by Office of Management and Budget;	(a) Two separate reports prepared by Comptroller General and one by Director of Office of Management and Budget;
(b) Covered dentists and physicians only;	(b) Covered all health care personnel;	(b) Two reports on physician and dentist recruitment and retention, one by OMB and one by the Comptroller General; and one on other health care personnel by the Comptroller General;
(c) Due date August 31, 1976.	(c) Due date March 1, 1976.	(c) Physician and dentist reports due August 31, 1976; other health care personnel report due March 1, 1977.
	Subject: 13. Non-physician provisions.	
None (except dentists).	Provisions:	Provisions:
	(a) Placed physicians' assistants and expanded-duty dental auxiliaries under title 38;	(a) Places physicians' assistants and expanded-duty dental auxiliaries under title 38;
	(b) Permitted registered nurses voluntary compensatory time off;	(b) Permits registered nurses voluntary nurses voluntary compensatory time off;
	(c) Provided for title 38 premium and overtime pay for other direct patient care nontitle—38 health care personnel;	(c) and (d) See item 12(b) in this column for Comptroller General study covering these, among other, subjects.
	(d) Permitted nationwide entry-grade adjustment by VA for nontitle—38 health care personnel to meet competitive pay practices or provide internal pay alignment within VA.	

Mr. CRANSTON. Mr. President, the compromise version of this legislation which we bring to the Senate today is certainly not a perfect measure. Compromises seldom are. But, as I indicated, Mr. President, I do believe that, by and large, it retains the essential features and principles of the Senate amendment, which was S. 1711 as reported from the Committee.

CRITICAL FEATURES OF SENATE AMENDMENT RETAINED

Mr. President, I would like to outline briefly those critical features and principles.

First, Mr. President, we have maintained the Senate amendment structure, and the underlying, principle which provides a major measure of comparability for VA doctors with medical officers—and now dental officers—in the Armed Forces and Public Health Service. This is accomplished both through the Congressional findings in section 2(a) of the compromise version, which explicitly recognize the need for providing comparability with the uniformed services and the lack of comparability which was brought about by the enactment of Public Law 93-274, and through the structure of the special pay program based on the provision of special pay in return for agreements executed by VA physicians and dentists to serve specified periods of time up to the 4 years permitted pursuant to the Public Law 93-274 special pay program as implemented pursuant to applicable regulations. This is by far the single most imporant provision and principle regarding special pay in the bill. It provides the Department of Medicine and Surgery a real recruitment and retention tool by permitting any physician or dentist to obtain an entitlement to up to 4 years of special pay by entering into a 4-year agreement, rather than run the risk, as will any physician or dentist who signs an agreement for only 1 year of service, that the provisions of this act as to entering into new agreements, which expire on October 11, 1976, will not be further extended.

Let me hasten to add, Mr. President, that it would certainly be my very strong intention, and I would believe the intention of our committee, to seek to extend the special pay program for at least another year if an overall Federal pay comparability solution is not achieved by next October. But certainly that is not a guaranteed result, and I understand that there may be some questions about further extension in the other body.

Second, Mr. President, we have maintained the Senate amendment provision, and the underlying principle, that no individual physician—or dentist now under the compromise version—should be excluded from special pay because of a judgment made about inadequacy of such doctor's professional qualifications or performance. As part of this point, we have, therefore, been able to secure House agreement to a system whereby all D.M. & S. doctors will receive special pay as an entitlement unless the Chief Medical Director decides to exercise his discretionary authority to exclude categories, equally applicable to both physicians and dentists, of positions from special pay eligibility because as to such positions there is no significant recruitment and retention problem. Thus, in the absence of any action by the Chief Medical Director, all such physicians and dentists will receive special pay as a matter of entitlement. We believe strongly that this is how a program, designed after all to achieve pay comparability—that is, to pay physicians and dentists what they are in fact worth in the health care market—should work.

Third, Mr. President, by the adoption of two of the four Senate amendment provisions relating to other than physicians—including under the title 38 pay and personnel system physicians' assistants and expanded-duty dental auxiliaries, and permitting voluntary compensatory time off for registered nurses, physicians' assistants, and expanded-duty dental auxiliaries—and by adoption of a broad Government-wide study of the pay comparability and recruitment and retention problems with respect to all health care personnel—not limiting such study to only physicians and dentists—we have, I think, been faithful to our goal of making clear that we are under no illusion that the quality of health care provided by the VA is determined either solely, or even to the principal extent, by just physicians and dentists.

We feel very strongly that the nurses, optometrists, pharmacists, licensed vocational or practical nurses, nursing assistants, laboratory, X-ray technicians, and medical technologists and technicians, occupational and physical therapists, and, indeed, all VA health care personnel play an absolutely critical and indispensible role in providing for a well-functioning, compassionate, and effective hospital and medical system. We, therefore, tried in the Senate bill to take into consideration, and attempt to deal with, some of the significant pay comparability and recruitment and retention problems which were being experienced by these other health care professional and paraprofessional personnel. Although we did not, even in committee, achieve all of our goals in this regard, I firmly believe that we have, by the provisions I have just outlined, made progress toward this goal.

Mr. President, fourth, we have been able to provide a major financial incentive toward full-time service by adoption of the $2,000 Senate bonus for full-time service by physicians—$1,000 for full-time dentists.

Finally, Mr. President, we have been able—through the modifications we have made in the House bill specification of the incentive special pay factors, which constitutes the variable portion of special pay—to provide sufficient latitude to the Chief Medical Director to administer the special pay program in terms of incremental amounts in the manner he had proposed in his testimony before our subcommittee. We feel that the specification of detailed factors in the compromise version is unnecessary and unwise, but the House insisted on this specificity, and was very reasonable and accommodating in working out modifications in the factors so as to meet the concerns I have just expressed.

SENATE CONCESSIONS TO HOUSE POSITIONS

At the same time, Mr. President, I would be less than candid at this point if I did not also point out that there are five specific aspects to the compromise version—three by inclusion and two by exclusion—which I believe are regrettable.

First, Mr. President, we were unable to convince the House to retain the Senate amendment provision specifically mandating special pay for physician hospital directors. I note, parenthetically, Mr. President, that we felt the same way about dentist hospital directors once it was agreed to include them in the compromise version. Later in this statement I explain some of the reasons we thought it was important to require special pay for these doctor directors.

Second, Mr. President, I think it is most unfortunate that this bill excludes from eligibility for special pay physicians and dentists employed on less than a half-time basis. The bill submitted by the administration made no such exclusion within the part-time category, and the Chief Medical Director made a strong case regarding the need for their inclusion. There are certainly many VA hospitals, a number of them in more rural, isolated areas, where less than half-time service is the only practical method of insuring that the services of vitally needed specialists will be available on a regular basis or, in many instances, to secure only an amount of service which is actually needed to provide certain specialist care given demands in a particular hospital. The effect of this provision may very well be, in any event, Mr. President, to bring about an upward conversion of many of these less than half-time doctors presently on the rolls to a half-time or more basis.

Third, Mr. President, as to dentists, I would have preferred to leave to the Chief Medical Director the decision as to whether or not there is a significant dentist recruitment and retention problem justifying the payment of special pay to them.

Alternatively, I would have preferred that the compromise version include dentists in the special pay provisions but also have permitted the Chief Medical Director to exercise his discretionary authority under subsection (a)(3) of new section 4118, to exclude categories of positions, so to exclude the whole category of dentists or certain categories within the category of dentists if he determined there was no significant recruitment and retention problem as to them However, the House insisted on mandating the provision of special pay to dentists and specifically permitting the exclusion of categories only where they were equally applicable to both physicians and dentists. I find that this creates a substantial inequity, which I will comment on later, Mr. President, by permitting the exclusion of any category of physicians at the discretion of the Chief Medical Director—either hospital directors or researchers for example—when virtually all dentists are, in effect, being mandated for payment of special pay.

Finally, Mr. President, with respect to the less desirable aspects of the compromise version, I regret that we were unable to convince the House to include two provisions from section 4 of the Senate amendment, namely the provision to provide for title 38 premium and overtime pay for direct-patient-care non-title-38 health care personnel—now only registered nurses receive premium and overtime pay under the terms and conditions set forth in title 38—and the provision permitting nationwide adjustment of entry grades by the Administrator for non-title-38 health care personnel to meet competitive pay practices or provide internal pay alinement within the VA. The need for these two provisions was fully spelled out in my August 1, 1975, floor statement upon initial Senate passage of this bill, and on page 25 through 29 of the Senate Committee Report—No. 94–325.

Mitigating against this unfortunate exclusion, however, Mr. President, is the special GAO study, which the House has agreed to in section 4 (d) and (e) of the compromise version, covering the pay comparability and recruitment and retention problems of all health care personnel and specifically focusing on the specific purposes sought to be achieved by the two provisions I have just outlined which are not included in the compromise version—namely, premium and overtime pay comparability for all D.M. & S. health care personnel and nationwide and geographic salary adjustment.

SUMMARY AND DISCUSSION OF PROVISIONS OF COMPROMISE VERSION

SUMMARY OF PROVISIONS

Mr. President, the compromise version of H.R. 8240 would:

First. Mandate the payment of special pay to eligible physicians and dentists in the Department of Medicine and Surgery as follows:

One. Full-time physicians, with the exception of those in certain narrowly drawn categories of positions equally applicable to both physicians and dentists found by the Chief Medical Director not to be experiencing a significant recruitment and retention problem, would receive $5,000 in "primary special pay," plus up to $8,500 in variable "incentive special pay."

Two. Full-time dentists—with the exception of those in certain narrowly drawn categories equally applicable to both physicians and dentists would receive $2,500 in "primary special pay," plus up to $4,250 in "incentive special pay."

Three. Part-time physicians and dentists employed on a half-time basis or more in the Department, with the same narrowly drawn categorical exceptions, would receive "base special pay" plus "additional special pay" proratably reduced by the proportion of time employed in VA facilities.

Second. Remove the salary authorization for the Chief Medical Director and Deputy Chief Medical Director from title 5 of the United States Code; establish statutory salaries for these officials in section 4107 of title 38 of the United States Code; impose salary ceilings on their salaries, as well as that of the Associate Deputy Chief Medical Director, to correspond to specific executive schedule levels in title 5—while retaining the governmentwide salary ceiling on all other D.M. & S. salaries—except as provided in special pay—and direct the provision of $13,500 in special pay to these three officials.

Third. Revise the "Physician and Dentist Schedule" in section 4107 of title 38 to codify the 5-percent comparability pay increase to Public Law 94–82 and Executive Order No. 11883, effective October 12, 1975, as to D.M. & S. personnel.

Fourth. Require the Administrator of Veterans' Affairs to report annually to the relevant committees of Congress on the operation of the special pay program.

Fifth. Require the Director of the Office of Management and Budget and the Comptroller General, after consultation with the Administrator of Veterans' Affairs and the heads of relevant Federal agencies, to submit to the appropriate committees of Congress, not later than August 31, 1976, separate and independent reports proposing a permanent and coordinated legislative solution to the problem of attracting and retaining the services of qualified physicians and dentists for careers in the VA, the uniformed services, and other Federal agencies providing health care; require the Comptroller General to prepare a report on the Federal Government's recruitment and retention and pay comparability problems with respect to health care personnel other than physicians and dentists, due March 1, 1977; and require the Chief Medical Director to comment upon the OMB and GAO reports within 120 days of the receipt of those reports by the Congress.

Sixth. Provide for the inclusion in the title 38 Department of Medicine and Surgery personnel system of physicians' assistants and expanded-duty dental auxiliaries, along with physicians, dentists, and registered nurses, and direct that they be paid under the nurse schedule in section 4107 of title 38.

Seventh. Remove the prohibition on compensatory time off for VA registered nurses, but only when a nurse who, because of certain overtime work, is entitled to special compensation voluntarily and specifically requests in writing that that compensation take the form of extra time off rather than overtime pay.

Mr. President, let me now explain in detail the changes, provision by provision, that have been made in the legislation as originally passed by each house.

BASIC PAY

Basic pay for the three top officials in the Department of Medicine and Surgery: Mr. President, Department of Medicine and Surgery's three highest officials are currently paid their basic pay under or by reference to the executive schedule in title 5 of the United States Code as follows: $40,000 for the Chief Medical Director, under executive level III; $38,000 for the Deputy Chief Medical Director, under executive level IV, and $36,000 for the Associate Deputy Chief Medical Director, by reference to executive level V.

Both Houses of Congress recognized, Mr. President, that the basic pay rates for these three officials were more appropriately authorized under title 38 rather than title 5, and the measure as passed by each House contained a provision transferring basic pay authorization to title 38. All of the nontitle 38 positions in the title 5 executive schedule level III are filed by Presidential appointment by and with the advice and consent of the Senate, and the same is true of virtually all positions at executive levels IV and V. In contrast, the top three officials in the Department of Medicine and Surgery are nonpartisan officials appointed for 4-year statutory terms of service by the Administrator of Veterans' Affairs.

It is more appropriate, therefore, to include these officials in the title 38 pay system. Accordingly, section 2(b) of the compromise version transfers compensation authority for these officials to title 38, and section 2(c) makes the necessary conforming changes in title 5 to eliminate any reference to the officials presently listed there.

Having moved the specification of the basic pay levels of the top officials of the Department to the title 38 pay system, it was of course necessary to establish rates of basic pay for them in line with the existing rates provided for in the title 38 pay system. In the original House version of H.R. 8240, basic pay rates of $56,000, $54,000, and $52,000 were authorized for the Chief, Deputy Chief, and Associate Deputy Chief Medical Directors, respectively. In the Senate substitute, rates of $49,700, $48,500, and $47,300, respectively, were authorized. Those latter figures were derived as follows: The executive schedule level III, rate proposed by the President on February 4, 1974, as part of a 3-year adjustment plan for executive schedule rates was applied to the Chief Medical Director. The other two rates were set $1,200 and $2,400 lower, respectively.

We recognized that the latter two statutory rates would be slightly higher than the executive schedule IV and V levels proposed by the President in his February 1974, plan; but we selected those rate levels in order to bring the basic pay rate of the Associate Deputy Chief Medical Director to a level higher than that now set forth for Assistant Chief Medical Directors—$46,336—in the "Section 4103 Schedule" under section 4107(b) of title 38.

As of October 12, 1975, under Executive Order No. 11883, signed October 6, 1975, which raises rates of pay for Federal executive-level employees by 5 percent, the rate of basic pay specified under title 38 for the Assistant Chief Medical Director will increase $2,318, from $46,366 to $48,684. To keep the basic pay rates of the three top officials in line with this new figure, their rates were set at levels incrementally higher, yielding the authorized basic pay rates contained in the compromise version: $54,000 for the Chief Medical Director, $52,000 for the Deputy Chief Medical Director, and $50,000 for the Associate Deputy Chief Medical Director. The new authorized rates preserve internal pay alinement at the top of the Department, and are midway between the rates contained in the original House bill and the Senate amendment.

These figures, of course, are only the levels of basic pay authorized by statute. They are not the rates which will actually be paid to the three top officials of the Department. All of the salaries currently in the title 38 pay system, to the extent that they exceed the salary ceiling of $36,000, or $37,800 as of October 12, 1975, are limited by section 4107(d) of title 38, which applies to title 38 positions the Governmentwide ceiling set forth in section 5308 of title 5. The effect of moving the salary authorization of the Chief Medical Director and Deputy Chief Medical Director from title 5 to title 38, then, would thus have been to reduce their basic rates of pay by $4,000 and $2,000, respectively, under the pre-October rates—or, after the October 12 comparability increase, by $4,200 and $2,100, respectively.

To avoid this result, section 2(b)(3) of the compromise version sets special ceilings on the basic pay rate for the top two officials in the Department by reference to their current Executive Schedule levels. The Chief Medical Director's basic pay ceiling will thus remain the amount payable under level III of the executive schedule—$42,000 as of October 12—and the Deputy Chief Medical Director's ceiling will continue at the amount payable under level IV of the executive schedule—$39,900 as of October 12. Thus, the transfer of their basic pay rate authorizations to title 38 does not in any way reduce the present or future basic pay levels payable to the top officials in the Department.

For all other personnel paid under the title 38 system—including the Associate Deputy Chief Medical Director—the basic pay limitation prescribed by section 5308 of title 5 is continued in effect by the compromise version as to title 38 positions at the existing level—$36,000, now and $37,800 after October 12.

New physician and dentist schedule: Mr. President, all physicians and dentists in the Department are paid according to the "physician and dentist schedule" in section 4107 of title 38. The existing schedule was last amended by statute on August 2, 1973, and has been increased twice since then by Executive order in October 1973, and October 1974, pursuant to the pay comparability system established in subchapter I of chapter 53 of title 5, United States Code.

The House bill proposed a new physician and dentist schedule, with entry grade salaries ranging from 5.4 percent to 18.3 percent higher than those in the existing schedule. The Senate amendment proposed no new schedule.

A complicating factor was the pending comparability pay increase finally authorized at 5 percent by Executive Order No. 11883, effective October 12, 1975, as to D.M. & S. employees. Section 5305(n) "Annual pay reports and adjustments" of title 5, United States Code, provides:

> The rates of pay that take effect [pursuant to annual adjustment by Executive Order] shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—
>
> (1) all provisions of law enacted prior to the effective dates of all or part (as the case may be) of the increases; and
>
> (2) any prior recommendations or adjustments which took effect under this section or prior provisions of law.

Mr. President, we have been advised by the Chairman of the Civil Service Commission that this title 5 provision means that any adjustment in the title 38 pay system, "to the extent inconsistent"—higher or lower—with the October 6 Ex-executive order, would be superseded and rendered inapplicable by that Executive order. If we had waited until after the effective date of that order—October 12, 1975, in the case of D.M. & S.—to amend the physician and dentist schedule in title 38 with rates other than those provided for in the new order, then such a new statutory schedule would have been effective, but only until next October, when the 1976 Executive order would have superseded it.

Mr. President, I ask unanimous consent that a copy of the Civil Service Commission's letter of September 15, 1975, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., September 15, 1975.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Health and Hospitals, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the opinion of the Civil Service Commission on the relationship between the Federal pay comparability system and certain rates of pay that would be established by section 2(a) of H.R. 8240, as passed by the House of Representatives on July 21, 1975.

Under section 5305 of title 5, United States Code, the President is required (unless he invokes a special alternative procedure under subsection (c) of section 5305) to adjust the rates of pay of certain statutory pay systems each year in accordance with principles specified in section 5301(a) of title 5. These principles are that—

"(1) there be equal pay for substantially equal work;

"(2) pay distinctions be maintained in keeping with work and performance distinctions;

"(3) Federal pay rates be comparable with private enterprise pay rates for the same levels of work; and

"(4) pay levels for the statutory pay systems be interrelated."

Under subsection (c) of section 5301, the statutory pay systems involved are identified as the General Schedule system, the Foreign Service pay system, and the system established for certain employees in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code.

When the President adjusts the pay rates of these statutory pay systems, subsection (n) of section 5305 provides that—

"The rates of pay that take effect under this section shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date or dates of all or part (as the case may be) of the increases; and

"(2) any prior recommendations or adjustments which took effect under this section or prior provisions of law."

These provisions of law were enacted in January 1971 by the Federal Pay Comparability Act of 1970, Public Law 91–656, and have served as the basis for adjustments in the pay rates of the affected statutory pay systems since then. The most recent adjustment was made by the President in Executive Order 11811, October 7, 1974, and the rates established by that order are currently in effect.

Section 2(a) of the House version of H.R. 8240 would, among other things, establish new rates of pay for certain positions under the statutory pay system under chapter 73 of title 38. These new rates of pay would be higher than those that were established for these positions by section 2 of Executive Order 11811. We have been asked for our opinion as to the relationship between these proposed pay rates and the title 5 pay comparability system.

It is our view that the amendments to title 38 that would be made by the House version of H.R. 8240 would not supersede or invalidate any provision of the title 5 pay comparability system, although the rates of pay in H.R. 8240 would supersede rates of pay that are in effect at the time of enactment of H.R. 8240.

As required by section 5301 of title 5, the pay rates of the title 38 statutory pay system are presently interrelated with the rates of pay of the General Schedule and the Foreign Service pay system in such a way as to provide equal pay for equal work under all three statutory pay systems. To be sure, Congress certainly has authority to modify rates of pay on its own initiative, which is precisely what would be done by section 2 of H.R. 8240. However, H.R. 8240 is obviously being considered against a background of knowledge about the existing pay comparability mechanisms, and the absence of any provision expressly vitiating the applicability of those procedures to the pertinent portions of the title 38 statutory pay system suggests that H.R. 8240 is not designed to disturb the general comparability structure. And, in this regard, since the President is required to make pay adjustments in accordance with section 5301, it would appear that the President could restore the present pay relationships between the General Schedule and the title 38 system at the time of the first comparability adjustment following the enactment of H.R. 8240.

Thus, if H.R. 8240 were to be enacted before October 12, 1975 (the effective date of the pay comparability adjustment for employees under the title 38 statutory pay system), the pay rates in the bill would supersede the pay rates established by Executive Order 11811, and would take effect. However, on October 12, the pay rates in H.R. 8240 could in turn be superseded by the new Executive order, in accordance with the provisions of section 5305(n).

For example, H.R. 8240 would establish a range of pay rates of $39,000 to $48,000 for Director-grade physicians and dentists. However, the October 1975 pay comparability adjustment is expected to result in a pay range of only $36,338 to $46,026 for the Director grade. (These figures assume that neither House of Congress will disapprove the President's plan for a five percent General Schedule pay increase in October 1975. If either House does disapprove the President's plan, an 8.66 percent General Schedule adjustment would result, and the rate range for the Director grade would be $37,604 to $47,628.) Since section 4107(d) of title 38 and section 5308 of title 5 limit actual pay rates for the title 38 statutory pay system to the rate for level V of the Executive Schedule, the employees in this grade would not have their actual rates of pay reduced, but the rates of pay shown in the pay schedule would be changed from those in H.R. 8240 to those resulting from the comparability adjustment. Physicians and dentists at lower grades, with rates below the level V limitation, would have their actual pay rates reduced.

We, of course, do not contend that the matter is entirely free from doubt, especially since it is conceivable that under this view the rates of pay established by H.R. 8240 would subsist merely for a few weeks and it is generally presumed that "the legislature would [not] do a futile thing." 2A SUTHERLAND, STATUTES AND STATUTORY CONSTRUCTION (4th ed. 1973). Nonetheless, the absence of any express treatment of the matter in the bill (e.g., by inclusion of the words "notwithstanding other provisions of law," or other words to similar effect) makes it not unreasonable to assume that the positions identified in section 2 would continue to be subject to the President's pay comparability determinations.

In any event, if H.R. 8240 were to be enacted on or after October 12, 1975, the pay rates in the bill would supersede the pay rates established by the President in the October 1975 pay comparability adjustment, but could conceivably remain in effect only until the time of the next pay comparability adjustment, scheduled for October 1976. At that time, the rates established by the President could, for the reasons suggested above, supersede the rates established by H.R. 8240.

I hope this opinion will be of assistance to your committee in your consideration of H.R. 8240. Please contact us if we may be of any further assistance.

Sincerely yours,

ROBERT HAMPTON,
Chairman.

Mr. CRANSTON. Mr. President, the solution, it seemed to us, was to amend the Physician and Dentist Schedule in a way consistent, not inconsistent, with the pending Executive Order. This we did by incorporating the 5-percent comparability increased rates into the title 38 Schedule, with rates, for every salary level, 5 percent higher than those in the existing Schedule. This codification of the 5-percent comparability pay raise will avoid the problems posed by section 5305(n) of title 5. Also, Mr. President, I want to make clear that all physicians and dentists in the Department of Medicine and Surgery will receive the 5-percent raise, whether or not they qualify for or elect to sign agreements for special pay.

SPECIAL PAY

FIXED PORTION OF SPECIAL PAY

Mr. President, a major difference between the House version of H.R. 8240 and the Senate amendment concerned two aspects of the fixed portion of special pay—the amount, and whether payment was totally discretionary or was mandated subject to exclusions of categories of positions for which it was determined there was no significant recruitment and retention problem. The House bill called the fixed amount "special pay" and the Senate called it "base special pay." The compromise version has adopted the term "primary special pay," and I will use that term to avoid confusion.

With respect to the amount of primary special pay, Mr. President, in the House bill physicians were eligible for $5,000 in primary special pay. Under the Senate amendment, physicians were entitled to $6,075 in primary special pay. The compromise version adopts the House's $5,000 figure. The House committee was adamant on this point. This does not mean, however, Mr. President, that D.M. & S. physicians on the average will necessarily receive less in total special pay under the compromise version than under the Senate amendment. The average full-time physician—who has service beyond 7 years in the Department—will still receive between $9,000 and $10,000 in special pay—minus a reduction factor, which I will explain later. This is about the same sum that the average D.M. & S. physician would have received under the Senate amendment, the difference in primary special pay being made up by a larger amount of incentive special pay—that portion originally called additional special pay in the Senate amendment and incentive pay in the House bill and which is the variable portion of the total amount of special pay.

Second, Mr. President, under the original House bill, the award of primary special pay was entirely discretionary. The Administrator could authorize a physician to receive none, some, or all of the primary special pay for which he was eligible. In a memorandum submitted to the Committees on Veterans' Affairs pursuant to the May 29, 1975, transmittal letter of draft legislation from the Administrator of Veterans' Affairs, the Department of Medicine and Surgery indicated that it would use the discretionary authority thus granted to the VA to exclude certain categories of physicians and, on an individual basis, "a few physicians whose competence and productivity are borderline." The House committee report specifically pointed out and called for this case-by-case approach, as distinguished from a categorical approach, in its explanation of the House bill—House Report No. 94-339—page 10.

Mr. President, I very strongly objected to the notion that primary special pay could be used as a personnel tool to prod physicians of "borderline" productivity into retirement. I believed, and still believe, that such physicians, if they can be identified in the Department, should be separated or retired immediately or otherwise dealt with in accordance with prescribed personnel standards and procedures, and that special pay should not be a coercive mechanism to punish or hasten the departure of "borderline" physicians.

In any event, Mr. President, I was and am convinced that any denial of special pay to an individual physician, because of his job performance would be an adverse personnel action requiring all requisites of notice and hearing and other due process procedures and protections under the Constitution and applicable law and regulation. In sum, the "game" would not be "worth the candle."

Accordingly, Mr. President, the Senate amendment was drafted so as to mandate the award of primary special pay to all categories of physicians deemed eligible to receive it. As I will discuss more fully later, the Chief Medical Director could make categorical exceptions upon a finding that, as to categories of physicians in the Department, there was no significant recruitment and retention problem. But I emphasize, Mr. President, that the Senate amendment did not permit the Chief Medical Director to single out an individual physician for reasons of dubious productivity or any other reason, and thus deny that physician special pay. Exceptions, if they were to be made, had to be made by category.

Mr. President, I am pleased to say that the provisions relating to mandated primary special pay, subject only to categorical exceptions, were retained in the compromise version. It is very important, I believe, to the concept of a special pay program that special pay be considered an entitlement rather than a privilege by both the recipients and the Administrator. Mandating the payment of primary special pay—indeed "incentive" special pay as well in the compromise version—sets a tone for the special pay program that is critical to the success of the program and continued good morale in the Department.

VARIABLE PORTION OF SPECIAL PAY

This portion of the total amount was originally referred to as "incentive pay" in the House version, and "additional special pay" in the Senate amendment. It is called "incentive special pay" in the compromise version, and again, Mr. President, I will use the term from the compromise version to avoid confusion.

The House and Senate committees agreed that the amount of incentive special pay should be fixed according to objective factors, but we disagreed on the most effective way of achieving that result. The original House bill contained specific statutory factors, and dollar amounts payable for each, governing the amount of incentive special pay for which a particular physician or dentist was eligible. The Senate amendment, instead of legislating specific dollar increments, specified five objective criteria and left to the Administrator and Chief Medical Director the task of drafting regulations to implement them.

The compromise version essentially adopts the House approach, by including in the statute specific factors and dollar increments of incentive special pay for each. The statutory language, however, has been significantly revised to: First, change one of the five specified objective factors; second, establish two forms of incentive special pay schemes: One for physicians and dentists holding specified administrative positions in Washington or in the field and one for all others; and third, revise and perfect each of the incremental amounts provided for the factors adopted. The result, Mr. President, is a plan for determining incentive special pay eligibility that is flexible and more attuned to the particular needs of the Department of Medicine and Surgery.

Under the compromise version of H.R. 8240, incentive special pay is to be awarded only on the basis of specifically enumerated factors. Mr. President, I ask unanimous consent that a table be printed in the RECORD, showing the per annum dollar amounts of incentive special pay for a full-time physician under the compromise version with the corresponding amounts for a full-time dentist in parentheses.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Incentive special pay under H.R. 8240 compromise version

For physicians and dentists not holding prescribed professional positions:		
Full-time status	$2,000	($1,000)
Tenure of service within the Department, as follows:		
Completion of probationary period of 3 years, whichever is the lesser	1,000	(500)
Completion of 7 years	2,000	(1,000)
Scarcity of medical or dental specialty	2,000	(2,000)
Continuing education certification	500	(250)
For physicians and dentists holding professional positions as follows:		
Service Chief not in a scarce medical or dental specialty, or Associate Chief of Staff	$5,500	($2,750)
Service Chief in a scarce medical or dental specialty	7,000	(3,500)
Chief of Staff, or Executive Grade	7,000	(3,500)
Director Grade, or Deputy Service Director	7,250	(3,625)
Service Director	7,500	(3,750)
Deputy Assistant Chief Medical Director	8,000	(4,000)
Associate Deputy Chief Medical Director, or Assistant Chief Medical Director	8,500	(4,250)

Mr. CRANSTON. Mr. President, in order to provide a significant financial incentive to assist the Department in recruiting and retaining the services of certain dental specialists, such as oral surgeons, periodontists, endodontists, and orthodontists, the statutory specifications provide that up to $2,000 in incentive special pay may be paid to a dentist for "scarcity of dental specialty." This sum equals the commensurate sum payable to physicians in scarce specialties instead of the standard 50-percent reduction as all other factors delineated in the statute are applied to dentists.

Mr. President, another notable feature of this table is the incentive special pay for "continuing education certification," a factor that was not included in earlier versions of the bill and is new to the compromise version. Physicians and dentists who are eligible for special pay and who have received "continuing education certification" are entitled to receive an additional amount of incentive special pay—$500 in the case of an eligible full-time physician, $250 in the case of an eligible full-time dentist, and proportionately reduced amounts in the case of an eligible part-time physician or dentist who serves on a half-time or more basis in the VA.

The committees intend that a physician's eligibility for the $500 of incentive special pay for "continuing education certification" be determined based on receipt of the "Physician's Recognition Award" from the Council on Medical Education of the American Medical Association. To qualify for this award, a physician must participate in 150 credit hours of advanced medical instruction in accordance with rules prescribed by the AMA, at least 60 credit hours of which must be taken at institutions with continuing education programs accredited by the AMA. As of October 1, only 50 of 171 VA hospitals had accredited programs in continuing medical education. The committees intend that the Department of Medicine and Surgery, in conjunction with the AMA, will make every effort to hasten the accreditation, for continuing education program purposes, of all VA hospital programs, and to require, wherever feasible, that all instructional credit hours will thus be taken at AMA-accredited institutions.

There is no equivalent in dentistry to the "Physician's Recognition Award" in medicine. Although the "Principles of Ethics" of the American Dental Association affirm the dentist's responsibility to continue his dental education for the duration of his professional career, the ADA does not administer a formal certification program for dentists who have completed a course of continuing dental education. Since 1972, however, the ADA administered a "Continuing Education Registry" program designed to assist State dental examining boards and professional societies in implementing continuing education regulations and programs, and has developed a well-respected capability in this field. It is the committees' expectation that the Chief Medical Director, in consultation with the relevant officials at the ADA's Council on Dental Education and the Assistant Chief Medical Director for Dentistry, will expeditiously develop a program of continuing dental education similar in scope, degree, and quality to the AMA's "Physician's Recognition Award" program for physicians, the completion of which will entitle eligible dentists in the Department of Medicine and Surgery to the $250 of incentive special pay for "continuing education certification" provided for in subsection (c)(2) of the new section 4118.

Mr. President, a full-time physician would receive $2,000 in incentive special pay for being on full-time status, and a full-time dentist would receive $1,000. A part-time physician or dentist would not, of course, receive any proportion of the full-time factor payment. Thus there would be an automatic differential of at least $2,000 between the incentive special pay for full-time and part-time physicians, and of at least $1,000 between the incentive special pay for full-time and part-time dentists. The purpose of these differentials is to create significant financial incentives for full-time service for physicians and dentists already in the Department, as well as those offered positions in the Department in the future.

SPECIAL PAY FOR DENTISTS

Mr. President, it is fair to say, I believe, that in designing a special pay program for the Department of Medicine and Surgery, the two committees have spent more time and devoted more attention to the subject of whether dentists should be eligible for special pay, than to any other single subject. The House, in the original version of H.R. 8240, decided to include dentists in the special pay provisions of the bill based on providing comparability with uniformed services dentist pay. It did so at a 50-percent rate, so that dentists could receive a maximum of $6,750 in special pay instead of the $13,500 maximum for physicians. On the other hand, the Senate decided not to include dentists at all in the special pay program but did include them in the pay adjustment provision in section 4 of the Senate amendment and in the basic pay and recruitment and retention study in section 3(b) of the Senate amendment. We strongly felt that the data on dentist recruitment and retention in the Department failed to reveal a serious recruitment and retention problem as to dentists, and that without clear evidence of such a problem an exception to the Government-wide basic pay ceiling would not be justified.

The deliberations leading to the formulation of the compromise version again laid great stress on the dentist issue, and once again the status of dentists in a special pay program designed to attract high quality professionals for careers in the Department received the most careful consideration. In the end, the House position finally prevailed. Indeed, Mr. President, this issue was literally one of the very last ones resolved.

Two facts were, in my mind, finally determinative of the dental issue. The first relates to the very important issue of comparability. While it is true that the Department of Medicine and Surgery has not experienced the same dentist recruitment and retention woes that have so severely afflicted the various medical services, it is also true that dentists in the VA are not paid on a scale comparable to their peers in the uniformed services. Dentists in the Armed Forces and the Public Health Service receive, in addition to their basic pay and continuation pay, monthly special pay cumulating as much as $4,200 annually. When all supplemental benefits are added up, the average full-time dentist in the uniformed services earns $4,000 to $5,000 more than the average full-time dentist earns in the VA. Correction of this disparity will improve morale and self-esteem among D.M. & S. dentists.

A second fact that supported the House position on dentists was an alarming increase in dentist resignations during the first quarter of the new fiscal year. The resignation rate among VA dentists almost doubled during that period, as compared to the same period a year ago, and the crucial vacancy rate—the rate that measures the proportion of designated slots unfilled because of recruitment or retention difficulties—rose from 2 percent in June to more than 6 percent in August. These data were, of course, not available to our committee or the Senate when it considered S. 1711.

For both of these reasons, and to forestall a possible forthcoming crisis regarding dentist recruitment and retention comparable in scope and impact to the crisis now afflicting D.M. & S. in the recruitment and retention of physicians, the compromise version of H.R. 8240 includes dentists in the special pay program, at a rate designed to make their aggregate pay comparable to those of their peers in the uniformed services.

Mr. President, the provision on dentists which was finally adopted in the compromise version is the result of months of hard thinking and hard negotiating. It is not the provision I would have preferred, as I stated earlier. I cannot say that I am satisfied with its inclusion in the form in which it is now included in the compromise version.

But it is one we can all live with in the spirit of compromise and one which, in my opinion, is consonant with the spirit and purpose of the bill.

PART-TIME SERVICE

Under the House bill, only physicians and dentists employed on a half-time or more basis in the Department of Medicine and Surgery were eligible for special pay. The Senate amendment, as did the administration proposal, extended special pay eligibility to all part-time physicians, even those who worked less than half-time in the Department.

Mr. President, many VA physicians work a quarter-time or an eighth-time, not because they necessarily want to, but because a particular hospital can use their services for only 5 or 10 hours a week. A small VA hospital, for example, might not need the full-time services of a cardiac specialist, but might have enough cardiac patients to justify the services of a cardiologist for a single morning or a single day every week. It seemed inequitable and unwise that such a physician, often a specialist serving in a remote area where his services were badly needed, should be deprived of a pro-rata amount of special pay.

Reluctantly, Mr. President, we have acceded to the very strong House insistence on its provision excluding less-than-half-time physicians and dentists from the special pay program. I regret, Mr. President, that in achieving an overall compromise it was necessary to yield on this important point.

CATEGORICAL EXCEPTIONS

Mr. President, I have alluded to the importance, under the Senate amendment, of permitting only categorical exceptions, rather than individual or case-by-case exceptions, to the general entitlement to special pay for physicians and dentists. A further word of explanation is needed with regard to the categories which now, under the compromise version, the Chief Medical Director is given discretion to exclude.

According to the language of the compromise version, any category which, in the Chief Medical Director's judgment, is appropriate for exclusion must be a category "applicable to both physicians and dentists." The Chief Medical Director may not, in other words, deem a category appropriate for exclusion and then exclude only physicians or only dentists in that category—or exclude all dentists or all physicians, for example. He must apply the exclusion so that all doctors in the category—physicians and dentists alike—are excluded.

To take an example, Mr. President, assume that the Chief Medical Director wished to exclude "physician hospital directors." He could not do so without also excluding "dentist hospital directors"—there is, in fact, one dentist hospital director in the VA hospital system. The category, in other words, must not be one that discriminates as between physicians and dentists.

Mr. President, the compromise version statutorily excludes three specific categories of positions as to which there has always been an underlying agreement on exclusion on the part of the Senate and House committees as well as the administration. Those categories are: First, internship and residency training positions, where broad discretion is provided under section 4114(b) of title 38 to establish pay rates wholly competitive with other public- and private-sector training opportunities and where the funding mechanism—with instruction rotating from the VA to affiliated hospitals—is in no way comparable with the title 38 basic pay schedule for regular D.M. & S. physicians; second, intermittent and less-than-half-time positions in the Department; and third, reemployed annuitants.

Mr. President, the Chief Medical Director has indicated that he plans to use his "categorical exception" authority to exclude other categories of physicians and dentists from the special pay program. Most numerous within any single category are the more than 150 full-time physicians and dentists in the career research category—research associates, clinical investigators, and medical investigators. Given the mandated inclusion of dentists, it would seem most inequitable to me to exclude these 150 full-time doctors—a great many of whom spend up to 50 percent of their time in clinical endeavors, actually taking care of patients.

I feel the same way about any decision to exclude doctor hospital directors. There are now 37 physician hospital directors and 1 dentist hospital director in the VA hospital system. For reasons that were expressed at length in the Senate committee report on S. 1711, I have maintained that their exclusion from the special pay provisions would be counterproductive for the long-range interests of the Department of Medicine and Surgery. S. 1711 as reported accordingly guaranteed that all physician hospital directors would receive special pay. I regret to say, Mr. President, that at the House's insistence this language from the Senate amendment was dropped from the compromise version of H.R. 8240. The compromise version would thus permit the Chief Medical Director to exclude physician and dentist hospital directors from eligibility for special pay.

Mr. President, I ask unanimous consent that the text from the Senate committee report explaining the committee's justification for its decision to mandate inclusion of physician hospital directors be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> The Subcommittee received extensive testimony on the importance to the VA hospital system of having some physicians as hospital directors. At present, 42 of the VA's 171 hospitals are administered by physician directors. The Subcommittee heard testimony from Chief Medical Director Chase, himself a former hospital director, and from a panel of distinguished VA hospital directors, to the effect that exclusion of physician hospital directors, from the special pay provisions of S. 1711 would be likely, very quickly, to lead to a voluntary exodus from VA hospital directorships of the remaining physician hospital directors.
>
> It seems clearly beneficial to the VA hospital system to retain some qualified physician directors. Physicians often bring to high administrative posts a perspective on hospital decisionmaking and policy formulation in the Department of Medicine and Surgery that complements the perspectives of their nonphysician peers. Furthermore, title 38 requires that the top officials in the Department of Medicine and Surgery be physicians. If the VA hospital system loses its physician directors, then the top officials in the Department could no longer come from the ranks of the physician directors. In the Committee's opinion, it is vital to have persons with experience as hospital directors among the top policymaking officials in the Department. Moreover, with the advent of the new DM&S regional/district system, with 30 medical districts, rather than seven regions (six in headquarters and one in the field)—put into effect on July 1, 1975—it is likely that even more lay administrators will become Medical District Directors, with responsibilities for coordinating hospitals generally also headed by nonphysician directors. This organizational structure provides further need, the Committee believes, for maintaining a reasonable number of physician hospital directors in the system.
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> Inclusion of physician hospital directors in the special pay provisions of the Committee bill is thus intended, in part, to ensure that the Department can benefit from the services of former physician directors in high administrative positions. Similarly, the Committee believes that it is absolutely necessary to attracting high quality personnel to provide effective management of the Department of Medicine and Surgery that the central office physician administrators be entitled to special pay.
>
> For these reasons, the Committee bill is drafted to require that base special pay be provided to VA physician hospital directors and other physicians in administrative positions.
>
> The Committee recognizes the inequity resulting from the inclusion of physician hospital directors in the special pay provisions of S. 1711 when non-physician directors are not included. The committee believes, however, that even more substantial inequities and liabilities for the overall system would result if physician hospital directors were excluded. Although the Committee recognizes the eligibility of physician hospital directors for the special pay creates an inequitable situation with regard to the nonphysician hospital director, it feels compelled to abide by the statutory ceiling which exists on Federal salaries and which has been excepted only in the case of physicians in the uniformed services.

* * * * *

Mr. CRANSTON. Mr. President, my views on the desirability of including physician hospital directors in the special pay program received support in another context recently when the Department of Defense insisted, over the objections of the Office of Management and Budget, that physician commanders of military hospitals continue to be eligible for annual special pay under the program established by Public Law 93-274. I hope that this important precedent will be followed by the VA Chief Medical Director.

Finally, Mr. President, with respect to categorical exclusions, I note that a provision in the Senate amendment, requiring annual redeterminations as to any excluded category, is not included in the compromise version. It is the intention of both committees, however, Mr. President, that if—hopefully, when—this program is extended beyond 1 year, if there is no Government-wide solution to the physician and dentist pay comparability problem, we will amend section 4118(a) (3) to require an annual redetermination of any doctor category excluded from special pay eligibility.

I realize, Mr. President, that we are not in total agreement with the House on this point, and that the House approves of some of the categories which the Chief Medical Director previously, in amplification of the administration bill, indicated his intention to exclude. Nevertheless, I believe that the spirit and intent of this legislation and equity and fairness will be best served if the Chief Medical Director's "categorical exception" authority lies dormant.

It is, therefore, my strong hope that the Chief Medical Director will not exercise his "categorical exception" discretion to exclude any category of physician and dentist, especially in light of the fact that the numbers of doctors in categories which the Chief Medical Director previously indicated his intention to exclude—before, I would stress, special pay for dentists was mandated in the bill—are so very small.

MULTIYEAR AGREEMENTS

Here, Mr. President, is the single most critical difference between the original House version of H.R. 8240 and the Senate amendment. The House bill established a 1-year special pay program, a "stopgap measure," to quote from the House report, designed as no more than temporary relief—a 1-year respite—from the Department's severe recruitment and retention problems. The Senate amendment, on the other hand, permitted physicians to enter into agreements with D.M. & S. of up to 4 years in length during which time physicians would receive special pay in exchange for their continued service in the Department.

The multiyear option for those physicians wishing to sign a multiyear agreement was derived from Public Law 93–274, last year's uniformed services special pay bill. In that law, physicians in the Armed Forces or the Public Health Service were given the option of receiving special pay for as many as 4 years, in return for an active duty agreement covering the agreed-upon period of time. The attractiveness of the multiyear option is clearly shown by the fact that 54 percent of all uniformed services physicians who signed special pay agreements did so for more than 1 year of service. True comparability with military physicians, we reasoned, could not be achieved in the VA unless D.M. & S. physicians, too, had the option of extending their special pay eligibility for an additional 1-, 2-, or 3-year period beyond the initial year of eligibility.

The Department of Medicine and Surgery, somewhat wary at first of the multiyear option approach in the Senate amendment, later became a strong supporter of that approach. I am delighted to say, Mr. President, that the House saw the tremendous recruitment advantages inherent in the multiyear option approach, and that the compromise version adopts the multiyear agreement provisions from the Senate substitute. This is, I believe, the bill's single most significant feature, and will permit the Department to begin to meet, and project with some accuracy, its recruitment needs for the next several years.

REFUND PROVISION

Mr. President, closely linked with the multiyear agreements issue is the so-called "refund" issue. The House did not address the issue in its bill. The Senate amendment provided that a physician who failed to complete at least 1 year of service in the Department pursuant to a special pay agreement was required to refund to the Department all special pay received prior to the termination of his agreement.

A physician, in other words, who had served 6 months and who then terminated his agreement would owe an amount equal to the 6 months of special pay he had already received, and would be required to pay that sum back as a penalty—more or less in the nature of liquidated damages—for terminating the agreement prematurely.

Under the Senate amendment, a physician with a multiyear agreement who successfully completed 1 year of service in the Department, however, could terminate his special pay agreement at any time without any refund requirement. We felt there was no need for a refund requirement beyond the first year for two reasons: First, because the overwhelming majority of D.M. & S. physicians are honorable men who, having served 1 year of their multiyear agreements, would serve the remainder; and second, because an excessive refund provision in the second or subsequent years of a multiyear agreement would discourage physicians from signing multiyear agreements and would accordingly drastically reduce the value to the Department of a multiyear special pay program.

I am, therefore, delighted, Mr. President, to report that the House of Representatives has agreed, and the compromise version contains a 1-year refund provision as in the Senate amendment.

I wish to make clear, Mr. President, that nothing in the compromise version requires that physician or dentist refund in the form of a lump sum any amount owed. It is our intention that the Administrator develop regulations to permit the payment of refunds in reasonable installments, and that the agreement will specifically incorporate this refund policy.

EFFECT OF THE COST-OF-LIVING PAY RAISE

Mr. President, I referred earlier in my statement to a "reduction factor". Let me explain that term now.

Under the House bill, physicians and dentists whose salaries were not already impacted at the $36,000 Federal salary ceiling received a basic pay raise on account of the new physician and dentist schedule which that legislation substituted for the existing schedule in section 4107(b) of title 38. For example, an entering chief-grade physician, whose salary under the existing physician and dentist schedule would be $29,818 would have received a salary of $35,000 under the revised schedule in the House bill—a salary increase of $5,182, or 17.4 percent. Had that physician received an additional $9,500 in special pay, which was what the average 12-year D.M. & S. chief-grade physician would have received under the House bill, his total compensation would have risen $14,682, or 49.2 percent in a single year.

The House bill included a provision reducing the amount of the special pay of a physician or dentist receiving basic pay of less than $36,000, by the amount realized because of the adoption of a new physician and dentist schedule. To use the example just given, the physician's $5,182 salary increase under the House-proposed new schedule would be subtracted from his $9,500 in special pay, to keep his total pay increase to $9,500. Under the House bill provisions, in other words, a physician's or dentist's aggregate pay increase would have been limited to the amount he received in special pay, to prevent undue pay increases in a single year.

This concept is retained under the compromise version of the bill. The compromise version, as I stated earlier, contains a new physician and dentist schedule which codified into title 38 the 5-percent comparability increase to be effective next week under Executive Order No. 11883—dated October 6, 1975. Physicians and dentists, therefore, will be receiving a 5-percent increase in basic pay as well as special pay. The House has insisted that its "reduction factor" be retained.

The Senate amendment had no comparable provision calling for such a reduction. Mr. President, for many weeks we insisted that the "reduction factor" provision not be retained in the compromise version. We considered it most unfair that D.M. & S. physicians and dentists should, in effect, be deprived of their comparability increases just because they will be receiving special pay, especially since this special pay amount was computed to provide pay comparability on the basis of economic factors well over 6 months old and, indeed, in part 18 months old, because the $13,500 special pay maximum was derived directly from the uniformed services special pay amount specified in Public Law 93–274, enacted May 6, 1974. This inequity is the more apparent since physicians and dentists in the uniformed services last year received and this year will receive the amount of both their special pay entitlement and the basic pay comparability increase. For the D.M. & S. physician whose basic pay has been impacted at the $36,000 ceiling for as long as 6 years—40 percent are now so limited—I believe this reduction factor is particularly onerous and unfortunate.

I regret very much that the House would not budge from its position, and with reluctance we agreed to a reduction factor in the compromise version. We have perfected and made the provision more equitable to reduce the amount of special pay actually to be paid as to all recipients of special pay by the amount of the 5-percent increase in basic pay effective October 12, 1975.

I stress, Mr. President, that, although this year's 5-percent basic pay increase amount will be deducted from a physician's or dentist's special pay, subsequent comparability increases will not, under the compromise version, be deducted in the future, and D.M. & S. physicians and dentists who sign multiyear agreements will hereafter receive the full amount of both their basic pay increases and their special pay entitlements for the duration of the subsequent years of their agreements.

EFFECTIVE DATE

Mr. President, the House bill had an effective date of September 28 for its special pay provisions. The Senate amendment had a July 1 effective date, with payments of special pay to be made retroactive to that date.

Under the compromise version, the special pay provisions are effective on October 12. This date was chosen both because of the long time which has been necessary to secure enactment of this legislation, and also in order to correspond to the effective date, as to D.M. & S. employees, of the Executive Order No. 11883 comparability basic pay increase. I wish to point out, Mr. President, that although the compromise version sets a later effective date than the earlier House or Senate versions, it does not in any way reduce the total annual amount of special pay to which a physician or dentist is entitled, since the expiration date of October 11, 1976, is correspondingly later than the expiration dates in the earlier versions of the bill.

Let me add at this point, Mr. President, that the Senate amendment originally tied the expiration date of the D.M. & S. special pay program to the expiration date of the uniformed services special pay program under Public Law 93-274, so that congressional action to extend the authority contained in the uniformed services law would automatically have extended for a comparable period of time the VA's authority to enter into special pay agreements. The House strongly objected to the automatic extension feature, and it is, therefore, not included in the compromise version.

However, the compromise version does include in section 2(a) a finding and declaration of the Congress recognizing the clear relationship between this special pay program and the one enacted in Public Law 93-274 in terms of providing pay comparability between D.M. & S. doctors and the medical officers of the uniformed services. As I have indicated, it would be my plan next year, if a Government-wide pay comparability solution has not been found prior to expiration of the uniformed services special pay program, to introduce an amendment to any uniformed services extension bill in order to extend this D.M. & S. program for a comparable period.

INDEPENDENT REVIEW AND REPORT ON GOVERNMENTWIDE PAY COMPARABILITY

Mr. President, the compromise version resolves several major differences of approach between the House and Senate provisions requiring an independent study of the recruitment and retention and pay comparability problems relating to physicians, dentists, and other health care personnel in Federal agencies and departments, including the VA.

Under the House bill, the Comptroller General of the United States was required to prepare a report on the recruitment and retention of physicians and dentists only, pursuant to a very specifically prescribed scope with a due date of August 31, 1976. The Senate amendment directed a report be prepared by the Director of the Office of Management and Budget instead of the Comptroller General, extended the scope of the report to include all health care dentists only, and had a due date of personnel rather than physicians and dentists only, and had a due date of March 1, 1976.

Under the compromise version, the Comptroller General and the Director of the Office of Management and Budget are each required to submit separate reports on the recruitment and retention and pay comparability problems of physicians and dentists in the VA and other Federal departments and agencies, with an August 31, 1976, due date. In addition, the compromise version requires the Comptroller General to prepare a second report covering the recruitment and retention and pay comparability problems of other health care personnel in the Federal Government, with a due date of March 1, 1977.

The compromise version also requires the Chief Medical Director to prepare reports specifying the effect on the Department's administration of the various recommended courses of action contained in the reports on the OMB and GAO, for submission to the House and Senate Committees on Veterans' Affairs no later than 120 days after the date on which each of the GAO reports and the OMB report is submitted to Congress.

In addition to the reports required by the legislation, language in the Senate Committee report on S. 1711 directed the Chief Medical Director to submit a report to the Senate Committee on Veterans' Affairs, by October 1, 1975, reviewing in detail; first, the extent of regional recruitment and retention problems, and their location, in the employment of nonphysician VA health care personnel; second, the extent to which existing title 38 and title 5 authorities have been able to be exercised in a way adequate to deal with those problems; and third, the problems entailed in the VA or elsewhere in the Federal Government with the application of regional or local salary differentials, particularly any apparent tendency for health care personnel to move from areas where no special rates are in existence to take comparable positions in areas where special rates have been established in their occupations. The Chief Medical Director was directed in the report to consult with the Civil Service Commission in preparing this report.

Mr. President, these reports are a critical part of the legislation. We recognize, as do our colleagues in the House, that a special pay program—even one designed to last 4 years, such as this one—can never be more than a temporary solution to the very grave recruitment and retention problems now facing the Department of Medicine and Surgery. We must act at the same time to develop and consider other options and to formulate a permanent, long-range solution to these problems.

By involving the Office of Management and Budget and the General Accounting Office, we are involving the expertise of two agencies with years of experience in dealing with personnel and pay issues. The compromise version requires these agencies to formulate, in their separate, independent reports, alternative suggested courses of legislation or administrative action, and then to recommend and justify the particular course of action which, in the agency's opinion, should appropriately be undertaken. I emphasize, Mr. President, that, as chairman of the Subcommittee on Health and Hospitals, I intend to take their recommendations very seriously.

The studies by the Office of Management and Budget and the General Accounting Office are the critical longer-range aspect of this bill, and the Congress, I know, will evaluate their reports and suggestions very carefully.

This does not necessarily mean, Mr. President, that the Congress should feel restrained from legislating in this area until the reports are completed. I feel strongly that if, pending the completion of any of the reports required by the compromise version, the Senate or House wishes to legislate in any area touching directly or indirectly on the subject of those reports, it should not hesitate to do so. The reports should not preempt congressional action when the need for timely action is present.

NONPHYSICIAN PROVISIONS

Mr. President, the House bill dealt only with special pay for—as well as a study regarding—physicians and dentists. The Senate amendment, on the other hand, contained four provisions relating to the recruitment and retention of other health care personnel, such as dentists, registered nurses, licensed practical and vocational nurses, optometrists, physicians' assistants and expanded-duty dental auxiliaries, medical, laboratory, and X-ray technologists and technicians, and many other categories of health care personnel.

Briefly, the provisions in the Senate substitute achieved four goals:

First. Physicians' assistants and expanded-duty dental auxiliaries, currently paid according to civil service commission-prescribed standards and regulations, were transferred to the title 38 D.M. & S. personnel system, to be paid under the nurse schedule in section 4107.

Second. Registered nurses were permitted voluntary compensatory time off under certain circumstances instead of overtime pay for certain overtime work performed.

Third. The premium and overtime benefits currently enjoyed by registered nurses were extended to any personnel whose "principal responsibilities—relate directly to patient care," including licensed vocational and practical nurses, medical, laboratory, and X-ray technologists and technicians, and many others.

Fourth. In-grade pay adjustments were permitted on a nationwide basis for any category of health care personnel when necessary to meet competitive pay practices at non-VA institutions or to provide internal pay alinement within the VA.

The compromise version of H.R. 8240 includes only the first two of these four provisions. We agreed to drop the other two provisions, Mr. President, only because the recruitment and retention of other health care personnel, such as licensed vocational and practical nurses, nursing assistants, optometrists, medical, laboratory, and X-ray technologists and technicians, and others, is to be the subject of a separate report by the Comptroller General, as I outlined earlier. It is specifically the intention of both committees that the desirability of the two Senate amendment provisions that were dropped from the compromise version be specifically studied and addressed in that report.

Of particular concern to the committees is the problem of internal competition within VA hospitals, and geographic competition from non-VA facilities, for the services of nursing assistant and licensed practical and vocational nursing personnel—a problem discussed in detail on page 14 of the Senate Committee report. It is our intention that the Comptroller General's report should deal in depth with those competition problems.

Mr. President, I wish to reiterate that should we become convinced in the future that those two Senate-passed provisions are necessary to prevent a severe recruitment and retention problem involving the relevant categories of health care personnel, we will feel no compunction at all about introducing and proceeding with consideration of the appropriate legislation, even if the Comptroller General's report is not yet completed.

COST ESTIMATE

Mr. President, according to the latest cost estimate worked out by the House and Senate Committees on Veterans' Affairs in conjunction with the Department of Medicine and Surgery, the compromise version of H.R. 8240 will cost a total of $40.118 million in fiscal year 1976. The special pay provisions for physicians, with a fiscal year 1976 cost of $38.032 million, will be by far the largest single cost item. The special pay provisions for dentists will cost $1.8 million in fiscal year 1976. The inclusion of physicians' assistants and expanded-duty dental auxiliaries in the title 38 personnel and pay system will cost $300,000 in fiscal year 1976; the figure is so low because at present the VA employs only approximately 80 physicians' assistants.

The fiscal year 1977 estimated cost of the compromise version is $49.716 million, decreasing to $3.519 million in fiscal year 1980.

Mr. President, I ask unanimous consent that a table prepared by the VA, at my request, showing a 5-year cost projection for the compromise version of H.R. 8240 be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

5-YEAR COST PROJECTION[1] FOR COMPROMISE VERSION OF H.R. 8240, THE VETERANS' ADMINISTRATION PHYSICIAN AND DENTIST PAY COMPARABILITY ACT OF 1975

[In thousands of dollars]

	Fiscal year 1976	3-mo. transition	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980
Special pay for physicians	38,032	13,411	47,559	42,803	38,523	2,785
Special pay for dentists	1,786	627	1,607	1,446	1,301	64
Subtotal physicians and dentists	39,818	14,038	49,166	44,249	39,824	2,849
Nurse schedule for physicians' assistants and expanded-duty dental auxiliaries	300	79	550	670	670	670
Total	40,118	14,117	49,716	44,919	40,494	3,519

[1] Estimates are based on a full-time equivalent employment of 7,792 physicians and 892 dentists in the Department of Medicine and Surgery as projected in the President's budget for fiscal year 1976 (as revised to reflect current operating conditions on Sept. 30, 1975) with adjustments for excluded part-time employees and conversions upward of half-time. The estimates for fiscal year 1977–80 anticipate some turnover (10 percent) of special pay recipients.

Mr. CRANSTON. Mr. President, I would like to make three comments about the figures in this table. First, the dollar amounts for special pay for physicians and dentists in fiscal years after 1976 are probably overstated. The table assumes that all physicians and dentists who enter into special pay agreements will do so for the maximum 4 years of service, with an estimated 10 percent annual attrition rate. The percentage of physicians and dentists who enter into 4-year agreements will probably be less than 100 percent. In the cost estimate provided for this identical provision in the S. 1711 committee report, page 31, the VA estimated that 75 percent of physicians would enter into agreements for more than 1 year. This figure may prove to be more realistic. In other words, the special pay cost estimates for fiscal years 1977, 1978, and 1979 may be $10 to $20 million too high, but more accurate figures are impossible to estimate until we have a clearer idea of how many physicians and dentists will sign multiyear agreements.

Second, the estimated cost of the special pay program is lower than previous cost estimates, because of the "reduction factor" that effectively reduces by 5 percent of basic pay the amount of special pay to which each physician or dentist is entitled. As described earlier, the enactment of this legislation, even with a new Physician and Dentist Schedule in it, does not, by virtue of section 5303 (n) of title 5, entail the cost of the 5-percent basic pay raise for title 38 physicians and dentists. Rather, the cost of this pay raise is the result of the previous enactment of Public Law 94–82 and the promulgation on October 6, 1975, of Executive Order No. 11883, pursuant to the Pay Comparability System established by subchapter I of chapter 53 of title 5.

Third, Mr. President, the estimated cost of including physicians' assistants and expanded-duty dental auxiliaries in the title 38 pay system rises from $300,000 in fiscal year 1976 to $550,000 in fiscal year 1977, and to $670,000 thereafter. This represents what I hope will be a sizable increase in the number of these personnel employed in the Department of Medicine and Surgery. This cost factor will obviously rise still further in future fiscal years as the Department hires more of these vitally needed personnel in compliance with the mandate to do so expressed in section 4101(b) of title 38.

Mr. President, I ask unanimous consent that a detailed section-by-section analysis of the compromise version of H.R. 8240, worked out in consultation with the House Committee, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

CONCLUSION

Mr. CRANSTON. Before concluding, Mr. President, I want to express my very deep and great appreciation to the members of the House Committee on Veterans' Affairs, under the leadership of its chairman (Mr. Roberts), the chairman of the Subcommittee on Hospitals (Mr. Satterfield), and the ranking minority member (Mr. Hammerschmidt). They were given the most able assistance by committee staff director Oliver Meadows, staff investigator Gene Howard, general counsel Mack Fleming, and minority staff director John Holden, who worked many long days and nights with the staff on the Senate side—Larry White, Louise Ringwalt, Jon Steinberg, Guy McMichael, Tyler Craig, John Napier, and Harold Carter.

Finally, without the fine cooperation and assistance of all members of our committee on this side, we would never have achieved this important reconciliation of the two bills and be bringing to fruition the process of enacting this vital legislation. So I thank again and congratulate for this important achievement the distinguished chairman of the Committee on Veterans' Affairs (Mr. Hartke), the ranking minority member of the committee (Mr. Hansen), the ranking minority member of the Health and Hospitals Subcommittee (Mr. Thurmond), and, of course, my dear colleague from West Virginia (Mr. RANDOLPH), our subcommittee ranking majority member.

VETO THREAT

Mr. President, there have been various implications emanating from the administration that this bill might be vetoed if dentists were included in the special pay provisions. I must say that I find this hard to believe or at least hard to justify. First, Mr. President, as I have outlined, there is a good rationale, as pointed out in the debate in the other body as well as previously in this statement, for providing comparability to Department of Medicine and Surgery dentists based on the monthly special pay and continuation pay available to dentists in the uniformed services under title 37 of the United States Code.

Second, Mr. President, the cost of the inclusion of dentists in fiscal year 1976 is $1,786,000 and less than that in each of the succeeding fiscal years. The cost involved thus could hardly justify the veto of such an important measure.

Third, there has been a contention expressed that if annual special pay is provided to VA dentists in the Department of Medicine and Surgery, this will somehow bring about the provision of annual special pay to dentists in the uniformed services. The logic of this argument totally escapes me because as pointed out in the discussions with respect to comparability, the very reason that we are providing the annual special pay for VA dentists is to bring their aggregate pay into line with the present total amount of pay available to dentists in the uniformed services. Thus, any such provision of annual special pay to uniformed services' dentists would merely restore the lack of comparability that we are trying to correct. And, in any event, Mr. President, no such annual special pay will be able to be paid without the enactment of legislation authorizing it, and I very much doubt that the implausible contention on this point will have very much weight when subject to close congressional scrutiny.

Thus, Mr. President, I can see no justification whatsoever for a veto, and I believe that the President and his advisors will not be able to find any. Indeed, this bill is very closely in line with the administration's own proposed legislation and is urgently needed by the Department of Medicine and Surgery to put a stop to the serious exodus of critical health care professionals from its ranks.

Should, nevertheless, a veto be forthcoming, Mr. President, I can certainly pledge to all of those who are watching our actions today in the Department of Medicine and Surgery and outside, that I am fully committed to using all of my energies to bring about an immediate override of any such unwise and inequitable action by the President.

EXHIBIT 1

SECTION-BY-SECTION ANALYSIS OF COMPROMISE VERSION OF H.R. 8240, PROPOSED "VETERANS' ADMINISTRATION PHYSICIAN AND DENTIST PAY COMPARABILITY ACT OF 1975"

SECTION 1

Provides that this Act may be cited as the "Veterans' Administration Physician and Dentist Pay Comparability Act of 1975".

SECTION 2

Amends subchapter I of chapter 73 of title 38, United States Code, to provide special pay, and make certain conforming changes, to assist the Department of Medicine and Surgery (the "Department") in recruiting and retaining career physicians and dentists in the Veterans' Administration ("VA").

Subsection (a) declares as a Congressional finding of fact that the Department's ability to recruit and retain qualified physicians has been seriously impaired by the statutory ($36,000) ceiling on Federal salaries, the effect of which has been aggravated by the sharp escalation in the cost of living since the ceiling was imposed in 1969, and, furthermore, that the compensation provided to physicians and dentists has been rendered noncompetitive with other Federal physician and dental salaries, on account of payment of annual special pay to certain medical officers of the uniformed services pursuant to Public Law 93-274 and monthly special pay and continuation pay to certain dental officers pursuant to title 37, United States Code. This subsection further declares as a Congressional finding of fact that the recruitment and retention problems thereby created threaten to erode the Department's ability to compete for the services of these highly qualified health care professionals and to provide quality health care to eligible veterans.

Subsection (b) makes a series of amendments to present section 4107 of title 38 (specifying grades and pay scales) designed to (1) place the specification of the basic pay (salary) levels of the top two officials of the Department within title 38 rather than in the Executive Schedule in title 5, United States Code, as at present; (2) raise and realign the statutory levels of their basic pay and the basic pay of other administrative personnel in the Department; and (3) substitute a new "Physician and Dentist Schedule" of grades and pay for the old schedule in section 4107(b). The amounts of basic pay payable under section 4107 would, however, continue to be governed by the Government-wide pay ceiling (rising from $36,000 to $37,800) pursuant to the provisions of Public Law 94-82 and Executive Order No. 11883 (October 6, 1975) effective with the first pay period beginning on or after October 1, 1975.

Clause (1) amends subsection (a) by deleting, in light of the amendment made in clause (2) of this subsection and subsection (c) of this section (section 2) of the bill, the language which denotes that the pay scale of the Chief Medical Director and Deputy Chief Medical Director are not provided for in the "Section 4103 Schedule".

Clause (2) amends subsection (a) by striking out the present reference to the basic pay of the Associate Deputy Chief Medical Director, and basic pay rates for the Assistant Chief Medical Directors, and the Medical Directors, and substitutes designations of basic pay levels for such top officials of the Department as follows:

Chief Medical Director, $54,000.

Deputy Chief Medical Director, $52,000.

Associate Deputy Chief Medical Director, $50,000.

Assistant Chief Medical Director, $48,654.

Medical Director, $42,066 minimum to $47,674 maximum.

The rates of basic pay of the three top officials of the Department are currently set by the Executive Schedule at levels III, IV, and V, respectively, as follows: $40,000 for the Chief Medical Director, $38,000 for the Deputy Chief Medical Director, and $36,000 for the Associate Deputy Chief Medical Director. All of the non-title-38 positions in Executive Level III are filled by Presidential appointment by and with the advise and consent of the Senate, and the same is true of virtually all the positions at Executive Level IV and V as well. In contrast, the three top officials in the Department are nonpartisan officials appointed for four-year statutory terms of service by the Administrator of Veterans' Affairs rather than the President. Thus, it seems more desirable to set the rates of basic pay for these top Department officials in the title 38 pay system rather than in the Executive Schedule.

The new statutory dollar levels specified in title 38 were determined by reference to the existing statutory basic pay rates for Assistant Chief Medical Directors. That salary is currently $46,366. Under the Executive Order, effective October 12, 1975, as to employees in the Department, the basic pay level for an Assistant Chief Medical Director will be raised by 5 percent to $48,684. This figure was the base on which the basic pay rates for the three higher officials of the Department were calculated. A basic pay rate of $50,000 was deemed appropriate for the Associate Deputy Chief Medical Director, with $2,000 increments for the Deputy Chief Medical Director ($52,000) and the Chief Medical Director ($54,000).

Clause (3) revises the grades and annual full-time basic pay rates for physicians and dentists in the Department by substituting a new "Physician and Dentist Schedule" for the existing one in section 4107. The schedule now in title 38 was last amended by Public Law 93-82 (August 2, 1973) and has been increased twice since then by Executive Order (No. 11739 (October 3, 1973) and No. 11811 (October 7, 1974)). Under the new schedule, minimum rates are raised by from $774 (in the Associate grade) to $1,731 (in the Director grade) annually. The new schedule codifies the 5-percent comparability pay raise authorized by Executive Order No. 11883, effective on October 12, 1975, as to employees in the Department. All figures in the new schedule, in other words, are 5 percent greater than the comparable figures presently applicable.

The ceiling on basic pay rates set by subsection (d) of section 4107, as amended by clause (4) of this subsection of the bill, will continue to operate to limit basic pay of many physicians and dentists in the Director, Executive, and Chief grades. Furthermore, under subsection (d)(1) of the new section 4118, to be added to title 38 by subsection (d)(1) of this section of the bill, a physician or dentist eligible for special pay will have the amount of special pay reduced by the amount of the increase in annual basic pay realized as a result of the five-percent pay raise effective October 12, 1975, and codified in the new section 4107 Physician and Dentist Schedule. The effect of this reduction is to limit any physician or dentist to a total pay raise of not more than the $13,500 maximum originally prescribed in both House and Senate versions of the bill.

Clause (4) amends present section 4107(d) to set a basic pay ceiling for the Chief Medical Director (increasing from $40,000 to $42,000 by virtue of the five-percent pay raise under Executive Order No. 11883 and Deputy Chief Medical Director (increasing from $38,000 to $39,900 by virtue of that Order) by reference to levels III and IV, respectively, in the Executive Schedule—their present statutory levels. It should be noted that all of the salaries in the "Section 4103 Schedule" (for top officials of the Department)—as well as the section 4107 Physician and Dentist Schedule—to the extent that they exceed the existing salary ceiling of $36,000 ($37,800 as of October 12), are limited by present subsection (d), applying to title 38 positions the Government-wide ceiling set forth in section 5308 of title 5, United States Code. If subsection (d) were not amended, this same ceiling would, by virtue of the amendments made by clause (2), apply to the basic pay of the Chief Medical Director and Deputy Chief Medical Director, thus making the effect of moving the specification of these two officials' basic pay rates to title 38 a reduction in their basic pay of $4,200 and $2,100, respectively. To avoid this result, clause (3) therefore amends present subsection (d) to set the salary ceilings for the two officials by reference to their current Executive Schedule levels. For all other personnel paid under the title 38 personnel system, subsection (d) as amended would continue in effect the salary ceiling imposed by section 5308 of title 5, United States Code, as to basic pay.

Subsection (c) makes conforming amendments to sections 5314 and 5315 of title 5, United States Code, consistent with the amendments made by subsection (b) of this section of the bill.

Subsection (d): Paragraph (1) adds a new section 4118 to title 38, United States Code, providing for the payment to eligible physicians and dentists in the Department of special pay totalling up to $13,500 annually for physicians and up to $6,750 annually for dentists, upon acceptance of a written agreement executed by the physician or dentist to complete a specified number of years of service in the Department.

New Section 4118(a): Paragraph (1) directs the Administrator, pursuant to regulations which he shall prescribe, to provide special pay totalling up to $13,500 annually to eligible physicians, and up to $6,750 annually to eligible dentists.

Paragraph (2) removes from eligibility for special pay any physician or dentist who (A) is employed on a less-than-half-time basis, or is employed intermittently (such as consultant or attending physicians and dentists), by the Department, (B) occupies an internship or residency training position, or (C) is a reemployed annuitant.

Paragraph (3) permits exclusion from eligibility for special pay of those categories of physicians and dentists—such as hospital directors and research positions—as to which, as determined by the Chief Medical Director pursuant to the Administrator's regulations, there is no significant recruitment and retention problem.

New Section 4118(b): Clause (1) directs the Administrator to exercise the authority granted him under new section 4118 to pay the maximum amount of special pay ($13,500)—subject to reduction as specified in subsection (d)(1) of the new section—to the top two officials in the Department. Special pay for these officials is established by statute to prevent any conflict of interest or appearance of conflict, since they will administer and bear responsibility for the special pay program.

Clause (2) directs the Administrator to pay "primary special pay" totalling $5,000 annually to all eligible full-time physicians and $2,500 annually to all eligible full-time dentists, in the Department.

Clause (3) directs the Administrator to pay to any eligible part-time physician or dentist employed on a half-time-or-more basis the proportion of a full-time physician or dentist's primary special pay entitlement that corresponds to that proportion of his full-time employment which he works in the Department. In other words, a physician who works for the Department on a half-time basis would receive $2,500 in primary special pay (half of $5,000); a dentist who works for the Department on a three-quarter-time basis would receive $1,875 (three-quarters of $2,500).

New section 4118(c): directs the Administrator to provide, in addition to the primary special pay described above, "incentive special pay" to any eligible physician or dentist, in an amount not to exceed annually (1) $8,500 for a full-time physician, (2) $4,250 for a full-time dentist, or (3) proportionally reduced amounts for physicians and dentists employed on a half-time-or-more basis. Incentive special pay is to be awarded only on the basis of specifically enumerated factors, as shown in the following table: the per annum dollar amounts shown are for a full-time physician; the amounts shown in parentheses are for a full-time dentist; a part-time physician or dentist is entitled, where appropriate, to up to a proportionally reduced amount of the relevant figure:

For physicians and dentists not holding prescribed professional positions:

Full-time status	$2,000	($1,000)
Tenure of service within the Departments, as follows:		
Completion of probationary period or 3 years, whichever is the lesser	$1,000	($500)
Completion of 7 years	$2,000	($1,000)
Scarcity of medical or dental specialty*	$2,000	($2,000)

*In order to provide a significant financial incentive to assist the Department in recruiting and retaining the services of certain dental specialists, such as oral surgeons, periodontists, endodontists, and orthodontists, the statutory specifications provide that up to $2,000 in incentive special pay may be paid to a dentist for "scarcity of dental specialty"; this sum equals the commensurate sum payable to physicians in scarce specialties instead of the standard 50 per cent reduction as all other factors delineated in the statute are applied to dentists.

Continuing education certification	$500	($250)

For physicians and dentists holding professional positions as follows:

Service Chief not in a scarce medical or dental specialty, or Associate Chief of Staff	$5,500	($2,750)
Service Chief in a scarce medical or dental specialty	$7,000	($3,500)
Chief of Staff, or Executive Grade	$7,000	($3,500)
Director Grade, or Deputy Service Director	$7,250	($3,625)
Service Director	$7,500	($3,750)
Deputy Assistant Chief Medical Director	$8,000	($4,000)
Associate Deputy Chief Medical Director, or Assistant Chief Medical Director	$8,500	($4,250)
Continuing education certification	$500	($250)

A full-time physician would receive $2,000 in incentive special pay for being on full-time status (a full-time dentist would receive $1,000). A part-time physician or dentist would *not*, of course, receive any proportion of the full-time factor payment. Thus there would be an automatic differential of at least $2,000 between the incentive special pay for full-time and part-time physicians, and at least $1,000 between the incentive special pay for full-time and part-time dentists. The purpose of these differentials is to create significant financial incentives for full-time service for physicians and dentists already in the Department, as well as those offered positions in the Department in the future.

New section 4118(d): Paragraph (1) provides that the total amount of special pay received pursuant to this new section must be reduced by the October 12, 1975, five-percent increase in basic pay provided under the pending Executive Order and codified into title 38 by the new Physician and Dentist Schedule set forth in subsection (b)(3) of this section of the bill.

Paragraph (2) establishes ceilings on the aggregate pay (basic pay pursuant to the new Physician and Dentist Schedule rates, plus special pay) payable to a part-time physician or dentist. Under this provision, during the period that these basic pay rates are in effect, a part-time physician may not receive aggregate pay from the VA or more than $42,000 annually, and a part-time dentist may not receive more than $37,000.

New section 4118(e): Paragraph (1) requires that the written agreement for special pay entered into by physicians and dentists with the Department be for one year of service (and one year of special pay eligibility); if, however, the physician or dentist requests that the agreement cover a longer period of service, then the agreement (and special pay eligibility) shall extend over a period not to exceed four years in total duration. This provides comparability with the 4-year term of the special pay agreements available to medical officers of the uniformed services pursuant to Public Law 93–274.

Paragraph (2) provides that the agreement shall (A) require that the physician or dentist refund to the Department the total amount of special pay received under the new section 4118 in the event that he fails to complete at least one year of service pursuant to the agreement; and (B) specify the terms under which the VA and the physician or dentist may elect to terminate the agreement.

Paragraph (3) provides that special pay shall be paid in biweekly installments to any eligible physician or dentist who signs an agreement under the new section.

Paragraph (4) establishes a forty-five day period from the date of enactment of the Act, during which all physicians and dentists employed by the Department on or before October 12, 1975, may negotiate and sign special pay agreements. Any physician or dentist who signs an agreement during this 45-day period is entitled to special pay beginning on October 12, 1975, the effective date of the new section 4118. A new physician or dentist who signs a special pay agreement during the 45-day period is entitled to special pay beginning on his first day of employment. Any physician or dentist who signs a special pay agreement after the close of the 45-day period, including those newly recruited as well as previously employed, is entitled to special pay beginning on the date on which the agreement is entered into or the first date of employment, whichever date is later.

New section 4118(f) provides that amounts received by physicians and dentists as special pay under the new section 4118 shall not be considered as "basic pay" for purposes of retirement, insurance, workers' compensation, severance pay, or accrued leave benefits under title 5, United States Code, or for purposes of any other benefits related to basic pay. *Cost*: Enactment of the new special pay provisions would probably entail a first-full-year cost of $55,308,000, and a FY 1976 cost of $39,818,000.

Paragraph (2) of section 2(d) of the bill amends the table of sections at the beginning of chapter 73 of title 38, United States Code, to add a reference to the new section 4118 added to title 38 by paragraph (1) of this subsection.

SECTION 3

Requires the Administrator of Veterans' Affairs to submit an annual report to the House and Senate Committees on Veterans' Affairs regarding the operation of the special pay program authorized by new section 4118 added to title 38 by section 2(d)(1) of the bill, setting forth a review of the implementation of the program to date for the fiscal year for which the report is submitted and for any portion of the preceding fiscal year not included in the previous annual report, and any plans in connection with the program for the succeeding fiscal year. The report is to be submitted not later than April 30 of each year.

This reporting requirement is virtually identical to that in subsection (e) of section

313 of title 37, United States Code, with respect to the section 313 annual special pay program for military and Public Health Service medical officers authorized by that section, as added by Public Law 93-274.

SECTION 4

Directs the Comptroller General of the United States and the Director of the Office of Management and Budget each to conduct independent comprehensive investigations of the recruitment and retention of qualified physicians and dentists for service in the Federal government, including the VA, and to prepare and submit separate reports thereon to the Congress (copies to be submitted to the House and Senate Committees on Veterans' Affairs).

Subsections (a) and (b) direct the Comptroller General and the Director of the Office of Management and Budget each to investigate the Federal government's short-term and long-term problems relating to the recruitment and retention of qualified physicians and dentists, to identify alternative legislative or administrative courses of action to solve any existing recruitment and retention and pay comparability problems, and to recommend the course of action which should, in their opinion, be undertaken. Their separate reports on the recruitment and retention and pay comparability of physicians and dentists are to be submitted to the Congress (and the two Committees) by August 31, 1976.

Subsection (c) directs the Comptroller General and the Director of the Office of Management and Budget each to consult, to the maximum extent feasible, with each other as well as with the Administrator of Veterans' Affairs and the heads of other appropriate Federal departments and agencies in preparing the reports required by subsection (a) of this section.

Subsections (d) and (e) direct the Comptroller General to investigate the Federal government's recruitment and retention problems with regard to all health care personnel other than physicians and dentists (including analysis of applicable pay systems and pay relationships—including premium and overtime pay—and their relationship to nationwide and geographical recruitment and retention problems), to identify alternative legislative or administrative courses of action to alleviate or solve any existing recruitment and retention and pay problems and to recommend the course of action which should, in his opinion, be undertaken. The Comptroller General's report on the recruitment and retention of other health care personnel is to be submitted to Congress (copies to the two Committees) by March 1, 1977.

Subsection (f) directs the Comptroller General to consult with the Chief Medical Director and with the heads of other appropriate Federal departments and agencies in preparing the report required by subsection (d) of this section.

Subsection (g) requires the heads of all Federal departments and agencies to cooperate fully with and respond expeditiously to all reasonable requests for information and assistance in connection with the preparation of the three reports required by this section.

Subsection (h) requires the Chief Medical Director to prepare reports specifying the effect on the administration of the Department and the achievement of its mission of the alternative courses and recommended course of action identified in the respective reports by the Comptroller General and the Director of the Office of Management and Budget, as required by this section. Such reports are to be submitted by the Administrator of Veterans' Affairs to the appropriate House and Senate Committees no later than 120 days after the date on which each of the G.A.O. reports and the O.M.B. report is submitted to Congress.

SECTION 5

Amends chapter 73 of title 38, United States Code, to assist the Department in recruiting and retaining the services of certain non-physician and non-dentist health care personnel. The provisions in section 5 are designed to achieve two specific purposes:

(1) To provide for the appointment under the title 38 personnel system of physicians' assistants and expanded-duty dental auxiliaries.

(2) To provide for voluntarily requested compensatory time off for VA registered nurses in lieu of overtime pay.

Subsection (a) amend clause (1) of present section 4104 (authorizing excepted appointments of certain health care professional personnel) to include physicians' assistants and expanded-duty dental auxiliaries in that clause specifically.

Subsection (b) amends present section 4105 (specifying qualifications of appointees) to include appropriate references to physicians' assistants and expanded-duty dental auxiliaries in subsections (a) and (b) of that section. The Administrator is charged with setting the qualifications and experience for these new positions by the amendment made to present section 4104 by section (a) of this section of the bill.

Subsection (c) adds at the end of present section 4106 (regarding periods of appointments and promotions) a new subsection (f) including by reference physicians' assistants and expanded-duty dental auxiliaries under the provisions of that section.

Subsection (d): Clause (1) amends paragraph (5) (presently prohibiting compensatory time off in lieu of overtime pay for nurses) of present section 4107 to permit such compensatory time off to be granted, but only upon the voluntary written request of the nurse in question. This provision is intended to be used only in situations where the nurse has been engaged in emergency duty preceding a regularly scheduled tour.

Cost: Enactment of this provision would entail a modest cost savings.

Clause (2) inserts at the end of present section 4107 a new subsection (f) entitling physicians' assistants and expanded-duty dental auxiliaries to compensation under the Nurse Schedule grade titles and related pay ranges and to additional premium and overtime pay on the same basis as provided for nurses in paragraphs (2) through (8) of subsection (e) of present section 4107.

Subsection (e) amends present section 4108 (regarding the setting of hours and conditions of work for physicians, dentists, and nurses) to add physicians' assistants and expanded-duty dental auxiliaries under the provisions of this section.

Cost: Enactment of the provisions regarding physicians' assistants and expanded-duty dental auxiliaries would probably entail an average full-year cost of $0.6 million (estimating a $2,000 higher entry salary and a quadrupling of the number (81 as of June 30, 1975) of physicians' assistants presently employed by the Veterans' Administration).

SECTION 6

Establishes effective dates for the various provisions of the bill.

Subsection (a): Paragraph (1) provides that the basic and special pay provisions for physicians and dentists in section 2 of the bill shall become effective as of October 12, 1975, the same date on which the Government-wide five-percent comparability pay raise will become effective for VA employees.

Paragraph (2) provides that no agreement for service and special pay, pursuant to the new section 4118 (added to title 38 by section 2(d)(1) of the bill) may be entered into after October 11, 1976.

Subsection (b) provides that the amendments made by the bill (except for the basic and special pay provisions) shall become effective beginning with the first pay period following thirty days after the date of enactment of the bill.

Mr. CRANSTON. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the House.

The amendment was agreed to.

SUSPENSION OF DUTY ON NATURAL GRAPHITE—CONFERENCE REPORT

Mr. LONG. Mr. President, I submit a report of the committee of conference on H.R. 7706, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 7, 1975, at p. 32076.)

CHILD CARE

Mr. LONG. Effective with the start of this month, the social services amendments enacted last year require child care programs funded under the Social Security Act to meet staffing requirements which will greatly increase the cost of operation for many centers. No additional funding has, however, been made available to meet the increased costs. Thus, the immediate enforcement of these standards would force many child care programs to sharply curtail the number of children cared for.

In the face of this situation, the House of Representatives sent us a bill, H.R. 9803, which would delay the implementation of the standards for 6 months until April 1, 1976. The Senate view was that we would probably know very little more about this problem in 6 months than we know today. Testimony by the Department of Health, Education, and Welfare at a hearing held by the Committee on Finance on October 8, lends weight to this view.

The Senate instead approved a provision for a 1-month delay in enforcing the staffing standards. This brief delay would allow sufficient time for consideration of proposals for dealing with the situation in a more substantive way. One such proposal, which I have introduced with Senator MONDALE as cosponsor, would provide additional funding to enable the States to meet the child care standards we have imposed on them by Federal law.

The Senate amendment to H.R. 7706 included the text of the House bill (H.R. 9803) providing for a 6-month delay together with the Senate provision for a 1-month delay. The House conferees insisted that the House would need more time to complete action on this matter even if the Senate could send them a bill within a month. The conferees therefore agreed to provide a delay of 4 months in enforcing the standards.

The Senate conferees were very reluctant to agree to this long a postponement, but the House conferees saw no possibility that they could complete consideration of a more substantive proposal much quicker than this. They did, however, assure us that if the Senate can send them legislation dealing with the matter, they will act on it prior to the expiration of the 4-month postponement period provided for in the conference agreement.

The Senate amendments to H.R. 7706 also included a provision clarifying the application of the new social services law to the treatment of drug abuse and alcoholism.

One part of this amendment seeks to assure that certain requirements with respect to confidentiality in dealing with drug addicts and alcoholics are observed in operating the social services program. Another part of the amendment would require the rehabilitative process for drug addicts and alcoholics to be considered in its entirety in deciding whether medical care, and in particular the detoxification period, can qualify for social services funding. Without this clarification, the medical care components of rehabilitation might have been considered in isolation and thus run afoul of a prohibition against funding of medical care under the social services program except where it is an integral part of another type of service.

The conference agreement accepts the Senate amendments with respect to drug abuse and alcoholism treatment but limits their applicability to the period ending January 31, 1976. This will prevent any immediate disruption to those programs while allowing the House of Representatives more time to consider the change proposed by the Senate.

I urge the Senate to adopt the conference report.

Mr. CURTIS. Mr. President, I join the distinguished chairman of our Committee on Finance in recommending approval of the conference report on H.R. 7706.

Since there was no disagreement between the Senate and the House with respect to the provisions of the bill suspending the duty on natural graphite, the conference was devoted to the Senate amendments concerning title XX of the Social Security Act.

With respect to the title XX day care center staffing requirements, the conference agreed to a 4-month suspension of these requirements to January 31, 1976. This will hopefully give us sufficient time to develop an effective solution to the problem. In the interim, however, approval of the conference report is necessary to prevent loss of Federal funds by those States not now in compliance with the staffing standards.

On the Senate amendments to the alcoholic and drug abuse provisions of title XX, the conference agreed to the Senate provisions on a temporary basis to January 31, 1976. This will give the House an opportunity to study these provisions in greater detail.

I think it is clear from this brief summary of the conference report, Mr. President, that our chairman has again preserved the interest of the Senate and I am pleased to join in recommending approval of the conference report.

Mr. HATHAWAY. Mr. President, the House-Senate conference committee has completed its work on amendments to title XX affecting day care staffing regulations and alcohol and drug abuse treatment programs.

With regard to day care, the House had voted to postpone the operation of certain staffing regulations for 6 months. The Senate had voted to postpone them for 1 month. In both cases, the purpose was to take a closer look at the law in this area and determine whether additional legislation is needed, either to modify the regulations or to provide additional funding to enable day care facilities to meet them. The conference committee agreed to a postponement until the end of January 1976.

With regard to the alcoholism and drug abuse amendments, which were offered in the Senate by the Finance Committee at my suggestion, the conference committee agreed to accept them also on a temporary basis, to expire at the end of January 1976. They did this for two reasons:

First, to examine the operation of the amendments to ensure that they would not be abused to turn title XX into a medical rather than a social service program.

Second, to determine whether such amendments would in fact be useful all across the country, or whether their beneficial effects will be felt in just one or two, or in a small handful of States.

I feel certain that the answers to these two questions over the next four months will prove the necessity for these amendments. However, state title XX agencies and drug and alcohol treatment programs should bear in mind that the onus is now on them to demonstrate the utility of and need for the changes.

Mr. President, I happen to believe now, as I did when I first offered these amendments last week, that they are required in order to better coordinate title XX funding of the alcoholism and drug abuse rehabilitative process with funding of such treatment by other sources—including the National Institutes of Alcoholism and Drug Abuse, under the jurisdiction of the Labor and Public Welfare committee in the Senate and the Interstate and Foreign Commerce Committee in the House.

In the absence of these amendments, current HEW regulations and procedures for title XX would have broader effects than just the title XX delivery process and would lead to disruptions in the overall delivery process for these programs, regardless of the source of their funding. The amendments can be briefly described as follows:

CONFIDENTIALITY

This amendment simply adds in title XX a cross reference to the confidentiality provisions of current alcoholism and drug abuse treatment law. Those provisions specifically provide that the identity, diagnosis, prognosis, and treatment of persons in these programs shall be kept confidential unless a person gives his or her written consent to the contrary. There are certain carefully delineated exceptions, such as in the case of a bona fide medical emergency or for purely statistical purposes. This cross reference is necessary because of the stigma that still attaches to such treatment, which would cause many persons to fail or refuse to seek needed treatment—and therefore to continue their state of dependency—if they thought that their employer or others in their community would find out.

THE REHABILITATIVE PROCESS

The second and third amendments are designed to insure that the title XX funding process takes into account the unique nature of the rehabilitative process by which persons end their dependency on alcohol and drugs. They reflect problems which have risen in a number of States and which—again—have potential disruptive effects on other—nontitle XX—authorizations of funding for alcohol and drug abuse programs.

The first of these latter two amendments ensures that the requirement by regulation that no moneys be expended under title XX for services in which more than 40 percent of the funds go for room and board, or more than 25 percent go for medical payments, be more realistic with respect to alcohol and drug abuse treatment, by specifying that the entire rehabilitative process be considered as a "service" for the purpose of making the 40 percent or 25 percent determinations.

The second specifically exempts a short initial detoxification period—of up to 7 days—from the medical and room and board limitations and from the prohibition against the provision of services in a hospital or intermediate care facility, if such detoxification is integral to the further provision of services for which the person would be eligible under title XX. This amendment takes into account the fact that no rehabilitation can occur for many alcohol or drug dependent individuals—under title XX or otherwise—without an initial detoxification period. Such a period, although strictly limited in duration, could not be offered to a title XX-funded individual under current regulations, since few—if any—detoxification centers would meet the title XX requirements as to medical and room/board cost percentages. Such an exclusion would have the effect of denying rehabilitation entirely to persons for whom other detoxification funding could not be found.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

THE 1973 SSI AMENDMENTS

Mr. LONG. Mr. President, a few days ago an article appeared in the Washington Star as one of a series of articles on the supplemental security income program. This article dealt with the 1973 amendments to the SSI program. I am concerned that the article may have given a misleading impression of the circumstances leading to the 1973 legislation.

I have received a letter from three State welfare directors who were very much involved with the legislation at that time and who are thoroughly familiar with how it developed.

I ask unanimous consent that this letter appear at this place in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 8, 1975.

Hon. RUSSELL B. LONG,
Chairman, Senate Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On October 6, 1975, the *Washington Star* printed an article by Mr. John Fialka concerning legislative changes in the Supplemental Security Income (SSI) program which were enacted in July 1973. We believe a fuller description of the legislative context is needed in order to understand why those changes were made.

In 1972, when the SSI legislation was under consideration, the Department of Health, Education, and Welfare estimated that most recipients of aid to the aged, blind and disabled would get increased benefits under SSI and that State supplementation would take care of the remaining ones to assure that no one would have reduced benefits. It was on this basis that the legislation was enacted.

In general, the States might have been willing to make this estimate valid if they could have been sure that the cost to them would not be excessive and if they had received adequate information from HEW with which to plan for necessary supplementation.

However, as of early 1973, when the legislatures of the States had to consider any program of State supplementation, many States found it impossible to construct such a program. The Department of HEW had not yet decided how they would integrate programs of State supplementation into the SSI program, and they were unable to supply estimates of the number of persons eligible which could serve as the basis for reliable cost estimates for a supplementation program.

As a result, many States either did not adopt a supplementation program or adopted one that would leave many current recipients with reductions in income.

By June 1973, a number of State legislatures had already adjourned, and it was clear that in the absence of further Federal legislation many thousands of aged, blind, and disabled persons in virtually all States would be faced with possible reductions in incomes; in many instances these reductions in income would be substantial.

The State Welfare Administrators were the persons closest to this problem, having been responsible for the income maintenance programs for the needy aged, blind, and disabled for many years and having seen at first hand the process of turning this responsibility over to the Department. As a group, the State administrators were doubtful about the ability of HEW to take over the administration of the program effectively by January 1974 and were certain that thousands of aged, blind, and disabled would suffer income cuts in any case. The official body representing the Welfare Administrators of all States therefore adopted a resolution urging Congress to delay the start of Federal administration for one year. The resolution requested that States be required to provide assistance during that year at levels at least as high as the minimum Federal standards established by the SSI program. However, since the ongoing assistance programs would otherwise remain unchanged, no one on the rolls would experience a sudden and unexpected cut in income in January 1974.

In view of these developments, the Committee on Finance asked HEW Secretary Caspar W. Weinberger to testify at a hearing on June 19, 1973. He was asked to give the Administration's views on two alternative approaches which had been suggested: (1) a one-year delay in Federal administration as outlined in the resolution from the State welfare administrators, or (2) a "grandfather clause" approach under which Federal administration would go into effect on January 1, 1974, but with an assurance that no one already on the rolls as of December, 1973 would suffer a reduction in income as a result of the new SSI program. The Secretary rejected both proposals, and in particular strongly objected to any delay in Federal implementation of the SSI program because of the amount of work which had already gone into preparing for the January 1974 effective date.

In considering the evidence which had been offered at the hearing, the Committee on Finance concluded by accepting the view that the States, without further Federal legislation, would be unable in many cases to assure that thousands of aged, blind and disabled persons who did not suffer a cutback when the SSI program went into operation. In view of the Administration's strong objection to any federral of Federal administration, however, the Committee chose the alternative of a "grandfather clause" to assure no cutback to those on the State rolls in December 1973. To provide the minimum possible disruption to SSI planning, this provision was designed in such a way that it did not require the Department of Health, Education and Welfare to compute entitlement under the 50 State programs but instead required each State to certify to the Department the guarantee level for those on the rolls in December 1973. Even so, it was recognized that this would increase the administrative burden on the Department. The Committee believed, however, that it was responsible to address this situation in July 1973 than to wait until January 1974 after thousands of the aged, blind and disabled had already suffered a cutback in income. The Committee's judgment in this matter was accepted by the Congress and was signed into law by the President.

Sincerely,

GARLAND BONIN,
Assistant Commissioner for Federal Programs, La. Health & Human Resources Department.

L. E. RADER,
Director of Institutions, Social & Rehabilitation Services State of Oklahoma.

RAYMOND W. VOWELL,
Commissioner State Department of Public Welfare, Austin, Tex.

Mr. LONG. It was the opinion expressed by State welfare administrators to me that we were in for the kind of administrative fiasco which has resulted from the Department's inability to administer SSI and would have resulted even if there had been no July 1973 amendments.

Apparently some persons in the Department have given the impression that the Finance Committee amendment required the Department to separately compute the entitlement of each person who would receive more than the usual SSI allotment. As a practical matter, all the Department would have had to do was to proceed on the assumption that State records were correct until demonstrated otherwise, and mail a check to those beneficiaries in the amount they had been receiving under the State program if that amount exceeded the Federal SSI standard. With the tens of thousands of employees in the Department of HEW working on this matter, one would have thought they could have done this job even without computers. They could then have systematically reviewed the "grandfather clause" cases over a period of time and without the chaos which they suggest existed.

At no time did the Department admit that it would not be able to do the administrative chore involved. In fact they insisted quite the contrary.

It may well be that the reason the Department was unwilling to admit they were in for an administrative nightmare was the overwhelming zeal, typical of bureaucrats, to expand their domain and increase the amount of funds under their control.

SENATE RESOLUTION 284—EXPRESSING THE GRATITUDE AND BEST WISHES OF THE SENATE TO LESTER S. JAYSON

Mr. HUMPHREY. Mr. President, I ask unanimous consent to proceed with a resolution on behalf of myself and Senator GRIFFIN honoring Lester S. Jayson for his record of distinguished service in the Congressional Research Service. Senator MANSFIELD is also a sponsor, and I am sure Senator HUGH SCOTT of Pennsylvania and Senator ROBERT C. BYRD of West Virginia.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 284) expressing the gratitude and best wishes of the Senate to Lester S. Jayson.

The PRESIDING OFFICER. Is there objection to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 284) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 284

Whereas, Lester S. Jayson since 1960 effectively served the Congress in the Congressional Research Service of the Library of Congress for the last 9 years as its Director; and

Whereas, he diligently has worked as directed by the Legislative Reorganization Act of 1970 to expand and improve CRS as an organization; and

Whereas, he significantly has strengthened CRS policy analysis for the Congress; and

Whereas, he has guided CRS in providing modern information support for Congress through use of automated systems; and

Whereas, he has preserved the objective, nonpartisan and nonadvocate quality of CRS service to Congress; and

Whereas, said Lester S. Jayson has resigned his long and distinguished career in Federal public service;

Resolved, That the Senate expresses its gratitude and appreciation to Lester S. Jayson for the long and outstanding service rendered by him to the Members and committees of the Senate in his capacity as a Senior specialist, Deputy Director, and Director of the Congressional Research Service, Library of Congress, and expresses its best wishes to him upon his retirement as the Director of the Congressional Research Service.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Lester S. Jayson.

SENATE RESOLUTION 283—CONGRATULATING THE 1975 WORLD SERIES VICTORS

Mr. KENNEDY. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

Whereas, the Boston Red Sox have won the American League pennant by defeating the world champion Oakland Athletics with three straight victories, and

Whereas, the Cincinnati Reds have also won the National League pennant, and

Whereas, the World Series will commence this weekend to determine the world champion of baseball, be it

Resolved, That the Senate of the United States recognize the quality and excellence of both of these great teams, wishes both teams well and hopes that the home team be victorious in each game of the World Series.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. HUGH SCOTT. I take it is out of order to offer an amendment substituting Pittsburgh for one of these teams? [Laughter.]

Mr. KENNEDY. It is quite out of order.

Mr. HUGH SCOTT. Since it is out of order, I join in the distinguished Senator's resolution.

Mr. KENNEDY. I thank the Senator.

Mr. GLENN. Mr. President, will the Senator yield to me for a brief comment?

Mr. KENNEDY. For a brief comment.

Mr. GLENN. Mr. President, if the first game gets to be played in Boston, I would not want to let this opportunity go by to inform the Senate that, on the other end of the line, with the possible last game being played in Boston, I have already placed some bets of the winning of four straight by Cincinnati, and I wish the record would show that.

The PRESIDING OFFICER. Without objection, the record will so show.

Mr. KENNEDY. I sincerely hope that my distinguished colleague has not bet his life savings.

Mr. FORD. I would like to add one comment. When you are hot, you are red hot. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 283) was agreed to.

The preamble was agreed to.

Mr. MANSFIELD. Mr. President, how do you differentiate between the Boston Red Sox and the Cincinnati Reds?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order.

BOB HOPE—AMERICAN PATRIOT

Mr. SYMINGTON. Mr. President, I send a resolution to the desk and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

A resolution (S. Res. 282) citing Bob Hope—American Patriot.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. SYMINGTON. I shall be brief, Mr. President. On October 24, the National Broadcasting System will televise a 2-hour special in honor of Bob Hope's 25th anniversary in television.

Accordingly, Representative JACK KEMP and I have submitted this resolution in the respective houses.

It is a fitting tribute in itself that I need not elaborate on this man's career. His impact on happiness in this troubled world is legendary to everyone in this body as well as to generations of millions of Americans.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas Bob Hope has devoted his lifelong career to bringing joy and laughter to generations of Americans, and

Whereas his humor has gladdened the hearts of countless audiences of stage, screen, radio and television, and

Whereas—far from home and loved ones—he has journeyed millions of miles to carry cheer to the members of our Country's Armed Forces in times of war and peace, and

Whereas he is the worthy recipient of more decorations and honors than any civilian in United States history, and

Whereas—as the Diplomat of Comedy—he has brought great credit to the Government of the United States and its people,

Therefore, be it . . .

Resolved by the Senate of the United States of America assembled, That in the name of the people, the Congress, with deepest gratitude, cites Bob Hope for Distinguished and Meritorious service to his Nation and to the cause of freedom upon the occasion of his 25th Anniversary in Television.

THE BAILOUT OF NEW YORK CITY

Mr. HARRY F. BYRD, JR. Mr. President, I want to again express strong opposition to a Federal bailout of New York City. At the same time, I want to commend President Ford for standing firm in opposition to a bailout. This takes a lot of courage on his part. The combined groups which are attempting to force the Federal Government to underwrite or to guarantee New York bonds is a powerful group. The New York labor unions are exercising every conceivable pressure for a bailout. The bankers are putting on every conceivable pressure for a bailout, and rightly they should. They own a lot of bonds themselves.

The New York politicians, who got the city into this mess, either the same ones or those like them, are demanding a bailout and, undoubtedly, the question will come to Congress for decision.

Mr. President, I think it would be tragic for the future of this country if the Federal Government involves itself into the financial affairs of the cities of our Nation. It will be tragic for the taxpayers of the country and it will be tragic for the system of local self-government.

The argument is being made that if New York City fails to pay interest on its bonds, namely, defaults on its bonds, it will hurt other municipal and State bonds throughout the Nation, and it probably will.

If the Federal Government bails out New York City it will also hurt the municipal and other tax-free bonds throughout the Nation.

I think what has happened in New York should well dramatize what can happen throughout the country in any community where the political leaders give in to every demand of every pressure group. It should dramatize the condition that faces the Federal Government. New York City is in no better shape or no worse shape, I should say, than is the Federal Government. The only difference is the Federal Government can print money and New York City cannot.

I realize there will be a great demand on Congress to have the Federal Government guarantee these bonds, and I hope that those who make that demand will come into the Senate and submit to the Senate and submit to Congress the holdings of the New York banks of these bonds. Let us get the record straight. Let us find out whom we are bailing out and to what extent.

It is fine for the New York bankers to come down here and make the demand on the Federal Government because they are getting benefit from it. They do not want the interest to be defaulted and, naturally, they do not, but they bought those bonds. There was no guarantee that they would not go into default. They got a high rate of return, a high rate of return on those, tax-free and, I might say, frankly, that my heart does not bleed for the New York banks.

As far as I am concerned, I am going to fight it down to the last ditch and do whatever one Senator can do to attempt to defeat any legislation which would have the Federal Government, the people of Virginia, bail out a city which has a per capita cost of government three times greater than the average of the large cities of our Nation.

Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator withdraw that?

Mr. HARRY F. BYRD, JR. I withdraw that.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

FOUNDING OF THE REPUBLIC OF CHINA

Mr. GOLDWATER. Mr. President, I rise to remind my colleagues that tomorrow is a day of great pride and celebration in the Republic of China, our valued and steadfast ally. Tomorrow is National Day, the commemoration of the 64th anniversary of the founding of the Republic of China on October 10 in 1911.

Mr. President, we Americans share a special interest in this occasion because of the many similarities in the causes and aspirations of the Chinese Revolution of 1911 with our own struggle for independence and self-government. We know that the great intellectual and activist leader of the Chinese Revolution was Dr. Sun Yat-sen, born in the district of Hsiang-shan in Kwangtung Province of China, but who grew up among the overseas Chinese in Hawaii and studied in foreign schools in the islands and in Canton and Hong Kong. For contemporary Americans, as well as for Americans of the turn of the century, Dr. Sun's rise to leadership has a personal significance. We know he was a Chinese leader who spoke English and knew his way around San Francisco and New York. Dr. Sun was the leading representative of the generation in China that turned to us in the West for help, inspiration, and models, not once but many times.

From us he got Christian principles, doctrines of democracy and individualism, and techniques of science and industry. We know that as early as 1883, Dr. Sun had gained a reputation for talking enthusiastically about his hero, George Washington. We know that Dr. Sun wrote that Abraham Lincoln's "of the people, by the people, for the people" forshadowed the spirit of his own three famous principles, of national consciousness, democracy and economic and social well-being for the people.

We also know that Dr. Sun extracted the best of Western practices as the model of his goals for China. He believed and taught that the source of Western success was not in its warships and guns, but in our principles of the maximum development and use of individual human talents, the wise use of land and resources, the rule of law, and the unrestricted flow of commodities. Dr. Sun stressed the importance of education to men, women, and children in order to promote the flowering of human talents.

We know that the major goals of Dr. Sun's revolution were a modern, independent, and democratic China. His cause against the imperial rule of the Manchus, who he called the offspring of northeast nomads who had suppressed the Chinese, is akin to our own revolution against the British monarchy. While we Americans cannot lay claim to having a 4,000-year-old culture, as the Chinese can, we can take pride in the fact that Dr. Sun sought to replace the imperial prerogatives by emulating the American republican system. In fact, as early as 1894, the constitution of the Hawaiian branch of the organization Dr. Sun formed included the goal of establishing a republican form of government after the model of the American federal system.

Contradicting those who claimed that China was too primitive for republicanism, Dr. Sun argued that the spirit and essence of republicanism could be seen in certain teachings of China's ancient sages. The local institutions of the people also attested to their ability to rule themselves and to promote the general welfare. Were these not the attributes, Dr. Sun contended, of what in modern times is called a Republic? While these village institutions had not attained the perfection of modern Western governments, Dr. Sun believed that they attested to the "naturally endowed democratic ability" of the Chinese people, who have a natural capacity for self-rule.

There would be no constitutional monarchy for Dr. Sun. His revolution was a revolution that crossed the centuries all the way to the newest Western model of a democratic Republic. His revolution, as he explained it at New York in 1904, was based upon the "inalienable rights of life, liberty, and property." He appealed to the people of the United States for our sympathy and support, he stated, "because we intend to model our new government after yours; and above all, because you are the champion of liberty and democracy."

Mr. President, we can rejoice that Dr. Sun and the Chinese people succeeded in their quest for the ending of Imperial rule on the now famous occasion of the "Double Tenth." This is the 10th month, the 10th day, October 10, 1911. Shortly afterward, on January 1, 1912, Dr. Sun Yat-sen, the Father of the Republic, became the first President of the Republic, taking office at Nanking.

Today the revolution begun by Dr. Sun continues, having been extended by Chiang Kai-shek, who acheived the political unification of the country, who had his accomplishments interrupted by the cruel invasion of the Japanese and the subsequent Civil War waged by the Communists, and who eventually succeeded in leaving a great legacy of human rights and modernization in the present Republic of China situated on Taiwan.

Mr. President, I congratulate the Chinese people on the occasion of the founding of their Republic 64 years ago tomorrow, and I share with free Chinese everywhere the hope that the blessings of liberty, democracy, and Chinese heritage, which have been molded together so successfully on Taiwan, will again be restored to the Chinese people on the Mainland, as well as continue to flourish on the Island of Taiwan.

SENATE ACCOMPLISHMENTS—1975

Mr. MANSFIELD. Mr. President, a review of the Senate legislative record during 1975 indicates that considerable progress has been made toward the enactment of measures called for in February by the Democratic majority in Congress to accomplish the national goal of energy sufficiency. I am referring to the comprehensive congressional energy program which is designed to reduce this Nation's dependence on foreign sources of oil, to stimulate domestic production, and to shift to other sources of energy through conservation and technology while keeping prices from skyrocketing. A bill implementing many facets of this program is in Senate-House conference. Other segments of the program have already been enacted or are far along in the legislative process as outlined in the following list:

CONGRESSIONAL PROGRAM FOR ENERGY SUFFICIENCY—STATUS OF MEASURES

1. Personal and Corporate Tax Reduction, Public Law 94–12.
2. Disapproval of Oil Excise Tax, H.R. 1767. Vetoed March 4, 1975.
3. Repeal of Oil Depletion Allowance, Public Law 94–12.
4. Oil Price Control Extension, H.R. 4035 and S. 1849 both vetoed. H.R. 9524 became Public Law 94–99 with extension to November 15, 1975.
5. Strip Mining, H.R. 25. Vetoed. Similar provisions in S. 391, P/S July 31, 1975.
6. Coal Leasing—Strip Mining, S. 391. P/S July 31, 1975.
7. Standby Energy Authorities Act, S. 622. In conference.
8. Appliance Labeling Act, S. 349. P/S; In conference on S. 622.
9. Automobile Fuel Economy, S. 1883. P/S; In conference on S. 622.
10. Strategic Energy Reserves, S. 677. P/S; In conference on S. 622.
11. Mandatory State Conservation Program. Title II of S. 622; In conference.
12. National Petroleum Reserves (Naval & Interior), H.R. 49. In conference.
13. Coal Conversion Act Extension, vetoed in H.R. 1767, H.R. 4035, and S. 1869. In conference on S. 622.
14. Mandatory Coal Conversion, S. 1777. Hearings held.
15. Coastal Zone Amendments for Energy Facilities Siting, S. 586. P/S July 16, 1975; H.R. 3981 mark up underway.
16. Outer Continental Shelf Drilling, S. 521. P/S July 30, 1975.
17. Emergency Natural Gas, S. 2310. Senate debating.
18. Natural Gas Reregulation, S. 692. On Senate calendar, may be included in S. 2310.
19. ERDA Authorization, H.R. 3474. In conference.
20. National Energy Production Board, S. 740. Mark up underway.
21. Industrial Conservation Act, S. 1908. Mark up underway.
22. Energy Taxes, H.R. 6860. Mark up underway.

Progress toward enactment of measures called for in the congressional energy program has been made notwithstanding the President's zeal to veto. In less than 14 months, President Ford has vetoed 39 bills—almost as many as the previous President in 5½ years. Although Congress has overriden only 3 of the 12 vetoes this session, we have, with commendable persistence, proceeded to pass comparable bills which have become law in many instances. The following status report on these 12 vetoed bills illustrates this point:

Status of Presidential Vetoes

(94th Congress)

1. H.R. 1767, Oil Import Fees, President's authority to impose. Vetoed March 4. Referred to Ways and Means. Relevant provisions contained in H.R. 4035 which was also vetoed.
2. H.R. 4296, Agricultural Price Supports. Vetoed May 1. House sustained veto on May 13. (Secretary of Agriculture hold quarterly oversight meetings with Agriculture Committees on subject.)
3. H.R. 25, Strip Mining. Vetoed May 20. House sustained veto June 10. Similar provisions passed Senate in S. 391 on July 31.
4. H.R. 5357, Tourist Promotion. Vetoed May 28. Referred to House Interstate and Foreign Commerce Committee. Similar measure, S. 2003, became Public Law 94–55.
5. H.R. 4481, Emergency Employment Appropriations. Vetoed May 28. House sustained June 4. Similar measure, House Joint Resolution 492 became Public Law 94–36.
6. H.R. 4485, Emergency Middle-Income Housing. Vetoed June 24. House sustained June 25. Similar measure, H.R. 5398, became Public Law 94–50.
7. H.R. 4035, Oil Policy. Vetoed July 21. Related provision in S. 622 which is in conference.
8. H.R. 5901, Education Appropriations. Vetoed July 25. House overrode September 9. Senate overrode September 10. Became Public Law 94–94.
9. S. 66, Health Services–Nurse Training. Vetoed July 26. Senate overrode July 26. House overrode July 29. Became Public Law 94–63.
10. S. 1849, Oil Price Controls. Vetoed September 9. Senate sustained September 10. H.R. 9524 extending controls to November 15 became Public Law 94–99.
11. H.R. 9497, Tobacco Price Supports. Vetoed September 30. Referred to House Agriculture Committee.
12. H.R. 4222, School Lunch Program. Vetoed October 3. House and Senate overrode October 7. Became Public Law 94–105.

A more detailed summary of legislative achievements of the Senate has been prepared by the staff on the Democratic Policy Committee. I ask unanimous consent that this report and index be inserted in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

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(94th Congress—1st Session)
(By Senate Democratic Policy Committee)

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African/Brazilian Honeybee Control (S. 18).
Agricultural Pest Control (S. 1617).
DES (S. 963).
Disaster Loan Program (S. 555).
Food Stamp Increase (H.R. 1589).
Food Stamp Program Study (S. Res. 58).
Food Stamps—SSI Recipient Eligibility (S. 1662).
Forest Pest Control (S. 441).
Forestry Research (S. 1307), (S. 1529).
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Livestock Credit (S. 1236).
Milk Price Supports (S.J. Res. 121).
Peanut Distribution (S. Res. 101).
Plum Island Animal Disease Center (S. Res. 190).
Potato Stocks (S. Res. 122).
*Price Supports (H.R. 4296).
*Tobacco Price Supports (H.R. 9497).
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APPROPRIATIONS

1975:
Continuing (H.J. Res. 219).
*Emergency Employment (H.R. 4481).
Foreign Assistance (H.R. 4592).
Summer Youth Employment and Recreation (H.J. Res. 492).
Supplemental (H.J. Res. 210), (H.R. 5899).
Veterans' Supplemental (H.J. Res. 375).
Vietnamese Refugee Aid (H.R. 6894).
1976 and Transition Period:
Agriculture (H.R. 8561).
Continuing (H.J. Res. 499).
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ATOMIC ENERGY

International Agreements:
Atomic Energy Cooperation Agreement With Israel (S. Con. Res. 15).
Enriched Uranium Distribution to EURATOM (S. Con. Res. 14).
Enriched Uranium Distribution to IAEA (S. Con. Res. 13).
Nuclear Regulatory Commission Authorizations (S. 994) (S. 1716).

BUDGET

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Energy Research and Development Administration (S. Res. 32), (S. Res. 75), (S. Res. 76), (S. Res. 77), (S. Res. 78), (S. Res. 79), (S. Res. 80).
HUD—Comprehensive Planning Grants (S. Res. 23).
Transportation—Highway Funds (S. Res. 69).
Youth Conservation Corps (S. Res. 205).
Deferrals—1976:
Emergency Energy Conservation Services (S. Res. 267).
Rescissions—1975:
Agriculture, Commerce, Consumer Product Safety, DOD, HEW, Labor (H.R. 4075).
Agriculture, Commerce, DOD, Executive Office, General Services, Justice, HEW, State, Treasury (H.R. 3260).
HEW—Health and Medical Service Programs (H.R. 6573).
HUD—Homeownership Assistance (S. Res. 61).
Rescissions—1976:
Agriculture, HEW, Interior, Transportation, Treasury (H.R. 9600).
Resolutions:
First Budget Resolution (H. Con. Res. 218).

CONGRESS

August Recess (S. Con. Res. 54).
Congressional Paycheck Disbursement (H.R. 7405).
Guam and Virgin Islands Delegate Allowance (H.R. 4269).
Joint Committee on the Bicentennial (S. Con. Res. 44).
Supreme Court Chamber (S. Res. 164).

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Consumer Product Safety (S. 644).
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Jurors Fees (S. 539).
Parole Commission (H.R. 5727).
Pyramid Sales (S. 1509).
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DEFENSE

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Defense Production (S. 1537).
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Diego Garcia (S. Res. 160).
Military Construction Authorization (S. 1247).
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Naval Museum (S. Con. Res. 9).
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Council on International Economic Policy (S.J. Res. 97) (H.R. 5884).
Council on Wage and Price Stability (S. 409).
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Istle Fiber—Child Support Funding (H.R. 7709).
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Repatriated U.S. Citizens—SSI Recipient Food Stamp Eligibility (H.R. 6698).
Savings and Loan Associations (S.J. Res. 102).
Securities Acts Amendments (S. 249).
Social Security—Medicaid (H.R. 8109).
Stock Transfer Taxes (S. 2136).
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EMPLOYMENT

Public Works Employment (H.R. 5247).
Railroad Improvement and Employment (S. 1730).
Unemployment Compensation (H.R. 6900).
Virgin Islands Unemployment Compensation Funds—Railroad Retirement (H.R. 9091).

Coastal Zone Management (S. 586).
Automobile Fuel Economy (S. 1883).
Coal Leasing—Strip Mining (S. 391).
*Emergency Petroleum Allocation (S. 1849), (H.R. 9524).
Energy Labeling and Disclosure (S. 349).
Energy Supply—Clean Air (S. 2337).
ERDA Authorization (H.R. 3474).
International Petroleum Exposition (S.J. Res. 59).
Naval Petroleum and Strategic Energy Reserves (H.R. 49).
*Oil Import Fees (H.R. 1767).
*Oil Pricing (H.R. 4035).
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National Guard Technicians' Retirement (S. 584).
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*Tourism Promotion (H.R. 5357), (S. 2003).
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*Health Services—Nurse Training (S. 66).
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NOMINATIONS (ACTION BY ROLLCALL VOTE)

Alexander P. Butterfield to Retired List U.S.A.F. (S. 182).
Stanley K. Hathaway to be Secretary of Interior.
Carla Anderson Hills to be Secretary of HUD.
Thomas J. Meskill to be U.S. Circuit Judge.
Earl J. Silbert to be U.S. Attorney for D.C.

PROCLAMATIONS

American Business Day (S.J. Res. 15).
American Institute of Banking Week (S.J. Res. 58).
Buchenwald Concentration Camp (S.J. Res. 56).
Car Care Month (S.J. Res. 57).
Child Abuse Awareness Week (S. Res. 43).
Earth Day (H.J. Res. 258).
Energy Conservation Month (S. Res. 59).
Good Neighbor Day (S.J. Res. 128).
Haym Salomon Day (S.J. Res. 99).
Historic Preservation Week (H.J. Res. 242).
Hobby Month (S.J. Res. 84).
Honor America (S.J. Res. 92).
Hunting and Fishing Day (S.J. Res. 34).
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Newspaper Week (S.J. Res. 46).
Newspaper Carrier Day (S.J. Res. 46).
Norwegian-American Day (S. Res. 135).
Saint Elizabeth Seton Day (S.J. Res. 125).
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Ski Week (S.J. Res. 90).
Space Observance (S. Con. Res. 47).
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Amtrak Supplemental Authorization (H.R. 5975).
Cargo Vessel Passengers (H.R. 5045).
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Federal-Aid Highway Projects (H.R. 3786).
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Railroad Safety—Hazardous Materials Transportation Authorizations (S. 1462).
Railroad Temporary Operating Authority (Rock Island) (S. 917).
Railroad Unemployment and Sickness Benefits (H.R. 8714).
Shrimp Fisheries (H.R. 5709).
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Urban Mass Transportation (S. 662).

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Disability Compensation and Survivors' Benefits (H.R. 7767).
Veterans' Day (S. 331).
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SENATE LEGISLATIVE ACTIVITY

(94th Congress, 1st Session)

(By Senate Democratic Policy Committee)

Days in session	142
Hours in session	903
Total measures passed	597
Private laws	18
Public laws	105
Treaties	1
Confirmations	53, 071
Record votes	441
Vetoes	12

Symbols: P/H—Passed House; P/S—Passed Senate; *—Vetoed in 1975; (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

African/Brazilian honeybee control: Amends the Act of 1922 regarding honeybees by prohibiting the importation of honeybees in all of their life stages (from germ plasm to adult) except under certain specified conditions and authorizing the Secretary of Agriculture to cooperate with State governments, organizations, individuals, and the governments of Mexico, Canada and the Central American countries to eradicate and control the spread of undesirable species of honeybees, including all forms of the African (or Brazilian) honeybee. S. 18. P/S June 16, 1975. (VV)

Agricultural pest control: Broadens and strengthens the authority of the Secretary of Agriculture to control and eradicate agricultural pests by (1) permitting the Secretary to carry out eradication and control programs with respect to plant pests not now covered by the Organic Act of 1944 including spider mites, slugs, and snails; (2) extending the Secretary's authority to cooperate with all governments of countries in the Western Hemisphere in carrying out eradication and control programs; (3) making discretionary the Secretary's authority to provide phytosanitary inspection and certification service for domestic plants and plant products for export, and extending such authority to inspection and certification of any plants or plant products offered for export or transiting the United States; (4) repealing provisions of the Act of October 6, 1917, for cooperation with Mexico and adjacent States in the extermination of pink bollworm infestations in Mexico which authority is now contained in the Organic Act; and (5) clarifying the Secretary's authority to cooperate with certain Western Hemisphere countries with respect to animal disease control and the carriers of animal diseases. S. 1617. P/S Sept. 16, 1975. (VV)

DES: Prohibits the administration of the drug diethylstilbestrol (DES) to animals intended for use as food or whose products are used as food pending completion of current studies of the health effects on humans resulting from such use of DES and separate and concurrent reports by the Secretaries of Health, Education, and Welfare and of Agriculture to the Congress recommending the course of action which should be followed concerning this use of this drug;

Amends the Food, Drug, and Cosmetic Act to require that any drug composed wholly or partly of DES carry a label stating that the drug may cause cancer, may not be used as a contraceptive after sexual intercourse except in cases of rape or incest or a comparable medical emergency, and that the drug may not be taken without the patient or patient's legal guardian being fully informed and giving written consent;

Provides in title II, the "Food and Drug Administration Act," for a stautory Food and Drug Administration within the Department of Health, Education, and Welfare; authorizes the appointment by the President of a Commissioner of Food and Drugs, a Deputy Commissioner, and a General Counsel by the President with the advice and consent of the Senate; and contains other provisions. S. 963. P/S Sept. 9, 1975. (387).

Disaster loan program: Amends the Consolidated Farm and Rural Development Act to simplify the procedures under which loans are made to victims of natural and major disasters or emergencies and make additional credit assistance available to them; eliminates the requirement that there be a general need for agricultural credit; clarifies the authority of the Secretary to delegate authority to State directors of the Farmers Home Administration to make emergency loans to an area if the director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or aquaculture operations in the area; provides that loans would be made only to victims of a disaster who are unable to obtain sufficient credit elsewhere at reasonable rates and terms with respect to loan applications filed after July 9, 1975; makes emergency loans available for livestock (as well as crop) changes deemed desirable by the applicant as a result of shifts in market demand occurring after a disaster; authorizes loans in excess of the actual loss caused by the disacter provided that a rate of interest is charged for the amount in excess which is equal to the commercial rate charged for similar loans; requires that an applicant seeking an emergency loan based on production losses show that his operation sustained at least a 20 percent loss as a result of the disaster; required the Secretary to accept as security for repayment of emergency loans collateral which has depreciated in value because of the disaster if the Secretary has confidence in the repayment ability of the applicant with such loans repayable at a time deemed justifiable by the needs of the applicant; provides annual subsequent loans for a period of up to 5 years when the borrowers need the credit to continue their operations and cannot obtain financing from other sources with interest rates for such loans at the commercial rate; authorizes the Secretary—for any disaster occurring after January 1, 1975—to make an emergency loan for an operating-type purpose for 20 years if it is determined that the applicant's financial needs justified a longer payment term than that normally extended for operating loans in order to afford needed relief to victims of such severe disasters as the January 1975 blizzard in the Midwest; provides that loans made by the Small Business Administration in connection with disasters occurring after enactment of this act shall bear an interest rate not more than the average annual interest rate on all interest-bearing obligations of the United States; and requires the Secretary to testify before the House and Senate committees on Agriculture before February 15 of each year to provide justification in detail of amounts requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund. S. 555. Public Law 94–68, approved August 5, 1975. (VV)

Food stamp increase: Suspends until December 30, 1975, the proposed administrative increase in the costs of coupons to food stamp recipients published in the Federal Register on January 22, 1975 (which would have the effect of increasing food stamp purchase requirements to 30 percent of net income for nearly all food stamp recipients by March 1, 1975), in order to give Congress an opportunity to pass on the merit of such an increase. H.R. 1589. Public Law 94–4, without approval Feb. 20, 1975. (8)

Food stamp program study: States the sense of the Senate that the Secretary of Agriculture should conduct a study of the food stamp program and report to Congress by June 30, 1975, recommendations for legislative changes which will (1) disqualify families who have adequate incomes; (2) reduce administrative complexities; (3) tighten accountability for procurement, shipping, and handling of food stamps; and (4) increase penalties for those who abuse the program, as well as any other recommendations he deems desirable. S. Res. 58. Senate adopted Feb. 5, 1975. (6)

Food stamps—SSI recipient eligibility: Continues through June 30, 1976, the provisions of law under which the Secretary of Agriculture issued his regulations governing the eligibility of SSI recipients (aged, blind and disabled) to receive food stamps and participate, where applicable, in the family commodity distribution program; permits eligible SSI food stamp recipients to use the stamps, where a need exists, to purchase meals prepared and delivered to them by private nonprofit organizations ("meals on wheels"); and directs the Secretary to provide certification procedures to allow a food stamp aid applicant to receive temporary certification and authorization to purchase food stamps on the same day the person applies. S. 1662. P/S June 10, 1975. (VV)

Forest pest control: Provides that funds appropriated for fiscal year 1975 to carry out the program of eradication and control of forest insect pests and diseases shall remain available until expended. S. 441. Public Law 94–40, approved June 20, 1975. (VV)

Forestry research: Amends the McIntyre-Stennis Act of 1962 to make privately endowed colleges eligible for the cooperative program of forest research under this act. S. 1307. P/S Mar. 24, 1975. (VV)

Amends the McIntyre-Stennis Act of 1962 to authorize the Secretary of Agriculture to make matching grants to private colleges and universities (that are ineligible under present law) which carried out a forestry and research program prior to enactment; authorizes such additional funds as necessary; and authroizes the Secretary to appoint officials of participating colleges and universities to the advisory committee. S. 1529. P/S Apr. 29, 1975. *NOTE:* (This bill is intended to clarify the purpose of S. 1307 which passed the Senate on Mar. 25, 1975.) (VV)

Grain standards: Grants the Secretary of Agriculture 1-year emergency powers to enable him to take immediate action to strengthen the system for the inspection, handling, and export of grain; requires the Secretary to review the designation of all official inspection agencies to determine if they are in compliance with the provisions of the United States Grain Standards Act; makes several changes in the Act and the U.S. Criminal Code to increase the sanctions for violations of the Act; protects Department of Agriculture personnel assigned to inspecting, grading or weighing functions from assault and death, and makes clear that bribery of licensed inspectors is punishable as a felony; directs the Comptroller General to make a 1-year study concerning compliance of the Act by major grain exporters; requires the registration of any person engaged in the business of buying grain for sale in interstate or foreign commerce or in the handling, weighing, or transporting of grain for sale in interstate or foreign commerce; requires the Secretary to notify the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry of complaints made by foreign purchasers regarding faulty grain deliveries and cancellation of any contract for the export of more than 100,000 metric tons of grain; requires the Secretary to make studies regarding the adequacy of the current grain standards established under the Act and the contamination, transportation, and handling of U.S. agricultural products; and requires the Secretary to make periodic reports during the 1-year period concerning the steps taken to improve the inspection system for grain and any legislative recommendations. S.J. Res. 88. P/S Sept. 25, 1975. (VV)

Horse Protection: Amends the Horse Protection Act of 1970 (Public Law 91–54) in order to stop the practice of altering the gait of horses by injury ("soring") to assure that the horse has a distinctive high-stepping gait; prohibits the movement of "sore" horses in commerce, the showing of horses with "unsound" limbs, and the sale at a public auction or the showing of horses that have been sored or are wearing devices banned by the Secretary of Agriculture because they are usually used to make a horse sore or unsound; requires the management of horse shows and auctions to keep records subject to inspection by agents of the Department of Agriculture; imposes penalties for violations of the Act; and grants the Secretary of Agriculture the necessary authority to enforce the Act. S. 8116 P/S Oct. 9, 1975. (VV)

Insecticides: Extends the Federal Insecticide, Fungicide, and Rodenticide Act from July 1, 1975, until September 30, 1975, and authorizes therefor $11,967,000. H.R. 6387. Public Law 94–51, approved July 2, 1975. (VV)

Extends the Federal Insecticide, Fungicide, and Rodenticide Act from October 1, 1975, until November 15, 1975, and authorizes therefor $5,983,500. S. 2375. Public Law 94– , approved 1975. (VV)

Livestock credit: Amends the Emergency Livestock Credit Act of 1974 to (1) extend financial assistance to a farmer or rancher primarily involved in the breeding, raising, fattening, or marketing of livestock including dairy cattle; (2) permit secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank; (3) provide that contracts of guarantee shall not require the Secretary of Agriculture to guarantee more than 90 percent of principal and interest on such loan; (4) provide that guaranteed loans shall be for the period reasonably required by the needs of the borrower but not to exceed 7 years and may be renewed for not more than 3 years; (5) increase the guarantee of a line credit from $250,000 to $350,000 and limits the total outstanding loan guarantees to $1.5 billion; (6) authorize the payment of administrative expenses from any funds available including the Agriculture Credit Insurance Fund; (7) extend the act from July 25, 1975, until December 31, 1976; (8) require that action by the Department of Agriculture on each loan application be completed within 30 days; (9) require collateral adequate to protect the government's interest but allows collateral which has depreciated in value owing to temporary economic conditions; and (10) require an annual report on the effectiveness of the Act; and also amends the Consolidated Farm and Rural Development Act to provide that contracts of guarantee under that Act shall not require the Secretary to guarantee more than 90 percent of the principal and interest on such loans. S. 1236. Public Law 94–35, approved June 16, 1975. (VV)

Milk price supports: Requires, effective on the date of enactment and ending on March 31, 1979, that the Secretary of Agriculture adjust upward the support price of manufacturing milk at the beginning of each quarter to reflect any estimated increase during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes and wage rates. S.J. Res. 121. P/S Sept. 29, 1975. (VV)

Peanut distribution: Expresses the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute excess peanut stocks in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program. S. Res. 101. Senate adopted Mar. 24, 1975. (VV)

Plum Island Animal Disease Center: States the sense of the Senate that the Office of Management and Budget should expedite its consideration of the supplemental budget request of the Department of Agriculture for $9.45 million for the expansion of animal quarantine facilities and diagnostic laboratories and for the construction of a pilot vaccine plant at the Plum Island, N.Y., Animal Disease Center, and forward this request to Congress for its consideration. S. Res. 190. Senate adopted June 19, 1975. (VV)

Potato stocks: States the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute potato stocks, which are now in abundant supply, in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program to supplement protein deficiencies, the basic cause of malnutrition. S. Res. 122. Senate adopted May 16, 1975. (VV)

*Price Supports: Establishes an emergency price support program for the 1975 crop or commodity year for upland cotton, wheat, feed grains, soybeans and milk; increases the target price on cotton from 38 cents to 45 cents a pound, on corn from $1.38 a bushel to $2.25 and on other feed grains at comparable levels, on wheat from $2.05 a bushel to $3.41; increases the production loan levels on cotton from 34 to 38 cents per pound, on corn and feed grains from $1.10 a bushel to $1.87, and on wheat from $1.37 a bushel to $2.50; sets the support price of milk at no less than 85 percent of the parity price on the date of enactment and provides that the milk support price shall be adjusted quarterly thereafter, with this provision to remain in effect until April 1, 1976; and contains other provisions. H.R. 4296. Vetoed May 1, 1975. House sustained veto May 13, 1975. (116)

*Tobacco price supports: Amends the Agricultural Act of 1949, as amended, to increase the price support level for the 1975 crop of flue-cured tobacco from 93.2 cents per pound to 99.9 cents per pound. H.R. 9497. Vetoed Sept. 30, 1975. (VV)

Watershed projects: Amends the Watershed Protection and Flood Prevention Act to require congressional approval of watershed projects where the estimated Federal contribution is in excess of $750,000 instead of $250,000 as under existing law. S. 1230. P/S June 21, 1975. (VV)

Wheat referendum: Amends the Agricultural Adjustment Act to change the marketing year for wheat from July 1–June 30, to June 1–May 31. S. 435. Public Law 94–61, approved July 25, 1975. (VV)

White corn: Expresses the sense of the Senate that the Department of Agriculture should continue the white corn survey, which provides the white corn industry with critical data for orderly production, marketing and processing, and make the survey reliable by obtaining data from all the significant white corn producing States. S. Res. 155. Senate adopted May 21, 1975. (VV)

1975:

Continuing: Extends the continuing resolution, which expires on February 28, 1975, to provide obligational authority for foreign assistance programs through March 25, 1975, and funding of activities under title IX of the Public Health Service Act through June 30, 1975, for the following programs within HEW and the Community Services Administration which did not achieve final enactment during the 93d Congress: Health revenue Sharing and Services; Nurse Training; Health Manpower; Developmental Disabilities Services and Construction; and the Regional Medical program. H.J. Res. 219. Public Law 94–7, approved Mar. 14, 1975. (VV)

* Emergency employment: Appropriates a total of $5,306,508,000 in new budget authority, $485 million in loan authority and $92,362,000 in liquidation of contract authority for the acceleration of existing Federal programs and projects in order to increase immediately employment throughout the nation; provides two approaches to the unemployment problem: (1) $2,318,150,000 in direct creation of jobs as follows: $1.625 billion in public service jobs, $458,050,000 for summer youth employment and transportation, $30 million in jobs for older Americans, $119.8 million in work-study grants for college students, $70 million in the work incentive program to provide jobs, training and related child care for welfare recipients, and $15.3 million for the summer youth recreation program to be administered by the Community Services Administration which together with funds previously appropriated or available total about $3.5 billion; and (2) $2,988,358,000 for funding of projects which would stimulate jobs through acceleration of on-going public works projects, increase of rural water and sewer grants, improvement and modernization of existing veterans' hospitals, increased maintenance of the national cemeteries, reforestation and timber stand improvement, expansion and upgrading of facilities in national parks, forests and other Federal lands, increased assistance to small businesses, major repairs and renovations of existing buildings, and purchase of automobiles used by Federal agencies. H.R. 4481. Vetoed May 28, 1975. House sustained veto June 4, 1975. (151)

Foreign assistance: Appropriates a total of $3,674,346,982 in new obligational authority, which is $175,926,982 more than the amount allowed by the House and $271,750,000 less than that allowed by the Senate, $272,113,927 less than the fiscal year 1975 amended budget estimate, and $193,637,982 more than the 1974 appropriations; and includes:

Appropriations for Foreign Assistance Act activities of $854,800,000 in new obligational authority for economic assistance, which includes $300 million for food and nutrition development assistance; $125 million for population planning and health development assistance; $125 million for international organizations and programs; $5 million for the United Nations Environment Fund; $500,000 earmarked for the National Association of the Partners of the Alliance skill exchange program among peoples of the Americas; $17.5 million for international narcotics control; $35 million for famine or disaster relief assistance; $25 million for assistance to Portugal and Portuguese colonies in Africa gaining independence; $440 million for Indochina Postwar Reconstruction Assistance; $100 million for the Middle East Special Requirements Funds; and $660 million for Security Supporting Assistance and Middle East peace programs;

Appropriations for military assistance of $450 million in new obligational authority, which equals the 1974 appropriation, and is $757 million below the budget estimate of $1,207,000,000 in new obligational authority, which, when added to other available funds, would support a proposed fiscal year 1975 program of $1,246,000,000;

Appropriations for foreign military credit sales of $300 million, which is $255 million less than the budget estimate of $555 million and, combined with outside credits, will support a total military credit sales program of up to $872.5 million, the ceiling established in the authorization bill;

Appropriations for other foreign assistance of $844,546,982, which is $355,813,927 less than the budget estimate of $1,200,360,909, and includes $77 million for the Peace Corps, $90 million for the Cuban Refugee Program, $8,420,000 for migration and refugee assistance, $40 million for Soviet Jewish immigrants to Israel, $10 million for assistance to Palestinian refugees, funds to the President for international financial institutions (Asian Development Bank, Inter-American Development Bank, and the International Development Association) of $619,126,982; and

Sets a limitation on use of corporate funds for the Export-Import Bank of $6,413,328,000 which is the same as the House amount and the budget estimate. H.R. 4592. Public Law 94–11, approved Mar. 26, 1975. (77)

Summer youth employment and recreation: Appropriates a total of $473,350,000 for the summer youth employment and recreation programs of which $15,300,000 is to be used for the recreation program. H.J. Res. 492. Public Law 94–36, approved June 16, 1975. (VV)

Supplemental: Appropriates a total of $143,175,000 in new budget authority for fiscal year 1975 of which $17,175,000 is for alteration, maintenance, furnishing, and protection of House office space, $1 million is for temporary parking facilities for the Senate and additional costs in acquiring the site for a Senate garage, and the remaining $125 million is for operating assistance for the Penn Central and other railroads in reorganization under the Regional Rail Reorganization Act of 1973, and contains an increase of $150 million in loan guarantees for these railroads upon which no appropriations action is required; and repeals the provisions of Public Law 93–554 which, in effect, amounted to a blanket 5 percent reduction in Government travel. H.J. Res. 210. Public Law 94–6, approved Feb. 28, 1975. (31)

Appropriates in title I, a total of $15,066,595,998 in new obligational authority for general program supplemental appropriations for fiscal year 1975, advance funding for fiscal 1976, and one small item for fiscal 1974; in addition, also provides $206,407,375 in transfer authority, $274,306,000 in increased limitations and $53,714,000 for liquidation of contract authority; in title II, provides for increased pay costs; and in title III, prohibits use of funds under this Act to force the busing of students in schools or school districts which are desegregated as defined in title IV of the Civil Rights Act of 1964, to abolish a desegregated school, or to force the transfer of students in desegregated schools, and prohibits the use of funds under this Act for busing of students or teachers in order to overcome racial imbalance in any school or school system or carry out a plan of racial desegregation of any school or school system; and contains other provisions. H.R. 5899, Public Law 94–32, approved June 12, 1975. (192,194)

Veterans' supplemental: Appropriates an additional $638,038,00) for Veterans Administration readjustment benefits to fund the authorized increases contained in Public Law 93–337 which increased to 10 years the 8 year delimiting period for post-Korean Veterans; in Public Law 93–358 which increased from $2,800 to $3,300 the maximum grant for specially equipped automobiles for disabled veterans and extended eligibility for training and adaptive equipment; in Public Law 93–356 which increased from $17,500 to $25,000 the housing grant for certain disabled veterans; and in Public Law 93–602 which increased from 18.2 percent to 22.7 percent the monthly allowance for vocational rehabilitation trainee programs makes a total VA appropriation of $4,125,738,000 for fiscal year 1975; and appropriates $500,000 for salaries and expenses of the Federal Election Commission. H.J. Res. 375. Public Law 94–17, approved Apr. 25, 1975. (140)

Vietnamese Refugee Aid: Appropriates $405 million to aid refugees from Cambodia and Vietnam—$305 million to the Department of State for relocation and resettlement costs and $100 million to the Department of Health, Education, and Welfare for income, medical and education assistance to refugees in the United States—and prohibits aid to the government of Vietnam. H.R. 6894. Public Law 94–24, approved May 24, 1975. (187)

1976 and Transition Period:

Agriculture: Appropriates a total of $11,061,282,000 for fiscal year 1976 and $2,052,922,000 for the transition period July 1–September 30, 1976 for the Department of Agriculture and related agencies' programs. H.R. 8561. Public Law 94– , approved 1975. (333)

Continuing: Makes continuing appropriations for fiscal year 1976 which shall be available from July 1, 1975, and until enactment of the individual appropriation act or the sine die adjournment of the first session of this Congress, whichever occurs first. H.J. Res. 499. Public Law 93–41, approved June 27, 1975. (230)

*Education: Appropriates $7,480,312,952 for fiscal year 1976 and $464,683,000 for the transition period July 1–September 30, 1976, for education programs, including support to local school districts, aid to individuals attending institutions of higher learning, and special assistance to the needy and the handicapped. H.R. 5901. Vetoed July 25, 1975. House overrode Sept. 9, 1975; Senate overrode Sept. 10, 1975. Public Law 94–94, without approval Sept. 10, 1975. (258, 293, 389)

HUD: Appropriates $49,344,914,000 for fiscal year 1976 and $5,648,914,000 for the transition period July 1–September 30, 1976 for the Department of Housing and Urban Development and various independent agencies. H.R. 8070. Public Law 94– , approved 1975. (338)

Labor-HEW: Appropriates $36,274,092,318 for fiscal year 1976 and $8,960,364,000 for the transition period July 1–September 30, 1976 for the Departments of Labor, and Health, Education, and Welfare, and related agencies; includes programs for comprehensive manpower assistance and public service employment, occupational health and safety, maternal and child health, emergency medical services, Public Health Service hospitals, National Institutes of Health (NIH) research, alcohol, drug abuse, and mental health programs, public assistance, human development, and community services programs;

Exempts employers having 3 or fewer employees from the requirements of the Occupational Health and Safety Act (OSHA) and limits the fine on first inspections for firms with 15 or fewer employees to $50; Prohibits the use of funds under this act by the Department of Health, Education, and Welfare (HEW) to require transportation of students to schools other than those closest to home, and also prohibits the use of funds by HEW under this act to require transportation of students except pursuant to a final decree of a court of law. H.R. 8069. P/H June 24, 1975; P/S amended Sept. 26, 1975; Conference report filed. (423)

Legislative: Appropriates $827,546,570 for the legislative branch for fiscal year 1976 and $207,391,365 for the transition period July 1–September 30, 1976, which includes funds for the Architect of the Capitol to prepare studies and develop a master plan for future development within the Capitol grounds and to remove architectural barriers to the handicapped on Capitol Hill, funds for increases in salaries for top Senate officials and staff employees ($40,000 for the Secretary of the Senate, the Sergeant at Arms of the Senate, and the Legislative Counsel, $39,500 for the party Secretaries, and $38,000 for administrative assistants and top committee staff), and moneys for a full telecommunications network to bring a comprehensive legislative information system into each Senator's office; freezes the salaries of Senate and House pages at their present level; and directs the Architect of the Capitol to recommend within 3 months a plan to reduce by at least 50 percent the number of elevator operators in the Capitol complex. H.R. 6950. Public Law 94–59, approved July 25, 1975. (266)

State - Justice - Commerce: Appropriates $5,958,676,000 for fiscal year 1976 and $1,551,256,000 for the transition period July 1–September 30, 1976, for the Depatments of State, Justice, and Commerce, the Judiciary, and various related agencies and states as the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property, and defense of the Canal. H.R. 8121. Public Law 94– , approved 1975. (378)

Transportation: Appropriates a total of $4,194,482,775 for the Department of Transportation and related agencies for the fiscal year ending June 30, 1976 and $1,007,687,939 for the transition period July 1,–September 30, 1976; includes $300,000 for the Civil Aeronautics Board for analytical research to effect necessary regulatory reform of the airlines industry, $10 million for the Coast Guard Pollution Control Fund to insure immediate clean up of oil spills, $10 million for a bikeway demonstration program, $450,000 for the National Highway Traffic Safety Administration demonstration projects for emergency medical services and $3 million for rail passenger and terminal facilities at Baltimore Washington International Airport; limits obligation of appropriated Federal-aid highway funds to $9 billion through Septemer 30, 1976; and contains other provother provisions. H.R. 8365. P/H July 10, 1975; P/S amended July 25, 1975; In conference. (232)

Treasury-Postal Service: Appropriates $6,314,070,000 for fiscal year 1976 and $1,275,352,000 for the transition period July 1–September 30, 1976, for the Treasury Department, the Postal Service, the Executive Office of the President, and certain other independent agencies. H.R. 8597. Public Law 94–91, approved August 9, 1975. (334)

ATOMIC ENERGY

International agreements:

Atomic energy cooperation agreement with Israel: Approves the proposed two year extension of the Agreement for Cooperation Between the United States and Israel which concerns peaceful research applications in the field of atomic energy. S. Con. Res. 15. Senate adopted Feb. 19, 1975; House adopted Mar. 11, 1975. (VV)

Enriched uranium distribution to euratom: Approves the proposed increase (from the present 35,000 megawatt ceiling to 55,000 megawatts) in the amount of enriched uranium which may be distributed by the United States to EURATOM under Section 54 of the Atomic Energy Act of 1954, as amended, to support the fuel cycle of power reactors in the Community, such transfers to be subject to the additional Agreement for Cooperation with EURATOM (which among other things, contains provisions for safeguards against the diversion of special nuclear material to military applications) and in accordance with our Non-Proliferation Treaty obligations. S. Con. Res. 14. Senate adopted Feb. 19, 1975; House tabled Mar. 17, 1975. (VV)

Enriched uranium distribution to the International Atomic Energy Agency: Approves the proposed increase in the amount of enriched uranium which may be distributed by the United States to the IAEA under Section 54 of the Atomic Energy Act of 1954, as amended, to allow for the support of fuel cycle of power reactors, to be purchased from U.S. manufacturers, located in member states of IAEA (2 in Mexico, 1 in Yugoslavia) having a total installed capacity of 2,015 megawatts of electrical energy. S. Con. Res. 13. Senate adopted Feb. 19, 1975; House tabled Mar. 17, 1975. (VV)

Nuclear Regulatory Commission Authorizations: Authorizes supplemental appropriations of $50.2 million to the Nuclear Regulatory Commission for fiscal year 1975 which is in addition to the $90,765,000 fiscal year 1975 authorization for the Atomic Energy Commission (Public Law 93–276) and transferred to the Commission on January 19, 1975, when the Atomic Energy Commission was abolished pursuant to the Energy Reorganization Act of 1974 (Public Law 93–438) and its functions transferred to the Nuclear Regulatory Commission and Energy Research and Development Administration. S. 994. Public Law 94–18, approved Apr. 25, 1975. (VV)

Authorizes $222,935,000 for fiscal year 1976 and $52,750,000 for the transition period July 1-September 30, 1976, for the Nuclear Regulatory Commission; authorizes an additional 131 employees for nuclear safety inspection and enforcement; prohibits the shipment, by air transport, of any form of plutonium (except if it is contained in a medical device designed for individual human application) until the Commission has certified to the Joint Committee on Atomic Energy that a safe container has been developed which will not rupture under crash and explosion of a high-flying aircraft; and clarifies the commencing date for for the terms of the members of the Commission. S. 1716. Public Law 94–79, approved August 9, 1975. (VV)

BUDGET

Deferrals—1975:

Energy Research and Development Administration: Rescinds $66.5 million and disapproves $46.1 million of the $112.6 million deferral recommended by the President in his message of November 26, 1974, provided under the 1975 Public Works-AEC Appropriations Act (P.L. 93–393) for various programs within the Energy Research and Development Administration. By this action, deferral of budget authority was disapproved for the following programs: Biomedical and Environmental Research—Artificial Heart Research, $4 million (S. Res. 32); Nuclear Materials, $12 million (S. Res. 75); Laser Fusion Program, $4.7 million (S. Res. 76); Controlled Thermonuclear Research—Fusion Program, $8 million (S. Res. 77); Physical Research, $2.7 million (S. Res. 78); Gas Cool Fast Reactor Program, $6.7 million (S. Res. 79); and LMFBR Technology, $8 million (S. Res. 80). S. Res. 32, S. Res. 75, S. Res. 76, S. Res. 77, S. Res. 78, S. Res. 79, S. Res. 80. Senate adopted May 7, 1975. (VV)

HUD—Comprehensive planning grants: Disapproves the $50 million deferral for the HUD Comprehensive Planning Grant Program recommended by the President in his message of November 26, 1974. S. Res. 23. Senate adopted Mar. 13, 1975. (VV)

Transportation—Highway grants: Disapproves the $9,136,590,427 deferral for Federal highway funds to the States recommended by the President in his message of September 20, 1974. S. Res. 69. Senate adopted Apr. 24, 1975. (149)

Youth Conservation Corps: Disapproves the $10 million deferral for the Forest Service Youth Conservation Corps program recommended by the President and reported by the Comptroller General in his letter of July 9, 1975. S. Res. 205. Senate adopted July 10, 1975. (VV)

Deferrals—1976:

Emergency energy conservation services: Disapproves the proposed deferral of $16.5 million for the Emergency Energy Conservation Services program recommended by the President in his message of July 26, 1975. S. Res. 267. Senate adopted Oct. 3, 1975. (VV)

Rescissions—1975:

Agriculture, Commerce, Consumer Product Safety, DOD, HEW, Labor: Rescinds $16,454,704 ($10 million for Forestry Incentive Programs, $955,000 for Defense special foreign currency programs, $500,000 for the Consumer Product Safety Commission, and $4,999,704 for the Latin-American Cultural and Trade Center within the Department of Commerce) and disapproves $1,243,939,250 of the rescission of $1,260,393,954 recommended by the President in his message of January 30, 1975, and the communications of the Comptroller General of February 7 and 14, 1975, as follows: Department of Agriculture—$191,690,000; Consumer Product Safety Commission—$1,209,000; Community Service Employment for Older Americans in the Department of Labor—$12 million; Department of HEW—$936,030,250; and Department of Commerce—$125 million which is for the Job Opportunities Program which had been submitted as a deferral and reclassified by the Comptroller General as a rescission. H.R. 4075. Public Law 94–15, approved Apr. 8, 1975. (VV)

Agriculture, Commerce, DOD, Executive Office, General Services, Justice, HEW, State, Treasury: Approves rescission of budget authority in the amount of $243,359,370, and disapproves $706,083,802 of the amounts proposed for rescission by the President, for the following departments:

Department of Agriculture: Approves a partial rescission of $7,856,470 for the Agriculture Stabilization and Conservation Service Water Programs, leaving available $13,356,470 for the wetlands and marshlands conservation program; disapproves rescissions of $14,921,000 for the Forest Service;

Department of Defense: Approves rescission of $60,300,000 for operations and real property maintenance; disapproves rescission of $5,700,000 for Army UH–IH utility helicopters procurement because rescission would result in no procurement of needed helicopters in fiscal year 1975; approves rescission of $122,900,000 for Air Force F–111F fighter aircraft; disapproves rescission of $29,600,000 for Air Force A–7D attack aircraft as being necessary for modernization of the Air National Guard;

Department of Health, Education, and Welfare: Disapproves rescission of $284,719,000 for Hill-Burton hospital bed construction;

Department of State: Approves rescissions of $2.1 million in savings;

Department of Justice: Disapproves rescission of $5,350,000, $1.3 million, and $2.4 million respectively for salaries and expenses of the FBI, Immigration and Naturalization Service, and the Drug Enforcement Administration on the basis that the rescission would adversely affect accomplishment of the purposes of these agencies; approves rescission of $7 million for the Bureau of Prisons in view of a lower than expected prison population and the possibility of acquiring a new facility at no cost;

Department of Commerce: Approves rescissions totaling $2.25 million for Social and Economic Statistics, Administration, Trade Adjustment Assistance, U.S. Travel Service, the Patent Office and the marine data buoy project of the National Oceanic and Atmospheric Administration; disapproves rescission of $2 million for Economic Development Administration assistance programs which affect planning for areas of chronic, high unemployment; disapproves rescissions of $1.3 million, $500,000, and $500,000 respectively for National Oceanic and Atmospheric Adistration, salmon and steelhead rearing ponds, three regional fisheries commissions under the National Fisheries policy, and the marine ecosystems project in Puget Sound;

Department of the Treasury: Approves rescissions of $1.53 million affecting the Office of the Secretary, the Federal Law Enforcement Training Center, the Bureau of Accounts, and the Internal Revenue Service; disapproves rescission of $9,230,000 and $10,240,000 respectively, for accounts, collection, and taxpayer service and compliance in the Internal Revenue Service; disapproves rescission of $3 million for the Customs Service on the basis of adverse impact on its functions;

Executive Office of the President: Approves rescission of $2,240,000 for the Special Action Office for Drug Abuse Prevention as legislative authority for this office expires June 30, 1975 and other funding available is considered sufficient;

General Services Administration: Approves rescission of $20,022,900 for the Federal Buildings Fund which will be withdrawn from programmed low-priority work which has not been started. H.R. 3260. Public Law 94–14, approved Apr. 8, 1975. (68)

HEW—Health and medical service programs: Disapproves $264,700,000 of the proposed rescission of $266,323,000 recommended by the President in his message of April 8 and May 8, 1975, for the following programs of the Department of Health, Eduction, and Welfare: Alcohol, Drug Abuse and Mental Health; D.C. medical facilities; Nurse training, allied and public health, and funding for medical facilities and construction; and emergency food and medical services, and summer youth sports; and approves the rescission of $1,623,000 for health services. H.R. 6573. P/H May 12, 1975; P/S amended June 10, 1975; House disagreed to Senate amendment June 12, 1975. (VV)

HUD—Homeownership assistance: Disapproves the $264,117,000 rescission for the HUD Homeownership Assistance Program recommended by the President in his message of October 4, 1974. S. Res. 61. Senate adopted Mar. 13, 1975. (VV)

Recissions—1976:

Agriculture, HEW, Interior, Transportation, Treasury: Rescinds $47.5 million for the Department of Interior, Bureau of Mines helium fund and disapproves $184,337,334 of the rescission of $188,888,000 recommended by the President in his message of July 26, 1975 as follows: HEW, Headstart services to handicapped children—$7 million; HEW Community Services Administration—$9 million; Agriculture, Forest Service roads and trails—$25,723,000; Transportation, scenic highways—$90 million; and Treasury, construction of Federal Law Enforcement Training Center—$8,665,000. H.R. 9600. Public Law 94– , approved 1975. (VV)

Resolutions:

First budget resolution: Recommends budget outlays of $367 billion, estimated revenues of $298.18 billion and an estimated deficit of $68.82 billion as compared to the President's budget estimates of $355.6 billion in outlays adjusted as of April 4, estimated revenues of $297.5 billion, and a proposed deficit level of $60 billion; recommends, in order to achieve the revenue level suggested that revenues should be decreased by $3.4 billion; and, in making the revenue recommendations

(1) assumes that major provisions of the Tax Reduction Act scheduled to expire December 31, 1975 will be extended by the Congress and thus lower revenues by $4.4 billion, (2) takes the position that additional revenues should be raised through enactment of tax reform legislation in the amount of $1 billion in fiscal year 1976, and (3) assumes that, as a result of recent tax collection experience, an additional $2 billion in revenues wil be received during fiscal year 1976; does not contain the function-by-function allocations which will be reported in later years but is based on recommended outlays for budget programs by function for fiscal year 1976 as compared with the President's proposed budget outlays as follows:

National Defense: $91.2 billion in budget outlays as compared to $93.9;

International Affairs (conduct of foreign affairs, foreign information and exchange activities, the Peace Corps, Food for Peace, and foreign assistance except for military assistance): $4.9 billion as compared to an estimated $5.1 to $6.4 billion;

General Science, Space, and Technology: $4.6 billion, which is the same as that proposed in the President's budget;

Natural Resources, Environment, and Energy: $11.6 billion as compared to $10.2 billion;

Agriculture: $1.8 billion, which is the same as that in the President's budget;

Commerce and Transportation: $17.5 billion as compared to $14.7 billion;

Community and Regional Development: $8.65 billion as compared to $6 billion;

Education, Manpower, and Social Services: $19.85 billion as compared to $16.6 billion;

Health: $30.7 billion as compared to $28.4 billion;

Income Security (social security and unemployment insurance, retirement systems for Federal and railroad employees and assistance programs for the needy): $125.3 billion as compared to $120.9 billion;

Veterans Benefits and Services: $17.5 billion as compared to $16.2 billion;

Law Enforcement and Justice: $3.4 billion as compared to $3.3 billion;

General Government: $3.3 billion as compared to $3.2 billion;

Revenue Sharing and General Purpose Fiscal Assistance: $7.2 billion, which is the same as that in the President's budget;

Interest: $35.3 billion as compared to $34.4 billion;

Allowances (includes energy tax equalization payments, civilian agency pay raises and contingencies): $1.2 billion as compared to $8.1 billion, caused mainly by the deduction of $7 billion included in the President's budget to equalize the impact of his original energy tax proposals based on the assumption that the President's program will not be approved by the Congress; and

Undistributed Offsetting Receipts (includes Federal Government contributions to the employee retirement funds, interest earned on trust funds and revenue from oil leases on the Outer Continental Shelf): Deduction of $16.2 billion in undistributed offsetting receipts from the budget total in 1976 as compared to $20.2 billion in the President's budget, in the Congressional budget difference being due to an estimate of $4 billion in receipts by the Committee from the sale of leases for offshore oil drilling and an estimate of $8 billion in such receipts in the President's budget. H. Con. Res. 218. House adopted May 1, 1975; Senate adopted amended May 5, 1975; House and Senate agreed to conference report May 14, 1975. (157)

CONGRESS

August recess: Provides for the adjournment of the Congress from Friday, August 1 until noon, Wednesday, September 3, unless reassembled by the House or Senate leadership, and authorizes the Secretary of the Senate and the Clerk of the House to receive messages, including veto messages, from the President during this time. S. Con. Res. 54. Senate adopted July 22, 1975; House adopted July 28, 1975. (307)

Congressional paycheck disbursements: Amends section 3620 of the Revised Statutes relating to payroll disbursements to give Congressional employees the same option as other Federal employees of having their pay sent to two or three different financial institutions of their choice effective when the Secretary of the Senate and the Clerk of the House respectively determines the feasibility of compliance for their employees but no later than July 1, 1976. H.R. 7405. Public Law 94–57, approved July 19, 1975. (VV)

Guam and Virgin Islands delegate allowance: Provides that the clerk hire allowance and the transportation expenses subject to reimbursement under Federal law of the Delegates from Guam and the Virgin Islands shall be the same as allowed for Members of the House of Representatives. H.R. 4269. Public Law 94–26, approved May 27, 1975. (VV)

Joint Committee on the Bicentennial: Establishes a Joint Committee on Arrangements for the Commemoration of the Bicentennial, to be composed of 12 members (the majority and minority leaders of the Senate and House, the Members of Congress who are members of the American Revolution Bicentennial Board, 2 members appointed by the President of the Senate, and 2 members appointed by the Speaker of the House) to coordinate the planning and implementation of Bicentennial activities and events of the Congress with those of other groups; to consult with the Speaker of the House and President of the Senate to provide for congressional representation at appropriate Bicentennial events; and to develop and implement programs to inform and emphasize to the Nation the role of the Congress, as the representative of the people, over the past 200 years. S. Con. Res. 44. Senate adopted June 13, 1975; House adopted amended June 23, 1975; Senate agreed to House amendment with amendment July 30, 1975. (VV)

Supreme Court Chamber: Declares officially open the Chamber of the Supreme Court which is located in the Capitol and extends congratulations and appreciation to the various people who contributed to the restoration of this Chamber. S. Res. 164. Senate adopted May 21, 1975. (VV)

CONSUMER AFFAIRS

Consumer fraud: Protects consumers and reduces the instances of consumer fraud by amending the United States Code in order to make the knowing commission of the following consumer frauds subject to criminal penalties: (1) offering or advertising of goods or services with the knowledge that they will not be sold as so offered or advertised; (2) utilization of false or misleading statements or advertising with respect to goods and services; (3) false description of goods; (4) refusal to return a price or deposit when goods have not been and will not be delivered or when services contracted for have not or will not be performed; and (5) use of physical force, threats, harassment or similar misconduct in the course of a sale or in an attempt to collect the purchase price of goods and services from a customer; imposes a maximum fine of $1,000 and/or 1 year imprisonment for first offenses and a $10,000 fine and/or 3 years imprisonment for second and subsequent offenses; allows a consumer to cancel any contract or agreement resulting from a transaction involving a proscribed unfair consumer practice; and authorizes the Attorney General of the United States and the attorney general of any State to seek an injunction to enjoin the commission of such unfair consumer practices. S. 670. P/S July 10, 1975. (VV)

Consumer product safety: Authorizes appropriations of $51 million for fiscal year 1976, $14 million for the transition period July 1-September 30, 1976, and $55 million for fiscal year 1977 for implementation of the Consumer Product Safety Act; contains provisions concerning the jurisdiction of the Consumer Product Safety Commission (CPSC) which: (1) eliminates pesticides from the Commission's jurisdiction under the Poison Prevention Packaging Act of 1970 as being duplicative of the Environmental Protection Agency's authority under the Federal Environmental Pesticide Control Act of 1972 to enforce pesticide-related packaging standards for the purpose of child protection; (2) provides that the Commission has no jurisdiction to regulate tobacco or tobacco products as being a "hazardous substance" under the Federal Hazardous Substances Act, but provides that the Commission may regulate tobacco and tobacco products under the Consumer Product Safety Act to the extend that such products present an unreasonable risk of injury as a source of ignition; (3) provides that the Commission, under the Hazardous Substances Act, may not regulate ammunition as a "hazardous substance" may continue to establish and enforce cautionary labeling requirements relative to storage in a household, and may continue to regulate fireworks as a "hazardous substance"; prohibits political clearance by the Executive Office of the President, the Office of Management and Budget, or other executive agency of any employee whose principal duties would involve significant participation in the determination of major Commission policies or who would serve as a personal assistant or adviser to any Commissioner; requires, in order to facilitate the identification of potential product hazards, that a product liability insurer or an independent testing laboratory which discovers a substantial product hazard in the course of its business must report that finding to its insured or its client and inform him of his obligations, if any, under the law; enlarges the enforcement authority of the Commission; provides a uniform Federal preemption clause for the Federal Hazardous Substances Act, the Flammable Fabrics Act and the Consumer Product Safety Act which provides that if the Commission has requirements in effect for a product, State or local requirements must conform to the Federal standard unless the State requirement does not cause the product to be in violation of the Federal standard and provides a significantly higher degree of protection without unduly burdening the manufacture or distribution of products in interstate commerce; gives courts the discretion to award attorney's fees to persons involved in obtaining judicial review under the Consumer Product Safety Act; and contains other provisions. S. 644. P/S July 18, 1975. (297)

Consumer protection: Protects the interests of consumers and promotes consumer protection in the United States; creates an independent Agency for Consumer Advocacy (ACA) to represent and advocate the interests of consumers before other Federal agencies and Federal courts; authorizes the ACA to receive and transmit complaints from consumers and develop and disseminate information concerning interests of consumers;

Exempts from the jurisdiction of the ACA the following: the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security and intelligence functions of the Departments of State and Defense and the military weapons program of the Energy Research and Development Administration, as well as any Federal Communications Commission proceeding relating to renewals of radio or television broadcasting licenses, or any labor-management case before the National Labor Relations Board; prohibits intervention or participation by the ACA in any proceeding or activity directly affecting producers of livestock, poultry, agricultural crops or raw fish products; prohibits such intervention with respect to the granting or enforcement of any right-of-way or other authorization relating to the Alaska pipeline system of oil or natural gas; prohibits such intervention in proceedings relating to limiting the manufacture or sale of firearms or ammunition;

Requires the General Accounting Office to review all of ACA's activities and report to Congress thereon within 3 years; makes the provisions of the Freedom of Information Act applicable to the ACA; provides for the preparation of cost and benefit assessment statements by Federal agencies issuing rules or proposing legislation which have a substantial economic impact; and contains other provisions. S. 200. P/S May 15, 1975. (184)

Motor vehicle information and cost savings: Amends the Motor Vehicle Information and Cost Savings Act to authorize additional appropriations to implement the four titles of the bill for fiscal year 1976, the fiscal year transition period July 1–September 30, 1976, and fiscal year 1977 respectively, as follows: Title I, which requires the Secretary of Transportation to promulgate bumper standards applicable to all passenger motor vehicles: $500,000, $125,000 and $500,000; Title II, which provides for an automobile consumer information program: $2 million, $650,000, and $4 million; Title III, which provides for diagnostic inspection demonstration projects: $5 million, $1.5 million, $7.5 million; and Title IV, which sets odometer requirements: $450,000, $100,000 and $650,000; redefines the special motor vehicle diagnostic inspection demonstration project under title III to assure that the project will be designed for use by States for high volume inspection facilities to evaluate conditions of parts, components and repairs required to comply with State and Federal safety, noise and emission standards and to assist the owner in achieving the optimum fuel and maintenance economy and authorizes an additional $7.5 million for fiscal year 1978 to implement this program; provides the Secretary with additional authority to enforce the odometer anti-tampering provisions; and imposes a civil penalty of not to exceed $10,000 for each violation and criminal penalties of not more than $50,000 and/or 1 year in prison. S. 1518. P/S June 5, 1975. (VV)

CRIME—JUDICIARY

Bilingual court proceedings: Amends title 28, U.S.C., by adding a new section specifying the circumstances when an interpreter must be furnished to translate all or part of the court proceedings for the benefit of a non-English-speaking party or when a witness does not speak English and imposes administrative duties upon the Administrative Office of the U.S. Courts in relation to certification and use of interpreters. S. 565. P/S July 14, 1975.(VV)

Federal rules of criminal procedure: Approves and amends certain amendments to the Federal Rules of Criminal Procedure as proposed by the Supreme Court in its order of April 22, 1974, pursuant to statutes known as "rules enabling acts", to become effective on December 1, 1975. H.R. 6799. Public Law 94–64, approved July 31, 1975. (VV)

Federal rules of evidence: Amends the Federal Rules of Evidence to make clear that nonsuggestive lineup, photographic and other identifications, made in compliance with the Constitution, are admissible in evidence. S. 1549, Public Law 94– , approved 1975. (VV)

Florida judicial district: Transfers Madison County from the middle judicial district to the northern district of Florida to reduce the average travel time for Madison County residents. S. 723. P/S June 19, 1975. (VV)

Judgeships for the U.S. Courts of Appeals: Authorizes the President to appoint, with the advice and consent of the Senate, one additional circuit judgeship each for the first, third, fourth, sixth, seventh, eighth and tenth circuits. S. 286. P/S Oct. 2, 1975. (VV)

Jurors fees: Amends the Jury Selection and Service Act of 1968, as amended to increase from $20 to $25 per day the jury attendance fee and establish minimal criteria for judicial certification of additional fees for extended petit and grand jury service; authorizes new procedures for determining amounts to be expended for juror travel allowances and expenses including tolls and parking charges and new procedures for determining the amounts to be expended for juror subsistence allowances when such allowances are necessitated by long travel distances or sequestration;

Requires that any employee, other than a temporary worker, applying for reemployment within 15 days after completing his or her jury service, be rehired at his or her former seniority, status, and pay; requires that any employee so restored be classified as having been on furlough or leave-of-absence for purposes of insurance and other employment benefits; prohibits such employee from being discharged without cause for at least 1 year after returning to work; confers upon the district courts original jurisdiction to grant money damages regardless of the amount in controversy; requires U.S. Attorneys to act as attorneys for any person claiming a violation of his or her reemployment rights; and prohibits the assessment of attorney fees or court costs against any person who brings such an action in good faith. S. 539. P/S Sept. 30, 1975. (VV)

Parole Commission: Reorganizes the Federal paroling structure by abolishing the present U.S. Board of Parole and replacing it with an independent U.S. Parole Commission attached to the Department of Justice; increase the Parole Board from 8 to 9 Commissioners (one to serve as Chairman, three to serve as members of a National Appeals Board, and five to serve in the five regions around the country); provides for panels of hearing examiners, operating under guidelines adopted by the full Commission, to conduct parole hearings and recommend decisions subject to review by regional commissioners and the National Appeals Board before becoming final; provides an internal process by which the Attorney General or the offender may trigger a review by the National Appeals Board of any decision made by a regional commissioner; gives the Chairman the necessary administrative powers to keep the decision-making machinery of the Parole Commission operating on a timely basis; provides a procedure to insure better opportunities for decision-making and fairness in parole interview; requires that the revocation process whereby a parolee is returned to prison for violating the conditions of his parole must contain certain procedural safeguards set out by the Supreme Court in Morrissey v. Brewer, 408 U.S. 471 (1972) and Gagnon v. Scarpelli, 411 U.S. 778 (1973); and provides that an offender who has demonstrated by his conduct that he has rehabilitated himself could be discharged from supervision by the Parole Commission. H.R. 5727. P/H May 21, 1975; P/S amended Sept. 16, 1975; House requested conference Oct. 8, 1975. (VV)

Pyramid sales: Prohibits the use of any means or instrumentality of transportation or communication in interstate commerce or of the mails for sales, offers, or attempts to sell a participation or rights to participate in a "pyramid sales scheme" which is defined as an investment program based on inducing people to buy the right to sell similar rights to other people. S. 1509. P/S May 14, 1975. (VV)

Robert E. Lee: Restores posthumously full rights of citizenship to General Robert E. Lee, effective June 13, 1865, which were forfeited by him as General of the Army of Northern Virginia in the war between the States. S.J. Res. 23. Public Law 94–67, approved August 5, 1975. (VV)

Three-judge courts: Eliminates the requirement for special three-judge courts in cases seeking to enjoin the enforcement of State or Federal laws on the grounds of unconstitutionality except when specifically required by act of Congress or in any case involving congressional reapportionment or the reapportionment of any statewide legislative body and clarifies the composition and procedure of three-judge courts in those cases where they are required. S. 537. P/S June 20, 1975. (VV)

DEFENSE

Coast Guard authorization: Authorizes $149,676,000 for fiscal year 1976 and the transition period (July 1–September 30, 1976) to the Coast Guard for the procurement of vessels and aircraft, construction of shore and offshore establishments including the Valdez, Alaska, vessel traffic control system and the Sitka, Alaska, Air Station to assure that the stations are operational upon the completion of the Trans-Alaska pipeline, and payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges across the navigable waters of the United States; authorizes the year-end strength for active duty personnel and provides additional personnel for fishery surveillance and enforcement by helicopter; and authorizes the military training student loads. H.R. 5217. Public Law 94–54, approved July 7, 1975. (VV)

Defense production: Extends the Defense Production Act until September 30, 1977, to coincide with the new fiscal year established in the Congressional Budget Act of 1974 (P.L. 93–344);

Provides additional procedural safeguards for the granting of antitrust immunity to the development and implementation of voluntary agreements requested by the President from various industries or other interest groups to meet national defense emergencies;

Contains separate special authority for the voluntary agreement developed in support of the Executive Agreement on an International Energy Program (IEP) signed by the United States on November 18, 1974, which includes more flexibility in order to allow for international negotiation, but makes clear that such authority shall not be construed as any form of congressional approval of specific terms of the agreement;

Removes the $15 per diem limitation on travel expenses for members of the National Defense Executive Reserve (NDER) while serving without pay and traveling for the purpose of participating in the NDER training program and permits them to be reimbursed in accordance with applicable statutes authorizing such allowances for other individuals serving the U.S. without pay;

Removes the 40 cent per 100 words limitation on the cost of stenographic services to report hearings of the Joint Committee on Defense Production; and

Permits the Joint Committee on Defense Production to voucher thus placing it on a similar authorization procedure as other Joint Committees. S. 1537. P/S. Sept. 15, 1975. (VV)

Defense production—Commission on Productivity and Work Quality: Extends the expiration date of the Defense Production Act of 1950 and funding for the National Commission on Productivity and Work Quality for 90 days, through September 30, 1975. S.J. Res. 94. Public Law 94–42, approved June 28, 1975. (VV)

Extends the expiration date of the Defense Production Act of 1950 and funding for the National Commission on Productivity and Work Quality for 60 days, through November 30, 1975. H.J. Res. 672. Public 94–100, approved Oct. 1, 1975 (VV)

Diego Garcia: Disapproves the proposed construction project on the island of Diego Garcia, the need for which was certified by the President in a document received by the Senate on May 12, 1975. S. Res. 160. Senate rejected July 28, 1975. (340)

Military construction authorization: Authorizes a total of $3,853,705,000 for fiscal year 1976 and the transition period July 1–September 30, 1976, to provide construction and other related authority for the military departments, and the office of the Secretary of Defense, within and outside the United States, and authority for construction of facilities for the Reserve Components; includes $13.8 million for construction and expansion of the naval base at Diego Garcia in the Indian Ocean and $52,738,000 for aircraft shelters for in-place aircraft in the United Kingdom with the assurance by the Department of Defense that NATO recoupment would be requested prior to expending any of the funds; contains language to reduce the number of deficiency authorizations; directs the Defense Department to make certain changes in the organization of future requests; and contains other provisions. S. 1247. Public Law 94– , approved 1975. (425)

Military procurement authorization: Authorizes a total of $25,513,383,000 for fiscal year 1976 and $5,354,723,000 for the transition period of July 1, 1976 through September 30, 1976 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces; authorizes $380.5 million for six airborne warning and control system—AWACS—aircraft and $7.362 million for the B–1 bomber; authorizes the personnel strength for military active duty components of the Armed Forces and makes a total reduction of 9,000 in the requested strengths, to be made as directed by the Secretary of Defense; authorizes the annual average military training student load for each of the active and reserve components and the personnel strengths for the Selected Reserve of each of the Reserve components; provides a 23,000 total reduction of the requested end strengths for civilian personnel for the Department of Defense, with civilian personnel to be allocated among the military departments and Defense agencies by the Secretary of Defense; contains provisions regarding discrimination in supplying petroleum products for the Armed Forces; provides that no service members who retired after January 1, 1971 may receive less retired or retainer pay than they would have received at an earlier date on or after January 1, 1971; reduces the number of enlisted service personnel who may be assigned as servants to officers; approves the admission of women to the service academies for the class beginning in 1976; extends until December 31, 1977 the President's authority to transfer aircraft and related equipment by sale, credit, or guarantee in order to maintain the military balance in the Middle East; and contains other provisions. H.R. 6674. Public Law 94– , approved 1975. (214,374,424)

Naval museum: Expresses the approval of Congress with respect to the establishment by the State of South Carolina of the Naval and Maritime Museum in the City of Charleston. S. Con. Res. 9. Senate adopted Feb. 28, 1975. (VV)

Nuclear-trained naval officers pay bonus extension: Extends through fiscal year 1977, the authority under Public Law 92–581 to pay a $15,000 bonus to any nuclear-trained naval officer who prior to completion of 10 years of active service, agrees to remain on active duty for 4 years in addition to any other period of obligated active service. S. 2114. P/S July 26, 1975. (VV)

Officer graduate school appointees: Eliminates any period during which an officer was listed in a missing status for the purpose of computing the 6-year period in considering eligibility of appointees to officer graduate school. S. 1767. P/S May 21, 1975. (VV)

DISTRICT OF COLUMBIA

Southeastern University: Insures the continued eligibility of Southeastern University for the benefits of the several acts providing for aid to higher education and amends its Charter to make possible the continued operation of the University as a nonprofit, tax-exempt educational institution under the provisions of section 501(c)(3) of the Internal Revenue Code. S. 611. P/S June 19, 1975. (VV)

ECONOMY—FINANCE

Appalachian regional development: Extends the Appalachian Regional Development Act for 2 years, until September 30, 1977 and authorizes therefor $267 million for essential health, education, and other public services; provides new demonstration authority to address the social, economic and environmental effects of expanded energy production;

Extends the highway portion of the program until September 30, 1981 to facilitate completion of the Appalachian Development Highway System and authorizes therefor $1.02 billion;

Gives the Regional Commissions authorized by Title V of the Public Works and Economic Development Act of 1965 statutory status comparable to that enjoyed for the past decade by the Appalachian Regional Commission;

Extends Title V of the Public Works and Economic Development Act for one year beyond its present expiration date of June 30, 1976 and authorizes a total of $500 million for fiscal year 1976, the transition period and 1977; provides that such funds shall be apportioned among the seven regional commissions on a percentage formula based on equality, land area, population and per capita income; and contains other provisions. H.R. 4073. P/H May 19, 1975; P/S amended July 17, 1975. (295)

Bank acquisitions: Amends the Bank Holding Company Act of 1956, as amended, to allow the Federal Reserve Board to shorten the time requirements for notice to the respective primary bank supervisory authority from 30 days to 10 days if it finds that an emergency exists requiring expeditious action to prevent a probable failure of a bank or bank holding company, and shortens from 30 days to 5 days the Justice Department's period for comment on such acquisitions except that all notice requirements may be dispensed with if the Board needs to act immediately. S. 2209. P/S July 30, 1975. (VV)

Commodity futures: Extends for 90 days the following provisions of the Commodity Futures Trading Act of 1974 (Public Law 93–463) which becomes effective April 21, 1975: provisional designation as a contract market to any board of trade for commodities traded thereon; required Commission approval of contract market bylaws and rules; provisions and eventual permanent registration of any futures commission merchant, floor broker, associated person, commodity trading advisor, or commodity pool operator; and amends the Act to provide that the Commission will have 9 months instead of 6 months to determine whether trading by floor brokers and futures commission merchants for their own accounts and for their customers at the same time is permitted; provides the Commission 180 days instead of 90 days to define bona fide hedgling transactions or positions; and delays the effective date to 15 months instead of 1 year of the provisions for handling customers' complaints. H.J. Res. 335. Public Law 94–16, approved Apr. 16, 1975. (VV)

Council on International Economic Policy: Authorizes $400,000 for the period July 1–September 30, 1975, for the Council on International Economic Policy which as part of the Executive Office, brings the views of the various Federal agencies on international economic policy to the attention of the President and represents the Administration on these issues with Congress and the public. S.J. Res. 97. P/S June 21, 1975. (VV)

Authorizes $1,657,000 for fiscal year 1976 and $1,670,000 for fiscal year 1977 for the Council on International Economic Policy and provides that the staff of the Council shall be appointed without regard to provisions of law relating to employment and compensation of persons in Government service with supergrade positions limited to 8. H.R. 5884. Public Law 94–87, approved August 9, 1975. (VV)

Council on Wage and Price Stability: Extends from August 15, 1975 to September 30, 1977 the expiration date of the Council on Wage and Price Stability, which was established on August 24, 1974 to monitor wage and price developments in the private economy, to review the inflationary impact of governmental programs and policies, and to recommend measures for containing inflation;

Provides for Senate confirmation of persons appointed as director of the Council in the future;

Gives the Council authority to require periodic information reports and subpena power regarding witnesses and the production of relevant books and other documents relating to wages, prices, costs, profits, and productivity by product line or by such other categories as the Council may prescribe; and contains other provisions. S. 409. Public Law 94–78, approved August 9, 1975. (167)

Duty suspensions

Dyeing and tanning materials: Extends from September 30, 1975 to June 30, 1978 the existing suspension of duties on certain dyeing and tanning materials entered or withdrawn from warehouse for consumption after September 30, 1975. H.R. 7715. Public Law 94, approved 1975. (VV)

Graphite—child care staffing—alcoholism and narcotic treatment: Suspends the duty on natural graphite until June 30, 1978; delays until January 31, 1976, enforcement of the child care staffing requirements of the Social Services Amendments of 1974, which became effective October 1, 1975, insofar as they apply to children between the ages of 6 weeks and 6 years; and amends title XX of the Social Security Act of 1974 to insure the observance of the confidentiality requirements of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970; to insure that the entire alcohol rehabilitation program be considered as one unit in determining whether medical costs or room and board costs are a subordinate part of the total cost of service funded; and to exempt until January 31, 1976, the initial detoxification process up to a period of 7 days if such process is deemed to be an integral part to the provision of further service. H.R. 7706. Public Law 94, approved 1975. (VV)

Hopper cars: Suspends until June 30, 1975, the column 1 rate of duty on open-top hopper cars exported for repairs or alterations and provides that, upon appropriate application, entries of such articles made after September 1, 1974, and before the date of enactment could be liquidated or reliquidated on a duty free basis. H.R. 7731. Public Law 94–76, approved August 8, 1975. (VV)

Istle fiber—child support funding: Extends from September 5, 1975 to June 30, 1978 the existing suspension of duty on processed istle fiber; and amends Public Law 93–647 to extend from July 1 to August 1, 1975 the effective date of the act in order to enable some 11 States to comply with the statutory child support regulations in order to receive Federal matching grants for their child support activities. H.R. 7709. Public Law 94–46, approved June 30, 1975. (VV)

Platinum and carbon: Suspends until October 31, 1975, the column 1 and column 2 rates of duty on catalysts of platinum and carbon imported for use in producing caprolactam; applies the suspension to imports of such catalysts entered or withdrawn from warehouse for consumption on or after the date of enactment; and provides for retroactive duty suspension on entries or withdrawals after October 1, 1973, upon appropriate requests filed with the customs officer concerned within 120 days after the date of enactment. H.R. 7728. Public Law 94–75, approved August 8, 1975. (VV)

Watches—child support funding: Suspends the duty on watches and watch movements manufactured in any insular possession of the United States by increasing to 70 percent the value of foreign materials contained in such watches and watch movements effective with articles entered or withdrawn from warehouse after the date of enactment; and amends the child support law which becomes effective August 1, 1975 to protect States whose legislatures have not yet had time to meet the new requirements in order to receive Federal matching grants for their child support activities and to protect assistance recipients from a reduction in income. H.R. 7710. Public Law 94–88, approved August 9, 1975. (VV)

Zinc—copper: Suspends until June 30, 1978 the column 1 rates of duty on certain forms of zinc entered or withdrawn from warehouse for consumption on or after the date of enactment; and continues until June 30, 1978, the suspension of duties on copper waste and scrap, articles of copper and other metal waste and scrap. H.R. 7716. Public Law 94–89, approved August 9, 1975. (VV)

Lower interest rates: States the sense of the Congress that the Federal Reserve Board and the Federal Open Market Committee (1) pursue policies in the first half of 1975 so as to encourage lower long term interest rates and expansion in the monetary and credit aggregates appropriate to facilitating prompt economic recovery and (2) maintain long-run growth of the monetary and credit aggregates commensurate with the economy's long-run potential to increase production so as to promote effectively the goals of maximum employment, stable prices and moderate long-term interest rates; and provides for semiannual oversight hearings by the House and Senate Banking committees wherein the Board of Governors of the Federal Reserve System and the Open Market Committee will consult with Congress with respect to the ranges of growth or diminution of monetary and credit aggregates in the upcoming 12 months. H. Con. Res. 133. House adopted Mar. 4, 1975; Senate adopted amended Mar. 17, 1975; Senate agreed to conference report Mar. 20, 1975; House agreed to conference report Mar. 24, 1975. (65)

National Commission on Supplies and Shortages: Amends section 720 of the Defense Production Act which created a National Commission on Supplies and Shortages to assure that certain conflict of interest provisions shall not apply to members appointed to the Commission from the private sector; extends from March 1, 1975, to June 30, 1975, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and from June 30, 1975, to December 31, 1975, the time for the Commission to prepare, publish and transmit such other reports it deems appropriate; provides that the $75,000 authorization for the advisory committee shall remain available until December 31, 1975; and extends the $500,000 authorization for the Commission from June 30, 1975, until December 31, 1975. S.J. Res. 27. P/S Feb. 5, 1975. (VV)

Amends section 720 of the Defense Production Act which created a National Commission on Supplies and Shortages to extend from March 1, 1975, to June 30, 1975, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and from June 30, 1975, to December 31, 1975, the time for the Commission to prepare, publish and transmit such other reports it deems appropriate: provides that the $75,000 authorization for the advisory committee shall remain available until December 31, 1975; and extends the $500,000 authorization for the Commission from June 30, 1975, until December 31, 1975. S.J. Res. 48. Public Law 94–9, approved Mar. 21, 1975. (VV)

Amends section 720 of the Defense Production Act which created a National Commission on Supplies and Shortages to extend to March 31, 1976, the time in which the Commission must submit its report to the President and Congress with respect to institutional adjustments and to October 1, 1976 the time for the Commission to prepare, publish and transmit such other reports it deems appropriate; provides that the $75,000 authorization for the advisory committee shall remain available until October 1, 1976; and extends the $500,000 authorization for the Commission until October 1, 1976. H.J. Res. 560. Public Law 94–72, approved August 5, 1975. (VV)

National insurance development program: Extends the National Insurance Development Program, which would expire on April 30, for an additional 2 years so as to maintain the Federal Riot Reinsurance Program which reinsures the general property insurance business against the peril of riot and the Federal Crime Insurance Program which provides basic crime insurance coverage in States where it is needed. H.R. 2783. Public Law 94–13, approved April 8. 1975. (VV)

Public debt limit increase: Increases the debt limit by $131 billion for a total temporary and permanent debt limit of $531 billion until June 30, 1975. H.R. 2634. Public Law 94–3, approved February 19, 1975. (10)

Increase the debt limit by $46 billion for a total temporary and permanent debt limit of $577 billion until November 15, 1975. H.R. 8030. Public Law 94–47, approved June 30, 1975. (256)

Repatriated U.S. citizens—SSI recipient food stamp eligibility: Makes permanent the authority under section 1113 of the Social Security Act permitting the Secretary of Health, Education, and Welfare to provide temporary assistance to American citizens and their dependents who have been repatriated from foreign countries and limits the authorization to $8 million through September 30, 1976, and $300,000 for each subsequent fiscal year; and amends Public Law 93–233 to extend for an additional 12 month period, through June 30, 1976, the provision which makes needy, aged, blind and disabled people qualifying for benefits under the SSI program eligible to participate in the Food Stamp program. H.R. 6698. Public Law 94–44, approved June 28, 1975. (VV)

Savings and loan associations: Amends the Homeowners' Loan Act of 1933, as amended, to clarify section 5(c) of the Act to provide that Federally chartered saving and loan associations may act as custodians for Individual Retirement Accounts (IRA's) authorized pursuant to Public Law 93–406, the Employee Retirement Income Security Act of 1974. S.J. Res. 102. Public Law 94–60, approved July 25, 1975. (VV)

Securities acts amendments: Amends the Exchange Act, Securities Investor Protection Act, Investment Advisers Act, and Investment Company Act to make changes in the structure and regulation of the securities industry as follows:

National Securities Market System: Grants the Securities and Exchange Commission (SEC) broad, discretionary powers to oversee the development of a national market system encompassing all segments of the corporate securities markets including common and preferred stocks, bonds, debentures, warrants and options in order to provide greater investor protection and maintain a strong capital raising and allocating system; encourages maximum reliance on communication and data processing equipment consistent with justifiable costs and grants the SEC broad authority over the processing and distribution of market information; sets as a goal the establishment of trading rules and procedures for auction trading, trading in unlisted securities, and third market trading;

Self-Regulation and SEC Oversight: Consolidates and expands SEC oversight powers with respect to the self-regulatory exchange organizations, their members, and officers; confers upon the District courts the jurisdiction to command compliance with the act; clarifies the rule-making powers of SEC; and provides for judicial review of SEC actions in an appropriate court of appeals;

Municipal Securities: Extends Federal regulation to brokers and dealers trading exclusively in tax-exempt State and local bonds thus removing their exemption from the provisions of the Exchange Act; vests the ultimate authority and responsibility for the regulation of the municipal securities industry in SEC with the rulemaking responsibilities vested in a new self-regulatory agency, the Municipal Securities Rulemaking Board;

Clearing Agencies and Transfer Agents: Establishes a system for the development of an integrated national system for clearance and settlement of stock transactions in interstate commerce; centralizes in the SEC the authority and responsibility to regulate, coordinate and direct the operations of all persons involved in the securities handling process, and requires registration and reporting by clearing agencies and transfer agents; and empowers the SEC to review and amend the rules of such entities;

Securities Trading by Members of a National Securities Exchange: Prohibits stock exchange members from effecting any transaction on the exchange for its own account, the account of an associated person, or an account with respect to which the member or an associated person exercised investment discretion; provides exemptions from this prohibition for certain types of transactions which contribute to the fairness and orderliness of exchange markets or which have not given rise to serious problems, such as transactions by market makers, including specialists and block positions, bona fide arbitrage transactions, transactions for a member's own account and transactions for the account or estate of a natural person or a trust created by a natural person for himself or another person; authorizes the SEC to exempt any other transaction which is consistent with the purposes of these provisions and also to regulate or prohibit the exchange transactions which are specifically exempted; authorizes the SEC to extend the broad prohibition against the combination of money management and brokerage to the over-the-counter market to maintain fair and orderly markets, assure equal regulation or to protect investors; and provides for a 3-year phase-in of these provisions following the date of enactment for exchange members who were members on May 1, 1975;

Commission rates: Prohibits fixed commission rates after the date of enactment except that rates charged by members acting as brokers on the floor of an exchange for other members or as an odd-lot dealer may be fixed until May 1, 1976; permits the SEC to reimpose fixed rates, by rule, prior to November 1, 1976, and provides a procedure for continuing or reimposing fixed rates after that date;

Institutional disclosure: Authorizes the Commission to require the disclosure of certain institutional portfolio holdings and transactions:

And contains other provisions. S. 249. Public Law 94–29, approved June 4, 1975. (VV)

Social security—medicaid: Makes permanent the temporary provision of law authorizing disregard of the 1972 social security increase in regard to medicaid eligibility, thus protecting the medicaid eligibility of those who would otherwise lose their eligibility because of the 1972 increase; and gives Puerto Rico, the Virgin Islands, and Guam, which deliver care to medically indigent people through their public health care systems, a permanent exemption from the freedom of choice requirement for obtaining medical services in order to alleviate the costs connected with private services. H.R. 8109. Public Law 94–48, approved July 1, 1975. (VV)

Stock transfer taxes: Amends section 28(d) of the Securities Act of 1934 to restore to a State or political subdivision the ability to impose a transfer tax where the basis of the tax is the transfer and issuance of a new certificate by a registered transfer agent, and makes clear that such taxes cannot be imposed on transfer agents that transfer record ownership of securities by bookkeeping entry without physical issuance of securities certificates. S. 2136. P/S July 30, 1975. (VV)

Tax rebate—State taxation: Clarifies the intent of the Senate that the tax rebates provided under the Tax Reduction act of 1975 (Public Law 94–12) are not subject to State income tax. S. Res. 158. Senate adopted June 9, 1975. (VV)

Tax reduction: Amends the Internal Revenue Code of 1954 for a $22.8 billion net tax reduction as follows:

INDIVIDUAL TAXES

1974 Tax Rebate: Provides a refund on 1974 tax liability to be paid in one installment within 45 to 60 days equal to 10 percent, ranging from $100 (or the amount of taxes paid if less than $100) to a maximum of $200 on an adjusted gross income of $20,000 which is scaled down to $100 when income reaches $30,000 and over;

1975 Standard Deduction: Increases the low income allowance on minimum standard deductions from $1,300 for single and joint returns to $1,600 for single and $1,900 for joint returns; increases the regular standard deduction to 16 percent of adjusted gross income up to a maximum of $2,300 for single and $2,600 for joint returns;

1975 Personal Exemption Credit: Provides a $30 tax credit for each member of the family in addition to the $750 personal exemptions;

1975 Earned Income Credit or Work Bonus: Provides a refundable credit of 10 percent of earned income up to a maximum of $400 to families with dependent children with a phase-out to zero when income rises from $4,000 to $8,000;

1975 Home Purchase Tax Credit: Provides a 5 percent credit against tax liability up to a maximum of $2,000 for individuals purchasing a newly constructed home including a mobile home, provided it was built or under construction by March 25, 1975;

Cash Payment to Social Security Recipients: Provides a one-time $50 cash payment from the Treasury at the earliest practicable date to each recipient of Social Security, railroad retirement, or Supplemental Security Income benefits;

BUSINESS TAXES

1975–76 Investment Tax Credit: Increases the investment tax credit rate to 10 percent for taxpayers, including public utilities; provides an additional 1 percent and requires compliance with investments of $10 million or more to use the 1 percent savings for an employee stock ownership plan; increases from $50,000 to $100,000 the cost of used property qualifying for the credit; for public utilities increases the amount of tax liability that may be offset in a year to 100 percent for a two year period which is reduced back to 50 percent over the next 5 years;

Depletion Allowance: Repeals the 22 percent depletion allowance for major oil and natural gas producers; retains the 22 percent depletion allowance for independent companies, who do not have retail outlets, on a daily maximum of 2,000 barrels of oil or 12 million cubic feet of natural gas which is phased down to 1,000 barrels or 6 million cubic feet of gas by 1980 and to a 15 percent depletion allowance on the first 1,000 barrels of 6 million cubic feet by 1984:

Foreign Source Income: Provides that the foreign tax credit for foreign oil and gas extraction income is limited to 10 percent above the normal U.S. tax rate for 1975, 5 percent for 1976 and 2 percent for 1977; provides that excess credits cannot be claimed as a credit only against foreign oil related income including interest and dividends; eliminates tax deferral for certain specified types of "tax-haven" income of multinational corporations provided it exceeds 10 percent of gross income; limit tax deferral for shipping income received by a foreign subsidiary to reinvestment in shipping operations only; ends the deferral for certain income earned abroad but reinvested in a less-developed country; repeals the "per-country" limitation for oil and gas related income; eliminates foreign tax credit for payments made to a sovereign government for the purchase of oil where the taxpayer has no economic interest in oil in place and buys or sells such oil at other than the market price; denies DISC (Domestic International Sales Corporation) benefits for the export of natural resouces for scarce commodities; denies investment tax credit for drilling rigs used in international and territorial waters of the Southern Hemisphere;

1975 Corporate Surtax Exemption: Increases the present $25,000 surtax exemption to $50,000; provides a tax rate of 20 percent on the first $25,000, 22 percent on the next $25,000 and 48 percent on income over $50,000; increases the accumulated earnings tax from $100,000 to $150,000;

Federal Welfare Recipients Employment Incentive (W.I.N.) Tax Credit: Allows employers to hire a Federal welfare recipient for more than 30 days and obtain a tax credit equal to 20 percent of wages not to exceed $1,000 per individual, until July 1, 1976;

MISCELLANEOUS

Extends unemployment compensation for those eligible under 1974 Emergency Unemployment Act for an additional 3 months to June 30, 1975; allows a maximum of $4,800 in child care expenses to be deducted by families with an income up to $35,000 and phases out to zero such a deduction when income reaches $44,000; extends the tax deferment period for reinvestment in residences from the current 12 months to 18 months; and contains other provisions. H.R. 2166. Public Law 94–12, approved Mar. 29, 1975 (112, 117)

EDUCATION

College work-study program funds: Permits the intrastate reallocation of funds appropriated for the College Work-Study program in cases where funds originally obligated to institutions are not needed and permits such funds to be expended in the succeeding fiscal year; extends the termination date of the National Advisory Council on Equality of Educational Opportunity from June 30, 1975 through the end of fiscal year 1976 to make it coterminous with its related program, the Emergency School Aid program; and authorizes the Commissioner to carry over into fiscal year 1976 Basic Educational Opportunity Grant funds for fiscal year 1975 which have not been paid to students entitled to such grants. H.R. 4221. Public Law 94–43, approved June 28, 1975. (VV)

Handicapped children: Amends and extends the Education of the Handicapped Act to aid in making an appropriate education available to all handicapped children; extends the present entitlement formula for payments to States through fiscal year 1976; establishes a new entitlement formula for payments in fiscal years 1977–79 which provides that the maximum amount to which a State is entitled shall be equal to $300 multiplied by the number of handicapped children, aged 3 to 21, who are receiving special education and related services in the State; assures each State a minimum base payment in each fiscal year equal to the amount it received in the previous fiscal year; provides that a State, in order to be eligible for funding, must have a "right to education" policy for all handicapped children and requires that a free appropriate public education must be made available to all handicapped children aged 3 to 18 by September 1, 1978, and to all handicapped children aged 3 to 21 by September 1, 1980, unless the application of this requirement would be inconsistent with State law or practice, or a court order; further extends the protections afforded under present law assuring handicapped children and their parents of procedural safeguards in any decisions affecting the education of the children by providing for an individualized planning conference which is to be held a minimum of three times a year with the parents, an education agency representative, the teacher, and when appropriate, the child, to be present for the purposes of developing and reviewing a written statement of the educational program for the child; includes provisions designed to strengthen the administration and evaluation process provided by the Office of Education; provides that all recipients of funds under this act take affirmative action to employ handicapped individuals; gives new authority to the Commissioner of Education to make grants to State and local educational agencies for the removal of architectural barriers; and contains other provisions. S. 6. P/S June 18, 1975; P/H amended July 29, 1975; In conference. (227)

Lister Hill scholarships: Amends the Public Health Service Act to require the Secretary of Health, Education and Welfare to make grants to ten individuals a year, to be known as Lister Hill Scholars, who agree to enter into the family practice of medicine in shortage areas upon completion of their educational program, and authorizes therefor $60,000 for fiscal year 1975, $120,000 for fiscal year 1977, and $240,000 for fiscal year 1978. S. 1191. P/S June 13, 1975. (VV)

ELECTIONS

Federal Election Commission: Extends the Federal Election Commission through December 31, 1976, and increases the authorization therefor from $10 million to $15 million. S. 1434. P/S June 18, 1975; P/H amended June 19, 1975. (VV)

Federal Election Commission regulations: Disapproves the two regulations proposed by the Federal Election Commission and transmitted to the Senate on July 30 and September 30, 1975, relating to the use of office accounts and franking privileges of Federal officeholders prior to an election in which they are a candidate. S. Res. 275. Senate adopted Oct. 8, 1975. (VV)

Overseas citizens voting rights: Guarantees the right of otherwise qualified private U.S. citizens residing outside the United States to vote in Federal elections in the State of their last voting domicile; requires a citizen, voting under the bill, to state his intent to retain his prior State as his voting residence and domicile if he has not registered to vote and is not voting in any other State, territory or possession of the United States; adopts a uniform absentee registration and voting procedure including the requirement that election officials mail out balloting material as promptly as possible after receipt of a properly completed application; assures that Federal and State governments could not seek to impose taxes on a citizen which would cause him to lose any tax exemption solely on the basis of having exercised his right to register and vote absentee; and imposes a $10,000 fine and 5 years imprisonment for willfully giving false information when registering or voting absentee. S. 95. P/S May 15, 1975. (VV)

Voting rights: Amends the Voting Rights Act to provide that States or political subdivisions which the Attorney General has determined have, in 1964 or 1968 (1) maintained a literacy or other test or device as a prerequisite for voting and (2) also had a record of less than 50 percent of the voting-age population registered or less than 50 percent voting, shall be covered for an additional 7 years through August 1982 (making the total period 17 years instead of 10 years) by the special provisions which require such a state or subdivision to preclear any voting changes it wishes to make with the U.S. District Court for the District of Columbia or the Attorney General of the United States, and which authorize the appointment of Federal examiners and of Federal observers to assure nondiscrimination on account of race or color in regard to voting rights; adds provisions which apply these special provisions to States or subdivisions which the Attorney General determines are covered because of conditions existing in 1972, with a coverage period of 10 years;

Makes the temporary ban which was placed by the 1970 amendments to the Voting Rights Act of 1965 on the use of literacy tests and other similar devices a permanent prohibition applicable to all States and political subdivisions;

Expands the coverage of the act to certain jurisdictions in which language minorities reside; provides in title II, which is designed to identify areas with the most serious problems of voting rights discrimination against language minorities such as the use of various forms of intimidation to prevent their participation in voting, that (1) a jurisdiction is deemed to employ a test or device as a prerequisite to voting if it provided election materials or assistance only in English and it had more than a 5-percent citizen population of any one language group, such as American Indians, Alaskan Natives, Asian Americans, or persons of Spanish heritage, and (2) that coverage of the act will apply if that jurisdiction also had less than 50 percent of the voting-age population registered or voting; mandates bilingual elections for covered areas for a 10-year period; requires preclearance of voting changes, and authorizes the appointment of Federal examiners and of Federal observers to oversee elections; provides a bailout process which operates in the same manner as the current provision in the act whereby a State or political subdivision may exempt itself by obtaining a declaratory judgment that English-only elections or any other "test or device" has not in fact been used in a discriminatory fashion against language minorities and other racial and ethnic groups for the 10 years preceding the filing of action; addresses in title III the problems of language minority groups in participating in the voting process which are caused by the lack of equal educational opportunities and illiteracy; brings a State or political subdivision under coverage of title III if a single language minority comprises 5 percent of the voting-age population and if the illiteracy rate of that group is greater than the national average; defines illiteracy for the purposes of this title as failing to complete the fifth primary grade, which is the level at which a minimum comprehension in English ordinarily would be achieved; provides a limited remedy for protected classes by requiring that the covered jurisdiction provide bilingual election materials and information in the language of the applicable minority group or groups; provides that a jurisdiction may be removed from coverage if it shows that the illiteracy rate of the language minority which triggered coverage has dropped below the national average, which it may do either by using Census Bureau data or by any reliable or valid survey;

Amends the act to permit private persons as well as the Attorney General to bring suit under the act and to allow a court to grant relief to private parties by suspending the use of literacy and other tests and devices, to impose preclearance restrictions and to appoint Federal examiners as it now may do in cases brought by the Attorney General: authorizes payment of attorney's fees to prevailing parties; and contains other provisions. H.R. 6219. Public Law 94–73, approved August 6, 1975. (329)

EMPLOYMENT

Public works employment: Amends the Public Works and Economic Development Act of 1965 to provide $2.125 billion for anti-recessionary public works authorization for fiscal year 1976, including (1) $1 billion under Title I for grants to State and local governments for public works projects in the following order of priority: (a) projects inactive because the applicant is unable to provide the local matching share, (b) projects halted after approval because inflation has pushed total project costs beyond the ability or willingness of agencies to provide the Federal share, and (c) projects initiated by State and local governments without other Federal financial participation; (2) a $125 million increase for working capital loans under the Economic Development Administration's business development program to prevent the loss of jobs in the private sector; and (3) $1 billion for the Job Opportunities Program to accelerate the job-creating impact of various Federal, State and local programs; limits the available authority to obligate funds for Title I grants and for the Title X Job Opportunities Program when the national unemployment rate declines below 9 percent during the most recent calendar quarter by reducing the authority to obligate by one-fourth, up to $500 million, for each one-half of one percent by which the rate declines below 9 percent;

Provides a new formula for allocation to States of approximately $9 billion in previously impounded water pollution control funds for construction of waste treatment facilities which is based 50 percent on population and 50 percent on need instead of on relative State need only;

Authorizes appropriations for financial assistance to State and local governments when the national seasonally adjusted unemployment rate exceeds 6 percent in the amount of $125 million per calendar quarter plus $62.5 million multiplied by the number of one-half percentage points by which the seasonally adjusted national rate exceeds 6 percent; authorizes assistance from these amounts to States and local governments based upon their unemployment rate and level of tax revenue, as measures of recessionary impact and the level of services provided; and contains other provisions. H.R. 5247. P/H May 20, 1975; P/S amended July 29, 1975. (348)

Railroad improvement and employment: Creates a supplemental public service employment program to accelerate the repair and rehabilitation of railroad roadbed and facilities which are essential to national transportation needs; authorizes $600 million to the Secretary of Transportation to make grants to States, local transportation authorities, railroads, regional commissions and similar bodies to enable them to hire persons for approved railroad roadbed and facility repair on rehabilitation projects; authorizes an additional $100 million to enable the Secretary to assist grant recipients to purchase materials or equipment for the approved projects if the recipient is financially unable to acquire materials without assistance; provides $100 million for loan guarantees for assistance in purchasing materials and equipment; and contains other provisions. S. 1730. P/S May 16, 1975. (189).

Unemployment compensation: Extends the time for payment for the additional 13 weeks of unemployment compensation authorized by the Tax Reduction Act of 1975 for the Federal Supplemental Benefits (FSB) program established by the Emergency Unemployment Compensation Act of 1974, which authorized 26 weeks, thus making a total of up to 39 weeks of benefits payable in addition to regular unemployment compensation benefits (which averages 26 weeks) through March 1, 1977;

Changes, effective January 1, 1976, the rate of insured unemployment (which is about 2 percentage points less than the actual unemployment rate) which must be reached for payment so that, instead of payment when the rate is 4 percent or more nationally or in the State for all additional weeks, payment for benefits after the first 39 weeks (26 regular weeks and 13 additional weeks) will be made for the 39th to 52nd weeks when the insured unemployment rate is between 5 and 6 percent in an individual State and payment for the 53rd to 65th week may be made when the insured unemployment rate is 6 percent or over in the individual State;

Extends the Supplemental Unemployment Assistance (SUA) benefits program (payable to unemployed people who do not qualify for unemployment compensation) established by the Emergency Jobs and Unemployment Assistance Act of 1974 to permit payments through March 31, 1977, and increases the number of benefit weeks from 26 to 39; entitles the Virgin Islands to borrow money from Federal general revenues as necessary to continue its unemployment insurance program; and contains other provisions. H.R. 6900. Public Law 94–45, approved June 30, 1975. (240,257).

Virgin Islands unemployment compensation funds—railroad retirement: Provides that certain unemployment compensation funds may be used for repayable loans not to exceed $5 million to the Virgin Islands; amends the railroad tax act so that wages will be considered to be earned as of when they are paid unless the employee requests that they be treated on the basis of when they were actually earned. H.R. 9091. Public Law 94–93, approved August 9, 1975. (VV)

ENERGY

Automobile fuel economy: Establishes, in title I, a mandatory fuel economy standards program within the Department of Transportation; directs the Secretary of Transportation to establish yearly minimum standards applicable to each manufacturer's average production of new automobiles or new light-duty trucks, as appropriate, which are to apply to model years 1977 through 1985; provides that the standards are to be set to achieve a 50-percent improvement in fuel economy for automobiles by model year 1980 over that of 1974 models, or 21 miles per gallon as opposed to 14 miles per gallon for the 1974 model average, and a 100-percent improvement for at least 28 miles per gallon by model year 1985, and authorizes the Secretary to modify these goals if necessary; provides that the Secretary set standards separately for light-duty trucks, which are not placed under the 50- and 100-percent improvement goals for automobiles; provides civil penalties for violations; requires that each new automobile and light-duty truck have attached a manufacturer-prepared energy guide setting forth information on fuel economy and estimated annual fuel costs, and that dealers disclose estimated annual fuel costs to prospective purchasers prior to the completion of any purchase of an automobile or light-duty truck; directs the Secretary to conduct a study regarding the use of electric vehicles, including whether they should be included under this title;

Contains, in title II, provisions for an automotive research and development program within the Department of Transportation, in coordination with the Energy Research and Development Administration (ERDA), to develop production prototypes of advanced automobiles which represent the maximum practicable fuel efficiency attainable consistent with environmental, safety, and damageability requirements; in title III, establishes not more than three motor vehicle diagnostic inspection demonstration projects;

And contains other provisions. S. 1883. P/S July 15, 1975. Note: (Provisions contained in S. 622, Standby Energy Authority.) (285)

Coal leasing—strip mining: Makes basic changes in the Mineral Leasing Act of 1920 governing leasing of Federally owned coal which constitutes almost 50 percent of the recoverable coal reserves in the United States; provides that all leasing shall be done under a 5-year program to be developed by the Secretary of the Interior and designed to meet national needs for Federal coal in a manner consistent with (a) timely and orderly development of Federal coal resources, (b) environmental protection, and (c) receipt of fair market value for public resources; provides that leases may be issued only by competitive bidding on either a royalty or bonus bidding basis in order to permit a wider opportunity for competition for Federal coal leases;

Requires the preparation of land use plans where the United States owns both the surface and subsurface prior to sale of leases, and provides that, in cases where the surface is not Federally owned, no lease sale shall be held if the Secretary determines that development of such coal deposits would be inconsistent with any applicable State or local land use plan except where the Secretary finds that such development would be in the national interest;

Eliminates prospecting permits and preference right leases to prospectors as no longer appropriate or necessary since considerable information has been accumulated since 1920 about Federal coal resources which provides an adequate basis for leasing decisions; provides that coal leases shall be for a specified term of 20 years and so long thereafter as coal is produced instead of for indeterminant periods dependent upon diligent production as at present; requires a lessee, within 3 years after obtaining a coal lease and before significant environmental disturbance, to formulate and submit for approval a development plan which must show the work to be done, the manner of extraction, how applicable environmental and health and safety standards are to be met as well as reclamation standards set out in it title II;

Increases by 22½ percent (from 37½ to 60 percent) the share of lease revenues to the State in which the lease is located and specifies that the additional 22½ percent amount shall be used for planning, construction and maintenance of public facilities, and provision of public services in those areas suffering impact problems as a result of energy development;

In title II, the Federal Lands Surface Mining Control and Reclamation Act of 1975, applies to Federal lands and Federal coal the basic surface coal mining and reclamation standards of the recently-vetoed strip mining bill (H.R. 25); requires the Secretary to issue regulations for a Federal program implementing this Act; requires after enactment of this Act that persons wishing to conduct any surface mining operations on Federal lands must obtain a permit from the Secretary; specifies the permit application information that must be given to demonstrate that the environmental protection provisions of this Act can be met, which includes submission of a reclamation plan; provides for the giving of public notice and the holding of public hearings in regard to an application; and contains other provisions. S. 391. P/S July 31, 1975. (364)

Coastal Zone Management: Amends the Coastal Zone Management Act to assist States facing Outer Continental Shelf (OCS) oil and gas development or other energy-related developments and facilities affecting the coastal zone; provides assistance in the form of grants or loans to coastal States from a new coastal energy facility impact fund, which is to be available to States receiving or anticipating impacts in their coastal zone from the exploration, development, and production of energy resources, or from the location, construction, expansion or operation of any energy facility requiring a Federal license or permit; authorizes moneys for the fund at $250 million per year for 3 fiscal years and the 1976 transition period; provides that up to 20 percent of the moneys may be used for planning grants with the balance to be used for efforts to reduce or ameliorate adverse impacts from energy exploration and development or to provide public facilities and services necessitated by such activity; requires as a condition of eligibility to provide public facilities and services necessitated by such activity; requires as a condition of eligbility for assistance from the fund that the State must participate in a coastal zone management program and must experience or anticipate a temporary or net adverse impact or have experienced an adverse impact within the 3 years prior to enactment; authorizes automatic grants payable from the General Treasury to any State where OCS oil or natural gas is being directly landed (brought ashore); provides a Federal guarantee for State or local government bonds issued to pay for measures needed to reduce adverse coastal impacts; contains provisions to clarify that Federal leases must be consistent with approved coastal zone management programs of the affected States; raises the Federal share for coastal zone management funding from 66⅔ percent to 80 percent; amends the Mineral Leasing Act of 1920 to increase from 37½ percent to 60 percent the amounts returned to the States as reclamation funds from royalties paid to the Federal Government by mining companies extracting federally-owned minerals; and contains other provisions. S. 586. P/S July 16, 1975. Note: (Impact fund provisions are also contained in S. 521, Outer Continental Shelf Management.) (291)

*Emergency petroleum allocation: Extends the Emergency Petroleum Allocation Act, which contains the only presently existing authority for allocation and price control of oil, from August 31, 1975 to March 1, 1976; extends the authority of the Federal Energy Administration (FEA) under the Energy Supply and Environmental Coordination Act to require electric powerplants and major industrial facilities with the capability to utilize coal to convert from oil and natural gas to coal from June 30, 1975 to December 31, 1975; and requires the FEA to include in its quarterly energy information reports information on pricing and related developments in the coal industry and any other major energy industries not subject to Federal price regulation. S. 1849. Vetoed Sept. 9, 1975. Senate sustained Sept. 10, 1975. Note: (Provisions contained in H.R. 4035, Oil Pricing, which was vetoed on July 21, 1975.) (281,388)

Extends the Emergency Petroleum Allocation Act (containing price control and allocation authority) until November 15 and suspends the President's authority under section 4(g)(2) to send Congress a plan which would institute a major change in the petroleum pricing policy until November 1. H.R. 9524. Public Law 94–99, approved Sept. 29, 1975. (421)

Energy labeling and disclosure: Amends the Federal Trade Commission Act to require that the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles be disclosed to consumers prior to purchase so that consumers can readily compare and avoid buying products which unnecessarily waste energy;

Requires each manufacturer or importer of major energy-consuming household products and automobiles to include the estimated annual operating cost data and an appliance energy guide or an automobile energy guide as part of the material shipped with each product or automobile to suppliers; prohibits car dealers from selling any new automobile without disclosing the estimated annual operating cost to the buyer prior to sale; contains provisions regarding advertising; authorizes the Administrator of the Federal Energy Administration and the Federal Trade Commission to carry out a consumer education program with respect to annual operating costs, appliance and automobile energy guides, and the need for energy conservation; and contains other provisions. S. 349. P/S July 11, 1975. Note: (Provisions contained in S. 622, Standby Energy Authority.) (275)

Energy supply—clean air: Extends from June 30, 1975, until December 31, 1975, the Federal coal conversion under the Energy Supply and Environmental Coordination Act of 1974 (Public Law 93–319). S. 2337. P/S Sept. 19, 1975. (VV)

ERDA authorization: Authorizes $4,736,200,000 for fiscal year 1976 and $1,242,300,000 for the transition period July 1—September 30, 1976, for the Energy Research and Development Administration (ERDA) which was established by the Energy Reorganization Act of 1974 and is responsible for the nuclear programs formerly administered by the Atomic Energy Commission and which also has the leadership role in implementing nonnuclear energy research programs; includes, among the nuclear programs funded: basic physical research; fusion research; fission research; including the development of advanced reactors which will permit increased utilization of nuclear fuel resources—uranium and thorium; a nuclear materials program to assure a sufficient supply of enriched uranium to fuel civilian power reactors; a national security program to enable continued maintenance of a nuclear weapons capability; and environmental and safety research, which also includes work on the artificial heart and nuclear medicine; includes among the nonnuclear programs funded: fossil energy development programs in coal, oil and gas, and oil shale research and development; fusion, solar and geothermal energy programs; and advanced energy systems research programs; authorizes actions to accelerate demonstration projects in oil shale recovery and in the commercial-scale recovery of synthetic fuels from coal, oil shale, and nonconventional energy sources; and authorizes ERDA to establish a Federal loan guarantee program to stimulate commercial synthetic fuel enterprises. H.R. 3474. P/H June 20, 1975; P/S amended July 31, 1975; In conference. (371)

International Petroleum Exposition: Authorizes the President to invite the several States and foreign nations to participate in the International Petroleum Exposition at Tulsa, Oklahoma, from May 16 through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products. S.J. Res. 59. P/S May 13, 1975. (VV)

Naval petroleum and strategic energy reserves: Amends chapter 64, title 10 United States Code to provide for the full exploration and development of the naval petroleum reserves and to permit limited production of Naval Petroleum Reserves 1—Elk Hills, No. 2—Buena Vista, and No. 3—Teapot Dome under the authority of the Secretary of the Navy;

Defines "national defense" for the purposes of permitting such production in terms broad enough to permit production to partially offset a situation such as the Arab embargo of 1973; provides that production will not exceed the maximum efficient rate determined in accordance with sound oilfield engineering practices or 350,000 barrels per day whichever is less; limits production to 5 years; makes production at Elk Hills contingent upon the Secretary reaching a binding agreement with Standard Oil Company of California, which owns approximately 20 percent of Elk Hills field that would protect the public interest; authorizes the President to direct that oil produced under the provisions of this act be placed in a strategic reserve as authorized by law;

Waives, for the period of production, the requirement that the Secretary consult with the Congress on every contract; retains the requirement that the sale of all production be by competitive bidding; establishes a special account in the Treasury to permit an accurate accounting for accomplishment of the purposes of this legislation, which includes operation of the naval reserves on a self-sustaining basis; requires the Administrator of the Federal Energy Administration to submit a written report within 180 days after enactment recommending procedures for the exploration, development and production of Reserve No. 4 in Alaska;

Contains provisions identical to the Strategic Energy Reserves Act of 1975 which the Senate passed on July 8, 1975 and which provides for the establishment of national federally owned oil reserves, regional petroleum reserves, and interim industry reserves under the management of the Federal Energy Administration; and contains other provisions. H.R. 49 (S. 2173). P/H July 8, 1975; P/S amended July 29, 1975; In Conference. (342)

*Oil import fees: Suspends for the 90-day period beginning on the date of enactment any authority the President might have to adjust imports of petroleum and petroleum products; negates any Presidential action to adjust petroleum imports taken after January 15, 1975, and before the date of enactment, and also provides for the rebate of any duties or import fees or taxes levied and collected pursuant to any such action; provides that the suspension of this authority will cease if at any time during the 90-day period war is declared, a national emergency occurs, or certain situations involving the commitment of U.S. Armed Forces arise; and provides that the import license fee system on petroleum and petroleum products which the provisions of this bill provide shall not affect the import license fee system on petroleum and petroleum products which was in effect on January 15, 1975. H.R. 1767. Vetoed Mar. 4, 1975. House referred to Ways and Means Committee Mar. 11, 1975. (13)

*Oil pricing: Makes more effective the mechanism in existing law for congressional review and right of disapproval of Presidential proposals to exempt petroleum products from the allocation or pricing controls currently in effect under the Emergency Petroleum Allocation Act of 1973;

Expands the time for congressional review from 5 to 20 days and contains procedures for expediting review to assure that the question of approval or disapproval can be brought to the floor of either House within the 20-day review period;

Requires the President to administratively establish price controls for presently noncontrolled "new oil" (oil produced at levels above the 1972 volumes) with price ceilings no higher than the January 31, 1975 prevailing prices (which averaged $11.28 per barrel on a national basis); does not make this authority subject to congressional review unless the proposal would bring the price over this maximum ceiling;

Provides for congressional review of any proposal to permit the price of presently controlled "old oil" (oil from properties producing at, or less than, their 1972 production levels) to increase substantially above its national average price of $5.25; grants specific authority to alter present price controls to allow a price incentive to take account of natural declines in field production and to encourage the most costly use of secondary and tertiary recovery methods where the costs are significantly greater than the regular methods; requires congressional review only where the total incentives are of such a magnitude as to cause an increase in excess of 50 cents per barrel in the national average price of "old" crude oil;

Extends the Emergency Petroleum Allocation Act, which contains the only presently existing authority for price control and allocation of crude oil and petroleum products, from August 31 to December 31, 1975; extends the authority under the Energy Supply and Coordination Act of the Federal Energy Administration to issue coal conversion orders requiring facilities using oil or gas to convert to coal and the authority under that act to gather energy data from June 30 to December 31, 1975;

Provides a limited exemption for small refiners from the crude oil entitlements program in effect under current Federal Energy Administration regulations;

And contains other provisions. H.R. 4035. Vetoed July 21, 1975. House referred to Intrastate and Foreign Commerce Committee July 23, 1975. (161,287)

Oil shale revenues: Amends the Mineral Leasing Act of 1920 to permit each State, after January 1, 1974, to use its share of oil shale revenues for planning, construction and maintenance of public facilities, and provision of public services. S. 834. P/S Apr. 22, 1975. (VV)

Outer Continental Shelf management: Amends the Outer Continental Shelf Lands Act of 1953 for the purpose of increasing production of oil and gas from the Outer Continental Shelf (OCS) in a manner which assures orderly resource development, protection of the environment, and receipt of fair market return for public resources and encourages development of new technology to increase human safety and eliminate or reduce environmental damage;

Directs the Secretary of the Interior to prepare a comprehensive advance planning program for leasing which would indicate the size, timing, and location of leasing activity which the Secretary believes would meet national energy needs over the next 5 years;

Contains provisions giving States and local governments and the general public a significant opportunity to participate in and comment on Federal OCS planning and policy decisions which include authorization for the Governors of coastal States to establish a regional OCS advisory board which would advise the Secretary on all matters related to OCS oil;

Contains provisions identical to the new coastal zone impact fund provisions contained in the Coastal Zone Management Act Amendments which passed the Senate on July 16, 1975, which amend the Act and establish a new coastal zone impact fund to assist coastal States in ameliorating adverse environmental impacts and controlling secondary economic and social impacts associated with OCS oil and gas development;

Requires a Federal lessee who finds oil and gas to prepare and submit to the Secretary, the Governors of affected coastal States and any regional OCS advisory board a development and production plan in order to give them an opportunity for review and to permit the coastal States to assess the potential impacts of the development and to resolve any problems with the Secretary and the lessee before they occur;

Directs the Secretary to conduct a survey of oil and gas resources of the OCS; authorizes the Secretary to conduct or contract for exploratory activities in order to obtain more information about the oil and gas resources on the OCS and for exploratory drilling on an experimental basis when needed for national security, environmental reasons, or to expedite development in frontier areas;

Puts into law the existing rule, established by Departmental regulation, that an OCS lessee is liable for the total cost of control and removal of spilled oil; creates a new strict liability rule for damages from OCS oil spills which imposes damage liability, except for acts of war, without regard to fault or to the ownership of the land or resource damaged if the land or resource is relied on for subsistence or economic purposes; makes the lessee or holder of a right of way liable for the first $22 million and the Offshore Oil Pollution Settlement Fund, created by the Act, liable for the balance; finances the fund by placing a fee of 2½ cents per barrel on oil produced from the OCS;

Requires any person holding a geological or geophysical exploration permit to submit to the government the data and information, including interpretive data, obtained during exploration, which would be kept confidential unless the Secretary determined that public availability of the data would not damage the competitive position of the permittee or lessee; directs the Secretary to establish safety and performance standards for all pieces of equipment pertinent to public health, safety or environmental protection;

Authorizes a wide variety of new bidding systems in addition to the cash bonus fixed royalty system which has been the historical method of OCS bidding; provides clear authority for the Federal government to take oil or natural gas royalties in kind and dispose of them in a manner to alleviate shortages; requires environmental baseline and monitoring studies before oil and gas drilling can begin on any OCS area not previously leased; increases criminal penalties for certain willful violations of the Act and imposes civil liability for violations which continue after notice and opportunity to correct violations; contains provisions designed to promote Federal interagency coordination and directs coordination with State and local government agencies;

Increases to 60 percent the amount given to States from Federal mineral revenues derived under the Mineral Leasing Act of 1920 from coal, oil shale, oil and gas, and other public land mineral development, and provides that this additional amount shall be used by States socially or economically impacted by this development for planning, construction and maintenance of public facilities, and provision of public services; and contains other provisions. S. 521. P/S July 30, 1975. (362)

Petroleum products fair marketing: Prohibits the termination, cancellation, or nonrenewal of a petroleum products franchise unless the affected franchise failed to comply substantially with any essential and reasonable requirement of the franchise, failed to act in good faith in carrying out the terms of the franchise, or the supplier withdraws entirely from the sale of petroleum products in commerce; provides that a civil action may be brought against a distributor or refiner who is in violation of the act within 3 years of the date a termination or cancellation notice is rendered; and limits, on an equal basis, marketing activities of all major oil companies to restrict the expansion of distribution and retaining operations with personnel under their direct control. S. 323. P/S June 20, 1975. (VV)

Standby energy authority: Grants the President authority to ration fuels in the event of an acute energy shortage subject to congressional review and right of disapproval; authorizes the President to allocate materials and equipment for energy production if a critical shortage occurs; authorizes the President to (1) require production of designated domestic oil and gas fields at the maximum efficient rate and over that rate for a period of 90 days if he determines that the condition of a reservoir permits such production without excessive risk of losses in the later recovery of the remaining oil or gas, (2) utilize production on properties on Federal land, (3) require adjustment of processing operations of domestic refiners to produce refined products in amounts commensurate with national needs;

Authorizes priority fuel allocations to those engaged in the exploration, production and transportation of fuels and other minerals; authorizes the President to restrict exports of coal, natural gas, petroleum products, and petrochemical feedstocks, drill pipe, drilling rigs, and such supplies which he determines are necessary to further production or conservation of energy supplies;

Contains provisions for administrative procedure and judicial review; authorizes the collection of such energy information as is necessary to achieve the purposes of the above provisions; contains procedures for carrying out international voluntary energy agreements;

Extends the Emergency Petroleum Allocation Act from August 31, 1975, to March 1, 1976; makes any increases in the price of "old" oil (oil from wells existing in 1973 produced at a rate equal to 1972 production) and any proposed exemptions of crude oil, residual fuel oil, or a refined petroleum product from price controls subject to congressional review and approval; permits the pricing of oil recovered by secondary or tertiary methods up to $7.50 a barrel; sets a maximum price for "new" domestic crude oil at a level not to exceed that prevailing on January 31, 1975; exempts small refiners (100,000 barrels a day) for the first 50,000 barrels from the entitlements program under the oil allocation regulations;

Authorizes the President to institute interim energy conservation plans pending the promulgation of regulations to establish national energy conservation standards which include but are not limited to standards for: Federal buildings and for homes and buildings financed under any Federal loan guarantee or mortgage program; decorative and nonessential lighting; the increase of industrial efficiency in the use of energy; the better enforcement of the 55 mile per hour speed limit; the maximizing of use of carpools and public transportation; reasonable controls and restrictions on discretionary transportation activities; energy efficiency standards for Federal procurement; and low interest loans and loan guarantee programs to improve the thermal efficiency of individual residences;

Directs the Federal Energy Administration to issue the regulations containing the national standards, and makes such plans and standards subject to congressional review and the right of disapproval; provides for the development and implementation of approved State energy conservation programs with Federal technical and financial assistance, failing which, Federal standards shall apply;

Extends the Energy Supply and Environmental Coordination Act, which contains the Coal Conversion Act of 1974, from June 30, 1975, to December 31, 1975;

And contains other provisions. S. 622. P/S Apr. 10, 1975; P/H amended Sept. 23, 1975; Senate agreed to House amendment with amendment in the nature of a substitute embodying the provisions of the following bills as passed by the Senate: S. 622, Standby Energy Authority; S. 1883, Automobile Fuel Economy; S. 349, Energy Labeling and Disclosure; and S. 677, Strategic Energy Reserves Sept. 26, 1975; In conference. (138)

Strategic energy reserves: Provides for the creation and maintenance over a 7-year period of strategic energy reserves equal to 90 days of imports, which would place an average total of 594 million barrels in reserve and would compensate, based on the amount by which imports were reduced under the 1973–74 oil embargo, for import reduction for a period of 237 days;

Provides for the establishment and maintenance of a Strategic Energy Reserve system by the Federal Energy Administration (FEA) acting through a Strategic Energy Reserve Office within the FEA and: (1) requires the FEA to establish a national federally owned crude oil storage program, which could include storage of crude oil from Federal lands, including the naval petroleum reserves, if authorized by Congress: (2) authorizes the creation of Federally owned regional petroleum product reserves of refined petroleum products and requires that a reserve be established for any fuel in any district where more than 25 percent of the demand for fuel that has been met by imports during the preceding 24 months, which presently covers residual fuel oil, and for No. 2 fuel—home heating oil—where more than 10 percent of the demand is met by imports, these fuels being a particular supply problem in eastern coast States; (3) authorizes the FEA to require interim industry storage reserves consisting of up to 3 percent of imports or refinery throughput of the previous calendar year until the total level under the 7-year national and regional programs is reached and, thereafter, to require industry to maintain stocks in an amount equal to the average readily available inventories for the corresponding month of the 3 preceding years; (4) provides for the inclusion of such other components as Congress may authorize;

Exempts materials in the interim industry reserves from any tariffs or import license fee; authorizes the use of the reserves if petroleum imports have fallen or are within 30 days expected to fall by 10 percent or if required to do so under international agreement; provides that the Administrator is to establish price levels and allocation procedures for the oil withdrawn that are consistent with the objectives enumerated in the Emergency Petroleum Allocation Act; authorizes the FEA to adjust the processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of the Emergency Petroleum Allocation Act in the case of an embargo; and contains other provisions. S. 677. P/S July 8, 1975. Note: (Provisions contained in S. 622, Standby Energy Authority.) (263)

*Strip Mining: Establishes a program for the regulation of coal surface mining activities and the reclamation of coal mined lands in order to assure that surface coal mining operations—including exploration activities and the surface effects of underground mining—are conducted so as to prevent or minimize degradation to the environment, and that surface mining operations are not conducted where reclamation is not feasible according to the terms and conditions of the act;

Establishes the Office of Surface Mining Reclamation and Enforcement in the Department of the Interior to administer the programs for controlling surface coal mining operations, including the State programs which must be submitted for approval;

Requires the Corps of Engineers to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement;

Establishes a fund and a program for the reclamation of abandoned mined lands and for relief of impacted areas; provides funding for such activities from reclamation fees collected at 35 cents per ton for surface mined coal, 15 cents per ton for all coal mined by underground methods or 10 percent of the value of the coal at the mine, whichever is less except that the fee will not exceed 5 percent of the value of lignite; provides that 50 percent of fees collected in any one State are to be expended in that State for reclamation or alleviatiing the impact of coal development in the area; provides that, in areas where there is relatively little damage from past coal mining, the States' share of the fees may be used for other purposes;

Sets a series of minimum uniform requirements for all coal surface mining operations on both Federal and State lands which deal with four basic issues—pre-planning, mining practices, post-mining reclamation and the protection of water resources; specifies that lands which cannot be reclaimed under the standards of the act and lands within the National Park, Wildlife Refuge, Wilderness and Wild and Scenic Rivers systems, National Recreation Areas, National Forests, and certain other areas may not be strip-mined; makes special provision for mining which affects alluvial valley farming land; provides for certain limited variances to the prescribed standards where such variances provide equal or better protection to the environment and result in a higher post-mining use;

Provides, in regard to rights of private surface owners, for obtaining consent as a condition of issuing a new Federal coal lease, and requires payment of all damages, including lost income, and payment of limited additional compensation to the surface owner;

Establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities to train qualified personnel in mine-related fields and to conduct research related to mining technology;

Provides for a study, to be completed by 1976, to determine the appropriate program for regulating surface coal mines on Indian lands and requires, in the interim, that all leases on Indian lands include certain performance standards at least as stringent as those in the Act; and contains enforcement and other provisions. S. 7. P/S March 12, 1975. (62) H.R. 25. Vetoed May 20, 1975. House sustained veto June 10, 1975. Note: (Comparable provisions are contained in S. 391, Coal Leasing—Strip Mining.)

ENVIRONMENT

Council on Environmental Quality—environmental policy: Authorizes $2 million for fiscal year 1976 and $500,000 for the transition period (July 1–September 30, 1976) for the Council on Environmental Quality and amends the National Environmental Policy Act of 1969 to permit the Council to accept certain reimbursements for domestic and international travel, and to make use of volunteer and uncompensated services. H.R. 6054. Public Law 94–52, approved July 3, 1975. (VV)

Envronmental impact statements: Amends the Environmental Policy Act of 1969 to establish a single uniform procedure for environmental impact statements (EIS) prepared after January 1, 1970 on major projects funded under a program of Federal grants to States, including, the Federal-aid highway program; permits State preparation of an EIS so long as the responsible Federal official guides and participates in the EIS preparation and independently evaluates the product before approving and adopting it; and requires the Federal official to prepare independently for the EIS the analysis of the impacts and alternatives of major interstate significance associated with the project or action which is the subject of the EIS. H.R. 3130. Public Law 94–83, approved August 9, 1975. (VV)

National Advisory Committee on Oceans and Atmosphere: Authorizes $445,000 for fiscal year 1976, $111,250 for the transition period July 1–September 30, 1976, and $445,000 for fiscal year 1977 for the National Advisory Committee on Oceans and Atmosphere. H.R. 5447. Public Law 94–69, approved August 5, 1975. (VV)

Ocean dumping: Amends the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for fiscal year 1976 and the transition period July 1–September 30, 1976 as follows: Title I, Ocean dumping permit program—$5.3 million for fiscal year 1976 and $1.325 million for the transition period; title II, research program on the effects of ocean dumping on the marine environment—$6 million for fiscal year 1976 and $1.5 million for the transition period; and title III, marine sanctuaries areas—$6.2 million for fiscal year 1976 and $1.55 for the transition period; and changes from January to March, the month in which the Secretary of Commerce must file his annual report on the effects of ocean dumping on the marine environment. H.R. 5701. Public Law 94–62, approved July 25, 1975. (VV)

Scrimshaw art preservation: Permits the Secretary of Commerce, who administers the Endangered Species Act with respect to whales, to grant exemptions for a limited period of time for the sale of finished scrimshaw (etched designs and carvings from whale bone) products in interstate commerce. S. 229. P/S Apr. 10, 1975. (VV)

GENERAL GOVERNMENT

Alaskan Natives: Reopens for one year the roll of Alaska Natives to enroll those Natives who failed to meet the March 30, 1973 enrollment deadline and provides for the adjustment of distributions of money thereunder; requires the Secretary of the Interior to redetermine the place of residence of Natives who had enrolled in Native "villages" or "groups" which were subsequently found ineligible, for purposes of receiving benefits; authorizes the Secretary to place revenues received by the Interior Department from Federal lands which will be patented to the Natives in an escrow account to receive interest until the time of patenting and then to pay the account funds to the Natives; establishes the rights of easement holders on such lands to revenues arising directly from the easement; permits mergers of Native Village Corporations which are too small to be economically viable with other Village Corporations or the Regional Corporation; removes Native corporations from the purview of the Investment Company Act of 1940, the Securities Act of 1933, and the Securities Exchange Act of 1934 until December 31, 1991; insures that Settlement Act benefits would not be counted against eligibility for the food stamp or other Federal programs; extends the authority of the Joint Federal-State and Land Use Planning Commission for Alaska until June 30, 1979; authorizes $250,000 to pay four Native corporations in cities where Native populations were once in the majority but are now in the minority and which have land selection rights but received no funds under the Settlement Act with which to do the necessary organizing and inventorying to make the selections; authorizes the payment of $100,000 to each of six villages which elected to obtain fee title to reservation lands rather than receive land and monetary benefits; and permits Natives who chose to accept ownership of reservation land to enroll either in the Village Corporation or on an at-large basis with the Regional Corporation receiving benefits. S. 1469. P/S August 1, 1975. (VV)

American Legion badges—Patent renewals:

American Legion: Renews and extends for 14 years design patent No. 54,296 for the protection of the emblem and insignia of the American Legion, S. 720. P/S May 13, 1975. (VV)

American Legion Auxiliary: Renews and extends for 14 years design patent No. 55,398 for the protection of the emblem and insignia of the American Legion Auxiliary. S. 721. P/S May 13, 1975. (VV)

Sons of the American Legion: Renews and extends for 14 years design patent No. 92,187 for the protection of the emblem and insignia of the Sons of the American Legion. S. 719. P/S May 13, 1975. (VV)

Assistant Secretary of Commerce: Authorizes an additional Assistant Secretary of Commerce who shall be appointed by the President with the advice and consent of the Senate. S. 1622. P/S June 27, 1975. (VV)

Attorney General's Salary: Repeals Section 1 of Public Law 93–178 (enacted to remove the question concerning the impact of Article I, Section 6, Clause 2 of the Constitution on the President's nomination of Senator Willam B. Saxbe to be Attorney General of the United States) to restore to the Office of the Attorney General the annual rate of basic pay of $60,000 (Level I of the Executive Schedule) and provides that the act shall take effect February 4, 1975, following the February 3, 1975, resignation date of Attorney General William Saxbe. S. 58. Public Law 94–2, approved Feb. 18, 1975. (VV)

Barrier-Free Environment for Disabled: Declares the sense of the Congress that there shall be a national policy to recognize the inherent right of all citizens, regardless of their physical disability, to the full development of their economic, social, and personal potential through the free use of the manmade environment, and that the adoption and implementation of this policy requires the mobilization of the resources of the private and public sectors to integrate handicapped people into their communities. S. Con. Res. 11. Senate adopted May 20, 1975. (VV)

Bikini Atoll: Provides a $3 million ex gratia payment to the people of Bikini Atoll who were relocated to Kili Island in 1946 in order to provide a nuclear test site on the Atoll. H.R. 5158 Public Law 94–34, approved June 13, 1975. (VV)

FBI Director, Ten-Year Term for: Amends the Omnibus Crime Control and Safe Streets Act of 1968 to provide for a ten-year term of service for the Director of the Federal Bureau of Investigation; limits the appointment of a Director to one 10-year term; and provides that the law regarding Federal mandatory retirement at age 70 shall apply to this appointment. S. 1172. P/S Mar. 17, 1975. (64)

Federal Metal and Nonmetallic Mine Safety Board Abolishment: Abolishes the Federal Metal and Nonmetallic Mine Safety Board of Review which reviews appeals by noncoal mine operators from closure orders issued by the Department of Interior's Mining Enforcement and Safety Administration and transfers such functions to the Secretary of Interior. S. 1774. P/S June 24, 1975. (VV)

General Federation of Women's Clubs: Amends the Act granting a charter to the General Federation of Women's Clubs to delete the $1.5 million figure on real estate the Federation may hold under the charter, thus allowing the value of its real or personal property to be determined by current market value which has increased due to inflation. S. 240. P/S May 8, 1975. (VV)

GPO employees: Authorizes the Public Printer to designate employees to administer and certify the oath or affirmation of office required by section 3331, title 5, U.S.C., and other oaths or affirmations that may be required by law or regulation with respect to the operation of the Government Printing Office. S. 2264. P/S Sept. 18, 1975. (VV)

GSA leases: Amends section 111 of the Federal Property and Administrative Services Act of 1949 to permit the Administrator of the General Services Administration (GSA) to enter into multiyear leases (not to exceed 10 years) of automatic data processing equipment including collateral maintenance, software and other kinds of supplies and services associated with such equipment at amounts in excess of what is available in the fund, provided the amount of unfunded obligations authorized is not needed and the balances of the fund are maintained in such amounts as are necessary at any time for cash disbursements. S. 1260. P/S July 14, 1975. (VV)

John F. Kennedy Center authorization: Authorizes $2.8 million for fiscal year 1976, $741,000 for the transition period July 1-September 30, 1976, and $3.1 million for fiscal year 1977 for the non-performing arts functions of the John F. Kennedy Center and directs the General Accounting Office to perform a regular audit of the accounts of the Kennedy Center. H.R. 6151. Public Law 94– , approved 1975. (VV)

NASA authorization: Authorizes to the National Aeronautics and Space Administration $3,562,310,000 for fiscal year 1976 and $925,150,000 for the transition period July 1–September 30, 1976, for research and development, construction of facilities and research and program management including continued development of the space station and shuttle program. H.R. 4700. Public Law 94–39, approved June 19, 1975. (VV)

National Arboretum: Authorizes the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum which was established for purposes of research and education concerning tree and plant life. S. 1649. P/S July 25, 1975. (VV)

National Center for Productivity and Quality of Working Life: Repeals Public Laws 92–210 and 93–311 which created a National Commission on Productivity and Work Quality and replaces the Commission with an independent National Center for Productivity and Quality of Working Life to be composed of a 25-member board of directors headed by a Chairman to be appointed by the President with the advice and consent of the Senate;

Directs the Center to develop and establish, in consultation with the appropriate committees of Congress and departments and agencies of the executive branch, a national policy for productivity growth in public and private sectors and to encourage the maximum active participation of the private sector as well as State and local governments to improve the rate of productivity growth in all sectors of the Nation's economy consistent with the needs of the economy, the natural environment, and the best interests of management, the work force and consumers; empowers the Center to enter into contracts and other funding arrangements to carry out the purposes of this act;

Requires the Center to submit a report to the President and Congress by December 31 of each year detailing its activities and any recommendations; requires the Comptroller General, within 36 months of enactment, to submit a report evaluating the effectiveness of the Center along with any recommendations; and authorizes therefor $6.250 million, for fiscal year 1976, and $5 million for each of fiscal years 1977 and 1978. S. 2195. P/S Sept. 4, 1975. (379)

National Portrait Gallery: Amends the National Portrait Gallery Act of 1962 to redefine the term "portraiture" to permit the National Portrait Gallery to acquire photographs and other portrayals of individuals in addition to "painted or sculpted likenesses". S. 1657. P/S July 25, 1975. (VV)

National Guard technicians retirement: Amends title 5, U.S.C., to grant retirement credit for National Guard technician service performed before 1969 to all former technicians serving in any position subject to the retirement law on or after January 1, 1969, including those who have retired and whose annuities therefor would be subject to recomputation; allows credit for 100 percent of pre-1969 technician service for annuity computation purposes; and permits eligible technicians to pay the full amount rather than 55 percent otherwise owed as a deposit for pre-1969 technician service. S. 584. P/S June 16, 1975. (VV)

National Science Foundation authorization: Authorizes $787,000,000 to the National Science Foundation for fiscal year 1976 and an additional $4 million in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States. H.R. 4723. Public Law 94-86, approved August 9, 1975. (VV)

National Security Council: Amends the National Security Act of 1947, as amended, to include the Secretary of the Treasury as a member of the National Security Council. S. 2350. P/S Oct. 9, 1975. (VV)

Nixon tapes: Disapproves the regulations proposed by the Administrator of General Services in his report to the Senate submitted on March 19, 1975, pursuant to title I of Public Law 93-526, regarding public access to materials and tape recordings of former President Nixon. S. Res. 244. Senate adopted Sept. 11, 1975. (VV)

Patents: Amends certain sections of title 35, U.S.C. to implement the Patent Cooperation Treaty (Ex. S, 92d-2d) which enables U.S. and foreign nationals to file international applications with the Patent Office which would act as a Receiving Office and process such applications and provides applicants filing applications for patents only in the U.S. with the same flexibility afforded to applicants filing under the treaty. S. 24. P/S June 21, 1975. (VV)

Public buildings: Broadens the policy of the Federal Government in the acquisition and use of public office buildings; encourages the purchase of older buildings and their recycling into new office space for Federal agencies; and provides for the multiple use of Federal buildings by allowing rental to commercial and other tenants of a limited amount of space in Federal office buildings. S. 865. P/S August 1, 1975. (VV)

Small Business Act amendments: Increases from $725 million to $825 million the subceiling for the Small Business Investment Company loan and guarantee program; increases from $450 million to $525 million the subceiling for economic opportunity loan programs; increases from $35 million to $45 million the authorization for the Surety Bond Guarantee Fund and allows additional appropriations up to $15 million for the program; and clarifies the language in Public Law 93-501 to allow Small Business Investment Companies to charge an interest rate, in certain cases, that is in excess of the State usury law. S. 1839. P/S June 4, 1975. (VV)

Smithsonian Institution Museum support facilities: Authorizes the Regents of the Smithsonian Institution to undertake planning of museum support facilities on federally owned land within the District of Columbia metropolitan area for the conservation, preparation, and study of the national collection of scientific, historical, and artistic objects and artifacts, their documentation, and the training of museum conservators. S. 907. Public Law 94-98, approved Sept. 19, 1975. (VV)

Smithsonian Institution site: Reserves for future public use of the Smithsonian Institution that portion of the Mall bounded by Third Street, Maryland Avenue, Fourth Street, and Jefferson Drive in the District of Columbia. H.R. 5327. Public Law 94-74, approved August 8, 1975. (VV)

Standard reference data program: Authorizes to the Department of Commerce $2.8 million for fiscal year 1976, $750,000 for the transition period July 1-September 30, 1976, $3 million for fiscal year 1977, and $3 million for fiscal year 1978 to carry out the purposes of the Standard Reference Data Act which provides the scientific community with accurate and accessible quantitative data needed in the physical sciences, together with critical evaluations thereof. H.R. 37. Public Law 94-48, approved July 2, 1975. (VV)

*Tourism promotion: Amends the International Travel Act to authorize funding for the United States Travel Service, Department of Commerce, which is charged with promoting travel and tourism to and within the United States as follows: for international tourism promotion—$5 million for the transition period July 1-September 30, 1976, $25 million for fiscal 1977, and $30 million in each fiscal 1978 and 1979; for domestic tourism promotion—$625,000 for the transition period July 1-September 30, 1976, and $2.5 million for each fiscal 1977 through 1979. H.R. 5357. Vetoed May 28, 1975. House referred to Committee on Interstate and Foreign Commerce June 20, 1975. (VV)

Amends the International Travel Act to authorize funding for the U.S. Travel Service, Department of Commerce, which is charged with promoting travel and tourism to and within the United States as follows: for international tourism promotion—$5 million for the transition period July 1-September 30, 1976, $25 million for fiscal 1977, and $30 million for each fiscal 1978 and 1979; for domestic tourism promotion—$2.5 million for fiscal 1976, $625,000 for the transition period July 1-September 30, 1976, and $2.5 million for each fiscal 1977 and 1978; and directs the Secretary of Commerce to promote travel within the United States and its possessions through activities that are in the public interest and which do not compete with those of any State, city or private agency. S. 2003. Public Law 94-55, approved July 9, 1975. (VV)

Trust Territory of the Pacific: Increases the fiscal year 1975 authorization for the activities of the civil government of the Trust Territory of the Pacific Islands from $60 to $75 million and authorizes an additional $1.5 million to fund the transition of the Mariana Islands District from the Trust Territory Government to a new commonwealth status of a territory of the United States, pursuant to an agreement signed on February 15, 1975, by the U.S. and the Marianas, if approved by Congress. S. 326. Public Law 94-27, approved May 28, 1975. (VV)

War risk insurance: Amends the Federal Aviation Act of 1958 to extend the present authority of the Secretary of Transportation to issue war risk insurance until May 7, 1976; authorizes the investment of the aviation war risk insurance revolving fund in interest-bearing securities of the United States; and requires a study by the President of the possible expansion of the program to include losses and damage resulting from riots, civil disorder, hijacking or other similar acts and to report the results of the study together with his recommendations to Congress 90 days after enactment. H.R. 8564. Public Law 94-90, approved August 9, 1975. (VV)

GOVERNMENT EMPLOYEES

Cost-of-living increase—Postal Service OSHA compliance: Authorizes an annual minimal salary adjustment for top executive, legislative and judicial officers and employees of the United States who last received an increase in compensation in March 1969, including each level of the Executive Schedule, the salary of the Vice President, rates of pay for members of Congress and officials of the legislative branch, and salaries in the judicial branch; provides that the adjustment is to become effective whenever a comparability adjustment is made in the rates of pay under the General Schedule (normally in October of each year) and shall equal the percentage of the comparability adjustment, rounded to the nearest $100;

Makes the Occupational Safety and Health Act of 1970 applicable by statute to the Postal Service, which is presently bound by its July 1973 collective bargaining agreement with the National Postal Unions. H.R. 2559. Public Law 94-82, approved August 9, 1975. (352)

Federal employees pay increase: Disapproves the alternative pay plan submitted to Congress by the President on August 29, 1975, providing for a 5-percent increase in pay for Federal employees in lieu of 8.66 as determined under the comparability procedures set forth in the Federal Pay Comparability Act of 1970. S. Res. 239. Senate rejected Sept. 18, 1975. (398)

Part-time Government employees: Declares as policy that a certain regulated proportion of all positions in the General Schedule (except positions in grades GS-16, GS-17, and GS-18) shall be made available on a part-time career employment basis (16 to 30 hours per week) for persons who are unable or do not wish to work full time; covers, with certain exceptions, executive and regulatory agencies subject to the rules of the Civil Service Commission; provides for a gradual phase-in of part-time career employment, with at least 2 percent of all positions in each grade in each agency to become available yearly until the 10 percent limit placed on part-time positions is reached; authorizes waivers of the percentage minimum by the Civil Service Commission in cases of need; prohibits the forcing of an employee to accept part-time employment as a condition of new or continued employment; gives part-time employees entitlement to the same proportionate fringe benefits as those vested in regular hour employees; and contains other provisions. S. 792. P/S June 23, 1975. (VV)

Travel expenses: Increases the per diem allowance (from $25 to a maximum of $35) and the actual daily expense reimbursement (from $40 to a maximum of $50) which may be paid to regular employees of the Federal Government, and to consultants and experts employed intermittently, who are traveling on official business within the continental United States; authorizes the President to establish the per diem allowance for travel outside the continental United States and authorizes the Administrator of General Services to prescribe the conditions under which an employee may be reimbursed for actual and necessary expenses (not to exceed $21 per day) in addition to the maximum per diem established for that locality; provides commensurate increases, under regulations established by the Senate Committee on Rules and Administration, in the per diem allowances and actual expense reimbursement for Senators and Senate employees and members of a Senator's personal staff traveling to and from the Senator's home State on official business; prohibits reimbursement for travel to or from a home State 120 days prior to a primary or general election in which the Senator is a candidate; increases the mileage rates for the use of privately owned vehicles used while traveling on official business (automobiles—from 12 cents to 15 cents; airplanes—from 12 cents to 18 cents; and motorcycles from 8 cents to 11 cents); requires the Administrator of General Services to make a determination with respect to the cost of travel and the operation of privately-owned vehicles and adjust the rates at least once a year; and provides that the agency or branch of Government concerned must absorb expenses incurred during fiscal year 1975 as a result of increases in per diem and mileage allowances out of its existing funds. S. 172. Public Law 94–22, approved May 19, 1975. (VV)

HEALTH

Communicable disease control—consumer health education: Revises and extends expiring communicable and other disease control programs and the venereal disease prevention and control programs; and authorizes consumer health education and promotion programs through the establishment of an Office of Consumer Health Education and Promotion within HEW. S. 1466. P/S July 30, 1975. (VV)

Developmentally disabled persons assistance: Provides a 3-year extension and revision, through 1978, of programs under the Developmental Disabilities Services and Facilities Construction Act; authorizes a total of $2.87 million for these programs; expands the definition of a "developmental disability" to include autism as well as mental retardation, cerebral palsy, or epilepsy, or any other condition related to mental retardation or dyslexia; continues the University-Affiliated Facilities (UAF's) clinical facilities program and system of demonstration and training grants for professional personnel, with emphasis directed to accomplishing the provision of services to adults and children in programs of community care as an alternative to providing such services in institutionalized settings; proposes the establishment of UAF Satellite Centers which would be primarily concerned with the delivery of clinical services; revises the organizational structure for administration of the act and continues formula grants to the States for planning, services and facilities; mandates the establishment of an evaluation system by the Secretary and a time-phased plan for each State's implementation of an evaluation system; contains a "Bill of Rights" for the developmentally disabled which establishes a clear Federal policy that the mentally retarded have a right to appropriate treatment, services, and habilitation and to assure that public funds are not provided to institutions or other residential programs for the mentally retarded that do not provide adequate treatment, service or habilitation or which do not meet minimum standards; requires an individual written habitation plan for each person being served in the program; requires a system in each State to protect and advocate the rights of persons with developmental disabilities; and contains other provisions. H.R. 4005. Public Law 94–103, approved Oct. 4, 1975. (VV)

Drug abuse office and treatment: Continues the current authorization of $45 million through fiscal year 1979 for drug abuse prevention and treatment programs; increases from $100 million to $200 million the figure used to determine the minimum formula grant to any State (currently $66,666, which would increase to $133,333 if there is no change in the ratio of actual to authorized appropriations); recognizes narcotic addiction and drug abuse as a serious, long-term problem requiring continuous effort; redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, and redefines its role as strictly that of coordination and policy direction; confirms and clarifies the programmatic role of the National Institute of Drug Abuse; broadens the prohibition on discrimination against drug abusers in hospital admissions to include all admissions instead of emergency admissions only; and contains other provisions. S. 2017. P/S June 26, 1975; P/H amended September 11, 1975. (VV)

* Health Services—Nurse training: Amends title VII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training until fiscal year 1978 and to revise and extend programs of health revenue sharing and health services until fiscal year 1977;

Authorizes a total of $1.422 billion for health services and health revenue sharing programs for 2 years, including $15 million for each year for detection and treatment of hypertension (high blood pressure): extends the authorizations in title X regarding Family Planning Programs and specifies that population research shall be conducted under the authorities of that title and requires an annual report on family planning programs; extends the Community Health Centers program for 2 years and authorizes grants for the planning, development and operation of community health centers, including existing neighborhood health centers; extends the Migrant Health Centers Program and authorizes planning, development and operation grants to such centers which offer a broad range of health services in an area in which not less than 6,000 migrants reside;

Includes a separate authorization to cover the reasonable costs of inpatient and outpatient hospital services for migrants; extends the Community Mental Health Centers programs to continue progress toward the goal of establishing a center in each of the approximately 1,500 catchment areas across the Nation and to assure continued support of the 500 centers already begun; provides authorization to expand the types of disease control programs to include programs for diseases borne by rodents; establishes a demonstration program of start up grants to home health agencies and grants for training personnel to provide home health services; establishes a Committee on Mental Health and Illness of the Elderly for a one year period to review the mental health needs of the elderly and recommend policy for the care and treatment of mentally ill aged persons; establishes a Rape Prevention and Control Center within the National Institute for Mental Health to study the causes, control and treatment of rape and to establish a clearinghouse of information and provides support for demonstration projects in the prevention and control of rape; establishes a temporary Commission on Epilepsy to devise a national plan for the control of epilepsy and its consequences, the State and Federal role in research on epilepsy and on the identification, treatment and rehabilitation of persons with epilepsy; establishes a temporary Commission on Huntington's Disease to devise a comprehensive national plan similar to the one outlined for epilepsy; establishes a new Hemophilia Diagnosis and Treatment program and provides grants to establish treatment centers; sets a $1,000 fine and/or 1 year imprisonment for intimidating or coercing a person who has requested or is receiving welfare benefits to undergo an abortion or sterilization as a condition of receiving such benefits;

Extends through 1977 the nurse training authorities of title VIII at levels of $156 million in 1976, $181 million in 1977 and $201 million in 1978; includes authorization for: construction grants with priority funding to schools expanding their capacity to enroll nurses in advanced training programs; "capitation" grants to schools based on the number of nursing students enrolled but designating different amounts for different types of nursing schools to reflect more accurately the differential in costs between baccalaureate degree, associate degree, and diploma schools of nursing; special assistance to nursing schools that are in serious financial straits to meet operational costs for maintaining quality programs or their accreditation requirements; special project grants to assist schools in trying out better methods of teaching, better utilization of faculty, expanded enrollments and recruiting and retaining students from disadvantaged backgrounds; graduate and other advanced training programs for professional nurses to teach, serve as administrators or practice in nursing specialties; the nursing loan, scholarship and traineeship program to meet current demands and needs; and grants for programs for training nurse practitioners with specific emphasis on geriatrics and the care of nursing home patients; and contains other provisions. S. 66. Vetoed July 26, 1975. Senate overrode veto July 26, 1975; House overrode veto July 29, 1975. Public Law 94–63, without approval July 29, 1975. (132,337)

Medical device safety: Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, including all implanted medical devices such as a heart valve, pacemaker or interuterine device (IUD), shall be subject to premarket scientific testing; authorizes the Secretary of Health, Education, and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a lifesupporting medical device for marketing; provides that medical devices for which experts agree standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as a tongue depressor, is exempted from either procedure; and contains other provisions. S. 510. P/S Apr. 17, 1975. (139)

Older Americans: Continues for an additional two years until September 30, 1977, authorizations for programs conducted under the Older Americans Act; increases the authorizations for nutrition projects for the elderly by 12 and ½ percent to offset inflation; continues the authorization for the Older Workers Community Service Employment Program for three years through September 30, 1978 at increased levels; continues authorizations for special programs for the elderly under the Library Services and Construction Act, the Adult Education Act, the Higher Education Act, the Community Services Act, and the Vocational Education Act; creates a new program of grants to the States to establish programs of transportation, home services, and legal services to the aging; authorizes direct grants to Indian tribal organizations for the provision of services to elderly Indians; provides for a study of the subject of age discrimination to be conducted by the U.S. Commission on Civil Rights; and contains other provisions. H.R. 3922. P/H Apr. 8, 1975; P/S amended June 26, 1975; In conference. (VV)

School lunch and child nutrition program: Amends section 13 of the National School Lunch Act to continue the Special Food Service Program for children, which expires June 30, 1975, through September 30, 1975; authorizes 1975 summer meal reimbursement rates to be adjusted to account for increase in food costs this past year; and requires USDA, within 10 days following enactment, to issue its regulations pertaining to the option of this year's summer feeding program. S. 1310. Public Law 94–20, approved May 2, 1975. (VV)

*School lunch program: Makes permanent the authorization for the school breakfast program; extends through September 30, 1977, the authority of the Secretary of Agriculture to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available, and permits States which phased out their commodity distribution facilities prior to June 30, 1974, to elect to receive cash in lieu of donated foods; revises the year-round phase of the special food service program for children to establish a child care food program for children in nonresidential child care institutions for the period through September 30, 1978;

Extends the special supplemental food program for women, infants and children (WIC) through September 30, 1978; expands the definition of "school" under the school lunch program and the school breakfast program to include any public or licensed nonprofit private residential child care institution, including, but not limited to, orphanages and homes for the mentally retarded;

Deletes the State's option to serve reduced price lunches and provides that State educational agencies are to establish income guidelines for reduced price lunches at levels which are 95 percent above those in the income poverty guidelines prescribed by the Secretary;

Provides that any child whose parent or guardian is providing the child's principal support and is unemployed shall be served a free or reduced price lunch if the existing family income eligibility guidelines for free or reduced price lunches are met;

And contains other provisions. H.R. 4222. Vetoed Oct. 3, 1975. House overrode veto Oct. 7, 1975; Senate overrode veto Oct. 7, 1975. Became Public Law 94-105, without approval Oct. 7, 1975. (274,383,429)

Supplemental food programs: Extends through September 30, 1975, the special supplemental food program for women, infants, and children. H.R. 7136. Public Law 94-28, approved May 28, 1975. (VV)

HOUSING

Emergency housing: Contains provisions for mortgage foreclosure relief to homeowners who cannot meet their mortgage payment because of recession conditions: authorizes the Department of Housing and Urban Development (HUD) to co-insure mortgages in default or to make monthly payments of up to $250 for as long as 24 months when lenders are unwilling or unable to forebear on their loans; and authorizes $1.5 billion for co-insurance contracts and a maximum of $500 million for mortgage relief loans;

Provides for home purchase assistance which expands the President's authority to make mortgage credit available when housing starts are low; extends the existing Home Purchase Assistance Act to June 30, 1976; permits financing of condominiums and apartments, sets a maximum rate of interest at 7 and ½ percent, and provides for additional housing financing by the Federal Finance Bank; and authorizes an additional $10 billion in mortgage credit;

Includes provisions for housing rehabilitation and repair; continues the section 312 rehabilitation loan program through August 1976 at an authorized level of $100 million; and

Extends by 7 months, the time period during which certain purchasers of older inner-city housing insured by FHA can apply for compensation for correcting serious defects that were not detected at the time of purchase. H.R. 5398. Public Law 94-50, approved July 2, 1975. (255)

*Emergency middle-income housing: Authorizes emergency Federal assistance to stimulate housing construction, to increase employment and to provide critically needed housing for families now priced out of the housing market:

In title I, establishes a temporary emergency program in order to increase the present low level of housing starts and create jobs; gives homebuyers whose family income does not exceed 120 percent of the median income of their area three options to assist them in buying a home: (1) a 6 percent mortgage loan which will gradually increase to the market rate after 3 years; (2) a 7 percent mortgage for the life of the contract; or (3) a $1,000 cash grant to be used to defray the downpayment expenses on a newly constructed house; provides that no new commitment or contract for assistance can be entered into after June 30, 1976;

In title II, authorizes $500 million to the Secretary of Housing and Urban Development to make repayable, emergency mortgage relief payments up to $250 per month for a period of no longer than 2 years on behalf of homeowners who are delinquent in their mortgage payments as a result of a substantially reduced income because of involuntary unemployment or underemployment;

In title III, contains miscellaneous provisions extending the section 312 rehabilitation loan program until August 22, 1977 and authorizing therefore $35 million for each of the two years; increasing the set-aside of contract authority for projects to be owned by public housing agencies from $150 million to $300 million; extending the section 235 homeownership assistance program until July 1, 1977; extending by seven months the period during which owners of FHA-insured houses which have serious structural defects can request assistance from HUD to repair such defects; extending until January 1, 1976 the date after which Federal financial assistance will be denied to flood-prone areas unless the community is participating in the National Flood Insurance Program; and contains other provisions. H.R. 4485. Vetoed June 24, 1975. House sustained veto June 25, 1975. (148, 221)

Home mortgage disclosure: Contains provisions, effective for 3 years, to enable consumers to compare the lending record of different banks and thrift institutions in local communities and to create greater awareness by municipal governments of the effects of local lending patterns on homeownership and neighborhood preservation, and possibly to encourage reinvestment in areas formerly "red-lined" (areas marked as less desirable for investment because of their age, racial or ethnic make-up or income level);

Requires mortgage lenders covered by the Real Estate Settlement Act of 1974 to disclose by ZIP code area the number and dollar amounts of mortgage loans originated by that institution during the previous fiscal year, as well as the total number and dollar amount of all such loans outstanding as of the close of the fiscal year; requires that the disclosure statement also disclose the breakdown between loans to owner-occupied versus absentee-owned housing; applies these requirements only to lenders within standard metropolitan statistical areas (SMSA) but requires lenders within an SMSA to disclose any loans outside that SMSA;

Provides that the Federal Reserve Board shall write the overall regulations for implementation of the act, and that each bank supervisory agency shall regulate institutions under its usual jurisdiction; requires the Board to carry out a 3-year study of the legislation and to provide recommendations for additional disclosure, if any; provides that States are free to adopt their own mortgage disclosure requirements, and that the Board shall exempt any institution located within a State that has adopted similar or more stringent disclosure requirements. S. 1281. P/S Sept. 4, 1975.

Mobile-home Loans: Increases the ceiling for mobile-home loans which the Secretary of Housing and Urban Development is authorized to insure under title I of the National Housing Act from $10,000 to $12,500 for a new mobile home and from $15,000 to $20,000 for a mobile home composed of two or more modules;

Authorizes special capital grant assistance for the Kendall Square Urban Renewal Project in Cambridge, Massachusetts, in excess of the two-thirds project costs limit under the Housing Act of 1949, as amended, because of certain extraordinary circumstances which have delayed completion of the project;

Extends the emergency implementation provisions of the National Flood Insurance Act of 1968, as amended, for 1 year, from December 31, 1975, to December 31, 1976, to insure the continued availability of federally subsidized flood insurance to communities who have not yet completed their required eligibility studies;

Authorizes the Secretary of Housing and Urban Development to deal with insurance of mortgages in FHA programs on a 75 percent basis instead of the present 45 percent except for the section 8 program which deals with cost limits on a prototype basis; and

Makes technical amendments to section 221(f) of the National Housing Act by striking certain occupancy limitations. S. 848. P/S Sept. 10, 1975. (390)

Real estate settlement procedures: Suspends for 1 year sections 4, 6 and 7 of the Real Estate Settlement Procedures Act (P.L. 93-533) which requires a complicated uniform settlement statement, a 12 day advanced disclosure of settlement costs by lenders, and a requirement, in some instances, of the disclosure of the previous selling price of existing real property and repeals section 121 (c) of the Truth in Lending Act which also requires a full statement of closing costs in connection with consumer and home mortgage lending. S. 2327. P/S Oct. 9, 1975. (VV)

Variable interest rate mortgages: States the sense of the Congress that the Federal Home Loan Bank Board shall refrain from authorizing, by rule, regulation, or otherwise, a Federal savings and loan association to offer loans with variable interest rates and secured by one-to-four family homes or dwelling units unless Congress specifically, by law, authorizes such variable interest rates. S. Con. Res. 45. Senate adopted June 16, 1975. (VV)

INDIANS

American Indian Policy Review Commission: Authorizes the American Indian Policy Review Commission to accept and use donations of money, property, and uncompensated services from Government and private sources and to procure the temporary or intermittent services of experts and consultants at a rate of compensation not in excess of that paid to employees of the Senate; authorizes the reimbursement for travel, subsistence, and other necessary expenses incurred by a person providing voluntary and uncompensated services in the performance of their service; and permits the Commission to use the frank of any member of Congress who is serving as Chairman of the Commission for mailing materials. S. 2073. Public Law 94-80, approved August 9, 1975. (VV)

Indian Claims Commission: Authorizes $1,550,000 for fiscal year 1976 for the Indian Claims Commission; extends the life of the Commission for an additional 3 years, from April 10, 1977 to April 10, 1980; and provides that cases still pending upon the expiration date of the Commission shall be turned over to the Court of Claims for final adjudication. H.R. 3979. P/H June 16, 1975; P/S amended August 1, 1975; In conference. (VV)

Indian health care: Provides the direction and financial resources to overcome the inadequacies in the existing Federal Indian Health care program and invite the greatest possible participation of Indians and Alaska Natives in directing and managing that program;

Establishes, in title I, the Indian Health Manpower Program and authorizes: a grant program to recruit and aid Indians in pursuing health careers; a preparatory scholarship program for the final two academic years of any pre-professional health education curriculum; a health professions scholarship program; a program to facilitate employment by the Indian Health Service (IHS) of medical students to further expand their opportunities for training; education and training programs in environmental health, health education, and nutrition; and a continuing education allowances program, for the purpose of assuring an adequate health manpower base for proper Indian health services and a sufficient cadre of Indian professional and health workers to permit Indian communities to have a maximum voice in shaping those services;

Provides, in title II, for a planned growth of the Indian Health Service's delivery system and facilities and authorizes funds to remove the backlogs in direct patient care and dental care, improve field health services, mental health care and services, treatment centers for the children, and other unmet health needs;

Authorizes, in title III, funds for construction of modern, efficient hospitals and other health care facilities serving Indians where none exist and to renovate existing facilities, most of which are in a state of general deterioration and to remedy the lack of safe water and sanitary waste disposal facilities in the Indian environment;

Meets, in title IV, the problem of limited access by Indians to services supported by Medicare or Medicaid due to most Indians living on remote reservation lands, by authorizing payments under the two programs to be made to qualified Indian Health Service hospitals and long-term care facilities for services rendered to Medicare and Medicaid patients, and provides 100 percent Federal Medicaid matching funds for services provided to any eligible Indian in an IHS facility;

Establishes, in title V, programs in urban areas to make health services more accessible to the urban Indian population and assist them in making the difficult transition from traditional reservation life to the urban world;

Authorizes a total of $1.6 billion for fiscal years 1977 through 1983; and changes the various Secretarial reporting requirements to assist Congress in undertaking a thorough review of all expenditures at the end of the third fiscal year in order to revise authorization levels if appropriate. S. 522. P/S May 16, 1975. (VV)

Klamath Indian land—Colonial Williamsburg: Gives tribal members receiving moneys from gains from the sale of lands in trust the same exclusion from Federal taxation as was afforded to tribal members who withdrew from the tribe in 1959 and received tax free cash payments for their interests; and amends the Internal Revenue Code to add a provision affecting the situation of Colonial Williamsburg, a tax-exempt foundation, which provides the same treatment regarding depreciation recapture to a tax-exempt organization as to a taxable organization where assets are received through liquidation of a subsidiary and are used in an unrelated taxable trade or business. H.R. 83. Public Law 94–81, approved August 9, 1975. (VV)

Pueblo of Laguna: Declares that 480 acres of land used for cattle grazing by the Pueblo of Laguna Indians be held in trust for the tribe by the United States, and provides for the trust transfer of 39.9 acres of land which was omitted from other lands transferred to the Pueblo pursuant to the Act of August 13, 1949. S. 557. Public Law 94– , approved 1975(VV)

Pueblo Tribe, New Mexico: Repeals a 1926 statute which subjects Pueblo tribal lands to condemnation pursuant to State law. S. 217. P/S May 21, 1975. (VV)

Submarginal lands: Provides for the trust transfer of submarginal lands in certain specified projects, including all surface and subsurface mineral interests, to the affected Indian tribes or communities. S. 1327. Public Law 94– , approved 1975. (VV)

INTERNATIONAL

Arts and artifacts indemnity: Authorizes the Federal Council on the Arts and the Humanities to make indemnity agreements against loss or damage of specified art works and artifacts brought into this country for exhibitions which the Secretary of State or his designee deems to be in the national interest. S. 1800. P/S July 25, 1975. (VV)

Cambodia—Food aid: States as the sense of the Senate that 50 percent of the food commodities which the President has budgeted for Cambodia under title I of the Agricultural Trade Development and Assistance Act of 1954 which is delivered after the date this resolution is agreed to and prior to July 1, 1975, be made available for humanitarian purposes under Public Law 480 title II humanitarian grant assistance and be administered by voluntary agencies already established in Cambodia. S. Res. 94. Senate adopted Mar. 10, 1975. (VV)

Israel: Expresses the displeasure of the Senate with respect to the attempts by some of the nonaligned Third World nations to expel Israel from membership in the United Nations and states the Senate's intent to review all present United States commitments to the Third World nations involved in the event of Israel's expulsion as well as its continued membership in the United Nations. S. Res. 214. Senate adopted June 18, 1975. (VV)

Japan-U.S. Friendship Trust Fund: Creates a Japan-U.S. Friendship Trust Fund to support a variety of mutual educational and cultural studies, facilities, exchanges, and other activities between Japan and the U.S.; authorizes therefor the transfer of 7.5 percent of the proceeds of the Okinawa Reversion Agreement and those funds available in U.S. accounts in Japan pursuant to the agreement with Japan regarding the Settlement of Postwar Economic Assistance to Japan including the interest accruing to the G.A.R.I.O.A. (Government and Relief in Occupied Areas) account; and establishes a Commission to administer the program. S. 824. Public Law 94– , approved , 1975. (VV)

Middle East dispute: Endorses the efforts of and commends the Secretary of State and the President in trying to achieve a peaceful resolution of the Middle East disputes and urges the Secretary to continue to use his good auspices to help the parties in dispute abandon intransigence and see the wisdom of these objectives S. Res. 119. Senate adopted Mar. 24, 1975. (VV)

Nuclear Non-Proliferation: Endorses the purpose of the conference of parties in Geneva reviewing the operation of the Nuclear Non-Proliferation Treaty to assure that its purpose and provisions are being realized and commends the President for his commitment to furthering the objectives of this Treaty. S. Res. 146. Senate adopted May 6, 1975. (VV)

Peace Corps authorization: Authorize $80,826,000 for fiscal year 1976 and $25,729,000 for the transition period July 1–September 30, 1976, to finance the operations of the Peace Corps plus an additional amount up to $1 million to cover increases in salary or other employee benefits authorized during this period; authorizes the transfer of $315,000 from Peace Corps funds to ACTION's readjustment allowance account in order to rectify an existing imbalance in that account for the period March 1, 1961 to February 28, 1973; prohibits sex discrimination with respect to the enrollment, terms and conditions of service of volunteers; increases the readjustment allowance for all regular Peace Corps volunteers from $75 to $125 per month of service; and increases the stipend of the regular VISTA volunteer from $50 to $75 per month. H.R. 6334. P/H June 23, 1975; P/S amended Oct. 9, 1975. (VV)

Romania—Most favored nation status: States the sense of the Senate that the President should certify to Congress that he will use his authority under the Trade Act of 1974 to terminate by Executive order most favored nation status to Romania if Romania engages in discriminatory emigration practices as detailed in sections 402 and 409 of the Trade Act. S. Res. 219. Senate adopted July 25, 1975. (VV)

Approves the extension of non-discriminatory treatment with respect to the products of the Socialist Republic of Romania transmitted by the President to the Congress on April 25, 1975. S. Con. Res. 35. Senate adopted July 25, 1975; House adopted July 28, 1975. (330)

Sinai agreement: Gives Congressional authorization to the President to implement the United States proposal for an early-warning system in the Sinai peninsula; provides that up to 200 American civilian technicians may be assigned to early warning facilities in the Mitla and Giddi Passes region of the Sinai to help insure compliance with an agreement between the governments of Egypt and Israel. H.J. Res. 683. Public Law 94– , approved 1975. (441)

State Department authorization: Authorizes $1,176,485,000 for fiscal year 1976 for the State Department, for international organizations, conferences and commissions, for information and cultural exchange and other purposes; authorizes the establishment and maintenance of a $25 million Emergency Refugee and Migration Assistance Fund; declares the sense of Congress concerning criteria for the selection and confirmation of U.S. Ambassadors; amends the basic legislation of the Arms Control and Disarmament Agency to strengthen its role in U.S. Government arms control policymaking and negotiations; establishes a Foreign Service grievance system; declares the sense of Congress concerning the presence of Soviet and American military forces in the Indian Ocean and littoral countries; requires a report from the President to Congress on the history of U.S. involvement with former inhabitants of Diego Garcia Island in the Indian Ocean; requires the President to direct the U.S. Ambassador to the United Nations to insist that the U.N. take steps to obtain an accounting of members of the U.S. Armed Forces and U.S. civilians missing in action in Southeast Asia and requires the President to report to Congress within 6 months on the action taken by the U.N.; and contains other provisions. S. 1517. P/S Sept. 11, 1975. (394)

TREATIES

International Office of Epizootics: Established an International Information Office of Epizootics to report on the outbreak of animal diseases, provide an exchange of technical information on the control of animal diseases and provide uniform sanitary codes for the movement of livestock and other animals in international trade. Ex. M, 93d–2d. Resolution of ratification agreed to May 5, 1975. (162)

Turkey—Military assistance: Amends the Foreign Assistance Act of 1961—and related continuing resolutions (the terms of which have expired)—to make possible on a contingent basis the resumption of United States military assistance to Turkey, and to provide that the President shall make monthly reports to the Congress on progress toward the conclusion of a negotiated solution of the Cyprus conflict. S. 846. P/S May 19, 1975; House rejected July 23, 1975. (190)

Turkey—Military assistance; Board for International Broadcasting: Authorizes the delivery to Turkey of approximately $185 million in defense articles which Turkey contracted for under the Foreign Military Sales Act prior to the start of the arms embargo on February 5, 1975; permits the issuance of licenses in connection with commercial sales; defers additional sales under the military sales program until enactment of authorizing legislation; requests the President to initiate discussions with Greece to determine the most urgent needs of Greece for economic and military assistance and requires a report by him to Congress within 60 days after enactment of this act on such discussions together with his recommendations for such assistance; requires a report from the President within 60 days on the progress made during this period toward the conclusion of a negotiated solution of the Cyprus conflict; requests the President to initiate discussions with Turkey concerning effective means of preventing the diversion of opium poppy into illicit channels; and

Authorizes $65,640,000 plus necessary amounts for statutory employee salary and benefits increases for the Board for International Broadcasting (Radio Free Europe and Radio Liberty) for fiscal year 1976. S. 2230. Public 94–104, approved Oct. 6, 1975. (373)

United Nations Peacekeeping Forces in Middle East: Authorizes such appropriations as may be necessary for the payment of the United Nations peacekeeping forces in the Middle East for the period beginning October 25, 1974, and $5.7 million in supplemental payments for the period prior to October 25, 1974, to meet the U.S. share of peacekeeping expenses in excess of those originally anticipated. S. 818. Public Law 94–37, approved June 19, 1975. (VV)

United States-Soviet trade: States the sense of the Senate that the President, during the negotiations on a multiyear agreement with the Soviet Union on the purchase of American grain, should attempt to negotiate an agreement whereby the Soviet Union would sell oil to the United States and that United States negotiators shall negotiate the purchase price for Soviet oil at a level which reflects the high value which it attaches to its grain resources. S. Res. 269. Senate adopted Oct. 2, 1975. (VV)

Vietnam and Cambodia—Humanitarian assistance: Authorizes the President to use any noncommitted funds available for military assistance for South Vietnam and Cambodia for humanitarian assistance for South Vietnamese and Cambodian refugees. S. 1696. P/S May 8, 1975. (VV).

Vietnam—Assistance and evacuation: Authorizes (1) the use of the armed forces, if the President determines such use is necessary, in the expeditious withdrawal of the remaining American citizens and dependents from South Vietnam and the withdrawal of such foreign nationals as may be brought out along with U.S. citizens and their dependents; (2) $177 million in unappropriated balances of previous authorizations for economic aid to Indochina which will be available for humanitarian assistance to and evacuation programs from South Vietnam; and (3) additional humanitarian assistance in South Vietnam in the amount of $150 million to be disbursed through international organizations and voluntary relief agencies to the extent feasible; requires a quarterly report from the President to the Congress regarding the amount and nature of assistance, the expected recipients, the organizations involved in the distribution and the means of distribution; and contains other provisions. H.R. 6096 (S. 1484). P/H Apr. 24, 1975; P/S amended Apr. 24, 1975; Senate agreed to conference report Apr. 25, 1975; House rejected conference report May 1, 1975. *NOTE*: (The conference report was rejected by the House because American evacuation of South Vietnam had been completed.) (145, 152).

Vietnam—Peace negotiations: Calls upon the President to request all Vietnamese parties to reopen discussion toward the implementation of the Agreement on Ending the War and Restoring Peace in Vietnam, to encourage those elements seeking a political settlement, and to make known that American assistance to all Vietnamees will depend on the degree of good faith efforts made by them to obtain a cease-fire and political solution to the conflict; and directs the President to report to the Senate, within 30 days, on the steps he has taken. S. Res. 133. Senate adopted Apr. 21, 1975. (VV)

Vietnamese refugee aid authorization: Authorizes $455 million, without fiscal year limitation, for assistance to and in behalf of Cambodian and Vietnamese refugees utilizing procedures and administrative machinery established under the Migration and Refugee Assistance Act of 1962; requires the President to keep the appropriate committees of Congress fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this act and requires submission of a plan for their resettlement or return, and further requires the President to submit periodic reports on the status of his efforts to retrieve all amounts previously authorized for assistance to South Vietnam and Cambodia excluding the $98 million allocated to the State Department for the movement of refugees. H.R. 6755. Public Law 94–23, approved May 23, 1975. (186)

Vietnamese refugees: States as the sense of the Senate that State and local governments, with the assistance of voluntary and civic organizations, should join with the Federal Government in assuming responsibility for the sponsorship, resettlement and assimilation of Indochinese refugees into American communities. S. Res. 187. Senate adopted June 18, 1975. (VV)

Vietnamese refugees welcome: Welcomes on behalf of the Senate the latest exiles to American shores—the refugees from South Vietnam and Cambodia. S. Res. 148. Senate adopted May 8, 1975. (168)

World Food Conference: Endorses the World Food Conference of 1976 to be held in Ames, Iowa from June 27 through July 1, 1976, and commends the Iowa State University of Science and Technology for a humanitarian undertaking of international significance. S. Con. Res. 19. Senate adopted Apr. 25, 1975; House adopted June 17, 1975. (VV)

MEMORIALS, TRIBUTES, AND MEDALS

Aleksandr I. Solzhenitsyn: Authorizes the President to declare by proclamation that Aleksandr I. Solzhenitsyn shall be an honorary citizen of the United States. S.J. Res. 36. P/S Mar. 20, 1975. (VV)

American Revolution Bicentennial Commemorative Medals: Authorizes the Secretary of the Treasury to strike and furnish to the American Revolution Bicentennial Administration a maximum of 25,000 medals commemorating up to 21 ethnic heroes of the American Revolution to be selected by the Bicentennial Administration. S. 371. P/S June 6, 1975. (VV)

Apollo-Soyuz Test Project: Congratulates the National Aeronautics and Space Administration and the Soviet Academy of Sciences on the joint Apollo-Soyuz Test Project. S. Res. 222. Senate adopted July 26, 1975. (VV)

Armed Forces Bicentennial Medals: Authorizes the striking of medals in commemoration of the bicentennials of the U.S. Army, the U.S. Navy, and the U.S. Marine Corps. H.R. 5708. Public Law 94– , approved 1975. (VV)

Bess Truman's birthday: Extends best wishes to Elizabeth Wallace Truman on the occasion of her ninetieth birthday. S. Res. 65. Senate adopted Feb. 7, 1975. (VV)

Boy Scouts of America: Pays tribute to the Boy Scouts of America on the occasion of its 65th anniversary. S. Con. Res. 6. Senate adopted Jan. 28, 1975. (VV)

Emperor and Empress of Japan: Extends to Their Majesties, the Emperor and Empress of Japan, a warm welcome and sincere good wishes from the American people on the occasion of their historic first visit to the United States. H. Con. Res. 402. Senate adopted Sept. 29, 1975. (VV)

Girl Scouts of America: Pays tribute to the Girl Scouts of America on the occasion of the 63d anniversary of its founding. S. Con. Res. 22. Senate adopted Mar. 6, 1975. (VV)

International Ladies Garment Workers Union: Commends the International Ladies Garment Workers on its 75th anniversary. S. Res. 194. Senate adopted June 25, 1975. (VV)

John C. Kluczynski Federal Building: Designates a Federal office building in Chicago, Illinois as the "John C. Kluczynski Federal Building". H.R. 4241. Public Law 94–84, approved August 9, 1975. (VV)

King Faisal, death of: Expresses the sorrow of the Senate upon the death of King Faisal of Saudi Arabia. S. Res. 120. Senate adopted Mar. 26, 1975. (VV)

Martin Luther King: Commemorates the forty-sixth anniversary of the birth of the Reverend Doctor Martin Luther King, Jr., on January 15, 1929, and honors his contributions to the cause of social progress and economic justice for all Americans. S. Res. 14. Senate adopted Jan. 16, 1975. (VV)

Rabbi Menachem Schneerson: Congratulates Rabbi Menachem Schneerson on the observance of his twenty-fifth anniversary, January 22, 1975, as leader of the Movement of Lubavitch. S. Res. 22. Senate adopted Jan. 21, 1975. (VV)

Roy Wilkins: Honors Roy Wilkins, Executive Director of the NAACP, on the occasion of his being named "American of the Year" by the American Religious Town Hall Meeting, Inc., in Dallas, Texas. S. Res. 35. Senate adopted Jan. 27, 1975. (VV)

Senator Morse's home: Expresses the sense of the Senate that the Secretary of the Interior assist the State of Oregon in the preservation and protection of the home of Senator Wayne Morse (a 26-acre ranch located in Eugene, Oregon) by making available to the State such assistance as may be available through programs under the administration of the Secretary. S. Res. 266. Senate adopted Sept. 26, 1975. (VV)

Tom Steed reservoir: Designates the Mountain Park Reservoir, Oklahoma, as the Tom Steed Reservoir. S. 1531. Public Law 94–77, approved August 9, 1975. (VV)

U.S. Flag display: Provides that the American flag may be flown for 24 hours of each day in Valley Forge State Park, Valley Forge, Pa. S.J. Res. 98. Public Law 94–53, approved July 3, 1975. (VV)

Vietnam veterans: Commends those Americans, living and dead, who participated in the Southeast Asian conflict and extends gratitude to them and their families. S. Res. 171. Senate adopted May 22, 1975. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

American Falls Dam replacement: Amends the Act authorizing the replacement of the American Falls dam through the use of non-Federal financing by the American Falls Reservoir District, Idaho to provide that the dam and related facilities constitute solely water facilities for purposes of section 103 of the Internal Revenue Code thus assuring that bonds issued by the reservoir district to finance such construction are tax exempt. S. 1152. P/S July 7, 1975. (VV)

Assateague Island National Seashore: Amends the 1965 law which provided for the establishment of Assateague Island National Seashore in the States of Maryland and Virginia to repeal sections 7 and 9 mandating the construction of roads and overnight and other public accommodations on the island and authorizes the Secretary of the Interior to hold hearings and make payments to the County of Worcester, Maryland, on claims for compensation for damages or other losses incurred by the county as a result of the repeal of these sections. S. 82. P/S June 4, 1975. (VV)

Franklin D. Roosevelt National Historic site: Authorizes the acceptance of additional lands for the home of the Franklin D. Roosevelt National Historic Site in Hyde Park, New York and authorizes an additional amount, not to exceed $104,000, for development purposes. H.R. 2808. Public Law 94–19, approved Apr. 30, 1975. (VV)

Grand Canyon National Park: Provides for a study of the enlarged Grand Canyon National Park for possible inclusion in the wilderness system pursuant to the provisions of the Wilderness Act. H.R. 4109. Public Law 94–31, approved June 10, 1975. (VV)

Guadalupe Mountains National Park: Authorizes the exchange of certain lands within the Guadalupe Mountains National Park, Texas for other lands which will provide an improved access road to the McKittrick Canyon portion of the park. S. 313. P/S June 4, 1975.

Hells Canyon National Recreation Area: Establishes the Hells Canyon National Recreation Area in the States of Idaho, Oregon, and Washington to be comprised of an approximate 100 mile area with specified parts designated as recreational, scenic and wild; and deauthorizes the Asotin Dam which was authorized under the provisions of the Flood Control Act of 1962. S. 322. P/S June 2, 1975. (VV)

Indian Trails: Provides for the study of the Indian Nations Trail in Oklahoma for possible designation as a National Trail under the National Trails System Act. S. 1123. P/S May 21, 1975. (VV)

Indoor recreation facilities: Amends the Land and Water Conservation Fund Act by adding new authority which permits a State to use not more than 25 percent of its total annual allocation from the Fund for the planning and development of sheltered recreational facilities within specified areas thus permitting the enclosure of swimming pools, ice skating rinks, tennis courts, and similar outdoor facilities for year-round use where climate now controls the season or where there is a shortage of available land. S. 288. P/S May 21, 1975. (VV)

Klondike Gold Rush National Historic Park; Authorizes the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park, an area of approximately 13,271 acres consisting of the following four units; Pioneer Square, Seattle, Washington and the Skagway, Chilkoot Trail, and White Pass uniats in Alaska. S. 98. P/S June 4, 1975. (VV)

Polecat Bench Area, Pick-Sloan Missouri Basin program: Authorizes the construction, operation, and maintenance of the Polecat Bench area of the Shoshone extensions unit of the Pick-Sloan Missouri Basin program in northwest Wyoming. S. 151. P/S August 1, 1975. (VV).

Reclamation Loan Projects: Amends the Rehabilitation and Betterment Act of 1949 to provide that organizations concerned with projects constructed under the terms of the Small Reclamation Projects Act, as amended, may be eligible and apply for loans in accordance with the Rehabilitation and Betterment Act of 1949 with repayment subject to the terms of the Small Reclamation Projects Act. H.R. 543. Public Law 94–102, approved Oct. 3, 1975. (VV)

River Basin monetary authorizations: Provides increased monetary authorizations of $186 million for fiscal year 1976 and the transition period July 1–September 30, 1976 for continuation of activities on four river basin plans (Arkansas River Basin—$4 million, Mississippi River Project—$158 million, North Branch Susquehanna River Basin—$22 million, and Santa Ana River Basin—$2 million) for flood control, navigation, power, and related purposes under the jurisdiction of the Secretary of the Army and the Chief of Engineers. S. 2270. Public Law 94–101, approved Oct. 2, 1975. (VV)

Saline water authorization: Authorizes $4.1 million for fiscal year 1976 for the Federal saline water conversion program conducted by the Secretary of the Interior including $250,000 for completion of research on the freeze crystallization process of water purification which was developed as an advanced water resalinization process. H.R. 3109. Public Law 94–38, approved June 19, 1975. (VV)

Touchet Division, Walla Walla project: Authorizes $22,774,000 plus such additional amounts as may be necessary to operate and maintain the Touchet Division, Walla Walla project, in the States of Oregon and Washington. S. 1922. P/S Oct. 9, 1975. (VV))

Volunteers in the Parks: Increases the annual authorization for the Volunteers in the Parks Program from $100,000 to $250,000. S. 896. P/S May 1, 1975. (VV)

Water resources planning: Amends the Water Resources Planning Act to extend the authority for financial grants to States for water resources planning; increases the rate of compensation for experts and consultants to the Water Resources Council and River Basin Commissions; provides authorizations for preparation of a national assessment and for regional and river basin plans; and revises the membership of the Water Resources Council. H.R. 5952. Public Law 94– , approved 1975. (VV)

WILD AND SCENIC RIVERS STUDIES

Allegheny River: Designates a 128 mile segment of the Allegheny River in the State of Pennsylvania for study for possible inclusion in the National Wild and Scenic Rivers System. S. 1004. P/S August 1, 1975. (VV)

Housatonic River: Designates a segment of the Housatonic River in the state of Connecticut for study for possible inclusion in the National Wild and Scenic Rivers System. S. 10. P/S August 1, 1975. (VV)

Wilderness areas:

Bristol Cliffs Wilderness: Modifies the boundaries of the Bristol Cliffs Wilderness Area, located in the Green Mountain National Forest, Vermont, by eliminating all privately owned lands and approximately 720 acres of noncontiguous National Forest lands thus reducing the size of the area from 6,500 acres to 3,775 acres. S. 2308. P/S Oct. 8, 1975. (VV)

Eagles Nest Wilderness: Designates a 128,084 acre area in the Arapaho and White River National Forests, Colorado as the Eagles Nest Wilderness. S. 268. P/S June 5, 1975. (VV)

Flat Tops Wilderness: Designates a 235,230 acre area in the Routt and White River National Forests, Colorado, as the Flat Tops Wilderness. S. 267. P/S June 5, 1975. (VV)

Sheep Mountain Wilderness: Designates a 52,000 acre area in the Angeles and San Bernardino National Forests as the Sheep Mountain Wilderness. S. 74. P/S August 1, 1975. (VV)

Wilderness areas studies:

Snow Mountain Defacto Wilderness: Designates an approximate 37,000 acre area in the Mendocino National Forest, California, known as the "Snow Mountain Defacto Wilderness Area" for study for possible inclusion in the National Wilderness Preservation System. S. 1391. P/S August 1, 1975. (VV)

NOMINATIONS

(Action by Rollcall Vote)

Alexander P. Butterfield to retired list U.S.A.F.: Authorizes the President to appoint Alexander P. Butterfield (formerly a retired colonel, United States Air Force, until he resigned his commission in order to meet the eligibility requirements that the Administrator of the Federal Aviation Administration be a civilian at the time of his nomination) to the grade of colonel on the retired list of the Regular Air Force with pay and other benefits based on a retirement date of February 1, 1969. S. 182. Senate rejected May 20, 1975. (193)

Stanley K. Hathaway, of Wyoming, to be Secretary of Interior: Nomination confirmed June 11, 1975. (220)

Carla Anderson Hills, of California, to be Secretary of Housing and Urban Development: Nomination confirmed Mar. 5. 1975. (44)

Thomas J. Meskill, of Connecticut, to be U.S. Circuit Judge for the Second Circuit: Nomination confirmed Apr. 22, 1975. (141)

Earl J. Silbert, of the District of Columbia, to be U.S. Attorney for the District of Columbia: Nomination confirmed Oct. 8, 1975. (430)

PROCLAMATIONS

American Business Day: Designate May 13 of each year as "American Business Day". S.J. Res. 15 P/S Mar. 20, 1975. (VV)

American Institute of Banking Week: Proclaims the week of May 25 to 31, 1975, as "National American Institute of Banking Week". S.J. Res. 58. P/S Apr. 18, 1975. (VV)

Buchenwald Concentration Camp: Proclaims April 6, 1975, as a day of observance of the liberation of the survivors of the Buchenwald concentration camp. S.J. Res. 56. P/S Mar. 20, 1975. (VV)

Proclaims April 6, 1975, as a day of observance of the liberation of the survivors of the Buchenwald concentration camp. S. Res. 123. Senate adopted Mar. 26, 1975. (VV)

Car Care Month: Designates May 1975 as "National Car Care Month". S.J. Res. 57. P/S Mar. 20, 1975. (VV)

Child Abuse Awareness Week: Designates the period of January 9 through January 15, 1975, as "National Child Abuse Awareness Week". S. Res. 43. Senate adopted Feb. 3, 1975. (VV)

Earth Day: Designates March 21, 1975, as "Earth Day". H.J. Res. 258. Public Law 94–8, approved Mar. 21, 1975. (VV)

Energy Conservation Month: Declares the period from February 16 to March 15, 1975, as "Energy Conservation Month"; requests the President to report to Congress by March 31, 1975, on the steps taken to promote energy conservation and their results and on any recommendations for legislation necessary to implement a continuing program of energy conservation; and requests the President to report monthly to the American people and Congress on the status of energy conservation initiatives and their effectiveness, domestic energy supplies and shortages, energy imports and the impact of available supplies or shortages on the economy of and employment in the United States. S. Res. 59. Senate adopted Feb. 5, 1975. (VV)

Good Neighbor Day: Designates the fourth Sunday in September of each year as "Good Neighbor Day." S.J. Res. 128. P/S Sept. 17, 1975.

Haym Salomon Day: Designates January 4, 1976, as "Haym Salomon Day." S.J. Res. 99. P/S Oct. 9, 1975. (VV)

Historic Preservation Week: Designates the week beginning May 12, 1975, as "National Historic Preservation Week." H.J. Res. 242. Public Law 94–21, approved May 9, 1975. (VV).

Hobby Month: Designates October 1975 as "Hobby Month." S.J. Res. 84. P/S June 19, 1975. (VV)

Honor America: Declares the 21-days from Flag Day through Independence Day as a period to honor America. S.J. Res. 92. Public Law 94–33, approved June 13, 1975. (VV)

Hunting and Fishing Day: Designates the fourth Saturday of September 1975, as 'National Hunting and Fishing Day." S.J. Res. 34. Public Law 94–96, approved Sept. 18, 1975. (VV)

Indian Day: Designates September 28, 1975, as "National Indian Day." S.J. Res. 44. P/S May 8, 1975. (VV)

Japan-U.S. Friendship Days: Designates September 30 to October 13, 1975, as "Japan-United States Friendship Days." S. Res. 270. Senate adopted Sept. 29 1975. (VV)

Music in Our Schools Day: Designates March 13, 1975, as "Music in Our Schools Day." S.J. Res. 18. P/S Feb. 19, 1975 (VV)

Newspaper Week: Designates October 5

through 11, 1975, as "Newspaper Week." S.J. Res. 46. P/S May 8, 1975. (VV)

Newspaper Carrier Day: Designates October 11, 1975, as "Newspaper Carrier Day." S.J. Res. 46. P/S May 8, 1975. (VV)

Norwegian-American Day: Designates October 9, 1975, as "Norwegian-American Day." S. Res. 135. Senate adopted June 19, 1975. (VV)

Saint Elizabeth Seton Day: Designates Sunday, September 14, 1975, as "National Saint Elizabeth Seton Day," S.J. Res. 125. Public Law 94–95, approved Sept. 11, 1975. (VV)

Shut-In Day: Designates the first Sunday in June 1975, as "National Shut-In Day". S.J. Res. 79. P/S May 8, 1975. (VV)

Ski Week: Designates the first Tuesday in January of every year as "National Ski Week". S.J. Res. 90. P/S Sept. 25, 1975. (VV)

Space Observance: Designates the period of July 16 through 22 as "United States Space Observance". S. Con. Res. 47. Senate adopted July 11, 1975. (VV)

Youth Art Month: Designates March 1975 as "Youth Art Month". S.J. Res. 8. P/S Feb. 19, 1975. (VV)

SENATE

Cloture rule: Amends rule XXII (cloture) of the Standing Rules of the Senate to change from two-thirds present and voting to a constitutional three-fifths of the membership (or 60 Senators) the number of Senators required to vote for ending debate except on a measure or motion to amend the Senate rules, which shall require an affirmative vote by two-thirds of the Senators present and voting. S. Res. 4. Senate adopted Mar. 7, 1975. (55)

Commission on the Operation of the Senate: Establishes a Commission to make an independent, impartial overall study of the organization and operation of the Senate including (1) the functioning of Members, officers, and employees in the light of the responsibilities of the Senate in the area of law-making, representation, and over-sight, (2) conflicts in the programming of business, (3) office accommodations and facilities, (4) information resources, and (5) internal management administrative support structure; does not include within the purview of the Commission an examination of the question of the jurisdictions of the committees over subject matter; provides for the appointment of 9 Commissioners from private life and 2 *ex officio* non-voting Commissioners who are presently officers or employees of the Senate; requires an interim report by March 31, 1976 and a final report, together with its findings and recommendations, by September 30,1976. S. Res. 277. Senate adopted July 29, 1975. (VV)

Committee expenses: Continues through May 31, 1975, the authority of Senate Committees to pay employees and make expenditures for inquiries and investigations. S. Res. 111. Senate adopted Mar. 17, 1975. (VV)

Continues through July 15, 1975, the authority of the Senate committees to pay employees and make expenditures for inquiries and investigations. S. Res. 191. Senate adopted June 23, 1975. (VV)

Continues through July 31, 1975, the authority of the Senate Committees to pay employees and make expenditures for inquiries and investigations. S. Res. 207. Senate adopted July 15, 1975. (VV)

Committee staffing: Amends Senate Rule XXV to authorize each Senator to employ personal staff persons to assist in committee duties; allows funds for this purpose in an amount equivalent to that for three professional positions—two for all standing committees except for the District of Columbia, Post Office and Civil Service, Rules and Administration and Veterans' Affairs Committees, and allows one position for these four standing committees and select, special, and joint committees; provides that a Senator who serves on three of the standing committees in the category for which two positions are provided and who does not serve on any of the other standing committees for which one position is provided may use all three positions for his standing committees; and offsets the number of positions allowed by the number of present employees allocated to a Senator. S. Res. 60. Senate adopted June 12, 1975. (225)

Amends S. Res. 60, to direct the Secretary of the Senate to make available for public inspection names and total aggregate compensation of any professional staff appointed to assist Senators in connection with their committee responsibilities. S. Res. 182. Senate adopted June 13, 1975. (VV)

Floor privileges: Amends rule XXXIII of the Standing Rules of the Senate to extend privileges of the Senate floor to the Parliamentarian Emeritus of the Senate. S. Res. 196. Senate adopted July 10, 1975. (VV)

Government intelligence: States as the sense of the Senate that the Senate should consider, after proper committee review, all legislative proposals to study government operations with respect to intelligence activities, improve existing or create additional mechanisms to provide continuing congressional oversight of such activities, and act upon any proposals by March 1, 1976; and further states that the Senate should pass by June 1, 1976 such necessary legislation to assure that the intelligence activities of the Federal Government are consistent with the Constitution of the United States. S. Res 231. Senate adopted July 31, 1975. (VV)

New Hampshire Senate debate—TV/radio coverage: Suspends Rule IV of the Rules for regulation of the Senate wing of the United States Capitol to permit radio, television and photographic coverage of all proceedings of the Senate in open session with respect to the determination of the contested New Hampshire Senate seat contingent upon prior agreements limiting debate thereon; provides that such broadcasting shall be in conformity with procedures agreed upon by the joint leadership; and requires the leadership to assure that the most advanced technology is employed in televising these proceedings especially with respect to the selection of cameras that require no additional lighting in the Senate Chamber. S. Res. 177. Senate adopted June 9, 1975. *NOTE:* (Agreement could not be reached between the networks and the joint leadership as to lighting requirements.) (VV)

New Hampshire Senate vacancy: Declares the New Hampshire Senate seat vacant immediately. S. Res. 202. Senate rejected July 9, 1975. (269)

New Hampshire Senate vacancy—committee funding: Declares a vacancy in the contested New Hampshire Senate seat as of August 8, 1975, so that New Hampshire may hold another election; authorizes the Select Committee on Nutrition and Human Needs to expend not to exceed $485,000 during the 1975 investigative year for increase in investigations. S. Res. 54. Senate adopted July 30, 1975. (VV)

Select Committee on Intelligence: Authorizes $750,000 for the establishment of an 11-member select committee composed of six Democrats and five Republicans to investigate and study governmental operations with respect to intelligence activities and the extent, if any, to which illegal, improper, or unethical activities were engaged in by any agency of the Federal Government or by any persons, acting individually or in combination with others, on behalf of the Federal Government; empowers the committee to require by subpena the attendance of witnesses and the production of evidence; directs an investigation of the following matters among others: (1) whether the Central Intelligence Agency has conducted an illegal domestic intelligence operation; (2) the conduct of domestic intelligence or counterintelligence operations against citizens by the FBI or any other Federal agency; (3) the origin and disposition of the so-called Huston Plan to apply intelligence agency capabilities against individuals or organizations within the U.S.; (4) the extent to which the FBI, the CIA and others coordinate their respective activities; (5) the extent to which domestic intelligence or counterintelligence activities within the United States by the CIA conform to its legislative charter; (6) past and present interpretation by the Director of Intelligence of the responsibility to protect intelligence sources; (7) the extent and nature of executive branch oversight as well as congressional oversight of all intelligence activities; (8) the need for specific legislative authority to govern the operation of any intelligence agencies of the Federal Government without explicit statutory authority, such as the Defense Intelligence Agency and the National Security Agency; (9) the extent to which intelligence agencies are governed by Executive orders, rules or regulations either published or secret and the extent to which these Executive orders, rules or regulations interpret, expand, or conflict with specific legislative authority; (10) violation or suspected violation of any State or Federal statute by any intelligence agency or person on its behalf, including surreptitious entries, surveillance, and illegal opening or monitoring of U.S. mail; (11) whether any of the existing laws are inadequate to safeguard the rights of Amercian citizens, to improve control of intelligence activities and to resolve uncertainties as to the authority of U.S. intelligence and related agencies; (12) whether there is unnecessary duplication of expenditure and effort in the collection and processing of intelligence information by agencies; and (13) the extent and necessity of overt and covert intelligence activities in the United States and abroad; authorizes the committee to recommend new legislation with regard to its findings and to make a final report of the results of the investigation; provides that the committee shall prevent disclosure of information relating to CIA or other intelligence activities which would adversely affect intelligence activities in foreign countries; prohibits committee personnel from accepting any honorarium, royalty or other payment for a speaking engagement, article, or book in connection with the investigation; and requires security clearance for employees who have access to classified information. S. Res. 21. Senate adopted Jan. 27, 1975. (1)

Authorizes the Select Committee to obtain data contained in tax returns provided that names, addresses, and personal identifications are presented in such a form as not to identify the individual tax returns from which the data is derived. S. Res. 167. Senate adopted May 22, 1975. (VV)

Amends S. Res. 21 to increase the authorization for expenditures of the Select Committee from $750,000 to $1.1 million of which not to exceed $300,000 shall be for the procurement of consultants. S. Res. 165. Senate adopted June 6, 1975. (VV)

Amends S. Res. 21 to increase the expenditure authorization of the Select Committee through February 29, 1976 from $1.15 million to $2.25 million of which not to exceed $600,000 shall be for the procurement of consultants. S. Res. 218. Senate adopted July 31, 1975. (VV)

Senate photograph: Provides for a temporary suspension of rule IV of the Rules for the Regulation of the Senate Wing of the Capitol (which prohibits the taking of pictures in the Senate chamber) for the purpose of permitting the United States Capitol Historical Society to photograph the Senate in actual session and authorizes the Sergeant at Arms to make the necessary arrangements with a minimum of disruption to Senate proceedings. S. Res. 217. Senate adopted July 25, 1975. (VV)

Witness fees: Increases the limitations with regard to daily witness fees and transportation expenses payable to witnesses summoned to appear before the Senate or any of its committees as follows: Witness fees—from $25 to $35 a day; transportation expenses for not more than 600 miles—from 20 cents to 35 cents per mile; and transportation expenses for more than 600 miles—from 12 cents to 20 cents per mile. S. Res. 17. Senate adopted June 4, 1975. (VV)

TRANSPORTATION-COMMUNICATIONS

Airport and airway development: Extends to September 30, 1975, the authorization for airport development grants contained in the Airport and Airway Development Act of 1970, as amended. S. 1972. P/S June 24, 1975. (VV)

Alaska Highway right-of-way: Amends the Federal-Aid Highway Act of 1973 to delete that portion of section 218(a) (1) which provides that the rights-of-way granted by the Canadian Government for the reconstruction of that segment of the Alaska Highway running through Canada "shall forever be held inviolate as a part of such highways for public use". S. 1245. P/S Sept. 4, 1975. (VV)

AMTRAK—Penn Central: Authorizes an additional $347 million to insure the continuation of essential rail services in the Northeast and Midwest under the Regional Rail Reorganization Act (Public Law 93–236); increases from $85 million to $282 million Federal grants to bankrupt railroads in the Northeast and Midwest to keep them in operation until a plan being developed by the U.S. Rail Association becomes effective after its submission to Congress by March 28, 1975; increases from $150 million to $300 million loan guarantees to bankrupt railroads to maintain and improve rail facilities until the new system is in operation and gives the Secretary of Transportation more flexibility in deciding how and when the guarantees will be used; provides a mechanism for allowing a Federal district court overseeing a reorganization to reconsider the decision that a bankrupt railroad was capable of reorganization on an income basis and thus outside of many parts of the Regional Rail Reorganization Act as in the case of the Erie-Lackawanna; clarifies the position of the Interstate Commerce Commission's Rail Services Planning Office during the reorganization period by making it explicit that they are to continue representing the interests of the small communities and users during the whole reorganizing process and authorizes the Office to hold public hearings on any supplement to the preliminary system plan; provides that no railroad in reorganization shall withhold from a State or subdivision any tax collected from a tenant of its property and imposes a maximum fine of $10,000 for violations; and contains other provisions. S. 281. Public Law 94–5, approved Feb. 2, 1975. (5, 28)

AMTRAK supplemental authorization: Provides a $63 million supplemental authorization for fiscal year 1975 to meet increased costs identified as (a) railroad performance incentive contract payments of an additional $21.5 million; (b) settlement of the Amtrak/Penn Central contractual dispute, which has resulted in an additional expense of $22.9 million; (c) additional expenses in Amtrak's car overhaul program of $5 million; and (d) increased operating costs primarily due to inflation of $49.7 million; and provides that the salary of the president of Amtrak may be as high as $85,000 instead of $60,000—the present salary ceiling. H.R. 4975. Public Law 94–25, approved May 26, 1975. (173)

Cargo vessel passenger: Amends section 26 of the Merchant Marine Act of 1920, as amended, to authorize the Coast Guard in an emergency situation to permit cargo vessels engaged in domestic trade to carry more than 16 passengers currently authorized by law. H.R. 5405. Public Law 94–85, approved August 9, 1975. (VV)

Federal-aid highway apportionments: Directs the Secretary of Transportation to apportion the $3.25 billion, previously authorized under the Federal-Aid Highway Act of 1970 for fiscal year 1977, for the Interstate Highway System and approves the 1975 cost estimate which contains apportionment factors for the several States. S. Con. Res. 62. Senate adopted Sept. 8, 1975. (VV)

Federal-aid highway projects: Increases the Federal matching share for Federal-aid highways and certain mass tranportation projects to provide States unable to meet the matching requirements for Federal-aid highway funds with moneys to cover Federal Highway Administration apportionments up to 100 percent. H.R. 3786. Public Law 94–30, approved June 4, 1975. (VV)

Maritime authorizations: Authorizes $562,933,000 for the following six categories of programs of the Maritime Administration for fiscal year 1975: (1) acquisiition, construction, or reconstruction of vessels and construction-differential subsidies; (2) ship operating-differential subsidies; (3) research and development; (4) reserve fleet; (5) maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and (6) financial assistance to State marine schools; authorizes additional supplemental appropriations for increases in salaries, pay, retirement, or other employee benefits authorized by law; and requires that at least one regional office of the Maritime Administration be maintained for each of the four major seacoasts (Atlantic, Gulf, Great Lakes, Pacific). S. 332. Public Law 94–10, approved Mar. 23, 1975. (VV)

Authorizes for the following six categories of programs of the Maritime Administration for fiscal year 1976: (1) acquisition, construction, or reconstruction of vessels and construction-differential subsidies; (2) ship operating-differential subsidies; (3) research and development; (4) reserve fleet; (5) maritime training at the Merchant Marine Academy at Kings Point, N.Y.; and (6) financial assistance to State marine schools; authorizes additional supplemental amounts for increases in pay, retirement, or other employee benefits authorized by law and in operating expenses of the Merchant Marine Academy; requires, subject to certain limitations, that not less than 10 percent of appropriated funds be allocated to serve the foreign trade requirements of the ports of each of the four seacoasts of the United States (Atlantic, Pacific, Gulf, and Great Lakes); and increases from $5 billion to $7 billion the limitation on the aggregate unpaid principal on obligations guaranteed by Title XI Federal ship mortgage guarantee program. S. 1542. P/H amended May 12, 1975; Senate agreed to conference report October 9, 1975. (VV)

Railroad safety—hazardous materials transportation authorizations: Authorizes $35 million for fiscal year 1976 and $8,750,000 for the transition period July 1, 1976 through September 30, 1976, to carry out the purposes of the Federal Railroad Safety Act of 1970 which prescribes regulations to ensure the safety of the Nation's railroads; includes: $18 million for safety inspection and enforcement activities and increases the number of inspectors from 350 to 500, $10 million for safety research and development, and $3.5 million for State participation programs; amends the act to require the Secretary of Transportation to supply more information on the transport of radio active materials by rail; and authorizes $7 million for fiscal year 1976 and $1,750,000 for the transition period July 1–September 30, 1976, to carry out the purposes of the Hazardous Materials Transportation Act which regulates the transport of hazardous materials by rail. S. 1462. Public Law 94–56, approved July 19, 1975. (VV)

Railroad temporary operating authority (Rock Island): Amends the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending a final determination by the Commission as in the case of the Chicago Rock Island and Pacific Railroad Company which has entered reorganization under section 77 of the Bankruptcy Act; authorizes the Commission to grant temporary approval of the operation of a railroad by another railroad applying to conduct such operations if failure to do so would result in the destruction of railroad properties or limit future usefulness with no direct cost to the Federal government; directs the Commision to report bi-monthly to Congress on the effects of any such orders issued; permits the Commission to extend service orders for not to exceed an aggregate of 240 days instead of the present 180 day period; and provides for repayment, within 30 days, to carriers ordered to so operate. S. 917. P/S Apr. 28, 1975; P/H amended June 23, 1975. (VV)

Railroad unemployment and sickness benefits: Amends the Railroad Unemployment Insurance Act to raise the maximum daily benefit for unemployment or sickness from $12.70 to $24 a day for the period July 1, 1975 through June 30, 1976, and to $25 a day thereafter; retains the basic benefit standards of replacement of 60 percent of most recent wages; provides a program of extended unemployment compensation benefits during periods of high unemployment for railroad employees with less than 10 years service so that they are protected as railroad employees with more service now are; changes the formula for employer contributions to increase the amount carriers pay into the railroad unemployment insurance fund; provides statutory authority for the Railroad Retirement Board to borrow funds from the Railroad Retirement Account if it finds that the unemployment insurance account is insufficient to meet its obligations for benefits; and contains other provisions. H.R. 8714. Public Law 94–92, approved August 9, 1975. (VV)

Shrimp fisheries: Amends the Offshore Shrimp Fisheries Act to implement amendments to the shrimp fishing agreement between the United States and Brazil (Ex. D, 94th–1st) by making technical amendments to the Act regarding the life of the agreement, the permissible number of vessels allowed to fish in a defined area at any particular time, the fees for licenses, and other changes needed to conform the Act with the new agreement. H.R. 5709. Public Law 94–58, approved July 24, 1975. (VV)

Tuna fisheries: Implements the agreement between the United States and other fishing nations on the management and conservation of Atlantic tunas (Ex H, 89th-2d); authorizes the Secretary of Commerce to administer the conservation program as it relates to fishing by U.S. citizens and vessels; directs the Secretary to implement conservation recommendations of the governing body created by the Convention, the International Commission for the Conservation of Atlantic Tunas; authorizes the use of the Coast Guard, the U.S. Customs Service, and where appropriate, those of coastal States to enforce the act; authorizes the President to appoint Commissioners and alternate Commissioners to represent the U.S. on the International Commission; establishes an advisory committee to the U.S. Commissioners; designates the Secretary of State as the U.S. agency to receive reports, requests and other communications of the Commission and respond thereto with the decisions to accept or object to recommendations of the Commission to be made jointly with the Secretary of Commerce, and the Secretary of Transportation to make such decisions in matters pertaining to enforcement; and contains other provisions. H.R. 5522. Public Law 94–70, approved August 5, 1975. (VV)

Urban mass transportation: Authorizes the Secretary of Transportation to use the $500 million (set aside out of the section 3 capital grant program under provisions contained in P.L. 93–503) for operating as well as capital assistance costs of public mass transportation service in rural and small urban areas (population less than 50,000) under terms and conditions similar to those now governing section 5 grants to urbanized areas; increases the number of transit managerial training fellowships available; expands the definition of "construction" in the capital grant program to include preliminary engineering; requires the Secretary to promulgate standards governing transportation planning and equipment and facilities design for all new rapid rail systems as well as for other vehicles integrated into the system including buses to assure that elderly and handicapped persons have the same rights as other persons to utilize mass transportation facilities and services; requires the Secretary to convert the two outstanding capital loans under the Mass Transit Loan Program, which is no longer in existence, into capital grants; and requires the Secretary to provide by February 1, 1976, a detailed estimate of major capital grants to be made in fiscal years 1977–1981 under the section 3 program. S. 662. P/S Sept. 15, 1975. (VV)

VETERANS

Disability compensation and survivors benefits: Provides a 12 percent cost-of-living increase in the rates of disability compensation for those veterans rated 50 percent disabled or less and a 14 percent increase for more severely disabled veterans rated 60 percent to totally and permanently disabled; provides a 12 percent cost-of-living increase in the rates of additional compensation for dependents of veterans whose disability is rated 50 percent or more; increases from $150 to $175 the annual clothing allowance for a veteran who because of his compensable disability wears or uses a prosthetic or orthopedic appliance, including a wheelchair, which tends to wear out his clothing; makes the effective date of an award of increased compensation the earliest date that it is ascertainable that an increase in disability occurred if the application is received within a year of such date; provides a 14 percent cost-of-living increase in the rates payable for dependency and indemnity compensation (DIC) for widows and children, as well as for additional allowances for those in receipt of DIC and death compensation in need of aid and attendance; and provides that the survivors of a veteran who was rated totally disabled and permanently service-connected disabled at the time of death would be automatically entitled to dependency and indemnity compensation. H.R. 7767. Public Law 94–71, approved August 5, 1975. (VV)

Veterans' Day: Redesignates effective January 1, 1978, November 11 of each year as Veterans' Day and makes such day a legal public holiday. S. 331. Public Law 94–97, approved Sept. 18, 1975. (VV)

Veteran's physician pay: Amends title 38, U.S.C. to provide special pay and other improvements designed to enhance the recruitment and retention of physicians, dentists, nursing personnel and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration thereby, giving VA physicians and dentists salary comparability with those in the military and Public Health Service who are eligible for special pay benefits above $36,000 under Public Law 93–274, the Uniformed Services Physicians Bonus Act. H.R. 8240 (S. 1711). (376) Public Law 94– , approved 1975.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for the purpose only of the introduction of statements, petitions, memorials, bills, and resolutions into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:20 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 8240) to amend title 38, United States Code, to provide special pay and incentive pay for certain physicians and dentists employed by the Department of Medicine and Surgery of the Veterans' Administration in order to enhance the recruitment and retention of such personnel, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 5708. An act to provide for the striking of medals in commemoration of the bicentennials of the United States Army, the United States Navy, and the United States Marine Corps.

H.R. 6151. An act to authorize appropriations for services necessary to nonperforming arts functions of the John F. Kennedy Center.

H.R. 8121. An act making appropriations for the Department of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

At 12:50 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the House has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 10029. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.J. Res. 683. A joint resolution to implement the United States proposal for the early-warning system in Sinai.

At 4:45 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 424) providing for an adjournment of Congress from October 9 until October 20, 1975.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT BY THE SECRETARY OF DEFENSE

A letter from the Secretary of Defense transmitting a secret report entitled "Improving the Combat Proportion of United States Forces in Europe" (with an accompanying report); to the Committee on Armed Services.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Follow Through: Lessons Learned from Its Evaluation and Need To Improve Its Administration" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting a report entitled "Critical Water Problems Facing the Eleven Western States" (with an accompanying report; to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE JUDICIAL CONFERENCE

A letter from the Director of the Judicial Conference of the United States transmitting a draft of proposed legislation to include United States magistrates within the coverage of section 1114 of title 18, U.S.C., which makes it a crime to kill any officer or employee of the United States designated by that section (with accompanying papers); to the Committee on the Judiciary.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to amend the National Firearms Act (with accompanying papers); to the Committee on the Judiciary.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered in the case of certain aliens (with accompanying papers); to the Committee on the Judiciary.

APPLICATIONS FOR EMERGENCY PROJECTS

A letter from the Executive Secretary of the Department of Health, Education, and Welfare transmitting a copy of a document entitled "Standards and Notice of Closing Date for Receipt of Applications for Emergency Propects" (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (with accompanying papers); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 4799. A bill to amend sections 6, 306, and 308 of the Rural Electrification Act of 1936, as amended (Rept. No. 94–424).

By Mr. McCLURE, from the Committee on Public Works, with an amendment:

S. 364. A bill relating to certain Forest Service timber sale contracts involving road construction (Rept. No. 94–426).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S.J. Res. 101. A joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week" (Rept. No. 94–427).

By Mr. BELLMON, from the Committee on Agriculture and Forestry:

S. Res. 285. An original resolution relating to participation by the Secretary of Agriculture in International Agricultural commodity negotiations (Rept. No. 94–428).

REPORT OF THE JOINT ECONOMIC COMMITTEE ENTITLED "THE 1975 MIDYEAR REVIEW OF THE ECONOMY" (REPT. NO. 94–425)

JOINT ECONOMIC COMMITTEE MIDYEAR REPORT

Mr. HUMPHREY. Mr. President, today I am filing a report of the Joint Economic Committee entitled "The 1975 Midyear Review of the Economy." Section 5 of the Employment Act of 1946 directs the Joint Economic Committee not only to report each spring on the recommendations in the Presidential Annual Economic Report but also from time to time to make such other reports and recommendations to the Congress as it deems advisable.

Particular importance attaches to the actions which we take on economic policy at this time. During the past year, the U.S. economy has been through the wringer. We have hit the bottom of the deepest recession since the 1930's. The unemployment rate will average well above 8 percent for 1975 as a whole.

The economy at last appears to be on the path to recovery. The challenge is to keep it on that path. In its report, the Joint Economic Committee concluded that we will stay on a recovery path only if additional actions are taken to support the economy during 1976. The committee has recommended both a tax cut which exceeds by $8 to $10 billion the extension of the 1975 tax reductions and an emergency jobs programs designed to take more than a million persons off of unemployment compensation and put them to work. Minority views and supplemental views of committee members are also included in this report.

This week the President has also recommended a large tax cut for next year. Apparently he and his advisers share the Joint Economic Committee's conclusion that we must act now to support the economy in 1976 and keep a strong recovery going.

The specific recommendations which the President has made on taxes and budget outlays do not in my judgment meet the needs of the economy as well as the combined tax reduction and emergency jobs program proposed by the Joint Economic Committee. I shall discuss this in more detail within the next few days when I introduce legislation carrying out the tax reduction recommendations made by the committee. Today I wish only to stress the fundamental point that quick and decisive action is necessary to sustain a recovery from last winter's disastrous economic collapse. I urge every Member of Congress to give careful consideration to the recommendations contained in the Joint Economic Committee's midyear report.

The PRESIDING OFFICER. The report will be received and printed.

HOUSE BILL REFERRED

The bill (H.R. 10029) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. LEAHY (for himself and Mr. Stafford):

S. 2504. A bill to provide for the price support of milk at not less than 85 per centum of parity. Referred to the Committee on Agriculture and Forestry.

By Mr. BENTSEN:

S. 2505. A bill to authorize a project for flood protection in and in the vicinity of Baytown, Texas. Referred to the Committee on Public Works.

By Mr. RIBICOFF (for himself, Mr. Randolph, Mr. Stafford, Mr. Pell, Mr. Hartke, Mr. Javits, Mr. Mondale, Mr. Weicker, Mr. Pastore, Mr. Bayh, Mr. Mansfield, Mr. Humphrey, Mr. McIntyre, Mr. Inouye, Mr. McGovern, Mr. Percy, and Mr. Jackson):

S. 2506. A bill to amend Title XVIII of the Social Security Act to provide for the furnishing of outpatient rehabilitation services. Referred to the Committee on Finance.

By Mr. MAGNUSON (for himself, Mr. Hatfield, Mr. Jackson, Mr. Packwood, Mr. Church, Mr. McClure, Mr. Mansfield, and Mr. Metcalf):

S. 2507. A bill to authorize construction of additional power generating facilities at the existing McNary Lock and Dam project, Columbia River, Oregon and Washington. Referred to the Committee on Public Works.

By Mr. MONDALE (for himself and Mr. Humphrey):

S. 2508. A bill to designate the new Poe lock on the Saint Marys River at Sault Sainte Marie, Michigan, as the "John A. Blatnik lock". Referred to the Committee on Public Works.

By Mr. PROXMIRE:

S. 2509. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and the Federal Reserve banks and their branches. Referred to the Committee on Government Operations.

By Mr. GRAVEL:

S. 2510. A bill relating to construction of natural gas pipelines for transporting Alaskan north slope natural gas to the lower forty-eight States. Referred to the Committee on Commerce.

By Mr. McCLURE (for himself and Mr. Church):

S. 2511. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho. Referred to the Committee on Agriculture and Forestry.

By Mr. ROTH:

S. 2512. A bill to control spending in 1975. Referred to the Committee on the Budget.

By Mr. BUCKLEY:

S. 2513. A bill to amend the Emergency School Aid Act with respect to eligibility for assistance. Referred to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY (for himself and Mr. Ribicoff):

S. 2514. A bill to establish an Emergency Intergovernmental Assistance Board and for other purposes. Referred to the Committee on Government Operations.

By Mr. KENNEDY (for himself, Mr. Schweiker, and Mr. Javits):

S. 2515. A bill to amend the Public Health Service Act to establish the President's Commission for the protection of human subjects involved in biomedical and behavioral research, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. DOLE (for himself, Mr. McClure, Mr. Ford, Mr. Fannin, Mr. Hansen, Mr. Hartke, Mr. Burdick, Mr. Laxalt, Mr. Humphrey, Mr. Stevens, Mr. Leahy, Mr. McIntyre, and Mr. Percy):

S. 2516. A bill to provide for further assistance to Senate committees in conducting evaluations of the efficiency and economy of Federal Government programs and their operation. Referred to the Committee on Government Operations.

By Mr. BURDICK:

S. 2517. A bill to amend title 5, United States Code, with respect to the retirement of customs and immigration inspectors, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. MUSKIE (for himself and Mr. Hathaway):

S. 2518. A bill to amend the Internal Revenue Code of 1954 to treat the noncash remuneration paid to certain workers on fishing boats as self-employment income for purposes of the Federal Insurance Contributions Act, and for purposes of Federal income tax withholding requirements. Refered to the Committee on Finance.

By Mr. HARTKE (for himself and Mr. Pearson) (by request):

S. 2519. A bill to amend the Regional Rail Reorganization Act of 1973. Referred to the Committee on Commerce.

By Mr. HARTKE (for himself and Mr. Pearson) (by request):

S. 2520. A bill to amend the Regional Rail Reorganization Act of 1973 to facilitate implementation of the final system plan by broadening the purposes for which assistance is available under title IV, and for other purposes. Referred to the Committee on Commerce.

By Mr. BELLMON (for himself, Mr. Dole, Mr. Huddleston, and Mr. Curtis):

S. 2521. A bill to amend the Consolidated Farm and Rural Development Act. Referred to the Committee on Agriculture and Forestry.

By Mr. TAFT (for himself, Mr. Hugh Scott, and Mr. Schweiker):

S. 2522. A bill to amend the Securities Exchange Act of 1934 to provide for the disclosure of certain information relating to persons intending to file tender offers and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CRANSTON:

S. 2523. A bill to amend the Emergency Loan Guarantee Act to permit the Emergency Loan Guarantee Board to guarantee the bonds of States and municipalities. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JAVITS:

S.J. Res. 139. A joint resolution to authorize the Secretary of the Interior to accept Saint Paul's Church, Eastchester, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIBICOFF (for himself, Mr. RANDOLPH, Mr. STAFFORD, Mr. PELL, Mr. HARTKE, Mr. JAVITS, Mr. MONDALE, Mr. WEICKER, Mr. PASTORE, Mr. BAYH, Mr. MANSFIELD, Mr. HUMPHREY, Mr. MCINTYRE, Mr. INOUYE, Mr. MCGOVERN, Mr. PERCY, and Mr. JACKSON):

S. 2506. A bill to amend title XVIII of the Social Security Act to provide for the furnishing of outpatient rehabilitation services. Referred to the Committee on Finance.

MEDICARE COVERAGE FOR REHABILITATION CENTERS

Mr. RIBICOFF. Mr. President, today, I am introducing legislation to bring some logic, simplicity and fairness to the medicare system as it affects outpatient rehabilitation facilities.

I am pleased that Senator JENNINGS RANDOLPH, the chairman of the Subcommittee on the Handicapped and an expert in the field of rehabilitation, has joined with me in offering this bill. Also joining as cosponsors are Senators STAFFORD, PELL, HARTKE, JAVITS, MONDALE, HUMPHREY, WEICKER, PASTORE, BAYH, MANSFIELD, MCINTYRE, MCGOVERN, PERCY, JACKSON, and INOUYE.

The bill will rectify a long-standing oversight in medicare by finally recognizing outpatient rehabilitation centers as providers under medicare and reimbursing them for the service which they provide. At present, only outpatient rehabilitation centers connected with a hospital are eligible for medicare reimbursement for a full range of services. Other centers are limited to payment for physical and speech therapy.

The step I am proposing makes outpatient centers more accessible to medicare beneficiaries, many of whom are now forced either to pay out of pocket for therapy or to receive treatment in the hospital or at an outpatient center connected with the hospital. Often this means more expensive treatment.

The patients who use these centers generally must undergo long periods of treatment. Typically they need rehabilitation to overcome disabling conditions produced by traumatic injuries, stroke, spinal cord injuries, neurological disorders, and cardiac problems. Rehabilitation is often essential to avoid recurrent hospitalization or admission to a nursing home.

At a time when programs such as medicare are becoming more and more costly it makes no sense to disallow medicare coverage in facilities which can provide high quality care at a relatively low cost. In the long run, we can save tax dollars by allowing patients to use the services of outpatient rehabilitation centers, and we can save costs for medicare beneficiaries who are hit hardest by inflation.

In Connecticut, we are most fortunate to have a strong network of outpatient facilities. In fact, a large portion of the capacity to provide high quality outpatient rehabilitation services rests with rehabilitation centers which are independent of hospitals. Through the seven comprehensive medical rehabilitation centers sponsored by the National Easter Seal Society, high quality care is provided not only in the centers but in the home and nursing homes as part of the Easter Seal outreach program.

In Connecticut, these centers are an integral part of our health care system and they have proved their effectiveness. They have enabled and assisted individuals in returning to their homes and gainful lives instead of being confined to nursing homes or hospitals. We recognize in our State that the traditional settings for medical care; for example, private doctors offices, hospitals, and nursing homes—must be updated to include new modes of care.

Specifically, my bill would make outpatient rehabilitation facilities eligible for reimbursement as providers under medicare for services which are covered under part B, if provided by an outpatient department of a hospital.

In addition, the Ribicoff proposal eligible for reimbursement. While medicare reimburses a hospital for all of the rehabilitation care it provides, including physicians' services, nursing care, occupational therapy, and other services such as inhalation therapy, medical social services, and the services of a licensed psychologist, nonhospital centers are not reimbursed.

Thus, while outpatient rehabilitation facilities often provide the same scope and quality of care rendered to outpatients by a hospital, such facilities are not treated the same as outpatient departments of hospitals. This is the case despite the fact that evidence from Connecticut indicates that rehabilitation centers provide care at almost 50 percent the cost of outpatient departments of hospitals. The result of present law is therefore to discriminate: Covering medicare beneficiaries who are in a position to obtain such services from a hospital and to deny coverage to beneficiaries who look to a rehabilitation facility for identical care. The result is also to encourage more costly care.

An additional inconsistency is that the present law does cover many of the services provided by a comprehensive medical rehabilitation center if provided under arrangements with a home health agency or a nursing home, but not if provided at the outpatient center. Skilled nursing facilities and home health agencies are reimbursed for nursing care, occupational therapy, medical social services, and in the case of a nursing home, any of the other rehabilitation services they ordinarily provide. It makes no sense to cover such services in the nursing home setting or in the home but not in an outpatient rehabilitation center. First, we should be encouraging outpatient care rather than discouraging it relative to institutional care. Second, the center often cannot provide its care in the home due to the nature of the equipment used. It is often less costly to transport the patient to the center where a number of services can be provided than to transport a number of professionals to the home.

Also, by treating the rehabilitation center as an equal partner in the health care system with hospitals, nursing homes, and home health agencies, my bill will serve to stimulate additional alternatives for those needing long-term care. It will foster the provision of rehabilitation care by these community-based centers for those who need not be institutionalized but do need rehabilitation health care and need it to the degree that home health care is not appropriate or efficient. In the comprehensive center, a chronically ill or disabled medicare beneficiary may receive a physician's services, nursing services, physical therapy, speech therapy, occupational therapy, or medical social services. In other centers, only a single service may be offered such as speech therapy, but the nature of the services and equipment may necessitate a visit to a center, rather than a home visit. By expanding such cummunity based care, my bill will assist in developing the resources necessary to enable our elderly and disabled to remain in their homes with their families and in a setting they know rather than in institutional settings which are foreign to them, costly and encourage their dependency.

To avoid any question in administration, my bill contains a definition relating to outpatient rehabilitation services. I wish to emphasize that this definition reflects those services which are now covered by medicare when provided to outpatients by a hospital. The inclusion of this definition is not intended to establish a new benefit under medicare, but rather to clarify a benefit which exists in the course of permitting its provision in a different setting. The definition provided includes the requirement, long a part of rehabilitation, that there be a plan for each patient specifying goals of improved function or the prevention of deterioration in function. Medical rehabilitation has long held itself accountable for such measurable goals which results in many respects in the effectiveness of the program.

The bill also includes a definition of rehabilitation services to clarify in the law what rehabilitative care is, both inpatient and outpatient. Just recently two decisions in the Federal district courts were necessary to attempt to clarify this area, and I do not believe the medicare beneficiaries should have to resort to the courts to receive that to which they are entitled. In these two cases, Westgard against Weinberger and Shiffer against Weinberger, chronically ill elderly people were denied reimbursement under medicare for rehabilitation care, because the intermediary and HEW overruled the judgement of the attending physician and the utilization review committee that inpatient rehabilitative care was necessary and not custodial. This definition specifies that the care may be restorative or preventive. Hopefully, this definition will provide direction to HEW so that future court action in this important area of rehabilitative care is unnecessary. It should also be clear from this definition that the judgment as to the type and level of care is one determined by the various professionals involved and specified in the plan.

This bill is consistent with a variety of amendments added to medicare in recent years to encourage the provision of covered services on an outpatient basis and to reduce the emphasis on inpatient care with its high costs. The bill defines outpatient rehabilitation services to include the following: Physician services, including diagnostic, evaluation, and therapeutic services; physical therapy, occupational therapy, inhalation therapy, and speech therapy prosthetic and orthotic devices, including testing fitting or training in the use of prosthetic or orthotic devices; social and psychological services; nursing care provided by or under the supervision of a professional nurse; supplies, appliances, and equipment; such other services as are medically necessary for the mental and physical restoration of the patient, or the prevention of his deterioration, and are ordinarily furnished by a hospital.

Outpatient rehabilitation facilities are typically community-based, nonprofit organizations similar in organization and governance to hospitals, but providing services on an outpatient basis. A number are affiliated with national organizations identified with physical restoration, such as the Easter Seal Society. Outpatient rehabilitation facilities are generally subject to State licensing and may be accredited by the Commission on the Accreditation of Rehabilitation Facilities. To assure that adequate standards of care apply to services provided by such facilities as a public or private institution which is primarily engaged in providing a program of diagnostic, therapeutic, and restorative services under the direction of physicians to outpatients addressed to the rehabilitation of injured, disabled, or sick persons; maintains adequate clinical records on all patients; has bylaws in effect with respect to its staff or physicians; has a requirement that every patient must be under the care of a physician; provides nursing services rendered or supervised by a registered professional nurse consistent with the needs of its patients; is licensed pursuant to such law, or is approved by the agency meeting the standard established for such licensing; meets such other requirements as the Secretary finds necessary in the interests of the health and safety of patients served by the institution.

Mr. President, I have received valuable counsel in the preparation of this bill from a number of national organizations concerned with rehabilitation, such as the National Easter Seal Society for Crippled Children and Adults, the Connecticut Easter Seal Society and personnel from the local Easter Seal Centers in Connecticut, the International Association of Rehabilitation Facilities, the American Congress of Rehabilitation Medicine, and the Academy of Physical Medicine and Rehabilitation. These organizations and others in the field of rehabilitation care support this bill. Dr. Howard Rusk, the eminent leader in the field of rehabilitation, supports this bill, as do many other leaders in the field of rehabilitation such as Edmund McLaughlin, the director of the Bridgeport, Conn., Easter Seal Rehabilitation Center, and former president of the Easter Seal Executives Association.

By Mr. MAGNUSON (for himself, Mr. HATFIELD, Mr. JACKSON, Mr. PACKWOOD, Mr. CHURCH, Mr. MCCLURE, Mr. MANSFIELD, and Mr. METCALF):

S. 2507. A bill to authorize construction of additional power generating facilities at the existing McNary Lock and Dam project, Columbia River, Oregon and Washington. Referred to the Committee on Public Works.

Mr. MAGNUSON. Mr. President, I am pleased to join with my colleagues in introducing legislation authorizing the Corps of Engineers to construct a second powerhouse at McNary Dam on the Columbia River.

Construction of the second powerhouse with, initially at least, 10 105-megawatt generating units, has been recommended by the Walla Walla district engineer, the North Pacific division engineer, and the Board of Engineers for Rivers and Harbors. A draft environmental impact statement was filed with the Council on Environmental Quality on August 22, 1975. In accordance with normal procedure, the Chief of Engineers on August 25 formally advised relevant State and Federal agencies of the Board's recommendation. Those agencies have 90 days in which to make any comments, and a final EIS will be filed following that period. Then the Secretary of the Army, through the Office of Management and Budget, can request Congress to authorize the project.

I certainly expect the administration will request Congress to authorize the project once the normal review process is completed, and I urge that the process be completed as rapidly as possible. However, my colleagues and I are introducing the necessary legislation now for the specific purpose of assuring that it may be acted upon by the Public Works Committee during its forthcoming consideration of the omnibus water resources development bill. I understand the Water Resources Subcommittee will begin its hearings on the bill later this month.

There is no doubt in my mind that Congress will ultimately authorize the Second McNary Powerhouse. Given the energy crisis, then, I believe it would be foolish indeed if Congress did not authorize the project in the forthcoming omnibus bill and thus assure the earliest possible construction start.

Energy, economic, and environmental considerations all argue for rapid completion of the second powerhouse.

As with the electricity produced by the existing generators at McNary Dam, the power generated by the additional units in the second powerhouse will be distributed through the Bonneville Power Administration transmission system to Washington, most of Oregon, about half of Idaho, Montana, and parts of Wyoming, Utah, and California. Electricity consumption in the region has been increasing at an annual rate of about 6 percent, and BPA as well as the Pacific Northwest Utilities Conference Committee presently estimate the demand for electricity will continue rising at that 6 percent rate. The region's utilities have underway 18 major thermal units which represent a non-Federal investment estimated at $13 billion. These and existing thermal plants will soon provide the bulk of the region's base electricity requirement. However, additional hydroelectric generating capacity such as the Second McNary Powerhouse still must be built if we are to even come close to meeting the region's future electricity requirements. This additional hydro capacity will be particularly essential for providing electricity during peak-demand periods.

The economic justification for the Second McNary Powerhouse is strong and compelling. The Corps of Engineers estimates construction of the powerhouse together with necessary ancillary facilities will cost $318 million. All but $498,000 of that cost will be paid back with interest to the general treasury over 50 years from power revenues. The annual benefit-to-cost ratio will be an extremely favorable 2.3 to 1.

Additionally, the Corps has determined that it would cost $29,035,000 more every year to produce the power that will be generated by the second powerhouse if that power were instead generated by the most likely alternative. We should note, too, that the annual power-producing potential of the proposed 10-unit powerhouse is equivalent to 1,260,000 barrels of oil. Given the priority attached to reducing oil imports, I do not think we need belabor the point. Suffice it to say that in building the Second McNary Powerhouse to help maximize the hydroelectric potential of the Northwest we will also be helping to reduce the Nation's consumption of imported oil.

Finally, given the necessity to build additional generating capacity, it makes much sense from an environmental perspective to construct the second McNary powerhouse. Like all hydroelectric projects, it will offer the substantial environmental advantages that come from using falling water, a nonpolluting renewable resource, to generate electricity. At the same time, construction of the powerhouse will not require construction of another dam, the chief environmental liability of hydroelectric generation. Instead, the new powerhouse will serve to maximize the power-producing potential of the existing dam. At the same time, by reducing spillage over the dam during high-water periods, the new powerhouse will also lessen the serious problem of nitrogen supersaturation of river water that often kills young fish migrating past dams.

Mr. President, I ask unanimous consent to have the text of the bill we are introducing printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is hereby authorized to construct additional power generating facilities and appurtenant features at the existing McNary Lock and Dam, Columbia River, Oregon and Washington, substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 94–   , at an estimated cost of $318,000,000.

CONSTRUCTION OF A SECOND POWERHOUSE AT M'NARY DAM WILL AID IDAHO

Mr. CHURCH. Mr. President, I join today with my colleagues from Idaho, Washington, and Oregon in introducing legislation to authorize the construction of a second powerhouse at McNary Dam. I have long felt that if we are to preserve in a natural state many of the free flowing rivers in the West, we must make the fullest possible use of existing structures. That is what this legislation to authorize the construction of a second powerhouse at McNary Dam would do.

As Senator MAGNUSON has pointed out, this project makes good sense environmentally. It requires the construction of no new dam. It will reduce spillage over McNary Dam in high power periods, reducing the problem of nitrogen supersaturation which often kills fish migrating past dams, and it does not raise the existing dam or increase its backwaters. It simply utilizes a resource currently available which is now being wasted.

The power produced by this new structure will be distributed to Idaho, Washington, and Oregon as well as Montana, portions of Wyoming, California, and Utah.

The economic arguments for the second powerhouse are strong, indeed. All but $498,000 of the cost of the structure will be repaid to the Government with interest over a period of 50 years from the revenues generated from power production. The annual power producing capacity of the second powerhouse is equal to 1,260,000 barrels of oil which is no small consideration when we remember the problem of oil dependency facing our Nation.

I am hopeful that the effort undertaken today will result in expediting the beginning of a necessary and justifiable project.

By Mr. MONDALE (for himself and Mr. HUMPHREY):

S. 2508. A bill to designate the new Poe lock on the St. Mary's River at Sault Sainte Marie, Mich., as the "John A. Blatnik Lock." Referred to the Committee on Public Works.

Mr. MONDALE. Mr. President, I speak today in tribute to one of Minnesota's most effective Congressmen; a man who will be long remembered by this Nation for his farsighted interest in the development of the Great Lakes and the St. Lawrence Seaway; my dear friend and distinguished colleague, Congressman John Blatnik.

Mr. Blatnik was first elected to Congress in 1946. Through 28 years of active and distinguished public service, until his retirement last year, he has been one of the greatest champions of the development of the St. Lawrence Seaway and of the improvement of navigation in the Great Lakes. He sponsored both the legislation authorizing construction of the seaway, and the legislation deepening and widening the connecting channels of the Great Lakes to depths commensurate with those of the seaway. As chairman of the House Public Works Subcommittee on Rivers and Harbors, Mr. Blatnik also authored legislation deepening the major harbors of the Great Lakes to accommodate oceangoing vessels. He has truly played a vital role in opening the ports of the Great Lakes to the trade routes of the world. His actions have helped bring prosperity to a great many people of the upper Midwest and throughout the Nation.

Mr. President, it is for these reasons that I am today introducing a bill to designate the new Poe lock on the St. Mary's River in Sault St. Marie, Mich., as the "John A. Blatnik lock."

The Blatnik lock would be a fitting and proper tribute to this great man; for as chairman of the Rivers and Harbors Subcommittee, he presided over its construction. It was during his service, in 1968, that it was completed and first opened to navigation. It is the largest of the interstate locks on the Great Lakes with a 1,200-foot length, a 110-foot width, and a 32-foot depth, and it is a crucial link in the water system connecting the Mesabi iron range, of Mr. Blatnik's own district, to the Chicago-Gary industrial complex of Lake Michigan. Its grand dimensions have permitted the utilization of "superlakers"; enormous 1,000-foot ore boats which carry iron ore and taconite from the Duluth area to the Lake Michigan industrial centers. The larger scale, being more economical, has encouraged the development of domestic iron ore for the Nation's important iron and steel industries rather than forcing the Nation to rely on imports from Labrador. It is in part the foresight and planning of Mr. Blatnik which has given the Great Lakes area its share of our Nation's commerce.

Mr. President, this legislation passed the House last year, but did not receive consideration in the Senate. I, therefore, urge its adoption, as a fitting and proper tribute to this great and distinguished man.

By Mr. PROXMIRE:

S. 2509. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and the Federal Reserve banks and their branches. Referred to the Committee on Government Operations.

Mr. PROXMIRE. Mr. President, I am introducing today a bill to authorize and direct the General Accounting Office—GAO—to audit the Federal Reserve System on a regular basis.

This legislation would place the Federal Reserve on an equal footing with other major Federal agencies, such as the Federal Home Loan Bank System, the Department of Defense, and the Treasury Department, all of which are routinely audited by the GAO to determine whether they are operating efficiently and economically and in accordance with the basic laws under which they were established.

Congress has the responsibility to oversee the various entities of the Federal Reserve System, just as it has oversight responsibility for all other parts of the Federal Government. The General Accounting Office, which is an arm of Congress, is the mainstay of this oversight function. The GAO provides Congress with independent and objective evaluations of how well agencies are performing, makes recommendations for improvements, and supplies other information for Congress to use in carrying out its legislative and oversight responsibilities.

The legislation I am proposing is virtually identical to H.R. 7590, sponsored by Congressman PATMAN and 120 other Members of the House of Representatives. This bill has been reported by the House Banking Committee. Let me now outline what my bill does.

First, it authorizes the Comptroller General to audit all parts of the Federal Reserve System—the Board of Governors, the Federal Advisory Council, the Federal Open Market Committee, and all the Federal Reserve banks and their branches and facilities, including transactions of the system open market account. In order to carry out this task, GAO is given full and unconditional access to all books, accounts, records, and any other papers and property belonging to or in use by the entities being audited, including examination reports of member banks.

Second, the bill directs the Comptroller General to report to Congress, within 6 months after the end of each fiscal year, on the results of the audit work performed for that year. He is also authorized to make any special or preliminary reports he feels are advisable to meet the needs of the Congress. The reports shall include any comments and recommendations which the Comptroller may deem advisable, based on the findings of the audit work. These would include recommendations for more efficient and economical administration of the system, and the reports would also point out any program, financial transaction or undertaking carried on without adequate statutory authority.

The bill makes it clear, however, that the GAO reports shall not make any recommendations with respect to monetary policy. Congress already conducts extensive oversight hearings on the Federal Reserve's monetary policy every 6 months, as provided in House Concurrent Resolution 133. So far as I know, the Comptroller General has never claimed that the GAO ought to or has the capability to make any recommendations regarding monetary policy, and in any case the bill specifically prohibits GAO from getting into monetary policy.

Finally, the bill authorizes GAO to employ additional permanent and temporary employees needed to carry out its responsibility to audit the Federal Reserve System.

Mr. President, there is an obvious and compelling need for a full, thorough, and continuing GAO audit of the Federal Reserve System's operations and expenditures.

Consider the magnitude of the Fed's operations. As of December 31, 1974, the system held about $86 billion in U.S. securities, which amounts to about 20 percent of the national debt. In 1974, the 12 Reserve Banks had total income from operations of $6.3 billion, of which 96 percent was derived from interest on these securities. Also last year the Federal Reserve System spent $548 million for its administrative operations. Of this amount, the Board of Governors alone spent $43 million, about 8 percent of the total. Furthermore, Federal Reserve spending has risen rapidly—over 200 percent in the last 10 years. To a large extent, this reflects added responsibilities imposed by Congress. During the same period, the Federal budget, as a whole, has risen by 126 percent.

Can anyone argue that Congress does not have a responsibility to the American people to conduct thorough oversight of the Federal Reserve System, which carries out such diverse and essential tasks as food stamp redemption, currency destruction, and check clearing. And, would anyone argue that Congress can do a decent job of overseeing the Fed in the absence of regular audit reports from the General Accounting Office?

The bill I am introducing today gives the GAO authority to audit all of the operations and activities of the Federal Reserve System, and to receive all information necessary to perform this task, without exception.

Some have argued that many of the system's records and transactions are too sensitive to expose to GAO scrutiny. I see no grounds for such fears. The GAO routinely has access to information just as sensitive, if not more so, from other Federal agencies, such as the Defense Department, and the strict procedures the Office has established for handling such information insure that no improper disclosure can take place, and none ever has.

I should point out that, as an additional safeguard, the legislation includes specific language prohibiting GAO from identifying individual transactions in its reports. However, in view of the Office's own policies regarding confidentiality, I personally do not feel such language is really necessary to protect sensitive information.

It is vital, though, that GAO's access to this information be complete and unimpeded, or it cannot adequately perform its audit responsibilities. As Comptroller General Staats pointed out in a letter to Congressman PATMAN:

> If the auditor is deprived of important information, there is no way he can be expected to make a fair and objective audit that takes into account all important factors relating to the problems being evaluated.

Mr. President, the proposal to authorize GAO to audit the Federal Reserve is important legislation. It is also a thoroughly reasonable proposal.

I believe there has been a great deal of misunderstanding about this legislation—misunderstanding which has generated controversy going far beyond the intent and potential impact of the measure. There is no intent to involve GAO in monetary policy. The bill in fact precludes such involvement.

As one who has dealt with the GAO on numerous occasions over the years, I can assure my distinguished colleague that GAO audit reports are always thorough and balanced and scrupulously fair to all parties concerned.

Finally, I feel compelled to point out that most agencies can and do gain considerably from having the benefit of GAO's expert advice and recommendations for better management. The agency gains, and so does the American taxpayer. The General Accounting Office has estimated that recommendations made in connection with its audits of various Federal agencies in calendar year 1974 alone would achieve a one-time savings of $562 million and that of the total, $166 million in savings would recur annually thereafter. Furthermore, the audited agencies have agreed with these estimates.

For all these reasons, Mr. President, I believe that we need GAO audits of the Federal Reserve System, and the bill I am introducing today will give GAO full authority to make such audits.

The Senate Committee on Banking, Housing and Urban Affairs, of which I am chairman, will hold hearings on S. 2285, the Federal Reserve Act Amendments of 1975, on October 20, 21, and 24. Because the audit bill, like S. 2285, is concerned with making the Federal Reserve more accountable to Congress, the committee will consider it as well in the course of those hearings.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 2509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Comptroller General of the United States shall, under such rules and regulations as he shall prescribe, audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and all Federal Reserve banks and their branches and facilities, including transactions of the System Open Market Account.

(b) In making the audit required by subsection (a), representatives of the General Accounting Office shall have access to books, accounts, records, reports, files, and all other papers, things, accounts, records, reports, files and all other papers, things, and property belonging to or in use by the entities being audited, including reports of examinations of member banks, from whatever source. Except that reports required by subsection (c) shall not identify individual transactions. They shall be afforded full facilities for verifying transactions with balances or securities held by depositaries, fiscal agents, and custodians of such entities.

(c) The Comptroller General shall, within six months after the end of each fiscal year, or as soon thereafter as may be practicable, make a report to the Congress on the results of the audit work performed for such year, and he shall make any special or preliminary reports he deems desirable for the information of the Congress. A copy of each report made under this subsection shall be sent to the President of the United States, the Federal Reserve Board, and the Federal Reserve banks. In addition to other matters, the report shall include such comments and recommendations as the Comptroller General may deem advisable, including recommendations for attaining a more economical and efficient administration of the entities audited, and the report shall specifically show any program, financial transaction, or undertaking observed in the course of the audit which in the opinion of the Comtproller General has been carried on without authority of law: *Provided, however,* That the reports made pursuant to this subsection shall not contain any recommendations with respect to monetary policy.

(d) In carrying out his responsibilities of this Act, the Comptroller General is authorized to employ not to exceed five experts on a permanent basis, and other employees on a temporary or intermittent basis, at a rate (or the daily equivalent) for individuals not to exceed that prescribed, from time to time for level V of the Executive Schedule under section 5316 of title 5, United States Code.

By Mr. GRAVEL:

S. 2510. A bill relating to construction of natural gas pipelines for transporting Alaskan North Slope natural gas to the lower 48 States. Referred to the Committee on Commerce.

Mr. GRAVEL. Mr. President, today I am introducing a bill which is vital to the expansion of our domestic supply of natural gas. It is a bill to expedite the decisionmaking process on the selection of a route for a natural gas pipeline which would bring gas from the North Slope to consumers in the lower 48.

As I am sure my colleagues are aware, there are two competing pipeline projects. One, the Arctic gas project, would bring a pipeline from Prudhoe Bay to the Mackenzie Delta and down the length of Canada. The second project, the El Paso project, proposes to build a gas pipeline which would parallel the present trans-Alaska oil pipeline route. The gas would be liquefied at Gravina Point and shipped via tanker to Los Angeles where it would be regassified and distributed via existing pipelines. Both of these companies have filed with the Federal Power Commission for a certificate of convenience and necessity. Hearings began in March and their completion date is unknown.

The gas reserves in the Prudhoe Bay area are vital to the Nation's future. DeGolyer & MacNaughton, a firm of oil and gas geologists, have estimated the proven salable reserves to be approximately 24 trillion cubic feet, or more than 10 percent of the Nation's gas reserves. Moreover, that firm stated that exploration of the area has just begun. Potential reserves of 114 trillion cubic feet are "reasonable," according to their research. The real solution to our Nation's natural gas shortage is contained in the fullest possible development of these reserves.

Gas curtailments have increased an average of 30 percent over last year's figures. The shortage this winter is expected to have a substantial impact on unemployment.

Even the recent encouraging action of the Senate in supporting the concept of deregulation will not do as much for our Nation's economic well-being as will the development of new gas reserves in the frontier areas. Time is of the essence in this situation. We cannot afford to have the decision on the route of the gas pipeline unduly delayed within the executive agencies or in the courts.

This legislation would require the Federal Power Commission, the Department of the Interior, and any other appropriate agencies to render a decision on the route by June 30, 1976. This would give them ample time to conclude their hearings, evaluate the evidence and arrive at a decision if the agencies are not forced to posture themselves for a judicial review of this matter. It is this preparation for possible judicial review that is so time-consuming in the regulatory process. It can force an agency to go far beyond a reasonable and prudent evaluation of the facts surrounding a controversy. It can drag out the proceedings for many extra months.

My legislation attempts to remedy this situation by substituting congressional review for judicial review except as it relates to claims which allege the invalidity of this section or the denial of of rights under the Constitution of the United States. These claims must be filed within 60 days of the enactment of this law. Any such proceeding shall take precedence over other matters on the docket and shall be expedited in any way possible.

Under this legislation the final decision of the Federal Power Commission, the Department of the Interior and any other agencies shall take effect at the end of a 60-day period beginning on the day the decisions are transmitted by the Chairman of the FPC, the Secretary of the Interior and any other Federal officers to the Speaker of the House of Representatives and the President of the Senate. It will take effect only if both Houses of Congress do not enact a resolution disapproving such decision within the 60-day period.

Mr. President, this matter is of crucial importance to our effort to become energy independent. Congressional involvement of this sort is proper. During the past 2 years, we in the Congress have avoided taking meaningful action toward energy self-sufficiency. The authorization of the trans-Alaska oil pipeline has been the only thing we have done to increase the supply of domestically-produced oil and gas since the embargo. Expediting the approval of the decision on the gas pipeline would be just as significant.

By Mr. McCLURE (for himself and Mr. CHURCH):

S. 2511. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Idaho. Referred to the Committee on Agriculture and Forestry.

Mr. McCLURE. Mr. President, today Senator CHURCH and I introduce a bill to permit the Secretary of Agriculture to convey by quitclaim deed, for not less than fair market value, certain lands in Boise, Idaho. The lands are presently used for vehicle storage and shops and no longer adequately serve this purpose. The Forest Service desires to exchange this property, for fair market value, and to apply the proceeds of such sale to the construction of like facilities on another site. Precedent for this exists in 81 Stat. 464.

A successful exchange out of this property location would require any new owner to comply with all existing city code and zoning requirements. Any sale would be made only after the Secretary solicits public offers and only after careful consideration that the offers are in the public interest. The Forest Service anticipates using the funds from the property sale to construct like facilities on suitable property near the Boise Interagency Fire Center. This land is already in public ownership and is ideal for this purpose.

By Mr. ROTH:

S. 2512. A bill to control spending in 1975. Referred to the Committee on the Budget.

Mr. ROTH. Mr. President, I am today introducing legislation to force Congress to cut back Federal spending by an amount equal to any new tax cut. The President's approach to combine the tax and spending cuts makes sense and this legislation will enable Congress to accomplish that objective. While the final size of the tax and spending cuts may change as more information is developed on the economic situation, this legislation, sets the spending ceiling at $395 billion, enough to provide substantial reductions in income taxes.

I am sympathetic to the President's idea of a permanent reduction in income taxes to provide further stimulation to the economy, although I believe that there are other tax cut alternatives we should explore, such as my proposal to reduce income tax rates by the rate of inflation.

However, any tax cut that we adopt must be contingent on a substantial cutback in Federal spending. The President has said that he wants a commitment from Congress to hold the line on spending. But I believe that it is unrealistic to believe that a congressional promise to hold down spending would be kept in an election year. With so many Members of Congress running for President on big spending promises, I do not think we should risk runaway inflation by relying on an unreliable congressional pledge.

I believe that Congress should enact a bill setting a firm ceiling on Federal spending the same day it passes a tax cut bill.

Therefore, I intend to offer this spending ceiling legislation as an amendment to the tax cut bill in the Senate Finance Committee. If the committee refuses to accept the amendment, I plan to offer it on the Senate floor to see if Congress is really serious about reducing spending. While the legislation I am introducing today requires a $28 billion spending cut, I will be prepared to adjust the figure to whatever is the actual size of the final tax cut.

Unlike a vague commitment or pledge, Congress would not be able to ignore legislation setting a firm spending ceiling that is signed into law by the President. If this ceiling is signed into law as part of the tax cut legislation, the only way Congress could increase spending would be to pass a new law raising the ceiling. That type of bill would be subject to a Presidential veto, meaning that two-thirds of the Congress would have to be in favor of increased spending.

This procedure would be much more preferable to the existing congressional budget resolution procedure that enables Congress to set a rubbery ceiling on spending in the beginning of the year and then increase the ceiling as spending increases.

This spending ceiling legislation will put Congress feet to the fire and force it to stop spending the people's money. Combined with a tax cut, it will allow the people to decide for themselves how to spend their own money.

Congress has already wasted too much time talking and making excuses for its big spending habits. Members of Congress may benefit from their politically popular spending programs, but the average working family has to pay for these spending programs in higher taxes and increased inflation. Last year, the average American family spent a larger portion of its budget on personal income taxes, more than on food, clothing, or housing.

We must take action now to cut the growth of Government spending programs. The American people recognize that Federal deficits of $70 billion and Government expenditures of more than $1 billion a day are a primary cause of our economic problems, and its time that Congress recognized this.

A drastic cut in Government spending and taxes will increase all Americans' purchasing power, reduce the amount of Government borrowing, lower interest rates, and provide more capital for the creation of new jobs.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as "The Spending Control Act of 1975."

SEC. 2. The Congress finds and declares that:

(a) The President, in his address to the nation on October 7, 1975, requested Congress, in conjunction with a reduction in Federal income taxes, to establish a ceiling for budget expenditures and net lending during the fiscal year beginning October 1, 1976, of $395,000,000,000;

(b) The recurrent economic problems of increasing inflation and excessive levels of unemployment require a substantial reduction in the growth of Federal spending and taxation to increase consumer purchasing power and to reduce the level of Government borrowing.

SEC. 3. (a) Expenditures and net lending during the fiscal year beginning October 1, 1976, under the budget of the United States Government shall not exceed $395,000,000,000.

By Mr. BUCKLEY:

S. 2513. A bill to amend the Emergency School Aid Act with respect to eligibility for assistance. Referred to the Committee on Labor and Public Welfare.

Mr. BUCKLEY. Mr. President, I am today introducing a companion bill to legislation being introduced in the

House by Congressman LaFalce of the 36th District of New York which would amend the Emergency School Aid Act with respect to eligibility for assistance thereunder.

The Senate has just concluded a rather extended consideration of the amendment sponsored by the junior Senator from Delaware (Mr. Biden) which would have prohibited HEW from conditioning the receipt of any grants arising out of the Emerging School Aid Act on the assignment of students or teachers to schools other than those made by the local educational authority. Unfortunately, the Senate did not retain this important language. But I, and many other Members of this body, continue to feel that there are good and sufficient reasons why HEW should not have the authority to order under an assignment or reassignment in the absence of a court order finding that the local school authorities are guilty of acts of discrimination.

Last Monday, I had the privilege of chairing hearings in Buffalo, N.Y., on the matter of a continuing controversy between that city's school system and the Department of Health, Education, and Welfare. HEW has determined that the Buffalo public schools are not in compliance with the Civil Rights Act of 1964 because of what HEW determined to be an improper assignment of majority and minority faculty personnel in the individual schools within the school system. There was no charge by HEW that the Buffalo schools had in fact discriminated. What had happened was that a computer run of the faculty's racial composition in the various schools did not match the ratios deemed acceptable by the Department. The Department then announced that the renewal application for a $1.5 million grant under ESAA had on those grounds been rejected.

Mr. President, I have great difficulty with any Federal policy which requires the assignment of teachers or students to schools according to race. After holding the hearings at which many members of the community made their analyses, stated the consequences which would arise if the community capitulated, and voiced their opinions, I have tentatively concluded that there is something very wrong with HEW's present enforcement program. I do intend to report in the future more fully on the matter of the Buffalo Schools controversy, but by way of a tentative report I should like to share with my colleagues just two of the consequences to Buffalo which would arise under the HEW policy.

Among the persons from whom I heard was Mrs. John Mayo, the chief officer of the now famous Build Academy. The academy has been something of an experiment in community control of schools. While the Academy in part of the Buffalo public school system, it is allowed to operate along guidelines which are the product of the academy's own decisionmaking systems, which include administrators, teachers and, most importantly parents. One additional fact which I feel should be considered relevant to the case is that the Build Academy is a largely, if not exclusively, an institution of black Americans. It is predominantly black by virtue of the deliberate choice of black parents who are seeking the best possible educational opportunities for black children. It is organized on the proposition that parents, black or white, wish to control their own schools and to have a direct role in determining the destinies of their young.

What would happen to the Build under the HEW edict? It would be no less than destroyed. Nineteen out its 26 teachers would have to be transferred to come into compliance with HEW. Teachers, who volunteered to join the academy and who had to pass muster of parental oversight groups, would be transferred because HEW cares more for abstract doctrines than for community control over their public educational institutions.

The second consequence would be to disrupt, at the beginning of a school year experienced teams of teachers representing educational continuity of a kind highly important to quality education. Under the HEW orders some of the best and brightest of teachers, black and white, would be transferred without regard to any qualification other than race. Whether the teacher likes his or her assignment, whether the parents like the teacher, whether the teacher is doing his or her job are all equally disregarded in favor of an HEW computer, located in New York City, which comes up with a computer run which in effect says you cannot run your schools that way.

Mr. President, I think we all have had too much of this arbitrary, mindless pursuit of racial quota policies. It is important to note that we are not talking about a racist school system. Yet Buffalo and dozens of other communities throughout the country are being treated as if they are.

Mr. President, I send my bill to the desk and ask that it be appropriately referred.

I call upon the committee with jurisdiction, the Senate Committee on Labor and Public Welfare, to hold hearings on this legislation as soon as is practicable. Moreover, I call upon the Committee to go out into the country, to get away at least temporarily from those in HEW, to hear what the people are saying about HEW's and the Federal Government's policies on the matter of mandating racial quotas. They should hold their hearings in Buffalo so that they might hear the compelling testimony I have heard. There is a need for the committee to hear from the people who are out there working, and doing their best for their children. It is time Washington heard from more than those organizations based here which have been formed to support these policies but which while well motivated are clearly out of touch with America.

By Mr. HUMPHREY (for himself and Mr. Ribicoff):

S. 2514. A bill to establish an Emergency Intergovernmental Assistance Board and for other purposes. Referred to the Committee on Government Operations.

EMERGENCY INTERGOVERNMENTAL ASSISTANCE ACT OF 1975

Mr. HUMPHREY. Mr. President, I rise today to introduce the Emergency Intergovernmental Assistance Act of 1975, legislation which will provide a source of credit to States and municipalities which are unable to obtain financing today. It is a reasonable and sensible approach which incorporates stringent controls on the Federal Government's commitment.

I must confess that New York City's financial crisis is one of the most complex issues that I have confronted in my many years of public service. Uncertainties abound at every turn and few have been able to sort fact from fallacy. Even the most distinguished experts have been unable or unwilling to clearly and substantively identify the scope and dimensions of the problem. Yet, every possible public solution, including the "do-nothing-until-default" alternative advocated by the administration, carries with it great risks and undetermined liabilities.

However, if one examines this issue more carefully, it is clear that the question before the Congress is not "Should the Federal Government provide assistance to New York City?" but, rather, "Should the Federal Government provide assistance before or after default?"

Let me explain to my colleagues what I mean by this statement. If the Federal Government does not assist New York City by mid-December, the city will most probably default on its obligations before the end of the year. But the act of default will not eliminate the need for the city to borrow. The city will have to borrow approximately $1 billion in January, February, and March in anticipation of real revenues that will be received later in the fiscal year.

In addition, the city will have to borrow to help cover the deficit this year—a borrowing which even those who are calling for large cuts in the operating budget of the city realize is necessary. If the city cannot obtain these funds—which is most probable if the city were in default—it would simply be unable to meet payrolls, to issue assistance checks and to provide services. Clearly, the result would be chaos. At this point, the Federal Government would have no choice but intercede.

It is this fact of life which causes me to conclude that there is no constructive purposes to be served by default. Federal assistance will be necessary even subsequent to default. In fact, the need for Federal assistance may even be greater if the effects of default are as serious as some have projected.

New York City's financial crisis is undoubtedly one whose significance extends far beyond the boundaries of New York City and New York State. To be sure, the 8 million Americans who reside within the boundaries of the city will be most directly affected. Even without default, they face significant cutbacks in services, freezes on employee wages, and work force reductions which will undoubtedly have a severe impact on the regional economy. In fact, most of these steps have already been taken.

However, with default, the consequences for the city would be unfathomable.

This issue becomes all the more serious when it is recognized that the State is now involved in the finances of the city. It is likely that the mere existence of default will greatly jeopardize the State's own ability to obtain financing in the capital markets. We must all understand that the State will have to borrow up to $4 billion for its own purposes and functions by June 1976, a feat which would be improbable should the city default and further increase skepticism about any security with the name New York on it.

But the problems extend far beyond the boundaries of the city and the State. Interest rates in the municipal bond market have soared to usurious levels. A few cities have even had to pay above 10 percent interest on a tax exempt security. Ironically, these cities are really just innocent victims of the uncertainty caused by the New York City situation. These cities are not fiscally irresponsible. They are not bad credit risks. They do not have huge operating deficits. They are simply victims of a situation over which they have no control.

We had a panel of 13 mayors testify 2 weeks ago before the Joint Economic Committee in support of Federal aid to New York City. Mayors came from all over the country, from the central cities and the suburbs. They could easily have said, "This is a New York problem and we do not want to get involved." But they realized very early that such a policy would be penny-wise and dollar-foolish. It was not any great affection or benevolence for New York City that precipitated their supportive testimony, but a clear appreciation of the fact that the uncertainty caused by New York's financial crisis was costing all of them millions of dollars——not just this year but many years to come.

There is even a very real threat that a default by New York City could seriously weaken the nationwide economic recovery that is now underway. Yesterday, Chairman Arthur Burns of the Federal Reserve System testified before the Joint Economic Committee and said:

> I recognize that a default, besides being a very serious matter for the City and State of New York could have troublesome consequences for the Nation at large.

It is certainly conceivable that interest rates will rise if the city should default, putting a crimp into many investment plans. Moreover, lending institutions that own a large number of municipal bonds will undoubtedly be very cautious in their extensions of credit.

We have even seen the first examples of international concern about New York City's financial crisis. Last week, Helmut Schmidt, Chancellor of West Germany, warned of an international "domino effect" should New York City be allowed to default. Yesterday, the New York Times contained an article which cited quotations from several international economic experts warning of the international repercussions of a default. To quote just one, Christopher Gruebles, director of the Union Bank of Switzerland:

> We feel that it (default) would seriously affect capital markets and might also affect the dollar.

The legislation that I am introducing today, the Intergovernmental Emergency Assistance Act, provides a simple and reasonable mechanism for averting municipal defaults and bankruptcies and the serious consequences that would ensue.

It is simple so that it can be implemented quickly to meet the immediate crisis. Yet, the requirements that it imposes are sufficiently stringent that only the worst cases will apply and qualify.

The bill establishes an Emergency Intergovernmental Assistance Board composed of five members—the Secretary of the Treasury, the Secretary of Housing and Urban Development, and three members appointed by the President with the advice and consent of Congress. The Board will determine, by majority vote, the eligibility of jurisdictions that apply for assistance.

If the Board approves an applicant, its recommendation is passed on to the Secretary of the Treasury who must then provide assistance through a guarantee of a taxable State or local government general obligation bond.

Any State will be eligible when it fails in a bona fide attempt to obtain private financing. Local governments must (a) apply with the approval of a State; (b) have failed in an attempt to obtain private financing; and (c) be certified by the State that all State remedies have been exhausted and that further State assistance will jeopardize the credit-worthiness of the State. Through these provisions we are assured that all reasonable non-Federal remedies have been exhausted.

The major prerequisite for assistance under my proposal is that each State must submit to the Board, for itself, or for the eligible local government, a 3-year financial plan. The plan shall detail the applicant's projected revenues, expenditures, scheduled borrowings, and other information as the Board shall require. The plan, which the State will be responsible for enforcing, must also contain (a) specific proposals to assure the achievement of a balanced operating budget within 2 years, (b) specific proposals for the retirement of the applicant's noncurrent short-term debt, and (c) specific assurances that the State will allow the eligible local government to raise whatever taxes are necessary to avert default. No expenditures or borrowing will be permitted unless they are included in the plan. Any State which failed to enforce the provisions of the plan would have its entire revenue-sharing payment withheld until compliance is achieved.

It is these strong financial controls which make it unlikely that many governments will participate in the program. No local government will be willing to give up the power of the purse to the State unless its very survival is at stake.

The approach that this legislation takes, conforms very closely to the approach that Chairman Arthur Burns of the Federal Reserve System suggested in testimony before the Joint Economic Committee yesterday. While Chairman Burns did not advocate Federal assistance at this time, he did suggest that any assistance program should include the following elements:

First, strict limitations should be placed on eligibility so that Federal assistance is targeted only on cities and States in financial distress;

Second, the State should supervise the management of the city;

Third, the Federal Government should require a strict financial plan with no expenditures or borrowings permitted that are not included in the plan;

Fourth, a fee should be paid to the Treasury for the right to assistance; and

Fifth, a State tax should be levied to pay one-half of the annual operating deficit of the eligible unit of government.

The bill that I offer today incorporates four of these five elements. First, since an eligible government must issue taxable, rather than tax-exempt securities, it will pay a higher interest rate for its borrowing. This higher interest rate, combined with the relinquishing of the power of the purse, will prevent all but the hardship cases from applying. Second, the State will be responsible for approving and enforcing all of the elements of the plan, thus taking over the management of the city. Third, the approval of a strict financial plan is a clear prerequisite for receiving assistance under my legislation. Fourth, the legislation that I am introducing today imposes a fee of 1 percent for administrative and guarantee expenses.

The bill does not incorporate a special 1-year State tax because I believe a significant tax increase may be too difficult for the State to bear in the current recession. However, I would not rule out this suggestion if it could somehow be made less onerous and the economic impact thus reduced. My bill does take as collateral the State's revenue-sharing payment, which, in my opinion, is a negative sanction of comparable amounts.

The advantages of the bill, however, go well beyond the requirements that Dr. Burns mentions.

First, it is a temporary solution to a short-term problem. The bill is not a substitute for normal revenue collections. It will not affect existing activities in the tax-exempt market. Rather, it will temporarily supplement the tax-exempt market in those few cases where the market cannot meet the financing needs.

Second, the program is very carefully targeted to assist only the most financially strained States and municipalities. It requires that the State or city fail in a bona fide attempt to obtain private financing, thus limiting the program essentially to those States and cities that have lost their line of credit completely. Further, the interest cost of these notes will be above all but the most distressed bids in the tax-exempt market, screening out all States and cities that can obtain reasonable private financing. In addition, as I mentioned earlier, the city would be giving up control of its budget.

Third, the requirement for a strict

financial plan for balancing the city or State's budget and retiring its outstanding short-term notes develops a partnership in which the city, State, and Federal governments are working together to solve the recession-induced fiscal problems. This plan prevents the Federal Government from essentially taking over the management of the city. Development of the plan and control over finances is left to the State. On the other hand, the plan insures that the Federal Government will not be caught holding the bag of bad debts that no one else would reasonably purchase.

Fourth, this legislation incorporates a simple mechanism that can be quickly implemented, thus dealing with immediate crises that require immediate solutions.

Fifth, this legislation will have a very positive impact on issues in the tax-exempt market. It will significantly reduce the supply and demand pressures in the tax-exempt market, thus improving the bids for bonds and notes of all other States and cities. More important, however, it will temporarily remove from the tax-exempt market those bonds and notes which are creating the greatest uncertainties in the market and thus the greatest skepticism about tax-exempt securities.

Finally, the bill will actually make money for the Treasury by closing up the tax expenditure that tax exemption normally provides to the purchasers of these securities. The annual gain to the Treasury could be as much as $400 million. To be honest, there would be an offsetting rise in Treasury borrowing costs since this would expand the supply of Federal Government securities.

I feel compelled to discuss frankly and honestly the total value of the securities that the Federal Government must guarantee. The estimates of the Joint Economic Committee staff indicate that as much as $10 billion worth of city and State securities will have to be guaranteed to avoid a major default. This is no doubt a large sum of money, but there is no half solution to this problem. Anything less than this amount will merely delay default for 6 months, and at that point, the Federal Government will be holding the bag.

However, the Federal Government's actual liability is certainly far less than this amount. If we can judge from the experience of RFC loans to State and local governments in the 1930's, we will probably experience losses of less than 1 percent. More important than this historical precedent, however, is the fact that the city and State revenue bases are simply not going to disappear. In fact, the bill that I have introduced specifically mandates that States allow cities to raise taxes in order to avert default. This provision protects the Federal investment.

In the case of New York, we must take special note of the fact that the city pays approximately $1.6 billion in debt service annually. So, even if the Federal Government did guarantee $7 to $8 billion of city bonds, we could reasonably expect to retire this debt within a 10-year period.

The legislation that I introduce today is a reasonable and fiscally sound proposal to deal with a problem that we simply cannot afford to ignore. There may be other proposals that warrant serious attention—possibly direct loans or insured loans. But, I urge all of my colleagues to give this legislation careful consideration so that we can act before it is too late.

Mr. President, I ask unanimous consent to incorporate at this point in the Record the text of the Emergency Intergovernmental Assistance Act of 1975 and an explanation of the major provisions of the bill.

There being no objection, the bill and explanation were ordered to be printed in the Record, as follows:

S. 2514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Intergovernmental Assistance Act of 1975".

DEFINITIONS

Sec. 2. For the purposes of this Act—

(1) "general local government" means a city, town, county, or other general purpose subdivision of a State;

(2) "State" means a State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico;

(3) "applicant" means any State or general local government which has filed an application for assistance under the provisions of this Act.

ESTABLISHMENT OF BOARD

Sec. 3. (a) There is established in the executive branch of the Government, an Emergency Intergovernmental Assistance Board (hereinafter referred to as the "Board") which shall have succession for a period of 4 years from the date of enactment of this Act. The Board shall be composed of the Secretary of the Treasury, the Secretary of Housing and Urban Development, and three other members who are well qualified by training and experience to execute the duties of the Board, and who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) Members of the Board from private life shall serve for a term of 4 years, and any such member appointed to fill a vacancy shall be appointed only for the unexpired portion of the term. Each member of the Board from private life shall each be entitled to receive compensation at the daily equivalent of the annual rate of basic pay for grade GS–18 of the General Schedule for each day (including traveltime) during which he is engaged in the actual performance of his duties as a member of the Board.

(c) While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the government service are allowed expenses under section 5703(b) of title 5, United States Code.

FUNCTIONS

Sec. 4. It shall be the function of the Board to determine the eligibility of and approve applicants for assistance under this Act. Such determination shall be made by a majority vote of the Board after review of information submitted by an applicant in accordance with the standards established by section 5 of this Act. Such determination shall be made by the Board within ten days of the receipt of an application for assistance under this Act. Notification of a determination by the Board of the eligibility of an applicant shall be promptly transmitted to the Secretary of the Treasury.

AUTHORIZATION

Sec. 5. (a) Upon notification pursuant to section 3, the Secretary of the Treasury shall, upon terms and conditions prescribed by the Board, guarantee, or enter into a commitment to guarantee, holders of obligations issued by the applicant against loss of principal or interest payable on such obligations.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

STANDARDS AND CONDITIONS

Sec. 6. (a) To be eligible for assistance under this Act, an applicant must demonstrate to the satisfaction of the Board that—

(1) it has made a bona fide attempt to obtain private financial assistance and has failed in such attempt; and

(2) if the applicant is a unit of general local government, it has exhausted all attempts to obtain State assistance which the State can reasonably extend without damaging its own credit posture.

(b) No guarantee shall be made under this section unless the Board finds that—

(1) the obligation guarantee is necessary to the continued operation of the applicant; and

(2) the guaranteed obligation will be secured by the full faith and credit of the applicant which shall be recited and appear on the face thereof.

(c) Any obligation guaranteed by the Secretary shall become due and payable in full at any time not to exceed 10 years from the date of such obligation and shall be conditioned on the payment of a fee, not in excess of 1 per centum, to the Treasury by the recipient of the obligation guarantee in an amount sufficient to create a reserve against losses or defaults and to cover administrative expenses.

(d) Interest on obligations guaranteed under this Act shall not be tax exempt.

(e) If the applicant is a State, it shall furnish to the Board and the Secretary, and if the applicant is a general local government under the jurisdiction of such State, it shall furnish through that State with the endorsement of the Governor thereof, a plan which, subsequent to its initial submission by the applicant, may be amended by a majority vote of the Board, detailing the applicant's projected revenues, expenditures, scheduled borrowings, debt service costs, and such other information as the Board may require for a period of three years after the date of anticipated assistance under this Act. Such plan shall also contain—

(1) specific proposals designed to assure achievement of a balanced operating budget under standard accounting practices within two years of the receipt of assistance under this Act;

(2) a specific program for retirement of the applicant's existing non-current short-term debt; and

(3) such specific assurances as the Board may require that the State will take such legislative action as may be necessary to permit applicants which are units of general local government to utilize such lawful revenue devices as may be necessary to avoid default upon the general obligations issued by such applicants.

No expenditures or borrowings shall be made by any applicant during the period of its assistance under this Act which are not specifically contained in the plan submitted under this subsection.

(f) If any State which is an applicant or endorser under subsection (e) fails to take such measures as may be necessary to insure compliance with a plan filed with the Board under subsection (e), and with such standard accounting procedures and limitations on expenditures and borrowings, as the State may require, such State shall—

(1) have its entitlement under the State and Local Fiscal Assistance Act of 1972, or other comparable general purpose financial assistance from the Federal Government, as determined by the Secretary withheld until such time as the Board is satisfied and that such State is taking all practicable steps to assure that such obligations and undertakings as are set forth in the plan required by subsection (e) of this section are being met; or

(2) shall be assessed a civil penalty equal to such sums to which the State was entitled under the State and Local Fiscal Assistance Act of 1972 for the fiscal years June 30, 1973, June 30, 1974, and June 30, 1975.

(g) The Secretary shall consult, as necessary, with any State or general local government which has received assistance under this Act concerning any matter which may bear upon the ability of the unit of government to repay the obligation within the time fixed therefor and reasonable protection to the United States.

DESCRIPTION OF BILL

Title: Emergency Intergovernmental Assistance Act of 1975.

General Description: The bill establishes an Emergency Intergovernmental Assistance Board composed of five members—the Secretary of the Treasury, the Secretary of HUD, and three members with outstanding private experience appointed by the President with the advice and consent of the Senate. The Board will determine, by majority vote, whether jurisdictions are eligible for assistance provided under this Act. The Board will have not to exceed ten days from the date of application in which to make this decision. If the Board votes in favor of assistance, this recommendation is then passed on to the Secretary of the Treasury who shall provide assistance by guaranteeing a taxable bond issued by the eligible state or local government. The Secretary has no discretion as to whether to provide assistance once the Board has voted favorably.

Eligible Governments: Any state or general purpose unit of local government will be eligible for this assistance. In the case of a local government, the state will also have to participate in the application (see Other Requirements). In order to be eligible for assistance, the state or local government must have failed in a bonafide attempt to obtain private financing. In addition, in the case of a local government, the state would have to show that it had provided as much assistance to the local government as is feasible without jeopardizing the State's own credit worthiness.

Eligible Securities: Any taxable bond guaranteed by the Federal Government would have to be backed by the full faith and credit of the issuing government.

Maturities of Guarantees: The guarantees could be offered on securities with maturities of up to ten years.

Interest Rate, Fees and Charges: The guaranteed taxable bonds will have their interest rate set by the market, but will also require a service fee of up to one percent.

Other Requirements: Financial Plan. As a prerequisite for the provision of assistance under this Act, each eligible state or local government must submit to the Board and the Secretary of the Treasury a three-year plan detailing the applicant's projected revenues, expenditures, scheduled borrowings, debt service costs and other information that the Board may require. In the case of a local government, the State would be required (through the endorsement of the Governor) to sign onto and participate in the enforcement of the plan. The plan must also contain (a) specific proposals to assure the achievement of a balanced operating budget within two years of receipt of the initial assistance under this Act, (b) a specific program for the retirement of the applicant's non-current short-term debt and (c) specific assurances that the State will permit the applying local government to use any lawful revenue-raising mechanisms that may be necessary to avert default on the guaranteed obligations.

No expenditures or borrowings would be permitted that were not specifically included in the plan.

The Board can approve by majority vote any amendments to the plan.

Any State that failed to enforce a plan that it had endorsed would have its revenue sharing payment (or other general purpose financial assistance) withheld until it was once again in compliance with the requirements of the Act.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, and Mr. JAVITS):

S. 2515. A bill to amend the Public Health Service Act to establish the President's Commission for the protection of human subjects involved in biomedical and behavioral research, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I rise on behalf of myself and Senators JAVITS and SCHWEIKER to introduce the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act of 1975, which reestablishes the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research as a Presidential Commission, broadens its jurisdiction, and expands the composition of its membership.

Mr. President, this Nation was shocked several years ago by the revelations of unethical research and unethical medical practice carried out in programs sponsored by Department of Health, Education, and Welfare funds. In Tuskegee, Ala., black men were enrolled in a syphilis study and were denied treatment for this dread disease for over 30 years, long after the time that syphilis became an easily treated disease. In Montgomery, Ala., Alice and Minnie Relph, two teenage girls, one of whom was retarded, were sterilized without their parent's knowledge or consent. In Mississippi, experimental psychosurgical techniques were carried out without proper experimental designs and without fully informed consent.

During the Health Subcommittee's investigations of these matters, Dr. Bernard Barber, the distinguished sociologist from Barnard University in New York City, presented the results of his national survey of biomedical research programs which raised profound ethical questions about all kinds of research in all kinds of settings. The committee was shocked to see the extent of the use of approved drugs for unapproved purposes. DES was widely used as a morning-after contraceptive across the Nation, especially on college campuses, without proper informed consent. In fact, it became clear that in the United States, in spite of a strict drug regulatory system, drugs are frequently used for new purposes. Sometimes, these purposes turn out to be legitimate and approval subsequently follows. Oftentimes, these uses are not legitimate, approval never follows, and patients have no recourse except after they are injured. In the State of Tennessee, the experimental drug, depo-provera, was in widespread and common use in the family planning clinics throughout that State as an injectable contraceptive. No informed consent accompanied the use of this experimental drug. Indeed, the drug was used at the Arlington School and Hospital for the Mentally Retarded. Again, there was no informed consent.

The subcommittee also heard of the use of medical devices, which were developed in isolation, without careful scientific scrutiny, and which did grievous harm to many patients.

The common thread of all of these stories was the absence of informed consent, the absence of adequate protection for the patient. In all cases, the doctor or the researcher was able to operate without the checks and balances which have since been accepted as an integral part of the biomedical and behavioral research process.

The Congress responded to these outragious abuses by enacting the National Research Act of 1974, which established the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. Because the hearings had focused on abuses in the Department of Health, Education, and Welfare, and because it was believed that most of the violations occurred in programs under the purview of that agency, and because focusing on that agency alone was in itself a mammoth job, the Commission's jurisdiction was limited to the programs of HEW. As structured, the Commission which has been in existence for 10 months, reviews the policies for the protection of human subjects in HEW. It specifically was charged with focusing on fetal research, psychosurgery, research on children, prisoners, and the mentally retarded, as well as the overall protection system for human subjects. It is charged with making recommendations in all of these areas. The Secretary of HEW, though not bound to follow the recommendations, must, if he chooses to disagree with the Commission, publish the reasons for his disagreement in the Federal Register so that all interested parties, including the Congress, will know and will have an opportunity to take corrective action, if warranted. It also assures that the entire process will be a public and open one.

In establishing this Commission, the Congress clearly stated that the highly emotional issues involved in human experimentation required careful, scholarly study by a group of persons with a wide range of backgrounds. It was hoped that this interdisciplinary approach would focus the best minds in the country on the ethical dilemmas raised by human experimentation. I believe the first report of that Commission, the report to the Secretary on fetal research, illustrates the value and importance of the National Commission.

Mr. President, one of the responsibilities for the National Commission is to recommend to the Congress a mechanism for the expansion of its jurisdiction so as to cover all programs of biomedical and behavioral research which are conducted under Government funds regardless of which Federal agency administers those grants or contracts.

I believe, however, that it is no longer necessary or desirable to wait for the Commission to make that recommendation. The revelations of the past months concerning biomedical and behavioral research abuses in the Department of Defense and the CIA underscore the urgent need to expand the National Commission's jurisdiction and to expand it now. The abuses that have been uncovered in the research programs of the Defense Department and the CIA are of a magnitude every bit as frightening, every bit as outrageous and every bit as incompatible with the spirit of biomedical and behavioral research, and warrant immediate action.

The full extent of abuses is still not known. The Defense Department itself is unable to recount to the Health Subcommittee the full extent of biomedical and research activities or the conditions under which they are carried out. We do know that research involving LSD was carried out on human subjects without their knowledge or consent. We do know that research was carried out without proper medical supervision. We do know that treatment for unexpected side effects was delayed because of the inadequate medical care. We do know that at least one death and several suicide attempts resulted from these research efforts. We do know that the LSD research experiments continued up until 1973, long after the initial hearings on human experimentation were being done by the Senate and long after the standards for the conduct of biomedical and behavioral research had altered in this country.

We also learned in these hearings that the unethical research carried out by the Defense Department usually bore a secret label. Although the Defense Department had policies enunciating high principles for the ethical conduct of biomedical and behavioral research, the abuses uncovered at the Senate hearings involved a complete departure from these principles. Experimentation boards designed to review all human subject research were bypassed by the Edgewood Arsenal in Maryland. The director of that arsenal claims never to have been instructed to send his protocols there. He also claims to have obtained informed consent from all of his patients, yet was able to furnish only a standard informed consent sheet—the same sheet was used for every single research project carried out there.

Mr. President, the measure that I am introducing on behalf of myself and Senators JAVITS and SCHWEIKER takes the long-needed step of assuring the people of this country that all research, no matter where it is conducted or by whom, if it is funded with Government money, will come under the purview of the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. The Commission will have its membership expanded to include as nonvoting members, the secretaries of HEW and the Department of Defense, the director of the CIA, and the Administrator of the Veterans' Administration, as well as four Members from the House of Representatives and four Members from the Congress. The majority of Members will still be non-Government employees. Current members of the National Commission will be expected to serve out the remainder of their terms. The purpose for the expansion of the membership is both to upgrade the importance and impact of the work of the Commission, as well as to provide a mechanism whereby top secret research can be reviewed by those members of the Commission who have such clearance.

Mr. President, this Nation has always had a biomedical and behavioral research program second to none. The Commission gives this Nation a policy for the protection of human subjects of research second to none. It makes no sense to limit its jurisdiction. It makes no sense to have the Commission dissolved in 2 years to be replaced by a permanent advisory committee with the same responsibilities. This Nation needs a permanent commission. This Nation needs a permanent commission with the authority to standardize all biomedical and behavioral research conducted under Government funds. This legislation accomplishes this goal.

Mr. President, hearings will be held on this legislation next month. Any interested parties should contact Dr. Larry Horowitz at the Health Subcommittee Office, room 4228, New Senate Office Building, as soon as possible.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Act of 1975".

AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT

SEC. 2. Title IV of the Public Health Service Act is amended by inserting the following new part at the end thereof:

"PART J—PROTECTION OF HUMAN SUBJECTS

"ESTABLISHMENT OF COMMISSION

"SEC. 481. (a) There is established a Commission to be known as the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (hereinafter in this title referred to as the 'Commission'). The Commission shall be composed of—

"(1) four members of the Senate appointed by the President of the Senate; and

"(2) four members of the House of Representatives appointed by the Speaker of the House of Representatives; and

"(3) the Secretary of the Department of Health, Education and Welfare, the Secretary of Defense, the Director of the Central Intelligence Agency, and the Administrator of the Veteran's Administration; and

"(4) eleven members appointed by the President of the United States with the advice and consent of the Senate.

"The President shall select members of the Commission under paragraph (4) from individuals distinguished in the fields of medicine, law, ethics, theology, the biological, physical, behavioral and social sciences, philosophy, humanities, health administration, government, and public affairs; but five (and not more than five) of the members of the Commission shall be individuals who are or who have been engaged in biomedical or behavioral research involving human subjects. Until such time as the President acts to appoint members of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research are deemed members of the Commission as of the date of enactment of this Act.

"(b) The term of office of each member of the Board shall be four years; except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; (2) the terms of office of members first taking office shall begin on the date of appointment and shall expire, as designated at the time of their appointment, four at the end of one year, four at the end of two years, and three at the end of four years; and (3) a member whose term has expired may serve until his successor has qualified.

"(c) The President shall designate one of the members of the Commission as Chairman, and one as Vice Chairman. Seven members of the Commission shall constitute a quorum, but a lesser number may conduct hearings. Those members appointed under paragraphs (1), (2), and (3) of Section 481 (a) shall be non-voting members and shall not be considered in constituting a quorum.

"(d) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission. Members of the Commission from private life shall receive $100 per diem while engaged in the actual performance of the duties vested in the Commission, plus reimbursement for travel subsistence and other necessary expenses incurred in the performance of such duties.

"(e) The Commission shall meet at the call of the Chairman or at the call of a majority of the members thereof.

"(f) (1) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(2) The Commission may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the Commission, but not in excess of $100 per diem, including travel time. While away from his home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties. Upon request of the Chairman of the Commission, each and every agency or department of the United States shall furnish all information requested by the Commission which is necessary to enable it to carry out its duties. If any information so requested has been deemed to be classified for any purpose (including national security) by such agency or department, such information shall be furnished to the Special Classified Information Committee of the Commission (hereinafter in this section referred to as the 'Special Committee'), which shall be composed of those members of the Commission who are appointed under paragraphs (1), (2), and (3) of section 481(a). Eight members of the Special Committee shall constitute a quorum, but a lesser number may conduct hearings. By a majority decision of the Special Committee, such information shall be disclosed without regard to the sensitivity of such information to the full Commission upon a finding by the Special Committee that there is or will be an adverse impact upon the protection of human subjects of research.

"COMMISSION DUTIES

"SEC. 482. (a) The Commission shall carry out the following:

"(1)(A) The Commission shall (i) conduct a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects, (ii) develop guidelines which should be followed in such research to assure that it is conducted in accordance with such principles, and (iii) make recommendations to the appropriate agency or department for such administrative action as may be appropriate to apply such guidelines to biomedical and behavioral research conducted or supported under programs administered by the appropriate agency or department, and concerning any other matter pertaining to the protection of human subjects of biomedical and behavioral research.

"(B) In carrying out subparagraph (A), the Commission shall consider at least the following:

"(i) The boundaries between biomedical or behavioral research involving human subjects and the accepted and routine practice of medicine.

"(ii) The role of assessment of risk-benefit criteria in the determination of the appropriateness of research involving human subjects.

"(iii) Appropriate guidelines for the selection of human subjects for participation in biomedical and behavioral research.

"(iv) The nature and definition of informed consent in various research settings.

"(v) Mechanisms for evaluating and monitoring the performance of Institutional Review Boards established in accordance with section 474 of this Act and appropriate enforcement mechanisms for carrying out their decisions.

"(C) The Commission shall consider the appropriateness of applying the principles and guidelines identified and developed under subparagraph (A) to the delivery of health services to patients under programs conducted or supported by the Secretary of HEW and shall review and suggest the ethical, social and legal implications of all biomedical and behavioral research on human subjects conducted by and through any Federal agency (including contractors) for which any Federal funds are to be appropriated.

"(2) The Commission shall identify the requirements for informed consent to participation in biomedical and behavioral research by children, prisoners, military personnel, and the institutionalized mentally infirm. The Commission shall investigate and study biomedical and behavioral research conducted or supported under programs administered by the Secretary and involving children, prisoners, military personnel, and the institutionalized mentally infirm to determine the nature of the consent obtained from such persons or their legal representatives before such persons were involved in such research; the adequacy of the information given them respecting the nature and purpose of the research, procedures to be used, risks and discomforts, anticipated benefits from the research, and other matters necessary for informed consent; and the competence and the freedom of the persons to make a choice for or against involvement in such research. On the basis of such investigation and study, the Commission shall make such recommendations to any department or agency of the United States as it determines appropriate to assure that biomedical and behavioral research conducted by or supported under the appropriate department or agency of the United States meets the requirements respecting informed consent identified by the Commission. For purposes of this paragraph, the term 'children' means individuals who have not attained the legal age of consent to participate in research as determined under the applicable law of the jurisdiction in which the research is to be conducted; the term 'prisoner' means individuals involuntarily confined in correctional institutions or facilities (as defined in section 601 of the Omnibus Crime Control and Safe Streets Act of 1968 (43 U.S.C. 3781)); and the term 'institutionalized mentally infirm' includes individuals who are mentally ill, mentally retarded, emotionally disturbed, psychotic, or senile, or who have other impairments of a similar nature and who reside as patients in an institution; the term 'military personnel' means individuals who are active and inactive members of the U.S. Armed Forces, veterans of the U.S. Armed Forces, and employees and agents of the Central Intelligence Agency.

"(3) The Commission shall conduct an investigation and study of the use of psychosurgery in the United States during the five-year period ending December 31, 1972. The Commission shall determine the appropriateness of its use, evaluate the need for it, and recommend to the Secretary policies defining the circumstances (if any) under which its use may be appropriate. For purposes of this paragraph, the term "psychosurgery" means brain surgery on (1) normal brain tissue of an individual who does not suffer from any physical disease for the purpose of changing or controlling the behavior or emotions of such individual, or (2) diseased brain tissue of an individual, if the sole object of the performance of such surgery is to control change, or affect any behavioral or emotional disturbance of such individual. Such term does not include brain surgery designed to cure or ameliorate the effects of epilepsy and electric shock treatments.

"SPECIAL STUDY

"SEC. 483. The Commission shall undertake a comprehensive study of the ethical, social, and legal implications of advances in biomedical and behavioral research and technology. Such study shall include—

"(1) an analysis and evaluation of scientific and technological advances in past, present, and projected biomedical and behavioral research and services;

"(2) an analysis and evaluation of the implications of such advances, both for individuals and for society;

"(3) an analysis and evaluation of laws and moral and ethical principles governing the use of technology in medical practice;

"(4) an analysis and evaluation of public understanding of and attitudes toward such implications and laws and principles; and

"(5) an analysis and evaluation of implications for public policy of such findings as are made by the Commission with respect to advances in biomedical and behavioral research and technology and public attitudes toward such advances.

"ADMINISTRATIVE PROVISIONS

"SEC. 484. (a) The Commission may for the purpose of carrying out its duties hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission deems advisable.

"(b) Within sixty days of the receipt of any recommendation made by the Commission under section 482, the appropriate department or agency of the United States shall publish it in the Federal Register and provide opportunity for interested persons to submit written data, views, and arguments with respect to such recommendation. The appropriate department or agency of the United States shall (1) determine whether the administrative action proposed by such recommendation is appropriate to assure the protection of human subjects of biomedical and behavioral research conducted or supported under programs administered by it, and (2) if it determines that such action is not so appropriate, publish in the Federal Register such determination together with an adequate statement of the reasons for its determination. If the appropriate department or agency of the United States determines that administrative action recommended by the Commission should be undertaken by it, it shall undertake such action as expeditiously as is feasible.

"AUTHORITY TO CONTRACT

"SEC. 485. The Commission may contract for the study and design of mechanisms to be included in such recommendations.

"TRANSFER OF FUNCTIONS

"SEC. 486. The functions, powers, and duties of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (88 Stat. 348–351) shall be transferred to the Commission.".

MISCELLANEOUS

SEC. 3. (a) Part A of title II of the National Research Act (42 U.S.C. 2891) is repealed.

(b) Sections 211 and 213 of the National Research Act are repealed.

Mr. SCHWEIKER. Mr. President, the accounts of unsupervised experiments on humans in military and CIA drug research—revealed during recent hearings before the Subcommittee on Health, of which I am ranking minority member—are indicative of the need for the bill Senators KENNEDY, JAVITS, and I have introduced today.

During the hearings we learned of secret experiments with LSD and other hallucinogenic drugs conducted on military personnel with virtually no medical supervision or followup, and little adherence to established ethical principles.

In order to provide a responsible body to review the issues presented to the committee, this bill creates the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and transfers the functions, powers, and duties of the National Committee for the Protection of Human Subjects of Biomedical and Behavioral Research to the new Commission. The Commission shall be composed of the Secretary of Health, Education and Welfare; the Secretary of Defense; the Director of the Central Intelligence Agency; the Director of the Veterans' Administration; 8 Members of Congress, equally divided between the House and Senate, appointed by the Speaker of the House and the President of the Senate, respectively; and 11 members from the public appointed by the President with the advice and consent of the Senate. The Commission shall be responsible for the review of all federally funded biomedical and behavioral research programs.

The bill recognizes that it may be necessary for reasons of national security to authorize special consideration for research involving military personnel.

Thus, it authorizes specified members to serve as a special committee within the Commission which would obtain Commission-requested data on federally funded biomedical and behavioral research programs, alleged to be classified, that is necessary for the commission to carry out its duties under the act. This special committee would determine—by majority vote—whether such information should be made available to the full Commission. Information shall be disclosed to the full Commission if a majority of the special committee finds there is or will be an adverse impact upon the protection of human subjects of research.

Mr. President, my work on the Select Committee on Intelligence Activities, together with my experience on the Health Subcommittee, convinces me this bill is a necessary step to guarantee the safety of all Americans.

Mr. JAVITS. Mr. President, the recent accounts of human participation in military and CIA drug research experiments—cited in hearings before the Subcommittee on Health of the Committee on Labor and Public Welfare, of which I am ranking minority member—demonstrate the need for the bill Senators KENNEDY, SCHWEIKER, and I join in introducing today.

It is alleged that much of the military personnel research and experimentation is done under the auspices of HEW research guidelines. Yet the evidence presented to the committee raises serious questions about how, if at all, such guidelines are implemented.

I believe Congress has a responsibility to assure meaningful legal controls of all federally supported research activities involving human subjects.

The bill we introduce today builds upon the foundation created in Public Law 93–348—which is based on legislation Senator KENNEDY and I authored. It established a Commission to conduct a comprehensive investigation and study to identify the basic ethical principles which should underlie the conduct of biomedical and behavioral research involving human subjects. The Commission was also required to develop guidelines which should be followed in such research to assure that it is conducted in accordance with ethical principles. However, the law is limited to HEW-funded research activities.

To achieve responsible control of all federally supported research activity involving human subjects, this bill would:

1. Transfer the present established in law, time limited HEW National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research into a Presidential Commission.

2. Broaden Commission membership to include along with HEW Secretary, the following: DOD Secretary; CIA Director; VA Administrator; and eight Members of Congress, equally divided between House and Senate.

3. Authorize qualified public members to be appointed by the President with Senate advice and consent, for varying terms; however, until such time as the President makes such appointment recommendations for Senate advice and consent, the existing public members continue to serve on Commission.

4. Broaden scope of Commission activities re experimentation issues to include all federally funded biomedical and behavioral research programs.

5. Authorize nonappointed members—as provided in "2" above—to serve as a select committee within the Commission. It would obtain Commission requested data respecting federally funded biomedical and behavioral research programs, which is alleged to be classified, and necessary for the Commission to carry out its duties under the act. Then the Select Committee would determine—by majority vote—whether such information should be made available to the Commission. The standard they would apply is whether the failure to provide such information could have an adverse impact upon the protection of human subjects at risk in research without regard to the alleged sensitive nature of the classified information.

6. Transfer all present Commission authority to the newly established Commission and modify, as appropriate, to whom Commission recommendations respecting research apply.

Although medical experimentation on human beings is as old as recorded history—the ancient Persians experimented on condemned criminals—the increase in human subject research, coupled with the desire to apply new knowledge quickly, make it prudent for the Congress to act now to provide additional statutory protection for the rights of individuals who participate in research.

It may be necessary for reasons of national security to authorize special consideration for research involving military personnel—and this bill provides for that contingency. However, civilized society cannot tolerate callous disregard of human rights for any purpose—and the bill achieves that goal.

By Mr. DOLE (for himself, Mr. MCCLURE, Mr. FORD, Mr. FANNIN, Mr. HANSEN, Mr. HARTKE, Mr. BURDICK, Mr. LAXALT, Mr. HUMPHREY, Mr. STEVENS, Mr. LEAHY, Mr. MCINTYRE, and Mr. PERCY):

S. 2516. A bill to provide for further assistance to Senate committees in conducting evaluations of the efficiency and economy of Federal Government programs and their operation. Referred to the Committee on Government Operations.

Mr. DOLE. Mr. President, I introduce today, together with 11 of my colleagues, a bill which represents a modification of Senate Resolution 152, legislation I introduced May 13 of this year.

The purpose of this legislation is to reduce the bureaucratic maze associated with Federal programs and halt or restructure existing inefficient, duplicative programs which are not giving the taxpayers a fair return on their tax dollar.

OVERSIGHT METHODOLOGY AND REPORT FORMAT

The legislation I introduce today calls on the Government Accounting Office, the Congressional Budget Office, and the Senate Government Operations Committee to develop no later than June 1, 1976, a standard oversight methodology to be utilized by each standing committee other than the Committees on Appropriations and Budget, in reviewing the effectiveness of the programs it has authorized. The bill also calls for the development of a standard report form to be utilized in reporting the results of their hearings and investigations. The report will include but not be limited to a comparison of the estimated program costs and benefits, a summary and description of the efficiency of administering the programs, a summary of other Federal or State initiatives which are attempting to accomplish the same objectives, and an assessment of the effectiveness of the program in providing the identified program benefits and the priority of the various program benefits.

The usefulness of such an oversight process is obvious. We currently have thousands of programs on the books which are attempting in their own fragmented way, to accomplish nationally recognized objectives. Yet we have no way of knowing which of the myriad of programs is most effective or efficient. This legislation would provide a basis for each authorizing committee to critically analyze its own programs with the assurance that every other standing committee would be doing the same. By identifying the ineffective programs, as well as the duplication which exists because several standing committees have, without consultation, legislated programs to meet a single unidentified national concept, we would take the first big step toward reducing the bureaucratic maze which surrounds Federal programs and develop an objective legislative process which assures taxpayers that their tax dollars are being wisely spent.

FURTHER DEFINITION NEEDED

The necessity of this legislation becomes apparent when we evaluate the past record of the congressional oversight process. Section 190 D. of title 2 of the United States Code requires that every odd-numbered year each standing committee report to the Senate on its legislative review activities. We have had an oversight requirement for over 5 years. But oversight has been defined so loosely that 2 hours of hearings and a five-page report has been considered adequate oversight of programs that annually spend billions of dollars.

I am convinced we need more than that. I am convinced that the taxpayer expects and, rightfully, is beginning to demand that the Federal Government be just as thrifty with his tax dollars as taxpayers are with the take-home portion of their paychecks. And I believe that it is Congress that must begin this movement toward responsible spending. We all criticize the bureaucracy for spending abuse, but in doing so, we must remember that we as legislators mandate the major portion of the actions taken by the bureaucracy. We are in the best position to resolve these problems and stop the waste, and it is incumbent on us to uphold this responsibility.

NEED HARD DATA ON PROGRAMS

Although oversight involves a delicate and complicated process, to effectively legislate, Congress must have before it some objective measures of the benefits, costs, and overall effectiveness of various programs. These measures must be as straightforward as possible and must be available in a format that is concise and that facilitates comparison among programs.

I realize that evaluations meeting the requirements I have described will be difficult to produce. It is very difficult to quantify all the costs, and even more difficult to quantify all benefits associated with a program. But we can clearly go many miles further in that direction than the current oversight practices, such as they are. We can at the very least have the significant benefits claimed for a program and all the costs resulting from it identified. It may well be that once identified, most of these will be quantifiable within certain bounds of reliability and accuracy. We can at least require that the purpose of the program be clearly identified and that some criteria be stated for judging whether, or to what extent, that purpose is being served.

Cost-benefit analysis is a very general and broadly defined evaluation methodology. Evaluations of different programs will entail use of different combinations of techniques. A truly complete analysis is perhaps impossible in many cases. But we can at least expect more than a couple of useful, but very narrow reports, on administrative efficiency, case load, and the like.

It is my understanding that the GAO has already made good progress in developing and applying evaluation techniques of the type called for by methodology described in this bill. This has been done partly as a result of provisions of the Budget Act of 1974. It is also my understanding that the staff of the Committee on Government Operations has devoted a good deal of effort to considering the methods of oversight and program evaluation, and how they might be improved. These efforts are admirable. But it seems to me that, given the complexity of the problem and the difficulty of arriving at definitive conclusions, these efforts could go on indefinitely. It is my feeling that these efforts should be intensified and focused, and the results should be brought to bear as soon and as extensively as possible, in assisting Congress to meet its responsibility to practice truly effective oversight.

I think the June 1, 1976, deadline for pulling these results together is realistic. Let us intensify our efforts and then take what we have at that time and go with it. The GAO can, of course, continue after that to develop and improve evaluation techniques and cost-benefit estimation methods.

I also think that March of 1977 is a realistic deadline for committees to come forth with their first program evaluations consistent with the evaluation methodology prescribed. Indeed, this is none too soon for Congress to begin to take a well-informed look at what it has wrought over the years.

The evaluation of all Government programs is an enormous task. It will be difficult to accomplish within the 2-year period specified. The committee staffs cannot be expected to do this singlehandedly. But it is clear that if Congress is to do a better job of oversight, it must increase the evaluation expertise of its committee staffs and much of the responsibility and effort will fall there. But much of the evaluative work can be done by Government agencies themselves if their efforts are channeled by the standard methodology developed pursuant to this act and guided by committee staff. Also, the 1974 Budget Act (title VII) authorizes committees to call on GAO for technical assistance in accomplishing program evaluations. Thus, given a concerted effort and cooperation on the part of Senate committees, GAO, and Government agencies, the time frame for evaluating Government programs is reasonable. We cannot delay any longer in taking a close look at the myriad of Government programs.

I would expect the objectives served by the legislation I introduce today to meet with broad approval. But I would also expect the thought of implementing its provisions to cause most Members to pause. There may be some reluctance to accept such a mandate. This legislation will impose some rather well-defined and tough requirements on the committees of this body.

But this is as it must be. Oversight properly exercised is a difficult and serious responsibility, requiring reconsideration, and leading ultimately to difficult decisions.

SAVINGS TO BE UTILIZED

One need not look far to discover the bounty in tax saving that can be obtained by the effective utilization of congressional oversight. How long has it been since Congress really took a hard look to see if the programs it authorizes are effective? Do the expenditures we authorize really bring about the benefits they are intended to produce? For example, is $39.4 million spent annually on 1,307 Federal advisory boards, councils, committees a productive expenditure? Are the Federal programs Congress has authorized being operated efficiently? I have recently had cause to investigate the travel policy within the various Federal agencies. Current budget figures project travel expenditures for Federal employees amounting to $2.25 billion in the coming year. Although my study is still in a very preliminary stage, it appears there are few policy guidelines directed at reducing travel and cutting Federal travel expenditures.

PROGRAM DUPLICATION

Probably the largest area where abuse can be found and saving accrued is in the area of program duplication. This is also a problem area for which Congress must assume a major portion of the blame. The 1974 edition of the catalog of Federal domestic assistance lists 975 separate Federal programs, approximately 80 percent of which were enacted since 1960. Unfortunately, many of these programs are directed at the same goal or purpose. For example, a GAO report released August 19, 1975, entitled "Fundamental Changes Are Needed in Federal Assistance to State and Local Governments," listed 186 programs scattered within 20 Federal agencies which can provide funds entirely or in part for community developments. Such duplication means high overhead waste. Could not more be accomplished with less dollars if the programs were combined or better coordinated and overhead reduced?

The same GAO study reports the existence of 228 Federal programs in nine Federal agencies which seek to improve health care in America. Is there duplication in these program efforts? Could we streamline the programs and get more assistance to the persons in need without spending more tax dollars?

The welfare and welfare related programs are also ripe for scrutiny. A 1972 study of public welfare by the Subcommittee on Fiscal Policy of the Joint Economic Committee in analyzing the 26 major federally funded income transfer programs which pay out well over $100 billion a year in benefits concluded that "better coordination of legislative and administrative changes in these programs seems essential. Such coordination might require different working arrangements than now exist among Federal agencies as well as congressional committees, and could require that various units of Government share their technical expertise and reach an agreement on basic policy goals in order to move toward a more effective public welfare system." Congressional oversight is the place to begin this coordinating process, a process that will lead not only to cost reductions, but also improved program delivery.

These are but a few of the problems we must address. The need is obvious.

SAFEGUARDS

I would conclude by pointing out that this bill says nothing about spending priorities, programs, or procedures. It is not intended to trample on any committee's jurisdiction. It is intended to reduce spending and increase program efficiency, but calls for each standing committee to undertake this effort within its own jurisdiction.

I would also point out that a stopgap measure has been added to the bill to assure full congressional input into the development of the oversight methodology and reporting format. As drafted, the GAO, CBO, and the Government Operations Committees would finalize the methodology and format by June 1, 1976, and mandate the completion of the first oversight reports by March 15, 1977, unless prior to July 1, 1976, either House of Congress disapproves the methodology and reporting proposal.

The President has just proposed tax and Government spending cuts of $27 billion. The aim of reducing Government spending is admirable, and we are in agreement with this objective. But it will be difficult to determine which programs are to bear the cuts. Spending reductions should not be distributed indiscriminately. Those programs which are least effective and least productive of benefits to society should be identified and reduced or eliminated. The legislation provides an effective framework within which these difficult determinations can be made.

I feel this legislation can set a new

direction for Federal legislation and urge my colleagues to join in support of the bill.

By Mr. MUSKIE (for himself and Mr. Hathaway):

S. 2518. A bill to amend the Internal Revenue Code of 1954 to treat the noncash remuneration paid to certain workers on fishing boats as self-employment income for purposes of the Federal Insurance Contributions Act, and for purposes of Federal income tax withholding requirements. Referred to the Committee on Finance.

AN ACT TO EXCLUDE STERNMEN WITHHOLDING TAX REQUIREMENTS

Mr. MUSKIE. Mr. President, I introduce, for myself and Senator Hathaway, legislation designed to permit the continuation of a traditional working arrangement in the lobster fishing industry which is threatened by recent IRS rulings.

Maine lobstermen informally cooperate from time to time with each other or a helper to overcome hardships resulting from bad weather or other unusual work demands. For example, a lobster boat captain might ask a colleague or clam digger to join him in his rounds and assist him in handling traps during inclement weather. These helpers are called sternmen because their duties—handling traps and gear—are performed in the rear of the boat. According to the traditional, informal agreements, the sternmen receive a share of the lobster catch for the day in return for their assistance.

The boatowner makes no guarantee as to how much the sternman will earn. In the case of an unsuccessful trip, the sternman might not receive anything.

There is generally little formality or continuity to these arrangements. There are no written contracts and the sternman usually works with a boatowner for only brief periods. He may own his own boat and join another captain while his own vessel is under repair or he may be a clam digger working on fishing boats while flats are closed or inaccessible.

Until recent IRS rulings altered the practice, both the boat owner and the sternman considered themselves as self-employed and reported their income from the fishing venture on their own return with no withholding required. These arrangements were convenient and logical since each was otherwise filing a return as a self-employed person and because of the occasional nature of the sternman's work. Maine fishermen have always filed returns in this manner and it was accepted by the Internal Revenue Service until they began to apply Revenue Ruling 385 to demand that taxes be withheld.

I believe the IRS erred in deciding to extend withholding provisions to the sternman. Neither the court decisions nor the revenue rulings related to this matter directly cover the status of a boatowner who uses a single sternman. The determination to apply withholding provisions to these individuals is apparently part of a recent broad effort to enforce payroll withholding requirements. I have requested IRS officials to limit their application but have not succeeded in persuading them that sternmen are an inappropriate target for this crackdown. The IRS has persisted in applying Revenue Ruling 72–385 to treat sternmen as employees whose taxes must be withheld.

The change has been dramatic for Maine fishermen with the application of this revenue ruling and the beginning of a massive IRS audit of lobstermen under the "Lobster Project." In some cases, boatowners were required to pay withholding taxes retroactively despite payment of taxes on the same wages as self-employment income by the sternmen. The apparent inequities involved have offended all those familiar with the audits and have discouraged cooperation between lobstermen and IRS.

The frustration and expense related to keeping records and withholding taxes for sternmen have discouraged these cooperative arrangements and threaten to adversely affect lobstering efforts in areas of rough seas or during bad weather. I find the economic consequence for the individuals and communities involved an unacceptable cost for the minimal convenience afforded the IRS under this ruling, and am introducing this legislation to correct the situation by requiring that sternmen be treated as self-employed under the Federal Insurance Contribution Act and withholding provisions of the Federal income tax. A recent article by Peter B. Sang, Esq., on the "Tax Status of Sternmen on Fishing Boats," published in the Maine Bar Bulletin, July 1975, supports this action. To quote from Mr. Sang's conclusion:

> The real answer is Congressional relief in the form of an amendment to the law.

The legislation amends the Internal Revenue Code by specifically excluding the services performed by sternmen from the definition of employment under the Federal Insurance Contribution Act, by excluding wages paid for sternmen's services from the definition of wages under the withholding provisions of the Federal income tax, and by excluding sternman services from the Social Security Act definition of employment and including those services in the definition of self-employment income.

The amendments will allow sternmen to continue to enjoy the benefits of the Social Security Act as participating self-employed individuals and sternmen will continue to be eligible to recover under the Jones Act for personal injury suffered while working.

I ask unanimous consent that the article by Mr. Sang and the text of this legislation be printed in the Record.

There being no objection, the article and bill were ordered to be printed in the Record, as follows:

Tax Status of Sternmen on Fishing Boats

(By Peter B. Sang, Esq.)

In the past few years, thousands of Maine fishermen have become aware of what has been for over three decades a relatively obscure issue in the tax law. The issue concerns the tax status of fishing partners (generally called "sternmen") of boat owners and whether the boat owner is considered to be the "employer" of the sternman so that Social Security and income taxes must be withheld and federal and state unemployment taxes paid.

The frustrations of Maine fishermen became apparent when the foregoing issue became part of the well-publicized "Lobster Operation" involving the audits of dozens of tax returns of lobster fishermen during the period 1971–1974. Yet the sternman problem affects any taxpayer operating a boat with the assistance of one or more crew members. The problem is also national in scope as evidenced by two television programs shown earlier this year featuring the activities of the Internal Revenue Service. One program dealt with this issue as it affected a Gulf Coast shrimper in Louisiana and the other program focused upon the problems of Chesapeake Bay oyster fishermen.

The purpose of this article is to focus on why the Service has decided that the boat owner-operator is the employer of the sternmen for tax purposes; whether there can be a legal partnership between the parties; and the developments in the case law and administrative positions within the Service that have brought about much monumental confusion.

NATURE OF PROBLEM AND OPERATION OF FISHING VENTURE

The question of whether a fisherman performing services on a boat is to be considered an "employee" of the boat owner[1] is really an old problem. Back in 1940, the Service published a ruling to the effect that fishermen performing services on fishing schooners owned by a company are employers of the company or the captains and that the renumeration paid, including the value of meals and lodging, to the fishermen were "wages" for purposes of payroll withholding [2]. It must be remembered that in 1940 the maximum amount payable annually under Social Security was in the neighborhood of $40. For whatever reasons, the Service administratively seems not to have tried to enforce the position set forth in 1940 to any great degree for the next twenty-odd years.

It may be helpful, at this point, to set forth some information about the typical working relationship of a boat owner and his sternmen. Virtually all of the fact patterns involve the "60–40 lay" basis of dividing profits in accordance with the long-standing custom in the fishing industry. Under that system, a settlement is made between the owner and the sternman after each trip. From the total proceeds received from the sale of the catch brought in, there are first deducted certain expenses relating to the boat[3] and the balance, known as "gross stock," is then divided into two shares, 60% to the crew and 40% to the owner. From the crews' share are deducted the operating expenses of the trip, which include the cost of groceries, fuel, lubricants, ice, the cook's bonus (if a cook is on board), the tallyman's fee, the "lumpers" wages (fish unloaders) and in some cases, the fee of a shore captain.

In the cases where the boat owner is also a fisherman, he shares in the 60% (after deduction of the aforementioned operating expenses) as an "equal partner." Variations of the 60–40 lay are common to fit particular cases, but the basic idea is the same. Variations do exist in connection with the actual mechanics of selling the catch. Generally the boat owner handles the sale and the sternman receives his share in cash. At times, the sternman receives his share in kind.[4]

The boat owner makes no guaranty as to how much the sternman will earn. The boat owner in the case of an unsuccessful trip would not have to pay the sternman anything.[5]

The boat owner equips and maintains the boat and furnishes the gear used in the fishing operation. The sternman provides his own clothing, bedding and personal equipment, such as boots and oilskins. There are no written contracts with the sternman and

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Footnotes at end of article.

generally the sternmán works with the boat owner for a short duration. It is quite common for the sternman himself to own a boat. If his boat is in for repairs or is not being operated, he joins another boat owner in a fishing venture.[6]

Generally, there is no discussion between the boat owner and the sternman as to how the latter is to perform his job. The boat owner might discuss where to go to fish, but since both have a stake in the success of the venture, there is usually a mutual understanding on these matters or a rather quick termination of the venture.

While in port, the sternman does as he sees fit. The boat owner would take care of any repair work. The sternman would participate generally in some work aboard the boat such as removal of nets, minor repairs to the nets and rigging and some cleaning.

The boat owner carries and pays for all insurance, including protection and indemnity insurance, necessary for the protection of his boat and those aboard. This insurance protects the boat owner against suits by anyone injured while on his boat.

DISCUSSION OF CASE LAW

In order for withholding of employment taxes to be required, there must be a payment of "wages" by an "employer" to an "employee."[7] It is clear that no single factor is controlling in determining the existence of an employer-employee relationship.[8]

Prior to 1969, the apparent standard to be applied in making the foregoing determination was that of common law. In 1969, the Supreme Court in *United States v. Webb, Inc.*, 397 U.S. 179 (1969) ruled that the standards of maritime law had to be used and that the common-law applicable to land-based activities could not be applied.[9]

As was stated by the Supreme Court in *Webb*, on page 192:

"Control is probably the most important factor under maritime law, just as it is under the test of land-based employment. It may be true that, in most maritime relationships, the workers enjoy discretion that is unusually broad if measured by landbased standards—a discretion dictated by the seafaring nature of the activity. However, *except where there is nearly total relinquishment of control* through a bareboat, or demise charter, the owner may nevertheless be considered under maritime law, to have sufficient control to be charged with the duties of an employer . . . (emphasis added)

In one of the first cases following *Webb*, the Government argued in *Anderson Seafood Co.*[10] that in the absence of a demise charter, the crew members were employees. The District Court in *Anderson Seafood* found distinctions in the amount of control exercised by the boat owner and found that the right to control went to the result to be accomplished but not the details and means by which the result is accomplished. The Court specifically found the cases involving the Jones Act not to be controlling as to whether the boat owner was the employer.

On appeal[11] the Fifth Circuit decided that the District Court in fact applied common law and not maritime law principles in determining whether the captains and crewmen were employees of the shipowner. Since there was no demise charter,[12] the Court found the crew members to be employees, reversing the District Court.

ISSUANCE OF REVENUE RULING 72–385 AND RECENT DEVELOPMENTS

Following the Government's success in October 1971 in *Anderson Seafood*, Revenue Ruling 72–385, IRB 1972–32, 37 was issued wherein the Service updated S.S.T. 387. Setting forth the facts of Anderson Seafood involving a non-fishing boat owner, a captain and a crew, the Service indicated that the crew members and the captain were "employees" for payroll tax withholding purposes.

It is obvious that the Service and the courts consider the nonfishing boat owner with multiple member crews and a captain as being employers for tax purposes. Not so clear from any cases or the above cited ruling was the status of the boat owner who fished along with a single sternman.

Apparently right up until the issuance of Rev. Rul. 72–385, the Service, through its various offices, indicated orally to taxpayers that if each fisherman (i.e. the boat owner and the sternman) considered himself as self-employed and if each reported his income on a Schedule C, then no withholding was required. Apparently, following this advice, virtually no fisherman with single sternmen withheld on payments.

The result over the last few years has been that certain fishermen have been audited for various reasons. As part of the audit, the question of the status of the sternman has been raised. In some cases, the agents have treated the sternmen as employees for all open back years and assessed deficiencies for the amount of FICA taxes not withheld (employer and employee portions), income taxes not withheld[13] and FUTA taxes. In other cases, the Service has apparently permitted taxpayers to comply with Rev. Rul. 72–385 on a prospective basis. There seems to be no uniform cut-off date and no way any taxpayer can know how the tax law will be applied to him, if in fact it is. It is the author's impression that there has not been voluntary compliance with the Service's position and in many cases, because of the economics involved and trouble with filing payroll returns, the boat owner has simply terminated his relationship with the sternman.

In a recent case, before the Appellate Division, the question was raised as to the status of several sternmen of a shrimpboat operator (each having been the sole sternman for a short period of time). Each sternman in question had his own boat and each had filed a Schedule C. The boat owner had been audited in 1973 and he had been assessed all payroll taxes for the years 1970–1973 inclusive. (Because of the nature of the case, no penalties had been proposed). The boat owner had received oral advice from the Portsmouth office of IRS in 1970 that no withholding was required if the sternman reported his share of the profits on his own return. The arrangement with each sternman was the typical 60-40 lay split of profits.

At Appellate, the taxpayer/boat owner was successful in establishing that all of the sternmen but one had included the amounts paid by the boat owner in incomes and under Regulations § 31.3402(d)-1 the boat owner was held not liable for failure to withhold income taxes.[14]

The issue of withholding FICA taxes was finally settled "on a hazards of litigation basis"[15] mostly because of the fact that the sternmen each owned their own boats and were independently in the fishing business. The Conferee strongly contended that under maritime law (principally the Jones Act) the boat owner was an "employer" and hence was an employer for tax purposes. The taxpayer/boat owner had to settle for the amount offered as it was not felt that success in litigation was at all assured. After the settlement, refund claims were filed for those years still open in which the sternmen had paid self-employment taxes. Needless to say, the technical procedures involved became quite complicated.

REMAINING QUESTIONS

The Service appears to take the position that a partnership between a boat owner and a sternman can exist if there is roughly equal liability for debts; if there is a written partnership agreement and the two men hold themselves out as partners.

The capital investment by the sternman would have to be a substantial amount of the fishing gear involved. (Theoretically, one partner could put up the boat as capital, with the sternman investing solely in the actual fishing gear). A partnership return would then have to be filed instead of a Schedule C for each man. The idea of a formal partnership arrangement does not appeal to the majority of small boat-owners.

There appears to be no clear answer to the situation where a fisherman joins another for a very short period of time while his own boat is being repaired.[16] As a practical matter, it appears likely that the Service may administratively choose to ignore certain relationships which technically fall under the rationale of *Webb* and *Anderson* because of the tax dollars involved and the difficulty of enforcing what appears to be an inequitable result.

The real answer is Congressional relief in the form of an amendment to the law which would exclude most of the two-man boat operations from the rules pertaining to employers. The recent trend has been to extend along a broad front enforcement of payroll withholding requirements. This has been the result of the increases in the Social Security withholding rate and the wage base. With future increases scheduled, it is doutbful that the small taxpayers can marshal a united front to have the law changed or even to litigate a test case where the application of the law is in doubt.

The prospects for the many Maine taxpayers affected by this problem are not bright. It would seem that in the process of "clarifying" the tax law, a certain amount of inequity has been created which has to be borne by people not able to afford it for the present time. Each case does stand on its own facts. Hence, it is essential for tax practitioners to be familiar with the variations in the operation of this aspect of the tax law and if possible attempt to create either a partnership between the boat owner and the sternman or a joint venture that will stand up under the tests of Rev. Rul. 72–365.[17]

FOOTNOTES

[1] The technical analysis in this area is complicated by the fact that the factual patterns involved can vary from the very simplest situation of a single boat owner with one fishing partner where both men actually fish, to situations where the boat owner hires a captain (or captains in the case of a fishing fleet) who in turn hire crewmen. In the latter case, the boat owner performs no actual fishing. For purposes herein, all factual patterns will be covered under the analysis with appropriate notation where any differences in operation do or could affect the tax result. For purposes herein the term "fishing partner", "crew member" and "sternman" are used interchangeably.

[2] S.S.T. 387, 1940–1 CB 192.

[3] e.g. any expenses relating to radar or fathometer rental, certain supplies, any bonus paid to any nonfishing crewmen such as an engineer, etc.

[4] This would generally not be so in the case of the fleet owner. The general pattern indicates that the larger the operation, the less the sternman has to say about financial matters.

[5] In some cases, crewmen are paid an amount called a "broker" if the boat owner was satisfied that a reasonable effort had been made to produce a satisfactory catch. In some cases, boat owners have been known to make advances to crew members in anticipation of the proceeds of an upcoming trip.

[6] It is common for lobstermen to join shrimpers as sternmen and vice versa.

[7] Code Sections 3121(d)–2 and 3306(a)–1; Regulations §§ 31.3121(d)–1(c) and 31.3306 (i)–1.

[8] *U.S. v. Silk*, 331 U.S. 704, 716 (1947).

[9] Using a "common law" approach, it was held in a 1964 unreported District Court case (Portland, Maine) that the boat owner was

an "employer". See *Capital Trawlers, Inc. et al. v. U.S.,* Civil No. 7–63. Contra. *Barrett v. Phinney,* 67–2 USTC ¶ 9691 (D.C. Tex. 1967).

[10] District Court, Florida 9/30/70 CCH Unemployment Reporter ¶ 16.021.

[11] *Anderson Seafood,* 450 F. 2d. 567 (CA 5, 1971).

[12] A "demise charter" is generally characterized by a relinquishment of possession, command and navigation and almost total relinquishment of control. See *Guzman v. Pichirilo,* 369 U.S. 698, 699, 82 S. Ct. 1095, 1096 (1962).

[13] The witholding "rate" has been about 17–19% and this deficiency has been assessed even where it is apparent that the sternman did in fact report his share of the profits and paid his own income and self-employment taxes. It is not unusual in such a case for the total proposed deficiency to equal an entire year's net income of the boat owner.

[14] An affidavit of inclusion of the amounts received was prepared for and signed by each sternman. See B. R. Kurio, 281 F. Supp. 252 (D.C. Tex. 1968). Obviously, in a case of this type, the cooperation of third parties becomes essential. Such cooperation may or may not be available for obvious reasons in any particular case.

[15] With the taxpayer having some of the proposed deficiency reduced.

[16] If a sternman became injured on board, it appears that he could sue the boat owner. See *Anderson Seafood,* supra, where in a footnote, the Fifth Circuit pointed out that in a personal injury case under the Jones Act, two of the boat owners in that case just prior to the tax litigation involving the FICA taxes conceded employee status of an injured member.

[17] All of the rulings and cases have dealt with the situation of the nonfishing owner, captains and crew members. See *Anderson Seafood* supra.

S. 2518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) secton 3121(b) of the Internal Revenue Code of 1954 (relating to definition of employment) is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by adding after paragraph (19) the following new paragraph:

"(20) service performed by an individual on a boat engaged in catching fish or other forms of marine animal life under an arrangement with the owner or operator of such boat pursuant to which—

"(A) such individual does not receive any cash remuneration,

"(B) such individual receives a share of the boat's catch of fish or other forms of marine animal life, and

"(C) the amount of such individual's share depends on the amount of the boat's catch of fish or other forms of marine animal life,

but only if such individual performs services on such boat on a substantially intermittent basis (as determined under regulations prescribed by the Secretary or his delegate).".

(b) Section 1402(c)(2) of such Code (relating to definition of trade or business(is amended by striking out "and" at the end of subparagraph (D), by striking out the semicolon at the end of subparagrph (E) and inserting in lieu thereof ", and", and by adding after subparagraph (E) the following new subparagraph:

"(F) service described in section 3121(b)(20));".

(c) Section 3401(a) of such Code (relating to definition of wages for purposes of withholding) is amended by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; or", and by adding after paragraph (16) the following new paragraph:

"(17) for service described in section 3121(b)(20).".

Sec. 2. (a) Section 210 (a) of the Social Security Act is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by adding after paragraph (19) the following new paragraph:

"(20) service performed by an individual on a boat engaged in catching fish or other forms of marine animal life under an arrangement with the owner or operator of such boat pursuant to which—

"(A) such individual does not receive any cash remuneration,

"(B) such individual receives a share of the boat's catch of fish or other forms of marine animal life, and

"(C) the amount of such individual's share depends on the amount of the boat's catch of fish or other forms of marine animal life,

but only if such individual performs services on such boat on a substantially intermittent basis (as determined under regulations prescribed by the Secretary or his delegate).".

(b) Section 211(c)(2) of such Act is amended by striking out "and" at the end of subparagraph (D), by striking out the semicolon at the end of subparagraph (E) and inserting in lieu thereof ", and", and by adding after subparagraph (E) the following new paragraph:

"(F) service described in section 210(a)(20);".

Sec. 3. The amendments made by the first section of this Act shall apply with respect to services performed after December 31, 1969, in taxable years ending after such date. The amendments made by section 2 of this Act shall apply with respect to services performed after such date.

By Mr. HARTKE (for himself and Mr. Pearson) (by request):

S. 2519. A bill to amend the Regional Rail Reorganization Act of 1973. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, Senator Pearson and I today introduce, at the request of the Interstate Commerce Commission, a bill to provide for capitalization of the Consolidated Railway Corporation, to provide additional flexibility through a supplementary transfer procedure, to liberalize the category of persons able to participate in the light density line subsidy program, and to make clear that the Interstate Commerce Commission has authority to impose conditions designed to assure that existing rates, tariffs, routes and points of interchange are changed only in accordance with traditional Commission procedures, and I ask unanimous consent that the text of the bill be printed in the Record together with a section-by-section analysis of the bill and a letter of transmittal from the Chairman of the Interstate Commerce Commission.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Regional Rail Reorganization Act of 1973, 45 U.S.C. 701 et seq., is amended in the following respects:

CAPITALIZATION OF THE CORPORATION

Sec. 1. (a) Paragraph 202(a)(2) of such Act (45 U.S.C. 712 (a)(2)) is amended to read as follows:

"(2) issue obligations under section 210 of this title; make loans under Section 211 of this title; and purchase or otherwise receive and hold securities (whether debt or equity) of the Corporation under Section 216 of this title and exercise all rights, privileges and powers of a holder of any such securities."

(b) Subsection 210(b) of such Act (45 U.S.C. 720 (b)) is amended to read as follows:

"(b) Maximum Obligational Authority.—The aggregate amount of obligations of the Association which may be outstanding at any one time shall not exceed $500,000,000."

(c) Title II of such Act (45 U.S.C. 711, *et seq.*) is amended by adding at the end thereof the following new section:

"PURCHASE OF SECURITIES OF THE CORPORATION

"Sec. 216. (a) General.—The Association is authorized, in accordance with the provisions of this section and such rules and regulations as it may prescribe, to invest from time to time in the securities of the Corporation by purchasing up to $1,000,000,000 principal amount of Debentures issued by the Corporation and, after the acquisition of such Debentures, up to $1,500,000,000 principal amount of the Corporation's Series A Preferred Stock.

"(b) Purposes and Procedure for Investment.—The Association shall purchase Debentures and thereafter Series A Preferred Stock of the Corporation, in accordance with terms and conditions governing such purchases, which shall be prescribed by the Association's Board of Directors, at such times and in such amounts as may be required and requested by the Corporation to provide for the modernization, rehabilitation and maintenance of rail properties acquired by the Corporation under this Act; for the acquisition of equipment and other capital needs; for the refinancing of indebtedness incurred by the Corporation under Section 211 of this title or incurred under Section 215 of this title and assumed by the Corporation, or to provide working capital. Purchases of up to $1,000,000,000 of Debentures and thereafter up to $1,500,000,000 of Series A Preferred Stock shall be made by the Association as required and requested by the Corporation unless the Board of Directors of the Association makes a finding that—

(1) the Corporation has failed in any material respect to comply with any covenants or undertakings made to the Association and such failure remains uncorrected, or

(2) the purchase of such securities of the Corporation will not serve to effectuate the goals enumerated in Section 206(a) of this title; and unless such finding has been approved by the Commission pursuant to subsection (d) of this section.

"(c) Terms and Conditions.—(1) The Debentures shall rank as senior debt obligations of the Corporation; shall mature at such times, not exceeding 50 years from the date of issuance, as the Board of Directors of the Association shall prescribe; shall accrue no interest during the first 10 years following issuance, but thereafter shall bear interest at such rate as shall be established by the Association's Board of Directors at the time of issuance; and shall be issued in such denominations and be subject to such other terms, conditions, and covenants and undertakings as the Association's Board of Directors shall prescribe.

"(2) The Series A Preferred Stock shall rank senior in dividend and liquidation rights to all other shares of the Corporation's stock; shall accrue no dividends during the first 10 years following issuance, but thereafter shall be entitled to such dividends as the Association's Board of Directors shall prescribe at the time of issuance; and shall be subject to such other terms and conditions as the Association's Board of Directors shall prescribe."

"(d) Approval by the Commission.—In the event that the Association makes a determination pursuant to paragraph (b)(1) or paragraph (b)(2) of this section not to purchase securities of the Corporation, the

Commission and the Corporation shall be notified immediately of such determination together with the Association's reasons therefor, and such determination shall not become effective without the Commission's approval. The Commission shall approve such a determination by the Association within 90 days of its submission unless it finds that further purchases of the Corporation's securities, within the limits established by subsection (b) of this section, are essential to effectuation of the goals enumerated in section 206(a) of this title. If the Commission shall fail to act on any such determination of the Association within 90 days of its submission, it shall be deemed to have given its approval.

"(e) APPROPRIATION.—There is authorized to be appropriated to the Association the sum of $2,500,000,000 to be used for the purchase of securities of the Corporation in accordance with this section. All sums received by the Association on account of the holding or disposition of any such securities shall be deposited in the general fund of the Treasury."

(d) Section 301 of such Act is amended by repealing subsection (f), redesignating subsections (e) and (g) as subsections (g), and (h) respectively, striking the first two sentences of redesignated subsection (g) and substituting the following: "In order to carry out the final system plan, the Corporation is authorized to issue Debentures, Series A Preferred Stock, Series B Preferred Stock, and other securities. Debentures and Series A Preferred Stock shall be issued initially to the Association pursuant to section 216 of this Act. Series B Preferred Stock and common stock shall be issued initially to the estates of railroads in reorganizations in the region, to railroads leased, operated, or otherwise controlled by railroads in reorganization in the region, and to other transferors of rail properties in exchange for rail properties transferred to the Corporation pursuant to the final system plan. Such initial issuance of Debentures, Series A Preferred Stock, Series B Preferred Stock, and common stock, but not the issuance of any other securities of the Corporation, shall be deemed to have been authorized pursuant to section 20a of the Interstate Commerce Act, as amended (49 U.S.C. 20a)."

(e) Paragraph 303(c)(2) of such Act (45 U.S.C. 743(c)(2)) is amended by striking the word "shall" in line 5 and inserting the words "may do any or all of the following" in lieu thereof; by striking the word "and" at the end of subparagraph (A); by striking all preceding the word "order" in subparagraph (B); by striking the word "and" at the end of subparagraph (B); and by striking subparagraph (C) and inserting in lieu thereof the following:

"(C) enter a judgment against the corporation, but no such judgment shall be entered which would impair the Corporations's financial self-sufficiency, credit, or solvency."

TRANSFERS SUBSEQUENT TO THE EFFECTIVE DATE OF THE FINAL SYSTEM PLAN

SEC. 2. Title II of such Act (45 U.S.C. 711 *et seq.*) is further amended by adding at the end thereof a new section 217 as follows:

"SUPPLEMENTARY TRANSFERS

"SEC. 217. (a) INITIATION BY THE ASSOCIATION.—If at any time within two years following the effective date of the Final System Plan the Association shall find, either upon its own motion or upon petition, that the goals of this Act would better be achieved by the transfer of additional rail properties to or from the Corporation, it may revise or supplement the designations made in the Final System Plan under section 206(c) of this Act. Notice of any proposal for such revised or supplemental designation shall be given through publication in the Federal Register, and the Association, in such notice, shall provide for a period of not less than 60 days for the receipt by the Association and the Commission of public comment. At the end of this period, the Association, if it so desires, shall have ten days in which to modify the initial proposal in accordance with the public response.

"(b) REVIEW BY THE COMMISSION.—Within 90 days of the final date by which the Association may modify a proposal under this section, the Commission shall determine whether the acquisition proposed by the Association or other interested persons would be in full accord and comply with the provisions and standards of section 5 and other applicable provisions of the Interstate Commerce Act considering, among other things, any substantial impairment of the Corporation's ability to meet the goals of this Act and the possible increased public costs involved. The Commission may make its approval of such an acquisition subject to such reasonable terms and conditions as it may find to be required in the public interest, and no such acquisition shall be made in the absence of the Commission's approval, except that if the Commission shall fail to act within the time period provided in this paragraph, it shall be deemed to have given its approval of the acquisition as proposed by the Association. The Commission may prescribe such regulations as may be necessary for the administration of this section.

"(c) FINAL REVISED DESIGNATIONS.—Within 30 days following issuance of the Commission's approval, in whole or in part, of any revised designation under this section, the Association shall issue its final revised designation, which shall be consistent with the determinations made by the Commission under section (b) above. Should the Association fail to act upon a specific designation within this 30 day period, no further proceedings will be conducted with respect to said designation. Within 30 days after the Association issues its final revised designation pursuant to this section, each proposed transferor or transferee (other than the Corporation) shall notify the Association in writing of its acceptance of the offer incorporated in the final revised designation. If any such proposed transferor or transferee fails to notify the Association that the final revised designation is acceptable to it, no further administrative or judicial proceedings shall be conducted with respect to such final revised designation.

"(d)(1) ROLE OF THE SPECIAL COURT.—If such transferor or transferee accepts the offer of the Association made pursuant to the above subsection the Association shall, within 10 days of such notification, file with the special court a request for determination, to be provided within 90 days from such filing with the special court that the terms under which the rail property or properties to be transferred, including, among other things, the compensation to be paid and the valuation of such property or properties, are fair and equitable to the holders of the Corporation's Common and Series B Preferred Stock. In all other respects, the determinations of the Association and the Commission shall not be reviewable by any court."

"(2) If the special court determines that the terms and provisions of such acquisition are fair and equitable, it shall issue such orders as may be necessary to direct the Corporation to consummate the proposed transactions. If the special court determines that the terms are not fair and equitable, it shall file an opinion stating its conclusions and the reasons therefor. Such opinion shall state what terms the special court would find to be fair and equitable under the involved circumstances. In such event, the Association shall issue a new revised designation, which shall then be subject to the procedures described in subsections (c) and (d) of this section."

CORPORATION DIRECTORS AND OFFICERS

SEC. 3. (a) Subsection 301(c) of such Act (45 U.S.C. 741(c)) is amended by striking the second sentence thereof and substituting the following sentence:

"The members of the Executive Committee of the Association shall also adopt the initial by-laws of the Corporation and serve as the Board of Directors until at least 5 members of the Board of Directors shall have been selected in accordance with subsection (d) of this section."

(b) Subsection 301(d) of such Act (45 U.S.C. 741(d)) is amended to read as follows:

"(d) BOARD OF DIRECTORS.—The Board of Directors of the Corporation shall consist of 9 qualified individuals selected in accordance with the articles and by-laws of the Corporation as follows: two individuals appointed by the President by and with the advice and consent of the Senate; one individual selected by the holders of the Corporation's Debentures and Series A Preferred Stock, voting as a class; two individuals selected by the holders of the Corporation's Series B Preferred Stock; two individuals selected by the holders of the Corporation's common stock; and two individuals selected by the Corporation's Board of Directors."

(c) Section 301 of such Act (45 U.S.C. 741) is amended by inserting new subsections (e) and (f), reading as follows:

(e) OFFICERS.—The officers of the Corporation shall include a Chairman and a President, who shall be elected by the Board of Directors from their membership, and who shall serve at the pleasure of the Board; and such other officers as shall be provided for in the by-laws of the Corporation. The President, who shall be chosen for his recognized abilities, leadership, and experience, shall report to the Board of Directors and to no other officer of the Corporation, shall be responsible for the conduct of all departments concerned with operations, personnel, marketing, sales, planning, engineering, finance, treasury and accounting, and all other functions necessary to the provision of efficient, economical and reliable transportation services of the quality and character required to achieve the purposes and objectives of this Act, and particularly the first-named goal of section 206(a) of this Act. The Chairman and the other officers of the Corporation shall have such duties and responsibilities as from time to time may be assigned to them by the Board of Directors or the President and are not inconsistent with the duties and the responsibilities of the President.

"(f) Upon the effective date of the final system plan as provided in section 208 of this Act, and until the distribution of securities of the Corporation in accordance with section 303(c) of this title shall have been effectuated, the special court shall appoint one or more voting trustees to exercise the rights of holders of the Corporation's Series B Preferred and common stock; or in the alternative, and in the special court's sole and exclusive discretion, it may appoint Directors to represent the Series B Preferred and common stock of the Corporation pursuant to subsection (d) of this section. In determining whether to appoint voting trustees or Directors, and in selecting any such voting trustees or Directors for appointment, the special court may entertain and consider the views of any interested parties, but shall be guided primarily by the consideration that the interests of the ultimate beneficiaries of the Corporation's Series B Preferred Stock and common stock, as well as the public interest, will be best served by the selection of persons of the highest stature, integrity, and business experience."

SUBSIDIZED LINES

SEC. 4. (a) Subsection 402(b) of such Act (45 U.S.C.), is amended by adding at the end thereof a new paragraph (3) as follows:

"(3) The Secretary is authorized and directed to provide financial assistance under this section to provide for the continuation of local rail services, for a period of not more than one year, to any person whom the Secretary shall find is financially responsible and who will assume the legal liability for the payment of the State share of a rail service continuation subsidy, regardless of the eligibility of the State within which are located the rail properties over which such services are to be performed to receive rail service continuation subsidies under paragraph (c) of this section. In the event that the available subsidy funds prove inadequate, transportation authorities shall have priority."

(b) Title IV of such Act is amended by adding at the end thereof the following new section:

"ANALYSIS OF SUBSIDIZED LINES"

SEC. 404. (a) STUDY BY THE COMMISSION.—The Commission shall analyze each rail line of a railroad in reorganization in the region, and of railroads leased, operated, or controlled by a railroad in reorganization, which is not designated to be continued pursuant to the Final System Plan and which is operated pursuant to the provision of this title to determine—

"(1) the actual revenues and costs associated with the operation of each such line;

"(2) the changes, if any, in rates, patterns of service, physical condition of each such line or other factors required for the economic viability of said line; and

"(3) based upon the foregoing information, the prospects of the lines becoming economically viable within a reasonable period of time. "In preparing such analyses the Commission may hold public hearings in the region and shall solicit and consider the views of the States, local communities, rail users, Federal agencies and other interested persons. Within 180 days after the date upon which the Commission receives notice that operations over a line have begun under a rail services continuation subsidy, the Commission shall determine which rail lines subject to this section are economically viable and should be transferred to the Corporation or another railroad operating in the region. Such designations shall not be inconsistent with State rail plans. The Commission shall publish such designations in the Federal Register and shall invite interested persons to submit comments within 30 days after such publication. Within 60 days after the publication of notice that a line should be transferred to the Corporation or to a profitable railroad with its consent under this section, the Commission shall issue its final revised designation and shall transmit such revised designation, together with the valuation of the rail properties involved as determined pursuant to the standards issued under section 205(d)(3) of this Act, to the special court.

"(b) TRANSFERS TO RAILROADS OTHER THAN THE CORPORATION.—The Association shall, at the time the Commission publishes its determination in the Federal Register, determine whether the rail properties involved should be operated by the Corporation or by another railroad. If it determines that such properties should be operated by a railroad other than the Corporation, it shall conduct negotiations with such other railroad and with the trustees of the rail properties involved to fix the terms and conditions of the transfer of such properties. The valuations and agreements, if any, between such other railroad and such trustees shall be certified by the Association to the special court at the same time as the Commission's revised designations. In the absence of such a certification, such rail properties shall be transferred to the Corporation, for operation by the Corporation or, with Commission approval, by another entity."

"(c) REVIEW BY THE SPECIAL COURT.—The special court shall complete its review of any revised designation within 90 days of its receipt of such designation. Valuations agreed to between a railroad other than the Corporation and the trustees of the rail properties involved, as certified by the Association, shall be conclusively presumed to be fair and equitable. Valuations of rail properties to be transferred to the Corporation shall be reviewed by the special court to determine whether they are fair and equitable to the holders of the Corporation's Common and Series B Preferred Stock. If it finds that such valuations are not fair and equitable, the special court shall issue an opinion revising such valuations and stating its reasons therefor. Upon the completion of its review, the special court shall issue such orders as may be necessary to effect consummation of the proposed transfers. Transfers effected under this section shall be treated as if they had been effected pursuant to the Final System Plan and shall not be subject to approval under section 5 of the Interstate Commerce Act (49 U.S.C. 5)."

PRESERVING PRESENT SERVICE PATTERNS

SEC. 5. Title VI of such Act (45 U.S.C. 790) is amended by adding at the end thereof the following new section:

"TARIFFS AND TRAFFIC CONDITIONS

"SEC. 606. (a) TARIFFS.—The Corporation and any other railroad to which rail properties are transferred under this Act shall be deemed to have adopted and affirmed, without any further action on its part, all portions of the tariffs, schedules and division agreements of its predecessors in interest effective upon the date of such transfer which relate to services performed over rail properties transferred under this Act, and such relevant terms and provisions of all such tariffs, schedules and division agreements shall remain in effect unless and until they are changed pursuant to appropriate provisions of the Interstate Commerce Act, or, in the case of division agreements, by agreement of the parties.

"(b) PRIOR CONDITIONS.—Any condition imposed by the Commission in the course of any merger or other proceeding involving any predecessor in interest of the Corporation or any other railroad to which rail properties are transferred under this Act, and which was imposed in order to assure the continuation of competitive rail service or to avoid undue diversion of traffic from another railroad, shall remain in full force and effect as to the services performed by the Corporation or such other railroad, unless and until modified or removed by the Commission.

"(c) TRAFFIC PROTECTIVE CONDITIONS.—The Commission, upon petition or upon its own initiative, after hearing, may establish such reasonable routes and regulations, modify existing conditions, or impose upon the Corporation or any railroad to which properties are transferred under this Act such reasonable conditions for the movement of traffic and the handling of cars as it may deem necessary and appropriate to assure that rail properties transferred pursuant to this Act shall be operated in the manner which will best—

"(1) achieve the purposes stated in paragraphs 206(a)(4) and 206(a)(5) of this Act; and

"(2) assure that services performed over such rail properties on the effective date of the Final System Plan are continued and that all channels of trade are maintained and kept open.

"(d) SERVICE CONTINUATION.—In the event that the implementation of the Final System Plan results in any disruption of rail service, the Commission pursuant to its existing authority, as set forth in the Interstate Commerce Act (49 U.S.C. 1 *et seq.*), shall take such action as it deems necessary to assure the continuation of transportation service in the public interest."

RAIL SERVICES PLANNING OFFICE APPROPRIATIONS

SEC. 6. Paragraph 214(b) of such Act (45 U.S.C. 724(b)) is amended by striking the figure "$5,000,000" and inserting in lieu thereof the figure "$6,000,000".

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., September 26, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON:

In its Evaluation of the United States Railway Association's Final System Plan, the Interstate Commerce Commission made several recommendations for amending the Regional Rail Reorganization Act of 1973. Enclosed is draft legislation which would effect these recommendations, together with a section-by-section analysis. The Commission asks that your Committee consider this legislation as it gives general consideration to the Final System Plan in the next few weeks.

The recommendations which the Commission made in the *Evaluation* fall into five categories:

1. We recommend that changes be made to provide for a more flexible capital structure for the Consolidated Rail Corporation and that the Association be given the authority to purchase ConRail securities which would not initially accrue interest or dividends. (*Evaluation*, pages 43 and 44.) Section 1 of the enclosed bill would accomplish this end.

2. We recommend that the Act be amended to permit the transfer, under expedited procedures, of additional properties to or from ConRail for a two-year period following the effective date of the Final System Plan in cases where the Association and the Commission find that this would better achieve the stated goals of the Act. (*Evaluation*, pages 11 and 14.) Section 2 of the accompanying bill would make such a provision.

3. We recommend that the make-up of the Corporation's board of directors be changed to eliminate the *ex officio* membership of government employees and to give majority representation to the representatives of the debtor estates. (*Evaluation*, page 45.) Section 3 would make these changes.

4. We recommend that the Act be amended to permit "any responsible person" to receive Federal matching-grant subsidy payments during the first year of subsidy and that provision be made for further study of the subsidized lines by the Commission and for the subsequent inclusion in ConRail of those lines found to be profitable. (*Evaluation*, pages 46 through 49.) Section 4 of the enclosed bill would accomplish this end.

5. We recommend that the Commission be given authority to impose conditions such as those it has traditionally imposed in the course of railroad merger proceedings to protect the traffic of other railroads and that ConRail be required to adopt the rates and tariffs of the railroads whose properties it will purchase and to keep open existing routes and points of interchange with other railroads. (*Evaluation*, pages 11 and 14.) Section 5 would carry out this recommendation.

In addition to these recommended amendments, which would implement the recommendations made in our Evaluation of the Final System Plan, we are submitting one additional proposal, contained in section 6 of the enclosed bill, which would increase the authorized funding for the Rail Services Planning Office by $1 million. The need for this additional funding is explained in the accompanying section-by-section analysis of our proposed bill.

We recommend the introduction and approval of the enclosed bill amending the Regional Rail Reorganization Act.

Sincerely yours,

VIRGINIA MAE BROWN,
Acting Chairman.

SECTION-BY-SECTION ANALYSIS

SECTION 1

The Commission believes that the capital structure proposed in the Final System Plan would impose too onerous a burden of fixed interest and dividends on ConRail, and that any presumed benefits to the taxpayers of this structure would prove to be illusory. If the plan's projections were achieved, the private investors would have to pay the Government $7.447 billion to return ConRail to the private sector:

	Million
Redemption of Debentures and Series A Preferred issued for cash	$1,841
Cash dividends and interest, years 1982 through 2,016	4,718
Redemption of Series A Preferred issued in lieu of Cash dividends	888
	$7,447

To the extent that the projections are not achieved, there would be a disproportionate increase in the required payback caused by the issuance of additional Series A Preferred at issue prices less than the mandatory redemption prices.

If the Government insists on such a top-heavy capital structure and on domination of the Corporation's Board until it has been repaid with interest, important support will have been provided for the argument of the debtor estates that the conveyances under the Act constitute a taking of their properties for public use, and that the proper measure of their values thus is reproduction cost new less depreciation. We cannot prejudge the Special Court's decision on these matters, but if this argument were presented to us in similar circumstances in a proceeding arising under Sec. 77 of the Bankruptcy Act we would feel obliged to award it substantial consideration. In contrast, the net liquidation values established by the Association in the Final System Plan are rooted in traditional income-based reorganization doctrines (Plan, page 122).

No one can estimate at this stage with any pretense of precision what the differences between values based on reproduction cost new less depreciation and values based on net liquidation would ultimately be determined to be. But the Penn Central trustees alone have claimed that their properties are worth $7.4 billion as against the $471 million stated in the Plan (page 126). This would appear to set an upper limit on the scope of the Government's excess Tucker Act exposure in respect of Penn Central—about $7 billion in present value. Applying compound interest at 8 percent to December 31, 1987 (the ultimate redemption date of the proposed certificates of value) would increase this excess exposure to about $17.6 billion.

To be sure, the Plan provides that the Government Investment Committee could, if it wished, waive the dividends and interest. But whether it will do so cannot be known at the time the valuation cases are before the Special Court. Thus, we believe that the proposed capital and management structure of the Final System Plan could expose the Government to Tucker Act claims ranging up to 3 times the value of the projected interest and dividends (cash and stock) which we believe, in any event, to be largely illusory.

The amendments to the Act proposed in Sections 1 and 3 of the enclosed draft bill are intended to implement the Commission's recommended ConRail capitalization and management changes (Evaluation, pages 44–45). No interest or dividends would accrue during the first ten years on the securities issued to the Association in return for its "front end" funding contribution, there would be no *ex officio* Government directors, and directors representing the securities awarded the debtor estates would have the responsibility for directing ConRail's management into profit-oriented channels. The securities held by the Association would, however, have seniority in dividend and liquidation rights over those of the debtor estates, and the Government would have representation on the Board sufficient, in our view, to protect its interests. It should be noted also that ConRail, as other railroads, will be subject to the Commission's regulation to whatever extent Congress in the future believes railroads should be regulated to protect the public interest.

The capital and management structures proposed in these amendments would, we believe, not only serve to reduce the Government's exposure to a Tucker Act award, but also enhance the chances of its investment being repaid. This is so because if ConRail does succeed as a private enterprise reorganized railroad, as we believe it can, the Government can expect to have its securities redeemed with interest, after 1985.

To minimize the scope of changes necessary in the Final System Plan, the basic capital structure therein, consisting of Debentures and Series A Preferred Stock to be issued to the Association, and of Series B Preferred and common stock to be issued the debtor estates, is retained. The Association would be authorized to purchase up to a total of $2.5 billion of such ConRail Debentures and Series A Preferred—the same total amount of funding as is proposed to be authorized in the Final System Plan.

In addition to changing ConRail's capitalization, the proposed amendments provide for Commission review of any decision by the Association to terminate ConRail funding; for the composition of the Board of Directors; for designating the duties and responsibilities of the Chairman and President; and for protecting ConRail against a deficiency judgment which could imperil its financial self-sufficiency or solvency.

Some discussion of the $2.5 billion "front end" funding appears to be in order. The Commission has expressed the opinion that the Final System Plan's financial projections are over-optimistic and that the Special Court may determine a greater valuation for the properties acquired from the debtor estates than is provided in the plan. It appears to be neither feasible nor essential to provide at this time for any funding which may become necessary following the Special Court's ultimate decision. Also, it is not necessary at this time to attempt a precise prejudgment of ConRail's ultimate funding requirements. What is necessary and prudent is to provide the company from the outset with a competent, profit-oriented management and such funding as could reasonably be expected to see it through, say, the first five years. We believe that the $2.5 billion is probably sufficient for the purpose.

The Final System Plan financial projections estimate total gross funding requirements during the five years 1976–1980 (over and above initial acquisition costs, which are to be paid in stock) of $2.344 billion comprised of: $136 million initial working capital, $459 million deferred track structure replacements, $652 million current track structure replacements, $603 million roadway capital improvements, $430 million in new freight equipment, and $64 million for repayment of Sec. 215 loans to the Department of Transportation. Offsetting these amounts in the projections are $211 million in Corridor expense reimbursements, $173 million in equipment financing, and $254 million in forecast internal cash generation before accruals for interest and income taxes; leaving a net requirement for $1.706 billion in Government-provided funds if interest is not taken into account. We assume that any funding required for Amtrak in connection with the plan will be provided through authorizations and appropriations to Amtrak. We have questioned whether the $254 million of internal cash will in fact be generated, and we believe that the roadway rehabilitation ought, to the extent possible, to be expedited. The $2.5 billion authorization would provide a margin of $800 million for financial results during this first five years less favorable than those projected and for accelerating the rehabilitation program. We believe that this is a reasonable margin for Congress to authorize at this time.

Sec. 1(a) of the proposed amendments amends Sec. 202(a)(2) of the Regional Rail Reorganization Act of 1973 (the Act) to authorize the Association to acquire, hold, and vote the proposed ConRail securities to be issued to it.

Sec. 1(b) amends Sec. 210(b) of the Act to reduce the Association's authority to issue Government-guaranteed obligations from $1.5 billion to $500 million, since it is intended that it acquire the ConRail securities directly, rather than through issuance of guaranteed loans. The $500 million should be sufficient to cover its remaining responsibilities under Sec. 211 of the Act.

Sec. 1(c) amends Title II of the Act by adding a new Sec. 216 providing the mechanism for purchase of ConRail securities by the Association.

The new Sec. 216(a) would authorize acquisition of up to $1 billion principal amount of Debentures and up to $1.5 billion of Series A Preferred Stock.

New Sec. 216(b) provides that the Debentures and Preferred stock may be purchased by the Association as needed by ConRail for modernization and rehabilitation of its properties, for the acquisition of equipment and other capital needs, for refinancing Sec. 211 and Sec. 215 obligations, and for working capital. The Association could refuse to purchase ConRail securities for such purposes, up to the limits authorized, only if its Board of Directors makes certain specific findings, and on approval of the Commission pursuant to new Sec. 216(d).

New Sec. 216(c) describes the principal features of the Debentures and Preferred Stock, which would be senior securities of ConRail in interest, dividend, and liquidation rights, but would accrue no interest or dividends during the first ten years.

New Sec. 216(d) requires that if the Association decides to terminate ConRail funding for either of the reasons permitted by Sec. 216(b), it must obtain the Commission's approval, which shall be deemed to have been given if it has not acted within 90 days. The Commission must approve unless it finds that further purchases of ConRail securities, within the limits authorized, are essential to achieving the goals enumerated in the Act. It seems desirable that the public have such protection against any possibly arbitrary or unfounded decision which could have an adverse effect on the quality of ConRail's service or affect the competitive balance in the region.

New Sec. 216(e) authorizes appropriation to the Association of the $2.5 billion for the purchase of ConRail Debentures and Series A Preferred Stock, and directs that any sums received by the Association on account of the holding or disposition of the securities be deposited in the general fund of the Treasury. Although, of course, during the first decade no interest or dividends will be received, it is anticipated that ultimately, if the ConRail reorganization is successful, these securities would be valuable and could either be redeemed or retained for their yield.

Sec. 1(d) amends Sec. 301 of the Act by repealing subsection (f), redesignating subsections (e) and (g) as subsections (g) and

(h) respectively, and changing the first two sentences of redesignated subsection (g) to authorize ConRail's initial capitalization consisting of Debentures, Series A Preferred Stock, Series B Preferred Stock, and common stock, with the latter two classes going to the debtor estates. To obviate the possibility of future misunderstanding, the Commission's approval under section 20a of the Interstate Commerce Act for the issuance of Debentures and Series A Preferred Stock to the Association and the initial issuance of Series B Preferred Stock and common stock to be deposited with the special court for distribution to the debtor estates would be deemed to have been obtained. The issuance of any other securities (such as equipment trust certificates) would be subject to the normal processes of section 20a.

The effect of striking the present subsection (f) is to remove the requirement that ConRail shall be subject to the provisions of the Government Corporation Control Act for the purposes of audit. If ConRail is in fact intended to be a private enterprise Corporation and is to be subject to the Commission's Uniform System of Accounts, no useful purpose appears to be served by subjecting it to a duplicative audit.

Sec. 1(f) amends Sec. 303(c)(2) of the Act to provide that no deficiency judgment shall be entered by the special court which would have the effect of impairing ConRail's financial self-sufficiency, credit, or solvency. We believe this to be essential to any prospect of ConRail's ultimately being able to obtain private-market financing, even equipment financing. Moreover, it would create no additional potential risk to the taxpayers, since to the extent that ConRail's solvency might be endangered by such a judgment, the amount of Government funding would be increased.

SECTION 2

This section would implement the recommendations contained in the fourth paragraph on page 14 of the Commission's Evaluation of the Final System Plan, which suggested that the Congress

"... amend the Act to provide for amendment of the Final System Plan if it were found that this would better achieve the goals stated in the Act. This would allow the Association to propose additional transfers of rail properties, subject to review by the Commission under the expedited procedures of Section 206(d)(3) of the Act."

Such an amendment would authorize the Association to make designations of additional rail properties to be transferred to or from the Corporation if this would serve better to meet the goals of the Act. Such transfers might be of considerable scope. For example, if the preferred industry structure (ConRail-Chessie) cannot be accomplished, and the result is the creation of Unified ConRail, the Association might propose that substantial portions of the properties now slated for transfer to Chessie be transferred instead to some other railroad (or to the Chessie itself under modified terms) in order to preserve rail competition in the northeast. On the other hand, such transfers might be much more modest, resembling the kind of joint-use arrangements which represented the majority of the coordination projects approved previously under section 206(c) of the Act.

This section adds a new section 217 to the Act. Subsection (a) of proposed section 217 provides for the Association to initiate proposals for transfer, either on its own initiative or upon petition. It would be required to give notice of transfer proposals through Federal Register publication and to provide at least 60 days for public comment, which would be addressed to both the Association and the Commission. The Association would be given 10 days within which to modify its proposal in light of the public comment.

Subsection (b) provides for a review of the transfer proposals by the Commission, under terms similar to those now provided in section 206(c) of the Act. That review would have to be accomplished within 90 days of the date set by the Association for the receipt of public comment.

Subsection (c) requires the Association to issue its final designation for transfer within 30 days following the Commission's approval. Transferors or transferees, other than the Corporation, would have to notify the Association within 30 days of their acceptance of the proposal. The Association's finding that a transfer should be effected would be binding upon the Corporation.

Subsection (d) provides for review by the Special Court of the compensation to be paid. Should the Court determine that the transaction is fair and equitable to the holders of the Corporation's Common and Series B Preferred Stock (that is, its nongovernment owners), it would direct that the transfer take place. If it found that the transaction is not fair and equitable, it would reject the proposal, and the Association would adjust the terms accordingly and resubmit the proposal to the transferor or transferee, other than the Corporation, and then to the special court.

SECTION 3

Sec. 3(a) amends Sec. 301(c) of the Act so as to provide that the Executive Committee of the Association shall serve as ConRail's Board of Directors only until at least five members of the 9-member Board shall have been selected in accordance with amended Sec. 301(d). The Final System Plan (p. 98) recommended that the transition from the 5-member temporary Board to the permanent Board should not await distribution of the Securities to the debtor estates, but should occur at the date of conveyance or as soon thereafter as all of the presidential appointees have been confirmed. We see no reason to wait that long, and this amendment would permit the new Board to take over as soon as a majority have been qualified.

Sec. 3(b) amends Sec. 301(d) of the Act to provide that ConRail's Board will consist of 9 members: two appointed by the President, one representing the securities held by the Association, four representing the Series B Preferred and common stock, and two to be selected by the Directors. This implements the Commission's recommendation (*Evaluation*, p. 45) that the Board consist of less than 15 members, that it include no *ex officio* Government officials, and that the debtor estates be allowed greater proportional representation in order to provide an opportunity for private enterprise profit-oriented management to demonstrate whether it can or cannot succeed. It should also serve to reduce the Government's Tucker Act exposure.

Sec. 3(c) amends Sec. 301 of the Act by inserting two new subsections.

New Sec. 301(e) provides that ConRail's Chairman and its President shall be elected from among the membership of the Board and shall serve at the pleasure of the Board. It defines broadly the duties and authority of the President and specifies that he shall report to and be responsible to the Board, and sets forth his primary goals. The purpose is to clarify the intent that ConRail's management is to be profit-oriented.

New Sec. 301(f) provides a mechanism whereby the special court, pending the distribution of securities to the debtor estates, may appoint either voting trustees or directors to represent the interest of the Series B Preferred and the common stock.

SECTION 4

This section amends Title IV of the Act to make certain changes in the branch-line subsidy program. These changes reflect the Commission's recommendations discussed at pages 46 through 49 of its Evaluation of the Final System Plan.

Section 4(a) would add a new paragraph to present subsection 402(b) of the Act. This provision would make Federal matching grant funds available to "any responsible person" rather than only to States or local or regional transportation authorities. This change would be effective only for the first year of subsidy, and the Secretary of Transportation would be directed to give priority to the needs of States or local or regional transportation authorities in the event that the funds available for distribution in any one State ran short. This provision is designed to enable an individual rail user to receive the Federal subsidy funds, and is believed necessary because it is clear that some States in the region will not be ready on time to take advantage of this program.

Subsection (b) of section 4 would add a new section 404 to Title IV. It provides for a restudy by the Commission of those lines omitted from the Final System Plan but operated under subsidy. Subsection (a) would require the Commission to analyze each of these lines to determine its actual costs and revenues, what changes in its operation might elevate it to a profitable status, and what their prospects for eventual profitability are. The holding of public hearings would be discretionary with the Commission, but it would be required to solicit and consider the views of States, local communities, users, Federal agencies, and other interested persons. It would have 180 days within which to complete its analysis. The time period would start to run upon the receipt by the Commission of notification that operation of a line under subsidy has commenced. The Commission would determine whether a line is viable, and would designate such a line for transfer to the Corporation or to another railroad in the region. The designations would be published, and 30 days allowed for public comment. Within 60 days following the publication, the Commission would issue its revised designation and transmit it to the special court. It would also transmit to the special court the valuation of the rail properties involved as determined by the Standards for Determining Rail Service Continuation Subsidies issued under section 205(d)(3) of the Act (49 C.F.R. § 1125.6).

Subsection (b) provides for the treatment of lines which would more efficiently be operated by a railroad other than the Corporation. The Association is given the role of attempting to negotiate a valuation and transfer agreement between such a railroad and the trustees of the rail properties involved. If such an agreement can be negotiated, the Association would certify its terms to the special court at the same time as the transmission to the court of the Commission's final designation. If such an agreement cannot be reached, the properties would be transferred to the Corporation. Thus, in a situation where a line did not physically connect with a ConRail line, it would be left to ConRail to decide whether to conduct the operation, to arrange for another railroad to conduct it, or to attempt to find a buyer. (In the latter two instances, Commission approval of the transaction would be necessary.)

Subsection (c) provides for review of the terms of the transfer by the special court, which would have to make its determinations within 90 days of receipt of the Commission's designation. The terms of agreements agreed to by a railroad other than the Corporation and the trustees of the property involved could not be disturbed by the court. It would, however, review transfers to the Corporation to assure that the terms are fair and equitable to the holders of its Common and Series B Preferred Stock. If it found those terms to be unfair, it would revise them as necessary. Upon completion of its review, the court would issue orders directing the consummation of the proposed transfer. The transfers would take place as if made pursuant to the Final System Plan, and would require no further approval by the Commission under the Interstate Commerce Act.

SECTION 5

Section 5 of the bill would add a new section 606 of Title VI of the Act. The new section contains several provisions designed to assure that service now being provided over the lines of railroad to be transferred to ConRail or other carriers pursuant to the Final System Plan will be continued without interruption. It would also permit the Commission to impose conditions which would require the transferees of these properties to continue present joint service arrangements with other carriers, thus permitting these carriers—usually the smaller railroads operating in the region—to continue to compete effectively in a new environment dominated by ConRail.

Paragraph (a) of proposed new section 606 provides that ConRail, or any other carrier to which rail properties are transferred under the Final System Plan, will be deemed to have adopted the tariffs and rate division agreements of its predecessors. The tariffs could be modified only under the appropriate provisions of the Interstate Commerce Act, which normally require filing of proposed changes on no less than 30 days' notice. Division agreements could be changed only upon agreement of the parties. This provision is designed to assure continuity of service at the rates and charges already on file and thus known to the users of the rail services involved. It would also keep in effect those joint rates under which through service is performed by the railroads in reorganization in conjunction with their connecting carriers, both within and beyond the region. It will not eliminate the requirement that adopting supplements be filed to the tariffs now on file with the Commission. Thus, the tariff users would be fully informed of the fact of adoption by ConRail or other transferee.

Paragraph (b) provides that any traffic protective condition imposed by the Commission in the course of any previous rail merger or other proceeding involving the present owner of a line to be transferred to ConRail or another railroad under the Final System Plan shall remain in full force and effect and apply to the operations performed by the new owners, unless and until such conditions are modified by the Commission. Many such conditions are now in effect, particularly as a result of the Penn Central merger decision, and they provide a degree of protection to smaller railroads that now compete with Penn Central for traffic. To retain these conditions in effect until the Commission finds that they may properly be relaxed or removed would assure that these smaller carriers would not suffer an abrupt loss of traffic, and would serve to implement the goal stated in section 206(a)(4) of the Act that existing patterns of service be preserved.

Paragraph (c) would allow the Commission, after hearing, to impose new conditions upon the operations of railroads to which are transferred the properties of the carriers in reorganization. Such conditions might be found necessary in order to carry out the stated goals of the Act, principally those of paragraphs 206(a)(4), cited immediately above, and 206(a)(5) concerning the retention of competitive rail services in the region. This paragraph would give the Commission discretion to impose conditions in any situation in which it found this to be necessary to assure that existing rail services are maintained and that existing routings and interchanges are kept open, after the transfers envisioned by the Final System Plan take place.

These conditions have often followed the form of what are commonly known as the "DT&I Conditions" because they were articulated in their present form in a case involving that railroads—*Detroit, T. & I. R. Co. Control*, 275 I.C.C. 455, 492 (1950). The Commission imposed these conditions upon all the transfers which it approved under section 206(d)(3) of the Act, so they already apply to the properties transferred to the Chessie System railroads and other transferees under the Final System Plan other than ConRail. As imposed in the section 206(d)(3) coordination cases, the conditions read as follows:

1. That the acquiring railroad shall maintain and keep open all routes and channels of trade via existing junctions and gateways, unless and until otherwise authorized by the Commission.

2. The present handling of traffic shall be continued so as to permit equal opportunity for service to and from all lines reaching those involved in a given project without discrimination as to routing or movement of traffic and without discrimination in the arrangement of schedules.

3. The present traffic and operating relationships existing between lines involved in a given project and all other lines connecting with these shall be continued insofar as such continuation is feasible and is within the control of the acquiring railroads.

4. The acquiring railroad shall accept, handle and deliver all cars in-bound and outbound, loaded and empty, without discrimination in promptness or frequency of service as between cars destined to or received from competing carriers and irrespective of destination or route of movement.

5. The acquiring railroad shall not do anything to restrain or curtail the right of industries located on the involved lines to route traffic over any or all existing routes and gateways.

6. Any party or any person having an interest in the subject matter may at any future time make application for such modification of the above conditions, or any of them, as may be required in the public interest, and jurisdiction shall be retained by the Commission to reexamine each and every project herein for the same purpose.

Paragraph (d) directs the Commission in the event that implementation of the Final System Plan results in any disruption of rail service, to take any action now authorized under the Interstate Commerce Act to assure the continuation of transportation services. Such authority is found, basically, in section 1(15) of that Act, and it is under that section that the Commission orders rerouting of traffic in the event that a line is closed by natural disaster or accident and under which it issues car services orders to alleviate emergency car shortages. The particular problem which is envisioned under the Final System Plan is that service may be terminated over lines which form a portion of a through route relied upon by particular shippers. For example, it is probable that service over extensive portions of the Erie Lackawanna lines west of Akron, Ohio, will be terminated. A grain shipper in Indiana located on the Erie mainline has heretofore shipped his products to the east coast over the EL. While he still may retain rail service at his elevator, much of the rail line over which his shipments have moved will no longer be in existence. The shipment may, in fact, have to move west to a junction point with another railroad before moving to its east coast destination. Should the railroads that will be involved in moving this shipment fail to establish joint rates and through routes for its movement in a timely manner, the Commission, acting under this paragraph, could require their establishment on short notice. This provision makes it clear that the authority which the Commission now has under section 1(15) of the Interstate Commerce Act applies to situations arising as a result of the implementation of the Final System Plan.

SECTION 6

This section would amend section 214(b) of the Act to increase the authorized appropriations of the Rail Services Planning Office by $1 million to a total of $6 million. In letters dated May 12, 1975, the Director of RSPO asked Senator Vance Hartke, Chairman of the Subcommittee on Surface Transportation of the Senate Committee on Commerce, and Congressman Fred B. Rooney, Chairman of the Subcommittee on Commerce and Transportation of the House Committee on Interstate and Foreign Commerce, whether the Committees wished RSPO to seek comments from the public regarding the Final System Plan for the subcommittees' use. He explained that if this was done, and that if extensive "outreach" activity by the Office of Public Counsel was included, it was likely that RSPO would run short of funds by the end of December 1975, and would have to seek an increase in its authorization ceiling in order to complete its statutory responsibilities under the Act. The response from the Subcommittee Chairmen was that the RSPO should gather public comment on the Final System Plan, and make use of the service of the Office of Public Counsel in doing so. They indicated that legislation to increase the Office's authorized funding, if necessary, would be favorably considered. The Commission estimates that an increase of $1 million, to a total authorization of $6 million, will be adqeuate to meet the RSPO's needs, in the absence of any further amendment to the Act increasing its responsibilities.

By Mr. HARTKE (for himself and Mr. PEARSON) (by request):

S. 2520. A bill to amend the Regional Rail Reorganization Act of 1973 to facilitate implementation of the final system plan by broadening the purposes for which assistance is available under title IV, and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I introduce, by request, for appropriate reference, a bill to amend the Regional Rail Reorganization Act of 1973 to facilitate implementation of the final system plan by broadening the purposes for which assistance is available under title IV, and for other purposes, and I ask unanimous consent that the bill, the letter of transmittal and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 1. (a) This Act may be cited as the "Local Rail Service Amendments of 1975".

(b) Except as otherwise expressly provided, whenever in these amendments reference is made to a section or other provision, the reference shall be considered to be made to a section or other provision of the Regional Rail Reorganization Act of 1973, as amended, 45 U.S.C. 701, et seq.

OBLIGATIONS OF THE ASSOCIATION

SEC. 2. Section 210(b) is amended to read as follows—

"(b) MAXIMUM OBLIGATIONAL AUTHORITY.—The aggregate amount of obligations of the Association issued under this section which may be outstanding at any one time may not exceed $25,000,000.".

LOANS

Sec. 3. Section 211(a) is amended by striking out "the National Railroad Passenger Corporation, and other railroads (including a railroad in reorganization which has been found to be reorganizable under section 77 of the Bankruptcy Act pursuant to section 207 (b) of this title) in the region, for purposes of assisting in the implementation of the final system plan; to a State or local or regional transportation authority pursuant to section 403 of this Act; and" and inserting in lieu thereof "and, prior to the effective date of the final system plan,".

EMERGENCY ASSISTANCE PENDING IMPLEMENTATION

Sec. 4. Section 213 is amended by inserting after subsection (b) the following new subsections—

"(c) PAYMENTS ON PREVIOUSLY DEFERRED INTERLINES.—A trustee of a railroad in reorganization may not make any payment on account of interline balances which were due and owing prior to the enactment of this Act but were deferred if such trustee has received financial assistance under this section (other than for improvements to properties designated in accordance with section 206(c)(1)(C) of this Act) within 90 days prior to the proposed payment, or if the reorganization court having jurisdiction finds that such trustee is likely to be in need of such assistance within 90 days after the proposed payment, any prior agreement or any order of any court notwithstanding.

"(d) NORTHEAST CORRIDOR IMPROVEMENTS.—After the conveyance of rail properties under the final system plan pursuant to section 303(b) of this Act, not to exceed $25,000,000 of the funds authorized under this section and appropriated in Public Law 94-6 entitled 'Joint Resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes' (89 Stat. 11) shall remain available to be utilized by the Secretary for the purpose of improving high-speed rail passenger service on the properties designated in the final system plan in accordance with section 206(c)(1)(C) of this Act.".

AUTHORIZATION FOR APPROPRIATIONS

Sec. 5. Section 214(a) is amended by striking out "not to exceed $12,500,000,".

INTERIM AGREEMENTS BEFORE CONVEYANCE OF RAIL PROPERTIES

Sec. 6. Section 303 is amended as follows—

(a) Subsection (b)(3) is amended by striking out the period at the end thereof and by inserting in lieu thereof—", except that as long as an equipment obligee refuses to accept an installment payment due under his lease, equipment trust or conditional sale agreement from the Association pursuant to an agreement authorized by section 215(a)(3) of this Act or refuses to execute an agreement with the Association permitting the implementation of such an agreement, the obligee shall not be entitled to take possession of the rolling stock under the terms of his lease, equipment trust or conditional sale agreement unless it can establish that the acceptance of the payment from the Association or the execution of such an agreement with the Association would cause it to suffer a significant economic detriment in its capacity as an equipment obligee, any other provision of this Act notwithstanding.".

(b) Section (c)(1) is amended by striking out the last word of paragraph (B), by striking out the period at the end of paragraph (C) and by inserting in lieu thereof "; and", and by inserting after paragraph (C) the following new paragraph—

"(D) where an agreement pursuant to section 215(a)(3) of this Act requires such a determination, to what extent a payment by the Association of an installment which was payable by a railroad in reorganization under a purchase money obligation for rolling stock increased the value of the equity of the railroad in the underlying equipment.".

TERMINATION OF RAIL SERVICE

Sec. 7. Section 304 is amended as follows—

(a) Subsection (a) is amended by—

(1) inserting "(1)" after "DISCONTINUANCE.—";

(2) redesignating clauses (1) and (2) as clauses (i) and (ii), respectively;

(3) adding "in reorganization" after "rail service on rail properties of a railroad" in the clause redesignated as (i);

(4) inserting after "such notice" in paragraph (1)(B) "and subsequent to the conveyance of properties pursuant to section 303(b)(1) of this title"; and

(5) adding the following new paragraph at the end thereof—

"(2)(A) Rail service on rail properties in the region recommended in the final system plan for abandonment as part of an arrangement for joint use or operation of rail properties under section 206(g) of this Act or as part of a coordination project under section 206(c) of this Act may be discontinued if the Commission determines that the rail service is not compensatory and if—

"(i) prior to filing the application for the discontinuance, the petitioner and other railroads whose rail services or properties are involved in the arrangement for joint use or operation or the coordination project have entered into a binding agreement to carry out that arrangement or project;

"(ii) the application for the discontinuance is filed with the Commission no later than one year after the effective date of the final system plan; and

"(iii) the discontinuance is not precluded by the terms of the leases and agreements referred to in section 303(b)(2) of this title.

"(B) For the purposes of this paragraph, a service is to be deemed compensatory if the revenue attributable to the properties from the service in issue equals or exceeds the sum of the avoidable costs of providing the service on such properties plus a reasonable return on the value of such rail properties, as determined in accordance with the standards developed pursuant to section 205(d)(3) of this Act.

"(C) In considering requests for discontinuance pursuant to this paragraph, the Commission shall make its final determination no later than 120 days after the filing of the application. The applicant shall have the burden of proving that the service is not compensatory. If the Commission fails to make a determination within the prescribed time, the application shall be deemed to be granted.

"(D) The Commission may issue such rules, regulations, and procedures, pursuant to and consistent with this paragraph, as it deems necessary to exercise its powers and duties under this paragraph.".

(b) Subsection (b)(1) is amended by striking out the first sentence and by inserting the following in lieu thereof—

"Except as provided in subsections (c) and (f) of this section, rail properties over which rail service has been discontinued under subsection (a) of this section may not be abandoned sooner than (i) in the case of a discontinuance under subsection (a)(1), 120 days after the effective date of the discontinuance; and (ii) in the case of a discontinuance under subsection (a)(2), 90 days after the effective date of the discontinuance.".

(c) Subsection (c) is amended by—

(1) striking out subsection (c)(1) and inserting in lieu thereof—

"(1) in the case of service and properties referred to in subsections (a)(1) and (b)(1) of this section, after 2 years from the effective date of the final system plan or more than 2 years after the final payment of any rail service continuation subsidy is received, whichever is later; or"; and

(2) striking out the last sentence of subsection (c) and inserting in lieu thereof—

"If a rail service continuation subsidy is offered, the government or person offering the subsidy shall designate as the operator either a railroad which connects to the line to be abandoned or any responsible person (including a government entity) willing to operate rail service over such properties pursuant to an operating agreement between the designated entity and the government or person offering the subsidy. A designated railroad may refuse to enter into such an operating agreement only if the agreement would substantially impair the ability of the railroad to sever adequately its own patrons or to meet its outstanding common carrier obligations. The operating agreement shall provide that the designated entity will operate rail service over such rail properties and receive the difference between the revenue attributable to such properties and the avoidable costs of providing service on such rail properties together with a management fee determined by the Secretary and the trustee of any railroad in reorganization shall receive a reasonable rate of return on the value of any rail properties for which a rail service is operated under such subsidy.".

(d) Subsection (d) is amended by striking out "a purchase offer" and inserting in lieu thereof "an offer to purchase or an offer of a rail service continuation subsidy,".

FINDINGS AND PURPOSE OF TITLE IV

Sec. 8. Section 401(b) is amended by striking out everything after "Secretary" and by inserting in lieu there—"to administer a program of financial aid for the continuation of rail service, the acquisition or modernization of rail properties, including the preservation of rights-of-way for future rail service, and the construction or improvement of certain transportation facilities necessary to accommodate the transportation of freight previously moved by rail service not designated to be continued in the final system plan.".

LOCAL RAIL GRANTS

Sec. 9. Section 402 is amended as follows—

(a) The first sentence of subsection (a) is amended to read as follows—

"The Secretary is authorized to provide financial assistance in accordance with this section to assist in the provision of rail service continuation subsidies, the acquisition or modernization of rail properties, including the preservation of rights-of-way for future rail service, and the construction or improvement of facilities necessary to accommodate the transportation of freight previously moved by rail service not designated to be continued in the final system plan.".

(b) The second sentence of subsection (a) is amended by striking out "of a rail service continuation subsidy" and by inserting in lieu thereof—"of the cost of the program for which Federal assistance is provided."

(c) Subsection (b)(1) is amended by striking out the words "rail service continuation subsidies" in the first sentence and by inserting in lieu thereof—"financial assistance."

(d) Subsection (b)(1) is amended by inserting the following as the last sentence—

"However, no more than 50 per centum of the funds which a State receives under this paragraph may be used for the purposes of section 402(c)(4) of this title."

(e) Subsection (b)(2) is amended to read as follows—

"(2) The Secretary may provide discretionary financial assistance to a State or a local or regional transportation authority in the region for the purposes of this section from the sums remaining after the allocation of funds pursuant to paragraph (1) of this subsection."

(f) Subsection (c)(1) is amended by striking out "rail service continuation subsidies" and by inserting in lieu thereof—"financial assistance."

(g) Subsection (c)(1)(A) is amended by striking out "subsidies" and by inserting in lieu thereof—"financial assistance."

(h) Subsection (c)(2) is amended by redesignating paragraphs (B) and (C) as paragraphs (C) and (D), respectively, and by inserting the following new paragraph (B)—

"(B) those rail services of profitable railroads in the region referred to in section 304 (a)(2) of this Act;"

(i) Subsection (c) is amended by adding the following new paragraphs—

"(3) Rail freight properties eligible to be acquired or modernized with financial assistance pursuant to subsection (b) of this section are those used for services eligible for rail service continuation subsidies pursuant to paragraph (2) of this subsection, including those identified in the State plan referred to in subsection (c)(1)(A) of this section as having potential for future use for rail freight service.

"(4) Facilities necessary to accommodate the transportation of freight previously moved by rail service not designated to be continued in the final system plan which are eligible for construction or improvement with financial assistance pursuant to subsection (b) of this section are those facilities in the region, including intermodal terminals and highways or bridges, necessary for the provision of freight service which will no longer be available because of the discontinuance of rail freight service under section 304 of this Act or other lawful authority. However, funds provided under this paragraph may not be used to pay the State share of highway projects under title 23, United States Code.

"(5) Rail properties to be used for intercity rail passenger service eligible to be acquired with financial assistance pursuant to subsection (b) of this section are those pertaining to lines in the region (other than rail properties designated in accordance with section 206(c)(1)(C) of this Act) which will permit the National Railroad Passenger Corporation to serve more efficiently routes in operation as of November 1, 1975, which provide intercity rail passenger service designated by the Secretary under title II of the Rail Passenger Service Act, as amended (45 U.S.C. 201, *et seq.*) or routes designated for service under section 403(c) of the Rail Passenger Service Act, as amended (45 U.S.C. 563(c)). Financial assistance to acquire rail properties defined in this paragraph is limited to funds provided under subsection (b) (2) of this section or under section 403 of this title.".

(j) Subsection (d) is amended by striking out everything after "with respect to" and by inserting in lieu thereof—"the provision of financial assistance under this title".

(k) Subsection (f) is amended by adding at the end thereof— "However, any rail service for which a State or a local or regional transportation authority receives assistance for the acquisition or modernization of rail freight properties under subsection (c)(3) of this section is not eligible for a rail service continuation subsidy for more than 6 months after the acquisition or the commencement of the modernization, whichever occurs first.".

(l) Subsection (h) is amended by striking out "rail service continuation subsidies" and inserting in lieu thereof—"financial assistance".

SEC. 10. Section 403 is amended as follows—

(a) Subsection (a) is amended by striking out the words "to direct the Association"; by striking out the colon following "the purchase price" and by inserting in lieu thereof a period; and by striking out the words "*Provided, however,* That any rail service for which a State agency or local or regional transportation authority receives such loan is no longer eligible for a rail service continuation subsidy pursuant to section 402 of this title.".

(b) Subsection (b) is amended by striking out the words "to direct the Association to provide additional assistance" and by inserting in lieu thereof "provide loans"; and by striking out the second and third sentences.

(c) Section 403 is amended by inserting after subsection (b) the following new subsections—

"(c) TERM.—Any rail service for which a State or a local or regional transportation authority receives a loan for the acquisition or modernization of rail freight properties under this section is not eligible for a rail service continuation subsidy for more than 6 months after the acquisition or the commencement of the modernization, whichever occurs first.

"(d) AUTHORIZATION FOR APPROPRIATION.—There are authorized to be appropriated to the Secretary, to remain available until expended, $25,000,000 for the purposes of carrying out this section.".

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., October 2, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a bill "To amend the Regional Rail Reorganization Act of 1973 to facilitate implementation of the final system plan by broadening the purposes for which assistance is available under title IV, and for other purposes."

In drafting the Regional Rail Reorganization Act of 1973 (Act), the 93d Congress provided for the restructuring of the services and properties of railroads in the Northeast and Midwest so as to achieve adequate and efficient rail service in that region. Title IV of the Act also established a Federal grant program under which rail service not designated for retention could continue to be provided if a State or other entity provided matching funds to help finance continued operations.

In enacting title IV, the Congress stated as two of its findings that "[a]bandonment, termination, or substantial reduction of rail service in any locality will adversely affect the Nation's long-term and immediate goals with respect to energy conservation and environmental protection" and "[u]nder certain circumstances the cost to the taxpayer of rail service continuation subsidies would be less than the cost of abandonment of rail service in terms of lost jobs, energy shortages, and degradation of the environment." Accordingly, under title IV, those rail services which would be discontinued as a result of the final system plan may become eligible for both operating subsidies to maintain service, allocated by formula to the 17 States in the region, and acquisition or modernization assistance in the form of grants from the Secretary's discretionary funds or loans. The program provides 2-year interim assistance, with a State or local entity share of 30 percent and a Federal contribution of 70 percent, designed to minimize disruptions while States and communities in the region develop longer term solutions to their light-density line problems. The Act authorizes $90 million for each of 2 years to meet the Federal share of the program cost. If States or local communities elect not to apply for Federal assistance provided for under the program, the Act permits discontinuance of service and abandonment of the line.

The light-density lines which title IV was designed to assist are a significant part of the total economic problem of railroads in the region. Of the 10,692 miles of such track in active service which were studied by the United States Railway Association (USRA), 5,757 were excluded from the restructured system. These lines, which carry only 2.2 percent of the traffic in the region, are characterized by overlapping service, deteriorated physical condition, operating deficits and high upgrading costs. Continuation of service is costly and uneconomic. In addition, another 1,191 miles of track are presently out of service. To the States and local communities involved, however, such service may be essential, especially during the transition to a reorganized rail system in the region.

In administering the Act, the Department has become convinced that to achieve the most efficient solution to light-density line problems and to promote use of the most efficient transportation mode in areas being served by unprofitable light-density lines, greater flexibility should be permitted to States in the use of Federal assistance. The Department has also become aware that certain sections of the Act may need clarification.

To increase State flexibility, to improve the operation of the title IV program, and to clarify certain sections of the Act, the proposed amendments would accomplish the following:

1. Broaden the purposes for which Federal entitlement grants can be made to include acquisition or modernization of rail properties, including acquisition and preservation of rights-of-way that cannot be supported for service continuation now but which have potential for future rail freight use.

2. Broaden the purposes for which entitlement and discretionary grants can be made to include construction and improvement of certain transportation facilities, such as bridge and highway improvements and terminals for the transfer of freight from rail to truck, necessary to accommodate the transportation of freight which previously moved by rail service not designated to be continued in the final system plan. This will aid States and communities that find alternate transportation modes more efficient or appropriate than continuing rail service.

3. Permit expedited abandonment on noncompensatory rail service on certain properties of railroads not in reorganization which are recommended for abandonment as part of an arrangement for joint use or operation of rail facilities under section 206(g) or part of a coordination project under section 206(c) of the Act.

4. Make eligible for State acquisition with discretionary grants or loans a limited number of rail passenger service facilities, outside the Northeast Corridor, recommended for discontinuance of freight service in the final system plan but needed by Amtrak for the provision of intercity rail passenger service.

5. Permit the Secretary of Transportation to administer loans directly, rather than through USRA, for acquisition or modernization of rail properties eligible for subsidy, and authorize $25 million for such loans.

6. Permit simultaneous rail service continuation subsidies and assistance to acquire or modernize the same line, provided that the subsidy terminates 6 months after acquisition or modernization first begins. Simultaneous assistance for acquisition, modernization and continuation will enable a State to cover operating deficits while initial, necessary improvements are commenced.

7. Require that the offeror of a rail service continuation subsidy designate as the operator of the service either a willing entity or a connecting railroad, provide for a reasonable management fee for the operator, and permit the designated operator to refuse only if its own service would be substantially impaired.

8. Conform eligibility criteria and matching share ratios for all funds under the broadened program to those in use for rail service continuation subsidies under the Act.

9. Ensure that emergency Federal assist-

ance to maintain essential service is not used to pay old obligations of railroads in reorganization by prohibiting trustees of such railroads from making deferred interline payments when the railroad has been receiving, or is soon to receive, emergency Federal assistance.

10. Permit emergency Federal assistance for interim improvements to the Northeast Corridor high-speed rail passenger system to remain available for that purpose after the final system becomes effective.

11. Make clear that the Act's preservation of rights of equipment obligees under section 77 of the Bankruptcy Act does not permit them to refuse to accept installment payments on equipment obligations of railroads in reorganization tendered by USRA pursuant to agreements under section 215 of the Act when acceptance of such payments would not result in any significant economic harm to the obligees.

12. Reduce the amount of obligations which USRA may issue (from $1.5 billion to $25 million) to reflect the establishment of a new, separate method of financing the Consolidated Rail Corporation (ConRail) proposed by USRA in the final system plan, the transfer of authority to make acquisition and modernization loans from USRA to the Secretary of Transportation, a forthcoming proposal to fund Northeast Corridor programs separately, and a desire to provide assistance to railroads other than ConRail through the railroad revitalization legislation now pending before the Congress.

These amendments will contribute to an improved program designed to attain the objectives set by the Congress in enacting titles III and IV of the Act. They are being submitted by the Department in conjunction with a separate bill submitted by the United States Railway Association (USRA) to amend the Act to provide for the purchase of securities of ConRail and to make other changes necessary to implement the final system plan. Together, the bills would amend the Act so as to ensure smooth transition to a restructured rail system in the region.

The Department's bill differs from that of USRA in the extent to which it would reduce the amount of obligations USRA can issue. The Department would reduce it from $1.5 billion to $25 million; USRA would reduce it to $500 million. The amounts differ because USRA's proposal in this area was limited to implementing the recommendations of the final system plan by establishing a new method of financing ConRail, while the Department's proposal reflects transfer of USRA's authority to make acquisition and modernization loans to the Secretary, a forthcoming proposal to fund Northeast Corridor programs separately, and a desire to provide assistance for railroads other than ConRail through the Railroad Revitalization Act now pending before the Congress as H.R. 7681 and S. 1876. With the exception of this difference, the measures are compatible. We urge prompt enactment.

The Office of Management and Budget has advised that the enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

William T. Coleman, Jr.

Section-By-Section Analysis

Short Title

Section 1. This section cites the proposed act as the "Local Rail Service Amendments of 1975." The bill principally amends titles III and IV of the Regional Rail Reorganization Act of 1973, as amended (Act).

OBLIGATIONS OF THE ASSOCIATION

Section 2. This section amends section 210 (b) by reducing the amount of United States Railway Association (USRA) obligations which may be issued under this section from $1.5 billion to $25 million to reflect the establishment of a new, separate method of financing the Consolidated Rail Corporation (ConRail) proposed by USRA in the final system plan, the transfer of authority to make loans under section 403 from USRA to the Secretary of Transportation (provided for in section 10 of the bill), a forthcoming proposal to fund programs for the Northeast Corridor separately, and a desire to fund assistance to railroads other than ConRail through the Railroad Revitalization Act, legislation now pending before the Congress (H.R. 7681, S. 1876).

LOANS

Section 3. This section amends section 211 to remove from USDA the authority to make loans to the National Railroad Passenger Corporation (AMTRAK) or to other railroads in the region to assist in implementing the final system plan. This reflects a forthcoming proposal to fund AMTRAK assistance and programs for the Northeast Corridor separately, and a desire to fund assistance to railroads in the region other than ConRail through the Railroad Revitalization Act, now pending before the Congress. The section also removes from USRA authority to make loans for acquisition or modernization of railroads under section 403 of the Act. Section 10 of this bill makes a corresponding change to section 403 to authorize the Secretary to make such loans directly.

AUTHORIZATION FOR APPROPRIATION

Section 4. This section amends section 214 to authorize the appropriation to the Secretary of such sums as are necessary to meet the administrative expenses associated with his responsibility under the Act, including administrative functions associated with the local rail service program contained in title IV.

EMERGENCY ASSISTANCE PENDING IMPLEMENTATION

Section 5. This section amends section 213, which provides for emergency assistance to railroads in reorganization to enable them to continue essential services pending implementation of the final system plan.

The first addition prohibits trustees of such railroads from making any previously deferred interline payments when the railroad has received or is likely to need emergency assistance within 90 days before or after the proposed payment. There has been litigation over whether a railroad which is receiving section 213 assistance may make installment payments on account for long deferred interline balances, most of which are pre-bankruptcy. When such payments are allowed, and some reorganization courts have permitted them, the emergency assistance, in effect, is used to pay old obligations of the railroad. The paragraph will clarify and ensure that emergency assistance under the section can be used only to maintain essential services and not to pay obligations of the railroad which have been deferred for many years.

The second new paragraph enables the Secretary to use up to $25 million of any emergency assistance not spent by the time the final system plan becomes effective for improvements to the Northeast Corridor for high-speed rail passenger service. This will permit that portion of the $25 million in emergency assistance which had been specifically apportioned for interim Northeast Corridor improvements but has not yet been obligated to remain available for the designated improvements after the plan takes effect.

INTERIM AGREEMENTS BEFORE CONVEYANCE OF RAIL PROPERTIES

Section 6(a). This subsection amends section 303(b)(3). Section 215(a)(3) of the Act authorizes the Secretary, with funds provided by USRA, to purchase interests in purchase money obligations for rolling stock of railroads in reorganization. In some cases where reorganization courts have authorized such purchases, the equipment obligees have refused to permit them, arguing that the preservation in section 303(b)(3) of the Act of their rights under section 77(j) of the Bankruptcy Act gives them the absolute right to veto such purchases and repossess the equipment. The objecting equipment obligees are also creditors or indenture trustees for bondholders of the railroads in reorganization. Although their interests as equipment obligees would not suffer from accepting payment under section 215 agreements, they believe their interests as creditors of the estate would be better served if the railroads' cash needs are met by section 213 emergency assistance grants, rather than assistance provided under section 215 agreements. This amendment will make it clear that section 303(b)(3) does not permit an equipment obligee to reject payment under a section 215 agreement and at the same time repossess the equipment unless it can prove that to agree to the USRA purchase would cause it a significant economic detriment in its capacity as an equipment obligee. The phrase "any other provision of this Act notwithstanding" will make clear that this amendment also qualifies the preservation of section 77(j) rights contained in section 211 of the Act.

Section 6(b). The question of the extent of the interest which can be acquired by USRA in a purchase money obligation for rolling stock under a section 215 agreement has been the subject of litigation and is as yet unresolved. This subsection amends section 303(c)(1) to give the special court exclusive jurisdiction to determine the extent to which USRA's installment payments under such an agreement increase the railroad's equity in the underlying equipment, if the ultimate outcome of the pending litigation makes it necessary to determine that question. Because the question is so intimately related to the valuation of the rolling stock over which the court already has exclusive jurisdiction, it makes sense to have the special court decide it.

TERMINATION OF RAIL SERVICE

Section 7(a). This subsection amends section 304 to establish expedited procedures for the discontinuance by railroads in the region of service operated on rail properties, the abandonment of which is specified by the final system plan as part of an arrangement for joint use or operation of rail properties under section 206(g) or as part of a coordination project under section 206(c) of the Act. Any railroad desirous of taking advantage of this new provision would be required to file its application with the Interstate Commerce Commission within one year after the effective date of the final system plan.

In addition, it is required that, prior to the application for discontinuance, the applicant and other railroads whose rail services or properties are involved in the coordination project or the arrangement for joint use or operation first enter into a binding agreement to carry out the project or arrangement. The Commission would be required to grant the application if it determines that the rail service is not compensatory. A service would be compensatory if revenue attributable to the properties from the service in issue equals or exceeds the sum of the avoidable costs of providing the service on such properties plus a reasonable return on the value of such rail properties as determined in accordance with the standards developed pursuant to section 205(d)(3) of the Act. The Commission would be required to make its final determination no later than 120 days after the filing of an application. If it failed to make a determination in that time, the application would be deemed to be granted. The Commission would be empowered to issue regulations and procedures consistent with this amendment as it deems necessary to carry out its duties under this provision.

The subsection also amends section 304(a)(1)(i) to make clear that it refers to railroads in reorganization. And it amends section 304(a)(1)(A) to provide that a railroad seeking to discontinue service because substantially all of its properties are to be transferred pursuant to the final system plan may not discontinue service until either 60 days after notice is given or after the date of conveyance of the properties, whichever is later. This will prevent the possibility of discontinuance after the plan becomes effective but prior to the actual conveyance of properties.

Section 7(b). This subsection amends section 304(b)(1) as it relates to the abandonment of rail properties over which rail service is discontinued under the proposed new procedure. Such abandonments could not occur sooner than 90 days after the discontinuance of service.

Section 7(c). This subsection amends section 304(c): by adding a requirement that the offeror of a rail service continuation subsidy designate as the operator of the rail service either a railroad connecting to the line to be abandoned or a responsible, willing entity; by providing that the designated operator may refuse to enter into an operating agreement with the subsidy offeror only if the agreement would substantially impair the ability of the designated railroad adequately to service its own patrons or to meet its common carrier responsibilities; and by adding a reasonable management fee determined by the Secretary to the amount the operator receives for operating the rail service. This will ensure that rail service deemed to be essential by a government entity or person offering a continuation subsidy cannot be discontinued solely because a willing operator cannot be found, unless the designated operator's own service or its ability to meet its common carrier responsibilities would be substantially impaired by the operating agreement. It also ensures that, in addition to the costs attributable to providing the service, the designated operator will receive a reasonable management fee.

Section 7(d). This subsection amends section 304(d) to require that, in addition to making reports on the physical condition of the property, revenue and traffic data, etc. available to those making purchase offers, railroads in reorganization or profitable lines which give notice to discontinue service shall also promptly make available such reports to those offering rail service continuation subsidies. By extending the requirement to offers of subsidy, the amendment ensures that the offeror will have information necessary to negotiate the subsidy amount regardless of whether or not purchase is contemplated.

FINDINGS AND PURPOSE OF TITLE IV

Section 8. This section amends the statement of Congressional purpose in section 401(b) to reflect the proposed expansion of the scope of the section 402 program. The proposed expansion will increase State flexibility in solving transportation problems resulting from implementation of the final system plan. The Congressional intent will be to authorize the Secretary to maintain not only a subsidy program to continue rail service but also a program of broader financial aid to enable States to acquire and modernize rail properties and to construct and improve certain alternate mode transportation facilities necessary for the movement of freight previously moved by rail service not designated to be continued in USRA's final system plan.

The amendments give States and transportation agencies additional flexibility in the use of Federal funds by permitting simultaneous subsidy, acquisition and modernization of eligible rail services, land banking, and construction or improvement of other facilities where they are more efficient and appropriate alternatives to continued rail service. Broadening options will enable a State to tailor use of funds to its particular needs and to decide whether to acquire and modernize lines in addition to subsidizing them.

LOCAL RAIL GRANT AUTHORIZATION

Section 9(a). This subsection amends section 402 to authorize an expanded Federal grant program, not only for rail service continuation but also for acquisition or modernization of rail properties (including the preservation of rights-of-way, or rail banking, for future rail service) and for construction or improvement of alternate mode facilities (such as intermodal freight terminals, highways and bridges) required for the movement of freight which previously moved by rail service not designated to be continued in the final system plan. Rail banking will enable States to acquire and reserve lines that cannot be supported for service continuation now but which have potential for future use.

Section 9(b) and (c). These subsections make conforming amendments to sections 42(a) and (b)(1) to reflect the broadening of the scope of the section 402 program explained above.

Section 9(d). This section amends section 402(b)(1) by limiting to 50 percent of entitlement funds the amount a State can use for construction or improvement of facilities (such as intermodal terminals, highways and bridges) necessary to accommodate the transportation of freight previously moved by rail service not designated to be continued in the final system plan. The limitation will ensure that funds remain available for rail service continuation subsidies and it reflects the intent that funds used under this section for highway and bridge construction merely supplement those available under Federal and State highway programs.

Section 9(e). This subsection makes an editorial amendment to section 402(b)(2).

Section 9(f). This subsection amends section 402(c)(1), which defines State eligibility, to conform it to the broadened subsidy program.

Section 9(g). This subsection amends section 402(c)(1)(A) to require that the State plan provide for equitable distribution of all assistance under the broadened program, not only rail service continuation subsidies.

Section 9(h). This subsection amends section 402(c)(2) to expand those rail freight services eligible for rail service continuation subsidies and those properties eligible for grants or loans for acquisition or modernization to include those of railroads not in reorganization but eligible for expedited abandonment under an amendment to section 304(a) proposed in section 7 of this bill. Those properties eligible for expedited abandonment are those recommended in the final system plan for abandonment as part of an arrangement for joint use or operation of rail facilities, under section 206(g), or as part of a coordination project, under section 206(c) of the Act.

Section 9(i). This subsection amends section 402(c) by adding three paragraphs defining eligibility for the new types of financial assistance.

Rail freight properties eligible to be acquired or modernized are those used for services eligible for rail service continuation subsidies, including properties designated in an approved State rail plan as having potential for future rail freight use.

Facilities necessary to accommodate the transportation of freight previously moved by rail service not designated to be continued in the final system plan which are eligible for construction or improvement include intermodal terminals, highways and bridges. Funds for such projects may not be used to pay the State share of Federal-aid highway projects and funds available for highway improvements are limited to discretionary grants and up to 50 percent of available entitlement funds.

Rail properties to be used for intercity rail passenger service eligible to be acquired are those (not including facilities purchased, acquired or leased by Amtrak from ConRail) which will permit Amtrak to more efficiently serve passenger service designated under the Rail Passenger Service Act. This permits State purchase of lines outside the Northeast Corridor over which Amtrak operates basic system or experimental passenger service and which are recommended for discontinuance of freight service in the final system plan. Funds for such projects are available through discretionary grants or loans.

Section 9(j). This subsection amends section 402(d), which authorizes the Secretary to issue regulations governing the program, so that it applies to the broadened assistance program, not just rail service continuation subsidies.

Section 9(k). This subsection amends section 402(f), to allow both subsidy and acquisition of the same rail line. It permits rail service continuation subsidies for up to a 6-month period after rail freight properties are acquired or modernization has commenced using Federal funds available under the broadened section 402 program. A 6-month subsidy will enable a State to cover operating deficits while initial, necessary improvements are commenced and will facilitate the transition to public ownership of bankrupt rail lines.

Section 9(l). This subsection amends section 402(h), which authorizes the Secretary to withhold funds from States ineligible for rail service continuation subsidies, to also authorize withholding from States ineligible for the new assistance programs.

ACQUISITION AND MODERNIZATION LOANS

Sections 10(a) and (b). These subsections amend sections 403 (a) and (b) to permit the Secretary to provide acquisition and modernization loans directly, rather than through the United States Railway Association (USRA), to States or local or regional transportation authorities. Centralizing the loan authority of the Secretary will eliminate duplication entailed when both the Secretary and USRA must determine financial qualifications.

Subsection (b) also eliminates the Secretary's authority under the present Act to provide loan guarantees for modernization purposes to conform it to section 403(a) and to reflect a preference for assistance in the form of loans.

Subsection (a) also deletes the Act's present prohibition against any rail service continuation subsidy for rail services receiving a Federal acquisition or modernization loan. This is consistent with proposed amendments to sections 402(f) and 403 of the Act (in subsections 9(k) and 10(c) of this bill) which authorize such subsidies for a 6-month period following acquisition or the commencement of modernization with Federal loans or grants, whichever occurs first.

Section 10(c). This subsection amends section 403 to permit rail service continuation subsidies to continue for 6 months after a State or local or regional transportation authority acquires or commences modernization of rail properties with Federal loan assistance, whichever occurs first. This provision is consistent with subsection 9(k) of the bill which permits continuation subsidies for up to 6 months where properties are acquired or modernized with Federal grants. The change recognizes that it may be desirable to provide some rail service continuation assistance to cover operating deficits during the time initial improvements are being made and to facilitate transition to public ownership, but it limits the duration of such subsidies to a reasonable period.

The subsection also adds a necessary paragraph authorizing a $25 million appropriation to the Secretry of Transportation to enable the Department to fund the acquisition and modernization loans presently being made by USRA.

INFLATIONARY IMPACT STATEMENT—PROPOSED AMENDMENTS TO REGIONAL RAIL REORGANIZATION ACT OF 1973

I certify that, in accordance with Executive Order 11821, dated November 27, 1974, and Departmental implementing instructions, an Inflationary Impact Statement is not required for the proposed amendments to the Regional Rail Reorganization Act of 1973.

Asaph H. Hall,
Administrator.

By Mr. BELLMON (for himself, Mr. Dole, Mr. Huddleston, and Mr. Curtis):

S. 2521. A bill to amend the Consolidated Farm and Rural Development Act. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, on behalf of Senators Huddleston, Curtis, and myself, I am today introducing legislation to make several changes in the Farmers Home Administration real estate and operating loan programs.

These programs have served American agriculture well but are becoming unrealistic in terms of the cost of land, farm operating expenses, and the Federal budget.

This bill makes two changes in the real estate loan program:

First. It establishes a new authority to assist farmers, particularly young farmers, who do not have cash for a downpayment on farmland. This program would allow Farmers Home to make or insure loans to applicants who meet the current loan criteria for up to 25 percent or $50,000, whichever is less, of the value of the farm. This would be particularly helpful in areas where land values exceed the current FHA lending limits and where sellers or mortgage lenders are willing to take small downpayments; and

Second. It replaces the current 5-percent interest rate—which is becoming a costly item in the Federal budget—with an interest rate determined by the cost of money to the Treasury. This is combined with a new provision which allows FHA to set repayment terms which allow the borrower time to establish an economically viable unit. For example, this would allow the borrower to make smaller payments during the earlier years and then make larger payments later as he becomes better established.

The bill makes one change in the operating loan program. It increases the maximum loan per borrower from $50,000 to $100,000. In view of the doubling, tripling, and even quadrupling of farm input costs the current $50,000 limit is of assistance to very few farmers.

Probably the most important feature of the bill, Mr. President, are the provisions that exempt the real estate, operating, and business loans that are guaranteed by the Government but funded by private lenders from inclusion in the budget. This provision is similar to that in Public Law 93-32, Rural Electrification Act Amendments of 1973, which not only excludes REA guaranteed but insured loans as well from the budget.

Mr. President, earlier this year I introduced S. 1746 which doubled the current Farmers Home Administration real estate and operating loan limits. It was the consensus of the members of the Committee on Agriculture and Forestry that with the current practice of limiting the aggregate amount loaned under these programs each year that S. 1746 would reduce the number of farmers who could receive FHA loans. I believe that this bill solves that problem and I hope my colleagues on the committee will join me in reporting this bill expeditiously.

Mr. President, I ask that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consolidated Farm and Rural Development Act is amended—

(1) By striking the first sentence of section 305 and inserting the following in lieu thereof:

"Sec. 305. (a) The Secretary shall make or insure no loan under sections 302, 303, or 304 of this title which would cause (a) the unpaid indebtedness against the farm or other security at the time the loan is made to exceed $225,000 or the value of the farm or other security or (b) the loans under such sections to any one borrower to exceed $100,000. The limits in the foregoing sentence shall not apply when a loan is made or insured for the downpayment on a farm or other security for which the downpayment does not exceed the lesser of 25 per centum of the value of the farm or other security, or $50,000."

(2) By adding the following to section 305:

"(b) Loans guaranteed by the Secretary under sections 302, 303, and 304 shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

(3) By striking all of section 307(a) before the numbered paragraphs and substituting in lieu thereof the following:

"(a) The period for repayment of loans under this subtitle shall not exceed 40 years. In the case of loans under sections 302, 303, and 304 the Secretary may provide for repayment on such terms as he determines necessary to allow the borrower to establish an economically viable unit. The Secretary shall from time to time establish interest rates at which loans will be made or insured under this subtitle in accordance with paragraph (1) of this subsection; except that loans to public bodies or nonprofit associations (including Indian tribes on Federal and State reservations and other federally recognized tribal groups) for community facilities, or loans of a type authorized by section 306(a)(1) prior to its amendment by the Rural Development Act of 1972 shall not be made or insured at interest rate in excess of 5 per centum per annum."

(4) By striking all of section 313 and inserting the following in lieu thereof:

"Sec. 313. The Secretary shall make nor insure no loan under this subtitle (1) which would cause the total principal indebtedness outstanding at any one time for loans made under this subtitle and under section 21 of the Bankhead-Jones Farm Tenant Act, as amended, to exceed $100,000 or (2) for the purchase or lease of land other than for cash rent, or for carrying on any program of land leasing or land purchasing."

(5) By adding the following sentence at the end of section 317:

"Loans guaranteed under section 310B or 312 shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

By Mr. TAFT (for himself, Mr. Hugh Scott, and Mr. Schweiker):

S. 2522. A bill to amend the Securities Exchange Act of 1934 to provide for the disclosure of certain information relating to persons intending to file tender offers and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. TAFT. Mr. President, today, I am introducing the Full Disclosure Tender Act of 1975.

Its purpose might best be described by a paraphrase of its title, for it might have been called the Fair Warning Tender Act of 1975.

This bill is designed to protect the publicly traded corporations of the United States, their shareholders, employees, and host communities, from the fear and confusion which all too often follow upon the announcement of an imminent takeover attempt. It in no way discriminates against foreign corporations. It puts domestic and foreign offers under the same rules. They are not today.

This is a disclosure bill. It provides the two things most necessary to arrive at a sensible decision—information and time.

The information required by this bill, of all parties making tender offers, is largely supplied under current statute by firms listed on the major exchanges. The bill provides that any person or firm, foreign or domestic, desiring to make a tender offer, and who has not yet registered with the Securities and Exchange Commission, pursuant to section 12 of the Securities Exchange Act of 1934, shall first register with the Commission and provide the information required under that section. This registration must be completed prior to the issue of the tender offer. The registration period will provide time for the financial community to become familiar with what may have been hitherto unknown facts about the new registrant. In other words, this will provide a get acquainted period of about 60 days.

Furthermore, the bill provides that the making of a tender offer be announced 60 days in advance. At the time of the announcement, the tendering person or firm shall provide that information currently required by the Commission only after a tender offer is completed, pursuant to section 13 of the 1934 act. The information shall be given to the Commission, which in turn shall notify the affected firm.

What does all this mean?

It means that:

First. Firms will not be first notified of a tender offer by a broker calling to say that their shares have been suspended from trading by the Stock Exchange.

Second. Firms will have time to study the tendering firm and the value of the offer being made in order to better advise their shareholders.

Third. Shareholders will not be given a scant week to decide whether they want to sell or hold, all the while subject to the uncertainty of holding a stock suspended from trading. They shall have time to examine the offer, and the recommendations of management.

Fourth. Labor will have time to look up the history of labor-management relations of the tendering firm, and to contribute its opinion.

Fifth. The citizens and civic leaders of the host communities will likewise have a chance to express a more informed opinion of the effects of the acquisition than is possible under current practices.

In this way, will the proceedings be forced to be open and above board, so that everyone will pay and receive fair value for the property being sought. In this way all affected parties will have a chance to speak out on a matter of great concern to them.

This bill is not designed to discriminate against privately held or overseas firms. I do not favor a closed door policy on foreign or new investment. We need such investment. However, investment should be done in the light of day, not in the dark of night. Perhaps this bill could have been called the tender in the Sunshine Act.

I ask that the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. That section 12 of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following new subsection:

"(n) No person shall make a tender offer with respect to any securities registered under this section, or any equity security of an insurance company which would have been required to be so registered except for the exemption contained in section 12(g)(2)(G) of this title, or any equity security issued by a closed-end investment company registered under the Investment Company Act of 1949, without having filed with the Commission such information and documents as the Commission may specify comparable to those which are required in an application to register a security pursuant to this section. Such registration statement shall become effective 60 days after the filing with the Commission, except as otherwise ordered by the Commission. Until such registration statement becomes effective it shall not be deemed filed for the purposes of section 14(d) of this title."

Sec. 2. Section 13(a) of the Securities Exchange Act of 1934 is amended by inserting after the words "every issuer of a security" appearing in the first sentence thereof, the following new phrase, ", or other person,".

Sec. 3. (a) Section 14(d)(1) of the Securities Exchange Act of 1934 is amended by inserting after the words, "has filed with the Commission", the following new phrase, ", at least 60 days prior to such offer or request or invitation,".

(b) Such section is further amended by adding after the second sentence the following new sentence: "A copy of such statement shall be sent by the Commission, within five days of its receipt of such statement, to the officers of the issuer of the shares which are the subject of the tender offer.".

Sec. 4. The amendments made by this Act apply to any tender offer made on or after September 1, 1975, as to any transaction not consummated prior to the effective date of this Act.

By Mr. CRANSTON:

S. 2523. A bill to amend the Emergency Loan Guarantee Act to permit the Emergency Loan Guarantee Board to guarantee the bonds of States and municipalities. Referred to the Committee on Banking, Housing and Urban Affairs.

A FEDERAL GUARANTEE PROGRAM FOR THE FISCAL EMERGENCIES OF STATES AND MUNICIPALITIES

Mr. CRANSTON. Mr. President, I am introducing today a companion measure to legislation already introduced in the House of Representatives by my fellow Californian Representative Thomas Rees which will amend the Emergency Loan Guarantee Act to permit the Emergency Loan Guarantee Board to guarantee the bonds of States and municipalities under strict fiscal controls when those governments face financial disaster.

The legislation which I am introducing only permits the guarantee of bonds issued by State and city governments. It does not authorize the Federal Treasury to loan out money to hard-pressed cities.

The bill does not give anyone a handout. Bonds issued under the guarantee will be subject to Federal taxation. This is absolutely not another tax loophole backed up by the full faith and credit of the United States of America.

The bill requires the State or city granted a guarantee to give evidence—measurable and real—that its budget will be balanced by real revenues, not more borrowings, within 3 years—and this budget must be maintained as balanced for the life of the guarantee.

The bill gives the Loan Guarantee Board strong powers to serve on the appropriate State and local government bodies having the responsibility for revenue collections and expenditures. Indeed, this is a major assertion of Federal authority into local affairs. But, it is an assertion required by the extreme circumstances which confront a municipality seeking the full faith and credit of its sister cities and States in the Union to come to its aid.

The bill gives the Emergency Loan Guarantee Board the powers necessary to ascertain that the State and local governments seeking a loan guarantee will meet the conditions of the guarantee agreement.

Finally, this bill builds on a proven mechanism—the Emergency Loan Guarantee Board—which through its profit-making operations in managing the Lockheed loan guarantee will have earned $22.4 million for the Federal Treasury at the end of fiscal year 1976.

I am pleased to join with my fellow Californian in our joint effort to provide assistance to New York City. Although California's cities are not yet on the brink of financial disaster, a deepening slide in the economy, a natural disaster of unforeseen proportions, could throw our State and municipalities into serious financial straits. Californians have seen their share of hard times and our fellow citizens have helped generously when we were in need. I think it fitting, therefore, that we recognize that the problems of one State, one city, are the problems of all. We can only solve them by sharing the load equitably. Californians, too, will benefit from a healthy and restored New York City, just as New Yorkers benefit in the vitality of our cities.

There are other reasons, equally pressing, why this legislation is necessary and appropriate.

The imminent default of New York City on some of its municipal obligations will have a great impact on the economy of the Nation and the credit market. They rate of recovery from the recession will be affected. States and political subdivisions in every section of the country may find it more difficult to sell municipal bond issues at reasonable interest rates. In that event, State and local taxpayers everywhere will be the ultimate losers through higher interest costs, delayed capital programs, reduced services and yet still higher taxes. As States and cities slow down capital investments the economy could go into a downward slide.

Protecting the integrity of our credit system is a Federal responsibility. Congress has demonstrated its recognition of this responsibility on many occasions. The Federal Reserve System is the best example of our commitment to the maintenance of an orderly monetary and credit system.

The impact of a default by New York City will not be limited to our shores. Foreign confidence in the credit of the Nation, the States and our municipalities is at stake. We who are close to the scene may have a different understanding of the resiliency of our economy and political system than those residing and making decisions thousands of miles away. Thus, the potential damage to our credit standing abroad is further reason for Congress to enact legislation to guarantee loans made to New York City and other municipalities in similar straits.

Our Nation has successfully passed through many crises because of the great stability of our institutions. The financial crisis of New York City will—and must—be managed smoothly. Now is not the time for fiscal brinksmanship to be played by interests—public and private—who seek to achieve in this crisis atmosphere ends totally unrelated to the real problem before us. Congress must keep its eye on the real target—the stability and smooth functioning of the world's best credit and monetary system. We should not be distracted by the other issues surrounding this problem which can and will be dealt with independently of the emergency now facing us.

By Mr. JAVITS:

S.J. Res. 139, A joint resolution to authorize the Secretary of the Interior to accept St. Paul's Church, Eastchester, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

ST. PAUL'S CHURCH

Mr. JAVITS. Mr. President, I am introducing legislation to preserve as a historic site St. Paul's Church, Eastchester, in Mount Vernon, N.Y.

The Eastchester village green, surrounding the church, was the scene of an election in 1733 in which the celebrated German immigrant printer, John Peter Zenger, reported on corrupt election practices. As a result of his reporting, Zenger was arrested, tried, and acquitted on charges of seditious libel in an action brought by the King's appointed colonial Governor. The trial was a major event which led to the inclusion of the guarantee of freedom of the press in the Bill of Rights.

St. Paul's Church, Eastchester, served during the American Revolution as a hospital for Hessian soldiers who were wounded during the Battle of Pelham on October 18, 1776. The church bell which St. Paul's Church, Eastchester, acquired in 1758 was cast by the same craftsmen and in the same foundry as the Liberty Bell. Presidents John Adams, John Quincy Adams, and Franklin Roosevelt all have worshipped at St. Paul's Church, Eastchester.

The church was designated as a national historic site by the Interior Department in 1943, following a restoration which was done under the leadership of Sara Delano Roosevelt. However no money has been provided for the site.

The problem now is that this historic site is in a state of ill repair, and in need of restoration. The Episcopal Diocese of New York, which owns St. Paul's, is no longer able to maintain it as an active church. However, the diocese recognizes the historic significance of the church and grounds, and is willing to donate the property to the National Park Service. The church would no longer be used for religious purposes.

There are many people in Westchester County and around the country who are eager to see St. Paul's protected permanently. Such organizations as the Society of the National Shrine of the Bill of Rights at St. Paul's Church, Eastchester, Inc., the Knapp Chapter of the Daughters of the American Revolution in Pelham, N.Y., the Eastchester Historical Society, the city of Mount Vernon, the town of Eastchester, and others have been actively involved in seeking to achieve preservation once dedicated as a historic site. I understand its use as a religious establishment will be ended.

A companion measure has been introduced in the House by Representative Ottinger.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1124

At the request of Mr. Buckley, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of S. 1124, a bill to amend the Small Business Act to assist in the financing of small business concerns owned by persons who are disadvantaged because of certain social or economic considerations.

S. 1520

At the request of Mr. Humphrey, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 1520, a bill to provide for the issuance of a special postage stamp in commemoration of the 150th anniversary of Norwegian immigration to the United States.

S. 2207

At the request of Mr. Fong, the Senator from Indiana (Mr. Hartke), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Maine (Mr. Muskie) were added as cosponsors of S. 2207, a bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

S. 2312

At the request of Mr. Burdick, the Senator from Montana (Mr. Metcalf) and the Senator from New Mexico (Mr. Montoya) were added as cosponsors of S. 2312, a bill to amend the Tariff Act of 1930 so as to exempt certain private aircraft entering or departing from the United States and Canada or the United States and Mexico at night or on Sunday or a holiday from provisions requiring payment to the United States for overtime services of customs officers and employees.

S. 2350

At the request of Mr. Symington, the Senator from Florida (Mr. Chiles) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 2350, a bill to amend the National Security Act of 1947, as amended, to provide that the Secretary of the Treasury become a statutory member of the National Security Council.

S. 2356

At the request of Mr. Buckley, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 2356, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by a taxpayer for tuition to provide an education for himself or for another individual.

S. 2386

At the request of Mr. Taft, the Senator from South Carolina (Mr. Thurmond) and the Senator from Idaho (Mr. McClure) were added as cosponsors of S. 2386, a bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

S. 2446

At the request of Mr. Church, the Senator from Minnesota (Mr. Humphrey), the Senator from North Dakota (Mr. Burdick), and the Senator from Iowa (Mr. Culver) were added as cosponsors of S. 2446, a bill to amend the Social Security Act to freeze medicare deductibles.

S. 2465

At the request of Mr. McClure, the Senator from Wyoming (Mr. Hansen), the Senator from Utah (Mr. Garn), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 2465, a bill to accelerate the formation of investment capital required to expand both job opportunities and productivity in the private sector of the economy.

S. 2474

At the request of Mr. Church, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 2474, a bill to amend title XVIII of the Social Security Act to prevent the imposition, under part B thereof, of more than one deductible with respect to expenses incurred for the purchase of any particular piece of durable medical equipment.

S. 2473

At the request of Mr. Church, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 2473, a bill to amend title XVIII of the Social Security Act to increase the medicare inpatient hospital lifetime reserve from 60 to 120 days and to reduce the daily coinsurance charge applicable for such lifetime reserve from one-half to one-fourth of the part A inpatient hospital deductible, and for other purposes.

SENATE RESOLUTION 144

At the request of Mr. Burdick, the Senator from Washington (Mr. Jackson) and the Senator from Nebraska (Mr. Hruska) were added as cosponsors of Senate Resolution 144, to urge the restoration of the status of amateur athlete for the late Jim Thorpe, and for other purposes.

SENATE RESOLUTION 285—ORIGINAL RESOLUTION REPORTED RELATING TO PARTICIPATION BY THE SECRETARY OF AGRICULTURE IN INTERNATIONAL AGRICULTURAL NEGOTIATIONS

(Placed on the Calendar.)

Mr. BELLMON, from the Committee on Agriculture and Forestry, reported the following original resolution:

S. Res. 285

Whereas the continued strength and vitality of American agriculture depend on unencumbered access to foreign markets;

Whereas the export of agricultural commodities from the United States permits American farmers to enjoy production economies which makes possible lower food costs to the American consumer;

Whereas agreements reached in international negotiations can have implications for domestic agriculture;

Whereas it appears that the unique expertise on American agriculture of the Department of Agriculture has not been appropriately utilized in recent negotiations with foreign governments affecting agriculture: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) with respect to all negotiations with foreign governments concerning the exportation or importation of agricultural commodities, the Secretary of Agriculture shall serve as a principal representative of the United States Government; and

(2) any agreements or understandings with foreign governments regarding the exportation or importation of agricultural commodities shall be submitted to the Senate Committee on Agriculture and Forestry.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President of the United States.

SHORT EXPLANATION

This resolution expresses the sense of the Senate that—

(1) With respect to all negotiations with foreign governments concerning the exportation or importation of agricultural commodities, the Secretary of Agriculture shall serve as a principal representative of the United States Government; and

(2) Any agreements or understandings with foreign governments regarding the exportation or importation of agricultural commodities are to be submitted to the Senate Committee on Agriculture and Forestry.

BACKGROUND AND PURPOSE

I.

On September 25, 1975, Senator Bellmon introduced S. J. Res. 132, requiring that the Secretary of Agriculture—with respect to all negotiations with foreign governments concerning the exportation or importation of agricultural commodities—serve as the principal representative of the United States Government.

The Committee on Agriculture and Forestry, in its consideration of S.J. Res. 132, determined that the Committee's concern regarding the proper role of the Secretary of Agriculture in international agricultural commodity negotiations could be more appropriately expressed by a sense of the Senate resolution.

During the past few months, the Administration has placed a moratorium on additional sales of United States grain to the Soviet Union and Poland. The stated reason for this action was that these two countries are not "regular" customers for U.S. grain and should not be allowed to make additional purchases until the exact size of the American grain harvest is known.

Subsequently, the President announced that he was sending officials of the Department of State to the Soviet Union to negotiate a long-term supply arrangement. Although the Under Secretary of State was accompanied on this mission by a Department of Agriculture official, such official was a technical adviser and not, therefore, in a policymaking position.

After members of the Committee on Agriculture and Forestry made strenuous objections to the relegation of the interests of American agriculture to a secondary role in the negotiations with the Soviet Union, an Assistant Secretary of Agriculture was included in the second negotiating team sent to the Soviet Union.

III.

It is the view of the Committee, as expressed in the resolution, that the Secretary of Agriculture should be on an equal footing with other Departments in negotiating any agreements which will ultimately determine how much American producers may sell to foreign countries. Neither the Department of State nor any other agency of the United States Government currently holds any grain; therefore, the current negotiations with the Soviet Union directly affect every American producer. In the Committee's judgment, these producers deserve to be represented by the Secretary of Agriculture (or his representative) on an equal policymaking basis with all other Departments and agencies of the government.

IV.

This resolution also expresses the sense of the Senate that any agreements or understandings with foreign governments regarding the exportation or importation of agricultural commodities are to be submitted to the Committee on Agriculture and Forestry. The Committee has received a briefing from the Under Secretary of State, Charles Robinson, and Assistant Secretary of Agriculture, Richard Bell, on the progress of the discussions with the Soviet Union on the long-term supply arrangement. The Committee believes that such continued briefing and consultation will be in the interest of American producers and consumers.

Mr. BELLMON. Mr. President, American farmers are beginning to question what the administration's agriculture policy really is. When the 1975 Emergency Farm Bill was vetoed, farmers were promised "unfiltered access" to world markets. The administration stated that government subsidies and controls had been replaced by the free market. On several occasions, the Secretary of Agriculture testifying before Senate Agriculture and Forestry Committee stated that the administration's agriculture policy was simply a free market.

As an editorial in the October, 1975 issue of Progressive Farmer titled "Farmers Trapped by Politics of Cheap Food!" points out, the free market is allowed to operate only on one side—the downside. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FARMERS TRAPPED BY POLITICS OF CHEAP FOOD!

The United States must make up her mind! Does she really want American farmers to go all out on production to help feed a hungry world? Or does she want to limit production and control exports? The choices must be made, because to go all out on production and control exports at the same time is a sure blueprint for agricultural disaster.

Right now, the United States seems to be following the blueprint for disaster. Farmers were urged to produce agricultural commodities in unprecedented quantities. And they're doing it. Then, right when exports start moving and prices improve to the point at which farmers can break even or make a little profit, the administration clamps the lid on exports. This is the second time in two years. See chart for what happened to prices in 1974 when export controls were announced.

Oh, we know the administration denies it is controlling exports. But it is dealing in semantics. By whatever name you call it, Secretary Butz, speaking for the Ford administration, called a halt to further sales of grain to Russia. And that is export control!

That's the way farm organizations across the country see it too. And they're really up in arms.

For instance, Morris Bowman, president of the Arkansas Farm Bureau, called the Secretary's action "a doublecross, and potential dynamite in the market."

"The Government has gone back on its word," he said. "Officials have consistently assured farmers that if we produced all out the markets would be available, including overseas. Imposition of Government controls again means that the free market is allowed to operate only on one side—the downside. Farmers feel that they have been trapped again by the politics of cheap food."

That's the key—Cheap Food! The Government is knuckling under to pressure—or expected pressure—from consumer groups and labor unions. It was these same groups that campaigned hardest to get rid of Government farm programs. "It's not right to subsidize farmers," they screamed a few years back. And as long as the market operates on the downside, these groups are as silent as death. But let the market start moving up, and the consumer groups, labor unions, and Government officials let out a roar.

What are the facts? Compared with 1974 crops, present estimates put the 1975 crop at 26 percent more corn, 29 percent more grain sorghum, 19 percent more wheat, and 18 percent more soybeans. Producers know that we will use only about half these commodities domestically. They know that a major portion must move in export trade. And exports are vital for our international balance of payments. The Government promised that exports would not be controlled.

The American Soybean Association (ASA) issued a warning that Government efforts to restrict agricultural exports may result in farm production cutbacks next year. In a special resolution, ASA says that "Government export controls have cost U.S. farmers millions of dollars in lost sales and lower prices. Pushing farmers to the point where they reduce production is the quickest way to increase the cost of food."

What's the answer? Progressive Farmer believes that the Ford administration has got to quit playing politics with food. We badly need a national agriculture and food policy that sets out the national goals and guidelines needed by both producers and consumers. Set specific goals each year with specified quantities of each commodity that will meet domestic needs as well as export needs. Announce to the nation and the world that for 1976 American farmers are being asked to produce specific quantities for domestic use and specific quantities for export. Then quit pussyfooting around and stick by our commitments. This will give farmers and U.S. consumers something they can rely on. And it will tell our export customers in advance what they can depend on.

Mr. BELLMON. Mrs. President, the whole point to the Progressive Farmer editorial is that the administration must quit playing politics with food. The American farmers need and deserve a national agriculture and food policy. In short, grain producers need to know what the ground rules are, otherwise they cannot and should not be expected to go all out in their production efforts in 1976.

I have written President Ford requesting that he define his agriculture policy more clearly. Wheat producers are now planting winter wheat in Oklahoma for harvest in May and June 1976, yet, they do not know whether the administration will allow this wheat to be exported.

I ask unanimous consent that this letter to President Ford be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., October 8, 1975.

Hon. GERALD R. FORD,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Oklahoma and southwestern wheat farmers are now planting winter wheat for harvest in May and June, 1976. Yet they do not know whether the Administration will allow this wheat to be exported. Therefore, they are unsure about how much to plant.

When you vetoed the 1975 Emergency Farm Bill, you stated the farmers would have "unfettered access" to world markets. However, there is now an embargo on grain sales to Russia even though the 1975 grain production has reached record levels. Sales to Poland are now also prohibited.

From Secretary Robinson's briefing of the Senate Agriculture Committee, it appears that an agreement is eminent that will require the Russians to purchase substantial quantities of grain annually with an option to purchase more if they so desire. Secretary Robinson has stated that the Russians would be able to purchase additional grain over the amount in the agreement if there is not a shortage of grain domestically provided the price did "go through the roof". Farmers need to know what the "roof" over the prices is.

It is also important for farmers to know who will determine if the grain is available and what price criteria will be used. The carryover for wheat was between 300,000,000 and 400,000,000 bushels in 1974 and 1975. This is more than a 6 months supply for the United States. The carryover will likely be higher in 1976 unless exports are encouraged. Are these levels of carryover adequate to avoid further embargoes?

In short, Mr. President, grain growers need to know what the ground rules are, otherwise they cannot and should not be expected to go all out in their production efforts in 1976. A statement from you on this matter would be extremely helpful.

Sincerely,

Henry Bellmon.

SENATE CONCURRENT RESOLUTION 69—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO NUCLEAR REDUCTION, TESTING, AND NONPROLIFERATION

(Referred to the Committee on Foreign Relations.)

Mr. CRANSTON. Mr. President, Senator Bill Brock of Tennessee, Charles McC. Mathias, Jr., of Maryland, and I are together submitting a concurrent resolution proposing five major steps to control nuclear power.

Joining us as original cosponsors are six members of the appropriate subcommittee of the Senate Foreign Relations Committee, to which the resolution will be referred. They constitute two-thirds of the members of the Subcommittee on Arms Control, and their support is indicative of the strong prospects for serious consideration of the resolution and action on it. These cosponsors are Senators Humphrey, Biden, McGovern, Pell, Clark, and McGee.

The chairman of the subcommittee, Senator Symington, and its other two members, Senators Case and Javits, while not joining us as cosponsors, have indicated to us that they share our concern over the issue of uncontrolled nuclear power, their support of our general objectives, and their concurrence in the need for action.

Chairman Sparkman of the Foreign Relations Committee, Majority Leader Mansfield, and Minority Leader Hugh Scott have indicated to us the same concern, support, and concurrence.

Mr. President, the fact that nuclear power is on the loose in the world is the single most important problem facing our Nation and mankind.

Let me sum up most succinctly this resolution.

OUTLINE

1. It is a major Congressional initiative for peace, addressing several major aspects of the nuclear control problem.

2. It is consistent with nuclear initiatives of the Ford administration and its predecessors.

3. It requires a quid pro quo from the Soviets by insisting on parity and verification procedures.

4. It provides incentives for nonnuclear states, who feel discriminated against, by offering nuclear energy in return for abstaining from nuclear weapons.

5. It is a constructive way for Congress to go about influencing the formulation of foreign policy, vis-a-vis the executive. It is a statement of principles and policy goals.

PROVISIONS

1. Urges that the principles of strategic parity in the Vladivostok accord be translated—promptly—into a treaty, to be followed immediately by negotiations for a verifiable, mutual 20 percent reduction in nuclear weapons.

2. Urges a comprehensive agreement ending all underground nuclear explosions under adequate verification.

3. Urges a halt on further transfers—exports—of nuclear technology to countries not accepting International Atomic Energy Agency safeguards or not joining Non-Proliferation Treaty.

4. Urges an agreement among suppliers to reprocess plutonium in secure regional centers—proposed by Kissinger on September 22.

5. Urges a halt in the production of weapons grade material for weapons use under a verification system. If this is done, urges the sharing of the products of the nuclear enrichment facilities of the major nuclear powers with those nations who sign the Non-Proliferation Treaty and accept International Atomic Energy Agency safeguards.

In a world preoccupied with a myriad of other problems, the transcendent crisis of our time—the threat of nuclear war and the annihilation of most of mankind—continues to worsen almost unnoticed.

We are doing far too little to avert that threat and this is one case where too little can literally mean "too late."

The nuclear arms race between the United States and the Soviet Union continues, for all practical purposes, virtually unchecked. In the past 7 years, the number of deliverable warheads on strategic missiles on both sides has increased nearly fourfold. The so-called "cap" on the level of nuclear weapons sets, instead, new and higher target ceilings that both sides can shoot at.

Meanwhile, other nations have joined in the race—or are acquiring the potential:

Great Britain is also a major nuclear power. So are France and China—two countries that have refused to sign the nuclear Non-Proliferation Treaty.

Four other countries are also in the business of selling nuclear materials and know-how around the world—South Africa, Japan, Canada, and West Germany—and at least three others have the capability of becoming nuclear suppliers: Netherlands, Italy, and Sweden.

And none of us are particularly meticulous about whom we sell these things to or under what safeguards: Canada sold a reactor to India and India—another nonsignator to the Non-Proliferation Treaty—made its own bomb. Earlier this year West Germany sold a complete nuclear fuel cycle to Brazil. Brazil also is a nonsignator. And still another country—Iran—is in the process of buying eight reactors and there is speculation that it will not permit international inspection. The salesman: the United States.

It is estimated that there will be power reactors operating in at least 30 countries within the next 5 years and the so-called nonweapon countries will have enough plutonium in the 1980's to make 50 atomic bombs a week.

Where will it all end? And will it end before it ends us? Our survival demands strong, imaginative, creative action—and it demands it now. We may already be past the point of no return.

This resolution is an effort to induce a laggard Congress and hesistant White House to focus in on this issue and, hopefully, to come up with—at long, long last—a compelling act of statesmanship that will halt the world's silent slide into nuclear proliferation and disaster.

In sum, our proposal undertakes to bring nuclear weapons under control, to reduce their numbers, and to stop their spread.

Chairman Symington of the Subcommittee on Arms Control expressed many of these concerns, and suggested several of the steps our resolution proposes, in a remarkable statement that appears in the Congressional Record on March 13, 1975.

"Just 2 weeks ago," Senator Symington said, "the Defense Minister of Turkey, reacting to the U.S. arms embargo, boldly announced that his country has 'plans to manufacture atom bombs.'" And not so long ago President Qadhafi of Libya observed:

> Soon the atom will have no secrets for anybody. Some years ago we could hardly procure a fighter squadron. Tomorrow we will be able to buy an atom bomb and all its parts. The nuclear monopoly is about to be broken.
>
> More than 50 countries today have nuclear reactors . . . about 30 countries possess "weapons-quantities" of plutonium or highly enriched uranium which could be used in a bomb development program.

The fact that Senator Symington, with his great knowledge and experience in these matters and his total awareness of the threat to our national security and survival implicit in the fact that nuclear power is on the loose in our world, is chairman of the subcommittee responsible for consideration of this resolution gives me great hope and confidence that there will be appropriate action on it.

Mr. President, I ask unanimous consent that there appear in the Record at this point a copy of the resolution, and a detailed analysis of its provisions.

There being no objection, the resolution and analysis were ordered to be printed in the Record, as follows:

S. Con. Res. 69

Resolved by the Senate (the House of Representatives concerning),

Whereas the operation of the Treaty on the Non-Proliferation of Nuclear Weapons was reviewed in May, 1975, by a special conference which included parties to such Treaty;

Whereas such conference confirmed the fact that states with nuclear-weapons capability have made only limited progress in pursuing "negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and a treaty on general and complete disarmament," as called for by such Treaty;

Whereas a significant number of non-nuclear weapons states have not acceded to such Treaty;

Whereas pressures generated by expanded energy requirements throughout the world have vastly increased the demand for non-military uses of nuclear energy;

Whereas it is important that further efforts be undertaken on an urgent basis to limit the dangers involved in peaceful and military nuclear developments and that the position of the United States Congress be understood with respect to its willingness to give full effect to the terms of the Treaty on the Non-Proliferation of Nuclear Weapons and to take further steps to limit nuclear dangers; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is respectfully requested to inform the appropriate foreign countries of the following declaration by the Congress of the United States with respect to arms control and disarmament negotiations and the proliferation of nuclear weapons materials:

(1) The Congress of the United States, noting the principles of strategic parity embodied in the Vladivostok Accord of November 24, 1974, urges their prompt embodiment in a Treaty. The Congress further urges, after the conclusion of such a Treaty, immediate negotiations on a verifiable mutual 20 percent reduction in the number of strategic nuclear delivery vehicles and the number of strategic missile launchers equipped with multiple independently targetable reentry vehicles.

(2) The Congress of the United States urges a comprehensive agreement ending underground nuclear explosions under adequate verification.

(3) The Congress of the United States, in order to reinforce international actions to prevent the proliferation of nuclear weapons and other nuclear explosive devices, urges a halt on further transfers of nuclear fuel, technology, and equipment to any country which has not accepted International Atomic Energy Agency safeguards on all its nuclear programs or which by January, 1976, has not become a party to the Treaty on the Non-Proliferation of Nuclear Weapons, upon the condition that all major nuclear suppliers agree to a similar halt on such transfers.

(4) The Congress of the United States urges an agreement among the major nuclear suppliers providing that, with respect to the plutonium resulting from any transfer between countries of nuclear fuel, technology, or equipment, all reprocessing of such plutonium will be performed in multinational regional nuclear fuel cycle centers which are protected by the strictest possible safeguards.

(5) The Congress of the United States urges a halt in the production of weapons grade material for weapons use under an adequate verification system. Following implementation of this provision, the Congress further urges, in order to share American resources and to guarantee nuclear fuel as needed to satisfy the legitimate energy needs of participating countries, the sharing of access to, and the product of, the nuclear enrichment facilities of the major nuclear powers with all nations who sign the Non-Proliferation Treaty and accept International Atomic Energy Agency safeguards.

The Secretary of the Senate and the Clerk of the House of Representatives are instructed to send an authenticated copy of this Concurrent Resolution to the President of the United States.

An Analysis of the Concurrent Resolution on "Nuclear Reduction, Testing and Non-Proliferation"

SECTION (1)

Description

Congress urges the prompt translation of the strategic parity principles embodied in the Vladivostok Accord (SALT II) into a treaty. After the conclusion of the treaty, Congress urges *immediate* negotiations on a *verifiable, mutual* 20 percent *reduction* in the *number* of strategic delivery vehicles and the *number* of missile launchers equipped with MIRV's.

Commentary

The final details of the treaty are scheduled to be agreed upon when Brezhnev visits the United States late this year. The Senate will then be asked to approve it. The chief feature of the treaty will be the *ceiling* placed on the number of vehicles and "mirved" launchers in the inventory of the two superpowers, 2400 and 1320 respectively.

The next step would involve numerical reductions in the actual number of vehicles and launchers in the inventory of both sides. Twenty percent is an arbitrary figure. If the ceiling figures under Vladivostok were actually built up to, the 20 percent reduction would result in 1920 strategic delivery vehicles and 1036 launchers equipped with MIRV's on both sides. However, assuming disparities in numbers and MIRV-installation rates between the two sides, the reduction would appear to "favor" the Soviets in total number of vehicles and the United States in total number of launchers with MIRV's, remaining.

Section (1) meets two complaints recently directed at the talks between Moscow and Washington. Concern has been expressed that the Vladivostok Accord would encourage a bilateral arms race to the agreed upon upper limits, with the Soviets having a head start over the United States in the number and kind of ICBM's. A related view is that SALT II represents only token progress, another cosmetic device, which does not promote meaningful reductions in strategic arsenals. Immediate negotiations toward a substantial reduction target would provide, potentially, a response to these complaints. This resolution, therefore, provides a constructive linkage between the ceiling of a SALT II Treaty and the reductions of a SALT III follow-on agreement.

Section (1) also speaks to the convictions of the great majority of signatories to the NPT who believe that there is a direct linkage between nuclear arms reductions by the superpowers and the prevention of the further proliferation of nuclear weapons to current non-nuclear weapon states. Article VI of NPT states: "Each of the parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of a nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control."

The power of the US-USSR example is acknowledged in the international community. "Horizontal" non-proliferation must be accompanied by "vertical" non-proliferation. In strategic missiles alone on both sides, the number of deliverable warheads has increased nearly four-fold, from 2,600 to 8,000 in the seven years since NPT was signed. And these figures do not include thousands of tactical nuclear weapons and those delivered by bombers.

SECTION 2

Description

Congress urges a comprehensive agreement ending *all* underground nuclear explosions under adequate *verification*.

Commentary

As bilateral talks with the Soviets proceed on SALT matters, talks on an underground test ban can proceed concurrently.

In 1963, the U.S., the U.S.S.R., and the U.K. signed the Test Ban Treaty banning nuclear weapon tests in the atmosphere, in outer space and under water. The parties agree "not to carry out any nuclear weapon test explosion, or any other nuclear explosion" in the designated areas, or in any other environment if the explosion would cause radioactive debris to extend beyond the borders of the state conducting the explosion. The treaty is of unlimited duration. Most of the countries of the world have now signed it, but not France and the P.R.C. (The latter two continue to test in the atmosphere.)

At the Moscow Summit meeting of July, 1974, the U.S. and the U.S.S.R. took the first step toward limiting *underground* tests by signing the "Treaty on the Limitation of Underground Nuclear Weapon Tests." Under the terms, each party agrees not to carry out any tests of *weapons* having a yield in excess of *150 kilotons* after *March 31, 1976,* to keep its underground tests to a minimum, and to work toward ending *all* underground *nuclear weapon tests. Verification* is to be by national means of detection. The accord provides for inspection by satellite photography and seismic readings of earth tremors. The two countries pledge to designate test areas in advance, to exchange geological measurement of weapons yield and to fire two "calibrating shots" so that standards of measurement could be set. (Critics charge that, set at 150 KT, the threshold is so high as to have little effect on the weapons programs of either the US or the USSR.)

Article III states that the provisions of the treaty do not apply to nuclear explosions for "peaceful purposes," and that these "shall be governed by an agreement which is to be negotiated and concluded by the Parties at the earliest possible time." The decision not to have the treaty take effect before *March 31, 1976,* was in part determined by the need to give the two parties time to conclude this agreement. Negotiations are under way. (The treaty has not yet been submitted to the Senate.)

In the NPT, the nuclear powers obligated themselves to *share* the potential benefits of peaceful applications of nuclear explosions with non-nuclear states. Hence, agreed procedures for peaceful explosions, should these become technically and economically feasible, are also significant in limiting nuclear proliferation. (Article V of the NPT states in part that "potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear weapon states Party to the Treaty on a non-discriminatory basis . . ." Further, "non-nuclear weapons states Party to the Treaty shall be able to obtain such benefits . . . through an appropriate international body with adequate representation of non-nuclear weapons states. Negotiations on this subject shall commence as soon as possible . . .")

Section (2) of this resolution urges a verifiable agreement ending *all* underground nuclear explosions on the part of states that have nuclear weapons. There is no threshold on yield, and no distinction is made between peaceful and military explosions (a distinction in motive that is not provable, incidentally).

The value of peaceful nuclear explosions (PNE's) for engineering purposes is highly controversial. Various groups of U.S. scientists have tried hard recently to persuade their Soviet counterparts that on the basis of "Plowshare", PNE's are uneconomic, dangerous, and a spur to proliferation.

If a total ban on underground testing cannot be negotiated because of the belief of some states that PNE's may contribute to economic development, then perhaps an international PNE facility could be set up to handle tests as exceptions to an underground test ban. (The current U.S. position calls for "internationally approved facilities," national in nature.) Such a facility would not affect the stockpiles of nuclear weapons currently possessed, but it would give to countries who held back from signing the NPT on grounds of status and autonomy a greater sense of participation in a far less discriminatory system.

In any case, the United States can accept a comprehensive test ban without a threat to our nuclear deterrent or our security. (In the 93rd Congress, S. Res. 67, a resolution calling on the President to promote negotiations with the Soviet Union for a Comprehensive Test Ban Treaty was approved by the Senate Foreign Relations Committee—but no action was taken on the Senate floor.)

If the threshold test ban treaty does not cover peaceful nuclear explosions, and remains set at the high level of 150 kilotons, it will offer little incentive to any state to refrain from its own developments.

Note: On September 11 the Soviet Union put forward at the U.N. a draft for a treaty that would prohibit all underground tests of nuclear weapons as well as those tests prohibited by the 1963 Test Ban Treaty. Title: "A Treaty on the Complete and General Prohibition of Nuclear Weapon Tests." The text of the treaty states that it cannot become operative until it has the approval of *all countries with nuclear weapons* (US, USSR, UK, France, CHINA). Significantly, the text failed to provide adequate safeguards against secret underground testing. Nuclear explosions underground for peaceful and nonmilitary purposes are to be covered by "special agreement" according to the Soviets. The vagueness of this provision is an important objection because, w/o adequate safeguards, "peaceful" explosions can be used to develop nuclear weapons technology.

Note: In July 1975 it was announced after Kissinger and Gromyko met in Geneva that the Soviet Union had accepted the principle of on-site inspection of nuclear explosions in connection with the U.S.-U.S.S.R. underground threshold treaty. But the Soviets did not mention such inspections in the draft treaty submitted at the U.N. Instead, it calls for vertification of compliance through "national technical means" and asks governments to assist by exchanging seismic data. It would appear that the Soviets have not yet become reconciled to on-site inspections under a comprehensive test ban. But Kissinger did say on Sept. 22 that the negotiations setting a threshold on underground tests constitute a significant step "towards a verifiable comprehensive test ban."

The Soviet Union has long advocated a total ban on tests, and the United States has long said it cannot agree to such a ban without on-site inspection, since a seismograph cannot distinguish between nuclear blasts and earthquakes or between weapons tests and blasts for peaceful purposes.

SECTION 3

Description

Congress urges a *halt* by *all* major nuclear suppliers on further *transfers* (exports) of nuclear fuel, technology, and equipment to *any* country which has not accepted IAEA safeguards on *all* its nuclear programs *or* which by January has not beocme a party to NPT.

Commentary

At least eight suppliers would be covered by this section: US, USSR, UK, France, Canada, West Germany, Japan, South Africa. Other potential suppliers are the Netherlands, Italy, Sweden. Prominent nuclear customers that could have been affected by such a provision earlier are Brazil, Iran, India.

Under Section 3, Israel and Egypt would have to sign on to NPT or come under IAEA in order to receive from the United States the 600 megawatt reactors offered by President Nixon. Incidentally, it is U.S. policy not to export the total fuel cycle (as West Germany has done with Brazil).

A halt on transfers would be an important first step in confronting directly the issue of proliferation. It is consistent with the cessation of underground tests and can be pursued simultaneously.

At the U.N. on Sept. 22, Secretary Kissinger called attention to new efforts among the *supplier states* to strengthen and standardize safeguards and controls on the export of nuclear materials, adding that commercial competition must not be allowed to erode safeguards. He repeated a U.S. proposal for "an international convention setting standards to protect the physical security of nuclear materials in use, storage or transfer."

SECTION

Description

Congress urges an agreement among the suppliers to *reprocess plutonium* (resulting from transfers) in secure regional centers under multinational control.

Commentary

Plutonium which is sufficiently pure to be used in a lightwater reactor—or a *bomb*—requires in most cases processing in a *chemical separation plant* that separates it from unspent uranium and other materials contained in fuel rods which have been irradiated in a reactor. For most of the reactors being built, where the spent fuel rods are reprocessed is where weapons-grade plutonium could also be produced. India has recently shown that plutonium need only be extracted from the spent fuel rods through reprocessing techniques that can be readily built on a small scale.

The numbers of spent fuel rods that will be moved about in the years to come is enormous. One estimate is that there will soon be between 7000–12,000 shipments annually between reactors and reprocessing plants. By the early 1980's this will mean that the present *nonweapons* countries will have available to them annually enough plutonium 239 to make 50 atomic bombs a week—if they chose to. (Kissinger: "The greatest single danger of unrestrained nuclear proliferation resides in the spread under national control of reprocessing facilities for the atomic materials in nuclear power plants.")

Not many reprocessing plants have yet been built, due to expense. We have arranged to have recipients of fuel produced here to send their spent fuel rods for reprocessing to the United States (or in some cases a third country).

This is a good (early) time to rethink the system. On Sept. 22 Secretary Kissinger, drawing on a plan under discussion at IAEA, proposed—as "a major step to reinforce all other measures"—the establishment of "multinational regional nuclear fuel cycle centers." He argued that their existence would reduce the incentive for small and inefficient reprocessing, facilities, limit the possibility of diverting peaceful nuclear materials to national military use, and create a better framework for applying effective international safeguards.

This concurrent resolution would *put Congress on record as endorsing the U.S. initiative at the U.N.*

A series of internationally controlled facilities, along with regulated transport of lethal material to and from plants, could represent "community" control of a process that is crucial to all—but is currently held by the nuclear "monopolists." A planned regional approach would reduce the danger of domination or capture and, more positively, spread control facilities and thus participation.

SECTION 5

Description

Congress urges a halt in the production of *weapons grade material for weapons use* under a verification system. *If* this is done, Congress further urges the sharing of access to, and the product of, nuclear *enrichment facilities* (gaseous diffusion plants) of major nuclear powers with those nations who sign the NPT and accept IAEA safeguards.

Commentary

This section is the most unique feature of the resolution. It urges the nuclear weapons states to take a big step of statemanship comparable to the Baruch-Lilienthal plan put forward by the United States after WW II. It might be termed the "open facilities" plan.

It can be put forward in international forums as a target to be pushed for down the road as the steps in Sections 1–4 are realized. Looking ahead to a climate in which steps have been taken to share at least some important peaceful nuclear responsibilities and privileges, this step would provide the means by which the international community could get a handle on the basic element of the process—the uranium itself.

Weapons grade fissionable material is produced by power reactors and by military reactors. Under the first part of Section (5) the production of all fissionable material for military purposes in both types of reactors would be ended. If Congress approved this part of the resolution, it would be revitalizing the 1966 U.S. proposal for a "cut-off" in the production of all weapons grade material and the transfer of substantial military stocks of U–235 and plutonium to peaceful uses.

Incidentally, U.S. weapons needs are presently consuming only a very small portion of the enriched nuclear fuels that we are capable of producing. A proposal to halt the production of weapons grade material for military purposes would probably not be favored by the Soviet Union at this time since they are now in the initial stages of an extensive MIRV program requiring manufacture of many new warheads.

The timing of the proposal may not be right but negotiations are never accomplished instantaneously. Besides, we are talking about an initiative to be suggested by Congress now to take effect over the long term, if other nuclear weapons states agree.

Coupled with the "cut-off" proposal in Section (5) is a proposal that would amount to the internationalization of enrichment plants. IAEA inspection could be performed at *all* nuclear power reactors using both U–238 and U–235.

At this time the *United States* has a virtual *monopoly* on enrichment facilities since we possess about 90 percent of the world's existing capacity. In contrast to the period of the Baruch-Lilienthal plan, however, the enrichment technology is one in which *both* the U.S. and the U.S.S.R. have achieved the required know-how—so this idea may be acceptable to the Soviet Union.

In addition to its symbolic effect, this plan would have the real value of guaranteeing nuclear fuel as needed to satisfy the energy needs of participating countries. Perhaps the driving force in the nuclear policies of the nations of the world—in the future—will be to guarantee that their energy needs are met, with weapons proliferation per se of secondary importance. Therefore, such an initiative by Congress could provide *the impetus* for a better climate in which to head off the slide toward uncontrolled proliferation.

A final point: *If* no weapons grade materials are being produced for weapons use—as verified by IAEA inspectors—*why not* permit international access to enrichment facilities and the sharing in the product as determined by an international board?

Mr. BROCK. I am very pleased to be a sponsor of the concurrent resolution regarding "nuclear reduction, testing and non-proliferation" submitted today by Senator CRANSTON. As Lincoln Bloomfield points out in the July issue of Foreign Affairs, two recent events have underlined the importance of harnessing this useful, but potentially dangerous energy source of the atom. They are first, India's so called "peaceful" nuclear explosion of May 1974, and second, the proliferation of nuclear energy that was bound to come in the wake of the 1975 oil embargo and ensuing energy crisis.

The Indian detonation was a great shock to many people of the world. Not only did it break the 11-odd year lag of nuclear proliferation since the Chinese explosion of 1964, it was particularly disappointing that a country which professes to be a leader in world peace movements would have been the one to break the barrier. And, this Indian explosion is considered by many experts to be, unfortunately, not an isolated case. Lincoln Bloomfield writes:

> What seemed to undermine the earlier mild optimism that the NPT could do the job was not that "nuclear-weapons-capable" countries such as Sweden, Canada, Switzerland, Australia, Netherlands, Italy, Poland, Argentina, Brazil, Japan, and West Germany, or even Israel, or Egypt were on the verge of exploding their own nuclear devices (though many think Israel is in fact the "seventh" nuclear weapons power). It was rather that the general climate of expectation about what was likely to take place had changed significantly. Many now believe that there will be Nuclear Weapons Power numbers 7, 8, 9 ad infinitum.

The second event is the energy crisis that has awakened interest in the use of nuclear energy. For the next decade or so, it appears that the only available alternative we have to oil is nuclear energy. This could be good, useful source of energy, but unfortunately, as we have seen from the Indian example, "peaceful" energy plants can too easily be converted to other uses. Then, of course, there is the whole question of safety of these nuclear plants. As a representative of Tennessee, the nuclear state, I know that nuclear energy can be safely harnessed, but it will take certain guidelines such as adherence to the International Atomic Energy Agency safeguards.

The administration is working toward agreements on these important matters, but I think that it is time we in Congress also expressed our concern.

In November of 1974, the President met with General Secretary Brezhnev in Vladivostok to work out preliminary agreements on SALT II. Negotiations for SALT II are now proceeding and I hope will be successfully completed before the 1977 deadline. Prior to this, in September 1974, the administration offered to open all American facilities to IAEA inspection. And, of course, the American record in this whole field of sharing and safety is well known from the 1946 Baruch plan, calling for "managerial security," along with "power to control, inspect, and license all other atomic activities," to President Eisenhower's "atoms for peace" initiative of 1953, through the various test ban treaties, and nonproliferation treaty, SALT talks, et cetera. While it is proper for the administration to take these measures, I also think that it is proper for Congress to reaffirm our partnership role and support these various efforts.

Mr. President, the dangers of nuclear war cannot be sufficiently emphasized. I congratulate Senator CRANSTON on this initiative and hope that this resolution will be a major step toward harnessing the atom as an instrument of death and using its incredible potential to enhance life.

Mr. MATHIAS. Mr. President, I am delighted to join Senators CRANSTON and BROCK in sponsoring this measure. The entire question of nuclear proliferation—whether for military or peaceful uses—has been obscured in our concern with various day-to-day problems and crises. Yet, as the growing energy requirements of both the developed and developing parts of the world generate new pressures for peaceful nuclear development and as the number of nations with near or actual nuclear capability for military purposes expand, few questions seem to be of greater long range significance. For that reason, I believe it is appropriate and constitutionally correct for the Congress to address this problem and to suggest—domestically and internationally—what the major guidelines ought to be for further negotiations in this area.

Let me emphasize at this point that guidelines are what we are talking about in the resolution. We do not propose specifics nor do we propose unilateral action by the United States. Rather, we are suggesting that the issues surrounding the international movement of nuclear fuel, technology and related matters are issues of the highest import.

We are suggesting by covering a number of items in a single resolution that both peaceful and military potential of nuclear energy are linked and should be dealt with systematically.

We are suggesting that these matters are too important to leave to chance or to the risks involved in a set of unilateral actions by those states with the technical capability to export both fuel and technology.

We are suggesting that in a matter of such urgency the Congress has a responsibility to announce in advance its concern and to suggest the guidelines for an appropriate framework of negotiation.

We are, finally, suggesting a sense of urgency that is underscored by the forthcoming visit of Mr. Brezhnev to the United States. During this visit, it is expected that President Ford and Mr. Brezhnev will sign a treaty embodying the principles of the Vladivostok accords.

I believe this sense of urgency is clearly mirrored by the broad spectrum of views represented by my fellow cosponsors and myself.

SENATE CONCURRENT RESOLUTION 70—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO BROADENING THE OBSERVANCE OF THANKSGIVING

(Referred to the Committee on the Judiciary.)

Mr. HUMPHREY (for himself, Mr. CLARK, Mr. MCGOVERN, Mr. BURDICK, Mr. HATFIELD, Mr. CULVER, Mr. KENNEDY, Mr. MCGEE, Mr. DOLE, Mr. MONDALE, Mr. DURKIN, and Mr. LEAHY) submitted the following concurrent resolution:

S. CON. RES. 70

Whereas since 1621 Americans have each year celebrated a day of gratitude for the bountiful harvests and blessings of our land with feasts and family gatherings; and

Whereas Americans have a long-demonstrated history of compassion for the suffering of others at home and abroad; and

Whereas compassionate Americans seek a vehicle through which to translate their concerns into constructive action; and

Whereas there is a need to help combat world hunger beyond what governments are able to provide; and

Whereas in a world where hunger is haunting an ever-growing proportion of the human family, it is appropriate that Americans should express their thankfulness by sharing with the hungry of other countries; and

Whereas this observance should serve to rekindle the original spirit of sharing and give our people the pride and satisfaction of contributing toward a better fed world; and

Whereas this observance should serve to broaden the ethical and practical aspects of Thanksgiving; Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Congress, that—

(1) the national observance of Thanksgiving should include a voluntary practice to be called "Thankful Giving," whereby Americans are invited to share with those who are hungry abroad;

(2) before starting their Thanksgiving meal, families should consider making a personal donation to the hungry abroad as a way of giving thanks for the feast that follows;

(3) for those families or individuals who do not have a favorite charity, the Office of Food for Peace of the Agency for International Development is requested to serve as a focal point in locating an appropriate charity;

(4) the President, the governors of several states and local public officials should consider recommending the observance of "Thankful Giving" in their Thanksgiving Proclamations;

(5) schools, churches, clubs, labor organizations and the media should disseminate and promote the concept of "Thankful Giving."

SEC. 2. The Secretary of the Senate is directed to transmit copies of this resolution to the President, the Secretary of State and the Secretary of Agriculture.

BRINGING NEW MEANING TO THANKSGIVING

Mr. HUMPHREY. Mr. President, today I am submitting a concurrent resolution to bring new meaning to the celebration of Thanskgiving.

Joining me in submitting this resolution on the House side is Representative PAUL SIMON of Illinois who has indicated a great interest and concern regarding the issue of hunger throughout the world.

Joining me in submitting this resolution on the Senate side will be Senators CLARK, MCGOVERN, BURDICK, HATFIELD, DOLE, CULVER, KENNEDY, MCGEE, MONDALE, DURKIN, and LEAHY.

The purpose of this resolution is to give those Americans who are concerned over the hunger issue the opportunity to respond in a personal way as they themselves prepare to celebrate Thanksgiving.

Our people are truly generous, and they have shown increasing generosity even during this period of rampant inflation and depression.

Many of our citizens have written to me indicating not only an interest and a concern regarding hunger but the ultimate question "What can we do to help."

This resolution which we are submitting would supplement the efforts which our Government engages in to encourage food production and help those who are hungry. Very often governmental programs, as we all know, are slow in reaching their target and laden with bureaucratic requirements.

This resolution, which would establish the practice referred to as "thankful giving" would rekindle the original purpose and spirit of Thanksgiving. This resolution does not in any way obligate anyone to give and particularly those who are not in a position to do so.

But, we do have many people who can and would like to contribute. I believe that this resolution would be useful in terms of encouraging concern among our people and enlisting their support for those in need.

In the resolution itself we have called upon the Food For Peace Office of the Agency for International Development to be of service in locating charitable organizations for those who wish to make inquiry as to where to make contributions.

In addition, the American Freedom From Hunger Foundation, the American Jewish Joint Distribution Committee, CARE, Catholic Relief Services, Church World Services, the U.S. Committee for UNICEF and the Unitarian-Universalist Organizations have joined together and established a single mailing address whereby interested citizens can make their contributions. It is Thanksgiving, Box 68, Washington, D.C. 20044.

I am hopeful that our public officials and the media will support this effort.

AMENDMENTS SUBMITTED FOR PRINTING

OPEN SENATE COMMITTEE MEETINGS—SENATE RESOLUTION 9—NOTICE OF MOTION TO SUSPEND THE RULES

AMENDMENT NO. 968

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted the following notice in writing:

In accordance with Rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to amend Rule XXVII of the Standing Rules of the Senate by proposing the following amendment to S. Res. 9, a resolution amending the rules of the Senate relating to open committee meetings:

AMENDMENT NO. 968

At the end of the resolution, add the following new section:

Sec. (a) Rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine by a roll call vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public.".

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXVII is amended to read as follows: "CONFERENCE COMMITTEES; REPORTS; OPEN MEETINGS".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 24

At the request of Mr. WILLIAMS, the Senator from California (Mr. TUNNEY) was added as a copsonsor of amendment No. 24 intended to be proposed to the bill (S. 425) the Foreign Investment Act of 1975.

ANNOUNCEMENT OF HEARING ON THE FEDERAL REPORTING AND RECORDKEEPING AFFECTING SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will hold a public hearing on Federal reporting and recordkeeping affecting small business on October 16, 1975, in Baltimore, Md. The location of the hearing will be in the Rosedale Library, Meeting Room, 6105 Kenwood Avenue, Baltimore, Md., and will begin at 9:30 a.m.

Cochairing the hearing will be the Senator from Maryland (Mr. BEALL) and the Senator from Nevada (Mr. LAXALT).

Further information on the hearing can be obtained from the office of the committee, 424 Russell Office Building, telephone 224-5175.

NOTICE OF ADDITIONAL COMMITTEE PARTICIPATION IN SMALL BUSINESS HEARINGS

Mr. NELSON. Mr. President, I wish to announce that the Small Business Committee hearings scheduled on October 21 and 22, to discuss the impact of environmental regulations on the small farm will be expanded. The Senate Agriculture Committee and the Senate Public Works Committee will participate in this joint hearing.

Hearings will be held on October 21 in room 457, Russell Senate Office Building and on October 22 in room 3110, Dirksen Senate Office Building beginning at 9:30 a.m.

Those Senators wishing to testify or submit a statement for inclusion in the hearing record should contact the Small Business Committee, 424 Russell Senate Office Building, telephone 224-5175, as soon as possible.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, October 30, 1975, at 11 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Milton L. Luger, of New York, to be Assistant Administrator of Law Enforcement Assistance (new position, Public Law 93-415, September 7, 1974).

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing, with the committee a request to be heard and a statement of their proposed testimony.

The Subcommittee will consist of the Senator from Indiana (Mr. BAYH) chairman; the Senator from Arkansas (Mr. McCLELLAN), and the Senator from Nebraska (Mr. HRUSKA).

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, October 30, 1975, at 10:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Peter R. Taft, of California, to be an Assistant Attorney General, vice Wallace H. Johnson, resigned (Land and Natural Resources Division).

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing, with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.

NOTICE OF HEARING ON WOMEN AND SOCIAL SECURITY

Mr. CHURCH. Mr. President, the Special Committee on Aging will hold hearings on "Women and Social Security" on October 22 and 23 at 9:30 a.m. in room 1114, Dirksen Senate Office Building. The focus of the hearings will be to discuss and comment on the working paper, "Women and Social Security: Adapting to a New Era," prepared by the committee's task force on women and social security. Witnesses will include Robert M. Ball, former Commissioner of Social Security; Mrs. Martha Griffiths, former U.S. Representative from Michigan; and Stephen C. Wiesenfeld, plaintiff in recent Supreme Court decision, Weinberger against Wiesenfeld.

ADDITIONAL STATEMENTS

NEED TO DIMINISH FEDERAL REGULATORY FUNCTIONS AND AGENCIES

Mr. CURTIS. Mr. President, with as large as the Federal Government has become, I am at times amazed that we are even able to function at all.

Knowing that others of my colleagues have probably experienced seemingly endless delays in getting so much as an acknowledgement out of Federal agencies, I would like to share a recent experience I have had with one Federal agency—the Federal Power Commission.

Before providing copies of my correspondence and the acknowledgement I received 6 months later, I would like to point out that the matter on which I wrote was and is of extreme importance to my State of Nebraska.

My letter of April 4, 1975, to the Federal Power Commission explains the problem in detail, but for the benefit of summation, I would say that it concerned a needless 1-, and possibly 2-year delay in the construction of a 650-megawatt steam electric powerplant which is vitally needed for the State to meet its electrical energy needs in the years ahead.

In matters of such importance, I think

it is deplorable that agencies of the Federal Government should be so lax or delayed in acting. The problem in the delays in construction of this important electric generation plant were bad enough, but the 6-month period necessary to acknowledge my letter is the ultimate in Federal bureaucracy.

Mr. President, I believe this situation is a good example of the problems the country has been experiencing because of an over-sized Federal Government, excessive regulation, and unwieldy bureaucracy. I believe it is proof of the need to diminish Federal regulatory functions and agencies.

I could think of no better way to start to trim the excessive, wasteful, and unproductive bureaucracy, than by eliminating or greatly reducing the Federal Power Commission.

I commend to my colleagues the reading of my April 4 letter, and the response of the Federal Power Commission of September 30, which I ask unanimous consent be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 4, 1975.

The CHAIRMAN and ALL COMMISSIONERS and Secretary KENNETH F. PLUMB,
Federal Power Commission,
Washington, D.C.

DEAR SIRS: This letter is in response to correspondence of March 27, 1975, from Mr. Kenneth F. Plumb, Secretary of the Federal Power Commission (FPC), and specifically responds to an invitation to comment on the application by Nebraska Public Power District (NPPD) for approval of use of lands within the boundary of the original North Platte-Sutherland project.

I am deeply concerned about the current delay in construction of the Gerald Gentleman steam electric generating facilities near Sutherland, Nebraska, because of the current energy shortages experienced by the United States, because of skyrocketing construction costs, and because of projected shortages in electrical energy for the State of Nebraska. Already, the cease and desist order issued by the Federal Power Commission has resulted in a year's delay in putting the plant into operation at a cost of millions of dollars to Nebraska's electrical users. Construction of the Gerald Gentleman plant must be allowed to be resumed at the earliest possible date if projected electrical power shortages in Nebraska are to be averted.

Because of my interest as a duly elected representative of the people of the State of Nebraska, I have become involved in the dispute concerning the Gerald Gentleman Station, and have closely followed the efforts and activities of NPPD in dealing with the FPC to get the action and decisions necessary for a resumption of construction of the Gentleman plant. A review of decisions and activities in this matter suggests that actions and efforts to resolve the problem have been very slow in coming, and points out the need for expediting any and all remaining procedures in the interests of the hundreds of thousands of citizens and electrical users of the State of Nebraska.

The new NPPD Gerald Gentleman plant is to be a coal-fired steam electric generation facility that in no way would hinder or interfere in the operation of the North Platte-Sutherland Project No. 1835. It is being built near the Sutherland Reservoir, which is part of the NPPD hydro-electric project originally authorized by the FPC. The Federal Power Act and subsequent power generation and environmental legislation in no way place authority over licensing of steam electric generation facilities within the FPC. However, the FPC has become involved in the Gerald Gentleman plant because of the location by NPPD of part of the plant facilities within boundaries of the older hydro-electric facilities over which the FPC has jurisdiction, and because of plans by NPPD for use of water within the Sutherland Reservoir for cooling purposes at the Gentleman plant.

Work on the Gerald Gentleman plant was halted late last year when the FPC acted in favor of a case brought by the Sierra Club, and ordered NPPD to stop all construction. Environmental interests have been blocking construction of the plant in an attempt to force NPPD to install multimillion dollar scrubbers that some contend would further remove air pollution by-products from the plant's operation. NPPD had prepared a voluminous environmental impact study on the plant, and both the power district and the Nebraska Department of Environmental Control have indicated that the construction of the plant as planned by NPPD will meet environmental quality standards.

The Sierra Club first attempted to block the Sutherland construction within the State of Nebraska, but the courts and the Nebraska Department of Environmental Control upheld the NPPD construction plans as meeting environmental quality standards. Environmentalists next attempted to get the Federal Environmental Protection Agency involved, and the Nebraska Department wrote the EPA that the scrubbers had not been proven efficient and effective, and that tests to date indicated they would require a shutdown of generating facilities much of the time for maintenance and repairs. The Nebraska Department of Environmental Control, which is the state agency authorized and delegated the authority over environmental legislation and regulations by the Federal Environmental Protection Agency, further indicated that the plans for construction and operation of the Gerald Gentleman plant were in compliance with Federal environmental protection standards, and that the plant would meet minimum Federal requirements when put into operation. The Environmental Protection Agency took no action and in no way became involved in an effort to stop the construction of the Gentleman plant.

Finally, in its case with the FPC, the Sierra Club was successful in getting a stop order on construction on the grounds of the proximity of the Gentleman plant to the older approved hydro-electric plant over which the FPC has authority. However, in late 1973 and early 1974, NPPD filed requests with the FPC to have the original boundaries of the Sutherland project revised and to allow NPPD use of the water in the reservoir for cooling purposes in the new Gentleman plant. Then, when the FPC ruled in favor of the Sierra Club last year, and had not yet acted on the NPPD requests, the Nebraska Congressional Delegation filed a petition to intervene out of time, and asked that the FPC act on the NPPD requests.

Since the filing of a petition to intervene out of time by the Nebraska Congressional Delegation in November, 1974, and December order of the FPC granting the intervention and denying a NPPD rehearing application and setting dates for hearings, proceedings in this matter have now progressed to the stage of the first hearings to be held on April 8, 1975.

The Nebraska Congressional Delegation has already written the Commission urging that all efforts be made to expedite the studies and activities at the staff level which are necessary for completion of required environmental impact and other positions. I have corresponded with the Administrative Law Judge relative to submitting a statement at the April 8, 1975, hearings.

I firmly believe that the paramount concern and effort of the FPC should be to proceed with action on the applications of NPPD for changing the boundaries of the Sutherland hydro-electric project and for use of reservoir waters for cooling operations in the Gerald Gentleman facilities. Favorable action on these applications would resolve the problem most expeditiously and at the least inconvenience and cost to the Nebraska Public Power District and, ultimately, to the people and electrical users of Nebraska.

The relocation of the plant facilities, as already authorized by the Board of Directors of Nebraska Public Power District, would allow for resumed construction on the Gentleman plant and is intended to minimize further delay in getting this plant constructed and in operation. However, this relocation will be at considerable additional expense to NPPD and the people of Nebraska. The delays already experienced in this matter have so complicated it that NPPD must now be cast in a position of weighing one alternative against another on the basis of which will involve the least additional cost of millions of dollars. The relocation of the plant facilities has been estimated to cost up to $10 million, while a year's delay in completion and operation of the plant has been estimated at up to $35 million in lost revenues and additional power purchase requirements by NPPD.

The quickest relief and simplest solution to the problem would be for the FPC to act at once on the applications of NPPD so that on approval of the applications, relocation would not be necessary, and construction could be resumed for earliest possible completion from this time.

In this time of high inflation, skyrocketing construction and material costs, and energy shortages, it is imperative that projects such as the Gerald Gentleman plant be completed as soon as possible. Where environmental standards have been met and all steps necessary for construction of the Gerald Gentleman plant have been completed, the FPC should not hesitate to proceed accordingly on the requests of NPPD.

I urge the FPC to act on those requests and applications, and to take every step necessary to expedite the processing required for final approval of this improtant project which is so vital to the electrical needs of the State of Nebraska.

Sincerely yours,

CARL T. CURTIS,
U.S. Senator.

FEDERAL POWER COMMISSION,
Washington, D.C., September 30, 1975.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: This acknowledges your letter of April 4, 1975, in which you commented on the application filed by Nebraska Public Power District (NPPD) for use of project lands and waters in connection with the construction and operation of the Gerald Gentleman steam electric generating facilities. Please excuse the delay in responding to your letter.

Your letter will be treated as a statement of position and can be presented for inclusion in the record on which the Commission will base its decision in these consolidated proceedings.

Very truly yours,

KENNETH F. PLUMB,
Secretary.

STRIP MINING IN DEATH VALLEY

Mr. CRANSTON. Mr. President, I would like to share with my colleagues today my feelings on the strip mining situation in Death Valley National Monument, in California, as I expressed them this week in hearings of the Interior Committee, chaired by the distinguished Senator from Montana (Mr. METCALF).

The Senator is to be commended for his early response to the revealed threat of environmental degradation in a national monument. I am pleased to give my full support to his legislation, S. 2371, a bill to curtail mining activities in six units of the national park system, including Death Valley National Monument.

The people of my State are justifiably proud of the haunting beauty and rich history of this unique and scenic area. But Death Valley does not belong exclusively to the people of one State, or even to a single nation. A substantial number of the 700,000 people who visit the national monument each year are travelers from foreign lands. They consider Death Valley one of the outstanding wonders of the American West, along with Grand Canyon, Yosemite, and Yellowstone National Parks.

Time in Death Valley is measured almost casually in eons and millenia. Events that took place there 10,000 years ago are considered "recent" in the geologic time of Death Valley. Great upheavals twisted earth and sand into mountains, deep canyons, and flatlands so long ago that human minds are hardput to imagine it. It is the hottest, driest, and lowest place in the Western Hemisphere. For thousands of years the forbidding landscape has stayed the hand of man. Even today it is possible in Death Valley to stand alone and imagine what the world looked like before life itself. Yet the desert is a fragile thing, and does not repair itself easily. Trails left by wild burros leave their imprint for decades. A crude manmade road will last centuries.

In considering this legislation, I asked the committee to think of our stewardship responsibilities with two facts in mind: First, that the people of the world treasure this unique resource; and second, that the activities of a human lifetime measure a split-second in desert time, but the results of what we do will last forever.

The U.S. Government recognized the need to protect Death Valley and proclaimed it a national monument in 1933. Because the lore of the prospector and pack mule played such a part in both Death Valley fact and legend, Congress specifically allowed mining in the new national monument. The massive strip mining activities going on today in Death Valley National Monument bear little resemblance to the old 20-mule teams.

I am advised that between 1940 and 1970 no more than $1.5 million in minerals was taken out of Death Valley in any one year, and that the total during those 30 years probably amounted to about $4 million. But between 1970 and 1975, open-pit mining for borates and talc has carved about $15 million a year out of Death Valley. The situation came to a head recently when one mining company staked 44 mine claims at the very edge of the Zabriskie Point scenic lookout.

A member of my staff was in Death Valley last week to view the extent of open pit mining, and to listen to U.S. Park Service personnel and representatives of the major mining companies. I have learned that claim stakes have now been removed from the controversial claims in the Zabriskie Point area—at least for the present. But the question has been raised: To what extent can the Federal Government withdraw land within a national park in order to protect it from mining? An opinion issued by the Solicitor of the U.S. Department of the Interior declares that the authority does not exist under current law to withdraw scenic areas from mineral entry.

Section 1 of this legislation addresses itself to that question. It repeals the 1933 act which opened Death Valley to mining and effectively stops the filing of new mining claims. The bill also directs the Government to study the desirability of acquiring all mining rights in the monument in order to better preserve the monument in the public interest. I support the moratorium. Without it I fear that mining claims could proliferate throughout Death Valley and be developed at will.

There are supplies of both borates and talc outside Death Valley sufficient to meet our national needs for the foreseeable future. I do not see why we should allow the pursuit of short-term profits to inflict permanent environmental damage within a national monument. Further, I do not believe mining is an activity appropriate to the goals of our National Parks System.

Because of the special history and colorful legend of the pick-and-shovel prospector, Death Valley has remained open to mineral entry. But that open door has become a chasm through which bulldozers, hydraulic trucks, and all the heavy equipment of the modern strip miner has driven. Some mining companies have said they are mindful of the public interests at stake in Death Valley. They have said they have no present plans to mine in the immediate vicinity of Zabriskie Point and the other scenic lookouts, though claims have been staked there. History does not justify the public's relying on the spoken word of corporate good intentions in this matter.

Congress must make it clear now and for the future that the Federal Government does have the right—and indeed the duty—to protect Death Valley and other units of the National Park System from mining or any other activity that diminishes the quality of the environment within them. The positions expressed by the Interior Department cast doubt on the Government's rights under existing law. Therefore I think Congress can and should move with appropriate dispatch to secure the visual beauty and environmental security of Death Valley for the general public. I further endorse the moratorium on existing mining claims until the validity of those claims, and the public interest in acquiring them, can be determined.

THE PANAMA CANAL

Mr. FANNIN. Mr. President, for the past 11 years, the United States and Panama have been discussing the possibilities of a new relationship between our two countries with regard to the Canal Zone and the Panama Canal. Ambassador Ellsworth Bunker just returned from yet another round of negotiations on reduced U.S. sovereignty in the Canal Zone. Major obstacles to the acceptance of a draft treaty still exist, both for Panama and the United States. Citizens of both countries are dissatisfied with reports about the terms of a new treaty and the governments of both countries cannot agree on the authority of each to administer and defend the canal and Canal Zone.

A followup round of treaty negotiations will begin in October. It is my understanding that they will cover no new proposals, but will be conducted for the purpose of working out details of certain agreed upon provisions. The major substantive obstacles to conclusion of a new treaty arrangement are disagreements over administration of the land and water within the Canal Zone, the amount of terrain necessary for adequate defense of the canal and the duration of any new treaty agreements. These are essentially the same problems which canal treaty negotiators have been dealing with for the past 11 years.

Throughout the long debate over U.S. sovereignty in the Canal Zone, it has been my conviction that the United States should retain the rights and sovereignty designated under the Hay-Bunau-Varilla Treaty of 1903. I have not changed my mind on this issue and have become more assured with the passage of time that the Government of Panama is not capable of providing the military might or the national will to keep the canal open to international traffic.

Recent demonstrations by Panamanian leftist students which damaged the U.S. Embassy in Panama and a blockade of Canal Zone entrances by Panamanian workers are pertinent instances of instability within Panama. The students broke windows and defaced our embassy because they were dissatisfied with what they determined to be the slow pace of negotiations for a new canal treaty. While the students were wreaking their violence, the Panamanian National Guard stood by and watched rather than protected our embassy. They Panamanians clearly failed in their duty to protect the U.S. Embassy in Panama. If Panama's armed forces cannot be counted upon to carry out their obligation to guarantee the security of foreign government property in their capital city, I doubt they can be counted upon to protect and defend a waterway of the international economic importance of the Panama Canal.

This year the Congress has been quite active in attempting to delay the conclusion of a revised Panama Canal treaty. Senate Resolution 97, which calls for continued, undiluted U.S. sovereignty in the Canal Zone, has the support of 37 Senators. This is enough support to defeat a new and unacceptable Panama Canal treaty if one is prepared and presented to the Senate for ratification during the 94th Congress. A House amendment to the State Department appropriations bill for fiscal year 1976 prohibited the use of funds

> . . . for the purposes of negotiating the surrender or relinquishment of any United States rights in the Panama Canal Zone.

The Senate version of the bill did not include a cutoff of funds so a compromise position was worked out, but it is not the strong demand for continued U.S. sovereignty which we conservatives had hoped for. It merely puts the Congress on record as being concerned about negotiations over the Canal and Canal Zone and insists that treaty negotiators protect the "vital interests" of the United States. "Vital interests" are left undefined and the compromise does not include language mandating the retention of traditional U.S. services and responsibilities in the Canal Zone.

It is obvious to me that Panama Canal treaty negotiations will continue and that a draft treaty will be presented to the Senate for ratification at some future date. I will continue to oppose the relinquishment of our sovereignty over the Canal Zone and the Panama Canal. Under our Constitution all treaties must be ratified by the Senate and ratification occurs only if two-thirds of the Senate votes affirmatively.

Since the Congress has been unsuccessful in restricting Panama Canal negotiations under the appropriations process, our future efforts to defeat a new treaty relationship must come at the time when the Senate is called on to ratify a new treaty. Senate rejection of a treaty is clearly the best legal method for rejecting an agreement which would dilute U.S. control and sovereignty over the Panama Canal and Canal Zone.

Already, I am on record opposing any relinquishment of U.S. sovereignty over the Panama Canal or Canal Zone. I signed Senate Resolution 97 last January and the Byrd amendment denying funds for the conduct of further negotiations and I will continue to speak out against any revision of our relationship with Panama in the Panama Canal Zone.

FACING THE THREAT OF HUNGER

Mr. HUMPHREY. Mr. President, millions of people throughout the world are starving. One-half of the world's population is malnourished. But, according to leading food scientists, famine is not inevitable. In an October 3 article, David F. Salisbury of the Christian Science Monitor presents the viewpoints of three leading food experts, Dr. J. George Harrar, Lord Ritchie-Calder, and Dr. Nevin S. Scrimshaw.

I agree with these gentlemen that feeding the hungry must be made a high priority. We must encourage world scientists to develop higher yielding varieties of seeds. We must encourage them to establish improved agricultural research centers in the third world. We must encourage them to develop alternative food sources.

In this regard, we also must encourage the leaders of the developing nations to increase food production. Roy D. Laird, a political scientist, addresses this issue in a September 26 article in the Christian Science Monitor. Most of the world's unused agricultural land is in third world countries which "practice agricultural policies which serve only to perpetuate subsistence farming."

In addition, food surplus nations such as the United States and Canada must develop food and agricultural policies which include a reserve program to deal with world food shortages. In recent years we have called on our farmers to go all out in production, but we have not been willing to have the Government share in the risks.

Mr. President, I ask unanimous consent that the aforementioned articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MUST MILLIONS SOON STARVE?

(By David F. Salisbury)

CAMBRIDGE, MASS.—Must millions starve in the coming years?

Not if the nations of the world give the effort to feed the hungry a higher priority and refuse to accept prophecies of doom which are so prevalent today, say three food experts.

Dr. George Harrar, president emeritus of the Rockefeller Foundation; Lord Ritchie-Calder, prominent interpreter of science and UN adviser; and Dr. Nevin S. Scrimshaw, head of the Massachusetts Institute of Technology (MIT) food science department talked of efforts to use science and technology to help feed the world's increasing billions.

They argue that mankind's ingenuity is equal to the task if the people and politicians of the world stand behind the scientists and all learn by past mistakes.

In the past year there have been repeated statements that the attempt to use science and technology to increase world food production—the green revolution—has failed.

Dr. Harrar, who helped foster much of this research through the Rockefeller Foundation, disagrees—while admitting his bias. He feels it has proved its worth, although there are many problems remaining.

One criticism of the green revolution is that its "miracle grains" needs intensive irrigation, fertilizers, and pesticides. This form of agriculture depends on ever-more expensive petroleum.

"We assumed that fossil fuels were going to continue to be cheap," the senior scientist says, "I guess we were very derelict. . . ."

Yet, with more ingenuity and a shift in priorities, these problems can be overcome, Dr. Harrar feels. Pest-resistent strains and those which use little water are under development, he says.

"We are just at the beginning of moving from a purely engineering concept of agriculture to a biological one," observes Lord Ritchie-Calder. Understanding how plants operate (the photosynthetic process) holds great promise for the future, he believes. Already new hybrid crops have shown that yields are not limited by unalterable factors, adds Dr. Harrar.

Science is capable of continuing "marvels" he claims, but he is worried about humanity's ability to make use of these discoveries.

"Homo faber (man the toolmaker) has outrun homo sapiens (man the thinker)," quips Lord Ritchie-Calder. However the British writer is optimistic about the situation "if we get some common sense." He argues that pessimism may be self-fulfilling.

"Generally what we have done 'with people' has been successful while we have done 'for them' has failed," he says. For this reason he supports setting up agricultural research centers in the third world. This is just now being done for research into high-protein corn.

According to Dr. Scrimshaw, studies have shown that this corn is as nutritious as milk. In his speech he lists unconventional forms of food which can, and he feels must, be developed.

These include tailoring cereals so they have the bean's ability to get nitrogen from the air instead of from increasingly expensive fertilizer, processing "trash fish" into a form acceptable to the public, and growing microbes on various agricultural and industrial wastes to use for animal feed.

Lord Ritchie-Calder has his own ideas about some unconventional food sources which have been overlooked.

He points out that the Seri Indians in Baja California have lived for hundreds of years by harvesting a grain which grows in the ocean off desert areas. This aquatic grain, known as eel grass, could provide food without requiring arable land or fresh water.

Animals like the gazelle, a large South American rodent called the capybara, and the hippopotamus have many possible benefits as livestock.

"Before we sit down at the console of the Doomsday Machine and decide which buttons to press, which races are expendable . . . , let us face the facts . . . as challenges to our imagination, our ingenuity, our managerial competence, and our humanity," Lord Ritchie-Calder said.

HOW HUNGRY LANDS CAN EAT

(By Roy D. Laird)

Any ultimate answer to the threat of massive world starvation must come from a resolve by the leaders of the developing states to adopt policies which will enable their people to feed themselves. This was the most important conclusion to be drawn from a conference on agricultural modernization, which was held in Urbino, Italy, during the summer. Specialists from 13 European and North American countries participated.

Not even the communist delegates spoke against the observation that although food aid will continue to be important, the food-surplus-producing nations cannot feed the world's hungry.

Half of the world's population is malnourished. Most of the hungry live in the developing nations of Asia, Africa, and Latin America. Even if the food-surplus-producing, developed nations could produce food in the quantities needed by the world (and they cannot), problems of transport, storage, and distribution preclude such exports from being a long-run solution.

According to Food and Agriculture Organization data, the developing nations have increased food production some 33 percent since the early 1960s. But population growth has held output increases per capita to only 2 percent as of 1974, and that tiny increase is a decline from the peak advance of 4 percent in 1970.

Still, if the population bomb can be defused, there is sound reason for hope. Estimates are that less than half the world's potential acreage is now cultivated. Most of the world's unused agricultural land is in the developing nations.

Prof. D. Gale Johnson, of the University of Chicago pointed out to the delegates that the levels of agricultural advance in the developing countries—particularly in the crucial realm of yields of grain per hectare (2.47 acres)—is only at levels achieved in the West in the 1880s.

Grain, especially wheat, is the most important world crop. Our own calculations comparing production achievements for wheat underline Professor Johnson's crucial point.

When the production achievements of the combined U.S. and Western European output of wheat are compared with that of the totals for Latin America, Africa, and Asia for the years 1971–72–73, the following picture emerges:

3-year wheat averages:	*Developed vs.*	*developing*
Million hectares sown	36.7	85.8
Yields, tons/hectare	2.6	1.1
Million tons produced	96.5	95.2

In aggregate, the weather in the developing nations may not be as favorable as it is for the U.S. and Western Europe. However, weather alone does not explain the fact that, on less than half as much sown area, the developed nations produce as much wheat as do the developing nations.

National poverty, which inhibits agricultural investments, is a serious problem, but far too often it is an excuse rather than a real cause for unproductive agricultural policies.

In a recent address, Joseph Willet of the USDA's Foreign Agricultural Research Servic underscored a tragic reality. As of 1965, little more than one-tenth of the world's public expenditures on agricultural research was spent in the developing countries. Most developing nations could significantly increase their investments in food production.

The colleagues at Urbino agreed that agricultural research, coupled with increased farmer education—to exploit the research findings—has been the key to the Western agricultural miracle since World War II. The rate of agricultural production advance has surpassed the rate of industrial growth in the developed nations.

Delegates who had observed agriculture in the developing nations retold an old story. Many, perhaps most of such nations, impose policies on their farmers that amount to disincentives for increasing production. India was cited as an example where always scarce hard currency is spent for large grain imports. Yet, internally, black markets in food abound in the cities, while the farmers often are not paid enough for their grain to make it profitable for them to purchase fertilizer, even when it is available. Yields remain far below potential.

Farmer educational programs are woefully inadequate for training illiterate peasants to utilize modern techniques. In sum, far too many of the developing nations practice agricultural policies which serve only to perpetuate subsistence farming. However important the green revolution, with its stress on higher-yielding varieties of seeds, it is no solution in itself.

Modernization and the achievement of high standards of living are too often thought of only in terms of urban industrialization. Yet, without significant rural change as the essential base, where will the urban workers get the bread which sustains human survival? Massive starvation will be averted only if the developing nations' leaders are able and willing to place priorities where they belong.

DEFENSE ASSISTANCE FOR CHINA

Mr. TAFT. Mr. President, I would like to bring to the attention of my colleagues an article in today's Washington Post entitled, "Chinese Debate on Moscow Relations Has Washington Impact."

The central and very important point of this article is that there appears to be a powerful faction in the Government of the Peoples' Republic of China which would like to reestablish a Soviet-Chinese alliance. The basis of this faction's desire is largely a perceived need for a source of modern arms for defense. Needless to say, given the current Soviet attitude toward the United States, such an alliance would have to be directed against the United States.

History indicates that the establishment of such a Soviet-Chinese alliance would be followed by Soviet adventurism in the West. Traditionally, Russia—Tsarist as well as Soviet—has either been active in the East while putting the West "on ice," or she has made an accommodation in the East and become expansionist in the West. At least to some degree détente to the Russian may be a new case of "putting the Balkans on ice"—of seeking an armistice in the West to concentrate attention on Eastern problems. If that is true, a rapprochement with China would probably lead to new Soviet probes against the West.

If that occurred, the West—which is comparatively weaker today than it was when it last faced Soviet adventurism on a broad scale, in the Khrushchev era—could be in serious trouble. Two major power centers would be united against one, and we would be the one isolated. That would be a diplomatic disaster or worse.

Accordingly, as I have said repeatedly before, we should be prepared to consider requests from the People's Republic of China for such defensive arms as she may believe herself to require to deter potential Soviet aggression. We must make it clear to those in China who are most interested in building a modern defensive force that there is an alternative to the Soviet Union, as far as a source of modern defensive weapons is concerned.

The Post article notes that there are some in Washington, particularly in the executive branch, who dislike any idea of the United States supplying defensive systems to China, or even being willing to study requests for such systems. Apparently the fear is that discussion of this possibility will disturb relations with the Soviet Union. I reply that the Soviet Union is today by her actions, not just by words, disturbing those relations. In particular, she is building an enormous and powerful navy that can only be understood as an offensive, not a defensive, force. This navy bears no relationship to natural Soviet defense requirements, for the Soviet has little at sea to defend. It can only be seen as a deliberate threat to the sea lifelines on which the West depends. With the Soviet Union taking such an action, so clearly offensive in character, how can anyone in the United States be accused of disturbing prospects for détente by seeking to maintain the world balance of power?

I urge my colleagues to think about this issue seriously. In my view, the question of our relations with China is one of the most serious foreign policy issues we face at this time. President Ford is soon to visit the Peoples' Republic, and I hope he will have the full support of this Chamber in expressing to the Government of the Peoples' Republic our understanding of the objective circumstances which necessitate the acceleration of the development of better relations between the Peoples' Republic of China and the United States.

I ask unanimous consent that the article I have mentioned above be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Oct. 9, 1975]

Chinese Debate on Moscow Relations Has Washington Impact

(By Victor Zorza)

The announcement that Secretary of State Henry A. Kissinger will travel to Peking this month has given a fillip to the U.S. debate on China policy that has long simmered under the official surface.

Kissinger will prepare for President Ford's visit to China and the issue is whether the United States should make a number of concessions to the Chinese leaders at that time.

Some voices in Washington are urging that military and economic aid be extended to China to strengthen it against the Soviets. Some even seek efforts to work out an accommodation between Taiwan and the Communists.

Kissinger whose major concern is to preserve detente with the Soviet Union, is said to fear that far-reaching concessions to China could damage the network of understandings with Moscow.

Some of his critics within the administration fear that failure to establish a closer relationship with Peking could be used by pro-Soviet elements in the Chinese leadership to resume movement toward a reapproachment with Moscow.

Many of the arguments in the debate have been set out in the current issue of the journal Foreign Policy by Michael Pillsbury, a Rand analyst whose strong advocacy of a closer relationship with China has provoked considerable annoyance in high quarters.

These expressions of displeasure have only served to draw attention to the Washington debate, and have caused Soviet analysts to study the article for clues of U.S. policy disagreements—in much the same way that Western analysts look for clues between the lines of the official Soviet Communist Party newspaper Pravda.

One recent contribution to the current Chinese leadership debate makes it clear that a powerful faction is urging an end to the Sino-Soviet conflict. Its argument may be deduced from an attack on the pro-Soviet faction appearing in Peking's main paper, the People's Daily.

The "capitulationist," as the People's Daily calls them, want to surrender to the Soviet Union some of the borderlands claimed by the two countries, and to revive a military alliance under which the Kremlin would provide modern weapons to China and even extend a nuclear umbrella over it.

The People's Daily article, which is a review of "capitulationist" attitudes in Chinese history from two thousands year ago to the present, relies heavily on the allegorical "code" used in Peking leadership debates in recent years. But it comes closer to identifying current policy issues than any other article of this kind.

The most recent "capitulationist" to be identified by name is Lin Piao, Mao Tse-tung's heir who apparently was killed in 1971, the article recalls, while fleeing to the Soviet Union after an attempt to enlist Moscow's aid against Mao. But the current political relevance of the article comes from its stress on Lin Piao's attempt to get modern Soviet arms.

At every stage of Mao's conflict with Moscow, China's defense establishment has tried to moderate the dispute in order to ensure the continued supply of Soviet weapons, which alone could give it security.

This was so under Lin Piao as defense

minister, even though the previous defense minister, Peng Te-huai, had been purged for the same "military deviation." Early last year Peking sought once again to wipe out the military deviation, but a series of press attacks on the military since then has made it clear that the operation was not wholly successful.

The People's Daily article gives some inkling of the military's present demands. On the one hand, it says, is Mao's view that people, not weapons, are the decisive factor in war.

On the other hand, it derides the view of those Chinese military who claim that "we cannot depend on the infantry, but have to rely on the air force, atomic weapons, and missiles." Where would they get them? The answer is given by condemning those who want to "work in collusion with people of power and influence in neighboring countries"—a clear reference to the Soviet Union.

It recalls that Lin Piao wanted to restrain the "excesses" of Peking's anti-Soviet policy, and that he wanted to enlist Soviet strength against hostile forces "abroad"—the United States.

Lin Piao's 1971 campaign coincided with the secret debate inside the Peking leadership about the opening to the United States, has become clear after the Mao-Nixon meeting. There have been several similar debates since then and they have usually coincided with attempts to speed up the development of Chinese-U.S. relations.

The inroads of age on Mao that have been reported by Western leaders who have seen him recently and are evident in photographs now pose with a new urgency one of the most important foreign policy issues: Is a Sino-Soviet reconciliation possible, and, with it, a realignment of the world's geopolitical relationships comparable to that produced by the emergence of the Sino-Soviet dispute in the 1950s

The evidence for the existence of a powerful Peking faction favoring reconciliation with Moscow is even more esoteric than the material available in the 1950s. The People's Daily article is only one part of a large collection of facts pointing in the same direction.

The strength and bitterness of its attack on the "pro-Soviet" faction shows how powerful that faction is, and how greatly Mao fears its victory after his death—or perhaps even before it.

PROTECT AMERICA'S FISHERIES NOW

Mr. JACKSON. Mr. President, I am pleased that Congress is acting rapidly on much-needed legislation to protect America's fishery resources and the American fishermen who earn their livelihood by harvesting those resources.

The Committee on Commerce has reported S. 961, which I cosponsored, and I expect the Senate will pass it soon. You will recall that the Senate passed a similar bill last December by a vote of 68 to 27.

The House of Representatives is expected to take up this afternoon the companion measure, H.R. 200, introduced by Representative STUDDS of Massachusetts.

Representative STUDDS and my good friend and colleague, Senator MAGNUSON, have demonstrated real leadership and foresight in their work on this legislation.

S. 961, the Magnuson Fisheries Management and Conservation Act, would extend the contiguous fisheries zone of the United States to 200 nautical miles, and would give the United States management authority over anadromous fish spawned in our waters throughout their migratory range.

Much of the overfishing off our coasts is caused by large, highly efficient foreign fleets—heavily subsidized or actually owned by foreign governments. While this has been going on for 30 years in the Pacific Northwest, it was not until the late 1950's and early 1960's that the rest of the Nation began to feel the pressure from growing numbers of foreign fishing trawlers. A good example is the New England fishing grounds. Before 1960, the Georges Bank fishing area was used exclusively by U.S. fishing vessels, except for a few Canadian fishermen.

In 1960, Soviet fishing vessels reported taking 68,000 tons of fish off Georges Bank. By 1965, Soviet exploitation had expanded to the Continental Shelf area of Georges Bank down to the Chesapeake Bay and their catch reached over a half million tons, far in excess of the U.S. catch. By 1970, several other countries had joined in the harvest and the foreign take grew to more than 1 million tons, far in excess of the allowable harvest recommended by the scientists of the United States and other countries. The U.S. share began to decline and today our fleets take only about 12 percent of the catch in the southern New England area and only 10 percent from the Georges Bank area. In 1960, the United States took 92.9 percent of the total catch off the Atlantic coast. By 1972, the U.S. share of the total catch had been reduced to 49.1 percent.

It is clear that the Russians are a primary cause of the overfishing in the New England area. I do not believe that New England fishermen shall be put out of work or our coastal fisheries resources destroyed simply because we want to get along with Russia or any other country. Détente should be based on mutual accommodations and respect for each other's national interests, not on giveaways of American natural resources such as fish or grain.

A healthy fisheries industry is a vital asset for any State, and any nation. Earning a living from the water is a way of life; a rugged, vigorous, challenging way to make a living. There are enough dangers inherent in such a life; the Government should not add to them by ignoring this opportunity to help an industry which has the capacity to harvest a renewable crop and feed people.

Unfortunately, the Ford administration continues to oppose enactment of S. 961. The State Department says that congressional action at this time would be inappropriate because it might interfere with their objectives in the Law of the Sea Conference now underway. In my view, an adverse impact on U.S. interests will not take place if Congress passes this legislation. The nations of the world know our fishery position. Indeed, the State Department has endorsed the concept of a 200-mile economic zone.

That Congress would seek to confirm our position should be no surprise given the well-known problem of overfishing throughout the world. A vast majority of coastal nations concur with the 200-mile limit concept. Most agree that action to protect fish is needed now. The fish will not wait for the lengthy process of negotiation, ratification, and implementation.

I believe that the vote in the Senate last year indicated to the Department of State that this body considers fisheries to be one of the most important issues being considered in the Law of the Sea negotiations. Fisheries simply cannot wait for the world to become educated on the nuances of the "archipelago theory" or the intricate facets of manganese nodule mining. We need immediate attention to the fish depletion problem. Time is running out. Previous attempts to get all nations which fish in a certain area to agree on an effective international conservation treaty have failed and it has been very difficult to turn around the momentum of overfishing in previous years through the treaty process.

The only way to stop this spiral is to provide for a different management scheme, one which relies upon the incentive of coastal nations to maintain a constant fish resource off their shores. This is what S. 961 does, and this is why I vigorously urge its enactment.

We need to extend our jurisdiction in order to manage and conserve valuable marine resources presently threatened by overfishing. The list of fish stocks off our shores which are being depleted grows each year. Scientists have now concluded that approximately 25 different stocks of fish are at such a low level that they are either considered to be depleted or threatened with depletion. It is because of the rapid decline of these species of fish that the United States must exert management control over a 200-mile zone, a zone which roughly encompasses nearly all of our continental shelf and nearly all of our important coastal species.

Patterned after U.S. fisheries position put forth in the U.N. Law of the Sea Conference, S. 961 would provide this Nation with the management authority needed to enact and enforce conservation measures. It is an interim measure and will terminate automatically at the time an acceptable international agreement on the question of fisheries jurisdiction is forthcoming from the United Nations Law of the Sea Conference and such agreement is either in force or is provisionally applied.

A coastal nation and its fishermen have a great incentive to protect the fish off its shores by careful management and harvesting. On the other hand, highly mobile foreign fishing fleets can move elsewhere when they have "fished out" our coastal stocks. With management authority out to 200 miles, the United States will be able to control the massive foreign fishing effort that it cannot now control. Most importantly, this bill will provide the United States with a much stronger bargaining position when dealing with long-distance fishing nations whose fleets operate near our shores. It will give us the kind of leverage we need to protect our fish stocks.

It is important to remember that this legislation will not prohibit other nations from fishing in the 200-mile zone. In fact, it would recognize the interests of nations which have traditionally fished off our shores. But it would reserve to the United States the right to manage our offshore fish stocks to assure their best, and most prudent, use.

And in a hungry world, there is a global interest in assuring a continuing supply of protein from the sea.

According to the National Marine Fisheries Service in the Department of Commerce, 20 percent of all marine fisheries in the temperate and subarctic shelf areas of the world—where most of the fisheries are located—are found within 200 miles of the U.S. coasts. In other words, the large stocks of fish inhabiting coastal waters constitute one of the richest natural resources of the Nation.

Despite the presence of this resource, the Department of Commerce, in its draft national fisheries plan, described the following broad trends:

> While the world catch continues to increase in response to growing world and U.S. demands for fisheries products, the U.S. catch remains static.
>
> Foreign fishing off U.S. coasts has increased dramatically in recent years with the result that some fish stocks have become depleted.
>
> The United States is becoming increasingly dependent upon imports of fisheries products, a circumstance contributing to the Nation's unfavorable balance of payments.
>
> Large segments of the U.S. harvesting industry are in a chronically depressed state, generally at zero growth or in decline.
>
> Public participation in marine angling and related marine activities is growing steadily and is expected by 1985 to be twice that of 1970.

I am aware that American fishermen who seek tuna and shrimp off other nations' shores are concerned about possible adverse reactions from other nations to extension of U.S. production over the 200-mile limit. While I appreciate their concern, I would point out that other nations are already asserting jurisdiction out to 200 miles. Enactment of S. 961, which expressly recognizes historic foreign fishery interest off our shores, should strengthen our hand in bilateral negotiations with other nations as well as at the Law of the Sea Conference.

I expect that both the Senate and House will pass this legislation by a heavy margin. I hope that the President will sign it, despite the opposition of the State Department. Apparently, our diplomats would rather negotiate until our coastal fisheries are gone, then have us protect them before it is too late.

If the President vetoes the bill, we must override that veto and save our fish. No rational nation could do otherwise.

CALIFORNIA LAWYERS SAY REPEAL PRICE-ANDERSON

Mr. GRAVEL. Mr. President, delegates representing 5,000 California attorneys have voted to ask the Board of Governors of the State Bar of California to urge repeal of the Price-Anderson Act's liability ceiling.

The 500 delegates acted by voice vote on the Price-Anderson recommendation. Their resolution says:

> As attorneys who will be representing persons injured in a nuclear accident, we have a duty to press for legislation giving them full compensation. . . . (I)t is apropriate for us to inform the California Congressional Delegation that we favor the concept of removing liability limits.

By a vote of 239 to 233, the delegates also recommended endorsement of the California Nuclear Initiative. This initiative, which will come before the voters of our most populous State next June, requires that the gaps in nuclear safety and the nuclear fuel cycle be filled before we commit ourselves to this power source.

The Santa Clara County Bar Association initiated these proposals, and I wish to commend them. The efforts of attorneys Robert Weeks, Walter Hays, Charles Luckhardt and Read Ambler are especially notable.

Mr. President, I ask unanimous consent that the resolutions adopted by the California delegates by printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION PROPOSED BY SANTA CLARA COUNTY BAR ASSOCIATION

Resolved that the Conference of Delegates recommends to the Board of Governors of the State Bar of California that the State Bar resquest the California Congressional Delegation to sponsor legislation to ammend the Price-Anderson Act to eliminate limits on total liability.

STATEMENT OF REASONS

When Congress passed the Atomic Energy Act of 1954, it expected private industry to rush forward and start building nuclear plants. Because of the costs and risks involved, however, private industry was very reluctant to respond. To stimulate more favorable response, Chairman Strauss of the Atomic Energy Commission adopted a "stick and carrot" approach. The "stick" was a threat that unless private industry moved into the nuclear field, the government would itself go into the business of producing electricity through nuclear power. The "carrot" was the enactment in 1957 of the Price-Anderson Act.

One of the central features of the Act was an absolute limit of $560 million on the total claims to be paid to all persons injured as a result of a nuclear accident. While this figure seems high, it is pitifully low in relation to the amounts of damage projected by official AEC studies. One such study made in 1957 (WASH–740) predicted that the consequences of a worst possible accident would be 2,300 fatalities, 43,000 radiation injuries, and $7 billion in property damage. WASH–70 was secretly updated in 1965, and the new study estimated that a worst-possible accident in the much larger reactors now being built would leave 45,000 dead, 100,000 injured, and $17 billion in property damage. More recent studies claim that the potential damage is much lower and the odds of a major accident are so remote as to be insignificant. Because the chance is still there, however, the nuclear industry is pressing for retention of the liability limit.

The Act expires in 1977. In 1974, prior to the present major reexamination of nuclear power, Congress actually passed a law extending the Act, but President Ford vetoed it because of an amendment tacked on by opponents which made the effectiveness of the extension dependent upon further Congressional review of the latest safety reports. The debate will be renewed with even greater vigor in 1975 and 1976.

Under the protection of Price-Anderson, existing nuclear plants have been plagued by enormous numbers of accidents and breakdowns, including several causing fatalities to employees, and even more with "significant safety implications." One AEC official said that under the circumstances, the lack of a major accident to date has been largely due to "good luck." In this context, former AEC Commissioner William Kriegsman has stated that phasing out Price-Anderson's liability limits might have a salutary effect on quality control. "Do away with it," he said, "and you'd probably see nuclear valves coming off the assembly line in a lot better shape."

It may be that the consequences of a major accident would be so catastrophic that private industry cannot be required to assume the risk. To relieve even the government of full responsibility, however, is unconscionable. Some writers have even indicated that the liability limit would be held invalid as an unconstitutional taking.

As attorneys who will be representing persons injured in a nuclear accident, we have a duty to press for legislation giving them full compensation. Since the legislation is complex, we need not at this time press for any specific amendment. However, it is appropriate for us to inform the California Congressional Delegation that we favor the concept of removing liability limits.

RESOLUTION PROPOSED BY SANTA CLARA COUNTY BAR ASSOCIATION

Resolved that the Conference of Delegates recommends to the Board of Governors of the State Bar of California that the State Bar endorse the Nuclear Initiative, a copy of which is attached hereto as Exhibit "A".

STATEMENT OF REASONS

"Once a bright hope shared by all mankind, myself included, the rash proliferation of atomic power plants has become one of the ugliest clouds overhanging America. . . ." (David Lilienthal, former Chairman of the Atomic Energy Commission)

As more experience with nuclear plants has been accumulated, serious questions have arisen about the wisdom of our present pro-nuclear policies:

1. Safety

An official AEC study in 1957 estimated that a single nuclear accident, under worst conditions, could leave 45,000 dead, 100,000 injured, and $17 billion in property damage. Federal law now limits total claims to $560 million. A more recent study predicts lower damages and claims the odds to be remote, yet the proponents are still unwilling to give up the liability limit.

2. Waste

Nuclear operations produce large quantities of deadly radioactive waste, including plutonium, one of the most carcinogenic substances known to man, which remains deadly for 500,000 years. There is no proven way to safely dispose of this material.

3. Diversion

In addition to accidental releases, terrorists can release nuclear wastes by attacking them while in storage or transit, or even make their own atomic bombs with only 20 pounds of plutonium and commonly available tools and literature. There are serious unanswered questions as to (1) whether any safeguards can be totally adequate, and (2) whether the proposals such as the establishment of a national nuclear police force are not even more deadly.

With the 1,000 plants planned for the year

2000, protection against the foregoing hazards would require totally error-free design, manufacture, operation, maintenance, and inspection, plus no Acts of God—which everyone knows is an illusion.

For the foregoing reasons, rapidly growing numbers have concluded that we need to slow our headlong rush into the "plutonium economy" until (1) we have better answers to the questions being raised, and (2) other alternatives are more fully considered. Over 450,000 Californians have signed the Nuclear Initiative; similar movements are gaining strength in other states; and Congress is also scrutinizing the issues more thoroughly. Finally, even the strongest proponents of nuclear power emphasize that the issues are moral ones that "must be resolved by the public."

In the context of this controversy, the Nuclear Initiative is a firm but moderate measure. It is not a moratorium; it merely requires the State Legislature to adopt criteria for recognizing nuclear power plants as a permissible land use in California. If industry, meets the standards set by the democratic process, nuclear power can proceed without hindrance.

The moral issue involved was perhaps best summarized by Professor Hannes Alfven, 1970 Nobel Laureate in physics:

"The fission reactor produces both energy and radioactive waste: We want to use the energy now and leave the radioactive waste for our children and grandchildren to take care of. This is against the ecological imperative: Thou shalt not leave a polluted and poisoned world to future generations."

Unless we wish to ignore this imperative, we owe to future generations to provide at least the 5-year reexamination called for in the Nuclear Initiative.

LINE OF BUSINESS REPORTS—A FRUITLESS AND HARMFUL INQUIRY

Mr. HRUSKA. Mr. President, another intrusion by the Federal Government into the free enterprise system is in progress. I am referring to the so-called "line of business" reports that have been sent to certain businesses in this country by the Federal Trade Commission.

The supposed purpose of these reports is to find out how much these companies make in their various lines of business. The reason that the FTC wants this information is very unclear, however. In my opinion—and I have expressed it many times when representatives of the FTC have appeared before the Appropriations Subcommittee on which I serve—this "line of business" reporting requirement is an infringement upon the rights of these firms and an unnecessary addition to the bureaucratic regulations already imposed by the Federal Government. The reports will not yield any information of value. They will produce distorted and confusing information.

The FTC has ordered more than 400 of America's business corporations to file, for the last fiscal year, a list of assets, sales, operating expenses, advertising, and other expenses and operating income to what the Federal agency calls "lines of business."

At a time when President Ford has called for a disengagement by the regulatory agencies in some of their activities, it is very inconsistent that this "line of business" requirement be allowed to continue. It is just one more example of the never-ending encroachment of the Federal Government on the activities of our Nation's private sector.

"Line of business" reporting, its operation, and its consequences, are analyzed very succinctly and accurately in an article by George J. Benston that appeared in the October 1975 edition of Fortune magazine.

According to Dr. Benston:

> The FTC expects to be able to document that companies are making very large profits on certain product lines—profits that are hidden within the aggregate numbers of the annual report. The commission says that this information will be useful to labor unions for bargaining purposes. And once these high-profit markets are revealed, or so the argument goes, other companies will rush to get into them, and the new competition will drive prices down. If competition doesn't increase the FTC will look for "barriers to entry" that need to be swept aside by antitrust or other governmental action.

He concludes, however:

> It is safe to say that from its questionnaires the FTC has been learning almost nothing of any significance about American industry. It has learned quite a lot, however, about the dreadful difficulties and complications of its own inquiry.

Dr. Benston explains that this Nation's business does not plan to take this new FTC bureaucratic imposition lying down. He says:

> At a glance, the FTC's Form LB (for Line of Business) looks like just another irritating feature in the regulation of American business. The usefulness of the exercise is not apparent to the corporations that were chosen. (They include all 137 manufacturing corporations with assets of more than $1 billion, plus the 250 next largest, measured in terms of domestic sales, plus such additional corporations as were necessary to give the FTC at least five firms in each manufacturing category, the two sales leaders in each category, and at least 20 percent of the aggregate sales in each category.) Getting the answers together will cost the corporations at least $10 million, by the FTC's own estimate, and this cost will, of course, be passed along to the consumer in the form of higher prices. Some of the answers aren't gettable at any cost (in such cases, the FTC will accept "reasonable estimates").
>
> Objections of this kind can be raised, however, about a lot of the paperwork Washington is requesting these days. And so most of the corporations on the list plan to file the form and forget it, as they did a similar form last year, when the program began.
>
> But 117 big companies, including Alcoa, Coca-Cola, Du Pont, General Motors, General Electric, and Union Carbide, have refused to file and have been fighting the FTC in court for more than a year now. These companies would agree with the FTC on one point—that Form LB is far from routine. The companies argue that it is an unwarranted invasion of their privacy and say it won't serve any valid governmental purpose.

Mr. President, I could not agree more. So that my colleagues and others interested in this new attempt by big government to harass and subvert private enterprise in this country, I ask unanimous consent that the article, "The Baffling New Numbers Game at the FTC," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BAFFLING NEW NUMBERS GAME AT THE FTC

(By George J. Benston)

(The author is a professor of finance and accounting at the University of Rochester's Graduate School of Management. He was a member of the panel of outside experts who evaluated the FTC's line-of-business form for the General Accounting Office earlier this year. A certified public accountant, he received his Ph.D. in economics from the University of Chicago.)

On August 20, the Federal Trade Commission mailed a bulky package of documents to more than 400 of the largest manufacturing corporations in the U.S. They were ordered to file, for their fiscal year ending prior to July 1, a breakdown of assets, sales, operating costs, "media advertising expense," other expenses, and operating income—all according to what the FTC calls "lines of business." For the purpose of defining these lines of business, the FTC gave the corporations 274 categories to choose among, ranging alphabetically from "agricultural production-crops" to "woodworking machinery."

At a glance, the FTC's Form LB (for Line of Business) looks like just another irritating feature in the regulation of American business. The usefulness of the exercise is not apparent to the corporations that were chosen. (They include all 137 manufacturing corporations with assets of more than $1 billion, plus the 250 next largest, measured in terms of domestic sales, plus such additional corporations as were necessary to give the FTC at least five firms in each manufacturing category, the two sales leaders in each category, and at least 20 percent of the aggregate sales in each category.) Getting the answers together will cost the corporations at least $10 million, by the FTC's own estimate, and this cost will, of course, be passed along to the consumer in the form of higher prices. Some of the answers aren't gettable at any cost (in such cases, the FTC will accept "reasonable estimates").

Objections of this kind can be raised, however, about a lot of the paperwork Washington is requesting these days. And so most of the corporations on the list plan to file the form and forget it, as they did a similar form last year, when the program began.

But 117 big companies, including Alcoa, Coca-Cola, Du Pont, General Motors, General Electric, and Union Carbide, have refused to file and have been fighting the FTC in court for more than a year now. These companies would agree with the FTC on one point—that Form LB is far from routine. The companies argue that it is an unwarranted invasion of their privacy and say it won't serve any valid governmental purpose.

FTC spokesman call the line-of-business report "our most important program." Chairman Lewis A. Engman asserted last year that it "will not only usher in quantum improvements in existing knowledge about the nation's economic performance, but will, we predict, initiate significant strides toward a more competitive and more dynamic national economy."

TILTING AGAINST "BARRIERS"

The FTC expects to win its case in the federal courts, which are generally reluctant to overrule the regulatory agencies. Once the holdout companies have been compelled to file and its data base is complete, the FTC expects to be able to document that companies are making very large profits on certain product lines—profits that are hidden within the aggregate numbers of the annual report. The commission says that this information will be useful to labor unions for bargaining purposes. And once these high-profit markets are revealed, or so the argument goes, other companies will rush to get into them, and the new competition will drive prices down. If competition doesn't increase, the FTC will look for "barriers to entry" that need to be swept aside by antitrust or other governmental action.

In recent years the FTC has harbored some quaint theories about those barriers to entry, and it wants to test its theories against the new data. One theory is that a massive advertising budget for a consumer product constitutes a barrier to entry because potential competitors will hesitate to risk a comparable sum to launch a rival brand. The FTC has not said that such a barrier amounts to an illegal restraint of trade within the meaning of the antitrust laws. First it needs to prove that such barriers are effective—that is, that they really do keep out competitors and result in large profits.

END RUN ON A RIDER

The FTC drew up its first line-of-business form in 1973, but it was killed by President Nixon's Office of Management and Budget, which had the authority to rule on whether questionnaires of this sort are reasonable. The FTC's friends in Congress, lead by Philip A. Hart of Michigan, chairman of the Senate subcommittee on antitrust and monopoly, then made an end run around OMB. They attached a rider to the Alaska pipeline bill that transferred the authority over regulatory-agency forms to the General Accounting Office. The FTC drew up a new questionnaire and cleared it with GAO (whose policy is to approve such forms unless the information is available elsewhere or can be gathered less expensively).

It is safe to say that from its questionnaires the FTC has been learning almost nothing of any significance about American industry. It has learned quite a lot, however, about the dreadful difficulties and complications of its own inquiry. The first lesson, apparent from the start, is that the FTC's line-of-business categories are too broad to be of much use in assessing competitive conditions in markets for specific products.

The categories were taken, with some adaptations, from the Department of Commerce's Standard Industrial Codes. One of them, knit-outerwear mills, will serve as a fair sample of them all. It includes ski suits, bathing suits, bed jackets, neckties, and wristlets. If the FTC data should show that profits are high in this "line of business," should new competitors try to cash in on the bedjacket boom? They would be taking quite a gamble. Bed jackets might be the one sick product in a thriving group. Alternatively, this whole line of business might be in terrible shape were it not for the boom in neckties. Or perhaps it is in wristlets.

Another category, public building and related furniture, includes, among other products, aircraft seats, church pews, and blackboards. Some categories are more coherent, to be sure—passenger cars, for example, or household refrigerators and freezers. But Dr. Betty Bock, director of antitrust research for the Conference Board, who has studied the FTC categories to see how well they correspond to recognizable markets, has concluded that 88 percent of them contain such a heterogeneous mix of products that the information will merely baffle any businessman or regulator who tries to make use of it.

HOW TO HIDE THE COTTAGE CHEESE

And that is only the beginning of the difficulty. In the course of adopting its form to the realities of the business world, the FTC was forced to concede that corporations rarely, if ever, record their assets, sales, and a detailed breakdown of expenses according to the FTC codes. These are, after all, an invention of government, not of businessmen. A garment maker might well manufacture and market bed jackets as part of his lingerie line. He would have no separate breakdown of costs for bed jackets and so could not pull them out of lingerie (which is the FTC's category for women's and children's undergarments) and report them with wristlets.

The FTC has adopted several strategies for "solving" this problem. If at least 85 percent of the sales and other gross revenue of a product line belong in one FTC category, then all of the assets, sales, and expenses for the product line may be reported in that category. For example, if bed jackets accounted for less than 15 percent of lingerie sales, they could be lumped in with lingerie. This rule, while sensible, results in a serious contamination of the data. Some manufacturers may report bed jackets in one category, others in another. And the distortions are much worse than the 15 percent rule would indicate.

The hypothetical example below of a two-product dairy illustrates the problem. Cottage cheese is a dairy product (FTC Code 20.04), but because cottage-cheese sales are less than 15 percent of the total, all of the sales, production costs, advertising, net profits, and assets of the dairy may be reported under the FTC code for fluid milk (Code 20.03). Even if the FTC knew that fluid-milk sales were overstated by 15 percent, it could not know that production costs were overstated by 10 percent, advertising by 300 percent, and net profits by 25 percent, or that the profit rate on assets used in making cottage cheese is 30 percent.

Additional problems occur when a company uses its own products in making other products. If more than 50 percent of the output of one line of business is passed along for use by another line of business within the company, the FTC allows the company to report the gross revenue, costs, and assets of both lines under that second line.

And rollbacks are permitted as well. If more than half of the gross revenue of a processing, marketing, or similar operation can be attributed to a manufacturing line, then all of the data may be reported under that line.

Dr. Bock of the Conference Board has demonstrated how these provisions would affect the data reported by one real-life company involved in four of the FTC's lines of business. The company operates an iron and steel foundry (FTC Code 33.02) that makes ornamental iron parts for the company's line of household furniture (Code 25.02) as well as some screw machine products (Code 34.13), in this case nuts and bolts. The furniture and various other products, including nuts and bolts, are marketed by a wholesale trade division (Code 50.01). Household furniture accounts for more than half the company's sales.

NUTS IN THE FURNITURE

The company could take advantage of the 15 percent rule to include the nuts and bolts with the foundry line of business, thereby overstating the foundry's sales by 6.3 percent. Using forward integration, the company could then report the data for the foundry and the nuts and bolts under household furniture, overstating the sales for that line by 26 percent. Using backward integration, the company could lump the wholesale trade division into household furniture, resulting in a 23 percent overstatement for furniture. By using both forward and backward integration, the company could report everything under household furniture. Furniture sales would be overstated by 28 percent, and, of course, nothing would be reported for the other three lines of business.

Dr. Bock has estimated that, merely because of the integration of products accounting for less than 15 percent of a division's sales, the gross revenue for at least one-quarter of the FTC's 274 categories would be misstated by more than 15 percent. In at least half the categories, gross revenue would be misstated by more than 10 percent. With the use of forward and backward integration, the misstatement becomes unknowably worse. And as the dairy example demonstrates, the distortion of other data, such as the rate of return on assets, may be much greater still.

THE PROBLEM OF TRANSFER PRICES

Yet when a company makes products in one division for use by another division and does *not* consolidate the data, a different problem emerges. The problem is what price to put on the transfers. Most companies price goods and services transferred from one unit to others at some variant of cost. But some use a negotiated price, others use market prices, and still others don't bother to price transfers at all.

The FTC's staff is aware of the resultant difficulties. Their initial proposal in 1973 for a line-of-business reporting system stated: "How to handle the pricing of transfers . . . has been recognized almost universally as one of the stickiest problems in line-of-business reporting . . . Given the needs of the FTC, it appears that the use of market prices is appropriate. The use of any alternative procedure would distort the measurement of relative profitability." After some analysis showing that transfer pricing is far from a trivial problem, the FTC concluded: "It follows that the specification of a standard pricing technique is essential."

The FTC found, however, that few companies can price transfers at market. Many of the components made by companies for their own use have no other use, and no outside market. Nor has there ever been any way to say how much a marketing division should "pay" a manufacturing division because there is no way to determine how much each contributes to the success of the product. So the FTC now allows companies to report whatever transfer prices they have been using in their own accounting, or are able to calculate for the report. Somehow (it doesn't say how), the FTC's staff will make adjustments.

It seems likely that many of those high profits that the FTC is trying to focus on will disappear into the overall results of other lines of business. The FTC will have no basis for saying the profits belong somewhere else.

WHO PAYS THE OVERHEAD?

Nor does the FTC have any new solutions for another problem that has long puzzled corporate treasurers: how to assign common costs, such as general and administrative expense, to individual lines of business.

The methods used by companies differ considerably. Robert K. Mautz, a former professor at the University of Illinois, now a partner in Ernst & Ernst, surveyed 227 companies and reported that over 40 percent of those for which such expenses are relevant did not allocate them at all. Those who did used nine different specified methods plus a large number categorized as "other methods." The survey also showed that, on average, common costs (excluding income taxes) equal 124 percent of net profits.

How they are allocated clearly makes a meaningful difference both in reported profits and in the rate of return on assets (the statistic that most interests the FTC). Professor J. Fred Weston of U.C.L.A. analyzed data from six companies and concluded that alternative application of five generally accepted allocation methods yields vastly different rates of return on assets for individual lines of business within the company.

Changing the method alters the rates of return by anywhere from 102 percent to 1,012 percent. Thus any abnormally high rates of return in particular lines of business could be swamped by the allocation method chosen.

It is not possible for the FTC to find a "correct" method of allocating common costs.

These expenditures are made to benefit more than one business activity. It is meaningful to charge them to a specific activity only to the extent that they can be saved if that activity is abandoned. Most accountants and economists agree that common costs are, by their nature, not allocable at all.

Even if the FTC had answers to all these large questions, its data would still be of little value. As most businessmen know, accounting numbers often do not measure economic attributes very well.

Depreciation, for example, measures the write-down of the original cost of an asset over its useful life, according to one of several alternative formulas. The method chosen is usually the one permitting the largest tax deduction. Depreciation does not, nor is it expected to, measure the loss in the economic value of an asset. Advertising and research and development costs are usually charged off immediately (as though they had no future value). Companies generally use historical rather than current values for assets and liabilities, and they value their inventory in different ways.

The organization of a company's records is a function of the company's unique history and business activities, and managements generally recognize the limitations of their own data. They cannot, as some economists seem to believe, "program in" alternative ways of adjusting and organizing this data; the cost would be prohibitive. Due to the great variation in accounting procedures, the expenses and rates of return of one company rarely can be directly compared with those of another. When a number of companies in the same line of business are lumped together, the aggregate numbers are meaningless.

The FTC's staff cannot handle these accounting problems any more than they can handle the common-cost allocation problem, the transfer-pricing problem, or the problems caused by the contamination of the data—even though the original proposal shows that the staff considered solutions to these problems essential in order to get comparable data. The FTC can't solve the problems because the problems are not solvable.

The FTC's "solution" is to let each company "do its own thing." Estimates are permitted. The FTC proposes to correct the data through "sensitivity analyses"—that is, the magnitude of the distortions will be measured by recasting the reported numbers according to alternative accounting methods. But as Mautz of Ernst & Ernst has pointed out, the companies haven't been asked for nearly enough information for such "sensitivity analyses," and it would not be feasible for them to supply it. The old data-processing motto, "garbage-in, garbage-out," still holds.

WHY THE CHIEF OF STATISTICS QUIT

Its validity was recognized by Myron J. Hubler, who came to the FTC in the summer of 1974 as chief of the Division of Financial Statistics. Hubler, a CPA who had worked for large, diversified companies and later was manager of special projects for the American Institute of Certified Public Accountants, was asked to resign in December, 1974, because he wouldn't submit to the authority of the FTC's economists. He charges that they disregarded his complaints about the fundamental accounting problems in the line-of-business data he was responsible for processing.

As he put it in a deposition taken in March, 1975: "I am leaving the Commission at the earliest opportunity because of my concerns with the concept . . . which seems to be that any data are better than no data, and which is shocking to me in such an important program." Hubler said that "the release of such unreliable information" would border on "fraud."

But the line-of-business program seems to be impervious to such attacks. It is in large measure a response to consumer advocates such as Ralph Nader, who charged a few years ago that the FTC was an "ossified" agency. The program pleases the consumerists' allies in Congress, who want more data on the market behavior of big corporations, and aren't picky about the quality.

ECONOMISTS HAVE TO PUBLISH TOO

It also pleases many of the microeconomists who specialize in the study of large industrial organizations. They are looking forward to feeding lots of data into the big computers so that they can test hypotheses about the relationship that profit rates may have to advertising budgets, to research and development outlays, and to concentration ratios. After all, why should the physical scientists be the only ones to benefit from expensive data-gathering programs? Economists have to publish too.

In this case, they will do so at their peril, because the statistics being gathered by the FTC cannot provide meaningful tests of the hypotheses—as the FTC's economists must know by now. The director of the agency's Bureau of Economics, Dr. Frederick Scherer, is the author of a textbook on market structures that deals at some length with the difficulty of devising market categories so as to include all competing products and exclude all others.

The problem has seldom been summarized better than in the FTC's staff proposal for the line-of-business program in 1973: "Of paramount importance in establishing reporting categories is economic meaningfulness. The individual goods and services produced by the company segments which are included in the category should be perceived by buyers as close substitutes for each other [and] as poor substitutes, or not substitutes at all, for other goods and services."

The FTC never even tried to meet its own standards. That would require thousands of categories, the data for which do not exist and could not be acquired.

When outside economists point out how far the program deviates from the stated criteria, the agency's rejoinder, in paraphrase, is this: "Stop knocking the program, and tell us how it can be improved." FTC staff members have insisted, against all the evidence, that companies do know their true costs and profits for each product, but are determined not to reveal them. The truth is that the FTC set itself a job that can't be done.

If, despite all its flaws, the program goes forward, two sets of events can be expected. One is that the FTC's economists will be compelled to acknowledge the severe shortcomings of the data they have collected. But rather than abandon the program (as they should have done by now), they probably will require more detailed (and hence more expensive) data. It should be noted that their first proposal called for 2,000 companies reporting on 455 categories. The present collection costs, which may seem small to executives of those 228 companies that are complying (particularly when compared with incurring the wrath of a powerful regulatory agency), may be only the nose of the camel.

SOLEMN NONSENSE

The second expectable outcome is that the reported data will be received, when published, as if they were indeed meaningful. Solemn statistical studies will be based on these aggregates of bed jackets and neckties, of aircraft seats and church pews. The limitations and falsities of the numbers will be disregarded, and conclusions will be drawn about the economy and about the performance of various industries. The numbers from individual companies, which are supposed to be kept secret, will leak, and may be useful to competitors, including foreign competitors who are not required to report their data to the FTC. When companies are sued, they may be forced to produce their file copies of Form LB in answer to subpoenas.

Efficient firms will be required to defend themselves from the charge of monopoly. Or they will curb their competitive vigor to avoid censure. And so in the end the line-of-business program will damage economic efficiency, which is what it set out to improve.

UNINSURABLE NUCLEAR POWER

Mr. GRAVEL. Mr. President, on September 23, I had the opportunity to testify before the Joint Committee on Atomic Energy regarding the renewal of the Price-Anderson Act.

I have long opposed the ceiling on corporate liability provided under that act, and I believe the time has come to eliminate that ceiling. The victim of a nuclear accident must have the right to recover full compensation for his losses. Even if nuclear insurance is never needed—and let us hope it is not—the principle of just compensation, assured under the fifth amendment, is compromised by the Price-Anderson liability ceiling.

Mr. President, I ask unanimous consent that my testimony before the joint committee be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

UNINSURABLE NUCLEAR POWER: HOW MUCH RISK SHOULD INDUSTRY SHARE?

(Testimony by Senator Mike Gravel)

Thank you, Mr. Chairman, for giving me the opportunity to testify on H.R. 8631, the proposed extension of Price-Anderson nuclear power insurance legislation.

This committee and the nuclear power industry face a basic and irresoluble paradox in trying to insure nuclear power, because the kinds of risks we take in generating nuclear electricity are simply not insurable.

WHY UNINSURABLE

There are several reasons why nuclear power is uninsurable.

The most obvious is the scale of the possible accident. The committee is, of course, familiar with the government's own various estimates of possible damages in a nuclear catastrophe: $6 billion, $7 billion, $17 billion, conceivably even $280 billion; with outright deaths of 3,400 to 43,000; and contamination of an area the size of California or Pennsylvania.[1]

However unlikely such a nuclear catastrophe might be, with such enormous potential damages, it is not insurable. The testimony which this committee has heard in previous years from the insurance industry bears out this conclusion.[2]

Other factors making nuclear power uninsurable are the far-reaching and long-term natures of the damage that could be done.

If great quantities of radioactive elements escaped into our environment, there would be no way to judge the extent of the cancer cases or birth deformities which might be caused. The health consequences would be incalculable—and recompense would thus be impossible.

Cancer, as in the case in Hiroshima, might appear as late as 20 years or more after the event—in spite of Price-Anderson's ten-year statute of limitations.[3]

And the range over which damage would be inflicted could not be judged. Radioactive

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Footnotes at end of article.

carcinogens would be distributed throughout the biosphere and concentrated by some plants and animals in a way completely outside the control of man.[4]

WHO'S HOLDING THE BAG?

So what this committee is deciding is not "How shall we insure nuclear power?". The committee already knows that nuclear power is uninsurable. If it were insurable, we would not be here. Nuclear power would be subject to normal liability laws and there would be no need for Price-Anderson.

What this committee is deciding today, and what it has decided each time it has considered the Price-Anderson Act, is, to put it very bluntly: "Who's going to be left holding the bag?"

If the Indian Point reactor, 24 miles from New York City, suffers a melt-down and a breach of containment, who's going to be left holding the bag?

If the San Joaquin Project contaminates this nation's largest food-producing area, who's going to be left holding the bag?

Back in the mid-1950s, when the insurance problem was first tackled by this committee, the nuclear industry made it very clear who was *not* going to be left holding the bag. They let the committee know that if normal liability were allowed to apply, they would not take the nuclear gamble.[5]

The public, on the other hand, was not wary. And today, it is the public which really carries the burden of nuclear power risks, even though few citizens are aware of it.

PRICE-ANDERSON PROVISIONS

The committee decided that, in the worst nuclear catastrophes, the citizen's Constitutional right to just compensation would be suspended. A challenge to the Constitutionality of Price-Anderson is, incidentally, currently underway in North Carolina.

An arbitrary sum—$560 million, a fraction of the possible damages—would be shared on a pro-rated basis. And even if the victim were to get only pennies to the dollar under this scheme, Price-Anderson would prohibit him from recovering further from the nuclear industry.

What's more, even the $560 million is to be paid mostly by the taxpayer, not by the industry or its insurers. At the present time, $125 million is guaranteed by insurers and $435 million by the federal government.

This federal indemnity is provided to industry at a cost far below what would be charged for private insurance.

In the meantime, insurance companies have added to their home-owners and other insurance policies a clause excluding coverage of nuclear catastrophes.[6]

So, in a word, the public is holding the bag.

Or, as a Columbia University study of Price-Anderson declared last year:

> . . . the decision to limit liability represents a determination that a major share of the costs of an accident should be borne by its victims.[7]

"BY THE WAY . . ."

I believe the committee failed its obligation to the public in permitting the limitation of corporate liability.

The Committee has indeed indicated that should damages exceed $560 million, the Congress may provide disaster relief. But another Columbia study has shown that Congressional action in such instances can be expected to be too little, too late.[8]

What's more, if Congressional action is what's needed to cover a nuclear catastrophe, then what purpose is Price-Anderson serving? Nothing in the Act guarantees extra relief.

The only conclusion is that Price-Anderson exists to protect the utilities and nuclear manufacturers. Period.

Footnotes at end of article.

The kind of non-protection Price-Anderson gives the public could be compared to a policeman saying something like this:

> There's an arsonist in the neighborhood. Maybe he'll burn down your $17,000 house. Probably not. The chances are very small. But maybe. But don't worry! If he gets your house, we *guarantee* you five-hundred-sixty dollars!
>
> Maybe the damage will be less. Anyway, if it's more, you can ask the United States Congress to make up the difference! In any event, we want you to understand that this arsonist is a Very Important Person. Whatever happens, you're not allowed to touch him. By the way, your fire insurance is cancelled.

$560 MILLION MINUS . . .

Even within those provisions which supposedly assure $560 million for victims, there are loopholes which protect industry at the expense of the public.

For one thing, industry's costs for investigating and settling claims are to be subtracted from the $560 million. In other words, the funds to pay utility lawyers to challenge victims' claims will come from money supposedly designated for paying those claims.[9]

In addition, the utility's property, outside the reactor, is covered by the $560 million. That is, the utility will recover from its own "public liability" insurance.[10]

It's also interesting to see how much private insurance the utilities have managed to get for damage to their reactors in an accident. While they claim that only $125 million in coverage can be found for public liability, their reactor, in the same accident, is covered to $175 million.[11]

H.R. 8631 proposes that so-called "deferred premiums" be used to gradually phase out the government's responsibility as an indemnitor. Yet there are loopholes here, too, protecting industry and not the public.

As proposed in this bill, the premiums are likely to be deferred in whole or virtually in whole until the accident takes place. Even then, the government may forward the money for utilities caught short of cash.

It seems to me that deferral of the premiums virtually guarantees that the government will have to pay for the utilities in the event of a nuclear catastrophe.

Furthermore, H.R. 8631 authorizes a ceiling on the number of payments that may be made within a given year. Apparently, then, after the victims of one accident get, perhaps, pennies to the dollar, victims of other accidents that year might get nothing at all.

ILLUSIONS

Admirers of the Price-Anderson Act point to its assurances that money will be available to victims on a no-fault basis.

In fact, however, the guarantees made by Price-Anderson are rather illusory.

To begin with, in many states, utilities would be held strictly liable even without Price-Anderson.

In addition, victims must accept the settlement offered to them or else go to court much as though Price-Anderson's no-fault provisions did not exist.[12] How many people are likely to accept their pro-rated share if the damages exceed $560 million?

It should also be noted that the $560 million provided by Price-Anderson is now worth much less than it was when it was settled on 20 years ago. And in that same period, the possible consequences of an accident have grown, because reactors are larger and the population density near them is greater.

The Congressional Research Service calculated that $3 billion would be more appropriate coverage—and even that calculation is now three years old.[13]

Finally, there is the problem of proving damages. Even under the no-fault provisions, victims must prove that their injury was caused by the accident.[14]

But a cancer does not grow with a flag in it, identifying its cause. It is impossible to prove that any cancer has been caused by radiation. And the industry is not going to give victims the benefit of the doubt.

The case of Edward Gleason, a truck dock worker, is instructive.

In 1963, Gleason handled an unmarked, leaking case of plutonium that was being shipped to a nuclear facility. Four years later he developed a rare cancer; his hand and then his arm and shoulder were amputated. He sued, but even though plutonium is among the deadliest of radioactive poisons, company insurers said his plutonium accident could not be proven as the cause of the cancer.

Gleason's suit was dismissed in 1970 on statute of limitations grounds, although a settlement was later made. He died of cancer in 1973 at the age of 39.[15]

Finally, even if the victim can prove his case, how much of the $560 million is going to be left for those who suffer cancer years after the accident?

Only by restoring the citizen's right to recover relief beyond the no-fault amount can Price-Anderson claim to treat the public fairly. And the nuclear power industry should be exposed to such suits, not isolated from the consequences of nuclear accidents.

OTHER PROBLEMS

The list of difficulties arising out of the liability ceiling grows even longer.

I will mention only in passing the well-established relationship between liability and caution, a relationship which is undermined by the Price-Anderson liability limit.

Only in passing, too, will I mention that Price-Anderson has acted as an industry subsidy. As such, it has made nuclear power look more attractive economically than it really is.

And this has meant pouring tens of billions of dollars into nuclear fission and keeping those dollars from the benign and renewable energy sources that we should have taken seriously long ago.

MOST IMPORTANT

The most important point remains to be made.

The reality of a nuclear catastrophe exceeds the capacity of the imagination: a hundred thousand persons each suffering $60,000 in damages in the case of the $6 billion estimate; or a million persons each suffering $17,000 in damages in the $17 billion case. There has never been a peacetime disaster on such a scale.

Yet this committee has been told repeatedly that the possibility of such an accident cannot be ruled out. As long as we rely on nuclear power, we court this kind of disaster.

There is only one way to protect the public from the consequences of a nuclear power catastrophe, and that is to stop building nuclear power reactors.

Harold Green, an attorney and law professor, has stated the Price-Anderson paradox most precisely. He wrote in the Michigan Law Review:

> The fact that the technology exists and grows only because of Price-Anderson has been artfully concealed from public view so that consideration of the indemnity legislation would not trigger public debate as to whether nuclear power was needed and whether its risks were acceptable. . . .
>
> It is remarkable that the atomic energy establishment has been so successful in procuring public acceptance of nuclear power in view of the extraordinary risks of the technology that are so thoroughly and incontravertably documented by the mere existence of [the Price-Anderson Act].[16]

DEBATE

Mr. Chairman, today a nuclear power debate is underway.

In Oregon and Massachusetts, state energy reports have recommended against nuclear power.

In New York, the legislature has alerted the state energy office to deemphasize nuclear development.

In Vermont, new nuclear power plants must now be approved by the state legislature.

In California, more than 400,000 voters have put the nuclear power issue on next June's ballot.

And nationwide, the Task Force Against Nuclear Pollution has collected more than 250,000 signatures on the anti-nuclear Clean Energy Petition.

Some 2,300 scientists and technicians recently called for a "drastic reduction" in our nuclear power program. They included nine Nobel laureates.

And the National Medical Association, representing 4,000 American physicians, has issued a resolution calling nuclear power into question.

Across the country and in other nations as well, thoughtful and responsible people are now challenging the nuclear power gamble. This is not the time to stimulate new nuclear construction by the perpetuation of a devious law.

There are several changes I would recommend in the Price-Anderson Act:

The statute of limitations should be extended to at least 30 years;

The deferred premium should be greater than $5 million; perhaps $10 million per installation, or $1 million per 100 megawatts in the case of power reactors;

Deferred premiums should not be deferred in whole;

There should be no limit on the number of times premiums can be charged in a year;

Utilities should not be allowed to collect investigation and settlement fees from the money that is meant to compensate victims;

The states should be given explicitly the right to set indemnification standards higher than those of the federal government.

BASIC CHANGE NEEDED

But these are small refinements which do not affect the basic objectionable feature of the Price-Anderson Act; that is, the ceiling on corporate liability.

If utilities choose to gamble with nuclear power, let them share the risks along with the rest of us. If the odds are really as favorable as the industry advertises, the risk should not bother the utilities.

If utilities will not build nuclear power plants under these conditions, then it is time for us to confront the meaning of their refusal.

In the interests of launching the nuclear power industry, the constitutional right of the citizen to just compensation was suspended. This abridgement of rights was not justified in the industry's early days—it is even more offensive today.

The victim of a nuclear catastrophe must have the right to seek, under normal tort law, damages beyond the $560 million guaranteed by Price-Anderson.

The right of the citizen to just compensation must be restored. I ask the committee to assure that right in H.R. 8631.

FOOTNOTES

[1] Figures from the Rasmussen, Brookhaven and updated Brookhaven studies. *Environmental Action,* October 12, 1974, page 3. Hearings before the Joint Committee on Atomic Energy, "Possible Modification or Extension of the Price-Anderson Insurance and Indemnity Act," 1974, page 260, *Theoretical Possibilities and Consequences of Major Accidents in Large Power Plants, Wash–740,* U.S. Atomic Energy Commission, 1957, pages 1–6.

[2] *Hearings,* page 94. *Selected Materials on Atomic Energy Indemnity and Insurance Legislation,* Joint Committee on Atomic Energy, 1974, pages 75 and 79.

[3] *Hearings,* page 219, John Gofman & Arthur Tamplin, *Poisoned Power,* Rodale Press, 1971.

[4] Sheldon Novick, *The Careless Atom,* Houghton Mifflin, 1969, pages 90 to 110.

[5] *Selected Materials,* page 75.

[6] *Hearings,* page 122.

[7] *Hearings,* page 256.

[8] Columbia University Drafting Research Fund, *Catastrophic Accidents in Government Programs.*

[9] Atomic Energy Act, Section 170, paragraph h. *Hearings,* page 212.

[10] *Selected Materials,* page 87.

[11] Atomic Industrial Forum, *Price-Anderson Questions and Answers.*

[12] *Hearings,* page 130.

[13] *Selected Materials,* page 449.

[14] *Selected Materials,* page 85.

[15] *Hearings,* pages 231 and 238. *Selected Materials,* page 460.

[16] *Selected Materials,* pages 216, 217.

THE ANZA EXPEDITION

Mr. FANNIN. Mr. President, I want to bring to the attention of my colleagues the National Bicentennial project in southern Arizona commemorating the Spanish colonizing expedition led by Lt. Col. Juan Bautista de Anza in 1775–76. The reenactment of this expedition is being sponsored by the Arizona Bicentennial Commission, the Arizona Historical Society, and the American Revolution Bicentennial Administration.

The original expedition was an epic journey of colonization, a thousand mile march from Sonora, Mexico, through Arizona, and culminated in the founding of San Francisco in 1776, only 2 months after the Thirteen Colonies along the Atlantic Coast had declared their independence from England.

The expedition had the following objectives: to open an overland route in order to supply colonies in California from Sonora and Sinaloa, Mexico; to defend and support the colonies already established in San Diego and Monterey; to found the mission and presidio of San Francisco; and to ward off the threatening encroachment of Russians and English along the northern Pacific coast. After recruiting settlers and soldiers in Sinaloa and Sonora, Anza assembled his colonists at the presido of San Miguel de Horcasitas, Sonora, Mexico. They left September 29, 1775, and arrived at Tubac—now in Arizona—on October 15.

More people joined the expedition, and the full complement of 240 persons along with 1,000 head of domestic animals departed from Tubac on October 23 for the pueblito of Tucson. From there they traveled north to the Gila River, and followed it west to its confluence with the Colorado. They then crossed the desert and arrived at San Gabriel on January 4, 1776. The settlers then moved on to Monterey and the San Francisco presidio was officially founded on September 17, 1776. Thus the historic journey was completed.

The Bicentennial commemoration emphasizes not only the historical facts of this extraordinary expedition between Mexico and California but also the cultural ties which still unite the peoples of Northwest Mexico and Southwest United States.

The Anza Expedition Commission has planned several community fiestas to take place on the Bicentennial date that the expedition made its stop in those communities. These will all be oriented toward Arizona's Spanish period in general, and the Anza expedition specifically. Beginning at Nogales, Ariz., on October 14, the Arizona portion of the project will be a day to day reenactment to Yuma, where the California contingent of the expedition will pick it up.

Gov. Raul Castro has declared September 29 through November 30 as De Anza Days. His proclamation says:

> The reenactment of this historical accomplishment will help to emphasize and reinforce our common bond of heritage and friendship with the peoples of Mexico.

The following is a list of activities planned along the Anza route in Arizona. The focus for each of these observances will be Arizona 200 years ago, with the main attention focused on the Tubac ceremony.

Tubac, Ariz., October 23, the departure of the expedition will be reenacted beginning at 11 a.m.

Tucson, Ariz., October 25, San Xavier Mission; after a traditional mass, a ride from the mission to the site of the original Tucson settlement will take place. At Nuestro Parque a Spanish fiesta will recognize the Anza expedition.

Casa Grande, October 31, at the Casa Grande Ruins National Monument there will be a reenactment, with the Gila River Indian Community, of the Indians giving Anza tour of the prehistoric ruins.

Yuma, November 30, ceremonies will be held at the point where, with the aid of the Yuma Indians, Anza and the colony crossed the Colorado River and began the long trek to the San Gabriel Mission on the Pacific coast. From here the California Bicentennial Commission will carry the reenactment through the State to culminate with the bicentennial of San Francisco's founding.

Because of the importance this expedition played in American history, I would urge my colleagues to take the opportunity to visit Arizona during the ceremonies to share in the celebration.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, approximately 30 years ago President Harry Truman first submitted the Genocide Convention to the Senate for ratification. In the time that has transpired since then, the Senate has failed to take affirmative action to see to it that genocide is legally declared as the antithesis of everything that the U.S. Government stands for. This failure on our part to act exists despite the urgings of countless religious and civic organizations, not to mention the fact that more than 70 nations, including most of our NATO and SEATO allies, have ratified the convention. This inaction is inexplicable to our allies and a constant embarrassment to our diplomats. This point is typified in remarks by former Justice Arthur J. Goldberg, who once said in testimony before a subcommittee of the Senate Foreign Relations Committee:

> When I was United States Ambassador to the United Nations, I was often asked to ex-

plain our failure to ratify the genocide convention. Frankly, I never found a convincing answer. I doubt that anyone can.

The question which remains on my conscience is: How can we proclaim the rule of law and various humanitarian principles when we refuse even to ratify the Genocide Convention? There is perhaps no issue more basic in the entire human rights spectrum than the issue of genocide. There is no doubt in my mind that the concept of genocide violates the integrity of this entire planet. Decent and rational human beings clearly cannot support the concept of genocide; therefore it must be our commitment to see to it that genocide is decreed illegal under international law.

THE MEDICAL CARE SYSTEM UNDER NATIONAL HEALTH INSURANCE

Mr. FANNIN. Mr. President, even though the enactment of a national health insurance program has been deferred for the time being because of economic uncertainty and the need for restraint in Government spending, the discussion as to the scope of a national health insurance program continues. In the absence of any specific legislative activity, Members of Congress, health care providers, consumers, and commentators are utilizing this opportunity to review the effects of the various national health insurance proposals on the health care system not only in terms of economic impact but on the delivery of services as well. There is no question that a national health insurance program will involve considerable cost and will require major changes in the health care system. It is imperative, therefore, that we understand, insofar as it is possible, what various NIH plans will demand. In this context, Dr. Walter McClure of Interstudy has published an exceptional paper analyzing the various forms of national health insurance and their impact. This timely article should caution each of us in our pursuit of a national health insurance program. By discussing the types of national health insurance proposals and what may be required to conform the organization and operation of our health care system to each plan Dr. McClure has rendered us an invaluable service in alerting us to potential results and problems. The more we know about the effects of each NIH proposal the better equipped we will be in choosing one plan over another.

Because of the significant contribution of Dr. McClure's study to the ongoing debate over national health insurance I ask unanimous consent to have printed in the RECORD his paper, "The Medical Care System Under National Health Insurance: Four Models That Might Work and Their Prospects."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE MEDICAL CARE SYSTEM UNDER NATIONAL HEALTH INSURANCE: FOUR MODELS THAT MIGHT WORK AND THEIR PROSPECTS

I. INTRODUCTION AND OVERVIEW

The burden of this analysis is that the American medical care system will require significant change under any foreseeable form of national health insurance (NHI). Indeed, the medical care system is so central to every issue now pressuring government to intervene in health care, that significant change appears unavoidable even in the absence of NHI. With several options available and with such serious consequences for consumers, providers and especially payers of care riding on the decision, the issue of change in the medical care system has received surprisingly little attention in the public debate on NHI. Yet so tightly are the delivery and financing of medical care interwoven that the fate of NHI and the medical care system are inextricably tied; decisions on either will determine the shape and success of both. Therefore, in asking what kind of NHI we want, Americans might best begin asking what kind of future medical care system we want. They are the same question.

The kind of medical care system we get will result from a complex interplay of both technical and political dynamics. This analysis will examine both technical and political considerations to indicate why change seems inevitable, what choices we have and, more speculatively, where our present course may lead.

The issue of medical care system change can be put in the form of a dilemma. On the one hand our society has shifted substantially in the last decade to the idea that health care is a right. We increasingly believe that medical care use should be determined not by income and personal circumstances but by some standard of medical need, and that no one should be bankrupted by ruinous medical expense. We have already made—perhaps without wholly realizing all that was involved—significant, irreversible commitments to this idea through Medicare and Medicaid, and of course we are now contemplating national health insurance.

On the other hand, and here is the dilemma, we already know how to practice a style of medicine in the United States which, if we were to extend it equally to all, would be far more expensive than this nation would or should pay, and far more expensive than the meager improvement to the nation's health would justify. Moreover, the ability of inventive American science and technology to elaborate this style and make it more costly is almost endless. It appears that this costly elaboration is already occurring under Medicare, Medicaid and comprehensive private insurance, to such an extent that government has felt compelled to intervene more and more strongly in the medical care system.

It is our central contention, first, that this cost escalation is unlikely to abate. It is deeply rooted in the structure and incentives of the present medical care system and its financing, and on its own the system has no adequate mechanisms to cope with it. Second, while government may waver on its other health care goals—financial protection of patients, more equitable access, improved effectiveness—it can not afford to waver on cost containment. Caught in a troubled economy between a squeeze on public budgets from other pressing priorities, and footing 40% of the rapidly rising health care bill (presently in excess of $100 billion), government will do everything and anything it must to control health care costs. It will not succeed without significant change in the medical care system.

The deep-rooted nature of cost escalation and its seriousness in our present system can be illustrated by an argument and an example. The argument is as follows: As a nation we are increasingly shifting health care from a market to a merit good. Our principle mechanisms for doing so—tax breaks for employment health benefits,[1] Medicare, Medicaid—have resulted in the widespread provision of private and subsidized public health insurance. In effect we heavily reduce the effective price to the patient at the time of service, and commit a third party—the insurer or government—to reimburse the provider for the expense of covered services. This lowering of effective price raises demand.[2] [3] With perhaps over half the population presently covered by good comprehensive insurance,[4] it can be argued the nation is in a state of unsatiated demand. This does not mean that insured consumers are knocking down physician doors; it does mean they would accept more elaborate care if providers recommend or provide it to them.

With price and demand no longer the arbiter, the cost and quantity of services delivered becomes determined by the supply system, the medical care system. But as our later analysis will attempt to demonstrate, the quantity, quality, style, and therefore cost of medical care can be escalated almost indefinitely, and the present medical care system has every incentive—ethical, professional, financial, and legal—to escalate them. Moreover we as patients support them in this.

The following example shows the seriousness of the results. It is estimated by some medical experts that up to 4 million persons are potentially candidates for coronary bypass graft surgery, an expensive new procedure costing about $7000.[5] No rigorous clinical trials have been performed, but for some patients it is thought to prolong life at least somewhat, for many it relieves pain (although less costly medical treatment may be equally effective in some cases) and for others the benefits have yet to be established.[6] [7] The incidence of the procedure is growing rapidly, apparently constrained mainly by the number of surgeons trained in the operation. If insurance makes price no longer an issue, and the patient's physician recommends the procedure, the patient is unlikely to resist. Thus the nation could spend up to $20 billion on this procedure alone if all patients had comprehensive coverage. Even under present coverage at least half that sum will be spent.

Now if one had $20 billion to spend on the health and well-being of the United States, would he choose to spend it on a single procedure of unestablished efficacy? Would he choose to spend it on more medical care alone, even on procedures of established efficacy? Many other non-medical interventions—nutrition, environmental clean-up, traffic safety—improve health; it would seem to be a matter of priorities, of weighing the costs and benefits. The point is, that under present third party reimbursement insurance, one has no choice. If the medical care system elects to perform coronary bypass surgery, the third parties are committed to reimbursing however much they do. And this example, while perhaps more dramatic than most, can be endlessly multiplied.[8]

Thus health care is no longer a benign issue. If we simply continue extending third party insurance coverage without attention to the response of the medical care system, we run the risk of our medical care system becoming a kind of vast vacuum cleaner, sucking uncontrollable amounts of GNP and scarce tax dollars—urgently needed for other equally pressing national priorities—and putting them to medical care. This would seem to be the principal danger facing national health insurance. Should NHI force us to overspend for medical care the health

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Footnotes at end of article.

and well-being of the nation may actually be reduced.

Providers of medical care cannot be blamed for this situation. It is society who changed the rules; it is we the people who are establishing health care as a right. Until the last decade or so, we were content with our medical care system and with health care as a market good. Our expectations have changed. But the structure and incentives of the medical care system have not changed, and cannot cope with health care as a merit good. Thus the problem is structural rather than conspiratorial. It is not that providers will try to do so ill; it is that they will try to do us too much good. And when someone else foots the bill, we will all want the very best. The system is therefore doing exactly what society rewards it to do. If we want health care as a right at a price the nation is willing to pay, we shall not only have to change the medical care system but our attitudes and expectations as patients as well.

What options are available to us? There are three principal devices which experience indicates may bring health care costs under reasonable control.

The first is consumer cost-sharing, where the consumer is asked to pay a greater share of the price at the time of service. This involves the least change in the medical care system, but to achieve adequate financial protection for catastrophic expense, some change will be required. However, cost-sharing of the magnitude necessary to work effectively involves taking away existing benefits, which is extremely difficult politically.

The second is reorganizing the private system so that it has improved structure and incentives to accomplish national goals; the encouragement of HMOs and other alternative delivery systems is an example. However, it will require considerable private initiative to create sufficient change to influence the entire medical care system behavior. Encouraging the necessary motivation and acceptance will be difficult.

The third device is public utility controls. However, experience suggests the controls must be extremely powerful to work. We shall argue that such controls are unlikely to work well until the government can fix the budget for regulated services in advance. Regulatory intervention is the simplest device to implement incrementally, but controls of the magnitude necessary to work effectively will also substantially change the medical care system and will be a long, difficult course politically.

These three devices can be combined in a number of ways to form various future models for the medical care system. Those emphasizing the first two devices may be termed "consumer market" oriented, and those emphasizing regulatory controls may be termed "public utility" oriented. In the analysis we shall examine two models of each kind which are likely to work (and one of each kind likely to fail). It will be seen that each medical care system model places different constraints on the design of a national health insurance plan, and conversely, the national health insurance plan influences the direction of change in the medical care system.

Thus national health insurance may offer an opportunity; it can provide the levers to move the medical care system where we want it to go. However, there is little public consensus presently where we want the system to go, indeed there is little awareness that significant change will be needed. In a recent television forum on NHI, only Congressman Ullman insistently recognized the point that the delivery system needs change; the other congressional and administration speakers largely ignored it.[9] Given that all the workable choices appear difficult and will deeply affect all of us, surely the issue needs broad, informed, searching public debate. What kind of medical care system do we want that can provide adequate, effective health care to all at a price the nation can afford?

The analysis is laid out as follows: The next section looks at the goals and problems for national health insurance and the medical care system, and the pressure on the Federal government to resolve them. Section III analyzes the underlying causes in the medical care system responsible for these problems. Section IV analyzes the general options available to address these underlying causes, and the prospects to implement each option. Finally Section V speculates where our present course may lead.

II. PROBLEMS AND GOALS FOR NATIONAL HEALTH INSURANCE

Most Americans would probably agree on the following four goals for NHI, if not necessarily on the means to get there. Indeed these are the problems and goals of health policy more generally.

Goal 1. Financial protection of people from undue medical expense

The United States remains one of the few industrialized countries where an individual can be bankrupted by medical expense. Presently approximately 10% of U.S. households spend directly (i.e., excluding employer or other contributions) in excess of 15% of their income annually for health insurance premiums and out-of-pocket medical bills.[10] Almost 4% spend more than 25% of income on such expenses. This burden falls most heavily on the sick and poor. The country must make a decision on whether, how and how much this burden should be shared more widely with the well and well-off.

Goal 2. More equitable distribution of health care among the population

Through Medicare and Medicaid the United States has made enormous strides in improving the distribution of health care by income. In 1963 the poorest third of the population received substantially less services than the highest third. By 1969 both groups used on average about the same amount of services.[11] The price paid in medical cost inflation to accomplish this was substantially more than anticipated. Nevertheless substantial inequities, by income and area, appear disguised in these averages. Relative to health needs, which are higher among low income persons, the lowest income third of the population should probably be using more services than the rest of the population.[12] [13] Further, the great variation in availability of services creates considerable disparities in per capita use both regionally and locally.[14] [15]

Goal 3. Improved effectiveness of health care

Except for certain underserved groups in the population, it is doubtful that at our present service levels more health care will make measurable improvement in national health levels. Western nations vary more than 200% in per capita expenditures for health care but by less than 5% in most health indices,[16] and health indices do not particularly correlate with expenditures.[17] Genetics, personal lifestyle, nutrition, environment all appear to play a more determinative role in health than does health care. Nevertheless, the rather meager research on actual patient outcomes of health care in practice suggests there is great variability in effectiveness.[18, 19] Within the limits that health care can achieve, improved effectiveness would provide higher health value per dollar of health care.

Goal 4. Control of health care costs

From 1965 to 1973 per capita health care expenditures in the United States rose from $176 to $401, and total health care expenditures rose from 5.9% to 7.7% of GNP.[20] Health care is perhaps the largest sector of the economy to sustain such high continued cost escalation. This escalation is particularly troublesome because, although the use of services has increased and is more equitably distributed, it is difficult to find more than marginal improvement in health levels. (It should be noted that for the last three years, health care expenditures have remained roughly constant at 7.7% of GNP. However, it should also be noted that the annual increase in health care expenditures did not slow down so much as the rest of the badly inflating economy caught up. The analysis of this paper suggests there are many pressures at work in the health care sector likely to continue this cost escalation, even should inflation in the rest of the economy slow down.)

In addition to the above goals, there are two additional corollary goals or constraints which NHI should observe:

Constraint 1. Minimal or at least evolutionary disruption of existing institutions

Congress tends to move in a cautions incremental way, building on previous actions. Not only is there considerable political inertia in attempting to drastically change large systems of people, such as the health care and health insurance systems, there is considerable danger of confusion and ineffectiveness in doing so. There are also often unforeseen side effects. For example, what might happen to the private financial investment structure of the country, should the private health insurance industry be substantially altered? (This is not an argument that it should or should not be in time, only that in a sector as large as health care, drastic change should only be made if necessary, and then at a pace that that nation can politically and practically absorb.) Thus it is probably politically and practically unrealistic to expect enactment of an NHI proposal which goes too far too fast, irrespective of its merits.

Constraint 2. Feasibility, both of the NHI plan and its implementation strategy

Any NHI plan must be acceptable to the public and workable in practice. Further, there must be a feasible way to implement the plan, a change strategy to get there from here. These are not the same thing. The analysis of this paper suggests that the NHI proposals most likely to meet the above goals, could they be implemented, are the most difficult to implement. Conversely, the plans most easily implemented are the least likely to fulfill the goals.

To achieve the above goals, an NHI plan will have to specify five issues or "variables:"

Eligibility. Who will be covered? Will eligibility be universal or limited to special groups, will coverage be compulsory or voluntary?

Benefits. Will benefits be basic only, catastrophic only, or comprehensive? Will benefits be uniform or vary among those covered?

Financing. How will the cost of the plan be spread over consumers (via premiums and co-payments), dedicated taxes (payroll tax, surtax) and general revenue?

Administration. Shall the plan be publicly or privately administrated? In particular, will all private insurers participate or only a limited number, or none? Will they act as underwriters, or as intermediaries only?

Medical care system. What kind of medical care system do we want that can provide equitably distributed, effective health care to all within the means society wishes to pay? What kinds of incentives and controls will create such performance?

Now even superficial inspection shows that all the problems and the goals listed above, even how much financial protection we can afford, crucially depend on the behavior of the medical care system "variable". In the next section we will show just how inter-

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related and deep-rooted this dependence is. Thus the medical care system is a central issue in the whole NHI question, and indeed of health policy generally.

More particularly, all these goals—and all our other social priorities: welfare, criminal justice, housing, jobs, etc.—depend on having dollars available. Thus the central goal that enables all the rest is cost containment. Yet medical care is the largest uncontrollable cost item in the federal budget. This has become particularly critical lately. Before 1972 federal revenues regularly rose faster than committed program expenses because of the natural increase in personal and business incomes. New programs could be financed out of this natural increase in revenue. Since 1972 this situation has begun to reverse, so that commitments are rising faster than revenue[21] (inflation has provided a partial and unwelcome respite). The government has had to raise taxes just to honor present commitments, and cut back programs.

Social programs and defense have been the chief casualties. Thus the achievement of a successful NHI program (which does not devour scarce dollars needed for other equally important national priorities) depends upon the achievement of a medical care system with reasonably controllable costs.

To make things more difficult, all the "variables" above are highly interrelated. The Congress cannot answer them independently one-by-one without getting highly contradictory, conflicting policy. If the desired medical care system of the future is specified, the remaining variables are to a large degree determined or at least constrained. Conversely, if the other variables—eligibility, benefits, financing and administration—are specified, they will largely determine, intentionally or unintentionally, the future medical care system. Thus the nation has an extremely complex decision-making process to go through. If it chooses the other "variables" unmindful of the medical care system, it may wind up with a system that won't hold costs. And it may find it difficult and expensive to undo and redo these unmindful decisions.

It is particularly disturbing, then, that the medical care system has received so little attention in the current debate on NHI. Few of the major NHI proposals seriously address the problem of a coherent medical care system strategy, and make token recognition of cost control with piecemeal measures for which there is little evidence of effectiveness, either in this or other countries.[22] [23] In the absence of debate, the public appears to be under the illusion that through NHI they can achieve (1) complete financial protection and (2) controlled costs, and (3) still retain the present system and style of health care while (4) improving access to service into the bargain. This analysis will suggest at best we can achieve any three of these desires but not the fourth: either we shall make substantial change in our health care system, or we shall suffer runaway costs, or we shall considerably lower our sights on the goals specified above. At worst, all of these events may occur.

III. AN ANALYSIS OF MEDICAL CARE SYSTEM BEHAVIOR

This section attempts to show that the major problems outlined in the previous section do not lend themselves to quick band-aid solutions but are deeply-rooted in the structure and incentives of the present medical care system and its financing. We shall try to identify the basic structure and incentive elements determining system behavior, so that the policy and political analyst can understand what needs changed and anticipate how the system will respond to various corrective strategies under NHI.

Ideally we would prefer a rigorous general theory of medical care system behavior, but such a theory is probably still a few years off. However, recent research has uncovered many bits and pieces of the puzzle which, combined with plausible assumptions and arguments, can be woven into an analysis providing at least qualitative understanding of gross system behavior important to policy. With the caveat that conceptual analysis is not a substitute for a quantitative theory, we shall advance such an analysis.

The analysis is developed as follows. We start with a fundamental assumption that the behavior of organized systems of people is determined by the structure and incentives of the system. We then set forth as further basic assumptions—generalizing from research, observation and experience—what are believed to be the key structural and incentive factors governing the behavior of the medical care system. While we shall attempt to make these generalizations plausible by explanation and example, we shall not attempt to defend them directly. Rather we shall treat the assumptions like postulates, to be justified by their ability to rationally explain or predict system behavior confirmed or consistent with research findings. (If we are unable to plausibly deduce important known system behavior, this would indicate either error in the basic assumptions or that additional important structural and incentive factors have been overlooked. On the other hand, if most of the important behavior of the system can be accounted for, we gain confidence that the basic assumptions must be part of any eventual theory of the medical care system.)

Once we have reasonably justified the basic assumptions in this manner, we shall use them in later sections to infer medical care system response to various policy proposals and NHI plans. Of course, our deductions will be based on rational argument rather than rigorous derivation, and the farther we stray from confirmed behavior, the more speculative the analysis becomes. Nevertheless this type of structure-incentive analysis is believed a useful tool for the policy analyst working with social systems generally, and may serve as a source of hypotheses for an eventual, more rigorous theory.

A. Basic assumptions

1. The medical care system behaves the way it is structured and rewarded to behave. Policy strategies will succeed or fail depending on how they address or alter the basic structure and incentives dictating present system behavior. This assumption is asserted as self-evident. By structure is meant the nature of the individuals and organizational elements in the system and the relationships among them. By incentives is meant all the positive and negative rewards and penalties—personal, social, professional, financial, legal—operating on individuals and organized elements in the system.

2. The quality, quantity and style of medical care are indefinitely expansible. Several terms are used in the analysis which are defined here. By "effectiveness" is meant the degree of improved health levels in the population cared for, within the limits that health care can improve health. "Quality" of health care is defined synonymously with effectiveness. By "efficiency" is meant effectiveness divided by cost; i.e., we understand efficiency as health improvement per dollar expended, not number of services per dollar expended. By "style" of practice is meant the degree of use of costly, technological inputs. "High style" means a high level of costly inputs; high style health care can be effective or ineffective, but it is always high cost. "Low style" practice makes less use of costly inputs; it can be effective or ineffective, just as with high style care, but it always costs less per service. Of course, ineffective low style care could eventually cost more than effective high style care. Conversely, equally effective low style care is more efficient than high style care.

The medical care system can legitimately absorb every dollar society will make available to it. The nature of a system's product is one of the most important structural elements. In the case of the medical care system, the probabilistic and uncertain nature of both health and medical science implies that medical need is virtually inexhaustible. Providers can always try to provide ever greater safety margins for treatable patients, treat more and more hopeless patients, and screen for less and less probable diagnoses. For example, why perform $50 of laboratory tests to be 95% sure of a diagnosis, if $250 of tests will provide 97% certainty. Or, if a patient's condition is otherwise hopeless, why not perform an operation with a one in a thousand chance of success. Or, if an annual physical is good, why isn't a semi-annual physical better. Physicians already give themselves and their families 30% more care than the national average,[24] and inventive Amercan science and technology can endlessly elaborate the possibilities. The final check on what gets done is the dollars available.

Elaborate medical care is not necessarily bad nor unnecessary (and consequently will not be curtailed by controls aimed at bad or unnecessary care), but it does run rapidly up against the law of diminishing marginal returns. The first few dollars invested in medical care—for immunizations, setting broken bones, etc.—are very effective in improving health. But it becomes increasingly more difficult and expensive to make similar health gains as we spend more. Beyond a certain point all the additional tests provide little extra safety margins, the heroic measures only prolong the coma and postpone the inevitable, we even begin to produce complications from our complex medical interventions.

3. The incentives on providers in the present medical care system are powerfully skewed toward specialized, technological, high cost-low benefit care. The following examples illustrative some of these incentives. Peer reputation is a powerful motivator in most professions, and the physician gains far greater peer (and public) prestige practicing highly-specialized, technological care than practicing general primary medicine.[25] Financially, specialty work returns significantly greater income per hour than primary care,[26] and fee-for-service rewards the provision of more services and more expensive services.[27]

Educationally, the physician is trained in medical centers engaging in highly specialized secondary and tertiary care, presenting role models he will be professionally socialized and rewarded to follow. Ethically the provider is bound to do all he can for each patient he accepts. Legally, physicians feel that malpractice doctrine seems to assert that, in event of an untoward result, the physician had better be able to demonstrate he performed all standard (whatever the court defines this to be) procedures even if he believes them excessive and unwarranted. Thus, unless altered or checked by limited financing, these incentives should lead physicians toward elaborate, specialized, high style practice which helps the few at great expense rather than lower cost, lower style medicine which helps the many.

4. The wide-spread extent of private and public third-party reimbursement health insurance, well over half of which appears quite comprehensive, provides almost open-ended financing to the medical care system. The patient (first party) and provider (second party) control the cost and use of services, but the bill is paid by a third party—the insurer—who is committed to reimburse whatever covered services are done. The con-

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additional co-payments at the time of service), has every incentive to receive benefits that may help him, the provider has every incentive to render them. The insurer, public or private, risks the wrath of both the consumer and providers if he interferes. To control expenditures under third party reimbursement health insurance, the insurer would have to intervene in virtually every individual medical transaction to judge its cost and appropriateness, a questionable role for a financial agent and a task which not even public insurers have succeeded at. (Thus Canada with universal public health insurance of the third party reimbursement type has cost escalation comparable to the United States with its mixed public-private insurance systems,[28] even though Canada has tried virutally every control proposed for the United States. With an estimated 80–90% of the Americans having at least some public or private health insurance, and well over half rather comprehensively covered,[29] the medical care system has almost a blank check for its activities.

5. The medical care system is fragmented into many small, independent units of production—predominantly solo physicians—inhibiting economies of scale and continuity, and creating strong externalities among the units. By externalities is meant that costs and savings are not borne by the provider who creates them. For example, because physicians and hospitals are independent, the physician does not bear the cost of the hospital or its specialized facilities when he places a patient there. For example, the good family practitioner who detects and treats an illness early receives payment only for a few office calls; he receives none of the hundreds of dollars saved from the operation he may have prevented thereby. (These externalities tend to be reinforced by the consumer, who is far more motivated to seek care for late stage illness than for early stage, asymptomatic conditions.) Thus there is both structural inhibition and an absence of financial incentives to use the mix of health resources efficiently.

6. The consumer is a poor judge of either the effectiveness or efficiency of his medical care nor is he able to get much information about them, giving the provider considerable latitude over the type and quantity of services demanded. The consumer seeks health. He receives health services, about which he knows little[30] and, under present professional controls, can obtain little objective information on cost or quality.[31] His information costs are therefore high and increase with the complexity of the episode, complicated by the presence of illness itself. He can of course judge expense (and may often equate expense with quality), and has several means to regulate his demand if he feels the benefit of health care unlikely to justify the expense: by not presenting himself for treatment, by non-compliance, by pressuring the provider for alternative cheaper treatment, or by seeking second opinions and alternative providers. The latter means are partially biased by professional control (as well as present malpractice doctrine) over standards of practice: for example, it is hard to imagine an American obstetrician recommending home delivery by a midwife, though the Dutch experience suggests that, properly organized, this can be quite as safe and much less expensive for uncomplicated deliveries as our specialized hospital delivery.[32]

Were quality assured by other means and if objective information were available, price pressure could make consumers a more effective force for efficiency, but with the artificially low prices created by insurance, consumer choice is a poor force for either effectiveness or efficiency.

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7. The medical care system has no ongoing mechanism to systematically monitor patient outcomes, nor is any provider accountable for the patient's health beyond the services that provider rendered. The medical care system has little knowledge nor accountability for its final product: health. For example, if a health survey found an excessive amount of uncontrolled high blood pressure in a community, what could it do with such information; no provider can be held accountable either for the problem or its correction. Each provider can choose the type of services he shall render, and is not responsible for other health problems in the population no matter how pressing. Moreover, once the provider has completed an episode of services, he tends to lose track of the patient. There is neither mechanism nor incentive to determine that the patient received all additional services of other providers to assure that his health was optimized. When a system is without feedback or accountability for goals, that system will tend to confuse means with ends. If the medical care system does not measure its productivity in terms of health, it will measure productivity in terms of services and dollars, even though these correlate only weakly with health.[33] Thus the system will tend to maximize on services rather than on health.

B. Inferences concerning medical care system behavior

We shall now attempt to justify the above structure and incentive assumptions by showing they provide a rational explanation of gross medical care system behavior and in particular the problems outlined in Section II. We shall draw inferences on system behavior from the assumptions and document that the inference is confirmed or consistent with research findings.

1. The medical care system will likely be subject to strong demand-pull cost escalation. Because of the reduced out-of-pocket price, the heavily insured will accept a more expensive level of care (assumption 4), which allows providers to follow their powerful incentives (assumption 3) to practice a more elaborate style of care (assumption 2). It is important to note that expenditures should escalate not because the cost of inputs pushes them up (cost-push), but because of unsatiated demand which allows providers to put the insurance dollars into more costly inputs (demand-pull). Expanded coverage under NHI could thus aggravate such cost escalation.

Research Findings: Cost escalation has already been documented in Section I.A.4. Recent economic research suggests this cost escalation is consistent with predominant demand-pull.[34] Thus a kind of Parkinson's Law of medical care obtains: standards of practice rise to absorb the dollars available.

2. The medical care system will likely be characterized by over-elaborate inefficient, cost-ineffective styles of practice. Such "high style" is not necessarily ineffective; it is simply more expensive and wasteful than more efficient, "lower style" practice patterns that are equally effective in producing health. In other words we expect the system not only to be using increasingly more dollars, but to be using them inefficiently. This inference follows from the absence of incentives for efficiency and the strong incentives for inefficiency (assumptions 3, 4, 5, 6, 7). Expanded coverage under NHI could thus aggravate inefficiency.

Research Findings: Hospitals operate at inefficient levels of occupancy,[35] [36] suggesting a surplus of beds and service facilities. Moreover, comparison of HMOs (which eliminate externalities and provide strong incentives for efficiency, see Section IV, model 4 below) with traditional fee-for-service practice sug- sumer once his premium has been paid (and to the extent that he does not have to pay gests that equally effective care can be rendered with far less hospitalization than currently used: the few comparative studies of patient end-results in matched populations indicate both styles more or less equally effective,[37] [38] but HMOs achieve their results with an average 30–50% less hospital days, fewer physicians, and 10–30% less total cost, per capita.[39–41]

The excessive inefficient use of specialized hospital care is also confirmed by such studies within the traditional system as pre-admission testing,[42] pre-admission screening,[43] pre-surgical referral,[44] out-patient care substituted for inpatient care,[45] in-hospital review,[46] and other studies.[47] [48] The tendency of the system to move to highly technological procedures, even before their full value has been established, when equally effective but less costly lower style procedures are available has also been indicated.[49-51]

3. The type and use of services in local populations will likely depend much more upon the organization of the medical care system serving that population than upon the characteristics of the population served. From the great latitude in style of medical practice (assumption 2), it can be inferred that in any area with adequate income and insurance levels (assumption 4), providers can make an adequate income providing elaborate care to the few or basic care to the many (assumption 2); providers thus have considerable latitude to choose the type and quantity of services they will provide. Expanded coverage under NHI could give the medical care system even greater latitude over utilization of services.

Research Findings: Evidence supporting this inference comes from the failure of theories of consumer demand to account for much of the variation in utilization,[52] from the large differences in service and resource use between matched populations served respectively by fee-for-service and prepaid group practice,[53] and from studies demonstrating supply appears to at least in part generate its own demand.[54]

4. Physicians will tend to increasingly specialize in inefficiently excessive numbers. This inference follows from the powerful incentives to do so (assumption 3), coupled with the observation that physicians can always find things to do for patients (assumption 2) which patients will accept in the absence of any economic check (assumption 4 and 6). Expanded coverage under NHI could thus aggravate over-specialization.

Research Findings: The relative increase in specialists and decrease in primary care physicians both in practice and in training is well documented.[55] Evidence that the physician distribution is inefficiently over-specialized comes from comparison with the physician distribution in HMOs,[56] which have strong incentives for efficiency; HMOs produce apparently comparable health results with relatively fewer specialists and relatively more primary physicians than the U.S. average. This result also supports the previous inference, since more specialists will result in proportionately more specialty care.

Physicians will tend to be maldistributed by area, with specialists concenerated in professionally attractive areas. Only general and family practitioners are likely to be geographically distributed more evenly. If insurance and income levels are adequate, specialists can concentrate in professionally attractive areas by using their latitude to provide more elaborate services to fewer people. (Indeed the desire to locate in a professionally attractive but physician-rich area adds one more incentive for physicians to specialize.) There is sufficient flexibility and expansibility in the medical ecology (assumption 2) and enough financing available (assumption 4), that specialists can pretty much avoid competing with each other, even in areas of high specialist concentration, family practitioners, whose services are not usually covered by insurance, will be under much market pressure to distribute more evenly. Although the cost and distribution problems (Section II) are mainly due to the insulation of specialists from market pressures, perhaps the largest voice in the AMA is the general and family practitioners, who live in a rather more competitive environment. This may play some role in the AMA's failure to perceive the real problems or to come up with a credible strategy for the medical care system. Expanded coverage under NHI could thus aggravate geographic maldistribution.

Research Findings: The geographic distribution of physicians is known to be uneven,[57] with general practitioners showing a moderately even distribution[58] and specialists concentrated in certain metropolitan areas.

There is also some evidence consistent with the above argument that in physician-rich areas on average each physician renders less but more expensive services, and each person receives in total more services, than in physician-scarce areas.[59]

6. Catastrophic care episodes requiring large expenditures should be escalating in cost much more rapidly than all care, and consume an increasing percentage of the health care dollar. This follows from all the incentives for physicians to engage in ever more specialized technological care, coupled with the fact that more and more people are becoming covered by more comprehensive insurance. We can expect this to create a market for medical technology which American science and industry will attempt to fill. Expanded coverage under NHI could thus aggravate catastrophic care escalation.

Research Findings: The best evidence available suggests that in 1970 the top 1% of the population with the most expensive episodes consumed roughly 25% of all health care dollars, and the expenses of this top 1% were escalating 13–18% annually compared with about 10% for all care.[60]

The examples above provide some confidence that the basic structure and incentive assumptions in paragraph A above can plausibly explain gross system performance and are likely to be an important part of any eventual theory of medical care system behavior. These assumptions shall now be applied more speculatively to conditions which may obtain under NHI proposals.

IV. STRATEGIES AND PROSPECTS FOR THF MEDICAL CARE SYSTEM UNDER NHI

In this section we shall ask three questions:

What NHI strategies might successfully achieve health care goals, especially cost containment?

What is the likely impact of each strategy on the future medical care system?

What are the prospects for implementing each strategy?

While an NHI strategy should be capable of achieving each of the major health care goals (Section III), the discussion shall focus on the cost containment issue for three reasons. First, cost containment is central; without it the dollars for the remaining goals will not be there. Second, because of the intimate relation between the medical care system and its financing, cost containment will have the greatest impact on the system. Third, a strategy which does not sufficiently contain costs will be unstable; the nation will keep shifting strategies until cost escalation is held to a tolerable level. Though important in their own right, the other goals—financial protection, equity and effectiveness—would take the discussion too far beyond the scope of this paper, and will be considered only as they limit possible cost containment methods or additionally impact the medical care system.

A. Methods for cost containment

The key to medical care system performance apparently lies in its structure and incentives. To determine successful methods for cost containment, we must therefore look at the structure and incentive factors of Section III.A creating cost escalation and inquire what needs changed. Two factors appear crucial: first, third party reimbursement health insurance, which creates artificially low prices for the consumer, gives an open-ended commitment to the provider, and allows the third party little control; and second the powerful cost-raising incentives intrinsic in the present medical care system. To contain costs then, we shall either have to:

Shift much of the payment function from the weak third party to other parties better able to control the price and quantity of services, or

Alter the misdirected incentives in the present medical care system either through internal reforms or external controls, or

Do both.

If the incentives in the medical care system are not altered, the controls on price and quantity—and the incentives on the controllers to effectively exercise these controls—shall have to be correspondingly more powerful.

There are three parties with the potential to control the price and quantity of services: the consumer, the provider, and the government. The major methods for cost containment divide naturally according to which of these three parties assumes control of medical expenses. Strategies for the medical care system (and NHI) will generally combine consistent combinations of all three methods, but may be classified according to which methods are emphasized. The methods may be described as follows:

1. Consumer Cost-sharing: This method shifts the risk and control of medical expense more to the consumer, who can presumably best judge the utility of medical care to himself compared to other things he might purchase. The method is based on altering insurance benefits. If insurance removes the direct cost of care from the consumer, he will have every incentive to use all the care offered him. The consumer can presumably be induced to use care more sparingly if he is made to bear directly some portion of the cost. (He would still be financially protected if his share could not exceed some maximum limit.) Cost-sharing approaches include making the deductible very large ("catastrophic" insurance), or having stiff coinsurance (say 25%). Also the consumer could share the premium. Note that to work effectively, cost-sharing must be simple and uniform. Otherwise the consumer will not know in advance what his cost-share will be when he purchases services. It is doubtful that any consumer knows his cost-share under the present plethora of varying deductibles, coinsurance rates, inside limits, maximum limits and exclusions.

2. Provider Incentives Approach: This method shifts the risk and control of medical expense more to the providers, who can presumably best decide the necessity and most efficient use of care. It is based on preserving but restructuring the private medical care system to alter the present cost-raising incentives. The best articulated examples of this approach are the so-called HMOs, embracing a wide variety of prepaid comprehensive care organizations competing with traditional providers. Other alternative delivery systems with prepaid comprehensive care arrangements also seem possible but are unproven. Consumers enroll in the organization of their choice and pay a fixed monthly premium for all their care. Such comprehensive prepayment to providers reduces incentives for high style and eliminates externalities. Thus these providers must attract and still maintain incomes. Only general and and care for their enrollees within a fixed total budget, which presumably places upon them a powerful incentive to provide economical, effective care. Even greater savings are presumably possible if HMOs and other alternative systems become prevalent enough to put market pressure on fee-for-service providers. Note that for this approach to work effectively, consumers must bear directly some portion of the premium or be allowed to receive additional benefits out of savings. Otherwise there is no incentive to keep premiums down or choose efficient systems. Other incentive arrangements short of HMOs (such as prospective reimbursement) though still unproven, also seem possible, but appear to require greater public intervention and thus verge more toward the public utility approach below.

3. Public Utility Approach: This method shifts the control of medical expense more to the government, which presumably has the requisite power and expertise unavailable to consumers and third parties to control costs. It is assumed that the government can eventually exercise regulatory controls over the inputs, the process and the outcomes of care in any combination and degree necessary until cost escalation is reduced to a tolerable level. Note that for this approach to work effectively, government control must extend universally over all medical care, not just public programs such as Medicare and Medicaid. Otherwise providers will use their latitude to concentrate on more elaborate care for the middle class, and the controls will simply squeeze the poor and the old or shift their costs to private patients.

In the remainder of this section we shall examine six models of NHI which combine these cost control methods in different ways. We may classify these models into two kinds: those which emphasize the first two methods shall be termed "consumer market oriented," for they emphasize a private approach to medical care delivery and minimize government intervention. Those which emphasize government regulation shall be termed "public utility" oriented. By examining the incentives on the various parties expected to exercise control, we may analyze how well the models are likely to contain costs.

B. Two models likely to fail

This section analyzes two models, one consumer market oriented and one public utility oriented, which are unlikely to work well.

Model 1. The present medical care system with universal third party financing:

This model would leave the present medical care system unchanged, and simply extend third party reimbursement insurance to all.

Prospects for Cost Containment: The analysis of Section III suggests this model would simply aggravate every existing problem in the medical care system, particularly cost escalation.

Prospects for Implementation: Because the model leaves existing institutions alone, it can be expected to gain a fair share of support. However, the model seems unstable, it can't last. Runaway costs will force intervention, probably in the form of escalating government regulation since the government will be subsidizing much of the bill. This appears to be the lesson of Medicare and Medicaid, which essentially used this model for the poor and the old: if public financing of medical care is expanded without altering the structure and incentives of the delivery system, runaway cost will drag the government ever more deeply into regulation of the delivery system.*

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*The NHI proposals of the American Medical Association suggest that they missed this lesson. Because their proposals expand financing with no credible strategy to contain costs, their proposals are the most likely to hasten the Draconian regulation they fear.

Nevertheless, since it is doubtful that the present strong government entry into health care regulation would have occurred without cost escalation in Medicare and Medicaid, this model may represent one way, albeit a very expensive one, to create sufficient pressure to make the remaining models more palatable.

Model 2. Public utility process controls with universal third party financing: Public utility cost controls in medical care may be divided into two kinds: process controls which try to directly limit the price and quantity of services (such as utilization review, the process medical audit, fee controls, etc.), and input controls which try to limit the manpower, facilities, and total dollars available to provide medical care. This model would extend third party coverage, either private or public, to all and rely on public utility process controls to contain costs.

Prospects for Cost Containment: Our previous analysis (Section III) as well as experience suggest that public utility process controls are unlikely to work well. The great latitude in medical need, the ill-defined nature of health services, and the sheer volume of services rendered suggests the magnitude of the difficulties. Price controls alone will not work, because providers can always increase the quantity and the mix of services (toward higher style), or even redefine the content of services. But to judge the necessity and appropriateness of each service rendered requires not only a huge administrative review apparatus (expensive in itself) but strong provider input. And providers have no incentive to make such review work, and every incentive not to make it work.*

Indeed, process provider review of procedures is as likely to raise costs as lower them** since providers will likely equate high style with quality.[61]

How will the bureaucracy counter such judgments? Under the best of circumstances public utility regulation is vulnerable to capture by the regulated;[62] to attempt regulation in an area so fraught with medical judgment and ambiguity is to virtually invite it.

Evidence to support the above argument is ambiguous but not inconsistent. Review of such research as exists provides little evidence that process controls make any difference, and some evidence that such effect as they do have may wear off rather quickly.[67] Under Phase II and III of the recent price controls, the experience was that annual service price increases declined from 8% to 4%,[63] whereas the annual increase in total expenditures only declined from 12% to 10%[64] (presumably because the quantity and style of services remained uncontrolled). Some of this decline was in evidence before the controls began, perhaps from the recession, so how much can be attributed to the controls is not known. Thus, for a creditable but considerable administrative effort, our most ambitious attempt at price controls so far made at most some decrease in the magnitude of the annual cost increase, and whether this could be sustained is problematic.

Prospects for Implementation: The experience of Medicare and Medicaid suggest process controls are among the easier types of public utility regulation to enact. But like the previous model, this model seems unstable. When this model fails to contain costs, government will try successively stronger process controls and eventually move toward strong input controls. (It is already attempting weak input controls on facilities via Certificate of Need laws.) The danger of this incremental approach to strong public utility controls is that it is not only expensive (e.g., we endure cost escalation until this model is supplanted), it may stifle the medical care system with a mass of fragmented, bureaucratic, expensive, indifferently effective regulatory apparatus which is unlikely to go away when more effective regulation is found. There is no history of deregulation in this country.

C. Four models that might work

This section analyzes four models—two market oriented and two public utility oriented—that might achieve the NHI goals of Section II. The four models chosen were selected because each emphasizes primarily one of the cost control methods in Paragraph A above. We may thereby gain some insight into further models combining all three methods more equally by extrapolating the analysis for these four.

Model 3. Major Risk Insurance:

This model, articulated by Feldstein,[68] carries consumer cost-sharing to a fine art. The intent is to significantly reduce third party financing by placing the consumer at substantial risk for the great majority of his care while still absolutely protecting him from bills large relative to his ability to pay. This is accomplished by totally insuring the consumer for all annual medical expenses in excess of some fixed percentage of his income, say 10 or 15%. Below this threshold, he must pay all medical expenses out-of-pocket. Alternatively, to give the consumer a cost share in even larger expenses, the threshold of complete coverage can be raised to say 20% of income and a coinsurance rate of 50% or 75% can be placed on expenses below the threshold, so that again the consumer is never at risk for more than 10% or 15% of income. Recognizing that for low income persons, even 10% of income is onerous, the coinsurance rate and threshold could be proportionately reduced (income related) on a sliding scale according to income in any way deemed equitable.

Prospects for Cost Containment: Evidence tends to support that heavy cost-sharing can effectively control costs. The more carefully price elasticity of medical care is measured, the more elastic it appears to be. (The argument that the physician, not the patient, controls demand appears to be strictly true only in conditions of unsatiated demand created by third party financing.) Certainly the huge increase in use of services by the poor and old under Medicare and Medicaid shows that price has a substantial impact on demand. Thus in principle the degree of cost sharing can be increased sufficiently to control costs to whatever degree society desires.

A greater concern is that MRI will contain costs at the expense of health, especially of the poor. A thorough discussion of this point is beyond the scope of this paper, but briefly, it seems unlikely that MRI will threaten either health or equity. In principle at least, MRI can be income-related to any degree society desires, eliminating bias against the poor (although too many income-related variations raise questions of administrative feasibility). And if an adequate level of medical care is thereby placed within the ability to pay of every person, there is no reason to think that health should be greatly endangered at our present levels of health care use.*

If beyond this basic standard, consumers elect to put their money to other things, rather than health care which medical experts deem important, it must be remembered that consumer decisions disturb experts in all fields. It is a question of values; individual choice vs. social concern. If after placing adequate medical care within individuals' ability to pay, society wishes to assure equity beyond what individuals would choose on their own, then the price of equity will be greater intervention in the medical care system.

Prospects for the Medical Care System: MRI affords very complete financial protection to individuals and appears able to contain cost, at least below the threshold. This is an extremely important limitation which MRI shares with any cost sharing approach. If there is to be financial protection, then at some point cost-sharing must be reduced to where it becomes ineffectual. At this point other cost control methods must be used. In the absence of controls yet to be specified, MRI is likely to distort the amount of resources going to secondary and tertiary care routinely rendered above the threshold, precisely the area most vulnerable to cost escalation (see III.B.6).

This problem is non-trivial. By Feldstein's own estimate such care presently accounts for more than 30% of the health care dollar. But MRI, by offering complete catastrophic coverage, will greatly increase unsatiated demand** (and may freeze externalities for such care into the system) and create an excessive market for high cost-low benefit technology that American science and industry will rush to fill. Unless controlled, cost escalation of catastrophic care may significantly offset savings in basic care and continue the present maldistribution by specialty and geographic area (see III.B.5).

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*We stress how powerful these incentives are. For example, given existing excess hospital capacity in the nation, if these controls were to work they would force many hospitals into financial jeopardy if not outright bankruptcy.[65] Again, the amount of specialty work would have to decline substantially. Hospitals and specialists both will work to circumvent the controls.

**The evidence suggests good clinicians may ignore up to half or more of the procedural steps usually included in explicit procedure-based standards. In other words, they use experience and judgment to adjust the procedural mix to the individual patient in ways impossible to formulate into a standard, which must include every step that might be relevant.[66] Outcome studies support their skill in this. Poor end results seem far more often the result of idiosyncratic system linkage failures (between provider and patient, provider and provider, provider and appointment desk, etc.) which seldom appear in standards, and only infrequently are due to omitted or poorly done medical procedures. On the other hand, if cost control begins to pinch, it can easily be imagined that providers will follow all procedural standards to the letter, and there will be no objective way to fault them medically. Cost will be forced up with no improvement in health.

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*There are no research studies comparing health outcomes in matched populations with and without heavy income-related cost-sharing and further research is needed. The studies looking at service use under non-income-related copayments did not look at health outcomes, but the service variations found did not seem a priori threatening to health.[71] [72] Some preventive services were foregone by some persons, but society could subsidize such services if it wished.

** Although data on catastrophic benefits are sketchy, it appears that a substantial number of the population presently have inadequate or no catastrophic protection. One piece of evidence is the number of persons without major medical or comprehensive benefits,[73,74] roughly estimated at somewhere less than half the population. The other evidence is that persons incurring large medical expenditures have unrepresentatively high incomes relative to the U.S. average,[75] implying that lower income persons are inhibited by lack of coverage or stiff cost-sharing at the catastrophic end. (This disagrees with the conclusion of Newhouse et al[76] that catastrophic care is well covered presently. But Newhouse et al do agree that technology could make catastrophic care very inflationary.)

This objection is hardly fatal to MRI, and can be resolved by applying other cost control methods, most likely public utility allocation controls (see Models 3 and 4 below), to catastrophic care. The problems in doing this have been touched on elsewhere.[77] [78] However, all these solutions involve important intervention in the medical care system, although rather less than in the models below simply because intervention is restricted to the catastrophic care area. In fact, the infrequent number of episodes which reach catastrophic magnitude may make effective control in this area more feasible than models attempting across the board controls.

Prospects for Implementation: MRI could be administered either publicly or by private insurers. However, in order for the cost containment rationale of MRI to work effectively, MRI must (1) be fairly universal and (2) not be supplemented by basic benefits below the threshold. If some people have comprehensive benefits and some have MRI, it is likely that accepted standards and style of medical practice will be determined under comprehensive coverage (see III.B.3), and MRI will be accused of forcing people to accept second class care. If MRI is supplemented by basic coverage, then the total spectrum of care is covered, and the cost containment rationale of MRI falls apart.

There thus arises considerable political difficulty of implementing MRI. Feldstein [79] believes that MRI would drive out comprehensive health insurance in a competitive situation because it offers complete financial protection at one third the cost of comprehensive insurance. If so, the government need only offer a federal MRI policy (or alternatively mandate that private insurers offer an MRI policy as a dual choice to conventional health insurance), and the market would solve the implementation problem. Such an implementation strategy would be a political godsend, for it requires almost no direct intervention in existing medical and insurance arrangements. Unfortunately there is little evidence that it would work. The evidence from Medicare and group insurance is that individuals will purchase supplementary insurance against deductibles and coinsurance even for very comprehensive policies; [80] and it is unlikely that labor, which bargains for much of the group health insurance market, will consent to give up basic benefits already won.

In at least one instance, MRI in a dual choice situation with conventional benefits was almost totally rejected by a university faculty.[81] Further resistance may come from the insurance industry, whose revenues would be drastically reduced under MRI.

Thus the only recourse to implement MRI would appear to be compulsorily requiring by legislation that no other kind of health insurance could be sold. This seems politically impossible at this time. It would require taking away the great bulk of existing benefits, and there is no example of a country which has been able to successfully remove even modest benefits more than temporarily.[82] [83] Imagine the politican or labor leader who must report to his constituency that he has just given up all their basic health benefits!

In sum, MRI supplemented by catastrophic care controls appears to be a very promising option which creates the least interference in the medical care system, but there is no simple way to get from here to there. A great deal of public information, debate and understanding would be necessary to make this option palatable.

Model 4. Alternative Delivery Systems Competing Under Universal Coverage: This model was first articulated by Ellwood et al [84] as a general strategy for restructuring the private medical care system to contain cost and improve equity and effectiveness. Its application under various national health insurance plans has been discussed by McClure [85] (although national health insurance is not a prerequisite to implementing the strategy). This approach stresses the provider incentives cost containment method above, with the idea that if the structure and incentives of the private medical care system can be properly set, the system will work out the myriad details to achieve public goals on its own without the necessity of detailed government involvement. The model would stimulate a variety of prepaid medical care organizations with improved structure and incentives, competing with each other and traditional providers. Under universal coverage, people are entitled to federally specified health care benefits and receive an income-related subsidy or voucher to purchase them.

The voucher may be applied to any of several qualified plans—whether one of the new alternative systems or a conventional third party insurance plan (public or private) using traditional providers—which compete on price and extra benefits. The consumer pays the difference between the value of his voucher and the price of the plan he chooses.

Prospects for Cost Containment: Both analysis and evidence from research suggest this model might contain costs if it can be implemented. In the new alternative systems consumer choice, prepayment and the elimination of externalities provide new incentives for efficient, effective care. Prepayment direct to the provider organization rather than a third party compels the provider to work from a fixed budget, so that he must be cost conscious. Because it is comprehensive, the provider organization can capture the savings from reduced use of hospital and specialty care and apply them to primary care. And because the consumer has a choice, the provider organization must continually strive to satisfy him. Consumer choice is strengthened because the consumer does not make decisions on individual services but rather on an entire comprehensive care organization, which is large enough that he can get information from several of his neighbors (more objective information along the lines of "Truth in Health Care Coverage" could also be made available). And he makes his decisions in advance, uncomplicated by the presence of illness. The broadening of consumer choice to include new alternative systems further implies that traditional providers will now also have to offer more economical care in order to compete for consumers.

Evidence tending to confirm the above arguments is of three kinds. First, existing mature HMOs show savings averaging 10–30% over traditional providers while achieving equally effective results.[86] Second, while more careful research using matched populations is needed, preliminary figures suggest that new HMOs perform much like mature HMOs;[87] this implies that HMOs are apparently a structural solution independent of the particular physicians and managers involved. Third, virtually all existing prepaid medical care foundations have formed in response to competition from HMOs, implying that competition by alternative systems can impact the behavior of traditional providers. If these findings are generalizeable—and it seems highly probable that they are [88]—this model should effectively reduce cost escalation if alternative systems become sufficiently numerous.

Indeed if alternative systems become sufficiently numerous, it can be argued that greater savings become possible because they will begin to affect the price of inputs. Present savings in alternative systems are achieved by controlling the use and mix of resources, but the price of resources—the price of a surgeon, for example—is determined by the larger traditional system. If alternative systems become numerous enough to reduce the demand for high style resources, the price of such resources should fall.

Financial protection and equity should be improved in a pluralistic medical care system of competing, comprehensive alternative and traditional provider plans and universal coverage. Perhaps the greatest concern is that the incentives for economy may lead prepaid medical care organizations to underserve members to the point of jeopardizing health. It should be noted that peer review (inherent in organized medical care systems) and consumer choice act as incentives to maintain quality, and that the meager research on quality in mature HMOs does not substantiate this charge.[89] But the troubles with the new prepaid Medicaid plans in California (which are not strictly HMOs because the consumer market is limited to Medicaid recipients) suggest some alternative organizations may try to underserve.[90] Although even there the market seems to be working—Medicaid recipients by disenrolling seem to be shaking out the bad actors rather faster than the state has been able to disqualify them—some form of enabling regulation to prevent bad actors from getting into the business seems desirable, as well as on-going quality assurance controls. (Parenthetically, we wish there were equal concern that fee-for-service providers may be overserving to the point of jeopardizing health. The omission of necessary services appears no less dangerous than the over-provision of unnecessary services.[91] The same small minority of lax professionals who would presumably deliberately underserve in new alternative systems are with equal probability now overserving in the present system. Quality assurance needs attention right now in both systems, and the means to do it are within reach if we have the will.[92])

Prospects for the Medical Care System: Under this model the private medical care system would be preserved but significantly restructured. At least half of medical professionals would be providing service through more or less integrated prepaid medical care organizations. Probably the majority of these would be hospital-based multispecialty group practice situations, since they are likely to be more efficient and attract more consumers. The majority would also be provider sponsored, since this is likely to appeal most to providers. Quality assurance regulation is also likely to be present in both the traditional and alternative systems.

Prospects for Implementation. Like MRI, this model is a most promising option with severe difficulties in implementation. In its favor, this model can be incrementally approached (see Section II constraints 1 and 2). The government can try to stimulate alternative systems by removing existing market, legal and administrative barriers to their development.[93] Under such a "fair market" climate, efficient alternative systems would be expected to compete well and grow. Some effort is being made in this direction now.[94]

But the creation of alternative systems requires private initiative, particularly by physicians (pressure from large group buyers would also help). But physicians are quite comfortable in the present system, and have little motivation to change. Hence they are content with resisting change rather than proposing credible change strategies of their own. Alternative systems also must win acceptance from consumers (especially large group buyers); but there is little public understanding of them presently, and in a down economy comprehensive coverage is hard to sell.

Alternative systems also face difficulties from public utility regulation because it largely ignores the fact that their structure and incentives, and therefore their performance and their needs, are different than traditional providers. Thus alternative systems

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find themselves regulated for the sins of others. This not only destroys any incentive for professionals to enter alternative systems to escape cost controls in the traditional fee-for-service system, it can directly inhibit alternative systems. As just one example, HMOs use half as many beds per capita as the national average, yet they are all subject to Certificate of Need bed controls.

They must go through the lengthy, uncertain application process just the same as the worst offending traditional hospital. Not only may they find themselves without beds for a growing enrollment, they may find the agency captured by their traditional system competition and used to keep them from even getting into the market.[95] Thus present public utility controls, especially market entry controls, are at best a hindrance and at worst a danger to alternative systems.

These inhibiting factors combine to suggest that without greater understanding by both public and private decision-makers, there will be too few alternative delivery systems in the next few years for private restructuring to constitute a major force in a cost containment strategy, even though it would probably work.

Model 5. The Public Utility Allocation Model (alias the British model):

This model has only one essential feature: it puts a "lid" on the total health care budget. That is, the government decides in advance how much shall be spent each year for health care, and has some mechanism to allocate this amount, and no more, to the medical care system. A number of variants are possible depending on the allocation mechanism, ranging from a national health service[96] (somewhat analogous to the education system) in which all providers are employed by the government, to a tight public utility arrangement in which all private inputs—manpower, facilities and money—are to some degree controlled by the government. Common to all these variants will be a division of the country into health care districts headed by a district health care board which allocates resources to district providers from a fixed district budget. People in the district are entitled to comprehensive health care from providers in the district. There may be nominal cost-sharing by patients, but the majority of provider payments comes from the district board. Private third parties, if present, serve only as intermediaries.

Prospects for Cost Containment: Both analysis and experience suggest this model might contain costs. The point of the analysis is that unless the budget is fixed in advance, public utility controls are unlikely to work well. Conversely, unless there are quite strong public utility controls on inputs, it will be difficult to keep within the fixed budget. With both a fixed budget and controls, cost containment is likely to be successful.

The reasoning is as follows: In Model 2 it was shown that process controls (e.g. controls on individual services) are unlikely to work well. A far less demanding way to control the volume of procedures is to limit the number of professionals performing them. A less demanding way to control style is to limit the number of specialists and the amount of facilities and technological equipment available. On the other hand, what these limits should be is a matter of medical judgment. How is the district board to limit the demands of the medical care system for more manpower, facilities, and equipment, when all such demands will be defended as improvements in health care? The only response government can finally make is that funds are limited. The government will therefore have to use its limited funds as an incentive and control on providers by fixing the district health care budget. When providers recognize that the demands of one provider for more means that the others get less, there will be a powerful incentive for all providers to agree on a defensible set of priorities and a method of allocating resources. There will also have to be strong controls so that providers can not individually ignore the priorities and wangle more resources than agreed on. Given a fixed budget, providers themselves are likely to help the district board make the controls work, so the controls are likely to succeed.

Two kinds of evidence suggest that this model will work: the experience of England, and of HMOs. The British use an allocated fixed budget, and have had the least cost escalation of all the western nations. This is to be contrasted with Canada, which has a multitude of public utility controls but an open-ended budget based on reimbursement of whatever is done. In 1971 Canada spent an estimated 7.1% of its GNP for health care[98] and its annual increase in expenditures averaged an estimated 12% over the previous decade.[97] The comparable figures for England were 5.3% of a much smaller GNP in 1973 and 9.2% average annual expenditure increases. This evidence suggests not only that a fixed allocated budget can contain costs, but that without it public utility controls do not work well. While complaints are often voiced about the British system, such complaints seem due more to the fact that England is not a rich country than to the organization of their medical care system; if they spent as much per capita as the U.S., these complaints would likely diminish. The point is that they have control.

If they stand in long queues for elective hospital care, it is because they have decided to spend the money for other national priorities. They can decide and the United States presently cannot. With their health statistics equal to ours and their expenditures far less, it appears that their system, whatever its shortcomings, has given them a tremendous bang for the pound.

A second kind of evidence comes from HMOs. In effect, HMOs are privately operated mini-Englands with consumer choice. Each HMO works under a fixed budget and allocates its resources according to priorities. Again the results (see Model 4) show cost containment and a bigger bang for the buck.

This model provides excellent financial protection, and if district budgets are proportioned on a per capita basis, equity should be quite good. Perhaps the greatest concern with the model is bureaucratic rigidity and the danger that the system will be run more for the providers than the consumers. Both of these concerns are common failings of public utility systems.[99] While the consumer will have at least some choice as to provider, unlike Model 4 he will have no choice as to system. The district board must therefore be made responsive to consumers in some way. The problems and political implications of this have been discussed by Flash.[100]

Prospects for the Medical Care System: Careful analogies drawn from the school system probably offer the best foresight into this model. Thus providers will probably not make their own opportunities so much as be presented them by the district boards. The district boards in negotiation with providers will likely determine the number and location of positions open in each specialty, and the size and type of services to be offered at each facility. Professionals will be much more bound by the actions of their peers, and professional "unions" or their equivalent are not unlikely. Innovations will likely have to come through consensus rather than individual action, and meet the approval of established providers.

Prospects for Implementation: The prospects for implementing this proposal all at once are very slim, as experience with the Kennedy-Corman bill, a fixed budget public approach, indicates. Rather it will have to be incrementally approached, and each step is likely to be strenuously resisted by providers and probably by insurors. Moreover, if consumers are given no cost-share under this model, only government will be interested in cost containment; government will then muster little public support to implement successively stronger controls. Since cost-sharing is extremely difficult to restore once it has been removed[101] government should not be too generous at first. It can then trade reduced cost-sharing for public support of more stringent controls.

In sum, it is likely that this model will work, but the strength of the controls needed suggest the nation will take a long time getting there. However, the possibility to incrementally implement the model greatly improves its eventual political prospects. The danger is that the nation may try to approach this model through Model 2 first. Model 6, presented next, may offer the more advantageous approach.

Model 6. The Public Utility Hospital Model:

This model is the least articulated of the four that might work. It starts with the observation that the most substantial and rapidly inflating portion of the personal health care dollar goes for hospital care, presently about 45% of personal health care expenditures.[102] Comparatively, the amount going to physician services (21%), and especially just to inpatient physician services (an estimated 9%), is small relative to the hospital expense induced by the physicians' activity. Moreover, the number of hospitals (less than 7000) seems far more manageable than the number of practicing physicians (almost 300,000), and physicians seem to have the professional and political power to maintain their incomes in all western countries no matter what their medical system. This suggests that controlling the physician portion of the health care dollar may be very difficult, but on the other hand it may be possible to contain the more substantial induced hospital costs that physicians cause by concentrating public utility controls mainly on the hospitals rather than on the entire system as in the previous model.

Under the impetus of Medicare, the Cost of Living Council, and some of the states, considerable work on hospital reimbursement and regulation has been initiated.[103] [104] But little work has been published which looks down the road to coherent models of where such regulation might or should lead. Somers[105] has conceptually pioneered a model of the hospital as the integrating structure for the medical care system, but so far analysts have given little attention to the incentives and controls to make this structure perform any differently than the present system. The following analysis offers some considerations as to the necessary structure and incentive changes that may be required before such a public utility hospital model might realistically be expected to work.

The analysis starts with the basic structure and incentive assumptions of Section III.A, to which we now add two additional incentive assumptions particularly relevant to hospitals.

Hospitals are dependent on physicians for patients, and therefore compete for physicians rather than for patients directly. Financial viability, and the stability afforded by financial growth, is a basic incentive of most organizations. For hospitals, revenues come primarily from patient care. The hospital is dependent on its medical staff for both patients and the supervision of care. But the physician medical staff is actually independent of the hospital. Thus hospitals appear to basically compete for doctors, and can be expected to do whatever is necessary to attract them. If the physician wants a bed, the hospital will do its best to have

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one available; if the physician wants to do cobalt therapy, the hospital will try to have a unit for him.

There are additional strong incentives for hospitals to increase bed capacity and the style of services offered.[106] Peer reputation is a powerful incentive to hospital administrators and boards. Reputation apparently accrues from size of the hospital, reputation of the medical staff, and the elaborateness of services offered. Hospitals appear to compete with each other over all these aspects. Additionally, administrators find building their hospital program professionally rewarding, and size can add financial stability if it can be financed. In the absence of patient outcome monitoring, all these incentives are reinforced by the tendency of physicians, hospitals, and the public to equate high style with quality.

With these additional assumptions, a number of inferences can be drawn concerning present and future hospital behavior.

Hospitals will tend to overbuild and overuse bed capacity and specialized service units. The above incentives on hospitals all point toward overbuilding in their efforts to cater to physicians and increase financial strength and prestige. The costs will be passed on to third parties (assumption 4, Section III.A). (Evidence shows this is already the case, see III.B.2).

The provision of ambulatory facilities and ambulatory health insurance benefits will likely add to, rather than substitute for, hospital services under the present medical care system. Both physicians and hospitals have powerful incentives to increase hospitalization, and few incentives not to. In the presence of excess capacity, hospitals are likely to move strongly into outpatient care as a source rather than a substitute for inpatient admissions. (Existing evidence is consistent with both points, showing little substitution under ambulatory benefits[107] and an increasing growth of hospital outpatient units.[108])

In the presence of simultaneous excess capacity and growing government cost control pressure, hospitals are likely (a) to accept regulation which limits competition (Certificate of Need is an example) and (b) to seek strength through bigness via affiliations and multi-hospital firms. As government tries to slow the growth of the medical care pie, hospitals recognize that if any one of them tries to expand too rapidly it may mean a smaller slice for the others, as well as increased pressure on all. Regulation of new investments has frequently been accepted by producers in such situations[109] as the best way to keep out new competitors and force existing producers to respect the present division of the market. On the other hand, the growth of larger and fewer third parties, in particular the government, should also lead hospitals to start affiliating and merging into larger multi-hospital firms to gain greater financial strength, market rationalization and political counter-muscle.*

Since strength rather than efficiency may be the more powerful motive—economies of scale at large hospital and multi-hospital sizes are unproven and may be outweighed by diseconomies[110]—such alliances may result in hospitals growing to uneconomic sizes if the costs can be passed on to third parties. (Certificate of Need laws are present in two-thirds of the states[111] and are required under the new federal planning law, PL 93–641. Cooperative ventures and multi-hospital affiliations are in their infancy but seem to be spreading.[112])

Weak third party payers, rather than cost reimbursement appears responsible for the cost pass-through to third parties. Incentive reimbursement of fee-for-service hospitals is unlikely to change things unless all such hospitals and all third parties are required to participate. It makes little difference whether hospitals are reimbursed for costs or for charges if the third party is too weak (III.A.4) to control the rise in either. Voluntary incentive reimbursement and rate review schemes are likely to fail in the presence of competing hospitals, since no hospital will intentionally jeopardize its financial stability and ability to compete for physicians. If the reimbursement scheme is not mandatory, the hospitals will use their latitude to concentrate on elaborate service to fewer patients, to refuse subscribers of unfavorable third parties (including Medicare and Medicaid beneficiaries) or to pass costs to weaker third parties.

Any public utility regulation of hospitals is unlikely to succeed unless it can overcome the powerful structure and incentive pressures above. The arguments advanced under Model 2 and Model 5 seem equally convincing here: successful direct regulation of the quantity and style of individual hospital services appears unfeasible, and regulation of inputs also seems unlikely to work in the absence of a fixed total budget. Thus a public authority or board with a fixed total budget for all hospital expenditures in its area will be assumed a minimum ingredient in any public utility hospital model.

Second, this District Board must have sufficient powers to assure that the hospitals in its district do not exceed this budget, taking into account that the medical staff are a principle determinant of what hospitals do. In particular, it must be able to severely dampen or redirect the competition of hospitals for physician staff, and the demands of the physician staff for more elaborately equipped institutions. Thus it is highly probable that any effective public utility hospital model must give the Board at least some regulatory power over hospital medical staffs as well.

For discussion, one potentially effective model will be suggested here. There may be other effective models less stringent, but present evidence leaves doubt that controls a great deal less powerful will be effective. Thus this model may indicate the nature of what is involved to make the public utility hospital concept work.

1. The nation would be divided into hospital districts. In each district a Board would be established with control of all hospital payment dollars in its district, including both hospital services and inpatient physician services. If private insurers are retained, they will pay a stipulated capitation for each subscriber to the District Board (insurers thus function as intermediaries and bear no risk for hospital care). If private insurers are eliminated, the District Board would receive the capitation from whatever federal, state or local tax mechanism was established. All hospitals in the district would be paid directly by the Board.

(In this way the third party effect is reduced to a single Board which, because it has only a fixed sum of capitation money, has an imperative incentive to control cost. From experience, this would appear to be the only incentive powerful enough to make the Board not yield to the intense pressures of its hospitals for more money. Clearly there must be checks on the Board arbitrarily raising the capitation amount; for example, the capitation could be stipulated by the federal government, the state or local government.

2. The Board would have power to fix the budget, the size, the type of services offered, and the number of medical staff positions in each specialty in all hospitals in the district. The Board would annually negotiate each of these items with each hospital, subject of course to the Board not exceeding its own budget. Each hospital would have to cover its service costs and pay its medical staff for inpatient services from its annual budget, but could do so in any manner it desired. If a hospital is unable to stay within its budget or maintain acceptable quality, the Board shall have the power to reorganize that hospital's management. (These controls set severe limits on the hospitals' ability to compete for doctors, services and beds, and give hospital management a powerful incentive (threat of reorganization) to stay within its budget. In turn, the hospital is given much greater control over its medical staff, since it now decides how they shall be paid for inpatient services, and medical staff positions are limited. The medical staff will know that requests for elaborate equipment, convenient operating room hours, etc., will come out of the same budget from which they are paid, and can be expected to moderate their demands. The Board has general control over the amount and distribution of services performed in any hospital by virtue of controlling the number of specialty positions, service mix and size of the hospital. The Board can thus distribute hospital services and medical staffing throughout the community as it deems best. It can reward efficient hospitals by granting them additional resources, and penalize inefficient hospitals by taking them away. The Board may also choose to buy tertiary care from other districts rather than maintain its own; some federal or state control may be necessary to prevent districts in professionally attractive areas from augmenting their budget from such sales to the point where they monopolize specialty care. Physicians could be expected to hospitalize less since their fees for non-inpatient care would not be controlled in this model; presumably ambulatory care would be subject to stiff consumer cost-sharing for all but low income consumers, exerting a market control on ambulatory care fees.)

In the absence of experience, it is of course conjecture that controls this powerful will be necessary before cost escalation and maldistribution are held to acceptable amounts. It may be possible and more desirable, for example, to use an incentive reimbursement scheme rather than negotiation to allocate the fixed budget. But even with such variations, given the strong incentive on hospitals and the failure of existing regulation to work well, good arguments can be made that without a fixed budget and at least some regulatory power over hospital budget, size, service mix, and medical staff, it will be possible for physicians and hospitals to get around the Board, causing costs to rise excessively. With these controls, it seems quite possible that the Public Utility Hospital Model could be successful. It may succumb to the usual problems of public utility regulation—protection of existing firms, administrative rigidity and inhibitions toward innovation—but cost should be contained and distribution should be equitable. Thus should the nation elect this path, this analysis suggests one down-the-road look at where we may end up.

Prospects for Implementation: Although less sweeping than the previous model, the controls necessary for this model to work effectively are sufficiently strong that they face formidable political obstacles. On the other hand, this model appears to have the best eventual political chances of any of the four models above because it can be staged incrementally. The question is one of time, how long it will take before the necessary controls can be enacted and given sufficient clout to be effective.

Before the District Boards can be given a fixed budget, there will have to be an NHI plan giving universal hospital benefits to all persons in the district. Thus the control most indispensable to the model must await the enactment of NHI. The remaining controls can be started on now. The first step would be to divide the country into districts and begin building an administrative structure in each that would eventually become the District Boards. The next steps would be to successfully give these agencies more control over hospital size, reimbursement, service mix, quality, and eventually (and most politically difficult) hospital medical staffing. While it may be necessary that the controls are initially very weak in order to get enactment, the strategy would be to set precedents and then tighten them with subsequent legislation. Hopefully this strategy could proceed swiftly enough that by the time NHI was enacted, the structure and necessary precedents would be sufficiently in place for NHI to simply supply the capstone. If it proceeds too slowly for this, NHI could prove very inflationary, but this very pressure might speed implementation of the model under NHI.

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*This should spur a new interest in shared services . . . by government hoping to encourage efficiency, and by hospitals hoping to initiate alliances.

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The nation appears well along the road on this agenda. At least some supporters of the new HSAs apparently envision them as the eventual District Boards.[113] Precedents for control of hospital size and service mix already exist in the federal planning law creating the HSAs. Precedent to shift PSRO regulation from the local medical societies to other organizations (the HSAs?) exists in the PSRO law should the medical societies falter. (Conflict of interest difficulties make it not improbable that many of them will falter.) Regulation of specialty positions has only been raised so far in medical education bills, and has so far been defeated; the issue seems unlikely to die, and will be back again. Certainly any precedent in this area will be over the solid opposition of organized medicine, but cost pressures are eroding their strength.

The ease of implementation of this model thus rests on incrementally building on previous regulation. At each point the regulation is minimally disruptive; the government, bearing uncontrollable Medicare and Medicaid costs, has a powerful incentive to act; and the people, paying ever higher prices and premiums, will support the action. As in the previous model, perhaps the greatest danger to this strategy would be the too rapid elimination of private insurance and consumer cost-sharing. Once people were not faced with the high cost of care, they might be less likely to support firm government action.

V. WHERE ARE WE HEADED: SOME CONCLUSIONS

Perhaps the general conclusion to be drawn from the above analysis is that the structure and incentives producing the problems in our present medical care system are very strong and deep-rooted, and that adequate strategies to alter or counteract these incentives require substantial change that will be politically difficult to achieve. Of the four models examined that might work, our analysis suggests:

The Major Risk Insurance Model would make the least overt change in the medical care system, requiring stringent controls only in specialized secondary and tertiary care. However, benefits must be legislated away to implement the model. But the political tendency in this and other countries is to erode cost-sharing. Thus it seems politically insuperable to obtain the kind of cost-sharing MRI requires, and equally difficult to sustain it if we ever did.

The Alternative Delivery Systems Model preserves a pluralistic private medical care system, but involves substantial restructuring from the present system. The restructuring could occur in an evolutionary, incremental way, but there are presently few signs of the necessary private initiative or understanding to bring it about on the scale needed to make it effective generally.

The Public Utility Models involve the greatest public intervention into the medical care system, most likely requiring fixed total budgets and public control over at least medical staffing and reimbursement in hospitals, and hospital size, service mix and reimbursement, before they would work well. Although such controls can be approached incrementally, and government is strongly motivated to contain cost, it seems improbable that this magnitude of public intervention can be politically countenanced in the next few years.

A second conclusion is that the models politically most easy to fall into—generous financing with few or inadequate controls on the existing medical care system (Models 1 and 2)—are the most likely to aggravate and even rigidify all our present health care difficulties. While cost and equity pressures will eventually force us to more successful models, it will simply be longer, harder and more expensive to work our way out, and we may not come out as well.

A third conclusion is that there seems no technical reason not to incrementally proceed on all the potentially successful fronts at once—cost sharing, alternative delivery systems and other provider incentive mechanisms, and public utility regulation aiming toward an allocated budget approach—before we attempt NHI. An eventual model marrying both consumer market and public utility cost containment methods may be more effective and even more politically acceptable in the long run than the more single-minded approaches advanced in the models above. It would appear from the analysis that the health care dollar spectrum can be divided into regimes where each method might work most optimally: Cost sharing would seem to work best on "first" dollars (e.g., ambulatory physician visits) where health care is very elective and the consumer's decisions less difficult. Provider incentives might work best on first dollars and "middle" dollars (e.g., common hospital episodes) where consumer knowledge is inadequate and the volume of services makes regulation difficult. Public utility regulation might work best on middle and "last" dollars (e.g., specialized secondary and tertiary care) where financial protection precludes cost sharing and heavy but equitable constraints on very expensive technology are needed.

On cost-sharing, at a minimum the Congress could use its insurance regulatory powers to make cost-sharing simple and understandable to the consumer, so that when he purchased health care he would know exactly what his liability would be. For example, every insurance policy could be required to have only one deductible, one coinsurance rate, one maximum limit, and no inside limits, which apply to all benefits covered in the policy and are clearly stated on the cover. This might be one part of a larger "Truth in Health Insurance" act. (More ambitiously, the Congress might additionally consider mandating that every insurer offer a federally specified non-income related Major Risk Insurance policy (say, threshold $2000, coinsurance 50%) as a dual choice to all group policies currently sold. No insurer would be permitted legally to sell a supplemental policy to a holder of MRI. Any employee electing MRI would receive the dollar difference between the MRI premium and his present group benefits as tax free income; since it is now tax free,[114] this would cost the country nothing, the individual would not be coerced, and bargained benefits would not be disturbed. It could then be determined whether consumers would choose MRI voluntarily). While cost sharing might never be prevalent enough to contain costs by itself, it will help. And if there is no cost-sharing, government will find poor public support in its efforts to contain costs.

With respect to alternative delivery systems, Congress could make the HMO Act more flexible to encourage a greater variety of prepaid medical care organizations, improve the reimbursement formula for qualified alternative systems under Medicare and Medicaid, and remove inconsistent regulation, such as Certificate of Need, from qualified alternative systems. Even if such alternative systems never become prevalent enough to contain all medical care costs by themselves, they will help.

With respect to public utility regulation, the Congress through its legislative authority over insurance could give the HSAs power to set fee-for-service hospital reimbursement rates uniformly for all insurers in its area. This would convert the country into a massive set of non-voluntary incentive reimbursement* experiments. Reimbursement authority is an appropriate precedent, should HSAs eventually control total district health care budgets. In the absence of fixed budgets, the Congress will have to devise an effective carrot or stick to motivate the HSAs to effectively exercise their authority—not an easy task. Even if the HSAs do not succeed in containing hospital costs without a fixed budget, reimbursement controls will at least set a precedent for the day when fixed area-wide budgets are possible.

In practice such a multi-model approach may be difficult to keep consistent. The greatest administrative effort will necessarily be devoted to public utility regulation of the fee-for-service system, which may tend to build a large constituency in the bureaucracy sympathetic to this approach, so that the other approaches are neglected.

A final consideration in where we may be headed is the political line-up itself. The Administration and three of the four Congressional committees which handle health legislation are normally characterized as moderate to conservative. The recent passage of strong regulatory health legislation (PSRO, HSAs), in the public utility vein—especially at a time when conservatives are considering deregulation in other industries—may therefore come as a surprise, and requires some explanation.

One explanation may lie in the perceptions of the various contending forces. One group, primarily liberals, have long been convinced that change is necessary. They see health care as a merit good in which price and market competition have little place; government must step in strongly and guarantee equitable access. A second group are practical, action-minded non-idealogues who see problems in the programs for which they are responsible. They are looking for the fastest way to get on top of their problems, and regulation appears the most immediate way to move. The last group, the conservatives are still fighting the battle between change and no change.** Consequently, the conservatives are not writing much legislation for the health care system, whereas the other two groups, although not always in step with each other, are constantly coming forward with regulation-oriented bills. But even the conservatives must face the problems, which do not go away, especially the cost escalation problem. Having no strategy of their own for the medical care system, they must use whatever legislation is on the table, which is regulation-oriented. Thus the regulation-oriented bills may pass or fail depending on the pressures of the moment, but they keep coming back. They are the only credible ideas on the table.

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*The stringency of incentive reimbursement should not be tied to superficial efficiency criteria such as occupancy; clearly, if the HSAs are successful at reducing hospital days per capita, existing hospitals will be running at lower occupancy unless we close beds. Reimbursement formulae might better become more stringent based on keeping average hospital days per capita in the area, and average hospital days per staff physician in each hospital, within desired tolerances.

**The AMA for example, spent great effort fighting the HMO Act which is an effort to reform and maintain a pluralistic, private system of medicine, whereas they gave rather token opposition to PSRO (perhaps because they believe doctors will run it), which creates an administrative structure with powerful regulatory potential where nothing existed before.

Considering the time and difficulty consumer market-oriented approaches will have in mustering sufficient private initiative to actually begin bringing the problems under control, and that conservatives are still hung up on whether change is necessary, the public utility-oriented approaches seem more likely to prevail, that is, unless the conservatives have a rather quick change of heart and convince the non-idealogues that a reformed consumer market does have a place in the future medical care system. Perhaps the major question now is whether the regulation will be coherent and unified, or fragmented and inconsistent. This depends on whether all the proponents of regulation understand how powerful the regulation will likely have to be before it becomes effective, and whether they agree on where the system is headed down the road. Even so, acquiring the necessary control will take much time and difficulty despite the fact that it can be approached incrementally.

A second question is whether the American public understands and accepts the change that will be required in their medical care system. The difficulty of implementing any workable approach is likely to require reasonable public consensus. If the public is divided on what should be done and what the future medical care system should be, this may frustrate a rational public utility approach.

Thus it is hoped that public understanding and consensus might be built by having public figures hold up the different alternatives for the future medical care system to public scrutiny and debate. Should we enact a generous national health insurance plan with only inadequate, inconsistent controls instead of a rational strategy for the medical care system—be it market-oriented, utility-oriented, or both—the nation could take a fairly expensive bath.

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THE MIGRANTS TO THE WEST

Mr. MONDALE. Mr. President, October 9, 1975, is a special day for Americans of Norwegian descent. It is the 150th anniversary of the arrival in New York Harbor of a tiny ship that brought the first organized company of Norwegian immigrants to the United States. In tribute to many lasting contributions of Norwegian-Americans to our way of life, the Senate last June unanimously approved my Norwegian-American Day resolution and the President responded by proclaiming this day a day of national celebration. In Minneapolis and many other cities throughout the country ceremonies are being held in honor of the sesquicentennial.

One especially fitting tribute to moral courage displayed by the early immigrants appeared in this morning's New York Times. It is an excerpt from a speech by the distinguished Norwegian-American Eric Sevareid.

Mr. President, that my colleagues in the Senate might share this thoughtful article, I ask unnaimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MIGRANTS TO THE WEST

(By Eric Sevareid)

(Following are excerpts from an address delivered in Carnegie Hall on Tuesday at an observance of the 150th anniversary of organized Norwegian immigration to this country, at which King Olav V of Norway was guest of honor. The writer who is a CBS News commenator, titled his speech "Letter to a Grandfather I Never Knew.")

I cannot say just why you did it, you and all the others. The hunger for soil, yes, but there must have been deeper hungers—the eternal craving of man for rebirth, for the second chance.

It may be you thought you were bringing Europe with you, but it did not turn out that way. You did not bring, you built, and what you built was the only new thing in all time in the relationship of man to man. Europe became only your history and for your 14 children and 42 grandchildren only their pre-history.

At some point a cog was slipped in the mechanism of your spirit, and the imperatives of the future commanded you.

America commanded you as you watched your children grow—and three of them die. They were the change, the second chance. They were Erik Erikson Sevareid reborn. All of you, pilgrims and seekers and sufferers, were caught by what has been called the "terrible faith," the secret of the westering movement, the inner knowledge that it was for the children.

There are now those who say you were wrong, that the new reality became a mockery of the old dream.

Let me speak across this span of a hundred years and more and say: Rest easily in your grave beneath the Minnesota prairie. You were not wrong.

You believed that hard work was what a man and woman did, in order to matter. Some speak of this now as the "work ethic," as if it were some curious, irrelevant quirk or cult.

You were at ease with the word "duty." You knew there could be no rights and privileges without responsibility. You found it natural to teach probity to your children, and self-denial, so that others, too, could have elbow room in which to live. You blamed yourself for misfortune, not others, not the Government, not society itself.

You knew what was known by ancient philosophers you never read—that civilized life cannot hold together without these values. Now, some speak of them as the "Puritan ethic," as a curious outmoded illusion. But you were not wrong.

I do not imagine that you and those like you saw yourselves as personae in a saga. But you came to be so regarded. As helpless victims of fate, to some; as heroes, giants, larger than life to others.

From the story of that migration Norwegians have fashioned great books, and Swedes have fashioned great motion pictures.

But now there are some who believe these dramas are telling us that it was in vain. That you and the others came seeking freedom and equality and found neither.

You knew such things are not found but created. This grandson believes that is what you did. I have seen much of the world. Were I now asked to name some region on earth where men and women live in a surer climate of freedom and equality than that northwest region where you settled—were I so asked I could not answer. I know of none. What you built still stands upon that prairie.

We have, somehow, to find simplicities again. There is a yearning to find our way back to something of what you were and did and left. We ask the third chance.

And so you live on. You who were the first ones—the Pedersons and Olsons and Jensons and Eriksons and Hougens and Olafsons, and the hundred other ancient family names, born out of the high rock and the waters, the wood, the drifting fog and the bright, brief flowers of the summer sun.

You were among those who made a vast, new thing upon the earth.

SOLAR ENERGY DEVELOPMENT BY SMALL BUSINESS

Mr. PACKWOOD. Mr. President, I rise today to ask unanimous consent that a copy of my testimony submitted to the Senate Select Committee on Small Business concerning solar energy be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PACKWOOD. The Nation's true future in energy is often clouded by differing views on the contribution from each of our energy resources: Petroleum, fossil, geothermal, hydroelectric, wind, wave and tidal, and solar. Let me say that of these energy resources that are available for us to tap, the most enduring, clean and widespread one is solar energy. At the current time this Nation is only using a fraction of the available sunlight which shines upon the Earth. I have and will continue to support increased funding for the Energy Research and Development Administration to be devoted to solar energy.

Most recently I have written to ERDA in support of a research proposal submitted by the University of Oregon Solar Center to study the various energy collecting abilities of certain solar collectors and reflectors.

Mr. President, I hope the Senate will favorably consider the $169,318,000 we recently authorized to be spent for solar energy research and development during the 1976 fiscal year and 3-month transition quarter next fall.

There is hardly a better investment we can make for the long-run energy supplies of this Nation if we act affirmatively on this specific budget item. As the Energy Research and Development Administration has recently estimated, the country's total energy demands could be met by 7 percent if we properly develop solar technologies now. Together with my support for small business emphasis in this area and adequate appropriations during the formative years in solar energy cultivation, I am hopeful we can move ahead to a more stable, clean, environmental balance in supplying energy to this country and the world.

EXHIBIT 1

OPENING STATEMENT BY SENATOR BOB PACKWOOD

Mr. Chairman, without a doubt, solar energy is our cleanest, most constant energy source for the future. Whether we are speaking of solar heating and cooling in the Pacific Northwest or the southern latitudes of the country, we have a tremendous energy resource to tap if we take the correct approach now.

The recommendations from this Committee's hearings in May on the problems of small business in developing solar energy have my full endorsement, and I have every intention of seeing that they are carried out.

The history of solar technology's beginning in the last twenty years is replete with innovations by the small businessman and the individual inventors who saw the future for solar energy. It is a sad chapter in this story to find bigger and more concentrated business interests taking the lead away from the smaller interests in the Country.

It is this very type of individual initiative and discovery which is leading the Pacific Northwest's efforts to establish a sound baseline of information on the potential for solar energy use in the Northwest.

Although most people would discount the potential for solar energy in the Pacific Northwest, I believe this is quite inaccurate. On the weatherbeaten Oregon coast, an enterprising home owner, Henry Mathew, has constructed, at relatively little expense, a solar collection surface using hardware store materials, and a large sub-surface holding water tank, which has reduced his electrical energy use by over 25 percent annually. Presently, a $189,000 two-year grant proposal is awaiting acceptance by the Energy Research and Development Administration for continued monitoring and testing of solar collectors and reflectors in the Northwest by the University of Oregon Solar Center. This proposal is a fine example of a small group of scientists that are willing to take on the bulk of researching solar energy. This Committee's responsibility is to see that the funds and incentive remain for them and others.

This year the State of Oregon created the Oregon Department of Energy to manage the State's energy development and use. I have written this Department today to advise them of our Committee's efforts for solar energy development and the importance of emphasizing the continuing work of the innovator and small businessman.

Mr. Chairman, thank you.

THE AMERICAN INTELLIGENCE COMMUNITY AND THE FUTURE OF U.S. FOREIGN POLICY

Mr. CLARK. Mr. President, the issues being examined by the Select Committee on Intelligence are vital ones for the future of American democracy. The debate on these issues has just begun, and only tentative conclusions can be reached at this time.

Last week, the distinguished Senator from Minnesota (Mr. MONDALE), who serves on the Select Committee, offered what I believe to be a most interesting beginning to this vital dialog. His speech, delivered at Denison University in Granville, Ohio, outlined what he believes to be many of the past problems in our intelligence activities, and suggested a variety of possible reforms. I believe this speech deserves careful attention.

Each of us must arrive at our own decision on the extent of past abuses in the intelligence community and the need for future reform. Senator MONDALE's speech should aid in this process through its thoughtful examination of many of the pressing issues surrounding our intelligence activities.

I also commend to my colleagues an editorial which appeared in today's Minneapolis Tribune, commenting on the Senator's speech and on the need for responsible discussion of future policy alternatives in the area of American intelligence operations.

Mr. President, I ask unanimous consent that the speech of the Senator from Minnesota (Mr. MONDALE), and the Minneapolis Tribune editorial be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE AMERICAN INTELLIGENCE COMMUNITY AND THE FUTURE OF U.S. FOREIGN POLICY

(By Senator Walter F. Mondale)

I would like to discuss with you this afternoon a crucial aspect of foreign policy which for too long has been sealed-off from the normal give-and-take of a democratic society—the overseas foreign intelligence operations and activities of the United States.

I want to say at the outset that I am a firm believer in the need for a Central Intelligence Agency. In today's world it clearly is necessary for us to collect intelligence abroad, to analyze it carefully, and to make it available to our senior policy makers. I am prepared to concede also that there may be a role for covert action from time to time—when our most vital interests are jeopardized and no other means will do.

However, having said this, it is clear that some very serious problems have arisen in the functioning of the United States intelligence community. The Senate Select Committee on Intelligence, of which I am a member, has been examining both the strengths and weaknesses of America's intelligence apparatus. If I dwell today on the problems, I do so to provide a basis for discussing some of the reforms that I believe are needed. It is not simply to suggest that enormously valuable work has not been done by our intelligence agencies through the selfless dedication of thousands of Americans.

First the problems. Over the last thirty years, American clandestine intelligence activities have often amounted to a secret foreign policy—usually supporting our public policy, but sometimes running contrary to what the American people were told its government was trying to do in the world. The CIA was the basic instrument of this secret foreign policy, and in many places in the world its operatives became a secret American diplomatic service. Its operatives had intimate and independent contact with important foreign leaders and a stature often rivaling, and sometimes exceeding, that of our Ambassadors.

Periodically our foreign intelligence operations went beyond covert diplomacy. They became an instrument of secret warfare—in Guatemala, Indonesia, Indochina, Cuba, the Congo and Laos. Straying from its intended purpose of supplying our leaders with the best possible intelligence on which to make foreign policy decisions, the CIA became an instrument and an actor in that process.

Your previous speaker, Secretary Rusk, has been quoted as saying that "the process of government is a struggle for power among those holding public office." The CIA, through its operational activities became a participant in that struggle, occasionally to the detriment of its essential function of supplying sound intelligence.

For example, intelligence on the prospects for such operations as the Bay of Pigs and so-called "pacification" in Vietnam was tragically wrong—in part because of CIA deep involvement in these operations.

The resort to clandestine instruments of manipulation, coercion, and interference in the affairs of other countries may have been essential to our security at one time. But over the years, it became increasingly marginal. Today we find it has damaged our credibility, tarnished our prestige and undermined our power in the world.

The United States is now blamed for nearly everything—from the murder of King Faisal to supposedly bankrolling rich European Socialist parties in their efforts to help the Portuguese. We bear a serious burden for the past activities of the CIA. Democratic and progressive leaders in the world often shy away from supporting the United States for fear of being smeared with charges of association with the CIA.

Equally important, CIA support for the most odious dictatorships and "destabilizing" efforts aimed at democratic governments have undermined popular American support for our involvement in foreign affairs. If that is what is meant by shouldering world responsibilities, many Americans would rather not.

There have also been problems in effectively managing our multi-billion-dollar intelligence bureaucracy so as to avoid waste and ensure objective intelligence. Decisions on what information to collect are often the result of the bureaucratic priorities of the many collecting agencies—and often not made on the basis of national requirements. The great bulk of our intelligence budget is spent on collection, a much smaller amount is spent on information processing, and a relatively infinitesimal, and inadequate, amount is spent on the crucial task of analyzing the information so we know what it means. Finally, there are serious problems in ensuring that the intelligence agencies have sufficient independence and integrity to tell the whole truth no matter how unpleasant this may be for our political leaders.

But the most important problem is that the concept and the techniques of our intelligence activities abroad have been turned against the American people at home. As the late Stewart Alsop observed in connection with Watergate: "to transfer such secret service techniques on an obviously planned and organized basis to the internal American political process is a genuinely terrifying innovation."

Yet we now know that there was even more than Watergate—there was also Operation Chaos, COINTELPRO, mail openings, illegal break ins, wiretaps, buggings, anonymous slander, phoney front organizations, agent provocateurs, strong-arm stuff and maybe worse.

The use of these covert actions and counterintelligence techniques on American citizens had their roots in the real concerns felt by the American people in the Second World War and in the depths of the ensuing Cold War. But it was in the late 1960's when this activity really blossomed.

Two President, one a Democrat and one a Republican, treated as disloyal those Americans who protested the foreign policy and the war the government was then pursuing. The apparatus of government intelligence was focused inward in an effort to shift blame away from the failures of our foreign policy and onto some of its citizens.

And the practice spread. Black activists and civil rights groups came under surveillance; labor leaders and Congressmen were monitored and files were kept on them. Even Richard Nixon had his mail opened. In fact nobody was safe.

Repeatedly, the White House badgered the intelligence agencies of the government to find connections between foreign agents and war protesters and other political activists. Repeatedly, they failed to find significant evidence that opposition to the war, the drive for civil rights or that unrest in the cities was due to foreign manipulation. Nonetheless, the White House continued to press for intelligence to fit its fantasies.

The result, however, was an attempt to chill political dissent in this country and to stifle the constitutional right to the free expression of views essential for our democracy to survive.

This use of intelligence techniques to thwart the democratic process has profound implications for our future foreign policy. First, it affects the realism and wisdom of our foreign policy. If we permit by resort to the tools of counterintelligence—to treat American citizens exercising their rights as though they were foreign agents—then we can tragically delay the process of facing up to world realities.

Second, the degree of public support for foreign policy is seriously affected. The American people cannot be expected to show much enthusiasm for full participation in world affairs if those who differ over policy are to be treated as traitors. It gives foreign policy a bad name. Americans are going to be reluctant to support an activist foreign policy unless they have confidence that some of the secret instruments of foreign policy are under effective control and will not be turned against them.

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In dealing with these problems, the basic task of the Select Committee is to restore the confidence of the American people in the United States intelligence community. The intelligence community cannot do this for itself.

No amount of internal reform and Executive orders can substitute for a new Congressional charter for these agencies, backed up by vigorous Congressional oversight. We must ensure that our intelligence agencies are under certain control, accountable, and acting within the law. They must not be allowed, in the name of foreign policy or national security, to abridge the Constitution and the Bill of Rights.

To this end, the Select Committee on Intelligence Activities has undertaken the first in-depth examination of the CIA since its founding almost thirty years ago. We have been meeting for almost nine months. Five months remain before our mandate expires on the first of March next year. Already the files and records of the Committee are larger than any single investigation previously conducted by the Senate. The number of pages of testimony on the subject of assassination alone is approaching that of the Watergate proceedings. We have a Committee staff of over one hundred.

The main issue that is emerging is that of accountability.

There is a disturbing pattern of secret agencies unaccountable to the President. There is an even more frightening pattern of Presidents using these agencies to evade accountability to the law, to the Congress, to the Constitution and the American people.

This lack of accountability threatens the very basis of our democratic system. During the House Judiciary Committee proceedings considering the possible impeachment of President Nixon, Representative James Mann put the problem starkly. "Americans revere their President, and rightly they should. We would strive to strengthen and protect the Presidency. But if there be no accountability, another President will feel free to do as he chooses. The next time there may be no watchman in the night."

Reestablishing this bond of Presidential accountability to the people must be the Select Committee's ultimate task.

And if we can achieve this, I believe we will also be making major progress involving more technical questions such as whether our intelligence effort has the right priorities and whether the intelligence produced is objective, effective, and worth the money spent on it.

The question of accountability is central. We make an enormous concession in our democratic society to let government agencies operate in secret. Now, I accept that secrecy is sometimes necessary, particularly in the field of intelligence. But we cannot tolerate both secrecy and lack of accountability and expect to survive as a democratic nation.

Pinning down responsibility for many of the actions the Committee has uncovered has been like nailing jello to a wall. Subordinates say they were told to do it; higher officials can't remember it. Over and over we find that something happened but nobody did it.

Who is accountable in such cases? Who is out of control? The agency? The White House? The President?

We've been through all the available records, and they are a mess. Of course, one wouldn't assume that normal business files would be kept on this sort of activity.

But more important, the record system is designed to leave a mess. The basic principle of intelligence operations is deniability—to insulate the President from responsibility—to make it appear that this government isn't doing what it is doing—to make sure the buck doesn't stop with the responsible officials in our government. Deniability is the enemy of accountability.

As a result, it is possible to conclude that the agencies are often off on their own like a "rogue elephant." But there is a suspicion possibly unjustified that the rope was slipped off the elephant by the Chief of the Park Service himself.

The truth is that the system is designed so that it is too often impossible to ascertain the truth. The truth is that the system is unacceptable.

We have found examples in which Presidents have used our intelligence agencies to secretly exceed their authority under the law and the Constitution.

We have found cases in which the agencies have, apparently on their own, exceeded or violated Presidential orders. The case of the CIA's failure to destroy its biological weapons—the shellfish toxin—is a small, but illustrative, example.

We have found that the agencies have sought Presidential authorization of illegal actions in which they were already engaged—the Huston Plan is a case in point.

It seems that the possibilities are endless. And as far as I can tell, they all happened.

What can be done about the problem of accountability? What can be done to meet the problems I have outlined? My answers are still tentative and are certainly subject to revision as we go further in our investigation. But I wanted to spell out some ideas in order to begin the dialogue on the kind of fundamental changes that I believe are required.

I would suggest consideration of the following steps:

1. First, I would suggest taking the clandestine services, the spys, the covert operators, the whole "dirty tricks" department—out of the CIA. This is the only way to get effective control over these activities.

There have been many suggestions to take such covert action—the overthrowing of foreign governments, all that sort of thing—out of the CIA, but to leave the covert collection, or espionage job, in the Agency. We have been taking a close look at that, and it's frankly impractical. You really can't draw a line between espionage and covert action.

People who will give you information and betray their country in that manner will also do odd jobs for you later on, if you want some covert activity. Moreover, the whole apparatus of secrecy—safe houses, secret writing, clandestine contacts—is the same in both cases.

We would be fooling ourselves if we tried to exert control over covert action and ignored the fact that the same kinds of things are done under different labels, such as intelligence, or even more, counterintelligence.

2. This whole covert side of our intelligence operations should be made accountable to a politically responsible official of the Executive branch, such as the Secretary of State. We should abolish these phantom groups—the most recent of which is the 40 Committee—that are supposed to exercise control but which, in reality, serve to insulate the most senior officials and the President from accountability. A new Cabinet-level body, chaired by the Secretary of State, should sign off on *all* our clandestine activities abroad, including intelligence and counterintelligence, which at present receive no systematic high-level review. Accountability would replace deniability—which was a naive and unworkable concept anyway—and seasoned and sober judgments would hopefully replace reckless and impractical ones.

3. In the field, we have to make the American Ambassador fully responsible for all the

intelligence operations that are going on in his country. Otherwise, we can exert all the control we like in Washington, but we will have no assurance that in fact control is being monitored in the field.

Some might argue that there are certain Ambassadors who can't be trusted with this kind of information. Well, my view is that maybe this will lead to a better class of Ambassadors and end the practice of using our overseas posts for political payoffs.

4. I believe we must make the budget for these clandestine activities come out of the State Department and the Defense Department budgets and be subject to strict impersonal authorization. That way, we can help assure that secret intelligence operations are truly essential to our defense or our diplomacy.

5. I believe we should consider reducing our overseas complement of the clandestine service substantially over the next several years. I believe these slots should be transferred to the Foreign Service so it can do a better job of political and economic reporting on an open basis. All agencies agree that the primary and most valuable source of intelligence, apart from our technical systems, comes from the Foreign Service. Yet they are badly hamstrung by lack of personnel training and operating funds. I believe a special account for these purposes must be added to the State Department budget.

6. This doesn't mean that we should abolish the Director of Central Intelligence. Quite the contrary. His role should be strengthened. He should continue his responsibilities as the central point of analysis for all intelligence information and have greater authority to manage the technical collection programs. In addition, he should be given basic managerial responsibilities over the budget of the intelligence community.

Only in that way can our requirements for intelligence really be linked-up with the way we spend our money. As it stands now, there is a tendency for each agency to get its share of the pie and go off on its own, doing what it knows how to do best, regardless of what the requirements are of the government as a whole. This, in fact, was the original role for establishing a Director of Central Intelligence to serve as a central point for analyzing information and for coordination and management.

7. I believe the Director of Central Intelligence also should be given an explicit charge to keep the Congress informed of intelligence developments as they unfold. For the Congress to play its rightful role in the shaping of national policy, it must have as good information as the Executive.

8. To reestablish the integrity of our national intelligence estimates, I believe we must restore some version of the Board of National Estimates. This board was abolished by Richard Nixon when he didn't like the news that he was getting from the intelligence community. It was a board of eminent and highly qualified intelligence analysts, diplomats and statesmen, who tried to come to some wise and sober judgments on the significance of our intelligence information.

Nothing is more important than having objective intelligence. But objective intelligence requires objective people, unfettered by fears for their careers and not susceptible to White House or parochial agency pressure. We need to reestablish a board that can perform that function.

9. The intelligence agencies should have their rules clearly spelled out in law. We need to pass stiff laws that will attach tough criminal penalties to violations of their charters or of other laws of the United States. We have to make it as clear as we possibly can what activities are permitted by these agencies. We must make it equally clear that all other activities are forbidden unless explicitly authorized by Congress. We can't put ourselves in the position of trying to imagine and rule out all possible activities that could conflict with our principles and our Constitution. If additional authority is needed, they can come to the Congress for it.

10. Finally, we must establish an effective Congressional oversight mechanism. I believe it is fair to say that if we had done a better job of oversight, we might have come to grips with these problems a great deal earlier. This oversight body, whether it be a joint Committee or separate Committees of the two Houses of Congress, should be composed of representatives from the other Committees responsible for these matters—Armed Services, Foreign Relations, Appropriations—as well as several members drawn at large from the two Houses. Membership of the Committee should rotate so that the Committee does not become captive to the intelligence community. A critical aspect of this oversight is that this Congressional Committee be allowed access to all relevant information. The unwillingness to trust a duly-constituted Congressional body with information relating to the intelligence of the United States betrays the same lack of trust of the democratic process that led to the abuse of the agencies by turning them against American citizens.

I believe there is no more fateful set of decisions to be made by the Congress in the field of foreign affairs than those that will be addressed by the Select Committee and ultimately by the Congress. No more important step towards reestablishing America's credibility and America's respect, and therefore America's power, can under effective control and accountability.

Moreover, it is essential for the continuation of democratic support for our involvement in foreign affairs. Only through the most careful safeguarding of our liberties will the American people again feel that their government deserves the trust so essential for the conduct of an effective foreign policy.

I am convinced that we can rebuild this trust only by ensuring that no one individual can abuse it. As James Reston has noted, "we have a system that we shrewdly designed to be strong enough for leadership, but in which power was diffuse enough to assure liberty." Through the reforms I have suggested, and others that may also be needed, I hope we could help assure both continued leadership and continued liberty.

But beyond these measures of institutional reform lie the ultimate questions of what kind of President, what kind of foreign policy we are to have. Regardless of institutional arrangements, it is very hard for the members of the intelligency community—or anyone else in the federal bureaucracy—to say "no" to the President. And it is almost impossible if the President invokes the imperatives of foreign policy and national security.

So it comes back to our basic approach to foreign policy. Will it be dominated by fear and suspicion? Will it be characterized by outsized ambition and an American solution to every problem? Will it be warped by the illusion that while we jealously control our own history the history of others can be manipulated by a few dollars, a few guns or a few lies?

Or will we approach the world with a more open mind and a more generous spirit? Will our leaders learn to live with democratic dissent at home and to acept diversity in our dealings abroad? Will we once again be the foremost example of liberty in the world?

I hope so. I believe it would restore a new measure of proportion and restraint to our future foreign policy.

Without this restraint, the entire structure and uniqueness of our democracy may be endangered.

With it, we will enter our third century of democracy better equipped to meet the challenges to domestic liberty that international tensions inevitably produce.

What is at stake is nothing less that our continued success of our democracy. As John Gardner has observed:

"When our nation was founded, there was a holy Roman Emperor. Venice was a Republic, France was ruled by a King, China and Japan by an Emperor, Russia by a Czar and Great Britain had only the barest beginnings of a democracy. All of these proud regimes and scores of others have long since passed into history, and among the world's powers, the only government that stands essentially unchanged is the Federal Union put together in the 1780's by 13 states on the east coast of North America."

Preserving and enhancing this Union must be the enduring goal of our Foreign Policy. We must be sure the instruments of foreign policy do not betray it. Re-establishing the accountability of our intelligence community and our President to the people is essential to the continued well-being of the American republic.

[From the Minneapolis Tribune, Oct. 9, 1975]

Commonsense Proposals on Intelligence

Although the report of the Senate Select Committee on Intelligence is several weeks from completion, the pattern of its critical conclusions is becoming clear. Together with a House committee's similar investigation—which has not progressed as far—and the Rockefeller Commission report earlier this year, the Senate committee's findings show a history of abuses that clearly need correcting. It is not enough to say that intelligence agencies are probably no longer negotiating with the Mafia for the execution of foreign leaders on an enemies list or opening congressmen's mail. That such actions could have been condoned at high levels without tripping a common-sense fail-safe mechanism in the government shows that fundamental changes are needed.

But what kind? As an introduction to what will surely be a sharp debate on the subject, Sen. Walter Mondale in a speech last week made a number of suggestions that point the way. Mondale, a member of the Senate committee, did not belittle the need for intelligence. He even conceded that "there may be a role for covert action" (the "dirty tricks" side of intelligence work) "when our most vital interests are jeopardized and no other means will do." Having established his credentials as one who recognizes intelligence to be a vital component of national security, Mondale went on to outline problems and his suggestions for dealing with them.

The problems are familiar: a record of intelligence agencies involved in such travesties of foreign policy as secret wars and in such domestic outrages as illegal break-ins. Mondale is on firm ground when he describes the central issue as accountability—". . . secret agencies unaccountable to the president . . . (and) presidents using these agencies to evade accountability to the law, to the Congress, to the Constitution and the American people."

Some of the Minnesota Senator's proposals for better accountability are familiar. For instance, he suggests that Congress should define the rules for the agencies more clearly in law and that more aggressive and diversified oversight committees assure compliance. He calls for centering responsibility for all clandestine activities abroad in a politically responsible official, perhaps the Secretary of State, outside the intelligence agencies themselves. At the same time, he says, the director of central intelligence should be given the greater authority intended, but now denied, over defense and other intelligence agencies besides the CIA.

Among less familiar proposals, one strikes us as especially noteworthy because it so well illustrates the need for common sense. Mondale suggests a substantial reduction in the number of U.S. intelligence agents overseas—not to reduce U.S. intelligence capabilities, but to transfer more to the State Department Foreign Service. Most intelligence work is the gathering, transmittal, analysis and collation of information by skilled observers. Most of the work of embassy staffs involves just that. Given increased training and operating funds, Mondale says, there's no reason why the foreign service can't perform more of the function that is already one of its chief responsibilities. That may not be a headline-catching reform, but it's an example of the kind that we think should be made.

CAPITAL FORMATION

Mr. McCLURE. Mr. President, it has come to the attention of the Budget Committee Task Force on Capital Formation, of which I am a member, that serious shortages of capital due to a lack of investment could result in the immediate future. Charles McQuillen, my staff economic analyst, has written an excellent article concerning a short run analysis of the Federal budget and its effects on capital formation. I commend this article to my distinguished colleagues herewith:

Capital Formation

Capital accumulation has been the keystone of American economic success. The flexible and productive investment of our national savings has permitted a people who inhabit only 7% of the world's land area and constitute but 6% of its population to produce 33% of the world's goods and services. Serious questions have developed in the last year or two concerning our ability to continue to marshall the large amounts of capital which must be invested between now and 1985 if we are to maintain and enhance our material level of well-being. Many forecasters agree that between now and 1985 we must invest some 4.7 trillion dollars. Many factors affect the availability of long term capital and this article will not attempt to deal with them. It is important, however, to recognize that the long run is but a series of short runs and that what we do during the next nine months will either set our feet firmly on a path consistent with such long term goals or cause us to deviate from them now and thereby prejudice their ultimate achievement.

Perhaps the greatest single deterrent to saving and investment is inflation. High and sustained levels of inflation lead to a reluctance on the part of lenders to supply capital at anything near "normal" interest rates. In the short run, interest rates will heavily reflect inflationary expectations. Currently we are faced with a situation in which both short and long term interest rates are high and rising—despite the fact that demands for investment funds are momentarily low. In such a situation the key variables which affect the decisions of lenders and borrowers are the size of the federal deficit and the manner in which that deficit will be financed. Let's turn our attention to the federal deficit for fiscal year 1976 and attempt to determine its size and its probable method of financing. In addition we can make some predictions about two possible economic outcomes of the projected deficit and its effects on the availability of capital through July of 1976.

In April of this year the House and Senate Budget Committees recommended to Congress the First Concurrent Resolution on the Budget. At that time the anticipated deficit for the 1976 fiscal year was set at 68.8 billion dollars. A deficit of this magnitude was designed to increase the level of demand but at the same time avoid any rekindling of the price inflation of 1974 and early 1975. The deficit is now assured and will probably exceed 73 billion dollars. The anticipated results of that deficit, however, remain unresolved. To accurately forecast the inflationary implications of the final deficit requires that a number of judgments be made relating to Federal Reserve policies, private credit demands, international dollar flows and the general character and speed of the ongoing economic recovery. Among these imponderables, however, the key variables relate to Federal Reserve policy and the financing activities of the Treasury.

Predictions of the policies of the Treasury and Federal Reserve are made at the forecaster's peril. However, the activities of these bodies are reasonably predictable within a range. At one end of this range we can forecase a slow, non-inflationary and sustainable recovery (Case I). At the other end of the range we can forecast a rapid, inflationary and non-sustainable recovery (Case II).

Case I—At this end of the range of possible options the Federal Reserve exerts its best efforts to hold in check the rate of money growth. Chairman Arthur Burns has insisted that the Fed will maintain a policy of money stock growth which will allow for a rate of increase in M_1 of 5–7.5% between now and the second quarter of 1976.[1] If we assume that the actual rate of growth of M_1 lies at the middle point of the range then the money stock will increase by 6.25% and reach 304.4 billion dollars by June of 1976. In this situation interest rates will rise slightly and the Fed would purchase some 6.4 billion dollars or 7.5% of the new debt issued by the Treasury.

Case II—At the other end of the range of alternatives we can project a Federal Reserve policy which attempts to hold down interest rates in the short term by expanding the money supply at a rate twice as fast as in Case I. In this situation M_1 would rise by 14% to a figure of 330 billion dollars by June of 1976. If this is to occur, the Fed must purchase 13 billion dollars or 15% of the new Treasury debt. The immediate effects of this policy look very good in the short run. We could expect real output to grow at 7–8% and unemployment to be reduced to 7–7.5% by June. Unfortunately the short run success has some long term consequences. Inflation rates would pick up dramatically by the summer of 1976 moving into the 10–11% range. In addition this rate of money growth and price increase would set the stage for a subsequent recession in 1977–78.

It is much more likely that actual developments will more closely parallel Case I assumptions rather than Case II. The Federal Reserve has made a strong commitment to controlling the growth in the money stock. If we can assume that the Fed does indeed pursue a non-inflationary policy, some conclusions relating to the short run availability of capital for business investment can be drawn.

CROWDING OUT 1976

The phenomenon of crowding out of private borrowers by the Treasury has many definitions—none of which are really adequate in the sense that they are truly descriptive. We could envision crowding out in terms of a credit crunch in which, as in 1969, funds were not available at any price. A repeat of this type of credit crisis is unlikely to occur in 1976. However, if we envision crowding out to be a situation in which small and medium-sized credit worthy firms are unable to finance normal money and capital market needs, then we may well see crowding out by June of 1976.

Given the set of assumptions consistent with the moderate rate of growth of money described in Case I the supply of available savings will approximate 250 billion dollars. Against that supply households, borrowing at their historic rates, would take down approximately 110 billion dollars. The Treasury will borrow an additional 85 billion dollars to finance its cash needs. The residual capital available for business investment will then be no more than 55 billion dollars.

In short the immediate needs of business firms for capital may well go unmet, especially in the homebuilding industry. It will be difficult to determine the actual amount of the shortfall in capital but a fair approximation would be in the area of 6-7 billion dollars. To the extent that business firms anticipate a shortage of capital they may adjust or postpone spending plans. It is this adjustment which is the invisible consequence of large federal deficits financed in private capital markets.

The first six months of 1976 should demonstrate the willingness of business firms to begin the capital formation efforts which are required over the next 10 years. Hopefully, this period will also demonstrate to policy makers at the federal level the fact that deficits, inflation and capital investment cannot proceed together for any length of time. The economic impact of capital investment is clear. It produces valid jobs, true incomes, and real prosperity. Investment which transforms tax consumers into tax producers is the key element which will reduce and finally eliminate deficits. Unfortunately, if we are to generate the levels of investment we require we must commit ourselves to a slow and steady recovery. We must avoid the so-called painless alternative of rapid monetary growth which brings in its wake inflation and recession. A sensible approach to short run problem solving will not, of course, guarantee that our long term economic difficulties can be solved. However, if we do demonstrate an ability to act responsibly today at the federal level we may well act successfully tomorrow at other levels.

THE "ONLY HOUSING GAME IN TOWN" IS ALREADY IN A SLUMP

Mr. PROXMIRE. Mr. President, as chairman of both the Senate Banking, Housing and Urban Affairs Committee and the Senate Appropriations Subcommittee on HUD, I have long been critical and skeptical of the new section 8 low- and moderate-income housing program at HUD.

The Housing Act of 1968 provided the legislative initiative for HUD to build 600,000 units of assisted housing per year in order to meet our housing goals at a time when the housing and construction industries were at an alltime low. At the same time, it is equally clear that the 1974 Housing and Community Development Act intended for the new section 8 program to work in tandem with the old, tried, and true traditional public housing programs—section 235 and 236.

Since that time, the traditional public housing programs have been virtually disbanded, leaving the fledgling, untested "rookie" section 8 program as the "only game in town." Even George Allen would never play a rookie without knowing that there were some veterans on the bench.

So far the results have been disheartening, to say the least. Former Under Secretary of HUD Mitchell testified to my Appropriations Subcommittee in the spring that only 27,000 units will be completed in 1976—or 523,000 short of the 600,000 housing assisted construction goal. Yesterday, the Washington Star reported that the only report of new construction under section 8 has come from my own State of Wisconsin where a 216-unit apartment complex for the elderly was begun in Shorewood, Wis., in August. At a time when the economy badly needs a shot in the arm from the housing and construction industry, this is a sad commentally, indeed, on the contribution of federally supported public housing construction to this sagging element of our economy.

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[1] M_1, or the money stock, is defined to be the sum of currency in circulation and demand deposits held by the public at commercial banks.

Fortunately, the Senate had the forsight to approve language in the HUD appropriation bill (H.R. 8070) that would have earmarked $75 million to assist in financing the development or acquisition of low-income housing projects to be owned by public housing agencies other than under the section 8 program. This figure was subsequently whittled down to $50 million, under severe pressure by the House, in the House-Senate conference, but if the bill becomes law, the $50 million will at least keep the traditional public housing program alive for the time being.

Mr. President, Mr. Lorenzo Middleton, a staff writer for the Washington Star, has written a very informative but distressing article on the progress—or lack of progress—of the Section 8 program to date. I ask unanimous consent that the article be printed in the RECORD so that my colleagues in the Senate will be able to read this report on what I often refer to as the "Department of No-Housing and Urban Development."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RENT SUBSIDY GAVE GREAT PROMISE, HASN'T DELIVERED

(By Lorenzo Middleton)

Back in January, when the federal government's awesome new rent subsidy program became law, it was to have brought new meaning to the concept of public housing assistance.

In theory, the program could reach more Americans than all the previous public housing programs combined—27 million households, or about a third of the country's population.

It was going to help people who would not have come close to qualifying for housing assistance in the past—either because their incomes were too low or to high. In the Washington area, for example, a family of four would be eligible to live in subsidized housing with an income as high as $14,500.

"Never before were so many to be served by so much," quipped an official at the Department of Housing and Urban Development. HUD developed the scheme under the Nixon administration to replace a myriad of old subsidy programs shelved two years ago.

But now, well into its first "action year," the new Section 8 Housing Assistance Payments Program has little more to show for itself than a massive accumulation of paper work, piled up in federal and local housing offices around the country.

Thus far, the program—which was included in the Housing and Community Development Act of 1974—has been bogged down in the same bureaucratic tangles that held up the unsuccessful low-income housing efforts of the past.

Its critics argue that the federal government should not invest so heavily in an unproven program, when some of the previous programs are just beginning to show results.

Some go so far as to predict that Section 8 will produce even fewer homes at a slower rate than the ill-fated programs of the past, pointing to continuing bureaucratic holdups, ongoing economic problems, and the age-old reluctance by most communities to accept low-income housing.

On the surface, the plan is deceptively simple. HUD encourages developers to build new apartments for low-income families by promising to pay a certain portion of the rent for the subsidized tenants. To fill the gap while new housing is being built, the government offers subsidies to low-income people who can find landlords of existing apartments to go along with the program.

If it works, some officials say, the new program could help millions of people who were ignored under the previous schemes, and provide a much needed boost for the nation's apartment industry, especially in the inner cities.

Until now, however, the results have been negligible. Little, if any rehabilitation of old apartments has commenced. Virtually no construction has started. And hardly anyone has been granted a subsidy under the "existing housing" apartments section of the plan.

"It's difficult to say how much has been done so far," a HUD spokesman in Washington said this week. He said information on the progress of Section 8 has been slow to come in from HUD area offices around the country.

He said the only report of new construction under Section 8 comes from Shorewood, Wis., where the state housing agency held a groundbreaking on Aug. 26 for a 216-unit apartment complex for the elderly.

Other HUD officials say that it takes time for such a massive program to start rolling, that it's much too early to start passing judgments. They also note that, while 27 million people might be eligible for the subsidy, the program will be limited by the funding that Congress appropriates for it each year. The first year's program is committed to housing for 300,000 families nationwide.

When HUD announced the Section 8 funds distribution last spring, local officials protested—to no avail—that the $10.8 million allotted to the Washington area, fell far short of their expectations and needs. That sum would only help about 3,000 families, they said, noting that there are 14,000 applicants on local public housing waiting lists, and an untold number not on the lists but living in substandard, overcrowded conditions.

Since allotments were distributed, however, the local jurisdictions have not yet been able to use up the little that they were granted. The biggest problem has been in trying to interest private developers in building new housing, especially new housing for low-income families.

One local HUD official maintained that the responses have been "good," noting that private and public developers have submitted more proposals than can be met with this year's allocation. The official admitted, however that in every jurisdiction but the District, the proposals are falling short of the desired number of family units. Most of the planning is for elderly housing, the official said.

The following reports from local housing authorities also paint a dismal picture of the prospects for family housing under Section 8 in the Washington area:

In Fairfax, the county housing authority had planned to build two projects, which would have housed 160 low-income families. But that proposal was turned down by the Virginia Housing Development Authority after suits were filed against the projects by citizens in Reston and Fairfax City, where they were to be constructed. Instead, the state agency approved two proposals from private developers for all-elderly projects.

In Montgomery County, private developers also are shying away from low-income family proposals. Seven proposals totaling 800 units—more than twice the amount for which Montgomery is eligible—were submitted to HUD for approval this month. But only two of the proposals, both offered by the county housing authority, included provisions for family units, and they propose only 27 units between them. The rest of the proposals were for elderly apartment projects.

"Around the county, there has been a lot of concern about the management aspect," said David Dantzler a county housing official, explaining the lack of interest in low-income family projects. "In effect, the private owner is asked to become a manager for public housing."

In Prince Georges County, only 8 out of 336 proposed units have been earmarked for families, the rest going to the elderly. Officials there argue that besides having a "critical" shortage of elderly housing, Prince Georges already has too much low-income rental housing.

In the District, the housing picture for poor families looks somewhat brighter than in the suburban jurisdictions.

When the deadline passed last week for submitting proposals in the District, HUD had received bids for 550 family units and 750 elderly units. Proposals for family units were submitted by private as well as public developers, including nonprofit and profit-making organizations.

However, one of the private developers, told The Washington Star that he does not intend to go through with his proposal unless he is granted major exceptions to the Section 8 guidelines.

Joe Horning, of Horning Brothers, a District firm that has developed prize-winning public housing projects in the city, submitted a $900,000 proposal for a 45-unit building in a low-income Southeast neighborhood, next to the 100-unit Stoneridge project, which the company built with funds from the now defunct Section 236 program.

The proposal calls for a Section 8 subsidy on each of the new units, despite a HUD "preference" (as it is stated in the regulations) for proposals in which only 20 percent of the tenants would be subsidized.

Horning said that because of the high rent limits—up to $437 a month for a four bedroom apartment—which HUD has agreed to subsidize, only people in high-income brackets could afford to live in the unsubsidized units. It would be "unrealistic" to expect well-to-do people to move into a subsidized building, Horning said, adding that his project would be "unfeasible unless we have 100 percent subsidy."

Another problem is finding money with which to build the project. "Financing is the big unknown" for all private developers interested in Section 8, Horning said. Citing high construction costs and interest rates, Horning said it also would be impossible for him to carry out his proposal unless the government offers some type of financing assistance.

HUD, while currently refusing to bend to the objections, admits that the impass is endangering a major objective of the program, to mix low and very low-income families in moderate-income apartments and neighborhoods.

Apparently section 8 is running into the same brick wall all over the country.

Local officials point out that HUD's lofty "economic integration" aims have met an even colder reception elsewhere in the country. They cite the recent decision of five suburban communities near Chicago to turn down $800,000 in Community Development funds rather than draw up plans for low-incoming housing. (Community Development money does not necessarily have to be spent for low-income housing projects, but it is not released by HUD unless the local jurisdiction adopts a Housing Assistance Plan for Section 8 funds.)

Doubts are also hovering around the "existing housing" section of the program, which offers subsidies to low-income families who can find landlords willing to rent to them under HUD's guidelines.

With public-housing waiting lists still growing, area residents probably will not see any benefits from this program until the first of the year, by HUD's estimates, because of the maze of red tape that each jurisdiction must go through before the funds are released.

In addition, several local officials have admitted they are hesitant to switch to this program from the old Section 23 rental assistance that it replaces. "There is a lot of feeling, naturally," said a planning specialist at the Council of Governments, "that you should not put all your eggs in one basket with a program that is untested."

More than 300,000 nonhomeowning families in the District and its nearby suburbs are eligible for Section 8 subsidies, according to estimates from the Metropolitan Council of Governments. That's about 40 percent of the area's total tenant population.

To qualify, a family need only have an income that is 80 percent or less than the median income in its locality ($14,500 for a family of four or less in the Washington area). The government sends the landlord a check for just the subsidized part of the rent, and the rest of the rent is paid directly by the tenant to the landlord.

However, some officials wonder whether landlords will respond to Section 8 as quickly as they did to the old program, under which the government leased the apartment from the owner, and then subleased it to the low-income tenant. Under Section 23 the landlord left the maintence and collection worries to the government.

This is good for the tenant, said Bob Miller, of the Montgomery County Opportunities Housing Commission. "It reduces the stigma of public housing because the family does not deal with us, but directly with the landlord."

Miller added however, that "the landlord has got a lot more work in Section 8, and that's definitely not a selling point."

Another drawback, Miller said, is that maximum rents that HUD has agreed to subsidize for existing apartments fall short of the average rents in the Washington area. In Montgomery County for example, the average, two-bedroom garden apartment rents for about $238 a month, while the HUD limits have been set at $210 for an apartment of that type in this area.

Miller's point was seconded by John T. O'Neill, executive director of the Apartment and Office Building Association and spokesman for most of the landlords in the Washington area. "The limits are woefully inadequate," O'Neill said. "It's not practical to try and operate a building on those kind of rates."

And despite provisions in the law for periodic and emergency adjustment of the rate limits, O'Neill predicts flatly that Section 8 will not work until there are changes in the economy and in laws—such as rent control—that he said are depressing the apartment industry.

"The problems of producing housing go far beyond the rent subsidies," O'Neill said.

THE COMMON SITUS PICKETING BILL IS A BAD BILL

Mr. CURTIS. Mr. President, I direct attention to the efforts being made by certain union bosses to stampede the Senate into passing the common situs picketing bill.

This bill, if enacted, would make the secondary boycott lawful. Boycotts and work stoppages can ruin a business and deprive many people of the right to do business and the right to make a living.

Mr. President, the American people will soon be rudely awakened by this overt attempt to legalize compulsory unionism. This legislation if enacted, will ultimately serve to drive nonunion workers off their jobs. No worker would dare cross a picket line under such coercive conditions.

Consequently, I request that a letter written to me by Mr. Alvin L. Hoffman be printed in the Record which will serve to emphasize some of the critical, negative effects which passage of the common situs picketing bill will impose.

Mr. Hoffman represents neither labor nor management. He is an independent, if you please, in evaluating what is good and what is bad for the construction industry. He is an expert whose objective views need to reach the American people so they can make a judgment based on the facts rather than the propaganda of the labor bosses as to the real effects of this proposed legislation.

I ask unanimous consent that the letter written to me by Mr. Hoffman be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Construction Inspection Services, Inc.,
Silver Spring, Md., September 19, 1975.
Re The Sweeping Impact of H.R. 5900.
Hon. Carl Curtis,
U.S. Senate,
Washington, D.C.

Dear Senator Curtis: The testimony to date, and the imminent Senate debate on the so-called "common situs" bill (HR 5900), prompt me to offer further information on this matter that might be of assistance to yourself and your colleagues.

It seems to me that one of the most important effects that will flow from legalization of "common situs" picketing has not been emphasized either to the public, Congress, or the business community.

That point can be stated succinctly: If a construction trades union has the right to throw a picket line around an entire job or an entire site, even though its immediate dispute may be only with one of a dozen or more building contractors working there, then the union can in fact close down an entire manufacturing operation which may have nothing at all to do with the dispute at hand.

For example: A grain milling operation, or an oil refinery, or a furniture factory, may have been in full operation for years on a given fairly large site. Its managers have decided that a new warehouse or some other facility is required, and awarded contracts for construction of that facility on some corner of the overall site occupied by the manufacturing operation.

But, if I understand the provisions of HR 5900 correctly, a construction union having a dispute with one of the contractors or subcontractors building the facility may throw picket lines around the "whole site," regardless of how many or how few of its own members are affected. This law would also apply to retail operators having an addition built to, or the renovation of, their existing building.

The result should be obvious: An entire milling operation, refinery, factory or a retail merchant could thus be shut down since most unionized and non-union workers would hesitate or refuse to cross a legal picket line.

I believe that if legislators, business men, union workers and the general public clearly understood the dangers involved, they would realize the threat that HR 5900 poses to the national economy, to their own jobs and businesses, and would oppose this legislation. It would place a weapon of enormous power in the hands of the building trades unions. No "companion" bill such as HR 9500, for example, would have much effect in diluting the power of such a weapon.

As you know, I am both published of the newsletter "Construction Economics" and the head of my own inspection firm, Construction Inspection Services, Inc. In these capacities, I am an informed and close observer of the construction industry, but I am neither an employer of labor nor an employee of contractors or engineers. Rather, my services are rendered to the financial interests on construction work, to see to it that payments are made promptly and properly, and oversee other matters of this kind. This demands, of course, an intimate knowledge of the industry and its workings.

Sincerely,
Alvin L. Hoffman,
President.

Mr. CURTIS. Mr. President, I also respectfully call attention to an article written by Mr. Hoffman and published recently in his newsletter, "Construction Economics." The article is entitled "Common Situs—Public Doesn't See Importance," and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Common Situs—Public Doesn't See Importance

Though industry management—and certainly top labor leadership—understand it very well, the implications of the two-part construction labor bills now up for Senate approval don't seem to have dawned on the general public at all.

That's surprising, in a way, since various organizations have even bought full-page ads in many publications decrying the "common situs" bill in particular (HR 5900), and major employer organizations (with one notable exception) and other business groups (like the Chamber of Commerce of the U.S.) have marshaled their forces in strength to fight the idea.

It isn't surprising in other ways.

In the first place, the argument that construction labor should be allowed to strike an entire "work place" sounds plausible enough to the general public, and to other union members.

In the second place, unions in general have always been recipients of special Congressional legislative favors. The fact is that the proposed common situs bill goes beyond even that as far as the *building trade unions* are concerned, namely, that it will grant these unions picketing rights that would be denied to labor organizations in other fields.

In the third place, the real significance—a double blow—hasn't been played up at all. Only vague references have been made to "labor goons" and violence, which have become somewhat old hat to many casual readers. The double significance is very clear on some thoughts:

1. Right to picket an entire work site would be a powerful weapon to force union membership on every workman—or force non-union contractors off the job by pressuring general contractors and owners.

2. "Common situs" picketing could shut down an entire industrial operation that has not direct concern with construction. Example: An oil refinery or textile mill, operating full blast, with a minor construction job

going on in some corner of the plant site. A strike by construction workers on even a very small job or over a minor matter could result in picket lines around the whole plant. Thus it could effectively shut down a whole industrial operation, whose workers have nothing to do with even what's going on on the construction area, don't even belong to anything close to a construction union.

That's a tremendous weapon in the hands of construction unions, who have long been rankled at the rapid growth of non-union operations in the U.S. The economic power it confers is almost unimaginable.

The palliative offered by the Administration, through Labor Secretary John T. Dunlop (HR 9500 and companion Senate bills) tries to dilute the effects. It does so by requiring that national union headquarters (and national contractor organizations) receive 60-day advance notice when a contract is up for renewal or reopening, get some chance to advise locals on their actions; and a 23-man committee be appointed at federal level to intervene, mediate, or take other actions on such disputes, if it chooses to do so. Union top offices are pleased with this idea—they have long decried their lack of control over actions of locals in such matters, actions that have been, on occasion, irresponsible enough to bring the whole union into disrepute.

But contractor-employer groups aren't pleased at all—at least under the circumstances. Normally, they would be expected to support legislation that would provide for national union intervention (thus, in their view, more responsible and better informed actions), and anything that would permit the employers to operate in a more clearly defined common front within an area or a region.

But they read an "either-or" implication in what's been offered: Either accept the "package," or get the "situs" bill alone. Though most contractor organization leaders appear to understand the Dunlop proposal for what it is, they don't like it, and are willing to fight. Dunlop—probably most knowledgeable person now in government on construction labor matters—apparently reads what most Congressional observers do: with the present liberal orientation of Congress in both Houses, chances for passage of the "common situs" bill are better this year than at any time in the more than 10 years that efforts have been made to get such legislation through (to nullify prohibitions imposed by a landmark National Labor Relations Board decision in a matter arising at Denver, Colorado).

Thus, the reasoning seems to run, if the "situs" bill is inevitable, better to get some modification than none at all. Contractor-employers seem to be opting to go down fighting, rather than accept any compromise thus far apparent.

As October begins, chances seem dim: Even a Presidential veto seems unlikely, in view of the fact that part of the "package" had been openly authored by a Cabinet-level member.

CONGRESS WILL HAVE TO SECURE CANAL

Mr. HARRY F. BYRD, JR. Mr. President, the Department of State is pressing ahead with negotiations aimed at surrendering the sovereignty of the United States over the Panama Canal.

I do not believe that this vital waterway can safely be turned over to the unstable government of a small country which has often shown hostility to the United States.

The September 15 edition of the San Diego Union included an excellent column analyzing the campaign being waged to promote the yielding of U.S. sovereignty over the Panama Canal. The writer, John J. O'Malley, correctly describes the effort being made on behalf of this unwise action as a "drumfire of propaganda."

Mr. O'Malley also stresses that any agreement negotiated by the State Department will be subject to ratification by the Senate.

I ask unanimous consent that Mr. O'Malley's column, "Congress Will Have to Secure the Canal," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS WILL HAVE TO SECURE CANAL

(By John J. O'Malley)

There is a massive campaign afoot to popularize a retreat from the Panama Canal by the United States. It is gaining momentum every day, and it is terrifying in its implications.

Basically, the drum-fire of propaganda in both the U.S. print and electronic media rests its case on three points.

First, that the Canal Zone is really Panamanian property and that Panama never relinquished its sovereign rights to the area.

Second, that we pressured the Panamanians into giving us a position on the Isthmus of Panama in 1903, using deception to accomplish something that contravened the desires of most Panamanians themselves.

And, finally, that we are even now exploiting the Panamanians, robbing them of canal operating profits that are rightfully theirs.

All three of these contentions are frivolous. None has any basis in truth.

As to the matter of sovereignty, there is no question whatever. The Canal Zone is not in any sense Panama territory. The 1903 Hay-Bunau Varilla treaty with Panama was unequivocal in this regard, granting the United States "perpetual sovereignty over the Canal Zone to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights." The plain fact is the Canal Zone is United States territory, something the United States Supreme Court has subsequently confirmed in a formal opinion.

Second, we did not pressure the Panamanians. It would be more accurate to say that they pressured us.

Following liberation from Spain at the beginning of the 19th Century, Panama joined Venezuela and Ecuador in uniting with Colombia. The union didn't work. Venezuela and Ecuador split off and Panama became disenchanted with the behavior of Colombia because of its exploitation of the people of the Panamanian region. Beyond this, the Panamanians were fearful, because of Colombian incompetence and lethargy, that a canal would be built across Nicaragua instead of Panama, so they were more than glad to negotiate a profitable agreement with the United States.

As a product of their agreement with the U.S., they were paid fairly for both the right to build the Canal ($35 million) and for clear title to the Canal Zone ($160 million). They have flourished in the ensuing 72 years and now, largely due to canal-related employment, the one and one-half million Panamanians have an annual per capita income of $1,000 and a living standard equalled by few other Latin American states.

Finally, the allegation that we are robbing Panama of Canal revenues is totally without foundation.

We give Panama a voluntary $2 million a year payment. And there are no profits. Although toll collections exceed $120,000 annually, the canal has been a losing venture for us during the last few years.

Quite apart from the sophistry that characterizes the campaign of those who want to see us out of Panama, Americans need to take a hard look at just what it would mean to us were the authority over this vital lifeline actually conveyed to the present government of Panama.

It is a Communist government. The Communist Party is the only party recognized in the country. Others are outlawed. The principal government officials are Marxists—every one—and that includes the chief of state, Omar Torrijos, who seized power by force from the elected president in 1968. Freedom of speech and of the press have been totally stifled; the national Congress has been closed. Hatred and defamation of the United States is as much a national policy as are close ties with the Communist world, most particularly the Soviet Union and Cuba.

The attitude of the military government is one of inflexible determination to achieve total authority over the canal, or to punish everyone involved if they are unsuccessful. Just a year ago the acting ambassador to the United States from Panama was unequivocal in a television interview. He said, if they are not successful in their treaty negotiations with us, that "there will be no canal for anybody, not for us, not for the United States, not for the world." This is a thinly disguised threat of violence that neither the United States nor the rest of the world can tolerate, for the 15,000 ships that transit the canal annually are an important element of the world's lifeline.

The fact is, Torrijos and his followers are irresponsible men, and if they were ever in a position to exercise authority over the operation of the canal, they could capriciously bring about major changes in both the economy and the security of our nation.

By jacking up the canal tolls to American shipping they could add substantially to transportation costs, and thus to the cost of end items in our market.

Alternatively, by closing down the canal at their own whim, they could double the cost of maritime fuel for a voyage from the west to the east coast of the United States, and more than double the average transit time from coast to coast.

The Panama Canal is an essential link between the naval forces of the United States deployed in the Atlantic and in the Pacific. It is only because of the waterway that we are able to risk having what amounts to a one-ocean navy.

However, without absolute control of the canal and the essential contiguous land, the United States could not dare to risk the hazard of a one ocean navy. It would be essential, at once to initiate construction of fleets independently able to meet a crisis in either the Atlantic or the Pacific—a massive expenditure which we are now spared only because of our control of the canal.

These factors are appreciated throughout Latin America and, despite understandable sentiments of anti-colonialism, the more steadfast Latin governments take no comfort in the prospect of the canal falling into irresponsible hands.

Even more to the point, these matters are generally understood by the American people at large, and through this understanding there is a very substantial popular sentiment aganist any action which would diminish our sovereignty over the Canal Zone.

What is less well known however, is the fact that in 1974 we agreed to sit down with representatives of Panama and work out an agreement that would initially give the Panamanians jurisdiction over the Canal Zone and, ultimately, would transfer ownership of the canal to Panama. We are doing exactly that right now. Ambassador Ellsworth Bunker, operating under those guidelines, is hard at work on a Caribbean island, working out the details with representatives of Panama.

Ultimately, it will all have to come before the Congress for ratification, and no American legislative body in history has had a more sobering task than the one the legislators will face when they contemplate a treaty that diminishes our precious sovereignty in Panama. If they conclude that we can risk sharing those 50 precious miles of lifeline with a hostile Communist government; even worse, if they agree to give it away, they will have done their country more harm than a dozen succeeding Congresses could repair.

WILL BOISE PAY NEW YORK'S BILLS?

Mr. McCLURE. Mr. President, it is news in Idaho when Idaho makes news in the Washington Post. I refer to a column in which George Will speculates on how enthusiastically Idahoans will receive the news that they are expected to pay for high-living, excesses, and outright mismanagement in New York City. He is right; they won't like it.

Idahoans have such a spirit of individuality and a sense of responsibility that they are more apt to feel like the fellow who gets stuck with a relative's unpaid bill. They will recall that their own State constitution requires them to balance the budget every year, and they will wonder why then they have to bail out another part of the country with less self-discipline.

It occurs to me that we are already giving New York City a great deal more than it is giving us. Idahoans help subsidize its fuel costs, its welfare recipients, and all of the other aspects of Federal involvement there.

In return, New York gives us a lot of fine things such as those television shows which undermine the morality of our children and the distorted news on network information programs.

The bail-out will raise two questions. First, how can we tell other cities and States that New York is a special case? This is foot-in-the-door legislation of the worst sort.

Second, how do we know that this subsidy will not encourage precisely the behavior that made the subsidy necessary in the first place? We have already seen a lot of that kind of thinking in connection with other programs.

Not all New Yorkers are crying for a Federal bail-out. Vermont Royster in the Wall Street Journal raises the right questions and sounds the right alarms.

As for Mr. Will's question—"Will Boise pay New York's bills?—the answer is an emphatic, "No."

I ask unanimous consent that both articles referred to be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WILL BOISE PAY NEW YORK'S BILLS?

(By George F. Will)

NEW YORK.—"We're in a very finite position," said the state legislator, referring not to the human condition, which is finite enough, but to the financial condition of New York City, more finite than which you cannot get. In fact, the legislator was acknowledging that, thanks to the city, his state is hearing the hoofbeats of that dark stallion, Privation.

Gov. Hugh Carey seemed almost chipper when responding to the warning that had reduced the legislator to acknowledging finitude. The warning was from Standard & Poors, the investment rating service, which said: Any additional emergency aid from the state to the city will jeopardize the state's credit rating. Carey contentedly responded that the warning "supports precisely" his contention that the recent $2.3 billion loan package for the city is the last life preserver New York State can toss to the city.

Having stuck his toe into the chilly whirlpool and felt its awful downward suction, Carey wants no deeper immersion in the city's disaster. And Standard & Poors' warning demonstrates that the domino theory, temporarily obscured in the dust raised by falling dominos in Southeast Asia, is alive and well in New York and the nation's money markets.

The theory is that default by the city on its debts might push the state into a fiscal crisis and send unpleasant ripples through the economy.

This does not mean the state is an innocent paragon of fiscal rectitude. Remember this about defaulting, which soon may become routine: When the defaulting began in New York this year, it began not with the city but with a huge state agency, the Urban Development Corporation.

Richard Ravitch, who was put in charge of salvaging the UDC, says "the business of government in the 1970s will be to pay for the decisions of the 1960s." Perhaps. But I will wager dollars against donuts—or against New York City bonds, which soon may be even less valuable—that the New York City government's principal preoccupation in the immediate future will be making other people pay for its decision of the 1960s.

If all goes very well for the city—and the more than 200 million Americans who live elsewhere should hope that it does not go this well—the city will get federal aid. For example, the city might like increased revenue-sharing funds or a federal take-over of some state welfare expenses.

That kind of federal efforts is unlikely because the Ford administration opposes it, and the rest of the nation would, if asked. Some commentators insist that this opposition is the result of "anti-New York bias." Such bias is real enough but there is something strange about the notion that "bias" explains why the folks in Boise do not want to pay New York's bills.

Other forms of federal aid could include back-up insurance for those who insure municipal bonds; insurance for state bonds issued on behalf of cities; federal guarantees of loans to cities. Sens. Henry Jackson (D-Wash.), Lloyd Bentsen (D-Tex) and others have proposed plans involving federal guarantees.

Other plans will be forthcoming from other Democratic presidential candidates, most of whom will suffer intensified sympathy for New York as the state's April 6 primary draws near.

Such plans are designed to shield investors from the risk of lending money to cities—New York, really—that are not creditworthy. The immediate and most important purpose of such plans is to rig the money market, to cause cash to flow uphill toward an enormous credit risk—New York.

Such plans would make lenders immune to default by nationalizing losses. Such plans would reduce whatever inhibitions New York City still has about defaulting and guarantee that the city would not adopt the austerities without which default is certain in December or soon after.

The city government says, repeatedly and perfunctorily, that it wants to avoid default, but it does almost nothing to avoid it.

That should be of interest in Boise, and everywhere, too, as politicians in Washington concoct ways of putting federal guarantees behind New York's obligations. Such plans are for putting non-New Yorkers' money where New York's mouth is.

THINKING THINGS OVER

THE STICKING POINT

(By Vermont Royster)

It is obvious that any society with a healthy economy can afford to subsidize some of its members or certain of its activities. That is, to make part or all of their cost a general charge against the labor of the whole community.

It is also obvious that no society, no matter how strong, can subsidize everything. There must be some parts sufficiently productive not only to be self-supporting but to provide the surplus to support what the society chooses to subsidize.

It ought to be equally obvious that in every society there is somewhere a sticking point, a point where the burden of subsidizing too much becomes too great a burden for the remaining productive part of the society.

In simple societies all this is clear enough. Every society subsidizes its young and almost all provide for the old who have passed their productive years. It is not unusual even in primitive societies for those who hunt or till the fields to support priests and poets who are economically unproductive but provide other things people desire. But in such societies it is not too difficult for people to see where the sticking point lies.

Circumstances make it plan when the young have been trained enough and are able to take their part in the work of the community, hunting, tilling or weaving. Nature sees that there are not too many old to over-burden the rest. All can readily agree when they have enough priests or poets.

It is otherwise in a complex, modern industrial society. Where millions of people are engaged in thousands of activities the parts are remote from one another, the relationship between those who spin and those who do not is often obscure. The exchange between them is not the direct one of meat from the hunter and grain from the tiller; the transfer payments are made from a money pool which, seemingly, the government can enlarge without limit.

Nonetheless, the sticking point is there. Even in the most productive modern economies there is a limit to what its productive parts can support in subsidizing the rest. Economists may not be able to say exactly where it is, but recognizing its existence and dealing with it is one of the major problems of politics.

We have in our midst an example of what happens when it is ignored. New York is our largest city and fundamentally our richest and most vital. That it now stands on the edge of bankruptcy ought to be incredible. That it does, and that you better believe it, is not due to the poverty of the city but to the fact that it has piled upon its productive parts a burden those parts cannot bear.

The people of New York could afford to subsidize many public services such as schools and public transportation; to provide wished-for social services, from day schools for working mothers to homes, for the elderly. They could afford a generous welfare program for the indigent. They could bear the cost of a large number of city employes, pay them large salaries and large pensions. They could even afford, if they wished, to subsidize the housing of many of its citizens. Most cities do many of these things.

What crushed New York was the illusion, fostered by its politicians and accepted by its people, that the city could provide all of them together without limit. The reckoning was inevitable.

An even grimmer example, because it involves not just a city but a whole country, is Great Britain. It all began from the most humanitarian of motives. The British wished, for example, to assure complete health care for all who could not afford it. The device they adopted was to make it "free" for all, rich as well as poor; in effect the whole community would subsidize all of its members. To this, by the same reasoning, was soon added a host of other public subsidies, including food and housing.

All this meant mounting taxes and growing inflation, because one way or another the whole community had to pay for it. The taxes and inflation soon began to so burden the productive parts of the economy that British industry fell behind its competitors; for want of capital it could not replace worn-out machinery.

The consequence of this was that now the government is also subsidizing auto manufacturers, steel mills, shipyards and coal mines. That is to say, many of the parts of the economy which should be not only self-supporting but providing a surplus for subsidizing the health program and the like, these parts are themselves subsidized.

The essence of the British problem, then, is that it has passed the point where the remaining productive part of its economy is sufficient to support that which is being subsidized. It should be obvious that to levy a charge against the whole community greater than the whole community produces cannot be long sustained.

The lesson, I should think, need not be belabored. We are without doubt the richest country in the world. There is no reason, if that is what the people wish, that we cannot subsidize many of the activities of the community, as we now do. There is no inherent economic objection to a welfare program for the indigent or for subsidies to schools, hospitals or the arts. Indeed, these things commend themselves to a decent people as a worthy community burden.

The question is, how much can be supported? How many non-productive people—ranging from the indigent to the bureaucratic clerk—can be supported by those who labor at productive tasks and at what level? How many of the activities of society can be made a charge on the whole? The questions involve not only equity and philosophy, the terms in which they are most often debated, but the harsh reality of the economically possible.

No one can be sure precisely how far we are from the sticking point. But as our civil servants multiply, the welfare rolls grow, the appetites of all manner of government programs increase until we can measure a $70 billion annual gap between what is paid in and paid out, we surely approach it. And we ought to have no illusions about the peril of transgressing it.

CHINA

Mr. HARTKE. Mr. President, October 10 marks the anniversary of the founding of the Republic of China.

The Republic of China, with a population of 16,000,000 people is among America's largest trading partners. The per capita income has risen in recent years to about $900. The gross national product is $14 billion.

In recent years there has been no radical change in the Republic of China's policy toward the United States, and we still maintain a mutual security treaty.

Presently there are 2,800 military personnel on Taiwan, but none of these are described as combat forces. Because of the trading arrangement with the United States, a large number of Americans maintain residences in Taiwan.

The economy of the Republic of China is diversified from textiles to electronics with the fishing industry a steady moneymaker.

The present President is Yen Chai-Kan to whom, along with the government and the people, we extend our congratulations on this anniversary.

WHY THE UNITED STATES SHOULD NOT RECOGNIZE CASTRO'S CUBA

Mr. McCLURE. Mr. President, Senator Carl T. Curtis expressed some valuable advice for this Nation in a speech to the first Inter-American Conference on Freedom and Security. The conference, sponsored by the American Council for World Freedom, took place here in Washington last week, from September 25 to 28.

In remarks delivered at the Conference banquet saluting the free Cuban exile community, Senator Curtis set forth minimum conditions which, in his view and mine, must be successfully negotiated with Fidel Castro before the United States moves to normalize relations with Communist Cuba.

His comments were delivered to an audience of prominent Latin American statesmen which included Enrique Urrutia, former President of Chile's Supreme Court; Congresswoman Dulce Salles Cunha of Brazil; and Dr. Carlos Marquez Sterling, chairman of the 1940 Cuban Constitutional Convention.

Mr. President, I ask unanimous consent that Senator Curtis' thoughtful speech against hasty recognition of Castro be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by Senator Carl T. Curtis

WHY THE UNITED STATES SHOULD NOT RECOGNIZE CASTRO'S CUBA

I am very pleased to be here this evening addressing the first Interamerican Conference on Security and Freedom.

I feel it is a highly encouraging sign for a gathering of this nature to be taking place. This conference serves to highlight the seriousness of the situation in Latin America; at the same time, it acts to serve notice upon Leftist leaders in the American continents of the existence of a solid bloc of individuals committed to fight for the survival of freedom in the Western Hemisphere. In particular, it also expresses a renewed commitment by those of us from the United States to the continued independence of our neighboring countries.

The interdependence of the nations of this hemisphere is far greater than is often realized, and the security and stability of Latin America touches directly upon the welfare of our nation. The political trend in Latin America has been one of an increasingly disturbing nature; we have seen Marxism temporarily implanted in Chile, and other countries, one by one, move toward socialism. Revolutionary violence by Leftist extremists continue to plague much of the hemisphere. But nowhere is there more reason for concern than in Cuba, the declared Marxist stronghold of the Caribbean. And nowhere will the actions taken by the United States have a greater effect on the future of the country—in fact, the whole region—than in Cuba.

This conference, taking place only a month after the lifting of the restrictions on third-country economic trade with Cuba, occurs at a vital time for assessing U.S. policy toward Cuba.

No one is opposed to holding negotiations with another country, particularly negotiations which might have fruitful results. This concept, however, should not be confused with what is taking place. Recent U.S. policy toward Cuba has not served to lay the foundation for meaningful hard bargaining in the future. It has consisted of a series of spontaneous, unilateral concessions which undercut the very possibility of such negotiations taking place. If the United States continues on this path, the effect of its policy on events, not just in Cuba, but all of Latin America, will be disastrous.

It is difficult for many of us to believe that Fidel Castro would ever temper his policies, or soften his dictatorial hold over the Cuban people. However, it is clear that only if this were to happen should our country consider re-establishing relations with the island. The United States stands to gain nothing from renewed relations. All benefit would accrue to Cuba, and it cannot be said that this country would be doing us a favor by allowing us to help it.

I am appalled by the attitude some take in this country. A large number of people genuinely feel the United States is the guilty party for having sought to isolate Cuba; that we should go groveling on our knees to Castro, begging for his forgiveness. They feel that if he should graciously condescend to reestablish relations with us, we will be singularly blessed.

This is ridiculous! We were right in breaking relations and seeking to isolate Cuba, and we were equally correct in refusing to subsidize the spread of tyranny and suppression across the island.

There should be no doubt about the feeling of the majority of Members of the Senate toward Cuba. We have heard a vocal few call for the immediate renewal of ties. It is far more significant, however, that in the past nine months, seven separate resolutions have been introduced in Congress calling for specific conditions to be fulfilled before such a move takes place. In the Senate alone, 18 Members have gone on record as sponsors of these resolutions. In other words, almost one-fifth of the Senate body is actively working against the resumption of relations until fundamental changes take place in Cuba.

Many of these changes are summarized in a resolution recently introduced by my colleague, Senator Bill Brock of Tennessee. The conditions it contains are, in Senator Brock's view and mine, minimal steps that must be taken by Castro's government before any change in relations could be considered.

There must be a fundamental change in the human rights granted to the Cuban people. This includes freedom of speech, free emigration, access by impartial observers to prisons, and the extension of lawful guarantees to those now unlawfully imprisoned.

At the same time, any agreement with Cuba must include the settlement of claims for confiscated American property, now estimated at almost $2 billion. Serious consideration should also be given to granting Cuban citizens compensation for their losses.

There must be acceptance on the part of Fidel Castro of the standards of international law in dealing with international criminals, such as highjackers. It is intolerable we should in any way aid a country serving as a potential haven for individuals committing crimes against American citizens.

It is also important that any agreement

include an acceptance of the principles set forth in the Charter of the Organization of American States, including the principle of non-intervention.

I would make one further condition. I feel it is essential to see a clear, tangible move toward free elections in Cuba, ending the perpetual one-man rule presently established in that country.

These are minimal conditions which must be met. To grant recognition—and benefits—to Communist Cuba under other circumstances is to become a party to the repression of all freedom-loving Cubans.

In order to grasp the matter fully, it is important to have a clear picture of the situation in Cuba today.

Cuban citizens are denied the most basic of human rights. It is difficult for us, brought up in a democratic tradition, to conceive the lack of freedom of expression existing in Cuba. All disagreement with the government is suppressed. No one expressing the slightest criticism, even within his circle of friends, can be assured of preserving his freedom. The neighborhood spy is a national institution, and children are encouraged to turn in their parents if their views are not in accord with the Revolution.

An individual's inclinations are only a factor in the evolution of his life, and in many instances only a minor factor. What a person desires to do with his life is subordinated to the course the all-powerful State feels his life should take. His productivity is regulated by the government.

Religion survives in Cuba only in a tenuous fashion. The Roman Catholic Church is allowed to exist only as part of an understanding whereby it lost its freedom of expression in all secular matters. Still, the Church is allowed few activities outside its regular services. Its followers are persecuted in subtle ways, with clear discrimination existing against practicing Catholics in education and employment.

One of the most shameful aspects of the Cuban government's policies concern the treatment of political prisoners. Estimates on the number of individuals held captive simply for having unpopular political views range from 25,000 to 50,000.

These captives range in age from teenagers to old men in their sixties and seventies, many of whom are suffering from terminal diseases. These men and women are forced to exist under the most appalling conditions imaginable. The cells in which they live are cramped and damp, often with steel-planked doors and windows to keep the light from entering. Severe beatings are normal, and for the most part medical treatment is denied to the prisoners.

The treatment of political prisoners in Cuba has been a matter of grave international concern; it has been denounced repeatedly by the OAS, the International Red Cross and the Inter-American Press Association.

For almost seventeen years there has been no freedom of emigration from Cuba. Close to a million people—and this out of a population of six million in 1959—have managed to flee the island, often risking their lives in the process. All of us have heard stories of the thousands of Cubans who fled their country in rowboats, many only to be captured and executed on the spot.

Other Cubans were able to leave the country through the one daily flight operating until 1972 between Havana and Miami. Few Americans are aware of the hardships suffered by those who departed in this manner. Under Fidel Castro's government, individuals wishing to leave the country were automatically ruled ineligible to work. Therefore, for a period often lasting three or more years, until the exit visa was granted, a family wishing to emigrate was forced to live off the charity of friends. In many instances, these families were arrested for vagrancy and convicted to forced labor camps. In spite of the sacrifices involved, the so-called "Freedom Flights" came to have a waiting list of approximately 100,000. The program, however, no longer exists; even this avenue of escape is now closed to the Cuban people.

Cuba is a country with a shattered economy, being kept alive only by the influx of over $1 million daily in Russian aid. It is interesting that a member of the U.S. Senate staff sympathetic to the Castro government could say nothing more encouraging upon his return from Cuba than that this country's economic system at last stood a chance of suceeding . . . granted, of course, that sugar prices and Russian aid continued at the same high level.

Cuba has lost its position as one of the Latin American countries with the highest standard of living. Food and virtually all goods are rationed. Since the takeover of Castro hardship conditions have become universal, shared by all but high government officials.

Is this a country to which the United States should accord special attention and treatment? Should we be seeking the favor of a government which has enslaved a nation, brought sufferings upon millions of people, caused the deaths of thousands, and brought about extreme hardships by its mismanagement of a once healthy economy?

It is not being narrow-minded to stand firm by one's moral beliefs. Compromising beyond a certain point is a sign not of flexibility but of lack of commitment to principle. We correctly branded Castro as a tyrant and murderer over fifteen years ago, and nothing has occurred since to alter the accuracy of that description. Unless radical changes take place in Cuba, the United States should do nothing to legitimize his regime.

The conditions I have just described represent grave objections to the Communist regime of Cuba. There is one aspect of Castro's policies, however, which is of direct and crucial significance to both Latin American nations and the United States. This is the threat Cuba poses to the entire hemisphere by its export of Marxist revolution and by its potential as a base for Soviet military operations.

There is no question about Fidel Castro's commitment to fomenting unrest anywhere in the globe. Only a few months ago in a television interview Castro succinctly described his feelings toward revolutionaries, "When they fight, we back them." There is no room for misinterpreting this clear statement.

The 1960's were marked by Castro's support of guerrilla movements throughout Latin America. The activities of this decade were perhaps symbolized by the figure of Che Guevara. The role played by Cuba in recent years has been quieter, but no less significant. Evidence indicates that the island is being used as a base for Soviet operations in encouraging subversion in Latin America. Many of the kidnapings taking place in this hemisphere have been tied to Soviet intelligence representatives operating from Havana through a network of Cuban nationals in Latin America.

This should not be taken as an indication, however, that Castro himself has been inactive. The close working relationship between the Cuban leader and Portugese Communists was recently documented in detail by columnist Jack Anderson, who commented, "The military leaders governing Portugal have a secret advisor who has been teaching them how to impose a dictatorship on a country that rejects it."

A threat posed directly to the United States is the relationship between Cuba and the Communist-dominated Puerto Rican Independence Party.

Less than a month ago, an International Conference on Solidarity with Puerto Rican Independence took place, and the meeting site was Havana. During this conference, numerous declarations of unity were made. One member of the Puerto Rican delegation stated, "we take advantage of this opportunity to reaffirm to the Cuban people that we are with them in their struggle." Cuban President Osvaldo Dorticos in turn declared that "Cuba resolutely reaffirms those feelings of solidarity and integrally ratifies its pledges of unlimited support for the Puerto Rican cause."

There is little doubt that Cuban assistance has been behind many of the terrorist bombings which have become a routine part of life in Puerto Rico, wounding and killing numerous American citizens.

In Panama, General Torrijos' campaign to acquire control over the Canal has received warm encouragement and support from Castro, and it is widely believed that Panamanian guerrillas have been receiving training in Cuba.

The Cuban government even ventures within our mainland in its subversive activities. For years it produced broadcasts with a heavy emphasis on race relations which were beamed directly to Miami's black community.

In 1969 it formed the Venceremos—or "We Shall Overcome"—Brigade which remains extremely active today. Under this program, thousands of young American Leftists have been enlisted and trained to carry out espionage functions in this country. Only three days ago there were reports of a Cuban living in this country whom Fidel Castro's agents had attempted to enlist. The individual, who was already an informant for the U.S. government, turned the information over to our agents.

A more direct military threat to the United States results from the Russian naval presence in the Caribbean. Only seven years after the 1972 Missile Crisis the Soviets were back in Cuba, this time to establish a submarine base in the port of Cienfuegos. The facilities remain there and are visited periodically by Soviet submarines, both conventional and nuclear-powered.

The implications of this facility, which provides the Soviets with the ability to expand their naval presence in the area on very short notice, are alarming. Certainly we are under no less danger from the offensive potential of the Cienfuegos submarine base than we ever were from the Soviet missiles in 1962.

Several myths which I find quite disturbing have been gaining increasing popularity in this country. One is the theory that Cuba has softened its attitude toward the U.S., and that our establishing relations and granting concessions to the island would dislodge it from the Soviet sphere of influence.

The country's alleged softening toward us can be dismissed out of hand; Cuba's recent concessions have been as insignificant as the headlines carrying the news about them have been large.

It is interesting to note that almost on the same day that the U.S. removed its restrictions on trade with Cuba by third nations, the Cuban and Vietnamese delegates at an international conference released a statement branding the United States as their common enemy and hailing the U.S.S.R. as the "sure and firm ally of all the people struggling for their independence."

As for weaning Cuba away from Soviet influence, there is little likelihood of this taking place for two reasons. In the first place—and this simple fact is so often overlooked—Castro does not want it to happen. What would he gain? As long as dependence on a foreign nation is made necessary by economic needs, it is logical for him to maintain the closest ties with the country he is most in tune with ideologically. The second reason is that Cuba's drift away from Russian influence simply would not be tolerated by the

Soviets. They did not hesitate to invade Czechoslovakia in 1968, and neither would they hesitate to assert firm control over Cuba if events made it necessary.

There is another myth which has gained a substantial following: that rapprochement with Cuba will improve relations with other Latin American nations.

Many observers of international relations in this country make the fatal mistake of assuming that a given action is viewed in the same light by all people, regardless of their perspective. Thus they fail to realize that an action they themselves may consider magnanimous, such as making overtures to Cuba, would be interpreted as a sign of weakness throughout Latin America—as another instance of the U.S. caving in to its opposition.

Rather than bolster our image in the Southern Hemisphere, renewed U.S. relations with Cuba would deal a deadly psychological blow to anti-Communist efforts in Latin America. Taking such a step would be viewed as serving notice to the world of yet another U.S. retrenchment in its opposition to Communism. It goes without saying, of course, what the image of the tiny island of Cuba emerging the winner over the United States would do to our prestige around the world.

According to yet another myth, establishing relations with Cuba would benefit the United States by opening up a new market for our goods.

However, as a colleague of mine once expressed, all Cuba can offer in return for entry into the broadest capital market in the world is a de-escalation of rhetoric.

We stand to gain nothing from trade with Cuba. Provided that Cuba were interested in trading with us on a cash basis, which is doubtful, its ability to do so would be severely limited by its financial commitments to the Soviet bloc countries. More likely trade with the island would be on the basis of granting long-term, low-interest loans . . . hardly a bargain proposition for us. Entering into such a relationship would simply be subsidizing Castro's inefficient economic policies and relieving the Soviet Union of a severe financial liability.

The United States must not cave in to demands of Fidel Castro. The Cuban dictator needs American assistance and desires the prestige of diplomatic recognition of his tyrannical regime. But until the minimum requirements I have outlined are met by Castro, the United States has no compelling reason to make substantive concessions. If we were to give in to Castro's demands without achieving the conditions I have outlined, then we would be abandoning the principles upon which the United States was founded, and the same principles that the rest of the people in the Americas also believe. Most importantly, we would be abandoning the people of Cuba who have sacrificed and suffered so much under Castro.

We can only be faithful to our own ideals and beliefs if we stand resolutely for the people of Cuba and demand that their plight be relieved.

So until Castro indicates he will end his oppressive policies in Cuba, until he terminates his alliance with the Soviet Union, and until he ceases subversion throughout the hemisphere—until then we must not end our sanctions of his regime.

JIM THORPE

Mr. ABOUREZK. Mr. President, seldom is an issue so far reaching that it gets support from all sides of the political arena. Senate Resolution 144, which would urge the International Olympic Committee to restore Jim Thorpe's records to the official 1912 Olympic books, is such an issue.

As the chairman of the Senate Subcommittee on Indian Affairs and as a cosponsor of Senate Resolution 144, it was recently brought to my attention that President Gerald Ford had written a personal letter to the International Olympic Committee urging them to reinstate Thorpe as an amateur on their records.

Mr. President, I ask unanimous consent that this important letter from the President to Lord Michael Killanin, President, International Olympic Committee, Chateau de Vidy, Lausanne, Switzerland, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, August 8, 1975.

LORD MICHAEL KILLANIN,
President, International Olympic Committee,
Chateau de Vidy, Lausanne, Switzerland.

DEAR LORD KILLANIN: It has come to my attention that the Amateur Athletic Union, the governing body for the United States in international competition in athletics, has requested from your Committee favorable consideration of the reinstatement of James P. Thorpe as an amateur athlete in good standing for the period of 1909 through 1912.

Together with the United States Olympic Committee and the Amateur Athletic Union, I hope the reinstatement of Jim Thorpe's amateur status can be achieved. Throughout my life and my active participation in sports, the name of Jim Thorpe has represented excellence, dedication, pride and competitive zeal. Jim Thorpe was one of the greatest athletes the world has known. He has become a legend in this country.

To Americans of Indian heritage, Mr. Thorpe has meant much more. He is a hero, and in the American Indian's struggle for human dignity and freedom, Jim Thorpe represents a man who was able to contribute significantly to American society while retaining the values of his cultural ties with the past.

For this reason, I urge you and your Committee to consider the A.A.U.'s request.

I say this as a private American citizen with a lifetime interest in sports. The decision is clearly up to you and the Committee you represent under the rules of the International Olympic Committee, by which the United States abides. I also recognize that, under the letter of the present-day rules of the Committee, a favorable decision may be difficult to reach, but I hope the Committee will consider this request and act with a sense of equity in the light of history and of the contribution that Jim Thorpe has made to the world of sport.

With warm regards.

GERALD R. FORD.

THE SENATE BUDGET COMMITTEE'S SECOND REPORT PURSUANT TO SECTION 906 OF THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Mr. MUSKIE. Mr. President, the Senate Budget Committee yesterday filed a second report—Senate Report 94-422—pursuant to section 906 of the Congressional Budget and Impoundment Control Act of 1974 to establish an approximate timetable for consideration and adoption of the second concurrent resolution on the budget for fiscal 1976 and for completion of a reconciliation process, if mandated by the budget resolution. This report also reviews the purposes and procedures associated with the second budget resolution and any subsequent reconciliation process and discusses briefly certain provisions of the Budget Act applicable with respect to fiscal year 1977. A similar report has been filed by the House Budget Committee.

The Senate Budget Committee's first report pursuant to section 906 of the Budget Act (S. Rep. No. 94-27, 94th Cong., 1st Sess., 1975), filed on March 5, 1975, implemented significant portions of the Budget Act for fiscal year 1976. As a result, the Congress passed a first concurrent resolution on the fiscal 1976 budget (H. Con. Res. 218) on May 14, 1975.

The March reports of the two budget committees cautioned that the dates for consideration of the second concurrent resolution might have to be modified "if a significant portion of spending legislation is not completed by Labor Day."

Since the second concurrent resolution on the budget establishes firm ceilings on all budget authority, outlay, and public debt legislation, and sets a minimum revenue level against which subsequent revenue legislation must be measured, it is important that, to the extent possible, all significant spending and revenue legislation be passed by both Houses prior to adoption of the second resolution.

In view of the current pace of congressional action, this report sets forth a revised timetable for the second resolution and reconciliation process. The budget committees expect to report a budget resolution to their respective houses on approximately November 1, a date which would permit final adoption of the budget resolution and completion of any reconciliation process, should it be necessary, before the close of the congressional session. We hope that the second concurrent resolution can be adopted by November 20.

This report also implements section 310(f) of the act, which prohibits adjournment sine die before adoption of the second budget resolution and completion of any subsequent reconciliation process.

Finally, this report explains that section 303(a) of the Budget Act precludes consideration of spending and revenue legislation first applicable to fiscal year 1977 until after adoption of the first concurrent resolution on the budget on or before May 15, 1976. The report also points out that the Budget Committee is authorized under section 303(c) of the Budget Act to recommend a waiver in appropriate cases permitting such legislation to be considered in advance of the first concurrent resolution.

We are grateful for the support we have received from the members of this body, from the chairmen of its committees, and from the leadership on both sides of the aisle as we have implemented various provisions of the Budget Act. We are hopeful that this support will continue as we begin our consideration of the second concurrent resolution.

I ask unanimous consent that the full report be printed in the RECORD.

There being no objection, the report

was ordered to be printed in the RECORD, as follows:

IMPLEMENTATION OF NEW CONGRESSIONAL BUDGET PROCEDURES FOR FISCAL YEAR 1976

TIMETABLE FOR THE SECOND BUDGET RESOLUTION AND RECONCILIATION PROCESS

(S. Rept. 94–422)

I. Purpose of the report

This report, submitted pursuant to Section 906 of the Congressional Budget and Impoundment Control Act of 1974, is intended to establish a timetable for consideration and adoption of the second concurrent resolution on the budget for fiscal year 1976 and for completion of a reconciliation process, if mandated by the budget resolution. In addition, the report reviews the purposes and procedures associated with the second budget resolution and any subsequent reconciliation process, and discusses briefly certain provisions of the Act applicable to the budget process with respect to fiscal year 1977. A similar report is being filed by the House Budget Committee.

II. Timetable for the second budget resolution and reconciliation process

The Congressional Budget and Impoundment Control Act of 1974 provides for the full implementation of the new congressional budget process with respect to new legislation pertaining to fiscal year 1977, which begins on October 1, 1976. Section 906 of the Act authorized the optional application of the new process to fiscal year 1976 upon agreement of the House and Senate Budget Committees and to the extent provided by them in reports to their respective Houses. In accord with this provision, the Senate and House Budget Committees reported an implementation plan for fiscal year 1976 in March of 1975. (S. Rep. No. 94–27 and H. Rep. 94–25, 94th Cong., 1st Sess., 1975).

In their March implementation plans, the Budget Committees did not implement two key intermediate steps in the congressional budget process: (i) the reporting of authorizing legislation by May 15 (Section 402) and (ii) completion of action on spending measures by mid-September (Section 304). This decision was based on reliable indications from House and Senate Committees that the deadlines could not be met, largely because fiscal year 1976 began on July 1, 1975, too soon to complete the authorization and appropriation process prior to the commencement of the fiscal year. (Under the Budget Act, the fiscal year will commence on October 1 in 1976 and all years thereafter.)

Although the Budget Committees strongly urged "rapid action on both authorizing and spending legislation," the committees cautioned in their March reports "that it may be impracticable to proceed to a second resolution and reconciliation in accordance with the above dates (September 15 and 25, respectively) if a significant portion of spending legislation is not completed by Labor Day, and that it may be necessary to modify these dates."

Since the second concurrent resolution on the budget establishes firm ceilings on all budget authority, outlay, and public debt legislation for the fiscal year, and sets a minimum revenue level against which subsequent revenue legislation must be measured, it is important that, to the maximum possible extent, all significant spending and revenue legislation be passed by both Houses prior to adoption of the second resolution.

In view of the current pace of congressional action, the House and Senate Budget Committees have established a revised timetable for the second resolution and reconciliation process. The Budget Committees expect to report a budget resolution to their respective Houses on approximately November 1, a date which would permit final adoption of the budget resolution and completion of any reconciliation process, should it be necessary, before the close of the congressional session. This report implements Section 310(f) of the Act, which prohibits adjournment sine die before adoption of the second budget resolution and completion of any subsequent reconciliation process.

III. The second budget resolution

The first concurrent resolution on the budget (H. Con. Res. 218, adopted on May 14 of this year) established overall revenue, spending, and debt targets for the 1976 fiscal year. The resolution did not contain budget authority and outlay figures by functional category of the budget, as will be required in future years, but the derivation of the aggregate numbers from functional targets used by the Budget Committees was explained in the committee reports and Statement of Managers accompanying the conference report. As action has proceeded during the course of this session on budget-related legislation, Congress has utilized the score-keeping reports issued by the Congressional Budget Office, as well as estimates prepared by each of the Budget Committees, to keep informed on the status of all of the targets.

The second budget resolution will fix ceilings which shall be applicable to all subsequent revenue, debt, and spending legislation. Once the second resolution has been adopted, Congress cannot take any action which will increase aggregate spending above the level specified in the second resolution or reduce revenues below the level specified in the resolution. Throughout the remainder of the 1976 fiscal year, Congress will have the option to adjust these ceilings in other budget resolutions, if circumstances require it.

The second resolution for fiscal year 1976 will have the same format as the resolution adopted last May. It will deal only with budgetary aggregates and not functional category breakdowns, although the totals for each function will be explained in committee reports.

Through the second budget resolution, Congress can require legislation to be adopted which conforms revenue, spending, and debt legislation with the determinations made in adopting the resolution. This reconciliation process will take place only if it is necessary to revise existing (or pending) legislation to achieve the spending and revenue levels set in the second budget resolution. If the second concurrent resolution requires reconciliation actions solely within the jurisdiction of one committee of the Senate, that committee will report its reconciliation bill or resolution directly to the Senate. Should more than one committee be required to report changes, Section 310(c) of the Congressional Budget Act requires that the changes be submitted to the Senate Budget Committee which in turn reports such changes to the Senate.

IV. Application of the congressional budget process to fiscal year 1977

Section 905 of the Congressional Budget Act mandates full implementation of the congressional budget process with respect to new legislation pertaining to fiscal year 1977, which commences October 1, 1976. This implementation is a matter over which the law gives the Budget Committee no discretion.

The Committee believes that this report provides a useful opportunity to review briefly some of the most important of the new budget procedures, especially those which affect other standing committees of the Senate.

Although the Act does not specify a date upon which the new process takes effect with respect to fiscal year 1977, the Committee believes that any legislation affecting the 1977 budget is governed by Section 905.

The most important provision of the Budget Act in this context is Section 303(a) of the Act, which prohibits the consideration of revenue, spending, or debt legislation with respect to any fiscal year before the first budget resolution for that year has been adopted. Hence, the Budget Act precludes consideration of spending and revenue legislation first applicable to fiscal year 1977 until after adoption of the First Concurrent Resolution on the Budget on or before May 15, 1976.

The Committee recognizes that some committees may not have been aware of this cutoff date and that they are well along in the formulation of legislation first applicable to fiscal 1977 which they plan to have considered prior to May 15, 1976, the date by which the First Concurrent Resolution for fiscal 1977 will be adopted. These committees have proceeded in good faith and without any intent to circumvent the congressional budget process. The Budget Committee is authorized under Section 303(c) to recommend a waiver in appropriate cases permitting such legislation to be considered in advance of the First Concurrent Resolution on the Budget next May 15.

Other notable provisions of the Budget Act now in effect by operation of law include:

On November 10th of this year, the President is required to submit his Current Services Budget for fiscal year 1977, to be followed by his full budget proposals 15 days after Congress meets next January. (Sec. 605). On or before March 15th, each standing committee of the Senate must submit to the Committee on the Budget estimates of the amounts of new budget authority and budget outlays which may be contained in spending legislation intended to be effective in the coming fiscal year. This procedure was also in effect this year. (Sec. 301(c)).

Section 302(a) and (b) provide the "crosswalking" procedures under which committees having jurisdiction over spending authority will translate the budget targets of the First Budget Resolution into amounts to be included in their spending legislation. Section 302(a) requires that the Statement of Managers accompanying the conference report on the First Budget Resolution will include an estimated allocation of budget authority and outlays among House and Senate Committees which have jurisdiction over spending legislation. Section 302(b) directs that the Committees on Appropriations will further subdivide the amount allocated to them in the Statement of Managers among their various subcommittees. Section 302(b)(2) directs that all other committees to which an allocation was made in the First Budget Resolution will make a similar subdivision among subcommittees. In this way, the translation or "crosswalk" between the functional targets of the Budget Resolution and the regular appropriations bills and other spending legislation will be made.

Section 308(a) requires that committees which report legislation providing new budget authority or new or increased tax expenditures include in the report accompanying such legislation a comparison of the new budget authority or tax expenditures with the figures in the Budget Resolution, as well as five-year projections for outlays or tax expenditures which will result.

Finally, the Budget Act provides two procedures which may alter, in some respects, the handling of spending legislation. First, Section 307 of the Budget Act provides that before the House Appropriations Committee can report its first regular appropriations bill, it must, to the extent practicable, complete subcommittee mark-up and full committee action on all regular appropriations bills and provide to the House of Representatives a summary of its actions. Thus, before taking up any appropriations bills, the Congress will have before it an initial comparison between the likely contents of all appropriations bills and the "crosswalk" figures of the Budget Resolution.

Additionally, Section 301(b) (1) provides an optional procedure which can be implemented in a first concurrent budget resolution. Under this procedure, spending legislation which has been passed by the Congress shall not be enrolled and shall be held at the desk until the Second Concurrent Resolution and any necessary reconciliation process have been completed. In this way, the process of reconciliation can be accomplished by means of a resolution which directs the Clerk of the House or the Secretary of the Senate to make changes in these unenrolled bills.

The Committee has in preparation a series of briefing papers which it hopes will be useful to other committees in meeting the requirements of the Budget Act.

PHYSICIAN GROUP SUPPORTS NUCLEAR REAPPRAISAL ACTS

Mr. GRAVEL. Mr. President, the National Medical Association has endorsed the Nuclear Reappraisal Acts introduced in both Houses of the Congress.

This nationwide organization of 4,000 physicians says the problems of nuclear waste disposal must be resolved before any massive commitment is made to nuclear power. The physicians also say the effects of low-level radioactive emissions are not sufficiently known to justify the great expansion of nuclear power which is currently proposed.

Mr. President, I ask unanimous consent that the resolution of the National Medical Association on nuclear powerplants be printed at this point in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Nuclear Power Plants

Whereas, Nuclear power plants in normal operation have low-level emissions of radiation; when there are mechanical failures, these emissions may increase; in 1973–74 the AEC investigated 1148 safety violations involving reactors. (2,3)

Whereas, Radionuclides contained in the emissions enter the soil, air and water. They are inhaled or ingested by the general population at random, localizing in various tissues in the body and irradiating these tissues until their radioactivity is spent.

Whereas, The biological effects of low-level radiation are not known. Significant research on this subject is now in progress; several investigators have suggested correlations between the increase in nuclear reactors and the increase in cancer, infant mortality and congenital abnormalities. (4,5)

Whereas, There are serious technological problems in the transportation and disposal of radioactive wastes and in the back-up cooling systems in nuclear plants. Numerous minor accidents have occurred, several major accidents have occurred and a catastrophic accident is possible. (1,6,7)

Whereas, The environmental monitoring safeguards in many areas are inadequate. The local populations in the vicinity of many nuclear reactors, often the rural poor, are ill-informed as to the potential hazards. (4)

Whereas, Several nuclear power plants have been constructed or are being planned in areas where instability in the underlying geological strata are known to exist. (8)

We, therefore, recommend that:

The National Medical Association:

1. Support legislation to declare a moratorium in the construction of nuclear power plants. The Nuclear Energy Reappraisal Act (H.R. 4971) was introduced by Representative Hamilton Fish (R., N.Y.) and Edward Pattison (D., N.Y.).
2. Support legislation designed to increase research and development of alternate energy sources.
3. Support national agencies such as the Environmental Protective Agency in promoting comprehensive environmental monitoring programs.
4. Encourage constituent State organizations to pursue similar programs at the State level.
5. Establish a permanent Committee on Environmental Health and Safety.

THE MAGNUSON–MOSS WARRANTY–FEDERAL TRADE COMMISSION IMPROVEMENT ACT

Mr. MAGNUSON. Mr. President, Leonard Sloane, in his Personal Finance column in the September 29, 1975, New York Times, wrote an excellent report on the impact of the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act. This act has been called a landmark consumer statute, and is one which I was greatly pleased to sponsor.

The Magnuson-Moss Act will stimulate competition in the manufacture of durableo goods by letting the consumer know, once and for all, what he can expect in the way of performance from a product under warranty. By knowing his warranty rights, and by seeing the degree of quality which a manufacturer puts into his product in order to meet requirements under the warranty, the consumer cannot help but get a better deal in the marketplace. Perhaps the most important provision of the Magnuson-Moss Warranty Act, in addition to its disclosure requirements, is the ability it gives the consumer to enforce the law himself in the appropriate judicial forum.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Law To Help Consumers Grasp What a Warranty Is Really Offering

(By Leonard Sloane)

A woman purchased a hairdryer at a department store and within six months the casing split under heat. When she returned the dryer, she was told that its warranty covered only internal parts.

A man bought a new car that had to be repaired by the dealer more than a dozen times in the first year. When he finally demanded a replacement vehicle, he was refused on the basis that any problems with his car would have to be worked out regardless of the time required.

A family acquired a television set and resold it before the warranty period expired. The new owner discovered that service calls were not covered because the warranty applied to the original purchaser only.

Situations like these are less likely to occur in the future as a result of the new Magnuson-Moss Warranty-Federal Trade Commission Improvement Act. The heart of this measure is disclosure—not only of limitations and disclaimers, but also of actual guarantees that consumers can understand when making a purchase.

The act, also called the consumer product warranty law, follows many years of inaction on warranty abuses by both large and small companies. Although its effects will not be fully felt until the F.T.C. promulgates rules to implement certain aspects of the law—and promulgation is unlikely for many months because hearings are still going on—the concept of such a law is an important step forward in consumer protection.

There are a number of aspects of this law that should benefit the public.

It is designed to stimulate greater understanding of written warranties by providing for clear, unmistakable language of what is being offered by a manufacturer and what is not being offered.

The law also distinguishes between two types of warranties—full and limited. And it states that the consumer must be shown the warranty prior to the purchase.

With a full warranty, a manufacturer is required to correct deficits at no charge within a "reasonable time" regardless of who owns the product during the warranty period. Any deviation from this unconditional assurance must be designated a limited warranty.

Disclaimers of implied warranties will no longer be allowed in written warranties, thereby giving consumers greater assurance of warranty performance. For products manufactured after July 4, 1975, such terms as "in lieu of all other express warranties" cannot be used to limit a producer's liability.

In addition, companies will not be able to insist on "tie-ins" to make their warranties effective. For example, an automotive manufacturer will not be able to demand the use of a certain car wax or an appliance producer will not be able to require the use of a certain service company.

Shoppers will obviously be better protected if they select products with full warranties. But whether or not the item you buy has one, here are some points to check:

Determine the length and terms of the warranty period. Some companies guarantee the entire product for the entire period, while others cover some parts of the product for different times. And ask if use of the products affects the length of the warranty.

Discover where the service will be provided. Is there a nearby retailer or repair center where the item will be serviced or must it be returned to the factory at the customer's expense? Will major appliances, pianos and furniture be serviced or picked up at the customer's home while the warranty is in effect?

Make certain whether labor is covered by the warranty. If so, is it covered wherever the work is done or only on the manufacturer's premises?

Find out what will the warrantor do when the product fails—replace it, repair it or offer a refund? Is there any limit on the length of time that replacement will take? And are there provisions meanwhile, for "loaner" units?

Regardless of the requirements and prohibitions in the law, the normal buying precautions before making a major purchase should still be observed. Compare prices, workmanship . . . availability, serviceability and compare variations in warranties. They could be a factor in the decision as to what product to buy.

A CRISIS TEAM APPROACH TO SCHOOL DESEGREGATION

Mr. KENNEDY. Mr. President, I would like to enter in the Record the recent remarks of Congressman Andrew Young from the Fifth District, Fulton County, Ga., delivered at Boston University Medical Center.

Congressman Young's remarks on the school desegregation plans in Boston are especially important to those of us who have worked to make those plans succeed.

As a close associate of Dr. Martin Luther King, Jr., Congressman YOUNG's remarks clearly reflect the ideals of nonviolence and the determination to persevere for justice through an appeal for reason and understanding.

With the recent resurgence of overt controversy on school desegregation, it is important to formulate ideas and plans that would tap community resources in accomplishing school desegregation as smoothly as possible. Congressman YOUNG offers a remarkable and viable training tool for this purpose.

For this reason, I ask unanimous consent to have Congressman YOUNG's remarks printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SOME THOUGHTS ABOUT A CRISIS TEAM APPROACH TO BOSTON'S SCHOOL DESEGREGATION

(By The Rev. ANDREW YOUNG, U.S. Congressman)

(NOTE.—Rev. Andrew Young was formerly a close associate of Dr. Martin Luther King in the Southern Leadership Conference. Presently he is a Representative from the Fifth District, Fulton County, Georgia)

The concept which Martin Luther King used in dealing with problems in the South was very similar to yours: it was the crisis team. We never called it that; but by and large when something happened we would take a group of people into the situation. I think the diversity of that group was important—we were all different. Everyone gravitated to the thing which he felt most comfortable with, and there were some people who immediately began to try to keep some control over a situation; and I say that not in any negative sense. It doesn't do anybody any good for chaos to break out. It doesn't do the Black community any good; nor does it do the White community any good. One of the things you have to get over to people is the fact that "when the going gets rough we're going to make progress." I think the history of the struggle in Black America would bear that out if you'd see it. There has not been a single place where violence and chaos happened that any body has made any real progress. The best evidence for that is that it has never repeated itself.

There never has been a single community where violence has occurred that it hasn't occurred again on a later basis. You had a string of riots in the late 60's—or whatever you want to call them. But the people themselves evidently decided that riots didn't do what they wanted them to do, or that the cost was too great to pay, because they never happened again. They're generally a one-time experience. The only city where there have been two riots was in Chicago. On one occasion it was Blacks on the West Side; on the other occasion it was the Chicano community in another part of the city altogether. In the South, the only time we lost a movement (and we didn't lose it altogether) and the only time in ten years that we didn't accomplish what we set out to accomplish, was in Albany, Georgia, where we did not control violence in the Black community and where the Black community lashed out at the police. We found ourselves losing the moral initiative.

The issue then was no longer desegregation of public facilities; but the violence in the Black community. So I would say that generally, in my experience, the persons who are responsible for violence occurring, are not the persons who get blamed for it. I don't think the Black community in most of these riots were responsible for violence—they were blamed for it though. But, the fact that they were successfully blamed for it means that they lost. In Birmingham the year after Albany we convinced the Black community that if violence occurred it was just going to help George Wallace. Any Black folk irresponsible and angry to the point of doing something violent were really playing right into the hands of the Wallace forces. We were able to successfully curtail violence and I can't emphasize that too much.

Dr. King used to talk about three kinds of violence, an aggressive violence, a retaliatory violence, a defensive violence. Basically we have found that the first two just don't help; and the third one doesn't help but it doesn't hurt. I would say that when you're talking about kids in a school situation—and even if they resort to defensive violence they're going to be expelled. Therefore we need someone to help them negotiate their crises. Black folk negotiate all the time. If you can't negotiate you can't survive in the Black community. By and large you're always negotiating your way through situations. There are so many folk in the Black community with a chip on their shoulder and who are looking for someone to beat up on; on every playground, in every candy store. There's someone who's going to try to "take your candy away when you're five years old." By and large you learn how to "keep your candy in your neighborhood." I have a lot of confidence in the kids' ability to use their skills and resources to negotiate in almost any situation they find themselves.

When you look at the history of school desegregation across this country, there's not a single place where the kids have failed. They went into some places that were literally hell, and somehow made it. They made it by using those survival resources they developed from childhood. Black children especially are more prepared for survival than any other people in America. We must help to realize that—some of the same skills they learned to survive with in their neighborhoods are going to help them now.

One of the problems I think you have in Boston is that you don't have nearly enough contact between Blacks and Whites. That's one of the problems in talking so much about how bad the Boston Irish are. They're not that bad. I grew up in an Irish community in Louisiana and they were just as pugnacious. We were the only Blacks in their neighborhood and we fought just about every day, but we didn't lose that many. Those we couldn't win we could outrun! You survive in that kind of situation, and that's not hard for Black folk because they have those survival skills. One of your jobs as a team is to make them confident of their survival skills so that they don't become afraid. I think in any conflict when you get afraid, your mental facilities are paralyzed and you tend to function emotionally and lose. That's in *any* competition, and I think they have to see this as a kind of competition. Your job as a team is to help the various facets of the community realize their own skills.

The only reason we're taking on this problem in the first place is that we have understood that the greatest damage that is done to Black folk is the spiritual and emotional damage that's done by isolation and oppression, we can't cure. I remember the time they put police dogs on the Black folk in Birmingham, and everyone came back panicked into the church, and suddenly it dawned on me that we were up against a dog and a billyclub. I asked how many folk has been hit on the head with a baseball bat, and sure enough about half the church had.

I asked how many had been bitten by a dog. And most folk just in the course of growing up with dogs all over the street had sometime had a dog get a hold of them. What happens is with one you get a lockjaw shot and with the other you have a headache for a while. It didn't produce a concussion. You got hit on the head with a baseball bat, and you kept on going and didn't even stop the game. Then why is it that you're so afraid of this kind of thing? It's typical to get hit on the head with a brick as a kid. There's nothing unusual about it; it happens every day in every community for nothing!

What you're talking about now is your participation in a tremendous social revolution! If you've suffered these kinds of physical accidents for nothing, will you make a decision to suffer them as a necessary part of a tremendous social revolution? Most kids will . . . say "Yeah" that's not a big price to pay. Once they get over that hurdle of not being afraid and if they can analyze the things that can happen to them, and deal with them in their own mind as something they are not going to run from, then most of the problems are solved. Again I don't know all the mechanisms for solving those problems inside kids, but they do it! They come through when you can make them use their heads instead of reacting emotionally or out of fear. It is fear that creates most of the problems.

Your job as part of a crisis team is to find ways to organize a community or school to the point where people understand intellectually what is happening, and not being afraid, that they can make conscious decisions—that this is worth the risk involved. We once said to folk "Look, if the man tells you to go to Viet Nam, you're going to go and not question it, and you're going to fight for somebody else's freedom and maybe lose your life!" The question now is, are you going to do it without questioning it? How much are you willing to do for your own freedom right here in Boston and your own educational opportunity? You will find that most of them are willing to do almost anything that's necessary.

Whoever comes up with the best first idea emerges as the leader. In a crisis people tend to get paralyzed and your job is to somehow find a way to break the paralysis. One of the ways of doing that is to do it far enough in advance, and get your contacts. I would think that you're not going to have much trouble from the school kids, because they are already involved and have worked out what their role is. The ones you're going to have the problems with in the crisis are those who are not involved and are guilty because they're not involved. They will appear to be militant to overcome their own guilt about not having done anything.

In the South it was the folk who said "Man, I can't be nonviolent, I'd kill people in a minute, you know." You ask them "How many have you killed. You plan to kill anybody today? Or you got plans to kill somebody tomorrow? If you do, we'll step out of the way and let you go on and kill folk. But, if you're not going to kill anybody today or tomorrow, go ahead and sit down and be cool and let us handle this situation."

Either you've got to decide you're going to be violent; in which case it doesn't make sense to expose yourself, or you got to make a decision to be nonviolent. Every incident of violence has occurred when someone does something crazy on the fringe and runs! This gives the police opportunity to beat up on the people who are exposed. So you've got to get the fringes controlled in a crisis. You need to identify the fringe folk in the community and find a way to communicate with them, in addition to working with the kids who are actually going to be in the situation.

I haven't seen a place yet where folk got together and failed. Usually when we fail it's because we didn't get together and talk about it and plan about it. Since you all are together working as a team and working out a concept you're going to take care of business. So God bless you.

OCTOBER 5–11—4–H NATIONAL CLUB WEEK

Mr. HUGH SCOTT. Mr. President, the week of October 5 through October 11 has been set aside as 4–H National Club Week. It gives me pleasure to pay tribute to the 75,000 members in Pennsylvania and the more than 7,000,000 members across the Nation. The 4–H, throughout its 70-year history, has been devoted to creating responsible young individuals who serve their communities as good citizens. Through active participation in various projects the 4–H'ers acquire skills which will make them productive and useful citizens.

The young of America are the future adult citizens and leaders of this country. As future leaders they will have to face and cope with complicated problems. The way our young people respond and solve problems will determine what kind of world will exist. Through involvement in the 4–H Club, the young person gains the proper skills in solving problems. They learn how to make decisions and come up with innovative solutions to problems. The knowledge they gain as members of the 4–H Club will help to build a better America.

The 4–H'er has a deep concern for the community and is aware of its needs. Members of the 4–H Club do all they can in their individual way to improve their communities. This is accomplished through individual projects. I am impressed with flexibility of the 4–H Club. It has moved with the times and extends itself into the urban areas as well as rural regions. Whether a member is working in a field learning to grow corn or engaged in beautifying a crowded urban street, the basic principle behind 4–H is the same. And that principle is character building and good citizenship. Both are developed towards making the world a better place to live.

Through the various 4–H programs, nationally and internationally, the projects and activities in which members participate benefit communities and help improve communications and understanding between different countries and among American citizens. As I look at American youth, I have great hope in their capabilities and skills. I salute 4–H during their National Week for developing individual potentials, improving young people's lives, and teaching important skills that enable young people to know themselves and their communities. For it is through such work as the 4–H that this Nation can hope to remain the great country it is and to improve today's world for a better America in the future. It is not surprising to see that this year's 4–H slogan reads "4–H '76 Spirit of Tomorrow."

FREE MARKET VERSUS "PLANNING"

Mr. FANNIN. Mr. President, since introduction of S. 1795, the Balanced Growth and Economic Planning Act of 1975, several colleagues and I, as well as numerous individuals outside of Congress, have commented on this unfortunate piece of legislation. The purpose of S. 1795 is to create a new Federal Superagency to conduct national economic planning.

There is nothing new in the idea that economic planning will allow us to avoid periods of recession and inflation such as we have experienced during the past year. The myth that central planning will achieve universal prosperity, welfare, and happiness has been fostered by social planners for years. Apparently those who promote economic planning either have not examined or have not learned from the experiences of other countries, like England which is now paying the awful price of social welfarism and national economic planning.

There are others in the Congress, and I include myself in this group, who believe that what our economy really needs is a refreshing and permanent break from Government regulation and interference. Our belief in the free market economic system remains resolute.

Mr. President, the Arizona Republic recently published a letter to the editor regarding S. 1795 from Mr. William H. Peterson, the John David Campbell Professor of American Business, American Graduate School of International Management. Mr. Peterson's incisive remarks in opposition to national economic planning in favor of the free market system are well worth reading. I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Arizona Republic, Sept. 23, 1975]

Free Market vs. 'Planning'

Editor, The Arizona Republic:

Bully for Mrs. John George Knight of Scottsdale and her letter criticizing the sweet-sounding Humphrey-Javits "Balanced Growth and Economic Planning Act of 1975," Senate Bill S–1795.

With government spending now accounting for more than one-third of the Gross National Product, of course it makes sense that Uncle Sam husband our resources carefully and spend them intelligently.

But the implications of the bill go far beyond these reasonable ends. The bill would create a federal Economic Planning Board. The board would prepare a national economic master plan—a plan seeking "full employment, price stability, balanced economic growth, an equitable distribution of income," and so on.

Grandiose goals, to be sure. But how do Messrs. Humphrey, Javits et al. figure on achieving them? Through the dismal science of economics, and through government clout.

For unlike the rest of us, private planners all, government can not only plan, it can command. So as Nobel Laureate in Economics F. A. Hayek noted, the question is not planning vs. no planning but who plans for whom?

Or, more boldly, who does what to whom?

Consider recent government planning, from congressional reversal of the seatbelt interlock system to the underwhelming victory of the 1971–1974 wage-price controls to the circusy "old-oil, new-oil" energy program to Senator Humphey's candor on government fallibility to an economic policy group in early 1975. He admitted: "Congress can't even run the Senate restaurant."

And with all respect to my peers in the economic profession, for years we've been caught with our parameters down and our forecasts sadly amiss, for all our fancy econometrics and computerized models of the U.S. economy. At the end of 1973, for example, Business Week polled 25 of the top economists in the country on the outlook for 1974. All, save two, foresaw a rising real GNP. Real GNP in 1974, we now know with 20–20 hindsight, went down.

No, what we need is not more government planning of our lives but less. Consider the universal failure of national planning abroad, notably in Great Britain among the major industrial economies and in India among the Third World countries.

Considering the sparkling success of private planning—the free market system—here. Real income per person has doubled every generation, a seven-fold increase from 1872 to 1972, when the U.S. population went from under 50 million to over 200 million.

When national planning did accelerate in the 1930's, what should have been but a recession became the Great Depression.

William H. Peterson,
The John David Campbell Professor of American Business, American Graduate School of International Management.

SENATOR GRAVEL CALLS FOR AN INTERNATIONAL APPROACH TO ESTABLISHING A LAW OF THE SEA

Mr. HUMPHREY. Mr. President, I would like to call the attention of this body to a statement by our colleague, Mr. Gravel, who has presented a very thoughtful and statesman-like position for supporting an international approach to establishing a law of the sea.

In his statement titled; "Sleeper of the Century," Mr. Gravel makes a case for supporting the efforts of the United Nations Law of the Sea Conference to achieve international recognition of a 200-mile economic zone, govern the mining of rich seabed mineral deposits, govern the transit of ships, control and protect the oceans' environment and set up enforcement provisions to give an oceans treaty the force of law.

Mr. President, my colleague from Alaska, which is one of the major fishing States in this great Nation, feels so strongly that only through international cooperation can we bring the order of law to the world's oceans, that he has taken this position at considerable political risk.

Mr. Gravel counsels about the danger of unilateral action on legislation to establish a 200-mile fisheries limit. He suggests that such a declaration would move other nations, already committed to the 200-mile concept, to follow in our steps and declare their own unilateral 200-mile limit. He argues convincingly that such action would undermine the international efforts toward this end and thus dash the hopes of achieving a law of the sea treaty.

Mr. President, taking such a position—even in the face of major opposition from his own constituency, takes courage. We know that Mr. Gravel is long on courage, especially when it is something that he believes in. He very obviously believes that the United Nations efforts should be given support and that through international cooperation, we can achieve a law that will husband our oceans' resources for all humankind. I commend his statement to the reading of this body. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE SLEEPER OF THE CENTURY

(By MIKE GRAVEL)

A great but quiet revolution is underway among the governments of the world. For the first time in history, nations are planning to cede real authority to an international institution. I am speaking of the Law of the Sea negotiations, which may extend international sovereignty to two-third's of the earth's surface. This may very well be a milestone in world history as important as the advent of feudalism and nationalism.

Throughout the history of mankind, social and cultural change has followed on the heels of technological advancement. The advent of man's ability to use atomic and hydrogen bombs brought the people of this world face to face with the possibility that all human life could be destroyed. The awesomeness of this technological power has bred a fear that our social and political institutions may not be able to adapt rapidly enough to protect us from our scientific advancements. We have thus grown up in the "Atomic Age", living under the constant threat of "doomsday". We have grown up for the first time fully realizing the possibility that man may not survive on this planet.

How ironic it is, then, that in the midst of one of the most remarkable revolutions of all time—the coming of meaningful international cooperation—little real interest has been generated in this or any other nation. In fact, our media have all but ignored this remarkable event.

The Law of the Sea Conference, organized under the auspices of the United Nations, is preciously close to completing a final charter for the oceans. The great promise that international law—rather than military or economic might—will finally govern the code of conduct on the oceans is being fulfilled. Tribunals and courts of arbitration—rather than gunboats and bombers—will settle disputes between all parties, private or public, weak or powerful. The very promising prospect of success in 1976 of the Law of the Sea Conference should warrant making it the top priority on the agenda of each and every nation on this planet.

The success of this Conference can be the harbinger of a new world order that would include disarmament, economic justice, and the hope that some degree of international sovereignty will extend over the last one-third of the earth's surface.

There comes a time in the course of all serious deliberations when timing is critical. That point has now been reached with respect to the Law of the Sea Conference. Unfortunately, forces that could frustrate the Conference are becoming stronger. Therefore, those who support international cooperation must strongly press for successful completion of the Law of the Sea agreement now, or see this tremendous prospect wither and hold only the interest of academics and political dilettantes.

The Law of the Sea Conference is particularly vulnerable to the often capricious whims of the big world powers. Any one of the major powers could disrupt the very complex and sophisticated negotiations now underway. Any major power that chose to act unilaterally—on fishing, on deep-sea mining or any other important area—would trigger similar actions by other nations. The oceans would continue to be the victim in a contest between national interests.

At the moment, I must say with no great pride that one of the major threats to the promise of international sovereignty over the oceans comes from the United States. Some U.S. mining and fishery interests in our country have no faith in the success of the Law of the Sea Conference. They feel that the assertion of national power is the only way to protect their economic interests. Though this feeling is by no means universal—many in the mining and fishery communities are strong advocates of international action—it is strong enough to threaten the success of the Law of the Sea Conference.

Some U.S. mining interests are frustrated and impatient over the tediousness of negotiations. They have the technology to exploit the vast mineral resources of the deep seas and bring them to worldwide markets. They also have a strong belief in an economic system that permits them to do just that, whenever and wherever they please. They also suspect the motives of those nations involved in the Law of the Sea negotiations which might suffer economic dislocations from competition in the copper, manganese and other mineral markets as a result of widespread deep-sea mining. Consequently these mining interests regard with deep suspicion proposals for international, rather than private, development of ocean mineral resources. They also do not understand why the underdeveloped world distrusts both the "free enterprise system" and its chief actor the multinational corporation.

These domestic economic interests must realize that as a nation, we are no longer prepared to use our military might to protect the extension of their economic influence. They must realize that international rather than national sovereignty over the "common heritage of mankind" and internationally sanctioned access to ocean minerals is the only order that is capable of providing a stable investment environment.

I believe that patience and well-placed pressure, not unilateral action, will best bring about a successful conclusion to the Law of the Sea negotiations.

In our efforts to secure mining rights to the ocean sea-bed, we should demonstrate to the underdeveloped world—from whom we must secure agreement on this point—that the multinational corporation is one of the most efficient economic units yet created. As such, it is capable of bringing together the capital, technology and management needed to bridge the growing gap between the rich nations and the poor. We can demonstrate, if we have the patience, that the riches of the oceans will not simply be carved up by the rich nations, for the rich nations, but will be primarily used to the benefit of those most in need.

The fisheries aspect of this discussion is considerably more difficult because we have suffered from decades of global mismanagement. The economic imperative of grabbing the most fish, the quickest, has been the unwritten law of the sea. Those nations who saw the danger of eliminating a renewable resource made sincere efforts at conservation. However, these efforts were often futile, frustrated by the international anarchy that characterized the fishing conduct on the oceans. Bilateral and regional negotiations have, at best, simply slowed the rapid depletion of world fish resources.

As a result of this global mismanagement, many nations sought solution in the concept of a 200 mile zone. It was first proposed by the underdeveloped world at the first law of the sea meetings. Their proposal for a 200 mile economic zone was at first strongly resisted by most of the industrialized nations, especially the United States, the Soviet Union, many European countries and Japan.

However, at the Conference in Caracas during the summer of 1974, the United States and other industrialized nations were persuaded to accept the idea of a 200 mile economic zone. Forces in the senate in order to "lock-in" the United States government to this concept, secured passage in the fall of 1974 of a bill asserting a 200 mile economic zone.

The wisdom of such a strategy was vindicated in the Spring of 1975 at the meeting of the Law of the Sea Conference in Geneva. The concept of a 200 mile zone became the assumed point of departure in our fisheries negotiations.

The great success of the Conference itself was in producing a single negotiating text for the Law of the Sea. This text, which includes an article giving the host country complete control over their anadromous fish stocks, represents an 80% consensus on the issues before the Conference, a consensus which has brought us preciously close to a final international agreement.

However, there still remains among the proponents great confusion as to the proper vehicle—national or international sovereignty—with which to implement the 200 mile concept and protect the ocean fish resources. A lack of faith in the deliberations and a lack of appreciation of the success already realized by the conference fuels this confusion. In fisheries, no less than in mining, a real solution can only be found through international action.

Unfortunately, this confusion has caused the Congress to focus on national action rather than on the remaining issues to be resolved at the Law of the Sea Conference, most notably deep-sea mining. In going on record for the 200 mile concept, the House of Representatives may further pressure international negotiators to get a sound oceans' treaty. However if the Senate acts again, transforming the house bill into law, we will have charted our course toward unilateralism, undermining the Conference, undermining a real solution to our fisheries problem and undermining any real hope of world sovereignty.

There are many liabilities associated with unilateral action. It most certainly will result in many disputes between the United States and nations fishing off our coasts who would challenge our action as contrary to international law. It will also create a whole host of new international disputes as other nations react and take similar unilateral steps threatening a wide range of U.S. interests.

In Alaska with respect to fisheries, foreign vessels would probably increase their catch of salmon as other species within the 200 mile limit are denied them. In fact a unilateral 200 mile limit would not protect more than 60 percent of our economic fishery. We would have control of pollock, flounder and other species primarily fished by other nations. This would force us to set in motion a whole new wave of bilateral negotiations deflecting our negotiators, and scientists attention from the law of the sea to this new difficulty. We would now have to focus our attention on swapping the fish we control for the fish that is beyond our control or we would have to change the economic nature of our fishery in Alaska. Eighty percent of our salmon are beyond 200 miles at any one time, and as such are hostage to any unilateral action we might take.

Obviously enforcement costs would skyrocket as foreign interests would intensify their efforts to get as much fish as possible before being driven from the 200 mile zone.

Commercial warfare would result as trade and import barriers are created by many countries in the hope of enhancing the economic benefits of their fishery.

All of this would delay, frustrate and probably doom any chance of completing a sound and workable international agreement.

It is a certainty that the underdeveloped nations will follow our lead and declare a 200 mile zone, particularly since they originated the concept as a means of protecting themselves from industrialized nations. Since agreement by these nations is the key to the resolution of remaining law of the sea issues, our action would remove any incentive they would have to negotiate a final treaty since they will have secured their long-sought goal of the 200 mile zone. This action would additionally guarantee a delay—who knows how long—of final Law of the Sea agreement.

Canadian Prime Minister Trudeau noted recently that "Canadians at large should realize that we have very large stakes indeed in the Law of the Sea agreement and we would be fools to give up those stakes by action that would be purely a temporary, paper success." In this light, we in the United States should understand "the current negotiations may thus be the world's last chance." As Secretary Kissinger warned: "Unilateral claims to fishing zones and territorial seas extending from 50 to 200 miles have already resulted in seizures of fishing vessels and constant disputes over rights to ocean space. The breakdown of the current negotiations, a failure to real a legal consensus, will lead to unrestrained military and commercial rivalry and mounting political turmoil."

Unilateral action is not only a threat to successful international action, it is clearly counter-productive to that goal. Congressional action is a tactic to pressure other nations to act on a solution. It is not the solution. We should clearly make this distinction.

I deeply believe that a Law of the Sea Treaty rather than any unilateral action is more advantageous to all our interests and particularly those fishing interests in my home—Alaska.

An international oceans treaty promises to secure agreement on the whole range of maritime issues. This linkage between the various issues provides the single greatest impetus and incentive for nations to reach agreement and is primarily responsible for the increasing international recognition that such agreement is vitally necessary.

There is very little appreciation that with respect to fisheries, the gains in negotiations are already immense. There is a broad consensus on the fisheries text which not only declares a 200 mile economic zone, but also secures host country control over anadromous species of fish, based on the rule of maximum sustainable yield. This conservation and full utilization principle is right in line with our nation's interests and poses no problem in its interpretation or practice.

Host countries will also have the power to license foreign fishing vessels within the 200 mile zone if they choose not to harvest the fish themselves. On the other hand, if host nations want to expand their fleets and harvest fish they customarily have not, they can take all the fish up to the maximum sustainable yield.

Similarly we would control our salmon stocks and other anadromous fish species wherever they are in the oceans, with the right to expand the catch up to the maximum sustainable yield.

A key benefit to an International Law of the Sea Agreement, not realizable through unilateral action, is the rehabilitation of our fish stocks. An international agreement will permit serious efforts at rebuilding our depleted and regionally extinct fish stocks. It makes little sense to make the needed capital investments for stocking our streams with salmon when foreign fishing activity will not permit them to return for harvest or propagation. An international agreement would assure us the benefits of such investment. In fact, extinct salmon runs on the east coast could be reestablished.

Probably the most important benefit from an international agreement is the legal framework that will be set up to handle all maritime disputes, including fisheries questions. All disputes would be mandatorily settled before an oceans court.

In considering an agreement with the great breadth of the Law of the Sea, it would be well to remember Thomas Jefferson's observation that, while the majority protects itself by its numbers, the minority can only protect itself by law.

The same Jeffersonian wisdom applies equally well to the underdeveloped world. The militarily weak and the economically poor can only be protected by law. In a world where the oceans are ruled by no law, they will be governed by the powerful. In a world without an oceans' charter, they will be governed by the world's wealthy.

I well understand the suspicions of the poor nations—history has not been kind to them. Similarly I understand the frustration of my own constituency—for decades of bilateral efforts have only been witness to the continued rape of our fish resources.

Yet the greatest irony of all would be for us to vent our frustrations and suspicions by impeding, if not blocking, international efforts to conclude a law for the seas, an agreement that when concluded will secure for all minorities, the weak and the poor, the economic and political justice under law they could never secure before.

It is important to keep in mind that the Law of the Sea Conference is the largest convocation in the history of humankind and that the problems at issue are the most complex ever to be dealt with. In comparison to many Congressional legislative efforts, the conference is preceding at a rapid pace.

This conference can be successfully concluded next year if sufficient pressure and efforts are put forward by all parties. I hope my country will not only continue its fine efforts, but that the President and Secretary of State of the United States will make it their highest priority and that Congress will hold off unilateral action pending the outcome of another years' deliberations. Hopefully, other nations, recognizing the great benefits to the human race of both international and cooperative sovereignty over our oceans, will join in making the completion of the negotiations their first priority and making 1976 the year of the seas.

CUTTING BACK ON SPENDING IS NOT ALL THAT PREPOSTEROUS

Mr. HUGH SCOTT. Mr. President, the lead editorial in today's Philadelphia Inquirer thoughtfully considers the President's proposal to cut taxes and curb Federal spending. I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Cutting Back on Spending Isn't All That "Preposterous"

The way the Democrats in Congress are sputtering, one might think that President Ford had asked them to outlaw motherhood, the flag and apple pie in a single sweeping stroke. Basically, however, all he has really asked is that they join him in facing up to the simple truth that if the federal government is to cut taxes it must also curb its runaway spending.

Such a notion, granted, is offensive to legislators still faithful to the advice the famous Sen. Robert LaFollette gave a newcomer half a century ago: "I make it a rule never to vote for a tax measure or against an appropriation."

Even so, it is *not* "totally preposterous," as Chairman Al Ullman of the House Ways and Means Committee protests.

With a national election year coming up, there are obvious political overtones in the President's proposal. But there is nothing wrong with that, for what Mr. Ford has done is to raise a legitimate and fundamental political issue that ought to be the centerpiece of the 1976 campaign. He defines it this way:

"One big spending program after another has been piled on the federal pyramid, taking a larger share of your personal income and creating record budget deficits and inflation . . . These excesses have played a major role in driving up prices, driving up interest rates and holding down jobs . . . As we emerge from this recession, we face the basic choice: Shall we continue these patterns in Washington or shall we set off in a new direction?"

For his part, the President has long since opted for a new direction. The alternative, he has warned, is a growth in federal spending—particularly in the spiraling transfer payments—that could lead to a situation where half the people in the country are being taxed to support the other half.

A flurry of recent reports has suggested that many Democrats are also coming around to the idea that some of the Great Society programs not only have not worked but have gotten out of hand and need to be eliminated or overhauled.

That is essentially what Mr. Ford is proposing when he asks that Congress set a budget ceiling of $395 billion for next year as a prerequisite to a $28 billion tax cut.

The Democrats' response that they can make no such agreement without seeing the President's budget is not persuasive. He has pledged to submit a budget within that figure; his earlier proposals and his vetoes give a good idea of where he thinks cuts can be made; and Congress itself will have the last word in deciding how the $395 billion is to be allocated.

That admittedly will involve some politically unpalatable choices and more courage than Congress has shown thus far in cutting back on all those goodies flowing from Washington.

But if those goodies are to continue to flow out, then the money must continue to flow in. The American people can't have more government spending and lower taxes. A choice must be made. The President has made his. Now we shall see where Congress stands.

IF ARIZONA CAN DO IT . . .

Mr. FANNIN. Mr. President, recently several of my colleagues and I had the opportunity to testify before the Judiciary Subcommittee on Constitutional Amendments on behalf of Senate Joint Resolution 55, a proposed amendment to the Constitution of the United States relative to balancing the Federal budget. Further hearings were held on October 7, 1975.

It is encouraging that numerous States and private organizations have supported this measure which is designed to bring fiscal responsibility and rational thinking to Washington. Having served almost two terms in the Senate, it is my belief that a constitutional amendment is required to assure a balanced budget. It is simply too easy for Congress, and the Executive, to spend the taxpayers' money without being held accountable, unlike State and local government officials who are closer to the people.

Mr. President, the Arizona Republic recently published an editorial on the subject of Federal fiscal responsibility entitled, "If Arizona Can Do It . . . ." This editorial describes both the efforts being taken in support of Senate Joint Resolution 55 on the State and local level as well as an excellent discussion of the need for adoption of their proposed constitutional amendment. I ask unanimous consent that the Arizona Republic editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

If Arizona Can Do It . . .

Perhaps they're simply cries in the dark, doomed to fall on deaf ears.

Yet, more and more groups across the land—from state legislatures down to small-town chambers of commerce—are hearing the drumbeat, and demanding Congress halt wild spending.

The Georgia Chamber of Commerce started it last year with a resolution calling on Congress for a constitutional amendment limiting federal expenditures to income. And no more.

Since then, 32 states have adopted resolutions or memorials urging federal fiscal responsibility.

The grassroots movement to outlaw reckless deficit spending is inching toward the halls of Congress. Sen. Carl Curtis, R-Neb., has proposed a constitutional amendment, on which hearings began yesterday before the Senate Judiciary Committee. Arizona Sen. Paul Fannin is one of the supporting witnesses.

Of the nation's deficit spending policies, Dr. James Buchanan, an economist, has prepared a report for Sen. Curtis which concludes that "history is replete with instances of societies that explode and collapse due to inflationary fires fueled by government deficits."

Arizona, like a handful of other cautious states, is expressly forbidden in its own state constitution from deficit financing.

The beauty of this is that either government lives within existing means, or its elected representatives must raise taxes and then explain it at the next election.

In Washington, on the other hand, elected representatives have successfully created the illusion—through the opaque facade of bureaucracy—that every time it appropriates money, or creates a new agency, the average taxpayer will not pay. Someone else will. Like Big Business or Those Millionaires.

All of which is nonsense.

Congress ought to start leveling with the people. The federal deficit this year will be close to $60 billion, money which will have to be borrowed and on which interest must be paid.

The taxpayer does not have a ready measurement of his elected federal representatives' performance with money, so long as congressmen can hide their excessive spending by simply borrowing more and postponing the final payment by the taxpayer.

But if Congress would simply decide that it will not spend beyond what the government takes in then those fancy programs with high costs now being thoughtlessly tacked onto bureaucracy either will be foresaken, or congressmen will have to vote individually to increase taxes.

Ideally, any tax increases should be made on personal income, so taxpayers immediately would feel a pinch in take-home pay and thus demand a halt to spending. Diffusing the pain through excise or corporate taxes simply masks the final result.

CLEANING UP THE TRASH AT FEDERAL FACILITIES

Mr. HUGH SCOTT. Mr. President, on Saturday last, the Washington Post published an excellent editorial entitled "Cleaning Up Trash at Federal Facilities." Because the problem of excess refuse is one which ought to be of concern to us all, I ask unanimous consent that this worthwhile editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Cleaning Up the Trash at Federal Facilities

As a modest attempt to do something about the blight and waste of throwaway bottles and cans landing on its property, the federal government has come up with a most sensible housekeeping proposal: that all carbonated beverage containers sold at federal installations carry a deposit. Instead of abetting the sales of expensive packaging that must be tossed out, the administration would encourage the conservation of natural resources in its own back yard, where countless tons of metal and glass are scattered each year. The proposal, which would convert all national parks, military installations and other government facilities to a system of returnable containers, comes in the form of guidelines developed by the Environmental Protection Agency.

Though the effect of the guidelines would not be felt for some years, the proposal already has drawn the predictable and well-financed opposition of bottle and can manufacturers and other industry groups lobbying hard to preserve the throwaway system. For several months, these groups have been arguing that EPA has no authority to issue the guidelines. But in August, Wallace H. Johnson, then assistant attorney general in the land and natural resources division of the Justice Department, stated that EPA's action "rests upon firm legal ground" under authority established in the Solid Waste Disposal Act. This act requires the EPA administrator to publish "guidelines for solid waste recovery, collection, separation and disposal systems."

The most logical system, of course, is one that encourages solid waste recovery at the source. As administration supporters of the guidelines note, a deposit on containers does just that. Moreover, government officials now recognize that vast amounts of unnecessary energy are spent in the sale, recovery and recycling of throwaways. Consumers, too, are discovering that the savings can be considerable when beverages are readily available in returnable containers. Indeed, the EPA proposal has received support from representatives of the National League of Cities-U.S. Conference of Mayors; spokesmen of the National Governors Conference; the National Association of Counties; the League of Women Voters; conservation groups and even brewing companies, including Coors and Falstaff.

At this point, the proposal awaits publication in the Federal Register, to allow public comment. After that, the guidelines still wouldn't go into effect until next year, and agencies would have until 1977 to draw up plans for a phased compliance. In view of these provisions for gradual introduction of the new rules, the formal initiation of this constructive move by the Ford administration should begin as soon as possible.

FREEDOM OF INFORMATION AND THE PRIVACY ACT

Mr. KENNEDY. Mr. President, last fall Congress enacted two bills designed to have a significant impact on the Federal Government's handling of information: the Privacy Act, and the Freedom of Information Amendments of 1974. The Privacy Act created a right of access for individuals to their own files, a right to correct mistakes contained in those files, and a responsibility on the part of the Government to protect personal information from misuse and disclosure which constituted an invasion of the privacy of the subject of that information. The Freedom of Information Act amendments speeded access by the public to Government records, strengthened the rights of the public to obtain disclosure of public information, and limited the scope of the Government's authority to withhold certain kinds of information.

Both of these laws serve important and coordinate purposes. They help the public obtain ready access to information which should be available; and they guard against disclosure of information which should not be made public. These laws are not conflicting in intent or purpose. The Freedom of Information Act had always recognized the Government's authority to withhold information whose disclosure would constitute a clearly unwarranted invasion of personal privacy. And the Privacy Act was drafted to avoid interference with the free flow of information to the public required to be released by the Freedom of Information Act. They were enacted but a few weeks apart by a Congress dedicated both to an opening of the Federal Government—so recently tainted by the effects of the Watergate scandal—and to a protecting of the rights to personal privacy of each citizen who became the subject of a government file.

Nonetheless, with the need to enact the Freedom of Information Act amendments over the veto of President Ford, and with the need to complete work on the Privacy Act in the closing days of the 93d Congress, the two laws do not appear to mesh as easily as might have been desired. Two different committees in the Senate worked on the different bills; and while the Office of Management and Budget was pressing hard for enactment of privacy legislation, the Justice Department was pressing equally hard for defeat of Freedom of Information legislation.

On September 27 the Privacy Act became effective, and it is thus now necessary for agencies to determine how they will treat problems arising where that law and the Freedom of Information Act interface. In resolving these problems, the Justice Department and the Office of Management and Budget play central roles. For the Information Act recognizes that Justice must play a leadership role in insuring agency implementation of that act, while the Privacy Act places OMB in the leadership position. The Justice Department's legal advice is still crucial under the Privacy Act, since Justice must defend any litigation arising under that law.

Mr. President, the Justice Department got off to a rather disquieting start when on July 30 it sent out a letter advising the general counsel of one agency that the Privacy Act impliedly repealed certain disclosure requirements of the Freedom of Information Act. In the Department's view, according to the letter signed by a Deputy Assistant Attorney General, the Privacy Act was "exclusively applicable to all records in which an individual requests records from a system of records covered by" that act. This meant that an agency decision to exempt systems of records from public access under the Privacy Act also exempted them from disclosure under the Freedom of Information Act—a conclusion unsupported by the language of the laws or the intent of Congress, in my view. I will insert this letter in the Record at the end of my remarks as exhibit 1.

I wrote the Attorney General requesting his review of this matter, suggesting that the preliminary conclusion by Justice "could prove pernicious and destructive if allowed to become the official Justice Department interpretation of the law." (See exhibit 2.) I pointed out that the logical implications of the earlier position would mean a third party would have more rights than the subject of a file, and that the language of the Privacy Act appeared clearly to recognize the continued application of the full force of the Freedom of Information Act wherever the Privacy Act did not apply. I observed:

> It appears clearly intended that access under the Privacy Act is to be complete, and not subject to FOIA exemptions, where the Privacy Act grants access. But where the Privacy Act does not grant access, the FOIA—and its exemptions—apply.

I subsequently sent the Attorney General a Library of Congress analysis I had requested, which examined in great detail the Department's initial conclusion on this issue. That analysis concluded, as I had, that the Privacy Act is not an exclusive means of gaining access to personal information contained in a system of records:

> It flies in the face of the whole legislative effort in this area to construe the Privacy Act as a backhanded method to limit individual access to records while at the same time preserving potentially greater access rights to third parties.

The Library of Congress study is included below as exhibit 3.

Last week I received a response to my letter, from Deputy Attorney General Harold Tyler. (Exhibit 4.) Mr. Tyler indicated that he and others at Justice shared my concern, and he proposed that an amendment to the Department's privacy regulations would respond adequately to that concern. They respond, but clearly not adequately.

Mr. President, the Justice Department, in its proposed new regulation, meets the most important element of my objections: it provides as a practical matter that records exempted from application of the Privacy Act will nevertheless be available to a requester if he would otherwise have been entitled to them under the Freedom of Information Act. "To the extent that the individual seeks access to records from systems of records which have been exempted from the provisions of the Privacy Act," reads section 16.57 (b) of the proposed new regulation,

> The individual shall receive, in addition to access to those records he is entitled to receive under the Privacy Act and as a matter of discretion . . ., access to all records within the scope of his request to which he would have been entitled under the Freedom of Information Act . . . but for the enactment of the Privacy Act and the exemption of the pertinent systems of records pursuant thereto.

This resolution of the issue effectively guarantees, at least temporarily, the substantive access rights provided the public under the Freedom of Information Act. But that is precisely what the law requires. The Department's action therefore falls short, in three ways, of complying with the letter and spirit of the Freedom of Information Act.

First, Justice has decided to grant access consistent with the Freedom of Information Act only as a matter of agency discretion—as a matter of grace. It seems thereby to try to duck resolution of the issue squarely as being mandated by the law. The Information Act in 1966 was passed with a primary objective of removing Government secrecy from the realm of official discretion for the most part; the only information which could be withheld was to be that "specifically" authorized by the ace to be withheld. The law says:

> This section does not authorize withholding of information or limit the availability of records to the public, except as specifically stated.

Courts subsequently held that they had no discretion to allow the withholding of information required to be disclosed by the act, even under their traditional equitable powers. But now the Justice Department, though agreeing that the Privacy Act does not curtail the public's rights under the Freedom of Information Act, says that it is carrying out this conclusion "at the sole discretion of the Deputy Attorney General." Under this approach the next Deputy Attorney General might change his mind.

Second, because of its resolution of this issue as a matter of grace rather than law, the Justice Department has abrogated its general responsibilities as lawyer for the executive branches and its specific duty under the Information Act to "encourage agency compliance with" the act. It has now told another agency, last July, that the agency can refuse access required by the Freedom of Information Act, though at the same time it is saying that the Department itself would never do such a thing. While it may be hoped that the Office of Management and Budget will live up to its role in guiding the agencies on their duties under the law, I would urge Justice itself to provide more persuasive guidance to the agencies. After all, the Justice Department will be defending those agencies in court, and I am all too confident it will lose its case in defending any agency that chooses—in exercising its discretion—to take what Justice leaves open as an alternative route for handing information requests.

Third, the Department has chosen to handle requests under privacy procedures, though it recognizes the need to apply Freedom of Information substantive standards. This deprives the requester of a timely response—within 10 working days—and other procedural benefits conferred by the Freedom of Information Act. I am well aware of the more direct conflicts between the two laws on questions of procedure. But it seems to me that where records have been exempted from disclosure under the Privacy Act, but remain subject to mandatory disclosure under the Freedom of Information Act, the procedures of the latter law should govern.

Mr. President, there has already been substantial litigation under the Freedom of Information Act. Over the past few weeks I have placed in the Record lengthy lists of cases pending and decided under that act. I think that agencies must do all that they can to avoid litigation, and I would not encourage the public to resort to the courts where patience and perseverance can bring results at the agency level. So while I believe the Justice Department has reached the right results in deciding to release information concurrently under the Privacy and Information Acts, the manner in which it has done so borders on the irresponsible—and it is bound to cause additional litigation involving the hundreds of other agencies of government who may be going their own way.

The Privacy Act has its purposes and objectives. The Freedom of Information Act also has its own. The two sets of purposes and objectives are entirely consistent and complementary. It is the responsibility of the agencies to work out procedures which are likewise. For Congress is committed to a responsible, accountable, and open government, as well as to protection of personal privacy by the Government. The Freedom of Information Act and the Privacy Act strike the balance. It is up to the Government agencies who administer those laws to maintain it.

I ask unanimous consent that the documents referred to above be printed in the Record.

There being no objection, the documents were ordered to be printed in the Record, as follows:

EXHIBIT 1

JULY 30, 1975.

MEADE WHITAKER, Esq.,
Chief Counsel, Internal Revenue Service, Washington, D.C.

DEAR MR. WHITAKER: In a letter dated April 14, 1975, Harold T. Flanagan, Director of your Disclosure Division, requested our views as to whether the Privacy Act of 1974, P.L. 93-579, is the exclusive avenue available to an individual who seeks government records about himself, or whether the Freedom of Information Act would also be available for this purpose.

Neither the literal language of the two Acts nor their legislative histories provide a clear answer to this question. The Freedom of Information Act provides that government records are available to "any person" who requests them unless they fit into one of nine exempt categories, in which case the agency may, but need not, refuse disclosure. The Privacy Act authorizes "an individual" to request records pertaining to himself and seek correction of those records, subject to two general and seven specific exemptions. The Freedom of Information Act, having been passed and amended first, makes no reference to the Privacy Act. The Privacy Act makes only two direct references to the Freedom of Information Act. New section 5 U.S.C. 552a(b)(2) permits disclosure of records about an individual without his prior consent if disclosure would be *required* by the Freedom of Information Act. Subsection

(q) of the same section specifies that an agency may not use a Freedom of Information Act exemption to deny an individual access to files about him that would be available under the Privacy Act. No mention is made of the possibility that an individual might seek records under both Acts.

It should be noted that an earlier version of the privacy bills did address this question. Section 205(b) of H.R. 16373, as it passed the Senate on November 22, 1974, specified:

"Nothing in this Act shall be construed to permit the withholding of any personal information which is otherwise required to be disclosed by law or any regulation thereunder."

This language would have assured that information available under the Freedom of Information Act would continue to be available, to the individual as well as to third parties, despite any broader exemption in the Privacy Act. The omission of this language from the final enactment suggests that Congress ultimately decided that the Privacy Act exemptions should govern exclusively, although the omission is not explained in the legislative history of the version that finally passed.

Since no clear reason is given for the omission of this language in the legislative history, it might be argued that the two Acts were nevertheless intended to provide alternate or duplicate remedies for an individual who seeks access to records about himself. In our view, however, a reading of the two Acts as a whole and consideration of their practical application leads to a contrary conclusion, namely, that the Privacy Act is the exclusive remedy for an individual who seeks records about himself contained in a system of records covered by the Privacy Act.

ALTERNATIVE APPLICATION

There would be no difficulty in harmonizing application of the two Acts to the same request if the effect of the Privacy Act were merely to expand access which the FOI Act already provides. Then one might reasonably assert that a requester was free to proceed under the older legislation—but could obtain still more by proceeding under the newer. It is true that in most respects the Privacy Act expands access by the person seeking his own records; but in several significant respects, the Privacy Act also permits or requires limitations upon access, beyond what the FOI Act would authorize.

For example, under the FOI Act an Agency could provide personal files to a person claiming to be their subject without requiring him to produce solid proof of his identity; subsection (f)(2) of the Privacy Act, however, authorizes the establishment of verification procedures. Similarly, under the FOI Act an agency would not be able to withhold medical information from its subject merely because it determined that disclosure would be harmful to him; whereas subsection (f)(3) of the Privacy Act permits an agency to restrict certain disclosures to the requesting subject's physician rather than making them to the subject himself. Finally, mention might be made of the Privacy Act's prohibition on access to information compiled in anticipation of a civil proceeding. Subsection (d)(5). It is entirely implausible that such substantial protections as these were intended only to apply to the incremental access which the Privacy Act provides beyond that of the FOI Act—so that they could be entirely avoided if the FOI Act alone were the basis of the request. It seems clear that they were enacted as desirable provisions in and of themselves, rather than as mere limitations upon the relatively small broadening of access achieved by the Privacy Act. If they are to be given such independent effect, they must be held applicable to all requests by file subjects and not just those citing the Privacy Act rather than the FOI Act.

Another substantial obstacle to the theory that the FOI Act and the Privacy Act afford alternate forms of procedures is the fact that neither Act requires the requester to identify the statutory provisions under which his request is made—and in fact many (if not most) current FOI requests do not contain such identification. Without specification, it would be impossible to determine which Act a particular request relied upon; and it is utterly implausible that Congress intended substantial effects to attach not merely to a Code citation, but to an executive or judicial surmise concerning which citation the requester would have used if he had used one.

CONCURRENT APPLICATION

Of course the foregoing objections could be overcome if the Privacy Act were to be considered not merely an alternative to the FOI Act but a supplement to it—that is, if both the FOI Act and the Privacy Act were to be considered applicable simultaneously to all requests by file subjects. Other provisions make it clear, however, that the two acts simply cannot be read entirely together.

For example, the Privacy Act, while prescribing time limits for the correction of records, prescribes no limits on the agency decision to grant or deny access to records. The FOI Act, on the other hand, sets rigid limits on the decision to grant or deny access.[1] Furthermore, the FOI Act provides that no exhaustion of administrative remedies is required if its time limits are not met; the Privacy Act, being silent on the subject, presumably requires exhaustion of administrative remedies.[2] The FOI Act requires notice, upon denial of access to records, that the individual may appeal that decision within the agency. The Privacy Act requires neither the internal appeal itself nor any notice of further rights after denial.[3] A party denied records under the FOI Act may obtain injunctive relief and costs and attorneys fees; no specific statute of limitations is provided. Similar relief is available under the Privacy Act but there is a two-year statute of limitations.[4]

Of course one might maintain that the two Acts were meant to be cumulative where not inconsistent, but where inconsistent the provisions of the later Act would prevail. Such an interpretation is cast into doubt by subsection (q) of the Privacy Act which specifically states that the FOI Act exemptions from disclosure cannot be used to deny an individual access to files about himself. There would be no need for such a provision if all inconsistencies between the two acts were to be resolved in favor of the later.[5]

Attempting to read the two acts as cumulative, at least in part, creates a scheme of enormous complexity. If they are to be read as complementary, except where inconsistent, it becomes necessary to determine when that inconsistency exists. For example, is the Privacy Act provision permitting special disclosure restrictions on medical records—limiting disclosure to a physician—consistent with the FOI provision on disclosure? Does 5 U.S.C. 552a(q) mean not only that the (b)(5) exemption of FOI cannot be used as a basis for denying records but also that the (b)(3) exemption for statutory restrictions on disclosure is unavailable?[6] Does the fact that the Privacy Act does not require an administrative appeal from a denial of access overrule the FOI requirement that such an appeal be provided and notice of its availability be given the requester? Reading the acts cumulatively, when would the administrative remedies be exhausted for purposes of seeking judicial review? If records are provided to the individual, what fees may be charged?[7]

Courts and administrators should not be cast upon this sea of uncertainty without a clear expression of congressional intent to that effect. That does not exist in the present case. To the contrary, in our view the Privacy Act bears every evidence of having been regarded as a self-contained unit, embodying all requirements that Congress intended from definitions to provisions of judicial review. It is, in our view, intended to be exclusively applicable to all cases in which an individual requests records from a system of records covered by the Privacy Act, after a date on which it comes into effect.

Footnotes at end of article.

Sincerely,

MARY C. LAWTON,
Deputy Assistant Attorney General, Office of Legal Counsel.

FOOTNOTES

[1] Compare 5 U.S.C. 552a(d)(1) with 5 U.S.C. 552(a)(6).

[2] Compare 5 U.S.C. 552(a)(6)(C) with 5 U.S.C. 552a(d)(1).

[3] Compare 5 U.S.C. 552(a)(6)(A)(i) with 5 U.S.C. 552a(d)(1).

[4] Compare 5 U.S.C. 552(a)(4) with 5 U.S.C. 552a(g)(5).

[5] Of course, the provision is also somewhat superfluous under the theory that the Privacy Act is exclusive, but it seems to be less so. If an intricate system were being established, whereby some provisions of the later Act would supersede those of the earlier, but others would not, one would expect more than a single expression of the practical operation of such supersedure. Assuming, however, that the entire Privacy Act was regarded as exclusive, subsection (q) can be seen as a somewhat superfluous but understandable affirmation of exclusivity in a particularly important area.

[6] Under the Veterans Administration Statute, 38 U.S.C. 3301(1) records are not available to the veteran, if disclosure would be injurious to his physical or mental health. Under FOI, such records would be exempt from disclosure under 5 U.S.C. 552(b)(3)—records exempt by statute. What is their availability under Privacy Act?

[7] The FOI Act permits fees to be charged for the costs of both search and duplication. 5 U.S.C. 55(a)(4). Under the Privacy Act only duplication fees "excluding search" may be charged. 552a(f)(5).

EXHIBIT 2

U.S. SENATE,
Washington, D.C., August 26, 1975.

Hon. EDWARD H. LEVI,
Attorney General, Department of Justice,
Constitution Avenue between Ninth and
Tenth Streets, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: The Office of Management and Budget has recently circulated to all federal agencies a package of materials characterized as "helpful to your efforts to implement the Privacy Act of 1974." In this package, however, is a letter which clearly does *not* help agency efforts to implement the Privacy Act. This letter, written by Deputy Assistant Attorney General Mary Lawton, could prove pernicious and destructive if allowed to become the official Justice Department interpretation of the law.

Under the Freedom of Information Act the Department of Justice has a special leadership role in encouraging "agency compliance" with the FOIA. (5 U.S.C. § 552 (d).) Miss Lawton's letter reflects a perversion of that role. I am thus appealing to you to review this matter and to issue guidance consistent with the congressional intent in both the Privacy and Freedom of Information laws.

The question raised is whether the Privacy Act of 1974 is the exclusive avenue available to a person requesting government records about himself, or whether the Freedom of Information Act may be applicable to such request. The Freedom of Information Act and its 1974 Amendments were enacted prior to final passage of the Privacy Act and therefore contain no reference to any possible interplay or conflict between the two laws. And it is true that the Privacy Act does not clearly address all aspects of the interface between them. Yet, regardless of specific inconsistencies between the provisions of the two laws, it would be manifestly unreasonable to conclude that Congress intended in the Privacy Act to carve out large implied exceptions to the requirements of the Freedom of Information Act. Generally supporting this observation are the following points:

1. The Freedom of Information Act exempts from mandatory disclosure matters *"specifically* exempted from disclosure by statute." (5 U.S.C. §552(b)(3).) If the Privacy Act's exclusion of certain agencies or records does not "specfiically" exempt them "from disclosure"—as opposed to merely exempting them from the application of certain Privacy Act provisions, then an exception to application of the FOIA's disclosure requirements cannot be sustained.

2. The Privacy Act was passed by Congress shortly after passage of the FOIA Amendments, which significantly strengthened disclosure requirements under the 1967 FOIA. (Further, the same House Committee—and Members—were responsible for managing both bills.) Implied repeal of statutory provisions are not generally favored: it would be especially unusual to conclude that Congress impliedly emasculated a public right in one bill that it had envigorated just a few weeks earlier.

3. Both House and Senate Reports on the Privacy Act refer with approval frequently to the FOIA. The final Privacy Act excepts from the disclosure limitations of section 552a(b) records required to be disclosed "under section 552 of this title" (the FOIA). It further provides in section 552a(q) that FOIA exemptions may not be invoked "to withhold from an individual any record which is otherwise accessible" to him under the Privacy Act. These clauses strongly imply that on the most basic questions—disclosure to a third party of government information about an individual, and disclosure to an individual of information about himself—Congress intended that FOIA and Privacy Act will be coordinated and applied consistently. (I should note that neither law requires its provisions to be invoked by reference. So it becomes even more important for the agencies themselves to initiate an integrated handling of requests under both.)

Miss Lawton's letter examines some of the procedural problems of applying the Privacy Act and FOIA alternatively or concurrently. She does not examine the more substantive problems of applying the Privacy Act exclusively:

1. Exclusive application of the Privacy Act would allow a blanket exemption from FOIA application for the entire CIA and FBI and for investigatory files in other agencies. Yet not only did Congress reject (both in 1966 and 1974) excluding the FBI and CIA from FOIA requirements, the FOIA Amendments expand public access, under carefully delineated guidelines, to investigatory and improperly classified documents. The Senate Judiciary Committee debated the question of applying the Act to the FBI and CIA. Much of the Senate floor debate was directed toward assessing the need for and implications of applying an amended seventh exemption (relating to investigatory files) to the FBI. And modification of the seventh exemption of the FOIA in Conference involved direct participation of the FBI with the staff of the managers. It is therefore unreasonable to conclude that, in view of the time and effort given moulding the FOIA to the unique problems of the FBI, Congress would have turned around and allowed that agency to be exempted completely from the Act without explicitly saying so.

2. One especially ludicrous result would ensue from treating the Privacy Act as exclusive as to covered records systems: a third party would be able to obtain more information from an investigatory file than the subject of that file himself.

For while the record could be exempt from access by the subject under the Privacy Act (sections 552a (j)–(k)), it would still be reachable under the FOIA. Moreover, if the requester obtained an affidavit from the subject, disclosure would not even constitute an "unwarranted invasion" of the subject's privacy (sections 552(b)(6)–(7)(c)). The Privacy Act's apparent exclusion (under this reading) could thus be simply circumvented by use of a straw-man.

I note that Miss Lawton concedes the possibility that the two Acts could be read "to be cumulative where not inconsistent" (page 4). She reasons, however, that if they were so read there would be no need for the Privacy Act to state that the FOIA exemptions "cannot be used to deny an individual access to files about himself." (Section 552a (q).) This is not only a superficial basis, on which to reject cumulative application of the two laws; it actually provides support for the opposite conclusion. The full clause reads:

"No agency shall rely on any exemption contained in section 552 of this title to withhold from an individual any record *which is otherwise accessible to such individual under the provisions of this section."* (Emphasis added.)

It appears clearly intended that access under the Privacy Act is to be complete, and not subject to FOIA exemptions, where the Privacy Act grants access. But where the Privacy Act does not grant access, the FOIA—and its exemptions—apply.

This, it seems to me, provides a coherent and rational approach for integrating the two laws substantively. Any other would do injury to the congressional purpose and national policy underlying each Act.

Once this substantive compatibility is accepted, there nonetheless remain complex and challenging procedural issues involving the interaction of the two laws. These may be resolved more readily if the objectives of both laws—broad access, agency responsiveness, and effective judicial review—are used to guide their resolution. I and the staff of the Subcommittee on Administrative Practice and Procedure stand ready to assist you and your staff in developing a coherent procedural framework, for agency handling of information requests, that is faithful to the requirements of both the Privacy Act and the Freedom of Information Act.

If, after the effective date of the Privacy Act, the FBI, CIA, IRS, or other agency refuses to provide information covered by the Freedom of Information Act on the grounds that the information is in record systems exempted from application of the Privacy Act, and that the Privacy Act is exclusive in that regard, I believe that refusal will ultimately be found to be arbitrary and capricious by the courts. These issues should not, in any event, have to await litigation for their resolution.

Since the Privacy Act becomes effective next month, and agencies are presently actively planning to implement that Act, your opinion on this issue of exclusivity is critically needed as soon as possible. I will look forward to your response.

Sincerely,

EDWARD M. KENNEDY.

EXHIBIT 3

The Library of Congress, Congressional Research Service

Washington, D.C., September 8, 1975.

To: Senate Subcommittee on Administrative Practice & Procedure
From: American Law Division
Subject: Relationship of the Freedom of Information Act and the Privacy Act; Exclusivity of Remedies

This is in response to your request for a critical analysis of the Justice Department's position regarding the relationship of the Freedom of Information Act (5 U.S.C. 552) and the recently enacted Privacy Act (5 U.S.C. 552a). It is the Department's position, as stated in a July 30, 1975 letter from Deputy Assistant Attorney General Mary Lawton to the Chief Counsel, Internal Revenue Service, that the Privacy Act, after its effective date of September 27, 1975, is "the exclusive remedy for an individual who seeks records about himself contained in a system of records covered by the Privacy Act."

The Department's letter notes various provisions in the Privacy Act which limit access to an individual's files in arguing that the Privacy Act is not an alternative procedure to the Freedom of Information Act. Procedural variations between the two acts are pointed to as indicating "that the two acts simply cannot be read entirely together." Furthermore, according to the letter, "[a]ttempting to read the two acts as cumulative, at least in part, creates a scheme of enormous complexity." The letter concludes:

"Courts and administrators should not be cast upon this sea of uncertainty without a clear expression of congressional intent to that effect. That does not exist in the present case. To the contrary, in our view the Privacy Act bears every evidence of having been regarded as a self-contained unit, embodying all requirements that Congress intended, from definitions to provisions of judicial review. It is, in our view, intended to be exclusively applicable to all cases in which an individual requests records from a system of records covered by the Privacy Act, after the date on which it comes into effect."

The Privacy Act is a comprehensive law relating primarily to the safeguarding, management, compilation and dissemination of records maintained by the federal government on individuals and which are retrievable by the name of the individual or some other identifying particular assigned to the individual. See, 5 U.S.C. 552a(a)(5). The principal aim is the protection of the privacy of the individual by controlling the disclosure of records pertaining to him and assuring that files are maintained accurately, with the individual's knowledge, and for a proper purpose. Access by an individual to records pertaining to him is accorded under subsection d(1) of the Act and means are provided by which amendments and corrections of the records can be made. 5 U.S.C. 552a(d)(2). Exemptions from the access and modification provisions, as well as other provisions of the Act, are permitted the agencies. 5 U.S.C. 552(a)(j) and (k).

The Freedom of Information Act (FOIA), 5 U.S.C. 552, is a disclosure law. It provides, inter alia, that upon request for records by any person, agencies shall make such records available unless they fall within the terms of nine exemptions to the Act. 5 U.S.C. 552 (b). The exemptions relate to the substance of the records and permit the withholding of such matters as classified material, interagency memoranda, investigatory files, personnel and medical records, and records specifically exempt from disclosure by statute.

An individual can request records pertaining to him under the terms of both acts. The Privacy Act specifically grants him ac-

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Footnotes at end of article.

cess under 5 U.S.C. 552a(d)(1). An individual is clearly "any person" under the FOIA and so long as the records are "reasonably described" (5 U.S.C. 552(a)(3)(A)) he can seek such records pertaining to himself under that act. The question is whether the Privacy Act is the exclusive means of obtaining access to records pertaining to the individual requester when such records are contained in a system of records as defined in the Privacy Act.

The Privacy Act contains four references to the Freedom of Information Act, none of which resolve the question of exclusivity of remedies. Section (b)(2) prohibits disclosure of any individually identifiable record to any person or agency, without prior request by or consent of the individual concerned, unless disclosure would be "required under section 552 of this title." 5 U.S.C. 552a(b)(2). Disclosures under (b)(2) are also exempt from the requirement that such records be "accurate, complete, timely, and relevant for agency purposes" before they are disseminated to any person other than an agency. 5 U.S.C. 552a(e)(6). Among the specific exemptions in the Act (which permit agency heads to exempt certain systems of records from various provisions of the Act) are systems of records "subject to the provisions of section 552(b)(1) of this title.[1]" 5 U.S.C. 552a(k)(1). Finally, the Freedom of Information Act is mentioned in section (q) which prohibits an agency from relying on exemptions in the FOIA to withhold records from an individual otherwise accessible under the Privacy Act. 5 U.S.C. 552a(q).

The legislative history of the Privacy Act is similarly unilluminating on the question of the relationship of the remedies provided in both the Privacy Act and the FOIA.[2] Congress was not oblivious to the requirements of the Freedom of Information Act, however, during consideration of the Privacy Act. In fact, the President's veto of amendments to the FOIA designed to facilitate disclosure of records was overridden on the same day the Privacy Act was approved. The veto override vote in the House came within minutes of the debate and passage of the House version of the Privacy Act.

A version of the Privacy Act which passed the Senate on November 22, 1974 contained a provision that "[n]othing in this Act shall be construed to permit the withholding of any personal information which is otherwise required to be disclosed by law or any regulation thereunder." See, 120 Cong. Rec. S 19900 (daily ed. Nov. 22, 1974). This provision was omitted from the final version without explanation. Sections (b)(2) and (q) were instead added to the bill which became the Privacy Act. The Analysis of House and Senate Compromise Amendments to the Federal Privacy Act submitted in lieu of a conference report explains, somewhat ambiguously:

"The Senate bill reflected the position of an earlier draft of the House measure in Section 205(b) where it provided that nothing in the act shall be construed to permit the withholding of any personal information which is otherwise required to be disclosed by law or any regulation thereunder. This section was intended as specific recognition of the need to permit disclosure under the Freedom of Information Act.

"The compromise amendment would add an additional condition of disclosure to the House bill which prohibits disclosure without written request of an individual unless disclosure of the record would be pursuant to Section 552 of the Freedom of Information Act. This compromise is designed to preserve the status quo as interpreted by the courts regarding the disclosure of personal information under that section.

"A related amendment taken from the Senate bill would prohibit any agency from relying upon any exemption contained in Section 552 to withhold from an individual any record which is otherwise accessible to such individual under the provisions of this section." 120 Cong. Rec. S 21817 (daily ed., Dec. 17, 1974).

Thus, the intention of the compromise amendments described above was to "preserve the status quo as interpreted by the courts regarding the disclosure of personal information under [the FOIA]." Since the status quo included the possibility of individual access to his own file under the FOIA, it can hardly be persuasively argued that the omission of the language of the Senate-passed bill in the final version and its replacement with the compromise amendments "suggests that Congress ultimately decided that the Privacy Act exemptions should govern exclusively . . .[3]" While it is true that the effect of the compromise amendments differs from that of the Senate-passed bill, it is the intent of the Congress as an interpretative device which is important. Silence on the omission of a provision and an intent to preserve the status quo vis-a-vis the FOIA respecting other provisions can not be read to mean that Congress intended to replace the FOIA with the mechanisms of the Privacy Act regarding individual access to his own file.

Speculation over Congressional intent is risky, particularly in the case of a complex bill passed rather hurriedly at the end of a legislative session. Those who argue that the Privacy Act preempts the FOIA in cases of individuals seeking their own records contained in a system of records, however, must overcome some basic tenets of statutory interpretation.

The Justice Department argument is that the Privacy Act implicitly worked an amendment or repeal of the FOIA in that class of cases involving an individual seeking disclosure of a record pertaining to him contained in a system of records, as defined in the Act. However, repeals or amendments by implication are not favored. *Regional Rail Reorganization Act Cases*, 419 U.S. 102, 133 (1974); *Morton* v. *Mancari*, 417 U.S. 535, 550 (1974); *Posadas* v. *National City Bank*, 296 U.S. 497, 503 (1936). "In the absence of some affirmative showing of an intention to repeal, the only permissible justification for a repeal by implication is when the earlier and later statutes are irreconcilable." *Morton* v. *Mancari*, 417 U.S. 535, 550 (1974). The Supreme Court, in the *Regional Rail Reorganization Act Cases*, agreed with the District Courts' formulation of the rule:

"A new statute will not be read as wholly or even partially amending a prior one unless there exists a "positive repugnancy" between the provisions of the new and those of the old that cannot be reconciled. . . . Before holding that the result of the earlier consideration has been repealed or qualified, it is reasonable for a court to insist on the legislature's using language showing that it has made a considered determination to that end." 419 U.S. 102, 134 quoting 384 F. Supp. 895, 946 (Sp. Ct. 1974).

The question in the rail reorganization cases cited above was whether the Rail Act, with its own remedy and scheme of compensation, preempted the general Tucker Act remedy for unconstitutional takings of property. See, 419 U.S. 102, 126. The Supreme Court held that it did not.[4] As a general rule, remedial statutes are given a harmonious construction if possible and "the enactment of a new statutory remedy does not operate to repeal other statutory remedies, but the new remedy is construed as cumulative and to coexist with the existing methods of enforcement." Sutherland, *Statutory Construction* § 23.27 (4th ed. 1974); see, *Jones* v. *Mayer Co.*, 392 U.S. 409, 416 (1968); *Sullivan* v. *Litle Hunting Park*, 396 U.S. 229, 237 (1969).

The Department of Justice points to several differences in the access provisions of the Privacy Act as opposed to the FOIA as creating a "sea of uncertainty" and evincing an intent on the part of Congress to replace the FOIA remedy with the Privacy Act remedy, "a self-contained unit, embodying all requirements that Congress intended, from definitions to provisions of judicial review." As noted above, it is difficult to argue that Congress intended such a drastic remedial modification without saying a word about it and on the same day it overwhelmingly overrode a Presidential veto of a strengthened version of the very act it is now argued was modified. Furthermore, an examination of the "inconsistencies" discussed in the Department's letter does not demonstrate the degree of irreconcilability and "repugnancy" necessary on which to base a conclusion of qualification or repeal by implication. See, Sutherland, supra § 23.10; *Posadas* v. *National City Bank*, 296 U.S. 497, 504 (1936); *Regional Rail Reorganization Act Cases*, 419 U.S. 102, 134.

The Department's letter mentions three provisions of the Privacy Act which serve to *limit* access to information and argues that such limitations, contained as they are in the newer statute, preclude alternative use of the older FOIA. However, exemptions or limitations contained in later remedial statutes do not necessarily evidence an intent to occupy the field to the exclusion of earlier remedial statutes on the same subject. See, *Jones* v. *Mayer Co.*, 392 U.S. 409, 416 (1968);[5] *Sullivan* v. *Little Hunting Park*, 396 U.S. 229 (1969).[6] Furthermore, administrative interpretations of two of the three provisions result in no incompatibility with the FOIA.

For instance, the Department's letter notes that agencies may impose identity verification requirements on individuals seeking access to their records under the Privacy Act. 5 U.S.C. 552a(f)(2). There is no similar requirement under FOIA. However, OMB has recommended regarding (f)(2) verification that the "requirements pertaining to verification of identity contained in subsection (f)(1) [notification of an individual that a record pertaining to him exists], above, should also be noted." OMB Guidelines 28967. Subsection (f)(1) verification procedures "may only be imposed when the fact of the existence of a record would not be required to be disclosed under the Freedom of Information Act (5 U.S.C. 552)." OMB Guidelines 28967; see OMB Guidelines 28964.

Thus, an effort is made to mesh the two acts. Furthermore, as a practical matter, verification procedures are likely to be employed in FOIA requests for such individually identifiable records. The disclosure of a record to someone other than the subject of that record may "constitute a clearly unwarranted invasion of personal privacy" (5 U.S.C. 552(b)(6)), while disclosure to the individual himself may not. Thus, some verification procedure is necessary to determine the applicability of the FOIA exemption. See also, 5 U.S.C. 552(b)(7)(C).[7]

The Department's letter also points to the supposed conflict between the FOIA and subsection (f)(3) of the Privacy Act which, in its view, "permits an agency to restrict certain disclosures to the requesting subject's physician rather than making them to the subject himself."[8] OMB does not seem to take such an either/or position nor do the terms of the Act reflect such a position. Subsection (f)(3) does permit special procedures "if deemed necessary", but these special procedures are for "the disclosure *to an individual* of medical records." (Emphasis supplied). The OMB Guidelines similarly provide:

"As written, the Act provides that individuals have an unqualified right of access

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Footnotes at end of article.

to records pertaining to them (with certain exceptions specified in subsections (j) and (k), below, but that the *process* by which individuals are granted access to medical records may, at the discretion of the agency, be modified to prevent harm to the individual." OMB Guidelines 28967 (Emphasis added).

Finally, the Department views subsection (d)(5) as a limitation making alternative application of the Privacy Act and the FOIA impossible. Subsection (d)(5) provides that "nothing in this section shall allow an individual access to any information compiled in reasonable anticipation of a civil action or proceeding." 5 U.S.C. 552a(d)(5). The Department concludes (apparently with regard to this subsection and the others discussed above) that "it is entirely implausible that such substantial protections as these were intended only to apply to the incremental access which the Privacy Act provides beyond that of the FOI Act—so that they could be entirely avoided if the FOI Act alone were the basis of the request." [9]

Initially, it might be said that entirely avoiding the restrictions of (d)(5) by means of the FOIA may be difficult in many, if not most, situations as exemption 7 of the FOIA may well apply to such records. Secondly, the OMB Guidelines interpret subsection (d)(5) within the framework of the FOIA:

"This provision is not intended to preclude access by an individual to records which are available to that individual under other procedures (e.g. pretrial discovery). It is intended to preclude establishing by this Act a basis for access to material being prepared for use in litigation other than that established under other processes such as the Freedom of Information Act or the rules of civil procedure." OMB Guideline 28960.

Thus, subsection (d)(5) would seem to leave the FOIA unimpaired.

Other procedural variations between the two Acts are noted by the Department in arguing that the Privacy Act and the FOIA are incapable of concurrent application. The Privacy Act prescribes no time limits on the agency decision to grant or deny access to records unlike the FOIA which sets limits. Neither does it require an administrative appeal of the denial of access to records. A two-year statute of limitations is applicable to civil relief under the Privacy Act. The FOIA has no specific statute of limitations provision.

Regarding the time limits, OMB has recommended that argencies reply to a request for access within 10 days, the same as under FOIA. OMB Guidelines 28957. Furthermore, the fact that the Privacy Act dispenses with the necessity of administrative appeal and has no set exhaustion of remedies schedule as in the FOIA does not preclude harmonizing the two Acts. As the Department's letter recognizes, "[t]here would be no difficulty in harmonizing application of the two Acts to the same request if the effect of the Privacy Act were merely to expand access which the FOI Act already provides. Then one might reasonably assert that a requester was free to proceed under the older legislation—but could obtain still more by proceeding under the newer." [10]

An alternative interpretation—and a means to harmonize the two Acts—would be to impose the FOIA procedural requirements (time limits, appeal rights) on requests for records in a system of records. Congressional silence could mean that it intended such limits to apply. Access is not a new remedy provided by the Privacy Act and the machinery of the FOIA, in terms of administrative handling of requests, is already in existence. On the other hand, Congress did feel it necessary to prescribe time limits in the newer legislation when it provided for a new remedy, namely, the correction of individual records. 5 U.S.C. 552a(d)(2). A request for one's record contained in a system of records comes within the terms of the FOIA [11] and nothing in the Privacy Act explicitly prohibits application of the general terms of the FOIA.

It would seem that the procedural variations between the Privacy Act and the FOIA do not pose insurmountable barriers to a harmonizing interpretation and application of the two acts. They certainly do not point to a complete supersedure by the Privacy Act of the FOIA with respect to individuals' requests for their own records contained in a system of records. An examination of the substantive provisions of the Act—particularly the operation of the Privacy Act's exemptions in relation to FOIA requests for similar records—demonstrates the absurd consequences of viewing the Privacy Act as the exclusive means of gaining access to one's own records.

Sections (j) and (k) of the Privacy Act permit agencies to exempt certain systems of records from various provisions of the Act, including (d)(1), the access provision. The general exemptions in section (j) allow institutional exemptions for files maintained by the CIA and law enforcement agencies. The section (k) specific exemptions relate to the substance of the records and include records subject to (b)(1) of the FOIA (classified national security matters), investigatory records, records maintained in connection with protection of the President, purely statistical records, and records relating to qualification, testing, promotion, appointment for various forms of federal service.

The exemptions do not apply to section (b) of the Privacy Act, which outlines conditions of disclosure to third parties of an individual's records. Section (b) prohibits such disclosure without prior request or consent of the individual unless disclosure would be "required under section 552 of this title [FOIA]." 5 U.S.C. 552a(b)(2). Thus, a third party could gain access to an individual's record contained in a system of records if none of the exemptions of the FOIA applied to the records.[12] The anomaly of greater third-party access to an individual's file than the individual himself could thus result if the Privacy Act exemptions are broader than the FOIA exemptions and the Privacy Act is deemed the exclusive vehicle for individual access to his own records.

For example, assuming the Justice Department's position that the Privacy Act is exclusive, records maintained by the CIA, regardless of their content, may be exempt from the access provision of the Privacy Act. 5 U.S.C. 552a(j)(1). However, if the substance of the records does not entitle them to come under any of the nine exemptions of the FOIA, a third party would have access to the records pursuant to the FOIA and section (b)(2) of the Privacy Act.[13]

The breadth of some of the specific exemptions might also contribute to the anomaly described above. For example, records "maintained and used solely as statistical records" could be denied the individual (5 U.S.C. 55a (k)(3)), but be available to third parties under the FOIA, assuming no FOIA exemption applied. Similarly with records "maintained in connection with providing protective services to the President of the United States or other individuals", a broad exemption not keyed to the specific content of a record. 5 U.S.C. 552a(k)(4). Exemption 2 of the specific Privacy Act exemptions covers "investigatory material compiled for law enforcement purposes", a much broader exemption than the comparable law enforcement exemption of the FOIA.[14] Since exemption 7 is a frequently invoked exemption in FOIA cases, it is likely that the third party versus individual access question may arise in this context.

The difference between third-party and individual access as a result of the Justice Department's interpretation of the exclusivity of remedies also points to the ease which the limitations resultant from exclusivity may be circumvented. If an individual is denied access to records with would be available under the FOIA, all he need do, assuming he is precluded from pursuing an FOIA remedy himself, is to ask a friend to request them for him. The records would have to be disclosed pursuant to section (b) of the Privacy Act, either because the individual has submitted a written request that they be disclosed to the third party or because they are required to be disclosed under section 552 (FOIA). 5 U.S.C. 552a(b)(2).

The absurdity of the above results—greater third-party access and the promotion of circumvention—probably argues more persuasively against the exclusivity argument of the Justice Department than an effort to reconcile the minutiae of differing procedural requirements. Statutes will not be interpreted to reach absurd results.[15] Since there is no provision prohibiting recourse to the FOIA remedy nor legislative history indicating that the FOIA remedy has been superseded, the Privacy Act remedy should not be construed in a manner which will result in the anomalies described above.

CONCLUSION

There is nothing in the terms of the Privacy Act or its legislative history which indicates that the Privacy Act is the exclusive means by which an individual can gain access to his own records contained in a system of records. Many of the so-called "inconsistencies" listed in the Justice Department's letter have been reconciled with the FOIA in the OMB guidelines issued pursuant to the Privacy Act. Furthermore, they do not seem to constitute the clear repugnancies which are necessary before a court will hold that one statute has implicitly repealed or superseded another.

The primary purpose of the Privacy Act is the protection of individual privacy by controlling the collection, management, and dissemination of individually identifiable records. Access to such records by the individual is one method by which control is achieved and is a necessary adjunct to the accurate maintenance of records. It flies in the face of the whole legislative effort in this area to construe the Privacy Act as a backhanded method to limit individual access to records while at the same time preserving potentially greater access rights to third parties.

RICHARD EHLKE,
Legislative Attorney.

FOOTNOTES

[1] 15 U.S.C. 552(b)(1) is the first exemption of the Freedom of Information Act relating to matters that are "specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order."

[2] The Senate reported a privacy bill, S. 3418, on September 26, 1974. S. Rept. No. 93-1183. The House version, H.R. 16373, was reported on October 2, 1974. H. Rept. No. 93-1416. The bills were debated by both houses on November 20 and 21, 1974 and different versions were passed by the House and Senate on November 21. See Congressional Record, vol. 120, pp. 36643-36660, 36882, 36885-36921, 36955-36977 (Nov. 20, 21, 1974). A conference was not held on the differing bills, but a staff compromise was presented and debated on December 17 and 18, 1974. See Congressional Record vol. 120, pp. 40412, 40730-40731, 40879-40887 (Dec. 17, 18, 1974). The Privacy Act became law on December 31, 1974.

[3] Lawson letter, page 2.

[4] In analyzing legislative history which is relatively more illuminating than that available on the similar question in the context

of the Privacy Act and the FOIA, the Court concluded:

"In sum, we cannot find that the legislative history supports the arguments that the Rail Act should be construed to withdraw the Tucker Act remedy. The most that can be said is that the Rail Act is ambiguous on the question. In that circumstance, applicable canons of statutory construction require us to conclude that the Rail Act is not to be read to withdraw the remedy under the Tucker Act." 419 U.S. 102, 133.

[5] Title VIII of the Civil Rights Act of 1968 did not affect 42 U.S.C. § 1982, despite the fact that the former contains exemptions and time limits not contained in the latter. The Court stated:

"At oral argument, the Attorney General expressed the view that, if Congress should enact the pending bill, § 1982 would not be affected in any way but "would stand independently." That is, of course, correct. The Civil Rights Act of 1968 does not mention 42 U.S.C. § 1982, and we cannot assume that Congress intended to effect any change, either substantive or procedural, in the prior statute." 392 U.S. 409, 416 n. 20.

See also, *Fred* v. *Kokinokos*, 347 F. Supp. 942. (E.D.N.Y. 1972).

[6] Civil Rights Act of 1964 did not supercede 42 U.S.C. § 1982. The court in *Troy* v. *Shell Oil Company*, 378 F. Supp. 1042, 1047 (E.D. Mich. 1974) elaborated:

"The distinction between a Title VII claim and a claim bottomed on the Civil Rights Act of 1866 is significant. A claimant under the latter is not burdened with the procedural prerequisites of Title VII. Although the kinds of discrimination covered by the two statutes overlap to some extent, the courts have nevertheless refused to hold that the older statute was preempted by Title VIII. The remedies they create are independent and unaffected by the other's existence. . . . Thus, when discrimination of the type covered by both statutes is involved, relief may be available under § 1981 et seq. which is not available under Title VII because of a failure to exhaust administrative remedies."

See also, *Penn* v. *Schlesinger*, 497 F. 2d 970 (5th Cir. 1974).

[7] In discussing this portion of exemption 7 of the FOIA in the Conference Report on the 1974 amendments, it was stated that the conferees "wish to make clear that disclosure of information about a person to that person does not constitute an invasion of his privacy." Some identity verification procedures would seem to be necessary in order to determine the applicability of this exemption. The Attorney General also states that "when information otherwise exempt under clause (c) is sought by a requester claiming to be the subject of the information, the agency may require appropriate verification of identity." Attorney General's Memorandum on the 1974 Amendments to the Freedom of Information Act 10 (1975).

[8] Lawton letter, page 3.

[9] Id.

[10] Lawton letter, page 2.

[11] 5 U.S.C. 552(a) (3) provides:

"Except with respect to the records made available under paragraphs (1) and (2) of this subsection, each agency, upon any request for records which (A) reasonably describes such records and (B) is made in accordance with published rules stating the time, place, fees (if any), and procedures to be followed, shall make the records promptly available to any person."

The FOIA speaks in terms of "any request" for records, not just requests for records pursuant to this section.

[12] One of the exemptions, (b) (6), of the FOIA permits the withholding of "personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy." 5 U.S.C. 552(b) (6).

The compromise final version of the Privacy Act rejected a provision of the House bill which would have made disclosure of all individually identifiable information in government files a "clearly unwarranted invasion of personal privacy" and thus exempt from disclosure under FOIA. See Congressional Record, vol. 120, p. 40407 (Dec. 17, 1974). Thus, it is possible that some individually identifiable records would not be exempt under the standards of 5 U.S.C. 552 (b) (6) and thus required to be disclosed (assuming other FOIA exemptions were not applicable) to third parties under (b) (2) of the Privacy Act.

In addition, it would not seem that the Privacy Act is a statute under the terms of exemption 3 of the FOIA which permits withholding of matters "specifically exempted from disclosure by statute." 5 U.S.C. 552(b) (3). The exemptions in the Privacy Act are permissive and an agency is not *required* to withhold records within the purview of the exemptions. See OMB Guidelines 28971. Thus, any exemptions from disclosure under the Privacy Act is "the creature of the administrator and does not fall within the meaning of the words 'specifically exempted . . . by statute.'" *People of State of California* v. *Weinberger*, 505 F. 2d 767 (9th Cir. 1974); see, *FAA Administrator* v. *Robertson*, 45 L. Ed. 2d 164 (1975).

[13] It is likely that agencies will not exempt records from the terms of the Privacy Act if they would be available under FOIA, according to an OMB official connected with the drafting of the guidelines.

[14] Access to such investigatory records is expanded if "any individual is denied any right, privilege, or benefit that he would otherwise be entitled by Federal law, or for which he would otherwise be eligible, as a result of the maintenance of such material . . ." 5 U.S.C. 552a(k) (2).

No such showing of injury is required for access under the FOIA.

[15] See, 73 Am. Jur. 2d *Statutes*, § 265.

EXHIBIT 4

OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, D.C., October 1, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: I recently received a copy of your letter to Attorney General Levi expressing your concern about Deputy Assistant Attorney General Lawton's letter and the Justice Department's interpretation of the Privacy Act as ostensibly expressed in her letter.

Some weeks before I saw your letter, I and others here had concerns substantially similar to yours. Hence we discussed and drafted an additional provision to be added to our Privacy Act regulations. We think this provision, a copy of which is enclosed, serves to meet what you suggest.

That is not to say, however, that this provision will resolve all of the difficult procedural issues posed by the various sections of the two Acts. For that reason, I welcome your suggestion for a cooperative effort and have so notified my principal advisors. The Chief Counsel of your Subcommittee will be contacted shortly in this regard.

Sincerely,

HAROLD R. TYLER, Jr.,
Deputy Attorney General.

SECTION 16.57. RELATIONSHIP OF PRIVACY ACT AND THE FREEDOM OF INFORMATION ACT

(a) Issuance of this section and actions considered or taken pursuant hereto are not to be deemed a waiver of the Government's position that the mtaerials in question are subject to all of the exemptions contained in the Privacy Act. By providing for exemptions in the Act, Congress conferred upon each agency the option, at the discretion of the agency, to grant or deny access to exempt materials unless prohibited from doing so by any other provision of law. Releases of records under this section, beyond those mandated by the Privacy Act, are at the sole discretion of the Deputy Attorney General and of those persons to whom authority hereunder may be delegated. Authority to effect such discretionary releases of records and to deny requests for those records as an initial matter is hereby delegated to the appropriate system managers as per the Notices of Systems of Records published in 40 *Federal Register* 167, pages 38703–38801 (August 27, 1975).

(b) Any request by an individual for information pertaining to himself shall be processed solely pursuant to Subpart D of these regulations. To the extent that the individual seeks access to records from systems of records which have been exempted from the provisions of the Privacy Act, the individual shall receive, in addition to access to those records he is entitled to receive under the Privacy Act and as a matter of discretion as set forth in subsection (a), access to all records within the scope of his request to which he would have been entitled under the Freedom of Information Act, 5 U.S.C. 552, but for the enactment of the Privacy Act and the exemption of the pertinent systems of records pursuant thereto. Only those fees set forth in section 16.46 of this Title may be charged a requester as to any records to which access is granted pursuant to the provisions of this subsection.

(c) When an individual requests access to records pertaining to criminal, national security or civil investigative activities of the Federal Bureau of Investigation which are contained in systems of records exempted under provisions of the Privacy Act, such requests shall be processed as follows:

(1) Where the investigative activities involved have been reported to F.B.I. Headquarters, records maintained in the F.B.I.'s Central files will be processed; and,

(2) Where the investigative activities involved have not been reported to F.B.I. Headquarters, records maintained in files of the Field Office identified by the requester will be processed.

NATIONAL TRANSPORTATION POLICY

Mr. TAFT. Mr. President, on September 17 the Department of Transportation issued a statement of national transportation policy. The Secretary of Transportation, Mr. William T. Coleman, stated in his introductory letter to the statement that, "we—the Department of Transportation—invite and urge your criticisms and comments." Accordingly, I would like to offer a few observations on several specific aspects of the policy statement.

First, I would like to offer my appreciation and support for the emphasis in the policy statement on the need for further development of intermodal relationships. We have too often looked at transportation as roads, railroads, or airplanes, not as an integrated process of moving goods from point A to point B. Yet it is the latter which is the driving factor, not the specific mode. As the policy statement notes, "The potential of intermodal services remains for the most part unrealized. The exploitation of the inherent efficiencies of modes working in combination has been inhibited by an array of physical and institutional barriers, such as inadequate cross-modal terminals and regulatory inhibitions against through-ticketing or multimodal ownership. We must systematically identify and remove barriers to efficient connectivity between modes." I agree fully with the policy statement in this respect, and I hope we will soon see proposals from the Department of Transportation for legislation designed to facilitate intermodal cooperation, and the formation of intermodal transportation arrangements and organizations.

Another section of the policy statement dealing with mass transit has aroused some concern on my part, both in relation to what is stated and in relation to what was not stated.

On page 8 of the statement, it is noted that Federal policy should: "Regard the present types of fixed systems as appropriate only in a few highly populated metropolitan areas, and support efforts to develop a type of rail system which is much less costly to build, operate, and maintain."

Then, on page 11, the statement says that mass transit needs, "in a few places, rapid or light rail facilities, in order to attract greater patronage."

These two statements seem contradictory in several ways. In the first place, the statement on page 8 fails to mention the fact that we already have a type of rail system which is much less costly to build, operate, and maintain than is rapid transit. It is light rail. It is not a matter of developing light rail—our Nation ran on it 50 years ago, in the form of streetcars and interurbans; Europe runs on it today; several American cities still have it; and Dayton, Ohio has applied for Federal funding to build a light rail system—but is having difficulty in getting the Department of Transportation and the Urban Mass Transit Administration to recognize its existence and support it. The fact that the policy statement could speak as if we had to start searching for such a rail mode is unfortunate evidence that light rail still is not recognized within DOT.

Second, whereas the first part of the statement on page 8 would appear to assert, correctly, that only the larger cities can justify a full heavy-rail rapid transit system, the statement on page 12 appears to lump light rail in with rapid transit and say only a few places are suitable for light rail. This, again, shows a failure on the part of DOT to understand light rail. Light rail is precisely the less costly rail system which DOT says on page 8 that it wants. Because it is low cost—generally about one-fifth the cost to build than rapid transit—it is suitable for many cities across the country, including medium and even low-density urban areas. It is totally unfair to light rail—and to America's urban residents, who would benefit greatly from an inexpensive rail transit system—to lump light rail with high-cost rapid transit. I hope the Department of Transportation will clarify the statement on page 12, and make it clear that they are referring there only to rapid transit, not to light rail.

Third, on this point, it is disappointing that the statement does not have a specific section on light rail. Light rail is not just another mode of urban transit: It could be a solution to a large part of our urban transit dilemma. The dilemma is that, whereas rail transit is highly attractive to potential users, the costs of a rapid transit system are increasingly prohibitive; on the other hand, a bus system, while less costly than rapid transit, is unattractive to many urban and suburban residents. Light rail provides rail transit, with all the attractive features of that mode, at a cost equal to or less than the cost of dedicated busways and, as already noted, up to five times less than that of conventional rapid transit. It permits urban areas to provide an attractive alternative to the automobile at an affordable price. It is relatively pollution free. I believe that, without a statement recognizing these facts, the policy statement cannot be considered complete.

There is one other part of the policy statement on which I would like to offer some comments at this time: the attitude expressed in the statement toward Amtrak.

Rail passenger service must, I believe, play an increasingly important part in our national transportation system. Passenger trains are highly energy efficient, produce very little pollution per passenger-mile, and contribute toward efficient land use. They also have service characteristics which make them potentially attractive to a large number of interurban travelers: they are safe; they are dependable in bad weather; they offer more space per passenger than any other mode of travel; hence they are extremely comfortable; and on many runs, they can offer shorter real travel times than competing modes. In terms of the long-run view, we must remember that the railroads are the only mode of travel which can be electrified and run without petroleum, using today's technology.

The policy statement is, in my view, unfair to Amtrak. It consistently talks about Amtrak as a subsidized form of passenger transportation—which it is—but then talks as if Amtrak's competitors were not subsidized. In fact, without the indirect subsidies buses and airlines receive, they would also be unable to haul passengers without a direct subsidy, at a cost that could compete with the automobile. The railroads over which Amtrak runs must not only build and maintain their own roadbeds, they also pay taxes on those roadbeds. The rate at which Amtrak must recompense the railroads for using their tracks reflect these overhead costs. Buses, on the other hand, run on roads built at public expense. The policy statement itself notes that (p. 17), "In any case, motor carriers—which applies also to buses—are not required to make massive capital outlays for their use of highway rights-of-way." Nor are airlines required to make massive capital outlays for airports and air traffic controllers. What would Amtrak have to pay the railroads for trackage rights, if the Government provided roadbeds and train control personnel? I would suggest that, in that situation, we would probably not have Amtrak—because passenger trains would have remained profitable, and would still be run by the railroad companies.

The policy statement is thus unfair to Amtrak, in the way it compares it with other modes. Of equal importance, the statement fails to make two points of fundamental importance, relating to rail passenger service:

First. Rail, bus, and airplane are not essentially competing modes; they are complementary. Ideally, the bus should provide service between small- and medium-sized communities and the nearest railhead. This service is of great importance to small communities and rural areas, and it cannot be provided economically—if at all—by passenger trains. Passenger trains should provide interurban service—fast, modern, comfortable service between major urban centers. This can be done both with corridor trains, and with long distance trains: it must be remembered that long distance trains provide a type of corridor service between the intermediate stops along the route. The airplane should provide fast, premium quality service on long distance routes, for those for whom time is of great importance. Again, seen properly, all three modes are complementary, not competitive. The policy statement should make this explicit, and it does not do so.

Second. The real target for bus, train, and plane, in passenger service, is not each other, but the passenger in the private automobile. Over 80 percent of all intercity travel is still by private automobile. Each public transportation mode should be working, not to take business from another, but to convince the automobile driver to use public transportation. Since each public mode is complementary, this should be a joint effort. It should be directed at offering the automobile passenger better service, in the categories which are important to that passenger, such as speed, price, comfort, and safety, than he can obtain from his private car. Again, this should be part of our national transportation policy, yet it is not stated in the policy statement.

In the Amtrak legislation passed by the last two Congresses, Amtrak has been given greater independence from the Department of Transportation. I hope the negative attitude toward Amtrak expressed in the policy statement is not a product of institutional jealousy and infighting. No one's interest would be served by a vendetta by DOT against Amtrak, because Congress has lessened DOT's control over Amtrak. If elements within DOT wish to pursue such a vendetta, let them do so by attacking Congress, which made the decision to give Amtrak greater authority.

In conclusion, I would like to express my sincere appreciation to the Secretary of Transportation and the whole of the Department of Transportation for making a statement of national transportation policy. As the Secretary states in his introduction, the statement of September 17 is part of an evolving process. I hope others in the Congress will join with me in offering suggestions as to how the statement can be improved, so that it can evolve into the basis of a true national transportation policy.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

OFFICE OF THE DIRECTOR DEFENSE
SECURITY ASSISTANCE AGENCY,
AND DEPUTY ASSISTANT SECRETARY
(SECURITY ASSISTANCE), OASD/
ISA,
Washington, D.C., October 9, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 76–8, concerning the Department of the Air Force proposed Letter of Offer to Korea for an estimated cost in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 76–8, NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Korea

b. Total Estimated Value: $205.0 million

c. Description of Articles or Services Offered: Fifty-four F5E's and six F5F's plus support equipment

d. Military Department: Air Force

e. Date Report Delivered to Congress: October 9, 1975

TRIBUTE TO COL. JOHN (JAKE) T. CARLTON

Mr. PELL. Mr. President, it is a pleasure to join with my colleagues in a tribute to Col. John (Jake) T. Carlton.

Colonel Carlton is known to all of us of the Reserve Officers Association for his outstanding service to Reserve officers of the Armed Forces throughout the country during his 18 years of service as ROA executive director.

In serving the Reserve officers, Colonel Carlton also served all the citizens of our Nation through his contributions to the development of a modern military reserve system as an essential component of our national defense.

Colonel Carlton has been an effective and eloquent spokesman for the concept of the citizen-soldier and for the maintenance of a strong military reserve force.

In his advocacy he has served his country well.

I extend to him my best wishes on his well-earned retirement as executive director of the Reserve Officers Association.

COMMON SITUS: A DANGEROUS BILL

Mr. FANNIN. Mr. President, the Senate is about to take up S. 1479, a bill to allow common situs picketing, regarded as a form of illegal secondary boycott under current Federal law. Against the combined opposition of the builders and general contractors, most nonunion workers and even many members of organized labor, and the general public, which is fed up with economic strikes, stands the power of building trades unions, which are working overtime to get this common situs bill passed.

The unions have apparently succeeded in persuading certain persons in high places of the rightness of this legislation. According to some reports I have read, even the President has been persuaded not to veto the bill should it be passed by the Congress. I certainly hope these reports are wrong.

However strong the public's opposition to S. 1479, the unions' influence cannot be discounted. Their arguments can be easily dismissed, however. As the Arizona Republic commented, the unions' contentions that present law unfairly discriminates against them are "specious."

The White House has indicated that President Ford would sign the bill as a part of a package including S. 2305, the Dunlop bill to establish a national framework for collective bargaining in the construction industry. Whatever the merits of this latter bill—and I tend to believe they are few—I agree with the Republic's editorial judgment that "the common situs bill is much too high a price to pay. The President should reconsider his decision."

Mr. President, I request unanimous consent that the text of the October 2 Republic article, "A Dangerous Bill" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DANGEROUS BILL

Year after year for a quarter of a century, the construction unions have been putting the muscle on Congress for passage of a measure called "the common situs bill."

Year after year, Congress has steadfastly rejected the measure, but this year the unions' persistence may pay off.

The House passed the bill in July and a similar bill was approved by the Senate Labor Committee this month. President Ford has indicated that, if the Senate passes the bill, too, he will sign it.

This would be a disaster for the construction industry, which has troubles enough already.

Large construction projects usually involves dozens of contractors. Under existing law, if a union strikes against a contractor, it can picket only him. The common situs bill would permit the union to picket the entire project and thereby shut down the entire project, since union members will not cross a picket line.

The unions say the present law unfairly discriminates against them. They contend that, since an industrial union can picket an entire plant in a labor dispute, there's no reason why a construction union shouldn't be able to picket an entire project.

This is a specious argument.

In the case of a production industry—steel, autos, petrochemicals, glass—all the employes affected by a picket line work for the same employer.

Under the common situs bill, employers who had no quarrel with any union would be made to suffer because a single contractor did.

The unions argue that, since all the contractors are engaged in the same venture, they should be treated as a single employer. That, too, makes no sense.

The unions negotiate with the contractors in each trade separately, not as a group. They aren't a group. As soon as the project is finished, they will go their separate ways.

The unions have not done badly under the present law. Construction workers are among the highest-paid in the nation. In Phoenix, for example, a plumber earns $12.86 an hour counting fringe benefits; a bricklayer, $11.54; a carpenter, $10.97; an electrician, $12.71. These can hardly be called slave wages.

The unions want the common situs bill, nevertheless, because they believe it would help them in organizing. They believe that, given the bill, when they picket a nonunion contractor, thereby closing down on a project, all the other contractors will put the heat on him to hire union men.

Ford has agreed to sign the bill as part of a package. His labor advisers are preparing a companion bill that would shift some of the power to authorize strikes—and negotiate settlements—from local unions to a higher level in the union structure. The experts say this would decrease the number and duration of strikes.

Maybe it would, but the common situs bill is much too high a price to pay. The President should reconsider his decision.

AWARD OF NOBEL PEACE PRIZE TO ANDREI SAKHAROV

Mr. JACKSON. Mr. President, I am deeply moved by the choice of Dr. Andrei Sakharov for the Nobel Peace Prize. By honoring at this time the Soviet Union's leading advocate of human rights, the Nobel Committee is recognizing not only his past achievements but his present efforts in a vital and continuing cause.

For his strength of character, his eloquence, and his wisdom, Sakharov has earned the admiration and respect of men throughout the world who are dedicated both to individual liberty and to the development of a more civilized world that can only result from a lowering of the barriers to the free movement of people and ideas.

THE AMERICAN MEDICAL ASSOCIATION AND THE INDIAN HEALTH CARE IMPROVEMENT ACT

Mr. FANNIN. Mr. President, since 1924, and perhaps even earlier, the American Medical Association has been vitally concerned about the quality of health care provided to our Indian citizens. On numerous occasions and in several publications the AMA has spoken out about the deficiencies in manpower, services and facilities in the Indian Health Service. It has urged the Federal Government to increase its budget to eliminate these deficiencies and to build a health care system that is progressive and capable of serving the growing demand for better health care by our Indian people. The response, as we all know, has not been encouraging. As a result, the American Medical Association in keeping with its historical commitment to better health care for American Indians recently testified before the House Subcommittee on Indian Affairs on behalf of the Indian Health Care Improvement Act. Their testimony dramatizes the belief held by many health care professionals that Indian health care is a priority concern and that the Federal Government has a responsibility to develop a health care program that is superior in scope and in quality.

Mr. President, because of the significance of the American Medical Association in furthering the enactment of the Indian Health Care Improvement Act, I ask unanimous consent to have printed in the RECORD the testimony of the association.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE AMERICAN MEDICAL ASSOCIATION

Mr. Chairman and members of the subcommittee: The American Medical Association welcomes this opportunity to present its comments on H.R. 2525 and S. 522, the Indian Health Care Improvement Act and to offer its general support of the program initiatives created by this legislation.

I am Doctor Robert B. Hunter, of Sedro Woolley, Washington, in the private practice of family medicine. I also have the privilege of serving on the Board of Trustees of the American Medical Association. Accompanying me is Charles W. Pahl, Assistant Director of the AMA's Legislative Department.

In December, 1973, at its Clinical Convention, the Association's House of Delegates adopted a Report of the Council on Medical Service on "Health Care of the American Indian". The report was prepared by two of the Council's subcommittees—its Committee on Health Care of the Poor, and the Committee on Government Medical Service.

The Committee on Health Care of the Poor has, as its name implies, the objective of identifying and seeking remedies for the defects and deficiencies in health care for the Nation's needy. In pursuit of that goal, it has conducted studies and site visits to Appalachia, among migrant workers, and has visited Indian reservations and met with non-reservation Indians.

The Committee on Government Medical Services maintains liaison with numerous Federal agencies, and among these is included the Indian Health Service of the Public Health Service. This Committee, too, has explored on-site care provided to reservation Indians in the Southwest, and to Indians and Alaska natives in Anchorage and in remote Alaska fishing villages.

The Report adopted by the House of Delegates contains a summary of the history of health care for the American Indian and a reaffirmation of past Association policies. Most significantly it contains a series of twenty-five specific recommendations from the two Committees for improvement of Indian health.

This report is the distillation of over fifty years of concern on the part of the medical profession with health care for American Indians. Index, the report cites a 1924 recommendation of the Association to the Secretary of the Interior to provide "adequate compensation and improved working conditions" for physicians in the Department of the Interior's Indian Service. These still comprise two of the major needs to improve health care for the Indians.

One of the most significant points we have noted, in reviewing the history of health care for the Indians, is that the problems and the proposed solutions remain relatively unchanged. From 1947 to 1949, the Association, at the request of the Secretary of the Interior, sent teams of physicians to a number of reservations to investigate the care being rendered Indians. Let me cite some of the recommendations from the report on "Medical Care among the Upper Midwest Indians" published in the Journal of the American Medical Association in January, 1949.

The report recommended:

A substantial increase in the budget for Indian health care;

Transfer of responsibility for care to the Public Health Service (which the Association's Committee on Trachoma had recommended in 1929, and which the Association again recommended to Congress in 1949 and 1953);

Elevation of professional standards, through salary increases, to a level comparable with other Federal agencies and allowance of time for graduate study;

Substantial increase in the number of public health nurses;

Modernization and improvement of hospitals, and particularly of hospital equipment and other facilities, thus permitting those who are on duty to maintain in their work the high standards of scientific medicine;

Greater emphasis on social factors affecting health, especially improved housing and sanitary conditions;

Revised education to enable Indians to become independent; and,

Preventive measures against addiction to alcoholic excess and the use of narcotic drugs.

The report noted that many of these recommendations had been made before but have not been carried out, "largely because of inadequate budgets".

Let me emphasize that the Association does not consider the deficiencies in Indian health as evidence that the Public Health Service or its Indian Health Service have been at fault. Indeed, in 1959, the Association's House of Delegates commended the Services efforts to increase the Indian population's independence and self-sufficiency and, in the report adopted in December, 1973, we stated that we have been continually impressed with the dedication of Indian Health Service physicians, consistent with the highest ideals of the profession.

To a large extent, the increases in the budget for Indian health over the years have been little more than "cost-of-living" increases. They have enabled the Service to maintain its health care system, but not to improve it. A few new facilities have been built, a few old ones modernized, but the majority can only be maintained—getting older and more outdated. The Service's manpower problems have been met with patchwork or "Band-Aid" solutions—the military draft alternative, limited pay increases, and some financial grants-in-aid with service payback provisions.

The Service has developed some of its own partial solutions. The "physician's assistant" movement, which many consider new, has roots in the Service's training of Indian and Alaska community members as health workers, in contact by radio with physicians at the nearest Service hospital.

The Service has done well with what it has, but it does not have enough. The Association believes that today, when the nation appears ready to correct some of the wrongs done the first Americans, there is an opportunity to bring the health status of the American and Alaska Native to the level of the general population, rather than being some decades behind.

We therefore sincerely welcome the opportunity to testify here today, and to offer our support for the intent of the legislation you are considering and for many of its specific programs. Our recommendations for modifications will, in our opinion, make these proposed programs more effective.

Both legislative programs pending before the Subcommittee are similar in their purposes and provisions. Either of these programs, if enacted, fully implemented and funded, would have an immense effect on the health resources and services available to Indians and on their educational opportunities, their environment and on their future health status.

The AMA is in the gratifying position of seeing many of its findings, conclusions, and recommendations being acted upon through the legislation being considered here today. While we are fully supportive of the initiatives which will be generated by these bills, we would like to suggest amendments to both bills.

H.R. 2525 authorizes a five-year program of assistance to Indians while S. 522 contains authorizations for seven years. While we would agree to the merit of a long-term authorization for seven years. While we would agree to the merit of a long-term authorization in terms of program building, personnel recruitment and retention, and in undertaking long-range plans, many of the proposed programs should have the benefits of early Congressional review. Congress should have the opportunity, at the earliest practicable time, to examine the programs so as to determine whether they are in fact meeting the needs of Indians. In this way, ongoing programs may be quickly modified and new programs initiated as actual experience develops under this legislation. We believe that the best interests of the Indians, the Indian Health Service, and the Congress would be better served if the legislation was limited to three years rather than five or seven years. This will insure that program evaluation and adjustments will take place at an early time. I would now like to comment on individual provisions of the legislation before you.

TITLE I—INDIAN HEALTH MANPOWER

This title is primarily concerned with a proposed scholarship program for Indians who wish to enter educational and training institutions of the health professions, and who agree to provide their services to Indians.

It is generally recognized that there is a maldistribution of physicians in this country. In response to this problem, organized medicine at national, state, and local levels, as well as many other voluntary groups, has initiated or expanded programs to improve the distribution of manpower and services in relation to health care needs. At the same time, legislative efforts to mandate solutions through the control of the number, types, and geographic location of residency positions and through forced service in medical shortage areas have also increased and legislation incorporating such coercive provisions is currently being considered by the Congress. We believe that this legislative approach will not in any meaningful way ameliorate the problem of physician maldistribution.

Based upon extensive studies by the AMA and by others, it has been concluded that increased money alone will not attract a physician to a practice location. For a physician to be satisfied to practice within a community, he must be able to use his professional skills and maintain contact with other physicians. Moreover, he must feel at home in the community which must provide the type of environment in which his family will be content. The Association has, therefore, placed emphasis on increasing the number of Indians in the health professions in the hope that if they are provided with adequate income and professional resources, they will participate in the care of their own people.

S. 522 establishes a Health Professions Recruitment Program for Indians under which grants should be made to a variety of organizations to assist them in identifying Indians with a potential for education or training in the health professions. These Indians would be encouraged to enroll in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or the allied health professions. For those Indians not qualified to enroll, provision is made for such post-secondary education as is required to get them qualified.

This legislation also makes funds available for publicizing existing sources of financial aid available to Indians, and for the establishment of such other programs as will enhance and facilitate the enrollment of Indians in schools of the health professions. Similar authority is not provided in H.R. 2525.

We believe this is a worthwhile program which should be established on an experimental basis so as to determine its value in recruiting Indians for enrollment in schools of the health professions. In addition to this primary function, the program has the potential of pointing up deficiencies and omissions in the present Indian educational system, and in suggesting how these shortcomings might be overcome. We believe this program authority contained in Title I of S. 522 could have a beneficial effect on the recruitment of Indians to the health professions and we urge your support of it.

With regard to the Health Professions Scholarship Program, both H.R. 2525 and S. 522 offer financial support to students who will promise to undertake the care of Indians following completion of their education and training. Both bills offer Health Professions Preparatory Scholarship Programs for Indians, and both provide for continuing education. We find this laudatory. We support, also, the provisions creating priorities for Indians in the scholarship program.

There is, however, a larger question relating to these proposed scholarships. In 1971, the Congress enacted the Comprehensive Health Manpower Training Act, contained in Title VII of the Public Health Service Act. This Act authorized financial assistance to able students who wish to pursue a career in one of the health professions. Special authority was created to assist students from minority groups to prepare themselves for careers in the health professions. American Indians and Alaska Natives are eligible for such assistance and we believe this is the proper long-term method by which assistance should be made available to assist able young men and women of the American Indian community to enter the health professions.

However, we recognize that, because of the relatively short time the Comprehensive Health Manpower Training Act has been in effect and the inadequacy of the funding of the program, the program has not to date had an appreciable effect on the number of American Indians in the health professions. Therefore, there is merit in establishing a temporary, special legislative program of assistance to accelerate the entrance of American Indians into the health professions educational institutions. It should be viewed as a temporary program, however, with the long-range source of assistance contained in the Comprehensive Health Manpower Act.

There are some basic differences in the scholarship program offered under the two proposals. H.R. 2525 leaves to the Secretary the determination of when a scholarship recipient is rendering service to Indians in satisfaction of his obligatory service requirements as well as how much service must be given before he has fulfilled his obligations under the program. It also requires a punitive two-for-one payback of assistance should the recipient not provide the required care to Indians. S. 522, by contrast, requires a year of service for each year of assistance received and requires that such service payback be fulfilled by providing care to Indians. We believe the latter provisions to be preferable since they set out a scholarship recipient's exact obligations under the program and provide needed assurances that the intent of the program—service to Indians—will be fulfilled.

With regard to the cash payback provisions for those scholarship recipients who do not satisfy their service obligations, we believe that the two-for-one payback requirement under H.R. 2525 is unnecessarily harsh. The absence of any provision for cash payback under S. 522 appears to us to be unrealistic and we would recommend that a provision be developed which would not require the scholarship recipient to pay back more than the amount of assistance received, with interest, should he not provide service to Indians. While we share with the authors of H.R. 2525 the desirability of creating disincentives to defaulting on the agreement to provide services to Indians, we do not believe that the proposed punitive measures are warranted or desirable.

S. 522 provides for two new programs which are not called for in H.R. 2525. The first is an Indian Health Service Extern Program under which scholarship recipients would be entitled to employment in the Indian Health Service during nonacademic periods. The employment would not count towards the fulfillment of the individual's obligated service requirements. While this is a minor program in its scope, it could have a major effect in the maximum utilization of the individual once his training is completed, and in the individual's adjustment to the provision of services to Indians through the Indian Health Service. We recommend support of this provision.

The second authority would enable the Secretary to establish, through the Indian Health Service, a program of grants to individuals and to various groups and entities to establish and carry on programs to train individuals to provide comprehensive services to Indians in the areas of environmental health, health education, and proper nutrition. As this Subcommittee will recall from testimony presented earlier in this Congress by the AMA during consideration of the Comprehensive Health Education Act, the Association is well aware of the importance of health education in reaching and maintaining a high level of health. We would urge that this proposed program of health education contained in S. 522 be supported.

TITLE II—HEALTH SERVICES

As an addition to current ongoing programs of the Indian Health Service, Title II of both bills provides special programs aimed at eliminating backlogs in health care services needed by Indians. Significant differences exist, however, between the bills with respect to authorizations for positions and funding for patient care, field health, dental care, and maintenance and repair. We find it difficult to evaluate these authorities since their intent and effect are unclear. If the appropriations authorizations are solely for the positions enumerated, the average amount per position appears to fluctuate according to no set pattern, and to be unrealistic in some instances. Neither bill indicates for what other purposes these appropriations could be used.

We would recommend that the authorization to employ persons to implement the provisions of this section be defined to permit employment, on a contract basis, of private health professionals, on a long-term, short-term, or intermittent basis. Such an approach will permit greater flexibility in meeting patient needs since some specialists will be needed for only a limited number of cases. It will also assist in obtaining the necessary manpower, since more individuals in private practice would be willing to take leave of their own practices for brief periods than will wish to assume long-term Civil Service or Commissioned Corps commitment.

In addition to the health services authorized in both bills, S. 522 has authorization for a variety of mental health services, alcoholism treatment and control programs, and the placement of health care personnel in primary and secondary schools operated by the Bureau of Indian Affairs. While the intent of these proposed mental health and alcoholism programs is laudatory, we would recommend against categorizing these conditions and would urge, instead, that adequate funding be authorized under the general authority of this title for health services so that flexible and appropriate care for these conditions may be carried on as a part of the overall health care program. With regard to the provision of health care personnel in schools of the Bureau of Indian Affairs, this would seem to be a reasonable provision and we would recommend its support.

TITLE III—HEALTH FACILITIES

In almost all respects, the two proposals before the Subcommittee provide comparable authority for the construction, renovation, or modernization of Indian Health Service hospitals, health centers, and other facilities. The Association is well aware of the deficiencies of Service facilities and has long recommended an immediate construction and modernization program. I would also like to emphasize the Association's position that lasting acceptable solutions to Indian health problems require Indian participation in planning and program operation. We are, therefore, particularly pleased to note that S. 522 directs the Secretary to consult with the Indian tribes affected prior to expending funds for construction, modernization, or renovation so as to determine their preference of facility size, location, and other characteristics. The Senate bill also requires that, where practicable, the facilities which are constructed or renovated must meet the standards of the Joint Commission on Accreditation of Hospitals within 5 years. This is an important indication of the determination of S. 522 to assure Indians of a high level of health care and we would urge support of this provision in S. 522.

There is one additional provision in Title III of S. 522 upon which we will comment. Under this legislation, the Secretary is directed to give preference to Indian owned and operated organizations in contracting for the construction or renovation of any facilities authorized under this Act, requiring that wages paid must not be less than the local prevailing wage rate for similar work. In seeking to provide to Indians pride, dignity, self-sufficiency, and self-esteem, the value of these provisions is indisputable. We would urge support of these provisions of S. 522.

TITLE IV—ACCESS TO HEALTH SERVICES

Under this title Federal facilities would, for the first time, be eligible to participate in the Medicare and Medicaid programs.

While both the proposals before you would make Indian Health Service facilities eligible for Medicare and Medicaid payment, significant differences are contained in the two proposals. H.R. 2525 states that these facilities" . . . are deemed to be accredited facilities, the services so provided shall be deemed to be provided by licensed practitioners in their respective fields, and the facilities may receive payment for such services on the same basis as other providers of services." The bill then instructs the Secretary to undertake the improvement of the facilities so that they meet the accreditation standards imposed on other providers. By contrast, S. 522 would also deem Indian Health Service facilities eligible for reimbursement *provided* that prior to the provision of any care or service for which reimbursement might be made the IHS facility meet the same standards as other similar health care providers. In the case of existing facilities which cannot meet the standard at the time the bill is enacted, the Indian Health Service would be required to submit an acceptable written plan for bringing the facility into compliance within two years. We believe that the provisions of S. 522 are clearly superior. We believe that it is clearly inappropriate to use Medicare and Medicaid funds in effect to subsidize a substandard Federal health facility which, on its own is not given an adequate budget, and thus perpetualize a substandard level of care which would be intolerable to accept for any other segment of society. While we have no objection to supporting a precedent-setting provision which would entitle a Federal facility to receive Medicare and Medicaid funds for the care intended under this bill, we cannot support a lowering of standards. Before these facilities receive funds, they should be brought up to an acceptable level of care. For that reason we urge support of the provisions of Title IV of S. 522.

TITLE V—HEALTH SERVICES FOR URBAN INDIANS

This title authorizes the Secretary to enter into contracts and provide federal assistance to urban Indian organizations for the purpose of establishing and administering outreach programs to make urban Indians knowledgeable concerning health service resources available within the urban centers and the means of gaining access to those resources.

The provisions of Title V of both proposals before you are quite similar in every respect except one. H.R. 2525 specifically states that contracts made with urban Indian organizations are limited to rendering advice and consultation to Indians and not for the provision of health services. S. 522 states that the urban Indian organization will provide or contract for health services to urban Indians when and where it deems necessary. We appreciate the importance of these urban "outreach" programs.

The medical profession has long accepted the fact that non-reservation Indians have certain special problems in making use of health resources in the community, and has recommended that state and local governments give special attention to the health and health related needs of Indians. In this regard, the AMA has long recognized the need for outreach programs for the poor. Since 1959, one of our continuing goals for the improvement of health care for the needy has been information centers listing medical and auxiliary resources available to the needy in the community.

While we recognize the need for such special concern for the problems of the non-reservation Indians, their problems are to some extent the same type of problems faced by other minorities among the urban and rural poor. In this context, we must seriously question whether this narrow approach is an appropriate subject for new Federal legislation and programs, and we would suggest that it more properly should be the responsibility of the state and local government. We would recommend that Title V be modified and presented as an experimental program, aimed at determining whether a pilot program can be established which would then become a model for State activity, rather than a continuing Federal program.

TITLE VI—MISCELLANEOUS

We believe that the reports required of the Secretary under both bills are appropriate since Congress should be informed annually of the status of the legal and moral efforts which are being made to respond to the health care needs of American Indians. We would like to offer specific support of the one-year study which is authorized by S. 552 to investigate the alcoholism and mental health problems of Indians. We believe this study should be made and we would urge your support of it.

This concludes our remarks on H.R. 2525 and S. 522. We are firmly in support of the purposes of both proposals before you and we would urge your favorable consideration of these constructive programs as modified by the suggestions which we have offered today. The time is way overdue to do something about our first Americans and I would urge the Subcommittee to act with swiftness.

Thank you for this opportunity to offer our views. We will now attempt to answer any questions which the Subcommittee may wish to ask.

A COMPETITIVE ECONOMY REQUIRES A HEALTHY SMALL BUSINESS SECTOR

Mr. BENTSEN. Mr. President, the Senate Financial Markets Subcommittee which I chair and the Senate Small Business Committee, chaired by Senator NELSON, recently completed the second of a series of joint hearings on tax and financial problems facing America's small businesses, which include family farms and ranches.

Small business, in many ways, is the essence of our country's promise. It has played an indispensible role in promoting healthy competition, creating jobs and developing innovative ideas and products.

The first round of hearings focused on tax policy, the growing Government paperwork burden and the scarcity of venture capital. The second round dealt with capital formation, the role of our tax laws in creating jobs and the subject of estate and inheritance taxes.

The testimony presented during our hearings clearly demonstrated that the burdens of inflation, recession and energy shortages have hit small business especially hard. Their costs have gone up. Demand for their products and services has generally declined. As a consequence, many are faced with an ever tightening profit squeeze.

It is not widely known but small businesses and individual entrepreneurs are the largest source of jobs in our economy.

As of 1972, the most recent year for which figures are available, 48 percent of all businesses in the United States had between one and three employees. Ninety-nine percent of all businesses consisted of firms with less than 250 employees.

But, for several years small businesses have been in a state of decline.

For example, income for individual proprietors declined from 17 percent of national income in 1945 to only 9 percent in 1974, a reduction by almost half over the past 30 years.

The current recession has hit small businesses harder than larger firms.

During the first 3 months of 1975, manufacturing corporations with assets of less than $1 million suffered a 48.9 percent decline in after-tax income, compared with the same period in 1974. By contrast, manufacturers with assets of $1 billion or more suffered a loss of only 28.5 percent for the period.

This poor profit performance means that small businesses will have great difficulty sustaining, let alone expanding, their levels of economic activity and employment.

As a result of our joint hearings, Senator NELSON and I introduced legislation to provide greater tax equity to small businessmen by extending three provisions of the 1975 Tax Reduction Act which are important to small business. These provisions increase the corporate surtax exemption from $25,000 to $50,000; reduce the tax rate on the first $25,000 of corporate income from 22 to 20 percent; and increase from $50,000 to $100,000 the amount of used property that can qualify for the investment tax credit.

One reason for the steadily declining fortunes of small businesses is that they are at a competitive tax disadvantage compared to large corporations. A 1974 congressional study found an average tax rate of 23.6 percent for 143 large corporations compared to a tax level for all corporations of about 33.4 percent.

Also in response to the hearings Senator NELSON and I introduced legislation to amend the new pension law to specifically require the Secretary of Labor to issue simplified reporting and disclosure requirements for small pension plans.

This proposal will relieve thousands of small businessmen across our Nation from unreasonably burdensome and costly paperwork. Detailed reporting requirements that may well be necessary for the largest private pension plans are simply not needed for the smallest plans. In fact, a costly paperwork burden could force many small businessmen to terminate their employee retirement plans.

In a further effort to reduce the flood of Government paperwork which threatens to inundate small businessmen, I have also introduced a bill requiring that all new legislation proposed by Congress include an explanation of the paperwork burden it would impose.

The bill directs congressional committees to list the number of forms and other recordkeeping necessities any new legislation entails.

The explanation must include the impact—in both cost and time—of all new paperwork.

It is my hope that this legislation will encourage Congress to give much greater consideration to the paperwork impact of any new legislation.

Small businesses must fill out numerous reports, as many as 52 tax forms in a single year for even a small, "mom and pop" operation. This does not reflect a Government which is concerned and responsive to the needs of its people, a Government which seeks to encourage free enterprise. It is instead a Government which favors only those large concerns that can afford to hire lawyers and accountants, and buy computers to satisfy endless requests for data, statistics and information.

What I have tried to do through this legislation, Mr. President, is to begin the job of cutting through this tangle of redtape, to hold back the growing number of Government forms and to reduce that number wherever possible.

Another legislative initiative of significance to small businessmen is my proposal to give employers a tax credit for hiring new workers during 1976 and 1977. The tax credit will equal 10 percent of the wages of the new worker with a maximum credit per new worker of $800. The credit will only be available to businessmen who have a net increase in their work force compared to their 1974 or 1975 payrolls, whichever is greater.

This tax incentive will encourage business to hire many more workers than they otherwise might during the economic recovery.

Under my proposal, a business would receive this credit only for new employees who come from the ranks of the unemployed, and the credit must be plowed into new investments that will insure even more jobs. We are talking about a cost to the Government of an estimated $1,000 for each of these new jobs compared, for example, to the estimated $8,000 it costs to create a new public service job.

This relatively low price tag would be almost completely offset by the reduced outflow of unemployment compensation and the greater inflow of income taxes. These jobs would not end abruptly with the end of the recession, but would be permanent additions to our economy.

In an effort to encourage smaller enterprises to invest in energy saving equipment, I have proposed legislation to provide a 12-percent investment tax credit for 5 years for equipment such as computerized load management systems and heat pumps. This proposal is similar to the existing tax incentive for the installation of pollution control equipment which was added to the tax code in 1969.

The cost of energy is one of the largest single commercial and industrial operating expenses and the installation of energy-saving equipment can, by reducing total fuel consumption, substantially lower fuel costs.

Recent engineering studies indicate that tremendous energy savings can be achieved through existing technology. A 1974 study prepared for the Ford Foundation on potential fuel effectiveness in six major industries concluded that it is possible to reduce fuel consumption in these industries by as much as one-third. Many small concerns do not have enough capital to invest in this fuel saving equipment, but my energy tax credit would help overcome that problem.

As an example, computerized loan management systems have a great potential for reducing energy consumption by monitoring energy demand and interrupting a selected group of electrical devices for a short period of time. Whenever the rate of electrical consumption approaches a preselected target, for instance, one or more air conditioners, heaters, boilers or other equipment can be turned down.

Computers are already being used to cut energy consumption in buildings. In fact, some companies report they are saving up to 25 percent or more on energy costs with computerized energy conservation systems.

One department store chain reportedly reduced its average monthly use of electricity from 7.5 million to 6 million kilowatt hours—a 20 percent reduction. A major business facility in Florida is reportedly reducing electricity consumption by 15 percent.

Another example of technology which would be eligible for an energy tax credit would be heat pumps. These services take heat from the outdoor air, even during the winter, and pump it indoors to heat a structure. The sun heats the air, which serves as an energy storage area and the heat pumps withdraws this energy. These pumps are far more energy-efficient than ordinary electric heating systems.

There is a great potential for energy conservation by commercial and industrial consumers and it is essential that Congress take steps to realize this potential. Enactment of my proposal will represent a positive step in this direction, enabling countless businesses to finance these expensive energy saving devices.

Congress must take a closer look at these and other ways to help small businesses.

We can best help, I think, by creating a climate of economic opportunity which will promote broad based economic growth in this country.

Economic growth that is healthy, stable and vibrant.

These hearings we have held, these legislative initiatives and others like them, are positive steps toward creating that climate.

END THE FAIRNESS DOCTRINE

Mr. FANNIN. Mr. President, as one who supports regulatory reform, I was pleased to learn of the proposal by Federal Communications Commission Chairman Richard Wiley to have the FCC discontinue enforcement of the so-called fairness doctrine in major radio broadcasting markets. Such an experiment in deregulation is the kind of bold, imaginative approach to reform of our Federal regulatory system which should be emulated by other government agencies. I was also pleased to see that the Commissioners voted to suspend the equal time rule for radio-TV coverage of news conferences by candidates.

I have long been a critic of the so-called fairness doctrine which requires that all radio and television stations devote a certain portion of their broadcast time to the presentation of controversial public issues and, in so doing, afford a reasonable opportunity, at no cost if necessary, to spokesmen for conflicting viewpoints on these issues. In my opinion, this rule of law has created enormous burdens for local broadcasters, especially for small radio operators. It also places unreasonable restrictions on the electronic press which are not applicable to other media. Most importantly, it raises serious constitutional questions affecting the public's paramount interest in preserving a fully free press and a viable broadcasting system in America.

I am pleased to cosponsor two bills, S. 2 and S. 1178, to repeal the fairness doctrine and equal time requirements of section 315 of the Communications Act. While they may not provide the only remedies to "fairness" problems, both bills serve as a worthwhile basis for congressional reexamination and reform of the tangled framework of rules and regulations affecting the communications media in America.

FCC Chairman Wiley's proposal to lift the fairness doctrine is a welcome opportunity for those of us in the Congress who desire some deregulation of broadcasting and for local broadcasters who need it. Clearly radio is the appropriate medium for a trial run on relaxing fairness requirements. In major metropolitan areas there is ample, keen competition among radio stations offering varied programing formats and divergent views on controversial issues. I have suggested to Chairman Wiley that if the Commission is looking for representative radio markets to test this proposal, the FCC should give serious consideration to Phoenix and Tucson in my State. Both cities are major metropolitan, diversely demographic markets with many highly competitive radio outlets.

Concerning the fairnses doctrine and section 315, I call my colleagues' attention to an editorial which appeared in the October 2 edition of the Arizona Republic. While there is ample justification for citizens of network news bias and "unfairness," as the Republic points out, "a great question is at stake. And that is, the right of broadcasters to use their own judgment in the selection and dissemination of news."

Mr. President, I request unanimous consent that the text of the article, "FCC Ends Bad Rule" be printed in the RECORD.

There being no objection, the text of the article was ordered to be printed in the RECORD, as follows:

FCC ENDS BAD RULE

During last year's Arizona gubernatorial race, television and radio stations in the state found themselves compelled by law to give equal time to a candidate for governor named Wonderful Russ Shaw.

Shaw filled his free air time with such campaign promises as free food and gasoline for voters; freedom for all inmates in prison; an end to taxes; free clothing, and blasting California into the ocean so Arizona could become a seaport state.

Shaw simply was having some good fun. But in so doing, he demonstrated the abuses which have grown out of the Federal Communications Commission's Equal Time requirements in a political campaign. Since Shaw had qualified as a legal candidate for governor, he was entitled by law to equal time along with serious candidates.

Happily, the FCC has ended this incredibly bad policy. The board ruled 5–2 that equal time is suspended when radio and television cover news conferences of candidates, from presidential to local elections.

One bad FCC rule has been eliminated. Another—the Fairness Doctrine—must be abolished next.

Equal Time and Fairness doctrines have invited abuses, and restricted what should be the First Amendment free speech rights of the electronic media. The lost freedoms of broadcasters—and thus their audiences' lost freedoms—completely outweigh any benefits.

Every kooky candidate willing to spend a few dollars to qualify for office suddenly gained some public legitimacy through the FCC's equal time policies.

Since 1964, when the policy was adopted, television and radio have been hampered in devoting ample time to serious major candidates, since they had to devote equal time to lunatics and clowns looking for a shot at fame.

The Equal Time and Fairness doctrines also have imposed on the electronic media requirements to run cost-free propaganda from social and antibusiness groups to counterbalance paid advertising messages.

A sizable body of American television viewers, however, will not totally agree with the FCC's end to equal time requirements. They are the bias-watchers who detect intrinsic liberal thought in network TV newscasting and programming, and who will insist equal time and fairness are the only weapons available to battle electronic leewardness.

We, too, have joined in criticism of network ideological biases.

But we believe a greater question is at stake. And that is, the right of broadcasters to use their own judgment in the selection and dissemination of news.

By eliminating the Equal Time policy, the FCC has taken the first tentative step in placing television and radio under the First Amendment.

Where it should be.

Mr. FANNIN. Mr. President, according to press reports, the White House Office of Telecommunications Policy is drafting a bill to authorize the Federal Communications Commission to free radio stations in major cities from most government regulation affecting programing. The bill would specify the Commission may eliminate requiring stations in the country's top 10 markets to adhere to the fairness doctrine. The bill also would eliminate certain rules covering program format and the percentage of air time devoted to certain types of programs, such as news and public affairs, as well as the frequency of commercials.

The idea behind the Wylie proposal and the OTP plan is that in major markets competition among stations may work as well as Federal regulation. I agree with this view, and I look forward to reviewing the OTP bill as part of the Ford administration's overall effort to reduce Government regulation of industry. Some legislation will undoubtedly be necessary because major changes in radio regulations could be blocked or slowed in the courts.

Congressional action to deregulate broadcasting is long overdue. Public interest and support for reform is there, yet the Congress has been slow to react. I was encouraged when earlier this year the Commerce Committee held one session of hearings on the fairness doctrine and on S. 2 and S. 1178. Unfortunately the Communications Subcommittee has not resumed those hearings, and favorable congressional action seems unlikely in the near future on these or other measures, including my own bill, S. 2119, to reform the broadcast license renewal process and to provide for a standard 5-year license term for all broadcasting stations. This is indeed unfortunate considering that there is interest and concern on the part of the broadcasting industry, the general public and many legislators in a comprehensive reform of broadcast regulation.

Many businesses are being overregulated by Government agencies, to the cost and detriment of consumers, and the public interest is not being properly served. In my view, broadcasting is one such overregulated business. I hope, therefore, that the Commerce Committee will soon resume its hearings on these important regulatory issues.

I was impressed by the testimony of the distinguished representatives from the news and broadcast media who have appeared before the Commerce Committee in its hearings on the fairness doctrine. I know of a number of additional experts in the field who have indicated their willingness and desire to testify on this matter, and I have recommended them to the subcommittee chairman, Senatore Pastore. One of these gentlemen is Mr. Homer Lane, executive vice president and general manager of KOOL Radio-Television, Inc., in Phoenix. Mr. Lane is a member of the Government Affairs Committee of the Arizona Broadcasters Association. Because he has over 30 years' experience in broadcasting and is an expert on broadcast journalism, I believed that his testimony would be extremely valuable to the Commerce Committee's hearings and to the Communication Subcommittee's excellent work on fairness doctrine and section 315 reform.

Accordingly, because I felt that his testimony was important, and I knew that he wanted very much to appear before the subcommittee, I requested that Mr. Lane's statement be entered into the formal record of proceedings on S. 2 and S. 1178. The distinguished Senator from Rhode Island, the chairman of that subcommittee, has kindly consented to my request.

Because of the importance of the fairness doctrine issues discussed by Mr. Lane, I believe that my colleagues should read his fine statement. Accordingly, I ask unanimous consent that the complete text of Mr. Homer Lane's statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Remarks by Homer Lane

Mr. Chairman, distinguished committee members, Counsel, Staff and guests. My name is Homer Lane. I am Executive Vice President and General Manager of KOOL Radio and Television, Inc., a Past President and current member of the Arizona Broadcasters Association and a member of its Government Affairs Committee. I have been employed in Broadcasting for 33 years and have been with KOOL for 24 years. I speak in support of efforts to repeal the Fairness Doctrine, Section 315 of the Communications Act and other restrictions to Broadcasting as we attempt to fulfill our journalistic functions. A poll conducted by the Roper Organization and recently released by the Television Information Office tells us that 65 percent of those queried look to television as their principal source of news. Thirty-five percent look only to television as their source of news. When we speak of the press as an institution today, we must include broadcasting, and especially television, as an integral, and in fact its most important, part. We do a dis-service to the American people when we place artificial impediments to the free flow of news between the newsmakers and the public through broadcasting. The existence of these restrictions provides ready tools for those who would wish to manipulate the news to their own ends. Because broadcasting today is in large part "the press" in America, it *must* have the same First Amendment protections as do newspapers. The restrictions placed on broadcast journalism has denied the American people a free press for too long. For this one over-riding reason, Arizona broadcasters support those bills introduced in the Senate that will remove all controls on broadcast journalism and extend the full protection of the First Amendment to radio and to television.

Our station has never had a Fairness Doctrine nor a Section 315 problem. However, we want to share with you a Section 315 experience we had last fall. It has been KOOL-TV's policy to give free five-minute programs to candidates between the primary and general elections. These special programs are normally scheduled two or three a day in the four-week period prior to the general elections in November. In September, 1974, a Mr. Mark Baker, who described himself as campaign manager for Mr. Russ Shaw, an Independent write-in candidate for Governor of Arizona in the general election, called and requested equal time on this "Know Your Candidate" free public service series. Mr. Shaw required billings as "Wonderful Russ Shaw". As he did comply with the laws of Arizona to become a legally qualified candidate for the office of Governor, requiring filing of nominating papers with the Secretary of State's office no later than the Friday before the primary or general election, and as we gave free time to the Republican and the Democratic candidates and a serious write-in candidate named Bates, we complied with the Section 315 rule and scheduled "Wonderful Russ Shaw" on one of the five-minute television programs and also on a fourteen and one-half minute free radio interview program we call "Know Your Candidate". Our audience derided us for putting this person on, as they could not believe there was a law that required us to give equal time to every "clown" that had filed petitions, knowing, as we knew, that he was not a serious candidate for the office of Governor of Arizona. The radio program given to Mr. Wonderful Russ Shaw was fourteen and one-half minutes in length and we have a transcript here of the entire program. We would like to quote several statements of this legally qualified candidate for public office.

Q. Okay—the second question is, what is your platform?

A. Well, I have a number of planks to my platform, Joe, which are, to say the least, unique, ah, freedom for all prisoners, political and otherwise. Free food and free gas. Imagine wheeling your cart down an aisle, putting anything you want into that cart, and getting to the checkout stand and having him say, "we're really glad you shopped with us", and still getting Green Stamps.

Q. Okay, the next question, what do you feel the major issues are in the race for Governor?

A. Once I am Governor, there will be no taxes. Now think about that. I'm not talking about state sales tax, city sales tax, luxury tax, I am talking about no tax. Income tax, both state and federal, will be completely eliminated, once I am Governor. I'm not talking about some socialistic system. I mean, upon, ah, election, ah, as Governor, to secede from the Union and Arizonans will then be able to collect foreign aid and it will be totally unnecessary for people to worry about things like taxes.

Q. All right, the next question, is ah, if elected—no, no, what are your qualifications, is the next question.

A. That's good question, Joe, and ah, I'm glad you asked it—. Well, let me assure you that are listening right now and even those of you who aren't listening who are going to be told about this in, ah, explicit detail by those of you who are listening, that Wonderful Russ is no stranger to politics. Having served as President of the Wickenburg Clown Club from 1956 to 1975, and I was tell-monitor of my third grade class for over two months and even after my term as tell-monitor, the other children used to continually ask my teacher if I could be tell-monitor again.

Q. Okay, Russ, if you were elected, what, ah, would be some of the, ah, programs you would implement?

A. Well, in addition to some of the things I have already covered, for example, free food and free gas, free clothing, free housing, I might add, this is just for people who vote for me. After the complete elimination of all taxes—I plan to blast California off into the ocean and turn Arizona into a seaport community.

Q. Okay, what would be the very, very first thing you would do if you were elected Governor?

A. I demand a recount.

QUESTIONS: JOE BAILEY—ANSWERS: WONDERFUL RUSS SHAW

Q. Good evening. This is Joe Bailey for Kool News. Tonight's guest on Know Your Candidate is Wonderful Russ Shaw, an independent write-in candidate for Governor. The first question, Russ, is why are you running for this office?

A. I'm glad you asked me that, Joe, um, the reason that I'm running for the office of Governor of the State of Arizona, is because quite simply I am the peoples' choice. No other candidate in the history of Arizona, for that matter, in the history of the United States or perhaps the history of the world, has had the tremendous insight that I do into the problems of today and the capability—the unique capability, of solving the problems in Arizona today. You see, you've had a lot of candidates in the past come around making bland promises, saying they're gonna do this and they're gonna do that and once they get into office, it's the same old thing. Not with me. "Wonderful" guarantees satisfaction—satisfaction guaranteed or double your money back. Remember, when you go to the polls, write in the name "Wonderful Russ Shaw." Cast your vote for freedom.

Q. Okay—the second question is what is your platform?

A. Well, I have a number of planks to my platform, Joe, which are, to say the least, unique, ah, freedom for all prisoners, political and otherwise. Free food and free gas. Now stop and think about that for a moment. How would you like to be able to wheel your cart into any grocery store in the state, pick out anything you wanted, load your cart up, now imagine yourself if you're a housewife, think about being in that grocery store and not having to check the prices because nothing would be marked. It's free for the people, once I'm your Governor. Imagine wheeling your cart down an aisle, putting anything you want into that cart, and getting to the checkout stand and having him say, "we're really glad you shopped with us," and still getting Green Stamps. Now that's something. Gasoline. Whipping into a service station, saying "fill 'er up." It's free for the people—free food, and free gas for all Arizonans once I'm your Governor.

Q. Okay, the next question, what do you feel the major issues are in the race for Governor?

A. Well, I think the major issues have been totally avoided. Now I know most of the people listening right now have the best of intentions, but unfortunately, ah, many of you have become unwitting dupes of Raul Castro and Russ Williams. These people have indicated, ah, where possible, they were going to reduce taxes and stop, ah, help to stop crime. Let me make it perfectly clear that I'm the only candidate offering a choice not an echo, I have no intention of reducing taxes where possible. Once I am Governor, there will be no taxes. Now think about that. I'm not talking about no tax. Income tax, both state and federal, will be completely eliminated once I am Governor. Now the issue of no taxes, the complete elimination of all taxes, has been completely avoided by both of the other remaining candidates for Governor. Now, not once have you heard either one of them come out and say they were going to completely eliminate taxes. Well that will be one of my first actions as your Governor—the complete elimination of all taxes. Free food and free gas, housing. How many of you have heard Russ Williams say there would be no more, ah, prices for food. Now I'm not talking about eliminating inflation. I'm talking about free food, free housing, free clothing, free gasoline, everything people actually need will be free. I'm not talking about some socialistic system. I mean upon, ah, election, ah, as Governor, to secede from the Union and Arizonans will then be able to collect foreign aid and it will be totally unnecessary for people to worry about things like taxes. Plus my office door will always be open for anyone who wants to come in to see me and for those of you who care to work, I'd like you to carefully consider that you might like a soft political appointed job. Now think about a job where you didn't even have to come to work and you could have a starting salary of 35 to 50,000 dollars a year, depending upon the classification. Now that's a lot of money, tax free—a hell of a lot of money and for any of you out there listening now who are making less than that, think about that. Think about voting for Wonderful Russ when you go to the polls, 'cause you're voting for yourselves. By voting for me, you're voting for yourselves.

Q. All right, the next question is, ah, if elected—no, no, what are your qualifications, is the next question.

A. That's a good question, Joe, and, ah, I'm glad you asked it—ah, one of the things ah, that I've been criticized on is my lack of political experience, and, ah, they think that this is the first time I've, you know, to use a metaphore, I've thrown my hat into the political arena. Well, let me assure you that are listening right now and even those of you who aren't listening who are going to be told about this in, ah, explicit detail by those of you who are listening, that Wonderful Russ is no stranger to politics. Having served as President of the Wickenburg Clown Club from 1956 to 1957, I had a highly successful term as President of the Wickenburg Clown Club in addition to which I attended grade school right here in Phoenix, Arizona, which is in the State and that's part of the State I am running for as Governor and I was tell monitor of my third grade class for over two months and even after my term as tell monitor, the other children used to continually ask my teacher if I could be tell monitor again.

So I think this, ah, this and other qualifications the state has for Governor, ah, that you be a minimum of 25—well I am over 25, and in addition to that you have to have been an American citizen and being born in Arizona qualifies me as an American citizen, Joe, ah—plus, ah, you have to be—you know, registered in the state and I fulfill all of the qualifications. In fact, I more than fulfill them for instance; on the age requirement I am three years over. That's an added plus right there. I'm younger than the other candidates for Governor which means I'm more energetic—more dynamic. I'm capable of taking problems and solving them, instantly, you see.

Q. Okay, Russ, if you were elected, what, ah, would be some of the, ah, programs you would implement?

A. Well, in addition to some of the things I have already covered, for example, free food and free gas, free clothing, free housing, I might add, this is just for people who vote for me. Those of you who don't vote for me are going to get nothing, so keep that in mind. It's not a threat, but y'know, ah, I can't be dolin' out stuff to people who don't even vote for me or who voted against me. Ah, the complete elimination of all taxes—I plan to blast California off into the ocean and turn Arizona into a seaport community because we've had a tremendous fluctuation in Arizona, Joe, on property values and I think that would help to stabilize the construction building industries, ah, to have a lot of, ah, shorefront property available in Arizona which is something we've never had in this state. We've got miles and miles of beautiful beaches but you show me an ocean in this state, see? And this is another issue that both Castro and Williams have repeatedly refused to touch on, of blasting California off into the ocean. Another issue is electronic mind control. How many of you have ever heard a gubernatorial candidate in the past come out in favor of electronic mind control? Well, I happen to have the first electronic mind control programming unit in existence and, ah, once I am Governor, we've got a success program and a happiness program already completed. We have other programs in the workings, but as Governor, ah, I'm going to make available to all Arizona people the opportunity to become perfect, just like me. Ah, we can attach electrodes on either side of the brain and program people for happiness. Program them for success. Things people really want.

Q. Okay, what would be the very very first thing you would do if you were elected Governor?

A. Demand a recount.

Q. Okay, we have another ten minutes, ah, left on Know Your Candidate, ah, could you expound more on this one, ah, part of your platform. You said you'd provide everything free for everyone who voted for you. First of all, could we ask you how you would determine or, ah, will determine who voted for you and who didn't?

A. Ah, well, when I first started the campaign, I was buying votes for $12.50 a piece, ah, also, we spent, ah, most of our campaign contributions in paying off people who, um, do the vote tabulations at the various precincts and this is expensive and there's very little time left to solicit ah, campaign contributions, but for those of you who have an extra five or six thousand laying around the house, why send it on in to me, ah, because I can sure use the money, and, ah, I don't mind disclosing on my financial statements that, ah, money spent on campaign contributions goes into my, to line my pockets. I mean, hell, ah, I can use the money as well as anyone, y'know, and on a tax free basis, I think that it'll be even more advantageous. Ah, another thing that, ah, I'd like to give a little more data on, ah, to those of you listening out there in radio land, is the, ah, electronic mind control—electronic mind control—ah, one of the slogans that is, ah, probably more than anything else's, helped to put me over the top and some of you may already be fairly familiar with it is "blessed is the state whose Governor is Wonderful Russ" and another one that, ah, I get calls for, ah, two or three calls a minute coming in; the switchboards are just constantly jammed, is "blessed is the state whose Governor is Wonderful Russ."

Q. Okay, Russ, ah, then what would happen—you said you'd provide everything free, now this money would come out of your pocket to those who voted for you?

A. Not necessarily, Joe. You see, one of the things, once we secede from the Union, and we're collecting for foreign aid, I, I think you can see where we'd have an abundance of money, ah, plus I intend to fire the state legislature and ah, I'm not particularly interested in a legislature I can work with, I'd just as soon not even have one. See, quite frequently, the Governor will want to back a particular piece of legislation and the legislature opposes him. Well, without a legislature, it will simplify things where when some special interest group wants me to back a particular piece of legislation, it'll make it considerably easier to ramrod it through. Did you have another question here?

Q. Ah, okay, how would you propose to first secede from the Union?

A. Just do it. Y'know, just do it. Ah, this is one of the problems with life today, is people want to plan out this, plan out that—what about this, what about that, just do it. It's really very simple.

Q. Okay, what would happen to those whose—ah, who did not vote for you in the upcoming election, in your opinion?

A. Well, I don't really think it's a matter of my opinion, ah, I'm not, ah, I'm a very benevolent person, I've walked with kings, yet I've never lost the common touch, Joe, ah, I'm not a vindictive person, ah, gosh, no, I mean, ah, these people would be permitted to live here in the state, ah, within weeks after taking office, I plan to release information that will completely eliminate, ah, heart disease, cancer, tuberculosis and the heartbreak of psoriasis from Arizona. There will be no more sick people in Arizona. I've got a number of innovative ideas that have never before been brought up in an election.

Q. What do you think the major problems in the State of Arizona are?

A. Well, if you'd take for instance the overcrowding of hospitals, the basic problem is sick people. Ah, there's just too many sick people. You get rid of the sickies and you have more room in the hospital, you see? You just take a look at that, ah, for example, you go into any hospital today and they talk about the, ah, lack of available space in terms of their rooms. Well, it's sick people that are taking up that space. Get those sickies out of Arizona and we'll have ample room in any hospital in the state.

Q. How do you propose to do that?

A. Just ship 'em out. Just ship 'em out. Texas is a big state, Alaska's a big state, ah, speaking of Texas, I've got reason to believe that we're gonna have some trouble with Texas, I think they've got plans to try to attack us in the night and I'm going to name the, ah, zeppelin the official transportation ah, for all state employees, including myself, and if Texas attempts an air attack during the night, ah, I will load the entire state population in zeppelins and just take off.

Q. A few years back, quite a few, as a matter of fact, several states attempted to secede from the Union and, ah, a war was waged, ah, in, ah, in America. Do you think that, ah, could possibly happen?

A. No, not in this instance. You see, that's another thing I'm going to do is eliminate wars and I don't mean just for Arizona. I'm going to eliminate all wars on the planet once I'm Governor, because, ah, you see, the Governorship to me, and you can be rest assured that I'm going to do a good job as Governor, when the old ways no longer give life meaning, elect "Wonderful" and live the life divine. You can rest assured that I'm going to do a good job as Governor, because I plan to run for President after elected Governor and I *have* to do a good job so I'll be able to stand on my record as Governor, just like I'm standing on my record *now*.

Q. Okay, we have about 1 minute left, is there anything else you'd like to say to the voters?

A. Well, yes. You're not going to see my name on the ballot when you go in election day. It is imperative, if you care about freedom, if you care about democracy, if you care about yourselves and your families, and the future of this nation, write in the name Wonderful Russ Shaw, that's S-H-A-W. Write that name in, cast your vote for freedom.

Q. Okay, I'm sorry we're out of time right now. We've been talking, ah, to, ah, Wonderful Russ Shaw, independent write-in can—candidate, that is, for Governor.

This is Joe Bailey for Kool News.

NORWEGIAN-AMERICAN DAY

Mr. BURDICK. Mr. President, I am most proud to join with 3 million Norwegian-Americans to celebrate Norwegian-American Day today, October 9.

Forty-seven Norwegian emigrants landed their sloop, the *Restaurationen*, in New York Harbor 150 years ago today and began a flow of Norsemen and women that reached well over 1 million people in the second half of the 19th century. These immigrants brought their traditions of honesty, hard work, and courage to our shores and applied them to the settlement of a cold, but abundant land. Today, 80 to 90 percent of their descendants still live in our rural areas and continue the agricultural tradition that has made America the breadbasket of the world.

I am very proud that so many of these fine people chose to settle in my State of North Dakota. Our telephone books are full of Olsons, Andersons, and Johnsons, and they have contributed much to make North Dakota all that it is today. Their industry, character, and love of the land have made our State a richer and better place.

As the United States moves toward our Bicentennial, it is most appropriate for us to commemorate the importance of 1975 to those of Norwegian descent. For this reason, I have asked Senator HUMPHREY, whose State of Minnesota has benefited from this immigration almost as much as mine, to be added as a cosponsor of S. 1520, a bill to provide for the issuance of a special commemorative stamp honoring the beginning of Norwegian immigration.

The Norwegian Government has already issued commemorative stamps and coins honoring the Norwegian-American sesquicentennial, and Norway's King Olav V is now in the United States to join in the festivities. A commemorative stamp would be an excellent way for our Government to join this celebration and highlight for all Americans the great contributions our Norwegian-Americans have made.

COMMISSION ON THE OPERATION OF THE SENATE

Mr. GARY HART. Mr. President, I wish to take this opportunity to join my colleagues in welcoming the announcement yesterday of the appointment of 11 distinguished Members to the newly created Commission on the Operation of the Senate. I heartily congratulate my colleague and friend, Senator CULVER, for his efforts in bringing about this worthy and promising enterprise, and commend the Senate leadership for giving it the full support it deserves.

The U.S. Senate, being perhaps the most important deliberative institution in the world, faces daily the awesome burden of providing the wisdom and direction in determining the course of our Nation. What we do in this Chamber affects not only the lives and destinies of our own people, but often those of peoples beyond our borders as well. I need not remind my colleagues, many of whose service and contributions during their long and distinguished careers in this body far exceed my own, of the magnitude of this responsibility.

It is essential, therefore, that every effort is made to recognize the problems and weaknesses which restrict the ability of this vital institution to meet these obligations. I am sure none among us would deny that they do exist, and that the need for a careful and thorough investigation for this purpose is long overdue. It is noteworthy and all the more commendable that the junior Senator from Iowa was able to identify and address this need so early in his tenure in this body.

We all await the findings of this unique advisory task force, in the hope that its important work will enable us to become better equipped to adequately address the enormity of the job we have chosen to undertake. I pledge my full cooperation to the members of the Commission in the course of its endeavors and urge my colleagues to join in this effort.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Mr. TOWER. Mr. President, hearings are now being held before a subcommittee of the Committee on the Judiciary on the extension of the authorization of the Law Enforcement Assistance Administration, an agency of the Department of Justice.

The LEAA and its programs to assist State and local law enforcement and criminal justice agencies have been in existence since 1968.

LEAA funds may be used in a variety of ways. For example, police forces, courts, and correctional activities as well as a number of activities which may only have an impact on potential crime in a State benefit from LEAA programs. Crime prevention and law enforcement activities, as well as programs designed to bring the individual citizen into closer contact with the policy agency, the prosecutor's office, and the courthouse are supported by LEAA.

The program has worked well. The fruits of the LEAA approach are now being recognized throughout the country.

During its 7 years of existence, LEAA has provided funds and technical assistance to approximately 40,000 law enforcement and criminal justice agencies. More than 80,000 grants have been made by LEAA.

There have been those who have carped that LEAA programs are a waste of the taxpayer's money and that LEAA has made errors in the administration of its duties.

Mr. President, to be sure, LEAA or any other Government agency for that matter, is not perfect. But the mistakes have been miniscule in comparison to the magnitude and scope of this program, and they have been corrected, as they made or make their appearance.

If anyone has doubts about the effectiveness and the value of the LEAA to State and local government, he should be present at the Judiciary subcommittee hearings to listen to the witnesses testify on their actual experiences with the program.

I would like to call the attention of my colleagues to the testimony of Mr. Carol S. Vance, of my home State of Texas, as given on Thursday, October 9. Mr. Vance is district attorney of Harris County—Houston, and a past president of the National District Attorneys Association. He has had a long and distinguished career as a prosecutor and is very familiar with law enforcement needs and problems.

His assessment of LEAA's role and operation is right on the mark. He says:

> One of the best features of LEAA is the block grant concept under which it operates which puts the ultimate decision-making responsibility on the shoulders of the state governor. No prescribed, uniform solutions are arbitrarily sent down from a central government. The philosophy is simple—and accurate. Crime is a local problem, best dealt with at the local level.

This point cannot be stressed enough. Police powers are clearly the responsibility of the States. By creating LEAA, the Federal Government was not assuming from States and localities responsibility for law enforcement.

One of the key roles in the law enforcement system is played by the prosecutor. Mr. Vance told the subcommittee about the peculiar problems facing the prosecutor's office and how LEAA is helping solve those problems:

> Unlike those who enter into a career in law enforcement or the judiciary, generally the prosecutor's office is a training ground for lawyers fraught with low pay and an economic situation that causes the prosecutor to have to engage in private practice. Even where this is not allowed, such as my staff, the pay and the resources are sadly lacking.
>
> But, gentlemen, I am pleased to say as one who considers himself a professional prosecutor (eight years as a trial Assistant District Attorney and 10 years as a District Attorney) that things are changing, and progress is being made. The LEAA has played a very significant role in this greatly needed evolutionary process.

In his testimony, Mr. Vance detailed the valuable assistance provided at all levels of law enforcement by the LEAA. He gave LEAA high marks for its programs and leadership in the criminal justice system.

In conclusion, Mr. Vance said:

> Perhaps you see the Law Enforcement Assistance Administration from the top, in terms of huge sums of money expended on projects with complicated bureaucratic names. I am certainly not familiar with all LEAA projects, but as a prosecutor with a tough challenge, I see LEAA as the type of agency that lets me keep my independence and local identity, but assists significantly in progressive programs that will help reduce crime. The most creative yet practical things that I have been able to do in recent years have been due directly to LEAA grants.

Mr. President, so that my colleagues and others may view firsthand the accomplishments of LEAA, I ask unanimous consent that Mr. Vance's testimony before the Subcommittee on Criminal Laws and Procedures be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

WHAT LEAA HAS MEANT TO THE PROSECUTOR

(By Carol S. Vance)

THE PROSECUTOR'S DILEMMA

The true role of the prosecutor is probably the most misunderstood in the criminal justice system. Probably no average citizen can comprehend how the prosecutor must be all things to all people. His broad exercise of discretion as to which cases to accept in the system, which to investigate, which to present to a grand jury, which to divert and which to try, covers a breadth and depth unique to any role in public service.

The prosecutor is expected to be the hard belting adversary, but he must aggressively dismiss prosecution where evidence is insufficient or illegally obtained. He must work closely with the police and other governmental agencies, but he must also investigate complaints against the police and allegations of public corruption against the same government agencies. He finds himself in the role of investigator, the role of lawyer, and the role of judge as he engages in plea bargaining and delicate decisions such as seeking the death penalty or deciding not to prosecute a case. His independence is assumed, but a good prosecutor will reflect the priorities of his community as he directs his limited resources and exercises his broad discretion.

The prosecutor must be responsive to the people he serves. He must work closely with all local agencies as he is at the hub of the criminal justice system, and he must understand the needs of his constituents.

From the nature of this challenge, two truths about his office emerge:

(1) The public prosecutor must remain local in nature to be effective.

(2) The prosecutor in America today has not obtained the resources or degree of professionalism that his responsibilities deserve, and greater efforts must be put forth to remedy this situation.

Unlike those who enter into a career in law enforcement or the judiciary, generally the prosecutor's office is a training ground for lawyers fraught with low pay and an economic situation that causes the prosecutor to have to engage in private practice. Even where this is not allowed, such as my staff, the pay and the resources are sadly lacking.

But, gentlemen, I am pleased to say as one who considers himself a professional prosecutor (eight years as a trial Assistant District Attorney and 10 years as a District Attorney) that things are changing, and progress is being made. The LEAA has played a very significant role in this greatly needed evolutionary process. Therefore, I would like to zero in on two specific areas:

(1) Tell you what LEAA is doing for the local prosecutor nationally, statewide, and locally.

(2) Explain why this assistance needs to be substantially increased to do the job.

With the hope that my comments will be 100% credible, I will limit my observations to those programs directly affecting my office and the people of my community.

NATIONAL PROGRAMS ASSISTING LOCAL PROSECUTORS

Crime in America has grown to be an extremely mobile and scientifically equipped organization, not to mention being highly organized. To meet the attack of this insidious segment of our society which seeks by unlawful means to exploit its fellow citizens, the prosecutors of America also needed to organize. This was done in the 1950's, and since that time the National District Attorneys Association has served as a medium through which prosecutors can meet and exchange ideas.

During the fiscal year 1974–75, total receipts for the NDAA came to $632,070. Of this total, $327,322 came from LEAA. You can see that whatever the NDAA contributes to the nation's prosecutors is due in great part to the LEAA. Among the services offered by the NDAA are an Amicus Curiae Bureau. The Association submits amicus briefs in cases that involve major issues of law enforcement and the prosecution function. These briefs are filed in the United States Supreme Court.

One of the most important functions of the NDAA is educational, keeping prosecutors abreast of changes in the law, of technology, of management techniques and trial tactics. LEAA through block grant funds to the states enables the new prosecutors, or the specialist or the old hand to attend meetings and conferences. The NDAA has sponsored drug conferences, organized crime conferences, conferences in juvenile justice, conferences for newly elected prosecutors, and police-prosecutor conferences among many others that help us better understand our role and our duties.

The NDAA sends out a bi-monthly magazine, "The Prosecutor", which includes Association news, a "Cases, Commentaries and Briefs" section, and articles by leaders in the criminal justice system. NDAA also publishes and distributes specialized "how to" manuals to help the prosecutor in his day to day problems. The subjects range from specialized areas in the criminal law such as search and seizure, to the newest developments in criminal law administration. There are also audio tape cassettes, training films, and drug films available.

In recent years, the role of the NDAA has been greatly enhanced and expanded thanks to grants from the LEAA. The NDAA has received four technical assistance grants over the last three years which have gone to the management, evaluation, and contracts division. In 1972, the Association was awarded its first Technical Assistance grant. The purpose of the grant was to provide management evaluations for prosecutors' offices by utilizing the expertise of practicing prosecutors. This concept has been nurtured and enhanced through out the duration of the Project. At absolutely no cost to the local prosecutor, the Association is able to provide management studies for prosecutors' offices. The great trial lawyer often is a novice administrator in desperate need of help.

Another project which is now completed was funded by the LEAA. This was our National Law Student Internship and Placement Program. The purpose of this program was to encourage superior law students to pursue careers in the criminal justice system. Selected speakers from the NDAA spoke at over 150 law schools, and the result was that there were over 2,000 applications for 100 summer internship programs. The unquestionable success of this program has been most encouraging.

Funded by another Law Enforcement Assistance Administration grant, the NDAA has recently initiated a project to provide assistance to working prosecutors in developing standards and goals. Because of variations in prosecuting offices throughout the nation, NDAA has categorized the district attorney's offices into six homogeneous groups according to 21 external factors, including case load, population, office staff size, etc. The standards are not utopian though some may take years to accomplish. Overall they are something to strive for. It is expected that the standards developed by this project have the potential of having the most far reaching success of any project which LEAA has effected. Again we strive for professionalization.

Another recent project made possible through an LEAA grant has been the establishment of a Commission on Victim Witness Assistance. This Commission has eight field offices where various forms of ways to aid victims and help them fulfill their role as successful witnesses are being tried. The Commission has also distributed public information materials including a brochure, "A Project to Help the Victims of Crime", another brochure, "Sixteen Ideas to Help District Attorneys", "Victims Rights" Wallet Cards, "Victims are People" Buttons, and brochures entitled, "Criminal Justice Improvement Program".

Although my office is not in this particular program, with the stimulus of these examples and the concrete suggestions offered by the written literature, I am planning to start a program in this area, and I feel sure that many other prosecutors who are not actually receiving money for pilot programs are thinking in terms of working such programs into their budgets now that the seed has been planted by this LEAA funded project. Again, this demonstrates the use of ideas on a national scale to assist the local prosecutor.

Finally, at the national level, we have the National College of District Attorneys, founded in 1969 for the purpose of providing postgraduate education and training to public prosecutors. Since that time, with the financial support of private foundations and the LEAA, to the tune of some $631,815.13 annually, the program of the College has grown considerably. I have had the privilege of serving on the Board of Regents and feel that the College has made great contributions to the training of prosecutors whether they have been District Attorneys for 20 years, have just passed the Bar, or are somewhere in between.

For several years now the College has offered a three-week course in the summer, called a "Career Prosecutor Course." This course has become more in demand every year, and this past summer the College offered two sessions. I have sent several of my Assistant District Attorneys to the course each year and have found it well worth their time. We need to instill professionalism in the prosecutor and offer career incentives so that he will not serve in this capacity for a year or so when he first graduates from law school, and then go on into private practice just when he is becoming a real asset to the office. The courses offered by the NCDA have encouraged longer tenures on the part of the prosecutors who have attended them, and the savings to the State here can hardly be calculated.

The College also offers courses for Executive Prosecutors, new prosecutors, and a number of three to five-day seminars on topics of mutual concern. A copy of this years programs is attached. Recently they expanded to provide a bibliographic service on resource materials for the prosecutorial community.

LEAA AT WORK AT THE STATE LEVEL

One of the best features of LEAA is the block grant concept under which it operates which puts the ultimate decision-making responsibility on the shoulders of the state governor. No prescribed, uniform solutions are arbitrarily sent down from a central government. The philosophy is simple—and accurate. Crime is a local problem, best dealt with at the local level.

Our Governor, working with a capable staff and an Advisory Board of which I am a member, has awarded 180 grants to local prosecutors since 1970. These grants have been the result of grassroots planning, with each region detailing information on crime in its area, the capabilities for coping with crime, and projected solutions.

Also at the state level our Texas District and County Attorneys Association has received $400,000.00 annually, and every cent of this money has been spent on prosecutors. The money has enabled us to get together to exchange ideas and has been used for training and continuing education programs for prosecutors. There is also a stipends program which has allowed several hundred prosecutors to attend various seminars throughout the United States.

Prosecutors were able to get together several years ago when Texas was writing a new Penal Code to make considerable input into this Code. This Penal Code has been in effect for almost two years now and is proving to be highly workable and quite a milestone in law reform in Texas. Its success is due in no small part to the fact that prosecutors, the most knowledgeable practitioners of criminal law, were able to give their time and ideas to its creation.

Along similar lines, the hundred-year old Texas Constitution, an antiquated document which has been amended piecemeal for years, needs a complete revision. Our court system is rigid and needs reorganization. Texas prosecutors have been able to get together and make considerable input into the new Judicial Article for the proposed Constitution.

Prosecutors throughout the state have also met to work out standards and goals to improve the profession within our state.

The Texas District and County Attorneys Association has been active in the publications area, including an Extradition and Rendition Manual, a Grand Jury Handbook, a Juvenile Procedures Manual, a Controlled Substances Manual, a Handbook for Law Enforcement Officers, a Felony File Folder, indictment forms, motion to Dismiss forms, and a Civil Rights Handbook. The Association sends out a monthly newsletter containing comment on key decisions from the Court of Criminal Appeals (Texas' highest court in criminal cases), summaries of new laws of interest to prosecutors, and ways in which problems have been handled in various jurisdictions.

In addition to arranging and coordinating the training conferences, development conferences and administering the prosecutor stipends program, the staff of the TDCAA provides legal and technical assistance to prosecutors throughout the State upon request, and writes and files amicus curiae briefs with the Texas Court of Criminal Appeals in cases of vital interest to prosecutors.

Despite what I have said, it is next to impossible to describe the value of LEAA to Texas prosecutors through the Texas District & County Attorneys Association because the primary accomplishments are intangible. Without question, the morale, self image, and ability of Texas prosecutors have improved immeasurably as a result of LEAA funds. This has truly been the seed money so to speak so that we might grow in our profession.

LEAA ASSISTS MY OFFICE AT THE LOCAL LEVEL

The Law Enforcement Assistance Administration has granted money to many, many worthwhile projects here in the Houston area, to probation work, to rehabilitation programs, to crime prevention projects, and to other district attorneys. I would like to be more specific about the help which our office has received since I am most familiar with those projects.

Houston is one of the most rapidly growing metropolitan areas in the United States, and the crime rate is unfortunately rising over our entire country. Combine these two facts and you can visualize the growing pains faced by my office in the last five years. Several years ago we had a management survey financed by LEAA and this invaluable help enabled me to reorganize the office to accommodate a staff of over 100 assistants which had more than doubled since I became District Attorney in 1965.

Based on recommendations in the management survey, we applied for a second grant so that we could implement the suggestions made in the survey. Through a screening and management grant, I was able to hire an Administrative Director to supervise the hiring and direction of my burgeoning staff. I also added a professional writer who has written or edited three office manuals and numerous publications which are offered to the public free of charge giving them information on subjects such as consumer fraud, how to serve as a witness, crime prevention to businessmen and citizens, pollution, and drunk driving. We constantly provide technical and practical publications to police concerning the penal code, search and seizure, recent decisions, and a myriad of information. The Screening and Management grant supplied us with money for sorely needed equipment and with funds to supply the public with the informational brochures.

One of our most important grants has enabled us to set up an Organized Crime and Frauds Division. We have seven lawyers who are freed from the routine trial demands of handling several cases a day. These attorneys handle the sensitive, complicated, and often lengthy investigations needed to bring organized criminals, and white collar embezzlers to trial. These lawyers have become our office experts in election frauds and have handled several unusual murders, requiring more than the normal amount of case preparation. One prosecutor worked exclusively with the Drug Enforcement Administration program before it was phased out in Houston, and this person still works exclusively with drug cases. This grant, the first of its kind in the United States, was copied in Boston and Dallas and other cities due to its success.

We are one of 15 offices participating in the National District Attorneys Association's Economic Crime Project Center, funded through a grant from the Law Enforcement Assistance Administration. The purpose of this project is to increase the capacity and capability of local prosecutors to detect, investigate, and prosecute economic crime offenders. The national office has published "Economic Crime: A Prosecutor's Handbook", now in its third printing due to heavy demand. They offer us excellent workshops, and a highly specialized communication system. My Consumer Fraud Division has published a pamphlet on the subject, so that people will know how to avoid being a victim, and what to do if they should fall victim to a fraud. The Division handles hundreds of calls a month and advises, investigates, or files charges as the facts demand. So far this year over $400,000.00 restitution has been made, and most of this is small sums to people who could not afford to be cheated of even the smallest amount of money.

Our County has been the recipient of a grant to computorize information so that it can be obtained as needed. If information is desired on a previous trial of a defendant, it is scarcely encouraging to know that the facts can be found in a file at the county warehouse several miles away. Computorized information is essential.

We received another grant from LEAA which went exclusively toward the printing of a booklet for school children on Texas Criminal law and procedure. Classroom sets of these booklets were distributed in all the schools in the county. Since they were written at a secondary school level, they have been overwhelmingly popular with adults as well, and we have distributed almost 20,000 copies of this booklet to adults who have seen the booklet and requested copies.

I only wish that I had the funds to print even more copies.

Our latest grant is one which truly excites me. Ours was the first of several District Attorney's offices in the country to receive a discretionary grant from LEAA to zero in on career criminals. I am grateful to the President, the Justice Department and LEAA for their leadership in tailoring this concept to our local needs and priorities. Our Career Criminal Project has been operational since July 1. Felonies come in all shapes and sizes. Some persons are a far greater threat to society than others. Up to this time, all have been handled the same, in order. Too often in our seriously overcrowded system, the career criminal who knew the ropes managed to slip through and avoid punishment all together. In this new program, we are screening every new charge brought in, examining the previous record in detail, and considering the nature of the present crime. If the crime is serious and the record of the accused suggests that he is dangerous to society, he is admitted to our Career Criminal Program and given a closely monitored personal escort through the system. Most crimes in this country are committed by the repeat offenders; many, by persons who are out on bail while waiting trial on other charges. We are zeroing in on these persons and closing the loopholes for their escape. I am very optimistic that statistically this should make a dramatic impact on the crime rate, and from a practical standpoint, it should make our streets safer.

These are some of the benefits we have already derived from LEAA funds, but needs are forever cropping up and we are hoping now to get money for three "annex" courts. Our jail is pathetically overcrowded, with human beings packed in together, many with no bed to sleep on. Over half the people in the jail are there because they are waiting trial. We would like to have the money for courts which would give priority to cases of persons in jail. These people deserve to have their cases heard as quickly as possible rather than waiting the five months which is now the average delay.

CONCLUSION

Perhaps you see the Law Enforcement Assistance Administration from the top, in terms of huge sums of money expended on projects with complicated bureaucratic names. I am certainly not familiar with all LEAA projects, but as a prosecutor with a tough challenge, I see LEAA as the type of agency that lets me keep my independence and local identity, but assists significantly in progressive programs that will help reduce crime. The most creative yet practical things that I have been able to do in recent years have been due directly to LEAA grants.

Gentlemen, my only criticism of LEAA funding is that it has not gone far enough with the courts and prosecution functions. But, this is not the fault of LEAA in Washington. This is the fault of those State councils that need to reassess their priorities. Even so, I like the block grant approach. Revenue Sharing will not be used, in my opinion, for criminal justice to any great degree. I have a deep fear of any more massive bureaucratic agencies in D.C. telling me how to respond to the people of Harris County—even if they tie money at the end of their poles. But I like the LEAA approach—that is, money specified for criminal justice without imposing further stipulations on local government. All in all, LEAA should stay in business, to help assist the prosecutor get to that place of professionalism and resources needed to accomplish his responsibility, and to help solve the number one internal problem in the United States today—crime.

SURFACE MINING LEGISLATION

Mr. HANSEN. Mr. President, since the Senate last considered surface mining legislation in title II of S. 391, the Federal Coal Leasing Amendments Act of 1975, Western States have voiced their feelings concerning national surface mining legislation. At the Western Conference of State Governments in Anchorage, Alaska, on September 2, 1975, chairman John C. Ostlund of the Committee of Mines, Minerals and Industrial Development in the Wyoming State Legislature, introduced a resolution which, among other things, resolved that—

> The federal government should preserve the responsibility for mined land reclamation to the states by not enacting national surface mining legislation which would preempt powers from the states and require plans to be approved by a federal agency.

This resolution not only passed unanimously at the Western Conference but was also introduced and passed without a dissenting vote at the Five-State Conference on September 29 in Lincoln, Nebr.

This resolution emphasizes that 32 States have already enacted legislation regulating reclamation on mining operations and since the conditions for successful reclamation of lands vary from State to State, the proper course of action can be best determined in the State. I would observe there is great merit in this statement. I had strong reservations about Federal legislation, in part, because I felt this consideration was not sufficiently recognized. In fact, I doubt whether any Federal legislation, no matter how carefully drawn, could incorporate the vastly different reclamation standards needed for varying parts of the country. Not only does the topography differ, but soils and water sources differ considerably throughout the United States.

No one would controvert the Federal Government's ownership of its coal and its right to develop this coal. However, as the resolution states:

> Each state has a direct responsibility for the health, safety, and welfare of its people.

Recognition of this power led Senator Metcalf and me to introduce an amendment to H.R. 25, the Surface Mining Control and Reclamation Act of 1975, which provided that—

> Where Federal lands in a State with an approved State program are involved, the Federal lands program shall, at a minimum, include the requirements of the approved State program.

With the advent of comprehensive State laws, which are designed to protect the land and water within a State, the need for Federal regulation is most questionable. This resolution indicates 32 States have already made such laws and indicates the Western States are serious about exercising their responsibilities to make proper controls.

Mr. President, I ask unanimous consent that both resolutions be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

STATE RESPONSIBILITY IN SURFACE MINING

Whereas the federal government has traditionally relied principally upon the police powers of the state for the management of mineral developments on public and private lands and each state has a direct responsibility for the health, safety, and welfare of its people; and

Whereas some 32 states have already enacted legislation regulating reclamation of minerals and mining operations; and

Whereas the conditions for successful reclamation of lands vary from state to state and the proper course of action can be best determined in the state: Now, therefore, be it

Resolved, That The Western Conference of the Council of State Governments, assembled this 2nd day of September, 1975, at Anchorage, Alaska, does hereby express that the federal government should preserve the responsibility for mined land reclamation to the states by not enacting national surface mining legislation which would preempt powers from the states and require plans to be approved by a federal agency; and be it further

Resolved, That the Western Conference of State Governments as well as the federal government should encourage the states to exercise their individual responsibility for proper control of reclamation by passing additional legislation, where needed, appropriate to the conditions in the state; and be it further

Resolved, That the federal government cooperate with the states by issuing regulations on federal lands which are maintained consistent with the needs and conditions of the state to the greatest extent possible.

STATE RESPONSIBILITY IN SURFACE MINING

Whereas, the Federal Government has traditionally relied principally upon the police powers of the State for the management of mineral developments on public and private lands and each state has a direct responsibility for the health, safety, and welfare of its people; and

Whereas, some 32 states have already enacted legislation regulating reclamation on minerals and mining operations; and

Whereas, the conditions for successful reclamation of lands vary for state to state and the proper course of action can be best determined in the state; Now, Therefore, Be It Resolved that the Five State Legislative Conference assembled this 29th day of September, 1975, at Lincoln, Nebraska, does hereby express that the Federal Government should preserve the responsibility for mined land reclamation to the states by not enacting national surface mining legislation which would pre-empt powers from the states and require plans to be approved by a federal agency; and be it further

Resolved, That the Five State Legislative Conference as well as the Federal Government should encourage the states to exercise their individual responsibility for proper control of reclamation by passing additional legislation, where needed, appropriate to the conditions in the state; and be it further

Resolved, That the Federal Government cooperate with the states by issuing regulations on federal lands which are maintained consistent with the needs and conditions of the state to the greatest extent possible.

A PRESCRIPTION FOR ECONOMIC RECOVERY

Mr. MUSKIE. Mr. President, I ask unanimous consent that my remarks to the National Tire Dealers and Retreaders Association's Convention October 7 in Boston be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR EDMUND S. MUSKIE

It's a pleasure to be here today to give you my perspective on the American economy. It's also a great pleasure to be here with this association of businessmen.

I spend most of my days in Washington, where we deal with the economy on an abstract level. Sometimes you can get so wrapped up with the abstractions—macroeconomics, capital formation, disintermediation, and so forth—that you can forget what the economy really is all about.

And that's people like yourselves working hard, watching your costs, and planning a future for yourselves and your families. When things go wrong—when government policy starts to conflict with sound economics—then you're the first people to know.

You know what the problems are already. You know what the priorities must be. You just need to know what the solutions are going to be.

I think you will agree with me that the nation's number one priority is to get this economy back on the road to expansion and full production.

The economy right now is like a sick man who's just come out of intensive care. The worst is over for now, but recovery can be slow and painful, and there's no guarantee that he won't have a relapse if the treatment isn't the right kind.

The vital signs are mostly good right now:

Unemployment is down to 8.3 percent in September, a good improvement from the 9 percent at the beginning of the summer. Since March, we've added 1.5 million more jobs to the economy.

Industrial production has increased at nearly a 12 percent annual rate since May, and is likely to stay strong for the rest of the year.

Confidence is returning to consumers. According to one estimate, about 8 percent of families plan to buy a new automobile in the next six months.

There has even been some improvement in the home building industry, with housing starts 14 percent higher now than in June.

But the patient isn't ready yet to get out of bed. There are still some vital signs that could mean a relapse:

After slowing considerably in the first half of 1975, prices are advancing again—not because of excess demand or labor costs but because of food and energy prices.

Interest rates are moving back up as the Federal Reserve's tight money policy has slowed down money supply growth. The prime rate has returned to 8 percent, a one-third increase since this Spring.

And most important, there are still eight million Americans out of work, one million more discouraged workers, and three million who are working part-time.

When you look at all the vital signs—both good and bad—it is clear that the economy will keep moving up for the rest of this year.

However, there is a very real possibility that 1976 won't be as good. Recovery could be stalled—or even turn down again—by mid-year, and that would mean more inflation, more unemployment, and more federal deficits.

But the fact that the economy has turned around is very encouraging, for it demonstrates that Congressional policies have been on target, that our independence from Administration policy—our insistence on strong economic stimulation—has paid off for the American people.

We saw the dangers of recession when the Administration told us that inflation was the only problem.

We acted to reduce the effects of unemployment and keep the economy moving when the Administration told us to put the brakes on.

Over the Administration's objection, we insisted on tax cuts sufficient to give a sharp boost to consumer demand which turned around the long slide down.

And when the Administration urged Congress to enact a hastily-devised energy policy, we held back. We prevented a severe shock to consumer pocketbooks. That would have happened at the worst possible time.

Now, I'm not here today to tell you that everything Congress has done is right, and that everything the Administration has done was wrong. There are no saints or sinners in making economic policy, and people who reduce our complex problems to that level do a disservice to the rest of us.

But what Congress has accomplished—and it's been hard, believe me—is to regain its partnership in making economic policy. Over the years, Congress gave much of its budget and spending authority to the President. Those were years when we thought that anything to make a strong Executive Branch even stronger was good for the country.

We learned an important lesson from those years. We learned about accountability—just like many of you have learned in your businesses—that without accountability, you're more likely to get bad decisions than good.

You know, there's nothing like having to face the voters every few years to make you stop and think about the human consequences of your decisions. That's why Congress had to start taking back the purse strings.

We began that process with enactment of budget reform. We restricted the authority of the President to impound appropriated funds and provided ourselves new resources to get spending and revenue targets in line with economic conditions.

So far it's working. And much of our success with starting the recovery and gaining control of spending has been due to the new budget process.

It's allowed Congress to take a very thorough look at Administration proposals, and head off mistakes before they have an impact on the average citizen.

There won't be many more snow jobs on Congress, as long as this new system works.

That's been especially clear in what's happened about energy.

In February, the President proposed an energy program to cut imported oil within a year by a million barrels per day. He proposed an import fee of $3 per barrel, a $2 excise tax on domestic oil, and removal of all price controls on natural gas and oil. It was a classic, textbook solution—to make people use less, raise the price so high that they won't be able to afford as much as before.

It was also a very bad solution.

It would have been irresponsible—and disastrous—to take price controls off the 60 percent of our oil that is held at $5.25 a barrel, and let it rise to the market price of $11.50 almost overnight. It would have had a devastating effect on the cost of heating oil, the cost of electricity, the cost of gasoline, the cost of industrial fuels at just the time factories were already shut down and workers lined up for unemployment checks.

Now, Congress realized that. Our economists determined that the President's policy would increase unemployment by another million workers and inflation by another 3 percentage points.

So we said no to the President. Within 30 days of his announced policy, we extended the price controls until its expiration this Summer. We extended controls again, and this time the President vetoed the extension, and the veto was sustained.

He got the policy he asked for in February. But now he understands what we understood in February—that unless controls are there, the price of oil will wreck the economic recovery. That's why he agreed to extend controls until November 15.

We're in the process of working out a compromise with the President. And the likely result will be a gradual decontrol, stretched out over several years to let business build these costs into their plans, and let families adjust their household budgets.

Congress has fought all year to keep energy prices down. We're going to keep oil prices as low as possible now and in the long run.

We've been accused by the President, the oil companies, and much of the public of dragging our feet. But the fact is, we had the right policy all along.

We've pushed for energy conservation, and we've pushed for alternative sources of energy. America has as much coal as the rest of the world. We already can use it efficiently and cleanly. All we have to do is broaden its use commercially.

We can develop solar energy, oil shale, coal gasification, and oil on the outer continental shelf. These are the ways we can show OPEC nations that we won't allow our energy policies to be dictated by what they want to charge us.

But everything we do with energy must be in the overall context of economic recovery.

Congress has said that. While we held back a bad energy policy from taking place, we enacted a strong recovery program.

We expanded unemployment benefits, public service jobs, and public works projects to help people back on their feet.

Congress also knows that the key to recovery is in the private sector—to expand job opportunities with more consumer dollars and investment capital.

That private sector is expanding today. But we must remember that we've got a lot of distance to cover before we return to full employment. A slow recovery program could keep unemployment in the 7 or 8 percent range next year and the year after that.

Congress believes that's unacceptable. I know that's unacceptable. That's why we must adopt a national target of an eight percent real growth rate until we return to full employment.

Even then, that would take 2½ years to reach 5 percent unemployment. But with a flexible economic policy we can sustain that necessary growth.

The key to this will be cooperation between Congress, the President, and the Federal Reserve Board. We don't have that cooperation yet. The Federal Reserve, for example, has been tightening credit and slowing money growth, directly counter to the Congressional tax cut.

Clearly, we need more cooperation.

We must allow the money supply to grow—not at the 5 to 7½ percent rate Arthur Burns wants—but at 8 to 10 percent. Without that, small businesses and consumers will once again be crowded out of the credit market.

We must keep energy prices down, consistent with our duel needs of recovery and energy independence.

And, we must extend the income tax cut into 1976. We run the risk of stalling the recovery without this boost in consumer spending.

Now I would like to comment on President Ford's message of last night.

As I have said, you can make the case for a moderate tax cut now.

The Budget Committee's concurrent resolution of last spring contemplated that this year's tax cuts would be extended into next year to make sure we don't put the brakes on the economy just as it is beginning to recover. Most of the testimony before the Budget Committee during the last two and a half weeks has pointed in that direction—although both the President's Secretary of the Treasury, Mr. Simon, and Arthur Burns were *against* extending the tax cut. Arthur Okun, generally viewed as a liberal economist, was for continuing the tax cut at present levels, but was frankly concerned that doing more might now overdo a good thing and stimulate more inflation.

Now the President's proposed cut is evidently larger than has been recommended to us.

Even if all the savings he wants for the *next* fiscal year occur, it still appears that his proposal will give the economy a significant added stimulus during the remainder of fiscal 1976. The inflationary consequences of that kind of stimulus will have to be weighed carefully.

As for the outlay side of the ledger, I don't think any of us doubts that there is a lot of money to be saved in Washington. I wouldn't be spending the hours and days I do as Chairman of the Budget Committee if I didn't believe that. There are too many bureaucrats and too many bureaus. There are lots of programs that could be more efficiently run. And it is our objective to see that they are.

But with prices rising every year . . . with eight to ten million Americans out of work, on food stamps and unemployment compensation and welfare . . . with the pressure for more and more defense spending—$28 billion in cuts is easy to talk about but hard to find.

This year the President proposed to save $17 billion. Here's what he proposed to cut: Medicare and Medicaid benefits, so that recipients would have to pay more for service . . . food stamps, so they would cost more . . . child nutrition and school lunches . . . cost-of-living adjustment for Social Security recipients who are hit very hard by inflation . . . and increases in veterans benefits. But he proposed an increase in defense spending over last year by several billion dollars, and this fall he has added a multi-billion dollar aid program for the Middle East.

It isn't spending the President objects to—provided it is Presidential spending. What he doesn't like is for Congress to change his spending priorities.

Last night the President did mention protecting the old, the poor and veterans. But it is worth noting that last time around he proposed to cut those programs which provided some protection for them against the impact of recession, inflation and higher energy costs which he seeks to make even higher.

To use the President's figure of speech, we also know a train wreck isn't the answer.

The economy has turned up, but there are going to be a lot of unemployed Americans for a long time who need the protection afforded by some of those programs the President would apparently like to cut. And renewed inflation is a threat we simply cannot underestimate.

A healthy economy, where people can work and take care of themselves, will cut the cost of recession-related and inflation-boosted programs, and eliminate federal deficits.

I know we can do it. This nation has all the resources—a skilled and productive labor force—the industrial capacity—natural abundance—and the management skills.

Now we need the cooperation and leadership to pull all these resources together—to restore confidence—and to get this country moving again.

THE JOB CREATION ACT OF 1975

Mr. GARN. Mr. President, today I am adding my name as a cosponsor of S. 2465, the Job Creation Act of 1975, introduced last week by Senator McClure. I am glad to take this action, because I think it represents an important departure in public policy in the United States, one that will eventually lead us back to a reasonable level of prosperity and sustained growth.

In recent years, Mr. President, it has become apparent that relatively few individuals in this country understand the basic mechanisms by which free people deal with one another. The science of economics has degenerated into name-calling, solidly based in ideology, but cut off from the practical experience we all have. Everyone knows that if he has something to sell, he will not sell if the price is too low; everyone knows that if prices are kept down artificially, we all rush to buy and shortages result.

And yet, even though we know all these things when they apply to our personal, specific case, we continue to act as though these "laws of economics" can be repealed by the Congress of the United States. We talk of price controls and rollbacks, when we know perfectly well what the results of these actions would be in our personal case, and we ought to know, from history, what would happen in the country at large.

Actions of this nature, taken over the last 40 years, have produced serious distortions in our economy, Mr. President, distortions which now threaten the continued prosperity of our people. At the present time, America suffers from inflation, declining production, and high unemployment. The unemployment rate stands at 8.2 percent; output in real terms fell 2.2 percent last year and was projected to decline even faster this year; inflation continues near 10 percent, and the people of my State feel that it will go much higher as Federal borrowing continues. These statistics are related, but if we are to improve them, we must understand which are causes, and which effects.

In the wake of the Keynesian revolution, it has become a commonplace of political rhetoric that a general increase in the amount of money in the hands of individuals will increase demand, thus encouraging production and putting people back to work. This theory is popular because it allows politicians to rationalize their spending schemes which are popular with the voters. The theory allows deficit spending, whereby the Government can indulge the voter's every whim without the pain of raising taxes. In theory the inflation which could result from this practice is a small price to pay for the low unemployment and increasing output.

The worst problem with this theory is that it does not work. We have tried it and tried it over the last 20 years, and it has not produced the stability and low unemployment its champions claim for it. In my view, Mr. President, it is time to abandon this model, as the economists are even now abandoning it, and strike out in a new direction. It is that that we hope to accomplish with the Job Creation Act of 1975, S. 2465.

This legislation does what very few acts of Congress have done recently: it encourages production. The theory which underlies it is the theory which identifies two kinds of spending, the productive and the consumptive. This theory was outlined in some detail in an important article in "The Public Interest," fall 1974, by Daniel Bell, entitled "The Public Household."

By definition, Government spending is consumptive, in that it does not produce goods. For instance, governments buy books, but they do not buy presses with which books can be produced. By contrast, private spending is very often productive. Of course, individuals buy candy for consumption purposes, but a significant proportion of the time, they forego eating candy to buy the pots, pans, and raw materials needed to increase the net supply of candy. As a recent editorial in the Wall Street Journal noted—

> Economic progress began on that distant day when a primitive grain-gatherer saw that if he did not eat all he gathered he could sow seed for a new crop.

The share of personal income which is taken from individuals and transferred through Government spending into consumption has now reached a critical point. Transfer payments are now nearly 40 percent of the Federal budget. Continuation of the present trends would result in half of the national income being taken by taxes in 1985; two-thirds by the year 2000. A more startling figure follows directly from these: A Joint Economic Committee study found that domestic private investment in the United States in 1973 was only 15.7 percent of GNP, as compared with 28 percent in France, 26 percent in Germany, and 37 percent in Japan. We have the lowest rate of capital investment in the industrialized world, and it is going down, not up.

The history of this Nation clearly shows that the path to prosperity is through increased production. With enhanced possibilities for capital formation and spending, entrepreneurs, acting freely, with the faith that they can produce something desirable, can go to work and increase the size of the pie we must all share. In our experience, the results of that faith have been the inventions and ideas which have led to the highest standard of living in the world. As a result of that standard of living, we are capable of assisting countless others to help themselves, and can minister to their needs when they do not.

Another result of the entrepreneur's vision is the creation of jobs, jobs in great quantity. As investment capital is put to work, the machines are built and the people are hired to work them. There is no way for a trained and willing labor force to remain idle while individuals have the means to put them to work. As surely as it is an illusion that Government can find them gainful employment, it is a truth that the private employer, be he big or little, can. This way lies the answer to our unemployment problem, not in public service jobs, even with the Government as "employer of last resort." In practice, it comes to be the employer of first resort all too often.

It is with the hope of returning governmental policy to a climate favorable to growth that I join in introducing S. 2465. Its enactment at this time would serve as a clear signal to the entrepreneurs and workers of the world that we are aware of the need for investment capital, that we are willing to overcome the prejudices against business which find their expression in Marxist rhetoric all over the world.

To return to the Wall Street Journal editorial, economic progress will be resumed in this country on that day—hopefully not too far distant—when the Government realizes that if it stops eating up the substance of the people, the result will be the kind of productive jobs for everyone that we all want.

Mr. President, I ask unanimous consent that the editorial referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 20, 1975]

CAPITAL

Economic progress began on that distant day when a primitive grain-gatherer saw that if he did not eat all he gathered he could sow seed for a new crop. Progress took a quantum leap when the first farmer saw that if he saved a surplus he could trade it for a plow. And today economic progress continues when an individual or society foregoes current consumption and invests the savings in ways that create more goods and services in future years.

In short, economic progress has always depended on capital, that which is saved from current consumption to lay a base for future production. Classical economics posits three factors of production—labor, land including all finite resources, and capital. Land cannot be expanded, and population growth adds not only more hands to work but more mouths to feed. Happily, capital can grow indefinitely.

A society increases its standard of living primarily by increasing the capital input relative to the labor input. A worker can enjoy a sustained increase in his standard of living only if he becomes more productive. And sustained increases in productivity come from supplying the worker with better tools, that is, by investing more capital. In a far from trivial sense, economic progress consists of capital formation.

The adequacy of capital formation, or alternatively of the savings that underlie it, tells a great deal about the future prospects of the economy. It is of course not easy to measure "capital," let alone "adequacy." Machine tools are obviously capital, but some economists cavil at the inclusion of housing. Education is obviously to some extent a capital investment, but is seldom included as such. "Adequacy" depends on a society's goals and other value judgments. But subject to such caveats, it's worthwhile to look at U.S. capital formation from a number of different perspectives.

A good place to start is with international comparisons. For reasons which we will discuss presently, the United States clearly lags behind most other industrial societies in both capital investment and productivity growth. While the OECD concepts used in international comparisons result in higher numbers than more common concepts, the trend is clear in this adaptation of a Treasury table:

INVESTMENT AND PRODUCTIVITY, 1960–73

[In percent]

	Average investment OECD concept [1]	Average annual production growth [2]
United States	19.2	3.3
Canada	22.4	4.3
Japan	33.4	10.5
France	24.9	6.0
Germany	26.2	5.8
Italy	21.4	6.4
United Kingdom	18.9	4.0

[1] Private investment plus government purchases of machinery and equipment for nondefense purposes, as a percentage of gross domestic product excluding defense expenditures.

[2] Output per man-hour.

One way to estimate whether this capital formation will be sufficient to future needs is to estimate the capital needs of various industrial sectors, and to compare this with the savings being generated. The New York Exchange has done this, and concludes that between now and 1985 there will be a capital shortfall of $650 billion, or 13% of capital needs.

Another way to judge adequacy is to look at capital investment per worker. This is the key to increased worker productivity, and hence to higher real wages and higher standards of living. In recent years the labor force has grown with exceptional speed, while savings and investment have grown only normally. In offering the following table in recent congressional testimony, Professor Paul McCracken remarked that the fall in investment per worker helps explain why even in the recent boom the economy did not push unemployment below 5%. "Our plant capacity was too small to offer the number of job opportunities required for reasonably full employment."

Direct business investment per worker

[1958 dollars]

1971–74	$41,000
1966–70	46,400
1961–65	55,300
1956–60	49,500

It is decidedly more comforting to look directly at savings and investment in the U.S. national income accounts. We continue to save and invest at about our historic rate. There was some falloff in 1974, probably because of the especially virulent inflation, but 1973 was an especially good year.

SAVINGS AND INVESTMENT AS PERCENT OF GNP

	Gross national savings	Gross private domestic investment
1974 to present	14.8	15.0
1973	16.6	16.1
1972	15.5	15.0
1971	14.4	14.6
1966–70	15.3	14.8
1961–65	15.6	14.9

The stability of the gross saving figure, though, masks some definite trends among its components:

COMPONENTS OF NATIONAL SAVINGS—PERCENT OF TOTAL SAVINGS

	1974 to present	1973	1963
Personal savings	37.0	34.7	22.0
Corporate profit [1]	8.2	12.0	18.0
Capital consumption allowances	57.6	51.7	58.0
Government surplus or deficit [2]	−2.8	1.6	1.9

[1] Undistributed corporate profits plus inventory valuation adjustment.

[2] Includes State and local government.

Obviously more saving has come from individuals, and less from corporate profits, which have been falling steadily as a percentage of gross national product. Individuals increased their saving rate to 8.2% of their disposable income in 1973 from 4.9% in 1963, and it is probably not realistic to expect such a rapid rate of increase to continue. Nor is it likely that the government will start running large surpluses. Any large future gains will almost certainly have to come through reversing the downtrend in the corporate sector.

Capital consumption allowances reflect the depreciation of existing capital; theoretically they are the amount necessary merely to keep the capital plant you already have. In the figures there is a bias toward overestimation, since at the end of the official depreciation period a machine may still have some useful life. There is also a bias toward underestimation, since depreciation is based on historic costs rather than replacement value. In periods of especially rapid inflation, like the present, the net effect is almost merely a sharp underestimate. Some of the personal savings and profits must be spent just to stand still.

Finally, note that government deficits come directly out of the savings pool. The low rate of savings in 1971 evident in table 3, for example, reflects last year's record peacetime federal deficit. The prospect of huge deficits for at least two years and probably beyond makes it highly unlikely we will be able to maintain our historic role of saving.

At the same time, it's clear that capital needs are going to increase. In particular, huge amounts of capital are necessary to buy clean air and water. While this clearly is socially valuable, capital spent for such items does not add directly to worker productivity. Unless additional capital is somehow generated, we will pay for clean air and water with slower economic growth.

Some people feel it would be just fine to sacrifice growth to finance clean air and the transfer payments that account for so much of the growth in federal spending. But they have not studied the implications, for much of our projected future growth is already committed to worthy social tasks.

This is most evident in the Social Security System. The whole system is built on the premise that real economic growth will match certain historic norms. Otherwise, workers in future generations will not be able to pay retirement benefits when the current generation retires. The existence of Social Security, for that matter, almost certainly tends directly to reduce savings by reducing the necessity to prepare for retirement. This effect has to be offset by incentives to have elsewhere in the system.

Which brings us back to the international comparisons. To some degree, the low U.S. savings and investment rates reflect its already high state of development. Savings and investment are marginally more profitable and thus attractive in less-developed societies. But it is also true that other societies have tax systems that encourage savings.

The U.S., to take one example, has the most stringent treatment of capital gains; some European nations do not tax them at all. The U.S. also has especially stringent provisions for depreciation. Some other nations have lower corporate tax rates, or special provisions for dividends. Savings could be increased by tax reform in these directions.

Such reforms would in the first instance tend to benefit those with above-average incomes, since they are after all the people who do most of the saving. Somehow in this society the very words "tax reform" have come to connote opposite measures, those that increase the tax load on savings and reduce it on consumption. Congress is at this very moment making tax cuts the bulk of which will go to non-savers. This is in the name of helping the poor, but the poor will not be helped by slower economic growth.

Sometime after the primitive grain-gatherer made his epochal discovery, and perhaps even after the first farmer learned to trade his surplus, another great but unrecorded man thought up a tale about a goose that laid golden eggs.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. S. 2310.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The amendment of the Senator from Massachusetts, No. 963.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS ON MONDAY, OCTOBER 20, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate reconvenes on Monday, a week from this coming Monday, after the two leaders have been recognized under the standing order there be a period for the transaction of routine morning business of not to exceed 45 minutes with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 2310, NATURAL GAS EMERGENCY ACT OF 1975, ON MONDAY, OCTOBER 20, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of routine morning business on Monday, October 20, 1975, the Senate resume consideration of the bill S. 2310.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I propound the following unanimous-consent agreement.

I ask unanimous consent that with respect to S. 2310, a final vote occur thereon no later than 12 o'clock noon on Friday, October 24; provided further, that paragraph 3 of rule XII of the Standing Rules of the Senate be waived; provided further, that on Monday, October 20, when the Senate reconvenes, the pending amendment by Mr. Kennedy be temporarily set aside until the hour of 2 o'clock p.m. on Tuesday, October 21, and that, in the meantime, on Monday and up until the hour of 2 o'clock p.m. on Tuesday, other amendments to S. 2310, or motions in relation thereto, be in order; provided further, that the time for debate on Monday and Tuesday on S. 2310, up until the hour of 2 p.m., Tuesday, be divided and controlled by Mr. Hollings and Mr. Pearson; ordered further, that at the hour of 2 o'clock p.m. on Tuesday, October 21, when the Senate resumes consideration of the amendment by Mr. Kennedy, time for debate thereon be limited to 3 hours, equally divided by Mr. Pearson and Mr. Kennedy; provided further, that a vote then occur at the expiration of that time; provided further, that no amendment in the first degree to S. 2310 be in order at any time after 3 o'clock p.m. on Tuesday, October 21, unless such amendment has been filed at the desk prior to the hour of 3 o'clock p.m. on that Tuesday; provided further, that the pending order which calls for the consideration of S. 692 immediately upon the disposition of S. 2310 be vacated; ordered further, however, that it be in order for the distinguished majority leader at any time following the disposition of S. 2310 to call up and make S. 692 the pending or unfinished business before the Senate; it being understood further that after the vote on the Kennedy amendment on Tuesday, the 21st of October, it would be then in order to propound further time agreements with respect to amendments which will have been filed at the desk by or before 3 o'clock p.m. that day, debatable motions, appeals, or points of order submitted by the Chair for discussion; ordered, finally, that final passage of the bill, S. 2310, not occur on Thursday, October 23 but may occur at any time on Friday prior to the hour of 12 o'clock noon.

The PRESIDING OFFICER. Is there objection?

Without objection——

Mr. STEVENSON. Mr. President, reserving the right to object, do I understand the distinguished whip to say that the vote on final passage could occur before the hour of noon on Friday?

Mr. ROBERT C. BYRD. Yes.

Mr. MOSS. Not later?

Mr. ROBERT C. BYRD. No later than the hour of 12 noon on that Friday, but not on Thursday.

Mr. STEVENSON. Could not occur on Thursday.

I had understood earlier that the vote on final passage would not occur before the hour of noon on Friday and would——

Mr. ROBERT C. BYRD. Does the Senator wish to make that a condition?

Mr. STEVENSON. I would ask the distinguished whip if that might be added?

Mr. ROBERT C. BYRD. Would the Senator be agreeable to setting a definite time of 12 noon on Friday for final passage?

Mr. STEVENSON. Yes, that is agreeable.

Mr. ROBERT C. BYRD. Very well, I so modify my request.

The PRESIDING OFFICER. Is there objection to the modified request?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the majority leader, I wish to express special thanks to the distinguished senior Senator from Utah (Mr. Moss) for his invaluable efforts, cooperation, and persuasion in assisting in getting this agreement.

On behalf of the distinguished majority leader, I also wish to thank Mr. Talmadge, Mr. Glenn, Mr. Stevenson, Mr. Pearson, the distinguished minority leader, Mr. Scott, Mr. Hollings, Mr. Long, Mr. Bentsen, Mr. Fannin, Mr. Griffin, Mr. Gary Hart, and all other Senators who had a part in working out the agreement.

ORDER TO VITIATE THE ORDER TO CONVENE THE SENATE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the convening of the Senate on tomorrow at 8:45 a.m. be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the adjournment of the Senate until Monday, October 20, at 12 noon, the secretary of the Senate be authorized to receive messages from the House of Representatives and from the President of the United States, and that they may be properly referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE VICE PRESIDENT, PRESIDENT PRO TEMPORE, AND ACTING PRESIDENT PRO TEMPORE TO TAKE CERTAIN ACTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order during the adjournment until 12 noon Monday, October 20, for the Vice-President, the President pro tempore, and the acting President pro tempore to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS THURSDAY, OCTOBER 16, 1975.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may be authorized to report during the recess between the hours of 10 a.m. and 3 p.m. on Thursday, October 16.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 noon, Monday, October 20, 1975. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 45 minutes, with statements limited therein to 5 minutes each, at the conclusion of which period the Senate will resume consideration of S. 2310, a bill to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The pending amendment by Mr. KENNEDY will be set aside temporarily on Monday until the hour of 2 p.m. on the next day, October 21. But in the interim—meaning Monday the 20th and on Tuesday up until the hour of 2 p.m.—other amendments may be called up to S. 2310 and voted upon. Rollcall votes, therefore, may occur on Monday, October 20, on amendments and/or motions in relation to S. 2310. Rollcall votes conceivably could also occur on other measures that have been cleared for action by that time. Keeping in mind that conference reports are privileged, it is quite possible, of course, for votes to occur also on conference reports.

There is an agreement, whereby action will be taken finally on S. 2310 at 12 noon, Friday, October 24. So, there is assurance that there will be some action, one way or the other, finally on that measure, and the Senate will have worked its will on amendments thereto during that week.

Consequently all Senators will be able to return home and report to their constitutents that the Senate has acted on the Sinai resolution and has reached an agreement to act on a bill to assure the availability of adequate supplies of natural gas. I hope that the Senators will come back on October 20 fully restored, with their spirits high, fully rested and fully knowledgeable of the viewpoints, complaints, admonitions, advice, criticisms, approbations, and plaudits of their constituents. Senators have worked hard, and the leadership thanks and compliments them all. The Senate has acted on a great deal of business before going home. The calendar is not quite as bare as old Mother Hubbard's cupboard, but it is pretty clean. Considering the fact that we do now have an agreement to act on the natural gas bill, I feel that all Senators may go home tonight content within themselves, thankful to the good Lord, and looking forward to meeting with the people whom they serve in their respective States next week.

ADJOURNMENT UNTIL MONDAY, OCTOBER 20, 1975

Mr. ROBERT C. BYRD. If there are no other Senators who wish to comment or take the floor at this time, I move, in accordance with the provision of House Concurrent Resolution 424, as amended, that the Senate stand in adjournment until the hour of 12 noon, October 20, 1975.

The motion was agreed to; and at 10:19 p.m., the Senate adjourned until Monday, October 20, 1975, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 9, 1975:

FEDERAL ENERGY ADMINISTRATION

William G. Rosenberg, of Michigan, to be an Assistant Administrator of the Federal Energy Administration.

SECURITIES AND EXCHANGE COMMISSION

Roderick M. Hills, of California, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1977.

DEPARTMENT OF THE INTERIOR

Thomas S. Kleppe, of North Dakota, to be Secretary of the Interior.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

Ralph G. Thompson, of Oklahoma, to be U.S. district judge for the western district of Oklahoma.

EXTENSIONS OF REMARKS

SYNTHETIC FUEL PROGRAM

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. HOWE. Mr. Speaker, I would like to take this opportunity to commend my colleagues in the House for initiating hearings yesterday on a synthetic fuel production program. I consider this program, to create a synthetic fuels industry within the United States, another wise and important step on the road to energy independence in the foreseeable future.

The provisions of S. 598 for a loan guarantee program for synthetic fuels is an excellent start in the establishment of an integrated synthetic fuel industry. It is designed to produce by 1985, the synthetic equivalent of 1 million barrels of oil a day, or 365 million barrels per year, from coal and oil shale, abundant within the continental United States. The program, which permits the Federal Government to guarantee $6 billion in loans to private industry, should be authorized by Congress as a quick development incentive for plant construction.

Viewed economically, the synthetic fuel program is particularly encouraging and acceptable. Rather than massive new Federal expenditures, as suggested by Mr. ROCKEFELLER for an Energy Independence Agency, the plan simply designates $6 billion in Federal Government loan guarantees for synthetic fuel production plants.

The program would promote increased employment immediately when we desperately need help in this area, particularly considering the unemployment rate of 8.3 percent. Any assistance in reducing this figure, through public or private measures, should be encouraged. With quick congressional approval of the synthetic fuel programs, or a similar revised plan, a number of synthetic fuel plants could be under construction early next year. Proposed sites include Montana or Wyoming; Illinois or Ohio; Colorado; and the four corners area of Arizona, New Mexico, Colorado, and Utah, regions rich in untapped coal and oil shale reserves. The plant construction will be immediately beneficial to these areas, and ultimately the Nation, by offering alternative sources of energy.

The prospects for industrial conversion of coal and oil shale appears to be an excellent, profitable venture for both the industry and ultimately the American consumer. Continued underutilization of these valuable resources, when the technology is already available for large scale conversion, is senseless. Congress should promote and support such development in the Nation's interest by encouraging immediate provisions to maximize industrial investment of talent and effort.

As we are well aware, the family of carbon fuels is neither the ultimate energy source nor existent on the Earth in unlimited quantities. When we speak in terms of fueling our future needs, we must recognize these facts. At this time, we must take stopgap measures in order to guarantee meeting our immediate energy needs while developing the technology to meet the needs of the future. We are an industrial nation. Our economic situation and employment potential depends on industrial growth which, in turn, depends on increased energy supplies. Until the technology for solar, geothermal, and nuclear energy has been developed to support our extensive fuel demands, we must approach the problem pragmatically. A synthetic fuel program will contribute significantly in meeting our energy needs.

Eventually, we must break free of OPEC's strangulation of energy resources through their price-fixing monopoly. We have already taken a number of steps in that direction. This new and innovative approach, of coal and oil shale conversion, must be encouraged to continue the trend. We can be independent, but we must more aggressively pursue this goal.

ON RIGHT TRACK OR BUYING TIME?

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. MIKVA. Mr. Speaker, I wish to bring to the attention of my colleagues an excellent article by Congressman Paul Simon on the U.S. Railway Association which appeared in the Chicago Daily News, September 20, 1975. Congress is going to have to make some decisions of a short-term nature on railroad service by November 9. What Congressman Simon recommends in this article are some essential steps for improvement of our railroad, the most energy-efficient transportation system our Nation has.

The article follows:

[From the Chicago Daily News,
Sept. 21–22, 1975]

U.S. Rail Assn.—On Right Track or Buying Time?

(By Paul Simon)

Washington.—The U.S. Railway Assn.—the body created by the federal government to salvage some of the rail lines in the most desperate financial straits—has presented its plan to Congress, but more fundamental answers must be produced.

The most basic decision yet to be made is whether railroad service will be improved or permitted to continue to deteriorate. The wealthiest nation on Earth would do well to celebrate its 200th anniversary by getting our rail system on the right track.

Whatever decision Congress makes on the recommendation of the U.S. Railway Assn.—a decision that must be made by Nov. 9—it will be little more than a Band Aid when the national rail system needs (perhaps major) surgery.

The association has recommended that 5,700 miles of track be abandoned as a new corporation, Conrail, operates the remaining lines now in deep trouble in the Northeast and Midwest.

Under the proposal, Consolidated Rail Corp., a railroad company sponsored by the federal government, would take over approximately 15,000 miles of track now operated by the shaky Penn Central and six other bankrupt railroads. It calls for $1.85 billion in bonds to be sold to the public for use by Conrail, plus a $650-million direct subsidy to Conrail.

It is an expensive package—expensive not only to the taxpayers, but to the rural areas served by the 5,700 miles of railroad track that would be abandoned.

In southern Illinois, for example, thousands of citizens no longer can board a train and make a trip to Springfield, Champaign and Chicago. In 1923, Carbondale, with a population of 6,300, was served by 40 passenger trains a day; today, with a population more than 27,000, it is served by only 4 passenger trains daily. This has a special impact on 22,000 students at Southern Illinois University—18 times the number in 1923.

What Congress must determine by the middle of November is what type of short-term answers are needed to stop further erosion of the nation's railroads. One answer is that presented by the railway association. Another being talked about is a two-year freeze on all lines while Congress looks for long-range answers.

Our railroads must be turned into a greater national asset, not a greater liability. It is ironic that we spend hundreds of millions to keep up waterways and airports, billions to maintain our highways, and then hold hearings on discontinuing some of the most energy-efficient transportation the nation has, our railroads.

In addition to recognizing the need for good railroad service, and resolving that we want to do something, these steps should be taken:

Demand that railroads invest in themselves. We require this of many utilities. One of the reasons for the rapid rundown of railroad service and properties is that some of them have found it more profitable to put their money into Pepsi Cola stock or a cotton farm or a pantyhose factory or some other investment. Except for reasonable savings for emergency situations, we should require railroads to concentrate on railroading, not draining off the receipts in other attractions.

Along with this, we should offer to any railroad that wants to sell its right of way an option for government purchase of the tracks, paying for them over a period of five years, then charging the rail line for the use of the tracks. That is the way we operate for trucks, changing them for the use of the highways. That is what we should be doing for barges, charging a small fee for the use of the waterways, which are maintained by the federal government.

If we did this for the railroads, then the federal government could take 50,000 men and women now unemployed and put them to work fixing the rail beds. It would make these people more productive, make our transportation system more efficient and give the railroads substantial sums of money to invest in the improvement of their service.

The second step cannot be taken unless we take the first step, because if we purchase the track without demanding that this money be invested in railroad service, much of the money will slip away for other things.

There are a variety of modifications of these ideas, but there appear to me to be the basic ones.

My choice is for an improvement and upgrading of our present system. It's going to cost money, but no more than our present inadequate approach and perhaps less.

But the go-ahead signal for an approach like I have suggested here will not take place as long as we continue to live in a dream world, believing a few loans and subsidies, plus cutting track mileage here and there, will solve our problems.

They only will add up to more money down the drain and increasingly poorer railroad service.

The people of this country have a right to expect something better.

IF THEY COULD SEE US NOW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DERWINSKI. Mr. Speaker, as the Bicentennial spirit develops across the country, it will, in my judgment, give all of us an opportunity to restudy and reemphasize the great traditions of our country.

It will also permit us to analyse the changes that have occurred over the past 200 years, and perhaps provoke thought to reinstating some of our American traditions rather than the radical philosophy that is preached in many circles these days.

A very thought-provoking commentary on our Constitution and its relevancy by Lyn Daunoras, feature editor and columnist of the Times, an Enterprise Publication, of Lyons, Ill., appeared in the October 1 edition of this publication.

The commentary follows:

If They Could See Us Now!

(By Lyn Daunoras)

With the bi-centennial in the offing, some of the interpreters of the Constitution should take some time to re-study the motivation of the colonists who fought a war for liberty.

They would find that the Revolution was the result of a culmination of actions taken by the English crown which forced colonists to pay taxes they did not feel were just.

There was the stamp act, in which the English sought to have their American subjects pay for the seven-year French and Indian war by paying an exorbitant tax on imports. The colonists resisted, refusing to be forced into anything. They boycotted the imports and won that preliminary skirmish.

Then came the tea tax and subsequent rebellion, again stemming from a refusal to be pushed by colonists who stood gallant and challenging, ready for war rather than give in, though anguished at having to fight their mother country.

So what?

So look around today and look at the many things Americans are being forced to do, not by a country whose possession we are, but by the government we have elected.

There is forced busing. The racial slurs are unfortunate and not to be condoned. Other than that, the frustration of the people at being forced to accept busing for the sole reason of integration is understandable. If they have their own school and pay taxes to maintain that school, why should they be ordered to allow children from any other districts to go there?

The answer is to provide good education at all city schools, not force people to be bused or accept busing at the whim of the government. Ironically, it's happening in Boston, site of the tempetuous tea party over a tax the people would not accept.

There are the Amish people who, by their religious beliefs, live apart from others, follow their own rules and regulations and hurt no one. They ask only that they be left alone, yet the government persists in forcing them to have their children educated in public schools rather than their own Amish schools.

And we have the Jehovah Witnesses, who do not believe in blood transfusions and cutting. When a member of the family is dying, the government again steps in and orders a transfusion or operation.

While I'm not in agreement, I feel that if these are the beliefs of these groups and they hurt no one else by them, who is some judge, probably an atheist at that, to play God and force them to go against their religious dictates? If they were a fighting minority group, they would have all sorts of fuzzy-minded liberals fighting their cause, but no one bothers with religious groups trying to live their own lives in dignity.

And there is the "forced" testimony of one Mr. Bonk, who was acquitted by a jury and now is ordered by the government to testify against others. What price acquittal?

Probably the greatest example of "force" is in employment. A man owning his own business no longer has the right to interview applicants for a job and choose the one he finds most promising. He has to consider sex and race or he's in trouble with the government.

He may find just the man he's looking for, but he needs a quota of women and minorities and if the man he wants to hire puts him out of balance, woe be to him. New employment applications do not even allow one to ask if an applicant is a citizen. A war was fought and won against great odds by courageous men to give us certain "unalienable" rights.

Imagine trying to force Howard Hughes to appear in court or be declared dead, just because he prefers to be a recluse?

We had them—what happened to them? Surely those fearless colonists would shrink at their gutless descendants.

HOW SECURE IS THE INTERNAL SECURITY OF THE U.S. CONGRESS?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. ASHBROOK. Mr. Speaker, while Congress whittles away at eliminating its own internal security facilities, recent remarks of Senator BARRY GOLDWATER of Soviet infiltration on Capitol Hill are both ironic and alarming. It seems that Vice President ROCKEFELLER told Senator GOLDWATER that either seven or nine senatorial offices had been discovered infiltrated by Soviet agents or other Soviet elements and a few committees were suspected. If the sources providing this information to the Vice President and Senator are providing a true representation of the existing facts, the public's low opinion of Congress could well sink lower.

It will be remembered that the House on the first day of this Congress voted to abolish the House Committee on Internal Security through a parliamentary sleight of hand and without a direct up-or-down vote on the committee's merits. The House in March refused to instruct the Judiciary Committee to set aside $300,000 for internal security purposes. No subcommittee has been established to handle security work, and the staff has been, with eight exceptions, disbanded.

On the Senate side the Senate Internal Security Subcommittee has had its budget reduced twice in the last several years. Efforts will be made next year to see that this subcommittee receives no funding, thereby effectively abolishing it. Thus the two congressional units which have been by far the most involved and experienced in the area of Soviet espionage may be just a matter of history come next year, our Bicentennial.

One must wonder if, with future Congresses as irresponsible as the present one, we will ever live to see our Tricentennial.

A brief summation of Senator GOLDWATER's remarks in the October 11 issue of Human Events follows:

HAVE COMMUNISTS INFILTRATED SENATORIAL STAFFS?

Sen. Barry Goldwater (R.-Ariz.), who sits on the Senate Intelligence Committee, said last week that "Soviet espionage in this country is so fantastically larger than what we do that there's no way" to compare the two. "They have our country absolutely infiltrated," he said on Martin Agronsky's Evening Edition TV program. "I would say every major industry, every major business; they know what's going on in the committees of Congress. Every once in a while in the Armed Services Committee, I'll see the Russian equal sitting out there. Once in a while someone will go say, 'If there's anything you're not understanding'—just want to make him feel at home."

The Arizona senator also suggested that the Soviets may have placed Communist spies on senatorial staffs. Responding to a question from syndicated columnist John Lofton, Goldwater said he was told by Vice President Nelson Rockefeller—either flying to or from Chiang Kai-shek's funeral—that the Rockefeller panel on the CIA "had learned of instances where the offices of senators had been infiltrated by Soviet agents." "Some seven or nine" Senate offices, said Goldwater.

When Lofton asked Goldwater whether he meant these agents were "actually working in offices" and "supplying information, presumably to the Soviets," Goldwater responded: "Well, working in offices, reporting, helping in the drafting of legislation, the writing of reports, and so forth and so on. But I have no idea what offices they might be.

"But I would put myself in the position of the KGB, and I think one of the first things I would try to do would be to place as many people in clerical positions on the Hill as I could place."

Rocky originally told Goldwater that his panel would print the information, but when the panel's report came out, nothing about this appeared. Goldwater said Rocky had been "requested" to leave it out, though he did not know by whom.

The Vice President, through a press aide, confirmed to Human Events last week that such a conversation between him and Goldwater had taken place, though he could not recall every detail. The question now is: Will Sen. Frank Church (D.-Idaho), who heads the Senate Intelligence Committee, probe this rather startling information?

GAO REPORT SHOWS FEDERAL GOVERNMENT FAILS TO ENFORCE ANTI-DISCRIMINATION LAW AGAINST MENTALLY AND PHYSICALLY HANDICAPPED

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. DODD. Mr. Speaker, earlier this year I asked the GAO to report to me on the extent to which Federal agencies have taken steps to implement sections 503 and 504 of the Rehabilitation Act of 1973.

Although the Rehabilitation Act became law more than 2 years ago, GAO's report clearly shows that Government agencies have failed to enforce these provisions which prohibit Federal contractors and programs receiving Federal financial assistance from discriminating against the mentally and physically handicapped.

Representatives MURPHY of New York, ROYBAL, DRINAN, and BEARD of Rhode Island have joined me in writing the President, the Secretaries of Defense and Labor, and the Director of the Office of Revenue Sharing about their failure to implement the law. When I receive their responses, I will introduce them into the RECORD.

At this time, Mr. Speaker, I insert in the RECORD the text of the GAO report in order that my colleagues may be aware of this situation. The text of the report follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., August 14, 1975.

Hon. CHRISTOPHER J. DODD,
House of Representatives.

DEAR MR. DODD: Your May 15, 1975, letter requested an investigation into the extent to which Federal departments and agencies have implemented sections 503 and 504 of the Rehabilitation Act of 1973 (Public Law 93-112, September 26, 1973), and the impact of these two sections on alleviating discrimination in employing the mentally handicapped and the formerly mentally handicapped.

We contacted officials at the Departments of Labor; Health, Education, and Welfare (HEW); Housing and Urban Development (HUD); Transportation (DOT); Defense (DOD); and Agriculture; the General Services Administration (GSA), and at selected State vocational rehabilitation and employment service offices. We found that only limited progress had been made in implementing section 503 and that, in essence, section 504 had not yet been implemented as of June 30, 1975.

Because of the limited progress in implementing sections 503 and 504, and because major revisions were being made to the regulations for the implementation of section 503, an indepth, comprehensive review of the implementation of these sections, including reviews of actions taken by contractors and grantees, would be more meaningful at a later date. Therefore, we did not visit or obtain information from contractors and grantees.

SECTION 503—IMPLEMENTATION

Implementation of section 503 has been limited for the most part to Labor's issuance of implementing regulations and complaint handling. Neither Labor nor the other cognizant Federal agencies had established enforcement mechanisms to assure Government contractor compliance with section 503 requirements, and coordination of section 503 activities between Labor and other agencies had been very limited. Factors contributing to this condition included weaknesses in Labor-issued regulations, staffing shortages, problems of individuals obtaining certification of their handicaps, and the failure of many complainants to respond to Labor inquiries. These matters are discussed below.

ESTABLISHMENT OF LABOR TASK FORCE

Section 503 requires each Federal contractor with a contract exceeding $2,500 to take affirmative action to employ and advance in employment qualified handicapped persons in carrying out such contracts.[1] Executive Order 11758, dated January 15, 1974, gave Labor overall authority and responsibility for implementing section 503, including the development of implementing regulations. The order also required that the Federal Procurement Regulations; the Armed Services Procurement Regulations; and, to the extent necessary, any supplemental or comparable regulations by any Federal agency be amended to require contracts subject to section 503 to require compliance with the section and regulations issued thereunder by Labor.

In January 1974, Labor established the Handicapped Worker Task Force within the Employment Standards Administration to administer section 503. The Task Force was to develop regulations and guidelines for use by Federal agencies in implementing section 503. It is located at Labor's headquarters in Washington, D.C., and as of July 7, 1975, consisted of 11 members of which six were professionals who devote full time to section 503 activities. To carry out field activities, one person in each of Labor's 10 regional offices was directed to temporarily devote part of his time to section 503 activities until a specific program could be established.

ISSUANCE OF REGULATIONS

Labor issued regulations (20 C.F.R. 741) on June 11, 1974, to implement section 503. Although the regulations became effective on that date, compliance with some of the provisions was not required until later.

The regulations require, in part, that:

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[1] The term "handicapped" as defined in the Rehabilitation Act of 1973, as amended, means a person who (1) has a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) has a record of such an impairment, or (3) is regarded as having such an impairment. The same definition is used for section 504.

Federal agencies include an affirmative action clause (set forth in the regulations) in contracts exceeding $2,500 executed after October 11, 1974.

Federal contractors and subcontractors with contracts exceeding $2,500 take affirmative action to employ and advance in employment qualified handicapped persons, including appropriate outreach and recruiting activities and actions to accommodate physical and mental limitations of employees.

Contractors and subcontractors with contracts exceeding $2,500 prepare written affirmative action programs indicating steps to be taken to employ and advance handicapped persons and disseminate these to all employees.

Contractors and subcontractors with contracts exceeding $500,000 submit a copy of their affirmative action programs to Labor within 90 days after being awarded a contract or subcontract and an annual summary report by March 31 of each year showing affirmative action efforts and results.

IMPLEMENTATION OF REGULATIONS

In issuing its section 503 regulations of June 11, 1974, Labor commented: "We find that notice of proposed rulemaking and delay in the effective date would be contrary to the public interest in view of the need for prompt implementation of the affirmative action requirements contained in the Rehabilitation Act * * *."

Despite this statement on the need for promptness, limited progress has been made by Labor and other agencies in implementing section 503 requirements. Aside from the issuance of regulations, implementation, for the most part, has been limited to Labor's investigating complaints.

MONITORING AND ENFORCEMENT ACTIVITIES

Officials on the Task Force and persons designated responsible for section 503 activities in several of Labor's regional offices advised us that no routine monitoring and enforcement activity by Labor was being carried out on contracts exceeding $2,500, but less than $500,000. Labor officials stated they lacked staff for such monitoring and enforcement activities.

Information available at Labor showed that on contracts of $500,000 or more, as of July 7, 1975, the Task Force received about 100 written programs and about 20 annual summary reports from contractors. We were advised by a Task Force official, however, that the Task Force had attempted neither to identify all contractors required to submit written programs and summary reports, nor enforce the reporting requirement. Furthermore, this official told us that the Task Force had not evaluated the adequacy of the written programs and summary reports submitted. Task Force officials attributed these conditions to the lack of staff, the short time the regulations had been published, and the fact that they had not provided instructions to contractors on what specific information was to be included in their summary reports.

Officials of HEW, HUD, DOD, DOT, and Agriculture advised us that the agencies had not taken specific action to enforce section 503. However, an official at GSA told us that inquiries about section 503 activities are sometimes made during other program reviews of contractors.

In addition, the Armed Services Procurement Regulations had not been amended as of July 1, 1975, to require contracts awarded by DOD and subject to section 503 to include a provision for compliance with section 503 and regulations issued by Labor. The Chairman of the Armed Services Procurement Regulations Committee would not specify why affirmative action provisions for employing the handicapped were not in the regulations but stated that the Committee was waiting for Labor to revise its regulations.

Although the affirmative action requirement had not been placed in the Armed Services Procurement Regulations as of July 1, 1975, under Labor regulations the affirmative action clause is considered by Labor to be a part of every contract subject to the act and the regulations, whether or not it is physically incorporated in such contracts.

COMPLAINT HANDLING

Labor's regional staffs were investigating complaints made under section 503, and were, to some extent, informing contractors of the requirements of section 503. As of April 18, 1975, Labor had received about 262 section 503 complaints (one region provided an estimate of 100 complaints rather than an actual number). Of 162 actual complaints reported by nine regional offices, 67 had been resolved and 95 were still open. Labor's records showed that most of these 95 were open due to (1) problems in obtaining appropriate certification that a complainant was handicapped, (2) the lack of time and staff to investigate, and (3) the failure of many complainants to respond to Labor inquiries. Labor's regulations provide that it may either investigate complaints or refer them to other agencies which are required to institute a prompt investigation of each referred complaint. Despite the backlog of complaints under section 503, a member of the Task Force told us that no complaints had been referred to other agencies for investigation because their personnel were not trained for such investigations.

Task Force records showed that the 162 complaints from the nine regions included 12 from mentally handicapped persons. However, based on information furnished to us by Labor regional representatives, only 6 of the 12 complaints involved mentally handicapped persons under section 503. Of the 6 others, 2 were inquiries and not complaints, and 3 were from persons with epilepsy, which is a physical handicap. The remaining complaint involved a contractor who did not have a Federal contract, and section 503 did not apply.

COORDINATION ACTIVITIES

Some activities have been coordinated between Labor and other agencies and programs, but coordination appears to have been limited. Except for a half-day's orientation by the Task Force, no formal guidance or instructions had been provided by Labor to agencies on their roles and responsibilities in monitoring and enforcing section 503. According to a Task Force member, additional training or guidance was not given because of the lack of staff and because of anticipated major revisions to the regulations. Labor's lack of activity in this regard contrasts sharply with its statement during fiscal year 1975 appropriation hearings, that primary responsibility for implementing section 503 rests with the agencies.

In January 1975, Labor's Manpower Administration sent a memorandum to all State Employment Security Agencies describing some ways the Employment Service offices can assist employers and applicants under section 503. As set forth in this memorandum, the Employment Service can assist employers by

Serving as a source of qualified handicapped individuals to fill contractor job orders;

Providing technical assistance to contractors in making reasonable accommodations to the physical and mental limitations of an employee or applicant; and

Utilizing the mandatory listing obligation of contractors, as set forth in Public Law 92-540, to refer qualified handicapped individuals to jobs after honoring the priorities accorded disabled and other veterans.

The memorandum further stated that the Employment Service can assist applicants and employees by informing them about section 503, the regulations, and the complaint procedure.

The Task Force has not specifically coordinated the affirmative action for the handicapped program with the Comprehensive Employment and Training Act or vocational education programs.

WEAKNESS IN REGULATIONS

The limited manner in which section 503 has been implemented appears attributable in part to certain weaknesses in the Labor-issued regulations. These weaknesses are discussed in the following paragraphs.

Labor's regulations impose no implementing enforcement responsibilities on other Federal agencies, except that the agencies are required to (1) incorporate the affirmative action clause in their contracts, (2) designate a person to be responsible for implementing section 503 in the agency, and (3) investigate complaints referred by Labor. An official of GSA told us that although occasional inquiries are made of contractors' section 503 activities, GSA has no mandate under Labor's regulations to monitor or enforce contractors' section 503 activities.

Labor regulations currently also require that persons be certified as handicapped when filing a complaint against a contractor and that certification must be obtained from State vocational rehabilitation agencies or a facility listed by Labor. Labor, however, had not compiled this list, and some State vocational rehabilitation agencies had either been reluctant or had refused to certify persons as handicapped for section 503, unless such persons had participated in their program. Labor placed the certification provisions in its regulations before it reached formal agreement with HEW, which administers the vocational rehabilitation program. An HEW official told Labor that State vocational rehabilitation agencies would certify a complainant who participated in or could participate in their program.

In addition, the regulations require State employment security agencies to use listings of job openings filed with State employment offices in accordance with 41 C.F.R. 50-250 to refer qualified handicapped persons to contractors. However, as of January 1975, this list was required to include only job openings of contractors with Federal contracts exceeding $10,000. Consequently, State vocational rehabilitation and employment services personnel may be unable to refer persons to contractors with contracts between $2,500 and $10,000 because they may not know who these contractors are.

Finally, the regulations for section 503 do not require contractors who must submit affirmative action programs and annual summary reports to Labor to also send them to the agencies.

EFFORTS TO IMPROVE REGULATIONS AND IMPLEMENTATION

Labor has recognized many problems relating to the regulations for implementation of section 503. According to a Task Force official, they have initiated efforts to make substantive revisions to the regulations. Task Force members also told us that the revised regulations would be aimed at correcting some of the problems we identified above and would provide more guidance to agencies and contractors. However, we are unable to comment on revised regulations because the Task Force did not make a draft of them available to us.

In addition, during the latter part of fiscal year 1975 Labor reorganized some of its activities. It established the Office of Federal Contract Compliance Programs (OFCCP) to consolidate and improve implementation of three separate affirmative action programs: veterans, minorities and women, and the handicapped. Included in OFCCP are the activities of Labor's former Office of Federal Contract Compliance. Labor is currently recruiting persons to fill the 75 position authorized OFCCP for section 503 implementation. As of July 31, 1975, Labor had staffed 7 professional and 8 clerical positions at its regional offices, and 10 support positions at headquarters.

SECTION 504—IMPLEMENTATION

Section 504 provides that no otherwise qualified handicapped individual shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

We contacted grants, management, equal employment opportunity, or civil rights officials in HUD, HEW, GSA, DOD, Labor and Agriculture to determine what actions had been taken to implement section 504. We found that, with a few exceptions, this section had not been implemented by these Federal agencies. Specifically, we found that:

No agency had been assigned overall responsibility for implementing section 504.

Officials at HUD and Agriculture told us that they were unaware of the requirements of section 504 Therefore, they had not taken any action to implement it.

HEW was developing specific regulations for section 504; had published on June 4, 1975, proposed regulations for consolidating administration and enforcement procedures for several civil rights laws and authorities, including section 504; and had requested an Executive Order giving it overall authority and responsibility for implementing the section. As of July 2, 1975, HEW had received 16 complaints under section 504. According to HEW, two had been closed and two may involve mentally handicapped persons. One of these latter complaints involved alleged employment discrimination.

Labor has developed regulations for section 504 for its programs but has not published them because it was waiting for an Executive Order on the section. Labor, had, however, incorporated a provision in its Comprehensive Employment and Training Act regulations requiring compliance with section 504.

Two of the complaints received by HEW involved Federal revenue sharing funds, and were referred to the Department of the Treasury. Officials at the Office of Revenue Sharing, Department of the Treasury, however, did not consider revenue sharing funds to be subject to section 504 because they didn't consider it "Federal financial assistance."

We trust that the information in this report will be useful to you in considering legislation concerning employment discrimination against the mentally handicapped and the formerly mentally handicapped. As requested by your office, we did not obtain agency comments on this report.

Sincerely yours,

GREGORY J. AHART,
Director.

QUESTIONING BUSINESS-AS-USUAL AT THE CIA

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. HARRINGTON. Mr. Speaker, two articles in the October 4 issue of the New Republic should serve as warnings to House and Senate investigators of the CIA that we will miss the most important questions about the Agency's behavior if we limit our attention to isolated cases of insubordination or incompetence. What is needed is not just an exposé of the widely condemned aberrations from Agency routine but a critical look at the routine itself. In the case of covert action, for example, we must not be content with asking whether an assassination attempt or effort at bribery was carried out with Presidential approval. We must ask whether such actions should be carried out at all by a country that holds itself out as a model of democracy and decency.

I am inserting the articles by Morton Halperin and Roger Morris in the RECORD at this point for the attention of my colleagues:

CIA: DENYING WHAT'S NOT IN WRITING

Nine months after it was set up to investigate the abuses of the intelligence community and weeks after its final report was originally due, the Senate Intelligence Committee finally held its first public hearing. There was an effort to recapture the excitement of the Watergate hearings held in the same Senate caucus room two long years ago. The public broadcasting system provided live TV coverage and nightly summaries, the reporters who covered Watergate were out in force, and the committee chairman, Sen. Frank Church, promised important relevations of CIA lawlessness.

By the third and last day of the hearings the main question was why the committee had chosen to begin its public inquiry with this tale of the unlawful retention of a biological toxin. The spectator section of the hearing room was half empty, many of the reporters had gone to the House committee that was fighting with the White House about the right to release classified information and the senators and committee staff were going through the motions of examining witnesses from the Army Chemical Corporation.

Beneath the surface, however, the three days of hearings were the beginning of a public education into how the CIA functions, how it is controlled from the top, and what might be done to ensure that in the future it is responsive to presidential and congressional directives.

It was Sen. Howard Baker, the only veteran of the Watergate Committee on the intelligence panel, who first raised these issues in questioning CIA Director William Colby about the lack of a paper trail to determine what had happened.

The bare outlines of the story were clear. In 1970 President Nixon ordered the destruction of all biological weapons in the possession of government agencies. Before the materials held at Fort Detrick were destroyed, enough shellfish poison to kill tens of thousands of people was shipped to the CIA and placed in a little-used storeroom. There it remained until a short time ago when its existence was called to the attention of CIO Director Colby who in turn notified the Church Committee.

Subsequent investigation revealed that no written order had ever been issued within the CIA directing the destruction of biological weapons and no senior official had ever asked for or received confirmation of their destruction. All that the committee could establish in its investigation and public hearings was that a middle level official had decided not to destroy the toxin because of its great potential value and because it was not in his view clearly covered by the presidential order. That official, Dr. Nathan Gordon, who was responsible for biological material within the CIA technical services division, told the committee that he had received no written directive from his superiors to destroy the toxins.

That was as far as the committee could get. Former Director of Central Intelligence Richard Helms and his Deputy for Covert Operations, Thomas Karamessines, told the committee that they had agreed that the toxins should be destroyed and had passed the order orally to Dr. Sidney Gottlieb, director of the technical services division. Dr. Gottlieb was reported by the committee counsel, F.A.O. Schwarz III, to be planning to take the Fifth Amendment and he was not called to testify.

As one frustrated senator after another noted, the committee was left in maddening uncertainty. Did Helms order the toxins to be stored away in a written directive (since destroyed) or orally? Did his deputy? Did they want them destroyed? Did they assume they had not been? Was the CIA lax in not seeing that a presidential directive, subsequently affirmed in an international treaty, was carried out or was this a deliberate policy?

With amazing discipline the senators and the staff stuck to the subject of biological weapons, resisting the temptation the Watergate Committee often succumbed to, of asking questions on other subjects. Only Sen. Baker strayed once to provide a revealing glimpse into the months of secret hearings that the committee has held on assassinations. The Tennessee Republican noted that the absence of a paper trail had been characteristic of all of the committee's investigations of possible assassinations. Did this, he asked Colby, reflect the agency policy of plausible denial? Did not the agency's own inspector general's report indicate that it was not possible to determine who was responsible for assassination plans because written records did not exist? Colby sought to turn the question aside noting that plausible denial was used in reference to foreign governments—the agency had to be able to deny to the world that it had a role in a particular operation. Like many CIA procedures, "plausible denial" has now been imported to the United States.

The failure to destroy the biological toxin may reveal one classification of relations between junior and senior officials of the CIA in operations that are illegal or at best highly questionable. Consider how it must have looked in early 1970. The President has ordered the destruction of all toxins. CIA officials at all levels react with caution. Many presidential decisions are meant to apply to the overt agencies of government and not to the CIA. When the United States, for example, agreed in the Rio Pact not to interfere in the internal affairs of Latin American governments, no one in the White House or the CIA meant that to apply to the agency. Perhaps this is a similar case. Clues from the White House are studied carefully. The director of Central Intelligence gets a copy of the National Security Council decision memorandum ordering the destruction of all stocks of biological weapons but the memo directs him and others to look to the Secretary of Defense for implementing directives. None is sent to the CIA. There is not a second memorandum from the White House in intelligence channels saying that the NSC decision does or does not apply to the CIA. Was there a phone call from a White House official to Helms saying no one would be angry or surprised if the CIA kept some of this stuff? There is no way to know.

Thus the senior officials of the agency are left, intentionally or not, with ambiguous signals from the White House. They know that this President or some future one may suddenly confront them with an assignment that can be most effectively carried out with biological weapons and yet they are reluctant to violate an order.

At a lower level the official having physical control of the material faces the same problem. What to do his bosses want him to do and what should he do? He too looks for clues. He receives no written directive to destroy; regrets no request for an accounting of the material and a report of its destruction. On the other hand, there is no written directive to hold the material. There is no way to tell if there was an oral directive or clear hint, but the lack of instructions to destroy is enough. The "assignment" is to preserve the material; he decides to accept it.

We should not be surprised to learn that the middle level officials considered covering themselves by forcing the director to take responsibility for keeping the toxins. The most interesting document the committee was able to produce was a memorandum drafted to be from Karamessines to Helms but reportedly actually written by Gordon. The committee had only an unsigned carbon and Helms and his deputy both claimed that they had never seen the memo. That it could have been written tells us a good deal about the attitude of agency career officials to obeying presidential orders.

The memorandum begins by noting the presidential order to destroy biological weapons including toxins. It notes that the CIA supply is at Fort Detrick and that, even though it is not on the official inventory list, it might be destroyed when the army destroys its own stocks. The memorandum notes that the CIA program is currently funded at $75,000 and then ends with this revealing paragraph:

"If the Director wishes to continue this special capability, it is recommended that if the above DoD decision is made (to destroy their stocks), the existing agency stockpile at SO Division, Ft. Detrick be transferred to the Huntington Research Center, Becton-Dickinson Company, Baltimore, Maryland. Arrangements have been made for this contingency and assurances have been given by the potential contractor to store and maintain the agency's stockpile at a cost no greater than $75,000 per annum."

The violation of presidential orders can be carried out within the budget and should be done.

What kind of a monster has America created in which memoranda are written calmly describing for the directors the contingency plans that have been made to violate a presidential order, an agency that's able to violate an order without anybody learning about it for five years? It is an agency that practices plausible denial against the President, the Congress and the public as well as against foreign governments; an agency in which junior officials learn to disobey laws because they think they've received subtle signals from the top. Nothing is in writing so that everything can be denied.

All of this should be kept in mind when we get the long awaited Church Committee report on assassinations and are told that there is no firm evidence of White House or even high agency involvement, and when the committee later in the year holds its hearings on remedies.

Former CIA Director Richard Helms was asked by the panel what could be done to avoid a repetition of this failure to destroy the biological toxin. Helms's answer was delivered so smoothly with such casualness that the committee failed to grasp the extent of the deception. Here was a man who was described in the Rockefeller Commission report as warning Henry Kissinger to treat a document with care because it violated the CIA charter, who wrote memos about the agency's 20-year mail opening program noting that it was a violation of the law, who admitted to the Senate Foreign Relations Committee that he had not been completely candid in describing the CIA role in Chile. What was this man's answer to the question of preventing abuse? There was nothing, he said, that could be done about the "odd mistake." If there was a pattern of misbehavior something might be done but nothing could prevent a patriotic man from on one occasion failing to obey orders. That was the price, the American ambassador to Iran suggested, of having honorable patriotic men in charge.

The senators showed by their questions that they were having none of that. They knew that they were confronting massive lawlessness. But their questions revealed also that they remain baffled about how to get at the truth and how to prevent abuses in the future. The manner in which they meet those challenges will determine whether this opening round was pure circus or the beginning of the serious and purposeful inquiry (leading to reform) that the Senate directed, and that the country needs.—MORTON H. HALPERIN.

(Mr. Halperin directs the Project on National Security and Civil Liberties jointly sponsored by the American Civil Liberties Union Foundation and the Center for National Security Studies.)

THE "COMPANY"—BANALITY OF POWER

With the recent revelations of myopic US intelligence on the outbreak of the October 1973 Middle East war, congressional investigations of the Central Intelligence Agency may be on the scent of one of the agency's most important secrets: its bureaucratic banality. Behind the imperial manner and machinations, the CIA has always belonged more to Max Weber than to Ian Fleming, a hostage to clients, careerism, inertia and root mediocrity.

Understanding the banality as well as the outrages of the CIA (the two are often synonymous) seems essential to authentic reform of US national intelligence operations. Bureaucratic influences account for some of the more serious and ridiculous mistakes of what CIA minions call the "Company." Moreover, legislative prohibitions of specific acts such as assassination may be unavailing in the larger policy sense if Congress does not confront at the same time underlying organizational motives which may only reappear in new abuses.

The missed signals on the October war were largely the result of a common bureaucratic phenomenon. Like the Foreign Service, in whose embassy precincts they masquerade, CIA stations abroad are heavily dependent on "client" relationships with their counterparts in host countries. Up to a point, sharing intelligence with friendly powers is simply maximizing channels of information. But as so often happens in the Foreign Service, these relations may tend to obscure the critical boundary between US interests and the client's.

The strength and accuracy of the client's views can affect the standing of the Americans dealing with him, can influence the rationalizations of US officials abroad and the scramble for attention and money in Washington. The CIA has other problems: the credibility of shared intelligence in the past, and the sheer laziness that grows with such dependence. The dangers are worst when the client is also "targeted" at the Soviet Union and thus able to provide information of great interest to Washington. By several accounts, all this made CIA reports from the Middle East in the fall of 1973 particularly vulnerable to the flaws and neglect in Israeli intelligence, whose nearly fatal miscalculations were almost identically reflected in US estimates.

Israel is hardly unique in this respect. For many of the same reasons, US intelligence in the Cyprus crisis was crippled by reliance on the Greek junta, while officials were skeptical of less "reliable" contacts among a more independent Makarios government in Nicosia. If an international race war broke out tomorrow in Southern Africa, CIA intelligence in the region would be similarly blinded by the cozy relations cultivated over the years with the Rhodesian and South African security services, the outgrowth less of overt racism than of CIA's amoral operational affinity for technically sophisticated clients who also worry (or at least say they do) about Russian trade delegations and Chinese textile engineers. Obviously there is ideology in this problem. Yet if they probe deeply enough, congressional investigators will probably discover the CIA's zeal often owes as much to the "professional" seductions of cliency as to cold war passion.

Ideology may be most easily jettisoned at the agency's higher levels in Washington, where the fate of whole sections, and the careers in them, can depend on staying in the action, often regardless of the political niceties. This constant bureaucratic search for a *raison d'etre* is another time-honored motive for policy throughout Washington, and the CIA, however bizarre its methods and purposes, is no exception.

As a member of Henry Kissinger's National Security Council staff in 1969, I was once invited to a lunch at CIA headquarters where a high official discreetly sounded me out about the receptivity of the Nixon White House to a little CIA mercenary operation to save a failing side in a distant civil war. There had been "inklings," as the official put it, that the President actually disagreed with prevailing State Department policy. A quiet operation could be mounted, at minimal cost, of course, to see that the President's "side" got at least an even break—and Secretary of State Rogers and his boys need be none the wiser

It was a classic twist, worthy of John Le Carré. The CIA, we both knew, was already supporting the *other* side through the auspices of a friendly intelligence system; and the people the agency official was now proposing to help were getting aid from the Chinese Communists and were opposed by most of our allies. The whole war lay far beyond any political or military interest of the US. The unspoken point was that his colleagues were busily reporting successes and perils to the director at staff meetings, while this man, graying heir to a swashbuckling tradition, ran a section that hadn't toppled a government in almost a decade. My impression was that in his condition, he could have been persuaded to turn operation on London or Ottawa; the political stripe of the "target" was of next to no importance.

The episode illustrated another prosaic bureaucratic drive in the CIA, one that the current congressional inquiry has too frequently ignored. For all its arrogance and license, the CIA has also been, like other bureaucracies, anxious to cash in on the momentary policy whims of the White House, and there have been abundant opportunities in the last 15 years. The official who came to lunch ready with his mercenaries would have been, after all, serving "national policy" if he had been given a presidential go-ahead, which was not impossible. Similarly the CIA did not embark on its own on a decade of ruthless meddling in Chilean politics. That intervention proceeded from the paranoia of Presidents Johnson and Nixon about the impact of left wing electoral successes on the fragile order in Latin America. Though it exploited and often distorted policy for its own purposes, the CIA did not originate the embroilment in Laos, the commitment to autocracy in Iran, the preference for repressive if pro-American regimes throughout Latin America and Africa, the myth of Fascist "stability" in Portugal and Spain.

As Congress and the public recoil from many of the CIA's past actions, from murder to political mayhem, they are also seeing a faithful, albeit sordid reflection of American foreign policy over the last quarter century. Nor is there any wonder that so many CIA officials, past and present, are said to be bitter about the current attacks on the agency while, they argue, responsible State and Defense Department officials of past administrations, men who sanctioned or applauded the most savage covert actions, now sit unsummoned and uncharged in foundation, law or Wall Street sanctuaries. It is in this sense too that the CIA must be seen as one more bureaucracy, part of a larger problem. For liberal congressional critics of the CIA, this unacknowledged dimension of the investigations will demand much more courage and wisdom than the burial of a discredited cold war zealotry among lesser, largely anonymous officials. To blame and purge the failed James Bonds will be too easy; to finger their numerous high-ranking Democratic cohorts around

Washington at the time will test Sen. Church and his colleagues severely.

None of this should diminish or cloud the sinister quality of the CIA record. No government organization in American history has operated with such pervasive contempt for the democratic basis of public policy, nor, up to this point, with such shocking collusion from the Congress and the rest of the Executive. But the absurdities and dangers of the past will not be dispensed with until there is an awareness that much of the outrage is simply the way of life in Bicentennial Washington. The anxious claimant on dwindling budgets, the victim of clients and careerism, the leading but hardly the lone participant in government-wide disdain for Congress and obeisance to presidential power and secrecy, the CIA has also been a bureaucracy in search of a mission, not unlike NASA gambling its last thrust on the dubious scientific virtues of the Space Shuttle, or the navy hustling to extract from Congress nuclear aircraft carriers ("You can't strut on the deck of a submarine," said one observer.)

There will no doubt always be a need for a sizable national intelligence apparatus, in machines if not in men. But there seems no question either that with political and technological change, the CIA has lost a good part of the reason for its bloated bureaucratic being. And the real stopper to genuine reform is not some stentorian guard of cold war assassins, but rather what mires reform all over Washington—that legion of little people, whose cloaks are knit suits and daggers are government-purchase cafeteria butter knives, with suburban mortgages, children in college, and lives invested seemingly beyond return. When Congress faces up to the humane purge demanded by that problem, it will not only begin to bring intelligence under better public control, but also will chart the way toward needed reform in other areas of government.

Failing surgery on the bureaucratic heart of the problem, however, the prospect seems inescapable that the CIA, like its fellow bureaucracies, will improvise new ways to justify its size and perquisites, to establish its worth, whatever the structural, nominal changes contemplated by the Ford administration.

The possibilities are interesting. In an era where scarce resource is power and where spreading international corporate control and price manipulations can topple regimes faster than troops around the presidential palace, covert action will turn from jungles to boardrooms and stock exchanges. It will no longer be the minister of defense or the police chief we must own, but the director of minerals or the economics professor close to the premier. And there still should be a chance for some old-fashioned fun; pipelines to be blown, refineries to be sabotaged, strikes and demonstrations to be mobilized. Even assissination might be easier to justify when that oil potentate is trying, as Kissinger put it, "to strangle the industrial world."

The catch in all this is that an anachronistic, overpopulated CIA finding its outlet in international economics will expose its own customarily unwitting public to reprisals in kind. There is no reason to assume that such a CIA will be more discreet or more successful than in the past, and there is ample precedent to predict that its newly powerful adversaries in the developing world would retaliate with embargoes and their own price fixing. The cost of CIA adventures then goes beyond national embarrassment to the pocketbooks of families in Duluth and Dallas.

Whatever the plausibility of this speculation it is clear that the world of the 1970s is far too diffuse in power and delicate in allegiance to afford the bureaucratic impulses toward intervention we have learned to expect from the present incumbents in the CIA.

The Congress now has the CIA in one of the rare moments of public censure and presidential diffidence in which genuine reform is at last possible. But the moment is fleeting. The investigation must dig deeper and wider than Congress has been willing to go thus far, and the senators and representatives must be prepared to confront not only generally condemned aberrations, but also equally repulsive products of business as usual. The banality of the CIA is a searing commentary on the whole structure of government. There will never be a better place—or perhaps another time in this generation—to begin the reconstruction.—ROGER MORRIS.

THE NEW YORK DOMINO THEORY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, October 9, 1975

Mr. HARRY F. BYRD, JR. Mr. President, on September 30, the Wall Street Journal published an excellent editorial debunking the theory that a default on the part of New York City would shatter the finances of municipalities all across the Nation.

Pressure is building for a Federal bailout of New York City, whose politicians have created the mess from which they now seek relief. An orchestrated outcry from mayors of other major cities is part of the campaign being carried out to persuade the Federal Government to come to the rescue.

I believe that the President and the Congress must stand fast against this bailout proposal. Once the Federal Government establishes the precedent of shoring up financially troubled cities, the door will be open for other cities to adopt the same reckless financial practices as those followed in New York, the officials of those other cities being secure in the knowledge that Uncle Sam will cover the losses.

Speaking of the appeal made by the mayor of New York City to the Federal Government, the Journal has this comment:

> What Mayor Beame is really asking is that the taxpayers of San Francisco, New Orleans, Milwaukee and Denver pay the bills he and his predecessors have run up on credit, and save him from having to tighten the city's belt.

I think this is an accurate analysis, and I ask unanimous consent that the text of the editorial, "The New York Domino Theory," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 30, 1975]

THE NEW YORK DOMINO THEORY

The big-city mayors went to Washington last week to plead for New York City, each of them telling the Joint Economic Committee of Congress that unless Uncle Sam bails out the Big Apple the economic turbulence that would spread from a default would spread far and wide.

San Francisco Mayor Alioto says his city's bankers are "convinced" San Francisco wouldn't survive a New York City bankruptcy. Mayor Landrieu of New Orleans, president of the U.S. Conference of Mayors, says New York's default would be a "catastrophe" that would cause "serious new economic burdens" for local governments. Milwaukee's Mayor Maier says a default would have a "chilling" effect on his city's tax base.

The most graphic metaphor, kind of a towering inferno, came from Denver's Mayor McNichols: "Every city in the country is like a tenant in a big building. If you heard that a third-floor tenant's floor was going to collapse, you can't think it isn't going to hurt you."

All right, we'll agree that if your third-floor neighbor's floor is about to collapse, you go to any lengths to shore it up. But Mayor McNichols has the wrong metaphor. As a second-floor tenant, what do you do if you hear that your third-floor neighbor, who on an income of $10,000 a year has been throwing wild parties, spending like there was no tomorrow and putting it all on credit cards, suddenly finds himself insolvent? Do you and your fellow tenants rush to the landlord and demand that the spendthrift be extended indefinite credit, saying that you will pay the bills? In the alternative, what happens to you if your third-floor neighbor can't pay his bills, sticking Carte Blanche, American Express and BankAmericard with the losses?

It is with this latter picture in mind that Treasury Secretary Simon can discount the effects of default, saying it would cause "little, if any" damage to the nation's financial structure and would have a "tolerable and temporary effect" on capital markets.

The banks would be left holding the bag, which is why they are helping perpetuate this domino theory, hoping to panic the Ford administration into making good their potential portfolio losses through federal loan guarantees. But it is inconceivable that the banks have been doing business for the last year as if the New York City paper they hold was gilt-edged, whether or not they've officially discounted it on their books. Thus, the capital markets already reflect most of the damage of a default, and there would be no abrupt shock to the system.

To the degree the market believes Uncle Sam will step in at the 11th hour to save the spendthrift tenant, we would expect the risk premium on all municipals to rise a bit if Washington does nothing. There, too, it's likely that most of the accommodation has already taken place, thereby putting the municipal bond market on a sounder, more realistic footing.

If the big-city mayors really want lower interest rates on municipal bonds, they should be concentrating less on the narrow risk premium and more on the enormous inflation premium in those rates. Yes, the cost of credit to the second-floor tenant is bound to go up when Carte Blanche is stuck with the third-floor tenant's insolvency. But his credit costs will go up much faster if, to stave off insolvency, the profligate tenant is given access to a federal printing press that manufactures money.

True enough, the mayors don't go quite that far in their proposal to have the U.S. government guarantee only taxable municipal obligations. And the city would have to show that its budget will be balanced by real revenue for a number of years and that its revenue will cover the repayment of principal and interest on the guaranteed securities. But if New York City could meet all these requirements it wouldn't need any guarantees. Private capital would be delighted to come home to New York paper if it could see that kind of light at the end of the tunnel.

What Mayor Beame is really asking is that the taxpayers of San Francisco, New Orleans, Milwaukee and Denver pay the bills he and his predecessors have run up on credit, and save him from having to tighten the city's belt. Our advice to the mayors is to forget about the third-floor tenant, go home and take a hard look at their own credit cards.

IMPACT OF NEW YORK CITY DEFAULT ON THE NATIONAL BANKING SYSTEM

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MOFFETT. Mr. Speaker, yesterday one of the subcommittees on which I serve heard testimony from the Honorable James E. Smith, Comptroller of the Currency, concerning the impact of a New York City default on the national banking system. The subject of his statement is of serious concern to all of us. And while I am not sure I share his feeling that a serious dislocation of the national banking system can be avoided in the event of default, I would like to insert his testimony for the benefit of my colleagues. The statement follows:

STATEMENT OF THE HONORABLE JAMES E. SMITH, COMPTROLLER OF THE CURRENCY

It is a pleasure for me to appear before you today to present my views on the impact which the default of New York City will have on the national banking system.

Our Office has conducted during late summer and early fall of this year a multi-faceted survey of national banks which hold obligations of New York City and New York State.

On July 24, 1975, I directed each of the 14 Regional Administrators to obtain from their examiners the name of each national bank investing in New York City obligations and the total par value amount of these obligations held by the bank. The examiners compiled this information through a review of their working papers relating to the most recent examination of each bank.

We thus determined that 1,746 national banks held New York City obligations with a par value of $1,753,525,000. We identified within this list 153 banks which were holding New York City obligations which exceeded 20% of their gross capital funds. These tabulations were verified during the week of August 18, 1975, with these banks by telephone.

By September 5, 1975, we had analyzed each national bank which held New York City obligations in an amount exceeding 40% of gross capital funds. In addition, selected banks under that cut-off percentage were also analyzed. Altogether fifty-three banks were reviewed by both regional and Washington personnel.

We attempted to appraise each bank's financial capacity to absorb the potential loss and to isolate those banks which could face insolvency or liquidity problems and which would require outside assistance from private sources or from the Federal Reserve and/or the FDIC. The banks analyzed were rated in four groups.

Group I banks are the most critical with insolvency a distinct possibility in the event of a New York City default. These banks would lose substantial portions of capital. Once publicly known, losses in such amounts could trigger significant deposit withdrawals and thus force these banks to seek long-term liquidity support from the Federal Reserve. Ultimately, FDIC assistance also might be needed in the form of a loan or an assisted sale.

Group II banks appear financially capable of absorbing initially the write-down of New York City obligations, but most would be left seriously undercapitalized and would have to pursue recapitalization, sale, or merger possibilities. Many of these banks have serious asset problems, poor sales prospects, negligible support from owners, directors, or officers, and nebulous support from parent holding companies. During the period immediately following default, short-term liquidity assistance from the Federal Reserve may be a necessity. Most of these banks appear to have good prospects for survival, but some may require extended assistance depending on local reaction and a myriad of other factors.

Group III banks should be able to absorb the initial write-down. Some may require additional capital, but others may be able to survive without outside assistance. In addition, most of these banks appear to have minimal asset problems combined with good prospects for sales and support from wealthy owners, directors, and parent holding companies. Losses to these banks, however, still will be significant, and some liquidity assistance may be necessary.

Group IV banks appear to be able to absorb the losses in their own right or with some help from financially capable and responsible parents or other ownership groups.

Our initial review indicated that a New York City default would have the following impact on the banks analyzed:

TABLE 1.—53 BANKS

Group rating	Number of banks	Assets of banks within group (millions)
I	9	$898
II	18	737
III	22	2,251
IV	4	145
Total	53	4,031

A further breakdown is helpful in clarifying these findings:

TABLE 2.—53 BANKS DISTRIBUTION MEASURED BY HOLDINGS OF NEW YORK CITY OBLIGATIONS AGAINST GROSS CAPITAL FUNDS

New York City obligations/gross capital	Number of banks	Assets of banks within category (millions)
Under 40 percent	5	$596
40 percent to 50 percent	8	1,232
50 percent to 100 percent	29	1,777
100 percent to 150 percent	9	383
150 percent to 200 percent	0	0
Over 200 percent	2	43
Total	53	4,031

Our appraisal of the impact upon each bank was done on a pre-tax basis. Any of these banks which has taxable income over an eight-year period, beginning three years before any losses are realized, will be able to mitigate substantially the effect upon the bank of such losses through a reduction of federal income taxes. Such mitigation of possible losses has not been taken into account in our analysis.

On September 9, 1975, I directed national bank examiners to visit each of the banks in Groups I and II to verify holdings of New York City obligations, to analyze each bank's exposure and financial capacity to absorb the substantial losses which would be evident in the case of default, to prepare a liquidity analysis, and to appraise the bank's ability to raise additional capital from inside and outside sources. These special examinations were completed by September 16, 1975, and reviewed in Washington. However, the only material change made in the Group Ratings assigned above was the removal from Group II to Group IV of one small bank with assets of $33 million, because most of its New York City holdings had matured in August and had been redeemed.

On October 3, 1975, a limited survey was conducted to ascertain the amount of New York State obligations and New York State Housing issues held within the national banking system. This survey, conducted by telephone through the fourteen regional offices, focused on the largest fifty national banks plus all other banks whose holdings of New York City obligations exceeded 20% of their gross capital funds. Following is a summary of the results of this survey. All figures represent carrying value at book.

[In thousands]

New York State obligations:	
Bonds	$577,558
Notes	185,712
Total	763,270
New York State Housing (11 issues):	
Urban rental housing	86,064
Nonprofit housing	73,314
Hospitals and nursing homes	52,322
Medical care facilities finances agency	19,616
All other	359,058
Total	590,374
Total	1,353,644

As additional information, the following table shows the number of banks in each category when the combined holdings of New York City and State obligations are taken as a percentage of gross capital funds:

New York City and State obligations/gross funds	Number o banks	Assets of banks within category (millions)
Under 40 percent	2	$295
40 to 50 percent	21	861
50 to 100 percent	50	6,086
100 to 150 percent	17	1,083
150 to 200 percent	3	86
Over 200 percent	2	43
Total	95	8,454

We are in the process of evaluating the potential impact upon individual banks of these holdings.

At this point, I would like to explain our procedures for examining investment securities. Although mechanical procedures will vary with the size and the equipment of the bank, every issue of bonds held by each national bank as an asset is reviewed during each examination.

Examiners analyze the credit quality of a bank's investments and detail their findings in a schedule grouping bonds by type, book value, market value, and individual and aggregate appreciation or depreciation. Because an investment account serves as a secondary liquidity reserve, the examiner's report also schedules holdings by type and maturity. Listings of secured liabilities and pledged assets round out the report.

An examiner also reviews and comments upon the attention given an investment account by the bank's board of directors. He evaluates procedures followed for approval of purchases and sales, for delegation of authority to committees or to individual officers, and for regular appraisal and audit. If the banks hold undesirable investments, the examiner will note what action, if any, the board contemplates.

Under 12 U.S.C. 24 the Comptroller has been authorized by Congress to prescribe limitations on the purchasing of investment securities by national banks and to define the term "investment securities." Our regulations on this subject apply not only to national banks, but also to State banks which are members of the Federal Reserve System.

The term "investment security" is defined at 12 C.F.R. 1.3(b) as a marketable obligation in the form of a bond, note, or debenture which is commonly regarded as an investment security and does not include investments which are predominantly speculative in nature. Thus, while bankers may extend credit to their customers by making loans or purchasing bonds and while they

I am proud to have an organization like the Junior League of Erie in my congressional district and am happy to honor them in the House of Representatives on its 50th birthday.

TWO HUNDRED AMERICAN VOLUNTEER TECHNICIANS

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. McCOLLISTER. Mr. Speaker, I support sending 200 American volunteer technicians to the Sinai as an essential ingredient in promoting peace in the Middle East. Both the Egyptians and the Israelis requested such an American nonmilitary presence, and I am convinced that adequate safeguards exist to evacuate the technicians in the event of another outbreak of hostilities.

It would be wrong to interpret my support for sending the technicians and, I suspect, the support of many of my colleagues as well, to be a blanket endorsement of the administration's position. Let the record clearly show that as we vote to send the technicians, Congress is making no promises of huge new handouts to Egypt or Israel.

The United States is not rich enough to buy peace in the world. Our foreign aid handouts do not cement alliances with our friends nor prevent those whose national interests are contrary to ours from proceeding their separate ways. All that foreign aid giveaways have brought is contempt from those who have been the degraded clients in that relationship and the unenviable "ugly American" image throughout the world.

Moreover, the bestowal of unappreciated American largess abroad is also resented by the American taxpayers who have been asked time and again to ante up to buy acceptance for our policies abroad. It would not work and I would not be party to another such attempt to buy peace in the Middle East.

Sending this 200 technician contingent to the Sinai represents America's continuing commitment to a permanent settlement in the Middle East. The success of this and the preceding administration is stabilizing the Middle East must certainly rank high among its important achievements. We must avoid, however, any permanent institutionalization of temporary measures. This compromise is no more the final answer to the Arab-Israeli problem than was the creation of the Palestinian refugee camps 25 years ago.

Let us continue to demonstrate by our actions as well as our words that the United States has accepted a responsibility to achievement of peace in the Middle East. But in our efforts as peacemakers, let us avoid the mistakes of past years in connection with foreign giveaways.

THE PROBLEM OF PCB'S

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. REUSS. Mr. Speaker, environmentalists are becoming increasingly concerned about a group of highly toxic, nonbiodegradable chemicals known as polychlorinated biphenyls—PCB's. PCB's are primarily used in the manufacturing of electrical equipment, and they enter the environment as part of the industrial waste dumped into our Nation's waterways. As one result, the commercial fishing industry in many parts of the country has been dealt a severe blow.

The Environmental Protection Agency and the Food and Drug Administration, along with several State agencies, have been monitoring the effects of PCB's, and both EPA and FDA have imposed strict tolerance levels for these chemicals. In addition, Federal legislation to regulate the interstate commerce of PCB's has been proposed by my colleague, Congressman Les Aspin.

The October 6, 1975, issue of Business Week contains an article on the PCB problem and the reasons for environmentalists' concern about these chemicals:

A Fresh Fight Over PCB Pollution

The bass swimming in the Hudson River and the salmon wending their way through Lake Ontario probably do not know that the fatty tissues in their bodies are rife with a toxic, nonbiodegradable substance called polychlorinated biphenyl (PCB). But several environmental officials are saying that PCBs flowing into waterways from electrical equipment plants are making the fish unsafe to eat and that people who ingest high levels of PCBs run the risk of stillbirths, miscarriages, and dermatological problems. Environmental agencies are pushing for stringent effluent discharge rules that the industry says cannot be met.

The industry is not taking the onslaught meekly. It claims that further restrictions on PCBs, which are widely used as insulating fluids in industrial capacitors and distribution transformers, would mean trading a dubious health hazard for almost certain safety and economic problems. And they resent the tendency of many environmentalists to condemn all PCBs in one swoop. "Everyone talks of PCBs as if they were one chemical, but each commercial mixture can have 60 or more isomers," complains William Papageorge, manager of product acceptability at Monsanto Co., this country's only PCB producer. Each separate PCB is differentiated by the number and positioning of chlorine atoms on the molecule.

It is the chlorine content that makes the PCBs fire retardant—a prime selling point for the chemicals as insulators. But it is also the chlorine that causes the pollution problem.

The dispute when General Electric Co. clashed with the New York State Dept. of Environmental Conservation over levels of PCBs flowing from GE's Hudson Falls and Fort Edward plants into the Hudson River. But New York is not alone in its war on PCB users. Wisconsin is in the midst of hearings on PCBs, and Representative Les Aspin (D-Wis.) just introduced a bill to control the chemicals in interstate commerce. The federal Environmental Protection Agency, which made an abortive attempt to set stringent PCB pollution rules in 1973, is planning to reintroduce proposed regulations in February that would severely limit discharges into rivers and streams. EPA spokesmen admit they may have opened a can of worms. "This is a very confusing and complicated issue," sums up Thomas Kopp, a chemist in the EPA's toxic substances office.

NO GUARANTEE

Although environmentalists are pushing for controlling PCB discharges into the waterways rather than banning the substance outright, electrical equipment manufacturers say it amounts to much the same thing. In New York, the state will convene hearings on Oct. 6 with an eye toward ordering the GE plants to attain zero discharges of PCBs into the Hudson by Sept. 30, 1976. "There is no way we can say now we will achieve this," says Edward L. Simmons, GE's manager of environmental protection. He says the company has sealed off drains that might allow spilled PCBs to get into the river, has changed its methods of filling capacitors, and is either recycling PCB-contaminated waste water or drumming it and sending it off for disposal by incineration or landfill. "But we use tens of thousands of pounds of PCB each day," Simons says. "It is impossible to guarantee no runoff at all."

Other electrical equipment makers, although not now involved in hassles with environmental groups, are tacitly supporting GE's position. "We have encountered no problems with the EPA concerning discharge of PCB compounds, but we are working with them to establish proper levels of allowable discharge," notes M. J. McDonough, a Westinghouse Electric Corp. executive vice-presidnt. McDonough says that Westinghouse has three plants that use PCBs and that they are discharging less than 0.004% of the total amount of PCBs processed.

Both Westinghouse and GE have for years been using PCB mixtures containing only 1% of atoms with more than four chlorines attached. They claim that this mixture is for the most part biodegradable and that the PCBs showing up in fish today are leftovers from several years ago. Monsanto's sales figures support this contention. In 1971 it introduced Aroclor 1016, a low-chlorinated PCB mixture for capacitors. It could replace Aroclor 1242, which has high chlorine concentrations. By last year sales of Aroclor 1242 had plummeted from 22-million lb. to 6.2-million lb., while Aroclor 1016 sales hit the 22-million-lb. level. Still, the EPA adamantly rejects the idea of eased standards for the newer PCBs. "It is difficult to tell what mixture you started out with once you analyze PCB concentration in the waters," Kopp maintains. "And less chlorinated PCBs are still highly toxic."

THE SAFETY FACTOR

nIterestingly, GE is downplaying the economic effects of a switch from PCB and is stressing the safety angle instead. PCBs are actually more expensive than non-flame-retardant substitutes such as mineral oil, Simons contends. "But PCBs are still the most ideal insulating fluids because they conduct heat without conducting electricity, and in the event of equipment failure, they will not cause fires," he says.

Although Dow Chemical Co. has come up with an experimental fluid for capacitors that it says is less toxic than PCB, and Japan's Nippon Petrochemicals Co. is selling various types of naphthalenes as replacements, no one has yet developed a nonflammable substitute for transformers.

Even if the industry could live with flammability as a hazard, a switch to substitutes would be inflationary, the Electronic Industries Assn. says. Because mineral oils and other insulating fluids do not have the good electrical properties of PCBs, larger transformers and capacitors would be needed, says Tyler Nourse, the EIA's vice-president of the parts division. "A halt in the manufacture of PCB-impregnated transformers and capacitors would require the expenditure of $500 million a year in additional electrical equipment," Nourse says.

Monsanto is maintaining a surprising calm in the face of the furor. According to Papageorge, the company has long stopped selling PCBs for nonessential uses—carbonless paper, paints, coatings, and the like. And it has made available to its electronics customers a high-temperature incinerator to dispose of spent PCBs or PCBs that have been accidentally contaminated during the manufacture of electrical equipment.

However, Papageorge bridles at an accusation made recently by Glenn E. Schweitzer, director of the EPA's office of toxic substances, that some of its customers may be reselling PCBs for unauthorized uses. "There are some PCBs still coming in via imports, and there are probably still some unused products from long ago that still find their way into the environment," Papageorge says. "But our customers have too much at stake to do this." The EPA claims the signs point elsewhere. Although he would not name sources, Kopp says, "We have received several letters confirming Schweitzer's charge."

Meanwhile, all eyes are turning to Japan, where PCB production has been banned since 1972. Some PCBs are still imported, but their use is tightly regulated. So far, Japan's experience may put the safety argument on shaky ground. According to the Ministry of International Trade & Industry, there have been no accidents directly related to the PCB ban.

MARSHALL McGRATH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MICHEL. Mr. Speaker, I am saddened, as I know many Members will be, by the passing of Marshall McGrath. Marsh was director of corporate affairs for the International Paper Co. here in Washington.

He died at his home in Arlington after suffering a heart attack. He was only 46.

Throughout his career in Washington, he worked diligently on behalf of good government, and was a leader in forest industry-Government relations. He was a good friend to many of us on the Hill, and a friend of sound policies affecting the wood and paper industry.

He was born in Danville, N.H., and educated in Massachusetts and Connecticut. He joined the International Paper Co. in 1951, working first at a mill in Maine. Later he moved to the corporate headquarters in New York, and in 1971 established the Washington office.

He approached his duties here with a commitment to the highest standards, with great ability, and with a warmth and friendliness that endeared him to all with whom he came in contact. I knew him well, and was very fond of him. He did his profession proud, and his death, at so young an age, is a great shock and a grievous loss.

I know that all Members will want to join with me in offering our most sincere sympathy to his lovely wife Carolyn and his daughter, Cheryl. We share their tragedy, their grief, and their fond remembrance of a fine, fine gentleman—Marshall McGrath.

GEN. THADDEUS KOSCIUSZKO

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HELSTOSKI. Mr. Speaker, as we prepare to celebrate the 200th anniversary of the birth of our Nation, it is very important that we pause to reflect upon the prominent participants in the American struggle for liberty and their great contributions to the victory which gave us our precious independence.

In this vein, I recently read an exceptionally stirring and eloquent account of the outstanding accomplishments of Gen. Thaddeus Kosciuszko in behalf of attaining our freedom. General Kosciuszko was a brilliant engineer and military tactician who earned the acclaim and deep admiration of all who served with him.

The following inspirational article which appeared in the October 1975 issue of the Saturday Evening Post was written by the noted writer and syndicated columnist, Maj. Ernest L. Cuneo, who has vividly captured the dedicated character of this great patriot and chronicled his remarkable career in the pursuit of liberty both in America and in his native land, Poland. I wish to share this excellent article with my colleagues and place it forthwith in the RECORD:

GEN. THADDEUS KOSCIUSZKO: MASTER MILITARY MIND OF THE AMERICAN REVOLUTION

(By Maj. Ernest L. Cuneo)

It is one of the ironies of history that had General Thaddeus Kosciuszko been born with a name as easily pronounced as General Robert E. Lee, Ulysses Simpson Grant or John J. Pershing, his name would resound throughout Western civilization as one of the foremost military geniuses of all time.

But a name which is difficult to pronounce is almost impossible to remember. Phonetically, the name is pronounced Kos-Choose-Ko.

He was of the towering stature of a Hannibal, or a Caesar. Most Americans are quite unaware of the fact that the military genius of this man is largely responsible for the victory which gave America its independence. There are thousands of memorials throughout these United States to General Lafayette, General Pulaski, and General von Steuben; but the military giant who towered over them all goes unnoticed. Though the military was his first profession, Thaddeus Kosciuszko was a Renaissance man. He was a painter, an architect, a composer, a scholar and a philosopher. He was accepted as an intellectual equal by Jefferson; he was also a mystical visionary of human rights scarcely second to Abraham Lincoln.

One would think that the life of a man who was the master military mind of the American Revolution would have received the closest attention of historians. Actually, his papers have not yet been fully collected, much less an authoritative biography been written.

Thaddeus Kosciuszko did not come by these talents accidentally. His life confirms the maximum that genius is the talent for infinite pains. He was a prodigious toiler all of his life. He burned the midnight oil; then sentries awakened him so that he might study before dawn.

He was born in the Polesi district of Poland, of the landed gentry. He was descended of a famous line of valiant Polish officers. However, they were not of the Polish grand nobility, as was Count Casimir Pulaski, youthful Chief of Cavalry of the Continental Army. The father of Thaddeus Kosciuszko owned a small village in this district. As a boy, Kosciuszko had as playmates the sons of the peasants of the village. There, he developed a love for the common people, as deep as that of Abraham Lincoln.

Technically, belonging to neither the titled aristocracy nor the peasantry, he proved to be the common denominator in uniting them in the cause of Poland. His immortality in Poland is roughly comparable to a montage of General George Washington and Abraham Lincoln in the United States. In Poland the name of Kosciuszko is an abbreviation for the soul of Poland and the determination that it will never die.

His brilliant career in the American Revolution was followed by an even more spectacular one as the single world figure embodying the exalted spiritual qualities of both the American and French Revolutions The roots were in his childhood. His mother had given him Plutarch's *Lives* to read. The lad's imagination was fired by the heroic battle against tyrants by Timolean of Corinth. It proved to be his life model.

His essential military talent which brought victory to the American Cause was his magnificent insight into the use of terrain as a natural defense. His decisive service to the American Revolution was in defeating the key British strategy of severing New England from the rest of the Colonies by control of the Hudson Valley. Colonel Kosciuszko prevented this at the Battle of Saratoga in the north and by his impregnable fortifications of West Point in the south.

The Battle of Saratoga, fought in October of 1777, is unanimously called one of the ten most important battles in recorded history. The reason is that when British General "Gentleman Johnny" Burgoyne surrendered, both France and Spain were convinced that the Continental Army could win, and thereupon entered into the war as allies of the Colonies.

The campaign of "Gentleman Johnny" was brilliantly conceived. It was a three-pronged offensive. Colonel Barry St. Leger was to come down the Mohawk Valley from Lake Ontario, in a flanking movement; General Burgoyne was to hammer down Lake Champlain and Lake George to Albany; and General Clinton was to come up the Hudson from New York City, to provide the anvil for "Gentleman Johnny's" descending hammer on the Continental Army. Obviously enough, the hammer and anvil had to be prevented from meeting.

Only twenty miles north of Albany, Colonel Thaddeus Kosciuszko selected a natural fortress in the terrain, and he made it both an invulnerable fort and a trap by his brilliant engineering.

In briefest terms, Colonel Kosciuszko found a little mount which controlled the narrow road between it and the river and he crowned it with artillery. He had carefully selected the mount; it was just below Mill Creek, flowing into the Hudson. His selection provided a water barrier which prohibited the famed bayonet charge of the Redcoats on the American Right flank. Moreover, Mill Creek's tributaries had formed four deep ravines running from northeast to southwest, natural breastworks which made infantry attack on the American center impossible. Thereafter, to crown the masterpiece, General Kosciuszko placed the heaviest concentration of American artillery on the higher Bemis Heights, commanding both the river and the ravines.

"Gentleman Johnny" had no alternative but to attack the American left flank. This movement had been foreseen by Kosciuszko and the Continental sharpshooters were waiting. Brigadier Fraser, the soul of the British forces, was shot, and when that noble soldier pitched from his saddle, the British Crown in the Colonies fell with him.

General Horatio Gates, Commanding General of the American forces, attested that the genius of Thaddeus Kosciuszko was the decisive factor in these words: "Let us be honest. In war as in medicine, natural causes not under our control do much. The great tacticians of the campaign were hills and forests, which Colonel Kosciuszko was skillful enough to select for my encampments."

His masterpiece of strategy was at Saratoga; but his greatest work of military art was the creation of West Point. As at Saratoga, it was in the selection of the site. In all of the vast Hudson Valley Colonel Kosciuszko selected the one point where the river bends around a high promontory controlling both angles of the stream. On a grand scale, he chained the river, then placed his controlling batteries on the high plateau. Thus, the all-powerful British Navy was blocked from the south; never again could the British pincer off New England. Colonel Kosciuszko's intellectual triumph at West Point was greater than at Saratoga. This, because the fortress was too formidable to attack.

The British were forced to revise their grand strategy. They abandoned the North and the Hudson Valley to open operations in the South. Thus, Colonel Kosciuszko's greatest victory was at West Point, the battle his Majesty's forces dared not fight.

Incidents during his tour of duty at West Point afford some insight into his heart. In personal habits, he was abstemious to the point of asceticism.

But, when even beyond this he began to appear emaciated, his concerned brother officers discovered that he was giving his rations to sick British prisoners of war. Again, his quarters were so spare that his brother officers astounded him one day by insisting that he accept a manservant—a slave named Agrippa. Colonel Kosciuszko protested that he had no idea of what to do with a slave. Told that he might do as he wished, he turned to Agrippa and told him he was a free man.

Asked by General Washington why he was drawing no pay, he answered simply that the unpaid enlisted men needed money more than he. He refused offered promotions to Brigadier General. He was so self-effacing that General Washington remarked at West Point, "You are too modest." Perhaps the best insight into his spirit is his remote rock garden down from the main battlements. It was on a broad ledge jutting out from the living rock of the granite cliff. At the north end of it he diverted a sparkling brook to form a splashing fountain. This retreat suggests that, beneath his military genius, lay the brooding stoicism of Marcus Aurelius and the compassion of St. Francis of Assisi.

When the British switched their offensive to the Carolinas, Colonel Kosciuszko was made Engineer of the South. His commanding generals, Gates and Greene, relied on him completely in the selection of campsites, transport and fortifications. The Continental Army waged the same Kosciuszko guerrilla-engineering tactics that it did against "Gentleman Johnny" on his march to Saratoga. Again, the joining of the British forces was prevented. They retired to Yorktown to await reinforcements by sea.

The expected relief by the British Navy of General Cornwallis was thwarted by the victory of the French West Indies Fleet in the Battle of the Chesapeake Capes. The French Fleet and the Continental Army closed in on the surrounded British. Cornwallis surrendered. After the surrender but before news reached the southern theater, Colonel Kosciuszko led the action against James Island at Charleston, in which bloody foray the last shot of the Revolution was fired.

Thaddeus Kosciuszko was not just another lucky General. His professional military qualifications stood out like a lighthouse as he arrived with letters from Prince Czartoryski to General Washington's second-in-command, General Henry Lee. As a youth, he was first in his college. He was first King's Cadet at Poland's West Point and he was first at the advanced Ecole Militaire in Paris. General Washington's staff, like the generals of Mr. Lincoln's Army, were to receive their training in battle.

He had scarcely unpacked his bags before the anxious authorities begged his assistance in devising a defense for the city. In doing so, Colonel Kosciuszko planned and effected a defense against amphibious warfare for a young nation which had no navy at all.

A sea-hand pincer was closing on the Continental Army. General Washington, badly beaten in the Battle of New York and driven north to White Plains, was falling back across New Jersey to Philadelphia. Lord Cornwallis relentlessly pursued. Out at sea, off the Delaware Capes, His Majesty's Fleet, under command of Admiral Howe, made ready to sail up the Delaware River to attack Philadelphia by sea. Washington retreated across the Delaware. Cornwallis gloated that he had trapped the fox at last. But down at the narrow turn of the Delaware, Colonel Kosciuszko designed and built, by Herculean effort, throughout that autumn, forts on Billingsport Island, which controlled both banks of the Delaware. The river was corked. The British sea-land pincers couldn't close.

General Washington, falling back across the Delaware just above Trenton, was not fully apprised of this. With his back to the wall, he sent orders to Philadelphia to build fortifications in preparation for a last-ditch siege. It must have been with enormous relief that he learned that Colonel Kosciuszko had protected the rear of the Continental Army. The rest is dramatic history, how on Christmas Night Washington recrossed the Delaware to smite the Hessians at Trenton and followed it up with the blow at Princeton which sent Cornwallis reeling back to New Brunswick. Down in the Delaware Bay, Admiral Howe, after evaluating the cost of reducing the Kosciuszko forts, stood out to sea. Colonel Kosciuszko had held Philadelphia by making its river approaches too formidable to attack.

Colonel Kosciuszko was rushed north. The strategic key to the Hudson Valley was between Lake Champlain and Lake George, at Fort Ticonderoga. Colonel Kosciuszko at once outlined full defenses, but the Kosciuszko plans were shelved. "Gentleman Johnny" Burgoyne seized the very heights Colonel Kosciuszko had regarded as controlling. So controlling that the Americans were forced to evacuate without offering battle. Had Colonel Kosciuszko's advice been taken, the Burgoyne invasion would have been stopped then; the Battle of Saratoga would not have had to be fought.

The American Revolution had illuminated the military art of General Kosciuszko. The ensuing years were to reveal the magnitude of his soul. When Kosciuszko set sail for his native land, it was with heavy heart. These United States were free, but heavier claims were being hammered on Poland.

He was made Major General of the Crown Army. He trained a Polish militia, the equivalent of the American Continental Army. He was no Hamlet. He took arms against Poland's sea of troubles when Catherine the Great started the infamous second partitioning of Poland, nor did he falter when Prussia and Austria entered the lists against him. Poland's peasant army went down fighting, and General Kosciuszko went down with it, leading the last desperate charge. Sabered at the back of the head and lanced repeatedly as he lay unconscious, he lay at death's door in the prison of Peter and Paul. He was by that time too powerful a spiritual force to kill physically, so Catherine the Great left him to die. In an epic battle of wills, he beat both death and Catherine. When she died, Czar Paul rushed to offer him his freedom. The paralyzed man refused it unless the 12,000 Polish survivors were also freed. The Czar struck a bargain; they could go home to Poland, but he must accept life in exile. Paradoxically, to free his people, he gave up his homeland.

Stockholm and London received him with tumultuous welcomes as an indomitable Spartacus in defeat. He returned to America and subsequently returned again to Europe on secret mission for Thomas Jefferson to settle the sea war of the French and Americans. He spurned Napoleon as a dictator.

When Napoleon met his Waterloo, Czar Alexander I all but begged Kosciuszko to become viceroy of the Kingdom of Poland. Iron-willed Kosciuszko refused: it was Poland absolutely free or nothing. Then the czar offered to champion Poland's cause at the Congress of Vienna. Kosciuszko went there expecting that his objective had been reached at last.

But under pressure of his allies, the czar gave way; Poland remained partitioned. Kosciuszko's spirit was not broken, but his body was. He refused to step on Polish soil while another flag flew over it. The untold riches he was offered he could have used. He was a poor man when he went to the little village of Soleure, Switzerland to die. But it is still a legend that he shared his meager sustenance with the poorest in the village.

A sigh of relief swept through the royal palaces of Europe when on October 15, 1817, he died, for they felt and believed that the spirit of Poland died with him.

But it appeared that neither his spirit nor the spirit of Poland had died. To the field outside of Krakow where his little army had battled Russian heavy artillery with scythes, came a few very poor Polish peasants. With no means for a monument, they simply deposited a few handfuls of earth from their little villages. Like wildfire, the word spread through Poland. Hundreds, then thousands, then tens of thousands of the poorest peasants came with little containers of Polish soil. They who could not raise their flag could raise a monument. A handmade mountain was raised of great base and well over 200 feet high.

To their everlasting glory the Founding Fathers repaid part of the Republic's debt before Kosciuszko died. When he returned to Philadelphia on August 18, 1797, the American people inundated him with affection. As the ship *Adrianna* swept by Fort Mifflin which he had built, its guns thundered a thirteen-gun salute. All Philadelphia crowded to the wharf. It cheered deliriously as he was carried from her deck, believing for an awkward moment that he was being hoisted in triumph. A wave of pity swept through the crowd when it was perceived the man could not walk. But the reaction was instant and spectacular for that staid city: the horses from his carriage were unharnessed, and the city fathers themselves pulled the vehicle through cheering thousands to his dwelling.

President Adams sent a courier. Wrote the second President: "I hope you will find all the consolation, tranquility and satisfaction you desire after the glorious record you have made in a greater theater. On my arrival in

Philadelphia, I hope to have the pleasure to receive you." But it was with Thomas Jefferson, then Vice-President, that General Kosciuszko formed his deepest friendship.

Philadelphia continued to lavish its affection upon him. Love has curative powers. Within months he could walk. To the little house at 301 Pine Street came a string of distinguished visitors: the Duke of Orléans, future King of France, cabinet members, senators, governors and diplomats from abroad; but its most distinguished visitor was Vice-President Thomas Jefferson. Thomas Jefferson became the executor of his will—a will in which General Kosciuszko directed that his American assets be used to purchase the freedom of slaves and furnish them with both land and education.

These distinguished gentlemen exchanged several interesting documents, among them false passports forged by Vice-President Jefferson for General Kosciuszko. The purpose was to get the general to Paris to end the undeclared naval war between the United States and France. Smuggled out at dead of night by Thomas Jefferson himself, General Kosciuszko sailed for Paris via Lisbon. General Kosciuszko apparently accomplished his mission: hostilities ceased after he arrived in Paris.

Thomas Jefferson wrote of General Kosciuszko: "He is as pure a son of liberty as I have ever known, and of that liberty which is to go to all, and not to the few and rich alone."

The most significant tribute to General Kosciuszko came from the Commander-in-Chief, General George Washington himself. General Washington's letters reveal the growth of his respect. "There is one in Philadelphia who I am told is clever, but him I have never seen," General Washington wrote after his Trenton victory, alluding to Colonel Kosciuszko's decisive fortifications at Fort Mifflin. After the Battle of Saratoga, General Washington wrote the Congress, "I would take the liberty to mention that I have been informed that the Engineer of the Northern Army (Cosieski, I think his name is) is a gentleman of science and merit. From the character I have had of him, he is deserving of notice."

When General Washington congratulated him on his West Point masterpiece, Colonel Kosciuszko answered that it was God who created the promontory and the river, and added that the site was ideal for a military academy. General Washington replied, "Colonel Kosci—do you mind if I call you Colonel Kosci—you are too modest."

When Kosciuszko arrived in Philadelphia in 1797, General Washington, well aware of the worldwide acclaim bestowed on him, wrote:

"I beg you to be assured that no one has a higher respect and veneration for your character than I have; and no one more seriously wished, during your arduous struggle in the cause of liberty and your country, that it might be crowned with success.

"But the ways of providence are inscrutable and mortals must submit. I pray you to believe that at all times and under any circumstances, it would make me happy to see you at my last retreat from which I never expect to be more than twenty miles again."

At his historic Farewell to his Officers, surrounded by the resplendent panoply of a magnificent staff, the Commander-in-Chief singled out General Thaddeus Kosciuszko. General Washington then presented General Kosciuszko with his pistols and his sword.

General Washington, a man of forbidding dignity and icy reserve, followed this with one of the most dramatic accolades in American history. The officers of the Continental Army had formed the Order of the Cincinnati. General Washington himself nominated General Kosciuszko for membership. The Officers of the Order then presented General Washington the highest symbol of their regard, the cameo ring of the Order.

Signifying the highest respect, affection, and indeed reverence for their Commander-in-Chief, it must have been among the most prized of his possessions. Thus, when General Washington took from his finger the ring of the Cincinnati, bowed, and presented it to General Kosciuszko, he was bestowing upon the brilliant Polish military genius the highest accolade of the Continental Army.

It is a fair interpretation that General Washington was amplifying by deed what General Gates had declared at Saratoga: "Let us be honest: the military skill of General Kosciuszko is as responsible for the victory of the Revolutionary War as it was at the Battle of Saratoga."

BURN, BABY, BURN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MAZZOLI. Mr. Speaker, when the Washington Post's contract with its pressmen expired last week, members of the union systematically and resolutely sabotaged the Post's nine printing presses. The fire and the destruction was so complete that the Post had to curtail normal operations.

A week later the situation has improved only slightly.

Inevitably, there will be settlement of the dispute. And, inevitably, the saboteurs themselves will be taken back into the fold. But, the bitter taste of this escapade will linger for a long time to come.

This country's collective bargaining mechanisms were developed to avoid the violence which had marked earlier labor-management disputes.

But, the Post workers ignored these peaceful, nonviolent mechanisms in favor of strong-arm, vengeful tactics.

The behavior of these Washington Post employees has been shocking and shameful. Anyone who burns a printing press is burning that which is produced by the press: The printed word.

These vandals might just as well have burned a pile of books as a printing press. The symbolism and the intent are the same.

Thomas Jefferson said a free press is the most vital element for the well-being of a democratic society. The Washington Post pressmen will long be noted as the group which—by lawless and uncivilized behavior—sought to deny the public their right to be informed by a free press.

Scotty Reston had an excellent article on this subject in the New York Times of October 3. I commend this to the attention of my colleagues:

BURN, BABY, BURN

(By James Reston)

WASHINGTON, October 2.—The pressmen of The Washington Post have finally succeeded in doing to their own newspaper what former President Nixon and his Attorney General John Mitchell tried and failed to do during the Watergate conflict: They have stopped the presses at The Post.

Not by legal action. Not by a legitimate strike, but by fire, smash and run. This was no complicated collective barganing power-play, but a simple, vicious and planned act of sabotage. Even in the revolutionary turmoil of Portugal, where the Communists and the Socialists have been fighting over control of the last independent newspaper, Republica, and over the operation of the Roman Catholic Church's radio station, nobody put the torch to the presses, or pulled the electrical guts out of the transmitter. They occupied the joint, but they didn't try to destroy it.

The pressmen at The Washington Post, which has been more liberal politically, and more generous economically with its employees than almost any other newspaper in the country, showed no such restraint. Knowing the fantastic cost and fragility of modern presses, they set at least one of them on fire, cut the webs and ripped the wires out of others, and sawed off the adjusting press screws down to their stubs, before they went out back and picketed for public support.

This is not a local or a trade union but a national issue, and maybe it is just as well that it was raised in the Federal capital. For if sabotage can be used as an instrument of collective bargaining in Washington, then the concept of collective bargaining and even the First Amendment principle of a free press are in serious trouble.

In short, this is a very special issue, and the question now is what the reaction will be to it. The newspapers of America are fiercely competitive, but when one of them is in trouble, they are a mutual aid society. Accordingly, many newspapers have been calling Kay Graham of The Post and offering spare parts to get her wounded presses going again, and some have even offered to risk union violence to print The Post while she is trying to repair the damage.

But the main burden has fallen on Joe Albritton, the new owner of The Washington Star, who is now losing a million dollars a month. He has a problem. Should he come out against the sabotage by The Post's pressmen, and offer to print The Post, making a common front against this anarchy, or concentrate on his own immediate interests?

It is a hard call. If The Star tried to print The Post, the same pressmen's union that struck and sabotaged The Post would probably strike The Star, and both would then be down. Albritton says that if he went down for even a few days, in his present financial extremity, he might never come up again. He has obligations to his staff and to the people who hold the mortgage on his paper, so he feels he must keep on printing.

It is easy to understand his dilemma, for he came to Washington under great difficulties, not to shut down The Star but to keep it going. Also, The Post is sure to ride out this crisis, while The Star is on the edge of bankruptcy, and in the short run will undoubtedly benefit from The Post's labor crisis.

The Post has met, despite the temporary destruction of its presses, the two main obligations of any newspaper: to stay alive financially, and to print the news. It has found other papers, outside Washington, to print limited editions of its papers, and will probably lose a lot of money in the process, but it has kept the loyalty of most of its unions and is trying to serve its readers.

The tragedy of this unfortunate incident is that The Post and The Star were not able to make common cause against the obvious criminal sabotage of The Post's pressroom. Washington needs two newspapers, and probably cannot have them unless they work together, while competing against one another, with a common printing company.

This compromise of common printing with competitive papers, which has worked successfully in Miami, Fla., and other cities, was at least vaguely possible here before this crisis, but after the struggle of the last few days, it is now more remote than ever. The Star needed The Post, and The Post felt that The Star played the role of the fearful bystander in the crisis, and that the unions and the politicians also stood aside while the pressmen tried to burn The Post down.

Fortunately, there are some consolations in this unfortunate event. The Newspaper Guild defied the pressmen at The Post and refused to support the sabotage. And other papers came to the aid of The Post with spare parts and offers to print.

Also, The Post is determined to take this issue of sabotage by individual pressmen and their union to the courts and demand damages to the full. The issue is beginning to be seen here not merely as a trade union conflict, or a Post-Star conflict, but as a fight against violence and for the right to print. The tragedy is that The Post and The Star could not get together, even if they had to go down together, on this issue.

McGRATH—A CHAMPION OF RESOURCES IN AMERICA

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. DON H. CLAUSEN. Mr. Speaker, I am deeply saddened by the news of the untimely passing of Marshall C. McGrath, an official of the International Paper Co. He was suddenly struck down by a heart attack on Sunday, September 7, at his home in Arlington. He was only 46.

Mrs. Clausen and I would like to extend our sympathy to his wife, Carolyn McGrath, and their daughter, Cheryl, upon whom the tragedy of his death bears most heavily.

Sudden death always stuns and saddens. Marshall was cut down in the very prime of his career. In 1971 he helped establish his company's corporate affairs office here in Washington where he quickly rose to a position of great authority. At the time of his death he was serving as director of the office.

His vast knowledge of natural resources, consumer affairs, and his understanding of the national economic picture was of great value to me. He often gave accurate off-the-cuff answers to extremely complicated questions, constantly impressing me with his knowledge. He was at all times well informed and so interested in issues. His perspective was individual, corporate, and national in scope.

Marshall was very proud of the associations and friendships that he made on the Hill and in Washington. His hard work brought him respect and friendships that he always enjoyed. He will certainly be remembered by all who knew him for his effervescent personality, his sharp mind, and his great sense of humor.

His memory will always be with us and his family can be very proud of the prestige that he brought them.

Marshall McGrath is certainly going to be missed.

PROTECTING THE PRESIDENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HAMILTON. Mr. Speaker, the two recent attempts on President Ford's life have touched off a national debate on how to improve protection for the President.

Americans are asking themselves what, if anything, can be done to reduce the danger to the country's highest official, and judging from recent polls, about half of them believe that the risks are too great for a President to shake hands and mingle with crowds.

Torrents of questions are being raised about the personal safety of the President and the reasons for this mindless violence and whether the President, chosen for his job by the people, can move among them, shake their hands, and talk to them.

Most security experts acknowledge that there is no way to guarantee the President's safety in an open public meeting. There simply are too many angry, deranged people in a country of 215 million people. The odds cannot be reduced to zero. The hard fact is that without gross trespass of constitutional liberties, a President cannot have close contact with great numbers of people in total safety. The Director of the Secret Service has told the Congress that even with the best available methods and technology, his agency has been unable to develop satisfactory procedures for pinpointing potential Presidential assassins.

President Ford's statements about not capitulating to would-be assassins are understandable, and his valor is certainly commendable, but surely reasonable precautions are in order. Recognizing the impossibility of devising a program to control potential assassins that is consistent with civil liberties and completely effective in protecting a President as he mingles with crowds, it is still possible to reduce the risk of harm to the President.

The President should curtail open crowd situations at least until the present assassination fever abates and reduce the opportunities for deranged people to harm him. Leading experts on violence have predicted that the President will face future assassination attempts, and they have urged him to cut down his travel long enough to provide a cooling-off period. Travel can be less frequent, publicly announced appearances could be reduced, motorcades could move briskly and expose the President less, the protective vest could be worn, tightly controlled indoor appearances could be planned—perhaps even including metal detection and handbag inspection, and inside motor entrances could be used instead of exposed public ones.

Even with these restrictions, a President has many avenues of communication with the people. He can receive people in situations where identification can be checked, go on television, talk to the press, or give speeches. It is really doubtful that a flurry of handshakes with people at an airport or outside a hotel is an essential part of the dialog between the President and the American people.

Press coverage of foiled or would-be assassins can be toned down. There is no reason to give assassins celebrity status and widespread publicity which may very well encourage others. Potential assassins apparently yearn for sensational publicity, and the press surely has some responsibility to deny them the gratification they seek.

The political temperature in this country can be reduced, and the tone of political debate can be moderated. The impact of heated political charges on unstable persons can be inflammatory. Most Americans, I believe, would welcome a calmer and more substantive debate of national issues, and all of us should probably demand less of the "pressing of the flesh" so common in politics but not really necessary for an understanding of important issues.

Research should continue to improve sophisticated antiassassination devices, including, for example, a miniature metal detector intended to locate concealed weapons in large crowds. The Congress would quickly approve any new funds the Secret Service requested to develop new detection equipment or to step up its intelligence gathering in advance of Presidential appearances to spot potential killers.

I do not believe that Presidential travel should be eliminated or that the President should be isolated. It helps bridge the distrust between citizens and Government for the President to see the people and the people to see him. But this important contact must take place in settings that reduce the risk of harm to the President. I would hope, with implementation of several of the adjustments suggested here, that Presidential trips will continue, without the need to follow the more drastic proposals to isolate the President in Washington or arrest potential assassins every time the President ventures into the country.

The importance of all of this is that the President, human and mortal as he is, represents the stability and order of the state. Injury or harm to him endangers that stability, and that is a risk we should seek to reduce in this fragile and troublesome time.

FREEDOM

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MOTTL. Mr. Speaker, the thirst for freedom is an unquenchable one.

In America we often take freedom for granted. But in the Central and Eastern European countries of many of our forefathers, a person often goes through life without ever truly drinking of the cup of freedom.

The freedom of our relatives and friends in central and eastern Europe is of particular concern to people like myself whose parents were born in Czechoslovakia.

I often reflect back to the 1960's when Alexander Dubcek was President of Czechoslovakia and the people of the land of my parents were having a taste of freedom. And then with a heavy heart I recall August of 1968 when, without any provocation, the Soviet Union dashed out the flame of freedom and once again raised the flag of tyranny upon the oppressed people of Central and Eastern European countries.

I am certain my colleagues in Congress share with me the concern for the land of our ancestors. We long for the day when once again our friends and relatives can be free from enslavement and tyranny and enjoy the same basic freedoms that we love so much here in our great country.

CONGRESS WILL HAVE TO SECURE CANAL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. WILSON of California. Mr. Speaker, at the present time, the possibility of ceding the Panama Canal to the Republic of Panama is being explored. The public is being told that, among other things, the Canal Zone belongs to the Panamanians, in a move to gain popular support for turning the canal over to Panama. I believe that the following column by John J. O'Malley which appeared in the September 15 edition of the San Diego Union sets forth what the actual situation is with regard to who has what rights to the Panama Canal:

CONGRESS WILL HAVE TO SECURE CANAL

(By John J. O'Malley)

There is a massive campaign afoot to popularize a retreat from the Panama Canal by the United States. It is gaining momentum every day, and it is terrifying in its implications.

Basically, the drum-fire of propaganda in both the U.S. print and electronic media rests its case on three points.

First, that the Canal Zone is really Panamanian property and that Panama never relinquished its sovereign rights to the area.

Second, that we pressured the Panamanians into giving us a position on the Isthmus of Panama in 1903, using deception to accomplish something that contravened the desires of most Panamanians themselves.

And, finally, that we are even now exploiting the Panamanians robbing them of canal operating profits that are rightfully theirs.

All three of these contentions are frivolous. None has any basis in truth.

As to the matter of sovereignty, there is no question whatever. The Canal Zone is not in any sense Panama territory. The 1903 Hay-Bunau Varilla treaty with Panama was unequivocal in this regard, granting the United States "perpetual sovereignty over the Canal Zone to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights." The plain fact is the Canal Zone is United States territory, something the United States Supreme Court has subsequently confirmed in a formal opinion.

Second, we did not pressure the Panamanians. It would be more accurate to say that they pressured us.

Following liberation from Spain at the beginning of the 19th century, Panama joined Venezuela and Ecuador in uniting with Colombia. The union didn't work. Venezuela and Ecuador split off and Panama became disenchanted with the behavior of Colombia because of its exploitation of the people of the Panamanian region. Beyond this, the Panamanians were fearful, because of Colombian incompetence and lethargy, that a canal would be built across Nicaragua instead of Panama, so they were more than glad to negotiate a profitable agreement with the United States.

As a product of their agreement with the U.S., they were paid fairly for both the right to build the Canal ($35 million) and for clear title to the Canal Zone ($160 million). They have flourished in the ensuing 72 years and now, largely due to canal-related employment, the one and one-half million Panamanians have an annual per capita income of $1,000 and a living standard equaled by few other Latin American states.

Finally, the allegation that we are robbing Panama of Canal revenues is totally without foundation.

We give Panama a voluntary $2 million a year payment. And there are no profits. Although toll collections exceed $120,000 annually, the canal has been a losing venture for us during the last few years.

Quite apart from the sophistry that characterizes the campaign of those who want to see us out of Panama, Americans need to take a hard look at just what it would mean to us were the authority over this vital lifeline actually conveyed to the present government of Panama.

It is a Communist government. The Communist Party is the only party recognized in the country. Others are outlawed. The principal government officials are Marxists—every one—and that includes chief of state, Omar Torrijos, who seized power by force from the elected president in 1968. Freedom of speech and of the press have been totally stifled; the national Congress has been closed. Hatred and defamation of the United States is as much a national policy as are close ties with the Communist world, most particularly the Soviet Union and Cuba.

The attitude of the military government is one of inflexible determination to achieve total authority over the canal, or to punish everyone involved if they are unsuccessful. Just a year ago the acting ambassador to the United States from Panama was unequivocal in a television interview. He said, if they are not successful in their treaty negotiations with us, that "there will be no canal for anybody, not for us, not for the United States, not for the world." This is a thinly disguised threat of violence that neither the United States nor the rest of the world can tolerate, for the 15,000 ships that transit the canal annually are an important element of the world's lifeline.

The fact is, Torrijos and his followers are irresponsible men, and if they were ever in a position to exercise authority over the operation of the canal, they could capriciously bring about major changes in both the economy and the security of our nation.

By jacking up the canal tolls to American shipping they could add substantially to transportation costs, and thus to the cost of end items in our market.

Alternatively, by closing down the canal at their own whim, they could double the cost of maritime fuel for a voyage from the west to the east coast of the United States, and more than double the average transit time from coast to coast.

The Panama Canal is an essential link between the naval forces of the United States deployed in the Atlantic and in the Pacific. It is only because of the waterway that we are able to risk having what amounts to a one-ocean navy.

However, without absolute control of the canal and the essential contiguous land, the United States could not dare to risk the hazard of a one ocean navy. It would be essential at once to initiate construction of fleets independently able to meet a crisis in either the Atlantic or the Pacific—a massive expenditure which we are now spared only because of our control of the canal.

These factors are appreciated throughout Latin America and, despite understandable sentiments of anti-colonialism, the more steadfast Latin governments take no comfort in the prospect of the canal falling into irresponsible hands.

Even more to the point, these matters are generally understood by the American people at large, and through this understanding there is a very substantial popular sentiment against any action which would diminish our sovereignty over the Canal Zone.

What is less well known, however, is the fact that in 1974 we agreed to sit down with representatives of Panama and work out an agreement that would initially give the Panamanians jurisdiction over the Canal Zone and, ultimately, would transfer ownership of the canal to Panama. We are doing exactly that right now. Ambassador Ellsworth Bunker, operating under those guidelines, is hard at work on a Caribbean island, working out the details with representatives of Panama.

Ultimately, it will all have to come before the Congress for ratification, and no American legislative body in history has had a more sobering task than the one the legislators will face when they contemplate a treaty that diminishes our precious sovereignty in Panama. If they conclude that we can risk sharing those 50 precious miles of lifeline with a hostile Communist government; even worse, if they agree to give it away, they will have done their country more harm than a dozen succeeding Congresses could repair.

LAIRD COMMENTS ON DIPLOMATIC RELATIONS WITH CHINA

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MICHEL. Mr. Speaker, a former colleague of ours, Melvin Laird, was recently in the Republic of China, where he commented on the current trend toward normalization of diplomatic relations with the People's Republic of China. I encourage my colleagues to take note of his recommendation, summarized in the following Washington Star article, September 9, 1975, that diplomatic ties with the People's Republic should not be created at the expense of pre-existing agreements with the Republic of China:

A WORD OF ADVICE FROM LAIRD

TAIPEI.—Melvin Laird, who served as defense minister in former President Nixon's administration, says President Ford should reject the conditions set forth by Peking for normalization of Sino-U.S. relations.

"I would advise him (Ford) that the conditions set forth by Chinese Communists cannot be met by the United States, that they cannot be a part of an agreement that could be worked out this time as far as the U.S. is concerned," said Laird who is visiting Taiwan as a senior adviser to Reader's Digest magazine.

Laird said Peking last June insisted on the U.S. meeting these conditions before he could visit China: The United States terminate its diplomatic relations with Taiwan; withdraw all U.S. military forces from the island; and abrogate the U.S.-Taiwan mutual defense treaty.

A RATIONAL VIEW OF INTELLIGENCE WORK

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MILFORD. Mr. Speaker, when I was home last weekend, I came across an extremely interesting and, to me, reasonable and rational discussion of national intelligence and counterintelligence moral and practical requirements which I would like to share with my colleagues.

The Los Angeles Times Service piece which appeared in the Sunday, October 5, edition of the Fort Worth Star-Telegram, was written by V. W. Hughes, a retired FBI agent who served in the Army Counterintelligence Corps during World War II.

At a time when both bodies of Congress are reviewing our national intelligence operations and needs, I believe Mr. Hughes offers a perspective which is worth the consideration of all of us in colleagues.

I would like to have this article, headlined "Intelligence Work Requires Behavior Outside the Norm", appear in the RECORD.

INTELLIGENCE WORK REQUIRES BEHAVIOR OUTSIDE THE NORM

(By V. W. Hughes)

Current congressional inquiries into the propriety of certain operations by American intelligence agencies have brought a host of revelations: that the Central Intelligence Agency attempted to "destabilize" foreign governments, often with success, and spied on U.S. citizens, and that the Federal Bureau of Investigation intercepted domestic mail and compiled dossiers on an unknown number of Americans—to mention only a few.

Unsettling as these facts may be, there is a question which each citizen should ask himself whenever he considers them: Was the act a issue performed under circumstances which justify the method employed? In asking this question, the citizen will not be alone: The Supreme Court takes a similar approach when deciding the constitutionality of arrests or acts of search and seizure. The court's expression is, "We must look at the totality of the circumstances."

It is exactly that approach which Congress should adopt when passing judgment on the actions of intelligence agencies—especially actions undertaken 10 to 20 years ago. Indeed, failure to judge the context of the intelligence agencies' actions has led some congressmen to the contention that opening mail, surreptitious searches without warrants, electronic surveillance and the use of informants and double agents are wrong under all circumstances. Simple reason ought to show us otherwise.

Charges that the CIA considered assassinating Patric Lumumba and Fidel Castro are, of course, another matter. Obviously there are certain forms of action which civilized nations should not take. However, these absolute prohibitions are rare, and beyond them a government must maintain the right to act according to the circumstances which confront it.

The Fourth Amendment to the Constitution, for example, clearly forbids only searches which are "unreasonable." Thus, should cases involving surreptitious entries, which the FBI admits were a part of its counterintelligence program, reach the Supreme Court, they might be held reasonable and, therefore, legal. The point is, of course, that to determine whether or not the entries were reasonable, the court would have to consider the circumstances in which they occurred.

Indeed, a recent policy statement by Asst. Atty. Gen. John Keeney had this to say: "It is, and has been, the department's view that warrantless searches involving physical entries into private premises are justified under the proper circumstances when related to foreign espionage or intelligence."

Implicit in the attorney general's statement is the notion that intelligence operations often take place in extraordinary circumstances. An analogy to war is not far-fetched.

Nations, for example, usually regard homicide as a crime. Yet in wartime we teach and sanction the killing of the enemy, and, moreover, reward it. Why? Because war is outside the range of normal human conduct and justifies special methods—even homicide. This is not to suggest that intelligence operations require homicides. But war and intelligence operations are analogous in that both, each in its separate way, call for unusual behavior.

Assuming, then, that intelligence operations, like war, are outside the realm of normal conduct, is it feasible to ask an espionage agent to undertake extraordinary—often dangerous—work within the same framework of conduct required of our domestic police? Can an intelligence agent actually operate without ever violating the Fourth Amendment rule against unreasonable searches? Should he be required to read the Miranda rights to any suspect questioned and avoid all suspicion of entrapment?

Even the counterintelligence agent who usually operates within the borders of the United States would find it impossible to operate under such stricture. If his opponent is free to operate outside the range of normal conduct, and is even encouraged by his government to do so, the counterintelligence agent must act in kind or be placed at a tremendous disadvantage. If our Congress were to suspend all of those intelligence procedures currently under scrutiny, the CIA and FBI, which is charged with vital counterintelligence operations, might both be rendered ineffective.

This is not to suggest that America's intelligence services should be granted carte blanche. But there should be some recognition—especially by Congress—that intelligence operations are conducted under special conditions which should not be judged by orthodox standards. We should not decree, for example, that surreptitious entries are always wrong. Instead, we should decide under what circumstances it is correct to employ such methods.

To repeat CIA Director William Colby's question to the Senate committee before which he testified, "How many congressmen would have objected to an attempt on Hitler's life in 1944?" One might say, of course, "but that was different," and that is precisely the point in advocating flexibility of methods in the intelligence field.

Obviously the United States must not allow the civil liberties of its citizens and the practical needs of its intelligence agencies to become mutually exclusive. Indeed, the basic reason for the existence of intelligence operations is the protection of those liberties.

But just as a totally unrestrained and unaccountable intelligence agency poses a threat to liberty, so too does an agency so weakened by unreasonable prohibitions that it cannot respond to actual threats to freedom.

DECLARATION OF CONSCIENCE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. RICHMOND. Mr. Speaker, in the spring of 1974, Kim Chi Ha, a noted Catholic poet in Korea, was arrested in relation to the "National Association of Students and Youths for Democracy" case. Sentenced to death, he was nevertheless released on February 15 of this year by a special Presidential order, only to be rearrested by the Korean CIA on March 13. Subsequently, the Ministry of Culture and Information announced that Kim had confessed in his own handwritten statement that he was a Communist.

Kim is detained in a dark cell where he is not allowed even a Bible to read. But somehow in mid-May he was able to write a 12,000-word memorandum which he entitled "Declaration of Conscience." It was smuggled out of the prison and handed to Father Yun Hyoung Jung, the past representative of the National Association of Catholic Priests for the Realization of Justice, who in turn made a most difficult decision to send it overseas—to Father James Sinnot—to be made known to the world.

The "Declaration of Conscience" follows the precedent set by Bishop Chi Hak Soon, "to declare one's conscience before one is arrested in order to assure that any statements of freedom will be seen to be invalid."

Recently, I wrote to Assistant Secretary of State, Robert J. McCloskey, about this case and he replied to the effect that the actions the Department of State could take in this case "are limited." He went on to paraphrase testimony Assistant Secretary of State, Phillip C. Habib, gave before a House Committee investigating human rights in Korea. He stated that:

> The United States Government is not involved in the internal actions of the Korean Government.

However, he went on to say that the Department of State has repeatedly informed the Korean Government of the adverse effects their domestic actions may have on the "traditionally favorable public and congressional attitude in this country toward Korea."

If the mail I am receiving from my district is any indication, I believe Mr. Speaker, that the Department of State's advice to the Korean Government about the change in public opinion in this country is indeed valid.

Now, Mr. Speaker, I would like to insert into the RECORD the first part of Kim Chi Ha's "Declaration of Conscience," so that my colleagues can share his thoughts on democracy in South Korea and his defense against the charges placed against him by the Park government:

A STATEMENT OF CONSCIENCE

To all who cherish justice and truth.

The Park regime is tying me up in a conspiratorial net of incredible lies. They say I am a communist who infiltrated the Catholic Church and pretended to be an advocate of democracy and human rights. I have been arrested and imprisoned on these charges.

The authorities will soon begin a courtroom charade to "legally" brand me forever as a treacherous Marxist-Leninist agent. I will be impressed into the ranks of that legion of government-designated "communists."

I am not the only target of this conspiracy. It is directed at the whole movement to restore democracy and at the Christian Church which has been fighting for social justice. The authorities are particularly determined to label as pro-communist the Association of Catholic Priests for the Realization of Justice, the National Council for the Restoration of Democracy, and all youth and student movements. This is the forerunner of a broad crackdown on dissent.

The government has been making these vile charges against me for more than a decade; they are nothing new. I should prefer not to waste words with a personal defense here. The Korean Central Intelligence Agency (KCIA) agents say, "If you have a statement to make about these charges, do it in court." For once I agreed with them. I intended to do just that: to try to bring out some of the truth about this travesty during the trial by challenging the prosecutor.

However, the current political situation compells me to speak out now. It is not just my convictions and my credibility that are endangered. The net has been thrown widely to encompass all domestic forces, my church and the student movement. I owe it to history and the Korean people to state my beliefs and the facts about my arrest as I know them.

1. AM I A COMMUNIST?

I have never in the past thought of myself as a communist, and I still do not. I am not a communist. The KCIA charges against me should be patently absurd. My lawyer has told me they have taken the "confession" I was forced to write and have made it public to prove that I am a communist. (The KCIA is distributing a pamphlet entitled "The Case Against Kim Chi-Ha, The True Identity of the Poet" which includes Kim's confession, excerpt from his prison notes, list of books seized at his home, etc. Eo.) The "confession" in the pamphlet is called Statement No. 2 but actually it was the third one. The KCIA discarded the second statement but still numbered the third version as No. 2. These details aside, it is true that the document was writen by my hand.

But not by my mind and soul. It was not a voluntary statement. I was a powerless individual in an underground interrogation room of the KCIA's Fifth Bureau. They were the almighty agency of state terror, beyond any law or decency. How much truth do you think there is in those sheets of paper, my "confession?" From the time of my arrest I was pressured to say that I was a "communist who had infiltrated the Catholic Church." The government had decided to destroy me politically and religiously. They were going to crush me until I was flattened out like a piece of dried cuttlefish. I resisted my interrogators and refused to "confess." The grilling continued for five or six days, I think. Finally they wore me down. I had not been in good health before my arrest; I had fainted several times due to anemia, and I was suffering from chronic insomnia. The constant questioning left me physically exhausted and delirious.

I knew the Park regime would use any means necessary to convict me as a communist. It did no good to keep telling the interrogators that I was innocent. They had strict orders from their master to "Get Kim Chi Ha" regardless of the facts. The KCIA agents were cogs in the machine; they could not refuse that order. They were ashamed of what they were doing but they hammered away at me day and night. I saw no point in continuing the nerve-wracking war of attrition against such pitiful men!

Finally, on the sixth day, I wrote out a statement which they dictated. I scribbled it down like graffitti on a toilet wall and threw it at them. That is how my "confession" was written.

As one might expect, the statement is full of lies and inconsistencies. There is the banal wording so dear to the KCIA hacks: "I became a communist out of a sense of inferiority and frustration due to poverty and illness." This is the vilest part of the document. They used the same phrasing over and over again when I was indicted in 1970 for writing "Five Bandits," for "Groundless Rumors" in 1972, and in the National Federation of Youth and Students incident in 1974. There is a materialistic determinism in the phraseology, as if all the poor and afflicted are "potential communist criminals." Would any self-respecting person write such craven drivel of his own free will?

According to the "confession," all my activities, including writing "Five Bandits" and "Groundless Rumors," were due to my communist ideas. I wonder if foreign readers of these poems were deceived by my communist propaganda? There must be many red faces among those foreign literary critics who praised my work and did not even realize that it was "communist propaganda." If "Five Bandits" is communist literature, why have the charges against me been pending for more than four years! And why was I not even indicted for "Groundless Rumors?"

The "confession" says that I am a communist and a Catholic. That is an antimony like being "a democratic fascist." Every school child knows that communism regards religion, especially Christianity, as the "opiate of the masses."

I understand that the KCIA pamphlet cites a few books I had in my possession as "proof" that I am a communist. They are so stupid! Their petty, frightened police state minds! No matter how severely intellectual freedom is restricted in South Korea, does reading a few Marxist classics make a person a communist? The most avid readers of leftist books are the censors who check every piece of literature that comes into this country. If they can read those materials, why is it a crime for me? I have read hundreds of books; the authorities seized fewer than ten. Every one of those without exception is a classic that any foreign intellectual has read.

The KCIA pamphlet reproduces some of the notes I jotted down in prison from April, 1974 until February. Again those memorandums and notes are supposed to be "proof" that I am a communist. Those notes contain all kinds of thoughts and emotions. Ideas that flitted into my mind like birds flitting past my cell window. There are ruminations on this or that, outlines of projects I hope to write about in the future. Bits and pieces, unconnected fragments. They do not show that I am a man ideologically committed to communism. If the government will make public all my notes, the charges against me will fall of their own weight. Anyone who examines the material will see my values: my hatred of oppression and exploitation, my groping in the political wilderness for a way out of these iniquities, how I have driven myself in the quest for answers! This search has nothing to do with communism.

How should I define my ideological position? Before I attempt that, two points require clarification.

First, I regard myself as a free thinker not bound by any ideological system. I hope my ideas are neither shaped by personal ambition nor yield to intimidation and that they are also unfettered by any dogma or creed. Thus I have never defined myself as an adherent of any "ism." I belong in the creative tension formed by the chaos of freedom. A natural pool swirls with cross currents of ideas, values, systems, experiences. By diving into that pool again and again I hope to come up with a few grains of truth. I stand beside that pool poised for the next dive.

Secondly, I am ideologically unfinished. That's a crude way of saying that I have never accepted one ideology as my operative value system. So far I have never found one system of thought that was logically convincing. I am still looking. In a sense, this is a shameful admission, but there are extenuating circumstances, I think. An individual's beliefs and conscience must be free, and the process that shapes them must also be open, competitive, eclectic. Man has a natural right to find his own values. Even the Yushin Constitution, promulgated by Park Chung Hee in December, 1972, guarantee this right to South Korean society. Nevertheless, intellectual life and value formulation are totally controlled in our country. A single ideology with its priorities, preferences, tabus and sanctions is dominant.

Consider the spiritual ethos of South Korea. The flow of information is controlled. One can only read a limited number of authorized books. Anti-intellectualism and pervasive secrecy are the rule. I have tried, often with doubts and remorse, to find the truth in this darkness. I am not the only one. Every South Korean who sought to understand what is going on in this country and in the world has trod the same uncertain, dangerous path. My ideological education is incomplete.

Under these conditions surely there is virtually no possibility of autogenous communism sprouting here. Our conditioned reflex to "communists" was to imagine red-faced devils with horns growing out of their heads and long claws dripping with blood. Every South Korean below the age of thirty has been educated and indoctrinated this way. Furthermore, we have never been taught anything about communism except emotional diatribes against it. Even if a few curious people secretly read some leftist books, how could they turn into full-fledged communists with a firm grasp of dialectics, party history and doctrine? No "autogenous communist" could emerge from the younger generation. That includes me. Far from being a committed communist, as the KCIA charges, I have no reliable information about the nature of communism or what life is like in a socialist country. The charge that I am a communist is utterly groundless.

2. DEMOCRACY, REVOLUTION, VIOLENCE

I want to identify with the oppressed, the exploited, the troubled, and the despised. I want that love to be dedicated, passionate, and manifested in practical ways. This is the totality of my self-imposed task for humanity, the alpha and the omega of my intellectual search. I hope that my odyssey will be understood as a love for mankind.

My desire to love the brotherhood of man makes me hate the oppression and exploitation that dehumanizes him. He who exploits others corrupts himself. Thus I fight against oppression and exploitation; and the struggle is my existence.

I became a Catholic because the Catholicism conveyed a universal message. Not only the spiritual and material burdens could be lifted from man but that also oppression itself could be ended by the salvation of both the oppressor and the oppressed. Catholicism is capable of assimilating and synthesizing these contradictory and conflicting ideologies, theories, and value standards into a universal truth.

My beliefs spring from a confident love for the common people. I have opposed the Park regime and ridiculed the "Five Bandits" because they are the criminal gangleaders looting this country. I have grown up as one of the oppressed masses. That perspective enabled me to see that a pernicious elitist bias permeates our society. The oppressors say the masses are base, ugly, morally depraved, irrately lazy, untrustworthy, ignorant and a spiritless, inferior race. But the common people I have known were not like that. They were honest and industrious. They may have looked stupid to a Seoul bureaucrat but they were endowed with a rich, native intelligence. Although they seemed listless, they possessed enormous inner strength and determination. They may have been rough, not very sophisticated, but they had genuine affection for their friends and neighbors. The common people I knew were proud, full of an unassuming vitality.

I have total confidence in the people. Given the opportunity they will find correct solutions to their problems. And their time is coming. The people cannot be denied their rights and justice much longer. My confidence in the people has led me to trust their ability to determine their own fate.

Those who fear the people, who find the masses despicable, are ipso facto not democrats. When the going gets rough, they will stand with the oppressors.

What is democracy? It is an ideology opposed to silence, a system that respects a free Logos and freedom of speech. It encourages the cacophony of dissent. A political system where everything is not revealed to the public is not a democracy. I believe that the truth, only the truth, will liberate man. A public consciousness dulled by soporific incantations and smothered in darkness can be liberated by the truth. Only when the people struggle out of the darkness, driven along by the very chaos of their opposition to authority, will they reach the sun-drenched fields. Then they can head toward Canaan, the land of justice and freedom promised by the Creator. This is my dream, my faith.

I cannot describe Canaan in detail. No one man can do that. I think it will be created by the collective effort of all the people. My task is to fight on until the people hold the power in their own hands to shape their destiny. I want a victory for real democracy, complete freedom of speech. Nothing more, nothing less. In this sense, I am a radical democrat and libertarian. I am also a Catholic, one of the oppressed citizens of the Republic of Korea, and a young man who loathes privilege, corruption, and dictatorial power. This defines my political beliefs. I have nothing more to add.

Democracy does not require a "benevolent ruler who loves the people." A ruler who fears the people's wrath and weapons is preferable. Democracy entails an uncompromising rejection of oppression. There is no democracy as long as the people depose an undesirable ruler. Thus democracy does not deny the people the right of revolution; on the contrary, that fundamental right is the last guarantee popular of sovereignty. This obvious truth must never be forgotten.

The right of revolution, the constant and eternal possibility of overthrowing illegitimate authority, is the ultimate sanction against misrule that enables the people to defend themselves from oppression and exploitation. Rulers, of course, make revolution illegal; even discussion of it is banned as subversive. Thus they can continue their political and economic domination. But that is why I must support resistance and revolution.

I feel enormous pride in our Korean traditions. The people have often protested against injustice and misgovernment. Unfortunately, the rulers, irredeemably callous and arrogant, often crushed the protests with force. Under these circumstances have the people any choice but revolution?

Catholic political thought since Thomas Acquinas has explicitly recognized the people's right and duty, based on natural law, to overthrow a tyrant who threatens their existence and the common good. Resistance abruptly changes the course of human affairs. The people themselves recover their humanity. The masses undergo a sudden and profound awakening; history makes up for lost time by encouraging the people to miraculous feats.

Sooner or later resistance and revolution lead to the phenomenon of violence. When the violence of authority sustains oppression, the people's will is crushed, their best leaders are killed, and the rest are cowed into submission. The "silence of law and order" settles grimly across the land. Then an antithetical situation exists where violence must shatter this macabre order. To a degree, I approve of this kind of violence. No, that is not strong enough. I must approve of it. I reject the violence of oppression and accept the violence of resistance. I reject dehumanizing violence and accept the violence that restores human dignity. It could justly be called a "violence of love."

Jesus used his whip on the merchants defiling the temple. That was the "violence of love." It was force suffused with love. Jesus wanted the afflicted and their oppressive rulers to be reborn again as true children of God.

Violence and destructiveness obviously bring suffering and hardship. But we must sometimes cause and endure suffering. Never is this more true than when the people are dozing in silent submission, when they cannot be awakened from their torpor. To preach "non-violence" at such a time leaves them defenseless before their enemies. When the people must be awakened and sent resolutely off to battle, violence is unavoidable. Ghandi and Franz Fanon agonized over this dilemma. Father Camilio Torres took a rifle and joined the people. He died with them, the weapon never fired. The fallen priest with his rifle epitomized godliness. I do not know if his beliefs and methods were correct or not, but the purity of his love always moves me to tears. He staggered along his road to Golgotha with uncertain tread. He was prepared to commit a sin out of a love for others. He was not afraid to burn in the depths of eternal hell.

True non-violence requires total non-compliance and non-cooperation. It concedes nothing to the oppressors. The superficial kind of non-violence, which makes limited gestures of opposition, is just another form of craven cooperation with authorities. Cowardly non-violence is moral equivalent to cruel violence because with both the people get crushed. On the other hand, the "violence of love" is essentially the same as a "courageous non-violence" in that it arms the people against their foes. I approve of the "violence of love" but I am also a proponent of true non-violence.

The revolution I support will be a synthesis of true non-violence and an agonized violence of love. (I am now working on a long ballad, "Chang Il Tam," set against this background.)

To teach that golden mean, a non-violence that does not drift to cowardly compromise and a violence that does not break the bonds of love and lapse into carnage, mankind must undergo an unceasing spiritual revival and the masses must experience a universal self-awakening.

While I grant that the violence of Blanquism can light the psychological fuse to revolution, I do not anticipate nor support a "lucky revolution" achieved by a small number of armed groups committing terrorist acts of violence. That is why I have eschewed the formation of or membership in secret organizations and have participated in activities consistent with the democratic process: writing and petitions, rallies, and prayer meetings.

My vision of a revolution is one to create a unified Korea based on freedom, democracy, self-reliance, and peace. More fundamentally, however, it must enable the Korean people to decide their own fate. I can confidently support such a revolution.

That revolution will not follow foreign models or pattenrs, but flow from our unique revolutionary tradition. The Tong Hak rebellion, the March First independence movement, and the 1960 April Student Revolution adumbrate the next revolution.

ENERGY POLICY AT HOME

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, the Washington Post this morning published a most lucid and sobering description of the energy policy produced by this body to date as represented in H.R. 7014. It deserves to be drawn to the attention of my colleagues.

I am not at all convinced that in our recent haggling over oil and gas pricing here in Washington have we kept very close touch with the pulse of our people and how they were responding to higher energy prices and shortages. If we had, I think that our two attempts at drafting energy legislation would look a good bit different than they do right now. Furthermore, it is highly likely that our efforts would not have been an essentially futile effort, impossible for a responsible President to sign into law.

I would also like to note, Mr. Speaker, that it is encouraging to me that in the last 2 years our country has again proved itself to be resilient and sound. As the Congress has struggled mightily to formulate an energy policy, our people were making their own adjustments. With their pocketbooks they were creating a marketplace in which they were able to survive higher energy prices and shortages. They demanded cars with better mileage, appliances with better efficiencies, et cetera, and as the Post points out, they are getting results.

My compliments to the editorial board of the Post for a fine piece of journalism, humbling as it turns out to be for some Members of the majority party in the Congress.

I include the editorial for those of my colleagues who may not have seen today's edition:

SMALL CARS AND ENERGY POLICY

Americans are proving more canny these days than their government, as they think about fuel and energy. The most interesting example is the state of the automobile industry. The customers are turning away from the big cars of tradition, and the manufacturers are running along anxiously behind them to catch up. But the long stalemate between the White House and Congress continues, giving strength to the illusion that, in regard to energy and saving it, nothing at all is happening. That stalemate still shows little sign of ending.

The House of Representatives has just passed its Energy Conservation and Oil Policy Bill in a bizarre and ludicrous form that deserved another veto. It can be argued that the section making it a crime to sell gasoline for cross-busing school children, under racial desegregation plans, is merely frivolous. But one section of this bill would roll back the price of oil, while another orders the President to find a way to reduce the nation's consumption of gasoline. The House expresses the hope that there would be no lines—or at least not long ones—at the filling stations. But it authorizes extensive production controls to require the refiners to cut back the amount of gasoline actually produced.

Do you suppose that most Americans are aware that the House has just voted to create a deliberate gasoline shortage? Do you suppose that most people realize that this bill contains a broad exemption to the antitrust laws for the people who sell gasoline, to permit them to engage in the market-sharing plans that this intricately calculated shortage would require? But the House Democrats are in a box. They recognize the urgent national interest in curbing gasoline consumption, yet they are committed to reducing prices. To fit these two irreconcilables together, they require an artificial shortage and an allocation system of vast complexity. To meet the challenge of a foreign producer's cartel, they want to cartelize the whole American gasoline industry.

The legislative stalemate runs as far as the eye can see. From the perspective of Washington, which thinks of progress in terms of laws passed, it looks as though nothing at all is being done to cut oil imports and the waste of energy. But, in fact, quite a lot is being done—if not by Congress or the White House. Take a look at the cars passing on the highway.

As recently as 1973, two out of every five cars sold was a compact model or smaller. In the model year now beginning, the Federal Energy Administration estimates, three out of five will be compacts. In 1973, the average new car ran less than 14 miles on a gallon of gasoline. The average 1976 car will go 17.6 miles on a gallon, according to the Environmental Protection Agency. The automobile manufacturers have committed themselves to President Ford to get the average up to 19.5 miles to the gallon by 1980. The House would go the President one mile better and require an average mileage of 20.5 by 1980. In the midst of all this churning and standard-setting, General Motor's Chevette appears on the street. EPA says that it gets 33 miles to a gallon in its driving tests, the only American car on the top rung of the international economy rankings.

From the Washington perspective, again, it might seem that steady pressure from the President and Congress are forcing the manufacturers to change their ingrained tribal ways. But it is probably a good deal more accurate to say that government and industry together are responding, a bit belatedly, to a genuine and powerful swing in public values. General Motors designed the Chevette to recapture some of the market that it has been losing to imported cars. Two-thirds of the Chevettes sold over the next year, GM believes, will go to buyers who would otherwise have chosen a foreign car.

Automobile sales constitute, in a narrow but authentic sense, a continuous referendum on one aspect of energy policy. The returns so far offer solid evidence that—despite the assertions of the House Commerce Committee to the contrary—people react sharply and rationally to rising gasoline prices. The country's political leaders can't work out a consensus on oil, and citizens are prudently moving to take care of themselves. The trend to more economical and efficient cars means that Americans are beginning to build themselves a national energy policy from the bottom up—without much guidance from their government, but with a good sense of present necessity and future prospects.

OSHA—A FOUR-LETTER WORD

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. BAUMAN. Mr. Speaker, we are continually reminded of imperfect institutions in our society which prevent the realization of a better world. One of the more imperfect ones is a four-letter word which has become the most unpopular acronym in a working businessman's vocabulary.

OSHA, the so-called Occupational, Health, and Safety Administration does little to effectively prevent the continued and unnecessary exposure of employees to unsafe conditions of which many employees are unaware.

Instead, it issues unreasonable regulations which were drawn up without any consultation with employers and employees, making compliance difficult and inviting resentment against this Government agency and, by reflection, against the Government.

Bill Miller, the vice president of the McMahon Oil Co., in Easton, Md., recently wrote to me illustrating how impossible it is for a small business to survive against OSHA's continued harassment. I submit it, my response, and a recent column by Governor Ronald Reagan which deal with this problem for the RECORD, and I draw them to the attention of my colleagues.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 9, 1975.

Mr. W. C. MILLER,
Vice President, McMahon Oil Company, Easton, Md.

DEAR BILL: Your recent letter citing many of the problems your company is having with OSHA illustrate what is happening everywhere. The points raised in your letter are particularly telling, and with your permission I would like to put your letter in the *Congressional Record.*

The Occupational Safety and Health Act of 1970 has lead to instances of harassment and bureaucratic inefficiency which have discouraged economic growth at the worst possible time. I have always felt that we could at least amend that Act to provide for a fair system of onsite consultation without penalties and to ease the economic burden of compliance. I do not like this Act being law, but if we must have it I am certainly in favor of working with like minded colleagues to assure that we can make the enforcement procedures more equitable.

As you cited in your letter, Bill, the effect of OSHA has been to inhibit promotion of the cooperative effort needed to truly provide worker safety. After three years of operation, the program still has no adequate advisory program of onsite consultation which would help employers and employees alike in complying with the law. The unfortunate means OSHA uses to carry out the letter of the law end up violating the spirit of the law.

It is great to hear from you, and please write again when you get a chance. Call on me if you ever need help in any matter.

Faithfully yours,

ROBERT E. BAUMAN,
Member of Congress.

MCMAHAN OIL CO.,
Easton, Md., September 24, 1975.

Congressman ROBERT E. BAUMAN,
Easton, Md.

DEAR BOB: For quite some time now I have been concerned about the number of federal and state agencies who call, investigate, etc. . ., here at the McMahan Oil Company. To give you an example of what I mean on September 5th the federal OSHA representative and the state OSHA representative spent two hours here looking over our two terminals and writing a few citations which, of course, we were required to correct. Just as they were finishing up on the same date, the state Air Quality Control representative appeared and needed assistance in filling out a form which needed to be filed on McMahan Oil Company. The next week the Federal Energy Administration sent two representatives in who have been here for three weeks off and on, which required our giving office space and other assistance needed to perform their duties. Next I received a phone call from the IRS indicating that on Friday, September 26th there would be a representative in our plant to review records pertaining to the "rolling stock" report filed with them earlier this year.

I am at a loss to explain to you just how we will be able to continue to operate this small business if these federal and state agencies do not allow us to get down to the business of supplying our market area with the petroleum products which are needed by our customers for them to get along in their every day lives. I have not yet mentioned the other agencies who regularly stop in to see us, such as the Coast Guard, the National Fire Protection Agency, the Department of Natural Resources, Water Resources Administration and others.

I bring this to your attention because I know that this type of bureaucracy problem is exactly what you refer to at times in your public statements. The independent business man must get relief soon from this type of harassment because I feel that "Big Government" will eventually eliminate the incentive factor that keeps the independent business man operating. I realize this letter is philosophical in nature and I offer it only as food for thought. What are your thoughts?

Very truly yours,

W. C. MILLER,
Vice President.

OSHA: A FOUR-LETTER WORD

(By Ronald Reagan)

"OSHA" is a four-letter word that's giving businessmen fits and is helping drive up consumer costs. And, there's no relief in sight.

One of the youngest federal regulatory agencies, the Occupational Safety and Health Administration, since 1970 has had the job of carrying out "the intent of Congress" by devising regulations implementing the Occupational Safety and Health Act.

Congress' intent was to protect the safety and health of the American workers—a commendable goal. But OSHA's regulations and tactics are something else again—a "Catch-22" of arbitrariness that is costing business (and the consumer) millions of dollars a year.

OSHA's regulations fill a shelf 17 feet long (even the "Harvard Classics" took up only five feet), and businessmen are expected to know which ones apply to them if an OSHA inspector drops by. If they don't, and their plant doesn't conform to the regulations they're subject to stiff fines.

One might have thought that OSHA would have offered an initial no-penalty inspection to a business seeking to learn if it complied, with a grace period for correcting deficiencies. No such luck.

If you call for an inspection, you are subject to the same penalties. You can pay your insurance company to make an inspection, but there's no guarantee that OSHA won't come along later and find some overlooked deficiency.

Civil liberties don't count for much with OSHA, either. Its inspectors can barge in on a "no-knock" basis without the owner's permission or a search warrant. It has even had this right confirmed recently by a federal court.

Excess paperwork, the security blanket of bureaucrats, is required by OSHA of the businesses it regulates. This torrent of paper and words is reflected in the gobbledegook language of OSHA's regulations, too.

Here is how they define an exit: "That portion of a means of egress which is separated from all other spaces of the building or structure by construction or equipment as required in this subject to provide a protected way of travel to the exit discharge. . . ."

Application of OSHA's regulations is almost whimsical. The owner of a small business in one western state was told he had to install separate men's and women's restrooms for his employees. He had only one employee. At home they slept in the same bed and used the same bathroom. She's his wife.

There is more of the same on the way. Antinoise regulations for trucks are now under discussion. One would require truck cabs to be so soundproof that drivers could not hear horns or emergency vehicle sirens.

The solution? A panel of lights in the truck cab which would flash when activated by such sounds. Result? More expensive trucks, higher freight rates, and higher costs of the things you buy.

Talk in Washington is serious these days about deregulating—at least partially—the airline, trucking and railroad industries to sharpen competition and lower consumer costs.

There is little evidence that OSHA has accomplished much in the way of saving lives, all the while it has added heavy cost burdens and created a bureaucracy with a growing appetite for tax dollars. Yet, there is little talk of reforming or eliminating this regulatory labyrinth. It's overdue.

LEIF ERICSON AND NORWEGIAN AMERICANS

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. QUIE. Mr. Speaker, today, by Presidential proclamation and acts of Congress, we observe two events—the landing of a group of Norse adventurers on North American shores in about the year 1001, and the landing of the first boatload of emigrants from Norway at New York in 1825.

Of the first voyage, we know that a ship's crew led by a young Norseman named Leif Ericson, motivated, apparently, by no more than an explorer's heart searching to unlock secrets of unknown seas, did reach the continent. They found land covered with forests which they dubbed "Markland" and, farther down the coast, an area rich in wild, sweet grapes, the "Vinland" of the sagas.

Why the small settlements with men, women, and children resulting from subsequent voyages did not flourish in the new land is still clouded history. We do know that later on the great impact of Scandinavian influence in America was left to people like those who sailed from Stavanger, Norway, on the "Restauration" and came to stay. Many of them moved through the settled country into the prairies and woodlands of the American Midwest. There were only 47 of them, but their numbers have multiplied and today we see the influence of the Norwegian Americans in every facet of American life.

Of Leif Ericson himself, the sagas also tell of his bringing a new faith, Christianity, back to his home in Iceland, having been converted by Norway's King Olav Trygvasson of his father's homeland.

Leif Ericson might be surprised if he could see the influence of his Northland in our America. When embarking on his voyage, however, he may have been drawn by a sense of adventure and strengthened by the determination that also moved the pioneers of a much later day. An American of Scandinavian descent Carol Johnson of my staff, wrote this poem which I share with you in commemoration of this day.

LEIF ERICSON

You set the sail
You fix your eye.
The grey horizon offers
Bleak sky, wind, and sea—
Nothing more.

What is this, then?
This tugging at your breast?
You go a way—a little way—
Beyond where you have sailed before,
Into the storm.

Turn back, you ask—
To hearth, and feast and love?
But now the sea grows calm.
A little way—
The sky is blue. The men are strong.
A little way—
The shapeless mists awaken
And the sail
Bends forward with your heart
To meet the land.

FTC STUDY QUESTIONED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. FINDLEY. Mr. Speaker, judging from the activities of the Federal Trade Commission, one would conclude that funeral directors are all a bunch of unscrupulous thieves.

I have yet to meet one of that stripe. As a newspaperman in my early years I had occasion to be with funeral directors often and under many varied circumstances. My experience supports the conclusion that the profession is an honorable one, filled with people determined to give fair, efficient services at times of extreme emotional stress.

No doubt the profession contains a few bad apples. What profession can claim otherwise? However, the National Funeral Directors Association and—I might add—the Illinois Funeral Directors Association is extremely strict in upholding the standards of the profession. The code of professional practices for funeral directors is carefully adhered to, with offenders disciplined by the ethics committee.

I quote my good friend Harlan Williamson, the owner of a funeral home in Jacksonville, Ill.:

> I have just finished serving two years on the Ethics Committee of the Illinois Funeral Directors Association. In that period of time, I can recall only one instance of possible unethical conduct.

He goes on to point out surveys showing that almost 98 percent of the families served return to be served again by the same funeral firms. Somebody must be doing something right.

The FTC reports indicated approximately 80 complaints since 1973, during which time almost 4 million funerals were conducted. Could intervention by the FTC improve the record of 1 complaint per 50,000 funerals?

ADDRESS BY SENATOR CLAIBORNE PELL AT WAGNER COLLEGE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MURPHY of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following remarks made by the distinguished Senator from Rhode Island at the 93d annual convocation of Wagner College:

ADDRESS BY SENATOR CLAIBORNE PELL

I am honored and delighted at this opportunity to share with the students and faculty of Wagner College this opening of your academic year.

The beginning of a new academic year is, in some ways, more impressive and important than the commencement exercises that conclude the year.

What we have gathered here today is a community—of faculty, administrators and students—whose presence signifies a shared and significant commitment—a commitment to knowledge and to reason as essential elements of human life. That basic conviction—that knowledge and reason are essential to human fulfillment—is so much a part of our civilization and culture that we often take it for granted. In human history, however, that conviction has not always been widely shared, and in my view it is a conviction that cannot be too often restated and celebrated.

That is one reason why I am happy to be here; to share with you this rededication to knowledge and reason.

I come to you as a member of another institution, the Congress of the United States, that, correctly or incorrectly, is not always held in high esteem for its pursuit of knowledge or its application of reason.

Indeed, opinion polls tell us that the public generally has a very low opinion of the Congress as an institution. The Congress is not alone in the apparent loss of confidence among the public. There has been, I believe, a general loss of faith in our American democratic processes. And, indeed, no branch or level of government has been spared in the growing disillusionment with government.

This public mood is, and should be, a matter of serious concern for all Americans, because a democratic government must rest ultimately on the assent and the confidence of the people in the processes of government.

I would like today to discuss with you some of the reasons, as I see them, for this disillusionment with government, and what can be done to restore confidence.

At the outset let me say that disillusionment with government is a particularly accurate description of what has taken place. Disillusionment, taken literally, means getting rid of illusions. To some extent we have suffered from illusions about our government and its ability to shape the world and our society to our own design. We learned in Southeast Asia, in our dealings with the oil-producing countries, in our efforts to curb crime and eliminate poverty in our own country, that the vision of omnipotence was an illusion. There are in fact limitations on what we can accomplish.

The purging of these illusions has been a painful and very unhappy process for all of us—but in the long run it is a necessary and healthy process, because government policies based on illusions, instead of realities, are at best doomed to failure and at worst invite disaster.

Another element in the erosion of public confidence has been a crisis of leadership which has haunted us for the past decade. It is no exaggeration to say that no President elected by the people of the United States since the assassination of President John Kennedy in 1963, has been able to sustain the confidence of the American people. To an American public accustomed to sustained Presidential leadership—through Franklin Roosevelt, Harry Truman, Dwight Eisenhower and, all too briefly, John Kennedy—this past decade has been frustrating and traumatic.

A third element in the loss of confidence in government is that some of our government processes had become subject to real abuses. The whole gamut of abuses involving campaign finances and misuse of government power that are encompassed by the term Watergate were a real reason, not for disillusionment, but for public outrage and for reform.

As a member of the Senate, I am naturally most concerned about the apparent loss of public confidence in the Congress. There are, I believe, particular factors at work that have led to a derogation of the Congress as an institution, and I would like to discuss them briefly.

First, however, I think the public view of the Congress should be put in some perspective.

With few exceptions in our history, I think, neither the House of Representatives, the Senate, nor the Congress as a whole has been considered entirely admirable or loveable. Indeed, it is part of American political tradition for some to regard with scorn any legislative body—be it a city council, a state legislature or the Congress.

As evidence that a mild contempt of the Congress is nothing new, let me cite a few quotations from our history:

Sergeant S. Prentiss, in a letter to his sister in 1833 said, "You have no idea how destitute of talent are more than half of the members of Congress. Nine out of ten of your ordinary acquaintances are fully equal to them."

And in 1864, General Robert E. Lee, wrote to his son, Custis, about the Confederate Congress, saying, "I have been up to see the Congress and they do not seem to be able to do anything except to eat peanuts and chew tobacco, while my Army is starving."

And, as a final example, S. L. Clemens, (Mark Twain) perhaps the greatest of Congress-baiters in our history, commented in 1907 that "Fleas can be taught nearly anything that a Congressman can."

So exasperation, and something less than awesome respect for the Congress, is nothing new in our history. Legislative bodies are usually regarded as being slow-acting, obstructive, confused, wrangling, wordy, and grossly inefficient.

There is some measure of justification for all of those criticisms as they apply to the Congress.

But I also believe that much of the current criticism of the Congress misses the mark because it is based on a misunderstanding of the role of the Congress in our government, particularly as it contrasts with the role of the executive branch.

Indeed, I think we have seen a strange inversion in the standards by which the executive branch and the legislative branch of our government are judged. The public, and particularly the press, tend to judge a President and the executive branch on the basis of the policies espoused and pursued.

The Congress, on the other hand, is often judged on how efficiently it operates, how quickly it moves to enact legislation to solve national problems.

These standards of criticism and evaluation, I believe, are upside-down. In truth, it is the Executive Branch which should be judged on its efficiency and effectiveness in executing policies.

And it is the Congress which should be judged on the basis of the national policies it promulgates as legislation.

Perhaps, in this Bicentennial year, we should go back and read the Constitution and the debates by the delegates to the Constitutional Convention in establishing the framework of our government. The focus of their debate was not whether the legislative branch would be efficient—on the contrary, their primary concern, as I read it, was that the Congress be representative of the nation.

I would contend that many of the symptoms of Senate inefficiency and ineffectiveness, which are regularly deplored in the press, are, in fact, signs that our democratic processes are alive, vigorous and healthy.

For example, the Congress is under heavy criticism now for our failure to establish by law a comprehensive national energy policy, including energy conservation and energy resource development. I, too, am unhappy at our failure to establish national energy policy legislatively. But, realistically, I think the failure of the Congress means that no national concensus has developed on energy policy. In this instance, and I believe in most instances, the Congress is in fact very representative of the people.

I would argue that what the press tends to view as a failure of the Congress in energy policy, is in fact democracy in action. While the Congress has not enacted a national energy policy, it has been vigorously engaged in the complex process of developing policy in a democracy. The Congress has been bringing forward every possible alternative policy, examining them from every side, debating them, testing their acceptability and support in committee votes and floor votes. In this process the choices, and their implications for every region, every industry, and every individual, are becoming clearer. And out of this process eventually will emerge a national energy policy.

It is not a neat, orderly or precise process. But, as I said earlier, democracy itself is not the easiest, most efficient, or most orderly and precise way to arrive at national policy. It is just the way under which the individual has the greatest freedoms and I for one consider best.

Invariably, as the Congress draws toward the end of a session, and adjournment looms ahead, the Senate becomes involved in prolonged debate, filibusters and tangled parliamentary maneuvers. Just as inevitably, there will appear a spate of newspaper editorials and commentary chastising the Senate for tieing itself in knots while the nation's business lies waiting.

The truth, I believe is that the intensity of debate and parliamentary maneuvering simply signifies that the Senate is dealing with issues that are controversial and touch upon sensitive nerves of significant segments of our population.

Once again, it is democracy at work.

Perhaps the day will come when the Senate of the United States will sail smoothly through a legislative session in six months, adjourning before the Fourth of July, without filibusters, discord, or wrangling. When that happens, I think we should start worrying about the health and vigor of the Senate as a representative, responsive, democratic institution.

In all of this, I do not mean to dismiss the possibility or desirability of improvements in the Senate to make the institution more responsive, more effective or more perfectly representative. For example, reforms in our campaign financing laws, enacted in the 93rd Congress, are, I believe, an important step toward improving the responsiveness of the Congress to the people.

And internal reforms, such as the decision by the Senate this year to permit cloture on debate to be invoked by a vote of 60 Senators, was an important step in balancing the protection of minorities and the interest of a majority.

In terms of operating efficiency, the Senate and the House have made major changes in the past several years designed to assure that the members will have necessary information available to them. We have established an Office of Technology Assessment, to provide technical information; we have installed computerized legislative information services; we have increased substantially the research capabilities of the Congressional Research Service of the Library of Congress. There is active consideration of permitting live radio and television coverage of Senate proceedings.

All of these changes are evidence that the Senate remains a vital, vigorous institution, capable of keeping abreast of the times, despite all of the talk about antiquated inkwells on our desks.

I do not expect to see the day arrive when the Senate and the House of Representatives will be accorded universal reverence. A degree of skepticism and civil criticism is healthy.

I do think, however, that it is important that criticisms of the Congress, particularly by the press and television, be well directed and based on a deeper understanding of the functions of the institution.

The first question in evaluating the performance of the Congress, is not whether it has been efficient, speedy, or even enlightened in the policies it has pursued through legislation. The first question is whether the Congress is representing the people. After all, our democracy is based on the conviction that the people are best able to determine their own destinies, through their elected representatives.

And, conversely, in evaluating the Executive Branch of our government, it would be healthy if there were less emphasis in our media on what policies the executive branch is attempting to pursue through its legislative program, and a great deal more emphasis on how well, faithfully and efficiently the executive branch is carrying out the policies adopted by the elected representatives in Congress.

This kind of a reassessment of the Con-

gress and the executive branch, I believe, would do much to restore the confidence of the people in our government processes.

Thank you and good luck to each of you as you pursue your commitment to knowledge and reason.

WILLIAM HERONEMUS, UNLIKELY REVOLUTIONARY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. FISH. Mr. Speaker, this country has had to cope with many obstacles throughout our history. We have been able to overcome problems that seemed impossible at the time. As we approach our 200th birthday as a nation, the United States faces one of its greatest challenges—finding alternative sources of energy so that we can continue our way of life.

Fortunately, there are men today, as there have been in the past, who have the insight to look at the situation of the present and offer solutions for the future. William E. Heronemus is one of these men. A professor of civil engineering at the University of Massachusetts, Mr. Heronemus is a firm believer in the use of wind as a source of energy.

At this time, I would like to insert into the RECORD an article which appeared in the November 1974, issue of Blair and Ketchum's Country Journal. I feel that my colleagues will find this article to be both informative and interesting:

WILLIAM HERONEMUS, UNLIKELY REVOLUTIONARY

(By John Walcott)

The wind blows across central Massachusetts from west to east. From the Great Lakes and across the rolling orchards of upstate New York, up and over the purple Berkshire Hills, across the fertile Connecticut River valley, and out over the Atlantic.

Today, it is blowing at about ten miles per hour, just enough to bend the branches of the young maple trees that dot the sprawling campus of the University of Massachusetts in Amherst.

Professor William E. Heronemus, a retired naval officer who came to the University nine years ago to teach civil engineering, leans back in his chair and contemplates a bedraggled plastic window shade that is flapping spastically in the breeze.

"It's a shame," he says, "All that energy going to waste."

William Heronemus is a windmill expert, perhaps the foremost in the nation. He is convinced that the best short-term solution to New England's energy problems would be a network of 13,695 windmills off the Massachusetts coast, where the wind speed averages a little more than twenty miles per hour.

Such a network, says Heronemus, would cost a shade more than $22 billion, but could spin out 159 billion kilowatt hours of electricity a year—four times the amount the six New England states used in 1973. And, he says, because fuel is free and operating costs are low, wind-generated electricity would cost the consumer about three-fifths of what he now pays for power.

Each windmill in Heronemus' Offshore Wind Power System is a diamond-shaped metal tower rising 340 feet above the sea and carrying three huge propellers, each 200 feet in diameter. (13,695 windmills × 3 propellers each=41,085 propellers off the New England coast.) Most of the windmills would be mounted on floating platforms, similar to modern offshore oil-drilling rigs, but some would be anchored in the shallow waters of Georges Bank, Nantucket Shoals, or New York Shoals, like the Texas Towers of the 1950s.

The windmill towers would be grouped into eighty-three clusters of concentric circles, each three and one half miles in diameter, with every tower in a cluster one quarter mile from its closest neighbors. Each cluster, or unit as Heronemus has labeled them, would contain 165 windmills, and would cost a bit more than $205 million, installed.

The circular units would be arranged, in turn, along three north-south lines to catch the prevailing westerly winds. The innermost line, 164 nautical miles long, would begin some thirty-eight nautical miles north of Race Point, near Provincetown on Cape Cod. At a point about ten miles north of Race Point, out of sight of land, the line of windmills would curve to the southeast along the Cape's outer beaches, still out of sight, then would head due south again about thirty nautical miles east of Nantucket, finally ending at the edge of the Continental Shelf some sixty-five miles southeast of Nantucket.

The second line, ninety-five nautical miles long, with 4,455 windmills in twenty-seven circular clusters, would begin about ninety nautical miles east of Truro, on Cape Cod, and would run due south to the edge of the Continental Shelf. The third line, sixty nautical miles long with 2,805 windmills in seventeen clusters, would be constructed sixty miles east of the second line, or about 150 miles off Cape Cod.

But what good are 13,695 windmills if the wind stops blowing?

Heronemus has an answer: use the electricity from the windmills to break down sea water into hydrogen and oxygen. The oxygen could be released as a harmless byproduct, and the hydrogen could be stored in a deep-water tank farm. Then, when the wind dies down, the hydrogen could be released, pumped to shore, and used to make electricity in a device called a fuel cell which converts the chemical energy in hydrogen gas into electrical energy, rather like a battery.

Would 13,695 windmills interfere with navigation?

"Hogwash!" Heronemus replied in a paper published in 1972 by the Marine Technical Society. "Navigation as practiced by the typical New England fisherman would *profit* from this scheme—they have always wanted street markers and signs to compensate for their inoperative compasses and navigational [in]-competence."

Is it legal to erect 13,695 windmills beyond the territorial limit?

"There will be a group of bleeding hearts who will feel we must consult with such major maritime powers as Malta and Tanzania before we have the right to proceed with something like the Offshore Wind Power System," said Heronemus in his 1972 paper, dismissing the thought that America cannot do whatever she wants with the Continental Shelf—including drilling for oil or building windmills.

But is this grandiose scheme technologically feasible? To a surprising extent, it is. The last decade has seen tremendous strides in ocean engineering, as man turned increasingly to the sea for new sources of oil, food, and raw materials. Aerodynamics and materials research have provided the metals and the know-how to build hurricane-proof windmills.

The Achilles' heel of the Offshore Wind Power System is the hydrogen storage and fuel cell technology. Hydrogen research ended when the German zeppelin *Hindenburg* exploded at Lakehurst, New Jersey, and was not resumed until very recently, when engineers began to realize that the world is running out of natural gas and began searching for a replacement. Major experiments are now underway at United Aircraft in Connecticut and at Brookhaven National Laboratory on Long Island, but large-scale hydrogen storage and fuel cell use will probably have to wait for at least another decade. When it is perfected, hydrogen may emerge as a nearly perfect fuel—recyclable and nonpolluting.

But William Heronemus is not about to wait.

"Offshore Wind Power System has a future not a past," he wrote in 1972. "How much is the United States willing to spend to solve massive pollution problems at their source? How much of a bonus in reduced costs for electricity is the United States willing to accept as a prize for abandoning some of our current plans, some of our investment, and insisting on pollution-free power sources? The Ocean Engineers are ready to lead the way down the road to that goal whenever the public, the government, and the industry are ready to get underway."

A few years ago, quixotic talk like that would have meant a quick trip to academic oblivion. Today, it has made William Heronemus something of a national celebrity, a source of information for countless academicians, and a minor cult hero to the hundreds—perhaps thousands—of Americans who are cutting the ties that bind them to utility companies and are turning to the sun and the wind.

A few years ago, William Heronemus was virtually alone in the windmill business. Today, he may be eclipsed by bigger and more prestigious names—the University of Michigan, the California Institute of Technology, the National Aeronautics and Space Administration, General Electric, the Grumman Aerospace Corporation—that have begun to study windmills.

William Heronemus grew up in Lancaster, Wisconsin, the seat of Grant County, twenty-five miles due north of Dubuque, Iowa, twenty-seven miles southeast of Prairie du Chien, and approximately 875 miles from the ocean. Yet William Heronemus always knew that he wanted to be a naval officer.

"I will never know why," he says now. "But it was absolutely clear. You just get tired of looking at cornfields."

Heronemus got his chance in the spring of 1938, when populist Senator Robert E. La Follette held his annual competitive examination for prospective military officers. The competition was tough in those lean years, and there were 1,200 applicants for one appointment to the Naval Academy.

William Heronemus won.

He left Wisconsin that summer, headed for the sea with a railroad ticket to Annapolis, Maryland and one hundred dollars in spending money his sister had given to him.

While Heronemus was a midshipman, someone in Annapolis had a small sailboat with a propeller mounted on the mast. The propeller was connected to an underwater screw via a shaft, and the little boat could sail directly into the wind. Other sailors around the mouth of the Severn River insisted that the boat had a storage battery hidden on board, but it did not.

Heronemus, who was interested in naval architecture and yacht design, and had devoured most of the standard texts on the subject, was fascinated by the little boat. But the world was moving too fast for idle dreaming, and the little sailboat was soon forgotten. It would be more than thirty years before Heronemus thought of it again.

The young sailor was driving home to Wisconsin after his first trip to sea, aboard the old USS *Texas*, when he heard the news that

Hitler had invaded Poland. Winston Churchill's voice caught up with him on a moonlit night in Ohio.

When the war ended, Heronemus returned from destroyer duty in the Pacific and was sent back to school to study marine engineering and naval architecture at the Massachusetts Institute of Technology.

"MIT was not as pleasant as the Academy had been," he says. "A lot of the work there was very, very difficult, but there was nothing I couldn't handle quite nicely." (William Heronemus' friends say he has never lacked self-confidence.)

At MIT Heronemus first became interested in energy technology. He began to study the principles of gas turbines, which are twentieth-century descendants of windmills. Modern windmills, in fact, are often called wind turbines.

Heronemus showed an aptitude for turbine technology, and the Navy offered to send him to Switzerland to study for a doctorate in fluid dynamics. But Heronemus said no: he had found the calling that would occupy the next fifteen years of his life. Not until twenty years later, after he had retired from the Navy, would he return to the study of turbines, somewhat embarrassed that he had never earned his PhD.

After MIT, the young design officer was stationed at the Portsmouth Navy Yard when, in 1948, Admiral Hyman G. Rickover approached the Yard with a startling proposition. Rickover wanted to build a nuclear-powered submarine.

Heronemus did not think much of the idea at first, but with typical open-mindedness, he began to study the subject. As he did so, the facts persuaded him that Rickover was right.

"I pooh-poohed the idea of nuclear submarines," Heronemus recalls. "But as time went by I began to see that it made damn good sense."

Then a lieutenant commander, Heronemus was put in charge of ordering all the steel for the world's first nuclear submarine, the USS *Nautilus*, which was launched in 1954.

By 1955, Lieutenant Commander Heronemus was managing the largest ship-design shop in America, the Mare Island Navy Yard in California, where the Navy was building the world's first missile-carrying submarines.

His strong convictions occasionally caused trouble, but Admiral Rickover bailed him out.

"Rickover recommended that I be given a medal for telling my superiors to go to hell," Heronemus recalls, grinning.

At Mare Island, Heronemus decided that he wanted to go to work for Rickover, who had emerged as the nation's most forceful advocate of nuclear power, both for ships and for commercial electric power plants.

"I got a message that if I asked Rickover for a job I might very well get one," Heronemus says. "I went back to Washington and walked all the way to his door in the old wooden building behind Main Navy. I got all the way to his secretary's desk. Then, for the first time in my life, I completely clutched up.

"I guess I've never really understood why," he muses. "I guess it just wasn't meant to be."

At the age of forty-five, Captain William E. Heronemus left the Navy. He was, he says, deluged with job offers, and took a position with United Aircraft in Farmington, Connecticut, where engineers were studying the possible use of hydrogen to generate electricity.

Although Heronemus was unaware of it at the time, the pieces of his windmill proposals were beginning to come together. All that was missing was a catalyst, a spark to start him thinking.

On November 1, 1968, Heronemus came to Amherst to start an ocean engineering program at the University of Massachusetts. He had thought that perhaps he would enjoy teaching, and had been recommended for the job by an old Navy man, Dr. Frank Andrews, who was a professor at Catholic University.

Heronemus arrived in the middle of a burgeoning row over Northeast Utilities' plans for nuclear reactors in the Connecticut River valley.

"At one point" Heronemus remembers, "The plans called for completely stopping the river's flow."

The seed was planted.

Heronemus began thinking about energy, and the University began thinking about applying for a National Science Foundation research grant under a new multi-disciplinary program called Research Applied to National Needs (RANN). Dr. Jesse Denton of the University of Pennsylvania, then with the NSF, gave Heronemus and his colleagues some free advice. Energy, said Denton, was the prime problem nobody was working on.

While some faculty members proposed building floating offshore nuclear reactors—an idea Heronemus supported—Heronemus' thoughts had turned toward more unconventional sources of energy. He remembered the wind pumps that had been used to pump water in rural Wisconsin, he remembered the propeller boat at Annapolis, and he began to study the wind research done by German scientists in the 1920s and '30s, after the Treaty of Versailles prohibited German aerodynamic studies of aircraft.

Perhaps only a country boy who had learned to trust nature, to wait for the sun to ripen the corn, and for the wind to bring the spring rains, could turn his back on two hundred years of technological progress and begin a serious study of windpower. City boys cannot tell which way the wind is blowing, and put their trust in coal or oil.

While other men would have agonized as they thought back over all those years in the very bosom of the nuclear power establishment, William Heronemus simply moved on, with a rare sort of open-mindedness about comparing nuclear reactors to windmills.

As he proceeded, studying windmills on the one hand and nuclear power plants on the other, the windmills began to win out. He knew that the economics of nuclear power were beginning to fall apart—the Vermont Yankee plant at Vernon, Vermont wound up costing four times the original estimate for its construction. Then Heronemus began to read about safety and environmental problems: loss-of-coolant accidents, plutonium production, radioactive-waste-disposal problems. He remembered the quality-control costs of naval reactors—thirty per cent of the direct labor costs at Portsmouth were quality control.

The vast disagreements between respected atomic scientists, people like Edward Teller on one side and Arthur Tamplin or John Gofman on the other, troubled him.

"The science isn't that goddamn abstruse—or is it?" he asked. "Engineering isn't like that. By golly, there are just too many unanswered questions," he finally decided.

The politics of energy also troubled Heronemus. Like Senator La Follette, who sent him to Annapolis, he is a populist at heart, and he didn't like the way the big utility companies had decided that nuclear power was just what New England needed.

"I decided," he says, "that there indeed is a conspiracy. The utilities and energy companies are going to get us hooked on nuclear power, then they're going to drive the price up wherever it will go. And who are they? They are the same friendly souls who are selling us coal and petroleum products."

The answer at last became apparent. Man, in order to free himself from dependence on earth's waning natural resources and the monolithic energy companies that peddle them, must return to the solar system's renewable resources. Ultimately, that means some form of solar energy—either rooftop heat-collectors, massive "sun farms" to generate electricity, or devices to harness the differences in air temperatures that create the winds.

"We have got to show ourselves," says William Heronemus, "that we can have solar power now."

It is a typically American expression of confidence: if we will just put our noses to the grindstone, we can do what must be done. At the same time, though, William Heronemus, a product of Grant County, Wisconsin and the United States Naval Academy, is a revolutionary.

He would have us abandon our traditional battle with nature, our traditional quest for more oil, more coal, and more uranium; he would have us forego deeper wells, bigger mines, and more efficient strip-mining machines. Instead, he says, let the sun light your neon signs and let the wind turn on your electric toothbrush.

COMMENCEMENT ADDRESS

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. McHUGH. Mr. Speaker, on June 21, 1975, Thomas P. O'Connell, associate professor of English at the State University Agricultural and Technical College at Delhi, N.Y., delivered a brief but impressive commencement address to the graduating class at Delaware Academy and Central School in Delhi. Professor O'Connell addressed many of the issues which concern this country today, and he had many interesting observations to offer. I would like to share Professor O'Connell's address with my colleagues and insert it in the CONGRESSIONAL RECORD at this point:

COMMENCEMENT ADDRESS, DELAWARE ACADEMY, DELHI, N.Y., JUNE 21, 1975

(By Thomas P. O'Connell)

Ladies and gentlemen of the class of 1975 and Friends, I am happy and honored to be here.

It seems a mandate of the universe is growth—

The human life span is longer.

Knowledge increases at a dizzying rate.

Gross National Products are usually going up.

We have a greater ability than ever before to feed people as well as to kill them.

If profits don't increase, a company (under many systems) folds.

If an economy doesn't expand, it may collapse.

A vital concern today is whether or not our limited physical space and resources can maintain this constantly increasing rate of growth. If the universe and man in particular must grow—how do we resolve the problem? Perhaps we first have to examine this notion of growth—what is it? Growth toward? Growth from? Growth into? Is it necessarily three dimensional? Is future technological expansion desirable?

It at least seems obvious that a distinction might be made between technological advancements which are necessary to a higher quality of life (medical and dietary, e.g.) and those which are merely conveniences or entertaining, unnecessary to live a full life—and then some means developed to follow up on this distinction.

It is difficult perhaps for an individual person to feel important in a world of such rapid change.

A world so complex—with its hierarchy of bureaucratic structures and multi-national conglomerates.

A word so impersonal—with its management by objectives, group think and government by committee.

A world so paradoxical—with ever increasing collective power and technology almost in direct proportion to decreasing personal power and fulfillment.

And yet each of you is important—you are unique. You can make a difference.

Man (man and woman) has an intellect; he makes choices. He has an imagination.

Consider the stars—it might seem awesome even frightening as you glance up at the countless numbers of them in numerous galaxies and yet you are aware of these stars and planets—they are not nor can ever be aware of you.

Man can internalize (in a metaphysical, spiritual sense) his growth, if he chooses. There are no limits to this development. In fact, external expansion, because of physical limitations will eventually collapse without internal support.

Up to this point in history the thrust of development has been quantitative—perhaps now the emphasis must be on a qualitative enrichment. This internal qualitative becoming will enable man to live without many of the unnecessary technological innovations which are becoming increasingly hazardous to life on this earth and at the same time man's internal growth might make him more willing to share those goods already available through technology—again decreasing the need for additional external development.

Ladies and gentlemen of the class of 1975, you are faced with this problem. You have the privilege and the responsibility of choice—you can make a difference. You can make a difference whenever you decide to grow internally and the decision touches someone else.

I call this the one man revolution.

Don't expect immediate or even visible results—but don't despair. The answer does not lie in running off to the mountains with three Herman Hesse novels, a sixpack and two John Denver records to await the end of the world.

The answers are complex and elusive—but begin by saying "yes" daily to the challenges of our aware existence. And then you might try the following:

First—*Know your limitations.* Come to grips with who you are and then accept yourself as being less than perfect. You must be honest—you must try your best and then live with what that is. When we accept ourselves, we have a better chance of tolerating others. Tolerance is significant. To love others certainly is an ideal to be pursued but if we can at least learn to tolerate others we have accomplished much.

Second—*Be imaginative.* Refuse to see reality only the way others tell us it is. Walter Cronkite, Dick Cavett, and other noted public figures don't have a corner on the market.

Look beyond the immediate—beyond what appears to be—to dream about what might be. Challenge the desperate.

Don't accept the old cliches and shibboleths: That man is basically evil; That war is inevitable; That we must always have the starving among us; That we must have nine million unemployed.

Test your creativity in every situation: In your relationship with the earth; with other persons; with your God.

Continually ask yourself—how do I and can I love thee? Let me count the ways.

Third—*Try to be happy.* Not silly, nor phony but genuinely attempt to get the most out of every situation and share that enthusiasm with others. There is an old saying which reflects this well: "I have bread, but you have given me red roses—how happy I am to hold both in my hands."

As you accept yourself and imaginatively try to be happy, you will make a difference for you will be growing inside. And like Tevye, you will be able to salute "To life" for you will have chosen life.

IN MEMORY OF FORMER GUAM SENATOR UNDERWOOD

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 1975

Mr. WON PAT. Mr. Speaker, I was greatly saddened to learn recently of the passing of my good friend, Raymond Underwood.

Ray and I were lifelong associates and served together in the Eighth Guam Legislature. In the late 1950's Senator Underwood led an early movement to form a Republican Party on Guam, and made many other contributions to the Guam political scene. Senator Underwood will also be long remembered for his dedicated service to the people of Guam for his work on various civic and charitable organizations.

The almost endless listing of his many contributions only tells part of the story of this great man. However, equally important was the fact that Ray was a good friend and a proud family man. His dedication to the cause of good government was unflinching and the proud tradition of honesty and public service be left behind will long be remembered.

Ray left behind him his beautiful wife, Anna, daughter Rosemarie Silva, and son James, who has followed in his father's footsteps by serving in the present 13th Guam Legislature. I am sorry to know that Ray is no longer with us. His counsel and friendship will be sorely missed by all his many friends on Guam.

At this time I include in the RECORD the October 5, 1975 newspaper account of Senator Underwood's passing.

Thank you.

The article follows:

[From the Sunday News, Oct. 5, 1975]

EX-SENATOR RAYMOND UNDERWOOD DIES

Raymond Underwood, long an active civic leader and a senator in the 8th Guam Legislature, died yesterday morning at Guam Memorial Hospital after a long illness.

He was 59.

Underwood served in the 8th Legislature as a member of the Territorial party, predecessor of the Republican party here. His son, Sen. James Underwood, serves in the 13th Guam Legislature as a Republican. In the late '50s Raymond Underwood helped lead a movement to form a Republican party on Guam, but the group was unsuccessful.

A daughter, Rosemarie Silva, and four grandchildren also survive.

Underwood was the founder and president of Marianas Sales. The retail firm was founded in 1946 and the first store was in unused military quonsets in Tamuning, at the time considered by many to be a rather remote area.

The Tamuning location was successful, however, and later years saw the area build into one of Guam's largest commercial districts.

Heavily damaged by Typhoon Karen, Marianas Sales moved to Agana in 1963. Although it was the capital, Agana had few businesses at the time and, according to his son, Underwood later felt he had helped pioneer another business area.

"It was pretty empty down here for a while," James Underwood said in remembering the store's first years in Agana. "We first thought we'd built too big a store, but later wished it had been bigger."

The son of James H. and Anna Martinez Underwood, Raymond Underwood was born May 30, 1916. He graduated from Guam Evening High School in 1933 and was married in 1939 to the former Anna Torres.

During the Japanese occupation of Guam in World War II Underwood worked as a supervisor in the rice fields. After the war he was active in military activities and worked at the hospital in Apra Heights and as an assistant administrator at the port.

His service to civic and charitable organizations included four terms as president of the Guam Rotary Club. He also was a past president of the Chamber of Commerce and of the Guam Council of the Boy Scouts of America. He was a former chairman of the Guam chapter of the American Red Cross, former chairman of the Territorial Parole Board, a former member of the 3rd Air Division Civilian Advisory Council, chairman of the 1957 Liberation Day festivities and a member of the Elks and the Parent-Teacher Association.

Funeral arrangements are incomplete but services are to be Wednesday at the Agana Cathedral with burial at Pigo Cemetery.

Rosary is being said nightly at the cathedral after the 7 p.m. Mass.

DuPAGE COUNTY EXPLORERS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. ERLENBORN. Mr. Speaker, a group of high-school-age young men and women in DuPage County, Ill., have recently accomplished a feat usually reserved for highly trained and experienced law-enforcement officials.

Explorer Post 683, sponsored by the Naperville Police Department, assisted the Federal Bureau of Investigation in a search of the DuPage River for more than $500,000 in stolen checks.

A local newspaper described what happened:

> The Explorers, armed with rakes and drag lines, waded in thigh-deep water and mud for almost an hour before Explorer Dirk Wolgast pulled up the partially-decayed canvas bag containing the checks.

This feat is significant because it is not unique. In the spring, the Explorers were involved in a search for an elderly woman lost and wandering in a rural part of the county. During the summer, members of the post revived and transported an electric shock victim to the hospital. Last fall, members traced down a local rumor, developed it into hard evidence, which led to the arrest and conviction of a felon responsible for three Wisconsin burglaries.

I applaud the accomplishments of Post 683, as well as the worthwhile projects of the 42 other Explorer posts in DuPage County. Their deeds have benefited all of the residents in the 14th Congressional District.

HUNDREDS OF MILLIONS OF DOLLARS IN SAVINGS POSSIBLE IN MEDICARE KIDNEY DISEASE PROGRAM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. VANIK. Mr. Speaker, recently I received a response to a letter that I had sent to Dr. Willem J. Kolff concerning the comparative costs of home dialysis and institutional dialysis for patients suffering from end stage renal disease. Dr. Kolff is a former Cleveland resident who is world famous for his work on medical equipment and artificial organs. Dr. Kolff has provided us with a detailed cost breakdown which illustrates that home dialysis is between $5,000 and $10,000 less expensive than institutional dialysis the first year and between $8,000 and $13,000 less expensive each additional year.

The cost figures listed below for home dialysis include those items which are not covered by medicare, but are still a necessary part of the dialysis procedure. Home dialysis, including training for home dialysis, installation of equipment, a starter kit, supplies, and equipment rental, comes to $12,898 the first year, but drops to $10,044 thereafter. Institutional dialysis at a limited care facility, however, would cost $23,400 per year.

At present there are approximately 20,000 patients on dialysis, 30 percent of whom are being treated in their homes. A panel of physicians appearing before the Oversight Subcommittee in July, whose practices ranged from 20 percent on home dialysis to a high of 80 percent, were in agreement that a level of 50 percent of dialysis patients in home dialysis is medically feasible. If such levels were achieved, then according to the cost estimates provided by Dr. Kolff, over a 10 year period the Medicare program would save approximately $522 billion. It is also assumed that the number of patients on dialysis will rise to between 50,000 and 70,000 by 1984. If 50 percent of this larger patient population can be treated at home, the 10-year cost savings will be over a billion dollars.

It has been predicted that medicare's end stage renal disease program will soon be costing the Federal Government close to $1 billion a year; some estimates are closer to $2 billion. Mr. Speaker, there is tremendous potential for cost savings with medicare's kidney disease benefits program through home dialysis. The Oversight Subcommittee is currently engaged in holding a series of hearings to determine the most appropriate way this can be achieved.

Following is Dr. Kolff's analysis of potential cost savings:

COST COMPARISON OF HOME DIALYSIS VS. CENTER (LIMITED CARE) DIALYSIS

FIRST YEAR COSTS

Home Dialysis

Training for home dialysis: Average of 6 weeks x 3 dialysis per week x $190 (Includes routine lab work, dietician and medical coverage)	**$3,420.00**
Installation of equipment	450.00
Starter kit	170.00
Subtotal	4,040.00
Supplies (including on-call technician and doctor): Kits at $46 each x 3 dialysis per week x 46 weeks	6,348.00
Equipment rental (Including parts and service): RSP, single needle, etc. $239 per month x 10.5 months	2,510.00
Subtotal	8,331.00
Total home costs first year	12,898.00
If paid technician is required: $35 x 3 dialysis per week x 46 weeks	4,830.00
Total home costs first year with technician	17,728.00

Center Dialysis

$150 x 3 dialysis per week x 52 (excluding professional fees)	23,400.00

COST COMPARISON OF HOME DIALYSIS VS. CENTER (LIMITED CARE) DIALYSIS

AFTER FIRST YEAR

Home Dialysis

Equipment rental: $239 per month × 12 months (including parts and service)	$2,868
Supplies: $46 × 3 dialysis per week × 52 weeks (including on call technician and Doctor, Social Worker, Dietician, etc.)	7,176
Total	10,044
If outside paid technician is required: $35 × 3 dialysis per week × 52 weeks	5,460
Total with paid technician	15,504

Center Dialysis

$150 × 3 dialysis per week × 52 weeks (excluding professional fees)	23,400

NOTE.—If equipment is purchased rather than rented, the first year costs are increased by $3,226. After the first year, costs would be reduced by $2,868, but would incur costs of service and parts.

SUPPORT OF BIOMEDICAL RESEARCH

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. CARTER. Mr. Speaker, the following statement describes the action taken by the American Medical Association House of Delegates at its June 1975 annual meeting held in Atlantic City:

SUPPORT OF BIOMEDICAL RESEARCH

(Reference Committee E, page 371)

HOUSE ACTION: ADOPTED

In 1967, the American Medical Association's recognition and support of the national biomedical research effort were expressed when the House of Delegates accepted the *Report of the Commission on Research* and adopted the recommendations contained therein. Of the report's fifteen recommendations dealing with various aspects of biomedical research and education, the first two, and the most important, were as follows:

1. "The American Medical Association should support in general the Federal biomedical research program." This sentence was qualified by the proviso that the Association should assume obligation for a continuing critical discussion and analysis of the program.

2. "The Programs of the National Institutes of Health should be recognized for their contributions to the national biomedical research effort."

In adopting in 1967 the recommendations of its Commission on Research, the American Medical Association took an affirmative view of federally funded research in medicine and biology. The condition of biomedical research in the United States in 1974 is warrant for the Association once again to declare itself on this subject. Only a decade ago biomedical research was one of the nation's most vigorous and splendid scientific endeavors. Now it is seriously faltering, having been victimized by inadequate federal funding, by budgetary imbalances dictated by expediency, by restricted and uncertain programs for training researchers, and by an increasing political presence among administrators or, and advisors to, the National Institutes of Health. To reverse these trends, a mere allocation of more monies to research in general will not suffice. Rather, corrective measures will entail specific and dedicated efforts to shore up each of the several levels of biomedical research. These include research that has as its objective the acquisition of basic knowledge, whether or not it bears any known relation to a disease, clinical investigation that may be either fundamental or applied, and, when conditions are appropriate, targeted research. An adequate pool of manpower to carry out the necessary tasks must also be assured.

Because of its conviction that biomedical research is one of the cornerstones on which good health care rests, the American Medical Association wishes to endorse and promote the following principles:

1. The support of biomedical research is the responsibility of both government and private resources. The federal government, for its part, must sustain, with high priority, major appropriations to all federal agencies that have responsibility for the support of biomedical research, including training for this research. Such support is warranted not only for humanitarian but also for economic reasons. The cost benefits of medical research are dramatically illustrated by the investments made in virus research that led to several effective vaccines against infectious disease. At today's hospital costs, for example, the nation saves $2 billion per year because of the vaccine against poliomyelitis. Equally large savings have resulted from chemotherapy for tuberculosis. Indeed, it has been suggested that one dollar invested in research saves many dollars in subsequent medical care costs.

Inflation and increasingly sophisticated technology have increased medical research costs dramatically. It is inappropriate to compare today's research expenditures with those of an earlier period in absolute dollar amounts. Government appropriations and authorizations for biomedical research and training must take these factors into account; at a minimum, support for research and training should be established and sustained at a level that will bear some consistent relation to the nation's total expenditure for health.

2. The National Institutes of Health must be budgeted so that they can exert effective administrative and scientific leadership in the biomedical research enterprise. It is important that enabling legislation ensure the economic independence of the Institutes. The prerogatives and non-political nature of the NIH director, the Institute's directors and the advisory bodies must also be protected. Strengthening the independence of the Institutes, however, does not preclude changes in the overall NIH structure, or that of the com-

ponent Institutes, which must be flexible and accommodate to new needs.

Funds appropriated and released for the direct support of extra- and intramural research must be adequate and reasonably assured from one budget year to the next.

3. An appropriate balance must be struck between support of project grants and of contracts. Significant, basic discoveries will continue to evolve from independent, investigator-initiated research, the type of imaginative discoveries that ultimately led, for example, to the development of poliomyelitis vaccine and of streptomycin for treating tuberculosis. Thus a majority of the money designated by Congress for research should be awarded by the grant mechanism, ranging from broad institutional to individual project grants.

On the other hand, the contract mechanism is entirely appropriate for a number of objectives, particularly when a discovery is to be exploited and developed. Moreover, studies in the public interest may justifiably be designed and proposed by granting agencies. The contract mechanism should, however, attempt to make use of external peer review to the greatest extent feasible.

4. Federal appropriations to promote research in specifically designated disease categories should be limited and made cautiously. Concentrating research funds in one disease area, such as cancer, may not be beneficial either to the total biomedical research effort or even to cancer research itself.

5. Funds should be specifically appropriated to train personnel in biomedical research. Without adequate numbers of personnel trained in both basic and applied biomedical research, new discoveries for the prevention and care of disease will be unlikely. Indentured service, or financial or other penalties that encumber the use of research training funds by either institutional or individual awardees, are undesirable.

6. Grants should be awarded under the peer review system that has functioned so effectively for over two decades. The study sections composed of peers that evaluate scientific merit and the judgments of councils on relevance and priority have proven to be sound. Until a more effective or more fair system is devised, no shortcuts should be made in the present system under the pretext of economy.

7. The roles of the private sector and of government in supporting biomedical research are complementary. More vigorous and more venturesome investments in biomedical research by industry and foundations is indicated to balance the necessarily routinized and bureaucratic contributions of government. Conversely, government should encourage and facilitate research support by the private sector. Changes in the tax laws that might jeopardize research funds in the private sector should be opposed. In addition, mechanisms should be developed to integrate the programs underwritten by public and private funds to prevent waste and unnecessary duplication of effort. Such integration should, however, be entirely voluntary and not obligatory.

8. Although the AMA supports the principle of committed federal support of biomedical research, the Association will not necessarily endorse all specific legislative and regulatory action that affects biomedical research. The Association will study legislative proposals closely, weigh priorities, examine past and current developments, and will be prepared to offer suggestions for improvement, or even to oppose what appears as unwarranted or disadvantageous.

9. To implement the objectives of section 8, the Board of Trustees will establish mechanisms for continuing study, review and evaluation of all aspects of federal support of biomedical research.

10. The American Medical Association will accept responsibility for informing the public on the relevance of basic and clinical research to the delivery of quality medical care. It is important that the public be familiar with the goals and methods of biomedical science so that the people and their representatives can effect sound scientific policy.

ADDENDUM—SUMMARY OF RECOMMENDATIONS OF THE COMMISSION ON RESEARCH (1967)

1. The American Medical Association should support in general the Federal biomedical research program. However, because in the public mind research tends to become enshrouded in such an aura of divinity as to exclude critical discussion and analysis of all that is advanced in its name, the AMA has an obligation to the public and to the medical profession to question any facet of the Federal biomedical research program which it may believe to be ill-advised or which it believes to be in need of constructive counsel.

2. The programs of the National Institutes of Health should be recognized for their contributions to the national biomedical research effort.

3. The Council on Medical Education of the AMA, in cooperation with other interested organizations, should be asked to make additional and progressive studies on the effects of research grants on teaching in medical schools. It should seek and recommend means for providing enhanced status and rewards for excellence in teaching.

4. The AMA should support responsible action designed to make available to selected schools of good potential, which have not developed adequate research establishments, special "development" funds to initiate or enlarge their research programs. These grants should also foster better geographical distribution of "centers of research excellence" among medical schools and universities.

5. The AMA should urge that the purpose of grants be identified precisely so that the Congress and the nation may know, with reasonable certainty, what is being supported, as a basis for future decision making.

6. To strengthen the review mechanism, membership on NIH study sections should provide for a sufficient rotation to ensure continuous infusion of new blood and to prevent the development of a monolithic, elite, decision-making "establishment." The same principles of rotation should apply to the Advisory Councils of the NIH. While due attention should be given to such factors as geographic distribution, the main consideration in appointing members to the Advisory Councils should be professional attainment and eminence of judgment.

7. A new statutory mechanism of overall review and counsel, in an advisory relationship to the director of the National Institutes of Health, should be established in order to assist in overall program planning and to provide additional checks and balances on program decisions. Membership on this advisory group should consist of men and women of demonstrated professional eminence and judgment. We believe the advisory body should have independent status, under law, to assure that its recommendations and actions will have their intended impact regardless of changes in administrative leadership.

8. Accountability for disbursement of public funds should be maintained, but this accountability should depend primarily on strengthening of administrative capabilities of educational institutions.

9. The AMA should urge and support legislation providing for Federal reimbursement of all allocable institutional costs of research projects authorized and funded by the Federal government.

10. The AMA should urge and support legislative and administrative action designed to shift more decision-making responsibility for biomedical research from NIH to participating research institutions. To this end, increased use of the "institutional grant" and of the "program grant" should be actively supported. Developments relating to, or affecting, the mix of institutional, program and project grants to academic institutions should be carefully and continuously studied and analyzed for future guidance.

11. The AMA, in cooperation with other interested organizations, should conduct workshops and seminars of academic and medical school leaders and of those Federal administrators who grant and administer Federal research funds, to review mutual responsibilities and relationships, to conduct discussions of developing problems, and to develop new techniques for the better use and management of the vast Federal funds now being made available.

12. Because of the rapid changes which are occurring in the organization of medical practice and the financing of health care, research in the delivery of health care is of great importance and should be encouraged, provided it is conducted under proper auspices in accordance with sound research design and methodology.

13. The imbalance between biomedical research and education caused by the heavy, but desirable, Federal support of research should be corrected by supporting measures that will materially increase both private and public funds for the support of the educational programs of the medical schools. First, among these measures, a more liberal income tax treatment should be allowed to the donors of private funds for medical education to create increased incentives for them to contribute to medical education. Second, there should be allotted a greatly increased amount for operational expenses of medical schools, to be matched by those schools through private or local governmental sources. Every effort should be made to keep the Federal contribution on a supplemental basis and the AMA should not support legislation that fails to do so.

14. The basic principles presented by the pharmaceutical industry on June 1, 1965, before the Subcommittee on Patents of the Senate Judiciary Committee should be endorsed, namely:

a. Provision should be made, in substantially every case, for the grant or license of exclusive rights in a scientific medical discovery to some industrial concern to assure that drug inventions, even if resulting in some part from government-financed research, are really developed and made commercially available to the people.

b. When government funds have solely or primarily developed the invention, it is equitable and rational for the government to hold the proprietary rights to the invention and to receive reasonable royalties from a licensee, or from licensees, who will manufacture and commercially market the invention.

c. Where government funds did not solely or primarily produce discovery and development of the invention, the cooperating contractor-developer alone should have the proprietary rights in the invention.

15. The Board of Trustees should provide for a continuing watch and review of developments in the areas studied by its Commission on Research.

THE REPUBLIC OF CHINA CELEBRATES ITS NATIONAL DAY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. RANGEL. Mr. Speaker, on the eve of the 64th anniversary of the founding of the Republic of China, I take this opportunity to salute our old and valued ally, and the Chinese people. On this national day we commemorate and remember the revolutionary movement led Dr. Sun Yat-sen which culminated in the overthrow of the Ch'ing—Manchu—dynasty in 1911 and the founding of modern, democratic China.

It is relevant for us to remember with our friends the inspirational leadership of Sun Yat-Sen on this national day for this great Chinese leader typified the restlessness with the status quo that is the beginning of any movement for social change. The movement he began led, under the brilliant leadership of his disciple, Chiang Kai-shek, to be transformation of China from a backward, feudal society based upon traditional privilege to a democracy based upon individual talent and achievement. As we remember the spiritual and moral power of this great leader who died 50 years ago. We look toward the day when the Chinese people are reunited as a nation in the spirit of Sun Yat-sen.

STATES RETREAT FROM SAFETY AND HEALTH EFFORT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, last spring the Wisconsin State Legislature decided to cease funding the State occupational safety and health program after almost 65 years of operation. This was an unfortunate decision for two reasons. First, Wisconsin had developed an innovative, active safety and health program. The abandonment of this program has removed the State from participation in a vital function.

Second, we are not confronted with Federal preemption, but rather abandonment of this activity to the Federal Government.

In that light, I commend to my colleagues an article which appeared in the September 21, 1975, New York Times. It has an important message to convey and I hope you will take a minute to review it.

The article follows:

STATES SLASH INSPECTIONS ON JOB SAFETY

(By Ernest Dickinson)

On the night of Aug. 29, water cascaded into a 600-foot-long sewer tunnel being completed at Niagara Falls, N.Y., filling it and drowning five construction workers. The next morning three compliance officers of the Federal Occupational Safety and Health Agency arrived at the scene to conduct an investigation. It is still going on.

A state labor department inspector had checked that tunnel every eight or nine days until July 1, when inspections stopped. The halt followed a decision by Governor Carey months before to take the state out of job safety, a field it had been active in for 85 years.

The move reflected a decision, as an economy measure, to let the Federal Government do it all after June 30. But the Federal agency does not make—and does not have the manpower to make—the repetitive inspections conducted previously by the state labor department.

It is possible, perhaps even probable, that a checkup might not have anticipated the flooding that took place. Nevertheless, the fact that this precaution had been discontinued illustrates a question of nationwide concern:

Is it good or bad that an increasing number of states choose to let Uncle Sam carry the responsibility of policing job safety?

The switchovers are taking place despite the fact that the Federal Government, by paying half their costs, has been trying to induce the states to develop and run effective programs of their own—and one result has been an even greater dearth of manpower to administer job safety regulations.

The question of who is to do what to assure working people a safe environment has taken on an added urgency with the linking of cancer to on-the-job exposure to such substances as vinyl chloride, asbestos, uranium and plutonium.

The Public Health Service estimates that toxic industrial chemicals, dust, radiation, heat and cold kill 100,000 persons a year and are responsible for the development of occupational diseases in 390,000 more.

In Hopewell, Va., for example, 12 employes of a pesticide company were hospitalized recently with poisoning from Kepone, a lethal substance manufactured to kill fire ants and roaches. Some of the workers suffered liver damage; others, loss of memory, slurred speech, twitching eyes and trembling hands. It is unknown whether the damage proved permanent.

A reason why Congress in 1970 gave the occupational safety agency concurrent authority with the states, and put Federal officers with standards and muscle to work in both areas, was because in many places virtually nothing was being accomplished. A few states had only paper programs and no personnel.

But Congress also required OSHA to encourage states to develop and run their own job safety programs. These would have to be "at least as effective" as the stiff new Federal procedures.

Presumably, OSHA would approve detailed state plans then work in tandem with local authorities until each program's effectiveness was assured and finally, after enabling legislation had been passed, the agency would back off into a permanent monitoring role.

But, with the coming of hard times, even the 50 per cent Federal funding didn't seem as attractive to some states as letting the "Feds" do it all.

Under the law, 56 "jurisdictions" are eligible to have their own occupational safety programs—the 50 states, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa and the trust territories of the Pacific.

At present 22 of the 56 have federally approved plans. Seventeen more have indicated the hope of developing them, but 17 others are unequivocally out. Six never showed interest; Pennsylvania, Georgia, New Hampshire, Mississippi and Maine withdrew after submitting plans; and North Dakota, Montana, New Jersey, New York, Illinois and Wisconsin recently dropped out even though their plans had already been approved.

Some of these states, of course, keep a certain minimal safety responsibility where OSHA has no jurisdiction—such as in boiler and elevator inspection. But several don't even do that.

Obviously OSHA's mission now is a formidable one. American industry is not spending exactly lavishly on health and safety. According to a survey by the McGraw-Hill Publications Company, $3.12-billion has been allocated for these purposes in 1975, representing a decline of about 10 per cent from 1974's outlay, after adjustment for inflation.

And OSHA is under attack from two directions. On the right, conservatives characterize the agency as an "inflexible bully" that is harassing business and impeding recovery. On the left, labor unions say the agency is underfinanced, (it will probably get less than $115-million for the current fiscal year), and too soft on employers.

Since 1971, more than 100 different attempts have been made by both sides either to weaken or strengthen the law.

A focal point of conservative criticism is a procedure called "the first instance sanction." This means that if an OSHA person visits a plant for any reason whatsoever and finds a violation of standards, he is obliged under the law to cite the employer for a penalty if one is called for. This applies even if the condition is remedied on the spot.

Critics say that the small businessman, especially, should be given another chance, and the benefit of a warning first. Defenders of the present practice, on the other hand, maintain that human nature being what it is, some employers would always wait for an inspection before correcting conditions they knew, or should have known, were dangerous.

Because of OSHA's relatively small manpower, the threat of a no-knock inspection and mandatory penalty, it is claimed, does more than anything else to induce voluntary compliance. Many believe a healthy respect for the agency's clout is necessary to keep it functioning.

By contrast, in state programs inspections have been followed by warnings and then reinspections, long court procedures and small fines. Meanwhile, dangerous conditions have gone uncorrected for months.

Currently, across the nation about three out of every four OSHA inspections turns up one or more violations.

"That fact doesn't give us any great satisfaction," says Alfred Barden, the chief Federal administrative officer for the New York-New Jersey region, where the averages are the same as nationally. "We'd like to turn those figures around. Our goal is to get employers to comply of their own accord."

This is true because it is, of course, impossible for OSHA to really police the nation's 5 million workplaces. It has been estimated that it would take the present 1,193 compliance officers more than a century to visit each establishment just once.

For that reason the agency has adopted a "worst first" policy. Places where accidental deaths or catastrophes with five or more injuries get top priority businesses where employes complain of hazards rank second.

Random OSHA inspections are made most often in industries with high injury rates—such as longshoring, meat-handling, roofing and construction. Other targets are those places where exposure is likely to such known health hazards as asbestos, carbon monoxide, cotton dust, lead and silica.

The American Federation of Labor and Congress of Industrial Organizations has been lobbying to have the Federal unit preempt safety policing everywhere, believing state programs too subject to manipulation by big business.

Some Congressmen who voted for OSHA apparently assumed that most, if not all, of the states would prefer to accept the responsibility for job safety within their borders.

But in both New York and New Jersey, more than three years of work and thousands of dollars went into such tasks as developing standards, deciding who would hear grievances and setting up administrative procedures. The states were well on the way to meeting the "at least as effective" criterion when they jettisoned their safety programs. For New York, Governor Carey estimates the savings from discontinuation at $3.6-million a year.

Those who were administering the New York program, however, believe it would have been a better one than that of their watchdog agency.

"Our philosophy was to provide services," says one former state staff member. "For example, we would examine plans for industrial ventilation and say, 'Look, if you put in this system, it isn't going to remove the fumes properly.' OSHA doesn't do that."

Before New York let the "Feds" preempt its program, it had 450 people in the field. OSHA now has 171. To replace 200 in New Jersey, OSHA added 52. In Illinois about 90 people are taking the place of 230.

One official put it this way: "A state program that is 'at least as effective' as the Federal one with three times the manpower has got to be a better one."

But when a state decides not to conduct its own OSHA-approved program, the biggest gap of all occurs in the safeguarding of state, county and municipal workers. These number about 2 million in the United States. In terms of safety protection they are now second-class citizens.

The Federal agency is not empowered to cover them, although states with approved programs are. They must, in fact, provide a work environment as safe as that for the private sector.

Illinois, for example, had public employee under its umbrella until it dropped its program. A later attempt to get the legislature there to allot $400,000 for a four-year plan to safeguard public workers failed.

New York has at least instructed its labor department to look into the need and report what should be done.

One of the most often heard criticisms of OSHA is based on the fact that none of its staff members can go into a workplace and advise an employer how to conform with the law without citing him for any violation found. The agency can promise only that if a person comes to its office for advice, no inspection will result from that call, and despite such assurances, some employers are wary.

To fill this need for on-site help, state labor departments can operate their own consultation service, sending men into plants to tell employers how they can conform with Federal standards. The Federal government wil pick up half the cost. These consultants are by law completely divorced from OSHA.

Sixteen states have set up such an advisory system. New York, with a 50-person staff, has by far the largest such program. It receives about a quarter of the total Federal grant of $5-million for this purpose.

Aside from the availability of advice, any small company likely to suffer economic hardship in complying with OSHA standards can get a Small Business Administration loan to make required improvements.

The question of which is better suited to become the guardian of occupational safety—the states or the Federal government—may be debated for years. The OSHA law as it stands allows the return of any state that changes its mind on setting up a local program. But the likelihood of such action in the near future is considered dim indeed.

TRIBUTE TO RABBI DOLGIN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. WAXMAN. Mr. Speaker, as the great philosopher-physician Maimonides eloquently professed in his physician's credo, the art of healing is shared by God and man. Therefore, it is most fitting that when the great new Shaare Zedek Medical Center is built in Jerusalem, that part of that center would include a synagogue, and when it came to honor an individual in connection with that synagogue, that the name of Rabbi Simon A. Dolgin would be so honored.

Rabbi Dolgin is a sensitive man of rare qualities. He personifies the ideal of rabbi in the fullest sense of the word. He is a teacher, a man of action to help the less fortunate, a man of compassion, a man of good deeds, a man to whom justice is more than a work. To him justice is a responsibility—justice for all people.

Rabbi Dolgin is celebrating his 60th year and 33 of those he spent as the spiritual leader of Beth Jacob Congregation, now established in Beverly Hills. The rabbi left his pulpit to retire in Israel, and become the Director General of the Ministry of Religious Affairs of the State of Israel, serving in that capacity for almost 3 years. Since March 1974, he has been special adviser to the Minister of Religious Affairs.

At the same time, he continues to be a rabbi. He serves the Ramat Eshkol community in Jerusalem, the first American-born rabbi to serve on any pulpit in Jerusalem.

Withall, he has maintained a constant interest in Shaare Zedek Hospital, a 102-year-old health care facility serving Arabs, Christians, and Jews regardless of race, religion or ability to pay. Shaare Zedek was the first hospital built outside of the walls of the old city.

This hospital caught the imagination of communities around the world which have provided voluntary contributions for its support throughout the years. The Israelis themselves gave it vigorous support within the limit of their means because of the tender human approach the staff held in the practice of medicine. It is the patients who called Shaare Zedek "The Hospital With a Heart" for their doctors treated patients as individuals, rather than treating diseases.

In the United States, the Western regional headquarters of this hospital is headed by Hershey Gold, general chairman; Sidney L. Klein, chairman of the board; and Peter Grant, executive director. They have now instituted the Jerusalem Award dinner which will be held October 26 at the Beverly Hilton Hotel. Mrs. Matthew Berman and Mrs. J. Louis Freibrun have been named dinner chairmen. At the dinner Rabbi Dolgin will be presented the Jerusalem Award for his unique contribution to Judaism and to society throughout his years of selfless service.

A special Jerusalem Award Committee has been established. It is headed by David Shapell and Jack J. Bayer, two civic-minded business leaders who not only will make the presentation of the coveted award, but have undertaken the responsibility of continuing fundraising efforts even after the dinner to insure fulfillment of the goal needed to build the synagogue at the hospital.

Messrs. Shapell and Bayer are to be commended for their dedication to a great rabbi who has given them and their community a new dimension to their spiritual activities. They have developed the Jerusalem Award Committee with a broad cross section of Jewish leadership in the Los Angeles community to honor Rabbi Dolgin.

It is a mark of special note that a rabbinic committee has been established under the leadership of Rabbi Maurice Lamm who succeeded Rabbi Dolgin to the pulpit. It is a measure of the esteem by which Rabbi Dolgin is held among his colleagues, that within days after the formation of the committee, 41 rabbis sought to join the committee to honor him.

Rabbi Dolgin was the valedictorian of the first graduating class of People's Junior College in 1931 and was ordained in 1939, after completing studies at the Hebrew Theological College. He earned a bachelor's degree at the Illinois Institute of Technology—Lewis Institute. He completed courses for doctorates at three graduate schools—University of Southern California, Hebrew Theological College, and Yeshiva University, and was awarded a doctorate at Hebrew Theological College of Jewish University of America in 1959. He was the rabbi of Beth Jacob Congregation from 1939 until his retirement in 1972.

Author, lecturer, teacher, he was the founder of Hillel Hebrew Academy in Beverly Hills which has become the largest intensive day school west of Chicago. He was a member of the Board of Directors of the Los Angeles Jewish Community Council and served as a member of the Jewish Welfare Board. He was also on the boards of the Big Sister League, Jewish Publication Society, Southern California Jewish Historical Society, and the Family-Adult Service Committee of the Community Chest. He served as national vice president and member of the executive board of the largest American rabbinic body, the Rabbinical Council of America. His list of credits goes on and on. In a word, Rabbi Dolgin is a man known more for his deeds than his promises.

Permit me to congratulate Rabbi Dolgin on his tremendous achievements which will be recognized on October 26, when Shaare Zedak Hospital presents its Jerusalem award to him. I also want to extend warm congratulations to this outstanding hospital in Jerusalem and its dedicated leadership in California for making this occasion possible.

ALTOONA MIRROR PINPOINTS JOURNALISM'S NEED

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. SHUSTER. Mr. Speaker, the Altoona Mirror, a responsible and respected Pennsylvania newspaper, carried an editorial on October 7, which merits the attention of all thinking Americans.

The editorial follows:

JOURNALISM'S NEED—INTEGRITY

It is regrettable that journalism has allowed itself to be caught up in one of the great fad movements of the day, "social responsibility."

By this we do not mean at all to disparge social responsibility in its true sense, concern for fellow human beings.

Our criticism is of today's loose use of the words, which have become a mere slogan, demanding instant approval despite application or meaning.

It is used indiscriminately today by well-intentioned students, teachers, clergymen and editorial columnists, and also by such warped individuals as the members of the "Manson family," including Lynette Fromme and Sandra Good, and the "Symbionese Liberation Army," infamous in its Patty Hearst publicity.

One of the first problems journalism encounters on this issue is the slogan's controversial nature. For example, the moment one questions it, he is confronted by some libertarian who says, "Oh, so you're against people!"

Which, of course, simply does not follow. Today's vogue of social responsibility is contradictory, self-righteous and completely inconsistent.

The idea advanced in some journalism quarters today that the press must become more "socially responsible," and that it needs a supervisory agency to do so, inevitably would lead journalism, of whatever variety, straight toward loss of freedom of the press and objectivity.

The consequences would be disastrous. Journalism would cease in fact to be journalism, and would become instead a hybrid creature whose major purpose would become propaganda for causes, and opinion which would color its every word.

That the news media has come into increasing public censure and doubt is due almost solely to its adventure into partisan political ideology and its own conception of "social responsibility."

Since loss of personal integrity seems to have become a national affliction, it would not be just to center the criticism of the press on this issue. Yet, because it has become a national problem, as many believe, it also has affected the press, which has tended to pursue a course of no-holds-barred in the contest for public interest, a contest between the leading elements of the press, news service and metropolitan dailies, but equally with the great showmen of television newscasts.

There seems to be a movement to work completely out of freedom of the press, even while the press paradoxically, is talking so strongly defensively about it.

The nature of a responsible press, it seems to us, is just about what it was when it emerged in the early days of this century, following the development of the Associated Press, United Press and International News Service, and later United Press International, and the heyday of the great metropolitan dailies.

A code of ethics was adopted by the American Society of Newspaper Editors years ago, and editors exercised a responsibility—"social responsibility" if you prefer—that was a credit to the profession and to freedom. Editors, without coercion or any supervisory agency, delayed news of kidnapings and of international incidents during the war years that served the nation and humanity well.

In the last few years there has been a deplorable tendency among journalism's leading lights to set their own standards, depending upon the urgency of the moment.

All journalism needs, we believe, is a trend back to integrity and responsibility and a profession-wide awareness that the main function of journalism and the news media is—news responsibility.

"I see journalism slowly marching into the sunset of authoritarianism under the banners of social responsibility," said Dr. John Merrill of the University of Missouri.

A BILL TO REGULATE COMMERCE

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MOSS. Mr. Speaker, I introduce for myself, Mr. DINGELL and Mr. VAN DEERLIN for appropriate reference, a bill to regulate commerce by establishing uniform test protocols for consumer products and for other purposes.

Mr. Speaker, it is axiomatic that an efficient free enterprise economy depends on the informed decisions of consumers. A knowledgeable consumer confronted with a choice between products of equal quality but unequal price will choose the less expensive product. Such discriminating judgments insure the lowest possible prices while rewarding efficient producers of goods. This is the key to our competitive system.

But information on the comparative merits of the thousands of products among which consumers may choose is scarce. In today's marketplace, being an "informed consumer" is difficult; it is becoming more so. As one economist has said:

> The increasing complexity of consumers goods is constantly increasing (the Consumer's) ignorance.

Mr. Speaker, the twin phenomena of a proliferating number of products and products of ever-increasing technical sophistication has substantially weakened the independent ability of consumers to make the choices upon which the efficiency of our economy depends. Despite the clear need for information to allow consumers to effectively choose among competing products, our society has left consumers in the same position they were in during the era of "caveat-emptor"—let the buyer beware.

In some ways, the law has acted to protect consumers from their inability to gage the quality and performance of products. Since careful observation and rough performance tests will no longer protect consumers from dangerous products, the law of tort has developed doctrines such as strict liability to insure that an injured consumer will have effective redress. We in the Congress in addressing this same problem created the Consumer Product Safety Commission.

But these reforms speak to safety, not the equally fundamental interest of a society which relies on competitive free markets to protect the effectiveness of those markets. For this critical societal interest, caveat emptor must be replaced with a program which will provide consumers with complete and comparable data on durability, performance, and cost of operation.

Today, consumers are forced to rely on substitutes for essential information on quality and performance. The most important of these substitutes is advertising. Though advertising is an important vehicle for informing consumers of the choices available to them, it is often merely a vehicle for associating a particular product with youthfulness, vigor, or fun. In this latter role, the purpose of advertising is to establish in the public mind familiarity with particular trademarks.

Though "brand-name" products are often of the highest quality, consumer reliance on heavily advertised trademarks as an indicia of quality has a dramatic effect on competition. First, since the usual purpose of advertising is to establish familiarity with a brand name, quality or price comparisons are rarely made. Advertising may blur the comparative merits of competing products. Second, reliance on known trademarks favors a marketer who advertises and establishes his trademark as a household term. But the skills and financial infrastructure needed to effectively advertise have little or no relationship with the skills or capital required to produce a quality product. In fact, it appears that economies of scale in production are reached far sooner than they are in advertising. In an economy which relies on advertising as a principal source of information on quality, large companies are favored over small—a discrimination which I must emphasize has little or nothing to do with product quality.

The use of advertising as an indicia of quality imposes on potential competitors substantial barriers to entry into such lines of business. A company considering entry into a particular line of business must both produce a quality product and overcome consumers' tendency to rely on familiar brand names—a phenomena which is directly related to consumers' inability to judge the comparative merits of competing products.

Given consumers' reliance on advertising and trademarks as indicators of quality and the large economies of scale in advertising, it is no surprise that in every important consumer market three or four heavily advertised products dominate the market. According to the 1967 Census Bureau survey of manufacturers, the four largest manufacturers of laundry equipment accounted for 78 percent of the market. The same survey indicated that the four largest manufacturers of sewing machines claim 81 percent; of electric lamps—91 percent; of household vacuum cleaners—76 percent; and of household refrigerators and freezers—73 percent.

According to economists, concentration in consumer product markets costs us all a great deal. F. M. Scherer in his book "Industrial Market Structure and Economic Performance" estimated the costs of oligopoly market structures and other competitive breakdowns at $87 billion per year. To these costs must be added the impossible to estimate costs of slowed innovation, often associated with weakened competition as competitors realize it is in their joint interest to protect investments in existing technology

I believe that industry as well as consumers will benefit from a program which will put into the hands of consumers concise and comparable data on durability, performance, and operating costs. A recent Federal Trade Commission rulemaking revealed the frustration of many manufacturers with the use by competitors of varying formulas for rating the power of high fidelity amplifiers. The choice of a single formula by the FTC insures that competitors compete on the same basis. Similarly, the capacity of refrigerators is computed in various ways. The result is that two refrigerators may be quite dissimilar in capacity but be designated as the same size. This serves no one.

The legislation which Mr. DINGELL, Mr. VAN DEERLIN and I introduce today goes to the core of the problems of which I have spoken—a lack of information in the hands of consumers. Under the provisions of this bill, the Federal Trade Commission, employing the expertise of the National Bureau of Standards, would develop and promulgate product testing protocols. These protocols would measure the objective performance characteristics of products. This information would then be provided to consumers in a concise and comparable form at the point of sale, prior to sale.

I submit that this program would greatly strengthen our competitive system. Further, it does so by strengthening the ability of consumers to make informed decisions on what they believe is best for them.

FISCAL POLICY

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HOWE. Mr. Speaker, it is difficult to trust the judgment of a man who, just a year ago was calling for tax increase to cure a recession and now has called for a substantial tax cut. His previous move was stopped by a conscientious Congress, and he then conceived a tax cut for wealthy people which the Congress changed to benefit the middle- and low-income citizens as well.

Recently, President Ford announced a massive program of tax and spending cuts of nearly $28 billion. His support of tax reduction measures is contingent on congressional promises to set a ceiling of $395 billion on Federal spending in fiscal 1977.

This most recent move by President Ford to reduce taxes provides another example, where none is needed, of a one-sided style of government by veto at which he has become so adept. By trying to tie Congress to a rigid and unrealistic spending ceiling seems almost an effort to usurp the legislative branch's ultimate weapon in a system whose "checks and balances" grow dimmer with increasing encroachments of executive authority. One cannot help but note the political implications this action brings forth and more importantly, the question of how wise this administration really is on crucial matters facing this country.

So far, Mr. Ford has labeled Congress as spend-thrifts by vetoing 39 bills under the guise of their "inflationary" nature. I do not like this "solo" brand of legislation which could be called "take my idea, or I'll veto yours," which runs contrary to the whole spirit of cooperation between the various branches of Government.

This latest proposal by the President is unrealistic particularly from the standpoint of the arbitrary choice of figures and certain never to be enacted without drastic changes in the recently adopted budgetary process. My major criticisms of Mr. Ford's latest proposal follow:

First. I object to the obvious political nature of these large tax reduction proposals because the benefits—increased money supply for the American people—will be realized before the November election and the cuts he asks for will naturally follow.

Second. The "condition" he imposes on Congress to reduce spending by a comparable amount would cancel out any beneficial effects the cuts would have in stimulating the economy.

Third. It is unrealistic and impractical to place restraints on the fiscal 1977 budget, at this time, with unforeseen needs and uncertain economic conditions. In fact, James T. Lynn, Director of the Office of Management and Budget, estimated that with just automatic growth in existing programs gaged at $33 billion, the fiscal 1977 budget outlays would be approximately $423 billion. The President's proposal demands a commitment to a ceiling of $395 billion and while I want to cut the budget, this appears impossible in light of the figures. Thus, a $28 billion reduction to hold 1977 spending down would necessitate cutbacks in existing programs and place a greater burden on the public as well as suppress new initiatives.

Fourth. The move also represents "bad judgment and faith" on the part of the President when recalling budget agreements and the timetable set by Congress and President Ford earlier this year to establish spending ceilings prior to adopting appropriation measures for the upcoming fiscal year.

Fifth. Further, I object to the arbitrary nature of the proposal. When the House Ways and Means Committee has been working incessantly on tax reform legislation they were not consulted or informed by the President of his proposals. A possible reaction to this plan would be to undermine the tireless efforts of this committee in concentrating on reforming the President's ideas and ignoring the comprehensive legislation they have compiled. Is this working together?

Sixth. The proposal represents poor planning in its vague directive to "cut spending" without specifying targets. Typically, the President has been reluctant to endorse defense cuts and urges cutbacks in important "people programs" such as child nutrition, food stamps, aging and housing.

It is important to approach complicated economic questions with balanced programs working on the simultaneous fronts of taxation, unemployment and long-range economic recovery. The Congress is geared to such an effort as proven by the impressive tax reform package soon to be reported out of the House Ways and Means Committee. A reasonable approach is taken in areas involving tax cuts to stimulate employment and the economy; closing of tax loopholes to raise revenues; and elimination of costly "tax shelters" to strike an equitable balance between large and small taxpayers.

This legislation is the product of countless hours of hearings, where testimony and recommendations of experts from all reaches of the political spectrum was received. This is not a product of a single man's idea. It is a balanced, reasonable approach to a critical issue. We agree that something must be done and the Congress is now up the "how" stage. Let us not be distracted by the schemes of persons proposing a fiscal policy geared toward an election advantage.

U.S. CIVILIAN TECHNICIANS IN THE SINAI

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. FISHER. Mr. Speaker, in approving the bill, House Joint Resolution 683, to station up to 200 U.S. civilian technicians in the Sinai to monitor military activities in that troubled part of the world, the House has made a difficult decision. This decision, in my judgment, is better than the alternative of turning our backs on the request of both Israel and Egypt that the United States participate in the peacekeeping. The House action was given further urgency by the real prospect that without it the whole arrangement for defusing the potential explosion in the Mideast might collapse. There can be no certainties in this matter, but the U.S. commitment of the technicians seems justified in terms of the large gains toward peace that would be made possible and in terms of the very severe consequences that otherwise might ensue.

After seeking advice from knowledgeable persons in the 10th District of northern Virginia and others, and after considerable soul searching, I voted for the bill. Fortunately provisions of the bill guard against some major dangers: The technicians are to be withdrawn from their exposed posts at the first sign of outbreak of military engagement; technicians from other countries and the United Nations will also take part in the monitoring operations; as soon as possible the technicians, none of whom will be military personnel, will be removed; and the President is to report to the Congress and the American people every 6 months on how the operation is going.

Though containing some risks of escalation, I do not regard this proposal for a small number—200—of civilian technicians as analagous to the 15,000 military and U.S. paramilitary personnel sent to South Vietnam in the mid-1960's. At that time the number was much larger, their presence was requested by only one of the antagonists—South Vietnam—active war was going on, and the general awareness in this country of the implications of later heavy involvement on our part was not present as it is today.

The part of the Israel-Egypt negotiation in which our Secretary of State has played a leading role that gives me the most hesitation and trouble is not so much the few civilian technicians, but the very large and continuing level of military assistance, either by grant or by sale, to both Israel and Egypt as well as to other countries in the Mideast. I insist that at least the general nature, major elements, and cost of all such commitments and semicommitments be made known to the Congress and the American people so policy decisions can be arrived at that reflect our best thinking and be truly in the national interest. I am not here calling for all details or for that small amount of information that should be confined to the International Relations and Armed Services Committees on security grounds. But I do advocate exposing to full public view everything else. Unless this is done it will be difficult to restore confidence of Americans in their Government and its policies. The implications of rapidly growing shipments of American military equipment to the volatile Mideast and to other parts of the world are grave indeed. Not only does this help to create conditions for devastating war, but also has an insidious effect on this country. Our Mideast ties will come to depend on large arms sales abroad and our people may come to accept this as a normal, expected part of American foreign policy.

SARASIN EMPHASIZES IMPORTANCE OF INLAND ROUTE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. SARASIN. Mr. Speaker, as an ardent supporter of increased and efficient railroad passenger service as an integral part of a balanced transportation system, I am somewhat confused and disappointed by the failure of the National Railway Passenger Corporation—Amtrak—to recognize the value and profitability of rail service from New York to Boston via the inland route rather than the shoreline route.

In their quest for speed at the expense of service, they are ignoring the transportation needs of central Connecticut and Massachusetts. Amtrak is, thus, ignoring the presence of the population clusters at Meriden-Wallingford, Hartford, Springfield, and Worcester so that they can shorten the total travel time between New York and Boston by approximately one-half hour.

While I certainly can concur with Amtrak's desire for faster service, I do not feel that they should do it at the expense of increased potential ridership.

I would like to include at this time an editorial which appeared in the New Britain Herald on October 1, 1975, which I feel concisely reflects my views on this subject, for my colleagues attention:

REDEEM INLAND

Why not run the trains where the people are?

You'd think that common sense logic would have appealed to Amtrak when it was deciding where America's passenger train routes should be located.

The inland route should have been designated the prime Boston to New York, via New Haven rail route, for example not the shoreline route. It serves a potential market of at least 1.1 million persons more than the shoreline route through Providence and New London.

Instead, however, Amtrak continues to prefer the shoreline route for a number of reasons, most of which could and should be modified.

But the Inland route wasn't really ready when Amtrak was. The corporation seems to emphasize Speed over Service, commendable in other contexts but not here. Rhode Island has a lot of political clout on Capitol Hill. And then, track repairs were and are badly needed in Massachusetts and the Bay State balked at paying Amtrak the needed subsidies for operating losses. So Inland passenger service from Boston to Springfield was dropped knocking out a key segment of the inland route.

Now in lieu of subsidies, Massachusetts proposed to upgrade its inland railroad tracks, thereby allowing restoration of the Boston-Springfield passenger service. Rail advocates in this state suggest that to dovetail with the Massachusetts proposal, Connecticut undertake a similar repair and upgrading program between Enfield and Hartford, to make the whole Connecticut linkage from New Haven to Springfield a high-speed, first-rate segment of track.

We would urge the Connecticut Department of Transportation to take this repair proposal under serious advisement. Regular high-speed passenger trains along this New Haven to Boston run would generate considerable traffic, help ease New England's gas crunch, and prove a long range boon to the state's economy. Money spent on such repairs would be one of the best possible investments this state could make.

EARLY WARNING SYSTEM IN SINAI

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HAGEDORN. Mr. Speaker, I would like to speak in favor of House Joint Resolution 683, authorizing the President to implement an early warning system in the Sinai designed to maintain peace between the Israelis and Egyptians. The system is to be composed of 200 volunteer, civilian technicians manning the border between these nations. Although, like other Members, I fully appreciate the risks involved in this agreement, I believe that the potential benefits are enormous, while every effort has been made to minimize the extent of the risks. Not only are such technicians to be evacuated immediately in the event of the outbreak of hostilities between the Israelis and Egyptians, but the Congress is authorized to determine at any point through a concurrent resolution that the safety of our troops is endangered, or that the continuation of their role is no longer necessary, in which case the technicians are to be removed. Periodic reports to Congress required to be filed by the President should assist us in fulfilling these responsibilities.

Approval of this resolution neither implies full acceptance of any other aspect of Secretary of State Kissinger's Sinai agreement, nor does it imply that we recognize no further need for progress in Middle East negotiations. Undoubtedly, lengthy periods of negotiation between the Israelis and other Arab nations lie in the future. By assisting in the success of the Sinai agreement, we can do much to insure the success of these future negotiations. Without minimizing the variety of complications that could potentially result from our participation in the agreement, I believe that the safeguards contained in this resolution, and the example that we will be setting for future good faith bargaining in this troubled part of the world are strong reasons for supporting the early-warning system. There are many who legitimately question why it is the United States which always seems to be involving itself in peacekeeping efforts abroad. We are there by the mutual consent of Israel and Egypt; it is not always easy being the most trusted nation in the world, but needs of world peace and world freedom require that we fulfill this important role.

THE PROS AND CONS OF PUBLIC POWER

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HARRINGTON. Mr. Speaker, the issue of public power, and the extent of a State's involvement in the operation and/or ownership of electrical utilities is finally becoming more than a dormant issue. Many now realize that in many instances it is possible for a unit of government to finance, construct, and operate the electrical utilities themselves. The problem is in convincing the public that a Government agency could efficiently run such an operation without suffering from a lack of experience in the area.

An article by Mr. Philip M. Perry in the August issue of the New Englander presented a concise analysis of the current question which will be on the State ballot in Massachusetts next year. Hopefully, this article will help clarify the issues in the debate, and I would like to insert it in the RECORD at this time:

THE PROS AND CONS OF PUBLIC POWER

(By Phillip M. Perry)

(Should the state own and operate the electric utilities? That is crux of debate that focuses on financing, taxes, rate control, plant management, and consumer attitudes.)

Should a state government build and operate its own power generating plants, and eventually become the sole supplier of bulk electricity to private and municipal power companies?

Would that government be able to produce such power more cheaply than the privately-operated utilities, and would those savings be passed along to consumers?

"Yes," some people are saying in Massachusetts. "The state government can build power plants more cheaply than the private utilities because of their different financing method. They can use tax-free revenue bonds. This would free them from paying dividends to stockholders. This is an important consideration, because the private utilities have now applied for a rate increase to boost their return to stockholders to a level of 15%, from a past level of 9%. They need the increase in order to get more money to construct needed generating plants. The state, unlike the private utilities, would have to pay only local property taxes, not state and federal taxes. They would pay lower interest rates than the private utilities, as well. All these savings would be passed on."

"No," say opponents. "Start-up costs and lack of expertise on the part of a state agency would negate any interest and tax savings. And pending federal law may take away the tax-free status of those revenue bonds. Besides, the taxpayers would have to make up any decline in federal and state revenue. The real reason for the big increase in electric bills is the growing cost of oil."

Bay State referendum '76. Ten years ago, argument about public power authorities would have put many people to sleep. But consumer discontent with electric bills has added fuel to the fire of controversy in Massachusetts, where U.S. Rep. Michael J. Harrington (D-Salem) introduced an initiative petition calling for a state power authority.

While the Massachusetts House defeated the bill in May, 1975, Harrington is gathering enough signatures to force a referendum which will appear on the state ballots next year.

The public power authority as proposed by Rep. Michael Harrington includes the following provisions:

1. Its main purpose is to become the exclusive generator of wholesale power for sale to utilities in the Commonwealth.

2. It would have the power to "acquire, through construction, purchase, lease, condemnation or other procedure" power generation and transmission facilities.

3. After the Authority has been established for two years, no utility in the state would be allowed to construct new generation facilities. The private and municipal utilities would still be permitted to distribute electricity at the retail level.

4. The Authority would have an in-lieu-of-tax payment equal to the private utilities' local property taxes, but it would not have to pay federal or state taxes.

5. The Authority would be free from DPU regulation.

6. Towns now serviced by private utilities would be able to municipalize the distribution component of those systems. If a town votes to acquire the facilities of a local private utility, and that utility refuses to sell, the DPU would establish a fair price which the private utility would have to accept. (Under present law, if a utility refuses to sell, the town cannot buy.)

Tax-exempt bonds pushed. The Public Power Corp. Study Commission, established by Gov. Michael Dukakis, concluded that a public power authority could indeed finance generating facilities at a lower rate than could private utilities. Says its report, "A public power corporation could finance with tax-exempt bonds, taxable bonds or a combination of tax-exempt and taxable bonds . . . (whereas) private power companies in Massachusetts are financed with taxable bonds and equity (preferred and common stock) together with interest-free funds from accumulated investment tax credits and accumulated unamortized deferred income taxes."

The Study Commission concluded that, by 1985, the Authority could conceivably save consumers "$92-million, based on an estimated $4.4-billion which might be spent by consumers on electricity in that year."

Harrington began to follow the public power issue in the '60s, when he served on the Salem, Mass. city council. But he notes a sizable constituency on the issue has developed only in the past two years. Why does he feel that his voter referendum may have a better fate than the similar one proposed in Maine in 1973, but defeated there by a vote of 151,480 to 95,645?

Fuel clause changes attitudes. "The public attitude is now much different than it was two years ago," he says. "The fuel adjustment clause was a benchmark event. It triggered public outrage and discredited the private utilities in the eyes of the public in general."

Harrington says logic may be the least of the variables which will decide voters' decisions on the referendum. "You can make the argument that public power is cheaper. You can stand at a blackboard and jot down the figures. But that won't decide the issue. Whether the voters approve the referendum or not will depend on how they feel about the electric companies at that particular time. Emotion and philosophy will have the final say.

"The people distrust the utilities and the government. The question is, which one will they distrust more when it comes time to vote on the referendum? One thing is for sure: public indifference has ended permanently."

Harrington points to the power lobby as a key factor in the defeat of his initiative petition. How did the lobby operate? "Primarily, the utilities develop a very visible community presence," he says. "In each community they have one or two people who devote time to public relations, no matter what their official title might be. These people become known to local political structures and to the press.

"Too, the utilities develop a very sophisticated use of their employee base. The employes are briefed about the public power proposal. They are told that their jobs are at stake and are encouraged to lobby their legislators.

"A key element of this lobbying effort is the emphasis on the local property tax. For instance, in Salem the power plant accounts for 35% to 40% of the total local property tax. The utilities claim this golden egg will be lost."

"End of era for utilities." Harrington claims that the stakes in Massachusetts, which is the first industrial state to consider public power of this scope, are much higher than they were in rural Maine. "The utilities don't like the bill because they make their money and expand by building plants. To illustrate, in the '60s, they had the opportunity to buy cheap hydro-electric power from Canada. There was no financial incentive for them to do so, so they didn't—a point which shows that the whole issue is a public policy problem.

"No matter what happens on the referendum, all signs point to the end of an era in the utilities industry."

The proposal has drawn fire from prominent quarters. "Why should we compound our fiscal problems by creating another public bureaucracy?" asks Robert Bell, chairman of the Malden (Mass.) Chamber of Commerce, who points out that there is no guarantee that the Authority would pay funds to municipalities in lieu of taxes.

Ronald F. Frazier, manager of public affairs, South Shore Chamber of Commerce, complains that "the power authority would be answerable to no one, and the consumer would have no opportunity to express opposition to rate increases."

Thomas A. Sampson, vice president of the Greater Boston Chamber of Commerce, speaks out against the proposal, stressing among other reasons, that "historically, public ownership of production or distribution facilities has not proven to be more economical than private ownership in the absence of subsidy from federal, state or municipal sources."

J. J. Golner, director of engineering and technology at Borden Chemical, Peabody, complains that "it would reduce accountability . . . if the state itself is the utility, there is no third party to compel responsiveness if there are complaints."

Boston Ed: "no savings." James M. Lydon, vice president—corporate relations, Boston Edison, offers the private utilities' reaction to the proposed Authority. His firm, which employs 4,100 people, is looking for room to expand its corporate offices which now fill four floors of the Prudential Tower in Boston.

"The fundamental question," Lydon says, "is whether or not the proposed Authority can generate and transmit energy cheaper than the private utility. In our judgment, there will be no savings. The start-up costs of the Authority, combined with state government's lack of expertise in the power field, will mean bulk power will actually cost *more*. The consumer bill, therefore, will be higher.

"It is true that the state can borrow money more cheaply now than can private companies. But there is no guarantee that the tax-free status of its bonds will continue, just as there is no guarantee that we can retain our investment tax credits. Also, private industry has the advantages of accelerated depreciation and deferred federal income taxes—something that generates cash early.

"It is ridiculous to say that private utilities need to keep investing in new plants to make a profit. One of our bases for decisions is 'how can we not make a capital investment?' Our goal is to produce power at the lowest possible cost.

"The bill says that the Authority may take away our plants, although Harrington says it won't. We aren't worried that it will, because it would be too expensive for the state to take them over, and that would again boost costs.

"Harrington is telling people that their electric rates will not go up if the state gets involved in energy generation. Actually, we will still have to raise 45% as much capital just to maintain service to customers. We have to raise $450-million in the next five years just to fund power lines, substations and other parts of the distribution field. Harrington has been misleading the public; it's a cruel hoax on his part—a case of political opportunism in an age when people are tired of high electric bills."

Utility lobbying justified. Lyndon defends the lobbying activity of the private utilities, which has drawn fire from some quarters. "Somehow the word 'lobbying' has taken on a bad connotation in the minds of the public," he says. "The purpose of our lobbying effort is to inform the public of the truth. We will spend more money on lobbying, if we have to, to get the truth across.

"Harrington has stated that we have 14 lobbyists working on the public power issue. That's not accurate. Most of those 14 are just employees who appear before regulatory agencies. In reality, there are only three employees of Boston Edison who are lobbying on this issue. Our records show that we have spent only $10,000 in the first four months of 1975 on our lobby effort for this issue. That's not much, when you consider Boston Edison is a $460-million business.

"Now, according to state records, Harrington didn't spend a nickel on *his* lobbying efforts. But, as far as I'm concerned, the use of federal funds by Harrington on this issue should be investigated. After all, he's using federal tax money for state lobbying," claims Lyndon. "He should be forced to divulge the amount of money he's spending on this. He's traveling across the state, he's using the mails. His group, Consumers for Lower Electric Rates, isn't included on lobbying lists, and yet he's done more lobbying than the utility companies.

"If Harrington were as active in Washington trying to get lower oil rates, as he is in Massachusetts on the public power issue, we all would be better served."

Downeast turns thumbs down. In 1973, voters turned down a referendum calling for a Power Authority of Maine (PAM). Among the opponents was Norman J. Temple, vice president of the Central Maine Power Co., Augusta, which employs 1,940 people and serves 70% of the state.

A power authority for Maine is not a new idea; every Maine legislature since 1963 has considered the proposal. Why did the voters turn down the idea so resoundingly in 1973?

"There were basically three reasons," says Temple, who debated the issue on TV with proponent State Senator Peter Kelley. "First, we were able to point out the defects of the proposal. For example, there was no provision that rate increases by the Authority had to be approved by anyone. Second, there is a great deal of customer satisfaction concerning the quality of service of the private utilities. We were very quick to respond to storm damage in the winter—and that's an important consideration here in Maine. We do periodic studies of customers attitudes, so we know this is the case. Last, there is a deep-rooted mistrust of government on the part of Maine Yankees. They don't think the government will provide the same level of service."

Currently there is another bill before the state legislature which attempts to clear up the defects of past proposals. It requires that approval be obtained before the proposed Authority increases rates. A new amendment has been added to the bill requiring voter approval via referendum before the bill can become law.

No new private power plants. Unlike the current Massachusetts proposal, past Maine bills have not prohibited the state's utilities from building more generating plants after a two-year period. "However," notes Temple, "the practicalities of the thing meant we would not be able to build more plants, because they would only duplicate the efforts of the state." The company builds, on the average, one generating plant every ten years. The current Maine proposal contains a section prohibiting the private utilities from building plants after a two-year period.

To defeat the bill in 1973, Central Maine and other power utilities encouraged the growth of a 5,000-member citizen's group called Citizens Against a Power Authority for Maine (CAPAM). The Central Maine firm contributed $108,000 to CAPAM and spent an additional $53,000 on public relations, $15,000 of which was for the public opinion survey.

In the eyes of Central Maine Power, passage of a power authority bill would mean eventual takeover of the utilities. This is because the bill, like the Massachuetts proposal, encourages municipalization in order to sell the state-generated power. That cuts into the utilities' market.

"State government can't generate power more cheaply than private enterprise, due to the high construction costs of plants," stresses Temple. "The Authority would have no older plants, the low-cost power from which to temper the high costs of the new plants."

Collins pro public power. Michael F. Collins, manager of the Municipal Light Dept. in Wakefield, Mass., for 25 years, and past president of the American Public Power Assn., favors the proposed Authority. He claims consumer resistance to rate increases, combined with political pressure, has made it impossible for utilities to obtain the kind of financing they need at reasonable rates.

"A state Authority would have a greater ability to arrange financing but, equally important, would determine the needs for power more wisely and impartially. The Authority would not be promoting power use and would not be bound to the incessant search for rate base," says Collins.

"A state Authority would be willing and able to contract for power outside Massachusetts. Such an Authority in the mid-1950's would have been able to obtain hydro-power from the Niagara-St. Lawrence Project in New York. This hydro power would have been low-cost and non-polluting.

"There is growing evidence that an intensive, continuing program of power conservation is essential. Power companies are not able to deal with this to the extent necessary due to an ingrained need for constant growth of load and dollars," concludes Collins, who points to the success in the Canadian provinces, "which are almost totally public power," and similar public power authorities in New York and Nebraska as evidence that it can work in New England. "Just recently, Con Ed in New York had to appeal to the state to take over construction of two generating plants," he says.

Need more municipal units. Collins wants to see more municipal electric departments, and sees Section 2 of the Harrington bill (point No. 6 above) as a means to that end. "In recent years, Brookline wanted to establish a municipal department, but there was no way the private utility had to sell its plants and poles to the town. So the town had to give up the effort."

If opinion is so divided on public power, it is due to the number of variables that the issue involves. Will the state have to pay federal taxes in the future on its now tax-free revenue bonds? Will private utilities lose their investment tax credits? Will a state agency be able to run a generating plant with expertise? Will start-up costs of the agency negate any energy generating savings? Will price hikes by the private utilities in the distribution network negate any savings on power generated?

All remain matters of conjecture. The only point that is certain is that arguments about public power authorities, fueled by consumer discontent, no longer generate a ho-hum response.

("A state power authority would have greater ability to arrange financing; but, equally important, it would determine the needs for power more wisely and impartially. The authority would not be promoting power use and would not be bound to the incessant search for a rate base."—Michael Collins, manager, Municipal Light Dept., Wakefield, Mass.)

RAISING OUR CONSCIOUSNESS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. ST GERMAIN. Mr. Speaker, we are all well aware of the changing status of women in today's society. The change is an overdue and welcome one, and we have begun the long process of undoing those discriminatory practices which kept women in a subservient, "second class" position for too long. Recent legislation to prohibit sexual discrimination in lending practices, housing, and several other public interest areas points to our willingness to recognize that women are no longer to be considered as extensions of their husbands, homes, offices, or typewriters, but must be seen as an intelligent, capable resource which our society has made far too little use of in the past. I am sure that in International Women's Year we will have our collective consciousness raised so that women and men alike will awaken to the potential which 52 percent of our population represents.

As we continue to build and improve upon the status of women in this country, we must act not on a piecemeal basis, but in a manner which indicates our willingness to deal with all aspects of discrimination against women. One area which I am sure will be addressed by the review currently underway in the Committee on Ways and Means concerns the adverse effects of the existing tax laws on both men and women. I recently received a very thoughtful analysis of this situation from a constituent in Esmond, R.I., which I would like to share with my colleagues:

OCTOBER 2, 1975.

DEAR SIR: I have considered you a forward thinking man and a just man, a believer in righting wrongs. The rules and regulations of the IRS are a slap in the face to one segment of "supposed American citizens"—women! Our lives go into a marriage—our contributions to and in a marriage equal the man's and yet, as widows, women are treated as having contributed nothing by the IRS. If more wisdom was employed in D.C., had been employed, taxes would not have to be as huge as they are. Thousands of unnecessary programs are useful in no way, as are studies of similarly noncontributing phases of existence—worthless. IRS rules and regulations must be changed—rapidly—as must most social security regulations. It is small wonder many women today look upon marriage as a dead end street. Our lives and contributions have been grossly insulted. We are not merely the cheapest labor available on earth. Until changes are made—rapidly—the U.S. is not a free country—not for women.

Sincerely,

R. G. FERRO.

MIA'S

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. STEIGER of Arizona. Mr. Speaker, the members of the Arizona Families of Missing In Action have written a letter to all the Members of the House of Representatives expressing their gratitude for the passage of House Resolution 335, regarding the missing in action of Southeast Asia.

As a long-standing supporter of this group, I include this letter at this point in the CONGRESSIONAL RECORD:

To those representatives in our Capitol who sponsored and supported the recently passed Montgomery House Resolution #335, regarding the Missing-in-Action of Southeast Asia, our sincere gratitude is hereby expressed.

To those representatives who voted to defeat the measure, our expression is to respect their entitlement to alternate views and convictions.

To those representatives selected to serve on the investigating committee, we can but pray that God grant each the wisdom, the personal conviction and the courage to complete his task with the thoroughness and sense of justice so desperately essential.

On countless occasions in our history, individual citizens have seen fit to forsake their country in peace and in war. The amnesty program now in effect amply demonstrates the ability of America to re-embrace and forgive. Yet, historically, it was not until the cessation of hostile American involvement in Southeast Asia that our government chose to pervertedly follow a course of forsaking those who served her.

That house wherein resides democracy and freedom, as any man-made structure, must be continually maintained and repaired. At present, the rats of inflation have infested its pantry. Crime falls upon its floors as plaster off a weakened ceiling. Inside, radiators go cooler and lights dim as energy is diminished. Outside, paint peels from insults of envy hurled by lesser nations seeking to secure their own world place. Yet, so long as the foundation remains firm, the house will stand and repairs can and will be made.

Our greatest concern since the signing of the Paris Peace Agreement has been that a serious fault has developed in the foundation of Democracy's home. Through inept statesmanship, political expediency or even darker reasons, a large number of American citizens were willfully forsaken by their governing body—citizens from which and for which that body indeed was created. We can only express sentiments of gratitude and joy that repairs may soon begin on that fault.

The agonizing expectations of thousands of common people, long involved in seeking a final determination to the Missing-in-Action tragedy, may soon be realized. The false promises and harsh passage of time may soon become rectified. During this Bicentennial period, we each harbor the personal hope that to the greatest extent possible the lives, bodies, souls and sacred honor of these unforgotten men may be brought home to live or rest eternally in peace.

ANNUNZIO INTRODUCES DEBT COLLECTION PRACTICES ACT

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. ANNUNZIO. Mr. Speaker, today I am introducing important new legislation that will for the first time comprehensively regulate debt collection practices. The Debt Collection Practices Act will amend the Consumer Credit Protection Act by adding a new title, title VIII debt collection practices.

There is an urgent need for this legislation because some debt collectors are abusing consumers with harassment, intimidation, threats, and deception. Often the debts are not even bona fide.

I want to make clear at the outset that actual debts should be paid. Debts do go unpaid resulting in a need for debt collectors. Yet, debt collectors can pursue this living without offending all standards of decency. They can and should treat consumers fairly and reasonably.

Debt collectors will use any tactic imaginable to collect a debt that often is not even legitimate.

On September 28, Parade magazine ran an article on the subject of this legislation, requesting that anyone who has had difficulties with unethical debt collectors to contact my office. The result has been a flood of letters from around the country recounting tragic stories of encounters with unscrupulous debt collectors. Many letters are from women, often recently divorced or deserted, who tell of being hounded by debt collectors who, without their knowledge or consent, call their friends and neighbors at all hours of the day and night to pressure the women to pay debts incurred by their husbands.

If you think only deadbeats are harassed by debt collectors, you are mistaken. A debt collector could get your name by accident, such as through a store's computer error, or any number of other mistakes. Regardless of your denial of the validity of the debt, you may then get the debt collector "treatment." This may include obscene or accusing phone calls to your home, or to the homes of your friends and neighbors at odd hours, and repeated harassment of your employer asking that you be pressured into paying. If this costs you your job, that is your problem, not the debt collector's.

Other tactics often used by unscrupulous debt collectors include threatening to put you in jail by taking legal action—often with simulated court orders—impersonating a sheriff or attorney; and in short, doing anything to get you to pay—even if you do not owe anything.

Consumers often owe money and are in the process of paying it back when a catastrophe such as a sudden disability strikes. There are many such people who want to pay their debts, and would, given a reasonable repayment schedule, but all too often they never get the chance and are hounded instead by unmerciful debt collectors.

Let me relate excerpts from some of the letters I have received. These letters communicate the truly sad consequences of permitting debt collectors to be unregulated.

One letter reads:

> DEAR MR. ANNUNZIO: I read your article about unscrupulous bill collectors in Sunday-Registar Sept. 28.
>
> Here is something we were intimidated into believing. This notice about the sale of our house was sent to us and in our terror we believed it until later we found out the lot number was not even ours as provided by a copy of our grant deed enclosed.
>
> Please do all you can to stop these storm troopers in the name of justice.

A consumer received a "Moneygram"—a document made to look like a telegram—with regard to an alleged doctor bill, yet all her doctor bills were covered by Medi-Cal. The Moneygram reads:

> The next step in our collection procedure will depend on your response to this message. Investigation of your job, auto, and other property being made. Urgent you contact me regarding payment immediately.

This letter is from a newspaper which had intervened to help a consumer. Here are some excerpts from the letter:

> Mrs. . . ., a polio cripple since age 4 and suffering from a terminal spinal tumor, was married to a crippled Vietnam war veteran who died of injuries received in war early May 1975. The couple has two small children.
>
> A bureaucratic mixup caused Mrs. . . . to not receive either Social Security or Veterans Administration benefits until after she called this newspaper in early August. As a result in the delay of continuation of benefits, her sole income, bills piled up and creditors started giving her a problem. Her biggest concern was a new Thunderbird car, equipped for the handicapped, the couple had bought by trading in their other two cars. Credit life insurance was written by the dealership, (name deleted) through (name deleted) Insurance Company a company that has been sued several times locally for refusing to pay benefits on such insurance.
>
> The account was then turned over to the Credit Bureau of (name deleted).
>
> The collection agency was assigned to repossess the car. Mrs. ---- had secreted the car far from her home, but the agency sent what she called two thugs who got her out of bed at 4 a.m., July 30 and harassed her for an hour.
>
> Intervention by this newspaper stopped the harassment, but recently (within the past two weeks) thugs in the night broke into a sister's car parked behind Mrs. ----'s car, moved it, and took the vehicle. Her crutches were in the car and the agency refused to give them back to her until she had a lawyer threaten them with legal action.

The following letter is from the accounting secretary of a health foundation:

> I read with much interest the article in the September 28, 1975 issue of Parade magazine about unscrupulous bill collectors.
>
> I work in the accounting department of a medical clinic which cares primarily for minority and financially indigent patients. One of my tasks is to process bills for payment from grant funds for this latter group of people. These payments would go to providers of medical care outside of our own clinic when our doctors had referred them.
>
> Enclosed is a copy of a collection notice one of our patients received for a bill that is our responsibility for payment. However according to our records the bill is paid.
>
> I was much interested in the form of the collection notice. It has an official-looking gold foil seal and of course, as you can see, the form has the appearance of an official document, such as a subpoena or a judgment.
>
> I am not personally acquainted with the gentleman who received this notice. He is Spanish-speaking, and through a translator he appeared to be frightened of the consequences of this "document".
>
> I feel that this type of collection form is unethical. I would be interested in your comments.

A consumer received the following bogus legal document in relation to a debt not owed. The pertinent part of the document reads:

> PRE-EMPTORY DRAFT—VALUE RECEIVED
>
> Demand is hereby made upon you for payment, on or before 10/03/75 of the total sum, past due, shown on statement made a part of this Pre-emptory Draft.
>
> You are hereby notified that in the event that this Pre-emptory Draft is not honored within the time allowed, legal action will be recommended to enforce payment, without further notice whatever being sent you.

The attached letter from the consumer reads in part:

> Please find enclosed said letter of which we have no record of oweing. We have no

past bills and we pay cash for everything we obtain.

This letter is from a couple who owed money, had some problems but still were trying to pay off the debts. Here are some excerpts from the letter:

> I tried to explain our situation, that we were well aware of our obligation, that we would pay it just as soon as we could. This Mr. . . called us 11 times one evening, finally my sick husband talked to him he then threatened us, called us terrible swearing names, threatened to have us arrested. Said he personally wasn't going to let us beat (name deleted) out of their money and that was all we were trying to do.
>
> We owned and operated our own Paint & Body Shop. He called every day, told anyone who answered our business. The last time he called he said I was lying, my husband was only hiding behind me. Well my husband collapsed that day, right after talking to him. We rushed him to the hospital. He had to undergo open heart surgery. He has been ill for the past 2½ years.
>
> Our business is closed, and we are now helpless to do anything about any of our bills.

This letter comes from a couple who were harassed while paying off debts not even theirs. Following are excerpts from the letter:

> My husband served in the Marines for seven and a half years, and spent two tours of duty in Vietnam. When he returned home after the last tour of duty, he found his first wife to be pregnant, and she and my husband's small daughter were living with the father of the expectant baby. They were also using my husband's name to charge any and every possible expense. Therefore, upon this cruel news, but also by a stack of overdue bills, all in his name.
>
> To make a long story short, after our marriage in 1969, we began to try to tackle this problem, which only seemed to worsen. Everyday's mail brought new demands for payment, threats of legal action, and letters from lawyers and officials with the "state attorney general's office." We continued to pay as much as we could afford every week or month, whatever we felt we could swing without putting a really tight rein on our own meager budget.
>
> One agency, in particular, was constantly badgering us with their demands and threats. It seemed to us that they were going to considerable expense to make these demands, as oftentimes, the overdue bill they were reminding us of would not amount to more than $10.00. Yet, they continued to press and threat and make outrageous demands upon us.
>
> So the suit had set on the court docket for a year and no one had ever bothered to inform us that we were being sued for 90c.
>
> We paid the 90c and personally requested the "manager" of this agency to move as quickly as he could to get it off the docket as our VA application had already been held up for three weeks. Another three weeks later, some more phone calls, and a visit from our lawyer, who threatened to sue them and the 90c lawsuit was wiped off the court records, as well as our own.
>
> We have now been in our new home for 45 days. We feel that we have earned the right to join the human race. We paid off around $2,000 in bad bills, while we did our best to maintain some sort of home life for us and our two small children. With the processor and sheriff banging away at the door at all hours of the night, the phone calls, and the "special delivery letters" any attempt at a normal life was just about impossible.
>
> We are now free of the bonds of these people. We owe them absolutely nothing and, to be sure, it is a great feeling. Our feeling, throughout the whole ordeal, was to pay off what we felt we owed—after all, they were in my husband's name, instead of taking the easy way out—filing for bankruptcy or Chapter 13. When we took the more difficult course, and, in essence, the honest course, we still received the most repulsive type of attitude. Dealing with these people is similar to giving detailed directions to a man who is blind and doesn't speak English. They just don't understand your language unless you have the access to threaten them with the same type of legal action they have laid on you in the past.
>
> There are millions in this country who are being harassed by these same tactics. Many don't think they have a legal foot to stand on. It's "pay up—or else" and that's all they know. That's all we knew for seven years. There is no good excuse for failing to pay your bills if you are able. But, with prices and salaries the way they are today, I can understand why many people are just not able—especially when they are doctor's bills. If a family is not able to pay for that color television, that new car, they should not even consider signing a contract obligating them to 24 or 36 months worth of payments. That's just common sense. In our case, we had no choice. We didn't have a color TV or new car. We were paying bills that weren't even ours and we never received any benefit from those payments.
>
> In addition, anyone with an "account" at a collection agency should go to that agency and thoroughly look over their record to determine what is theirs to pay and what isn't. Our record was full of debts already paid off and two accounts in my sister-in-law's name—which were both supposed to be good, but, instead, were rated as bad.
>
> Good luck in your endeavor. And, thank you for whatever action you are able to take.

This legislation will end such horrendous practices by debt collectors. The legislation provides a detailed list of prohibited practices and strong enforcement provisions.

This act does not set up a new bureaucracy. Nor does it involve a complex licensing procedure.

Instead, there are stiff civil penalties to permit consumers to take action against debt collectors who violate the act.

Included in this act are prohibitions against harassment, unfair practices, and false and misleading representation.

Some of the prohibited practices include:

Using abusive, profane, or obscene language;

Soliciting post-dated checks;

Making harassing or threatening phone calls to the place of employment or home of the consumer;

Obtaining information from any source about a consumer on false pretences or through false representation; and

Threatening a consumer with imprisonment for failure to pay an alleged debt.

The act will be enforced through civil liability provisions, private Attorney General actions and criminal penalty.

The Federal Trade Commission will administer the act and prescribe regulations to implement it.

In an earlier statement I indicated the scope of this legislation would include all creditors. As introduced, the act applies just to debt collectors. I feel that the most flagrant offenders in debt collecting abuses are debt collectors rather than creditors. Debt collectors are in the business solely to collect debts of others, not to collect for products they sold or services they rendered. Also, most financial institutions are already regulated by Federal agencies, as are other creditors. At present, no Federal agency regulates debt collectors.

I would like to first pass a strong effective law regulating debt collectors. If I find that creditors are abusing consumers, I will seek to have Federal agencies publish regulations to restrain creditor conduct. If that approach is not successful, I can offer legislation to amend this act to include creditors.

Abusive debt collection practices will affect all of us at one time or another. If a debt collector cannot conduct his business without resorting to deception, threats, and intimidation there is something terribly wrong with his business.

The Debt Collection Practices Act will spare consumers from humiliating and terrifying harassment, allow mistakes to be cleared up reasonably, and not deter reputable debt collectors from arranging for consumers to repay legitimate debts.

THE FEDERAL ELEMENTARY AND SECONDARY SCHOOL ASSISTANCE ACT

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. PERKINS. Mr. Speaker, I am today introducing the Federal Elementary and Secondary School Assistance Act, a bill aimed at making a bold commitment to improve the quality and equality of public education for children and youth.

As we prepare to celebrate our 200th anniversary as a nation, we can be proud that our country has accepted the principle that the opportunity for an education is every child's birthright. This means that if all children are to achieve their full potential, they must be guaranteed the opportunity for an education that fully develops their capabilities regardless of sex, race, religion, or socioeconomic background. And the achievement of this birthright can be helped enormously by a national guarantee of a quality education for every child. Broadening the base of school support in order to equalize the educational opportunity for all the Nation's children is essential to this achievement.

Therefore, the legislation that I am submitting today would make the Federal Government an equal partner with the States and with local communities by sharing one-third of the current cost of public elementary and secondary education. This proposal for a one-third Federal funding of public schools has been long advocated by the National Education Association and other leading national educational organizations.

I believe that after almost 200 years it is about time for Congress to take a good first step toward making this commitment to our children and youth. And I believe that the National Education Association is to be highly commended for drafting the fine bill I am introducing today to achieve this commitment.

Public school education in the United States faces a crippling financial crisis. While rampaging inflation and demands for better education for all youth are driving the costs of education higher, both taxpayers and the courts are challenging increases in the traditional sources of school funds.

Many school districts, in response to relentless fiscal pressure, are being forced to reduce educational services, thus reversing their strenuous efforts of recent years to upgrade education. However, the demand for increased and improved educational services continues unabated as the concept of equal educational opportunity for all is pressed toward reality.

Caught between rising costs and lagging revenue, school systems of all sizes are retrenching—sometimes drastically. Many school systems have cut back on the number of teachers and have shortened the school day. This has resulted in cutbacks for programs in art, music, health services, reading, libraries, counseling, physical education, driver education, and other programs. Many school districts have reduced allowances for substitute teachers, teacher aides, and maintenance of school buildings.

While needs are mounting, additional State and local funds are shrinking. New State and local taxes and increased levies are harder to get after a decade when per capita State and local taxes have more than doubled.

At the same time, legal action is being taken in many States to invalidate school financing systems that discriminate in expenditures on the basis of the wealth of the school district. Local property taxes currently supply 48.6 percent of school support, with 43.6 percent coming from State sources, and 7.8 percent from Federal aid. A wealthy school district can finance schools well with a low tax rate on a high assessed value. In a poor district, however, even high rates yield little revenue for schools.

In California, the highest State court found that local property tax financing invidiously discriminates against the poor by making the quality of a child's education a function of the wealth of his or her parents and neighbors rather than the wealth of the whole State. Courts in other States are following this same line of reasoning.

The logic of the California decision is being followed in other States. With or without pending court cases and final appeals, States are looking at ways of funding schools which will equalize both the burden for the taxpayers and the educational opportunity for youth. To bring all local districts up to the spending level of the highest districts is extremely expensive. To equalize costs by reducing expenditures in the higher districts would entail serious cuts in the educational program for many students.

The legislation that I am introducing will expand the Federal role from that of funding special programs deemed to be in the national interest, such as those involving the physically and economically disadvantaged, to include broad general support for all public education.

Approximately $14.5 billion is necessary to implement the act and is requested to be advance funds. This amount will be divided among the States on a formula which includes such factors: First, the ability of the State to finance education; second, the number of school-age children in the population; and third, the number of children enrolled in public schools.

The formula provides a composite grant to each State that includes a flat grant of $140.38 per child and an equalizing grant that varies according to ability as reflected in the allocation ratio. The net result is a national average amount per pupil in average daily attendance—ADA—of $345.

The full text of the bill follows:

H.R. 10145

A bill to establish a permanent Federal program of assistance for elementary and secondary education

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Elementary and Secondary School Assistance Act".

FINDINGS AND PURPOSE

SEC. 2. The Congress finds that public education in the United States faces a crippling financial crisis which makes it necessary that the Federal government make a commitment to assume its full obligation as a partner with the States and localities in improving the quality and equality of the education provided by the nation's public school system.

It is therefore the purpose of this Act to assume the obligation to provide financial assitance to the States amounting to one-third of their costs of providing public elementary and secondary education, such assistance to be provided in a manner which will further equalization of educational opportunities; but, by the provision of such assistance, the Congress does not intend to supplant any of the Federal assistance being provided for particular educational purposes or to meet special educational needs.

GRANTS TO STATES

SEC. 3. (a) Each State which has a State plan approach under section 5 for any fiscal year ending prior to October 1, 1977, shall be entitled to a grant under this Act in an amount determined under section 4.

(b) From the sums appropriated under section 7 and subject to the other provisions of this Act, the Assistant Secretary shall make a grant to each State for each fiscal year in an amount to which it is entitled as determined in accordance with the provisions of this Act.

AMOUNT OF GRANT

SEC. 4. (a) The aggregate amount to be granted all States for each fiscal year shall be an amount equal to one-third of the aggregate current expenditures in all States (for the second fiscal year preceding such fiscal year) which were derived from State or local sources.

(b) The grant for each State for a fiscal year shall be the amount determined under paragraph (1) plus the amount determined under paragraph (2).

(1) The amount determined for a State under this paragraph shall be an amount which bears the same ratio to 50 per centum of the aggregate amount to be granted all States for that fiscal year as the school-age population of the State bears to the school-age population of all the States.

(2) The amount determined for a State under this paragraph shall be an amount which bears the same ratio to 50 per centum of the aggregate amount to be granted all States for that fiscal year as the product of (A) the average daily attendance in elementary and secondary schools of the State, and (B) the State's allocation ratio, bears to the corresponding products for all the States.

(c) For purposes of this section:

(1) The school-age population of a State is the number of children aged five to seventeen, inclusive, in the State as determined by the Assistant Secretary on the basis of the most recent satisfactory data available to him.

(2) The average daily attendance in elementary and secondary schools in a State shall be determined in accordance with State law.

(3) The "allocation ratio" for a State shall be 1.00 less the product of (A) 0.50 and (B) the quotient obtained by dividing the income per child of school age in the State by the income per child of school age in all the States. For purposes of this paragraph, the term "income per child of school-age" in a State means the total personal income in the State divided by the number of children aged five to seventeen, inclusive, in the State.

STATE PLANS

SEC. 5. (a) (1) Any State desiring to receive a grant for any fiscal year under this Act shall (A) establish a program review committee which meets the requirements of paragraph (2) of this subsection and (B) submit to the Assistant Secretary, through its State educational agency, a State plan, approved by such committee, at such time and in such detail as the Commissioner may deem necessary.

(2) The program review committee shall be appointed by the State educational agency, and shall be broadly representative of persons having a special interest in elementary and secondary education, including school administrators, teachers, members of local educational agencies, and parents. At least a majority of the membership of each committee shall be persons actively engaged as classroom teachers in public elementary and secondary schools who are selected from panels of names submitted to the State educational agency by the organized teaching profession. It shall be the duty of the program review committee to examine any State plan (including any revision of State plan it has previously disapproved) proposed to be submitted by the State educational agency, and, within thirty days after it has received such proposed plan, inform the State educational agency whether it approves or disapproves such plan. There is authorized to be appropriated such sums as may be necessary to enable the Assistant Secretary to make grants for the expenses of program review committees, but no such grant shall exceed $50,000 for any fiscal year.

(b) The Assistant Secretary shall approve a State plan for a fiscal year if he determines that the plan—

(1) designates the State educational agency as the sole State agency for administration of the State plan;

(2) provides a program under which Federal funds shall be granted to local educational agencies to be used by them in a manner which will contribute to the equalization of educational opportunities in the schools of the agencies, but such funds may be used only for current expenditures of the agencies;

(3) provides for distributing the Federal funds among local educational agencies in the State in a manner which meets the requirements of section 6;

(4) provides assurances satisfactory to the Assistant Secretary that the State will maintain its State fiscal effort for public elementary and secondary education purposes for each fiscal year at a level, per child of school-age, not less than its fiscal effort for such purposes for the second preceding fiscal year.

DISTRIBUTION OF FUNDS WITHIN STATE

SEC. 6(a) (1). The Assistant Secretary shall develop criteria to be applied by State educational agencies in the distribution among local educational agencies of funds granted the States under this Act (except for the fiscal year 1977). Such standards shall—

(A) be consistent with such standards as may be required under the fourteenth article of amendment to the Constitution of the United States;

(B) require that the funds be concentrated in local educational agencies which, by reason of lack of financial resources of their own, are in need of additional funds to equalize the educational opportunities afforded their students with those afforded students of other local educational agencies in the State; and

(C) give appropriate recognition to the higher cost of education to local educational agencies serving areas with high concentration of low-income families and heavily urbanized areas.

(2) In the case of a State in which there is no local educational agency, or in which there is only one such agency, the criteria developed by the Assistant Secretary shall provide for making assistance available to defined areas in the State in a manner which will contribute to achieving the purposes of this Act.

(b)(1) Not later than April 1, 1975, and at such later time as he may determine, the Assistant Secretary shall publish such criteria in the Federal Register and submit such criteria to the President of the Senate and the Speaker of the House of Representatives.

(2) During the sixty-day period following such publication, the Assistant Secretary shall provide interested parties with an opportunity to present views and make recommendations with respect to such criteria. Not later than ninety days after their publication, the Assistant Secretary shall (A) republish such criteria in the Federal Register, together with any amendments thereto which he deems to be merited, and (B) publish in the Federal Register a summary of the views and recommendations presented by interested parties under the preceding sentence, together with the comments of the Commissioner respecting such views and recommendations.

(3)(A) The criteria published in accordance with paragraph (2), together with any amendments thereto, shall on the date of their publication be submitted to the President of the Senate and the Speaker of the House of Representatives. If either the Senate or the House of Representatives adopts, within 150 days after the criteria are submitted to it, a resolution of disapproval of such standards, the Assistant Secretary shall, within fifteen days after the adoption of such resolution, publish new criteria. Such new criteria shall take into consideration such views and policies as may be made in connection with such resolution and shall become effective upon publication.

(B) A resolution of disapproval for which provision is made under subparagraph (A) may be in the form of a resolution of either the Senate or the House of Representatives or such resolution may be in the form of concurrent resolution of both Houses. If such a resolution of disapproval is in the form of a concurrent resolution, the new criteria published in accordance with the second sentence of subparagraph (A) shall be consistent with such policies as may be established by such concurrent resolution.

(C) If each of the Houses adopts a separate resolution with respect to criteria submitted in accordance with subparagraph (A) for any year and in connection therewith makes policy statements which differ substantially, then such differences may be resolved by the adoption of a concurrent resolution by both Houses. Any such concurrent resolution shall be deemed to be adopted in accordance with subparagraph (B).

(c) For purposes of this section, an amendment of an existing criterion shall be deemed to be a new criterion.

APPROPRIATIONS

SEC. 7. There is hereby authorized to be appropriated for the fiscal year 1977 such sums as may be necessary to make the grants provided for in this Act for the fiscal year 1977 and the fiscal year 1978, and there are also authorized to be appropriated for each fiscal year after the fiscal year 1977 such sums as may be necessary to make the grants provided for in this Act for the period ending at the end of the fiscal year following the fiscal year for which appropriated. If the sums available from appropriations for grants under this Act for a fiscal year are inadequate to make in full the grants to which States are entitled under this Act, then the grants to all the States shall be reduced pro rata to an aggregate amount which does not exceed the amount so appropriated.

DEFINITIONS

SEC. 8. For purposes of this Act—

(1) The term "Assistant Secretary" means the Assistant Secretary of Health, Education, and Welfare for Education.

(2) The term "State educational agency" has the meaning given such term in section 801(k) of the Elementary and Secondary Education Act of 1965.

(3) The term "local educational agency" has the meaning given such term by section 801(f) of the Elementary and Secondary Education Act of 1965.

(4) The term "State" has the meaning given that term by section 801(j) of the Elementary and Secondary Education Act of 1965, and includes the Trust Territory of the Pacific Islands.

(5) The term "current expenditures" has the meaning given that term by section 403 (f) of title IV of Public Law 874, Eighty-first Congress.

AMENDMENT OF GENERAL EDUCATION PROVISION ACT

SEC. 9. Section 400(e)(2)(B) of the General Education Provision Act is amended by striking out "and" at the end of clause (i), by striking out the period at the end of clause (ii) and inserting "; and", and by adding at the end thereof the following:

"(iii) to expenditures under the Federal Elementary and Secondary School Assistance Act."

EFFECTIVE DATE

SEC. 10. This Act shall become effective on the date of its enactment, except that grants to States under section 3 shall be made only with respect to periods beginning with the first day of fiscal year 1977.

MAJOR STEP TOWARD PEACE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. RINALDO. Mr. Speaker, it is now more than a month since the Israeli-Egyptian agreement was signed, and it is high time that the Congress endorsed this major step toward peace in the Middle East.

History has shown us that instability in the Middle East threatens world and U.S. interests. Tension in this center of oil production jeopardizes the economy of industrialized and developing nations; strains U.S. relations with our allies in Europe and Japan; increases the prospect of direct United States-Soviet confrontation; and endangers the survival and security of Israel—the only true democracy in the Middle East.

The resolution before us today represents the first step in permanently easing tensions in the Middle East. The 200 U.S. technicians in the Sinai will be a cornerstone on which to build Israeli-Egyptian coexistence and cooperation.

Viewed from this perspective, the agreement clearly is not pro-Egypt, pro-Arab, or pro-Israel; it is pro-peace. And it is equally clear to all of us who are seeking a solution to these problems that without such resolve and action on the part of the United States, the Middle East will remain an area of anguish, turmoil, and peril.

To weaken the agreement by voiding some negotiated U.S. commitments would be a blow, not only to the prospects of world peace; but it would undermine Israel's significant cooperation and go against our own national interests.

It is a pact for international cooperation and for peace. To weaken it now would be to retreat from further efforts at building peace in the Middle East. Once approved, we can turn to the second essential task of providing economic and military aid for Israel. I intend to support such assistance when it comes to the House floor in the next few weeks.

But our immediate task, Mr. Speaker, is to pass this resolution. I urge the House of Representatives to vote for peace and to approve the presence of U.S. civilian technicians in the Sinai.

SPECIAL HONORS FOR AN EXTRAORDINARY COUPLE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. VANIK. Mr. Speaker, on October 21, 1975, Mayor Irving Konigsberg and Elsa Konigsberg, two distinguished citizens of our community, will be honored by the congregation of the Fairmount Temple, on behalf of our entire community for their devoted and untiring public service. Irving Konigsberg has been the mayor of the very special community of University Heights, Ohio for 10 years. He has served not only University Heights with distinction, but has been very active in his role as president of the Northeastern Ohio Area Wide Coordinating Agency serving the whole of the northeastern multicounty region of Ohio.

Mayor Konigsberg has also served with distinction as the president of the Cuyahoga County Mayors and Managers Association and the Regional Council of Governments.

Elsa Konigsberg is an equally extraordinary person who has raised a fine family, while pursuing a career in community relations. Through her work at Cleveland State University, Mrs. Konigsberg founded a very extensive, groundbreaking school-community relations program, serving now as a consultant to that program. Mrs. Konigsberg has been very active in local and State Parent-Teacher Association programs, serving as State PTA chairman for human relations. We join in the well-deserved salute to Mayor and Elsa Konigsberg at the Fairmount Temple. The Konigsbergs are a great credit to our entire community. I wish them continued strength and good health for their continued achievements in public service.

TEACHER STRIKE SCANDAL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. CRANE. Mr. Speaker, American education is in real trouble. Scholastic aptitude test scores have been falling every year since 1962 and the latest figures, based on last year's tests taken by 1 million high school students, show that the trend is continuing. Over the past 12 years the average score has dropped from 478 to 440 on the verbal test and from 502 to 478 on the mathematics test. The highest possible score is 800.

Helping to confirm the general downtrend in learning, the National Assessment of Educational Progress, a federally funded testing organization, reported in March that students knew less about science in 1973 than they did 3 years earlier. The test, which covered 90,000 students in elementary, junior, and senior high schools in all parts of the Nation, showed the sharpest decline among 17-year-olds in large cities.

It is our large cities which have, in recent days, been faced with illegal strikes by schoolteachers. As test scores continue their downward trend, and as education deteriorates, teacher unions demand still more money, fewer students, and shorter working hours. This in the face of the fact that teacher salaries are higher than ever before and that more money is being spent on education in the United States today than at any point in our history.

Discussing the recent rash of teacher strikes, Anthony Harrigan, executive vice president of the U.S. Industrial Council, notes that—

> The schooling of untold numbers of children has been seriously disrupted by the walkouts which took place in many states. Moreover, the children were shown an example of irresponsible behavior on the part of those who are supposed to teach responsibility . . .

The National Education Association has increasingly become a political body, concerned not about whether children can read and write, but about candidates in local, State, and National political campaigns. Terry Herndon, the NEA executive secretary, recently stated that—

> Our ability to back political commitments has been noted in every State and in the Halls of Congress.

Mr. Harrigan comments that—

> If the NEA is involved in politics outside the classroom, can parents be sure that politics aren't carried into the classroom? If teachers will take part in a militant strike action, contrary to the interests of school children . . . they aren't likely to hesitate to utilize propaganda in the classroom and thereby use their instructional positions to influence the rising generation.

Monopoly unionism, Mr. Harrigan declares, "has no place in the schools of the 50 States. It turns schools into battlegrounds and disrupts and sacrifices the education of young Americans."

I wish to share with my colleagues the column, "Teacher Strike Scandal," by Anthony Harrigan, which was released for nationwide distribution by the U.S. Industrial Council on September 18, 1975, and insert it into the RECORD at this time:

TEACHER STRIKE SCANDAL

In recent weeks, thousands of unionized public school teachers displayed a shocking contempt for the educational needs of young Americans as they went out on strike. The schooling of untold numbers of children has been seriously disrupted by the walkouts which took place in many states. Moreover, the children were shown an example of irresponsible behavior on the part of those who are supposed to teach responsibility.

Parents undoubtedly regard shutting down public schools through strike action as an intolerable abuse of power. Such action is in a class with depriving a community of police, fire and hospital services. It should not be permitted. If teachers strike, they should be summarily replaced with persons who are sincerely committed to the education of young people. Certainly, it is unconscionable to curtail a child's schooling in order to strengthen a union negotiating position.

The current crop of teachers' strikes should focus public attention on the outlook and ambitions of teacher unions and lobbies. Americans must realize that teacher unions and associations are deeply involved in partisan activities.

The attitude of the National Education Association was clearly revealed by its executive secretary, Terry Herndon, at the organization's annual convention in July.

Mr. Herndon said that the organization's activities had "produced a very good year in political action." He declared:

"Our ability to back political commitments has been noted in every state and in the halls of Congress. NEA members this year directed their money and talents to the political process in unprecedented numbers. Through NEA-PAC, teachers invested $225,000 in political action. Most state and local PAC groups added their endorsements and dollars to give us a total financial commitment of almost three million dollars. But perhaps the most remarkable contribution to our political success was the thousands and thousands of hours that teachers personally contributed to the campaigns. The dollars and the people paid off; 290 of 310 candidates backed by teachers won seats in the 94th Congress."

Mr. Herndon continued:

"We are going for bigger stakes in 1976. We have learned from the failures of the present Congress to override Presidential vetoes on key economic issues that we need even more responsive Congressmen and Senators. Even better, we might elect a President of the proper type and stop worrying about veto overrides and federal agency behavior."

No doubt many parents would be profoundly shocked to realize that the NEA, which presents itself on the local level as a professional educational organization, is up to its ears in partisan politics.

If the NEA is involved in politics outside the classroom, can parents be sure that politics aren't carried into the classroom? If teachers will take part in a militant strike action, contrary to the interests of school children and disruptive of the community, they aren't likely to hesitate to utilize propaganda in the classroom and thereby use their instructional positions to influence the rising generation.

Monopoly unionism has no place in the schools of the 50 states. It turns schools into battlegrounds and disrupts and sacrifices the education of young Americans.

Quality education cannot coexist with teacher unions or unions that masquerade as professional associations. Education is too crucially imprtant to be controlled by a new breed of union bosses who are willing to prevent American youngsters from getting schooling if the taxpayers don't meet the union bosses' demands.

THE DANGERS OF ENVIRONMENTAL EXTREMISM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. BROWN of California. Mr. Speaker, in recent days we have all been reminded, quite rightly, that environmental protection legislation cannot be extreme in its impacts. Because of my own role in some of our recent debates, I have been accused of being "one of those extremists." Normally such charges do not concern me, but in the midst of this rhetorical climate I came across an article by Dr. Paul Ehrlich which put matters in an entirely different perspective.

Mr. Speaker, I insert the article by Dr. Ehrlich, entitled "The Benefits of Saying Yes," into the RECORD. The article appeared in the September issue of the Bulletin of Atomic Scientists, and should be considered by every Member of this body. The article follows:

THE BENEFITS OF SAYING YES!

(By Paul R. Ehrlich, professor of biology at Stanford University and founder of BUST—Biologists for Unbridled Science and Technology)

NOTE.—The writer acknowledges his debt to Freeman Dyson for pointing out the deleterious effects of eco-freaks and neo-Luddites on technological innovation and scientific creativity.

The scientific community certainly owes a great debt to Freeman Dyson for his analysis of "The Hidden Cost of Saying No!" (*Bulletin*, June 1975). It seems to me, however, that his pioneering effort should be deepened and expanded at a time when the gallop of technology (which has brought the good life to almost a quarter of the people of the world) seems threatened by various doomsayers, eco-freaks, and neo-Luddites.

As an instrument and multi-engine rated pilot, I can testify to the stultifying effect that killing the SST has had on innovation in American aviation. It is clear to me, for instance, that cancelling the SST has had the same kind of dreadful consequences for aviation as did cancelling the Convair XFY-1 VTOL fighter in the mid-1950s. Professor Dyson is much too kind to the opponents of the SST. He mentions only the argument of its possible adverse effect on the balance of payments (which may well have been the one that moved Congress) and neglects to excoriate those who, for instance, seem to have a sentimental attachment to the ozone layer. Just think, destroying much of that layer would substantially weaken the stratospheric temperature inversion and permit mixing of air pollutants into several times the volume of atmosphere now available to them—an enormous boon to industry as it attempts to maximize the planetary entropy. And we could, of course, after the global weather patterns, bringing on the rapid, unpredictable changes that Dyson correctly points out might make more of Earth's surface arable.

Professor Dyson did not bore his readers with the detail that any rapid changes in climate would probably be a disaster for agriculture and lead to hundreds of millions or perhaps billions of deaths, but some Pollyanna is sure to raise the point. As a population biologist, I can assure the reader that if Homo sapiens were killed back to 2 billion individuals by a rapid but ultimately favorable change, the survivors could easily expand the population up to a new carrying capacity of, say 8 billion in less than a century. Of course, if the climate became semipermanently unfavorable, we might be stuck with a carrying capacity of 2 billion for awhile. At any rate, a pessimal estimate of the cost of the SST and related technological innovation would probably be no more than 2 billion lives.

It is a pity that Dyson did not expand his SST example further to include the ozone scare. If, for instance, mankind decided it was better not to attempt to carry on in an environment reminiscent of a toilet seat under an ultraviolet sterilizer, then a vast area for innovation would be opened up for designing a physical or chemical sunscreen for the planet and installing it. And think what a lot of jobs would be created for out-of-work physicists and engineers!

The sunscreen project may go forward anyway, since it now appears possible that another triumph of technology—the fluorocarbon aerosol propellant—will destroy the ozone for us even without the SST. This possibility demonstrates once and for all the vacuousness of the arguments of the SST opponents. Without the ozone, the opponents are only left with silly quibbles. They can claim that it isn't equitable to generate sonic booms that destroy the peace and quiet of hundreds of millions of people, damage their property, and risk the lives of surgical patients in order to allow a few rich businessmen to suffer severe jet lag. Or they might nitpick that SSTs would waste huge amounts of fuel (a resource any economist knows is infinite), or that their contrails might cause unpleasant changes in the weather (which we now see would be a benefit rather than a cost).

Yes, as I fly a noisy, inefficient twin-engined aircraft, attempting to cope with an overly complex and confusing air-traffic control system and undependable electronics, or when I travel in airliners in which visibility from the cockpit is highly restricted, airliners in which leaking toilets may cause engines to drop off or in which control cable routing may be fatally flawed, I often think about how canceling the SST has removed opportunities for innovation in aviation. It is a tribute to the brainwashing power of the ecofreaks that no one in my wide circle of acquaintances in aviation has realized that the SST fiasco is the reason that problems besetting aviation today are not being solved innovatively. Doesn't everyone understand that the only way to progress in aviation is to fly higher and faster?

Perhaps my greatest pleasure in Dyson's article was reading his put down of my well-meaning but confused colleague Professor Paul Berg. Professor Berg and his coworkers worried that their research was going in a direction that could possibly lead to grave difficulties for mankind. They, like many other naive biologists, have been concerned not only about their specific hybrid DNA experiments but also about the long-range consequences of genetic engineering in general. This is in part because an accident in certain types of genetic engineering experiments (not those of immediate concern to the Berg group) could kill millions. The possibility cannot be ruled out that a virus could be constructed that would kill everyone. But I am sure Dyson would agree that killing everyone would not be a good idea since that would tend to dampen the opportunities for innovation.

Professor Berg and his colleagues, who I will call the Concerned Biologists, have really done the unthinkable. It was a sad day for science—indeed for all professions—when they sat down as an international group and agreed on voluntary safeguards and restrictions on their kind of genetic engineering research. The voice of reason, calling for laissez-faire, was barely audible in the chorus of concern about possible risks to workers in laboratories, the public at large, and the ecosystems of the planet.

Where will all this lead? If professionals start to allow concern for the welfare of mankind to intrude on the fundamental value of in-group loyalty and the attitude that "nobody can tell me I can't do an experiment," then the end is indeed near. As scientists, we must learn to bear the risks we create for others stoically. Already there are enough atavists claiming that society should have a say in risk-benefit analysis. The Concerned Biologists are worried that poorly informed politicians will themselves attempt to place restraints on research, unenforceable restrictions that will inhibit progress by responsible and ethical scientists and provide little or no control over the unethical and incompetent.

Surely we must convince these misguided biologists that "stonewalling," concealing risks from the public, and denying the need for self-policing—the classic strategy of all professionals—is the only way to avoid interference with our God-given rights to conduct whatever experiments we please. The Concerned Biologists have opened the door to these suppressors of innovation by seemingly admitting that some scientific endeavors carry risks that outweigh their potential benefits.

I think the problem of the Concerned Biologists is readily diagnosed: they lack moral fiber. Contrast the Concerned Biologists' position with that of the team of bomb-test physicists at Los Alamos in July 1945. Those physicists knew the threat of atomic bomb development by the Axis was over, and yet they had put together a very innovative device. They thought there was some chance that exploding a nuclear bomb would detonate the atmosphere, but a calculation showed that chance to be very small. So they went ahead. Would the Concerned Biologists have gone ahead and taken that tiny risk of wiping out life on the planet? Would they have had the foresight and guts to decide to take a chance with the lives of every living creature, including all of their fellow men? Clearly they would not—for they lack the ethical background of those who promote big science as the ultimate human value.[1]

And this leads me to my only quarrel with Dyson's article, and a minor one it is. He did not discuss the best of all what-if cases in support of our point of view. What if all the physicists of the world had gotten an attack of the kind of scruples shown by the Concerned Biologists and refused to release the power of the atom? Consider what the results of such immoral defection would have been. So many areas of technological innovation would have been damaged or wiped out that the mind boggles. We never would have discovered how large or small a fission bomb could be made or whether a hydrogen bomb was feasible. It seems doubtful that ICBMs ever would have become big business, and all those technicians now struggling to improve SLBMs, MIRVs, MARVs and the like would be unemployed.

Mankind would have been denied a chance to use cheap, abundant power to conquer nature and might have been forced instead to learn to coexist with her. Entire areas of intellectual endeavour, such as deterrence theory and studies of the biological effects of radiation, would have been stifled and, in the absence of the Atomic Energy Commission, mankind today would remain hopelessly ignorant of the limits to which lies, obfuscation, and incompetence can be carried. Perhaps most seriously, we would have discouraged eager young scientists in dissident groups or poor nations from finding innovative ways of producing supercriticality from non-weapons-grade plutonium. Can we afford to stifle science among the young and the poor?

The message is clear for all of us. Some people do not understand that technological progress, as we define it, is the greatest good for mankind. Some actually think that a public dampening of the idea that anything that can be done should be done is good. Some put forward the notion that the negative consequences of many technological advances, such as the release of nuclear energy, far outweigh any possible benefits. Real radicals even claim that mankind would do well to shift its research emphasis away from generating new technological circuses toward the more difficult problems of innovation at the levels of intermediate technology. And traitors to their professions have gone so far as to suggest that voluntary constraints be put on research or, horrible dictu, even that the public should have some say in evaluating the risks and benefits emanating from research supported by the public.

These people lack the vision to see what the world would be like without thermonuclear weapons, nerve gases, fast-breeders, smartbombs, aerosol deodorants, synthetic organic pesticides, supersonic aircraft, uppers, downers, plastic bread and the many other things that make life for almost a billion of us so exciting. Could one even consider life without these and similar wonders truly human life?[3]

ACKNOWLEDGEMENTS

I would like to thank Thomas Andrews, Wilfred Beckerman, Hans Bethe, Wernher von Braun, Colin Clark, Buckminster Fuller, Philip Handler, John Maddox, Viscount Pirrie, Dixy Lee Ray, Edward Teller, and Alvin Weinberg, whose thinking on technology has been a constant inspiration to me in the writing of this paper.—P. E.

NOTES

[1] We are fortunate indeed that many veterans of the Manhattan project are among the most sturdy supporters of nuclear power (vide the Bethe statement, Bulletin, March 1975, pp. 4–5). They are the sort of men who can make rational decisions about future risks and benefits, men fully aware of the technological imperatives that must control human destiny.

[2] Those who claim that the Nixon administration would have shown us those limits simply have no grasp of the duration and quality of the AEC's efforts or the numbers of innovators involved. I need hardly point out that Mr. Nixon had no faulty emergency core cooling system, that his administration admitted that things leaked out, and that even Spiro Agnew was never caught swinging around in a faulty fault tree.

[3] Some quibbling anthropologists might claim that, say, the !Kung bushmen or the Eskimos led human lives; but this is, of course, confusion on their part. What !Kung bushman, for instance, has ever had his manhood reinforced by a Mayaguez incident? What Eskimo has ever had the capacity to vaporize one of his enemies 57 times over? Neither group uses deodorants. Anthropologists should sharpen their definitions and be more precise. They could learn a lot from physicists like Freeman Dyson, who, for instance, went to the trouble of determining that the putative author of Our Plundered Planet, Fairfield Osborn, was in fact Harrison Brown writing under a nom de plume.

THE FIVE ESSENTIALS OF MEANINGFUL FULL EMPLOYMENT LEGISLATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HAWKINS. Mr. Speaker, two recent events necessitate a clarification of what many of us long active in the struggle for meaningful full employment legislation mean when we talk about a "full employment bill."

On September 5, 1975, in Sacramento, Calif., President Ford declared:

> I know of no acceptable rate of unemployment as long as there is any American who wants a job and cannot find one.

On September 19, 1975, Dr. Arthur Burns, Chairman of the Federal Reserve System, stated:

> I embrace the goal of full employment, and I shall suggest ways to achieve it.

Dr. Burns then went on to suggest that the Government be the employer of last resort to guarantee some kind of job to anyone able and willing to work—but at below minimum wages.

Just listening to the flowery rhetoric of the two gentlemen many of our fellow citizens might be deceived and misled into believing that these officials are actually advocating and supporting meaningful full employment. Therefore, before the phrase "full employment" is emasculated and gutted and stripped of all meaning by those who are, in one way or another, in fact opposed to meaningful full employment, I propose to set down as clearly as I can the key essentials of a meaningful full employment bill.

First, a meaningful full employment bill must establish and affirmatively guarantee in direct terms the individual right to a decent job at fair wages for all adult Americans willing and able to work. By this essential element of full employment legislation we mean to reject any mere statement of the declaration of the "right" to a job or some other artistic euphemism. The individual right means that we treat the right to a job as a right attaching to each and every American, not as an abstract condition of joblessness of any percentage of our population hidden in faceless numbers on Government statistical sheets.

The individual right means, too, that an American citizen without a job and desiring one can, if necessary, as a last resort, and after full utilization of other employment channels, present himself or herself at a Government office and be placed on a decent job—private or public—at fair wages and conditions of employment commensurate with that person's capability and potential. As a practical and meaningful step toward achieving this ultimate goal, an interim quantitative objective such as lowering unemployment to 3 percent or less within 2 years should be mandated.

Second, a meaningful full employment bill must provide in explicit terms for the machinery at all necessary levels to implement the established right to a job, including the provision for adequate funding for all levels and instrumentalities of the implementation process. Duties for carrying out the legislation must be directly placed upon specific officials and agencies, together with a clear fixing of standards and responsibilities of those officials and agencies. Thus, when an individual cannot get a job, there will be explicit accountability for that failure.

Third, a meaningful full employment bill must effectively fight inflation, among other means, through putting the Nation to work producing the goods and services that stop normal inflationary pressures, by using appropriate monetary and fiscal policies, and by recognizing the necessity for curtailing the abnormal inflationary pressures stemming from the various types of monopolistic economic practices, including administered prices. Such a bill would thus spell out precise measures to be taken to stop inflation.

Fourth, a meaningful full employment bill must fix the full employment principle as the centerpiece of a total national economic context of full goods-and-services production and full purchasing power in the hands of our citizens, together with an explicit statement of our national priorities, all expressed in direct mandatory language binding by law upon the President and the entire executive branch. Full employment means, as President Truman stated in his final economic report of January 1953, "full utilization of our natural resources, our technology and science, our farms and factories, our business brains, and our labor skills."

The executive branch, including the President and Mr. Greenspan, must be required to throw out their long-term planning for high levels of unemployment into the foreseeable future. The Federal Reserve System and other regulatory agencies must act in concert with these full employment policies, not in opposition to them. Congressional participation—including program and policy involvement, adequate funding, and oversight—must be an integral part of the process.

Fifth, a meaningful full employment bill must begin to operate without delay. The ravages of unemployment are too devastating for the Nation to continue to suffer them for many more months or even years, as the present administration proposes. Next year, or the year after, is too late; action now is needed. And that action must be backed up with specific goals and timetables of implementation, in accord with a previously stated quantitative interim objective such as achieving 3 percent unemployment or less within 2 years.

The above five essentials of a meaningful full employment bill are not exhaustive but are merely designed to begin to give us bearings for constructive action, meaningful dialog, and the debate that is surely to come. If, as many veteran political columnists and observers are predicting, full employment legislation will be the main issue of the upcoming Presidential campaign, we should at least insist that those who use the phrase "full employment" be responsible for its genuine accomplishment.

I submit that anything less than this would be to betray and defraud the American people.

I offer these comments in a spirit of constructive dialog.

CONSUMER AFFAIRS SUBCOMMITTEE SCHEDULES HEARINGS ON CREDIT CARD SURCHARGE LEGISLATION

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. ANNUNZIO. Mr. Speaker, on Thursday, October 23, the Consumer Affairs Subcommittee of the House Committee on Banking, Currency and Housing will hold hearings on legislation to prohibit adding surcharges on consumer credit card purchases.

Although the legislation has not been introduced, it will be on the first legislative day after the Columbus Day recess.

Last year Congress enacted the Fair Credit Billing Act which provided that merchants who honored credit cards could allow cash purchasers a discount. In addition, a discount of 5 percent or less would not have to be disclosed under Truth in Lending requirements.

This position was enacted so as to provide lower costs to customers who chose not to use a credit card. Although many merchants were willing to provide such discounts, they were prevented from doing so because of contract stipulations between the merchants and the credit card companies prohibiting such discounts.

When the Federal Reserve Board published its proposed regulations for the Fair Credit Billing Act—which contained the cash discount provision—the Board also authorized the use of surcharges which would increase the cost of credit card purchases. I protested this action to the Board, pointing out that Congress had not authorized surcharges and the Board was overstepping its authority. The Board subsequently withdrew the proposal, but since that time the Senate has begun holding hearings on this issue to specifically authorize surcharges.

I am opposed to such surcharges. With more than 500 million credit cards in circulation, a surcharge of only a few percent could result in billions of dollars in extra costs to credit card customers. In addition, the surcharge will not result in any lower costs for cash customers.

THE JOHN A. BLATNIK LOCK

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. OBERSTAR. Mr. Speaker, the Nation's fourth seacoast: the St. Lawrence Seaway, the Great Lakes, and their connecting channels, today links the great heartland of the North American Continent with the trade routes of the world.

Once only canoes, manned by Indians and later by the French-Canadian fur-traders, plied the more than 2,300-mile route from what are now the twin ports of Duluth and Superior to Montreal.

Today, ocean-going liners carry U.S. cargoes to ports around the globe.

Thousand-foot ore carriers transport iron ore from the fabled Mesabi Iron Range in Minnesota to the steel mills of our great Midwest industrial centers.

The fourth seacoast was only a dream at the beginning of this century, when men of vision began to urge development of the St. Lawrence Seaway.

But the seaway remained a dream for over 40 years—until one man, a freshman in the Congressional Class of 1946, introduced a bill and, a brief 6 years later, fieldmarshalled the legislation through Congress and into law.

That man was John A. Blatnik, our colleague in the House from 1947 until his retirement in 1975, and chairman of the House Public Works Committee from

1971 through the end of the last Congress.

Hardfought as was the battle for the seaway, it was only the beginning. For the key to the seaway's success was the deepening and widening of the channels connecting the Great Lakes, without which no ocean-going vessels could penetrate the full 2,300 miles to the ports of Lake Superior.

The channel improvements were authorized by Blatnik's Subcommittee on Rivers and Harbors in 1956, the first year he chaired that subcommittee.

One of the most vital links of the entire 2,300-mile Great Lakes/Seaway System is the 1,200-foot lock at Sault Ste. Marie, Mich. Although no 1,000-foot lakers existed, or were even on the drawing boards, when this giant lock was authorized, Blatnik had the foresight to realize that these supercarriers would be needed and, therefore, built.

Blatnik's expertise and legislative craftsmanship steered the enabling legislation for the 1,200-foot lock through this complicated maze to enactment, in the face of skepticism and outspoken opposition by those who believed it would be superfluous.

The lock was opened in 1968. By the early 1970's it had revolutionized the transport of grain and ore on the lakes. Brand-new, 1,000-foot oreboats replaced smaller vessels, and shipyards were busy with commissions to lengthen others to meet the opportunities of this new lock.

That lock, now known as the Poe Lock, was named for a Corps of Engineers officer, Orlando Poe, who lived 100 years ago, and who had no connection with the conception or authorization of the 7-year-old lock that bears his name.

Mr. Speaker, the locks and facilities of the fourth seacoast bear the names of men who, historically, made a contribution to the system, but who have no geographical connection with the facility named for them. History, not geography, has been the guiding principle in commemorating their vision and achievements.

But the one man who really got the St. Lawrence Seaway enacted; who made the lakes and seaway the Nation's fourth seacoast in fact, and then in law; who made the system navigable to today's super-lakers; and who authorized the giant lock at the Soo, is nowhere recognized.

The bill I introduce today would rectify this situation, by naming this lock, as a permanent monument to our former colleague, the John A. Blatnik lock.

DEBBIE REYNOLDS HELPS ESTABLISH THALIANS' COMMUNITY MENTAL HEALTH CENTER

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. REES. Mr. Speaker, we are all aware of the great contribution the renowned Miss Debbie Reynolds has made during her 25-year career as an actress and entertainer for the benefit of millions of Americans and people throughout the world. I wish to bring to the attention of this body her contribution as an outstanding leader, president and now chairman of the Thalians, a group of civic-minded people who have devoted their time and energies for the past two decades to care for and treat emotionally disturbed children. As a result of their dedicated efforts, the new Thalians' Community Mental Health Center was built at the nonsectarian Cedars-Sinai Medical Center in Los Angeles. She has led this outstanding group of dedicated people to raise over $2.5 million.

In my opinion, a young, talented woman who has served in this dual purpose of entertainment and civic leadership should be an inspiration to many other Americans in years to come.

I am very proud to present Miss Debbie Reynolds to you as deserving of the highest commendations of this legislative body.

FEDERAL SUPPORT OF THE ARTS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. DRINAN. Mr. Speaker, the need for continued Federal support of the arts is imperative if we are to promote and preserve our cultural heritage. Past appropriations to the arts have been substantial, but more money will be needed in coming years to promote and maintain the successful work which the National Endowment for the Arts has done during its 10-year existence.

An editorial in the September 30 Christian Science Monitor persuasively argued that appropriations for the arts are not a luxury. With the creation of the National Endowment for the Arts and Humanities 10 years ago, opportunities were created so that all Americans could benefit from American art and culture and not just those few who were able to afford it.

Two hundredths of 1 percent of our national budget is presently being spent on the arts. As the Christian Science Monitor editorial points out, we should surely spend no less.

I commend this excellent editorial to my colleagues:

TWO ONE-HUNDREDTHS OF 1 PERCENT FOR THE ARTS?

The National Endowment for the Arts celebrated its 10th anniversary yesterday in the midst of artistic cutbacks around the country that make its funding—and its generation of matching funds—all the more necessary. As state and city budgets are tightened in the inflation-recession squeeze, museum hours get shortened and anything that smacks of luxury is challenged. In Massachusetts, for example, with all its cultural heritage, struggling arts organizations are rightly concerned because of a threatened two-thirds cut in the state arts council's budget.

But the arts and the whole quality of life they exemplify are not a luxury. Salty Harry Truman in the current play and movie about him is shown taking time to emphasize the importance of beauty to the human spirit—acknowledging how it refreshed him for the affairs of state. So do all members of society need the enrichment of the arts. When they turn to these resources, the resources must be there, not reserved for the elite, not allowed to wither to the disadvantage of all.

The United States took most of its 200 years to recognize the need for federal support of the nation's artistic enterprise. But the commitment to the arts endowment over the past decade has grown from $2.5 million to $74 million this year (with similar amounts for the companion National Endowment for the Humanities). For the coming year President Ford is at least going in the right direction by asking for an increase to $82 million (though $126 million was authorized under the last legislation). Surely no less should be appropriated in a budget of $375 billion.

For the arts endowment's 10 years have provided, despite some merited criticism, what chairman Nancy Hanks calls the "confirmation of an idea"—that federal support of the arts is an essential part of the system. Since it still amounts to less than 50 cents per capita, it is clearly not displacing private support and commercial maintenance of the arts. Indeed, many business patrons of the arts are not yet in recessionary retreat.

What the arts endowment can do—and has been doing—is to use its leverage to pry funding from other sources. As Miss Hanks has said, "Our most fundamental purpose is to draw national attention to major problems and opportunities in the arts, and then use our limited funds to mobilize non-federal resources to deal with them."

The needs she sees now range from better use of the potential of broadcasting for wide dissemination of the arts—to helping the little magazines in their task of discovering literary talent.

Are the arts worth two-hundredths of 1 percent of the national budget? That's all the President is asking for.

CULTIVATE-A-LOT

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mrs. SPELLMAN. Mr. Speaker, several years ago in Prince Georges County, we instituted a program that, for a nominal fee, provided garden plots from unused county land to families who wanted to grow their own produce. The cultivate-a-lot program has met with tremendous acceptance by county residents to the point that yearly reservations for plots must be made well in advance of the planting season. The county provides the lot and the initial plowing for a modest $10 fee; the would-be gardener prepares the seed bed, cultivates the garden, weeds the plot, and harvests the crop.

I wish that my colleagues could come out to Prince Georges County to see this program in action; to see the people working on their plots. So many families in our urbanized society do not have access to arable land, yet want to cultivate a garden. The Prince Georges County cultivate-a-lot program fills that need with a minimum cost to the government and with a maximum satisfaction to the participants.

It is the success of the Prince Georges County program that prompts me to introduce legislation to establish a similar cultivate-a-lot program on the Federal level. My bill amends title 16 of the United States Code by adding a new subsection (i) to section 406L–1.

Such a program must be administered by the agency that has jurisdiction over most of the land owned by the U.S. Government. Under my bill, the Secretary of the Interior will establish a cultivate-a-lot program through the Bureau of Outdoor Recreation, to lease lots of up to 1,000 square feet of arable U.S. land that is not directly necessary to the on-going activities of the Government and its agencies.

Outdoor recreation programs were created to assure all Americans adequate outdoor recreation resources after the Congress determined that it was desirable for the Government to "conserve, develop, and utilize such resources for the benefit and enjoyment of the American people." I can think of no better way to fulfill this goal than to utilize U.S. land for such a program. In these days of high food prices, it would be beneficial to have such a program available for people who want to grow their own produce, yet do not have access to the land. The program will, through the lease fees paid by the gardeners, be essentially self-supporting.

I urge my colleagues to join me in sponsoring this bill so that it can receive immediate consideration. Initiation of this low-cost program in time for the spring planting season of 1976 would be a most fitting present to this country and its people on the occasion of the Bicentennial.

At this point, Mr. Speaker, I include the text of my bill:

H.R. 10205

A bill to establish as part of the Outdoor Recreation Programs a program to permit certain residents to cultivate gardens on dormant Federal lands

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of May 28, 1963 (77 Stat. 49), is amended by adding at the end thereof the following new subsection:

"(i) Cultivate-a-Lot Program.—Establish a program wherein citizens or permanent residents of the United States are permitted through lease or other arrangement to cultivate in plots no larger than 1,000 square feet, arable land owned by the United States and determined by the Secretary of the Interior not to be directly necessary to the on-going activities of any Federal agency or instrumentality."

CAN CONRAIL SUCCEED?

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. SHUSTER. Mr. Speaker, under the provisions of the Regional Rail Reorganization Act of 1973 the USRA final system plan will automatically go into effect within a month unless Congress acts to disapprove. I support ConRail and am deeply concerned that this body is not yet sufficiently informed of the plan to pass judgment on it. A package of amendments to the act are required and it is essential that we act wisely and with dispatch. Toward that goal, I am inserting the text of a speech recently delivered by Arthur D. Lewis, Chairman of USRA. I commend it to my colleagues:

REMARKS BY ARTHUR D. LEWIS

I'm very flattered to have been chosen as the first luncheon speaker for this important conference, although, looking over your program for the morning session, I know that I am following some pretty tough acts. I'm referring not only to the participants from other organizations and to Owen Clark's able moderating, but also to my colleagues from the Railway Association. John Terry can always be counted on for a good presentation, and it will come as no surprise to you that we consider Jim Hagen's ability to sell a "bill of goods" to be absolutely outstanding. He sold us the "Plan."

Since July 26 when the last midnight oil had been burned at the Association and our Final System Plan was delivered to Congress, we have had an opportunity to stand back from the Plan itself and reflect upon it. The demands of Congressional appearances, together with the responsibility to consider evaluations from other sources, have dictated a fairly thorough review by ourselves of our conclusions and recommendations.

Thus, today, I have some confidence in answering the question posed as the theme of this conference, that is: "How ConRail is Going to Work." My thought is that, *in time,* it will work *very well.*

I continue to be confident in the research and the judgments of both the professional staff of the Association and the consulting firms whose expertise we called upon during our short and compressed planning period—all deeply experienced in rail management and finance—and I am also confident in the collective judgment of our hardworking Board itself.

Because the challenge that confronted us was comprehensive as well as complex, some complexity is evident in the Final System Plan. We are not surprised that the complexity has brought disagreement and criticism from sources whose knowledge of the detailed analytical work is based only on the document which was published. Even though the System Plan itself constituted two thick volumes, it still represents a minute distillation of the work completed during the last eighteen months.

The principal contentions of our critics are (1) that we have undervalued the bankrupt properties, (2) overestimated the earnings potential of ConRail and (3) underestimated the amount of money ConRail will need to get in the black. Those are some pretty sweeping criticisms. But to some extent they were to be expected because the whole process is programmed for controversy of this kind.

Let's deal with the first of these, i.e., the valuation of property. In so doing, we should know that the basic complaints have come from the Trustees of the bankrupt estates involved and/or the creditors and stockholders of those bankrupt railroads.

We first must clearly understand what we are dealing with. The valuation of rail property shown in the Plan is the estimated *current value* of these properties if the Trustees of the estates were granted permission to discontinue operation and sell their properties to whomever they wanted to sell it to and for the very best price they could get for it. It also reflects the net cost to them to dispose of these properties and this is quite high, reflecting the diversity and scope of the property involved. To put this into perspective, look at these figures. The *net book value* of all rail property of all seven railroads in bankruptcy totals 4.45 billion dollars—but in a terribly depleted condition, *as we all know.* We have developed a liquidation plan which causes us to believe that over the next twenty-five years the bankrupt estates could sell most of this property for a total of about $3.5 billion. Some of it they can never sell while other parts can be sold only for scrap at very low prices, hardly worth the effort to accumulate it and transport it to market.

We have forecast that the cost of selling these thousands of miles of rail line, hundreds of millions of ties, millions of tons of steel scrap, of tearing down bridges, plugging tunnels and the like would cost about $1.8 billion during that twenty-five year period—leaving about $1.7 billion for the stockholder and the creditors of the estates. However, the law states that we must estimate the current value of this $1.7 billion flow of cash at the time of conveyance of property, about March 1 next year. For example, what we had to do was determine what a dollar which might be received by the estates in 1985 for sale of land or other assets would be worth today. It is *not* the same; it is less. Looking at it in another way, if one felt he could sell property for a given sum ten years hence, how much less would he be willing to take today for that same property. One would accept a substantial discount, and the degree of discount would include risk that the prospect of sale might not be fulfilled.

Thus, we had to determine a reasonable discount of that net flow of $1.7 billion in cash over the twenty-five-year period—and our discount rates reduced it to a *current value* of $621.0 million. We think that is the current value of the net proceeds which would come from a decision to begin liquidation of the rail properties today.

The question then comes, is this the *real* measure of the value of the property that is to remain in rail operation. The answer is, of course, "no." The real value of that property is its *ability to earn money as a railroad.* It is the *capitalization of earnings* of that property which determines its real worth. To properly compensate the stockholders and creditors of the bankrupt estates for the use of that property, we have given them 100 percent of the common stock of the company so that these earnings, whatever they may be, belongs 100 percent to them, including the very real potential for earnings substantially in excess of our forecast. It should be noted, however, that those earnings cannot be realized without heavy investment in the rehabilitation of these badly deteriorated properties, with capital provided on highly favorable terms by the government. The actual cost of this essential capital we see as a proper prior claim on ConRail's earnings.

Of course, taking into consideration the trend of the stock market, and other variables, we could not with certainty say what the stock of ConRail will sell for—and we could not be certain that ConRail would have sufficient earnings to give value to its stock under any market conditions. Thus, we then become concerned with what value the estates should receive for their property if ConRail stock did not have value or if the value were minimal; in other words, if ConRail could not be reorganized successfully; or if, in legal terms, we did not have an "income based reorganization." We believe that legal precedent clearly states that, if the property cannot be operated at a profit for its owners, then what they could get if they liquidated the firm will constitute the fair and just consideration for its owners. Thus, we believe, that "net liquidation value" we have described in the Plan is the fair and equitable value they should receive.

To make certain that the creditors and stockholders receive that "constitutional minimum" the Association recommended the creation of the Certificate of Value guaranteed by the full faith and credit of the U.S. Government to make up any shortfall that might exist if ConRail securities fail to have a market value equal to that constitutional minimum.

The creditors say this isn't enough. In effect, they say, "We have given you assembled property with bridges and buildings that will not be torn down; ties and rail that won't be ripped up; and tunnels that will not be plugged; thus, you owe us 'assemblage values', or cost of reproduction new, less depreciation, or today's net book value."

We recognize the properties will not be sold off, ripped up, torn down, etc. Those properties designated to ConRail *will be operated as an ongoing rail system* by a private, for-profit corporation. And, it is for *that reason* that we hold that the intrinsic value of that property is determined by its earnings value, and that a capitalization of these earnings determines the value of the property.

And, that gets us back to the second area of controversy surrounding the Plan—is it too optimistic in its financial projection? In this regard, however, I would like to emphasize again that the earnings we have forecast and the value derived therefrom, are realized only after the general taxpayer has put nearly $2.0 billion in bonds and preferred stock in the operation and has granted subsidies in excess of $500.0 million to current and future operation—no little sum to enhance the earnings capability of the dilapidated investment of the stockholders and creditors.

And, again, based on a reconsideration of our work, and with this financing assistance, I think those rail properties can be operated at profit sufficient to create securities distributed to the estates with values in excess of any constitutional minimum value.

Before I launch into a more detailed statement of the reasons I believe as I do, I'd like to emphasize one point—and that is that the United States Railway Association has not felt that it has had any specific ax to grind. Our goal has been to do what we could to optimize the profitability of these properties with the resources available. We did not try to force any answers. We would rather have returned to Congress and reported that the job it gave us could not be done, rather than to put something together we felt would not work. I am not saying that, in the inherently uncertain world of economic and financial forecasting, that we are infallible. I simply want to emphasize that we had no partisan interest in, nor preconceived answer to the solution and conclusions we developed.

In setting about our job, it readily became apparent that losses on the bankrupt carriers were coming from several sources other than line haul freight operation. The two largest cash drains came from certain passenger services and a large number of branch lines with very little traffic. Early on it became apparent that rail freight services were not sufficiently profitable that they could continue to subsidize losing operations which might be necessary to serve other social purposes than running a profitable rail freight service.

We recommend an elimination of cross subsidies and the adoption of a policy that the governments involved (Federal, state and local) pay the cost of losing operations if they wanted them to be operated. We have excluded such losses in the financial statement of the Final System Plan. We believe that both the Administration and Congress will agree to this general principle and recognize that we cannot have a private enterprise solution in reorganizing these bankrupt carriers if we try to force ConRail to carry these losses. To show you the importance of this element in affecting earnings, we estimate that in 1976 the combined losses from unprofitable passenger services (both AMTRAK and commuter) and branch lines approached $100.0 million. If ConRail were forced to continue those losses throughout the 1976–1985 period its cash requirements would rise by $2.3 billion more than shown in the Plan. There is no way ConRail could accept that cash drain and the additional losses from operations involved and succeed as a private sector company.

With the elimination of the losses from passenger services and the large number of unprofitable branch lines operated by these bankrupts, it becomes meaningful to compare the financial performance of the bankrupt railroads with other railroads in the industry. On the basis of this comparison our forecast of ConRail viability by 1985 appears to be quite reasonable. For example, the critical ratio of ConRail operating expenses as a percent of revenue is estimated to decline steadily from 92.6 percent in 1976 to 70.7 percent in 1985. That compares to an average for ten large rail systems in 1973 of 69.7 percent—not an unreasonable expectation in the tenth year, after the expenditure of $6.0 billion on roadway, property and equipment improvements, a new management, the elimination of passenger and branch line losses, consolidation of yards and facilities to reduce costs and the introduction of many important systems to improve operating efficiency. I don't think this is an unreasonable projection. It assumes an extensive rationalization of duplicated properties during this period; it seems a carefully calculated improvement in operating costs due to the rehabilitation program with each dollar of rehabilitation cost justified by improvements in operating costs. It assumes a substantial but not radical improvement in car utilization by the use of modern management techniques which are available. It assumes only a small part of the improvement in yards which can be realized by a carefully planned capital expenditure program and by improved management practices in the yards. (Incidentally, we have looked at work rules as presently administered by the Penn Central and believe that a very significant portion of their particular problem of manpower utilization in the yards is in the daily administration of their contracts rather than in the specific limitations to worker productivity written in the contracts.) We have projected a substantial improvement in loadings per car reflecting the higher capacity of cars being added to the fleet as the older cars are retired, and, as you can imagine, a large part of the cars owned by the bankrupts today should be retired soon. We have also programmed many of the original consolidations of facilities which were thought to justify the merger of the Pennsylvania Railroad and the New York Central but which were never implemented due to lack of cash. Actually, we have been very conservative in forecasting the net benefits of improvements in operating efficiencies. We forecast an improvement in earnings of $578.0 million by 1985 and of that only $299.0 million is due to gains in operating efficiencies and changes in the traffic mix and volume. This is a very conservative figure considering the benefits that can flow from programs just mentioned, as well as to a new profit-oriented management dedicated solely to making the railroad succeed.

And, now I'd like to talk about the latter element, the new management, beginning with Ed Jordan, recently joined by Dick Spence. I think we are well on our way to developing an outstanding new management team and in creating a new management environment in the bankrupts (particularly the Penn Central.) This will have a direct positive impact. This statement should not be construed as my being critical of the present management of the Penn Central. I am not. With the constraints of a bankrupt company, the lack of cash, the indefiniteness of a future, with a Trusteeship with divided interests between rail service and preservation of assets, rail management has had an impossible job—and I lift my hat to Jervis Langdon who has held that company together under conditions impossible for an outsider to imagine.

But, the new management will be in sharp contrast to the management of the rail system when it went into bankruptcy—a new management capable of implementing the most sophisticated management systems and one dedicated to rail service only. No attempt will be made to disinvest from rail service, but rather a direct attempt will be made to show that a successful Phoenix can arise from the ashes of these failed companies. I am proud of the selections of executives we have made so far and I am sure you will begin to see more appointed of the same quality—and a substantial number of these will come from the bankrupt carriers themselves—but newly invigorated and stimulated by the possibilities of a resurgent new company. Mark my words, I think that in three years that ConRail will be recognized as having the best management in the field of rail operations—not as a reflection against other rail management, but a reflection of the drawing power of the challenge of ConRail's rebirth.

The basic question is—can ConRail achieve the degree of profitability about equal to the average large railroad system after ten years operation under this new management; after freeing it of debilitating cross subsidies, after major capital expenditures made to improve efficiencies and the consolidations of facilities?—*I think it can.*

But, what I am concerned about also is what will be the rate of profit of the *average rail carrier* ten years hence. If it is no better than today, it will not be very profitable and thus, ConRail will be only marginal. To me, this is the critical problem both from the standpoint of the stockholders and creditors of the bankrupt estates as well as the government itself.

The problems of ConRail's profitability in the future will be the problems of the profitability of the industry as a whole. We think ConRail will be as good as the average, but no better. But this country needs an industry which, on an average, is more profitable than the rail industry is today. For many years it has been at or near the bottom of all U.S. industries in rate of return on investment.

The key fact is that over the last twenty years, the industry as a whole has failed to keep abreast of its developing capital needs. What capital expenditures it has made have come either (1) out of working capital (and for the industry as a whole it is now in a deficit working capital position), (2) by increasingly expensive leases and conditional sales agreements in acquisition of rolling stock, and (3) by deferring less critical maintenance of fixed plant and track when feasible.

Not only has the industry reached a point at which it cannot fully meet its current needs, it now faces a decade of capital expenditures and track and tie replacement unprecedented in its history.

And, unless basic and fundamental changes are made in the industry and in public support for the industry, it will fall even further behind in meeting its capital and maintenance requirements in the future. Increasingly, it will fail to provide essential transportation services—thus, for the industry and for ConRail, I need to say these things:

1. The industry, itself, must accelerate its efforts to improve productivity, and the strong roads as well as the weak, must recognize they stand to gain by industry programs which benefit all lines.

2. Rail labor, too, must recognize that its future is largely contingent on a sharp improvement in railroad efficiency—and it cannot rely on radical improvements in rail technology to bring that about. It, too, must increase its own productivity—and it should share in the benefits of increased productivity.

3. The regulatory philosophies in this country must change. They must be based on the present competitive conditions in the industry and not on the past. The common carrier must be given greater freedom to compete in the private sector and contract carriage of freight. Rates must reflect costs both inflationary as well as structural. Flexibility in competition, rate making and service must be the basic goal with protection for the public when lack of competition permits excesses to occur.

4. And public support policies must change—support for the various modes must be brought into balance. We should clearly determine the extent to which each mode is aided by public policy—to which it is subsidized either directly or indirectly in the administration of expenditures for highways, inland waterways and airways, and in tax policies. Each mode should be forced to com-

pensate the body politic fully for services used, including capital charges for the use of public capital. Either that, or all forms of transportation should be aided in an equitable manner. Certainly, we should stop the discrimination in public support which adversely affects the most energy efficient and the most environmentally compatible mode, the railroads.

5. And lastly, we need to integrate the planning for modal development. We have long passed the point when we can develop independently all modes of transportation without evaluating the interrelated needs for service. We cannot afford the waste of natural resources which indiscriminate development of all modes brings about.

Now, the above are the things we must do if rail transportation as an industry is to meet the developing needs of our society. Without direct and positive steps we will see the rail industry continue to lose market share at a time when energy and environmental factors should stimulate its growth. In that case, ConRail will suffer along with the industry.

On the other hand, we can step up to the basic problems of the industry and create conditions in which it will flourish. *ConRail then will flourish, too.* And this in large part will provide the answer as to whether the financing recommended for ConRail will be sufficient in the long run. The answer really depends on the exercise of public policy from this point forth and the degree to which it continues to starve the industry for funds or alternatively creates conditions which provide an adequate cash flow to make needed capital investments.

As we said, both in our Preliminary System Plan and in the Final System Plan, "the Association can only plan a system and recommend methods of financial assistance. . . . Others will have to share in the creation of an environment favorable to an economically viable rail system for the Nation."

We also went on to say that, "the Association believes ConRail can succeed as a viable private enterprise and is optimistic that the industry itself will remain in private operation. The public attitude toward the rail industry is changing from one of hostility or indifference to one of encouragement. With the resurgent use of coal to supply more and more of the Nation's energy needs, rail transportation will become even more important. With society concerned about the fragility of the environment, excessive consumption of petroleum and use of additional land for highway construction, greater recognition will be given to the railroad as a fuel efficient, land-conserving and low-polluting method of transportation.

"Thus, the Association's optimism for ConRail's future is not based solely on government support of new management. There is a changing public attitude toward regulatory policies, energy and the environment, a shift of attitudes that portend a fundamental turning point in the historical relationship between the Nation and its railroads.

"ConRail can succeed. The Region can have an adequate rail system. The Nation can have the benefit of a rail industry which, operating in the private sector, serves its full and efficient role in the national transportation system. The Final System Plan is a single, but highly significant step toward achieving these goals for the benefit of the citizens of this Nation."

PERSONAL ANNOUNCEMENT

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. EDGAR. Mr. Speaker, as a result of an unavoidable out-of-town commitment, I was not present when the House of Representatives voted on H.R. 9500, the Construction Industry Stabilization Act of 1975. I was a cosponsor of an identical bill. Had I been present, I would have voted in favor of passage.

While preserving the structure of unimpeded collective bargaining, H.R. 9500 provides a mechanism for anticipating and settling disputes in the construction industry with a minimum of Government interference. The impact of this bill will be to stabilize a fragmented industry, and help avoid ugly labor disputes which ultimately are costly to labor, management, and the consumer.

TO APPROVE THE PROPOSAL OF THE EARLY WARNING SYSTEM IN THE SINAI

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. JONES of Tennessee. Mr. Speaker, on Wednesday, this body passed House Joint Resolution 683, to approve the implementation of the U.S. proposal for an early warning system in the Sinai.

While I support our efforts aimed at bringing peace to the strife torn Middle East, I opposed this legislation as the incorrect way in going about such a settlement. First, it again places the well-being of American technicians in the same precarious position that got us involved in a land war in Southeast Asia and secondly, recent newspaper reports indicate that our Secretary of State believes that the approval of this resolution also commits, firmly, the U.S. pledge of billions of dollars of economic and military aid to both sides of that conflict.

I have long been an opponent of exorbitant foreign aid and I am certain that such aid in this case will only serve to strengthen the tension between countries who are armed to the teeth with our military hardware.

While the resolution states that our action yesterday had no effect on other proposals that are connected with the early warning system in the Sinai, I find it quite alarming that our Secretary of State would make public a statement that indicates that the approval of this resolution, in effect, approves the other portions of the agreement with which many Members of this body may not agree.

And, I think that there are still yet other questions in this matter that have not yet been dealt with. So far, the accords affect only the Egyptians and the Israelis. What will prevent the Arab nations from posing a threat to the safety of those "volunteers" who man these outposts and if they should be endangered through actions by parties other than the Israelis and the Egyptians, who will get them out, as called for in the agreement?

I am convinced that there are too many questions that have been left unanswered or answered only in part that could result in a greater involvement than we intended when this resolution passed.

ONE CITIZEN'S FAITH IN FREEDOM

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. SARBANES. Mr. Speaker, the Monorah Lodge of B'nai B'rith in Baltimore recently celebrated its 60th anniversary by sponsoring a Bicentennial essay contest, thereby continuing its long tradition of civic, educational, philanthropic and patriotic activities benefiting the entire Baltimore community. It was most appropriate that the lodge should have chosen as the essay topic "U.S.A. Flag: Faith in Freedom"—appropriate to our Nation's approaching Bicentennial and to the fact that the lodge itself was founded on Flag Day, 1915.

It is also fitting that the prize-winning essay should have been written by Lillian Lee Kim. Mrs. Kim is well-known and loved in Baltimore where she is a leader in the Chinese community and an outstanding and dedicated public servant. Her prize-winning essay expresses her feelings about our flag and our country in a very moving and original way.

The essay follows:

U.S.A. FLAG: FAITH IN FREEDOM

The colors of our flag represent Faith in Freedom. White (purity) symbolizes the land of the free where the world's oppressed and unfortunate have always found a haven of rest. Now, as always, her gates are open to the thousands of refugees and the homeless. Red (happiness and good fortune) speak of the courage of the American people who have always and will continue to face danger, to stand for, strive for, and fight for freedom and a better life. The blue in the field of stars represent loyalty . . . the loyalty of the American people who have stood by their flag and their country through adversities and challenges, responding to America's call to serve in combat, on peace missions, and wherever and whenever needed to preserve freedom.

Our flag has always filled me with pride and thanksgiving, yet, never before has it moved me as deeply as it did the first time that I saw the replica of our flag of 1814, handmade by Baltimore women (honoring the Sesquicentennial of the defense of Baltimore), being reverently unfolded by the Color Guard at an Oriole Opening Game. As the stirring words of our national anthem filled the air, my eyes were drawn from the fifteen-star flag on the field to the majestic symbol of freedom, its blue field covered with fifty stars, proudly waving in the breeze, representative of a nation whose people represented every creed, color, and race; of varied backgrounds and cultures. Each star, representing a state, spoke of the foresight, the strength, and the courage of the pioneers who had travelled westward, southward, and northward to conquer the wilderness, working together towards statehood for their new home.

Today, as we stand on the threshold of our Bicentennial Anniversary, our flag, born during the early years of our struggle for freedom, represents not only the Declaration of Independence; unending efforts for peace and good will among all nations; a haven of rest for the oppressed; a land of freedom and opportunity but she symbolizes protection for the weak; relief for the suffering; tolerance towards people of all creeds and races, and equality and opportunity for all. She tells of the achievements, principles and goals of America. She represents our dreams and hopes. Above all, to the world's oppressed, her Stars and Stripes represent

Faith in Freedom. She pleads with us not to turn our backs but to come forth; stand up for her and for our country, and be counted as worthwhile citizens. Today, our flag flies over fifty states. The domain over which she waves has expanded until the sun on her flying never sets.

God willing, may the Flag of the United States of America, the most beautiful flag in the world, always wave, proudly, majestically, and warmly amidst the clouds and blue skies. May she always represent freedom; freedom in its heroic and historic past; groping present, and a future made great by her people. Our flag and our country is the last and best hope of the world. Long may she fly!

THE EMERGENCY FLOOD CONTROL ACCELERATION ACT OF 1975

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. RINALDO. Mr. Speaker, I am today introducing a bill entitled the Emergency Flood Control Acceleration Act of 1975. This bill has a twofold purpose: To expedite the initiation and completion of needed flood control projects across the Nation, and to aid one of this country's most recession-afflicted industries, the construction industry.

According to data furnished by the U.S. Army Corps of Engineers, an average flood control project takes about 11 years to complete. In some instances, projects have been completed in under 9 years, but in far more instances, projects consume up to 18 years. To my mind, this is far too long. If the safety of a community is imperiled by potential flooding, it needs protection as soon as possible. Eighteen years later, that protection may be too late.

A graphic illustration may be found in my own district in New Jersey, some of which covers a flood plain area. There have been several flood control projects underway in my district for many years. None of them, however, was completed in time to save the district from the disastrous floods of recent years, including those which resulted from this month's extraordinarily heavy rainfall. And yet, these projects were requested years and years ago.

Why, after all this time, should the people of my district still be in danger of losing life and property from floods? One of the reasons, Mr. Speaker, why flood control projects take so long to complete is the myriad of procedural requirements adhered to by the Corps of Engineers, many of which are internally developed working arrangements. Some of these requirements are necessary, such as environmental impact statements and the like, but others are merely time-consuming and superfluous, with approvals of interim reports required on every stage of each project.

My bill proposes that these latter requirements be reduced or eliminated wherever possible, in order to speed up the initiation and completion of needed flood control projects. In so doing, badly needed assistance will be extended to the Nation's construction industry. This industry, as we are all aware, has been among the hardest hit by the recession in terms of unemployment. By eliminating unnecessary procedural requirements, actual project construction can begin much sooner, and unemployment among construction workers will be alleviated.

Mr. Speaker, I think it is unnecessary to belabor the timeliness and importance of this bill.

I urge its support.

REMARKS ON THE INTRODUCTION OF A BILL REQUIRING PRESIDENTIAL REPORTS TO CONGRESS ON AGENTS' COMMISSIONS FOR MUNITIONS SALES

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. NIX. Mr. Speaker, today I have introduced a bill on behalf of the membership of the International Economic Policy Subcommittee of the House; that is, Mr. WHALEN, Mr. HAMILTON, Mr. SOLARZ, Mr. BIESTER, and myself as chairman. We have just completed 7 days of hearings on the response of Federal agencies to the problem of corporate bribery of foreign officials.

THE PURPOSE

The purpose of this legislation is to disclose the identity of munitions middlemen or sales agents and the fees they receive for acting as brokers in foreign military sales transactions. The fees paid to such middlemen are the most common source of bribes of foreign officials. Northrop Aircraft, for example, by their own admission, bribed two Saudi Arabian generals with a payment of $450,000 through a sales agent.

The bill would merely add two items to two reports already filed by the President with the Foreign Affairs Committees of the Congress.

THE LANGUAGE

Section 1 of the bill amends section 36(a) of the Foreign Military Sales Act, 22 U.S.C. 2776, by inserting new language in subsection (a) in the second sentence, by striking the words "and (F)" and inserting in lieu thereof:

> (F) the name of any sales agent or other person receiving any fee or commission in conjunction with the sale to such foreign country or international organization of such defense article or service (other than a person who is a bona fide employee of the manufacturer of such defense article or, in the case of a defense service to be furnished by a private contractor pursuant to a contract with the United States, of such contractor) and (G):

Section 2 of the bill amends section 414(e) Munitions Control of the Mutual Security Act of 1954, as amended (22 U.S.C. 1934), by adding a paragraph 5:

> (5) the name of any sales agent or other person receiving any fee or commission in conjunction with the sale for export of such items (other than a person who is a bona fide employee of the manufacturer of such items), and the amount of such fee or commission.

THE POLICY JUSTIFICATION

The policy reason for introducing this legislation is the need to protect the interests of American investors and financial institutions from the results of secret funding for the purpose of bribery. One of the chief results of such practices is the improper recording of corporate assets and liabilities.

In addition, the American people have an interest in preventing a repetition of illegal corporate campaign contributions which in 1972 were expended from secret funds maintained for payments to foreign officials. It was thought that such practices by overseas subsidiaries of corporations were beyond the effective enforcement of U.S. Government regulatory policy. These activities would not have come to light without the Watergate investigations.

The major problem in the matter of the number and amount of bribes paid to foreign officials is in the sale of munitions. Bribery of foreign officials is often accomplished through the mechanism of paying foreign sales agents exorbitant commissions. This generally gives the exporter the opportunity to deny knowledge of the sales agents' activities and spending.

Northrop Aviation has admitted paying $450,000 in bribes to two Saudi Arabian generals through a sales agent, Mr. Adnan Khashoggi. Mr. Khashoggi had an agent's contract with Northrop amounting to $57 million. He also had been paid $106 million by the Lockheed Corp. for similar services as a sales agent. It is this kind of information that regulatory agencies such as the Securities and Exchange Commission should be able to obtain on a regular basis. It is the kind of information that the public and Congress should have in order to determine whether or not the President is controlling the export and import of arms in the furtherance of world peace under the terms of 22 U.S.C. 1934, the Munitions Control Act.

JUSTICE DELAYED IS JUSTICE DENIED

The Securities and Exchange Commission has been refused the voluntary release of information by the Lockheed Corp. as the identity and specific amounts of money spent by the corporation on a 5-year program of admitted bribery amounting to at least a minimum of $22 million. The admission that payments of this kind had been made to foreign officials came about as the result of the refusal of a financial consultant to Lockheed to certify their books as being correct to the Emergency Loan Guarantee Board, this past May. The Board, created by Congress in 1971 to prevent Lockheed's bankruptcy in that year, has since then guaranteed $195 million in loans to Lockheed, without the knowledge of this extensive campaign of bribery. What is more, Lockheed improperly has taken tax deductions for this amount as if it were a normal business expense.

In refusing the request of the Securities and Exchange Commission for specific facts on this matter, Lockheed knows that, while the Commission has extensive statutory powers, it must rely on lengthy litigation to obtain evidence of this kind.

The legislation presented today would solve this issue in the future in that the regular reports presented to Congress by the President, would be furnished in a timely and regular way. The listing of agent's identity and commissions for export license over $100,000 for items on the U.S. munitions list and each letter of offer to sell military articles or services subject to the Foreign Military Sales Act, over $25 million in value would present a public record for the first time of the activity of arms middlemen.

CONCLUSION

Securities and Exchange Commissioner Loomis testified on September 30 this year before our subcommittee. He said that one reason offered by Lockheed for refusing information on bribery requested by the Commission, was that this was a matter of congressional concern.

We accept that challenge today.

If this bill becomes law, we will know who the middlemen in the arms trade are. We will know what they are paid.

The American people will be better able to judge whether the President and Congress are doing what is necessary to control the munitions traffic. I hope that the House will adopt this legislation.

The Military Sales Act and the Mutual Security Act of 1954 will read as follows if this legislation is enacted:

CHAPTER 2—Foreign Military Sales Authorizations

SEC. 36. REPORTS ON COMMERCIAL AND GOVERNMENTAL MILITARY EXPORTS.—

(a) The President shall submit to the Speaker of the House of Representatives and to the Chairman of Foreign Relations of the Senate quarterly reports containing—

(1) a listing of all letters of offer to sell any defense articles or services under this Act, if such offer had not been accepted or cancelled;

(2) a cumulative listing of all such letters of offer to sell that have been accepted during the fiscal year in which such report is submitted;

(3) the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 made before the submission of such quarterly report and during the fiscal year in which such report is submitted;

(4) projections of the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 to be made in the quarter of the fiscal year immediately following the quarter for which such report is submitted.

For each letter of offer to sell under paragraphs (1) and (2), the report shall specify (A) the foreign country or international organization to which the defense article or service is offered,

(B) the dollar amount of the offer to sell under paragraph (1) or of the completed sale under paragraph (2), (C) a brief description of the defense article or service offered, (D) the United States armed forces which is making the offer to sell, (E) the date of such offer, (F) the name of any sales agent or other person receiving any fee or commission in conjunction with the sale to such foreign country or international organization of such defense article or service (other than a person who is a bona fide employee of the manufacturer of such defense article or, in the case of a defense service to be furnished by a private contractor pursuant to a contract with the United States, of such contractor).

THE MUTUAL SECURITY ACT OF 1954, AS AMENDED

SEC. 414. MUNITIONS CONTROL.—

(e) Licenses issued for the export of articles on the United States Munitions List in excess of $100,000 shall be reported promptly to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, which report shall contain—

(1) the items to be exported under the license;

(2) the quantity of each item to be furnished;

(3) the name and address of the consignee and of the ultimate user of each such item; and

(4) an injunction whenever appropriate, concerning the necessity to protect the confidentiality of the information provided.

(5) the name of any sales agent or other person receiving any fee or commission in conjunction with the sale for export of such items (other than a person who is a bona fide employee of the manufacturer of such items), and the amount of such fee or commission.

HIGHER PENALTIES FOR CORPORATE CONSPIRATORS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HEINZ. Mr. Speaker, I am today introducing legislation aimed at increasing the penalties that a Federal court may levy against persons convicted of conspiracy to commit an offense against the United States or to defraud the United States. This bill would increase the maximum fine allowable under the conspiracy clause of the United States Code from $10,000 to $1,000,000 in the case of corporations, and to $100,000 in the case of individuals.

In many cases, the $10,000 ceiling on fines currently in the conspiracy law amounts to nothing more than a license for large corporations to steal millions of dollars from the consumer and to defraud the American public or taxpayer. To a company of any great size, a $10,000 fine cannot and will not serve as a deterrent when it stands to gain a thousand times more than that from illegal activities. The American consumer deserves decent protection against corporate fraud, and the current law simply does not provide that protection.

The case of the Bunge Corp., which was decided yesterday in Federal district court, is a perfect example of the ironic situation created by the unnecessarily low ceiling on monetary penalties in conspiracy cases.

According to testimony in that trial, Bunge was guilty of extensive corruption in grain export trade. Not only did the company misgrade its grain and bribe Federal grain inspectors, but it also hid stolen grain in a storage elevator at a rate of 25,000 bushels every 3 or 4 months for 9 years. It is estimated that Bunge accumulated millions of dollars in illegal profits from that one storage operation alone. But the judge in that case could only levy a $10,000 fine on each of the two counts of conspiracy to which Bunge pleaded nolo contendere. In announcing the penalty, Federal District Court Judge Jack M. Gordon made specific reference to the limitation on his judicial discretion imposed by this meager ceiling.

Mr. Speaker, it is nothing more or less than sheer absurdity to allow a company to take millions of dollars in illegal profits from the American people at so little cost to itself. In the *Bunge* case, Federal attorneys won a $2 million consent decree from the offending firm to prevent future corruption, but we cannot allow plea-bargaining to become the sole method by which justice can be done in a matter such as this. It is necessary to impose stiffer fines by law, or at least to give the judge sufficient authority to insure that the penalty does fit the crime.

The $1,000,000 maximum fine established in my bill is not without precedent in matters of this sort. In the last Congress, we raised the criminal penalty for corporations in antitrust cases from $50,000 to $1,000,000. That action was a progressive step in protecting the consumer and in insuring the proper functioning of our market system. My bill is a necessary followup to that decision to get tough with those unscrupulous operators—be they corporations or individuals—that would steal millions from the consumer. I hope my colleagues will give this bill the most serious consideration.

For the benefit of my colleagues who might have missed these stories, I would like at this time to insert in the RECORD two newspaper accounts of the *Bunge* case:

[From the New York Times]

BUNGE IS GUILTY IN THEFT OF GRAIN: COMPANY FINED $20,000 ON NO CONTEST PLEA—PLEDGES $2-MILLION FOR SAFEGUARDS

(By William Robbins)

NEW ORLEANS, October 8.—The Bunge Corporation, one of the world's largest grain companies, was judged guilty today after pleading nolo contendere, or no contest, to two Federal Counts of conspiracy in systematic thefts of grain and in a cover-up of the thefts and was required to spend more than $2-million over the next three years on procedures to guard against future corruption.

In addition to the $2 million commitment, the company was fined $20,000—a fine of $10,000 here on the theft conspiracy charge and a $10,000 fine in Houston for the cover-up.

In imposing a maximum fine of $10,000 here, Federal District Court Jack M. Gordon said. "This is not a difficult decision because of the limited punishment that the law provides and the fact that a corporation cannot be sent to prison."

The judge pointed out that a plea of nolo contendere was equivalent to a plea of guilty so far as possible punishment is concerned.

In a nolo contendere plea, the judge first must decide whether he will accept the plea. If he does, he then hears the evidence, makes a judgment of guilty or not guilty, and if he finds the defendant guilty, pronounces sentence.

Besides the criminal penalties, the company faces possibly heavy additional costs that could result from civil suits by Government, its customers and transportation companies.

The company's commitment to spend internal and external accounting procedures, reports, and the costs of extra supervision of its operations by the Department of Agriculture—was the result of plea bargaining that allowed Bunge to plead nolo contendere and avoid the embarrassment of a protracted trial and disclosures of details of its thefts.

The $2-million commitment was described by the United States Attorney here as an "unprecedented" result of plea bargaining.

The Bunge plea has no bearing on the cases of 13 current and former officials and employes indicted along with the corporation. Eight of those have pleaded guilty thus far to the theft charges or related offenses, and one has told the court he intends to plead guilty. Of the others, three await trial, and one has been told that charges against him will be dropped.

The Bunge Corporation was the first to be indicted among several large companies under investigation in a spreading inquiry into corruption in the grain export trade. The investigation, which began in New Orleans and spread to other ports, has resulted thus far in 57 indictments, including charges against four corporations and 53 individuals.

In the New Orleans area, a total of 43 defendants—both individuals and corporations—have either been convicted or pleaded guilty thus far.

The investigation was precipitated by the office of the United States Attorney here, Gerald J. Gallinghouse, and his chief assistant, Cornelius R. Heusel, pursued by, among others, the United States Attorney in Houston, and aided by the Federal Bureau of Investigation, the Agriculture Department's Office of Investigation and the Internal Revenue Service.

Since the investigation began, it has become one of the most extensive ever pursued in the United States. Several committees of Congress are conducting investigations, aided by their own investigative staffs and 41 agents of the General Accounting Office.

Under the plea-bargaining agreement between Bunge and the prosecutors, one of two felony counts was dropped in cases both here and in Houston. Thus, the company faced maximum fines of $10,000 in each of the two courts.

As is customary in cases where the defendant pleads nolo contendere, a simple outline of the facts of the cases was presented here and in Houston without contest or cross-examination by attorneys for the defendant.

In the case here, Robert J. Isakson, an F.B.I. agent, was put on the stand to describe how the company had conspired to steal grain from the customers.

SCALES MANIPULATED

The method used, he testified, was to manipulate scales at the company's grain elevator in the Port of New Orleans and record more grain on a tape than was put aboard ships for foreign customers.

Data presented in the Houston case were also made available here.

In the proceedings there, the case involved the methods used to account for grain accumulated in such thefts. According to the testimony, false records for "phantom" railroad cars, trucks and barges of grain were created, and records were falsified to make it appear that stolen grain to be shipped from the company's elevator in Galveston had actually been purchased.

The conspiracy, according to the testimony, involved telephone calls between the local elevator, the regional headquarters in Kansas City and the company's headquarters in New York City. Credit for the profits was also divided between Galveston, Kansas City and New York.

According to the testimony, about 25,000 bushels of stolen grain were accumulated in the Galveston elevator every three or four months. Such an operation could aggregate millions of dollars in illegal profits over the period of the conspiracy—from 1964 to 1973—in that elevator alone.

The company's commitment to spend more than $2 million—to guard against future thefts as well as other problems that have emerged in the investigation, such as misgrading of grain—were described by Mr. Gallinghouse, the United States Attorney here, as "unprecedented."

It includes funds to pay the salary and expenses of a compliance officer for internal and external auditors, and, for Government costs of increased supervision of the company's grain-shipping and grain-grading operations.

In a statement issued here, Mr. Gallinghouse urged similar "affirmative action programs" on other large grain companies.

In a statement issued from its New York office, Bunge described its affirmative action program as "voluntary."

The company added, "The now-resolved charges did not involve ongoing irregularities but instead related to unauthorized activities by local personnel pre-1971 at one location and pre-mid-1973 at the other."

[From the Wall Street Journal]

BUNGE NOW PLEADS NO CONTEST TO CHARGES IN GRAIN SCANDAL, VOWS CORRECTIVE MOVES

NEW ORLEANS.—In what the U.S. attorney here called "a most significant development," Bunge Corp. changed its earlier innocent plea to "no contest" to a grand jury indictment and also agreed to a sweeping "affirmative action" program involving its handling of grain.

Bunge, a privately held concern, pleaded "no contest" in federal court here and in Galveston, Texas, to charges of conspiracy to commit thefts of grain from interstate and foreign shipments at its port elevators at Destrehan, La., and Galveston from August 1961 to June 1973.

Bunge, the nation's third-largest grain-exporting company, originally entered a plea of innocent in August. The company's indictment last July was part of what has become a widening scandal involving grain handling in the New Orleans port area. So far, 52 persons and companies have been indicted on charges related to the scandal.

Bunge officials couldn't be reached immediately for additional comment.

Federal courts here and in Galveston assessed Bunge the maximum fine of $10,000 at each location for a total of $20,000.

The indictments had charged that Bunge and 13 former employes conspired to short-weight ships being loaded with grain at the two elevators and then tried to conceal the short-weighting through false records.

U.S. Attorney Gerald Gallinghouse said in New Orleans that the affirmative action program agreed to by Bunge was a "most significant development in our efforts to encourage the grain companies to clean up their own elevators. We hope this will set a pattern."

Under terms of the program, which Mr. Gallinghouse estimated would cost Bunge between $2 million and $3 million over the next three years, the company will undertake a program of self-regulation and self-policing to prevent recurrence of some of the alleged abuses in the grain-handling industry here and at other export centers.

According to Bunge, its expenditures for the three-year program will include:

$450,000 for 20% more federal appeal inspections at its Destrehan and Galveston elevators. Appeal inspections are second or third inspections made to verify original grading of grain.

$210,000 to employ an experienced compliance officer.

$450,000 to employ five internal auditors.

$270,000 to employ three additional auditors on the elevators' premises.

$150,000 for additional fees for independent certified public accountants.

$75,000 to employ an outside compliance consultant.

$400,000 for automation of the scales at the Destrehan and Galveston elevators.

The agreement also forbids all "actual and potential" conflicts of interest between elevator and inspection personnel. Bunge also must dismiss any employe who pleads guilty to or is convicted of any criminal charge relating to the handling of grain.

Bunge also agreed to maintain a system of internal and external audit controls with frequent visits by the auditors to each of its five port elevators and four terminal elevators in the U.S. It also agreed to ensure that scales at these elevators are tested periodically by an outside company to make sure they are tamper-proof and in operating condition. Periodic inventories also will be conducted at the elevators.

TO PROCRASTINATE OR TO PLAN

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HARRINGTON. Mr. Speaker, an article by Leon H. Keyserling which appeared in Viewpoint—Second Quarter, 1975—"To Procrastinate or to Plan" has recently come to my attention. It deals with "Reconstruction in National Economic Policy," and it is my feeling that such proposals deserve the serious consideration of us all as we continue to experience high unemployment and inflation.

Leon Keyserling, who was chairman of the Council of Economic Advisers under President Truman, and is currently President of the Conference on Economic Progress, has set forth nine economic errors which have plagued our country since the end of the Truman administration when unemployment was a lowly 2.9 percent.

As Keyserling wrote, "we are now in the longest and deepest economic downturn since the Depression of the 1930's—the true level of unemployment in April of 1975 was 11.7 percent, or more than 10.5 million."

What changes must be made to curtail inflation, reduce unemployment and reach our production potential? These are the problems which Mr. Keyserling's article deals with. Therefore, I would like to insert the entire text in the RECORD at this time so that we may all be better able to understand the problems, and hopefully to implement the economic policies necessary to eliminate these pressing economic problems that have handicapped us for such duration.

The text follows:

RECONSTRUCTION IN NATIONAL ECONOMIC POLICY

(By Leon H. Keyserling)

We are now in the longest and deepest economic downturn since the Great Crash in the 1930's. In April, 1975, full-time unemployment as customarily measured was 8.9 percent, or about 8 million. The full-time equivalent of part-time unemployment was 1.7 percent. The concealed unemployment, those discouraged from actively looking for jobs by scarcity of job opportunity, and therefore not officially counted as unemployed, was 1.2 percent. Thus, the true level of unemployment was 11.7 percent,* or more than 10.5 million.

Through the degree of our failure to maintain full employment and full production from 1953 forward, the deficiency in total national production (GNP) in first quarter 1975 was about $300 billion at an annual rate. And even if we write off as lost forever a substantial part of the larger gains in productivity which would have resulted from 1953 forward if we had enjoyed a fully used economy throughout, the economy in first quarter was operating at an annual rate about $215 billion below reasonably full production.

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* Discrepancy due to rounding.

This in itself meant a loss of more than $50 billion in public revenues at all levels of government at existing tax rates. With these revenues, we would have just that much more to apply to the sorely starved priorities of our domestic needs—housing, education, and health services; mass transportation and energy development; increases in other human well-being payments; income supports to overcome poverty among those really unable to work; and a number of other great domestic priorities requiring public outlays.

We cannot forge the programs and policies needed to lift us from where we are now to where we ought to be, unless we recognize that where we are now is neither new nor radically different in cause or effects from the troubles we have had before. From 1953 to date, we have five times repeated a fairly consistent pattern of inadequate upturn, stagnation, and recession or absolute downturn. With some ups and downs to be sure, we have in the long run moved further and further away from full employment and full production. And the processes by which this has happened have been due to essentially the same errors of analysis and defects in policy and program all along.

During the period 1953 through 1974 as a whole we forfeited more than $2.6 *trillion* worth of GNP (1974 dollars), and consequently forfeited in the neighborhood of $700 billion of public revenues at all levels which could have been put to very good use. Concurrently, we suffered more than 54 million man-years of excessive unemployment, true employment concept.

If we do not do much better in the future than we have done in the past—and I see no prospect of doing much better without drastic changes in national policies and programs—we will during 1976–1980 inclusive forfeit another $1.2 *trillion* of GNP and more than $300 billion of public revenues at all levels (1974 dollars), and experience another 16.5 million man-years of excessive unemployment, true employment concept. The ratio of unemployment to GNP loss would not be nearly as large as in the long past, because higher incomes and other factors increase the number of dollars received by each employed worker. But another 16.5 million man-years of excessive unemployment would be intolerable and dangerous beyond description.

What must we now start to do, as we decide not to piddle but to plan?

PURPOSEFUL PLANNING INSTEAD OF FORECASTS

The first error to correct is to substitute purposeful and planned goals for excessive emphasis upon pure forecasts. The President's January, 1975 Economic Report forecast 7.8 percent full-time officially reported unemployment in 1976; 7.5 percent in 1977; 6.9 percent in 1978; and 6.8 in 1979. The new Budget Committees in the Senate and the House forecast 7 to 7.5 percent full-time unemployment at the end of 1976. Instead of resigning ourselves to these alarming forecasts, we should at once set about resolutely to reduce full-time or officially recorded unemployment to about 3 percent by the end of 1977. After that, we should set about to do still better. Through setting specific quantitative goals and devising means toward their attainment, the morbid forecasts of what is going to happen should be reversed instead of vindicated.

This task is difficult, but not beyond our capabilities. President Roosevelt in early 1933, confronted by almost 13 million unemployed or 24.9 percent of the civilian labor force, did not ask for forecasts. Vigorous policies and programs were set in motion which cut unemployment about in half by early 1937. Thereafter through 1939, unemployment increased. But this was not because nobody knew what to do; it was rather because conservative or reactionary forces grew strong enough to prevent continuing what had been so well-started.

In 1939, unemployment was 9.5 million, or 17.2 percent of the civilian labor force. By 1944 it was reduced to 670 thousand, or 1.2 percent. World War II in itself did not do this. It happened because we recognized that jobs are more beneficial to individuals and to the economy than unemployment. And it was no easier to attain full employment through the process of making weapons of destruction than to attain it now through the happier process of meeting essential domestic needs.

President Truman, whom I served as Chairman of the Council of Economic Advisers, never asked me to forecast unemployment. He dedicated himself to the achievement of full employment, and by 1953 full-time unemployment was only 2.9 percent. Again, this was not just because of the Korean war. In 1972, when the Vietnam war was in full swing, full-time unemployment was 5.9 percent of the civilian labor force.

Full-time unemployment in 1961 was 6.7 percent, in consequence of the policies of the Eisenhower Administration during eight years. President Kennedy did not ask for forecasts; he commenced action, and President Johnson continued it. By 1969, unemployment was 3.5 percent.

Let us now turn to an examination of where national policies and programs have gone wrong, as a foundation for developing corrective measures.

MANAGEMENT OF THE PROBLEM OF INFLATION

A second reason why we have done so badly is that stagnations and recessions have been repeatedly contrived, responsive to the "trade-off" theory that higher employment and greater resource use bring more inflation, and that higher unemployment and more deficient resource use bring less inflation. Even today, an adequate program of economic restoration is being estopped by this false theory.

It is unconscionable that the full-time equivalent of more than 10.5 million breadwinners and their families suffer the distress and humiliation of unemployment, in order (hypothetically) that Mr. Keyserling may be able to buy a third car or another steak banquet for somewhat less than if unemployment were one-third or one-fourth that amount. More important, the empirical evidence for more than 20 years is that a healthy economy generates far less price inflation than a sick economy.

During the Truman years, 1947–1953, the average annual rate of real economic growth was 4.9 percent. Full-time unemployment averaged 4.0 percent and, as earlier stated, was reduced to 2.9 percent in the last year. Average annual inflation, despite the Korean war during almost half the time, was 3 percent, and was reduced to 0.8 percent during the last year. In vivid contrast, during the Nixon-Ford years, 1969–1974, the real average annual rate of economic growth was only 2.5 percent. Full-time unemployment averaged 5.1 percent, and was 5.6 percent in the last year. Inflation averaged 6.1 percent, and rose to 12.2 in the last year.

The most poignant example was from first quarter 1974 to first quarter 1975. The real economic growth rate was minus 5.8 percent. Full-time unemployment was 6.2 percent, and as earlier stated rose to 8.9 percent in April, 1975. The rate of price inflation was 11.2 percent.

The very recent reduction in the inflation rate from more than 13 percent to about 8 percent is not properly attributable to the false claim that this happened because we have continued to accept an intolerable amount of unemployment. It is rather because some of the transitory factors generating double-digit inflation have disappeared or waned. We would never have gotten up to 13 percent or even 8 percent inflation if we had maintained a healthy economy and the surest and best way to reduce inflation much further is to restore a fully healthy economy as rapidly as feasible. Under the goals and programs I recommend, I estimate that inflation might be reduced to 3 percent by the end of 1977.

THE TRUE FUNCTION OF PRICES HAS BEEN OVERLOOKED

The third reason for our troubles is that the true function of prices has been misinterpreted. Our real wealth and well-being are not determined by price trends per se, but rather by how close we come to full use of our resources, social justice in the allocation of resources and incomes, and taking care of the great priorities of our needs. Historically, rising, stable, or falling price trends have been contributory or inimical to these three great purposes, depending upon whether these price trends within the complex of other trends and policies have worked toward or against these great purposes in terms of the relationships between price trends and other trends.

The problem is basically distributive. For example, during most upturn periods, we have had profit-investment inflation and a lag in wages and other consumer incomes. If the actual price increases since 1969 had been in the context of policies successfully designed to achieve the great purposes, we would have made an acceptable bargain. But these same price increases, accompanied and augmented by national policies designed to maldistribute incomes and resources and thus to thwart these three great purposes, have been a cruel, indefensible, and stupid inflation. Such policies certainly ignore the true function of prices.

MISUSE OF KEYNESIAN ECONOMICS

The fourth persistent error has been the distorted use of the Keynesian economics in an aggregative or blunderbus manner to stimulate the economy when it is too slack, and restrain it when it is too tight. This approach feeds the fat and starves the lean. For, in fact, a deficiency or excess in total demand is due primarily to misallocations of resource use and incomes which destroy the balance essential to optimum performance. We must simultaneously restrain relative excesses in some parts of the economy and overcome relative shortfalls in other sectors. As already stated, the U.S. economic problem is essentially distributive, and current policies are not paying enough attention to this. Some still move in the opposite direction.

THE FALSE DICHOTOMY BETWEEN ECONOMIC AND SOCIAL GOALS

The fifth cardinal error is adherence to a false dichotomy between purely economic objectives and fulfillment of the priorities of our human and social needs. Even if vindication of these needs imported a somewhat lower rate of economic growth, we have become rich enough to value justice and human decency above progress narrowly conceived. However, under current and prospective technological conditions, the improved distribution of income, and the relative as well as the absolute enlargement of services to human welfare, are the foremost requirement for a fully used economy in conventional terms.

THE PROBLEM OF THE SELECTIVE SHORTAGES

The sixth important error is the prevalent thinking about selective shortages. Despite the actions of the Arabs, the shortages of energy, which include not only oil but also gas and electricity, have become critical rather than merely inconvenient because during long years we have not planned to expand energy in accord with full economic needs; actually, we have deliberately reduced energy expansion because we did not have nor even aspire to a full economy.

Critical shortages of food have not resulted because of a few "crop failures." Instead, for 20 years or longer, national farm policy followed the false dogma that we were "overproducing" food, even while millions of Americans were malnourished, while we were exporting too little food to fight starvation elsewhere, and while millions of farm people were transferred to urban unemployment. In addition, domestic food and fiber consumption would have been much higher if income distribution had been better, and if the economy had been full. The shortages of mass transportation have been due primarily to the scarcity philosophy of the railroads, promoted rather than prohibited by such national policies as the approval of the Penn-Central merger. We have had shortages by misconception or neglect; not abundance through planning.

Even today, there are no shortages which should prevent us from moving toward full employment and full production by the end of 1977. And the shifts in the pattern of production and employment which are essential to this basic objective would be energy conserving, i.e., shifting more employment and production toward housing, mass transportation, educational and health services, and anti-pollution efforts.

THE FEDERAL BUDGET AND THE NATIONAL ECONOMY

The seventh error is that unfounded concern about the immediate size of the Federal deficit stands in the way of the needed stimulative measures. Recent pronouncements of the new Committees on the Budget in the Senate and the House do not set even tolerable goals for production, employment, and service of priority needs, and then shape the budget as one of many instruments to be attuned to these ends. Instead, these Committees have first decided what the budget and the deficit should be, and then resigned themselves to the miserable production, employment, and priority results which a budget of this type and size promotes.

The deficient average performance of the economy during the fiscal years 1971–1976 (1976 estimated) resulted in an average annual federal deficit of $25.1 billion, and $51.9 billion in 1976 alone according to the President's original budget. In fiscal 1976 dollars, the needed increases in the budget which I propose below would result in a deficit of $59.5 billion in that year.* But the average annual deficit during fiscal 1976-1980 would be only 14.3 billion. Further, the budget would be balanced by fiscal 1979, and would show a surplus of $7.5 billion in fiscal 1980 and $13.0 billion in calendar 1980.

THE LOGISTICS OF THE ECONOMIC PROBLEM

The eighth error, and in some ways the most important today, is the neglect of the logistics of the economic restoration task. As already stated, the economy today is running at an annual rate about $215 billion below reasonably full resource use. And toward achieving this reasonably full use and full employment by the end of 1977, we need an expansion of $295 billion in the annual total national production between now and 1977 as a whole. This goal is in 1974 dollars; it would be considerably higher in current dollars. We need to increase civilian employment by 8.4 million for 1977 as a whole.

Measured against this need, the $23 billion tax reduction is terribly inadequate, and is misallocated in large part. The "multiplier" effect of such tax reduction is relatively low, so that its total stimulative effect may be only in the neighborhood of $30 billion. This is why we should supplement the tax reduction with a $30 billion increase in federal spending above the President's proposed fiscal 1976 program. A large part of this increased investment would have a "multiplier" effect of about three, and would employ two to three times as many people per dollar spent as the recent type of tax reduction. This kind of federal budget, if the economic performance becomes optimum, would result in a budget considerably smaller in ratio to GNP in calendar 1980 than now.

Measured in fiscal 1976 dollars, I propose that the federal budget in fiscal 1976 be $379.5 billion, contrasted with $349.4 billion as proposed by the President, and that the budget be $470 billion in calendar 1980 (much more in current dollars). To indicate how these increases would serve the great domestic priorities, my proposals for fiscal 1976 would provide $30.1 billion more than the President's Budget for all domestic programs; $9.9 billion more for income security other than veterans and excluding subsidized housing; $8 billion more for manpower programs, including public and private service jobs; about $2.5 billion more for subsidized housing; $2.2 billion more for agriculture, natural resources, environment, and energy; $2.1 billion more for education; $2 billion more for health; and $2.6 billion more for transportation. The increases by calendar 1980 would be much greater, and the total Budget in fiscal 1976 dollars would be $120.6 billion above the President's fiscal 1976 budget. Outlays for health would be $22 billion higher than that budget. Outlays for housing and community development would be $11.6 billion higher than that budget.

THE NEED FOR A WIDER RANGE OF INTEGRATED POLICIES

The ninth error is excessive reliance upon fiscal policy. No fiscal policy, even if correct, can achieve the needed results if monetary policy continues to lean heavily in the opposite direction. And many other national policies need to be joined in the drive for a full and just economy. This includes, among others, social insurance, housing, agriculture, energy, mass transportation, and income distribution. We now have a confused medley of policies and programs, but no coherent policy or program.

THE NEEDED PLANNING EFFORT

Under the Employment Act of 1946, the President should set forth, for the guidance of all Executive programs and for submission to the Congress, a short-range and long-range program (under planning, the two are essentially one) directed toward restoration of full employment, production, and purchasing power by the end of 1977. These goals should relate not only to the volume of activity, but also to priority programs and the enlargement of social justice. They should involve broad quantitative analysis of the needed amount and distribution of purchasing power, both private and public, with appropriate stress upon equitable considerations.

The federal government, of course, would not fulfill all of these objectives. It would instead provide a perspective for the mutual efforts of private enterprise, voluntary associations, and governments at all levels. But the federal government would meet its bedrock responsibility to close the gap between these goals and what others do, and toward this end would fuse its manifold economic and social programs into a unified and consistent policy and program. These efforts must include, by legislation if necessary, changes in the policies of the Federal Reserve System to bring them to the support of the vital goals and policies to be set forth in the Economic Report of the President.

For reasons already set forth, I believe that these approaches are the best way to reduce inflation, and would prevent an unbalanced preoccupation with inflation as the top problem from turning us away from even more essential goals and giving us horrendous inflation to boot. But if controls equitably applied are needed for a time, they should be used, recalling that these worked effectively when they were sincerely and intelligently evoked.

The Hawkins-Humphrey Bill, introduced last year and now under active consideration in improved form as H.R. 50, makes a large start in these directions. That measure, and the testimony thus far offered, are worthy of the attention of all concerned with where we are now and need to go.

Planning is not in ideological conflict with our way of life. It represents an immediate and imperative step toward the intelligent deployment of our full economic capabilities, improved understanding and enlarged consciousness among an informed citizenry, and realization of the human promise of America.

MARCELINO INES, DISTINGUISHED CITIZEN OF CARSON, CALIF.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. ANDERSON of California. Mr. Speaker, today I am proud to announce that Mr. Marcelino Ines has been chosen to receive the Distinguished Community Citizen and Humanitarian Award from the city of Carson, Calif.

Mr. Ines, or "Marcy" as he is known to his many friends, is truly deserving of this honor. He has been active in our area for many years, and charity and humanitarianism have marked his devotion to the people of our community.

A cofounder and chairman of the Carson Sister City program, Marcelino has been an active organizer of a fund-raising drive to aid typhoon victims in the city of Sinait, in Ilocos Sur, Philippines. School buildings, homes, and the city hall of Carson's sister city in the Philippines, will be repaired with money raised through Marcy's efforts.

Marcelino has also been active in benefitting his own community. As an agent for the Prudential Insurance Co., he was honored with that company's Community Service Century Award just last March. This award is of special significance this year as Prudential celebrates its 100th birthday. Out of approximately 60,000 employees, only 100 were honored with this unique award, and Marcy was certainly among those who most deserved it. In his name, $500 was donated to the community group of his choice—and considering his many activities, that must have been a difficult decision for Marcy to make.

As chairman of the Filipino Community of Los Angeles Harbor Area's fund-raising drive, Marcy helped bring in enough money to repair and remodel the local community center, and to purchase equipment for the Eder Memorial Senior Citizens Center, and the Filipino Youth Club. He also served as a board member of the Filipino-American Optimist Club, chairing its youth oriented activities and raising money to support the club's boys' home. Marcy also was a volunteer worker during the Optimists' Youth Appreciation Week.

Marcelino Ines is also a board member of both the Filipino Community Action Services, and the Filipino Community of the Los Angeles Harbor Area.

Marcelino's interest in youth activities is understandable: his family includes three wonderful children along with his beautiful wife, Lily. I am sure they are all proud of the recognition he has received because of his unselfish work in the community: few people I know are as deserving, as Marcelino Ines, Carson's outstanding humanitarian.

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* Smaller than the estimates of others, because more real economic growth is projected due to greater stimulative efforts.

H.R. 8070—CONFERENCE REPORT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. SCHEUER. Mr. Speaker, I wish to inform my colleagues that my vote against the amendment offered by Mr. BOLAND urging the House to accept the provision of the conference report on H.R. 8070, HUD appropriations, was a vote against the $50 million appropriation under section 8 which would provide for construction of public housing.

For decades, I have been an advocate of public housing and publicly-assisted housing. During my brief departure from these halls in 1973 and 1974, I served as president of the National Housing Conference—the national umbrella organization representing dozens of civic, religious, labor, business, and banking groups supporting public housing. Also, during the late 1950's, before my congressional service, I served several years as president of the Citizens Housing and Planning Council of New York—the Nation's largest and most influential citizens organization at the municipal level—in support of public housing.

Nevertheless, I must voice my dismay over the present state of Federal housing programs and their failure to meet the purposes for which they were established. While there remains an urgent need to provide adequate housing for the poor, we should reflect on the dismal history of our efforts to date to provide such housing—the large scale, high-rise projects in our central cities.

We have been building public housing in America for four decades and despite some early successes, we find today, that rather than helping to upgrade communities throughout the country, public housing furthers the decline and fall of neighborhood after neighborhood. Let's take a glance back at a few of our major public housing projects:

Stella Wright, Newark, N.J., built in 1960. It has 1,200 units of which only 500 are presently occupied.

Scutter Homes, Newark, N.J., built in 1960, facing Stella Wright. It has 680 units of which over 20 percent are separately unoccupied.

Columbus Homes, Newark, N.J., built in 1956. It has 1,556 units, 400 of which are presently vacant.

Raymond-Rosen, Philadelphia, Pa., built in 1954, has had all its units sealed-off above the sixth floor because of an inability to attract new tenants due to the already high percentage of welfare families living there.

Schuylkill Falls, Philadelphia, Pa., built in 1955, also has had all units above the sixth floor sealed off for the same reason as Raymond-Rosen.

Cabrini-Green Homes, Chicago, Ill., built between 1958 and 1964, has 3,587 units. There are 23 buildings with 18 stories. In any building with more than 14 floors, the upper floors have been sealed off.

And finally our most dismal failure, Pruitt-Igoe, St. Louis, Mo., built in the 1950's. Pruitt-Igoe has 3,740 units but was never fully occupied, and for the past 10 years has had only 40 to 50 percent occupancy. In every direction for blocks, this section of St. Louis resembles a bombed-out city, if only because the city has finally decided to dynamite this eyesore from its vision.

All these projects have common denominators which doomed them to failure from their inception. Each was designed for high-density family living. That is, these projects each contained more than 400 units which are located in buildings of 6 floors or higher. Each was designed to house almost exclusively working-class poor and welfare families. Traditionally families on welfare are those which have single heads of households with teenage children. Both of these characteristics combined with living in high-rise housing contribute greatly to inadequate parental supervision, in turn, which leads to vandalism and violent criminal activity. The alienation and dehumanization which accompanies such vast, large-scale projects, encourages juvenile delinquency.

When the working-class poor can afford it, they usually leave these housing projects because of the crime which occurs there. Welfare families do not move because they cannot afford to. As a result, the percentage of welfare families steadily increases until it becomes greater than 50 percent—making it even more unattractive to prospecitve working-class tenants. This results in the eventual disintegration of the housing projects—figuratively and in some cases, literally.

The solution does not lie in continued expenditures for public housing as it now functions but rather in a revamping of our housing concepts. To begin with, we must reclaim that which we have already built. Many of these projects could and should be converted into housing for the elderly. High-rises, when proper security precautions are taken, provide ideal housing for the elderly. The elderly are not very mobile, and need the security and comfort of close companionship. In addition, exclusive housing for the elderly is relatively easy to police because people who do not belong there can be easily recognized.

High-rises which are not converted into housing for the elderly must be altered in terms of population make-up. A mixture of up to 10 or 15 percent of welfare families is the maximum which high-rises can safely absorb. About 85 percent of each project's occupancy should be low and moderate income families above the welfare level.

For the vast majority of welfare families, a desirable living situation is in garden apartments and six-story complexes in smaller communities. This is because such small buildings and small communities do not allow for the anonymity which leads kids to believe that they can get away with vandalism and violent personal crime, unrecognized and untouched by the criminal justice system. Smaller buildings also afford greater parental supervision. But even with smaller housing projects it is necessary to keep the level of welfare families below approximately 30 percent of total occupancy. Unless this is done, the crime rates seem to become uncontrollable and projects eventually decline to the point of physical and social disintegration.

We have learned how not to house welfare families with children—especially the prototypical family with a female head of household with two, three, four or more rambunctious teenagers whom she cannot control. Her discipline problems become unmanageable when her family is housed in a vast project located in a central city. Such projects are crimogenic and are time bombs set in the neighborhoods in which they are placed, particularly when they are located in theretofore stable middle-class communities. One need only examine the history of public housing in the new predominantly middle class Southwest area of Washington, D.C. or the Arverne-Edgemere project built about a decade ago in the Rockaways—a middle-class bedroom community in New York City which I now represent—to see stark and irrefutable evidence of the crimogenic impact of public housing as it now functions in our large cities.

We should have a complete moratorium on building any more large scale, high-rise public housing projects for our welfare families in central cities or in middle-class areas of those cities, until we devise far more workable solutions than we have achieved to date.

OUR AID KEEPS MARCOS IN POWER

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. JOHN L. BURTON. Mr. Speaker, I would call the Members' attention to the following letter sent to President Ford by Col. N. L. Monzano. Colonel Monzano were a hero of World War II. He fought with General MacArthur in the Philippines. He is a respected member of the Filipino community and he knows whereof he speaks.

The letter follows:

OCTOBER 1, 1975.

The PRESIDENT OF THE UNITED STATES,
Washington, D.C.

DEAR MR. PRESIDENT: This is an urgent appeal.

I urge our government to withdraw its support to the Marcos regime before it is too late. Only our aid keeps Marcos in power.

His regime is tottering. When Marcos falls—and fall he will—our participation in keeping him in power will determine the attitude towards us by the succeeding Philippine government. Can we expect otherwise?

Opposition to Marcos in the Philippines is growing and becoming bolder. He is now purging thousands of civil service employees using the excuse of inefficiency or curruption. Actually, these are people who are now voicing dissatisfaction with the regime. A serious blow to the dictatorship was struck recently by the Philippine Civil Liberties Union.

Unlike its American counterpart, the Philippine Civil Liberties Union takes an active part in the political life of the Philippines and its membership is drawn from a select group of civic-minded political, legal and other intellectual leaders of the community.

Among the preesnt members are, a retired Chief Justice of the Supreme Court, several retired and active members of the Supreme Court, several ex-Senators and ex-Representatives, professors, publishers and other professionals, all with unblemished reputation for integrity. Because of the high regard these men are held in by responsable Filipinos, Marcos does not dare act against this open rebellion against his regime.

There is now talk in the Philippines to ask members of the uniformed services, through their relatives, to start forming cells of resistance to the regime. Because of the poverty and suffering of the people, a Portuguese type of rebellion may well succeed in the Philippines. Marcos may hold the personal loyalty of his generals, but we know generals without troops are a sorry lot.

I earnestly hope that my appeal to withdraw our support to Marcos is heeded. The national interest of the United States demands it.

Respectfully,

N. L. MANZANO.

(NOTE.—The Philippine Civil Liberties Union constituted the core of the resistance against the Japanese occupation during World War II. The writer was then the military leader of the organization.)

URANIUM ENRICHMENT

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HORTON. Mr. Speaker, Senator HOWARD BAKER, in a statement before the American Nuclear Society on September 18, proposed that the Government provide the next increment of uranium enrichment capacity by adding on to one of its three present uranium enrichment plants. It will be recalled that the administration proposed on June 26 that the next plant, which is urgently needed to supply our requirements for enriched uranium to fuel additional nuclear plants, be built by a consortium of private industrial organizations, with a portion of its financing derived from investments of foreign nations. Senator BAKER stated he advocates that, at the same time the Government proceeds with an add-on plant, we also encourage private efforts, with whatever backup of Government guarantees are reasonable, to build the plants which will be needed after the Government addition is completed.

I concur in the basic approach Senator BAKER suggests for getting the next most urgently needed unit of additional uranium enrichment capacity. I do not believe we can finish building a completely new plant in time to meet this need under the proposed plan which envisions cooperative funding by a number of private domestic companies and foreign nations. In my view, it will take too long to make the necessary arrangements, especially since foreign negotiations are involved, to meet our more immediate needs. There will be adequate opportunity for the entry of the private sector after the add-on plant is completed, since additional plants will be required every year or two starting in the 1980's.

Adding on to the existing Government plant for the next unit of capacity is logical for a number of reasons. The Congress several years ago authorized preliminary design efforts to determine the best way to increase enriched uranium production by adding on to one or more of its three present plants. Much work has alrealy been done. ERDA requested and received authorization approval of both the House and Senate for continuation of its work on the add-on to the Portsmouth plant. Senator BAKER, although he took no credit for it in his prepared American Nuclear Society remarks, won the addition of $25,000,000 to the Senate-passed ERDA authorization bill for more construction planning and design efforts on an add-on plant. The availability of electrical energy to operate such a plant has also been checked, and it has been found that needs can be accommodated by the American Electric Power Company whose affiliates serve the area. It is fortunate that conditions are favorable for proceeding with the Government add-on plant since the schedule which must be followed to meet our projected needs requires the design work for the plant to be started early next year.

I realize that there are those who suggest that conservation and the recent history of decreased growth in demand of electricity make it unnecessary to add to our electrical generating capacity. Of course every reasonable effort should be made to eliminate energy waste and increase the efficiency in the way we utilize energy, but the problem cannot be completely solved in these ways. Major increases in the use of completely domestically controlled energy sources must still be made to meet our growing needs and to cut down on our foreign dependence on petroleum. Nuclear energy, which requires the production of more enriched uranium, and coal are the most practical energy sources to accomplish these goals. Therefore, we cannot chance running short of enriched uranium by not facing up to the long lead times needed to build enriched uranium production plants. Our present best estimates of requirements and construction schedules indicate, as I mentioned before, that the next uranium production plant must be started early next year.

Senator BAKER said that we must build more enrichment capacity soon in order to maintain international leadership in the field. He referred to the problem which would be created by the worldwide proliferation of enriching plants. He said that other nations may get in the business of supplying enriched uranium if we do not keep a lead in supplying this material. Foreign nations are already in the business of enriching uranium. The Soviet Union, for example, is performing enriching services for a number of nations and offering its services to others. A consortium of three nations—Britain, Holland and West Germany—are signing up customers. The French are also proceeding with an expansion program and soliciting orders. From these developments, the urgency of proceeding with our own additional production facilities is obvious.

The President has pointed out the importance of adding both nuclear and coal fueled electrical generating capacity. It should also be pointed out that, because of the lack of firm plans to add additional enriching capacity, all long term sales of additional uranium enrichment services were suspended over a year ago. This suspension is still in effect, and could be lifted immediately once the decision to proceed with the government add-on plant is made. This potential impediment to the utilization of nuclear energy could thereby be eliminated quickly.

Adding on to one of the Government's existing plants, as the interm step to meet our most critical needs for enriched fuel, has self-financing potentials which should be kept in mind. Financing data assembled by the Energy Research and Development Administration indicates that within about 4 years the outlays for enrichment with the addition of an add-on plant to the present Government enrichment plants will be liquidated by income from the sales of the enriched uranium which is produced. The data also shows that by approximately 1990, there will be a net accumulation of over $8 billion from the operation, over and above operating and fixed costs.

Senator BAKER also proposed that the Government proceed with the construction of the first centrifuge-type demonstration enrichment plant. This type of enrichment plant utilizes centrifugal forces in lieu of the gaseous diffusion principle of our present enrichment plants for separating uranium isotopes. The centrifuge technology was, for the most part, developed by the Government. It is an advanced technology which appears to offer economic and competitive advantages, although it has not been carried through a commercial scale demonstration phase. The administration's June 26 plan for enrichment proposed that the Government enter into cooperative agreement with private industry for the construction of several centrifuge demonstration plants. I believe the alternative proposal of Senator BAKER should receive consideration, but I do not believe the administration proposal should be abandoned at this time. A number of industrial firms have spent a considerable amount of effort in qualifying in the field of centrifuge enrichment. The proposals of private industry, which were due last week, should be carefully evaluated, and the route which offers the best path to the development of a commercial competitive base of centrifuge enrichment technology should be selected. Centrifuge technology should be aggressively pursued since it holds the promise of technological leadership in the future. Competition is intense in the field. A number of European nations and Japan are concentrating on this technique for uranium enrichment.

It is clear that if we do not obtain additional enrichment capacity on the schedule mentioned by the President in his June 26 message, two adverse consequences will result: first, the addition of nuclear energy generating capacity will be slowed down, and second, we will irretrievably lose international leadership in the enrichment field.

The bill proposed by the administration to authorize cooperative arrangements with private enterprise for the enrichment of uranium was introduced by Congressmen MEL PRICE and JOHN

ANDERSON—by request—on July 8. This bill, H.R. 8401, was referred to the Joint Committee on Atomic Energy. The Joint Committee, of which I am a member, expects to consider this legislation soon. I am sure the alternatives proposed by Senator BAKER will receive consideration at that time. Since this matter is directly related to the solution of our energy problem, it warrants our priority attention.

DECONTROL OF DOMESTIC OIL PRICES—A CRITICAL QUESTION

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MAGUIRE. Mr. Speaker, as the critical question of whether or not to decontrol domestic oil prices continues to be debated, I would like to call to the attention of my colleagues a statement by Prof. Larry Falk, formerly an analyst with the Shell Oil Co. and now an economist on the faculty at Rutgers University, which he delivered to the New Jersey congressional delegation at a seminar at Princeton University on September 27.

I particularly wish to call attention to that part of Professor Falk's analysis which demonstrates that President Ford's decontrol plan would result in less, not more, production of domestic oil during any decontrol period of less than 10 years.

This restriction of production would result from the fact that it would be economically less advantageous for a producer to produce oil than to hold oil in the ground to wait for the higher prices he would receive later as the price curve for decontrolled oil moved rapidly upward on a 39 month, or 45 month curve—or any curve up to 120 months. On a 120 month decontrol curve the advantage of producing would outweigh the advantage of holding the oil—that is the costs of holding the oil would become greater than the gains from waiting for the higher prices—but 120 months is not Mr. Ford's proposal.

So, if Professor Falk's analysis is correct, not only will we have the adverse economic impact of Mr. Ford's phased decontrol plan, we will also have a drop in production—precisely the opposite of what is intended.

The text of Professor Falk's paper follows:

Energy in the Future: Harmony or Disaster?

(By L. H. Falk)

Whether or not the world is headed toward political and economic chaos will be largely determined by its future handling of its endowment of fossil fuels. The sudden quadrupling of the world crude oil price since 1973 is at least partly responsible for the severity of the present worldwide recession. Moreover, OPEC's crude oil prices which are now very high, and which are scheduled to climb even higher, will remain a serious threat to the survival of the world monetary system during the next decade. If the monetary system does weather the shocks of the next ten years or so, world demand for oil is expected to triple by the year 2000, and if this trend were to continue, it would be multiplied seven to nine times by the year 2025. When we look back at the damage to the environment associated with the trebling of fuel use during the last 30 years, we might well wonder how mankind itself could withstand another half century of unrestrained growth of fossil fuel output.

My introductory statements are intended to suggest some short, intermediate and long run goals for U.S. energy policy. In the short run we should not do anything that will worsen the existing problems of unemployment and inflation. Breaking the OPEC cartel seems a desirable intermediate run goal. Short run and intermediate run policy measures that may be decided upon in the very near future should not conflict with a long range goal of reducing—not increasing—the use of fossil fuels and replacing them as much as possible with cleaner forms of energy: power produced by harnessing the winds, waves, tides, gravity, and the energy of the sun (including, perhaps, clean fusion power).

My two objectives in this presentation are: 1) to examine the current domestic crude oil price control controversy, and 2) to argue for an oil import policy change, keeping in mind the short, intermediate and long range goals which I have suggested.

As you know, the President is opposed to price controls on domestic oil. A majority in Congress wants to at least maintain controls on "old" oil, and perhaps to extend controls to all domestic oil production. Paradoxically, both Congress and the President seem to share at least two reasons for their diametrically opposed stances: they wish to preserve American jobs and avoid stifling the growth of the national economy. Given the present state of economic theory, the confusion about how to achieve these objectives is indeed understandable.

I would opt for a firm set of controlled prices similar to those passed by the House early this week. I believe that domestic production has been falling off partly because producers have been holding back in anticipation of higher prices. If they knew what the future price was going to be, they would have no reason to hold oil in the ground. The House's proposed $7.50 price for new uncontrolled oil would lower the existing incentive to cut back wells with low production rates to the stripper well level of 10 bbls per day. (Stripper production is exempt from control, and 20 bbls. per day at $5.25 per bbl. is not worth as much to a company as 10 bbls, per day at the existing uncontrolled price of $13.50 per bbl.) Moreover, from the evidence of a Brookings Papers study conducted by Paul Davidson, Hoesung Lee and myself, $7.50 per bbl. is a price more than adequate to bring forth additional domestic crude oil supplies during the next few years.

The President's proposal to phase out price controls over approximately three years' time (actually 39 months, I think) could cause a significant further short term reduction in domestic output. Given a cost of capital of about ten percent, the cost of holding crude in the ground for three years is approximately $1.75 per bbl. If the price were allowed to rise from the current $5.25 to, say, $13.00 per bbl., the $7.75 price rise over the three years would greatly exceed the cost of holding back on production. The first diagram demonstrates the effect of a 36 month phaseout. The red line shows the per bbl. price allowed at any time over the 36 month period. The blue line shows the cost of holding one barrel of crude oil (including the $5.25 price not received by selling it now), and the vertical distance between the two lines shows the per barrel benefit to the producing company of holding the barrell of oil off of the market. The second diagram shows the effect of phasing out price controls over a ten year (or 120 month) period. Now the cost of holding a barrel of crude slightly exceeds the allowable prices over the entire period of phaseout. Obviously, there would be no incentive to hold back on crude production under this second arrangement. The conclusion: if there is to be a phaseout of price controls, it should be over a long period of time—as long as ten years. But any phaseout is only second best to a firm system of price controls; for many reasons, free domestic market prices cannot be expected to properly allocate the time rate of oil production. A firm set of controls would reduce unearned oil company profits without conflicting with desirable short, intermediate and long range goals. Unemployment and inflation would not be worsened; our ability to compete with OPEC would not be weakened, but we would not be doing anything to greatly increase fossil fuel production.

To achieve the intermediate range goals of breaking the OPEC cartel, with the desirable attendant reduction in Arab-country power over Western Europe and the Third World, I would argue for elimination of the seven sisters as purchasers of OPEC crude for the U.S. (The seven sisters, as you probably know, are seven major international oil companies.) The OPEC cartel has not broken down, as a cartel usually will (because of its members cheating on quotas), for two reasons: (1) the solidarity among the Arab producers, and (2) because the seven sisters willingly police quotas in non-Arab OPEC countries. The seven sisters oversee quota adherence for the Arab countries. To act differently would threaten their Arab oil concessions. For example, Aramco, the sole producer in Saudi Arabia is a combination of four of the seven sisters. These four companies must not purchase in excess of quota amounts outside Saudi Arabia, or else they will be in serious danger of losing their control of more than six million bbls. per day of crude production in Saudi Arabia.

To eliminate the seven sisters as producers, I strongly recommend the proposal to establish a federal agency as the sole purchaser of imported crude and petroleum products. (This proposal is contained, for example, in Senate Bill 1430.) In addition, I join my Rutgers colleague, Paul Davidson, in recommending that the agency's purchasing procedure require that sealed bids for 30 to 90 day contracts be rejected if the price bid is higher than the world price; four months contracts (say) should be rejected if bids are higher than five percent below world prices; year contracts should be at least ten percent below world prices; two year contracts 15 percent, and so on. Very long term arrangements could only be made at prices far below current short term price. This procedure would provide great incentive for OPEC members to cheat to gain a guaranteed profitable price for a long period of time. (Mideast crude production costs only about 15¢ per bbl.) The government purchasing agency would, in turn, sell its supplies to domestic refiners at market prices through sealed bids. This might involve government profits when the domestic market price is higher than the agency's cost, but it would then prevent refiners from receiving windfall profits. It might also involve government losses on long term contracts when the domestic refinery market price is lower than the long term purchase price abroad, but this would occur only when the cartel has been broken, and the necessary agency subsidy would be a small price for taxpayers to pay for the economic security we would have gained.

The two recommendations I have made would obviously not solve all of the world's energy problems, but they would work in the direction of the suggested short, intermediate and long term goals. Firm price controls on domestic crude would not worsen unemployment and inflation. Breaking the OPEC cartel would allow for expanded use of low cost (in terms of world resources) Middle East crude instead of expensive and environmentally damaging production of additional domestic crude (including Baltimore canyon-offshore New Jersey) strip-mined coal, and radioactive waste-producing nuclear plants.

COLUMBUS DAY, 1975

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. AMBRO. Mr. Speaker, on October 13, this Nation will once again pay tribute to Christopher Columbus, a man of vision and daring whose voyages literally and figuratively changed the shape of the world in which he lived and altered the course of history. In our own high specialized technological age it is easy to minimize the import of the lonely journeys undertaken by Columbus and his crew in their three small, fragile vessels, the *Nina*, the *Pinta*, and the *Santa Maria*. However, nearly five centuries ago, one man was determined to act in the face of superstition and ignorance and despite every attempt to discourage him sailed westward and discovered two new continents—a whole new world. Taken in proper perspective, Columbus' mission must be judged far more spectacular than our own landing of men on the Moon in 1969.

In 1492, Spain was in the grip of an Inquisition that seemed to herald the victory of ignorance and intolerance over sanity and reason. But also in 1492 the explorations begun by Christopher Columbus were to open up new civilizations of freedom and liberty which would set the standard for the entire world. It is not an overstatement to say that because of Christopher Columbus civilization took a giant step forward.

Several years ago, the Federal Government took a long-overdue step and officially extended national recognition to the exploits of Columbus by making the second Monday of each October a national holiday paying tribute to this great Italian explorer.

In celebrating this holiday, we are not only commemorating the deeds of Columbus, but also the contributions to American society of all of the millions of Italian-Americans who have immigrated to the United States. As we celebrate our Bicentennial as an independent Nation, it is fitting that we take notice of all of the different groups who have made this country their home, and added to its greatness as a society. Italian-Americans have participated in every phase of this Nation's growth and development, and are represented in prominent positions in the arts, government, commerce, and industry, and the religious world. Indeed, the first American to be canonized was the Italian-born Mother Cabrini. American society is richer by far for the contributions made by Italian-Americans, who, like Christopher Columbus, have brought to this Nation gifts of spirit and faith—of challenge and awakening.

Mr. Speaker, as we celebrate Columbus Day this year, it will be my privilege to be the honorary Grand Marshal of the Suffolk County Columbus Day Parade which, this year, as in the past, will have hundreds of participants from all over Long Island proudly proclaiming their tribute to Columbus and to the Italian-Americans who followed in his footsteps by coming to this land and contributing so very much to its betterment.

A TRIBUTE TO BENJAMIN H. SWIG

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. SCHEUER. Mr. Speaker, upon occasion we become aware of remarkable individuals in our society who have amassed impressive honors and achievements in the world of business, industry, and finance. The history of American private enterprise is star-studded with names of men and women who have risen to spectacular heights in their business endeavors.

Rarely, however, do these towering business leaders possess the capacity for social concern, enthusiasm, magnanimity and selflessness not only to excel in the world of business, but also to give unsparingly of their superb leadership qualities in civic and community service as Benjamin H. Swig of San Francisco. If America is viewed around the world as the legendary land of opportunity, then surely Ben Swig is living testimony to the truth of that legend.

Ben Swig is the owner and operator of the famed Fairmont Hotel in the center of San Francisco—long a gracious landmark in the thriving Golden Gate City. While raising a family of three children with his devoted late wife, Mae, and maintaining the Fairmont as one of the Nation's finest hostelries, Ben Swig has somehow found the time and energy to be a director or advisor to 70 educational, religious, social and civic organizations. And at the age of 81, when most others his age are consigned to a shawl and a wheelchair on the front porch, he remains an active board chairman of the Fairmont and president of three other hotel companies.

As a symptom of his unfailing dedication to his fellow citizens across the Nation—and especially in the State of Israel—Ben Swig has received more than 135 personal awards and commendations. To date, this man has been cited by a vast variety of Jewish and Catholic organizations, the Boys' Clubs, NAACP, the Republics of Italy, West Germany and Korea, as well as the city of Paris; the Selective Service System, the ROTC, the Veterans of Foreign Wars, the Eagles, and the Salvation Army. To list more, one must include the U.S. Army, Air Force, and Coast Guard, the Veterans' Administration, the National Conference of Christians and Jews, the Scottish Rite of Freemasonry, local newspapers and a host of other educational and civic organizations. So far he has been granted five honorary doctoral degrees from U.S. colleges and universities, and has been notable for his support of the Stanford Research Institute and the University of Santa Clara.

Ben Swig has earned the tribute and esteem of such diverse groups as the Association of the U.S. Army, the Order of Merit of the Italian Republic, and the Jerusalem Medal.

Ben Swig has been preeminent in his devotion and commitment to the creation and the development of the State of Israel to which he has given of his prodigious leadership, as well as continuing magnificent financial support for over more than half a century.

Ben Swig has crammed such achievement and service into his ebullient 81 years that he honors all of us who are his countrymen and his friends.

Ben Swig personifies the American Bicentennial—the 200th anniversary of a country in which a Ben Swig can grow and thrive, and serve his fellow men with such unbounded energy, enthusiasm and compassion.

Ben Swig's work and devotion to the goodness of America is an inspiration to us all.

It is a privilege to know this great American who is one of the truly inexhaustible natural resources in all our Nation.

PULASKI DAY, 1975

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. AMBRO. Mr. Speaker, on Saturday, October 11, we will mark the 196th anniversary of the death of that outstanding Polish patriot who gave his life for our country during our Revolutionary War, Count Casimir Pulaski. His name is known to Americans, and to all who value freedom, as a person whose selfless contributions and sacrifices personified the ideals which gave birth to our Nation.

Born in 1748 in Poland to an aristocratic and distinguished family, Count Pulaski turned his back on a life of leisure and ease and spent the 31 years of his life fighting to free his native land from the yoke of slavery, and then traveled thousands of miles to a strange new land to assist a small band of young Americans engaged in a similar battle. His decision to join the American revolutionists is explained in his own eloquent words:

> I would rather live free, or die for liberty. I suffer more because I cannot avenge myself against the tyranny of those who seek to oppress humanity. That is why I want to go to America.

In the summer of 1777, Pulaski volunteered as a private in Washington's army and distinguished himself at the Battle of Brandywine. The Continental Congress then granted him a commission as a brigadier general and placed him in charge of the fledgling American cavalry. Following additional military action, Pulaski organized an independent corps of calvary and light infantry—the Pulaski Legion—and contributed to the successes of the American military cause throughout 1778. His aggressive and daring action inspired his men and intimidated the enemy as he moved into the South in 1779. His courage and determination helped save Charleston, S.C., from a superior force. During the fierce siege of Savannah, Pulaski displayed undaunted courage in the face of fierce enemy resistance as he bravely led his cavalry into the thick of the battle. Mortally wounded, he was removed to the American brig *Wasp* where he died on October 11, 1799.

Casimir Pulaski, a Polish aristocrat fought and died for an American democracy. While he never lived to see a free America, he has become by virtue of his dedication and devotion, a true American hero and patriot. The banner of freedom Pulaski so dearly cherished and defended was passed on to other Poles who journeyed to the New World to search for personal liberty. Throughout this country, and in every walk of life, Polish Americans have contributed to the growth and progress of the Nation. Whenever the rallying call was "freedom" Polish Americans have answered eagerly and without hesitation. The heroic honor rolls of America's fallen sons during this century alone contain the names of multitudes of Polish Americans—just as the list of dead from the War of Independence contains the name of Count Casimir Pulaski and other who joined in the cause.

Mr. Speaker, I am honored to represent a congressional district which contains many Polish Americans. Like their ancestors and kinsmen throughout this Nation, these citizens have exhibited energy, industry, love of family and country, and devotion to duty which have added significant dimensions to the success of this great land. On this Pulaski Day, I salute a proud and gracious people.

MONDAY, OCTOBER 13, WE CELEBRATE COLUMBUS DAY

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. GIAIMO. Mr. Speaker, toward the end of the 15th century a self-made mariner from Italy dared the perils of the Atlantic and found a New World.

It is indeed appropriate that we have established the second Monday in October as a national holiday on which to reaffirm the faith, optimism, and creative vision which sustained Christopher Columbus on his journey and inspired his great achievement.

As an American of Italian extraction and as a participant on the official visit to Italy commemorating the first anniversary of the enactment of legislation declaring a new national holiday in honor of Christopher Columbus, I am particularly pleased to have played a part in establishing the official recognition we now annually give to this great Genoese navigator and explorer.

All Americans truly can share in the accomplishment of the man who led three fragile sailing ships to the shores of the Western Hemisphere 483 years ago this month, for the history of our country is the history of immigrants from other continents.

Overcoming uncharted seas and the threat of mutiny, Christopher Columbus symbolizes the independent spirit of America, the dedication to conviction and the perseverance in the face of adversity. His discovery opened the New World to the Old, and to the new idea that there could be established a land with opportunity for all and governmental authority vested in the people.

Mr. Speaker, Columbus Day offers all of us an opportunity to rededicate ourselves to the principles upon which our country is founded, and to the spirit which led to her founding.

A RESOLUTION OF PEACE

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HANSEN. Mr. Speaker, I bring to the attention of my colleagues and readers of the CONGRESSIONAL RECORD a resolution of peace from the Basque community of America.

The Basque community of America, Mr. Speaker, is estimated at a population of 10,000 to 12,000 and is centered in southern Idaho, eastern Oregon, and parts of Nevada. They are among our most stalwart citizens.

A leader of the Basque community is Idaho secretary of state, Pete Cenarrusa. In the following resolution, Mr. Cenarrusa challenges America to act on behalf of probably one of the smallest minorities in our country—the Basques—and an oppressed minority in Spain.

We have read the headlines of the terrorism, murders, and executions currently taking place in Spain. This is a most serious matter causing great concern among the people of this Nation and the world.

Being of the firm opinion that tyranny and violence must cease, I present the following resolution to open a discussion on behalf of the Basque community of America who are most concerned for the rights and safety of the Basques in Spain.

The resolution follows:

RESOLUTION ON BEHALF OF THE AMERICAN BASQUE COMMUNITY OF THE STATE OF IDAHO TO THE GOVERNMENT OF THE UNITED STATES

Whereas, the history and traditions of this nation rest upon the principles of freedom from oppression and the rights of all citizens to life, liberty and the pursuit of happiness; and

Whereas, we believe that democracy and freedom, when denied in one country, stand threatened everywhere; therefore, it is our responsibility to bring to the attention of the people of the entire world that these very freedoms of the Basque people are threatened under the Franco regime in Spain today; and

Whereas, the Basque people have a long and glorious history of personal accomplishment and a devotion to the preservation of their national heritage; and

Whereas, the Basques have been denied the right to learn their own language, have been jailed, and have been denied their human rights by the Franco regime and are virtually threatened in their continued existence; and

Whereas, the Basques, who once enjoyed the oldest democratic republic in Europe, fought for the Allies in World War II; and

Whereas, the current "State of Exception" in the Basque provinces of Spain is resulting in the complete denial of all basic and fundamental, civil and humanitarian rights, and the imprisonment and torture of thousands of men, women and children; and

Whereas, the government of the United States has recently concluded negotiating a mutual security agreement with the Spanish government, guaranteeing millions of dollars in economic and military aid; and

Whereas, the Basques and other citizens of the State of Idaho believe that the Basque traditions of democracy, humanity, charity and mercy should be allowed to be carried on by the Basque people of Spain.

Now, Therefore, Be It Resolved by the American Basque Community of the State of Idaho and of the United States that we voice our strong belief that as a nation we should reward our friends and not our enemies, and we deplore any free and democratic nation providing assistance to a ruthless, totalitarian government, directly or indirectly.

Be It Further Resolved, That we urge all steps be taken to cause the Spanish government to cease and desist the denial of the Universal Declaration of Human Rights of Man, and insist that total general amnesty for all Basques and Spaniards now imprisoned or exiled for their political and social activities be extended by the Franco government, as well as the right of habeas corpus. We further urge that steps be taken to cause the Spanish government to immediately revoke the "State of Exception" in the Basque provinces of Spain.

Be It Further Resolved that if such steps are not carried out, the President of the United States, the Secretary of State, and the Congress of the United States take all necessary steps to withdraw all foreign aid and benefits to the Spanish dictatorship, and that the American government join the nations of Free Europe in severing diplomatic relations with the Spanish government, and further demand the expulsion of Spain from the United Nations.

100TH ANNIVERSARY OF ST. JOHN'S CHURCH

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. McKINNEY. Mr. Speaker, on October 18, the Rev. William A. Nagle is prepared to celebrate the centennial observance of the founding of St. John's Church, a church that has clearly become a landmark in the city of Stamford. I join with many others in wishing Reverend Nagle well in such a joyous occasion to commemorate the founding of a church so rich in history and tradition.

Truly a church created for and from the community, St. John's was founded over 100 years ago by Irish immigrants who came to settle near the center of town. Thus, from its beginnings, St. John's Church occupied a central location and grew along with the community surrounding it. By the 1870's the congregation has increased considerably, as a result of which the Rev. John Fagen, then pastor, recognized the need for a larger church. In a joint effort with the community, Reverend Fagen purchased the Atlantic Street property, its present location, and oversaw the original stages of construction. Although he did not live long enough to witness the completed structure, his successor, the Rev. Michael A. Tierney, made the church ready for dedication in 1875.

Over the years numerous changes have

taken place in the surrounding community that affected the parish church. In the 1960's approximately 4,000 families attended St. John's, but by the last census the figure had dwindled to a low of 905. The church that began with the community had started to disintegrate along with it. However, with the recent revitalization of the area and the construction of the superblock complex, St. John's is once again enjoying a resurgence in membership, drawing worshippers, as before, from the downtown area. To further establish its link with the entire community, St. John's, in 1971, abandoned the parish church and became one of the founding members of the Stamford Catholic Regional School System, Inc.

It is truly fitting and refreshing that on the eve of its centennial, St. John's once again stands committed to its original goal—to serve the needs of an evergrowing and newly vitalized community.

DELEGATE TO THE 15TH CONFERENCE ON MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. BADILLO. Mr. Speaker, from March 27–31 of this year, I was privileged to be a delegate to the 15th conference of the Mexico-United States Interparliamentary Group in Campeche, Mexico.

I would like to quote from the final joint statement by the heads of the Mexican and U.S. delegations:

> Ocean resources constitute a basic source of food for human consumption. It is therefore necessary to rationalize exploitation of these resources so that optimum and lasting yields can be obtained. Consequently, it is essential that at this stage of the Third United Nations Conference on the Law of the Sea, presently being held in Geneva, a compromise formula be achieved. A broad-based law of the sea treaty, founded on the principles of justice and equality, must be concluded as soon as possible.

The statement also says,

> Both delegations affirm that the points of agreement between our respective countries are far more numerous and far more profound than the points of disagreement, and both commend to their respective nations full consideration of that fact.

That to me is of critical importance. Our relations with Mexico continue to improve, and it is in our best interests that they continue to do so. I am fearful that were we to unilaterally institute a 200-mile limit on our waters, we would be tempting the Mexican Chamber of Deputies to retaliate. Our countries are too close, both physically and diplomatically, and our waters run together, literally and figuratively.

Mr. Speaker, there are many persuasive arguments on both sides of this very sensitive issue. But I have concluded that it is in the greater interest of this country, and its neighbors, to rely on the recommendations of the Law of the Sea Conference to set international policy. Therefore, I shall vote against this bill.

ENOUGH TO MAKE A MAN CRY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HANSEN. Mr. Speaker, the following letter from my constituent, Warren Barry, a small businessman in Twin Falls, Idaho, outlines his frustrations over what we are doing to him here with more and more rules and regulations.

It is enough to make a grown man cry.

Your day must have been better than mine, but perhaps you would like to share some of the problems that face any small businessman on any given day, particularly Monday.

First, my yard foreman walked in and announced that two men we had employed last week had quit on Friday evening. One indicated that he could get food stamps and unemployment. With a little welfare, he would not have to work for some time. The other had some unemployment coming from another job, and with food stamps, he did not have to work that hard. Off I go to the local Employment Security Agency, where I go through a whole waiting room of able-bodied people signing up for unemployment, in order to try and place an order for two men to work. My contact shrugs his shoulders and says he will find some men but that he has a whole list of unfilled jobs.

I return to my desk where I have the new requirements of the Equal Employment Opportunity Commission and we are trying to design a new job application form. Under your new requirements, it might as well be blank. We cannot, without being discriminatory, ask a person's sex, marital status, whether or not they have children, a person's physical condition, his criminal record, military status, age; except if over 18 and whether or not he owns his own home. How would you like to employ someone on your staff and not be able to know any of the above? We really need to know something about the people we hire for they are entrusted with our valuable material or money.

When I finish trying to work out this form, I will have to try to help design a new credit application to comply with the new Fair Credit Billing Act. We are told we cannot ask age, welfare status, sex, marital status, whether they own or rent, number of children, and we must respond to all applications in writing, within 30 days whether there is any available information or not. How would you like to try and operate and extend credit under these conditions? How can anyone hope to make any semblance of intelligent determination as to who constitutes a reasonable credit risk?

If there is any time left, I should run out into the yard and see if there are any saws left without a guard or storage rails left open for OSHA is due here any time again.

All we need is a little more Government harassment and regulation and our day would be complete. I really hope your day in Washington is better than mine here in Twin Falls.

CENTENNIAL FESTIVAL SERVICE AT ST. JOHN'S EVANGELICAL LUTHERAN CHURCH OF CHICAGO

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. ANNUNZIO. Mr. Speaker, I had the privilege to participate on Sunday, October 5, in the Centennial Celebration of St. John's Evangelical Lutheran Church located in the 11th Congressional District of Illinois which I have the privilege to represent.

St. John's Evangelical Lutheran Church has been serving the spiritual needs of our community for 100 years. Many of the parishioners who participated in the Centennial Service on October 5 were born in the vicinity of St. John's and are still members of the parish.

Dr. Oswald C. J. Hoffman, Lutheran Hour Speaker, St. Louis Mo., was present on Sunday, October 5, when the festival services were held, and gave a most stirring sermon which was appreciated by all of the parishioners.

Dr. John H. Lutz, Head pastor of St. John's, who has served as pastor since 1956, welcomed me at the door, and I was also greeted by Associate Pastor Hillman Fishher. At the end of the service, I had the privilege of addressing the parishioners for a few minutes.

I pointed out that the future of democracy is in the hands of the church because only the church can keep families together, and when families remain united, the church derives strength from that unity, just as democracy grows stronger because of that same unity.

It was a source of great inspiration to me to note that each of the parishioners had contributed in some way to the centennial observance of St. John's. I would like to mention especially that one of the parishioners, Ronald Prochnow, composed the "Anniversary Hymn" in honor of the occasion, and another parishioner, Don Pergande, designed the cover and did the artwork for the program.

Additionally, a "Centennial Proclamation" was written by Harold Weimer, president of St. John's Evangelical Lutheran Church; the members of the Murk Family will be serving on October 10 as centennial banquet entertainers; Henry Blanke, Sr., pastor of St. John's since 1937 and now pastor emeritus, will be the speaker at the October 10 centennial banquet; a special film "100 Years at St. John's" was produced by Mr. and Mrs. Charles Herron and will be shown on October 5; and many other fine events have been planned from now through September 1976 in observance of St. John's centennial year which began on October 3, 1975.

Since June 3, 1875, when St. John's was established to serve the spiritual needs of the community northwest of Chicago known as Mayfair in the township of Jefferson, it has performed an outstanding service to our community. Although I have mentioned only a few persons here because of limited space, I want to emphasize that St. John's has been successful in serving the needs of our community because the parishioners themselves, in their own individual way, have contributed to the growth and stability of St. John's, which in turn has enabled their church to better serve their own needs.

I am pleased to have this opportunity to extend my best wishes to the parishioners of St. John's on reaching this milestone and in expressing the conviction that the strength of their heritage will enable them to continue to meet the challenges of the future with the same vision, determination, and good will that they have demonstrated in the past.

TALCOTT LAUDS NAVY BICENTENNIAL

HON. BURT L. TALCOTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. TALCOTT. Mr. Speaker, 200 years ago next Monday the Continental Congress presided over the birth of the U.S. Navy when they voted to arm a single "swift sailing vessel, to carry 10 carriage guns." That action, taken two centuries ago, set the course under which Navy men have swept the seas, and carried the Stars and Stripes to every part of this world, and well beyond.

In those early days a small group of brave men carried the fight to America's enemies, wherever they could be found. John Paul Jones, the father of the U.S. Navy, was to say on December 3, 1775, when he hoisted the American flag for the first time over the flagship *Alfred*, "I hoisted with my own hands the flag of freedom!" Later, in command of the *Bon Homme Richard*, he carried the battle to the very shores of the British Isles, and made good his boast, "Give me a fast ship, for I intend to go in harm's way."

The Continental Navy was a first step in a journey to freedom for America, and to honor and glory for those who would wear the Navy blue through the centuries. Mastery of the seas, and control of the sealanes, will always be critical to our survival as a free nation. The vast size of our country reduces our absolute need for foreign commerce, but our society and our economy have been based on a full and free commerce and communication with nations in all parts of the world. From time to time we have had to meet challenges from many sources to that freedom of the seas, but each time the U.S. Navy has carried the day.

Today, just as 200 years ago, America depends on a select group of blue water sailors to show the flag throughout the globe, and to defend American rights wherever they might be threatened. Today's Navy man is better equipped, better educated, and better supplied than John Paul Jones and his colleagues. But they are equally brave and equally able to survive any challenge to the flag.

Mr. Speaker, I join President Ford, Defense Secretary Schlesinger, and Navy Secretary Middendorf in commending the officers and men of the Navy on their bicentennial, and in telling them "well done."

THE UNITED STATES AND THE THIRD WORLD

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. DIGGS. Mr. Speaker, the following statement on "The Changing International System and America's Role," by Zbigniew Brzezinski, one of this country's foremost commentators on international affairs is, I think, exemplary of the kind of serious consideration the United States needs to display on a sustained basis with respect to the plight of the developing countries of Africa, Asia and Latin America. Our approach to the Third World must be a positive one of cooperation instead of confrontation, which can only prove counterproductive to America's long-term national interest. With the blurring of East-West polarity, North-South tensions between developed and developing countries increasingly defines international conflict, thereby demanding a coherent U.S. policy. Secretary of State Kissinger's proposals delivered to the U.N. special session on economic issues was an excellent beginning. However, as the following essay points out, that will not be sufficient:

[From the New York Times, Oct. 5, 1975]

THE CHANGING INTERNATIONAL SYSTEM AND AMERICA'S ROLE

(By Zbigniew Brzezinski)

The recently concluded debate in the special United Nations General Assembly concerning "the new world economic order" highlights the basic change that is now taking place in the international system as a whole. It is important that Americans see this change in its proper historical perspective and also appreciate its far-reaching and longer-term consequences.

The essence of that change can be expressed as follows: The international system is changing from a system designed to promote interstate peace to a system also designed to promote intrastate progress; from a system designed to make possible greater global economic productivity to a system also designed to enhance greater economic equity.

Changes of such historic proportions do not come about easily, nor can they be given in advance a precise definition. The process of transformation will necessarily involve protracted debates, clashing interests and values. It is bound to be full of inconsistencies and paradoxes.

For example, one of the most cherished principles of international politics is that of sovereignty and noninterference.

The new nations are particularly sensitive about it. Yet it is also these nations that are especially insistent that the international system increasingly shift the focus of its concern from a preoccupation with the preservation of peace to a greater concern with the promotion of global development, especially in order to obviate the existing inequalities in the material conditions of humanity.

To accomplish that objective, closer cooperation among nations, and a measure of interference in the internal affairs of some by others, will almost be inevitable.

Just as in our domestic societies, the shift from a government concerned with the preservation of order to a government concerned with the promotion of welfare has involved inevitably an expansion in the government's scope of social interference, so on the global scene the assumption of new responsibilities by the "system" vis-a-vis its participants is bound to involve limitations on national sovereignty, contrary to the desires of the elites of the many new nations.

The shift from an emphasis on productivity to a greater concern with global equity is similarly not going to be easy. A rapidly expanding world product is certainly less difficult to divide than one which grows more slowly. Yet lower rates of growth are likely in a system in which considerations other than those bearing on productivity are the point of departure for international economic decisions, and this will make more equitable and voluntary distribution of global wealth more difficult to achieve. The result might well be more conflicting demands and less chance of compromise.

These are thus changes of truly major dimensions; they involve changes both in basic values and in processes. Moreover, some of them are likely to be in conflict with our domestic standards and views.

Many might feel that international arrangements should not be concerned with social progress nor that we should sacrifice productivity to equity. Yet we must also realize that these changes are inherent in the far-reaching transformation of the political character of the globe that has been taking place during the century.

Until quite recently most of the globe's population has been politically pliant. This is now less and less the case—be it in Papua New Guinea or Bangladesh or in Portugal. We are witnessing today a rapid expansion in political awareness and an increasing activation of hitherto dormant masses.

Unlike the initial phases of the Industrial Revolution, when the way people lived tended to change more rapidly than how they thought, today—because of mass communications and education—the way people think is changing more rapidly than how they live. All this makes for higher political awareness, increasingly focused on the desire to eliminate the enormous disparities in the global standard of living.

This general mood is channeled through sovereign states, which today number approximately 150 and provide the basic framework for the political organization of mankind. The rapid expansion in the number of states from approximately 40 to 150 in the last 30 years, thereby altering drastically the distribution of voting power in the United Nations, has further enhanced the pressures for the transformation of the international system, of which the recent special General Assembly session is but the latest symptom.

The American response to these changes has been hesitant and, until very recently, lacking in foresight. The basic predisposition has been to avoid facing the emerging realities, to delay change, to use the Organization of Petroleum Exporting countries as a specter, rather than to try to give more positive and responsible direction to the inflamed emotions and often unrealistic aspirations that these fundamental changes have been generating.

This is why the recent American initiative taken in the special General Assembly is so much to be welcomed. The speech presented by Ambassador Daniel P. Moynihan on Secretary of State Kissinger's behalf, in which the United States called for the creation to assure the developing countries greater opportunity and stability for their development, contained a realistic and thoughtful program, though much overdue.

It received, deservingly, a positive response, and it averted an immediate and divisive North-South confrontation. It helped to focus debate on practical and serious aspects of the problem, searching for concrete solutions, and avoiding the rhetoric either of confrontation or of illusion.

It represented a much-needed step toward a more responsible—and less doctrinaire—discussion of what can be changed in the existing global arrangements.

It would be wrong, however, to assume that the danger inherent in the pressures for a fundamental transformation of the international system has been averted. The United States has bought time, and that in itself is a precious thing and a major accomplishment.

But should it turn out that all that the United States had in mind was to buy time, should it turn out that the measures proposed to the United Nations by Mr. Kissinger have been essentially of a cosmetic character, then the long-range costs of the disappointment and iritation thereby engendered will be enormous.

A new and more violent cycle of confrontations will be set in motion, with the United States threatened increasingly by isolation and worldwide hostility.

This danger was averted during the special session and the contrast between the thoughtful presentation of the United States and the totally empty Soviet rhetoric spoke well for the United States and for its role in the world.

What is now needed is sustained and serious follow-through, based on Congressional suport and broad popular understanding of the need for a truly historical effort to update and reform the international system.

In the post-Vietnam mood of abnegation made grimmer by the present recession, the notion that American initiative and leadership are needed might not be very popular—but their absence could make for an international system that provides neither peace nor progress.

CASIMIR PULASKI DAY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. BLANCHARD. Mr. Speaker, on Saturday, October 11, Polish Americans will honor one of our country's greatest Revolutionary heroes—Casimir Pulaski.

Casimir Pulaski is rightly honored, not only as a patriot of our Nation's youth, but also as a man who risked, and finally gave, his life to the cause of freedom for the oppressed of his own nation and others.

In Poland, he joined at a youthful age in open rebellion against Russian domination of that country. Although his efforts met with failure, he persisted for several years in attempts to rouse opposition to Russia's autocratic monarchy.

After being reduced to poverty, he joined the Continental Army as a volunteer in 1777, at a time when freedom fighters from many nations were joining the cause of the united colonies.

During the following 2 years, he advanced to the rank of brigadier general before being fatally wounded in the Battle of Savannah.

Mr. Speaker, it is a mark of the great good fortune of our Nation in its early years that men of the caliber of Casimir Pulaski were attracted to its battle for freedom.

The debt we owe to Casimir Pulaski and others can never be fully repaid.

Today, as a mature Nation of many creeds, cultures and peoples, America has reached the greatness which they foresaw so many years ago.

Let us, therefore, join with all Americans of Polish descent in paying deserved tribute to a great and courageous American—Casimir Pulaski.

SUPPORT OF HOUSE RESOLUTION 683

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. JOHN L. BURTON. Mr. Speaker, I supported House Joint Resolution 683 which provides congressional approval for the utilization of 200 volunteer civilian personnel who are private contractors to monitor the Sinai Peace Agreement between Egypt and Israel.

This resolution and the committee report clearly states that the approval of House Joint Resolution 683 in no way commits the Congress or this Nation to any action besides the authorization of up to 200 volunteer civilians to serve as private contractors to monitor the peace agreement.

The basis for my support is the fact that both sides involved in the Israeli-Egyptian War sought utilization of volunteer American civilians and that these persons would solely be volunteers monitoring the peace and serving the cause of peace.

As an early opponent of American involvement in Vietnam, where this country sent military advisors to provide aid and support in a war on the side of one of the combatants, I can, and easily do, distinguish America's role in South Vietnam where we were, in fact, initially providing military advisers, and wound up as combatants ourselves, from the peacekeeping role of these civilian technicians.

One of the greatest threats to world peace is the Middle East. I do not say that the Sinai Agreement would guarantee peace in that area. I do feel, however, that this agreement between Israel and Egypt for the first time provides a basis and possibility for lasting peace in that troubled part of the world. It is definitely in the best interest of our Nation to help bring stability through peace not only to that area of the world, but to all peoples. Should a new major war break out in the Middle East, there is no telling whether or not it would be confined to that section of the world, or would in fact trigger a nuclear holocaust.

Since the early 1960's I have been active in the peace movement and in the fight for nuclear disarmament. I feel that my vote on this issue is consistent with my dedication to the cause of peace. Throughout the years, the instability and off-and-on conflict in the Middle East has caused great concern to the people of this Nation, and great amounts of taxpayers' dollars.

A program of lasting peace in the Middle East would not only lessen the possibilities of potential nuclear holocaust, but would also have the effect, in my judgment, of lessening American expenditures in that area, as well as having an impact on the economic blackmail of the oil-producing nations in the Middle East.

As the committee report and floor debate have brought out, the adoption of this resolution in no way commits one American military person to be involved in the Middle East conflict. I would point out that at the present time there are as many as 20 to 30 Americans serving in the United Nations peace-keeping buffer force in the Sinai area. Therefore, the introduction of volunteer civilians to the Sinai to help monitor the peace agreement in no way can be considered as opening the door to American military involvement. Rather, I consider the Sinai Agreement to be the first time the door of opportunity to lasting peace in the Middle East has been opened in almost 30 years. This can only benefit this Nation and all the nations of the world.

THE VALUE OF THE BREEDER REACTOR CONCEPT

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. HORTON. Mr. Speaker, the October issue of Fortune contains two comprehensive articles by Dr. Ralph E. Lapp on uranium availability and the potential of the breeder reactor in providing virtually limitless sources of energy from the nuclear fission process. Dr. Lapp is a nuclear physicist with nuclear experience extending back to the development of our first nuclear weapon. He has for the past decade concentrated on fossil fuel sources.

The two complementary articles are entitled, "It's a Long Haul From Mine to Reactor" and "We May Find Ourselves Short of Uranium, Too." I highly commend them to all who are interested in solving the serious energy dilemma we face.

I would like to invite special attention to Dr. Lapp's comments on the potential of the power breeder reactor. The two paragraphs I am referring to are the following:

> Among other things, the power breeder would let us tap the energy in the uranium tailings that are now stored in 20,500 green-painted steel vessels at Oak Ridge and other sites. These vessels contain over 200,000 tons of discarded uranium. Since its U 235 content has been depleted, the uranium is not useful at present as a nuclear fuel and lies in a dormant condition.
>
> This stockpile of uranium tailings can be used for plutonium production in future power breeders—a technological metamorphosis that would convert the dormant uranium into energy equal to that in over 400 *billion* tons of coal. That's about as much coal as the U.S. has underground in recoverable form—and the tailings are all above ground, neatly packaged, ready for future use. If the dormant uranium in U.S. stockpiles were valued at the equivalent price of $50 per ton of coal, a price that some utilities have already had to pay in the spot market, then it represents a fuel asset worth $20 trillion. Yet opponents of the power breeder carp at the $10-billion cost of the breeder development.

In other words completing the development of the breeder reactor and putting it into use will provide a virtually limitless supply of energy without digging one more shovel of uranium. The relative cost of obtaining the breeder reactor versus its potential monetary value when figured in terms of equivalent energy costs is one very important point to keep in mind also. The data indicates that at a cost of approximately $10 billion to complete the development job the energy value such a system will produce will approach $20 trillion. It is difficult to understand that there are those objecting to investing the $10 billion for completing the job of developing the breeder, which is now in the final commercialization stages, considering the importance of the breeder to the future of our Nation.

THE BUSIEST AIRPORT IN THE WORLD

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. MILFORD. Mr. Speaker, Members of Congress from New York, Chicago, Los Angeles, Dallas or Fort Worth, and Atlanta often brag about their busy airports. O'Hare International, in Chicago, currently claims to be the busiest airport in the world, with an average of 1,890 aircraft operations per day. O'Hare is followed by Los Angeles with 1,357 operations; Atlanta with 1,287; and New York's Kennedy with 1,009 operations per day.

On any given day each of these huge airports must groundmaneuver and park up to 250 airplanes—mostly huge jetliners—on the field at one time. Literally thousands of people including FAA air traffic controllers, ramp attendants, dispatchers, fuel service personnel, baggage handlers, food service people, mechanics, meteorologists and a horde of others are required to keep the planes landing, parking, taxiing, and taking off.

I think all Members, plus thousands of aviation pundits are going to be shocked to learn that the busiest airport in the world is Whittman Field in Oshkosh, Wis.

Now while you are digging out your magnifying glass to search the map for Oshkosh, Wis., let me hasten to add that the entire full-time airport operation's crew members less than 100—plus one walkie-talkie-equipped character in a topless red Volkswagen.

While O'Hare, with its estimated full time operations personnel complement of 34,000 people—Chicago's second largest employer—moves more than 1,890 airplanes in and out of the field each day, and parks about 250. I was present at Whittman Field the day that 16,232 airplanes moved in or out of the field and over 5,000 airplanes had to be parked.

How is such a miracle possible? Well, it starts with the walkie-talkie-equipped character in the topless red Volkswagen.

The name of this miracle man is Paul H. Poberenzy. He is the founder and president of the Experimental Aircraft Association—EAA.

EAA is a world wide organization with over 43,000 active members and over 500 local chapters in the Free World.

The EAA'ers, as they call themselves, are a dedicated group. To say that they are flying enthusiasts would be a vast understatement. Many people like to fly and such a love is, indeed, not uncommon. The EAA'ers not only like to fly, but also like to build their own airplanes, or to redesign and modify an existing aircraft model, or restore and resurrect an aircraft of the past, or—in the last resort—to keep his standard make aircraft in superior mechanical condition.

In short, the EAA'er is a modern-day pioneer. He continues to seek the greener pastures of aviation—not in the sense of an idle dreamer, but as a practical engineer seeking the perfect machine.

I think it is very important to emphasize at this point, that the EAA'er is usually not an engineer or even a qualified aircraft mechanic. With very few exceptions they are among the nameless faceless horde of people, with whom most of us are in contact each day. They usually—but not always—are capable pilots.

Amateur aircraft building began in 1903 when a couple of bicycle mechanics got the peculiar notion that they could build an apparatus that would fly—and did.

The EAA'ers are purists, perfectionists, and, insatiable explorers. As far as they are concerned an airplane must be of the highest caliber, best design, and maintained to perfection with tender loving care. Every spare moment of his time away from work and family is devoted to his dedication of "making it better."

In the mind of typical EAA'ers, the perfect airplane is the one he is currently building, restoring or modifying. This notion prevails—until he finishes his project. Usually a few hours of flying time, after he completes his months, sometimes years of building, the restless EAA'er begins to think of a way or an idea that would make his plane "better." More often than not, the plane goes back to his hobby workshop in his home garage or whatever nook he has been able to obtain to do his work.

The amateur aircraft builders' insatiable appetite for perfection, his unquenchable thirst for improvement, and his never-ending love for flying has been one of the staunch cornerposts of this Nation's lead in aviation technology. He is the restless "tinkerer," in the junky home garage work shop or the cluttered back rooms of old hangars, who becomes the inventor of innovations which create jumbo jets and SST's. The products and ideas of the amateur aircraft builder are primarily responsible for America's vast lead in the use of general aviation airplanes.

Now let us return to the "World's Busiest Airport" and its unlikely location at Oshkosh, Wis. Particularly, let us return to the walkie-talkie-equipped character in the topless red Volkswagen with a name few can pronounce—Paul Poberenzy.

We often read in the newspapers about the "leaders" in Washington, or in the statehouses and courthouses of our Nation. We also often read of the leaders in business or industry. But Paul Poberenzy is the type of true leader that few citizens have ever heard about. His name is never seen in banner headlines of our newspapers or heard on the national TV newscasts. Yet, his work and dedication have indirectly brought about a major impact on our entire national economy. As the President of the Experimental Aircraft Association—EAA—he is the leader, the dean, of the airplane tinkerers of the world. Paul is a pretty good psychologist and observer, too. His keen sense, in his respect, in fact, was the germ that spawned EAA.

The amateur aircraft builder has a basic psychological need—he has got to exchange ideas with others possessing similar interests. The psychologists have a fancy term for this need, but most people would simply call it the ability to "think out loud." By talking to others, with mutual interests, we clarify our own thinking, share ideas, and thereby move on into uncharted areas.

The amateur aircraft builder, who is normally not trained in either aircraft engineering or mechanics, has a peculiar problem. He has to begin by self-study in aviation basics. What is more, the amateur receives little or no help from professional aircraft mechanics and engineers.

As any person that frequents an airport can tell you, the professional aircraft mechanic is most often a "loner." He does not usually like to talk to people. He makes his living because of his knowledge and skill. His income is directly dependent on "time applied to task." In short, he does not like to discuss his work with people in general and the amateur aircraft builder in particular.

The professional aviation engineer, designer or aerodynamist is also a person with a "hang-up." He usually can communicate only by means of mathematics, formulas, and accepted theories. The amateur simply cannot understand him. Therefore, the amateur aircraft builder and tinkerer seeks out others with amateur interests to satisfy the psychological need to exchange ideas.

In 1953, Paul Poberenzy recognized this need and founded the Experimental Aircraft Association, beginning as a small group of enthusiasts at Milwaukee's Timmerman Field.

This year the annual Experimental Aircraft Association met—at the "World's Busiest Airport" and attracted 275,000 aviation enthusiasts. A total of 1,338 home-built airplanes were on display by owners who had spent months and years building, restoring, and modifying them. This does not count some 4,000 other aircraft parked during the "fly-in" in every nook and cranny of the 700 acres allotted to convention operation at Whittman Field's 1,100-acre airfield. Nor does it count the 8,000-plus transient aircraft that flew in and out of Whittman Field during the one-week event.

In the general public area was the new and much expanded commercial exhibit building which this year housed 162 booths. This was certainly a big step from the days when the convention was held at Rockford, Ill. and a few EAA members spread their wares out on the dirt floor in a tent. Displaying their products this year were such well-known aviation names as Collins Radio, Beech Aircraft, Piper, Bellanca, Mooney, Taylorcraft, Grumman-American, Champion Spark Plug, FAA, Private Pilot, and Air Progress magazines, Teledyne Continental, AVCO, Lycoming. Narco, Avionics, NASA, Bendix Corp., and many others. There were a total of 197 exhibits, 148 of which were located in the building.

One of the highlights of the convention this year, and every year, are the forums conducted simultaneously in the various areas of the convention site and which provides a wealth of information for the veteran aviation enthusiasts and the newcomers. These forums covered every aspect of sport aircraft, including design, operation, maintenance, and construction. Present were numerous designers of custom-built aircraft and who fielded questions and led discussions on their brands of sport aircraft. These included such names as Ken Rand, Ladislao Pazmany, Bob Bushby, John Monnett, John Dyke, Jim Bede, Pete Bowers, Dick VanGrunsven, Molt Taylor, Nick D'Apuzzo, LaMar Steen, Dr. Igor Bensen, Steve Whittman, Jim Osborne, Burt Rutan, Gene Turner, Jim Miller, and many others. All of these men contributed greatly to the central theme of the convention education. Where else could one go and benefit from this type of experience?

If you could have seen the beehive of activity this year at Whittman Field's EAA convention and fly-in, you would quickly agree that it is the "busiest airport in the world." The visual mosaic is a flight pattern of homebuilt and antique aircraft to the south and east with landings on runway 18, simultaneously with itinerant aircraft streaming in to a landing on runway 27, with an occasional departure sandwiched in between—all of this coordinated by a special team of FAA air traffic controllers brought to Oshkosh to help the local controllers during this gargantuan event. One has to agree that to experience 7 days of this incredible activity with only one mishap—and that due to vortex from a helicopter—is a mind boggling feat. The uninitiated might call it luck. But it certainly is not. If you knew the background you would know that it was strictly the result of careful planning and adherence to procedures developed and executed for this event—plus the walkie-talkie-equipped character running around in his topless red Volkswagen, Paul Poberenzy. Red One, as he is known, is never without his walkie-talkie and his little VW touring car. He is visible to all and just his "being there" keeps everyone in line because of a deep respect for him and for what EAA represents.

During these 7 days, there is a daily briefing of all pilots who are going to fly locally, and after they thoroughly understand the "rules for the day" each pilot is issued a colored card—a "pass" which must be shown to the traffic controller for permission to taxi into position for takeoff. In addition to the tower operation, another crew of controllers are stationed at the takeoff ends of the runways to direct traffic by visual means—paddles—similar to landing and takeoff on a Navy aircraft carrier.

A final observation will confirm my statement that Paul Poberenzy is, indeed, a major leader. As the mingling mass of 275,000 fascinated visitors gaped at airplanes, ate tons of hot dogs and drank barrels of soft drinks, not a single piece of debris could be found on the ground.

We have all seen pictures of the vacated ground following rock festivals, county fairs and other public gatherings. The area usually looks like the results of a tornado moving across the city dump.

While Paul Poberenzy has no legally vested authority or commission, true leadership became evident as he marshalled hundreds of disciplined and dedicated volunteers to man the often menial tasks required to keep the show going. Parking cars, hauling trash, directing traffic, moving booths, acting as messengers and keeping kids out of propellers were just a few of the volunteer tasks.

The entire crowd became "volunteer" in the sense that they were constantly reminded not to throw trash on the ground. If someone ignored the request or forgot to comply, a nearby EEA'er would remind him or simply pick up the trash and place it in a deposit. Even the so-called "high and mighty" were not exempt. One U.S. Congressman threw an empty cigarette package away, only to be promptly reminded by an EEA'er: "We do not throw paper on the ground here, sir." The EEA'er picked up the paper. The Congressman's resulting embarrassment will forever remind him that paper should never be thrown on the ground anywhere.

While New York, Chicago, Dallas-Fort Worth and Los Angeles will continue to regularly employ thousands of people to handle their flights, they can no longer boast of being the busiest. The world's busiest airport at Oshkosh, Wis., will be breaking new records again next year with its complement of a few regular employees, a horde of dedicated volunteers and a walkie-talkie-equipped character in a topless red Volkswagen.

GILMAN SUPPORTS SCHOOL LUNCHES AND NUTRITION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. GILMAN. Mr. Speaker, this week, along with a vast majority of my colleagues in both Houses, I voted to override the President's veto of the National School Lunch and Nutrition Act and amendments. While I staunchly support fiscal responsibility and have sought a reduction in the Federal budget, I believe that the veto of this vital measure was improper.

The National School Lunch and Child Nutrition Act assures a proper diet for a large number of women and children throughout our Nation. In southeastern New York alone, some 50,000 youngsters and women will be able to continue to receive assistance through the national school lunch and milk programs, the women, infants and children—WIC—program, Head Start, and other day care programs as well as programs sponsored by a large number of hospitals, shelters, and orphanages. Without this funding, these programs would all be substantially curtailed and some of these programs would be discontinued completely.

In this time of economic stress, it is of utmost importance to closely scrutinize both the costs and benefits of all new and existing Federal programs. Along with my colleagues, I concur that the cost of the School Lunch and Child Nutrition Act is but a small price to pay to make certain that our Nation receives a sound diet. Sound bodies and sound minds will help us build a better nation.

TECHNICIANS TO SINAI

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. PRESSLER. Mr. Speaker, my purpose in voting against sending technicians to Sinai was in no way based on a lack of support of Israel or desire for peace in the Middle East. It is based on some very firm convictions that I acquired while serving in the Army in Vietnam. I am very skeptical about stationing U.S. personnel overseas at this particular point. I would support sending U.N. personnel or a consortium of nations' personnel. I realize that this delicate agreement requires that Americans be sent to Sinai; and I also realize that supporters of the bill felt that the whole thing might fall through if we do not send U.S. personnel. The bill passed overwhelmingly and if that is the sense of the Congress, I will certainly give support to our people who are over there.

I wanted to make it very clear that my objections were in no way based on any weakening of my support for the State of Israel nor were they in any way based on a lack of desire for peace in the Middle East. I believe that the United States has vital interests in seeing that there be peace in the Middle East.

CONSTRUCTION INDUSTRY STABILIZATION ACT

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 9, 1975

Mr. McDADE. Mr. Speaker, I was unavoidably detained and unable to cast my vote in favor of H.R. 9500, the Construction Industry Stabilization Act, on Tuesday, October 7, 1975. I wish to clarify for the record, that had I been present, I would have voted aye.